SALVATORE FERRAGAMO GROUP
2019 SUSTAINABILITY REPORT

CONSOLIDATED NON-FINANCIAL STATEMENT
PURSUANT TO ITALIAN LEGISLATIVE DECREE 254/2016
More than ever before, our society now has to deal with events that threaten the health and safety of both people and ecosystems. As a company, it is our duty to take inspiration from the principles of solidarity and create positive value in our work in order to protect people, safeguard the environment and enhance communities.

For our Company, sustainability and strategy are integrated elements, guided by a sense of responsibility. For this reason, in 2019 we updated our Sustainability Plan with a time horizon up until 2022, aligned with the Strategic Plan, in order to promote further integration between strategic targets and sustainability.

The 2019 Sustainability Report aims to narrate on a year full of major achievements and key commitments. In 2019, we launched the Sustainable Thinking project, which started with the exhibition at the Museo Salvatore Ferragamo. The project involved the whole Company with contests, workshops, conferences and collaborations, engaging all of our people and becoming a real driver for the culture of sustainability.

My mother used to say: “The people working in the Company are the lifeblood of our business”. This is the vision that drives us to devote great importance to the people who work with us and to constantly improve their places of work. This year, we adopted an Inclusion Policy, which formalizes our commitment to promoting and protecting the values of inclusion, equality and diversity. Moreover, in order to achieve the highest standards of ethics and business sustainable development, we have obtained the SA8000 social responsibility certification for the Italian perimeter.

For us, it’s essential for the culture of sustainability to involve the whole value chain, including the supply chain. This year, we released the Supplier Code of Conduct, which makes ethical and sustainability principles the key focus of our relationship with the supply chain. This drives us to work together to reduce impacts and adopt a common vision of how to do business. To demonstrate how important collaboration is when it comes to sustainability, we signed the Fashion Pact with multiple other fashion and textile brands, whose aim is to set practical and concrete targets for reducing the environmental impact of our industry. In the coming years, we’ll work to achieve our goals while striving to improve our performance and to create positive partnerships for our industry. The commitment toward environmental protection enshrined in the Fashion Pact comes in addition to the many initiatives we undertake every day to maximize energy efficiency and reduce CO₂ emissions. These include the ISO 140001 certification which we obtained in 2019 for all our offices and stores in Italy and the LEED Platinum certification for the new Logistics Hub.

All without neglecting our city: Florence. In 2019, we signed a three-year agreement with the Municipality of Florence to support the restoration of the complex of statues in Piazza della Signoria and Michelangelo’s David in Piazzale Michelangelo, Florence. It also gives me great pride to have signed a three-year partnership with the Fondazione Meyer to support newborn screening activities and the expansion plan for the Meyer hospital in Florence - a model of excellence and source of pride for the city. Every day we work hard, with dedication and enthusiasm, with the awareness that our quality not only lies in the master craftsmanship of our products, but also in our ability to manage our business responsibly, with respect for people, the environment and the community.

Ferruccio Ferragamo
# TABLE OF CONTENTS

1

**RESPONSIBLE PASSION** 6

Commitment
Sustainability Plan and SDGs
Stakeholders and materiality

2

**SALVATORE FERRAGAMO GROUP** 16

Numbers
History and market
Responsible management

3

**MADE IN ITALY QUALITY** 28

Tradition and innovation
Suppliers and contract manufacturers
Customer focus

4

**A SHARED HISTORY** 46

Inclusion and equal opportunity
Attracting and developing talent
Wellbeing of people

5

**CULTURE AND PARTICIPATION** 60

Link with the community and the local territory
Museo Salvatore Ferragamo
Fondazione Ferragamo

6

**PROTECTING THE ENVIRONMENT** 80

Responsible consumption
Emissions monitoring
Green initiatives

**METHODOLOGY**

**ANNEXES**

**BOUNDARY OF THE GROUP’S MATERIAL ASPECTS**

**GRI CONTENT INDEX**

**AUDITOR’S REPORT**
“My father also believed in sustainability. Only then, it was called respect.”

Ferruccio Ferragamo
RESponsible Passion

COMMITMENT

"Since the introduction of the Brand, creativity, innovation, and world-class craftsmanship have always been the core values of the Salvatore Ferragamo Group, guiding the design and production of any creation. Over the years, the deep connection with the local community and its culture has made the Salvatore Ferragamo Group increasingly aware of the need for a strong commitment to protect the places where it operates and the people that work for the Group, going above and beyond the requirements of domestic and international laws, rules and regulations.”

For the Salvatore Ferragamo Group, investing in sustainable development means respecting the values handed down by the Founder and believing that the use of innovative materials, the connection with the local community and the respect for the environment and its own people are key to success, not only of the business, but of all stakeholders.

Sustainability is a positive challenge that the Salvatore Ferragamo Group decided to adopt and interpret in favor of future generations, committing to place social responsibility at the center of its decision-making process and pursuing economic growth objectives that also take into account the positive and negative impacts of its operations on society and the environment.

The commitment to sustainability, intended as a behavioral model to be followed without compromise, has been structured over the years and draws inspiration from the values that underlie the history of the Salvatore Ferragamo Group: a passion for world-class craftsmanship, creativity and innovation. Understanding and respecting these values translate into ethically correct behaviors, both inside and outside the Group, supporting it in terms of economic growth and credibility.

THE GROUP’S MILESTONES - 2019

FASHION PACT
SIGNED AT THE G7 IN BIARRITZ TOGETHER WITH MAJOR PLAYERS FROM THE WORLD OF FASHION AND LUXURY

SUSTAINABLE THINKING
EXHIBITION INAUGURATED AT THE MUSEO SALVATORE FERRAGAMO

SA8000
SOCIAL RESPONSIBILITY CERTIFICATION OBTAINED BY SALVATORE FERRAGAMO

INCLUSION POLICY
ADOPTED BY THE SALVATORE FERRAGAMO GROUP

SUPPLIER CODE OF CONDUCT
SHARED WITH THE GROUP’S SUPPLIERS OF RAW MATERIALS, PROCESSING SERVICES AND FINISHED GOODS.

ISO 14001
ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION OBTAINED FOR ALL OFFICES AND STORES IN ITALY
The company’s commitment to the issue of sustainability culmi-
nated in 2019 with the launch of the Sustainable Thinking initiative, which since April included exhibitions and side events involving the Museo Salvatore Ferragamo, the Company and other public institutions. The aim of the project was to offer up food for thought on such an important issue for the future and put forward sugges-
tions for a paradigm shift in the world of fashion, art and architec-
ture. It included an exhibition at the Museo Salvatore Ferragamo and other prestigious venues in Flor-
ence, such as Palazzo Vecchio, the city hall, and the Museo Novecen-
to. There were also conferences and workshops led by artists, de-
signers and architects. The day before the exhibition opened, a major Symposium was held at the Salone dei Cinquecento in Palazzo Vecchio, organized by key figures around 90,000 views.

The Sustainability Report, the Group has committed to reporting on its corporate social responsibility initiatives. Salvatore Ferragamo has been preparing a Sustainability Report since 2014, a cross-functional working group called Green Team has been set up, dedicated to designing and promoting corporate responsibility initiatives. The team, which consists of people from several cor-
porate functions, allows to bring together cross-functional skills in order to promote an extensive development of sustainability. The main responsibility of the Green Team is improving the quality of the workplace and the internal and external impact of the Com-
pany’s operations, as well as foci-
cilitating a direct relationship with the local community in all its envi-
ronmental and human facets. The particular structure of the Green Team enables the development of sustainability initiatives within the field of materials research and de-
velopment, communication, pack-
aging, information systems, logis-
tics, operations, environment and safety, community & charity, pur-
chasing of raw materials, human resources, mobility, store planning and merchandising. In 2019, the e-commerce and IT departments, as well as a representative from Ferragamo Parfums SpA, became part of the Green Team. In order to promote sustainability projects re-
lated to the world of fragrances in line with the Brands’ corporate responsibility strategy, the Green Team, since 2017, has been responsible for overseeing sustainability issues with the aim of monitoring the integration of responsible be-
haviors in business strategies and supervising the Company’s rela-
tionships with its stakeholders.

In order to disseminate the Group’s guiding principles and commit-
tment, the Sustainability Policy was published in 2017, with the aim of establishing a corporate culture oriented towards fairness and professionalism, promoting honesty, integrity and transper-
ency, encouraging sustainable development, fostering dialogue on corporate ethics and increas-
ing stakeholder responsibility. Prepared in accordance with the principles and rules of the Group’s Code of Ethics as well as the Unit-
ed Nations’ Framework concerning Sustainable Development Goals (SDGs), the Policy seeks to en-
courage the Group’s governance bodies, employees, and colabo-
rate to share ideas and recom-
mendations on implementing sustain-
ability in day-to-day activities.

Over the years, the Company’s commitment in the field of sustain-
ability has been characterized by its membership to associations and networks with a view to shar-
ing experiences and best practices.

In August 2019, Salvatore Fer-
ragamo subscribed to the Make Fashion Circular initiative promoted by the Ellen MacArthur Foundation. Established in 2017, the Make Fashion Circular initiative supports companies in work-
ing responsibly and making strate-
gic decisions to promote broader social goals.

In December 2018, the Salvatore Ferragamo Group joined the Unit-
ed Nations Global Compact, the world’s largest corporate sustain-
ability initiative. The United Na-
tions Global Compact provides a universal language for social re-
sponsibility and a framework for businesses of all sizes, complexity and location. In addition, this initia-
tive supports companies in work-
ing responsibly and making strate-
gic decisions to promote broader social goals.

In November 2017, the Group signed the Manifesto for Circular Economy, which establishes an Alliance aimed at promoting inno-
vative and sustainable projects. The Alliance, promoted by ENEA and Intesa San Paolo, involves various “Made in Italy” business-
es from different sectors, recog-
nized worldwide. The collaboration aims to develop business models based on sharing, extending prod-
ucts useful life, re-using and using renewable resources. In Novem-
ber 2018 the Alliance presented a Position Paper with the aim of bringing the issue of the circular economy at the very heart of the political agenda and of making proposals that can set the basis for discussion in developing an Italian approach to this issue.

Furthermore, since 2011 the Sal-
vatore Ferragamo Group has been a member of the Sustain-
ability Roundtable sponsored by the Italian Chamber of Fashion, which aims to find an Italian way to making fashion responsible and sustainable as well as encourage the adoption of responsible busi-
ness practices. In 2019, the Make Fashion Circular initiative promoted by the Ellen MacArthur Foundation was launched on mobile devices, as well as the Sustainability Policy are also avail-
able on the website. In 2019, new content was added to the website with the aim of further engaging users. The sustainability initiatives undertaken by the Brand con-
inue to be promoted on social me-
dia: in August 2019, the news of the Fashion Pact posted on the Brand’s LinkedIn profile attracted around 90,000 views.
SUSTAINABILITY PLAN AND SDGs

As from 2016, the Salvatore Ferragamo Group launched a procedure for defining its sustainability goals, starting from the analysis of the United Nations’ Sustainable Development Goals (SDGs) and translating them into concrete actions to be developed in-house. This process drew to a close with the identification of the main goals to be pursued in its operations and with the adoption, in 2017, of the first Group’s Sustainability Plan.

After signing the Fashion Pact, in 2019 the Group reinforced its commitment in the field of environmental protection by integrating three additional UN Sustainable Development Goals (SDGs) into the Sustainability Plan: Climate action, Life below water and Life on land.

The Sustainability Plan was updated in 2019 with a time horizon up until 2022, aligned with the Strategic Plan, in order to promote further integration between strategic targets and sustainability. It also suggests the mapping of targets as they are achieved, while integrating new challenges for future development. The Sustainability Plan is shared with top management and the Internal Control and Risks Committee and is updated annually. It aims to create a shared vision of the direction taken at Group-level and to promote a culture of sustainability that respects, protects and promotes excellence. The document identifies the main goals to be achieved in connection with strategy and governance, people and principles, environmental protection, culture and participation, and identifies specific initiatives to be implemented over three years, aimed at achieving the following goals:

- embedding sustainability into business strategies and making the relationships with internal and external stakeholders more transparent;
- increasing the frequency of internal communication on sustainability-related issues and promoting initiatives to engage stakeholders;
- promoting the Group’s sustainability strategy externally;
- enhancing human capital at Group level;
- continuing to focus on occupational health;
- promoting Company Welfare initiatives and strengthening internal communication;
- monitoring the supply chain and collaborating with suppliers for the development of shared projects;
- constantly improving energy and environmental efficiency;
- reducing the use of resources in production and consumption processes;
- monitoring chemical substances inside raw materials and finished products;
- promoting and using sustainable materials and by-products;
- leveraging the Company’s knowledge and heritage in the context of craftsmanship and Made in Italy products as well as promoting relevant training opportunities (initiatives promoted by the Museo Salvatore Ferragamo and the Fondazione Ferragamo);
- planning and implementing charitable initiatives aimed at protecting the health of women and children as well as promoting Italian culture around the world.

The Group focuses its commitment on encouraging and enhancing people’s professional development, while respecting the community’s historical values, in order to encourage innovation and creativity, while also ensuring the healthiness of workplaces.

The Group, in collaboration with the Fondazione Ferragamo, is committed to investing in the education and training of those who intend to work in the fashion and design world and in the highest and most artistic forms of Italian craftsmanship, in line with the stylistic values and canons expressed in the work of its Founder.

The Group is committed to directing significant attention and resources to artistic and cultural initiatives, in order to ensure a more responsible management of urban reality and promote culture in all its forms and expressions.

The Group is committed to protecting and safeguarding the environment through continuous improvement of energy efficiency in its consumption and by promoting the use of renewable sources.

The Group is committed to guaranteeing responsible management in its processes to produce and consume resources, raw materials and packaging materials, investing in quality in order to reduce environmental impact and extend the life cycle of its products, and reporting on its business on the basis of the principle of transparency.

With a view to combating climate change, the Group is committed to protecting and safeguarding the environment through strategies and initiatives intended to minimize the environmental impact of its operations.

In order to restore biodiversity, the Group is committed to implementing meaningful actions to protect species and promote a sustainable use of the terrestrial ecosystem.
STAKEHOLDERS AND MATERIALITY

The numerous aspects of the sustainability path undertaken by the Salvatore Ferragamo Group are based on an approach focused on transparency, integrity and reliability, with the aim of engaging stakeholders in the economic, social and environmental goals of its business. The Group does not simply promote social responsibility initiatives, but recognizes the value of sustainability as part of its corporate strategy and puts forward innovative proposals for its stakeholders.

The Salvatore Ferragamo Group has identified and selected its stakeholders on the basis of the awareness of its social role and deep connection with the local community, which is necessarily related to its operations, for the purposes of understanding their expectations and translating them into actionable objectives. The following have been identified as internal stakeholders: employees, shareholders, investors, distributors, suppliers and contract manufacturers. The following have been identified as external stakeholders: final customers, schools and universities, regulatory and governmental bodies and the public administration, local communities, non-governmental organizations (NGOs), media and influencers, and trade associations.

The Group's internal and external stakeholders have not changed from those indicated in the 2018 Sustainability Report.

