

Consolidated non-financial statement

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

Sustainability report as at 31 March 2023
Piquadro group

PERFORMANCE
BEYOND AESTHETICS



Contents

Message from the Chairman	2
Notes on reporting methods	4
1. Piquadro Group.....	7
1.1 The Group's background and values	8
1.2 The Ethical management of our business	17
1.3 Compliance and risk management.....	26
1.4 Our stakeholders and materiality analysis.....	31
1.5 Creating value	41
1.6 EU taxonomy	45
2. Quality, Innovation and Research of the Products.....	49
2.1 Quality of our products.....	49
2.2 Research and Development	52
2.3 Piquadro.....	56
2.4 The Bridge.....	59
2.5 Lancel group.....	61
2.6 Customer experience.....	63
3. People, diversity and inclusion.....	65
3.1 Our people.....	66
3.2 Employee Management and Development	70
3.3 Employee welfare and equal opportunities	72
3.4 Health and safety at work.....	75
4. Sustainable supply chain and environmental responsibility.....	78
4.1 The sustainable management of the supply chain	78
4.2 Responsible material consumption	82
4.3 Energy management	84
4.4 Emissions into the atmosphere.....	86
4.5 Carbon Neutrality.....	88
4.6 Waste management	90
5. The link with the territory	92
GRI Content Index.....	94
Auditing Company Report.....	99

Message from the Chairman

Reporting period year ends 31 March 2023 may be viewed as a period of extremely significant economic growth for the Group and, at the same time, from a sustainability standpoint, a defining moment for the significant results achieved.

Over this year, our commitment to Corno alle Scale ski resort continued, whose social contribution is important also in consideration of the impact it has on the employment system of the Alto Reno valley. The ski resort sells over 40,000 sky passes every year, and doubling this number to include companions, in just 4 months in winter that it operates, this activity attracts 80,000 visitors, a significant number, considering the location.

Piquadro pursued its commitment more vigorously in terms of organisation and marketing and communication supporting the Corno alle Scale ski area, which also enabled us to integrate the focus on outdoor activities and high-performance products into our product strategy, reflecting the world of mountain and outdoor activities.

As part of the activities aimed at mitigating the impact on climate due to energy usage over this year, already in November 2022, the photovoltaic plant at the Gaggio Montano headquarters finally became operational, the benefits of which are gradually being revealed by contributing to a progressive lower impact of air emissions attributable to manufacturing.

Our awareness of environmental issues has been further extended through the programme to offset all Scope 1 and Scope 2 emissions. The 1,896 tonnes of CO₂ eq. have been offset by carbon credits certified by the Verified Carbon Standard (VCS) of Verra, the main standard certifying CO₂ reduction programmes. Each carbon credit represents one tonne of CO₂ that has been absorbed, reduced or prevented from entering the air through CO₂ reduction/absorption programmes, as a reforestation project.

The carbon credits gained by the Piquadro Group were generated by a reforestation project called "Fazenda Nascente Do Luar", in the Brazilian state of Mato Grosso do Sul.

We have also gradually begun to offset the emissions of CO₂ related to the manufacture of certain best-selling products by identifying 13 products included in Piquadro and The Bridge brand best-selling lines, calculating their carbon footprint, with the aim of offsetting it by purchasing additional certified carbon credits.

Measuring emissions of individual products has also proved useful for starting to build a real habitude for eco-design, product design guided by the impact they will have on the environment.

The use of leathers from tanneries with certifications issued by the Istituto di Certificazione della Qualità per l'Industria Conciaria (ICEC) - Institute for Quality Certification for the Tanning Industry, such as those regarding the traceability of raw materials (leathers) upstream of the tannery has been extended. Certifications issued by the Leather Working Group (LWG), a not-for-profit organisation that promotes and identifies best environmental and responsible leather sourcing practices for industry and consumers, were considered.

Our Group has finally been awarded by Standard Ethics, the leading international rating agency, well-known in the world of "sustainable finance" and ESG (Environmental, Social and Governance) studies, the "EE-" rating that indicates satisfactory compliance with sustainability standards. The rating highlights that the Group has strategically aligned its ESG actions with voluntary international sustainability goals and strategies promoted by the UN, OECD and the EU, and that the Group has built an adequate and implementable ESG risk management and

Sustainability Report as at 31 March 2023 of the Piquadro Group

governance system over time, as well as endorsing that the Group's non-financial reporting is aligned with international standards and good practices.

Chairman and CEO of Piquadro S.p.A.
Marco Palmieri

Notes on reporting methods

This document represents the consolidated non-financial disclosure (hereinafter also "NFD" or "Sustainability Report") of the Piquadro Group (also "the Group"), prepared in accordance with Italian Legislative Decree 254/16 and reports, to the extent necessary for ensuring understanding of corporate operations, its performance, its results and the impact it generates, on the topics deemed relevant and listed under article 3 of Italian Legislative Decree 254/16, with reference to reporting period year ends 31 March 2023 (on and after 1 April 2022 to 31 March 2023).

As required by article 5 of Legislative Decree 254/16, this document forms a separate report which has been given a specific title, for the purpose of linking it to the NFD provided under said legislation.

This report has been prepared in accordance with the GRI Standards.

The definition of the topics relevant to the Group and its Stakeholders was made based on a structured materiality analysis process, which also included a comparison of the material topics with industry *best practice*, described in the section: "Group stakeholders and materiality analysis".

Regarding disclosures to be provided within the meaning of article 3(2) of Legislative Decree 254/16, it should be noted that, in consideration of the business sector, the following disclosures have not been included in the reporting perimeter, as they were deemed irrelevant for the purpose of ensuring correct understanding of corporate activities and, namely:

- The use of water resources, used exclusively for sanitary purposes.
- Other pollutant air emissions other than greenhouse gas emissions.

The scope of the economic, social and environmental data and disclosures reported in this report regards the fully consolidated entities within the Group Consolidated Financial Statements year ends 31 March 2023, reported in the "Ownership structure" section of this report. No significant changes over the period were reported impacting the Group's reporting perimeter, ownership structure and supply chain.

To facilitate comparison of data and information for more than one reporting period, and for evaluating the , Group's operational performance, a comparison has been made with data reported for the reporting period. In addition, for correctly presenting performance, estimates have been used to a very limited extent; where recourse has been made to estimates, they have been made based on the best methods available and appropriately indicated.

The interval for non-financial disclosure reporting and publication of the NFD is yearly; this report was approved by the Board of Directors of Piquadro S.p.A. on 12 June 2023.

The Disclosure also underwent a limited audit ("*limited assurance engagement*", according to the criteria under the ISAE 3000 (*Revised*) Standard performed by Deloitte & Touche S.p.A. The audit was conducted according to the procedures shown in the "Report of the Independent Auditors", included as part of this report.

The Piquadro Group has embarked on a path of continuously improving sustainability topics, with a view to implementing social and environmental responsibility in the medium-to-long term.

This path involves an ongoing thorough analysis of risks generated and suffered, including those inherent in the supply chain. With specific regard to this point, a summary of planned goals for the various sustainability topics has been reported.

Environmental topics

As explained in the Code of Ethics, the Group considers the environment a primary asset belonging to the community to be protected and safeguarded. To this end, corporate operations are planned, seeking to establish a balance between business projects and environmental needs, always in compliance with applicable statutory provisions.

For the purpose of strengthening its commitment to the responsible resource management, reduced energy usage and better management of air emissions, the Board of Directors of Piquadro S.p.a. planned to approve on June 12, 2023 a Group Environmental Policy that had previously also been submitted to the Control and Risk Committee.

Combatting bribery and corruption

This matter is dealt with in the Group Code of Ethics and is governed by the Organisation and Management Model pursuant to Legislative Decree 231/01, adopted by the parent company Piquadro S.p.A. (hereinafter also "the Parent Company") and the subsidiary The Bridge S.p.A., analysing the areas and business operations most exposed to the risk of corruption and adopting the necessary anti-corruption measures.

To confirm and strengthen its essential and shared commitment combatting bribery and corruption, the Group has reviewed and updated the relevant section regarding management of such matters in the Group Code of Ethics. The new Group Code of Ethics was approved by the Parent Company's Board of Directors on 13 June 2022.

Personnel-related topics

The Group has made a formal commitment in the Code of Ethics to protecting and promoting human resources, increasing the wealth of skills and ensuring safe and respectful work conditions for the benefit of individual dignity. At the Parent Company level, two personnel management procedures have been implemented, one with a view to administrative management of resources, the other developed under the Organisation and Management Model pursuant to Legislative Decree 231/01. To confirm its commitment to protecting occupational health and safety, the Piquadro S.p.a. Board of Directors of Piquadro planned to approve a Group Occupational Health and Safety Policy, previously submitted to the Control and Risk Committee.

Protecting human rights

In the Code of Ethics, the Group has enshrined its commitment for respecting human rights, by endorsing the ILO Declaration on Fundamental Principles and Rights at Work, including banning forced labour and child labour, freedom of association with trade unions and prohibiting any form of discrimination and harassment. Moreover, through dissemination of the Code of Ethics, the Group aims to apply such principles to all Group entities. In addition, the Group has defined a Supplier Code of Conduct which defines the principles and practices with which its suppliers are required to comply. The Board of Directors of Piquadro S.p.a. planned to approve the Group Supplier Code of Conduct on 12 June 2023, previously submitted to the Control and Risk Committee. With a view to continuously improving the management of and engagement with its supply chain, the Group has confirmed the objective

of including new criteria regarding the protection of human rights and other social and environmental parameters, as part of the new supplier qualification process.

CONTACTS

For information about this report:

Piquadro S.p.A.

Chief Financial Officer and Investor relationship

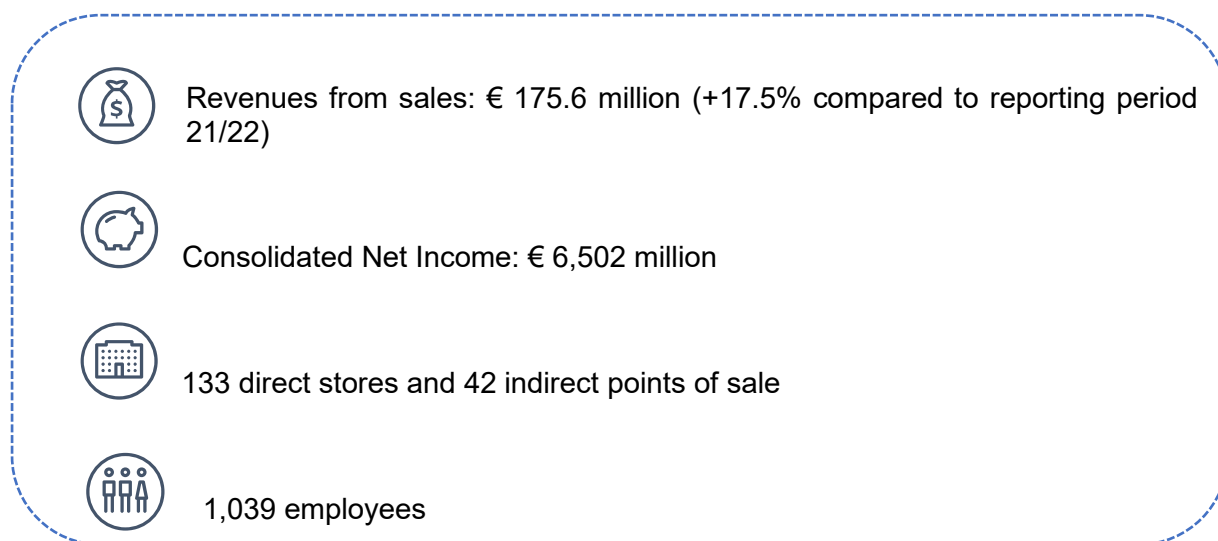
Roberto Trotta

Tel +39 (0)534 409001

investor.relator@piquadro.com

1. Piquadro Group

The Group, at a glance, as at 31 March 2023:



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-Emiliano 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.



1.1 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, a young student pursuing an engineering degree at that time, 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, thanks to the founder 's passion for mathematical terms, becomes P^2 , (P squared), which in Italian corresponds to 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 della Spiga, in the heart of Milan's fashion district.

- 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 (Expand 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.

Sustainability Report as at 31 March 2023 of the Piquadro Group

- 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 district. 2014 marks the first step towards the UK market with the opening of the flagship store in the highly central Regent Street in London.



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

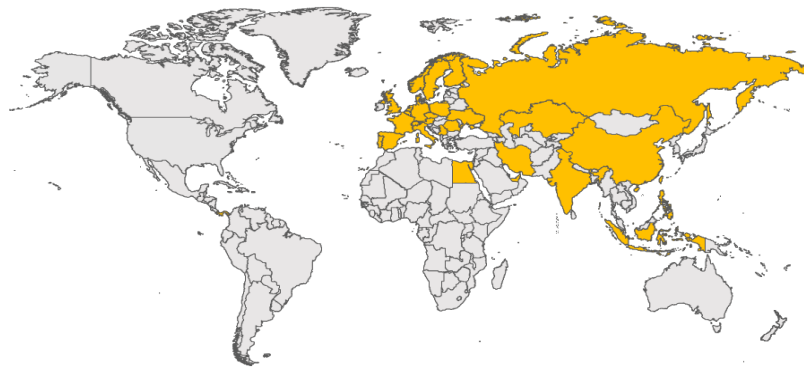


- In June 2018, Piquadro acquired Lancel International S.A. ("Lancel International") - a Swiss company, wholly owned by the Richemont Group, which owns the "Lancel" brand, holding 99.9958 % of the capital of the French Lancel Sogedi S.A. under the French law, and the companies under Spanish and Italian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

Brand diffusion

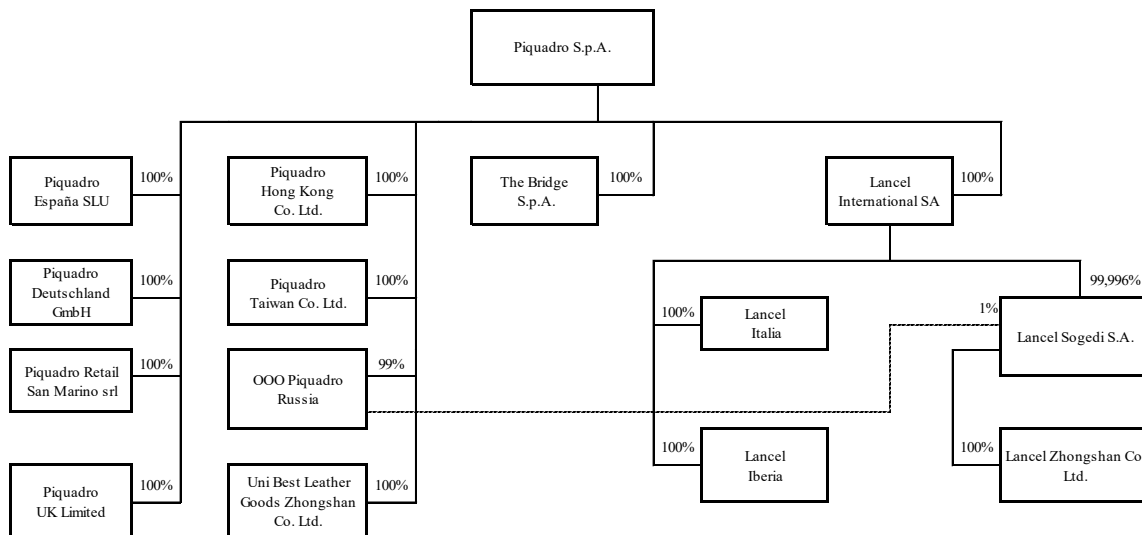
As of 31 March 2022, the brand is present in more than **50 countries with 175 sales outlets, of which 133 single-brand stores** are directly managed (48 Piquadro stores, 11 The Bridge, and 74 Lancel), **42 indirect retails stores** represented by multi-brand stores and single-brand franchise stores (33 Piquadro stores, 2 The Bridge and 7 Lancel) as well as a network of distributors reselling the items in specialised multi-brand stores.

