

# SUSTAINABILITY REPORT

# 2022



sergio rossi

# CONTENTS

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<b>A message from our CEO</b>	<b>5</b>
<hr/>	
<b>00 Sergio Rossi in figures</b>	<b>6</b>
Highlights 2022	
<hr/>	
<b>01 sr Attitude</b>	<b>9</b>
1.1 Sergio Rossi at a glance	10
1.2 Resilient communication to meet the onlife customer	22
1.3 Our commitment to sustainability	46
<hr/>	
<b>02 HUMAN CAPITAL: Preserving the value of our people</b>	<b>51</b>
2.1 Promoting a safe workplace	53
2.2 Investing in the artisans of tomorrow	62
<hr/>	
<b>03 LOCAL COMMUNITIES: Fostering local districts</b>	<b>69</b>
3.1 Artisanal maestria in San Mauro Pascoli	71
3.2 Cultural and philanthropic activities	81
<hr/>	
<b>04 ENERGY: Reducing the footprint of our shoes</b>	<b>89</b>
4.1 The responsible use of energy resources for emissions reduction	91
<hr/>	
<b>05 Methodological note</b>	<b>103</b>
GRI Content Index	109



**PAUL KOTRBA**  
Chief Executive Officer

## A MESSAGE FROM OUR CEO

This report represents the seventh edition of the Sergio Rossi Sustainability Report, and as the new Chief Executive Officer, I am proud to note the distinctiveness of our Brand and the vitality to our principles and values, which we have been able to hold firmly in the last few years, even though we had to deal with unexpected circumstances such as the Covid-19 pandemic, widespread unstable macroeconomic trends, rising energy and material prices and challenging times in the fashion sector.

Starting From 2021, we became part of the Lanvin Group (formerly Fosun Fashion Group), which was listed on the New York Stock Exchange at the end of 2022 to foster further growth in the luxury market. This new and exciting international partnership enhanced the Sergio Rossi brand's global reputation and opened us up to new and exciting opportunities. The Main goal will be to further expand our presence in Asia, strengthening to a greater extent the brand's leadership position in Japan and continuing to support the brand's rapid growth in China, as well as implementing global wholesale and retail expansion strategies.

Sergio Rossi focuses not only on creating original and unique high-fashion footwear for its customers but also on a long-term commitment towards sustainability, derived from the three strategic pillars of our Sustainability Plan. These includes caring for the environment in which we live (Energy), the people involved in our activities (Human Capital) and the footwear district that surround us (Local Communities).

We are proud to announce that, starting in 2020, all Italian plants, offices and stores use 100% of electricity purchased from renewable sources. In addition, we managed to avoid more than 1,260 tons of CO<sub>2</sub>, thanks to our in-house photovoltaic system - which covers 24% of the needs of our San Mauro Pascoli plant - and through the purchase of certified electricity.

All our women and men are the core of our company's success. We believe in our people, valuing their technical skills and knowledge and promoting them. Proudly, as of 2022, 61% of our technicians and artisans have been with us for more than 10 years.

This achievement allows for a synergic combination of skills: on the one hand, our heritage and know-how gained by our most experienced employees and, on the other hand, the ideas of the generation of new craftsmen, emphasizing the way we care for our people and the future of the company.

Our attention is also focused on the local communities. Since our inception, our beloved founder Mr. Sergio Rossi has always understood the importance of our roots and the artistic craftsmanship of the Italian style. The passion for our daily work encourages us to celebrate the "Artisanal Maestria" that distinguishes our creations: as a result, we periodically collect historical models, documents and drawings from all over the world to extend our Living Heritage Archive, to promote, perpetuate and disseminate our roots. Furthermore, we contribute to the prosperity and the development of our surrounding areas preferring Italian suppliers (95%), 27% of them are located in Emilia Romagna.

In addition to focusing on the annual reporting of our environmental, social and economic performances through the publication of the Sustainability Report, as of 2017, we joined the UNGC (Global Compact), the world's largest corporate sustainability initiative, thus confirming our commitment and effort to protect the environment and encourage respect for human rights and people.

We believe sustainability is one of the most important ingredients of our growth strategy and that it represents one of the key elements to guarantee that our vision is in line with global trends now and in the future.

As we look to the future of Sergio Rossi, we trust that through boldness and innovation we will continue to capture the imagination of our customers. It is therefore with enthusiasm that I leave you to read this Report: I hope it will provide you with precious insights about our actual performance and willingness to constantly improve, as well as convey an intimate glance into our unique soul. [2-22]

# 00 - SERGIO ROSSI IN FIGURES

## Highlights 2022



### ENERGY

100%

OF PURCHASED ELECTRICITY CERTIFIED AS PRODUCED FROM RENEWABLE SOURCES FOR OUR ITALIAN FACTORY, OFFICES AND STORES

OVER

1,260

TONS OF CO<sub>2</sub> AVOIDED THANKS TO THE PURCHASE OF CERTIFIED ELECTRICITY AND OUR PHOTOVOLTAIC SYSTEM

24%

OF THE ENTIRE ELECTRICAL REQUIREMENT OF THE SAN MAURO PASCOLI PLANT SUPPLIED BY OUR PHOTOVOLTAIC SYSTEM

484,001

KWH OF ELECTRIC ENERGY PRODUCED BY OUR PHOTOVOLTAIC PANELS AND INTERNALLY CONSUMED, WHICH REVEALS AN INCREASE OF 14% COMPARED TO 2020



### HUMAN CAPITAL

285

EMPLOYEES IN EMEA REGION AS OF 31 DECEMBER 2022

63%

OF OUR EMPLOYEES ARE WOMEN

37%

OF OUR EMPLOYEES ARE MEN

61%

OF OUR TECHNICIANS AND ARTISANS HAVE BEEN WITH US FOR MORE THAN 10 YEARS

96%

OF OUR EMPLOYEES HELD PERMANENT CONTRACTS



### LOCAL COMMUNITIES

95%

OF OUR PROCUREMENT COMES FROM ITALIAN SUPPLIERS

27%

OF OUR SUPPLIERS ARE LOCATED IN THE EMILIA-ROMAGNA REGION

OVER

1,000

PAIRS DAILY PRODUCTION CAPACITY

70

YEARS OF HISTORY OF THE BRAND



**sr ATTITUDE**

**/01**

## 1.1 SERGIO ROSSI AT A GLANCE

**Born in San Mauro Pascoli, Sergio Rossi S.p.A. is an Italian company active in the design, production, distribution and sale of leather shoes and leather accessories for women through its brand Sergio Rossi [2-1; 2-6]. Our brand has become an excellence in the luxury shoemaking sector and is synonymous with artisanship and iconic styles.**

Thanks to the experience gained in more than 70 years, the Company has built a distinctive character based on some fundamental elements of Sergio Rossi's style such as the use of high quality materials, the craftsmanship, the elegance of its products and its luxury allure. As a result, the Sergio Rossi brand has become a synonym of timeless quality and utmost sophistication. Over the decades, our shoes have accompanied countless female leaders and celebrities in their daily life, from the sidewalk to the red carpet, enabling them to remain effortlessly chic all day long.

Whilst showroom and managerial offices are based in Milan [2-1], the fulcrum and the beating heart of our production activity is in San Mauro Pascoli [2-1], where over 165 artisans and technicians have been hand-crafting Sergio Rossi shoes for the past decades. The plant is equipped to sketch, design, develop, industrialize and produce all types of women's luxury footwear, from flat styles to high heels, shortening time-to-market requests and guarantee an effective response to market.



GODIVA PUMP



sr1 SLINGBACK

**The Sergio Rossi factory is the heart and soul of the brand, a place where magic and reality come together to create handmade shoes for the women of today.**

**The plant, inaugurated in 2003, is equipped to sketch, design, develop, industrialise and produce all types of women's luxury footwear, from flat styles to high heels.**



**Our never-ending dream:  
the timeline**



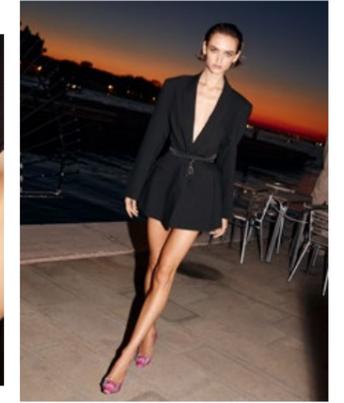
**1970s**



**1990s**



**2000 - 2015**



**2020 - 2022**

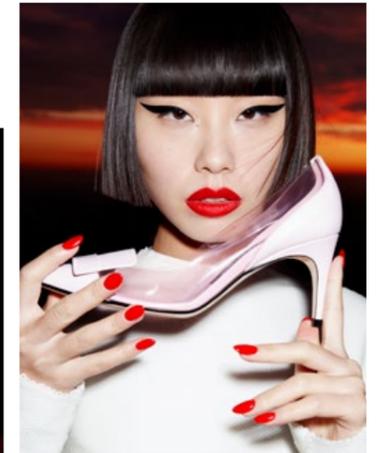
**1950s**



**1980s**



**2015 - 2020**



**1950s**

Immediately after the end of World War II, the young Sergio Rossi, native of San Mauro area, started learning how to make shoes from his father, an artisan shoemaker, whom he accompanied in his daily working activities. In the early 50s, Sergio Rossi took over the father's profession and created his own sandals, selling them in the Riviera. The Opanca sandal, which embodied Sergio's disruptive creativity, was such a success that, in 1966, Sergio opened his own company, together with his brother, who then became the Company's Production Director and maintained this role his entire life.

**1970s**

Sergio joined the Milanese fashion community and quickly became the benchmark for the most prominent fashion stylists, including Gianni Versace, with whom he started a collaboration by providing shoes for catwalk presentations. Sergio Rossi soon became a well-known brand in the fashion capital of Italy, and the public recognised it as a symbol of "Made in Italy" excellence.

**1980s**

The Company started its expansion age by opening its first single-brand boutique in Ancona, soon followed by Turin, Florence, Rome, Brussels, New York, Los Angeles and London. It was also a period of intense collaboration with some of the most iconic fashion houses at an international level, given that Sergio Rossi produced shoes for the collections of haute couture brands, such as Dolce & Gabbana and Azzedine Alaïa.

**1990s**

Sergio Rossi's philosophy and values became more defined: women are a symbol of femininity and forcefulness, given their progressive emancipation and change of status. The shoe, on the other hand, represented a continuation of the woman's body, a vital element of her character and heels and shapes became an emblem of taste. After three decades of continuous economic growth, in 1999, the Gucci Group acquired the Sergio Rossi brand.

**2000 - 2015**

In 2005, the Company was fully acquired by the Kering Group, the new owner of Gucci. Whilst the San Mauro Pascoli factory and the brand philosophy were completely refurbished, a series of well-known and very talented designers joined the company as its creative directors.

**2015 - 2020**

100% of Sergio Rossi was indirectly acquired by a fund managed by Investindustrial. The acquisition began an innovative relaunch phase for the brand which maintained its traditional codes whilst focusing on modern innovation. In 2016, Sergio Rossi S.p.A. completed its merger with Sergio Rossi Manufacturing S.r.l., involved in all the shoe production activities, while the Company began a comprehensive transformation of its brand and image.

**2021 - 2022**

In 2021, one of the most important Chinese investors in high-end European fashion, Fosun, purchased 100% of Sergio Rossi, thereby increasing worldwide distribution of the Italian shoemaking company. In October 2021 Fosun rebranded itself to Lanvin Group, positioning itself to exploit the resilient demand for luxury goods globally. In 2022 Lanvin Group concluded the listing on New York Stock Exchange in order to enhance further growth in the luxury market. Moreover, in May 12th 2023 we welcomed our new CEO, Paul Kotrba.

