

# Consolidated non-financial statement

drawn up pursuant to articles 3 and 4 of Legislative Decree 254/16

Sustainability report as of 31 March 2021



## Index

<b>Letter from the President .....</b>	<b>2</b>
Methodological note.....	3
<b>1. The Piquadro Group .....</b>	<b>6</b>
1.1 The Group's background and values .....	7
1.2 The Ethical management of our business .....	11
1.3 Compliance and risk management.....	18
1.4 Our stakeholders and materiality analysis.....	23
1.5 Creating value.....	30
<b>2. Quality, Innovation and Research of the Products.....</b>	<b>34</b>
2.1 Quality of our products, .....	34
2.2 Research and Development.....	36
2.3 Piquadro .....	39
2.4 The Bridge .....	41
2.5 Lancel Group .....	43
2.6 Customer experience.....	45
<b>3. People, diversity and inclusion.....</b>	<b>48</b>
3.1 Our people .....	51
3.2 Employee Management and Development .....	55
3.3 Employee well-being and equal opportunities .....	57
3.4 Health and safety at work.....	60
<b>4. Sustainable supply chain and environmental responsibility.....</b>	<b>63</b>
4.1 The transparent and sustainable management of the supply chain.....	63
4.2 Responsible material consumption .....	67
4.3 Energy management.....	69
4.4 Emissions into the atmosphere .....	71
4.5 Waste management.....	72
<b>5. The link with the territory .....</b>	<b>74</b>
<b>GRI Content Index.....</b>	<b>76</b>
<b>Auditing Company Report.....</b>	<b>84</b>

## Letter from the President

The year 2020-2021 was a gruelling year that struck us all profoundly. This was a year that notwithstanding its severity, it in any event had limited effects on the financial results and did not tarnish the way we are facing the future. We have remained solid and ready to start again with the enthusiasm and passion that distinguishes us.

The uncertainty that the pandemic crisis generated has led us to give priority to the most important things, to the values that characterize us the most. Amongst these are those concerning sustainability in its broadest meaning. Today we have understood more profoundly that they form a fundamental pillar for our future and of the strategy of the Piquadro Group. Sustainability implies respect for the health of workers and consumers and for human rights and the rights of the environment. We believe that today it is our responsibility to promote a sustainable innovation, and hence a cultural change that, in keeping with profit, places respect for the environment and social progress in the top position in order to guarantee a future for the generations to come, a commitment that begins from product design and that involves an individual attitude.

Despite the crisis generated by the pandemic emergency, in 2020-2021 we continued to strengthen our research and development activity that has evolved starting from the basis of the previous innovations (PQ-BIOS collection) and arriving at the point of making almost all of the collections in recycled fabric. Beside the digital and functional components, a line in 100% eco-friendly polyester has been manufactured. This material is obtained from recycled PET bottles and it offers protection against pathogens and viruses thanks to the VIRAL-OFF technology.

The activity of the entire Piquadro Group pursues the values of development, promotion and support of cultural heritage, and of the talent and potential of our human resources in order to create a work environment that encourages and gives value to the contribution of every single resource. The Group hours of training were increased during this year, and also specific professional meetings, courses and training were held on certain topics with the objective of singling out and increasing the individual growth prospects of every single employee.

The Piquadro Group has always inspired by the values of integrity, fairness and transparency, in addition to attention to its passion for work, quality and production. This commitment is accomplished through initiatives to increase the value of diversity and inclusion, actions to protect the environment, increase in energy efficiency, reduction in emissions and use of natural resources, and in projects promoting the local area and the community of its mountains.

Piquadro is proud to support the community of its mountains by promoting economic and social development through sustainable tourism open to diversity and respect for the environment.

Marco Palmieri

## Methodological note

This document is the consolidated non-financial statement (hereinafter also "NFS" or "Sustainability Report") of the Piquadro Group (hereinafter also "the Group") prepared in accordance with Legis. Decree 254/16 and relates, as applicable, to understanding the business activity, its performance, results and the impact of the product itself, regarding the issues stipulated in Art. 3 of Legis. Decree 254/16, referring to the fiscal year ended 31 March 2021 (from 1 April 2020 to 31 March 2021).

As stipulated by Art. 5 of Legis. Decree 254/16, this document is a separate report marked with special wording in order to bring it back to the NFS provided for by law.

This report was prepared in accordance with the GRI Standards: Core option. In addition, where appropriate, the guidelines of the 2017/C215/01 EC Guidelines were also taken into account.

The definition of the relevant aspects for the Group and its stakeholders took place according to a structured process of materiality analysis, which also included a comparison of material themes with the industry best practices described in the paragraph "Materiality analysis".

With regard to the information provided for by Art 3, paragraph 2 of the Legislative Decree 254/16 it should be noted that, in consideration of the business sector, the following topics have not been included in the reporting period as they are not deemed relevant in order to ensure understanding of the business activity:

- the use of water resources, used exclusively for health purposes;
- other pollutant emissions other than greenhouse gas emissions.

The scope of the economic, social and environmental data and information reported in this document refers to companies consolidated in full within the framework of the Group Consolidated Financial Statement as of 31 March 2021, listed in the "Corporate Structure" section of this document. With regard to significant changes to the Group structure that took place in the reporting year, reference is made to the establishment of the company Piquadro San Marino Retail Srl, not consolidated as the company was established in February 2021 and to the outlet store in San Marino which is not yet operational, and the divestment of the companies Piquadro LLC, Piquadro INC. and Piquadro Swiss. No significant variations are instead reported on the ownership structure and supply chain of the Group.

In order to allow the comparability of data and information over time and to assess the performance of the Group's activities, a comparison with the previous year is proposed. Restatements to previously published comparative data are clearly indicated as such. Furthermore, to give a correct representation of the performances, the use of estimates was limited as much as possible; where estimates were made, they are based on the best available and appropriately reported methodologies.

The frequency of the reporting of non-financial information and the publication of the NFS is done on an annual basis: this document was approved by the Board of Directors of Piquadro S.p.A. on 15 June 2021.

The Declaration is also subject to a limited assurance engagement (following the criteria stipulated in the Revised ISAE 3000 principle) by Deloitte & Touche S.p.A. The assessment was performed according to the procedures set out in the Auditing Company Report", attached to this document.

The Piquadro Group has embarked on a continuous improvement process related to sustainability aspects with a view to implementing social and environmental responsibility in the medium to long term period.

This path will start from an in-depth analysis of the risks generated and incurred, including those related to the supply chain. In this regard, a summary of the objectives planned in the various areas of sustainability is reported:

#### Environmental issues

As explained in the Code of Ethics, the Group considers the environment as a primary asset of the community to be protected and safeguarded. To this end, company activities are planned by seeking a balance between economic initiatives and environmental needs, always in compliance with the applicable legal provisions.

In order to strengthen its commitment to responsible management of resources, reduction of energy consumption and better management of emissions into the atmosphere, the Piquadro Group confirms its commitment to adopting a Group environmental policy.

#### Fight against active and passive corruption

The issue is dealt with in the Group's Code of Ethics and is supervised under the organisation and management Model pursuant to Legislative Decree 231/01, adopted by the parent company and by the subsidiary The Bridge SpA, analysing the areas and company operations most closely exposed to the risk of corruption and adopting the necessary anti-corruption measures.

In order to confirm and strengthen its commitment, which is essential and shared, in the fight against active and passive corruption, the Group has planned to adopt an anti-corruption policy at Group level.

#### Staff issues

In the Code of Ethics, the Group has formalised its commitment to protecting and promoting the value of human resources, increasing its skills and guaranteeing safe working conditions which respect individual dignity. At Parent Company level, two personnel management procedures have been codified, one in view of the administrative management of resources, the other drawn up within the organization and management Model pursuant to Legislative Decree 231/01. Despite the problems of the years due to the COVID-19 pandemic, the parent company Piquadro SpA has started planning a management and development policy for the *Retail* personnel. The objective is to subsequently extend it also to the staff of the headquarters with dedicated and customizable programs.

#### Protection of human rights

In the Code of Ethics, the Group affirms its commitment to respecting human rights by referring to the ILO (International Labour Organisation) Declaration on fundamental principles and rights at work, including the prohibition of forced labour and child labour, freedom of trade union association, the prohibition of discrimination and harassment. Moreover, through the dissemination of the Code of Ethics, the Group aims to apply these principles to all Group companies. With a view to continuous improvement, the Group confirms the objective of defining a Supplier Code of Conduct and implementing a sharing process with the main categories of business partners, as well as providing training courses for Group employees in the area of human rights.

In addition, as part of the qualification process for new suppliers, the Group aims to include new parameters relating to the protection of human rights and other social and environmental criteria.

The aforementioned objectives, which were to be implemented by March 2020, have not been accomplished due to the contingencies related to the COVID-19 pandemic that involved the Group for the entire FY 2020/2021. The Piquadro Group undertakes to formalize the aforementioned policies by the 2021/2022 NSF publication.

## **CONTACTS**

For information about this document:

### **Piquadro S.p.A.**

Investor relationship

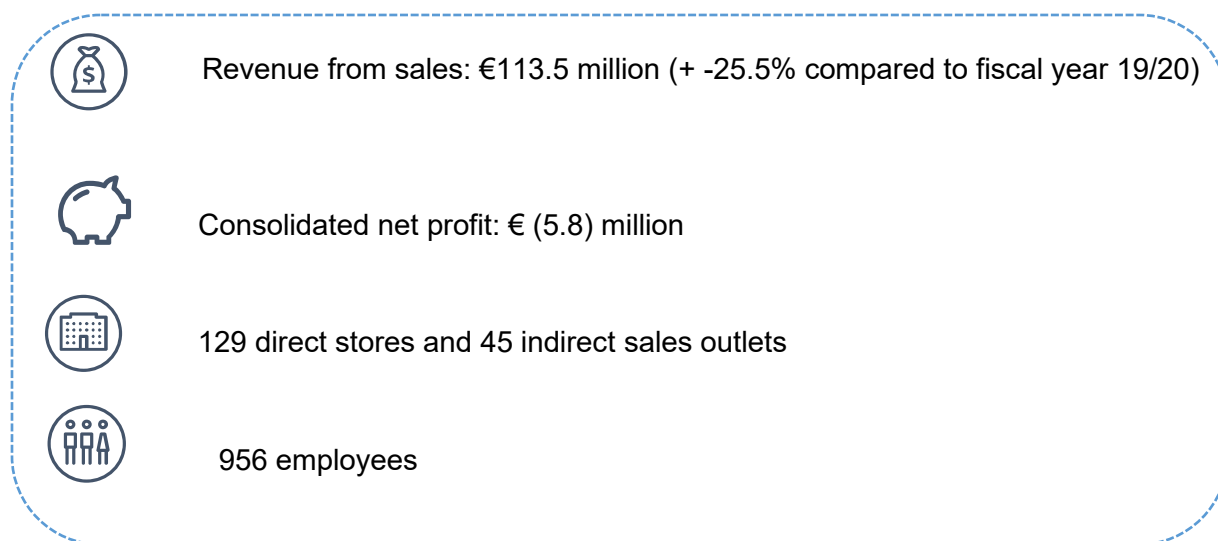
Roberto Trotta

Tel +39 0534 409001

[investor.relator@piquadro.com](mailto:investor.relator@piquadro.com)

## 1. The Piquadro Group

A summary of the Group as at 31 March 2019:



The Piquadro Group operates in the leather goods market and designs, manufactures and markets its own brand (Piquadro, The Bridge and Lancel) which are characterised by a focus on design and technical-functional innovation, which leads to the creation of bags, suitcases and accessories.

The main characteristics for the three brands are the attention to detail and quality of the workmanship and leather: the Piquadro product stands apart thanks to its innovative design and technological content. The Bridge enhances the vintage flavour of the Tuscan workmanship and finally the Lancel collections embody the Parisian allure of a Maison founded in 1876.

At the Piquadro headquarters in the Silla area of Gaggio Montano, on the Tuscan-Emilian Apennine, administrative and management activities, design, research and planning, material choice and marketing communication strategies take place.

The production of part of the small leather goods and some Piquadro briefcases is carried out internally through the subsidiary Uni Best Leather Goods Zhongshan Co. Ltd. at the Zhongshan plant (People's Republic of China).

In addition, part of the production of the Lancel and The Bridge brands takes place at the Tuscan Scandicci plant.



## The Group's background and values



The common values which the Piquadro Group pursues and identifies include the development, promotion and support of cultural background, talent and the potential of its human resources in order to create a working environment which encourages and values the contribution of every single human resource.



The Piquadro Group aims to earn the trust, respect and loyalty of its customers on the basis of the efficiency and excellence of the work of its employees and collaborators.



Founded in 1987 by Marco Palmieri, then a young engineering student, it initially operated as a small leather goods company for third parties.



In 1998, after ten years of production for the most prestigious Italian luxury leather goods companies, Piquadro launched its own brand.

The name comes from the combination **Palmieri-Pelletteria** which, in homage to the fact the founder likes mathematical terms, becomes  $P^2$ , (P squared), which in Italian is pronounced Piquadro.

Design, functionality and technology are the values on which the new leather goods brand aims to stand out in the market.



The first Piquadro *boutique* opened in 2000 in Via Spiga, in the heart of Milan's fashion quarter. Two years later, the first franchise store opened in Via Frattina in Rome.



In 2006, the new headquarters in Silla di Gaggio Montano was inaugurated, a futuristic building nestled in the green of the Tuscan-Emiliano Apennine, where the research, development and logistics processes are managed.



In 2007, Piquadro was floated on the Italian Stock market in Milan (Expandi segment).



The growth of the brand continues with the launch, in 2011, of Sartoria, a line of luxury and tailor-made handmade leather goods in Italy.



- In the following years, there were openings in the most strategic points of branded shopping worldwide: in 2012 the new headquarters, with offices and showrooms, was opened in the Milan fashion quarter. 2014 marks the first step towards the UK market with the opening of the flagship store in the highly central Regent Street.



- In December 2016, Piquadro acquired The Bridge, a historic Florentine brand working in leather manufacturing and the production of handbags and accessories.



- In June 2018, Piquadro acquired Lancel International S.A. ("Lancel International") - a Swiss company, wholly owned by the Richemont Group, which owns the "Lancel" brand, which holds 99.9958 % of the capital of the French law firm Lancel Sogedi S.A. and the Spanish and Italian law firms which manage the Lancel boutiques present in those countries (Lancel International and the companies from this "Lancel Group"). Maison Lancel, based in Paris and founded in 1876, creates and distributes luxury leather goods and elegant accessories for men and women.

#### Brand diffusion

As of 31 March 2021, the brand is present in more than **50 countries with 174 sales outlets, of which 129 single-brand stores** are directly managed (47 Piquadro stores, 10 The Bridge, and 72 Lancel), **45 indirect sales outlets** represented by multi-brand stores and single-brand franchise stores (35 Piquadro stores, 2 The Bridge and 8 Lancel) and finally a network of distributors reselling the items in specialised multi-brand stores.

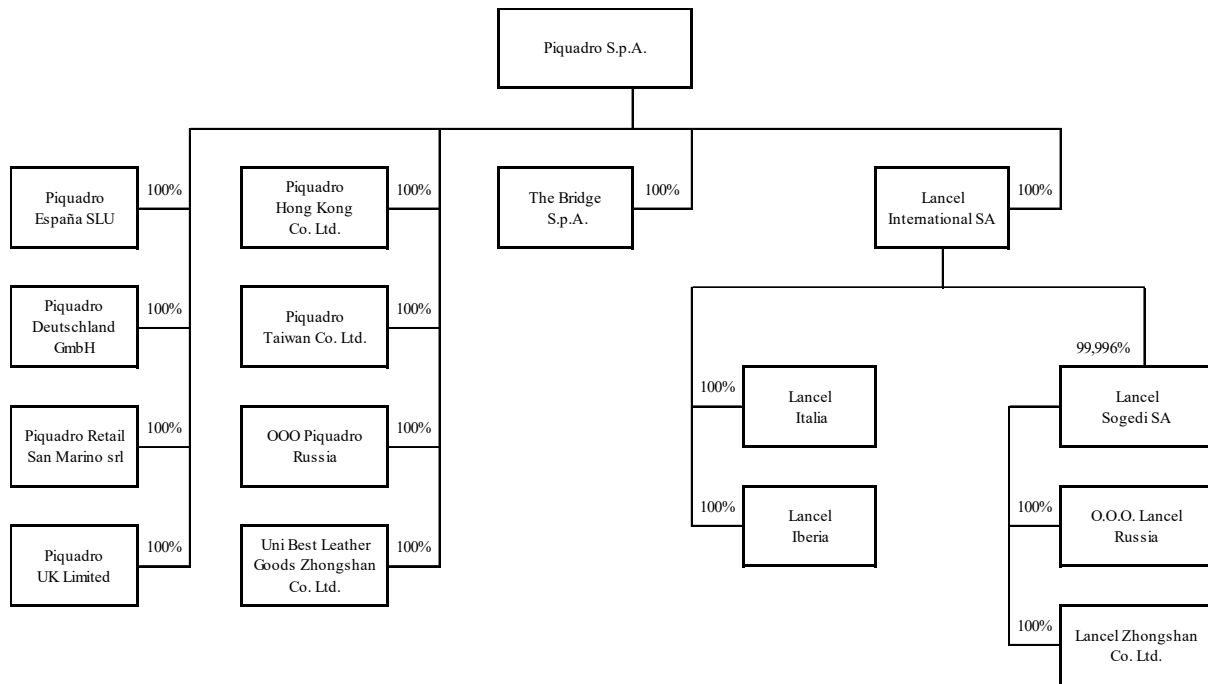
#### Stores under direct or indirect management of the Piquadro Group in 2020/2021



#### Corporate structure

## Sustainability Report 31 March 2021 of the Piquadro Group

As of 31 March 2021, the Piquadro Group is structured as follows:



For more information on the Group's corporate structure, please refer to the Annual Financial Report published in the Investor Relations section of the <http://www.piquadro.com> website.

## Corporate Governance



Following the traditional system, the corporate governance provides for the Shareholders' Board, the Board of Directors and the Board of Auditors. The Board of Directors has a strategic and supervisory focus, while the Board of Auditors carries out controls.

The purpose of the Group's corporate structure is to achieve the strategic objectives and, at the same time, ensure the correct and sound management of the activities and protect all stakeholders.

The Board of Directors, in office for three years and until the approval by the Shareholders' Meeting of the financial statements until March 31, 2021, is as follows:

<b>Marco Palmieri</b>	Chairman and CEO
<b>Marcello Piccioli</b>	Member of the Board
<b>Roberto Trotta</b>	Member of the Board
<b>Pierpaolo Palmieri</b>	Member of the Board
<b>Paola Bonomo</b>	Non-executive director, independent <sup>1</sup>
<b>Catia Cesari</b>	Non-executive director, independent
<b>Barbara Falcomer</b>	Non-executive director, independent

### Composition of the Board of Directors, by age group and gender

Age range	As at 31 March 2019		
	Men	Women	%
<30	0	0	0%
30-50	1	0	14%
>50	3	3	86%
%	57%	43%	100%

The board members, with different professional backgrounds, have all the professional requirements and experience necessary to carry out their mandate.