Stores under direct or indirect management of the Piquadro Group in 2022/2023



Corporate structure

As of 31 March 2023, 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>.

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 Company adheres to the Corporate Governance Code approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A.¹

Standard Ethics, on 20 December 2022, awarded the Piquadro Group the "EE-" Corporate Standard Ethics Rating (SER), which indicates satisfactory compliance with sustainability standards. The rating highlighted that the Group "has strategically aligned its ESG (Environmental, Social and Governance) actions with voluntary international sustainability goals and strategies promoted by the UN, OECD and the EU, and that the Group has built an adequate and implementable ESG risk management and governance system over time", as well as endorsing that the Group's non-financial reporting is aligned with international standards and good practices.

Governance structure and composition

Piquadro S.p.a. is organised according to the traditional administration and control model referred to in articles 2380-bis et seq. of the Italian Civil Code, with a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

Regarding **the Shareholders' Meeting**, powers, role and operation are determined by law and the Articles of Incorporation.

The **Board of Directors** is composed, as previously described, of a number of members ranging from five to a maximum of nine, as decided by the Shareholders' Meeting at the time of appointment. The Board, whenever the Shareholders' Meeting fails to do so, shall appoint the Chairman from among its members. The Board may also appoint, whenever it deems it fitting, one or more Deputy Chairmen, as well as one or more Managing Directors, who shall also be vested with the power to replace the Chairman. The Board may appoint a secretary, who may also be a person outside the company. The Board is vested with the broadest powers for the operational and non-operational management of the company without any restrictions, unless statutory provisions allocate such powers to the Shareholders' Meeting. Legal representation of the company and corporate signature fall under the responsibility of the Chairman of the Board, as well as, whenever appointed, the Deputy Chairmen and the

¹ For additional details about the company's corporate governance system and ownership structure, as well as adoption of the Corporate Governance Code, please refer to the Corporate Governance Report and ownership structure which may be viewed on the corporate website, www.piquadro.com, under Investor Relations.

Managing Directors, within the limits of the powers with which they have been vested. The Board of Directors is responsible for giving tangible form to its role of managing the Issuer, with the aim of pursuing its sustainable success (a goal based on the creation of value in the long term for the benefit of shareholders, considering the interests of other stakeholders relevant to the Issuer) (Principle I of the Code).

The Board of Directors, in office for three years and until the Shareholders' Meeting approves the financial statements as at March 31, 2023, is as follows:² :

Marco Palmieri	Chairman and Chief Executive Officer
Francesco Giovagnoni	Managing director
Roberto Trotta	Managing director
Pierpaolo Palmieri	Managing director
Valentina Beatrice Manfredi	Non-Executive Director, Independent Director ³
Catia Cesari	Non-Executive Director, Independent Director
Barbara Falcomer	Non-Executive Director, Independent Director

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

Age range	As at March 31 2023		
	Male	Female	Male
<30	0	0	0%
30-50	2	1	43%
>50	2	2	57%
%	57%	43%	100%

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

Management of the company is the sole responsibility of the Board of Directors, which performs any and all operations necessary for implementing the corporate purpose.

Regarding promoting gender equality in pay and opportunities throughout the corporate organisation, the Issuer already promotes gender inclusion and equal pay and opportunities for its employees, as provided under its Code of Ethics, and, therefore, the company has not considered it necessary to adopt any ad hoc procedures.

In accordance with the provisions of Principle I and Recommendation 1 of the Code, the Board of Directors is responsible for guiding the Group's strategy, by pursuing its sustainable success and, specifically, the Non-Financial Statement is approved by the Board of Directors of Piquadro, which is audited by the independent auditing firm engaged to audit the Piquadro's statutory financial statements, in accordance with the law and professional reference standards. In addition, the Board approves the strategic guidelines and policies regarding the primary sustainability topics.

Regarding the appointment of directors, the Remuneration and Appointments Committee assists the Board of Directors in the following activities: (a) self-assessment of Board of Directors and its Committees; (b) definition of the best composition of the Board of Directors

² For information on other directors' positions, please refer to the Corporate Governance and Ownership Report.

³ Independent directors are so defined within the meaning of the Italian Consolidated Law on Finance (TUF) and the Self-Regulatory Code.

and its Committees; (c) identification of candidates for the position of director in case of co-option; (d) any submission of a list by the outgoing board of directors to be adopted ensuring that it has been properly prepared and that its submission has been made in a transparent manner; (e) preparation, review and implementation of any plan for replacing the chief executive officer and the other executive directors.

The Board of Directors has applied diversity, including gender diversity criteria to its composition, in compliance with the priority goal of ensuring suitable expertise and experience of its members also in accordance with the provisions of Principle VII of the Code. Taking into account the specific industry where the company operates and the relevant markets, the members of the management and control bodies have adequate professional and managerial skills, of an international nature, suitable for the pursuit of the Company's objectives, achieved by ensuring a mix of technical, managerial and financial profiles that by age, gender and career are able to address a broad business panorama. Specific assessments on the adequacy of managing sustainability topics have not yet been undertaken and plans intended for deepening skill-sets in such areas will be implemented in future reporting periods.

In compliance with Recommendation 1(d), the Board has submitted an assessment on the adequacy of the organisational, administrative and financial reporting structure at Piquadro S.p.a. and its subsidiaries deemed "of strategic importance".

The Board conducts an assessment in relation to the actual working of the internal controls and risk management system, in relation to risks which may be significant for sustainability in the company's medium-long term operations. To express its opinion on the internal control and risk management system, the Board based its assessment on such findings, while also considering improvement plans implemented and the residual risks to which the Group is exposed. The risk assessment is also conducted based on the document which contains the model for identifying the nature and level of risk compatible with the strategic objectives of the Company, called the "Risk Dashboard" which also includes certain reference KPIs, prepared by the Head of the internal audit function, together with the Director in charge of the internal control and risk management system and with the Executive in charge of preparing corporate financial reporting documents. Implementation and integration of environmental and social risks has been planned for upcoming reporting periods.

The Board of Directors, also through directors to whom powers have been delegated, is responsible for statutory disclosures and, within this context, reports to the Board of Statutory Auditors on the activity performed and on the most important economic, financial and equity transactions executed by the company and its subsidiaries, and, specifically, it reports on transactions where directors hold their own interest or an interest on behalf of third parties, or which are affected by a party exercising a management and coordination activity, where such control exists; notification is made at Board meetings and, however, at least quarterly.

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: the **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.

The Board of Directors has taken the decision not to set up a specific committee intended to oversee sustainability issues linked to corporate operations and its interaction dynamics with all stakeholders, preferring to allocate such functions to other existing committees (Remuneration and Appointments Committee and the Control and Risks Committee).

The Control and Risk Committee, specifically, in accordance with the Code, assists the Board of Directors and performs the following functions:

- It assesses the adequacy of periodic financial and non-financial disclosures, for representing the corporate business model, the corporate strategy, the impact of its activities and performance targets attained.
- It reviews the subject matter of the periodic non-financial disclosures relevant for the internal control and risk management system.

In compliance with the provisions of Recommendation 13 of the Code, in consideration of the fact that the Chairman of the Board of Directors is also the Chief Executive Officer vested with significant management powers and control, indirectly through Piquadro Holding S.p.A., the Company, the Board has established the role of ‘ **Lead Independent Director**’: a reference and coordination point of the applications and contributions of non-executive directors and, in particular, of those who are independent, guaranteeing a wider independence of judgment than management; this person works with the Chairman of the Board of Directors to ensure that administrators receive comprehensive and timely flows of information.

The Board of Statutory Auditors is elected by the Shareholders' Meeting consisting of three statutory auditors and two alternate auditors, appointed in accordance with the law. The Shareholders' Meeting, at the time of appointment, appoints the Chairman of the Board of Statutory Auditors and also determines the remuneration due to the auditors. The Board of Statutory Auditors performs the tasks and activities provided under Italian law. In addition, statutory auditors may, also individually, ask directors for information and clarifications on information forwarded to them and, more generally, on the progress of corporate operations or on certain transactions, as well as undertaking at any time inspections and audits, for the purpose of control or making requests for information, as required by law. In the cases provided by law, the Board of Statutory Auditors also is entitled to request that the Shareholders' Meeting be called.

The Board of Directors, with a view to streamlining the working of the corporate internal committees, also considering the limited number of transactions with related parties executed by the company, deemed it fitting to waive establishing a new purpose-specific committee, opting instead to allocate to the Control and Risks Committee, the functions of a committee for Transactions with Related Parties, for the purpose of implementing the activities provided under Consob Regulation no. 17221 of 12 March 2010 (as amended) and the "Transactions with Related Parties" Procedure adopted by the company.

Remuneration policies

Regarding the remuneration of directors and other managers with strategic responsibilities, the Remuneration and Appointments Committee, pursuant to Recommendation 25 of the Code: (a) assists the Board of Directors in preparing the remuneration policy; (b) submits proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other directors who hold special positions at the company and within the Group, as well as on establishing performance objectives regarding the variable component of said remuneration; (c) monitors application of the remuneration policy and verifies, specifically, actual achievement of the performance objectives; and (d) periodically assesses the adequacy and overall coherency of the policy adopted for remunerating directors and top management.

The Remuneration and Appointments Committee has only proactive functions, while the power to determine the remuneration of directors holding special positions falls within the purview of the Board.

The Remuneration Policy establishes the principles and guidelines underpinning the remuneration policies of the Parent Company and it is required to be prepared in accordance with the guidance of the new Self-regulatory Code and, specifically, the principles under article 6 of the Code and, namely:

- (i) For non-executive Directors, emoluments shall be fixed and there is no variable component; and
- (ii) for Executive Directors and Managers with Strategic Responsibilities, remuneration shall consist of a gross annual fixed component and a variable component linked to predetermined and measurable targets that are linked to creating value for shareholders.

In determining the remuneration of Executive Directors and Managers with Strategic Responsibilities and the individual components thereof, account shall be taken of:

- (i) The specific subject matter of delegated powers granted to individual Directors vested with special offices; and
- (ii) The functions and role actually performed at the company, thus ensuring that any estimated variable components are in line with the nature of the tasks allocated to such Directors.

The variable component of remuneration for Executive Directors and Managers with Strategic Responsibilities is determined based on a so-called Management by Objectives (MBO) model that provides for disbursement of such variable portion of salary, according to an awarding rationale, the achievement of general economic-financial quantitative targets and that performance objectives have been established. The gross annual fixed component of remuneration has a weight ranging from about 93% to about 72% of expected total salary in the event of exceeding the various allocated targets; (ii) The upper limit of the variable component is equal to 40% of the fixed component; and (iii) In the event of reaching the highest expected performance targets, the annual variable component represents a variable percentage not exceeding 25% of total annual remuneration.

The ratio between total annual remuneration of the individual receiving maximum remuneration and the median total annual remuneration of all Group employees, excluding said individual is 37.40.

It should be noted that total remuneration of the individual receiving maximum remuneration is calculated taking into account a director's remuneration at all the Group entities and the total amount of the variable emoluments paid in the tax year.

The total annual remuneration of all other Group employees includes gross remuneration of the employee, total overtime for the tax year, and, finally, the total (fixed or variable) bonuses paid in the tax year.

1.2 The Ethical management of our business



The pre-established company values and conduct to achieve **ethical business management** have been codified in the Code of Ethics, implemented and applied by all the Group companies: 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 organization and management Model pursuant to Legis. Decree 231/01.

The Piquadro Group has never only 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 strong and recognized cultural identity. The Piquadro Group also aims at encouraging competition on the market by complying with competition regulations and at promoting appropriate and responsible use of resources in a perspective of social and environmental responsibility.

In June 2008, the parent company adopted the **Organisation and Management Model** (hereinafter also "Model") pursuant to Italian Legislative Decree 231/2001 and adopted the **Group Code of Ethics** with the goal of setting up a structured and organic system of rules to allow illegal behaviour to be prevented by monitoring areas and activities at risk and to guarantee the ethical management of its business activities.

The subsidiary The Bridge S.p.A. has also instituted the Supervisory Body and adopted the Group Code of Ethics since 2017.

Code of Ethics

The Group, in the context of its activities and within 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 Piquadro Group organization 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 their strategy and organization.

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 consistent 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 any misconduct.

The Code of Ethics was approved by the Board of Directors. It takes into account the amendments introduced to the regulations under Italian Legislative Decree 231/2001 and the new offences envisaged.

This new Group Code of Ethics is an essential component of the organization model and of the internal control system of the Group, which puts the principle that ethics must always be at the foundation of the enterprise activity, always practiced by the company, into documentary form. The new Code of Ethics is aimed at inspiring not only the business of the Group companies, but also that of their individual employees and all those with whom the company comes into contact when carrying out its business.

Organisation and management model

The **organization 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 takes into account 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 employees are aware of the organization and management model and the Code of Ethics when endorsing a specific training course relating to the topics above.

In order to ensure the **effective dissemination of the Model, the Code of Ethics and personal 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 as per former Legis. Decree 231/2001, the parent company and The Bridge S.p.A. have adopted

a reporting system to the Supervisory Authority which can ensure that the whistle blower's identity will be kept confidential.

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 S.p.A.) 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 business fabric, depending on the type and scope of the interventions: the proposals regarding formal or less important aspects 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 current 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 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 relationships 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.

Reports by to 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.



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

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.