The Salvatore Ferragamo Group's materiality analysis reflects both the issues that are material for the Group and the concerns and expectations of its stakeholders. After conducting it for the first time in 2014 with the participation of the Green Team and top management, the Group updated the materiality analysis in 2016 and, subsequent-ly in 2018, in accordance with the Guidelines of the Global Reporting Initiative (GRI STANDARDS) as well as the AA1000 Stakeholder Engagement Standard Guidelines for identifying, mapping and defining stakeholders' expectations as well as for processing the results of their engagement and prioritizing them. The materiality analysis was updated on the basis of the inputs by the Green Team and the Group’s top management, as well as by engaging different categories of stakeholders, both internal and external to the Group, called upon to express their opinion in the process of defining, assessing and prioritizing material issues.

To this end, a survey has been prepared with the aim of identifying, through the assignment of scores, those issues which, for their significance and relevance, should be included in the Non-Financial Statement. This survey was submitted to the Green Team, the Group’s Regional Directors and the CEO of the Ferragamo Parfums. The outcome of the analysis is reflected in the materiality matrix. In order to identify the needs and expectations of its stakeholders, in 2019 the Company also held two workshops involving the main contract manufacturers of the finished product. The aim was to delve deeper into the principles set out in the Supplier Code of Conduct adopted in 2018. Thanks to a digital and interactive approach, more than 100 participants were able to provide information about the relevance of certain sustainability issues for their business and for the Group. The results reaffirmed the key importance of issues such as: Quality and Made in Italy, Respect for Human Rights, Health and Safety, Environmental Responsibility and Sustainability Culture, Governance and Business Ethics.

This activity was carried out in addition to the stakeholder engagement initiative organized by the Group in 2018 with all suppliers involved in the Rainbow Future shoe value chain, in order to identify the most relevant sustainability issues from their point of view as Group stakeholders. In 2018, the Group also launched a digital platform to be used by corporate employees of Salvatore Ferragamo S.p.A. and the Group's American and European employees to explore present and future projects, results and goals in the field of social responsibility and to express their opinions on the latter. Over the years, stakeholder engagement activities have also seen the involvement of important universities, Store Managers and Assistant Store Managers of European boutiques and of younger Group employees.

The key aspects being reported on in this document have been identified in the materiality analysis described above and confirmed in 2019, following an analysis of the trends and scenario, both in Italy and globally.
“Long before climate change set off a global push for sustainability in fashion, one Italian shoemaker was years ahead of the curve.”

T Magazine Singapore

“SALVATORE FERRAGAMO GROUP

Numbers
History and market
Responsible management”
The Salvatore Ferragamo Group, which has always been a byword for top quality and Made in Italy products, is one of the main players in the luxury industry and its origins date back to 1927. The Group is mainly active in the creation, production and sale of footwear, leather goods, apparel, silk products, and other accessories, as well as fragrances for men and women. In addition, the product range includes eyewear and watches manufactured under license by third parties in Italy and abroad, with the aim of taking advantage of local traditions.

The Salvatore Ferragamo Group includes Salvatore Ferragamo S.p.A. as the Parent Company and the subsidiaries\(^1\), consolidated on a line by line basis, in which the Parent Company holds, directly or indirectly, the majority stakes and over which it exercises control. The subsidiaries are grouped into five geographic areas: Europe, North America, Central and South America, Asia Pacific and Japan.

The Group works constantly to consolidate and increase over time the value of the brand and maintain high quality standards for the products and distribution processes through investments in research, product innovation, IT and business support.

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**NUMBERS**

The Salvatore Ferragamo Group, which has always been a byword for top quality and Made in Italy products, is one of the main players in the luxury industry and its origins date back to 1927. The Group is mainly active in the creation, production and sale of footwear, leather goods, apparel, silk products, and other accessories, as well as fragrances for men and women. In addition, the product range includes eyewear and watches manufactured under license by third parties in Italy and abroad, with the aim of taking advantage of local traditions.

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**THE GROUP’S MILESTONES - 2019**

\(\approx 90\)  
**COUNTRIES WHERE IT OPERATES**

OVER 650  
**STORES WORLDWIDE**

OVER 4,200  
**EMPLOYEES WORLDWIDE**

1,377.3  
**MILLION EURO IN REVENUES**

335.5  
**MILLION EURO IN EBITDA**

87.3  
**MILLION EURO IN NET PROFIT ATTRIBUTABLE TO THE GROUP**

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\(^1\) For more information on the Group companies, please refer to the Salvatore Ferragamo Group’s Annual Report at 31 December 2019, which is available at the following link: group.ferragamo.com/it/investor-relations/documenti-finanziari
**HISTORY AND MARKET**

**1898**
Salvatore Ferragamo born in Bonito in the province of Avellino.

**1923**
After joining his siblings in America, Salvatore Ferragamo opens the Hollywood Boot Shop marking the start of his career as "shoemaker to the stars".

**1927**
The Salvatore Ferragamo Italia set up, producing women's shoes. Opens the first laboratory in Florence.

**1936**
Salvatore Ferragamo transfers the shoe laboratory to Palazzo Spini Feroni, which he then bought in 1938 and is still the registered office of the Group.

**1938**
Salvatore Ferragamo makes the famous Rainbow model for Judy Garland, the year after inventing the patent for the cork wedge heel.

**1947**
In Dallas Salvatore Ferragamo receives the Neiman Marcus Prize for his "Invisible" sandal.

**1950s**
The women's leatherwear and Ready-to-Wear lines are created. The success is now international and the store in Florence is visited by celebrities such as Audrey Hepburn and the Dukes of Windsor.

**1960s**
After the death of the Founder, his wife Wanda takes charge at the Company. In 1965 the production of bags starts.

**1970s**
Launch of the first men's Ready-to-Wear collections, men's footwear, silk and accessories.

**1978**
Creation of Vara, one of the most famous shoes by Salvatore Ferragamo.

**1986**
Opening of the first D.S.I. in Asia (Hong Kong) and entry into the Asian market.

**1990**
Creation of the bag with the famous Gancini decorative symbol.

**1995**
Inauguration of the Museo Salvatore Ferragamo at Palazzo Spini Feroni, dedicated to shoes and the Company’s history.

**1998**
Launch of the Salvatore Ferragamo Fragrances and Eyewear lines.

**2003**
Realization of the first Salvatore Ferragamo watches.

**2006**
Start of the Ferragamo's Creations collection, a limited production run of some of the most famous shoes made by Salvatore.

**2011**
Salvatore Ferragamo S.p.A. listed on the Mercato Telematico Azionario (screen-based stock exchange) organized and managed by Borsa Italiana S.p.A.

**2019**
Appointment of Paul Andrew as Salvatore Ferragamo's Creative Director.
Considering the whole distribution structure, the Ferragamo Group is present in about 90 countries across the world. At 31 December 2019 the Group’s distribution network, consisting of a total of 654 stores, could rely on 393 directly operated stores (DOS) and 261 single-brand third-party operated stores (TPOS) in the Wholesale and Travel Retail channel, as well as on its presence in leading Department Stores and top-level multi-brand Specialty Stores.

In 2019, the Group’s distribution network underwent multiple renovations and saw some new openings: in April 2019, Salvatore Ferragamo opened in Portofino - following those in Florence and Capri - its third store in the world exclusively dedicated to the line Ferragamo’s Creations, featuring some of the Brand’s iconic footwear models inspired by the genius of its Founder. Additionally, in October 2019, the Salvatore Ferragamo Uomo store reopened in Rome. For the reopening, a kaleidoscopic digital work was created by artist James Dewe, who exclusively signed a series of video installations featuring photographic fragments of the eternal city and symbols of the Ferragamo world.

Furthermore, in 2019 a series of initiatives were also presented in store with international partners for the launch of the Gancini Monogram project. To celebrate the collection, starting in January with the Gancini pop-up store in Tokyo Omotesando, various pop-up stores were opened around the world in collaboration with a selection of artisan workshops, restaurants and innovative stores in New York, Milan, London, Paris and Shanghai.
Salvatore Ferragamo S.p.A’s Corporate Governance system complies with the principles of the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A. The main corporate governance body is the Board of Directors, which is responsible for determining and pursuing the strategic objectives of the Company and of the Group. The current Board of Directors was appointed by the Shareholders’ Meeting of 20 April 2018 based on the single list submitted by the majority shareholder Ferragamo Finanziaria S.p.A., except for the Director Micaela de Dile waking, who was co-opted by the Board of Directors on 31 July 2018, pursuant to art. 2386 of the Italian Civil Code, and will remain in the position until approval of the separate financial statements as at 31 December 2020. The Board of Directors has also set up three board committees providing individual advisory proposals: the Nominations and Remuneration Committee, the Brand and Product Strategic Committee, and the Internal Control and Risks Committee.

Following the amendments to the Italian Corporate Governance Code for listed companies, the Board of Directors of Salvatore Ferragamo S.p.A. resolved to assign the following powers to the Group’s Internal Control and Risks Committee:

- oversight with suitable inquiries, the assessments and decisions of the Board of Directors relating to the management of the company’s assets. Other factors include the failure to adopt new, innovative and environmentally friendly technologies, the dissemination of information or news not intended for the public, and the failure to provide the necessary information. On the other, the Group encourages everyone to spontaneously share, comply with, and disseminate the Code of Ethics; on the other, it requires everyone operating on behalf of the Salvatore Ferragamo Group or coming into contact with the Group to abide by and apply the Code, also envisaging the application of disciplinary and contractual sanctions in the case of violation. During 2018, the Anti-corruption Policy, which had already been adopted by the Parent company, was adopted by all the subsidiaries through approval by the individual Boards, its translation into local languages and dissemination to all staff. In line with best practices and in accordance with the most restrictive regulations applied at a global level, this Policy formalizes our zero tolerance for any form of corruption, rejecting it in any context or form. Indeed, it sets out the principles, rules of conduct, and controls to be implemented to prevent all possible incidents of corruption. The Group believes it is essential to tackle any behavior that is at odds with the values and principles laid down in its Code of Ethics that breaches legislation. To cement this, an e-learning course was provided in 2019 to all Group employees.

In addition, the Parent Company has adopted an OHSAS 18001 Occupational Health and Safety Management System for all the Company’s offices and stores in Italy. The Group has also adopted an Organizational, Management and Control Model pursuant to Italian Legislative Decree 231/2001, and the creation and dissemination of a Supplier Code of Conduct.
In 2019, Salvatore Ferragamo obtained the SA8000:2014 certification for its management system in the area of social responsibility. A committee, called the Social Performance Team (SPT), was set up; it is composed of a balanced number of representatives of workers and management and it oversees the implementation and correct application of SA8000 standard. In addition, in line with the Group’s Code of Ethics, Salvatore Ferragamo adopted the SA8000 policy to further confirm the Company’s commitment to achieving the highest ethical and sustainable business development standards, upholding and implementing the principles of SA8000 in its corporate activities, in line with applicable legal provisions and main international conventions on human rights and workers’ rights. Also in 2019, the Company adopted the Policy for combating child labour, which aims to formalize the company’s commitment in this area and prevent children from being exposed to situations that may be risky or harmful for their development and physical and mental health. Lastly, further confirming the Group’s key focus on its human capital and in line with the Code of Ethics, in 2019 an Inclusion Policy was adopted which enshrines the Group’s commitment to promoting and protecting inclusion values in all its business activities.

MEMBERS OF THE BOARD OF DIRECTORS OF THE PARENT COMPANY - 31 DECEMBER 2019

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<td>Men</td>
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<td>MEMBERS OF THE BOARD OF DIRECTORS</td>
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either anonymously or not, with the utmost confidentiality and privacy. An Ethics Committee is in charge of evaluating the reports received, of carrying out all necessary investigations to establish whether the report is well-founded and of taking the measures deemed necessary. Since 2018, the Group has adopted Whistleblowing Policy to regulate how to send and handle reports of breaches of the Code of Ethics, laws or any other procedure within the Group, in line with best practices and the recent law 179/2017, which introduced whistleblowing for the private sector in Italy. This policy has been provided to all recipients (employees, social bodies and collaborators working on behalf of the Group), while appropriate instructions have been disseminated to all subsidiaries to spread awareness of the policy. Additionally, in 2019 a specific e-learning course on the whistleblowing system was provided to all Group employees.

An Ethics Committee is in charge of evaluating the reports received, of carrying out all necessary investigations to establish whether the report is well-founded and of taking the measures deemed necessary. Since 2018, the Group has adopted Whistleblowing Policy to regulate how to send and handle reports of breaches of the Code of Ethics, laws or any other procedure within the Group, in line with best practices and the recent law 179/2017, which introduced whistleblowing for the private sector in Italy. This policy has been provided to all recipients (employees, social bodies and collaborators working on behalf of the Group), while appropriate instructions have been disseminated to all subsidiaries to spread awareness of the policy. Additionally, in 2019 a specific e-learning course on the whistleblowing system was provided to all Group employees.
“Welcome to the circular economy: also in this Salvatore Ferragamo was a pioneer”.

Io Donna
Sustainability Report 2019

MADE IN ITALY QUALITY

TRADITION AND INNOVATION

Salvatore Ferragamo was a pioneer in exporting Made in Italy quality. Since 1927 Italian craftsmanship has been an essential value at the basis of every creation of the Brand: it is not just a question of manual skills, but also of experience, utmost care and attention to detail, continuous research into materials and technologies, to be incorporated into a handcrafted and at the same time innovative product, in line with the Founder’s creative principles. Relentlessly pursuing innovation is a key value for the Group, rooted in Salvatore Ferragamo’s legendary creative talent. The Patent Archive of the Founder has over 350 patents and trademarks, which at the beginning of the 21st century were collected in the patent fund of the State Central Archive, thus encompassing a technical and scientific knowhow of inestimable value. The Founder’s restless creativity is reflected in the massive amount of ideas he patented over the years, such as the shell-shaped sole, the wedge, the sculpted heel, the invisible upper, the cage heel, and the metal sole. The Archive is still today a source of innovation and inspiration for the new generations of creative talents.

Passion for materials accompanied Salvatore Ferragamo’s work right from his early days in the United States in the 1920s. The material, in the same way as the form and craftsmanship on which the beauty, comfort and durability of a shoe depend, was valorized by Salvatore Ferragamo in every model, so as to leave the material’s qualities unchanged and, at the same time, to adapt it to the functionality of the shoe. This interest and continuous experimentation was not only for leather and embroidered uppers, the heirs of a centuries-long tradition of Italian craftsmanship, but also for poorer materials which had never been used for shoes in Ferragamo’s time: paper, bark, raffia, hemp, fish skin and cellophane.