In order to ensure transparency and guarantee that targets are reached and the effectiveness of the Group as well as the reliability of the financial information, pursuant to laws and regulations, the Board has set up two committees within it: **Control and Risks Committee** and the **Remuneration and Appointments Committee**. Both committees have an advisory and proactive role, with the aim of facilitating the Board's functionality and activities.

In addition, the '**lead independent director**' has been established: a reference point and coordination of the applications and contributions of non-executive directors and, in particular, those who are independent, guaranteeing a wider autonomy of judgment than management,

<sup>1</sup>Independent directors as per TUF and self-regulatory code

this person works with the Chairman of the Board of Directors to ensure that administrators receive comprehensive and timely flows of information.

## The Ethical management of our business



The pre-arranged company values and conduct to achieve **ethical business management** have been codified in the Code of Ethics, implemented and applied by all the companies in the Group: this contains the set of rights, duties and responsibilities of all those who, in any capacity, operate in or for Piquadro. The leadership of the parent company is required to periodically review and update the document on the basis of the internal Supervisory Body's reports. The Piquadro Group operates, in any case, in absolute compliance with Italian and international laws and regulations, as well as, where present, internal procedures set under the organisation and management Model pursuant to Legis. Decree 231/01.

The Piquadro Group has never solely focused on results alone but also on the way in which these results are obtained.

A key component of the Piquadro Group's approach to business has always been its strong ethical culture which has led to a commitment to avoid and eliminate potentially opportunistic behaviour.

Piquadro believes in the **values of integrity, fairness, transparency and innovation**, thanks to its a strong and recognised cultural identity. The Piquadro Group also aims to reconcile competitiveness on the market with compliance to competition regulations and to promote, as regards social and environmental responsibility, the correct and responsible use of resources.

In June 2008, the parent company adopted the **organisation and management Model** (hereinafter also the "Model") pursuant to Legis. Decree 231/2001 and adopted the **Group Code of Ethics**, to set up a structured and organic system of rules to enable the prevention of illegal behaviour by monitoring areas and activities at risk and guarantee the ethical management of the business.

From 2017 the subsidiary The Bridge S.p.A. also instituted the Supervisory Body and adopted the Group Code of Ethics. The Parent Company's activities are continuing to also implement the extension of the Code of Ethics to the French subsidiary Lancel Sogedi.

### Code of Ethics

The Group, in the context of its activities and within in its business, has always considered its priority objective to **carry out the business activities in respect and protection of all partners** and individuals with whom it relates, as well as compliance with the law and regulations of the relevant subjects.

Each member of the organisation of the Piquadro Group is required to comply with all applicable laws, keeping to the highest standards of **corporate ethics**.

The parent company has codified these business principles in the **Code of Ethics** which it submits to the other companies of the Group so that they, after modifying and / or integrating it in relation to specific needs, they can formally adopt these as a management tool and an effective element of its strategy and organisation.

The Code of Ethics therefore contains the set of **rights, duties and responsibilities of all those who**, for any capacity, **work at or for Piquadro**.

**Moral integrity** is a constant value and duty for the Piquadro Group, characterising all the organisation's behaviour and in no case does pursuing the Group's interest justify an action which is not coherent with the principles of the Code. Therefore, everyone's duty is to pay attention to circumstances that may be indicative of illegal behaviour and act promptly to avoid an incorrect conduct.

The management of the Piquadro Group, also with reference to the indications received by the supervisory body established pursuant to Legislative Decree 231/2001, is required to periodically review the Code of Ethics and proceed to its continuous updating.

## Organisation and management Model

The **organisation and management Model** of the parent company Piquadro S.p.A. and the subsidiary The Bridge S.p.A. involves every aspect of the company business to correctly manage activities which are at risk of crime and possible conflict of interest situations. In particular, the checks involve, with different roles and at different levels, the Board of Directors, the Board of Auditors, the Internal Control Committee, the Supervisory Board, the Chartered Accountant, the executives and all staff, representing an essential aspect of the company's business. With regard to the aspects of "control", the Model, in addition to providing for the establishment of an autonomous and independent Supervisory Board, ensures the integration and coordination of the latter's activities with the existing system of internal controls, using the experience gained. The Model, however, aims to provide greater assurance about the compliance of business practices and activities with the rules of the Code of Ethics and the company's legislation, which states the principles in the discipline of activities at risk of crime. The Model also provides a system which can provide timely reporting, depending on the case, of the occurrence or existence of abnormal situations.

The companies aim to guarantee that the personnel are aware of the organisation and management model and the Code of Ethics when appointing a specific training course relating to the themes above.

In order to ensure the **effective dissemination of the Model, the Code of Ethics and personnel awareness** with reference to the **contents of Legis. Decree 231/2001** and its obligations, a dedicated **area of the company's IT network** has been arranged for this issue (where, in addition to the documents which make up the information note described above, the reporting tools to the Supervisory Board and any other relevant documentation are provided and available).

In addition, in order to comply with Law 179/17 (the so called **whistle blowing** system) and to encourage reporting behaviour that could determine or help determine the responsibility ex Legis. Decree 231/2001, the parent company and The Bridge S.p.A. has adopted a signalling system to the Supervisory Authority which can guarantee the confidentiality of the whistle blower's identity.

The organization, management and control model envisaged by Legislative Decree 231/2001 of the Parent Company Piquadro S.p.a. and the Italian subsidiary The Bridge S.p.a., is being updated following the introduction of article 25-quinquiesdecies of Legislative Decree 231/2002, adding fraudulent tax offenses to predicate crimes.

During the FY 2020/21 it was also necessary to make some changes to the Special Sections of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 adopted by the Piquadro Company, in particular to the Special Section "A" (Offenses to the detriment of the PA ") and Special Section" O "(offenses crimes). The Special Section "A" was amended in order to include new types of offenses (or make adjustments made necessary following legislative changes) such as embezzlement, abuse of office, trafficking in illegal influences and fraud against the European Agricultural Fund.

The Special Section "O" was amended in order to include new types of offenses (or make adjustments made necessary following legislative changes) such as unfaithful declaration, omitted declaration and illicit offsetting. Therefore, the phase of updating the general part of the Organizational Model was planned, which relates to the mapping of the activities at risk of committing the offenses pursuant to Legislative Decree 231/2001, also in order to reflect the changes made to the Special Sections.

As part of the organization, management and control model for the processing of personal data adopted by the Company, it is confirmed that the Company has implemented the procedure to meet the obligations of regulatory compliance with the GDPR and updating the compliance model. The Parent Company (and The Bridge) has updated the model, both for the dynamic nature of the company, and for the assumptions that the analyses carried out request corrections and adjustments. The process involves:

- suggestions and proposals for adapting the model to corporate bodies or functions capable of implementing them in the company fabric, depending on the type and scope of the interventions: the proposals regarding formal aspects or of lesser importance are addressed to the Personnel and Organization function or to the Director, while other more important issues are submitted to the Board of Directors;
- *follow-up*: check of the implementation and actual functionality of the suggested solutions.

Specifically, the analysis of the Italian legislation was continued and monitored, as well as the provisions issued by the Guarantor Authority and European Bodies. To this purpose, each division was required to update the internal privacy sheets.

In order to correctly define the governance choices implemented and in compliance with the law obligation pursuant to art. 30 of the GDPR, the data processing Register was updated in which all the necessary information was documented, and risk assessment forms were also implemented for the purposes of verifying the safety of the systems and applying the measures suggested by the Enisa and ISO 27000 Guidelines. .



The parent company (and the Italian subsidiary The Bridge) updated the company's organizational chart and, consequently, the instructions and the relevant authorizations were renewed to the personal data controllers.

Piquadro S.p.A. also defined the training program on the legislation on the personal data protection for all staff and the participation certificates are kept on records. It has also updated and implemented the relations with suppliers with whom it is necessary to enter into an agreement pursuant to art. 28 GDPR and the consequent appointment as Data Processor.

The implementation of the anti-intrusion alarm system was subject to a prompt privacy update at the end of the installation. The system of data entry and access to the CRM by shop assistants is subject to review and improvement. The information for interested parties is constantly updated where necessary. As for the rights of the data subjects, the company checked the procedures to ensure that their rights can be granted within the set times.

Information addressed by the interested parties are managed and processed in the manner and within the time limits required by law.

The situation of intragroup processing is constantly monitored, also by reviewing the data processing methods adopted by the subsidiaries.

As for the period of health emergency due to the Covid-19 pandemic, the company has complied with the directives and provisions of law to deal with the pandemic by processing the health data of personnel, suppliers and all subjects having access to the company headquarters. Furthermore, where possible, agile working procedures have been set up.



*For more information about the Group's Code of Ethics and the organisation and management Model, please refer to the documents published in the "Investor relations" section of the <http://www.piquadro.com> website.*

## Fiscal responsibility

The tax approach of an organization defines how it balances tax compliance with business activities and with ethical, social and sustainable development expectations. The Piquadro Group promotes a corporate culture based on principles of fairness and compliance with tax legislation.

The individual Italian companies of the Group have adopted a policy the purpose of which is to define the guidelines and principles in tax matters, in order to ensure the uniform application of tax laws. The appointment of an external consultant (Tax Specialist) has been envisaged, who, together with the Parent Company's tax reference person, will create the facility for the management of tax risk in order to ensure the correct and homogeneous interpretation of the Tax Regulations, as well as compliance with them, with the definition of the general principles and implementation rules for the Italian companies of the Group. Subsequently, at the Group level, a specific consultant was identified for each country, who will in any case report to the reference person of the Parent Company, so as to oversee the specific regulations of the individual countries with greater attention.

The purposes of the development of the aforementioned policy are to illustrate the operating model for the management of tax aspects as well as to define the approaches, guidelines and principles in tax matters, in order to ensure the uniform application of tax regulations within the Piquadro Group.



The Tax Policy applies to all Piquadro Group Companies for the "Management of Tax Aspects". The Piquadro S.p.A. Board of Directors approves the Tax Policy, subject to the favourable opinion of the Risk Committee, and is adopted by each company of the Group through the approval by the respective Boards of Directors. Each change follows the same approval process.

The Tax Specialist aims at ensuring the correct and homogeneous interpretation of the Tax Regulations, as well as compliance with them, with the definition of the general principles and implementation rules for the Italian companies of the Group.

The management and coordination are performed by the Parent Company's Tax Reference Person and the Tax Specialist by defining the principles and rules for implementing the legislation, in order to ensure compliance with it.

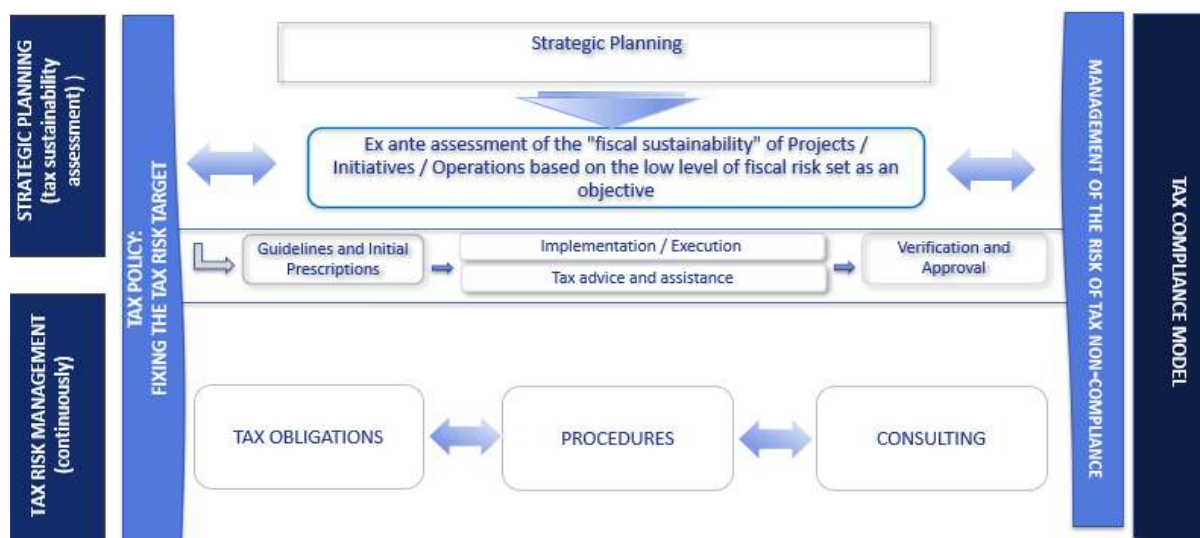
In detail, the Parent Company's Tax Reference Person and the Tax Specialist Tax:

- define the approaches and guidelines on taxation, for the purposes of uniform application of the Tax Regulations regarding cases of common interest; in this context, they identify and interpret the Tax Regulations in order to provide an adequate information report to the Group Companies;
- establish the information flows relating to the taxation of the Group companies, defining the methods and timing of their acquisition.

The Group companies:

- they implement the approaches, guidelines and principles communicated by the Parent Company's Tax Reference Person and by the Tax Specialist;
- they fulfil their tax obligations in line with these approaches and guidelines;
- promptly inform the Parent Company's Tax Reference Person and the Tax Specialist about the tax audits ordered by the Financial Administration and their outcome;
- guarantee the information flow to the Parent Company's Tax Reference Person in order to allow the latter to carry out an effective management and coordination activities.





The Tax Reference Person and the Tax Specialist are also involved in the Parent Company's management and coordination role, mainly in the planning / definition of company choices, by promoting an interaction that enables to take reasonable decisions in relation to every aspect of company life that is likely to affect the tax variable.

The Tax Reference Person of the Parent Company, on his own initiative or following the communication from the Proposing Function, shall promptly transmit to the Tax Specialist the information concerning projects, operations and initiatives relating to the following areas:

- business: new geographic markets, new sales channels, new contractual "structures/plants" and/or significant changes to existing ones;
- corporate: acquisitions /sales, breakdowns/splits, assignments of companies or company branches;
- investments: financial, tangible (real estate, technological, etc.), intangible (trademarks, patents, etc.);
- organization of business activities: outsourcing / insourcing of certain functions, centralization / decentralization, etc.;
- marketing: new methods of promoting the brands of the Piquadro Group;
- international operations: new methods of penetrating foreign markets and / or the foreign presence of Group companies and / or significant changes to existing methods.

The involvement of the Tax Specialist in the aforementioned decision-making processes is implemented through its support to the Proposing Function and to the internal organizational structures of the Parent Company in the preventive evaluation of projects / operations / initiatives aimed at guaranteeing compliance with the Tax Regulations.

If non-routine/ordinary transactions/operations are carried out before being approved, the Tax Specialist has to support the decision-making bodies by assessing the level of risk underlying the aforementioned transactions/operations.

Each Company of the Group shall adhere to the following operational principles as part of the management of the fulfilment of tax obligations that fall within its responsibility:

- Timeliness: any fulfilment required by tax legislation must be performed correctly and within the deadlines provided for by the law, in order to avoid incurring penalties by the Financial Administration.

- **Traceability:** the traceability of the activities and documents relating to the different stages of the process must be guaranteed, ensuring the identification and reconstruction of the sources, the information elements as well as the checks carried out that support the activities. The conservation of the documentation must be ensured, in compliance with the terms provided for by the law.

As part of its organization, each Group Company must identify and inform the Parent Company about its Tax Reference Person, making sure that the following activities are carried out:

- extraction and processing of data from management information systems and their consistency analysis;
- arrangement and filing of the statements, together with the Tax Specialist;
- assessment of the tax due;
- accounting of the payment of the tax and, for the obligations that require an accounting "allocation", recording of the provision and subsequent use;
- filing of the documentation proving that all obligations have been fulfilled (statements, transmission receipts and tax payment receipt).

As part of the management of tax litigation or pre-litigation, the Group Companies must comply with the principles and rules of conduct that allow the Parent Company and the Tax Specialist to constantly monitor the tax audits.

The Tax Compliance activities and services will be provided by the Tax Specialist and will be considered as referring to the following areas:

- **Regulatory control:** continuous identification of the tax regulatory provisions applicable to the Companies of the Group.
- **Regulatory impact analysis:** reporting of regulatory changes in order to assess their potential impact on: processes, organizational structures and IT systems.
- **Opinions:** to be issued upon request.

The Group companies undertake to comply, from a formal and substantive point of view, with all laws and regulations on tax matters, as interpreted by the Revenue Agency.

The Group Companies establish a relationship of full cooperation with the Financial Administration, without hindering in any way their assessment activities, if any, and responding to requests received as quickly and transparently as possible. The information provided to the Financial Administration must be true, complete, accurate, transparent and consistent.

Unlawful conduct can also be reported through the *whistleblowing* channel.

Piquadro S.p.a. announced that it has signed an agreement with the Italian Revenue Agency for the Patent Box tax relief and that it has reached an agreement for the definition of the methods and criteria for calculating the economic contribution. The optional fiscal system of the Patent Box provides for tax reliefs for five years (2016-2020). The tax benefit for the Parent Company for the period 2016-2020 is fully evidenced in the results of the current fiscal year ended March 31, 2021.

## 1.3 Compliance and risk management



For **risk assessment and management**, the Group has set up an internal control system to identify, measure, manage and monitor key risks. The risk management system aims to facilitate informed decision-making in line with company strategy and objectives.

The pre-arranged internal function for the identification and management of risks is that of an internal audit which works closely with the Control and Risk Committee and with the administrator in charge of the internal control system. Based on its guidance, the Board of Directors annually assesses the suitability, effectiveness and effective operation of the internal control and risk management system.

**The internal control and risk management system** is the set of **rules, procedures and organisational structures** of the Group **to enable the identification, measurement, management and monitoring of the main risks**. This system is integrated into the more general organisational and corporate governance structures adopted by Piquadro and takes into account the reference models and best practices existing within the national and international context. The internal control and risk management system also contributes to company management which is consistent with the company objectives defined by the Board, encouraging taking informed decisions. It helps to ensure the preservation of social heritage, the efficiency and effectiveness of business processes, the reliability of financial information, compliance with laws and regulations as well as the statute and internal procedures, with attention to the effective implementation of the Model ex Legis. Decree 231/2001.

The parent company is starting the planning to extend the internal control and risk management system in place to the newly acquired French company. The planning start has resumed despite the slowdown due to the contingencies linked to the COVID-19 pandemic which involved the companies of the Group.

The Italian companies adopting the organisation and management Model, carried **out a careful analysis of the company processes** related to their activities, in order to **evaluate their exposure** to the **predicate offences** covered by Legis. Decree 231/2001. The mapping therefore took into account a number of areas, including participation in public tenders, the purchase of raw materials, finished products, semi-finished products and products being made, hiring and management of personnel, corruption and environmental offences.