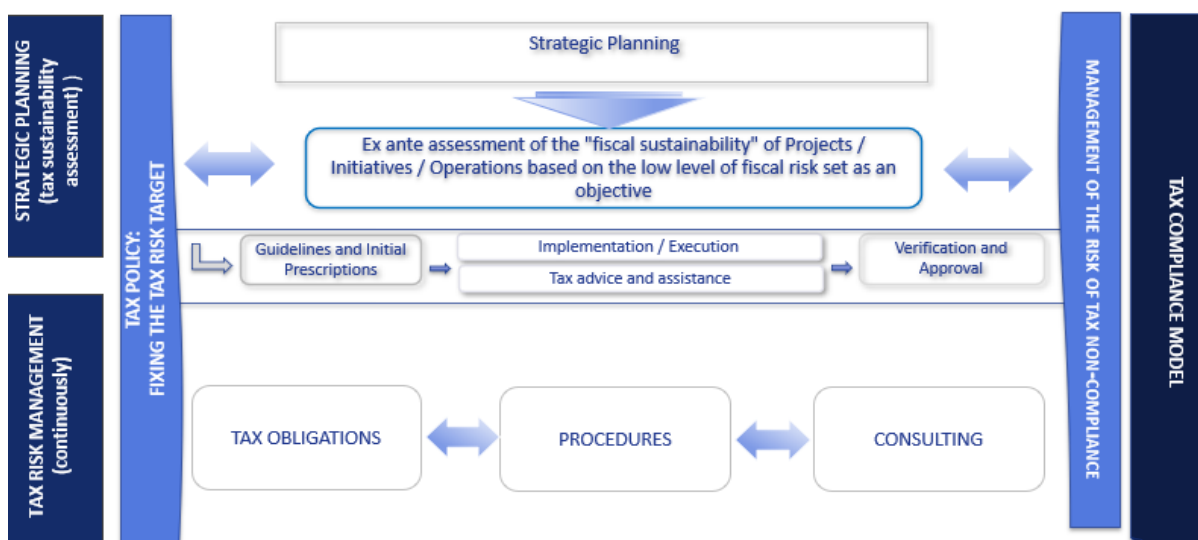
In detail, the Parent Company's Tax Reference Person and the Tax Specialist Tax:

- defines 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 allows 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 by the Proposer, 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 their support to the Proposer 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 the 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 (declarations, 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 regulatory tax 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.

Drafting criteria

Reporting area

The reporting area is made up of all companies directly or indirectly controlled by the parent company Piquadro S.p.A.

Source of figures

The figures presented in the report, aggregated by tax jurisdiction, are taken from the local financial statements of the Group entities as at 31 March 2023. It is believed that with reference to the financial items shown in this report, the differences between the local and international accounting standards based on which the consolidated financial statements are drawn up are negligible.

Reporting Period

It corresponds to the fiscal year that began on 1 April 2022 and ended on 31 March 2023 of the parent company Piquadro S.p.A.

The aggregated figures by tax jurisdiction are the following:

• Total revenues

Shown is the sum of revenues generated in the tax jurisdiction in the reference year by all Group entities with separate records of revenues generated by transactions with third parties ("Unrelated party") and intragroup transactions with other tax jurisdictions ("Related party"). Revenues comprise all positive income components. By way of example: the revenues from

sales of products and provisions of services, the royalties received for rights to use industrial patents, interest receivable, capital gains on the sale of plant, property and machinery, intangible assets and equity investments, unrealised gains (such as the fair value of non-hedging derivatives); intragroup dividends are instead excluded.

• **Profit (Loss) before income tax**

The sum of the profits and losses before tax recognized in the reference year by all Group entities is shown.

• **Income tax paid (based on cash accounting)**

The cash income tax paid in the reference year by all Group entities residing in the tax jurisdiction, both to the tax jurisdiction of residence and to all other tax jurisdictions, is shown. Attributed to the affiliate is also the withholding paid by other Group companies, applied to income paid to the affiliate, essentially for provisions of services.

• **Income tax accrued - current year**

Current income tax accrued on pre-tax income (or, in the case of losses, current tax credits) for the year, recognized by all Group entities, is shown.

• **Number of staff**

Total number of employees in service at the end of the period at all Group entities.

• **Tangible fixed assets other than cash and cash equivalents**

Sum of the book values of all tangible assets of the Group's entities residing in the tax jurisdiction or operating therein through PE. Not included are the intangible assets and all financial assets (cash, equity investments, securities, loans, assets generated by derivatives, etc.).

Reporting currency

The reporting currency is the euro. The amount is stated in thousands of euros. The values denominated in currencies other than the euro are converted using the average exchange rate recorded in the reference year.

Materiality threshold

The amount less than €1,000 is not shown.

Reporting of country taxes by country for the year 2022/2023

Sustainability Report as at 31 March 2023 of the Piquadro Group

Piquadro Group - Summary table 1

Tax jurisdiction	Group's entities	Activities of Group companies
ITALY	Piquadro S.p.a.	distribution and marketing of Piquadro branded products
	Lancel Italia	distribution and marketing of Lancel branded products
	The Bridge	production, distribution and marketing of The Bridge brand products
FRANCE	Lancel Sogedi	distribution and marketing of Lancel branded products
CHINA	Unibest Leather Goods (Zhongshan)	production of products of the Group's brands
	Lancel Zhongshan	marketing of products of the Group's brands
RUSSIAN FEDERATION	Piquadro Russia	distribution and marketing of Piquadro and Lancel branded products
SPAIN	Piquadro Espana	distribution and marketing of Piquadro branded products
	Lancel Iberia	distribution and marketing of Lancel branded products
TAIWAN	Piquadro Taiwan	distribution and marketing of Piquadro branded products
SAN MARINO	Piquadro Retail San Marino	distribution and marketing of Piquadro and The Bridge branded products
UK	Piquadro UK	distribution and marketing of Piquadro branded products
DEUTSCHLAND	Piquadro Deutschland	distribution and marketing of Piquadro branded products
HONG KONG	Piquadro Honk Kong	distribution and marketing of Piquadro branded products
SWISS	Lancel International	custody of the brands and patents of the Maison Lancel

Piquadro Group - Summary table 2

FY 2022/23	Total Sales	Sales from third parts	Intercompany sales	Profit (loss) before income taxes	Income taxes paid (based on cash accounting)	Income taxes accrued in the current year	Employees number	Tangible fixed assets (not cash and cash equivalents)
ITALY	122.275	100.638	21.637	15.476	93	4.382	404	8.812
FRANCE	65.837	64.967	870	(4.725)	0	226	314	4.320
CHINA	8.618	2.447	6.171	(227)	0	0	240	408
RUSSIAN FEDERATION	4.830	4.830	0	652	130	130	42	1
SPAIN	1.569	1.469	100	(11)	93	93	17	155
TAIWAN	563	536	27	(4)	(5)	(5)	12	34
SAN MARINO	353	344	9	(3)	2	2	4	124
UK	368	338	30	(5)	19	19	4	1
DEUTSCHLAND	36	26	10	(35)	0	0	1	0
HONG KONG	0	0	0	(8)	0	0	1	0
SWISS	0	0	0	(331)	0	16	0	0
Piquadro Group (before consolidation adjustments)	204.449	175.595	28.854	10.779	333	4.864	1.039	13.856

*Please note that revenues from intragroup transactions for Italy also include those from transactions between the Italian Group companies and not only those with other tax jurisdictions.

As regards any differences between income tax accrued on profits and the tax due (GRI 207-4-b-x), please refer to Note 37 of the Consolidated Financial Statements as at 31 March 2023 of the Piquadro Group.

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 director in charge of the internal control system. Based on their 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 organizational structures** of the Group **to enable the identification, measurement, management and monitoring of the main risks**. This system is integrated into the more general organizational 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 informed decision-making. 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 with the articles of association and the internal procedures, with attention to the effective implementation of the Model ex Legis. Decree 231/2001.

The Italian companies adopt the organization and management Model, carried out a **careful analysis of the company processes** connected 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, personnel hiring and management, corruption and environmental offences.

In the 2022/2023 financial year, there were no significant cases of non-compliance with laws and regulations that led to the payment of financial penalties or that led to non-pecuniary sanctions.

In addition, no penalties were paid during the year for non-compliance with laws and regulations.

During the 2022/2023 financial year, there were no cases of corruption.

The operational and economic-financial risk assessment is based on a model for identifying the nature and level of risk compatible with the organization's strategic objectives, called "*Risks Dashboard*". This document, drawn up for the parent company and for the subsidiary The Bridge, analyses risks such as:

Type of risk	Management arrangements
<p>Risks related to the production activity and supply of raw materials, 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>Risks related to the operation on multiple international markets and the distribution network, 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 customers' 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 started a retail expansion policy for several years, leading to the opening of direct-to-manage stores all over the world and thus to increase the sales channel managed directly by the organization.</p>
<p>Risks related to the protection of intellectual property rights and counterfeiting 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>Risks related to the integrity of the information system 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 detected problems. The Disaster Recovery site has been clocked 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</p>

Type of risk	Management arrangements
	to date with the latest version and monitored through its administration console. With regard to data integrity, this is stored on databases the access of which 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. Storage on both production and the DR site has been boosted to allow a complete replication of production on the DR site.
<p>Risks related to changing customer preferences and increased competition</p> <p>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 which, instead, may be satisfied by competitors.</p>	<p>The Group's management considers that the key factors in countering these risks are:</p> <ul style="list-style-type: none"> - the ability to offer products in line with the expectations of reference consumers; - the pursuit of appropriate marketing policies; - maintaining and developing its production model as well as - maintaining and strengthening its single-brand and multi-brand distribution capacity
<p>Economic and financial risks related in particular to credit risk from commercial transactions or financing activities, liquidity risk related to the availability of financial resources and to the access to the credit market and market risk, better division into exchange rate risk components (given by operating in non-Euro currency areas) and interest rate risk for exposure to financial instruments generating interests.</p>	<p>Risk management is carried out at central level in the context of specific organizational 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, the 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 number 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>Environmental risks linked to the lack of compliance 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.</p> <p>In addition, the parent company has adopted a special part relating to environmental crimes, within the framework of the organization 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. which has finalised the adoption of the special section on environmental offences.</p> <p>The Piquadro Group has launched a process for identifying and assessing the risks associated with climate change, which it intends to perfect in the future, considering the potential impacts on the main operating sites and on the supply chain. This process is functional to the identification of physical risks,</p>

Type of risk	Management arrangements
	<p>transition risks and opportunities, connected to the sector and to the characteristics of the Group's business.</p>
<p>Social risks related to non-compliance with the specific product regulations, relating, among other things, to the impact of the products 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 checks 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 complies with the REACH European Regulation which governs the use of hazardous chemicals in production processes. Its suppliers have to adhere to it, where applicable. In addition, the Group has adopted a specific intellectual property management procedure.</p>
<p>Risks related to personnel in the unsuitability of the attraction and recruitment process, development plans and staff motivation, as well as the inadequacy of occupational health and safety measures.</p>	<p>In the Code of Ethics, the Group has formalized its commitment to ensure the physical and moral integrity of its employees and internal collaborators, the working conditions regarding individual dignity and safe and healthy work environments, in full compliance with the current legislation. The parent company and the Italian subsidiary The Bridge, have carried out workplace risk analysis, formalized in the RAD (Risk Assessment Document). The same was done by the French company Lancel Sogedi S.A. To confirm its commitment to protecting the health and safety of its workers, the Board of Directors for the parent company Piquadro has scheduled to approve the Group occupational health and safety policy, previously submitted to the Control and Risks Committee.</p>
<p>Risks related to the fight against active and passive corruption are linked to the possibility of the Group's management and staff behaving in an unethical, unauthorized way, violating the rules and regulations, unlawful behaviours 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. 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>

Type of risk	Management arrangements
<p>Risks related to non-compliance with human rights related to the Group's operations and suppliers in countries where the legislation is less stringent 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.</p> <p>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> <p>Furthermore, the Group plans to approve the Group Supplier Code of Conduct on 12 June 2023, within which it defines the principles and practices with which its suppliers must comply.</p>

This model is subject to supplements and redefinitions regarding the different risk areas, and its explanations will be made clearer by creating a concise dashboard. The first phase of this activity, which involved first of all the administrative function of the company together with the internal auditor and the Control and Risks Committee, and later these same players who were joined by the first management levels of the main areas involved in defining risks, was completed and shortly the second and conclusive phase of the entire project will be started.



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>.

1.4 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:



With a view to share and improve the relation with its stakeholders, the Piquadro Group has implemented, over the years, several ways of communicating and exchanging information with them. The following are the main reference themes and dialogue channels for each stakeholder:

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

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 matrix 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.

A moment of internal discussion and meditation has been contemplated for the year 2022/2022, involving the top company management and several members of the board of directors. The purpose is to analyse the significant sustainability issues while keeping in mind the peculiarities of Piquadro Group's sector, and the effects arising both from the pandemic and most recently from the Ukraine-Russia conflict.

Following review of the GRI Standards and the new materiality matrix process described therein, which aims to ensure a greater level of transparency and responsibility regarding the impacts of organisations on the economy, the environment and people, management conducted the matrix analysis aimed at identifying the positive and negative impacts generated by the Group for its business activities and its value chain.

It should be noted that, as part of updating the materiality matrix for the two previous years, internal (employees) and external (customers and suppliers) stakeholders were involved, via responding to a questionnaire.

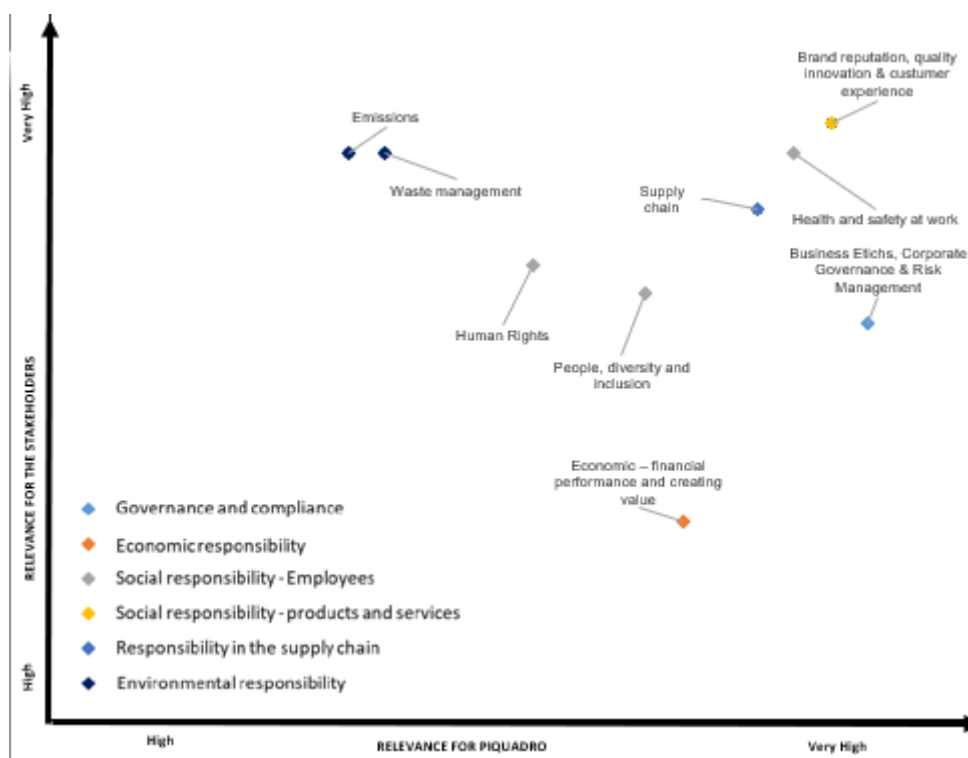
The matrix process was initiated, as prescribed in the standards, by undertaking an analysis of the context affecting the organisation, its activities and the value chain, as well as the categories of relevant stakeholders. Based such analysis, the potentially significant positive and negative impacts for the Group were identified. Management, also taking into account the findings of the analyses conducted the previous years, identified the relevant impacts for Piquadro and grouped them into material topics.