<table>
<thead>
<tr>
<th>THE GROUP’S MILESTONES - 2019</th>
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<tbody>
<tr>
<td><strong>OVER 90%</strong></td>
</tr>
<tr>
<td>ITALIAN RAW MATERIAL SUPPLIERS</td>
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<tr>
<td>≈ 50%</td>
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<td>FINISHED PRODUCT CONTRACT MANUFACTURERS IN TUSCANY</td>
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<td>OVER 280,000</td>
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<td>COUNTERFEIT PRODUCTS SEIZED BY CUSTOMS OFFICIALS</td>
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<tr>
<td>OVER 350</td>
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<tr>
<td>PATENTS AND TRADEMARKS</td>
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<tr>
<td>SUPPLIER CODE OF CONDUCT</td>
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<tr>
<td>SHARED WITH THE GROUP’S SUPPLIERS OF RAW MATERIALS, PROCESSING SERVICES, AND FINISHED GOODS</td>
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<tr>
<td>SPECIAL SUSTAINABILITY AWARD</td>
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<td>CONFERRED TO THE RAINBOW FUTURE BY BORN AWARDS</td>
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Many of the Founder’s most famous creations are products of his time and clearly show he was sensitive to the economic and manufacturing changes that swept Italy in the 20th century. To strengthen the sole of his shoes during the austarry of the 1930s, Salvatore Ferragamo had the brilliant idea of using cork and thus created the wedge, one of the fashion industry’s most revolutionary and enduring innovations. The change in vision, caused by unfavorable circumstances, becomes for the true creative designer a powerful stimulus to refine research and to find alternative solutions which maintain the key goals of fashion, that are glamour and innovation. This is the lesson that Ferragamo left us with his work: any material, even the most modest and apparently unsuitable for a luxury business, can be brilliantly and creatively adapted when the ideas, which are linked to the materials, are driven by limitless technical and innovative ability. Following the death of his Founder, the Group has consolidated the tradition of experimenting with sustainable and alternative materials by setting up a dedicated function, with the aim to constantly updating what is used.

The Group has always interacted with realities committed to research and experimentation and acknowledges the importance of raising the awareness of its commitment to sustainable development. In 2019, the 42 DEGREES capsule collection was presented, conceived by two young designers from Salvatore Ferragamo, Flavia Corridori and Luciano Dimotta. The capsule is the result of an in-house competition, which saw the participation of the young designers from Salvatore Ferragamo, who followed the following brief: “create accessories with sustainable materials that are in keeping with the Brand’s iconic style”. The result was judged by an international jury of experts, journalists, and influencers. The capsule, consisting of two sneakers for men and women, a backpack and a shopping bag, was inspired by the iconic “Rainbow” sandal, which was presented in a limited edition in the Ferragamo’s Creation collection, obtained the “Special Sustainability at the Born Awards 2019 - Italy. Organized by BORN, the digital platform that brings together and supports the creativity of the best Italian and international companies, in partnership with Land Rover, each year the BORN Awards recognize creative intelligence in six categories: architecture, interiors, sport, fashion, mobility and technology. The Rainbow Future sandal celebrates the link between the Made in Italy tradition and the Brand’s commitment to sustainability. The model, inspired by the principles of sustainability, was presented in a limited edition of 100 pairs. Made with responsible materials and techniques, the model was born from the legendary Rainbow sandal, one of Salvatore Ferragamo’s iconic creations, made in suede in 1938 for the actress Judy Garland. Rainbow Future features a hand-finished wedge in real wood, handcrafted in organic crocheted cotton (certified in accordance with the strict environmental and social GOTS – Global Organic Textile Standards), with lining in leather finished with no carbon dioxide emission or water consumption (Layertech technology). Rainbow Future has obtained the ISO 14067 certification, by virtue of which it was possible to quantify the emissions produced by the manufacturing process and to offset them through reforestation projects, thus making the sandal carbon neutral. To this end, Salvatore Ferragamo has called on the support of Treedom, a Florence-based company which promotes the implementation of agri-forest projects and CO2 netting. Treedom has planted 100 orange trees in the countryside around Cata- nia, in the context of sustainable production of high-quality products by means of environmentally and socially friendly processes. A code on the accompanying certificate firmly ties each tree to a pair of Rainbow Future sandals: a precious, symbolic gift by Salvatore Ferragamo to the customers who buy them.

In 2019, the Rainbow Future sandal, which was presented in a limited edition in the Ferragamo’s Creation collection, obtained the “Special Sustainability at the Born Awards 2019 - Italy. Organized by BORN, the digital platform that brings together and supports the creativity of the best Italian and international companies, in partnership with Land Rover, each year the BORN Awards recognize creative intelligence in six categories: architecture, interiors, sport, fashion, mobility and technology. The Rainbow Future sandal celebrates the link between the Made in Italy tradition and the Brand’s commitment to sustainability. The model, inspired by the principles of sustainability, was presented in a limited edition of 100 pairs. Made with responsible materials and techniques, the model was born from the legendary Rainbow sandal, one of Salvatore Ferragamo’s iconic creations, made in suede in 1938 for the actress Judy Garland. Rainbow Future features a hand-finished wedge in real wood, handcrafted in organic crocheted cotton (certified in accordance with the strict environmental and social GOTS – Global Organic Textile Standards), with lining in leather finished with no carbon dioxide emission or water consumption (Layertech technology). Rainbow Future has obtained the ISO 14067 certification, by virtue of which it was possible to quantify the emissions produced by the manufacturing process and to offset them through reforestation projects, thus making the sandal carbon neutral. To this end, Salvatore Ferragamo has called on the support of Treedom, a Florence-based company which promotes the implementation of agri-forest projects and CO2 netting. Treedom has planted 100 orange trees in the countryside around Catan- ia, in the context of sustainable production of high-quality products by means of environmentally friendly processes. A code on the accompanying certificate firmly ties each tree to a pair of Rainbow Future sandals: a precious, symbolic gift by Salvatore Ferragamo to the customers who buy them.

In 2019, again during the Sustainable Thinking exhibition, Ferragamo’s Creations, the line created in 2006 to reintroduce the most innovative and important models created by Salvatore Fer- ragamo throughout his artistic ca- reer, launched five women’s mod- ells which faithfully reproduce the originals created by Salvatore Fer- ragamo from the 1930s to the 50s and which are now in the Brand archive. From the cork heel to the felt, from the calephane to the raffia, to the patchwork uppers, the models in this capsule bear witness to the creativity of Sal- vatore Ferragamo: materials and techniques which at the time reflected the creative expression of that period of history and now embrace the world of sustainability.
While respecting the values of quality and Made in Italy, the Group has always been committed to supporting the development of local communities, promoting Italy’s world-class manufacturers and carefully purchasing products and services almost exclusively from Italian suppliers. The philosophy of the Founder, who remained deeply connected to his roots, still lives on in the strategy of the Group, which relies on a wide network of carefully selected and qualified contract manufacturers known for their outstanding craftsmanship. Many of them have been working with Salvatore Ferragamo for years now.

In order to deliver a quality product while making production and distribution cycles more efficient and flexible, the Salvatore Ferragamo Group pays special attention to the key stages of the supply chain, limiting subcontracting to only one tier in order to better monitor quality throughout the supply chain. Similarly, the Group directly manages the product development and industrialization stages, performing quality and safety controls, both at the start and at the end of the manufacturing process, on the whole production.

In selecting the most suitable suppliers, the Group places special emphasis on the technical assessment of raw materials, semi-finished and finished products as well as on the acquisition of documents concerning manufacturing plants – and, in some cases, it follows up with a visit to the premises. In order to ensure the essential quality of the Brand’s products, the Salvatore Ferragamo Group uses a selection process for suppliers and contract manufacturers, aimed at assessing whether the potential new partners have the technical and qualitative prerequisites, the economic and financial prerequisites and all the documentation and certification required to start collaborating. Potential new partners must meet specific requirements in order to qualify as contract manufacturers and suppliers of raw materials or finished products for the Group, such as: acceptance of the Supplier Code of Conduct, Privacy Policy, self-certification of successful verification of the professional and technical requirements, pursuant to Italian Leg. Decree 81/08, the Certification of Labor Compliance (DURC – Documento Unico di Regolarità Contributiva), the signing of the Restricted Substances List (RSL), the statement of compliance with social security, welfare and occupational safety regulations, the statement of acceptance of the subcontracting policy, the list of subcontractors and the signing of the trademark protection agreement. The Group recognizes the importance of manufacturing and selling products which comply, in terms of chemical security, to the laws in force on global markets, in order to protect the health of workers and consumers as well as reduce the environmental impact from manufacturing and throughout the product’s life cycle. EU legislation relating to chemical security is based on the REACH regulation concerning the use of chemical substances. For these purposes, environmental and toxicity tests are conducted on several components and finished products such as accessories, footwear structures, leather, textiles, leather goods, ready to wear, PVC shoes, and rubber soles, by selecting collaborators exclusively among certified raw materials suppliers.

Since 2016, the Salvatore Ferragamo Group has been addressing the issue of chemical substances by submitting its Restricted Substances Lists (RSLs). The lists, which were drawn up voluntarily in order to eliminate or restrict the use of some chemical substances during the manufacturing process, were updated in 2018 and were shared with all suppliers and contract manufacturers and signed by them. During 2019, the subscription of the Group’s RSLs by suppliers of special works and structures, with both direct and indirect relationships with the Company, was completed.

The Group relies on a procurement structure with a high level of technical preparation and works with historic companies, with which it has established an ongoing collaboration. This structure highlights the Group’s strong connection to the local territory and, considering the geographic distribution, it has a high percentage of Italian raw material suppliers, equal to around 98% of procurement in 2019.
With respect to contract manufacturers, the Salvatore Ferragamo Group works exclusively with highly specialized manufacturing companies that meet the most demanding quality standards, most of them located in Italy. The selection and retention of external contract manufacturers is key to the Brand, mainly for the purposes of maintaining the world-class quality standards of its products as well as protecting Ferragamo’s extensive know-how developed over the years. The retention of external manufacturing facilities has been traditionally guaranteed by ongoing partnerships, the frequent exchange of information and skills between the Group and contract manufacturers, and the highly specialized products and production processes involved. Approximately 60% of handbag and suitcase contract manufacturers have worked with Ferragamo for over 11 years and 67% of footwear contract manufacturers have had a work relationship with the Group for over 4 years. This integration is supported by an IT system that connects the main workshops with the Group. This allows to share the progress of production and logistic processes, check whether raw materials are in the workshops’ stock, and effectively plan the production stages as well as the procurement of raw materials and components.

In addition, by signing the trade-mark protection agreement, the Salvatore Ferragamo Group bans external workshops from selling the Brand’s products to third parties. Contract manufacturers are required to disclose if they work with any subcontractors, to which they can outsource different production processes, in accordance with the policy limiting subcontracting to just one tier. Furthermore, the Group constantly monitors workshops through inspections performed by technical and production staff.
For the Group, collaborating with the supply chain is key to achieving the highest ethical and sustainable business development standards. For this reason, it promotes monitoring and awareness-raising initiatives along its supply chain. In 2019, the Company formally diffused the Supplier Code of Conduct, setting out the ethical principles and rules of conduct that, along with legal, regulatory and procedural provisions, must govern the Group’s business relations with its partners. The Code includes rules and standards of conduct concerning business ethics and integrity, labor and human rights, the respect of ecosystems, including respect for animals and environmental protection, and product responsibility. The recipients of the Code are the Group’s suppliers of raw materials, manufacturing services and finished goods, and they are responsible for guaranteeing their own compliance with the Code, as well as for disseminating it and asking their employees, suppliers and external collaborators to comply with it. During 2019, two days of training were organized for the main Group’s contract manufacturers of finished goods, with the aim of sharing the principles set out in the Supplier Code of Conduct. In this context, of particular importance is the responsible procurement of materials derived from animals, which are used in manufacturing processes, for each product category. The Group considers the approach to the issue of animal welfare along the supply chain essential, in the knowledge that the value of products can be maximized only while respecting the environment and biodiversity. To formalize its commitment to animal welfare, during 2019 the Group decided to draw up an Animal Welfare Policy in order to guarantee that the whole supply chain acts appropriately in terms of animal welfare. The Policy establishes the minimum requirements, certifications, standards, forms of collaboration, strategies and procurement sources to be favored in order to guarantee such welfare.

In addition, in order to assess compliance with the principles set out in the Supplier Code of Conduct, the Company is setting up a specific audit plan for contract manufacturers and suppliers, who are initially asked to fill in a self-assessment questionnaire. This audit activity accompanies the monitoring of sub-suppliers which the Group has been doing since 2014, in order to identify possible problems and highlight the virtuous approach of Made in Italy as good practice. Always with a view to social responsibility and human rights in the supply chain, in order to guarantee responsible management of its supply chain in compliance with the laws in force, since November 2017, the Modelleria division for Men’s and Women’s Leather Goods has been active: a 1,200 square meter workshop where craftsmanship and research meet, designed to pass the know-how of master leather craftsmen on to young talents. With this investment, the Company has created a state-of-the-art workshop that celebrates the work-class technical skills and creativity of the people that research materials, create the style, and make the Ferragamo product. Staying true to its traditional identity and craftsmanship, the Group wants to celebrate the “Ferragamo touch” in the world of leather goods, with infinite possibilities for representing innovative types of leather and materials during the processing stages as well as improving the quality and efficiency of development processes. Together, Manovia and Modelleria are key to preserving the know-how passed on by the Founder and carried on by the skilled craftsmen of the Salvatore Ferragamo Group.

The Salvatore Ferragamo Group has always paid particular attention to the social, environmental and economic impacts that it generates and considers in the supply chain, including the signing of the Supplier Code of Conduct. In 2019 the Ferragamo Link platform was launched, which enables immediate and efficient exchange of documents and information between the company and suppliers. The platform includes the Supplier Code of Conduct, in 2019 the Ferragamo Link platform was launched, which enables immediate and efficient exchange of documents and information between the company and suppliers. In addition, in order to assess the performance of the suppliers, a self-assessment questionnaire is filled in and an on-site audit is carried out, which includes interviews with both employees and the management. Based on the audit findings, the Group prepares an improvement plan with the subcontractor to prevent, mitigate, or remedy any non-compliance. The plan requires implementing specific actions within given deadlines agreed upon by the parties, as well as clearly identifying a person responsible at the supplier. Since 2014, the Group has conducted over 300 audits and about 120 follow-ups. During 2019, the assessment process mainly involved the categories of women’s footwear, men’s footwear and leather products. Also in 2020, the Salvatore Ferragamo Group will be committed to continuing this monitoring, in order to guarantee responsible management of its supply chain in compliance with the laws in force.

All Ferragamo’s Creations shoes feature the Brand’s historic logo, designed by Lucio Venna in 1930, and provide the opportunity to explore Salvatore Ferragamo’s creative tradition, celebrating his pioneering vision and know-how.
CUSTOMER FOCUS

Customer satisfaction has always been the main goal for Salvatore Ferragamo when defining its strategies, from the conception of the product and services offered to the creation of the touchpoints to communicate and experience the brand and product through an engaging experience. In this perspective, during 2019 the Customer Relationship Management (CRM), Client Engagement and Customer Care divisions were integrated under the Customer Experience division, with the aim of developing synergy and consistency between customer knowledge, involvement and relationship management. This integration enables the Group not only to enhance the relationship with existing customers and win over new ones, but also to periodically monitor performance. In order to involve and create even more engaging experiences for customers, in 2019 numerous initiatives were developed to support the launch of new products and collections, including: the involvement of a stylist to present the collection and to create specific looks dedicated to customers, the collaboration with Ferragamo Parfums to personalize fragrance bottles, the Gifting service for loyal customers and the “collecting moments” campaign, with the involvement of customers by, who, by shooting with a poled, captured unique in-store moments.