## Ownership structure and economic value generated

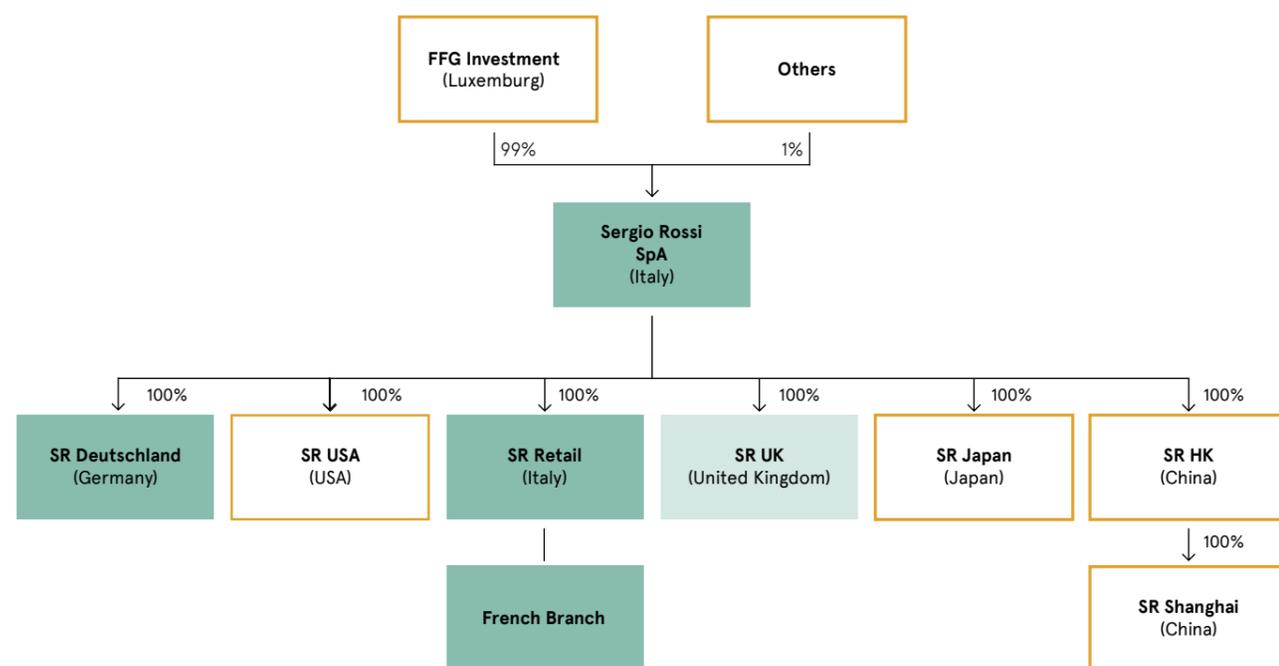
In 2021, Sergio Rossi S.p.A. (“Company” and together with its subsidiaries “Sergio Rossi Group”) was acquired by Lanvin Group – formerly known as Fosun Fashion Group – a multinational conglomerate operating in the high-end European fashion industry [2-1]. Thanks to the acquisition, Lanvin Group enriched a portfolio of historical brands across the whole range of fashion luxury sectors, and Sergio Rossi benefited from strategic synergies with other brands in the group. During 2022, Lanvin Group partnered with Primavera Capital, a global investment firm with extensive networks and insights in the consumer sector. As a result, after the completion of all needed due diligence activities, on 15th December 2022, Lanvin Group became a public company listed on the New York Stock Exchange. The aim of the new structure is to keep protecting and enforcing the rich heritage of each of the Lanvin Group’s brands, and to provide the support which is required for

them to grow in the relevant markets.

The Company is the sole shareholders of SR JAPAN, SR HK, SR USA, SR UK and SR DEUTSCHLAND as well as SR RETAIL (which owns and manages the business of the directly operated stores in Italy and France) [2-1]; SR HK, in turn, is the sole shareholder of the Chinese subsidiary, SR SHANGHAI.

In consideration of the scope of the Sustainability Report, all data reported refer to our operations in EMEA region, as highlighted in the chart below [2-6] except for SR UK, whose information included in this Report only covers historical data (pertaining 2020 and 2021 only), as stores were closed in March 2021. For the sake of completeness and with scope to provide a full picture on Sergio Rossi Group world, we are working to include data and information pertaining the remaining areas (i.e., APAC region, China, Japan and Hong Kong) in the scope of the Report.

SERGIO ROSSI GROUP STRUCTURE



- Legal Entities inserted in the Reporting Scope
- UK datas are not inserted in the Reporting Scope 2022

Lanvin Group, previously named as Fosun Fashion Group, is a multinational luxury fashion Group based in China. In 2021, Lanvin Group adopted the historical name to demonstrate its commitment towards managing iconic fashion brands worldwide. The luxury brand portfolio currently includes Lanvin, Wolford, Caruso, St. John Knits and Sergio Rossi. With over 390 years of combined history, these five brands have far-reaching global presence.

In 2022, we almost entirely returned to the path to normal pre-Covid-19 operations. Our stores, with the exception of China and Japan (opened without interruption during the year), led us to achieve a total direct economic value of EUR 57.3 million, representing ca. a 9% increase over 2021 revenues. Nevertheless, the main operating costs continued to growth (ca. 13% over 2021), even if with less intensity compared to the previous year. As a result, the economic value distributed is EUR 63.2 million (10% over the previous year), of which 23% was allocated to staff costs through wages, benefits, and social

charges, whilst almost all of the remaining 76% is attributed to operating expenses, mainly due to the increase of energy price and raw materials, as well as the cost of other services provided for the sales performance improvement. Considering the difficulties encountered in keeping costs low, 2022 ended with a liability of EUR 5.9 million, however recording a 19% decrease from the previous year. We reaffirm that long-term financial sustainability is one of our top priorities to keep creating value for all our stakeholders [201-1].

### OUR ECONOMIC PERFORMANCE

	M. U.	2020 (Italy and Global Retail Network - ITA, FR, DE e UK)	2021 (Italy and Global Retail Network - ITA, FR, DE e UK)	2022 (Italy and Global Retail Network - ITA, FR, DE e UK)
<b>Direct economic value generated: revenues</b>	€	<b>36,458,383</b>	<b>52,429,281</b>	<b>57,252,490</b>
<b>Economic value distributed</b>	€	<b>42,376,418</b>	<b>57,438,000</b>	<b>63,190,188</b>
- Operating costs	€	28,110,156	42,451,143	48,096,363
- Employee wages and benefits	€	13,844,341	14,350,199	14,525,165
- Payments to Providers of capital	€	134,200	308,373	355,157
- Payments to government	€	165,895	324,145	169,807
- Community investments	€	121,826	4,139	43,696
<b>Economic value retained</b>	€	<b>-5,918,035</b>	<b>-5,008,718</b>	<b>-5,937,698</b>

\*FINANCIAL DATA INCLUDE ECONOMIC DATA OF SERGIO ROSSI S.P.A. AND OF THE FOLLOWING LEGAL ENTITIES: SERGIO ROSSI RETAIL S.R.L., SERGIO ROSSI UK LTD, SERGIO ROSSI DEUTSCHLAND GMBH, THAT COVER MORE THAN 50% OF THE GROUP IN TERMS OF NET GLOBAL REVENUES. THE SCOPE OF THE 2022 SUSTAINABILITY REPORT CONSIDERS INSTEAD JUST SELECTED MONOBRAND AND OUTLET STORES FROM THE COMPANY’S EMEA RETAIL NETWORK, SEE THE METHODOLOGICAL NOTE AT PAG. 103 FOR FURTHER DETAILS. FOR HISTORICAL DATA PLEASE REFER TO 2021 SUSTAINABILITY REPORT. IN ORDER TO IMPROVE DATA COMPARABILITY, 2020 REVENUES HAVE BEEN RESTATED BY EXCLUDING 6M€ EXTRAORDINARY REVENUES DERIVING FROM THE SALES OF AN ITALIAN STORE. CONSISTENT WITH THE EXPANSION OF THE SCOPE OF THE SUSTAINABILITY REPORT TO THE APAC REGION, STARTING WITH THE REPORTING YEAR 2023, ECONOMIC DATA WILL BE PROVIDED AT GROUP LEVEL.

## Corporate governance and values

Our governance structure relies on the Board of Directors of the Company and on the Board of Statutory Auditors. The former has complete authority over the ordinary and extraordinary management of the Company, while the latter is made up of 3 effective members and two substitute members [2-9]. Additionally, an independent auditing firm has been appointed [2-5].

Currently, the Company's Board of Directors is composed by 4 members and Ms Yun Cheng is our chairman. Since 2021, the Board represents the shareholder and, in 2022, 3 out of 4 members belong to Lanvin Group with scope to best share and discuss Lanvin Group's guidelines and incorporating them into the Company strategy. Before members of the Board of Directors are appointed, the Board conducts a verification process upon the absence of any conditions of conflict of interest that might compromise the Board's activities. On the other hand, our CEO, is responsible for taking all decisions regarding economic, social, and environmental factors, and sets the Company's strategic goals in consultation with senior management [2-12]. The Company's senior management responsibilities include (i) the risk management actions regarding business operations, (ii) the supply chain, and (iii) the periodic evaluation of their efficacy. Compliance with local, national, and international environmental and social laws and regulations is verified by the Operations Function and the Human Resources Department together with the CEO. Thanks to our efficient internal control system, we are proud to declare that we did not commit any legal violations during the reporting period, nor did we receive any sanctions or fines regarding laws and regulations [2-27].

Since 2018, the Company has adopted an organisation, management and control model (the "Model") in accordance with the principles outlined in Italian Legislative Decree no. 231, 2001 (the "Decree"). The objective of the Model is to identify those predicted offences which might be related to its business and set out the most suitable procedures addressed to avoid the occurrence of such crimes, with scope to limit or avoid the liability envisaged for said offences. To comply with the constant implementation issued by the government from time to time the Model is frequently updated. In 2021 we conducted a gap analysis within the framework of the Organisational Model and no substantial risks associated with any of the potential violations indicated by the Model itself arose. In addition, the Decree requires the establishing of a Supervisory Board,

responsible for monitoring the Model's implementation and compliance, as well as managing a whistleblowing channel, which provides a secure mechanism for all our stakeholders to report violations of laws and internal policies. In case there is a need to report an episode to the Supervisory Board, an e-mail address is available. We strive to constantly monitor and evaluate the Model's application and, thanks to this, no violations have been documented in 2022 [2-16; 2-26]. In order to comply with the continuous updates of the applicable legal framework and in particular following the introduction of new prerequisite offenses at the end of 2021, Sergio Rossi S.p.A. and Sergio Rossi Retail s.r.l., updated the Model in April 2022. Furthermore, the Code of Conduct provides that any alleged violation of its principles shall be reported to the Human Resources Department, which notifies the verified cases to the Supervisory Board [2-16; 2-26].

With the aim to protect our brand as well as customer safety, we carried on brand protection initiatives also in 2022. We constantly take care of countering unlawful actions and behaviour as well as guaranteeing assistance of customers in making the best online experience in a proper, secure and verified environment. Further to the above, the Company constantly carries out surveillance and controlling activities regarding the protection of intellectual property opposing to those attempts of registering trademarks and signs which might limit our expansion on new markets.

With the purpose of ensuring Sergio Rossi's name, heritage and brand from fraudulent actions and theft of our online identity, we implement actions and initiatives by performing weekly security checks. In case a site was found fraudulent or illegal advertising under Sergio Rossi's brand and selling products unrelated to the Company, we notify the respective authorities to block and close it. In 2022 we started the new NAVEE project which makes use of AI to detect false products sold online. In addition, it monitors and identifies false website, communication compliance issues in order to combat counterfeiting both in terms of brands and product sales.

In 2022 we successfully registered 11 new designs, following our brand protection strategy. Furthermore, in 2022, Sergio Rossi was not issued with any fine, penalty or administrative sanction; the Company has been operating in full compliance with all applicable laws.

THE COMPOSITION OF THE BOARD OF DIRECTORS WAS UPDATED ON 14TH APRIL 2023. UNTIL THIS DATE, MR RICCARDO SCIUTTO HAS BEEN THE MANAGING DIRECTOR OF THE COMPANY.

### BOARD OF DIRECTORS

Name and Surname	Role
Ms Yun Cheng	Chairman
Mr Paul Kotrba	Manging Director
Mr Chan Kat Yu David	Board Member
Mr Gong Cheng	Board Member

# THE VALUES OF THE SERGIO ROSSI GROUP

The Group is committed to the highest ethical standards:

## INTEGRITY

At the heart of the Lanvin Group's Code of Conduct. We act with Integrity when doing business and in our working environment. Ethical conduct, accountability and moral responsibility are necessary tools for maintaining consistency between one's actions and the Company's principles, in order to put the Company's interest first and to contribute to the well-being of the working environment.