This process has involved regrouping and rationalising certain topics compared to those planned for the 2021/2022 reporting period.

The "Ethics, Business Integrity and Compliance", "Risk Assessment and Management" and "Corporate Governance" topics have been included under a single topic heading "Corporate Governance, Risk Management and Ethics". "Customer satisfaction", "Quality, product innovation" and "Brand image and reputation" topics have been included under a single topic heading "Brand reputation, quality innovation & customer experience".

The materiality matrix shown below, provides an overview of the material topics.

The Piquadro Group's materiality matrix



For each topic identified as material, here 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 topic	Relevance to the Group and mitigation actions	Impact	Impact perimeter	
			Where the impact occurs	Group engagement ⁴
Governance and compliance				
<i>Business Ethics, Corporate Governance, Risk Management</i>	Compliance with ethical principles and compliance with laws and regulations in conducting its <i>business</i> represent a fundamental and essential requirement for the Piquadro Group. In all dealings with counterparties, the Group undertakes to pursue conduct	Conducts in breach of codes, laws or regulations and unlawful acts of collusion/corrupt	Piquadro Group	Caused by the Group

⁴ Impact caused by the Group: impact is directly caused by the Group's activities.
 Impact linked to the Group through its business relationships: impact is directly linked 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: impact is linked to Group activities, products and services, as they are generated by parties with which the organisation interacts.

Material topic	Relevance to the Group and mitigation actions	Impact	Impact perimeter	
			Where the impact occurs	Group engagement ⁴
	<p>based on fairness, loyalty and co-operation. The Group has a Code of Ethics where it promotes combatting bribery and corruption and Risk Management analysis, for the purpose of extending risk mitigation.</p> <p>The Group places special focus on assessing the main risks that could have a negative impact on its operations and threaten their soundness. With this aspect in mind, resources are invested for their analysis and correct management. The Piquadro Group operates, however, in full compliance with Italian and international laws and regulations, as well as, where present, internal procedures established under the Organisation and Management Model, adopted pursuant to Italian Legislative Decree 231/01.</p> <p>Focus on the Group's <i>Corporate Governance</i> is aimed at achieving strategic objectives, while, at the same time, ensuring proper and healthy management of operations, ensuring that all <i>stakeholders</i> are protected.</p>	ion (potential negative impact)		
Economic responsibility				
Economic - financial performance and value creation	The Group aims to generate solid and positive economic and financial <i>performances</i> in a medium-long term perspective and distribute value to its <i>stakeholders</i> .	<p>Value generation and distribution to stakeholders (current positive impact)</p> <p>Negative impact on the economy of the countries where the Group operates due to non-payment of taxes and duties due (potential negative impact)</p> <p>Creating value through sourcing from local</p>	Piquadro Group	Caused by the Group

Material topic	Relevance to the Group and mitigation actions	Impact	Impact perimeter	
			Where the impact occurs	Group engagement ⁴
		suppliers (current positive impact)		
Supply Chain responsibility				
Supply chain	<p>Along the value chain, the Group aims to maintain relationships based on fairness with its <i>partners</i>. The Group recognises the value of materials and services provided by its suppliers, which represent a key factor for its product high-quality <i>standards</i>. In addition, the Group has planned to approve the Supplier Code of Conduct and to include, as part of the qualification process, parameters regarding protecting human rights and other social and environmental-related criteria.</p> <p>Environmental protection is an area gaining increasing relevance for the Group, which will evaluate ways to reduce its impacts, specifically regarding the use of resources required in manufacturing.</p> <p>The Group has a primary focus on the responsible use of chemicals by requiring its suppliers, where applicable, to comply with the requirements of the REACH directive.</p>	<p>Negative impacts regarding breach of workers' rights along the supply chain (potential negative impact)</p> <p>Negative environmental impacts by suppliers (current negative impact)</p>	Piquadro Group and suppliers	Caused by the Group and linked to the Group through its business dealings
Social responsibility – employees				
People and diversity and inclusion	<p>The Group places special emphasis on the management and development of its employees, aware that they are one of the pillars necessary for achieving its strategic objectives.</p> <p>With regard thereto, several professional growth programs have been implemented. The Group is constantly looking for the top talent and is committed to keeping the best resources at the company.</p> <p>In its relations with employees, the Group strictly complies with the principles of non-discrimination and equal opportunities, as set out in its Code of Ethics.</p> <p>The Group aims to develop policies, benefits (economic and</p>	<p>Promotion of employment within the local area (current positive impact)</p> <p>Incidents of discrimination (potential negative impact)</p> <p>Promoting the well-being of employees and co-workers. (current positive impact)</p>	Piquadro Group employees	Caused by the Group

Material topic	Relevance to the Group and mitigation actions	Impact	Impact perimeter	
			Where the impact occurs	Group engagement ⁴
	otherwise) and actions aimed at improving the well-being of employees, with a view to creating an amenable working environment that meets workers' needs and expectations.			
Occupational health and safety	Protecting the health and safety of its employees is an ongoing priority for the Group, which is committed to complying with all current regulations and increasing training for employees in these areas. Product compliance with the European REACH Directive governing the use of hazardous chemicals in production processes, whose compliance is also required from its suppliers, where applicable.	Worker accidents (current negative impact)	Piquadro Group employees ⁵	Caused by the Group
Human rights	In all relations, both with its employees and with suppliers, the Group pursues conduct aimed at protecting human rights. In the Code of Ethics, the Group has enshrined its commitment for respecting human rights, by explicitly endorsing the ILO Declaration on Fundamental Principles and Rights at Work, including banning forced labour and child labour, freedom of association with trade unions and prohibiting any form of discrimination and harassment. Through dissemination of the Code of Ethics, it aims to adopt ethical and human rights-while respecting corporate culture at all Group entities.	Human rights breaches in the value chain (e.g., child labour and discrimination, etc.) (potential negative impact)	Piquadro Group and suppliers	Caused by the Group and linked to the Group through its business dealings
Social responsibility - products and services				

⁵ The company intends to undertake more in-depth analysis regarding the significance of other non-employees, with a view to assessing the need to collect data from the employers of external co-workers and suppliers operating at the Group's sites and/or under the Group's control, evaluating the quality and accuracy of such data over which it has no direct control.

Material topic	Relevance to the Group and mitigation actions	Impact	Impact perimeter	
			Where the impact occurs	Group engagement ⁴
Brand reputation, quality innovation & customer experience	<p>The Group has an ongoing goaltending diffusion of its <i>brands</i> while, at the same time, safeguarding its reputation. The Group image is required to convey the values on which its operations are based.</p> <p>Maintaining a product high-quality <i>standard</i> is an essential requirement. For this reason, each article undergoes stringent <i>tests</i> and checks aiming to ensure that numerous quality parameters are exceeded.</p> <p>The Group's growth is founded on its ability to innovate and develop new products that meet varying customer needs. For this reason, the Group invests significant resources in research and development.</p> <p>The Group aims to market products that always bring innovation and reflect top-end, high-quality brand positioning, to fully meet the expectations of its customers. It goes without saying that customer satisfaction is a primary goal for the Group.</p>	<p>Customer Satisfaction (current positive impact)</p> <p>Development and offering of quality and innovative products (current positive impact)</p>	Piquadro Group	Caused by the Group and linked to the Group through its business dealings
Environmental responsibility				
Emissions	The Group has adopted a supplier conduct policy that requires suppliers to commit to establishing business practices based on environmental responsibility, with a view to mitigating resource usage and air emissions.	CO ₂ emissions generated by production activities of suppliers and sub-suppliers (current negative impact)	Piquadro Group and suppliers	To which the Group contributes and linked to the Group through its business dealings
	<p>The Group has adopted an environmental policy that encourages optimisation of the use of materials by limiting waste and encouraging developing and adopting proper waste management practices or opting to channel waste into circular economy processes.</p> <p>The Group has undertaken investments in research and development and ongoing improvements and further plans to</p>	CO ₂ emissions from production and business activities at the Group's sites (current negative impact)	Piquadro Group and electricity providers	Caused by the Group and linked to the Group through its business dealings

Sustainability Report as at 31 March 2023 of the Piquadro Group

Material topic	Relevance to the Group and mitigation actions	Impact	Impact perimeter	
			Where the impact occurs	Group engagement ⁴
	contain and monitor energy usage at production sites.			
Waste management and production scrap	The Group has adopted an environmental policy that encourages optimisation of the use of materials by limiting waste and encouraging developing and adopting proper waste management practices or opting to channel waste into circular economy processes.	Waste generation (current negative impact)	Piquadro Group	Caused by the Group's manufacturing companies

1.5 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 among 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 2022/2023** ended 31 March 2022 equals **175.6 million** euros, a **17.5.7% increase** compared to the same period of the previous financial year closed with 149.4 million euros.

With reference to the **Piquadro** brand, revenues recorded in the year 2022/2023 ended 31 March 2023 totalled **76.2** million euros, **up** by **18.7%** compared to the year ended 31 March 2022. The sales of the Wholesale channel increased by **18.3%**, while the sales of the DOS channel increased by the **24.5%**

With reference to **The Bridge** brand, revenues recorded in the year 2022/2023 ended 31 March 2023 equal **31.0** million euros, **up** by **23.4%** compared to the year ended 31 March 2022. The wholesale channel **increased** by **24.2 %**, while the DOS channel sales reported a **31.7 %** increase.

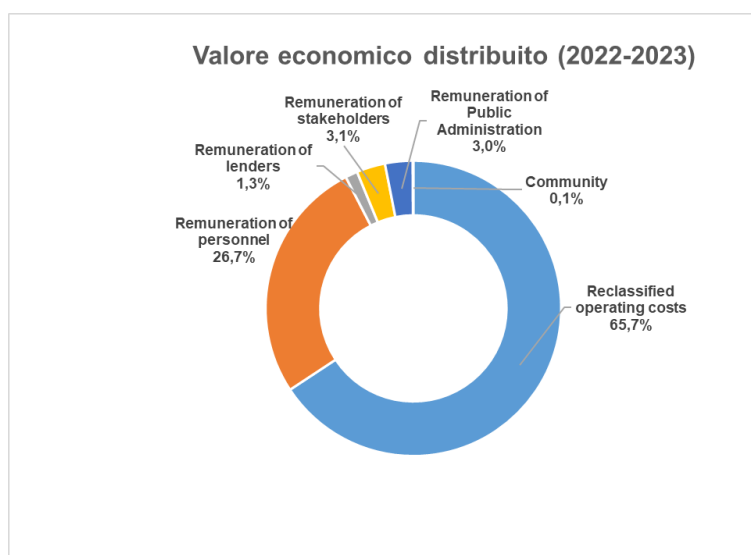
Revenues from sales made by **Maison Lancel** in the year 2022/2023 ended 31 March 2023 totalled **68.3 million** euros, **up** by **13.7%** compared to the year ended 31 March 2022. All the sale channels had increased compared to the same period of the previous year, the wholesale channel reported an increased by **13.7%**, the DOS channel a **13.6% increase**, and the ecommerce channel increased by **14.6%**.

The **creation and distribution of value for its stakeholders** is a **constant commitment** of the Piquadro Group and is calculated by reclassifying the consolidated profit and loss statement. In the 2022/2023 fiscal year, the **economic value generated** by the Piquadro Group was **177,698 million euros**; this value has been redistributed to the various stakeholders of the Group: suppliers, employees, shareholders, Public Administration, communities and lenders.

Table of the economic value generated and distributed in the Piquadro Group		
<i>(in thousands of Euros)</i>	31 March 2023	31 March 2022
Economic value generated	177,698 €	159,138 €
Sales revenue	175,595 €	149,420 €
Other income	2,004 €	5,446 €
Change in inventories	(1,510) €	3,002 €
Financial income	1,608 €	1,270 €
Economic value distributed	159,637 €	141,737 €
Reclassified operating costs	104,912 €	92,884 €
Purchase costs	35,716 €	30,461 €
Costs of services and fees for the enjoyment of third-party assets	68,385 €	61,382 €
Other reclassified operating costs	811 €	1,042 €
Remuneration of staff	42,657 €	38,800 €
Costs for personnel	42,657 €	38,800 €
Remuneration of lenders	2,130 €	3,121 €
Financial Charges	2,130 €	3,121 €
Remuneration of shareholders	5,000 €	4,000 €
Distribution of profit for the year ⁶	5,000 €	4,000 €
Remuneration of Public Administration	4,843 €	2,903 €
income taxes	4,843 €	2,903 €
Community	96 €	30 €
Donations and sponsorship	96 €	30 €
Economic value retained	18,061 €	17,401 €
Parent company's reserve profits	1,502 €	444 €
Profit (Loss) attributable to minority interests	0	0
Depreciation and amortization	16,559 €	16,797 €

Most of the distributed value, amounting to about **65.7% of the total** (as compared to 65.5% of the year ended 31 March 2022), 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 **26.7%** of the total value (compared to 27.4 of the year closing on 31 March 2022). The remainder is divided between **Lenders (1.3%)**, **shareholders (3.1%)**, **Public Administration (3.0 %)**, and the **community (0.1%)**.

⁶ The distribution amount of the year's profit corresponds to the allocation of profit for the year to dividends that the board of directors of Piquadro S.p.A. resolved to propose to the Shareholders' Meeting on 12 June 2023.



The Russian Federation's decision to invade Ukraine on February 24 has had a number of global economic and financial consequences. This conflict, still ongoing, caused high volatility also from a currency perspective during the conflict's initial period, which then saw the Euro/Rouble exchange rate stabilise at the level of about 80/90 roubles for 1 euro, and led to targeted restrictive sanctions being adopted (individual sanctions against natural persons), economic sanctions and diplomatic measures taken against the Russian Federation, by the United States of America, the United Kingdom and the European Union. Regarding economic sanctions, those concerning the export of luxury goods are worthy of note, against which the Piquadro Group initially suspended logistics and invoicing operations to the Russian subsidiary, both for directly managed stores and for Russian multi-brand customers, which were then regularly resumed, since the scope of the sanctions did not limit the Group's exports. It should be noted that the Group has no goods suppliers in the Russian Federation or in Ukraine.

Of the impacts for the Piquadro Group made by the conflict, underscored first of all is the direct impact caused by the exchange rate performance mentioned above, to which the Piquadro Group responded by increasing its retail prices in Russian starting from March. Despite this, the sales of the Piquadro Group products in the directly operated stores did not significantly suffer from this situation.

On the other hand, indirect impacts include the increases in costs of different raw materials, such as gas and oil, from which further growth in inflation may arise, reverberating on basic commodity products and with a resultant effect on the growth of the GDP and on the population's spending power.