To ensure customer understanding and satisfaction, the Group strives to make its sales staff capable of conveying the passion for craftsmanship and quality that characterized Salvatore Ferragamo. In this regard, in 2019 the new “Stardust” training plan was developed and introduced, which recalls the Founder’s epithet “Shoemaker to the stars” and focuses on the importance of the customer of the future. The training program was initially developed through focus groups and interviews to identify the needs of the Group and its employees, particularly in terms of specific training programs related to digital literacy, the use of mobile devices, and sales and service support. It was also discovered that the innovation of the training would be effectively led by offering training workshops with leading experts in the field of digital marketing, with the objective of bridging the gap between the brand and the digital world.

The Group adopts a customer-centric strategy that allows the company to anticipate the needs of existing and potential customers in order to create long-term value. In this light, during 2019 the Group continued to develop its approach to the customer, using innovative technologies to enhance the experience of shopping and to gather meaningful insights into customer behavior. The Group is also focused on the use of data and analytics to better understand the needs of current and potential customers, and to develop targeted and personalized marketing strategies.

The Group has implemented a series of initiatives to improve customer satisfaction, including the introduction of a new training program for store managers and sales assistants, the expansion of the iLearn platform to include seasonal training programs, and the introduction of the “Stardust” plan retail strategy that is directly linked to the customer experience. The Group has also focused on the importance of the customer experience and the need to provide a seamless and consistent experience across all touchpoints.

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the iconic Vara décolleté, choosing from among various colors, letters and special characters in order to create unique models.

The digital initiatives have also involved social media, the use of which makes it possible to further engage customers and guarantee a complete experience of the Brand. The year started with the launch of the Gancini project, accompanied by the digital campaign run by the blogger Bryanboy. Amplified by a range of collaborative experiences with craftsmen, the project has been shared on social media in the digital series Gancini Chronicles. During 2019, Salvatore Ferragamo’s digital world was also the catalyst for messages linked to sustainability. From the inauguration of the Sustainable Thinking exhibition to the launch of the 42 Degrees Capsule Collection, social media raised public awareness of environmental responsibility, while the inauguration of the Fountain of Neptune, which was restored thanks to the contribution of Salvatore Ferragamo, was shared on social media, thus celebrating the Company’s bond with the local territory. In addition, in 2019 the Fountain of Neptune was the backdrop for the 2020 Spring-Summer men’s collection fashion show, which was held in Piazza della Signoria in Florence during Pitti Immagine Uomo and which was shared on the Brand’s digital platforms. Again in 2019, social media told the story of Salvatore Ferragamo’s debut at the Met Gala, one of the biggest fundraising events in the fashion world, which put the Brand in the global spotlight and had a significant impact on social media.

In 2019, the digital campaigns launched by Salvatore Ferragamo also celebrated women, such as the BOXYZ Bag project, which promoted female diversity, bringing together women from all generations and cultures; and the #FellowVara campaign, realized to celebrate the 40th anniversary of the iconic pumps. Finally, the social platforms also reached the world of perfumes, with the launch of Glio, a reinterpretation of the fragrance born in 1960 from the Founder’s inspiration, and of the perfume Signorina Ribelle. All social media advertising campaigns were designed in line with the Patchwork of Characters philosophy promoted by the Brand’s Creative Director, Paul Andrew, whose vision celebrates “being together” and “inclusion” as models for all ages, cultures and backgrounds.

THE SALVATORE FERRAGAMO GROUP ON SOCIAL MEDIA GROWTH IN FOLLOWERS (2018 vs 2019)

<table>
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<tr>
<th>Platform</th>
<th>Growth</th>
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<tbody>
<tr>
<td>Instagram</td>
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<td>Facebook</td>
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“A dive into the world of sustainability, not only in terms of manufacturing, but also of the environment and people in all their diversity”.

MF Fashion
A SHARED HISTORY

It is people who, every day, with passion and dedication, contribute to the Brand’s success, carrying out the Group’s business while respecting the heritage and values which have always been a hallmark of the Founder and his family. This is why the Salvatore Ferragamo Group attributes vital importance to the over 4,200 people with whom it works and is committed to ensuring their management based on the principles of fairness, integrity and respect.

The enhancement of human capital at every stage of the manufacturing process translates for the Group into the professional development of its people, the attraction of new talent and the promotion of work-life balance, guaranteeing compliance with occupational health and safety standards. During 2019, the Group further enhanced its commitment by adopting an Inclusion Policy and Salvatore Ferragamo adopted an SA8000 Policy and a Policy for combating child Labor. These initiatives supplement the Code of Ethics, the Group’s Sustainability Policy and the Company Regulation, which already established the values and principles underpinning working relationships.

In particular, the Inclusion Policy enshrines the Group’s commitment to promoting and protecting the values of inclusion in business activities. Salvatore Ferragamo’s SA8000 Policy confirms the corporate commitment to achieve the highest standards of ethics and business sustainable development in compliance with the applicable legal provisions and the main international agreements on human and workers’ rights. Finally, the Policy for combating child Labor aims to further formalize the corporate commitment in this field and to avoid minors being exposed to situations that may risk or harm their growth and their physical and mental wellbeing.

THE GROUP’S MILESTONES - 2019

≈ 70%

FEMALE EMPLOYEES

OVER 50%

UNDER 30% AMONG THE NEW RECRUITS

OVER 90%

EMPLOYEES ON PERMANENT CONTRACTS

SA8000

SOCIAL RESPONSIBILITY CERTIFICATION OBTAINED BY SALVATORE FERRAGAMO

INCLUSION POLICY

ADOPTED BY THE SALVATORE FERRAGAMO GROUP

WOMEN EMPOWERMENT PRINCIPLES

ADOPTED BY THE SALVATORE FERRAGAMO GROUP AND PROMOTED BY UN GLOBAL COMPACT AND UN WOMEN
INCLUSION AND EQUAL OPPORTUNITY

Guaranteeing its people the opportunity to grow in a work environment where diversity is considered an added value is a priority for the Group and during 2019 it launched many initiatives in this direction.

The Inclusion Policy, which was formally adopted in 2019, is among the main projects taken forward in this sense. The Policy aims to support multiculturalism, which is considered essential to develop innovative and distinctive elements that can increase the Brand’s competitiveness and promote equality and equal opportunities, fighting all types of discrimination and condemning any form of harassment. In addition, the Policy sets the goal of promoting meritocracy and fair treatment at all levels, facilitating the development, expression and enhancement of individual potential.

As further confirmation of the commitment in terms of inclusion and diversity, in 2020 the Company will join Valore D, the first business association in Italy committed to creating a professional world free of discrimination, where gender equality and the culture of inclusion support the growth of the organization itself. The issue of diversity will be at the heart of a training course which will see the involvement of the Group’s employees during 2020, with the goal of promoting and raising awareness on the culture of inclusion.

The engagement of workers on these issues started in 2019 when the Group’s employees were at the center of a project on diversity realized by the profiler Ellie Lyttenbrook and the photographer Ari Versluis, and displayed in the Sustainable Thinking exhibition at the Museo Salvatore Ferragamo. The two artists photographed the Group’s employees and grouped them into series, highlighting how people in the company can freely express their individuality.

Special emphasis is placed also on providing equal opportunities, by collective bargaining agreements, as required by applicable laws and regulations in the countries where it operates. In addition, these agreements, together with the laws in force in the countries where the Group operates, also regulate the pay aspects as well as the minimum notice periods for significant operating changes. With respect to the Parent company, in 2019 the new supplementary agreement was signed concerning the stipulation of the corporate contract and the results bonus for 2019-2021. This envisaged significant changes in the structure of the Performance Bonus, building an innovative incentive system which aims to reward excellence at work.

Ensuring the same work conditions for male and female employees and promoting initiatives to help balance family and professional life through different types of employment agreements. More specifically, at 31 December 2019 there were 89 male employees and 336 female employees who were on part-time contracts. The latter have always played a key role in the Salvatore Ferragamo Group and female talent underpins the Brand’s success, accounting for nearly 70% of its employees and holding around 65% of senior management positions. Women make up a significant 38% of the Parent’s Board of Directors, beyond law requirements. In line with this vision and in order to strengthen its commitment to human rights and equal opportunities, in 2019 the Company adopted the Women’s Empowerment Principles promoted by UN Women and the UN Global Compact. They consist of seven principles which aim to provide companies with a guide on how to promote gender equality and female empowerment in the workplace and in communities in general. In line with the contents of the Code of Ethics and the Inclusion Policy, by adopting these principles, Salvatore Ferragamo intends to reconfirm its commitment in terms of inclusion and respect of the principles of equality and dignity.

The Group adopts remuneration policies that recognize the personal contribution of each employee according to the principles of gender equality and merit. For several years now, the Group has been implementing a remuneration system differentiated for the various employee categories, including also economic incentives contingent on individual and company performance goals aimed at promoting a sense of belonging and teamwork. Finally, as for industrial relations, more than 50% of the Group’s employees are covered by collective bargaining agreements, as required by applicable laws and regulations in the countries where it operates.
Passion and respect are values that characterize Salvatore Ferragamo’s way of doing business; the Group is committed to attracting talented individuals who believe in these principles and create an environment which favors their diffusion.

In 2019, 1,590 employees joined the Salvatore Ferragamo Group, around 52.3% of them were under 30 and around 46% were women, thus recording a staff turnover of 27%. Moreover, the offer of a stable and long-lasting employment relationship is considered a prerequisite for the company’s growth, as well as an important motivational factor. The high proportion of employees on permanent contracts, accounting for 92.4% of the total in 2019, is evidence of the Group’s commitment in this sense.

The Group promotes numerous initiatives aimed at attracting talent and involving them in their professional development. To select top young talents, the Parent company has partnerships with several national and international universities, during which Salvatore Ferragamo met 974 candidates, 42 of whom started training programs and work relationships within the company, double the number recorded in the previous year.

During 2019, 23 initiatives were organized to attract talented employees and valorize them in their professional development. To select top candidates, the Group carried out initiatives aimed at attracting talented employees and valorizing them in their professional development. To select top candidates, the Group carried out initiatives aimed at attracting talented employees and valorizing them in their professional development. To select top candidates, the Group carried out initiatives aimed at attracting talented employees and valorizing them in their professional development. During 2019, 23 initiatives were organized to attract talented employees and valorize them in their professional development. To select top candidates, the Group carried out initiatives aimed at attracting talented employees and valorizing them in their professional development.

Fashion Technology Accelerator, is to teach how to manage sustainability using a holistic approach, planning successful business strategies and responsible innovation, interpreting the new trends that are influencing the fashion industry. The collaboration included the launch of a field project, dedicated to the students of the Sustainability Management Module, aimed at investigating Salvatore Ferragamo’s approach to circular economy, which led to the recruitment of a young female participant to the company team dedicated to sustainability initiatives.

For Salvatore Ferragamo it is important that the corporate culture and sense of belonging are transmitted right from the start of the employment relationship and, for this reason, the Group has identified additional competencies for middle and senior managers focusing on knowledge that is crucial in order to create value and improve competitiveness over time. For Salvatore Ferragamo it is important that the corporate culture and sense of belonging are transmitted right from the start of the employment relationship and, for this reason, the Group has identified additional competencies for middle and senior managers focusing on knowledge that is crucial in order to create value and improve competitiveness over time.

In order to promote the growth of young talent in the company, in 2019, the activities to train and develop the talented staff continued, and a project was launched to design a Talent Management system at global level. As part of its own Ferragamo Excellence Model, the Parent company identifies nine essential competencies, broken down into Core Competencies and Managerial Competencies, to be enhanced in each employee. Core Competencies are key for all employees and enable them to achieve high levels of performance and quality, as well as promptly address issues and problems as they arise, by working in teams and exploring new ideas and solutions. The Group has identified additional competencies for middle and senior managers focusing on knowledge that is crucial in order to create value and improve competitiveness over time.

For Salvatore Ferragamo it is important that the corporate culture and sense of belonging are transmitted right from the start of the employment relationship and, for this reason, the Group has identified additional competencies for middle and senior managers focusing on knowledge that is crucial in order to create value and improve competitiveness over time.
To facilitate staff development, the Group implemented, in continuity with previous years, some performance assessment programs, including the Performance Appraisal System, in order to identify strengths and areas of improvement. The system is conceived not only as a monetary incentive system, but also as a development instrument: in fact, the performance appraisal is connected to a position profile and the specific technical skills required. During 2019, over 97% of the Group managers were subject to this type of analysis, as were around 80% of all the Group employees. In Italy, the new supplementary agreement signed for 2019-2021 envisaged, among other things, the extension of the performance assessment process to all employees and for all levels within the organization, in order to increase engagement and to make everyone feel part of the corporate goals and results. In particular, an assessment method was introduced, based on three of the Brand’s distinctive elements: initiative, result orientation and customer orientation. The outcome of this assessment will allow for further increase the value of the bonus for the individual, while also rewarding individual performance. In addition, in order to enhance and expand the feedback and assessment culture throughout the Company and to support the application of the assessment expected by the new Performance Bonus, the training content “Capsule Assessment and Self-Assessment” was introduced in Italy and saw the involvement of over 350 employees.

In order to maximize resources in the retail segment and promote the constant improvement of the experience offered to customers in store, in 2019 the Stitching Together initiative continued, which allowed retail staff to obtain an increase in variable pay, focusing their energy on the sale of specific items and on achieving individual performance objectives. In addition, again in the retail sector, a specific staff development program was taken forward, with the aim of defining structured career paths and facilitating internal mobility.

Finally, as part of the initiatives to engage employees and promote team culture, in 2019 was organized a day of corporate volunteering involving, for the first time, colleagues from other Regions in which the Group operates. In Italy, the initiative envisaged maintenance, cleaning and gardening activities at the Horticultural Garden in Florence, in collaboration with the Fondazione Angeli del Bello, which is committed to enhancing beauty as well as cleaning and restoring many areas of the city. Salvatore Ferragamo China also undertook gardening and tree planting activities at Changfeng Park, while colleagues from Hong Kong volunteered at an elderly center. Salvatore Ferragamo Korea prepared handmade soaps using natural oils in order to fight the chemical pollution of waterways, while employees of Ferragamo Taiwan helped to clean some beaches.
WELLBEING OF PEOPLE

The Salvatore Ferragamo Group considers the wellbeing of its workers and the climate at the Company essential elements for its success and implements numerous initiatives as part of company welfare aimed at facilitating employees work-life balance.

As from 2014, a **Flexible Benefit Plan** was introduced in Italy, the purpose of which is to support workers and their families in social and cultural activities, in their training and in school fees and costs for their children. The plan consists of the possibility to replace or complement part of the variable pay with benefits in the form of services, to address personal and family needs. Specifically, employees can select their own type of benefit from a vast selection, including areas such as: education, sports, culture and leisure, travel and supplementary pensions. In Italy, the new supplementary agreement signed for 2019-2021 envisaged, among other things, an increase in the value of the Performance Bonus, including the possibility of transforming, in whole or part, the monetary value of the bonus into welfare services for employees on permanent contracts. Employees who choose to convert the bonus will have the right to a further net amount that can be spent on goods and services through the Flexible Benefits portal.