## RESPECT

Interacting with people by using a fair, professional, and polite approach due in any respectful interaction between individuals.

## RESPONSIBILITY

Being accountable when doing business, to perform satisfactorily and fulfilling obligations in accordance with the Company's values.

## LOYALTY

Supporting the Company's needs and committing to serve Company's interests first.

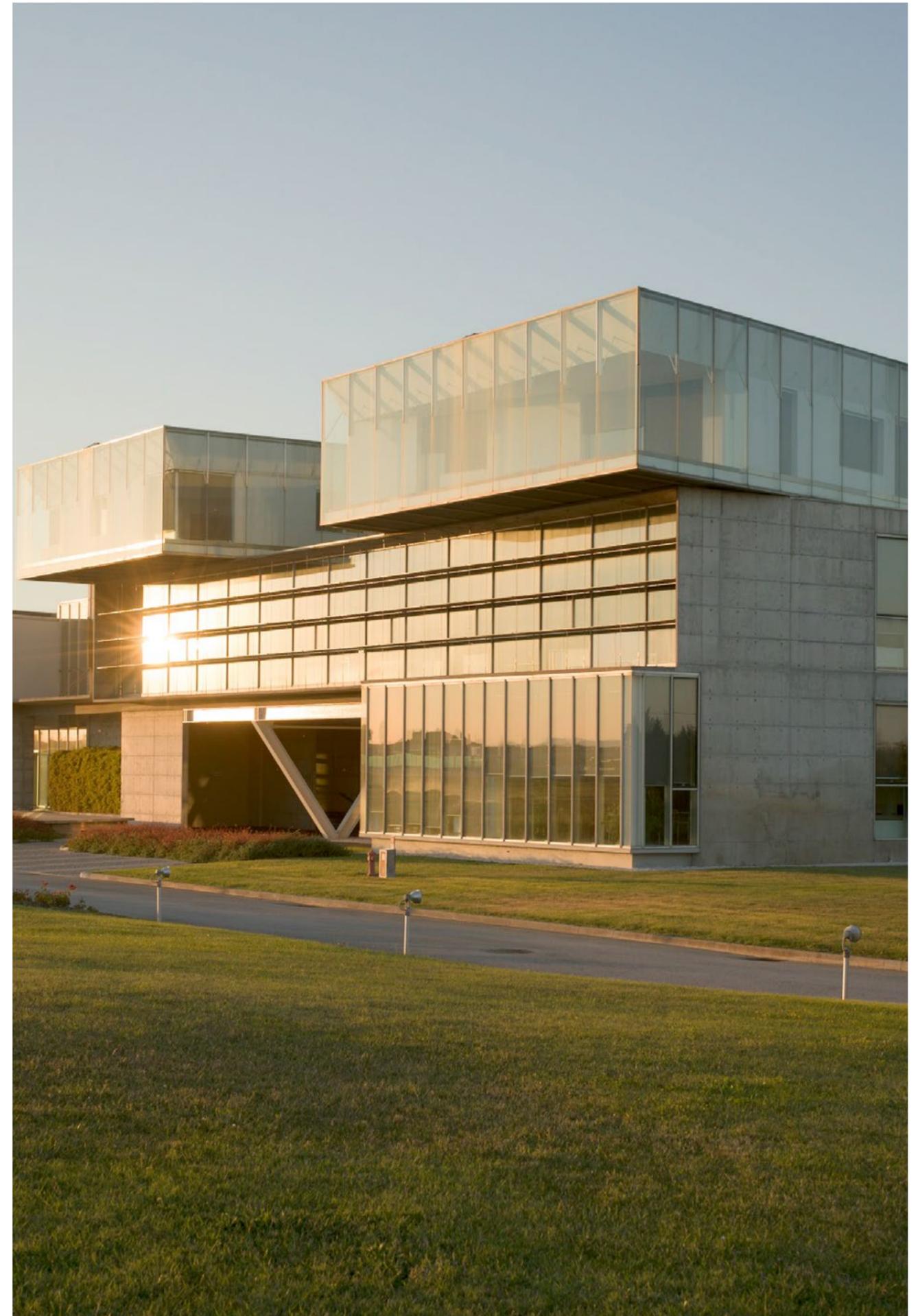
# OUR CODE OF BUSINESS CONDUCT



Since 2017, we have relied on a Code of Business Conduct in terms of internal policies. The Code expresses the principles and values that inspire Company's operations and the rules of conduct to be respected with the aim of preventing and combating offences. All Sergio Rossi Group workers must adhere, notwithstanding of local legal regulations. Specifically, the Code is addressed not only to Company employees but also to all those who collaborate or act with and on behalf of the Group, in Italy or abroad. The Code of Conduct identifies all the employees' responsibilities to the Company, their co-workers and their suppliers and customers [2-23]. The content of the Code outlines our commitment to the Group's global business practices and guide our workers on how to conduct themselves as representatives of the Company, ensuring that their internal and external actions and decisions are consistent with our corporate values, and so safeguard our brand. Actually, the Human Resources Department is required to adopt the same principles in selecting new employees and is responsible for ensuring that all business employees respect the Code's content [2-23]. The internal auditing and control activities are overseen by the Board of Statutory Auditors, the entity which also collect internal data for the financial reporting documents [2-24].



The Sustainability Policy adopted in 2018 defines what sustainability means for the Group and its major objectives and commitments to the environment and future generations. We outlined three strategic pillars - Energy, Human Capital, and Local Communities - which day by day guide Sergio Rossi's operations, as underlined by the Policy. Please see §cap.1.3 For further details of above pillars.



## 1.2 RESILIENT COMMUNICATION TO MEET THE ONLIFE CUSTOMER

**Due to our prompt decision-making processes and adherence to our founding philosophy of keeping the client at the centre of our policies, our Company has consistently provided strategic changes throughout the last few years. Flexibility, agility, operational resilience, addressing challenges in physical retail and implementing a genuinely omnichannel view on store operations have been key elements.**

In recent years, events such as Covid-19 have indelibly changed people's shopping habits. Also, the conflict Russo Ukrainian significantly disrupted the global economy. Furthermore, consumers become savvier and more selective in their spending. This is due several factors, including the rise of online shopping and the growth of social media.

Dealing with that complexity, Sergio Rossi demonstrated resilience and the ability of renew itself. We had to rewire our operating models to enable faster decision-making and flexibility, balancing speed and control in the pursuit of innovation. During 2022 we have further developed and consolidated the opportunity born during previous years and faced new challenges regarding capital markets, supply chain management, production and operations.

Our omnichannel system has been strongly reinforced across multiple touchpoints (sergiorossi.com, e-commerce, directly operated stores and wholesalers multi-brand stores). We pursued an ongoing online dialogue talking to an eclectic and modern woman who is confident, audacious, dynamic, yet

elegant and sophisticated, in an effort to help her navigate a changing world with optimism and originality. Shopping habits and lifestyles of new consumers acquire increasing meanings thanks to the deployment of information and communication technologies. Through our available communication channels, customers have the opportunity to discover Sergio Rossi's DNA, a perfect combination of innovation and tradition.

Cutting-edge technology enabled us to be close to our customers across the world with a constant communication and with a real time delivery of products, through our recently launched projects such as our new warehouse and logistics organisation (for more details, please see §3.1).

We effectively rose to the challenges thanks to our wealth of experience in industry operations, plan-ahead strategies and tactic adjustments, respecting our history and values. In order to operate in an unstable environment, Sergio Rossi made an effort to secure high-quality and reliable production capacity as well as the long-overdue transition to a demand-focused model.



## Meeting the new shopping habits

For a numbers of years now, consumers habits have been increasingly linked to digital experiences and social media. This has sped up a process of digital transformation of retail stores. In 2022 a new pop-up store, designed by Cristina Celestino Studio, has been presented in Via Matteotti (Milan): conceived as an implemented platform through which customers can easily consult its favourite products, the new temporary store mixes both physical and digital dimensions. SR POP-UP is an important choice that represents not only a tribute to the city of Milan and its women, but also underlines the expansion plan of the Brand under Lanvin Group developing strategy.

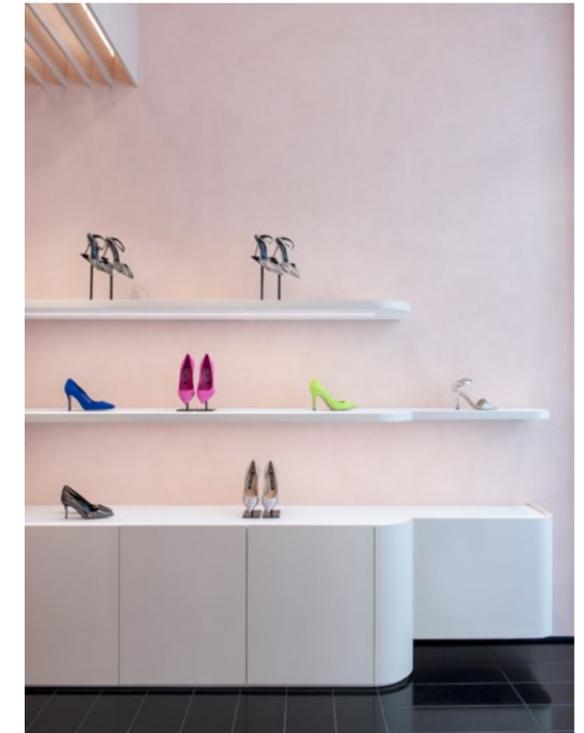
CelestinoStudio conceived also a new flagship store, inaugurated During Salone del Mobile, in the heart of the Milanese Fashion District, Via della Spiga 26. The project – developed on more than 150 square meters divided into two floors - reveals the renewed concept, in which architecture and art meet fashion, able to offer a new shopping experience that perfectly matches the sensual and innovative identity of the brand. The new flagship store is an expression of the brand's values: while it will enhance the femininity and elegance of Sergio Rossi, it will also expand his vision and soul more immersive and innovative.

We opened another pop-up store in Galeries Lafayette (Paris): it sent a strong message fresh and colourful push from Sergio Rossi and generated a lot of pictures taking, many people stopping by, impressed with the design and colours.

In 2022, we opened new stores in China, specifically in Shanghai, Chengdu and Hong Kong. Unfortunately, due to the restrictions caused by the pandemic in both China and Japan stores, safety measures to clients and employees were still in place and some stores were closed for some periods of the year.

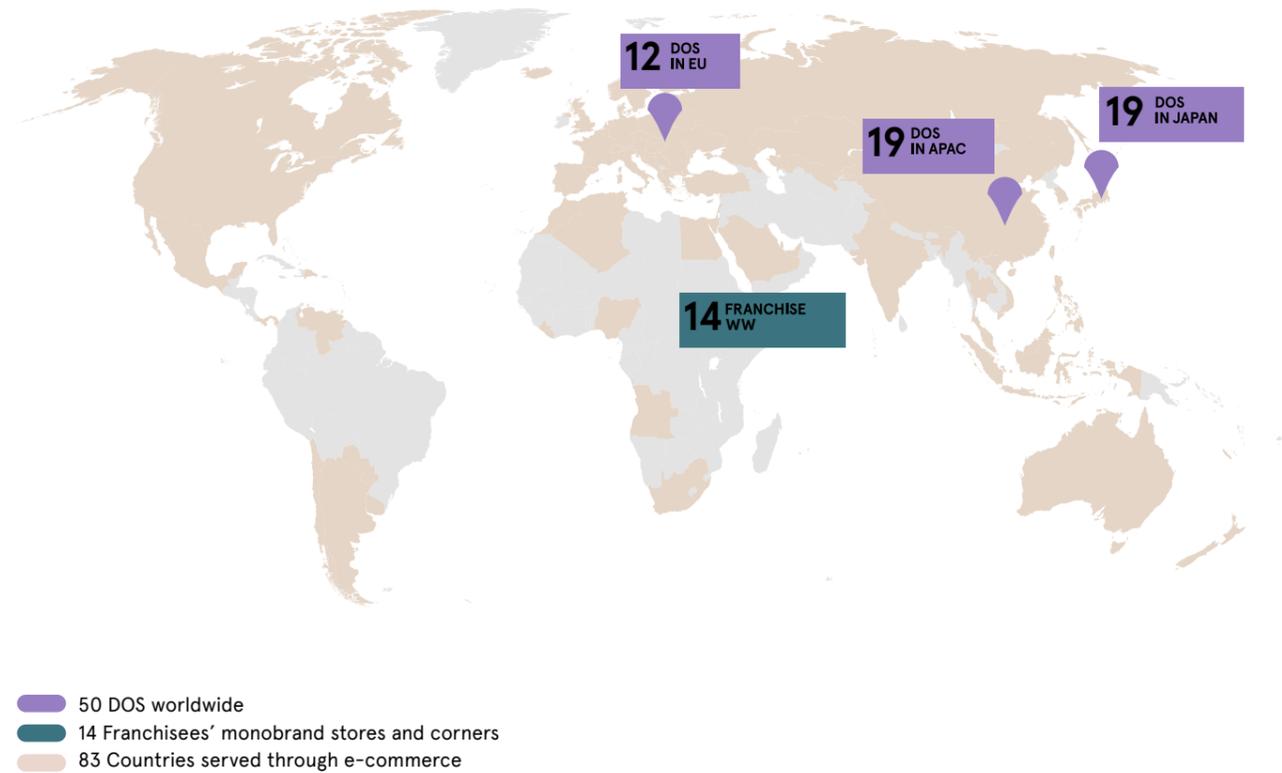
We also launched the new Sergio Rossi US e-commerce, hosted by Shopify, that allows to sell globally through an independent and totally customizable store. An innovative and user-friendly design with an appealing layout gives the customer an immersive and unforgettable shopping experience.