In reporting period 2022/2023, the Piquadro Group continued the sales to wholesale customers in the Russian Federation, also keeping all directly operated retail activities open. As at March 31, 2023, sales of the Piquadro Group in Russia represented 2.75% of the consolidated turnover (4.1% as at 31 March 2022).

At the same date, the Group's assets in Russia amounted to approximately €4.8 million, specifically, regarding (i) usage rights for points of sale (€ 1 million); (ii) inventories (€ 1.1 million); (iii) cash and cash equivalents (€ 1.9 million); (iv) receivables (€ 0.5 million); (v) non-current tangible assets (€ 0.2 million); (vi) non-current finance assets (€ 0.1 million). Based on information available to date, recoverability of said amount reports no critical factors, without prejudice to the physiological uncertainty regarding evolution of the situation.

In connection with the volatility of this scenario, all business development activities, including the opening of new stores, have been temporarily suspended. Management is therefore monitoring the situation in order to protect assets, Piquadro Group's equity and business continuity, taking the necessary measures to ensure that its activities are carried out in accordance with applicable legislation.

1.6 EU taxonomy

European Taxonomy (governed by EU Regulation 2020/852, "Taxonomy Regulation") is a classification system of economic activities introduced by the European Union to clarify an area, which in the past evidenced ambiguous situations regarding the real ability of companies to act to prevent damaging the ecosystem and to promote transition towards zero emissions.

Specifically, an economic activity is considered eco-sustainable (i.e., aligned with said Taxonomy) whenever it contributes substantially to achieving one or more environmental goals defined by the Taxonomy Regulation, such as mitigation or adaptation to climate change, the sustainable use and protection of water and marine resources, or the transition to a circular economy and the prevention and reduction of pollution, and also covering protecting and restoring biodiversity and ecosystems. To be considered sustainable, an economic activity is required to refrain from causing significant harm in relation to any of the environmental objectives and such activity is required to be conducted in compliance with the minimum safeguards, as well as comply with the prescribed technical criteria.

Following publication of Regulation (EU) 2020/852, the following supplementary regulatory rules have come into force at the time of writing;

- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (the so-called "Climate Delegated Act") has established the technical criteria according to which an economic activity is considered to contribute substantially to the objectives of mitigating and adapting to climate change.
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, in addition to the provisions of article 8 of the Taxonomy Regulation, has specified the subject matter, methodology and methods for presenting disclosures.
- Finally, Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, which supplemented both said Delegated Regulations, with reference to certain types of economic activities in the area of fossil fuel source usage and nuclear energy (whose disclosure is not applicable to Piquadro's business).

Based on article 8 of Regulation (EU) 2020/852 ("Taxonomy Regulation"), for reporting period 2022/23, Piquadro is required to report in the non-financial disclosure year ends 31 March 2023, the portion of sales revenue from the sale of goods and services associated with eligible and aligned economic activities, for the objectives of mitigating and adapting to climate change, as well as the portion of capital expenditure (Capex) and the portion of operating expenses (Opex) relating to assets or processes associated with eligible and aligned economic activities with respect to said objectives.

Within this context, Piquadro conducted an analysis of the economic activities performed by the Group, to identify those to be considered admissible and aligned in relation to the objectives previously illustrated, and to prepare the disclosures required by the reference legislation, also having regard to guidance on interpretation provided by the European Commission in the form of a "Q&A" in December 2021, February 2022 and December 2022⁷.

⁷ For additional details, please see the "Frequently Asked Questions" section of the website https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

As a result of said analyses, it emerged that, at present, none of the prevailing economic activities performed by the Group (regarding production and distribution of leather goods) are admissible and, therefore, total sales revenue, investments and operating costs for reporting period 2022/2023 may be deemed ineligible and, consequently, not aligned, with respect to said objectives. Any investments or operating costs regarding energy efficiency measures were also assessed, with overall findings generating a negligible amount, thus determining a total Capex and Opex KPI value corresponding to zero.

The tables shown further on include the quantitative information (KPI) required under Commission Delegated Regulation (EU) 2021/2178, with reference to reporting period 2022/2023.

It should be noted with regard thereto, for the purpose of calculating said parameters:

- For calculating the sales revenue KPI, the sum of revenues was considered generated from the sale of goods and provision of services in accordance with IAS 1(82a) and Directive 2013/34/EU which defines, for the denominator, "Net Turnover" as revenues arising out of the sale of goods and the provision of services, net of VAT, returns and other additional taxes.
- The CAPEX KPI considers the sum of all increases, occurring over reporting period 2022/2023, in tangible and intangible items reported in the balance sheet, including usage rights within the meaning of IFRS 16.
- The OPEX KPI considers the sum of operating expenses associated with Research and Development, daily maintenance of production lines and corporate assets, and short-term leases.

In conclusion, it has been deemed appropriate to specify that, in performing said analysis and disclosure preparation regarding Taxonomy, Corporate Management has adopted a prudent approach generally, based on its understanding and interpretation and state of current knowledge of applicable regulatory requirements. Within this context, the analysis of the technical reference legislation for the additional environmental objectives defined under article Art. 9 of the Taxonomy Regulation (Delegated Act on environmental objectives issued as draft legislation by the EU Commission and at the public consultation stage), as well as further developments in interpretation thereof, could lead to substantial changes in the assessments and in the method for calculating the KPIs in the next reporting period.

Portion of revenue from the sales of goods and provision of services associated with economic activities aligned to the taxonomy.

Table 1:

Criteria for substantial contribution										
Economic activities	Code/s	Sales for Fy 2022-23	Share of turnover	Climate change mitigation	Ability to adapt to climate change	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation
		k: Euro	%	%	%	%	%	%	%	%
A.1 Eco-sustainable activities (aligned with the taxonomy)										
Turnover from sustainable activities (aligned with taxonomy) (A.1)		0 €	0%	0%	0%	NA	NA	NA	NA	NA
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)										
Turnover of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0 €								
Total (A.1 + A.2)		0	0%							
Turnover of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		175.545,00								
TOTAL (A + B)		175.545,00	100%							

Criteria for "not causing significant harm"									
Ability to adapt to climate change	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguard guarantee	Revenue share aligned with the Taxonomy, year 2022/23	Revenue share aligned with the Taxonomy, year 2021/22	Category (enabling activity)	Category (transition activity)
						%	%		
N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A

Portion of capital expenditure arising from goods or services associated with economic activities aligned to the taxonomy

Table 2:

Criteria for substantial contribution										
Economic activities	Code/s	Capital Expenditures Fy 2022-23	Share of capital expenditure	Climate change mitigation	Ability to adapt to climate change	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation
		Euro	%	%	%	%	%	%	%	%
A.1 Eco-sustainable activities (aligned with the taxonomy)										
Capital expenditure of assets sustainable (aligned with taxonomy) (A.1)		0 €	0%	0%	0%	NA	NA	NA	NA	NA
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)										
Capital expenditure of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0 €								
Total (A.1 + A.2)		0	0%							
B. Capital expenditure of ineligible assets taxonomy (B)		5.587.000,00								
TOTAL (A + B)		5.587.000,00	100%							
Criteria for "not causing significant harm"										
Ability to adapt to climate change	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguard guarantee	Share of capital expenditure aligned to the Taxonomy, year 2022/23	Share of capital expenditure aligned to the Taxonomy, year 2021/22			
						%	%			
N/A	N/A	N/A	N/A	N/A	N/A	0%	0%			

Portion of operating expenses arising from goods or services associated with economic activities aligned to the taxonomy.

Table 3:

Criteria for substantial contribution										
Economic activities	Code/s	Operating expenses Fy 22-23	Share of operating expenses	Climate change mitigation	Ability to adapt to climate change	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation
		Euro	%	%	%	%	%	%	%	%
A.1 Eco-sustainable activities (aligned with the taxonomy)										
Operating expenses of sustainable activities (aligned with taxonomy) (A.1)		0 €	0%	0%	0%	NA	NA	NA	NA	NA
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)										
Operating expenses of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0 €								
Total (A.1 + A.2)		0	0%							
B. Operational expenses of businesses ineligible for taxonomy (B)		14.476.072								
TOTAL (A + B)		14.476.071,93	100%							

Criteria for "not causing significant harm"							
Ability to adapt to climate change	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguard guarantee	Share of operating expenses aligned to the Taxonomy year 2022/23	Share of operating expenses aligned to the Taxonomy, year 2021/22
						%	%
N/A	N/A	N/A	N/A	N/A	N/A	0%	0%

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 brands.

2.1 Quality of our products

The Piquadro Group invests many of its resources in trying to raise 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.

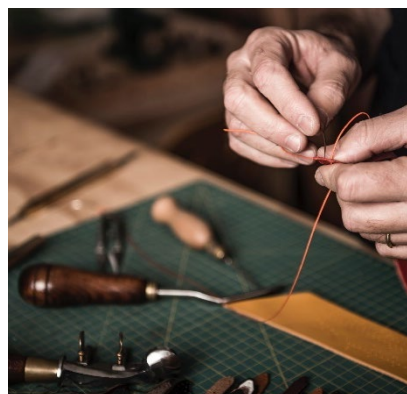


The **leather** used by **The Bridge** is also carefully selected and the leather work is mainly done by Italian tanneries, following the most rigorous workmanship techniques, from the tanning phase to dyeing and finishing. **Vegetable tanning**, which involves the use of only natural tannins, is one 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, along with the extreme attention paid during the different stages of production, as well as the final checks and finish of the products, guarantees excellent quality.

All companies in the Group ensure their products undergo **rigorous checks** for guaranteeing excellent quality and preventing any 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, authorization and **restriction of hazardous chemicals** during production processes. In particular, the purchase specifications stipulated, 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 compliance with the parameters defined by the aforementioned regulation for dangerous substances. During the course of 2022/2022, no cases of non-compliance with regulations and/or voluntary codes relating to the health and safety impacts of products were recorded.



The Bridge also uses fine leathers in full compliance with the legislation in order to guarantee the traceability and sustainability of the leathers used to make its products (**CITES** certification). The purpose of the **Washington Convention** (in force in 130 states) on the international trade of fauna and flora species threatened by extinction, usually indicated with the acronym (abbreviation) C.I.T.E.S. (*Convention on International Trade of Endangered Species*) is to supervise the trade of animals and plants (alive, dead parts and derivatives) since the capture, until now indiscriminate, and commercial exploitation are together with the destruction of the natural environments where live they, the major causes of extinction or rarefaction in nature of many species.

The treaty contains three **Appendices**, in which all species subject to regulation are listed. The “threatened” species are listed in Appendix I. There are about 1,000. Their trade is prohibited at the international level and their use can be allowed only for exceptional circumstances. Appendices II and III instead contain the “controlled” species, amounting to almost 10,000. Their trade must be compatible with their survival in nature.

The Piquadro Group also favours suppliers in possession of sustainability certifications and good practices of conduct, such as:

- ICEC – Raw material (leather) traceability before tanning: the search for market transparency also concerns the degree of control that the tanneries (or raw leather dealers) have over their supplies, including the knowledge of the countries of origin of the raw materials (hides), of the slaughterhouses and of the ranches from which they come.

- TS SC 410 certification "for a system of products" Includes a wide range of products in the analysis (also of multiple origins). The traceability of the leathers before the tannery/raw leather dealer is mapped. The relevant rating specifying the degree of traceability of the raw materials before the tannery/raw leather dealer is defined, and it is calculated considering the certified products and the documented information and that can be verified relating to them;

- LWG – Leather Working Group – is a non-profit organization responsible for environmental certification and the world leader for the leather manufacturing industry. Since 2005, LWG has identified the best environmental practices in the sector and has provided guidelines for ongoing improvement. Leather Working Group is the number one trademark recognized worldwide that represents responsible procurement of leather for industry and consumers.



- GRS (fabric certification) is promoted by Textile Exchange, one of the most important international non-profit organizations for responsible and sustainable development in the textile sector. The standard recognizes the importance of recycling for the growth of a sustainable production and consumption model, with the aim of fostering the reduction of resource consumption (virgin raw materials, water and energy) and of increasing the quality of recycled products. GRS involves the issue of an environmental declaration verified by a third party that assures the content of recycled materials of their products, both intermediate and finished, the preservation of traceability along the entire production process, the restrictions in using chemicals and the compliance with environmental and social criteria in all phases of the production chain, from the recycling of the materials and the subsequent manufacturing phases up to the labelling of the finished product. The **Global Recycle Standard** guarantees:

- products containing at least 20% of pre-consumption and post-consumption recycled material.
- manufacturing activities and processes through which the recycled material is used to make intermediate products (e.g., yarns and fabrics) or finished products for the consumer that use management models and procedures compliant with the set requirements.

2.2 Research and Development



Innovation, research and development of new products represents 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 Research and Development for the Piquadro brand is conducted internally and occasionally in collaboration with outside industrial designers, based on indicators from market trends provided by the Group's internal departments (Product Marketing office) and Sales office). Based on such factors, the Piquadro Group develops collections attempting to respond to the needs of end customers who are not satisfied by the current market offering.

The internal department dedicated to product design manages operational activities, also coordinating any outside consultants used by the Piquadro Group. In certain cases, the Piquadro Group uses external designers both at the product design stage and for product development, specially, for Travel goods.

Starting from the financial year ended 31 March 2021, the study and design of Piquadro articles have increasingly focussed on identifying solutions that meet the needs of individuals who move seamlessly from one usage occasion to the next over the day and, therefore, require containers that can adapt and/or transform to meet such different occasions of use. Piquadro has therefore focussed its research and development on the creation of modular articles, a key design approach, with a view to obtaining transformable, adaptable and high-performing products suited to various situations.

Primarily, the BRIEF2 collection featured articles designed with explicit modular functions: for example, the backpack with removable external front pocket that, when needed, transforms into a shopper or, in another case, the backpack transforms into a shoulder-sling backpack. Modularity can also be applied to the product inside, as in the case of the lunch box and camera case accessories studied by Piquadro to be incorporated, when needed, into certain BRIEF2 or B2V backpacks.

The concept of fluid product use takes on even greater importance, also considering evolving urban mobility that has required studying increasingly high-performance functions often borrowed from the outdoor world.

Piquadro's R&D team has focussed important research efforts on the IP-HIDOR collection, by designing a recognisable custom rubber detail that enables LED lights to be incorporated into the construction of the backpacks. HIDOR also required research for studying high-performance solutions from the standpoint of water resistance or even waterproofing. The HIDOR collection also features a backpack equipped with a high-performance shoulder strap attachment solution enabling the load on the back to be adjusted and balanced.

Back comfort of backpacks is a factor on which Piquadro is also focusing its research. In reporting period 2022/23, in fact, a backrest has been studied that enables ventilation to reach the back area.

The study of this backrest was applied in an article in the URBAN collection and originated from the development of articles intended for Biking sports in the Corno alle Scale project. In

reporting period 2022/23, also for the Corno alle Scale special project, Piquadro research was involved for developing hiking and snowboarding articles.

As always, technology and the BAGMOTIC project play an important role for the Piquadro R&D department.

Great R&D energy has been harnessed in developing the Travel ranges, alongside the existing PQLP Premium collection featuring the use of polycarbonate combined with precious leather inserts.