As part of company welfare, Salvatore Ferragamo also provides a series of exclusive benefits to its employees through agreements with companies operating in other sectors, such as health and wellness, banks, insurance, tourism, and sports. As regards supplementary healthcare offered to Salvatore Ferragamo’s employees, in 2019 a series of improvements were implemented to extend the range of healthcare services covered, such as, for example, the inclusion of the employee’s whole household at no extra cost for middle managers and white-collar and blue-collar workers. In addition, in 2019 a project was started, which will continue during 2020, aimed at implementing a global management plan for the Group’s benefits programs, in order to support the Company in achieving important goals in terms of compliance with local regulations, control of insurance coverage as well as cost optimization and uniform and efficient management of employee benefit plans.

As part of the initiatives to improve work-life balance, an experimental stage continued throughout 2019 aimed at ensuring that Italian employees have greater working hours flexibility with respect to start and finish times. Furthermore, during 2019, the **smart working** pilot project was extended to other corporate departments and a new workflow system to manage attendance, with a more innovative and user-friendly interface, was introduced. Finally, in order to optimize employees’ time spent commuting, in September 2019, a **Company Shuttle** service was launched in Italy, aimed at improving the quality of the commute and promoting a sustainable approach to mobility.

For Salvatore Ferragamo protecting and safeguarding human resources also takes the form of guaranteeing high occupational health and safety standards. For this reason, in 2019 the Company renewed its OHSAS 18001:2007 certification relating to the management of health and safety and which is valid for all administrative offices and the Italian stores. This result strengthens the effectiveness of the existing administrative liability system pursuant to the 231/2001 Model, ensuring that the principles of the relevant policy are properly implemented in all work environments. In addition, in 2019 Salvatore Ferragamo obtained for the scope of its Italian operations the SAI000 social responsibility certification, the main social certification standard based on the Universal Declaration of Human Rights, ILO agreements, international human rights laws and national labor laws. The standard encourages organizations to develop, maintain and implement practices that include respect for human and workers’ rights, protection against the exploitation of minors and guarantees for workplace health and safety.

Attention to people is reflected also in the creation of workspaces that are both functional and pleasant. Since 2016, the Company has been working together with the Ferragamo Foundation on the renovation, decoration and embellishment of workspaces. In 2019, for example, the new Manovia and the New Historical Archive were set up in the Osmannoro site. Finally, again with a view to workplace wellbeing, in 2019, the Company started a collaboration with the University of Florence, which will continue in 2020, in order to undertake a program to assess work-related stress. Besides the assessment expected by the law, seminars, as well as team-building and face-to-face exercises which involved various corporate departments, were organized. In addition, together with the University of Florence, a collaboration was started to analyze methods of integrated ergonomic assessment and design of workstations and industrial machinery with a high level of manual input in the fashion and leather manufacturing sector.
"Today everybody supports the sustainable fashion trend but not everyone devotes a whole exhibition to it".

Vogue Russia
CULTURE AND PARTICIPATION

In 1927 Salvatore Ferragamo returned to Italy after twelve years in the United States and decided to set up his business in Florence, fascinated by the skill of the local craftsmen and by the beauty of the city with its wealth of art and history. Over the years the link with the city of Florence has remained unbroken and has been strengthened through the Company’s support for significant restoration projects and numerous charitable initiatives for local causes.

After redefining, in 2014, the Group Charity Policy adopted by all subsidiaries, the Group decided to make several donations to charity initiatives promoting Italy’s culture across the world as well as the health of women and children. The purpose of this policy is to provide a reference framework, for all Group subsidiaries, to be followed in defining donations, gifts and any participation in charitable associations, foundations and non-profit organizations. This process facilitates stronger governance and a new approval process, in order to coordinate more effectively charitable actions at an international level. In 2019, the Salvatore Ferragamo Group thus supported communities, charitable bodies and non-profit organizations that work for the causes identified by the Charity Policy, about 85% of which are aimed at promoting Italian culture worldwide.

Since 2017, the Group has doubled down on its commitment to culture and the local community by formalizing, in its Sustainability Policy, its intention to spread Italy’s culture throughout the world, with particular regard to the sponsorship of initiatives that pay homage to art, cinema and music, and to actively promote social initiatives, with particular regard to projects in support of women and children.

THE GROUP’S MILESTONES - 2019

OVER 1 MILLION
EURO TO BE DONATED FOR THE RESTORATION OF THE LARGE SCULPTURES IN PIAZZA DELLA SIGNORIA AND OF THE DAVID IN PIAZZALE MICHELANGELO IN FLORENCE IN THE THREE-YEAR PERIOD 2019-2021

OVER 35,000
T-SHIRTS MADE FOR CORRI LA VITA

FONDAZIONE MEYER
BEGINNING OF A THREE-YEAR PARTNERSHIP TO SUPPORT NEWBORN SCREENING ACTIVITIES AND THE EXPANSION PLAN FOR THE MEYER CHILDREN’S HOSPITAL IN FLORENCE

SAN PATRIGNANO COMMUNITY
SUPPORT TO THE WEAVER AND LEATHER GOODS WORKSHOPS

OVER 41,000
VISITORS TO THE MUSEO SALVATORE FERRAGAMO SINCE 2019

SUSTAINABLE THINKING
EXHIBITION INAUGURATED AT THE MUSEO SALVATORE FERRAGAMO
Right from the start, Salvatore Ferragamo has constantly interfaced with the world of art and culture. A relationship driven over time also by artistic patronage programs aimed at promoting culture and safeguarding Italy’s artistic heritage, and in particular that of Florence. This approach includes the new agreement signed with the City of Florence, which includes the restoration of the equestrian statue of Cosimo I de’ Medici by Giambologna in Piazza della Signoria, the Hercules and Cacus by Baccio Bandinelli and the copy of Michelangelo’s David at the entrance of Palazzo Vecchio, the copy of Judith and Hel澎湃es on the “Arangaria” platform of Palazzo Vecchio, and the bronze copy of David at Piazzale Michelangelo. This support, which started in 2019, will continue over 2020 and 2021, bearing witness to how the relationship with art, with the city of Florence and with all its surrounding area is an integral part of the Brand’s DNA. Moreover, thanks to Salvatore Ferragamo, in 2019 the Fountain of Neptune - the so-called “Biancone” was inaugurated in Piazza della Signoria in Florence. It was returned to its original splendor by a careful and thorough restoration program. This gave the city back its most famous fountain in all its renewed glory thanks to the reactivation of the water system which feeds the majestic water features and which, for the first time in history, brings to life the scenarios imagined and desired by the designer Bartolomeo Ammannati. The works, divided into three separate programs, started in February 2017 and initially hid the statue of the “Biancone” from view, nonetheless allowing guided visits to the worksite along a protected route so that around 2,000 people from 90 different countries could appreciate the various stages of the work. The restoration required over 1,250 hours to clean the marble using lasers and 3,200 hours of restoration work on the bronzes, for a total of 764 working days. During the festivities for the end of the works on the Fountain of Neptune, all the Company’s employees were invited to take part in the event organized by the Municipality of Florence: for the inauguration of the restored Fountain, Maggio Musicale Fiorentino performed the theatrical piece “E nel marmo e nel bronzo mise acqua e fuoco” (And in the marble and bronze he put water and fire), evoking the spirit of Renaissance and Baroque celebrations with a contemporary touch using modern technologies, such as projected images, lights and sound.

Over the years, Salvatore Ferragamo’s charitable contributions have allowed to reopen 8 rooms of the Uffizi Gallery, containing approximately fifty major works of art from 15th-century Florence, as well as to renovate Florence’s Colonna della Giustizia in Piazza Santa Trinita and Santa Trinita Bridge and curate the exhibition of Leonardo’s Saint Anne painting, usually on display at the Louvre Museum in Paris. In addition, the Company helped preserve Florence’s cultural heritage by participating in the British Institute of Florence’s fundraising campaign for the renovation of the Harold Acton Library located in Lungarno Guicciardini and supported the renovation of the Campattelli Tower House, a mid-12th century architectural masterpiece owned by Fondo Ambiente Italiano (FAI, Italy’s National Trust) and located in San Gimignano.

In July 2019, in the presence of the Ferragamo family and the municipal authorities, at the crossroads of Ponte Vecchio, Via dei Bardi and Via Guicciardini, in the heart of Florence, Salvatore and Wanda Ferragamo were honored with the inauguration of “Piazzetta Salvatore e Wanda Ferragamo”. By doing so, the Mayor Dario Nardella, together with the members of the city council, wished to honor the founder of the Brand and his wife, entrepreneurs who contributed to Florence’s economic and cultural development, establishing a strong and lasting bond with the city.

The Group supports Italy’s culture worldwide through additional projects and donations in all the areas in which it operates. In 2019, for example, the Salvatore Ferragamo Group supported the Italian National Rail in Australia and the Dante Alighieri Society in Hong Kong, as well as the association Save Venice in the United States. In addition, in May 2019 the new Museum of the Statue of Liberty, dedicated to the history and the ideals that the Statue embodies, was opened in New York. At the entrance to the museum there are 50 stars, as many as on the American flag. Each star is a dedication left by the patrons of this project and the Ferragamo family, which supports the museum, decided to dedicate its star to Salvatore and Wanda Ferragamo, so that the memory of them as well as their story remain alive alongside that very monument which welcomed the Founder and many others to the United States.

Since it cares deeply about women’s and children’s health, in 2019 Salvatore Ferragamo launched an important three-year collaboration (2020-2022) with the Fondazione Meyer of the Meyer Children’s Hospital in Florence, an outstanding center for pediatric research.
Another initiative to support the excellence of Italian hospitals saw, in 2019, support for the clinical work and research at the Lymphoma Unit of San Raffaele Hospital in Milan, by means of a donation. Salvatore Ferragamo provided financial support for the work of two young female researchers specializing in Medical Oncology and Hematology, consisting of doctors from various units. This clinical research group has already made important contributions in various areas of aggressive and indolent lymphoma and established some of the specific treatments for these illnesses. In September 2019, Salvatore Ferragamo was once again one of the main sponsors of the charitable sporting event “Corri la Vita”, which has been helping the rehabilitation of young drug addicts in Italy for years. The money saved from the decision not to print 2019 Christmas cards to a work grant for a young Pakistani man from the cooperative. In addition, the Company donated to Flo Concept over 1,000 meters of slow-moving materials, which were destined for disposal, for the realization of gadgets and other products.

Since 2019, the Company has supported Flo Concept, a social cooperative in Florence which promotes a new fashion business model to boost the confidence and enhance the independence and skills of those who are struggling economically, socially or psychologically, through many initiatives. Salvatore Ferragamo allocated the money saved from the decision not to print 2019 Christmas cards to a work grant for a young Pakistani man from the cooperative. In addition, the Company donated to Flo Concept over 1,000 meters of slow-moving materials, which were destined for disposal, for the realization of gadgets and other products.

In line with its Charity Policy to protect the health of women and children, during the year, the Salvatore Ferragamo supported Triomfa Onlus, the non-profit association born to improve the social and personal skills of children with Down syndrome. Among other initiatives, the Onlus Faedesfa association, which operates for the benefit of young children affected by a rare genetic illness, the Italian Multiple Sclerosis Association, the Italian Association for Cancer Research, and the Tuscan Tumor Association.

The commitment to social responsibility is not limited to Italy but extends also to all the areas in which the Salvatore Ferragamo Group operates. In Mexico, the Group donated a percentage of revenues from sales of a limited edition model of the Bboxy bag, developed by Paul Andrew, for a special sporting event called “Corri la Vita”, which in this edition achieved its all-time record of over 37,000 participants. Corri la Vita’s proceeds go to non-profit projects for national health facilities specializing in the treatment of breast cancer through psychological support, physical and social rehabilitation, prevention, training, and palliative care. The funds raised in 2019 were allocated to the EVA project that will involve the whole Florence area (Florence, Prato, Empoli, and Pistoia) in the fight against breast cancer and assistance to cancer patients; in addition to this, it also cooperated with Florence’s LILT (the Italian League for the Fight against Cancer) to support the Ca.Ri.On. (ISPRO-LILT Cancer Rehabilitation Center in Vita delle Rose), FILE (Italian Foundation for Palliative Care) and SanonoNetwork Italia Orkus, a portal that brings together the Italian Breast Units. To give visibility to the event, Salvatore Ferragamo made over 35,000 t-shirts for the participants and offered free entry to the Museo Salvatore Ferragamo during the whole day, recording over 2,600 visitors. Additionally, in 2019, the Group donated 10% of the income of a day in March 2019 in its Milan Women and Milan Men stores to the Italian Leaguge for the Fight against Cancer.

In 2019, the Salvatore Ferragamo Group also continued to support the San Patrignano Community, which has been helping the rehabilitation of young drug addicts in Italy for years. The money saved from the decision not to print 2018 Christmas cards was allocated to four work grants, so that two young women from the weaving section and two from the leather-making section could continue their work experience in the Community, once their drug recovery was achieved. The Group’s contribution to the growth. In November 2019, during the Montenapoleone Gala Night in Shanghai, Salvatore Ferragamo received the 2019 Cultural & Sustainable Award given for the Company’s contribution to the growth of the Jing’an district of Shanghai. The award was given to the five companies which, in recent years, have had the greatest impact on the growth of the district in social and economic terms.

As can be seen from the many activities that the Group implements every year, the support and funding received by local communities are key objectives: as evidence of this commitment, it should be noted that the Group has always endeavored to limit the risk of generating actual or potential negative impacts on the community.
The strongest evidence of our commitment towards culture is the Museo Salvatore Ferragamo, established in 1995 inside the Group’s historic headquarters by Mrs. Wanda Matti Ferragamo and her six children. The activities of the Museum do not only include temporary exhibitions and workshops for children, but extend well beyond the site of the Museum. Specifically, the Museo Salvatore Ferragamo intends to represent the Group by exhibiting its most important significant items, i.e. to pass on culture within the Group in compliance with the Brand’s identity, to create a sense of belonging, to train and spread business culture to the local community where the Group operates and, finally, to interact with other institutions.

In April 2019, the Sustainable Thinking exhibition was inaugurated at the Museo Salvatore Ferragamo. The Sustainable Thinking exhibition is a narrative experience which follows the Founder Salvatore Ferragamo’s groundbreaking intuition on the use of natural, recycled and innovative materials, and the latest green experiments. The layout of the exhibition, aimed to explore the key issue of sustainability, through a cultural and artistic experience that tells the tale of its evolution and interpretation. The exhibition houses works by international artists and fashion designers who presented their own interpretation of the recovery of a more thoughtful relationship with nature and its profound bond with knowledge: the use of organic materials and their creative use, up to highlighting the importance of a collective commitment, of a smart and common approach. The invited artists, textile and yarn manufacturers and fashion designers proposed a range of approaches which, albeit being individual, focus on alternative manufacturing processes, offering ideas for design that can enhance the differences, use new technologies without having them imposed, mix the local with the global, and protect our ecosystem. The exhibition includes recent materials, works and items of clothing that are sometimes made to order for an occasion, and projects aimed at exemplifying and breaking down the multiple and essential forms of “an ethic and an aesthetic of sustainability”, in a format that can be easily understood by the various types of public who are offered the chance not only to learn about the issues addressed, but also to interact with them. The exhibition, which welcomed over 35,400 visitors between April and December 2019, draws inspiration from the research into materials conducted by the Founder Salvatore Ferragamo since the 1920s. Covering hemp, cellophane and fish skin, the exhibition then explores the stories of precious materials which, on reaching the end of their natural life, are transformed into high quality products, concretely representing the circular economy concept.