Thanks to the general slowdown of the Covid-19 emergency and related restrictions, in 2022 we have been able to organize debut of our collections in presence again. Indeed, in conjunction with the Milano Fashion Week, we organized an event at the Sky House in Torre Breda to present our FW 22 Collection. A similar party took place in September 2022 to present the SS 23 Collection, directed by Evangelie Smyrniotaki.



## Distribution network

We ship our products to 83 countries worldwide. Particularly, we are present in 14 countries to directly distribute our products, including directly operated stores (DOS) and franchised stores. There are three main geographical markets: Europe and the Middle East (EMEA), Asia Pacific (APAC), and Japan. In 2022, the number of DOS decreased from 51 to 50 DOS scattered amongst these 3 regions, with the addition of 14 franchising stores in the EMEA and APAC regions. [2-6]



## Evangelie Smyrniotaki x Sergio Rossi

On 13th January 2022, as part of the development strategy, Sergio Rossi announces the appointment of Evangelie Smyrniotaki as artistic director, who implemented the brand's global development plan with a particular focus on the new image strategy worldwide.

In her new role Smyrniotaki, guided the Brand image identity, taking care of advertising campaigns, contents creation direction, styling and creativity. Her first capsule collection Evangelie Smyrniotaki x Sergio Rossi was presented in February 2022 Milan Fashion Week.

Evangelie's knowledge on luxury shoes aesthetic and new media apported a great value to the Brand. The communication has changed a lot in these years and Evangelie sums up the new figures that industry needs; today brands have to resonate with clients and on new communication tools – and it is worth to have a creative management able to be coherent with communities' necessities.



EVANGELIE SMYRNIOTAKI

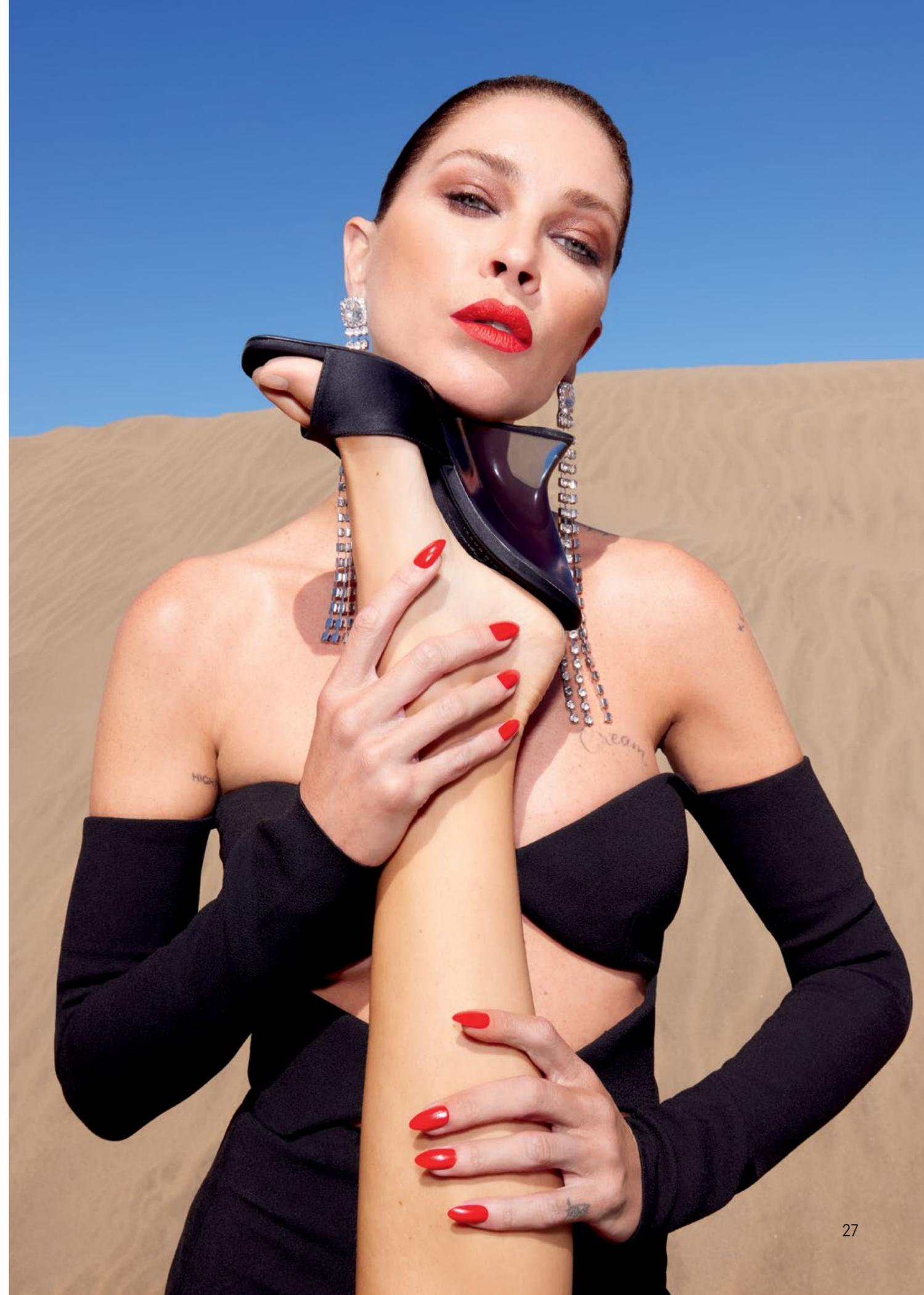
## An audacious and sophisticated 2022: our main collections

Evangelie Smyrniotaki worked on both SS 22 Collection and FW 2022/2023. By highlighting the distinctiveness of the aesthetics and the glam attitude of new colours and materials, Sergio Rossi strengthens the image of its most iconic styles. The SS 22 Campaign, representing the imagery worlds of the Brand, looks bright, modern, and extra feminine. It underlines the concreteness, the bold spirit and, at the same time, the sexiness of Sergio Rossi women attitude. Citizens of the world, models Paula Soares and Lin Lin are shot in a dynamic city life scenario, set in a cool and sophisticated apartment. The campaign, represents multifaceted aesthetic, expanding the wardrobe thought for a modern woman who wants to wear the perfect shoe with playful sensuality. The seasonal palette is a tribute to the summery season: ton sur ton pastel nuances inspired by natural elements like mimosa, quarzo and agave. For the FW 2022/2023 Collection, Sergio Rossi represents a woman effortlessly seductive, passionate and daring, sophisticated, dynamic and audacious, spontaneous,

independent and smart, able to embody an empowered femininity. Set in the desert, the campaign becomes a glamorous scenario for the new elegant, modern and hyper-feminine collection. Protagonist of the shooting is Erin Wasson, the magnetic and super cool American top model that perfectly embodies the sexiness of Sergio Rossi women attitude. The brand keeps narrating the subtle elegance of its woman and her sensual playfulness. Extra-strong platforms with chunky heel column, plexi wedges, extra-long tip slingbacks, mules with crystals details but also marabou feather sandals, "miroir" pump and over the knee boots with virgule heels are the protagonists of the line-up. Crystals, red lips and bold poses for an empowered woman able to show her ironic femininity, with the sophisticated and audacious contemporary allure. The FW 2022/2023 Collection and campaign were successful and were published on Vogue Italy, France, United Kingdom, United States, Japan, China and South Korea.



FW22 CAMPAIGN



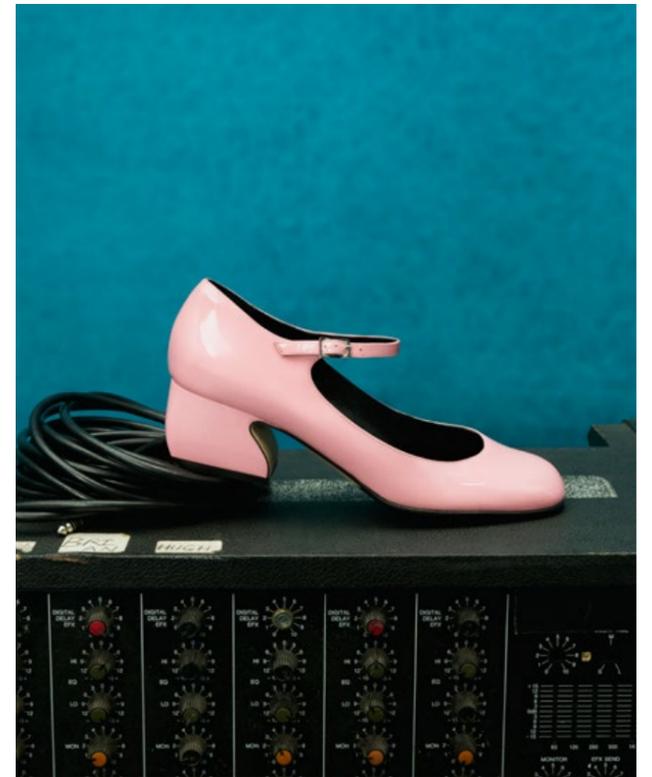
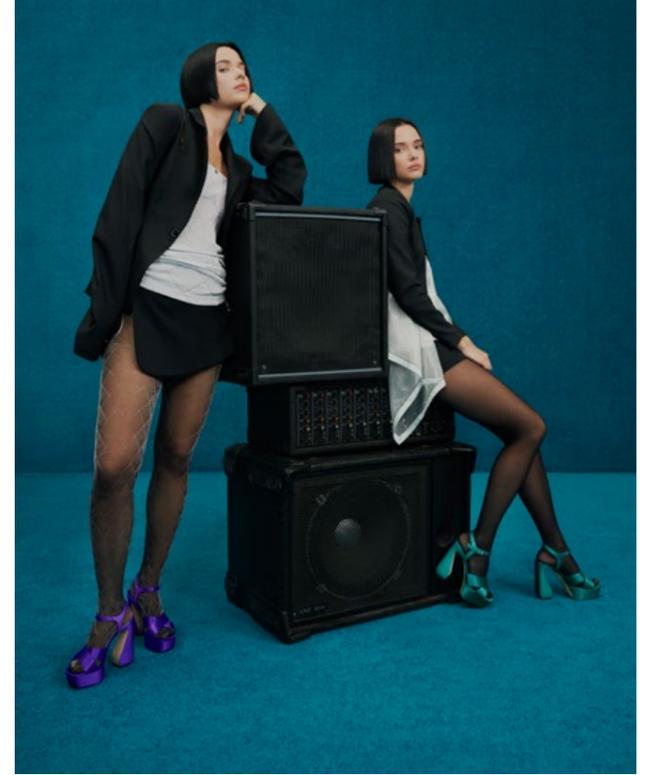
## SI ROSSI

Developed during the first lockdown, the exclusive SI Rossi by Sergio Rossi collection was officially presented in September 2021, during Milano Fashion Week. The SI Rossi sessions celebrates how new generations break conventions to cultivate their creative crafts. A format that merges the world of music and fashion and can be repeated with numerous artists and seasons. During 2022, the 4th SI Rossi campaign was conceived by DAZED Studio, to celebrate the collection with Bloom Twins, a Ukrainian musical duo who perfectly matches with SI Rossi vibes, inspired by the 90s grunge atmospheres of the London and Berlin clubs. This new collection has an ultra-glam attitude for a powerful and modern woman, who loves to play with style, embraces irony and lightness and isn't afraid to break the norms. We sponsored this campaign in two ways: the traditional digital campaign and through dedicated spaces in the Milano - Malpensa Airport and a tram in Milan decorated with the pictures of the advertising campaign.