Both on PQL, on PQLS2 and on PQLP, the TSA padlock, including USB and Type C slots has been mounted for recharging devices,

In relation to the development of new product categories studied to position Piquadro as a lifestyle brand, the R&D office, in addition to having studied new sneakers in the CORNER-C2O and URBAN-UB00 collections, has also collaborated on the design of a technical clothing collection for FW23, together with the company Facib, with which Piquadro has entered into a licence agreement.

Regarding environmental awareness topics, Piquadro continues to promote responsible behaviour in its products and, namely:

- By using recycled materials.
- By giving the customer information via calculating the PQ Recycled index®.
- By considering the certifications of leather suppliers issued by the Institute of Quality Certification for the Tanning Industry (ICEC), such as those regarding traceability of leather upstream of the tannery, as well as the certifications issued by Leather Working Group (LWG), a non-profit organisation, which promotes and identifies the best environmental practices and responsible sourcing of leather.

In addition to these actions, the Piquadro group has calculated the carbon footprint for Scope 1 and 2, i.e., the emissions generated by its organisation in reporting period 2021-22 and, by supporting offsetting projects, it has achieved Carbon Neutrality (Scope 1 and Scope 2). The Piquadro Group will continue this commitment in the future. But this is not the only positive news; at the same time as offsetting the carbon footprint for business activities, in 2022, the Piquadro Group made another important commitment to environmental sustainability: it gradually began to offset CO₂ emissions in the manufacture of certain products (Scope 3), which are among the best sellers of the Piquadro and The Bridge brands.

The production of ECONYL® is a process that begins with the recovery of waste such as fishing nets, fabric scraps, used carpets and industrial plastic from landfills and oceans. Collected waste passes to regeneration, a stage where nylon is cleaned and purified until it re-acquires its initial features, that is, nylon from a virgin source. This sub-product is then converted, that is, regenerated nylon ECONYL® is transformed into a yarn ready to be used in industrial production and finally a new product is reinvented that uses the regenerated nylon. In this way the process is closed, but it could continue indefinitely since, with the help of ECONYL® technology, nylon may be recycled endlessly while maintaining its intrinsic qualities.



Each Piquadro product in the PQ-BIOS collection is provided with a tag that shows the **PQ-Recycled Index**, an index designed by Piquadro to certify the relationship between the weight of the recycled material used in the product in question and the total weight of the material used to make it.

Product packaging and merchandising also use recyclable materials: paper, which has FSC certification (**Forest Stewardship Council**®) certifying origin from forests or responsibly managed sources, ecological soy-based inks and, last but not least, recycled cotton for the rope used for bag handles.

Piquadro's vocation is to design every single detail and maximum product functionality translates into ongoing research and development of ad hoc solutions which are often innovations which are then patented. As at 31 March 2023, **the company held 246 trademarks and 41 active patents** regarding both products and components and accessories.

The Bridge's Research and Development is conducted by subsidiary The Bridge S.p.A. by a dedicated team. The Bridge's products originated 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 current creation of the products, with the trends influencing the materials and colours chosen for the season. The proposals are evaluated with the sales force to respond to the standards of functionality and modernity which make the products attractive to an attentive and demanding public.

This year a series of peripheral products have been launched, which are exceptional important for business development, such as scarves, gloves and belts.

As at 31 March 2023, **the company had 154 trademarks and patents filed** for both products and utility/design models.

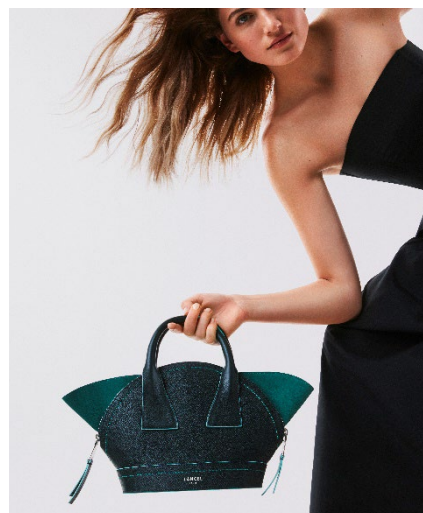
Lancel brand research and development is conducted by a team of 9 dedicated experts at the headquarters of the Parisian company. The Lancel Group is known for innovation and creativity: the team develops all components and finished products alongside the design team. Lancel products come about from the combination of its own archive-based designs, the continuous study of design and as a result of skills accrued in producing leather goods, via support also from the Atelier, located at Lancel's headquarters, composed of artisans "Compagnon du Devoir" who create the prototypes for the new designs.

All leathers are carefully selected by the Design department and, with the help of a leather goods specialist. Each leather shade is defined by the Design and developed exclusively 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 at 31 March 2023, **the company has 86 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 organization 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

Extremely technical and lightweight, the sixteen garments created by Israeli designer Yossi Cohen for Piquadro represent a new expression of the founding principles in the design of Piquadro products. For the field jacket, overcoat and parka jacket, a Technowool created specifically for this collection has been used and it features three membranes: one in natural wool and two in ultra-thin and recycled laminated techno-fabric. Six other outerwear garments have been created in lamgloss and outstretch recycled fabrics covering the entire traditional range of men's apparel for maximum comfort. The two bomber jackets are made of softshell fabric. The entire collection has a component that changes from garment to garment made of recycled material and unmistakably Piquadro style details: a black trim with a hood and/or neck finish, thermo-taped zips, shielded pockets, straps and logo ribbons. The star of the collection is a jacket that literally makes the intrinsic features of Piquadro backpacks "wearable". Multifunctional, technical, transverse, born to travel and, of course, sustainable

are all concept incorporated into a warm, technical and lightweight garment. Made with Taslan fabric and certain components in recycled material, it is multitasking, with a longer length that can be shortened (from a maximum length of 95 cm to 72 cm) and therefore ideal for all types of city mobility. On the front, it has two concealed maxi-pockets divided into multifunctional mesh compartments, screened, closed by black coated zips and waterproof. A third maxi-pocket, normally inside the garment, can be attached on the back as a backpack when needed. The hood is trimmed in contrasting black ribbing, a hallmark of all the garments in the collection, in line with stylish Piquadro branded customisations.

The outfit can be accessorised with a new backpack in the **Urban** line and new sneakers in the co-lab with **ACBC**.

The **Urban** line, a perfect distillation of the Piquadro product philosophy based on ongoing research with a view to combining performance and design, extends its Autumn/Winter 2023 range with a new model featuring bold lines and colours, which reinterprets for daily urban lifestyles the typical performance of outdoor articles. The backrest is designed to be breathable and ergonomic, ensuring maximum comfort when travelling around the city. The chest strap is adjustable both horizontally and vertically, enables the backpack to stay well-anchored to the back when riding a bike. Finally, strings placed at the bottom are designed specifically for hooking to the jacket. Space organisation is designed to meet the most contemporary needs. First of all, a modular concept has been used, so the insider of the backpack is structured to house the lunch box or the camera case, new products created by Piquadro. Another need that the new Urban backpack meets is security via the pocket with RFID protection that shields a wallet and prevents credit card cloning. Finally, the compartment with double padded pocket for PC and iPad is designed for fast check-in: three of the four sides are fully separated from the backpack, and this speeds up airport check-in procedures.

World debut for footwear

Piquadro, during the previous reporting period, showcased its first collection of sneakers, coordinated with a selection of backpacks and made in collaboration with ACBC, the first and only Italian B Corp in the footwear industry and expert in the design and manufacture of sustainable shoes. For Autumn/Winter 2023, two sneaker models are featured offering various colours: a new model, taking its cue from the classic tennis shoe, is offered in addition to the trainer with the original detail inspired by the rubber corner of the unforgettable Corner line, one of Piquadro's star products in the early 2000s.



ACBC, the first Italian B Corp for the creation of sustainable sneakers, designed the composition of the materials by selecting technologies such as ReRubber, and RePet for production, resulting from the reuse of waste materials such as rubber and plastic bottles and FreeBio™, an alternative material to leather derived from recycled polyamide fibres and from a water-based PU coating that meets the highest performance and durability standards.

The two sneaker models are made, respectively, in seven and six different chromatic combinations using recycled fabric and featuring PU uppers. The inner sole is made of cork while the sole and tread contain plastics recovered from manufacturing waste.

The range is completed with a trekking shoe, suitable for off-road adventures: the model is made with respect for the environment while maintaining high performance and quality levels. The upper combines the FreeBio™ – an alternative to the animal skin created by ACBC, the eco-friendly fabric featuring the geometric print from the outdoor Corno alle Scale di Piquadro line. The sole is made of rubber with VIBRAM tread to ensure proper performance. The details that distinguish this model were produced from waste from the agricultural industry. Piquadro is therefore the spokesperson for a new project promoting the environment, as part of the extensive sustainability program which it has embraced for many years.

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 magazine rack and 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 company 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 enchanting 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 fat liquors. 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 a 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.

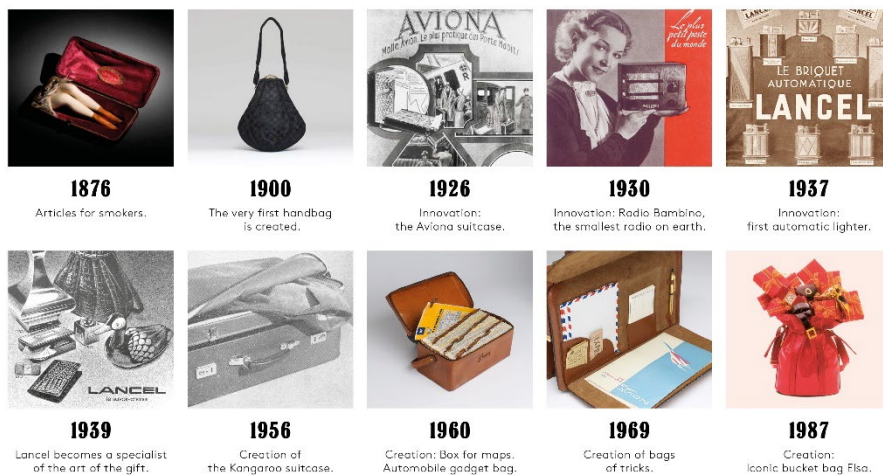
2.5 Lancel group

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 different 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



The **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 on the basis of the efficiency and 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 and birthday gifts (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 personalization before Christmas (or other occasions, such as Valentine's Day), through a newsletter with products which the customer can customise in-store or, depending on the "history" and the customer's purchase behaviour, there may be **free personalization** (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.

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 organizational 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, subject to sexual or moral harassment, psychological violence, bullying and straining.⁸

⁸ 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

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 organizational model characterized 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 2023, there were **1,039** employees in the Group, an increase by 1.2% compared to 1027 employees as at 31 March 2022.

The three largest poles are Italy (39%), France (30%) and China (23%) while the remaining 8% of employees are distributed in the other countries where the Group is directly present.

Total number of outsourced workforces by occupational category and gender

Professional category	at 31 March 2023			at 31 March 2022		
	Male	Female	Total	Male	Female	Total
On-call contracts	-	-	-	-	-	-
Agents	43	2	45	41	3	44
Temp workers	3	6	9	2	1	3
Interns	-	-	-	-	5	5
Total	46	8	54	43	9	52

Distribution of Group employees by country

Country	As at 31 March 2023	as at 31 March 2022
Italy	404	383
China	240	257
Hong Kong	1	1
Germany	1	1
Spain	17	23
Taiwan	12	12
France	314	299
San Marino	4	4
UK	4	3
Russia	42	44
Total	1,039	1,027

Based on the total number of employees as at 31 March 2023, **76%** have a **permanent contract** (in line with last year), while the remaining **24%** are employed on a **fixed-term contract**.

Group headcount by gender, type of contract, geographical area and age and gender band

Table 1 – type of contract

Type of contract	As at 31 March 2023			as at 31 March 2022		
	Male	Female	Total	Male	Female	Total
Permanent	198	592	790	200	584	784
Fixed-term	50	199	249	54	189	243
Total	248	791	1,039	254	773	1,027

Table 2 – Geographical area

Geographic area	As at 31 March 2023			as at 31 March 2022		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Italy	356	52	408	345	38	383
Rest of Europe	319	59	378	331	43	374
Rest of world	117	136	253	108	162	270
Total	792	247	1,039	784	243	1,027

Table 3 – Age and gender band

	As at 31 March 2023											
	ITALY				REST OF EUROPE ⁹				REST OF WORLD			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Male	11	78	26	115	25	32	9	66	9	46	11	66
Female	33	191	65	289	109	132	75	316	16	132	39	187
Total	44	269	91	404	134	164	84	382	25	178	50	253

As at 31 March 2023				
	GROUP			
	<30	30-50	>50	Total
Male	45	156	46	247
Female	158	455	179	792
Total	203	611	225	1,039

⁹ The geographical area "rest of Europe" also includes Russia.

86% of Group employees as at 31 March 2023 have a **full-time** contract, while the remaining **14%** are employed on a **part-time** contract. Of the total of 892 employees on a full-time contract, there are 225 men and 667 women, while in part-time contracts, there are 23 men and 124 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 2022, Piquadro S.p.A. and The Bridge S.p.A. and Lancel Sogedi have agreements with 45 companies, both Italian and overseas, for the marketing of their products through commercial agents.

Professional category	As at 31 March 2023			As at 31 March 2022		
	Male	Female	Total	Male	Female	Total
Agents	43	2	45	41	3	44
Temp workers	3	6	9	2	1	3
Interns	0	0	0	0	5	5
Total	46	8	54	43	9	52

During the 2021/2022 reporting period, the Group saw hired **408 new employees** while **396 workers left the company**.

Number of people hired and incoming employees to the Group by geographical area, gender and age band area

Table 4 – New hiring rates in the Group

	2022/23														
	ITALY					REST OF EUROPE					REST OF WORLD				
	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%
Male	10	27	0	37	32%	24	11	1	36	55%	8	9	0	17	26%
Female	28	36	10	74	26%	140	51	11	202	64%	6	35	1	42	22%
Total	38	63	10	111	27%	164	62	12	238	62%	14	44	1	59	23%
New hiring %	86%	23%	11%	27%		122%	38%	26%	62%		56%	25%	2%	23%	

	2022/23				
	GROUP				
	<30	30-50	>50	Total	%
Male	42	47	1	90	36%
Female	174	122	22	318	40%
Total	216	169	23	408	39%
New hiring %	106%	28%	10%	39%	

The new hiring turnover is calculated as the relationship between the total number of people hired in 2022/2022 (Table 4) and the total number of employees as at 31 March 2023 for the relative age and gender band (Table 3).