Calling on a scientific committee made up of specialists, academicians and art historians with wide knowledge of sustainability-related issues and on different curators for the various sites, the Sustainable Thinking project envisaged exhibitions also in other prestigious locations around the city: Palazzo Vecchio, home of the City Council, which is one of the most important artistic sites in the city, and the Museo Novecento.
The Museum constantly cooperates with many institutions, schools and universities throughout Italy, sometimes offering reduced-price entry tickets to the Museum and organizing special tours. Here below are the main initiatives in this area:

- renewed partnership with France Odeon, the French film festival that has become one of Florence’s most important cultural events and celebrated its 11th edition. During the festival, the actresses Benedetta Porcaroli and Zita Hanrot received the “Essence of Talent” award sponsored by Ferragamo Parfums, which was the event’s main sponsor.
- renewed partnership with the River to River Florence Indian Film Festival, which celebrated its 11th edition in December 2019 at the Great Hall of the cinema La Compagnia and was sponsored by the Indian Embassy. River to River is the world’s first festival entirely dedicated to Indian cinema and movies about India.
- renewed partnership with the 12th edition of the Schermo dell’Arte Film Festival. This one-of-a-kind project in Italy dedicated to the multiple interactions between cinema and contemporary art featured avant-garde films and documentaries, including several Italian and world premieres.
- renewed partnership with the Strings City festival, a music marathon featuring 80 string music events for a total of 50 hours across more than 50 locations. The Museo Salvatore Ferragamo, with an event offering free entry, gave visitors the chance to see the concert by the orchestra of Tuscany in a room of the Museum. In order to offer a unique experience and at the same time to raise awareness of the important Sustainable Thinking project, the concert was followed by a guided tour of the exhibition.
- between May and June 2019, took place the Sustainable Development Festival, the main Italian contribution to the European Week of Sustainable Development. For 17 days, were organized event, such as: meetings, seminars, workshops, exhibitions and shows, to draw attention to the United Nations’ 17 Sustainable Development Goals. On this occasion, the Museo Salvatore Ferragamo, in collaboration with the Fondazione Ferragamo, took part in the project by offering the chance to visit the Sustainable Thinking exhibition with cut-price entry.

In 2019, the Group continued working together with leading Italian cultural institutions such as Museimpresa, the Italian association of company museums and archives, the Portal of the 20th Century Fashion Archives at Rome’s State Archive, ANA (the Italian National Association of Archivists) and Europeana Fashion, the European digital library to which the Salvatore Ferragamo Group submitted more than 1,000 records of historic footwear. The Museo Salvatore Ferragamo is part of ICOM (International Council of Museums), the most important and prestigious international organization for museums and museum professionals.

As a member of the Italian Association of Business Archives and Museums, the Museo Salvatore Ferragamo took part in the Week of Business Culture, the series of events promoted by Confindustria that, through meetings, workshops, films and guided tours, informed visitors about the huge cultural heritage safeguarded in the museums and archives of small, medium and large Italian companies. The theme: “To the highest standard. The Italy of business cultures: inclusive and sustainable”. In this stimulating and culturally vast scenario, the Museum provided free guided tours for adults and children for four days.

In addition, in 2019 the Museo Salvatore Ferragamo was included in the Google About platform as an Italian success story: the presence on the Google Arts & Culture international platform resulted in an increase in the presence of young people in the rooms of the Museum, while enabling the virtual visit of the exhibition.
On 15 March 2013, the Ferragamo Family set up the Fondazione Ferragamo in Florence to promote values of craftsmanship and Made in Italy as well as to invest in the education and training of those seeking a career in the world of fashion, design, and the most elegant and artistic forms of Italian craftsmanship, in keeping with the values and style of Salvatore Ferragamo’s works. The Foundation intends to promote knowledge and recollection of Salvatore Ferragamo’s work and personality in order to enhance and disseminate them and to let the global audience learn of his artistic qualities and of the role he played in the history not only of shoe-making, but also of international fashion.

In order to achieve these objectives, the Foundation intends to safeguard and promote the Ferragamo Historical Archive, which includes garments, accessories, documents and photographic material, organizing training courses for fashion, creating prizes and study grants and collaborating with the Museo Salvatore Ferragamo. The Foundation regularly holds conferences and events open to the residents of Florence and the general public, learning workshops for children, and various kinds of initiatives for the young - the main beneficiaries of an institution that considers handing down technical expertise and educating people one of its main goals.

The Fondazione Ferragamo is at the forefront in managing and protecting its archive, which is made up of heterogeneous funds that are implemented each day. The Archive allows to protect and promote the Salvatore Ferragamo Group’s historical-artistic heritage, which represents the memory of an entire industrial and social culture. It is a constant source for inspiration that is consistent with the Brand’s identity, as it preserves its history and influences the communication and work of the designers and marketers developing new products. The organization, processing and sharing of information is possible thanks to the use of the cataloguing software Samira, which can meet the widest possible management and dissemination needs of archives and museums. As a testament to its efficiency and functionality, the cataloguing system used by the Historical Archive was taken as a case history for the project of the Portal of the 20th Century Fashion Archives as well as for the Europeana Fashion portal.

In 2019, the transfer of the whole Group’s Historical Archive, dedicated to Fiamma Ferragamo di San Giuliano, to a space at the Osmannoro premises in Florence, was completed. The physical re-unification of the various collections in a single location enabled an improvement in the security of the cultural heritage in terms of conservation, safeguarding and control. In addition, the establishment of a consultation area makes it possible to enhance and disseminate more effectively the contents of the archive and facilitates the research process.

In 2019 the work, which started in 2017, involving processing, disposal and digitalization on the Group’s historic press archives, focused on the digitalization of articles mentioning “Ferragamo”. In total, 5,134 articles were digitized during the year. In addition, thanks to the mass cataloguing process, developed in collaboration with the Information Systems Division and specialist external suppliers, the year’s press archives were loaded on the software as well as the archives for the years 2003...
to 2018, thus enabling the cata-
loguing of 112,590 articles. The interface created will make it pos-
sible to archive and acquire digital fi les for the press archives for all
years to come, enabling sig-
nificant savings in terms of man-
aging space and physical mate-
rial. From among the huge initial number of magazines, the historic publications were made to the Polimoda Library and to the Marangoni Institute of Flor-
ence, which accepted around 600 magazines.

Education and training are some key objectives around which the Foundation plans its work. Among other initiatives, the Fondazione Ferragamo hosts “Ideas and cre-
ativity workshops” for children, teenagers and adults dedicated to craftsmanship, fashion, and design. To celebrate holidays or events concerning children, the Museum organizes learning activ-
ities or guided tours for the whole family, aimed at bringing adults and children together. The Foundation also continues the development of the “Musei da favola” project, which was launched in 2013 in collaboration with the School and Youth Department of the Uffi 
zi Gallery and offers thematic itin-
eraries in Italian and English allow-
ing families to discover Florence’s main museums and cultural land-
marks, including the Museo Salva-
tore Ferragamo.

During the “Sustainable Thinking” exhibition, the Foundation Ferragamo, in collaboration with the Museo Salvatore Ferragamo, also developed new educational pro-
grams and workshops for primary and middle school children and families. Thanks to the publica-
tion “Sustainable Thinking. Think sustainable to change the world”
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Sustainability Report 2019

"Ferragamo takes a strategic step on the road to environmental sustainability, and it does so by deploying a range of cultural, artistic and industrial projects".

Il Sole 24 ore - Moda 24
PROTECTING THE ENVIRONMENT

Salvatore Ferragamo has always put environmental sustainability at the heart of its development policies. To protect the environment, the Group aims to positively contribute to safeguarding it through strategies and initiatives intended to minimize the environmental impact of its operations. In 2019, Salvatore Ferragamo obtained ISO 14001:2015 certification, which defines an Environmental Management System, for all its Italian offices and stores. In the Environmental Policy, which is linked to obtaining the certification, the Company identifies respect for the environment as a key variable in its growth strategies. For this reason, the Group, as its leading commitment, makes available human, practical and economic resources and assets which are needed to achieve the environmental improvement goals.

The commitment taken on by obtaining ISO 14001 certification joins the many Management Systems linked to emissions monitoring and responsible use of energy resources, which the Company has adopted over the years. In 2019, Salvatore Ferragamo extended the ISO 14064:2012 certification to all the Italian stores, after achieving it in previous years for the Italian offices and the Museo Salvatore Ferragamo. In 2019, the Company maintained the ISO 50001:2011 certification for the Osmannoro site.

By adopting the Group Sustainability Policy in 2017, which defines the commitment to the environment and ecosystems, the Group formalized its desire to work to reduce the consumption of materials such as paper and plastic, promoting the use of certified and traceable alternative sources, and to monitor efficiency in the use of energy and water resources, measuring and evaluating greenhouse gas emissions, with a view to reducing environmental impacts. To Salvatore Ferragamo, protecting the environment also means promoting sustainable mobility initiatives for its employees as well as monitoring the retail area’s consumption and impacts, to constantly improve its environmental efficiency.

THE GROUP’S MILESTONES - 2019

OVER 3,200

PHOTOVOLTAIC PANELS INSTALLED ON THE NEW LOGISTICS HUB

LEED PLATINUM

CERTIFICATION ON SUSTAINABLE DESIGN OBTAINED FOR THE NEW LOGISTICS HUB

≈ 8,000 MQ

DEDICATED TO A NEW GREEN AREA AT THE OSMANNORO SITE

ISO 14001

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION OBTAINED FOR ALL OFFICES AND STORES IN ITALY

ISO 14064

CERTIFICATION ON MONITORING OF GREENHOUSE GAS EMISSIONS EXTENDED TO ALL ITALIAN STORES

ISO 20121

CERTIFICATION ON THE SUSTAINABLE MANAGEMENT OF EVENTS OBTAINED FOR THE SUSTAINABLE THINKING EXHIBITION
RESPONSIBLE CONSUMPTION

With a view to environmental protection, the Salvatore Ferragamo Group pays close attention to its consumption, promoting several initiatives to improve efficiency. During 2019, Salvatore Ferragamo drew up the Management System Guidelines - HSE & Energy, with the aim of disseminating throughout the whole Group a significant level of awareness about health and security, environmental protection and increased energy efficiency. These standards and principles, which also establish the roles and responsibilities of the main stakeholders involved, will be shared in 2020 with all the foreign Regions.

In 2019, the Salvatore Ferragamo Group consumed 14,640 GJ of natural gas. Electricity consumption stood instead at 113,898 GJ. In relation to the consumption of non-renewable fuel, i.e. diesel and petrol, this stood at 10,682 GJ in 2019. As for the Italian scope, 100% of the energy used comes from renewables thanks to the purchase of certified energy through a guarantee of origin. In 2019, the solar energy system at the Osmannoro site saw the installation of other photovoltaic fields, which increased the overall installed power to 1,307 kWp: thanks to the photovoltaic panels, the electricity self-generated by the Company was 1,673 GJ, i.e. around 6% of the Company’s total consumption. As regard energy efficiency of particular importance is the presence, in several buildings at Osmannoro, of a computerized management system, the Building Management System (BMS), which enables the control and monitoring of the mechanical and electric systems, such as for example micro-climate and illumination, depending on the amount of natural light from outside. In order to improve the micro-climate in all the work areas, thus ensuring thermal comfort and a reduction in the use of fossil fuels and CO₂ emissions, a procedure has been adopted to manage temperatures in the work areas at the Osmannoro site. By complying with the parameters indicated in the procedure, it is possible to obtain a 34-ton annual reduction in CO₂.

The procedure, which regards the management of temperatures in both winter and summer, is one of the initiatives adopted by the Company to improve energy efficiency and compliance with environmental sustainability standards. In addition, multi-meters are present at the Osmannoro site in order to constantly monitor consumption. The Group promotes a sensible and responsible use of the water for hygiene-sanitary purposes. During 2019, water consumption in relation to the Group’s offices alone was 47,453 m³ (of which 51.8% from the aqueduct and 48.2% from surface water). In addition, the Group is committed to reducing the production of waste arising from its operations, raising awareness among its employees about the proper management and disposing of garbage, encouraging to reuse and recycle materials as well as minimize waste. Waste production in 2019 stood at 1,386 tons (of which 99.6% was non-hazardous waste and the remaining 0.4% was hazardous waste). Among the waste produced in the year, 10.4% was recycled, 46.3% was reused, 0.2% was incinerated, 40.7% was treated in landfills and the remaining 69% through other disposal methods.

The Company is also active in the training and empowerment of its employees. In 2019 it internally released a video aimed at raising employees’ awareness on containing consumption, providing advice on good practice for waste disposal, energy saving and CO₂ emissions reduction. In addition, at the Osmannoro site the method of waste collection was revised, with the installation of new waste containers and new labeling.

THE SALVATORE FERRAGAMO GROUP IN FIGURES

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NATURAL GAS CONSUMPTION (GJ)</th>
<th>ELECTRICITY CONSUMPTION (GJ)</th>
<th>NON-RENEWABLE FUEL CONSUMPTION (GJ)</th>
<th>TOTAL ENERGY CONSUMPTION (GJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>139,220</td>
<td>128,356</td>
<td>10,682</td>
<td>139,220</td>
</tr>
<tr>
<td>2018</td>
<td>128,356</td>
<td>108,511</td>
<td>9,058</td>
<td>118,511</td>
</tr>
</tbody>
</table>

1 On the basis of their availability and materiality, the data for 2018 and 2019 have the following limitations:
- as for energy consumption, on the basis of the scope under consideration, approximately a 3,000 headcount in both 2018 and 2019;
- natural gas consumption accounted for 83% and 81% of the scope in 2018 and 2019, respectively;
- electricity consumption accounted for 91% and 92% of the scope in 2018 and 2019, respectively;
- non-renewable consumption accounted for 83% and 82% of the scope in 2018 and 2019, respectively;
- as for water consumption and waste production, on the basis of the scope under consideration and set out in the “Methodology” section, approximately a 1,380 headcount in both 2018 and 2019;
- water consumption accounted for 86% and 81% of the scope in 2018 and 2019, respectively;
- the figures for 2018 and 2019 are directly provided by the companies that handle waste disposal.

2 The increase in natural gas consumption recorded in 2019 is attributable to the normal performance of business activities.

3 The increase in electricity consumption recorded in 2019 is due to the improvement in the data collection process and the related methods for making estimates.

For some Group stores, the data relating to consumption provided in this chapter are hard to source given the location of the stores, the nature of their activities and the indirect management of these types of data. Finally, some data could be based on estimates or calculations.
The Salvatore Ferragamo Group, in keeping with responsible management of its business, is strongly committed to reducing the consumption of materials such as paper and plastic. As regards paper packaging for the retail business, the Salvatore Ferragamo Group has favored paper certified by the Forest Stewardship Council (FSC), which bears witness to correct forest management and the traceability of paper products. The FSC logo guarantees that the product is made of raw materials harvested from forests managed according to sustainable principles. The iconic red packaging, in addition to being “Made in Italy” as well as fully recyclable and biodegradable, is also post-consumer, i.e. up to 40% composed of recycled fibers and the remainder of ECF (Elementary Chlorine Free) cellulose, which is treated with ecological processes. These characteristics make it possible to use the related symbols on Corporate and Outlet packaging and Museum shopping bags. In 2019, the Group enhanced its use of FSC and post-consumer paper and undertook, as part of its Sustainability Plan, to extend the use of such paper also to other product categories.