The operational and economic-financial risk assessment is based on a model of identification of the nature and level of risk compatible with the organisation's strategic objectives, called "*Risk Factors Analysis*". This document, drawn up for the parent company and for the subsidiary The Bridge, analysed risks such as:

Type of risk	Management arrangements
<p><b>Risks related to the production activity and supply of raw materials</b>, linked to significant changes in the macroeconomic, political, fiscal or legislative framework in areas where the Group's products are manufactured, as well as the Group's inability to maintain and renew its business relationships.</p>	<p>The Group has a historical presence in the countries where it operates at the production level and employs its staff in both the production and financial administrative areas. In addition, the Group operates a constant analysis of possible local issues ensuring full updating in terms of local regulations. In addition, the scouting of possible new suppliers in different geographical areas continues.</p>
<p><b>Risks related to the operation on multiple international markets and the distribution network</b>, linked to possible changes in the political and economic situation in different countries, the need to face competition from operators in different markets, difficulty in being able to satisfy the clientele tastes of different countries, the greater difficulty in protecting their products from counterfeiting activities.</p>	<p>For a long time, the Group has diversified its investments and its presence in Europe and Asia. In addition, although the indirect sales channel still accounts for a significant percentage of sales, the Group has been in a policy of retail expansion for several years, leading to the opening of direct-to-manage stores throughout the and thus to increase the sales channel managed directly by the organisation.</p>
<p><b>Risks related to the protection of intellectual property rights and counterfeiting</b> related, therefore, to the protection of rights related to design, processes and production technologies, utility models as well as brands and other trademarks signs all of which are crucial for the success of the products on the market and the Group's competitive positioning.</p>	<p>The Group employs a company that specialises in protecting everything related to intellectual property (brands, trademarks, ornamental models, utility models, patents, etc.). Trademarks are registered in virtually every country in the world; even in those where the Group does not yet operate. With regard to the protection of trademarks, the Group has also been operating for many years a system of monitoring new registration requests, so that, already at the initial stage, it can counter any registration concessions of brands that have relevance to their own.</p>
<p><b>Risks related to the integrity of the information system</b> identified in particular in data integrity, continuity of the IT. system and segregation to external and internal access to information (vulnerabilities).</p>	<p>The Group implements updating procedures to ensure that it is defended against external attacks of computer viruses. On the continuity of the information system: Piquadro has a data centre with redundant virtualized servers on three equivalent nodes. The server room, armoured and fireproof, is equipped with: intrusion and smoke detectors, flood and temperature sensors all connected to the alarm control unit that can alert selected personnel in the event of problems detected. The Disaster Recovery site has been relocated to Florence in the server room of The Bridge, it is updated via VPN via a 100 MB connection with fully dedicated bandwidth at night and partially reserved during the day. Almost all servers are replicated (all critical ones) with a maximum RPO of 24 hours. During this exercise, Piquadro replaced the firewall with single sign-on integration with active directory and internet access profiling. The antivirus used on all systems connected to the corporate network is NOD 32 kept up to date with the latest version and monitored through</p>

Type of risk	Management arrangements
<p><b>Risks related to changing customer preferences and increased competition</b>                      The Group attributes its success to the consumer's appreciation for the style and quality of its products, while still contemplating the hypothesis of any changes in consumer tastes which the Piquadro Group cannot anticipate and that they may be able to be satisfied by competitors.</p> <p><b>Economic and financial risks</b> related in particular to <b>credit risk</b> from commercial transactions or financing activities, <b>liquidity risk</b> related to the availability of financial resources access to the credit market and <b>market risk</b>, better division into exchange rate risk components (given by operating in non-Euro currency areas) and interest rate risk for exposure to instruments interest-generating financial institutions.</p>	<p>its administration console. With regard to data integrity, this is stored on databases whose access by developers and administrators is monitored and controlled by the appropriate software and appropriate procedures. The data flow that takes place via e-mail, e-commerce, order entry is protected through regularly updated electronic certificates. A storage upgrade is planned for the new fiscal year on both the production and the DR site that will allow a full replication of production on the DR site.</p> <p>The Group's management considers that the key factors in countering these risks are:</p> <ul style="list-style-type: none"> <li>- the ability to offer products in line with the expectations of reference consumers;</li> <li>- the pursuit of appropriate marketing policies;</li> <li>- maintaining and developing its production model as well as</li> <li>- maintaining and strengthening its single-brand and multi-brand distribution capacity</li> </ul> <p>Risk management is carried out at central level in the context of specific organisational directives governing their management and the control of all transactions that have a narrow relevance in the composition of financial and/or commercial assets and liabilities.</p> <p>For example, in relation to exchange rate risk, Management adopted a risk-containment strategy better defined as a "<i>hedge accounting policy</i>" which consists of continuous coverage of the risks of purchases on a six-month time horizon based on the amount of orders issued.</p>

In relation to the **issues of sustainability**, the following areas of risk are also highlighted:

Type of risk	Management arrangements
<p><b>Environmental risks linked to the lack of compliance</b> with the environmental regulations in countries where the Group works, inefficient management of materials, emissions, and energy or incorrect management of waste.</p>	<p>In the Code of Ethics, the Group has expressed its commitment to the protection of the environment and conducting its activities seeking a balance between economic initiatives and environmental needs. In addition, the parent company has adopted a special part relating to environmental crimes, within the framework of the organisation and management Model pursuant to Legislative Decree 231/01, as well as a waste management procedure. These areas were also analysed in the subsidiary The Bridge S.p.A. that has finalised the adoption of the special section on environmental offences.</p> <p>The Group also takes into account any impacts, potential risks and opportunities related to <i>climate change</i> relating to the organization's activities, strategy and financial planning.</p>

Type of risk	Management arrangements
<p><b>Social risks related</b> to non-compliance with the specific regulations of the relative products among other things, on the impact of the products themselves on health and safety, the failure to meet customer expectations, the inadequacy of the research and development process.</p>	<p>The products are subject to rigorous controls to ensure their quality and safety: special laboratory tests are carried out on both the finished products and materials to test for resistance, structural integrity, hydro-repellent qualities and non-toxicity. As a benchmark, the Group has the REACH European Regulation which governs the use of hazardous chemicals in production processes with compliance also from its suppliers, where applicable. In addition, the Group has adopted a specific intellectual property management procedure.</p>
<p><b>Risks related to personnel</b> in the unsuitability of the attraction and <b>recruitment</b> process, development plans and staff motivation, as well as the inadequacy of <b>occupational health and safety</b> measures.</p>	<p>In the Code of Ethics, The Group has formalised its commitment to ensure the physical and moral integrity of its employees and internal collaborators, working conditions regarding individual dignity and safe and healthy work environments, in full compliance with the current legislation.</p> <p>The parent company and the Italian subsidiary The Bridge, have carried out workplace risk analysis, formalised in the RAD (Risk Assessment Document). The same was done by the French company Lancel Sogedi S.A.</p> <p>In order to improve staff training in this area, Piquadro is implementing new procedures related to occupational health and safety whereas the management of these risks is being implemented within The Bridge S.p.a.</p>
<p><b>Risks related to the fight against active and passive corruption</b> are linked to the possibility of the Group's management and staff carrying out unethical, unauthorised, violations of rules and regulations, unlawful with particular reference to the crime of active and passive corruption.</p>	<p>The Group has formalised the values of ethics and integrity which inspire its business in the Code of Ethics: through its dissemination, it seeks to spread a culture of social responsibility when conducting the business.</p> <p>In addition, the parent company and The Bridge S.p.a. have adopted an organization and management model pursuant to Legis. decree 231/01 according to which areas and operations which are most subject to crime have been identified and analysed, for example, such as requesting authorisations, permits, licenses and certifications, sponsorships and donations, as well as the risks of dealing with external entities both public and private (Revenue Agency, I.N.P.S [National Institute for Social Security], I.N.A.I.L [National Institute for Insurance against Labour Accidents]).</p>
<p><b>Risks related to non-compliance with human rights</b> related to the Group's <b>operations</b> and suppliers in <b>countries where the legislation is less stringent</b> than that of Italy.</p>	<p>In the Code of Ethics, the Group has formalised its commitment to respecting human rights by explicitly recalling the ILO Declaration on fundamental principles and rights at work, including the prohibition of forced labour and child labour, freedom to join a trade union and the prohibition of discrimination and harassment. Through the dissemination of the Code of Ethics, it aims to apply, in all Group companies, an ethical corporate culture which respects human rights.</p>

The Board of Directors of 15 June 2021, taking into account the information provided by the Control and Risk Committee and the Administrator in charge of the internal control and risk management system, as well as the internal audit manager, **for the year ended 31 March 2021, expressed a positive assessment of the adequacy, efficiency and effective performance of the internal control and risk management system.**



*For more information on economic and financial risks and how they are controlled and managed, please refer to the documents published in the "Investor relations" section of the <http://www.piquadro.com> website.*

## Our stakeholders and materiality analysis

The Piquadro Group considers it necessary to define and maintain an effective dialogue with its stakeholders, also with the aim of acquiring new stimuli in terms of innovation and product quality. The mapping of stakeholders, shown below, is the result of an analysis carried out by the Group in order to identify the main categories of interlocutors:



*Employees, Customers, Suppliers, Institutions and regulatory bodies, Trade union organisations, Community and territory, Shareholders and lenders, Media and opinion leaders, Trade associations, Franchisees and distributors.* With a view to sharing and improving the relationship with its stakeholders, the Piquadro Group has, over the years, started several paths of communication and exchange of information with them. The following are the main reference themes and dialogue channels for each keynote:



Stakeholder	Issues	Dialogue channels
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee wellbeing</li> <li>• Protection of occupational health and safety</li> <li>• Equal opportunities</li> <li>• Organisation and management Model and Code of Ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Internal climate survey</li> <li>• Communication from the company's top management</li> <li>• Corporate intranet</li> <li>• Materiality assessment</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Innovation</li> <li>• Product quality</li> </ul>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Customer satisfaction surveys</li> <li>• Customer Service</li> <li>• Showroom</li> <li>• Materiality assessment</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Quality of the supply products</li> <li>• Continuity of supply relationships</li> <li>• Development of partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Constant and direct contact</li> <li>• Related fairs</li> <li>• Showrooms</li> <li>• Materiality assessment</li> </ul>
<b>Institutions and regulatory bodies</b>	<ul style="list-style-type: none"> <li>• Respect for laws and regulations</li> <li>• Adherence to industry recommendations and best practice</li> </ul>	<ul style="list-style-type: none"> <li>• Reports and Budgets</li> <li>• Regular Information flows</li> <li>• Meetings</li> <li>• Press releases</li> </ul>
<b>Trade Union organisations</b>	<ul style="list-style-type: none"> <li>• Corporate welfare</li> <li>• Collective bargaining agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and direct dialogue with trade union representation</li> </ul>
<b>Community and territory</b>	<ul style="list-style-type: none"> <li>• Support for social initiatives</li> <li>• Employment support</li> </ul>	<ul style="list-style-type: none"> <li>• Projects in the area</li> <li>• Website</li> </ul>
<b>Shareholders and lenders</b>	<ul style="list-style-type: none"> <li>• Transparency towards the market</li> <li>• Financial solidity and sustainability</li> <li>• Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>• Participation on the company's Board</li> <li>• Shareholders' meetings</li> <li>• Reports and Budgets</li> <li>• Investor Conference</li> <li>• Press release</li> <li>• Website</li> </ul>
<b>Media and opinion leaders</b>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Group's business strategy</li> <li>• Product communication</li> <li>• Group's economic results</li> </ul>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Marketing campaigns</li> <li>• Press releases</li> <li>• Showroom</li> </ul>
<b>Trade associations</b>	<ul style="list-style-type: none"> <li>• Representation of industry interests</li> <li>• Training and information</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional website</li> <li>• Participation in groups, working tables and technical committees</li> </ul>
<b>Franchisees and distributors</b>	<ul style="list-style-type: none"> <li>• Continuity of the relationship</li> <li>• Partnership development</li> </ul>	<ul style="list-style-type: none"> <li>• Site</li> <li>• Direct contact</li> </ul>

Stakeholder	Issues	Dialogue channels
		<ul style="list-style-type: none"><li>• Showrooms</li></ul>

---

The Group has also developed a significant **network of relationships and partnerships** with trade associations:

- **Piquadro** is part of **Confindustria Emilia Area Centro** and the **Camera Nazionale della Moda Italiana** [National Chamber of Italian Fashion];
- **Lancel** is part of the **Union Du Grand Commerce de Centre Ville (UCV)**.

## Materiality analysis

The aim of the materiality analysis is to identify significant aspects which have a significant impact on the Groups' business, from an economic, social and environmental point of view, and which could substantially influence the assessments and decisions of its stakeholders. The analysis was carried out in line with the principles defined by the GRI *Sustainability Reporting Standards* and, in the FY 2020/21, involved the top management of the company and some members of the Board of Directors as well as some stakeholders (employees, B2B and B2C customers, suppliers and distributors).

The stakeholders are asked to assess the relevance of the sustainability issues defined for the Piquadro Group through an online questionnaire.

The issues assessed were identified by benchmark analysis and taking into account the specifics of the sector and the Piquadro Group.

The results from stakeholder engagement confirmed the relevance of the material issues, from the point of view of the stakeholders, in line with what was published in the previous NFS.

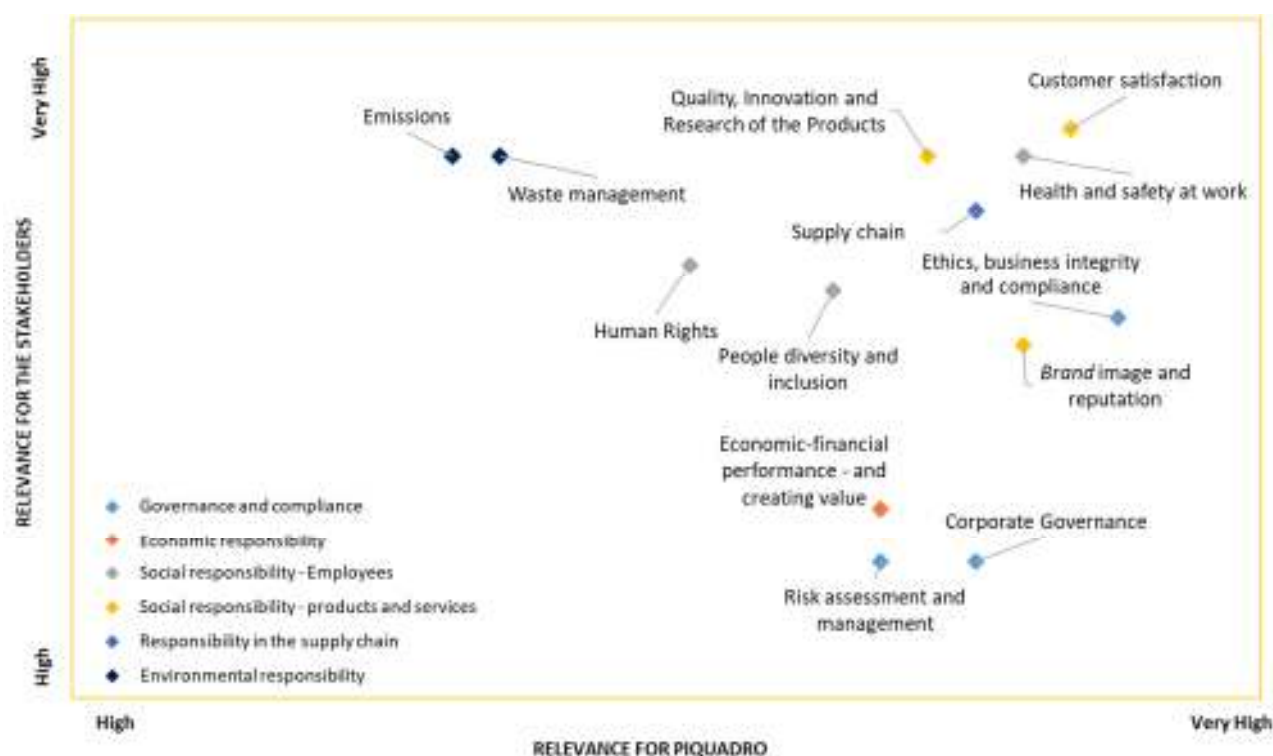
An internal discussion was also held, which involved the company's top management and some members of the Board of Directors, in order to analyse the results of the online surveys submitted to stakeholders, as well as to undertake a process of identifying the priority issues for the Group, rationalizing the material issues with the aim of making the Group's topics concise and meaningful.

Following this process, the topics "Occupational Health and Safety" and "Risk assessment and management" have recorded an increase in their relevance, also in relation to the impacts recently caused by the pandemic events, while the relevance of the topic "Waste Management" has slightly decreased after a qualitative assessment of the Management based on the Group's production process, the types of the processing activities and the waste produced.

The topics "Management, development and retention of employees", "Corporate Welfare" and "Diversity, inclusion and equal opportunities" have been merged into a single topic called "People, diversity and inclusion" given the affinity of the topics. For the same reason, "Product quality" and "Innovation, research and development" have also been grouped together under "Quality, innovation and research of the products".

Finally, given the correlation of the analysed topics, the new topic "Supply Chain" has included the topics "Sustainable and transparent management of the supply chains", "Responsible consumption of materials" and "Use of chemical products".

### The Piquadro Group's materiality matrix



For each topic identified as material, here below is a brief description of the relevance that the issue has for the Group and the related impact boundaries (where the Group's impact and involvement takes place).