SI Rossi collection honours our heritage and is a manifesto of the know-how and craftsmanship of the historic footwear brand: hyper high platforms and vivid colours are the collection's key characteristics, which are indicative of our experience with 70s eclectic style. Thus, a colour scheme of lacquer red, light denim and acid green evokes the nightlife atmosphere of the 1990's.

SI Rossi is the statement of a confident and contemporary femininity: the collection presents sandals, pumps, loafer and booties in the deepest and typical tones of the winter season in contrast with 2 colour accents: petrolio and iris. It represents a novel aspect in the long history of the brand which today takes a new step forward by optimistically anticipating the future. A vintage model from the archive served as the basis for the logo itself, which was updated with a fresh contemporary approach.





## Our MTO service: #yourownsergiorossi

In 2017 we presented #yourownsergiorossi, our first customisation service available on sr1 slipper, sr1 pump and sr1 sneaker, and it gives to our customers the opportunity to enjoy an exclusive and effective personalisation. The factory in San Mauro Pascoli is able to offer our clients the chance to customise their sr1 and to receive them within just 4-5 weeks.

Moreover, we globally set up a number of pop-up and specific displays from our DOS to our key wholesale partners in order to best communicate and allow the fullest target customer the chance of enjoying the service. Furthermore, we arranged solutions to best communicate our artisanal expertise and exceptional manufacturing opportunities to all our potential clients.

Over the years we received positive feedbacks across all channels, therefore we implemented a complete Made to Order (MTO) service also available in selected Sergio Rossi DOS worldwide. In 2022 we introduced three new models –

sr1 Addict, Godiva and SI ROSSI. Thanks to the collaboration with Platform, a company founded in 2015 with a mission to drastically reduce overproduction and waste in fashion, we are able to create MTO model through 3D printing. It is also possible to customize its own shoes in one of our boutiques: here customers can ask to customize any pair of shoes. At the same time, it became possible to offer a dedicated service for the most special day of our brides. We identified a specific selection of our bestseller models for matching with brides' looks. From pumps to flat sandals, from platforms to slippers, all were created using exclusive and dedicated materials and specifically designed colours. To make the marriage memory unique, we offer our bride a dedicated label, packaging, customised initials and date, plus a personalised message from our store managers accompanying the shoe. The most precious detail is the "something blue" expressed through a little blue diamond nestled on the outer sole.



## Sergio Rossi in China: a digital growth

Online shopping in China is surely the driving force of growth in the retail sector. In the post-pandemic era, virtual shopping has become part of the new normal, and the demand is still growing. Chinese consumers require authentic and trustworthy shopping destinations and marketplaces with verified brand stores that can give them a one-stop-shop experience. Tmall remains the largest online shopping platform in China.

To take advantage of China's fast-growing luxury e-commerce market, Sergio Rossi has invested significantly in e-commerce by relying on the leading player T-mall, which records about 124 million active users per day on its website. The optimization of the marketing strategy and mechanism in this marketplace allowed us to increase net sales by 98%. During the 2022 "Double 11", the biggest shopping online event, we achieved an increase of 62% on our sales target and a growth of 32% in net sales to 2021.



## Mari Katayama and High Heels Project

Mari Katayama is a Japanese multimedia artist known for sculpture and photography, focused on theme such as body image, identity and her experience as an amputee. Suffering from congenital tibial hemimelia, Katayama had both her legs voluntarily amputated at the age of nine and has continued to work as an artist while living with artificial legs ever since.

Since then, she has created numerous self-portraits, alongside embroidered objects and decorated prostheses, using her own body as a living sculpture. Her belief is that tracing her own self connects her with other people, and that just like a patchwork is made by stitching together edges with needle and thread, her everyday life can also be connected with wider society and the world. In addition to her creative art, she has also worked as fashion model, singer and keynote speaker at international events.

In 2011, the "High Heels Project" was started as a result of a bitter experience she had as a student when she was pointed that she was not wearing high heel by a man who didn't know she has had

prosthetic legs. For this reason, the aim of the project is creating a prosthetic leg that would allow her to wear high heel, walk, and perform on stage.

Sergio Rossi joined the second phase of the Project as a partner to develop completely custom-made high heels for her prosthetic feet. Since the project kicked off, Katayama had held numerous meetings with the brand's designers and craftsmen, and after prototyping and trial fitting, the high heels "Mari K" were finally completed and waiting for her. Based on the "SI ROSSI" style, they feature a platform, straps and a chunky and sculptured heel, the key elements needed for a prosthetic foot to be stable on the ground.

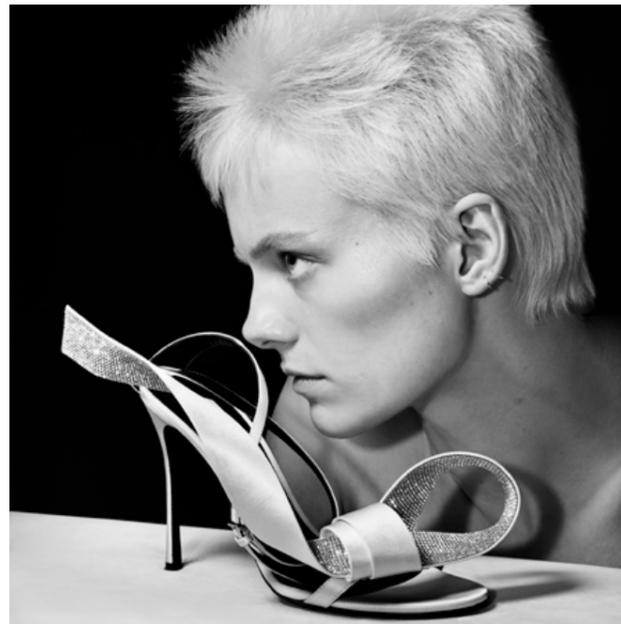
The motto of the Project is to use the body and art in any way possible to achieve "freedom of choice": the most important thing is not that everyone should wear high heels nor dress up, but that there should be a free choice to say "I want to do it, or I don't want to do it,". Ms. Katayama wears and walks in high heels as a "symbol" of this and continues to convey this message.



## AREA x Sergio Rossi

The collaboration was born with the Spring Summer 2023 fashion show of AREA, an American fashion and accessories design studio specialized in quality craftsmanship, textile development, and innovative embellishment, with the aim to find beauty in unexpected and challenging places as well as celebrate a new femininity, most multifaceted, breaking down of gender stereotypes and establish femininity as an identity and an attitude that can be embraced by all. The capsule collection will be presented on February 2023 with 4 different flat and high heels

sandals, where details become a true celebration of the Sergio Rossi femininity. The upcoming exclusive capsule collection will feature twenty exclusive models based on Sergio Rossi's most famous shapes enriched with AREA badges such as feathers, crystals and hyper-feminine bows. The capsule collection is composed of sandals, "gladiator", pump and slingback in yellow, dragon fruit, black, white and denim, and represents a new femininity, more inclusive and more linked to human personal attitude.



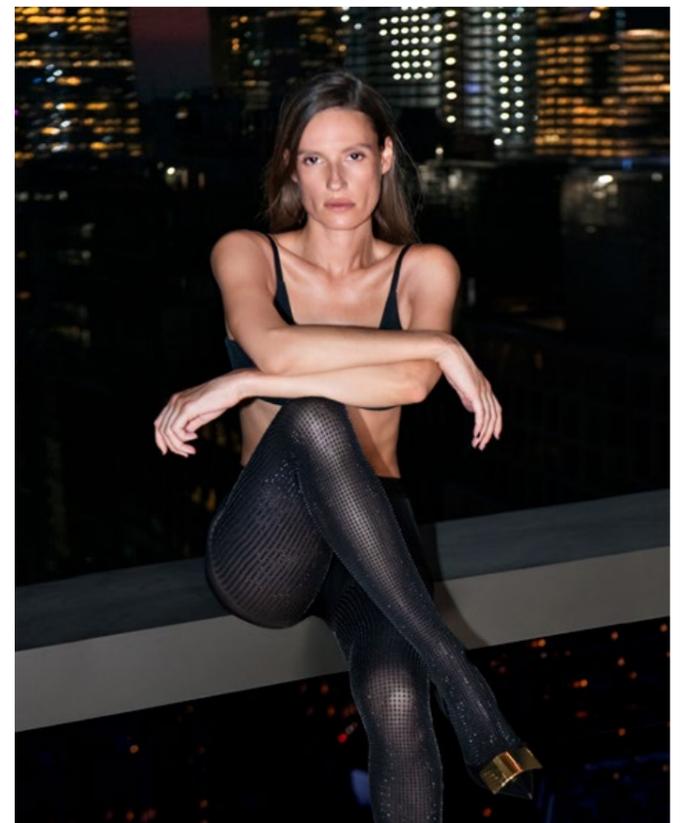


## Wolford collaboration

On 16th November 2022 we globally launched the new and amazing Sergio Rossi x Wolford capsule collection under the creative and artistic direction of Evangelie Smirniotaki. The collection best combines the key values of Sergio Rossi, the iconic Italian women's footwear brand, and Wolford, market leader in luxury high-quality skin wear- part of Lanvin Group. Sparkling glitter, jewelled details and decorative studs applied with meticulous craftsmanship bring life to a selection that has a

seductive and ultra-feminine spirit: from playful suspender belts to sensual tights and more. The centrepiece of the collection is an eye-catching over-the-knee boot designed around an iconic Sergio Rossi structure. A capsule collection that embodies craftsmanship, femininity and elegance, told through the sinuous movements of model Cate Underwood captured by the lens of Haris Farsarakis with the NY skyline as a background.





## Women we love

Women we love is an initiative born willingly by famous women who wear our shoes: Rita Ora, Normani, Cynthia Erivo and Sheeran Ravindren and Mari J Blige .

Mari J Blige performed at the 2022 Super Bowl LVI wearing Dundas by Sergio Rossi thigh high boots; all embellished in silver animalier patterned mirrors, crystals and pearl beadwork. The handmade custom and exclusive boots reflect the elevated standard capability of Sergio Rossi.



RITA ORA



HEART EVANGELISTA

## All-round attention to Cyber Security

The Company implemented an Incident Management Plan, which includes disaster recovery and business continuity, and it is constantly tested and updated yearly to ensure that data is successfully secured.

Last year we increased our efforts to strengthen overall security introducing the Detection Systems Software and a security patch management schedule that entails routine and automatic security updates on the server. All computers are patched in real-time, and as soon as a new vulnerability arises, a security patch installation quickly fixes it.

Moreover, Sergio Rossi encrypted all the computers to avoid stolen data. Weekly data analysis carried out by our IT department identifies irregularities, guards against potential cyberattacks, and ensures proper software implementation.

All the initiatives undertaken to ensure the cyber security of Sergio Rossi have not had any impact on the business operations of the company.

In 2022 we entrusted the cybersecurity management to our supplier WIIT, the one that was already managing information system and our datacentre. A controlling dashboard has been installed to monitor all the sent and received e-mail with the secondary aim of avoiding spam and phishing event. In addition, various operational controls to CPU and RAM have been realized preventing threats to workstations.