In 2019, for the packaging and print material of the “Gilio” capsule collection, which is part of the Ferragamo’s Creations line, a paper was used made with by-products of agro-industrial processes, such as residues of citrus fruits, grapes, cherries, lavender, corn, olives, coffee, hazelnuts and almonds, which, now saved from disposal, replace up to 15% of the tree-based cellulose. Furthermore, this paper is FSC, recyclable, 100% compostable and 100% produced with self-generated green energy.

The bags used for products such as footwear, bags and accessories, as well as most covers used for clothing, are Made in Italy and 100% made of cotton. In addition, the Company undertook an assessment process on some sustainable materials, with a view to replacing the materials with the greatest environmental impact that are currently used in its packaging, such as plastic. In this regard, following the release of the European “Single-use Plastics” Directive, which aims to prevent and reduce the impact of particular plastic products on the environment and promote the transition to a circular economy, the Company assessed its use of single-use plastic, in order to map the quantities of single-use plastic and identify concrete solutions to eliminate and/or reduce its consumption. The assessment included site visits to premises and stores and, as the final output, the drafting of guidelines in order to replace single-use plastic for each type identified. In selecting its packaging suppliers, Salvatore Ferragamo verifies that not only they are based locally, which is the main guarantee of Made in Italy quality, but also that they have important certifications such as ISO 9001, ISO 14001, SA8000, OH-SAS 18001, GOTS, OEKO-TEX and BCI.

In addition, for packaging of some eCommerce shipments, the Company uses bubble wrap made from renewable plant sources that can be disposed of as organic waste together with animal and vegetable food scraps, since it is compostable and biodegradable.

As for non-packaging materials such as catalogs, invitations, leaflets, stationery and, in general, printed materials, the Group is placing increasing emphasis on ensuring that they are made with FSC certified paper, inks and processes that do not negatively impact the environment, integrating this goal in the Sustainability Plan. Finally, in order to further reduce the use of paper, in 2019 the IT procedure for the digital storage of paper archives was adopted.

### Materials Consumption (Kg)

<table>
<thead>
<tr>
<th>Material</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3 Paper</td>
<td>3,350</td>
<td>2,725</td>
</tr>
<tr>
<td>A4 Paper</td>
<td>27,818</td>
<td>32,980</td>
</tr>
<tr>
<td>Plastic Clothing Bags</td>
<td>3,819</td>
<td>5,078</td>
</tr>
<tr>
<td>Nylon Clothing Bags</td>
<td>1,057</td>
<td>3,218</td>
</tr>
<tr>
<td>Cotton Clothing Bags</td>
<td>16,455</td>
<td>2,326</td>
</tr>
</tbody>
</table>

Sustainability Report 2019
The signing of the Fashion Pact in August 2019 further enhanced the commitment taken on by the Group to reduce its environmental impact in terms of climate change. The reduction and offsetting of CO₂ emissions is thus one of the priorities established by the Group in its Sustainability Plan.

Curbing greenhouse gas emissions and calculating the Company’s carbon footprint play a key role in the Group’s commitment to protecting the environment. In this context, in 2019 a project relating to the calculation of emissions attributable to the Scope 3 “Logistics” category was started. The number of transports, the weight transported, and the distance traveled were calculated for almost all the Group’s upstream and downstream shipments. Specifically, for the upstream stage, information was collected relating to the movement from the raw material suppliers to the Raw Materials Warehouse at Osmanorno, from the Raw Materials Warehouse to the contract manufacturers and from the latter to the Finished Products Warehouse at Osmanorno. As for the downstream stage, the collection of information regarded the movements from the Finished Products Warehouse at Osmanorno to European customers/Customersstores and to other warehouse/customersstores worldwide and the deliveries from Local Warehouses (outside the EU) to customersstores worldwide. Total GHG emissions from the Group’s logistics were 41,250 tons of CO₂ eq.

In order to facilitate the development and implementation of plans to manage greenhouse gases by businesses, cities, states, and regions, allowing anyone to obtain information on the environmental impacts of each of these entities, the assessment was conducted for the “Climate Change” section through a comprehensive survey on emissions and consumption. Salvatore Ferragamo obtained, again in 2019, a score of B, which is higher than the general average for Italy, returning a value higher than the general average. In this respect, the Company is engaged in developing new initiatives that can further improve performance in terms of transparency and reporting.

The reduction of the environmental impact and of CO₂ emissions released into the atmosphere is a key issue also in the Environment Policy formalized by Salvatore Ferragamo S.p.A., in line with the scope of the En-vironmental Management System ISO 14001:2015, adopted for all the sites in Italy and the stores. The policy envisages action by the Company on its processes and products to keep atmospheric emissions under control, in order to identify and monitor the environmental indicators.

During the year, Salvatore Ferragamo pursued many initiatives in order to reduce its environmental footprint. In 2019, the agreement, signed by UPS, was extended to offset all the emissions caused by deliveries of products ordered through eCom-merce. This offset takes place by adhering to carbon neutral pro-jects and in 2019 over 31.53 tons of CO₂ eq, were offset. As from July 2019, the offset programs were also extended, thanks to the partnership with DHL, which envisages the offset of CO₂ emissions resulting from the deliveries for the daily replenishment of European stores, amounting to around 13 tons of CO₂ eq.

In order to reduce CO₂ emissions from the delivery of goods and products, in 2019 the collaboration with UBM bike couriers, for the deliveries of orders placed by customers at the Milan stores, continued. Again, for the same purpose, collaboration started with Ecopony, an express courier service by bike, which enables the Florence stone to deliver your order in a shorter time, reducing its CO₂ emissions into the atmos-phere.

In addition, with a view to reducing the environmental impact linked to the supply chain, the initiative aimed at promoting the reuse of cardboard boxes by footwear manufacturers, in order to reduce CO₂ emissions from the production of cardboard continued. The project, which started in 2016 and extended to six of the Group’s main contract manufacturers, led to a saving of over 20 tons of CO₂ eq in 2019 thanks to the saving of emissions from the manufacture of new cardboard.

Another environmental protection initiative was the financing and creation of the Parco delle Idee (Park of Ideas) on land owned by the University of Florence at Sies to Florentino’s Scientific Hub. In 2017 the project involved planting approximately 230 native trees, also with the help of some of the Parent company’s employees, and was marked by partnerships with local institutions and entities such as LifeGate, Carbonis, the Department of Agri-Food Production and Environ-mental Sciences. The project will bring several social and environmental benefits: from an improved air quality, with positive implications for public health, to a new green area that will promote local biodiversity and enhance the urban landscape, and it will give local schools the opportunity to conduct play-based learning activities in the fields of biology, ecology, and nature preservation. Through the methodology approved and recog-nized by the UNFCCC (United Na-tions Framework Convention on Climate Change), starting from the species’ biomass it was possible to estimate the quantity of carbon di-oxide eq as far as for the trees in the Park of Ideas, in the round 1,771.04 Kg of absorbed CO₂. This estimate was made through non-destructive methods using allometric equations, which make it possible to determine biomass on the basis of diameter. Salvatore Ferragamo met the costs for the maintenance of the Park of Ideas from 2017 to 2019.

The search for sustainable mobil-ity solutions is another key aspect of the Group’s sustainability vi-sion. In this period, Salvatore Ferragamo has appointed a mobility manager to optimize employee travel and promote the use of bicycles reducing CO₂ emissions. In 2019 the collaboration with JoJob, an innovative company providing a service which makes it possible to share a car with work colleagues or with employees of companies nearby, continued. The initiative, in addition to saving money, reduces CO₂ emissions. The agreement with UPS, signed in 2016 and extended to 2017, saw a 10% increase in registered employees. Since 2018, the...
carpooling service has been inte-
driven by the management of events. The Com-
pany obtained, for the Sustainable Thinking exhibition inaugurated at the Salvatore Ferragamo Mus-
ium, the ISO 20121:2013 certifi-
cation, which classifi es the company’s events as sustainable. The commitment to initiatives aimed at improving energy perfor-
mance, the dissemination within the company of the objectives of the Energy Management System and the related implementation programs, the optimization of the use of energy resources and the increase in the use of alternative and renewable energy sources. In the future the certifi cation will also be extended to some stores of the retail area.

In 2019, the certifi cations obtained for environmental performance re-
garded for the first time also the management of events. The Com-
pany obtained, for the Sustainable Thinking exhibition inaugurated at the Salvatore Ferragamo Mus-
ium, the ISO 20121:2013 certifi-
cation, which sets out the require-
mements of a Management System for the sustainable organization of events. The regulation is targeted at organizations that are engaged in the sustainable management of events. The organization of their own corporate events in a sustainable way and requires the defi nition of procedures and methods to ensure that events are planned, implemented and reported in a manner that minimizes their impact on the environment.

GREEN INITIATIVES

Over the years, the Group has taken action to obtain the main environmental certifi cations for its sites, extending this commitment also to the retail area.

In 2019, the Salvatore Ferragamo Logistics Hub, a building of around 20,000 sq.m. which was opened in 2018, obtained the LEED certifi cation at its highest level, i.e. Platinum. This had previously been obtained in 2016 by the Q building at the Osmannoro site. In 2019, as part of the redevelopment of the whole area, the green area was inaugurated, a space of around 8,000 sq.m. This initiative was aimed at improving the quality of the commute and to promote a sustainable approach to employee mobility.

Furthermore, measures consistent with the LEED standard have been implemented for both mechanical and electrical systems, such as the use of lamps that reduce light pollution to a mini-
mum. In addition, the construction work was more sustainable through, among other things, the use of products made of FSC cer-
tifi ed wood and of products with a high level of recycled content and/or made locally, always in line with LEED standards.

During 2019, redevelopment work was undertaken on the ground and fi rst floors of building M at the Osmannoro site. The new Manovia was transferred and where, in 2020, the New Historical Archive will be inaugurated. The project, which was designed in compliance with the main environmental standards, followed the process, already adopted for the Logistics Hub, of LEED certifi-
cation, and led to the deifi nition of a procedure for energy saving with the installation of a Building Management System and multi-
meters.

The commitment to obtain certifi-
cations also involved the retail area: in 2019 the Group obtained the LEED Gold certifi cation for the Beijing China World store and the LEED Silver certifi cation for the Sessions Place Beijing store and for the Pacifi c Place store in Hong Kong. These latter join the LEED Gold certifi cation obtained in October 2017 for the historic Canton Road store in Hong Kong, which was followed in December of the same year by the LEED Gold certifi cation obtained for the Beijing China World store and the LEED Silver certifi cation for the Sessions Place Beijing store.

In 2019, the Group obtained the LEED Gold certifi cation for the Mexico City store and in 2020 the LEED Gold certifi cation for the Mexico City store.

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METHODOLOGY

This document represents the Salvatore Ferragamo Sustainability Report 2019. The Statement hereinafter also referred to as “NFS” or “Sustainability Report” pursuant to Italian Legislative Decree no. 254 of 30 December 2016 implementing Directive 2014/95/EU of the European Parliament and of the Council of 23 July 2014 on the harmonisation of the laws of the Member States relating to non-financial and diversity information. The purpose of the NFS is to ensure the minimum transparency of the Group’s economic activities and to provide useful information to the shareholders and the public on the Group’s performance, results, and impact, addressing the topics considered material and set out in Articles 3 and 4 of Italian Leg. Decree 254/2016.

The contents being reported on in this document have been selected based on a structured analysis of materiality, which was updated in 2018 and confirmed in 2019. The Group has implemented an Anti-Corruption Policy and implemented a Group Whistleblowing Policy. In addition, the Group has adopted an Inclusion Policy.

The Group considers protection of the environment in which it works of fundamental importance: in 2019, Salvatore Ferragamo obtained ISO 14001:2015 certification, which means that the Group is committed to integrating sustainability into its business operations, two important events that took place in 2019 were mentioned. In August 2017, Ferragamo subscribed to the Fashion Pact, which brought together 250 fashion and textile brands to set out practical and concrete targets for reducing the environmental impact of this important industry.

For further information on the initiatives undertaken by the Salvatore Ferragamo Group, on the main risks generated or faced, including the relevant management procedures and objectives, reference should be made to this document.

For information on the Consolidated Non-Financial Statement, please contact car@ferragamo.com.

This Sustainability Report is also available in the sustainability section of the Group’s website (https://csr.ferragamo.com/en/).

In order to ensure the utmost transparency in its operations, during 2017 the Group implemented an Anti-Corruption Policy. In addition, the Group relies on a whistle-blowing system and implemented a Group Whistleblowing Policy.

METHODOLOGY

The Group has always been committed to promoting and enhancing the potential of its human capital as well as to offering a stimulating work environment, in accordance with corporate welfare principles. The attention and care for employees are expressed not only in the Group’s Sustainability Policy, but also in the Company Regulations and policies available at Parent company level. In addition, to confirm the importance of the principles of diversity and inclusion, during 2019 the Group adopted an Inclusion Policy.