Material aspect	Relevance for the Group	Impact scope	
		Where the impact occurs	Group involvement <sup>2</sup>
<b>Governance and compliance</b>			
Ethics, business integrity and compliance	Respecting ethical principles and complying with laws and regulations in business conduct are a fundamental and essential condition for the Piquadro Group. In all relations with its counterparts, the Group is committed to pursuing conduct based on fairness, loyalty and collaboration.	Piquadro Group	Caused by the Group
Risk assessment and management	The Group pays particular attention to the assessment of the main risks that could have a negative impact on its work and threaten its solidity.	Piquadro Group	Caused by the Group

Impact due to the Group: the impact is directly ascribable to the Group activities;  
 Impact related to the Group through its commercial relationships: the impact is directly connected to the Group's activities, products and services through a business relationship (e.g. relationship between the Group and its suppliers);  
 Impact to which the Group contributes: the impact is connected to the Group's activities, products and services, as they are generated by subjects with which the organization interacts

Material aspect	Relevance for the Group	Impact scope	
		Where the impact occurs	Group involvement <sup>2</sup>
	In this sense, resources are used for the analysis and correct management.		
<i>Corporate Governance</i>	The focus on Group <i>Corporate Governance</i> is geared towards achieving strategic objectives and at the same time ensuring the correct and sound management of business, ensuring the protection of all <i>stakeholders</i> .	Parent company	Caused by the Group
<b>Economic responsibility</b>			
Economic-financial performance - and creating value	The Group aims to generate solid and positive economic and financial <i>performance</i> from a medium- to long-term perspective and distribute value to its <i>stakeholders</i> .	Piquadro Group	Caused by the Group
<b>Responsibility in the supply chain</b>			
Supply chain	<p>Throughout the value chain, the Group aims to maintain relationships based on fairness with its <i>partners</i>. The Group recognizes the value of the materials and services provided by its suppliers, which are a fundamental element for the high-quality <i>standards</i> of its products. In addition, the Group aims to define a Supplier Code of Conduct and insert, as part of the qualification process, parameters related to the protection of human rights and other social and environmental criteria.</p> <p>The Group gives an increasing importance to the safeguard of the environment and it will evaluate how to reduce its impacts, in particular, with regard to the use of the resources necessary for production.</p> <p>The Group pays attention to the responsible use of chemicals by asking its suppliers to comply with REACH's requirements (where applicable).</p>	Piquadro Group and Suppliers	Caused by the Group and related to the Group through its business relations
<b>Social responsibility - Employees</b>			
People diversity and inclusion	<p>The Group pays particular attention to the management and development of its employees, aware that they are one of the necessary pillars to achieve their strategic objectives.</p> <p>In this sense, a number of vocational growth programmes are undertaken. The Group is constantly looking for the best talent and is committed to maintaining the best resources within it.</p> <p>In dealing with employees, the Group maintains a strict adherence to the principles of non-discrimination and equal opportunities, as expressed in its Code of Ethics.</p> <p>The Group intends to develop policies, benefits (economic and non-economic) and actions aimed at improving the well-being of employees, in order to</p>	Piquadro Group employees	Caused by the Group

Material aspect	Relevance for the Group	Impact scope	
		Where the impact occurs	Group involvement <sup>2</sup>
	create a comfortable working environment that meets the workers' needs and expectations.		
Health and safety at work	Protecting its employees' health and safety is constantly a priority for the Group, which is committed to complying with all the current rules and to increasing the training of its employees in these areas.	Piquadro Group employees <sup>3</sup>	Caused by the Group
Human Rights	In all relations, both with its employees and with suppliers, the Group maintains a conduct aimed at the protection of human rights.	Piquadro Group; Suppliers	Caused by the Group and related to the Group through its business relations
<b>Social responsibility - products and services</b>			
Brand image and reputation	The Group has the constant goal of extending its <i>brand</i> and at the same time protecting its reputation. The Group's image must convey the values on which its business is based.	Piquadro Group and indirect sales channel	Caused by the Group and related to the Group through its business relations
Quality, Innovation and Research of the Products	Maintaining a high <i>standard</i> of quality of your products is a vital condition. For this reason, each item is subjected to stringent tests and controls which aim to ensure that numerous quality parameters are passed. The Group's growth involves the ability to innovate and develop new products that can meet customers' different needs. For this reason, the Group invests extensive resources in research and development.	Piquadro Group and Suppliers	Caused by the Group and related to the Group through its business relations
Customer satisfaction	The Group aims to always place innovative and high-quality products on the market to fully meet its customers' expectations. Customer satisfaction is a primary goal for the Group.	Piquadro Group and indirect sales channel	Caused by the Group and related to the Group through its business relations
<b>Environmental responsibility</b>			
Emissions	The Group is committed to taking action to reduce its harmful emissions into the atmosphere.	Piquadro Group and Electricity Suppliers	Caused by the Group and related to the Group through its business relations
Waste management	During the production phase, the Group is committed to proper waste management and the reduction of waste from production materials.	Piquadro Group	Caused by the Group

<sup>3</sup>The Company will conduct further analysis on the significance of other non-employee workers in order to evaluate the possibility of collecting data from the employers of external collaborators and suppliers who work at the Group's premises and/or under the Group's control, evaluating the quality and accuracy of the data over which they exercise direct control.

## Creating value



The *business* model which drives the Group's **economic and financial performance** aims to **create long-term economic value**, a value that can be shared between all *stakeholders*.

The results achieved in the last financial year were positive and achieved through a high efficiency of the design, processing and distribution processes, the result of a constant and ever-increasing search for flow optimization which affect the entire process (from product development to distribution to the end consumer) and through strengthening brand perception in the target consumer. The economic value created is distributed mainly to suppliers and employees.

The consolidated turnover recorded by the Piquadro Group in the financial year 2020/2021 ended 31 March 2020 equals 113.5 million euros, a 25.4% decrease compared to the same period of the previous financial year closed with 152.2 million euros. The sales results for the period are severely affected by the measures introduced by the public and government authorities of the countries affected by the emergency aimed at containing the spread of the "Covid-19" virus.

With regard to the Piquadro brand, revenues recorded in the year 2020/2021 ended 31 March 2021 equals 46,6 million euros with a 35.2 % decrease compared to the financial year closed on 31 March 2020. This decrease was mainly due to the closure of the stores and to the absence of traffic. The e-commerce channel instead registered a 21.1% increase compared to the same period ended 31 March 2020.



With regard to **The Bridge** brand, revenues recorded in the year 2020/2021 ended 31 March 2021 equals 19.3 million euros with a 27.6% decrease compared to the financial year closed on 31 March 2020. This decrease was mainly due to the closure of the stores and to the absence of tourists in the period.

The e-commerce channel instead registered a 70.2% increase compared to the same period ended 31 March 2020.

With regard to the **Maison Lancel** brand, revenues recorded in the year 2020/2021 ended 31 March 2021 equals 47.6 million euros with a 11.2 % decrease compared to the financial year closed on 31 March 2020. This decrease was mainly due to the closure of the stores in the period. The e-commerce channel instead registered a 171.6% increase compared to the same period ended 31 March 2020.

The national and international scenario was characterized by the virus called "Covid-19", which spread first in China and Asia starting from January 2020 and then in Europe, America and the rest of the world from February and March 2020. The World Health Organization recognized and declared the "pandemic" on 11 March 2020 due to the speed and spread of the infection and the public authorities of the countries affected by it took restrictive measures aimed at containing the virus. These measures entailed, inter alia, the prohibition and / or limitation of the mobility and circulation of people and goods (so-called lockdown), the closure of commercial and sales activities to the public, with an exceptionally negative impact on tourist flows all over the world. This circumstance led to the closure of most of the company's distribution network. The measures of the government authorities have also determined a series of limitations to industrial and production activities, favouring the remote work of employees (so-called smart working) and introducing the already known provisions regarding distancing, personal hygiene and the use of medical devices for the purpose to contain the spread of the virus. The worldwide emergency situation and uncertainty as well as, consequently, the effects of the pandemic on the economic performance of the Piquadro Group, also occurred in the last quarter of our financial year (January-March) 2021.

Although the "anti Covid-19" vaccination campaign started in most of the world, including the European Union, at the beginning of 2021 when the emergency was still continuing, vaccination began slowly and accelerated only starting from April, with the consequent enactment of further and strict laws aimed at containing the spread of the virus by the governments involved and inevitable negative repercussions on people's lives and on the trend of markets and commercial activities. In fact, even the last quarter of 2021 was also characterized by the intervention of the government authorities of the countries affected by the pandemic which led to the issuance of new measures aimed at the mobility and circulation of people, and the closure of commercial and sales activities to the public (so-called lockdown), confirming - as already happened, and above mentioned, in relation to 2020 - the exceptionally negative impact on tourism all over the world and, consequently, on the market trend, determining the closure of most of the Piquadro Group's distribution network. As for Italy, in particular, starting from late 2020, the Government identified new criteria based on assigning "colours" to the Regions and /or areas of the country which identify the different critical threshold levels (red, equivalent to a lockdown with the closure of almost all of our stores - orange - yellow - white). Also in France, a country in which more than 37% of the Piquadro Group's turnover is currently generated and one of the countries most affected by the pandemic crisis, in the months from January to March 2021, further measures were taken that limited the movement of people and imposed the closure of shops and commercial activities.

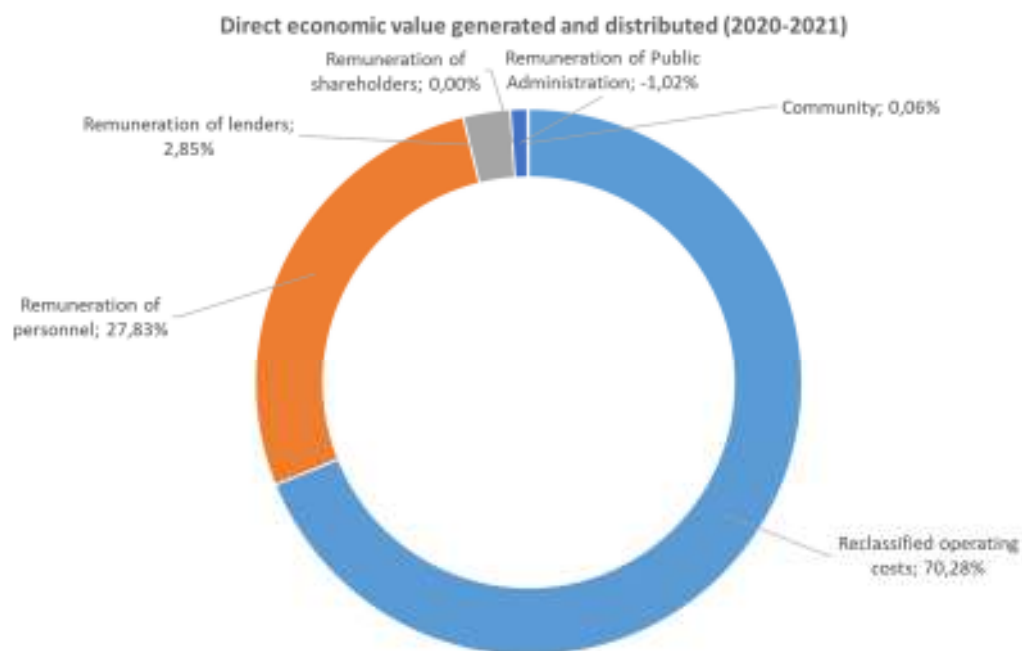
Compared to the measures adopted at the beginning of the spread of the Covid-19 virus mentioned above, however, it should be noted that most governments, including the Italian one, have not imposed the closure of the industrial and production activities which, however, suffered unavoidable structural, management and logistical problems, in virtue of the emergency regulation and the application of the provisions aimed at protecting, inter alia, the occupational health.

The **creation and distribution of value for its stakeholders** is a **constant commitment** of the Piquadro Group and is calculated by reclassifying the consolidated income statement. In the 2020/2021 fiscal year, the **economic value generated** by the Piquadro Group was **115 million euros**; this value has been redistributed to the various stakeholders of the Group: suppliers, employees, shareholders, Public Administration, communities and lenders.



<b>Outlook of the economic value generated and distributed in the Piquadro Group</b>		
(in thousands of Euro)	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Economic value generated</b>	<b>115,215 €</b>	<b>159,059 €</b>
<b>Sales revenue</b>	113,477 €	152,227 €
Other income	2,642 €	2,993 €
Change in inventories	(1,692) €	2,386 €
Financial income	788 €	1,453 €
<b>Distributed economic value</b>	<b>105,187 €</b>	<b>146,044 €</b>
<b>Reclassified operating costs</b>	<b>73,924 €</b>	<b>103,332 €</b>
Purchase costs	22,306 €	36,619 €
Costs of services and fees for the enjoyment of third-party assets	50,922 €	65,960 €
Other reclassified operating costs	696 €	754 €
<b>Remuneration of personnel</b>	<b>29,276 €</b>	<b>40,234 €</b>
Costs for personnel	29,276 €	40,234 €
<b>Remuneration of lenders</b>	<b>2,995 €</b>	<b>2,204 €</b>
Financial Charges	2,995 €	2,204 €
<b>Remuneration of shareholders</b>	<b>0 €</b>	<b>0 €</b>
Distribution of profit for the year	0 €	0 €
<b>Remuneration of Public Administration</b>	<b>(1,074) €</b>	<b>251 €</b>
Income taxes	(1,074) €	251 €
<b>Community</b>	<b>67 €</b>	<b>24 €</b>
Donations and sponsorship	67 €	24 €
<b>Economic value retained</b>	<b>10,028 €</b>	<b>13,014 €</b>
Parent company's reserve profits	(5,792) €	(7,714) €
Profit (Loss) attributable to minority interests	0	(41) €
Depreciation and amortization	15,820 €	20,769 €

Most of the distributed value, amounting to about 70.28% **of the total** (as compared to 70.75% of the year ended 31 March 2020), falls into the category of **reclassified operating costs** which includes the Group's suppliers. **Employees** make up the second significant item in the distribution of value, obtaining 27.83% of the total value (compared to 27.55% of the year closing on 31 March 2020). The remainder is divided between **Lenders**, **Public Administration** (1.83 %), and the **community** (0.06%).



## 2. Quality, Innovation and Research of the Products



The Piquadro Group is strongly committed to improving the awareness and perception of its **brands' image and reputation**. There is meticulous detail in the image of all the Group's brands.

Piquadro wants to combine the tradition of Italian leather goods with the originality of design and innovation. Elegance and attention to detail are enhanced in The Bridge products. The Lancel collections embody the Parisian allure of a fashion house founded in 1876.

The Piquadro Group operates in the leather goods market and is active in the design, development, manufacture and distribution of items such as briefcases, women's bags, suitcases and accessories. In addition to the Piquadro brand, the Group also manages the Bridge and Lancel.

### 2.1 Quality of our products

The Piquadro Group invests many of its resources in trying to elevate the quality of its products. The tradition of leather processing is combined with innovation to offer the customer unique and distinctive products. Top-quality materials are used to produce the products and each product undergoes a series of tests to verify that it respects the company's high-quality standards.

The Piquadro Group continues the century-old Italian tradition of leather processing, interpreting it in a modern and original way.

In Piquadro's products, the brand's identifying values, design, comfort and technology blend with the taste of **craftsmanship, the quality of precious leathers** and the **attention to detail**. The leather, carefully treated to enhance the texture and prevent wear and tear, is combined with technologically state-of-the-art fabrics to produce recognisably aesthetic and essential items.

The **leather** used by **The Bridge** is also carefully selected and the leather work is mainly done by Italian tanneries, following the most rigorous workmanship techniques, from the tanning phase to dyeing and finishing. **Vegetable tanning**, which involves the use of only natural tannins, is one of the **features of the collection's classic products**. The attention to the materials used and the leather and to the accessories with their classic golden colour means that every single product of The Bridge is unique

The quality of the materials used, alongside the extreme attention paid during the different stages of production, as well as the final checks and finish of the products, ensures and guarantees excellent quality.

All companies in the Group subject their products to **rigorous controls** in order to ensure excellent quality and avoid health risks due to the use of improper materials. In an advanced test lab with specialised machinery, both products and raw materials are tested to check their resistance, structural integrity, hydro repellence and non-toxicity.



In order to ensure compliance with the high-quality standards, the **Group uses the European Regulation, REACH** as a benchmark, for registration, evaluation, authorisation and **restriction of hazardous chemicals** during production processes. In particular, the purchase specifications stipulate, where applicable, the need to respect expected fulfilments. In addition, the Group relies

on the support of an external laboratory to carry out sample chemical tests on raw materials in order to check the compliance with the parameters defined by the aforementioned regulation for dangerous substances.

During the course of 2020/2021, no cases of non-compliance with regulations and/or voluntary codes relating to the health and safety impacts of products were recorded.

## 2.2 Research and Development



**Innovation, research and development** of new products represent a constant challenge for the Piquadro Group, to which specific resources are dedicated, to provide customers with increasingly innovative and high-quality products. The innovation affects both product design and digital add-ons to increase functionality.

The Group's R&D activity for the Piquadro brand is carried out internally through a dedicated team that, in recent years, has been particularly focused on *BAGMOTIC*, which integrates technology into briefcases, backpacks, trolleys and luggage. During the year ended 31 March 2021, the research and development activity mainly implemented starting from the previous innovations (**PQ-BIOS collection**) and almost all the collections are made of recycled fabrics. In addition, in some collections recycled materials were used for the lining, the webbing and the taping of the zip.

Beside the digital and functional components, a line in 100% eco-friendly polyester has been manufactured. This material is obtained from recycled PET bottles and it offers protection against pathogens and viruses thanks to the VIRAL-OFF technology.

The backpacks, one-shoulder backpacks and fanny packs of the **PQ-BIOS** line are the result of a careful research aimed at creating products with reduced environmental impact as part of the sustainability project, which are manufactured using ECONYL®, a regenerated nylon thread or obtained from the transformation of waste such as fishing nets and textile fibres.

The ECONYL® production is a process that begins with the recovery of waste such as fishing nets, fabric waste, used carpet and industrial plastic from landfills and oceans. The collected waste is regenerated, a phase in which the nylon is cleaned and purified until it returns to its initial characteristics, i.e., that of the nylon coming from a virgin source. Then it is transformed, that is, the ECONYL® regenerated nylon is transformed into a yarn ready for use in industrial production and finally a new product is reinvented that uses regenerated nylon. This is how the process ends but could continue infinitely since, with the help of ECONYL® technology, nylon can be recycled endlessly while maintaining its intrinsic qualities.

In addition to the ECONYL® regenerated nylon, other recycled materials are used



for inner linings and tapes, all 100% RPET as well as recycled plastic, which is *Global Recycled standard* certified.



Each Piquadro product of the PQ-BIOS collection is equipped with a tag bearing the **PQ-Recycled Index**, an index created by Piquadro to attest the relation between the weight of the recycled material used in that product and the total weight of the material used to manufacture it.

The packaging and merchandising of the product are also made of recyclable materials: paper, which has the FSC (**Forest Stewardship Council**)® certification, certifying that it comes from responsibly managed forests or sources, ecological soy-based inks and finally cotton recycled for the rope of the bag handles.

Piquadro's focus on planning every single detail and on the products' maximum functionality translates into a constant research activity and the development of ad hoc solutions which are often innovative and subject to registration. As of 31 March 2021, **the company has 46 active patents** related to both products and to components and accessories.

**The Bridge's Research and Development** is carried out in the subsidiary The Bridge S.p.A. by a dedicated team. The Bridge's products originate from a combination of craftsmanship and the continuous study of design and increasingly new features. In the company there has always been a real artisan workshop from which prototypes are born. A team of designers is responsible for building new collections for each season, interpreting the needs of the market and the company's DNA.

The collections are the result of research from analysing *trends*. This begins long before the actual creation of the products, with the trends influencing the materials and colours chosen for the season. The proposals are assessed with the sales force to respond to the standards of functionality and modernity which make the products attractive to an attentive and demanding public.

As of 31 March 2021, **the company has 159 trademarks and patents filed** for both products and utility/design models.

**Lancel's** research and development is carried out by a dedicated team of specialists at the headquarters of the Parisian company.

Maison Lancel is known for innovation and creativity: the team develops all the components and finished products alongside the design team. All the metal pieces are created and developed by the team starting from 3D design, 3D printing for style until quality control and "master" control.

All the leather is carefully selected by the Design department and with the help of a leather goods specialist. Each skin colour is defined by the Design department and developed uniquely for Lancel.

The team of specialists dedicated to product R&D, diligently studies and proposes new materials such as iconic fabrics, fabrics from recycled raw materials, exotic fabrics, and plastic injected with a glitter effect or marble.

Lancel's products come from the combination of their archives, the continuous study of design and the expertise of leather goods with the help of the Atelier, located at the Lancel headquarters, made up of "*compagnon du devoir*" craftsmen who make the prototypes of the new models.

In size and wealth, Maison Lancel's archives include approximately 3,500 items of leather goods, small leather goods, luggage, 1,200 pieces of art, 300 sketches and paper models and they contribute to the brand's image and influence, embodying, in the "Parisian elegance", the four universes: women, men, travel, the art of gifting. As of 31 March 2020, **the company has 155 trademarks and patents filed** for both products and utility/design models.