To centralize the management of warehouses we launched the Retail Revolution project which sees a more innovative system, STEALTH retail (adopted beside the well known and so far used STEALTH), an integrated solution for the retail distribution channel management.. It supported us on expansion on both local and global market, thanks to a centralized real-time control of all the information related to sales and distribution processes. It enables the planning and implementation of omnichannel strategies through the barriers-free integration between manufacturing and Retail: from Factory to each sales point, sales receipt, customer profiling. .

In addition, the software X-Store has been updated to the latest version available.

Finally, in 2022 we adopted an IT Security Management System with our partners, certified by ISO 27001 for information security.

# 1.3 OUR COMMITMENT TO SUSTAINABILITY

In line with our efforts towards sustainability, the Company formalized its commitment in 2018 by adopting the Sustainability Policy<sup>1</sup>. In order to draw up the Sustainability Policy we considered internal and external sustainability issues and the knowledge of both the top management and various company functions in relation to Sergio Rossi Group business. The document outlines what Sustainability means to the Company by underlining the link with our founding corporate values - Integrity, Respect, Responsibility and Loyalty. Furthermore, we defined three main strategic pillars as foundations of responsible management approach to conduct our business.

As stated in the Policy, "sustainability" for the Company means the ability to pursue quality and artisanal excellence while also supporting environmental preservation and social responsibility. As a result, we pledge to conduct business responsibly by incorporating economic, environmental and social factors into all business processes and operations, as well as defining committed short and long-term targets aimed at gradually improving our corporate sustainability performance. We intend to collaborate with our business partner along the supply chain in order to cover the entire life cycle of our products [2-23].



**WE SUPPORT** The Company is a signatory of the United Nations Global Compact (UNGC) [2-23; 2-28] and took into account its principles and the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development to establish the sustainability target.

We strongly believe in conducting our business ethically and in compliance with legal requirements by continuously fighting all forms of corruption, including extortion and bribery. In addition, we are engaged in supporting the health and well-being of all employees, and encouraging quality education, decent work, and economic prosperity. As stated in the Code of Conduct, we support respect for human rights: in fact, we do not tolerate any form of discrimination, abuse of hierarchical power or behaviour that is in any way an obstacle to a serene work environment [2-23]. We believe in full respect for the person and his value is also required of Sergio Rossi's suppliers, consultants, contractors and business partners, wherever they operate [2-23]. Furthermore, our commitment to protect the environment involves responsible consumption and manufacturing and the respect of the highest standards, including sourcing from inexpensive, green, and renewable energy sources [2-23].

<sup>1</sup>THE SUSTAINABILITY POLICY HAS BEEN APPROVED BY THE BOARD AND IS AVAILABLE AT SERGIO ROSSI SUSTAINABILITY POLICY.PDF [2-12; 2-23]

The three strategic pillars which represent our primary areas of commitment for the coming years are illustrated below.

CHAPTER 4	<b>ENERGY</b>	<ul style="list-style-type: none"> <li>- Efficient and responsible use of energy resources</li> <li>- Corporate carbon footprint and GHG emissions minimisation</li> </ul>
CHAPTER 2	<b>HUMAN CAPITAL</b>	<ul style="list-style-type: none"> <li>- Training activities for personal development</li> <li>- Attraction and retention of best talents</li> <li>- Welfare, health and safety</li> </ul>
CHAPTER 3	<b>LOCAL COMMUNITIES</b>	<ul style="list-style-type: none"> <li>- Preserve local artisanal traditions</li> <li>- Quality of living and socio-economic development of local communities</li> <li>- Philanthropic activities</li> </ul>

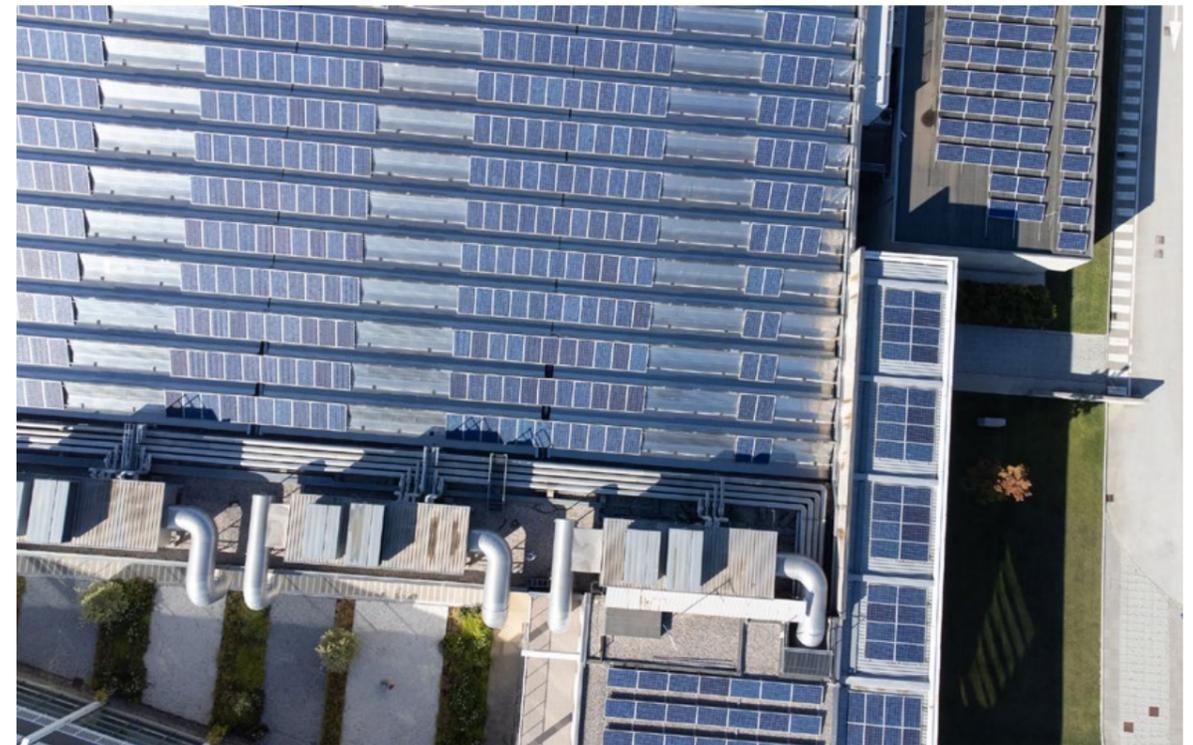
Sustainability initiatives and activities are managed by the Company's chief executive officer ("CEO"), the one who holds their responsibility, supported by the Sustainability Committee [2-13]. Established in 2017, the Sustainability Committee is an inter-functional management working group that assures the achievement of the company's primary strategic objectives [2-9]. Throughout 2022, the Sustainability Committee was involved in many initiatives, such as the study of stakeholder requests, the periodic revision of the materiality analysis, and the update of the Sustainability Report [2-14]. In consideration of Sergio Rossi's type of business and consistent with the levels of risk associated with the supply chain, the activities carried out by the Sustainability Committee, since they do not require intensive

periodic monitoring, are brought to the attention of the Board regularly [2-13].

Health, safety and environmental (HSE) issues fall within the responsibilities of the CEO. More specifically he makes decisions, supervises, and designates people who are responsible for ensuring that HSE actions are carried out correctly and in accordance with the law. The CEO supervises the Human Resources & Facility operations and the Operations Functions, entities with the aim of carrying out HSE actions and the continual assessment and monitoring of the associated environmental, economic, and social impacts [2-12; 2-24; 2-25].

The Board of Directors is regularly informed by the CEO on the status of sustainability initiatives and prospective expenditure needs [2-13]. The CEO formally reviews and approves the organisation's sustainability report and is involved by the Human Resources & Facility and Operations Functions in case they find any serious HSE risks [2-12]. Consequently, the CEO defines which corrective activities should be implemented to manage the situation and appoints the appropriate personnel in charge after thoroughly analysing the context [2-12; 2-25].

We care about long-term value creation to all of our stakeholders and for this reason our commitment goes further the three strategic pillars as described in the Sustainability Policy including additional important themes. These issues were covered by the development of our Sustainability Strategy, as well as the update of the materiality analysis [2-24]. The list below shows the Company's most important material topics on economy, environment, and people, including impact on their human rights, across its activities and business relationships.



### SUSTAINABILITY PILLAR: ENERGY

Addressing climate change	We are aware and monitor the environmental footprint of our operations. We are engaged in limiting energy consumption and, thus, emissions thanks to implementing energy efficiency and emission reduction initiatives in all our facilities.	§4.1 The responsible use of energy resources for emissions reduction
Reduction and prevention of waste production	Aiming to reduce the environmental impact due to waste production as a result of our activities, we are dedicated to maximizing waste separation and recycling, with a focus on the production process.	§4.2 Waste
Air emissions	Our production activities may cause the emission of pollutants into the atmosphere. To avoid causing damage to the environment, we monitor and comply with the emission limits set by law.	§4.3 Air Emissions

### SUSTAINABILITY PILLAR: HUMAN CAPITAL

Remuneration and welfare	One of our main objectives is to maximise the welfare of our personnel. We offer organized plans to ensure that our facilities are constantly motivating working environments. In a similar line, we also take in consideration equal remuneration, regardless of gender and other forms of diversity, as a strategic element that brings significant benefits, not only for our people but also for the whole company.	§2.1 Promoting a safe workplace
Employee health and safety	Our production activities are structured in order to protect the health and safety of our employees. To guarantee a 100% safe working environment, we constantly go above and above what is required by and invest in the training and development of our workforce.	§2.1 Promoting a safe workplace
Diversity and equal opportunities	One of our top focuses is promoting equal opportunities to all our employees all around the world by ensuring gender equality is one of our main priorities. We support creating a safe and inclusive environment free from any sort of prejudice and where everybody can express themselves.	§2.1 Promoting a safe workplace
Talent attraction and retention	The economic development of the Company is based on our talents, their attraction and retention. As such, to attract and train the next generation of artisans we collaborate with renowned stakeholders located in San Mauro Pascoli.	§2.2 Investing in the artisans of tomorrow
Protection of human rights and workers	Sergio Rossi is committed to ensuring its employees working conditions based on respect for fundamental human rights. This issue is managed through the adoption of the Code of Business Conduct and compliance with the regulations in force in the countries in which the Group operates. Health and safety in the workplace is an issue on which the Company is constantly committed to reporting.	Methodological Note

### SUSTAINABILITY PILLAR: LOCAL COMMUNITIES

Contribution to local development	The San Mauro district, globally known for its excellence in the production of high-end shoes, is where the majority of our production activity occurs. Due to the deep connections we have established with local stakeholders and communities, we are committed to promote their growth and welfare and we often work together for the development of mutually useful solutions.	§2.2 Investing in the artisans of tomorrow §3.1 Artisanal maestria in San Mauro Pascoli
Creativity, design and protection of the artisanal know-how	Our items' distinguishing qualities—creativity, design, and handmade excellence—are what make them classy and classic. We see it as our responsibility both to develop and safeguard our experience and the distinctiveness one of the San Mauro district.	§1.2 Resilient communication to meet the new onlife customers §3.1 Artisanal maestria in San Mauro Pascoli
Traceability and transparency along the supply chain	We understand how crucial it is to maintain the highest level of transparency across our supply chain in order to assure the high quality of our Made in Italy products and the observance of social and environmental concern. As a result, we carefully choose and evaluate our suppliers, the majority of whom have worked with us for a long time, in a climate of mutual trust.	§3.1 Artisanal maestria in San Mauro Pascoli

### BUSINESS RESPONSIBILITY AND ECONOMIC PERFORMANCE

Business Ethics	For us, conducting our business ethically is essential and is a synonymous of a successful business. Consequently, we have implemented and revised our internal Code of Conducts and management of corporate values in order to guarantee the respect of our values.	§1.1 Corporate governance and values
Economic performance	To ensure a sustainable growth of our business is necessary a solid and sustainable economic performance. Therefore, we take care to maximise the economic value we produce in order to benefit both the local community and our shareholders.	§1.1 Ownership structure and economic value generated
Use of sustainable raw materials and packaging	To ensure the quality and safety of our shoe and the lowest possible impact on the environment and on society, we pay close attention to sustainable sourcing of our raw materials and packaging.	§3.1 Artisanal maestria in San Mauro Pascoli
Client satisfaction	We are dedicated to providing an exceptional customer experience that focuses on building strong, enduring emotional connections with our customers, who are the center of our efforts and our primary stakeholders.	§1.2 Resilient communication to meet the new onlife customers

FOR FURTHER DETAILS ON THE PROCESS FOR UPDATING THE MATERIALITY ANALYSIS, PLEASE REFER TO THE CHAPTER "METHODOLOGICAL NOTE".