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Employee-Related Matters

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Anti-Corruption and Bribery Matters

In order to ensure the utmost transparency in its operations, during 2017 the Group implemented an Anti-Corruption Policy. In addition, the Group relies on a whistle-blowing system and implemented a Group Whistleblowing Policy.
### TOTAL EMPLOYEES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>1,419</td>
<td>1,371</td>
</tr>
<tr>
<td>Women</td>
<td>2,858</td>
<td>2,857</td>
</tr>
<tr>
<td>Tot</td>
<td>4,277</td>
<td>4,228</td>
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</tbody>
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### BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT, GENDER AND GEOGRAPHIC AREA

#### 2019

<table>
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<tr>
<th>No. people</th>
<th>Men</th>
<th>Women</th>
<th>Tot</th>
</tr>
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<tbody>
<tr>
<td>Parent Company</td>
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<td>41</td>
<td>74</td>
</tr>
<tr>
<td>Europe</td>
<td>29</td>
<td>55</td>
<td>84</td>
</tr>
<tr>
<td>North America</td>
<td>15</td>
<td>42</td>
<td>57</td>
</tr>
<tr>
<td>Central and South America</td>
<td>5</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>12</td>
<td>64</td>
<td>76</td>
</tr>
<tr>
<td>Japan</td>
<td>4</td>
<td>17</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>226</td>
<td>324</td>
</tr>
</tbody>
</table>

#### 2018

<table>
<thead>
<tr>
<th>No. people</th>
<th>Men</th>
<th>Women</th>
<th>Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Company</td>
<td>37</td>
<td>45</td>
<td>82</td>
</tr>
<tr>
<td>Europe</td>
<td>25</td>
<td>60</td>
<td>85</td>
</tr>
<tr>
<td>North America</td>
<td>26</td>
<td>52</td>
<td>78</td>
</tr>
<tr>
<td>Central and South America</td>
<td>12</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>9</td>
<td>44</td>
<td>53</td>
</tr>
<tr>
<td>Japan</td>
<td>7</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>116</td>
<td>217</td>
<td>333</td>
</tr>
</tbody>
</table>

### BREAKDOWN OF EMPLOYEES BY EMPLOYEY CATEGORY AND AGE GROUP

#### 2019

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<tr>
<th></th>
<th>&lt;30</th>
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<th>&gt;50</th>
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</thead>
<tbody>
<tr>
<td>No. people</td>
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</tr>
<tr>
<td>Managers</td>
<td>14</td>
<td>360</td>
<td>151</td>
</tr>
<tr>
<td>White collars</td>
<td>922</td>
<td>2,014</td>
<td>471</td>
</tr>
<tr>
<td>Blue collars</td>
<td>61</td>
<td>175</td>
<td>41</td>
</tr>
</tbody>
</table>

### BREAKDOWN OF EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER

#### 2019

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>Tot</th>
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</thead>
<tbody>
<tr>
<td>No. people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>291</td>
<td>6.8</td>
<td></td>
</tr>
<tr>
<td>White collars</td>
<td>937</td>
<td>21.9</td>
<td></td>
</tr>
<tr>
<td>Blue collars</td>
<td>119</td>
<td>4.5</td>
<td></td>
</tr>
</tbody>
</table>

### BREAKDOWN OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

#### 2019

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Time</td>
<td>1,330</td>
<td>2,522</td>
<td>3,852</td>
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<tr>
<td>Part Time</td>
<td>89</td>
<td>336</td>
<td>425</td>
</tr>
<tr>
<td>Total</td>
<td>1,419</td>
<td>2,858</td>
<td>4,277</td>
</tr>
</tbody>
</table>

### BREAKDOWN OF EMPLOYEES BY TYPE (HEADQUARTERS AND RETAIL) AGE GROUP AND GENDER

#### 2019

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headquarters</td>
<td>46</td>
<td>122</td>
<td>365</td>
</tr>
<tr>
<td>Retail</td>
<td>293</td>
<td>536</td>
<td>831</td>
</tr>
<tr>
<td>Total</td>
<td>339</td>
<td>658</td>
<td>1,017</td>
</tr>
</tbody>
</table>

### EMPLOYEES WHO RECEIVED A PERFORMANCE APPRAISAL BY EMPLOYMENT CATEGORY AND GENDER

#### 2019

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>97.3</td>
<td>97.9</td>
<td>97.7</td>
</tr>
<tr>
<td>White collars</td>
<td>76.7</td>
<td>81.5</td>
<td>80.1</td>
</tr>
<tr>
<td>Blue collars</td>
<td>49.7</td>
<td>20.4</td>
<td>39.1</td>
</tr>
<tr>
<td>Total</td>
<td>77.3</td>
<td>82.0</td>
<td>80.4</td>
</tr>
</tbody>
</table>

### BREAKDOWN OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER
Sustainability Report 2019

The accident rate was as follows: Men - 0.0; Women - 2.5; Total - 1.6.

Especially agency staff, interns and consultants, the Group registered, out of a total of 71 workers (26 men and 45 women) within the Italian scope, 129 (23 for men; 32 for women) occupational diseases, and 201 (24 for men; 33 for women) injuries.

The absentee rate is not currently reported.

The injury rate is calculated as the ratio of total injuries to total working hours during the same period, multiplied by 200,000. The occupational diseases rate is calculated as the ratio of total occupational diseases to total working hours during the same period, multiplied by 200,000.

The lost day rate is calculated as the ratio of total days lost for occupational diseases or injury to total working hours during the same period, multiplied by 200,000.

1) The lost day rate is calculated as the ratio of total days lost for occupational diseases or injury to total working hours during the same period, multiplied by 200,000. The occupational diseases rate is calculated as the ratio of total occupational diseases to total working hours during the same period, multiplied by 200,000. The injury rate is calculated as the ratio of total injuries to total working hours during the same period, multiplied by 200,000. The absentee rate is not currently reported.

2) As part of the analysis carried out during 2019 in relation to the significance of data and information regarding other non-employees workers, especially agency staff, interns and consultants, the Group registered, out of a total of 71 workers (26 men and 45 women) within the Italian scope, the following accident rate: Men - 0.0; Women - 2.5; Total - 1.6.
The following table shows the material aspects identified for the Salvatore Ferragamo Group and its stakeholders through the materiality analysis, grouped into topics of Leg. Decree 254/16, the related boundary, the type of impact and the related topic-specific Standard.

Here below is the GRI® Content Index prepared in accordance with the GRI Standards: Core option. Any omissions are reported as notes to the individual indicators, if applicable.

<table>
<thead>
<tr>
<th>CODE</th>
<th>INDICATOR</th>
<th>PAGE/NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102-1</td>
<td>Name of the organization</td>
<td>Pp. 3:96-97</td>
</tr>
<tr>
<td>GRI 102-2</td>
<td>Activities, brands, products, and services</td>
<td>Pp. 18-21</td>
</tr>
<tr>
<td>GRI 102-3</td>
<td>Location of headquarters</td>
<td>P. 21</td>
</tr>
<tr>
<td>GRI 102-4</td>
<td>Location of operations</td>
<td>Pp. 18-22</td>
</tr>
<tr>
<td>GRI 102-5</td>
<td>Ownership and legal form</td>
<td>Pp. 24-26</td>
</tr>
<tr>
<td>GRI 102-6</td>
<td>Markets served</td>
<td>P. 22</td>
</tr>
<tr>
<td>GRI 102-7</td>
<td>Scale of the organization</td>
<td>P. 18</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers</td>
<td>Pp. 48-49; 98-99</td>
</tr>
<tr>
<td>GRI 102-9</td>
<td>Supply chain</td>
<td>Pp. 34-39</td>
</tr>
<tr>
<td>GRI 102-10</td>
<td>Significant changes to the organization’s size, structure, ownership or supply chain in the reporting period</td>
<td>During 2019 there were no significant changes to the Group’s size, structure, ownership or supply chain.</td>
</tr>
<tr>
<td>GRI 102-11</td>
<td>Precautionary Principle or approach</td>
<td>Pp. 24-26; 82-83</td>
</tr>
<tr>
<td>GRI 102-12</td>
<td>Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses</td>
<td>Pp. 10-13; 24-26; 38; 49; 90-93</td>
</tr>
<tr>
<td>GRI 102-13</td>
<td>Membership in national and/or international industry associations</td>
<td>Pp. 10-11; 64-67</td>
</tr>
</tbody>
</table>

**STRATEGY**

- GRI 102-14 Statement from senior decision-maker about the relevance of sustainability to the organization and its strategy for addressing sustainability | P. 3 |
- GRI 102-15 Key impacts, risks and opportunities | Pp. 24-26 |

**ETHICS AND INTEGRITY**

- GRI 102-16 Values, principles, standards, and norms of behavior | P. 8; 24-26 |
- GRI 102-17 Mechanisms for advice and concerns about ethics | Pp. 24-26 |

**GOVERNANCE**

- GRI 102-18 Governance structure | Pp. 24-26 |

*All the General Disclosures, the management approaches and topic-specific Standards provided in the GRI Content Index are those published by the GRI in 2016.*
**GRI 103-4** List of stakeholder groups

**GRI 103-41** Process for defining the Sustainability Report

**GRI 103-42** List of material topics

**GRI 103-48** Restatements of information given in the previous Sustainability Report

**GRI 103-49** Significant changes in the list of material topics and topic boundary

**GRI 103-50** Reporting period of the Sustainability Report

**GRI 103-51** Data of most recent report

**GRI 103-52** Reporting cycle

**GRI 103-53** Contact point for questions regarding the report

**GRI 103-54** Claims of reporting in accordance with the GRI Standards

**GRI 103-55** GRI content index

**GRI 103-56** External assurance

In 2019, the Salvatore Ferragamo Group received approximately 26,000 Euro in government grants for training purposes, compared to 50,000 in 2018. For both years, the grants relate only to Salvatore Ferragamo S.p.A.

Considering the nature of its business, the Salvatore Ferragamo Group has not identified other significant emissions of ozone-depleting substances in 2019 and 2018.

**GRI 103-5** Evaluation of the management approach

**GRI 103-6** Energy consumption within the organization

**GRI 103-7** Water withdrawal

**GRI 103-8** Energy indirect (Scope 2) GHG emissions

**GRI 103-9** Energy indirect (Scope 2) GHG emissions

**GRI 103-10** Emissions of ozone-depleting substances (ODS)
**SOCIAL INDICATORS**

**Material Aspect: Employment**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 48-59
- **GRI 401-1** New employee hires and employee turnover by age group, gender and region
  - Page 49-52, 100
- **GRI 401-2** Benefits provided to full-time employees that are not provided to temporary or part-time employees
  - Page 58
  - Benefits for the Group: full-time employees vary according to local regulations and practices.

**Material Aspect: Occupational Health and Safety**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 24-26, 58
- **GRI 103-3** Evaluation of the management approach
  - Page 24-26, 58
- **GRI 403-2** Type of injury and rate of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities by region and gender of employees
  - Page 101-102
  - In 2019 and 2018 no fatal injuries were recorded.

**Material Aspect: Training and Education**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 42-43, 52-56
- **GRI 103-3** Evaluation of the management approach
  - Page 42-43, 52-56

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**CODE** | **INDICATOR** | **PAGES/NOTES** |
--- | --- | --- |
GRI 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Considering the nature of its business, the Salvatore Ferragamo Group has not identified significant emissions of NOx, SOx, or other gases in 2019 and 2018. |

**Effluents and Waste**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 82-83
- **GRI 103-3** Evaluation of the management approach
  - Page 82-83
- **GRI 306-2** Waste by type and disposal method
  - Page 84-85

**Material Aspect: Environmental Compliance**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 24-26, 82-83
- **GRI 103-3** Evaluation of the management approach
  - Page 24-26, 82-83

**Material Aspect: Diversity and Equal Opportunity**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 24-26, 50-51
- **GRI 103-3** Evaluation of the management approach
  - Page 24-26, 50-51

**Material Aspect: Child Labor**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 24-26, 38, 96-97
- **GRI 103-3** Evaluation of the management approach
  - Page 24-26, 38, 96-97

**Material Aspect: Forced or Compulsory Labor**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 24-26, 38, 96-97
- **GRI 103-3** Evaluation of the management approach
  - Page 24-26, 38, 96-97

**Material Aspect: Local Communities**
- **GRI 103-1** Explanation of the material topic and its Boundary
  - Page 14-15, 102
- **GRI 103-2** The management approach and its components
  - Page 62-77
- **GRI 413-2** Operations with significant actual and potential negative impacts on local communities
  - Page 62-67

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**CODE** | **INDICATOR** | **PAGES/NOTES** |
--- | --- | --- |
GRI 404-3 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | Pp. 56; 99

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*Confidentiality obligation in relation to 406-1: data cannot be disseminated outside the Group.

**Information not available for 408-1 and 409-1. The information will be available as from subsequent reporting periods, when the company launches an audit plan to verify the compliance of its suppliers to the principles of the Supplier Code of Conduct, which include forced and child labor.*
Explanation of the material topic and its Boundary
The management approach and its components
Evaluation of the management approach

Material Topic: Animal Welfare

GRI 103-1: Explanation of the material topic and its Boundary
GRI 103-2: The management approach and its components
GRI 103-3: Evaluation of the management approach

During 2019 and 2018 there were no incidents of non-compliance with regulations on health and safety of products and services during their life cycle.

Material Topic: Customer Privacy

GRI 103-1: Explanation of the material topic and its Boundary
GRI 103-2: The management approach and its components
GRI 103-3: Evaluation of the management approach

During 2019 the Group recorded two cases of data leaks both categorized according to a low risk profile, only one of these has interested customer data.

Material Topic: Circular Economy and Responsible Innovation

GRI 103-1: Explanation of the material topic and its Boundary
GRI 103-2: The management approach and its components
GRI 103-3: Evaluation of the management approach

Material Topic: Brand Image and Reputation

GRI 103-1: Explanation of the material topic and its Boundary
GRI 103-2: The management approach and its components
GRI 103-3: Evaluation of the management approach

Material Topic: Omnichannel Experience and Customer Satisfaction

GRI 103-1: Explanation of the material topic and its Boundary
GRI 103-2: The management approach and its components
GRI 103-3: Evaluation of the management approach

Material Topic: Sustainable Packaging

GRI 103-1: Explanation of the material topic and its Boundary
GRI 103-2: The management approach and its components
GRI 103-3: Evaluation of the management approach

CORRESPONDENCE BETWEEN THE PRINCIPLES OF THE UN GLOBAL COMPACT AND THE GRI STANDARD INDICATORS

For the Salvatore Ferragamo Group the Sustainability Report is also a Communication On Progress (COP), in other words the annual document which offers stakeholders information on the progress made in applying the Ten Principles of the UN Global Compact in carrying out its activities. Given this, the table below provides a precise correspondence between the GRI Standards and the Principles.

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>PRINCIPLES OF THE UN GLOBAL COMPACT</th>
<th>GRI STANDARD INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUMAN RIGHTS</td>
<td>PRINCIPLE 1</td>
<td>Businesses should support and respect the protection of internationally proclaimed human rights</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 2</td>
<td>Make sure that they are not complicit in human rights abuses</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 3</td>
<td>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 4</td>
<td>The elimination of all forms of forced and compulsory labor</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 5</td>
<td>The effective abolition of child labor</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 6</td>
<td>The elimination of discrimination in respect of employment and occupation</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 7</td>
<td>Businesses should support a precautionary approach to environmental challenges</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 8</td>
<td>Undertake initiatives to promote greater environmental responsibility</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 9</td>
<td>Encourage the development and diffusion of environmentally friendly technologies</td>
</tr>
<tr>
<td></td>
<td>PRINCIPLE 10</td>
<td>Businesses should work against corruption in all its forms, including extortion and bribery</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREES No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20237/2018

To the Board of Directors of Salvatore Ferragamo S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decrees No. 254 of December 30, 2016 (hereinafter “Decree”) and to article 5 of the CONSOB Regulation n. 20237/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Salvatore Ferragamo S.p.A. and its subsidiaries (hereinafter “Salvatore Ferragamo Group” or “Group”) as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 10, 2020 (hereinafter “NFS”).

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

The Directors are responsible for the preparation of the NFS in accordance with articles 2 and 4 of the Decree and the “Global Reporting Initiative Sustainability Reporting Standards” established in 2010 by GRI – Global Reporting Initiative (hereinafter “GRI Standards”), which they have identified as reporting frameworks.

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 the NFS that is free from material misstatement, whether due to fraud or error.

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

Finally, the Directors are responsible for defining the business management model and the organization of the Group’s activities as well as, with reference to the entity in connection with the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

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

Auditor’s independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our auditing firm applies International Standard on Quality Control 1 (ISQC 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 conclusions 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 the NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

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

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;
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 Salvatore Ferragamo S.p.A. and with the employees of the main legal entities of the Group and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transversal of non-financial data and information in the department responsible for the preparation of the NFS.
In addition, for material information, taking into consideration the Group’s activities and characteristics:

- at the parent company’s and subsidiaries’ level
  a) with regards to qualitative information included in the NFRs, and specifically with reference to the business management model, policies applied and 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 subsidiaries, Salvatore Ferragamo S.p.A. and Ferragamo Hong Kong 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, 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 NFRs of the Salvatore Ferragamo Group, as of December 31, 2019, is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.


Signed by
 Franco Amelio
 Partner

Milan, Italy
March 26, 2020

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