## 2.3 Piquadro

Piquadro specializes in **innovative business bags and accessories**, which stand out for their great **functionality of use** and express, in the high-performance and recognizable design, **all the originality and elegance of Italian style**.

The spirit of Piquadro's products lies entirely in the concept which inspires the design of each of them: "**tech-inside**". But functionality for Piquadro affects all aspects of the product: new materials, new tests to verify their reliability, new internal organisation solutions to make their items increasingly comfortable and useful on a day-to-day basis. The materials, manufacturing and functionality are such that Piquadro products are of high professional quality and reliability.

### Design and innovation

All **Piquadro products are the result of careful design**. There are several patents filed by the Company, in recognition of the numerous technical and functional innovations implemented. Even the smallest detail is studied and designed by a whole team of designers who know and interpret the brand's values.

The development of constantly new solutions and the search for what is new in design and technology is the result of constant research on materials and trends, often in collaboration with the most important design schools in Italy and abroad.

Youngsters' creativity is an important source of inspiration for Piquadro.

**Attention towards new talent** is seen by promoting competitions which give young designers an opportunity to work on concrete cases by demonstrating their potential.



### Green Evolution

Piquadro, whose attention to research for the creation of new products is a constant and continuous commitment, pursues and focuses in a determined manner on the safeguard of the environment.

After the manufacture of the first products in the last seasons, using eco-friendly materials, Piquadro presents a new collection made with recycled materials, the **Pq-Bio Green Collection**, Piquadro expands the scope of its environmental sustainability project and presents a series of new products made with eco-friendly materials, nylon fabrics made from **100% recycled industrial waste**, certified as **Global Recycle Standard**.

Two are the new Piquadro eco-friendly lines: **Brief2** - a "sustainable" version of a best seller line- and **PQM** which, besides being eco-friendly, also features a protection against viruses.



**The fabric, in fact, is treated with Viral OFF**, a new technology that can block more than 99% of viral activity.

The backpacks, trolleys, travelling bags, one-shoulder backpacks and the fanny packs of the two new lines are the result of a careful research aimed at creating products with reduced environmental impact as part of the sustainability project.

**Brief2** in **NylonPlus**, a highly resistant recycled nylon fibre is a line of accessories designed for urban mobility and, in particular, for two-wheel lovers.

Absolutely new is in fact the selection of backpacks and one-shoulder backpacks with LED lights: an on / off button, conveniently positioned on the shoulder strap, allows you to turn on the thin LED lights of the backpacks where you can also choose between slow or fast sparkling. Battery lasts 3-4 hours and is rechargeable through the USB port which these backpacks are equipped with.



**PQM** is the new line made of 100% eco-friendly polyester obtained from recycled PET bottles. The **Viral OFF** technology mentioned above, can block more than 99% of viral activity within two hours from the contact between pathogens and the fabric by interacting with the key protein and in this way preventing the virus from depositing on the textile fibres. Suitable for urban mobility, this line is also in tune with outdoor lovers: light and unstructured, it is equipped with essential features for getting around the town but also when enjoying nature. A hooking system on backpacks, fanny packs and trolleys also allows you to assemble the parts so as to carry them together easily with

one hand. The bright colours and sporty shapes make it a young and dynamic “active” line.

The Brief2 and PQM collections are therefore integral parts of a circular economy project in which Piquadro recycles and reuses waste for the creation of travel and leisure accessories that add a value of environmental sustainability to all the essential characteristics of Piquadro products that feature an original and recognizable design, smart and current features and excellent workmanship.

## 2.4 The Bridge

Ponte Pelletteria S.p.A. was founded in 1969 on the outskirts of Florence thanks to the idea of five craftsmen.

In 1975, the brand The Bridge was born, which translates the Italian word "*ponte*" referring to the "*Ponte a Greve*" [Bridge to Greve"] when used to connect the village of Scandicci to nearby Florence.

From the 1980s, a selection of women's handbags was added to men's briefcases. In the following decade, the brand's most iconic models such as the portagiornali (magazine rack) and postina (messenger bag) were made.



Even the famous doctor-bags, the doctor's cases with long zipper closures, become iconic.

In 2008, they opened the first flagship label in Turin and in 2017 the brand was acquired by Piquadro and changed its company name to The Bridge S.p.A.

There are three **values** in The Bridge's Brand Identity : **style, transversality and long life.**

Today **The Bridge bags** continue to fascinate and delight people: the vintage but also a little grunge atmosphere of the collections enchant the numerous lovers of the genre. The Bridge accessories - with their retro and at the same time contemporary flavour - represent, therefore, the ideal and aesthetic references of a heterogeneous and extremely attentive public: from

young metropolitan bohemians to vintage enthusiasts, from freelancers to those who do not want to renounce to elegance - even while traveling. From those who buy luxury and high-quality products with ease to those who, perhaps on the occasion of a special event, choose an accessory "for life".

**The Bridge** is a 50-year-long history. Since 1969, in fact, leather has become the distinctive feature of the Tuscan brand, thanks to the careful and exclusive processing starting from the first phase of tanning. The latter, in fact, is made according to the ancient tradition of the Florentine workmanship, with vegetable tannins, tinctures and animal fatliquors. The eco-friendly and metal-free colours are patiently and manually spread with wool cloths, to give the leather a transparent and refined patina, enhanced by the final polishing with amber rollers. All handmade, with patience and perseverance, as in the past.

The Bridge collections have a slightly grunge and a retro soul with an eye to refined details and craftsmanship, which is typical of Tuscan saddlery.

The shapes of the backpacks are rounded with visible stitching, the silhouette is thin and marked by clean lines while the leather shoulder straps are adjustable and the zip is in gunmetal colour.



The combination of a recognisable style (which is always up to date with the times), the transversality of use, (which makes the product adaptable to all occasions) and the quality associated with long-lasting products have all contributed to the craftsmanship of the product, guaranteed by the workmanship of master craftsmen, to the uniqueness of a brand with a British flavour.

The Bridge recounts the "**Tuscany way of life**", with its **casual and sophisticated look**, a state of being, a sober, composed yet well-maintained lifestyle which blends in beautifully, for a *savoir vivre* and comfortable safety.



The sacred heart, the dagger, the butterfly and the skull are the four original designs created by the artist Elli Poison for **The Bridge Tattoo capsule collection** which was presented on the occasion of the reopening of the historic store in via Vacchereccia in Florence.

The exceptional nature of this edition made each piece unique and exclusive, hand-decorated and sold only in the boutiques of the Florentine brand and on its web store.

The inspiration comes from the desire to pay homage to The Bridge heritage, a history of excellent materials and skilled workmanship, with roots in the world of craftsmanship and the Tuscan tanning tradition.

The items of the capsules are a backpack, a shopping bag, a women's wallet, a men's one and the iconic *saddle bag* in its original version from the Seventies and in its re-edition with a rounded flap; all made with fine **The Bridge** full-grain leather, tanned using vegetable tannins according to a centenary tradition in which the coating, handmade with amber rollers, is the secret to an absolutely unique softness and brightness.

## 2.5 Lancel Group

Lancel is a French leather goods company founded in Paris in 1876 by Angèle and Alphonse Lancel and developed by their son Albert. The company was owned by the founding family until 1997, when it was purchased by the Richemont Group.

In its early days, Lancel made accessories for smokers; later the brand diversified and offered



decorative items and accessories, such as watches, silverware, glasses, barometers, scissors, lamps, table accessories and products made in their workshops by the craftsmen.

At the beginning of the 20th century, Angèle and

Alphonse created the first leather goods offering a diverse range of products, such as clutch bags and the first handbags equipped with a cigarette holder: Lancel, therefore, began to represent the Parisian lifestyle by creating, until the 1920s, precious leather bags (lizard, satin, soft calf skin) with clasps for jewellery or small mirrors, or with a makeup kit and a secret compartment containing a small umbrella. Albert Lancel turns handbags into a fashion accessory.

One of the most iconic historical and iconic articles of the Maison is called Daligramme and is a tribute to Salvador Dali: in the seventies, the surrealist painter gave Gala Eluard, his wife and muse,



a **Lancel** bag which had a silk-screen "daligramme", a secret love alphabet with which the artist communicated with his beloved. That special model was reinterpreted in the 2000s and became the *it-piece* of the collection, thus representing a new symbol which goes beyond the classic monogram: the *daligramme* became an emblem of great love, hidden behind fascinating symbolism.

Lancel is regularly in contact with artists to participate in the creative process of its leather goods lines, such as Isabelle Adjani or Brigitte Bardot who actively participated in designing and creating the relative bags. In 2010, Brigitte Bardot designed and created with Lancel " the

Bardot bag," which respects nature and animals, not using leather and without any chemical processes, thus creating an accessory which has become a cult.

In 2016, Maison Lancel celebrated 140 years of creation, boldness and French elegance where the keys to success are based, from the outset, on the ingenuity of design, on the authenticity of luxury, thus creating a dialogue between beauty and functionality, style and innovation.



The Atelier also produces specially ordered items or bespoke designs to meet the expectations of Lancel's sophisticated clientele.

The R&D department is involved in an ever-expanding range of products which satisfies market demand: leather goods, small leather goods (with charging wallets), travel or gifts (silk scarves and pocket handkerchiefs, keyrings,

high-end jewellery products and office products).

## 2.6 Customer experience



**Customer satisfaction** is an extremely important objective for the Piquadro Group. All products are designed and created to best meet the customers' needs.

The communication policy is aimed at spreading and consolidating the image of the **Piquadro, The Bridge and Lancel** brands. The Piquadro Group aims to earn the trust, respect and loyalty of its customers based on the excellence of the work of its employees and collaborators.

The Piquadro Group aims to earn the trust, respect and loyalty of its customers on the basis of the excellence of the work of its employees and collaborators.

The activity of all workers lies on the criterion of quality, essentially with the objective of complete customer satisfaction.

The Lancel Group, recently acquired by the Piquadro Group, has also always striven to satisfy all the customer's needs, from the initial product design to the moment the customer actually holds it in his or her hands. This involves following and anticipating their desires and ensuring a satisfying and rewarding experience.

To ensure a high-quality experience for customers, there are also many benefits for customers registered in **PiquadroClub**, some of which depend on the value of the product purchased:

- receipt-free warranty
- warranty extended from 24 to 36 months
- welcome gifts and birthday presents (15% discount, seven days before and after your birthday);
- invitation to pre-sales / special initiatives / promotions developed during the year;
- invitation to the preview of the new collections at the POS or online or on the press-day;
- home delivery of items purchased at airports;
- at the request of the retail function, exclusive promotions in *boutiques* communicated only by e-mail, only for subscribers;
- free personalisation before Christmas (or other occasions, such as Valentine's Day), through a newsletter with products which the client can customise in-store or, depending on the "history" and the customer's purchase behaviour, there may be **free personalisation** (after the first purchase) and access to limited edition products.



In addition, the customer experience of Piquadro, The Bridge and Lancel customers is also strengthened through the new communication channels and social media.

In fact, the Group considers that in addition to the perennial attention to the needs of customers, marketing and communication strategies also play a very important role in consolidating the image of the Group's brands.

The Piquadro brand website, which over the years has been constantly updated, guarantees an innovative user experience through simple and intuitive navigation and allows you to appreciate the quality of Piquadro products. Further innovations on digital platforms are also planned for next year for the Group's other brands.

The use of social media allows further customer engagement and guarantees a complete experience of the brands, thanks to the creation of *ad hoc* digital content.

In addition to traditional communication channels, the Piquadro Group is expanding its digital communication strategy, with the aim of broadening the scope of people reached.

The **digital strategies** include:

- branding campaigns on the websites of the main Italian and foreign online newspapers; related to **new collections** or new products;
- campaigns to increase site visitors with **sales or discounts**;
- **location-based campaigns** by mailing in support of **new openings**.

Finally, to ensure high-quality service at all stages of the product shopping experience, the Group pays **strong attention to after-sales services** through dedicated offices that provide a response service to requests and/or any possible customer complaints

### **COVID-19 pandemic impact**

The spread of Coronavirus Covid-19 and the adoption of containment and social isolation measures implemented at a national and international level to combat the spread of the virus, led to a necessary reorganization of the working methods and working spaces, as well as to review personal lifestyles.

The Piquadro Group has prepared an internal document in a timely manner which represents an elaboration of operating procedures to be implemented in direct stores in order to minimize the risk of contamination by Coronavirus Covid-19 in compliance with current legislation.

Any access to direct stores of the Piquadro Group has been subject to the detection of body temperature, through detection systems that do not require body contact. The operations have always guaranteed customer's privacy.

Safe entrance has been guaranteed to people by keeping the safety distances of at least 1 meter from the shop's sales staff. Access to the shops was allowed only to customers with gloves and a mask and if the customers do not have it, the sales staff provides a courtesy mask; each boutique is equipped with sanitizing gel.

The protocol developed by the Piquadro Group also contemplates the sanitization of all points of sale before opening as required by current legislation and ensured the daily sanitization of the environments favouring the cleaning of the most contact surfaces.

When entering the Piquadro Group stores, special signs have been installed which summarize and illustrate to customers the measures to be observed inside the shop (also in English). Entry and exit routes from the Group's stores have been planned within structures such as shops or malls, in order to manage the movement of people in an orderly manner.

With the reopening of the Piquadro Group's boutiques, a virtual visit service is possible at the desired store via a video call.

The *Store Manager* is at the customer's complete disposal to show the collection and assist them in their choices: you can either pick up the purchased item at the boutique or request its delivery at home.

In order to avoid queues and gatherings within the Group's stores, it is possible to book an appointment in the boutique by telephone.

The new Spring / Summer 2021 collections of the Piquadro group's brands (**Piquadro** and **Lancel**) were presented through Google's digital glasses, used during the Milan digital fashion week held in July 2020. The proposals were presented in real time by implementing a video communication system that allows you to make video calls with Google



Glasses by establishing an interactive relationship between the assistant and the customer. With just a simple mobile call, the customer can take a virtual tour of the store and see the products on his smartphone or computer thanks to the digital glasses worn by the sales staff. An expert will show all the characteristics of the products to the customer and give them advice. Finally, the last step is the collection in the store, possibly by fixing an appointment.



### 3. People, diversity and inclusion

Human resources are an indispensable factor for a company's existence, development and success. For this reason, the Piquadro Group protects and promotes the value of human resources in order to improve and increase the heritage and competitiveness of the skills owned by each employee and collaborator in the corporate organisational context.

In this context, the Code of Ethics explicitly refers to what is contained in the "Declaration on the fundamental principles and rights at work" adopted by the International Conference of the ILO (International Labour Organisation) in 1998 and the fundamental conventions to which it relates, in particular as regards:

- **prohibition of forced labour:** forced labour, slave labour or provided by prisoners is prohibited;
- **freedom to join a trade union and the right to collective bargaining:** the right of workers and employers to organise themselves and the right to form and/or join a trade union of their choice is recognised. Workers and employers can participate in collective bargaining freely and independently from public authorities;
- **prohibition of child labour and the exploitation of the employment of children:** child labour is prohibited. The minimum age for admission to work must be no less than the age of finishing compulsory schooling in the countries concerned;
- **prohibition of discrimination in employment:** workers must be employed on the basis of their own ability to work and without discrimination based on race, gender, individual characteristics, religious belief, political views, national or social origin;
- prohibition of harassment: employees and collaborators are prohibited from any behaviour, from any position, subjected to sexual or moral harassment, psychological violence, bullying and straining<sup>4</sup>

#### COVID-19 pandemic impact

To face the spread of COVID-19 and protect its own people, the Group has implemented mitigation actions to protect employees which have involved the implementation of stringent health and safety measures in factories, shops and offices, also through the implementation of working from home.

In particular, the Piquadro Group has taken steps to widely disseminate the guidelines set out in the Protocol among employees, including:

- the obligation to stay at home in the presence of fever (over 37.5°C) or other flu symptoms and to call the family doctor and the health authority;
- knowledge and acceptance of the fact that people cannot enter the company or stay in company premises in the case of dangerous conditions (flu symptoms, high temperature, arrival from risk areas, or contact with individuals who tested positive for the virus within the previous 14 days, etc.)
- the commitment to respect all the provisions of both the Authorities and the employer in accessing the company's premises (in particular, keeping the safety distance, observing the rules of hand hygiene and maintaining correct hygiene behaviours)

---

<sup>4</sup> Straining, in the eyes of the law, consists of a single action or several hostile actions which have lasting effects on a person who is in a position of inferiority.

The staff of the Gaggio Montano headquarters and of the Show Room in Milan has been instructed not to access the company in groups and to keep always the interpersonal distance of one meter. At the Gaggio Montano headquarters, the use of changing rooms was temporally staggered and the staff was informed that the access was allowed one at a time. The shifts for the use of the canteen have become three and spaces were created to eat and to guarantee the distances of at least 1 meter between the guests.

The Group endeavoured to find to find and make an FFP2 mask available to its employees on a daily basis.

In accordance with the provisions of the Protocol, access, transit and exit procedures have been identified for the access of external suppliers, using predefined methods, routes and timelines, in order to reduce the contacts with the staff in force in the departments / offices involved. In particular, at the headquarters of the Piquadro Group

- a) shippers are banned to leave the vehicle without wearing the mask;
- b) the Company's staff in charge of cleaning works with gloves and a mask;
- c) a room has been identified to be used preferentially for meetings with outsiders;
- d) masks and gloves were delivered to the Reception for visitors who are to access the company's premises.

The Piquadro Group has arranged remote working ('working from home') and encourages and will encourage the use of remote communication tools offering the employees involved suitable IT tools, within the financial resources affordable by the Group.

In accordance with the provisions of the Protocol, daily procedures have been implemented to clean and sanitize the company and to periodically sanitize the premises, environments, workstations and common and leisure areas. Moreover, people inside the company shall have to adopt all the hygienic precautions: to this purpose, the company shall provide suitable hand cleansing solutions and, where procurement is possible, personal protective equipment (such as masks and disposable gloves). With regard to the personal protective equipment, pursuant to the Protocol:

- The face masks must be used in accordance with the provisions issued by the World Health Organisation;
- In consideration of the emergency situation, in the case of problems of supply, and purely to prevent the spread of the virus, face masks of a type corresponding to the indications issued by the Health Authorities can be used, and
- if the job involves work at a distance of less than one meter from each other and no other organizational measures can be adopted, it is essential to use masks and other protective equipment (gloves, safety glasses, coveralls, earmuffs, gowns, etc.) in compliance with the provisions of the scientific and health authorities.

At the Group premises, work activities have been organized (both in the offices and in the warehouse) in order to guarantee a distance of at least one meter between the workstations. Masks have been distributed to the staff to be used as an extra precaution in interpersonal relationships, always maintaining the distance of one meter, moreover disposable gloves have been distributed to all the staff to reduce contact with the surfaces.

In compliance with the provisions of the Protocol, the normal health surveillance is guaranteed to continue in compliance with the hygiene measures contained in the indications of the Ministry of Health (so-called Decalogue). In integrating and proposing all the regulatory measures related to COVID-19, the competent doctor collaborates with the Group and the RS / RLST and reports to the same any situations of particular fragility and current or previous pathologies of the employees and the Group will take the necessary steps for their protection, in compliance with the data protection rules.