# HUMAN CAPITAL

/02

Preserving the value of our people

## SUSTAINABILITY POLICY

“Convinced that human capital represents an invaluable resource for the company, Sergio Rossi aims to create a positive and stimulating work environment, motivating all of its employees by developing their technical and managerial skills. Sergio Rossi also aims to ensure the welfare, health and safety of its employees, beyond the legal requirements, in order to guarantee that they benefit from a constructive and safe workplace that meets everyone’s needs.”

### KEY COMMITMENTS OF THE POLICY

To secure health and safety of our employees by promoting a safe workplace.

To actively promote an inclusive environment.

To attract and retain the best talents ensuring a stimulating and innovative working environment.

To implement training activities aimed at developing and improving employees’ hard and soft skills.

To adopt all the preventive measures to guarantee a safe workplace for artisans and technicians

### MAIN RESULTS

- 285 employees in EMEA Region
- 61% our technicians and artisans with us for more than 10 years
- 63% of our employees are women and 37% are men
- 96% of our employees hold permanent contracts

### LINK WITH SDGS



**285**  
EMPLOYEES IN EMEA REGION

**61%**  
OUR TECHNICIANS AND ARTISANS  
WITH US FOR MORE THAN 10 YEARS

**63%** **37%**  
WOMEN MEN

**96%**  
OF OUR EMPLOYEES HOLD  
PERMANENT CONTRACTS

## 2.1 PROMOTING A SAFE WORKPLACE

**Our top priority is to create a work environment that prioritizes the health and wellbeing of our employees, while maintaining a positive corporate image and achieving economic results. Recognizing the importance of our employees’ health, safety and wellbeing, we are committed to improving their overall work experience by actively managing these factors.**

Throughout 2022 our top priority remained to ensure safety of our employees, our customers and communities across departments and regions. In San Mauro Pascoli, the Facility Function supervised activities and implemented a comprehensive range of health and safety measures aimed at maximizing employee protection, going beyond standard requirements.

In 2022, employees returned to work in office. The accelerated digitalization of internal processes due to the impact of Covid in previous years enabled us to continue offering remote working options for employees when necessary. In 2022 we further improved our ordinary safety programme along production processes by verifying the correct functioning

of the aspiration system of powders and solvents within the San Mauro factory. No detection of malfunctioning (the monitoring programme started in 2017) resulted for 2022 and we continued to use the dispenser for personal protective equipment (PPE) to support inspections and increase awareness on the correct use of PPE (initiative started in 2018).

In line with previous years, the six injuries recorded in 2022 were not classified as “high-consequence”, as they did not result in an injury from which the worker could not expect to recover fully to pre-injury health status within 6 months. In addition, no fatalities were recorded in the reporting period [403-9].

### WORK RELATED INJURIES [GRI 403-9]

Employees	2020	2021	2022
- Total number of recordable work-related injuries	2	3	6
- Of which high-consequence work-related injuries	0	0	0
- Number of hours worked	398,772	417,160	421,848
- Recordable work-related injuries rate	5.0	7.2	14.2
- High-consequence work-related injuries rate	-	-	-
External workers	2020	2021	2022
- Total number of recordable work-related injuries	0	0	0
- Of which high-consequence work-related injuries	0	0	0
- Number of hours worked	9,191	12,015	15,664
- Recordable work-related injuries rate	0	0	0
- High-consequence work-related injuries rate	0	0	0

Sergio Rossi's policy regarding employee welfare and benefits has seen significant improvements in recent years. The company has sustained a program that empowers employees with the choice to receive their Production Bonus either into Welfare benefits and as part of their regular salary. For employees who decide to convert their Production Bonus into welfare services, the company adds an extra 10%, a percentage that will be further increased to 15% for conversions done in 2023, using the 2022 Production Bonus.

The number of employees who benefited from parental leave from 2021 to 2022 increased by one unit (from 31 to 32). In addition, to accommodate the demands of new parents, we continued to offer a flexible distribution of voluntary maternity and paternity leave in 2022, and 81% of those who received parental leave took advantage of it. Moreover, most employees who ended their mandatory parental leave returned to work in 2022 [401-3] encouraged by new opportunities of more flexible work.

### PARENTAL LEAVE [GRI 401-3]

	2020	2021	2022
- Employees entitled to benefit from maternity leave	133	119	120
- Employees entitled to benefit from paternity leave	109	107	105
- <b>Total employees entitled to benefit from parental leave</b>	<b>242</b>	<b>226</b>	<b>225</b>
- Number of employees who have benefited from maternity leave	20	24	25
- Number of employees who have benefited from paternity leave	3	7	7
- <b>Total employees who have benefited from parental leave</b>	<b>23</b>	<b>31</b>	<b>32</b>
- Of which: number of employees who have benefited also from a flexible distribution of the voluntary maternity leave	14	22	20
- Of which: number of employees who have benefited also from a flexible distribution of the voluntary paternity leave	2	5	6
- <b>Of which: Number of employees who have benefited also from a flexible distribution of the voluntary parental leave</b>	<b>16</b>	<b>27</b>	<b>26</b>
- Of which: number of employees who returned after their maternity leave	16	16	16
- Of which: number of employees who returned after their paternity leave	2	4	1
- <b>Of which: Number of employees who returned after their parental leave</b>	<b>18</b>	<b>20</b>	<b>17</b>
- Number of employees retained 12 months after returning to work following a period of maternity leave	16	16	14
- Number of employees retained 12 months after returning to work following a period of paternity leave	3	7	7
- <b>Total employees retained 12 months after returning to work following a period of parental leave</b>	<b>19</b>	<b>23</b>	<b>21</b>

In 2020, in accordance with our digitalization strategy, we implemented an HR management software. This software has effectively integrated our HR workflows into a single platform that enables the HR Workflow to be integrated into one platform, resulting in significant streamlining of our payment, attendance, and travel processes. Moreover, all employees in Italy now have access to a personalised virtual page where they can view and manage their personal documents (such as payslip, attendance sheet, etc), corporate communications and memorandums. These files are promptly classified and archived to facilitate retrieval. The HR department, managers, and employees can access the platform via the web on desktop and mobile devices, to their benefit.

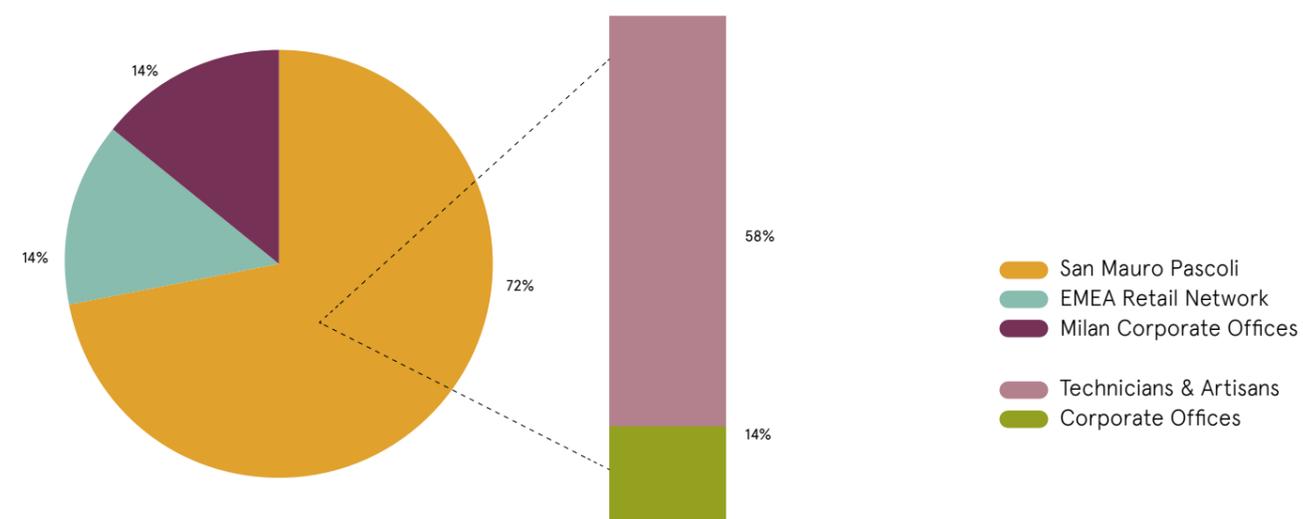
As of 31 December 2022, we employed a total of 285 people, in line with year 2021. Our people are divided as follows: 245 employees work in our corporate offices and in our production site (86%) and the remaining 40 employees work in our stores across the EMEA

retail network (14%). Specifically, 165 artisans and technicians (58%) and 40 employees (14%) work in San Mauro Pascoli, and 40 employees (14%) work in our corporate offices in Pontaccio (Milan).

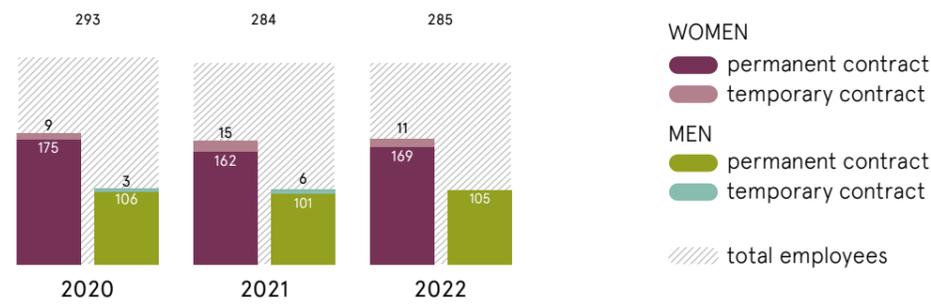
In 2022, 96% of our employees held permanent contracts and 91% were employed on a full-time basis, in line with our commitment to create lasting relationships with our employees. In addition, as required by the respective country laws, almost all our employees (99%) are covered by collective bargaining agreements. Working conditions and terms of employment of employees not covered by collective agreements refer to the legislation of the respective nation [2-30].

A comprehensive breakdown of our employees in terms of employment contract and type, geography, gender and age is provided in the tables below.