Number of personnel leaving and Group exit turnover by geographical area, gender and age range

Table 5 – Turnover of people leaving the Group

	2022/23														
	ITALY					REST OF EUROPE					REST OF WORLD				
	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%
Male	8	16	3	27	23%	18	20	4	42	64%	7	19	2	28	42%
Female	19	39	5	63	22%	116	58	14	188	59%	8	37	3	48	30%
Total	27	55	8	90	22%	134	78	18	230	60%	15	56	5	76	30%
Leaving turnover %	61%	20%	9%	22%		100%	48%	21%	60%		60%	31%	10%	30%	

Number of personnel leaving	2022/2023				
	GROUP				
	<30	30-50	>50	Total	%
Male	33	55	9	97	39%
Female	143	134	22	299	38%
Total	176	189	31	396	38%
Leaving turnover %	87%	31%	14%	38%	

The leaving rate is calculated as the relationship between the total number of people who left the Group in 2022/2023 (Table 5) and the total number of employees as at 31 March 2023 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.

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 2022/2023 financial year, more than **3,493** 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	2022/2023			2021/2022		
	Male	Female	Total	Male	Female	Total
Directors	0	0	0	0	0	0
Employees	208	501	709	444	1,351	1,795
Workers	1,046	1,738	2,784	931	1,897	2,828
Total	1,254	2,239	3,493	1,375	3,248	4,623

Average hours per capita of training given to Group employees

Professional category	2022/2023			2021/2022		
	Male	Female	Total	Male	Female	Total
Directors	0	0	0	0	0	0
Employees	1.3	0.8	0.9	2.85	2.25	2.37
Workers	12.8	10.4	11.2	10.58	11.09	10.92
Total	5.1	2.8	3.4	5.41	4.20	4.50

The Piquadro Group goes on investing 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 Ethics¹⁰ . 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 organization and management Model. During the year, the companies of the group provided a total of **203** hours of classroom training on these topics.

¹⁰ Currently the Group does not carry out specific training in the field of human rights but confirms its objective to start up training courses in that area.

3.3 Employee welfare 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 employee organizations 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 2023					As at 31 March 2022				
	Male	%	Female	Male	%	Male	Female	%	Female	Male
Directors	8	89%	1	11%	9	10	91%	1	9%	11
Employees	157	20%	624	80%	781	156	21%	601	79%	757
Workers	82	33%	167	67%	249	88	34%	171	66%	259
Total	247	23.77%	792	76.23%	1,039	254	24.73%	773	75.27%	1.027

At Group level, as of 31 March 2023, there were a total of 249 workers, 781 employees and 9 directors : of these **76.23% are women**.

Group headcount per professional category and age range

Number of people:	as at 31 March 2023						As at 31 March 2022								
	<30	%	30-50	>50	<30	%	>50	<30	%	>50	<30	%	>50	<30	%
Directors	0	0%		44%	5	56%	9	0	0%	4	36%	7	64%	11	
Employees	189	24%	441	56%	151	19%	781	166	22%	460	61%	131	17%	757	
Workers	14	6%	166	67%	69	28%	249	15	6%	181	70%	63	24%	259	
Total	203	20%	611	59%	225	22%	1,039	181	18%	645	63%	201	20%	1.027	

As regards the age range, employees aged between 30 and 50 accounts for 59% of the total, showing a slight decrease compared to the data of last year (63% as at 31 March 2023).

20% of employees are under 30, demonstrating the Group's high ability to also attract and employ younger resources.

As of 31 March 2023, **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 remote 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 for the workers and, with top management, promote activities and initiatives for workers.
- In December 2022, 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).

During the 2022/2023 financial year, there were no incidents related to discriminatory practices or other relevant forms of discrimination involving the Group

Trade union relations

In the case of employment contracts, **93.2%** 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 healthy 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 present hazards 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 2023, 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 4 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 indicator ¹¹

PIQUADRO GROUP – Work-related injuries		
2020/2021	2022/2023	2021/2022
Total number of recorded accidents at work	11	7
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	2022/2023	2021/2022
Rate of recorded accidents at work	5.98	3.77
Total number of serious accidents at work (excluding deaths)	0	0
Total number of deaths due to accidents at work	0	0

The accidents which occurred outside Europe were mainly at the Uni Best company located in China. 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 promoting responsible behaviour on the part of 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 **1,776** 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

¹¹ 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.

general prohibition of alcohol abuse or drug use and stipulated 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 applicable legal and regulatory provisions, 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 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 characterized 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.

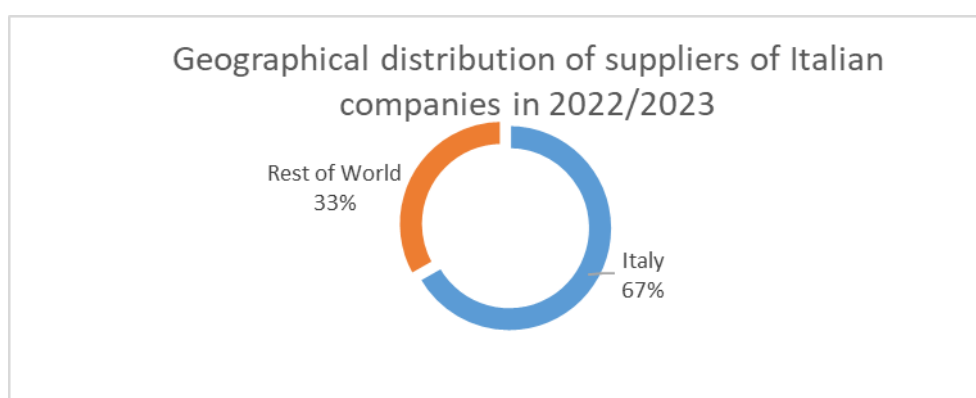
The production activity, which is partially carried out by external operations, is entered to external suppliers of proven competence and quality, located mainly in Hong Kong, Italy, China, the Czech Republic and Bulgaria. This activity is carried out on the basis of prototypes, engineered and provided 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 52% of annual expenditure**.

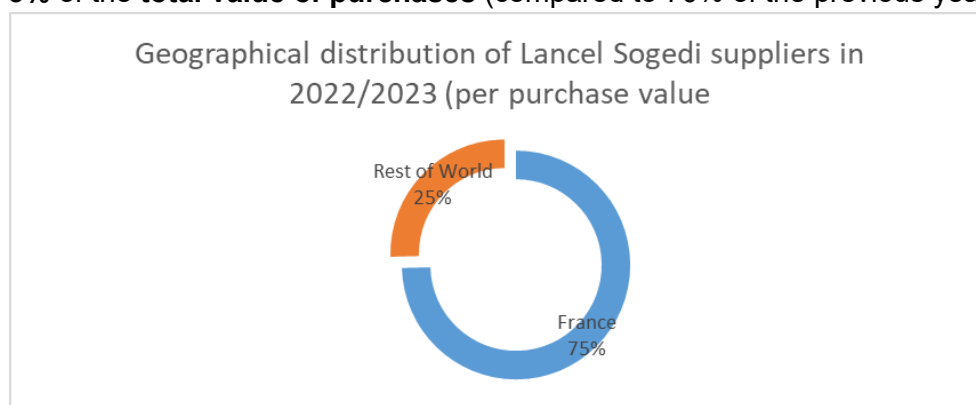
The following is the Group's total expenditure by purchase category in the 2022/2023 FY.

2022/2023		
Category	Value of total annual expenditure by type [thousands €]	Percentage of total annual expenditure by type
Raw materials and finished products	35,716	36%
External production	18,641	19%
Advertising and marketing	9,720	10%
Transport services	8,476	9%
Commercial services	5,269	5%
Administrative services	3,828	4%
General services	4,276	4%
Services for production	5,060	5%
Costs for use of third-party goods	8.126	8%

Local suppliers¹² for Italian companies are dominant in terms of business volume and account for **67%** of the **total value of purchases** made in 2022/2023 (a slight increase compared to the same data of the 2021/2022 FY, equalling 64%)



As regards **local suppliers for the French company**, these represent, in turns of turnover, **75%** of the **total value of purchases** (compared to 70% of the previous year).



¹² "Local" means a supplier located in the same country as the Piquadro group entity that makes the purchase.

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 **45%** of the value of purchases in 2022/2023 (increasing if compared to 49% in 2021/2022).

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.

To promote responsible conduct along its production chain and to mitigate the risk of human rights violations, incidents of child labour or forced labour or violation of the freedom of association and collective bargaining, the Group has planned the approval of the **Supplier Code of Conduct** in which it defines the principles and standards of conduct that it expects to be complied with by its suppliers, in addition to continuing disseminating the ethical principles and rules of conduct under the Code of Ethics. The goal for the next few years will be to ensure that the Code of Conduct is disseminated to suppliers and complied with. The case for adopting an audit system for its strategic suppliers and possibly on sub-contracting companies is under review, extending and checking actual compliance with the principles set out in the Codes. With a view to continuously improving the management of and engagement with its supply chain, the Group has confirmed the objective of including, also within the new supplier process, additional new criteria regarding the protection of human rights and other social and environmental parameters, as part of the new supplier qualification process.

4.2 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 type¹³

	Type	Unit of measure	Total as at 31.03.2023
non-renewables	LEATHER	SQM	444,965
	METAL ACCESSORIES	UNITS	6,279,604
	LININGS AND FABRICS	LM	29,788
Renewables	SHOPPING BAG	KG	177,377
	of which FSC (<i>Forest Stewardship Council</i>)	KG	4,380
	of which non-FSC (<i>Forest Stewardship Council</i>)	KG	172,997
	COTTON/CLOTH BAGS	UNITS	525,272

The most common raw material in terms of purchases is leather, used to make the Group's three brands. In the 2022/2023 FY, the Group purchased over **445 thousand square meters 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).



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.

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

¹³ The types listed include the main materials and consumables purchased using the most representative units of measurement.

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, pursuant to Italian Legislative Decree 231/01, analysed any risks potentially linked to the use of such substances, finding that the type of activities performed at Group's companies are not such as to expose workers to risks to their health and safety.



4.3 Energy management

During the 2022/2023 financial year, the Piquadro Group's energy consumption stood at about **22,433 GJ (a decrease compared to 24,085 GJ as at 31 March 2022)**. 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 133 direct outlets of the Piquadro Group (138 as at 31 March 2022). 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 ¹⁴

Type of consumption	2022/2023	2021/2022
	Total (GJ)	Total (GJ)
Purchased electricity ¹⁵	16,099	15,336
<i>of which purchased from renewable sources with GO</i> ¹⁶	3,138	3,461
<i>of which self-generated via photovoltaic arrays</i>	148	0
Non-renewable fuel	6,235	8,748
<i>of which: natural gas for heating</i>	1,925	4,305
<i>of which: diesel for heating</i>	0	59
<i>of which: LPG for heating</i>	1,766	1,870
<i>of which: petrol for company fleet</i>	348	296
<i>of which: diesel for company fleet</i>	2,196	2,219
Total energy consumption	22,334	24,085
<i>of which: renewable sources</i>	3,286	3,461
% of renewable energy on total used by the Group	14.71%	14.37%

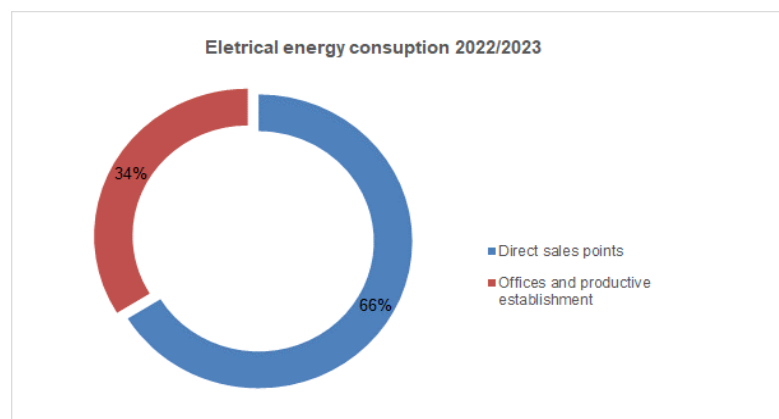
As far as the distribution of electricity consumption is concerned, direct outlets account for about **66%** of the Group's **total consumption (64% as at 31 March 2022)**.

¹⁴ For the calculation of energy consumption in GJ, the conversion factors of the Department for Environmental Food & Rural Affairs (DEFRA), UK, of 2020 and 2021, respectively were used. To convert the LPG, in 2021/2022 an ABI lab conversion factor of 2021, while a conversion factor taken from AIB 2022 was used in 2022/2023.

¹⁵ The data 2022/2023 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.

The electricity consumption of 46 Lancel brand stores is estimated considering an annual consumption of 300kWh/sqm. Most of these points of sale are located in contexts of airports or shopping centers whose contractual conditions do not allow timely reporting of the data.

¹⁶ The company Lancel Sogedi SA purchases electricity coming from a renewable source certified through guarantees of origin.



4.4 Emissions into the atmosphere

Regarding air emissions, the Group generated in 2022/2023, **1,549 tCO₂ eq**, according to the *location-based*¹⁷ calculation method, deriving from the use of electricity and non-renewable fuels.

With regard to emissions into the atmosphere, in the in the financial year 2022/2023, **1,783 t CO₂ eq**, using a *market-based 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 petroleum amounted to around **401 t CO₂eq**.

Indirect emissions (Scope 2) on the other hand, resulting from the purchase of electricity from the grid, amounted to a total of around **1,148 t CO₂** based on the location-based calculation method and around **1,383 t CO₂** with reference to the "market-based" calculation method.

Emissions of Scope 1 [tCO₂eq]¹⁸

Type of source	2022/23	2021/22
Scope 1		
Use of fuel for heating	221	359
<i>of which: natural gas</i>	108	243
<i>of which: LPG</i>	113	111
<i>of which: diesel</i>	0	4
Use of petrol for company fleet	23	20
Use of diesel for company fleet	157	167
Total Scope 1	401	546

Emissions of Scope 2 [tCO₂]¹⁹

Type of source	2022/23	2021/22
Scope 2		
Purchased electrical energy (<i>location-based</i>)	1,148	1,120
Purchased electrical energy (<i>market-based</i>)	1,383	1,350

¹⁷ GRI Sustainability Reporting Standards provide two methodologies for calculating Scope 2 emissions: "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.

¹⁸ It should be noted that for a better alignment with the requirements of the GRI 305-1 Standard for the calculation of *Scope 1* emissions, an emission factor source that converts to CO₂ eq. emissions was used. *Scope 2* emissions have been expressed instead as tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ eq), as inferred from the reference technical literature. For calculating Scope 1 emissions, the emission factors published by the *Department for Environment, Food & Rural Affairs, UK (DEFRA)*, in *Greenhouse gas reporting - Conversion factors 2020 and 2021* were used.

¹⁹ For calculating Scope 2 emissions using the "*Location-based*" method, the emission factors reported in the International Comparisons, Terna 2019 publication were used. Regarding the calculation of emissions using the "*Market-based*" method, the "Residual mix" emission factors, published by the Association of Issuing Bodies (AIB) in the European Residual Mixes 2021 and 2022 report were used; said factors were adopted only for the following countries: Italy, France, Great Britain, Spain and San Marino. For the other countries, since the relevant factor is not available, similar factors used for calculation using the "*Location-based*" method were maintained.