With regard to the management of the common spaces inside the buildings and in compliance with the government directives and the Protocol, the Piquadro Group has adopted and is adopting the following measures:

- Access to common spaces, including company canteens, and changing rooms is limited with a reduced stay time within these spaces and keeping the safety distance of 1 meter among the people who occupy them;
- The organization of the spaces and the sanitation of the changing rooms must be ensured in order to leave the places for the storage of work clothes available to the workers and guarantee suitable sanitary conditions to them;
- screening of swabs for Covid-19 detection for all workers at company premises with the help of the Competent Doctor.
- Double sanitization and daily cleaning must be guaranteed, with special cleaners in the canteen, on the keyboards of the beverage and snack vending machines.

### 3.1 Our people



In the Code of Ethics, the Group has formalised its commitment to protecting and promoting the value of human resources, increasing its skills and guaranteeing safe working conditions which respect individual dignity. The Group also commits to adopting a policy of management and development of personnel and health and safety in the workplace, with a view to continuous improvement.

The products offered by the Group are designed, created and distributed according to the guidelines of an organisational model characterised by the supervision of all the most critical phases of the supply chain, from the design, to production and subsequent distribution. This entails a great deal of attention to the correct management of human resources, which, respecting the individual local situations in which the Group operates, has to consider an intense involvement of people, especially in the phases that are considered strategic for the success of the brands.

As of 31 March 2021, there were **956** employees in the Group, a decrease by 13.64% compared to 1,107 employees as at 31 March 2020.

The three largest poles are Italy (38%), France (30%) and China (23%) while the remaining 5% of employees are distributed in the other countries where the Group is directly present.

#### Distribution of Group employees by country

Country	as at 31 March 2021	As at 31 March 2020 <sup>5</sup>
Italy	366	430
China	221	256
Hong Kong	1	4
Germany	1	1
Spain	25	28
Taiwan	13	22
Switzerland	0	4
France	290	323
UK	2	3
Russia	37	36
<b>Total</b>	<b>956</b>	<b>1,107</b>

Based on the total number of employees as at 31 March 2021, 77% have a **permanent contract** (increasing compared to 73% of the previous year), while the remaining 23% are employed on a **fixed-term contract**.

<sup>5</sup> Following a process of improving the monitoring system of the human resources data, the data as at 31 March 2020 relating to the sub-division of employees depending on their professional category and gender, has been restated as compared to that published in the previous NFS. For previously published data, please refer to the NFS as of 31 March 2020, available on the website [www.piquadro.it](http://www.piquadro.it) in the Investor Relations/Sustainability Report section.

## Group headcount per gender, type of contract, geographical area, age and gender

Table 1 – type of contract

Type of contract	as at 31 March 2021			As at 31 March 2020 <sup>5</sup>		
	Men	Women	Total	Men	Women	Total
Permanent	165	567	732	200	611	811
Fixed term	65	159	224	79	217	297
<b>Total</b>	<b>230</b>	<b>726</b>	<b>956</b>	<b>279</b>	<b>828</b>	<b>1,107</b>

Table 2 – Geographical area

Geographical area	as at 31 March 2021			As at 31 March 2020 <sup>5</sup>		
	Permanent	Fixed term	Total	Permanent	Fixed term	Total
Italy	344	22	366	364	66	430
Europe	331	24	355	347	48	395
Rest of the world	57	178	235	100	182	282
<b>Total</b>	<b>773</b>	<b>183</b>	<b>956</b>	<b>811</b>	<b>296</b>	<b>1,107</b>

Table 3 – Age and gender band

	as at 31 March 2021											
	ITALY				REST OF EUROPE <sup>6</sup>				REST OF THE WORLD			
	<30	30-50	>50	Tot	<30	30-50	>50	Tot	<30	30-50	>50	Tot
Men	11	63	23	97	22	35	7	64	5	55	8	68
Women	27	199	43	269	79	147	65	291	21	114	32	167
<b>Total</b>	<b>38</b>	<b>262</b>	<b>66</b>	<b>366</b>	<b>101</b>	<b>182</b>	<b>72</b>	<b>355</b>	<b>26</b>	<b>169</b>	<b>40</b>	<b>235</b>

as at 31 March 2021				
	GROUP			
	<30	30-50	>50	Tot
Men	38	153	38	229
Women	127	460	140	727
<b>Total</b>	<b>165</b>	<b>613</b>	<b>178</b>	<b>956</b>

88% of Group employees as at 31 March 2021 have a **full-time** contract, while the remaining 12% are employed on a **part-time** contract. Of the total of 838 employees on a full-time

<sup>6</sup> The geographical area "rest of Europe" also includes Russia.

contract, there are 214 men and 624 women, whereas in part-time contracts, there are 16 men and 102 women.

With regard to other types of workforce or external collaborations, the Group makes limited use of unusual types of work.

As at 31 March 2021, Piquadro S.p.A. and The Bridge S.p.A. have agreements with 47 companies, both Italian and overseas, for the marketing of their products through commercial agents.

During the 2020/2021 financial year, **173 new employees were hired**, and **324 workers left**.

### Number of people hired and incoming employees in the Group per region, gender and age group

Table 4 – New hiring rates in the Group

	2020/21														
	ITALY					REST OF EUROPE <sup>7</sup>					REST OF THE WORLD				
	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%
Men	1	5	0	6	6%	10	7	0	17	27%	4	16	0	20	29%
Women	3	13	0	16	6%	29	15	3	47	16%	16	49	2	67	40%
Total	4	18	0	22	6%	39	22	3	64	18%	20	65	2	87	37%
New hirings %	11%	7%	0%	6%	39%	12%	5%	18%	77%	38%	5%	37%	11%	7%	0%

	2020/21				
	GROUP				
	<30	30-50	>50	Tot	%
Men	15	28	0	43	19%
Women	48	77	5	130	32%
Total	63	105	5	173	18%
New hirings%	38%	17%	3%	18%	

The new hiring turnover is calculated as the relationship between the total number of people hired in 2020/2021 (Table 4) and the total number of employees as at 31 March 2021 for the relative age and gender band (Table 3).

<sup>7</sup> The geographical area "rest of Europe" also includes Russia.

**Number of personnel leaving and Group exit turnover per region, gender and age group**

**Table 5 – Turnover of people leaving the Group**

	2020/21														
	ITALY					REST OF EUROPE					REST OF THE WORLD				
	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%
Men	7	10	7	24	25%	47	6	3	18	28%	19	27	5	51	75%
Women	17	40	5	62	23%	55	23	8	86	30%	12	59	12	83	50%
<b>Total</b>	<b>24</b>	<b>50</b>	<b>12</b>	<b>86</b>	<b>23%</b>	<b>64</b>	<b>29</b>	<b>11</b>	<b>104</b>	<b>29%</b>	<b>31</b>	<b>86</b>	<b>17</b>	<b>134</b>	<b>57%</b>
Leaving rate%	63%	19%	18%	23%		63%	16%	15%	29%		119%	51%	43%	57%	

Number of personnel leaving	2020/2021				
	GROUP				
	<30	30-50	>50	Tot	%
Men	35	43	15	93	41%
Women	84	122	25	231	32%
<b>Total</b>	<b>119</b>	<b>165</b>	<b>40</b>	<b>324</b>	<b>34%</b>
Leaving rate %	72%	27%	22%	34%	

The leaving rate is calculated as the relationship between the total number of people who left the Group in 2020/2021 (Table 5) and the total number of employees as at 31 March 2021 for the relative age and gender band (Table 3).

The leaving rate is mainly attributable to the Group's stores and to the Chinese subsidiary Uni Best, also following the circumstances due to COVID-19.

Uni Best is also completing the transfer of the production plant to a smaller site than the previous one for the purpose of a more efficient cost rationalization strategy.

## 3.2 Employee Management and Development



The activity of the entire Piquadro Group pursues the values of the **development, promotion and support** of cultural baggage, talent and the potential of its human resources to create a work environment which encourages and values the contribution of each individual resource.

The Group recognises the importance of the development and training of its resources, as they represent the Group's added value.

In the 2020/2021 financial year, more than **4,510** hours of training were given to the Group's employees. In addition to mandatory health and safety training in the workplace, specific courses and training on Sales Strategy issues, not just when opening new points of sale (outlets or boutiques) by store managers of historical outlets identified for their professionalism, product knowledge and undisputed sales capabilities. During these sessions, the product's characteristics, the way they are displayed, and the presentation of the brand's characteristics are illustrated.

The Lancel Group also stipulates professional training by department in order to identify and increase the individual growth prospects of all employees as well as identifying any *ad hoc* training courses.

### Total hours of training given to Group employees

Professional category	2020/2021			2019/2020		
	Men	Women	Total	Men	Women	Total
Directors	1	38	39	2	1	3
Employees	699	2,062	2,419	287	721	1,007
Workers	756	1,296	2,052	1,252	2,006	3,258
<b>Total</b>	<b>1,456</b>	<b>3,055</b>	<b>4,510</b>	<b>1,541</b>	<b>2,278</b>	<b>4,268</b>

### Average hours per-capita of training given to Group employees

Professional category	2020/2021			2019/2020		
	Men	Women	Total	Men	Women	Total
Directors	0.1	38.0	4.3	0.2	1.0	0.3
Employees	4.9	3.0	3.4	1.8	1.1	1.3
Workers	9.5	8.3	8.7	10.7	10.4	10.5
<b>Total</b>	<b>6.3</b>	<b>4.2</b>	<b>4.7</b>	<b>5.5</b>	<b>3.3</b>	<b>3.9</b>

To face the spread of COVID-19 and protect its own people, the Group has implemented mitigation actions to protect employees which have involved the implementation of stringent health and safety measures in factories and shops.

Despite this, the Piquadro Group has increased and invested in the continuous training process of which the Parent Company recognizes the importance above all on issues



regarding the Organization and Management Model and the Code of Ethics.<sup>8</sup> The information and training activities are planned at the beginning of the working relationship, both at the headquarters and at each point of sale, and at all occasions when the need is found in order to ensure the proper knowledge of Legis. Decree 231/01 and the provisions of the organisation and management Model. During the year, Piquadro S.p.a. and The Bridge S.p.a. provided a total of **21** hours of classroom training on these topics.

---

<sup>8</sup> Currently the Group does not carry out specific training in the field of human rights but confirms its target to start up training courses in that area.

### 3.3 Employee well-being and equal opportunities

The Piquadro Group guarantees totally equal treatment. As part of its objectives, the Group commits to creating and maintaining a working environment which considers diversity, based on respect for individuals and correct behaviour in all countries and communities in which it operates. All employees are required to follow the procedures and guidance policies that promote these company values.

The working environment, as well as being adequate as regards employees' personal health and safety, promotes mutual collaboration and team spirit, respecting everyone's moral personality and is free of prejudice, intimidation, unlawful conditioning or undue inconvenience. Piquadro, through the relevant functions, selects, hires, pays and organises employees based on the criteria of merit and skill, in accordance with the reward system adopted, based on criteria of objectivity and reasonableness and respecting what is written in employment contracts, without age or gender discrimination.

#### Group headcount per professional category and gender

Professional category	as at 31 March 2021					As at 31 March 2020 <sup>9</sup>				
	Men	%	Women	%	Total	Men	%	Women	%	Total
Directors	8	89%	1	11%	9	47	90%	1	10%	10
Employees	142	20%	568	80%	710	153	19%	635	81%	788
Workers	80	34%	157	66%	237	117	38%	192	62%	309
<b>Total</b>	<b>230</b>	<b>24.06%</b>	<b>726</b>	<b>75.94%</b>	<b>956</b>	<b>279</b>	<b>25%</b>	<b>828</b>	<b>75%</b>	<b>1,107</b>

At Group level, as of 31 March 2020, there were a total of 237 workers, 710 employees and 9 directors: of these **76% are women**.

#### Group headcount per professional category and age group

Number of people	as at 31 March 2021							as at 31 March 2020 <sup>9</sup>						
	<30	%	30-50	%	>50	%	Tot	<30	%	30-50	%	>50	%	Tot
Directors	0	0%	3	33%	6	67%	9	-	0%	2	20%	8	80%	10
Employees	153	22%	441	62%	116	16%	710	213	27%	453	57%	122	16%	788
Workers	11	5%	170	72%	56	24%	237	34	11%	203	66%	72	23%	309
<b>Total</b>	<b>164</b>	<b>17%</b>	<b>614</b>	<b>64%</b>	<b>178</b>	<b>19%</b>	<b>956</b>	<b>247</b>	<b>22%</b>	<b>658</b>	<b>59%</b>	<b>203</b>	<b>18%</b>	<b>1.107</b>

As regards the age range, employees aged between 30 and 50 account for 64% of the total. **17% of employees are under 30**, demonstrating the Group's high ability to also attract and employ younger resources.

<sup>9</sup> Following a process of improving the monitoring system of the human resources data, the data as at 31 March 2020 relating to the sub-division of employees depending on their professional category and gender, has been restated as compared to that published in the previous NFS. For previously published data, please refer to the NFS of 31 March 2020, available on the website [www.piquadro.it](http://www.piquadro.it) in the Investor Relations/Sustainability Report section.

As of 31 March 2021, 89% of directors are employed at local level, i.e. they are of the same nationality as the country in which they work.

The principles of the individual's centrality and the protection of equal opportunities provided in the Group's Code of Ethics mean, from a practical point of view, the promotion of several initiatives to ensure good **company welfare**:

- to cater for employees, Piquadro has an internal canteen service, while both The Bridge and Lancel offer a relaxation - kitchen room for workers in addition to the "*Ticket Restaurant*" vouchers to eat meals elsewhere;
- • directors and most of the Group's managers are given a company car
- • both Lancel and The Bridge, in order to facilitate the movement of employees, also offer a contribution for public transport subscriptions;
- Furthermore, The Bridge gives its employees a 100-euro voucher to be freely spent at certain affiliated businesses;
- with the aim of guaranteeing its employees a high degree of flexibility and the ability to balance work needs with private life, a smart working system is being implemented in multiple targeted situations in Piquadro;
- Uni Best has set up a dormitory facility for all workers with guaranteed board and lodging;
- the company's welfare in the Group's Chinese company is also supported by the activity of the so-called "staff union", a team of employees who act as spokesmen of the workers and, with top management, promote activities and initiatives for workers.
- In December 2020, the Parent Company Piquadro S.p.A. and the Italian subsidiary Lancel Italy gave all employees a shopping voucher worth € 516.

As for the parent company Piquadro S.p.A. and the subsidiary Uni Best, some benefits are provided only for employees hired on full-time contracts (e.g. company car, accommodation, insurance).

### **Trade union relations**

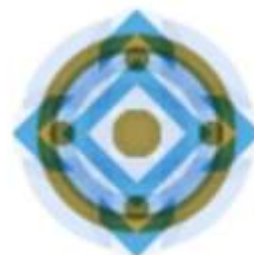
In the case of employment contracts, **93.1%** of the Group's employees are covered by **collective agreements**. In addition, The Bridge has also a second-level contract for certain categories of employees.

## Together for employment

**"Together for employment"** is a project for the insertion into the world of work of people with disabilities looking for employment, which enhances motivation, supports basic and specific training, and guarantees ad hoc tutoring within companies

The project originates from the collaboration between the Municipality, the Metropolitan City and the Archdiocese of Bologna: the network includes associations, unions and the non-profit sector, so as to become an effective tool for a dialogue between labour supply and demand in Bologna.

**Piquadro S.p.A.**, together with other local companies, has decided to join the Board.



"Together for employment" implements new horizontal cooperation practices, with the aim of maximizing the reintegration of people in need: avoiding duplication of interventions, sharing methods of action, defining good practices, actively involving the business system are the modalities that allow to grasp the needs of people and to grant all individuals in situations of fragility dedicated support and planning to become autonomous.



### 3.4 Health and safety at work



The Group commits to maintaining **high standards in safeguarding** its employees' **health and safety**: for this purpose, the Italian companies Piquadro S.p.a. and The Bridge S.p.a. have adopted an *ad hoc* **management process**, including a "safety chart". The procedure has been drawn up following a risk assessment analysis connected to the employees' workplace and duties. Within the context of the Group's work, the risk assessment must strive towards the **continuous improvement** of the workers' health and safety at work.

The Piquadro Group guarantees the physical and moral integrity of its employees and internal collaborators, work conditions which respect individual dignity and safe and salubrious working environments, in full respect of the current regulations of preventing accidents at work and worker protection.

To this end, the Italian companies Piquadro S.p.a. and The Bridge S.p.a. have set up a **management procedure** of safety at work, done following an **analysis of potential risks** connected to the activities done by the employees and also implemented thanks to identifying people responsible for protection (e.g. Head of the prevention and protection service, fire service personnel, first aid workers). The process also involves monitoring and recording any accidental "near misses".

In order to obtain the risk assessment, careful analysis of the work activities and the study of the relationship between people, equipment, the environment, physical, chemical and biological factors of each workplace and the place where it develops had to be carried out. In particular, the assessment process has been developed through: identification of each particular workplace, identification of hazards present and tasks, a risk analysis for each task, and the study and preparation of the measures to be applied based on the results of the assessment.

The risks taken into account range from those relating to the structure and work environments, to the machinery and equipment used, the hazardous substances with which employees could come into contact, work related stress, the protection of pregnant personnel in the workplace, etc.

In the same document, companies are committed to ensuring that each worker receives sufficient and adequate health and safety training, anticipating a specific relationship between roles performed and training requirements.

During the financial year ended 31 March 2021, the Italian companies Piquadro S.p.a. and The Bridge S.p.a. and the production subsidiary Uni Best continued their implementation of an increasingly refined management system striving for the continuous improvement of safety in the workplace, monitoring and urging its employees to report any critical issues regarding safety. Uni Best also provides all new employees with a manual listing the company's general guidelines and standards including safety in the workplace, thus pursuing its objective to provide information which can make it easier to create a complete prevention system at its headquarters.

The French subsidiary Lancel Sogedi S.A. is equipped with an employee representative body (formerly CHSCT and now CSE – a health and safety committee) which contributes to protecting its workers' wellbeing, health and safety. This body actively takes part in improving working conditions and guarantees that all the elements relating to occupational safety are respected. The CSE is responsible for analysing all the risks to which employees could be exposed in the workplace and establishes any corrective and preventative actions necessary. To carry out this analysis, the CSE regularly conducts studies, surveys and inspections.

In order to prevent and improve safety in the workplace, CSE consultations take place every month (at least four meetings a year are mandatory). These meetings analyse the structure of the business organisation (e.g. workloads, work rhythms and increased work duties), the environment (e.g. temperature, lighting, ventilation or workplace noise) and working hours. It should be pointed out that the CSE has decision-making authorities, so it can initiate an alert procedure in the event of serious and imminent risk or serious risk to public health or the environment. These actions are summarized in the "Unique Document" drawn up for both the headquarters and the stores.