Total Emissions [tCO_{2eq}]

Total	2022/23	2021/22
Total emissions (Scope1 and 2 <i>location-based</i>)	1,549	1,666
Total emissions (Scope 1 and2 <i>market-based</i>)	1,783	1,896

Aware of the importance of its environmental impact even outside the company perimeter, the Group will undertake calculation for the organisation's Scope 3 emissions²⁰.

²⁰ The Group has assumed a commitment to include such information in the NFD by 31 March 2025.

4.5 Carbon Neutrality



The Piquadro Group is already committed to reducing emissions, through measures to accelerate energy transition: the Gaggio Montano headquarters has just completed installation of a photovoltaic system that will help reduce the purchase of electricity from the grid in favour of self-generated electricity from renewable sources. In addition, the Piquadro Group works with its designers to create circular and low environmental impact products.

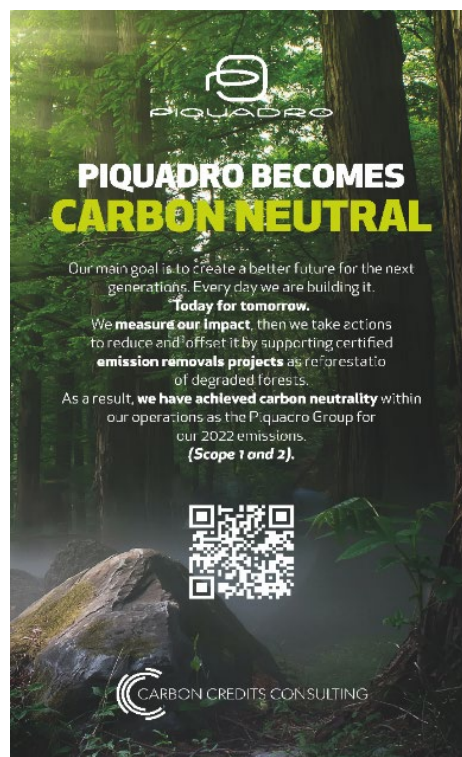
The Piquadro Group takes a new, decisive step in its sustainability path and, after undertaking initiatives such as the progressive use of recycled materials, leather from the certified supply chain and the project to support the community of its mountains, announces from 2021/2022 carbon neutrality for the entire Group (Scope 1 and 2).

The Piquadro Group has in fact offset its (*carbon footprint*) considering all direct emissions (*Scope 1*) and indirect emissions from purchased electricity (*Scope 2 market-based*)²¹ generated during the 2021/22 reporting period.

The objective of offsetting 1,896 tonnes of CO_{2eq} generated by the Group's entities was achieved through certified carbon credits generated thanks to the reforestation of heavily degraded areas of **Cerrado** in Brazil, a tropical forest featuring by one of the highest biodiversity in the world. This project, developed and managed by Carbon Credits Consulting, enables the recovery and restoration of the native forest, while helping to defend biodiversity and improve the living conditions of local populations, extremely importance factors for the Piquadro Group.

So-called "carbon credits" or offsetting certificates are one of the tools via which the effects of the carbon footprint represented by the production of global CO₂, among the main causes of climate change, can be mitigated. One carbon credit is equivalent to one tonne of CO₂ prevented or removed from the atmosphere through the development of certified projects, including forestry projects that not only capture atmospheric CO₂, thanks to the chlorophyll photosynthesis of plants, but contribute to the benefit of biodiversity and the local community²².

At the same time as offsetting the carbon footprint for corporate activities, the Piquadro Group made another important commitment to environmental sustainability in 2022; it gradually began to offset CO₂ emissions linked to the production of certain products included among the



²¹ Offsetting does not consider indirect Scope 3 emissions.

²² The carbon credits of the Piquadro Group reforestation project are certified by the Green Carbon Standard in Washington DC, and undergo independent auditing (RINA Services).

Group's **best sellers**. Specifically, for Piquadro and The Bridge, 13 products were identified among the best-selling lines and the carbon footprint for each was calculated, with the aim of offsetting it by purchasing additional certified carbon credits.

Products ²³			Emissions	
Brand	Code	Type	CO2eq units [kg]	Total CO2eq offset [t]
Piquadro	CA5854C2O	Roll-top backpack for PC	13.62	7.39
Piquadro	CA5738CAS2	Ski Backpack	27.55	3.20
Piquadro	CA5738CAS	Ski & trekking backpack	27.55	1.76
Piquadro	CA4818UB00	Backpack for PC and iPad	41.69	82.83
Piquadro	SN5977C2O	Men's sneakers	10.58	42.85
Piquadro	CA6102CAS2	Hiking backpack	25.78	6.60
Piquadro	CA5855C2O	Backpack/messenger bag for PC	17.53	9.95
Piquadro	CA5856C2O	Backpack for PC and iPad	15.69	23.91
Piquadro	BV4425PQL	Cabin trolley	27.03	142.53
Piquadro	BV4427PQL	Medium-sized trolley	37.49	113.33
Piquadro	BV4428PQL	Large trolley	42.20	71.70
Total Piquadro				506.06
The Bridge	4402201	Women's Story crossbody bag	33.64	30.68
The Bridge	6440901	Story backpack	54.73	11.00
Total The Bridge				41.68
Total Group				547.74

²³The offset products consider inventories year ends 31 December 2022 and production in Q1 of 2023.

4.6 Waste management



The parent company has implemented a **waste management procedure** developed as part of the organization 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 authorized 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 aware 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.

In the financial year 2022/2023, the Piquadro Group produced a total of approximately **197 tons of waste**, almost all of which were **non-hazardous**.

Type Of Waste [ton]	Total weight of waste generated [303-3]						Variation 2022/2023
	31.03.2023			31.03.2022			
	Hazardous	Not Hazardous	Total	Hazardous	Not Hazardous	Total	
LEATHER WASTE	-	9,28	9,28	-	33,04	33,04	-72%
PACKAGING MATERIAL	0,17	26,71	26,88	0,09	31,75	31,84	-16%
WOOD	0,59	16,79	17,38	-	20,27	20,27	-14%
IRON / STEEL	-	2,33	2,33	-	5,82	5,82	-60%
ORGANIC WASTE	-	3,36	3,36	0,01	13,62	13,63	-75%
PLASTIC	0,06	0,17	0,23	-	2,46	2,46	-91%
ELECTRONIC COMPONENTS	-	0,46	0,46	0,20	6,04	6,24	-93%
PAPER	-	137,81	137,81	-	129,97	129,97	6%
Total	0,82	196,91	197,73	0,30	242,97	243,27	-19%

Sustainability Report as at 31 March 2023 of the Piquadro Group

As regards the disposal method, the Group sends about **77% of its waste to recycling** (compared to 82% of 2021/2022 FY).

Waste diverted from disposal [306-4]								
Disposal Method [ton]	31.03.2023				31.03.2022			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardous waste								
Reuse	-	0,09	0,0885	0%	0	0,08	0,08	0%
Recycle	-	-	0,00	0%	0	0,2	0,2	0%
Not Hazardous waste								
Reuse	-	151,33	151	100%	0	180,98	180,98	91%
Recycle	-	-	0,00	0%	0	18,58	18,58	9%
Total	0,000	151,42	151,42	100%	0	199,84	199,84	100%
Waste directed to disposal [306-5]								
Disposal Method [ton]	31.03.2023				31.03.2022			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardous waste								
Incineration (with energy recover)	-	14,98	14,98	32%	-	-	0	0%
Incineration (without energy recover)	-	-	0	0%	-	-	0	0%
Rubbish dump	-	0,14	0,138	0%	-	11,84	11,84	24%
Not Hazardous waste								
Incineration (with energy recover)	-	-	0	0%	0	0	0	0%
Incineration (without energy recover)	-	5,93	6	13%	0	0	0	0%
Rubbish dump	-	25,26	25	55%	0	37,51	37,51	76%
Total	0,000	46,309	46	68%	0	49,35	49,35	100%

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.

The Piquadro Group, during the 2022/2023 financial year, made multiple **liberal disbursements** destined to NGOs and local associations for promotion and development purposes and sponsored social and cultural events in the territory such as the donation centre HUB of the Civil Protection of Silla di Gaggio Montano.

Piquadro has donated in favour of people in difficulty **€ 20,000** through vouchers, in collaboration with the municipality of Lizzano in Belvedere and made further donations to associations recognized for their commitment to social. Lancel, on the other hand, has signed an agreement with a French fashion institute with the aim of promoting equal opportunities by funding scholarships for students for a three-year period.

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.

From the long friendship and common love for their mountains of Marco Palmieri, founder of Piquadro, and Flavio Roda, president of the Italian Winter Sports Federation, the partnership was born which, involving numerous entrepreneurs and local realities, led to the creation of a new company for the management of the facilities of the ski resort most dear to the Bolognese. 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, specifically, organises regular exchanges with school and vocational facilities, in general, that are located in the Florentine basin: through activation of *internships* that are part of the school curricula and apprenticeship contracts, it has very frequent contacts with Polimoda and with MI.TA (Made in Italy Tuscany Academy), the first Professional Higher Education Technical Institute for the technical professions in the fashion industry in Scandicci (Florence).



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 whose 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

Statement of use	Piquadro S.p.A. has reported in accordance with the GRI Standards for the period 01/04/2022 - 31/03/2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

GRI Standard	Disclosure	Page	Omission		
			Requirement omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures (2021)	2-1 Organizational details	4			
	2-2 Entities included in the organization's sustainability reporting	4			
	2-3 Reporting period, frequency and contact point	4-6			
	2-4 Restatements of information	4			
	2-5 External Assurance	99-101			
	2-6 Activities, value chain and other business relationships	78-79			
	2-7 Employees	66-67			
	2-8 Workers who are not employees	68			
	2-9 Governance structure and composition	11-14			
	2-10 Nomination and selection of the highest governance body	11; 14			
	2-11 Chair of the highest governance body	14			
	2-12 Role of the highest governance body in overseeing the management of impacts	12			
	2-13 Delegation of responsibility for managing impacts	13-14			
	2-14 Role of the highest governance body in sustainability reporting	13-14			
	2-15 Conflicts of interest	13			
	2-16 Communication of critical concerns	13; 18			
	2-17 Collective knowledge of the highest governance body	13			
	2-18 Evaluation of the performance of the highest governance body	15			
	2-19 Remuneration policies	15-16			
	2-20 Process to determine remuneration	15-16			
	2-21 Annual total compensation ratio	15	2-21(b)	Information not available	The Group is committed to include such information in the NFD

GRI Standard	Disclosure	Page	Omission		
			Requirement omitted	Reason	Explanation
					starting from 31 March 2024.
	2-22 Statement on sustainable development strategy	2			
	2-23 Policy commitments	2; 4; 16-19			
	2-24 Embedding policy commitments	16-19			
	2-25 Processes to remediate negative impacts	35-40			
	2-26 Mechanisms for seeking advice and raising concerns	18-19			
	2-27 Compliance with laws and regulations	26			
	2-28 Membership associations	33			
	2-29 Approach to stakeholder engagement	31-33			
	2-30 Collective bargaining agreements	73			
MATERIAL TOPICS					
GRI 3: Material Topics (2021)	3-1 Process to determine material topics	34-35			
	3-2 List of material topics	35-40			
Material topic Economic-financial performance and value creation					
GRI 3: Material Topics (2021)	3-3 Management of material topics	20-25; 41-44; 78-81			
GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed	42			
GRI 202: Market presence (2016)	202-2 Proportion of senior management hired from the local community	72			
GRI 204: Procurement practices (2016)	204-1 Proportion of spending on local suppliers	79-81			
GRI 207: Tax (2019)	207-4 Country-by-Country reporting	25			
Material topic Business Ethics, Corporate Governance, Risk Management					
GRI 3: Material Topics (2021)	3-3 Management of material topics	26-30			
GRI 205: Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken	30			
Material topic Human rights					

GRI Standard	Disclosure	Page	Omission		
			Requirement omitted	Reason	Explanation
GRI 3: Material Topics (2021)	3-3 Management of material topics	5; 26-30			
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	30			
GRI 407: Freedom of association and collective bargaining (2016)	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	30			
GRI 408: Child labour (2016)	408-1 Operations and suppliers at significant risk for incidents of child labour	30			
GRI 409: Forced labour (2016)	409-1 Operations and suppliers at significant risk for incidents of forced labour	30			
Material topic Supply chain					
GRI 3: Material Topics (2021)	3-3 Management of material topics	26-30; 81-82			
GRI 301: Materials (2016)	301-1 Materials used by weight and volume	82			
GRI 308: Supplier Environmental assessment (2016)	308-1 New suppliers that were screened using environmental criteria	6			
GRI 414: Supplier social assessment (2016)	414-1 New suppliers that were screened using social criteria	6			
Material topic Emissions					
GRI 3: Material Topics (2021)	3-3 Management of material topics	84-87			
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	84			
	305-1 Direct (Scope 1) GHG emissions	86-87			

GRI Standard	Disclosure	Page	Omission		
			Requirement omitted	Reason	Explanation
GRI 305: Emissions (2016)	305-2 Energy indirect (Scope 2) GHG emissions	86-87			
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)		All indicator requirements	Information not available	The Group is committed to include such information in the NFD year ends 31 March 2025.
Material topic People and diversity and inclusion					
GRI 3: Material Topics (2021)	3-3 Management of material topics	12; 68-73			
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	68-69			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	73			
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	70			
GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	72; 12			
Material topic Occupational health and safety					
GRI 3: Material Topics (2021)	3-3 Management of material topics	75-77			
GRI 403: Occupational health and safety (2018)	403-9 Work-related injuries	76			
Material topic Brand reputation, quality innovation & customer experience					
GRI 3: Material Topics (2021)	3-3 Management of material topics	49-64			
GRI 416: Customer Health and Safety (2016)	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	50			
Material topic Waste management					
GRI 3: Material	3-3 Management of material topics	90-91			

Sustainability Report as at 31 March 2023 of the Piquadro Group

GRI Standard	Disclosure	Page	Omission		
			Requirement omitted	Reason	Explanation
Topics (2021)					
GRI 306: Waste (2020)	306-3 Waste generated	90			
	306-4 Waste diverted from disposal	91			
	306-5 Waste directed to disposal	91			

**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 Piquadro S.p.A. and its subsidiaries (hereinafter "Piquadro Group") as of March 31, 2023 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on June 12, 2023 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "EU taxonomy".

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 Piquadro Group, and to the extent necessary in order to ensure the understanding of the Piquadro 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 Piquadro Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Piquadro Group and for identifying and managing the risks generated or undertaken by the Piquadro 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 Piquadro 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 Piquadro 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 of Piquadro S.p.A. and with the employees of Lancel Sogedi S.A. and Uni Best Leather Goods Zhongshan Co.Ltd. 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 Piquadro 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 the following companies and sites, Gaggio Montano (BO) headquarters for Piquadro S.p.A., Paris (France) headquarters for Lancel Sogedi S.A. and Zhongshan (China) headquarters and production site for Uni Best Leather Goods Zhongshan Co.Ltd., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or 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, 2023 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS of Piquadro Group does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph “EU Taxonomy”.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Montanari
Partner

Bologna, Italy
June 28, 2023

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