#### Employee health and safety indicators<sup>10</sup>

PIQUADRO GROUP – Accidents of employees		
Number of Accidents	2020/2021	2019/2020
Total number of recorded accidents at work	7	22 <sup>11</sup>
Total number of serious accidents at work (excluding deaths)	0	0
Total number of deaths due to accidents at work	0	0
Health and safety indicators	2020/2021	2019/2020
Rate of recorded accidents at work	7.40	9.92
Rate of serious accidents at work (excluding deaths)	0	0
Rate of deaths due to accidents at work	0	0

In the period under review, the data on accidents has decreased by 25% compared to the previous year.

The accidents which occurred outside Europe were mainly at the Uni Best company located in China. The number of accidents recorded there, which is higher than in other geographical areas, is due to the diversity of tasks carried out. Whereas in Italy and in the rest of Europe the employees mainly do office or sales tasks, in China, workers are employed almost exclusively in production and therefore in potentially riskier activities. The main types of accidents detected were injuries and bruises, and cuts.

In order to monitor this data relating to recorded workplace accidents, Piquadro believes that it is only through creating a shared system that benefits can be multiplied and, therefore, the main way of achieving such objectives lies in everyone's commitment to the safety policies.

For this reason, the Group continues its commitment to disseminating and consolidating a **safety culture** to all its employees and collaborators, developing awareness of risks and

<sup>10</sup> The accident rates have been calculated as the ratio between the total number of accidents and the number of total hours worked, using a multiplication factor of 1,000,000. It should also be noted that only events which led to at least one or more days of absence were considered as accidents.

<sup>11</sup> Following a process of improving the data monitoring system regarding the on-going accidents, the data as at 31 March 2020 has been restated as compared to that published in the previous NFS. For previously published data, please refer to the NFS of 31 March 2020, available on the website [www.piquadro.it](http://www.piquadro.it) in the Investor Relations/Sustainability Report section.

promoting responsible behaviour on the part of the personnel. To this purpose, the Italian companies Piquadro S.p.a. and The Bridge S.p.a., the Chinese production subsidiary Uni Best and Lancel Sogedi S.A. periodically give general and specific training on health and safety. Over 3,534 hours of health and safety training were provided during the financial year.

The Group's Code of Ethics also reminds all employees and workers of their responsibility to contribute to the process of risk prevention and health and safety protection for themselves, colleagues and third parties, without prejudice to individual responsibility under applicable legal provisions. To this end, it sanctions, within the framework of company activities, a total general prohibition of alcohol abuse or drug use and stipulates a ban on smoking in the workplace, in accordance with legal regulations and nevertheless where smoking may cause danger to company structures and company property or to the health or safety of colleagues and third parties.

The system implemented by the Group's Italian companies also takes into account third party interference risks which may occur within the stores and, in this regard has also been followed up with reports of training requirements in the retail system.

## 4. Sustainable supply chain and environmental responsibility

As invoked by the Group's Code of Ethics, the environment is considered a primary asset of the community that the Group itself wants to help safeguard. To this end, it plans its activities by seeking a balance between economic initiatives and environmental needs, in accordance with the legal and regulatory provisions applicable, giving maximum cooperation to the public authorities responsible for monitoring, surveillance and environmental protection. Therefore, the Piquadro Group is committed to a constant search for the most suitable solutions to ensure responsible use of resources, a reduction in energy consumption and better management of emissions into the atmosphere through the constant improvement of eco-efficiency levels and the use of energy from renewable sources. The Piquadro Group is also committed to raising awareness and communication activities on energy and environmental issues.

### 4.1 The transparent and sustainable management of the supply chain



The selection of suppliers takes place, among other criteria, with a view to maintaining the high quality of the products.

The Group is committed to carrying out **sustainable and transparent management of the supply chain** and, to this end, **this includes the adoption of a Supplier Code of Conduct** and the implementation of a sharing process with the main business partner categories.

The combination of **traditional Italian leather working, quality, design and innovation has always characterised the Piquadro company.**

The Group is constantly searching for services and products distributed by Italian suppliers and beyond, which will allow them to maintain high standards of excellence of the final products.

The selection of suppliers and the determination of purchasing conditions are based on objective parameters such as, for example, quality and efficiency.

Following the acquisition of Lancel, the parent company is finalising the existing supply contracts in order to select the best suppliers of the Piquadro Group and Lancel, creating Group synergies.



The value chain of the Group's products is divided into the typical segments of:



Product research and development



Purchase of raw materials and semi-finished products



Production



Distribution



Sale to end customer

### The Group's main types of suppliers

The flexibility of the business model adopted by the Group means it can maintain the supervision of all critical phases of the production and distribution chain. The Group, in fact, internally carries out the entire phases of design, planning, production, purchasing, quality, marketing, communication and distribution and uses outsourcing only for part of the production activities, while also maintaining control, in terms of quality and efficiency of the outsourced phases.

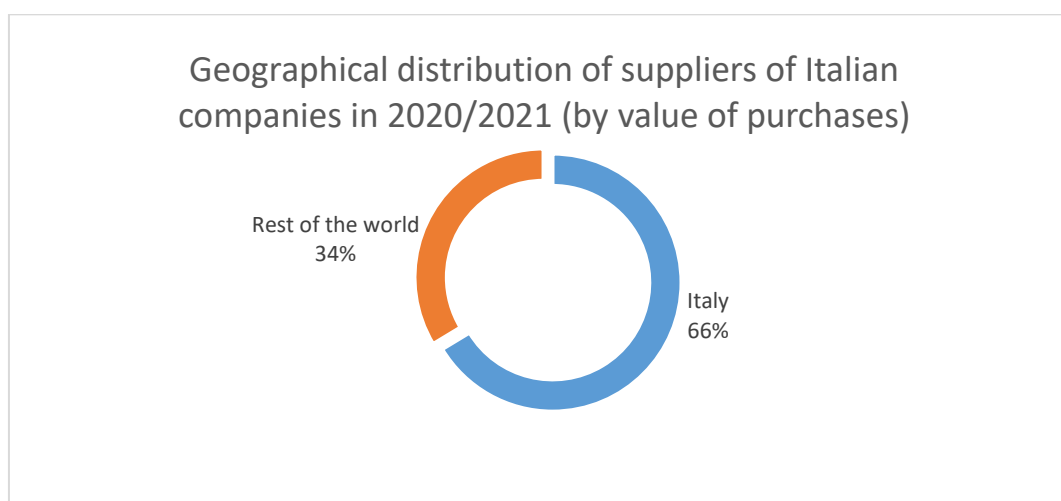
The production activity, which is partially carried out by external operations, is entrusted to external suppliers of proven competence and quality, located mainly in Hong Kong, Italy, China, the Czech Republic and Bulgaria. This activity is carried out on the basis of prototypes, engineered and provided by the Group, which then directly conducts a quality control activity of the products produced.

The Group's main purchasing types are represented by the categories "**raw materials and finished products**" and "**external processing**" which, together, **account for almost 53% of annual expenditure**.

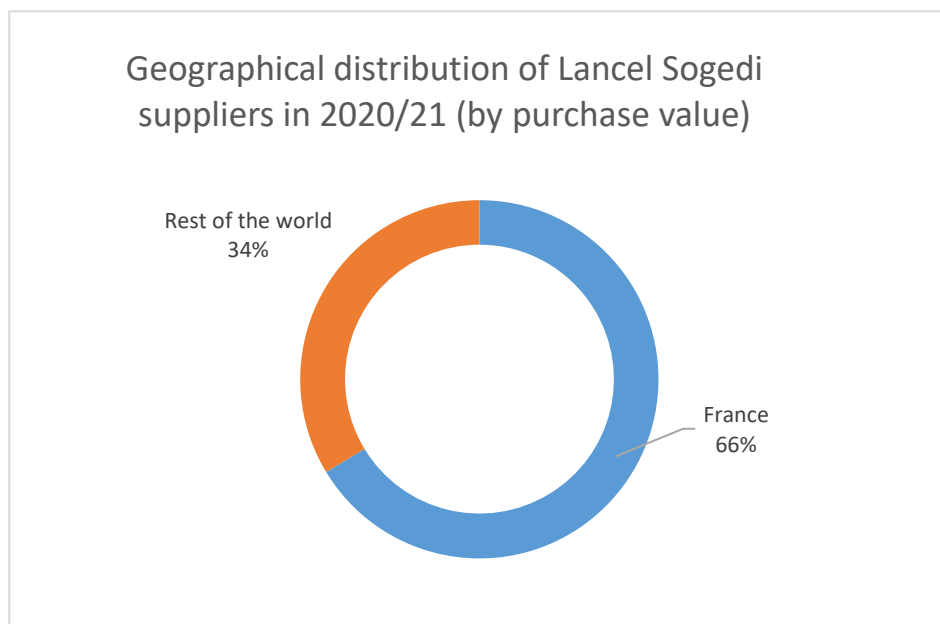
The following is the Group's total expenditure by purchase category in the 2020/2021 FY

2020/2021		
Category	Value of total annual expenditure by type [€]	Percentage of total annual expenditure by type
Raw materials and finished products	22,306	30%
External production	16,304	22%
Advertising and marketing	10,827	15%
Transport services	5,945	8%
Commercial services	4,000	5%
Administrative services	2,624	4%
General services	3,772	5%
Services for production	3,734	5%
Costs for use of third-party goods	3,716	5%

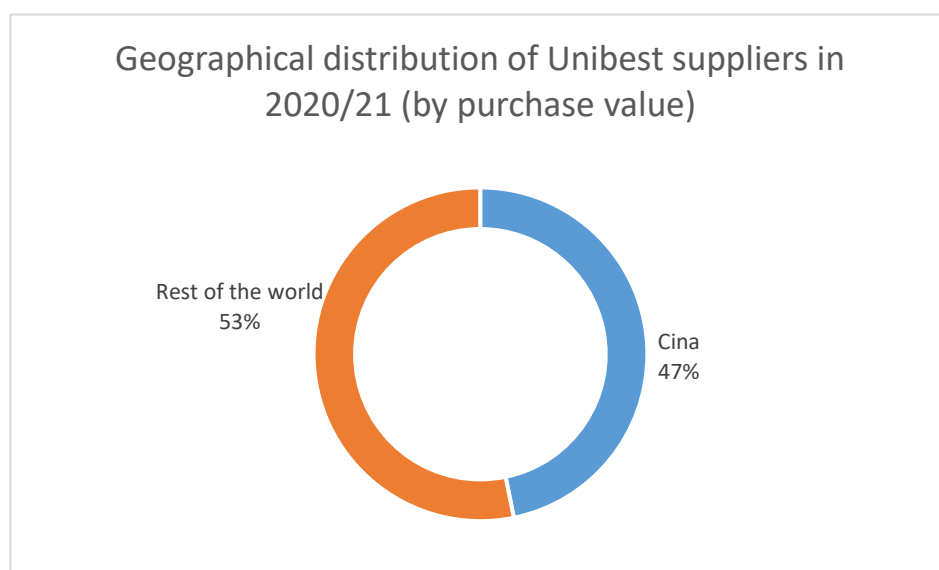
**Local suppliers for Italian companies** are dominant in terms of business volume and account for **68%** of the **total value of purchases** made in 2020/2021 (a slight increase compared to the same data of the 2019/2020 FY, equalling 66%)



As regards **local suppliers for the French company**, these represent, in terms of turnover, **66%** of the **total value of purchases** (compared to 63% of the previous year).



With regard to purchases made by the Chinese subsidiary Uni Best, the distribution of suppliers is as follows:



The percentage of local suppliers, understood as Chinese suppliers, is **47%** of the value of purchases in 2020/2021 (in line with 2019/2020).

The Piquadro Group is inspired by integrity and aims to bring fairness and ethical values also into external relations.

For this purpose, the Code of Ethics is expressly addressed not only to administrators and internal workers, but also to external employees, customers, agents and, of course, suppliers. The Group has called to adopt a **Supplier Code of Conduct** and the implementation of a sharing process with the main business partner categories.

The Group does not envisage social and/or environmental criteria, as part of the qualification and selection process for new suppliers. Nonetheless, the Group aims to include new parameters relating to the protection of human rights and other social and environmental criteria before the 2021-2022 NFS publication.

## Responsible material consumption

The Piquadro Group, in line with the management responsible for its business, is committed to purchasing high-quality materials with a lower environmental impact.

### Raw material and consumables purchased by type<sup>12</sup>

Type	Unit of measure	Total as at 31.03.2021
LEATHER	M <sup>2</sup>	367,173
SHOPPING BAG	KG	95,541
of which FSC ( <i>Forest Stewardship Council</i> )	KG	23,069
of which Non FSC ( <i>Forest Stewardship Council</i> )	KG	72,472
METALLIC ACCESSORIES	UNITS	6,956,940
COTTON/CLOTH BAGS	UNITS	273,518
FELT AND FABRICS	ML	114,813

The most common raw material in terms of purchases is leather, used to make the Group's three brands. In the 20202021 FY, the Group purchased over **367 thousand square metres of leather**, mainly from Italian tanneries.

As well as leather, to make its products, the Group also purchased fabrics, nylon and polyester, accessories and metallic accessories. The other categories of materials used by the Group were paper for office activities and cardboard and plastic for product packaging and transport (cardboard boxes, product tags, cellophane and other plastic packaging material). Starting from this financial year, greater attention has been paid to the choice of FSC paper shopping bags the quantities of which have recorded a considerable increase.

### Vegetable Tanning

The leather used for some of The Bridge products is made from vegetable tanning. This technique requires the leather to be worked only using natural tannins contained in wood, bark, leaves and tree fruit.

Vegetable tanning means working with a lower environmental impact than more widespread methods which involve the use of chromium, it does not contain toxic substances which are harmful to humans and the environment and is also usually well tolerated by people who are allergic to heavy metals.

<sup>12</sup>The types listed include the main materials and consumables purchased using the most representative units of measurement.

"Vegetable tanning" is the oldest and most recognisable technique, the only one capable of giving leather unmistakable properties and making the end product unique.

With regard to chemical agents or other hazardous materials, this is limited to the repair department where glue, detergents and colours are used in a non-continuous manner. On such sporadic occasions, all necessary precautions are taken by workers, under the indication of health and safety procedures.

In addition, the parent company and subsidiary The Bridge S.p.A., within the framework of the organisation and management Model under Legis. Decree 231/01, analysed any possible risks potentially related to the use of these substances, revealing that the type of activities carried out within the Group's companies do not appear to be such as to expose workers to risks to their health and safety.



### 4.3. Energy management

During the 2019/2020 financial year, the Piquadro Group's energy consumption stood at about **23,014 GJ (a 13% reduction compared to 2019/2020)**. The main types of energy sources used were:

- electricity;
- natural gas, diesel and LPG for heating;
- diesel and petrol for transport.

The reported energy consumption relates to the Italian offices, the Chinese production establishment and, for electricity consumption only, the 129 direct outlets of the Piquadro Group (as at 31 March 2020). Consumption fuel by company cars is related to the company Piquadro S.p.A., The Bridge, Uni Best and Lancel Sogedi.

Since July 2017, Uni Best has installed an air conditioning system at its headquarters which does not use cooling gas but just water to operate.

#### Energy consumption of the Piquadro Group<sup>13</sup>

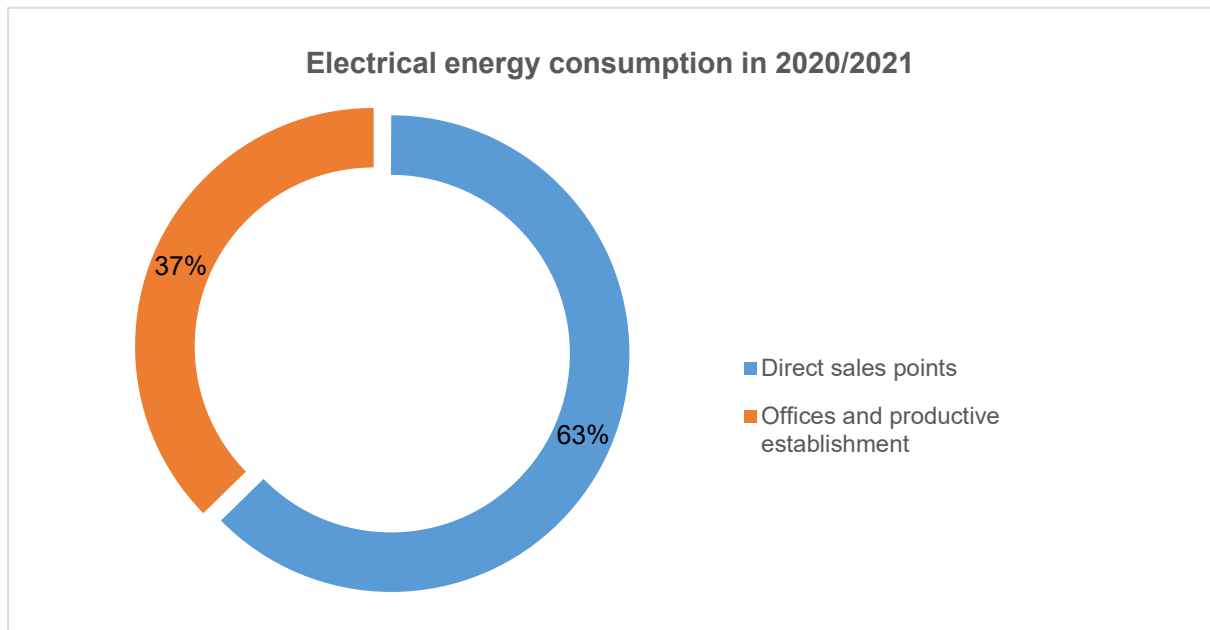
Type of consumption	2020/2021	2019/2020
	Total (GJ)	Total (GJ)
<b>Purchased electricity<sup>14</sup></b>	<b>14,868</b>	<b>17,978</b>
: <i>renewable<sup>16</sup></i>	4,369	4,605
<b>Non-renewable fuel</b>	<b>8,146</b>	<b>8,590</b>
<i>of which: natural gas for heating</i>	4,182	3,846
<i>of which: diesel for heating</i>	152	218
<i>of which: LPG for heating</i>	1,938	1,717
<i>of which: petrol for company fleet</i>	97	192
<i>of which: diesel for company fleet</i>	1,777	2,616
<b>Total energy consumption</b>	<b>23,014</b>	<b>26,568</b>
<i>of which renewable</i>	<b>4,369</b>	<b>4,605</b>

As far as the distribution of electricity consumption is concerned, direct outlets account for about 63% of the Group's **total consumption** (compared to 65% of the 2019/2020 FY).

<sup>13</sup> For the calculation of energy consumption in GJ, the conversion factors of the Department for Environmental Food & Rural Affairs (DEFRA), UK, of 2019 and 2020 respectively, were used.

<sup>14</sup> The 2020/2021 data on the electricity consumption of 3 direct Piquadro stores has been estimated by analogy to other outlets, based on their size and geographical location. For FY 2019/2020 the number of points of sale for which it was necessary to estimate consumption decreased to 5.

<sup>15</sup> Following a process of improving the monitoring system of the data regarding the electricity purchased from renewable sources, the data as at 31 March 2020 has been restated as compared to that published in the previous NFS. For previously published data, please refer to the NFS of 31 March 2020, available on the website [www.piquadro.it](http://www.piquadro.it) in the Investor Relations/Sustainability Report section.



## 4.4 Emissions into the atmosphere

With regard to emissions into the atmosphere, in the 2020/2021 financial year, the Group produced **1,630 t CO<sub>2</sub>eq** using the location-based<sup>17</sup> calculation method, deriving from the consumption of electricity and non-renewable fuels.

In particular, direct emissions (Scope 1), i.e. from consumption of natural gas, LPG, diesel and petrol amounted to around **505 t CO<sub>2</sub>eq**.

Indirect emissions (Scope 2) on the other hand, resulting from the purchase of electricity from the grid, amounted to a total of around **1,125 t CO<sub>2</sub>** based on the location-based calculation method and around **1,296 t CO<sub>2</sub>** with reference to the "market-based" calculation method.

### Emissions of Scope 1 [tCO<sub>2</sub>eq]<sup>17</sup>

Type of source	2020/21	2019/2020
<b>Scope 1<sup>18</sup></b>		
<b>Use of fuel for heating</b>	<b>372</b>	<b>345</b>
<i>of which: natural gas</i>	237	218
<i>of which: LPG</i>	124	110
<i>of which: diesel</i>	12	17
<b>Use of petrol for company fleet</b>	<b>7</b>	<b>13</b>
<b>Use of diesel for company fleet</b>	<b>126</b>	<b>189</b>
<b>Total Scope 1</b>	<b>505</b>	<b>547</b>
<b>Scope 2<sup>19</sup></b>		
Purchased electrical energy (location-based)	<b>1,125</b>	<b>1,415</b>
<b>Scope 2</b>		
Purchased electrical energy (market-based)	<b>1,296</b>	<b>1,628</b>

<sup>16</sup> GRI Sustainability Reporting Standards provide two methodologies for calculating the emissions of Scope 2: "Location-based" and "Market-based". The "Location-based" reflects the average intensity of emissions from the total national electricity production, while the "Market-based" method reflects the emissions from electricity that companies have chosen to use and is therefore calculated by emission factors that also consider contractual instruments for the sale and purchase of certified electricity.

<sup>17</sup> It should be noted that for better alignment with what is required of the GRI 305-1 standard to calculate Scope 1 emissions, a source of emission factors was used that restores emissions into CO<sub>2</sub>eq. Emissions from Scope 2 are instead expressed in tonnes of CO<sub>2</sub>, however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO<sub>2</sub>eq), as inferred from the related technical literature.

<sup>18</sup> To calculate Scope 1 emissions, the emission factors published by the Department for Environment, Food & Rural Affairs, UK (DEFRA), in Greenhouse gas reporting - Conversion factors 2019 and 2020 were used.

<sup>19</sup> To calculate Scope 2 emissions with the "location-based" method, emission factors were used reported within the publication Confronti Internazionali, Terna 2017 and 2018.

With regard to the calculation of emissions using the "market-based" method, Residual mix emission factors were used published by the Association of Issuing Bodies (AIB) in the document European Residual Mixes 2018 and 2020; these factors have only been applied for the following countries: Italy, French Great Britain and Spain. In other cases where factors were unavailable, the same factors used for the calculation were maintained with the "location-based" method.

Following a process of improving the monitoring system of the Scope 2 emissions data, the data as at 31 March 2020 has been restated as compared to that published in the previous NFS.



## Waste management

### 4.5 Waste Management

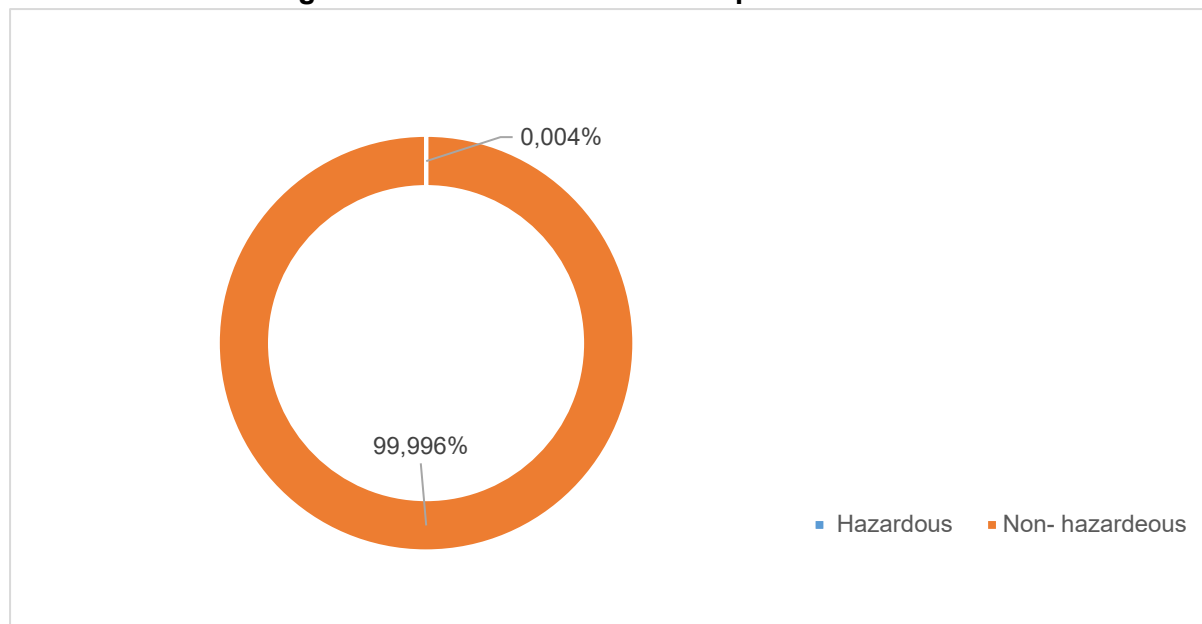


The parent company has implemented a **waste management procedure** developed as part of the organisation and management Model. It aims to establish ways of managing and disposing of urban and assimilated waste (wood, paper, cardboard, plastic, etc.), as well as the management of special waste such as electrical and electronic appliances, used toners and cartridges, managed through authorised suppliers and in compliance with current regulations. The correct implementation of the procedures is also requested and protected by disciplinary and sanctioning measures in the event of violations.

The Piquadro Group has always been conscious of and attentive to the way in which waste is managed and disposed of, in accordance with current regulations. It is fully aware of the correctly managed duty towards public health and when considering the rights of future generations.

During the 2020/2021 tax year, the Piquadro Group produced a total of approximately **234 tonnes of waste**, almost all of which were **non-hazardous**.

**Percentage of hazardous waste and not produced in 2020/2021**



As regards the disposal method, the Group sends about **64% of its waste to recycling** (compared to 48% of the 2019/2020 FY), **6% to energy recovery** and 30% to landfill and concerns non-dangerous materials.

Waste per disposal method [t] <sup>20</sup>						
Disposal method	2020/2021			2019/2020		
	Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total
Recycling	0.24	149.08	149.32	0.01	160.34	<b>160.35</b>
Energy recovery	-	13.74	13.74	-	10.76	<b>10.76</b>
Landfill	-	71.37	71.37	0.01	159.85	<b>159.86</b>
<b>Total</b>	<b>0.24</b>	<b>234.19</b>	<b>234.43</b>	<b>0.01</b>	<b>330.95</b>	<b>330.97</b>

<sup>20</sup>The data entered does not include the Group's outlets and the similar urban waste of the company The Bridge S.p.a. For the company Uni Best, the weight of waste produced and destined for landfill disposal was estimated based on the volume of waste according to a specific weight of 0.2 t/m<sup>3</sup>.

## 5. The link with the territory



Among the Group's activities there are also several **community initiatives**: Piquadro, The Bridge and Lancel are **strongly linked to the territory** in which they were born and they are a reference point for many families and a source of training, income and professionalism for many workers.

During the 2019/2020 financial year, the Piquadro Group made multiple donations to non-profit organisations and local associations for development and promotion purposes and sponsored social and cultural events in the area.

**Piquadro** has donated shopping vouchers for an amount of **€ 10,000** to people in difficulty due to the Covid-19 emergency, in collaboration with the municipality of Lizzano in Belvedere.

Piquadro is proud to support the community of its mountains by promoting economic and social development through sustainable tourism open to diversities and to respect for the environment.

What was formed by the long-standing friendship and a common love for their mountains of Piquadro Founder Marco Palmieri and President of the Italian Federation of



Winter Sports is the association that, by involving a large number of entrepreneurs and local companies, led to the creation of a new company to manage the skiing facilities of Bologna's most beloved ski resort. The aim is the rebirth of this local reality by developing an aware and sustainable tourism that allows young people to remain in the homeland without having to seek work elsewhere. The challenge is to find a balance between environmental sustainability and enjoyment of nature without disfiguring it. Or better still, by developing a new and heartfelt environmental sensitivity.

The Bridge, in particular, has regular contacts with schools and training facilities in general that are located in the Florentine basin: through the activation of curricular, extracurricular and apprenticeship contracts, it has frequent contact with Polimoda and with MI.TA (Made in Italy Tuscany Academy) the first Higher Technical Institute in the field of technical professions for

fashion with offices in Scandicci (Florence). It also made a donation to the Urban Forestry Center which collaborates with various non-profit organizations for the protection of the nation's historical, artistic and natural heritage.



The **Palmieri Family Foundation**, founded in 2009, came from Marco and Beatrice Palmieri's desire to continue their philanthropic activity and enhance diversity through a situation which was not just based on welfare but focussed on creating new business models. The aim is to promote activities aimed at study, research, training, innovation in the field of job creation and employment opportunities for people from disadvantaged groups.

With this purpose and an unprecedented entrepreneurial approach, the Foundation aims to introduce to the market the non-profit companies which host people with disabilities and offer them opportunities to enter the world of work, so that they can stand on their own. In this regard, we remember the "**Happy Box**" initiatives since 2009 on solidarity and support projects to enhance the diversity and integration of differently abled people and the competition "**Less is more**" aimed at rewarding social start-ups.

## GRI Content Index

GRI Standard	Disclosure	Page
<b>GRI 101: Foundation 2016</b>		
<b>GRI 102: General disclosures (2016)</b>		
<b>Organizational profile.</b>		
102-1	Name of the organisation.	6
102-2	Activities, brands, products and services	6
102-3	Location of headquarters	6
102-4	Location of operations	7; 8
102-5	Ownership and legal form	9
102-6	Markets served	6-8
102-7	Scale of the organisation.	6
102-8	Information on employees and other workers	52,53
102-9	Supply chain	64-67
102-10	Significant changes to the organization and its supply chain	3,4
102-11	Precautionary principle or approach	19-23; 63
102-12	External initiatives	4
102-13	Membership of Associations	26
<b>Strategy</b>		
102-14	Statement from senior decision-maker	2
<b>Ethics and integrity</b>		
102-16	Values, principles, standards and norms of behaviour	11-18
<b>Governance</b>		
102-18	Governance structure	9-13
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	24-25
102-41	Collective bargaining agreements	59
102-42	Identifying and selecting stakeholders	24-25; 28

GRI Standard	Disclosure	Page
102-43	Approach to stakeholder engagement	25; 28
102-44	Key topics and concerns raised	25-27
<b>Reporting practices</b>		
102-45	Entities included in the consolidated financial statements	3-5
102-46	Defining report content and topic Boundaries	28-30
102-47	List of material topics	28-30
102-48	Restatements of information	52; 58; 60; 70; 72
102-49	Changes in reporting	27-30
102-50	Reporting period	3
102-51	Date of most recent report	July 2020
102-52	Reporting cycle	3
102-53	Contact point for questions regarding the report	5
102-54	Claims of reporting in accordance with the GRI Standards	3
102-55	GRI Table of contents	77-84
102-56	External assurance	85-86

GRI Standard	Information report	Page	Omissions
<b>GRI 200: ECONOMIC</b>			
<b>ECONOMIC PERFORMANCE</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	31-33	
103-3	Evaluation of the management approach	31-33	
<b>GRI 201: Economic performance (2016)</b>			
201-1	Direct economic value generated and distributed	33-34	
<b>MARKET PRESENCE</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	58-59	
103-3	Evaluation of the management approach	58-59	
<b>GRI 202: Presence on the market (2016)</b>			

GRI Standard	Information report	Page	Omissions
202-2	Proportion of senior management hired from the local community	59	
<b>PROCUREMENT PRACTICES</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	64-67	
103-3	Evaluation of the management approach	64-67	
<b>GRI 204: Procurement practices (2016)</b>			
204-1	Portion of spending of local suppliers	66-67	
<b>ANTI-CORRUPTION</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	4; 11-13; 22	
103-3	Evaluation of the management approach	1111	
<b>GRI 205: Anti-corruption (2016)</b>			
205-3	Confirmed incidents of corruption and actions taken	During the FY 2020/2021, no cases of corruption were recorded.	
<b>TAX</b>			
<b>Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	14-18	
103-3	Evaluation of the management approach	14-18	
<b>GRI 207: Tax (2019)</b>			
207-1	Approach to tax	14-15	
207-2	Tax governance, control, and risk management	15-18	
207-3	Stakeholder engagement and management of concerns related to tax	18	
207-4	Country-by-country reporting		The Group undertakes to adapt its internal data collection systems and to report the information required for the next reporting year.
<b>GRI 300: ENVIRONMENTAL</b>			
<b>MATERIALS</b>			

GRI Standard	Information report	Page	Omissions
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	4; 68-69	
103-3	Evaluation of the management approach	68-69	
<b>GRI 301: Materials (2016)</b>			
301-1	Materials used by weight or volume	68	
<b>ENERGY</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	70	
103-3	Evaluation of the management approach	70-71	
<b>GRI 302: Energy (2016)</b>			
302-1	Energy consumption within the organisation	70-71	
<b>EMISSIONS</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	72	
103-3	Evaluation of the management approach	72	
<b>GRI 305: Emissions (2016)</b>			
305-1	Direct (Scope 1) GHG emissions	72	
305-2	Energy indirect (Scope 2) GHG emissions	72	
<b>EFFLUENTS AND WASTE</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	22; 35-36; 73	
103-3	Evaluation of the management approach	22; 35-36; 73-74	
<b>GRI 306: Effluents and waste (2016)</b>			
306-2	Waste by type and disposal method	73-74	
<b>ENVIRONMENTAL COMPLIANCE</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	2168	
103-3	Evaluation of the management approach	2168	
<b>GRI 307: Environmental compliance (2016)</b>			



GRI Standard	Information report	Page	Omissions
307-1	Non-compliance with environmental laws and regulations	During the 2019/2020 FY, no significant fines or non-monetary sanctions due to violation of laws or regulations regarding environmental issues were recorded.	
<b>GRI 400: SOCIAL</b>			
<b>OCCUPATION</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	4; 52-53; 59	
103-3	Evaluation of the management approach	52-55; 59	
<b>GRI 401: Occupation (2016)</b>			
401-1	New employee hires and employee turnover	52-55	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	59	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	4; 22; 49-51; 56-57; 61-63,	
103-3	Evaluation of the management approach	56-57, 61-63	
<b>GRI 403: Occupational Health and Safety - Management approach disclosures (2018)</b>			
403-1	Occupational health and safety management system	61-63	
403-2	Hazard identification, risk assessment and accident investigation	22; 61-63	
403-3	Occupational health services	61-63	
403-4	Worker participation, consultation and communication on occupational health and safety	61-63	
403-5	Worker training on occupational health and safety	63	
403-6	Promotion of worker health	61-63	
403-7	Prevention and mitigation of the impacts of occupational health and safety directly linked by business relationships	56-57	
<b>GRI 403: Occupational health and safety (2018)</b>			

GRI Standard	Information report	Page	Omissions
403-9	Work-related injuries	62	
<b>TRAINING AND EDUCATION</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	56-57	
103-3	Evaluation of the management approach	56-57	
<b>GRI 404: Training and education (2016)</b>			
404-1	Average hours of training per year per employee	56-57	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	49-51, 58-59	
103-3	Evaluation of the management approach	58-59	
<b>GRI 405: Diversity and Equal Opportunity (2016)</b>			
405-1	Diversity of governing bodies and employees	10,58	
<b>NON-DISCRIMINATION</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	11-12; 49	
103-3	Evaluation of the management approach	11-12; 49	
<b>GRI 406: Non-discrimination (2016)</b>			
406-1	Cases of discrimination and corrective actions taken	During the 2020/2021 FY, no episodes linked to discriminatory practices or other relevant forms of discrimination which had involved the Group were recorded.	
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	

GRI Standard	Information report	Page	Omissions
103-2	The management approach and its components	4, 22, 49	
103-3	Evaluation of the management approach	22,49	
<b>GRI 407: Freedom of association and collective bargaining (2016)</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	22	
<b>CHILD LABOR</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	22	
103-3	Evaluation of the management approach	22	
<b>GRI 408: Child labor (2016)</b>			
408-1	Operations and suppliers at significant risk for child labor accidents	22	
<b>FORCED OR COMPULSORY LABOR</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	22	
103-3	Evaluation of the management approach	22	
<b>GRI 409: Forced or compulsory labour (2016)</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	22	
<b>CUSTOMER HEALTH AND SAFETY</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	22,35-36	
103-3	Evaluation of the management approach	35-36	
<b>GRI 416: Customer Health and Safety</b>			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	35-36	
<b>SOCIOECONOMIC COMPLIANCE</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	11-14, 20-21	
103-3	Evaluation of the management approach	11-14, 20-21	
<b>GRI 419: Socioeconomic compliance</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	During the 2020/2021 FY, no significant fines or non-monetary sanctions due to violation of laws or	

GRI Standard	Information report	Page	Omissions
		regulations regarding social and economic issues were recorded.	
<b>BRAND IMAGE AND REPUTATION</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	40-48	
103-3	Evaluation of the management approach	40-48	
<b>QUALITY, INNOVATION AND RESEARCH OF THE PRODUCTS</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	37-41	
103-3	Evaluation of the management approach	38-41	
<b>CUSTOMER SATISFACTION</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	46-49	
103-3	Evaluation of the management approach	46-49	
<b>CORPORATE GOVERNANCE</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	10	
103-3	Evaluation of the management approach	10	
<b>RISK ASSESSMENT AND MANAGEMENT</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its Boundaries	28-30	
103-2	The management approach and its components	19-22	
103-3	Evaluation of the management approach	19-22	

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018

To the Board of Directors of  
Piquadro S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of the Piquadro S.p.A. and its subsidiaries (hereinafter "Piquadro Group" or "Group") as of March 31, 2021 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on June 15, 2021 (hereinafter "NFS").

### Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

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

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

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

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Auditor's responsibility**

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Piquadro Group;
4. understanding of the following matters:
  - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
  - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
  - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a);

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management and the employees of Piquadro S.p.A., Lancel Sogedi S.A. and The Bridge S.p.A., and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for Piquadro S.p.A., Lancel Sogedi S.A. and The Bridge S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

## Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Piquadro Group as of March 31, 2021 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

*Signed by*

**Domenico Farioli**

Partner

Bologna, Italy

July 5, 2021

*This report has been translated into the English language solely for the convenience of international readers.*