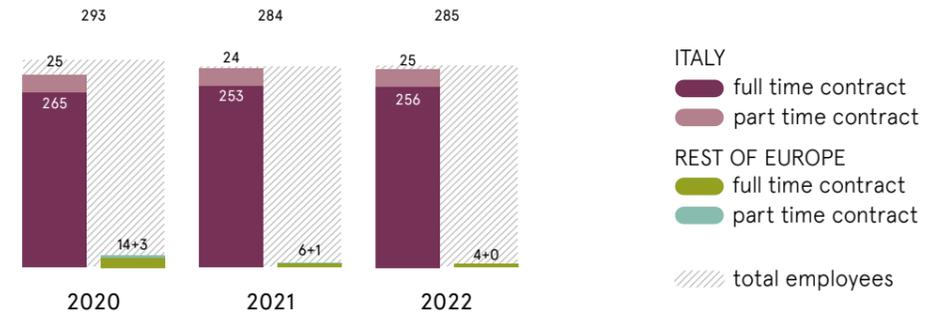
EMPLOYEE DISTRIBUTION AS OF 31 DECEMBER



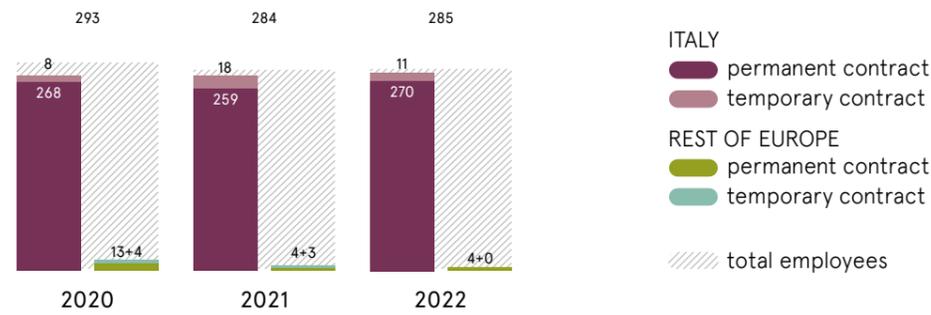
EMPLOYEES BY CONTRACT TYPE AND GENDER  
GRI 2-7



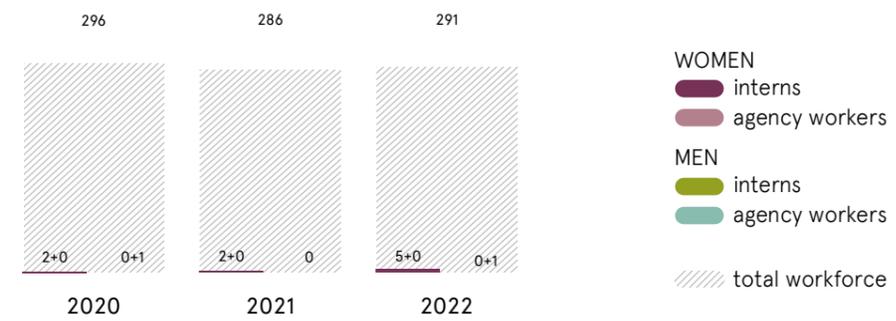
EMPLOYEES BY CONTRACT TYPE AND REGION  
GR1 2-7



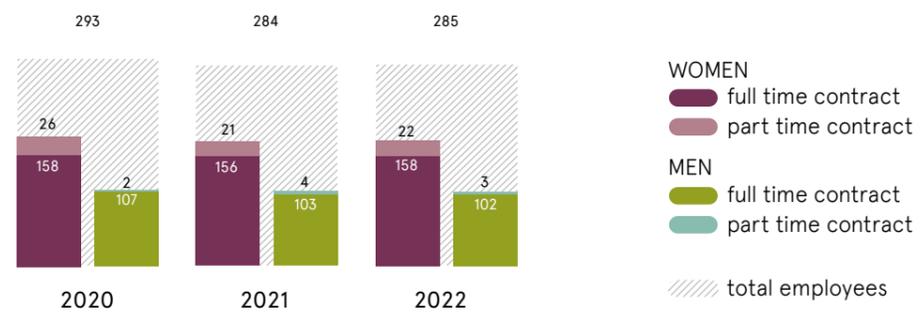
EMPLOYEES BY CONTRACT TYPE AND REGION  
GRI 2-7



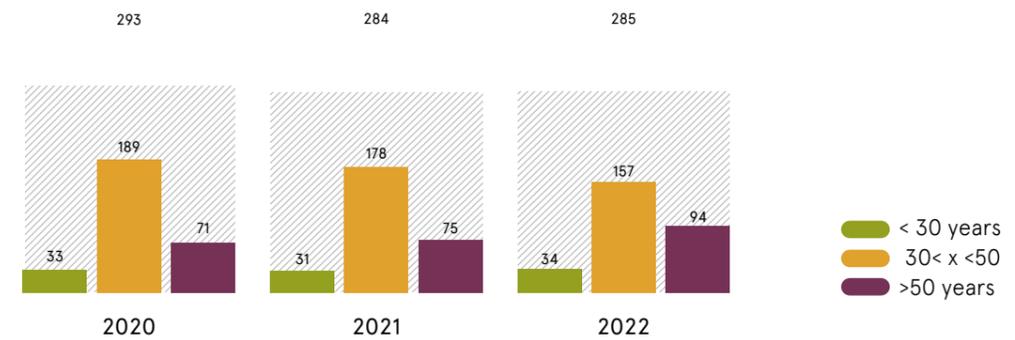
WORKERS WHO ARE NOT EMPLOYEES  
GRI 2-8



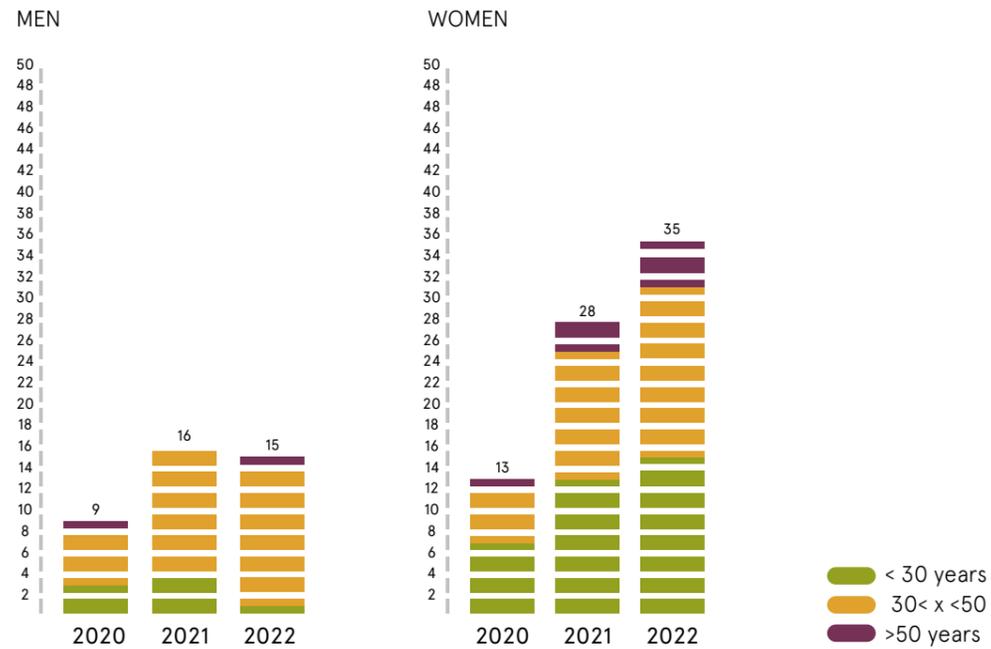
EMPLOYEES BY CONTRACT TYPE AND GENDER  
GRI 2-7



EMPLOYEES BY AGE  
KPI EXTRA-GRI



NEW EMPLOYEES HIRES BY GENDER AND AGE  
GRI 401-1

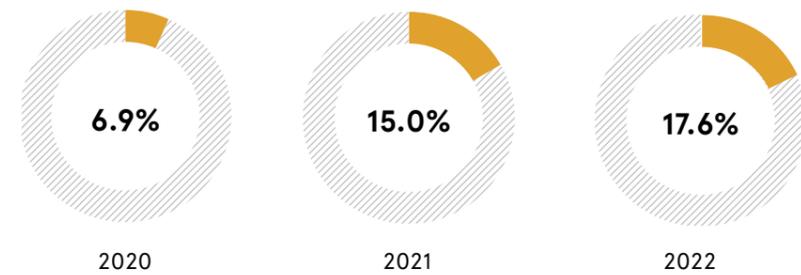


TERMINATIONS BY GENDER AND AGE  
GRI 401-1

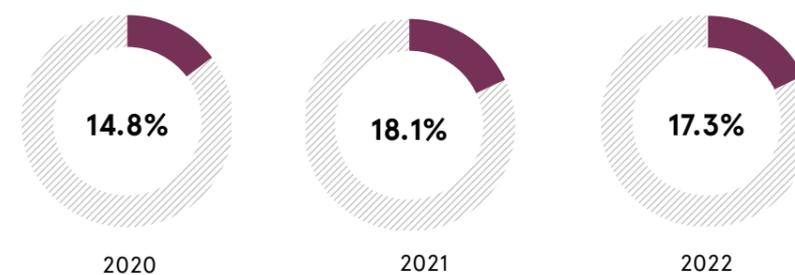


THE TURNOVER RATE SLIGHTLY DECREASED IN 2022, SHIFTING FROM 18.1% IN 2021 TO 17.3% IN 2022 [401-1]. ON AVERAGE IF COMPARED TO THE TYPICAL TURNOVER THAT CHARACTERISES THE RETAIL SECTOR. THANKS TO SPECIFIC TRAINING AND FOCUS FOR IMPROVING SKILLS AND KNOWLEDGE OF OUR EMPLOYEES, WE MANAGED THE UNCOVERED POSITIONS BY PROMOTING AND ENCOURAGING INTERNAL MOBILITY AND COLLABORATIONS BETWEEN DIFFERENT DEPARTMENTS.

NEW HIRES RATE  
GRI 401-1



TURNOVER RATE  
GRI 401-1



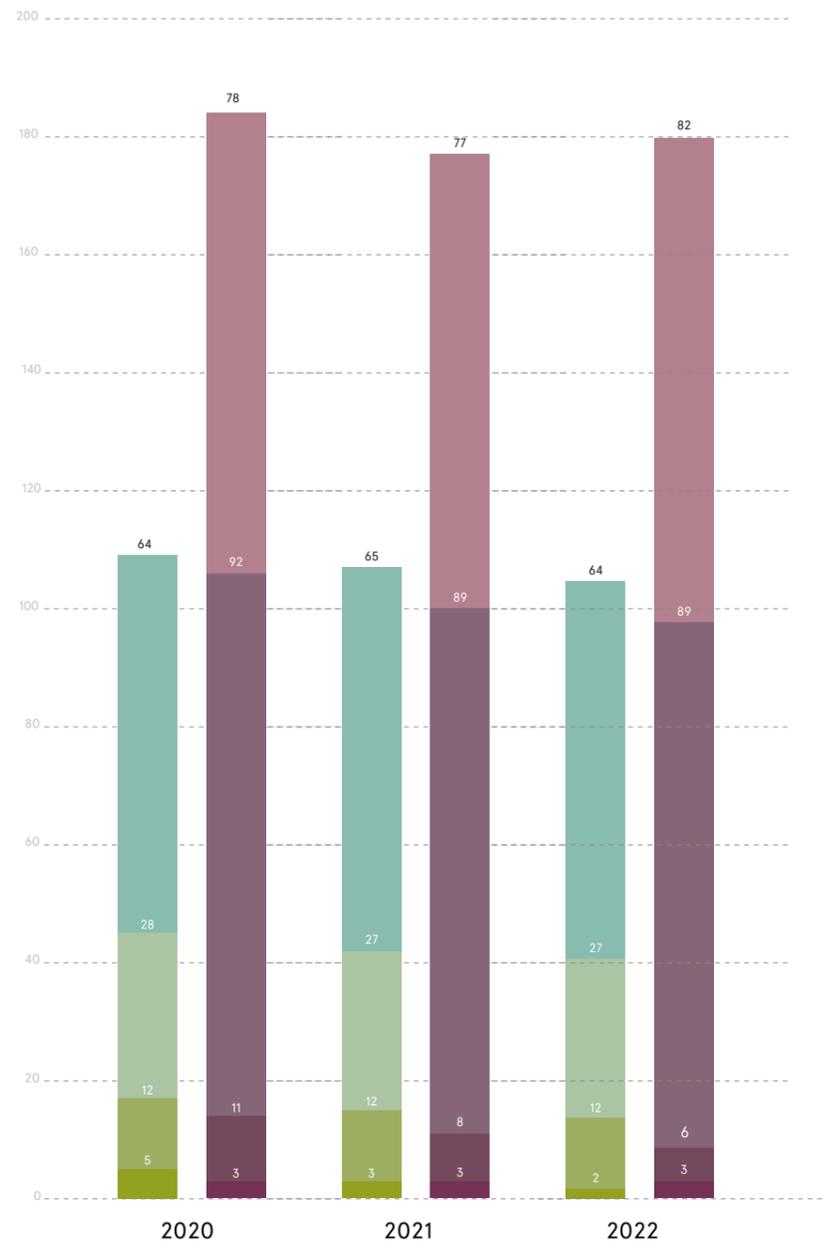
## Promoting diversity and ensuring equal opportunities

Sergio Rossi is committed to ensuring that all its employees and candidates receive equal treatment in the workplace. As stated in our Code of Conduct, we prohibit any form of discrimination based on gender, age, race, state of health, religion, political opinion, territory of origin, social or personal status. In fact, we are proud to report that no cases of discrimination have been documented over the past three years [GRI 406-1]. As a part of our company's culture, we also have a strong belief in the importance of diversity. As a result, we encourage the presence

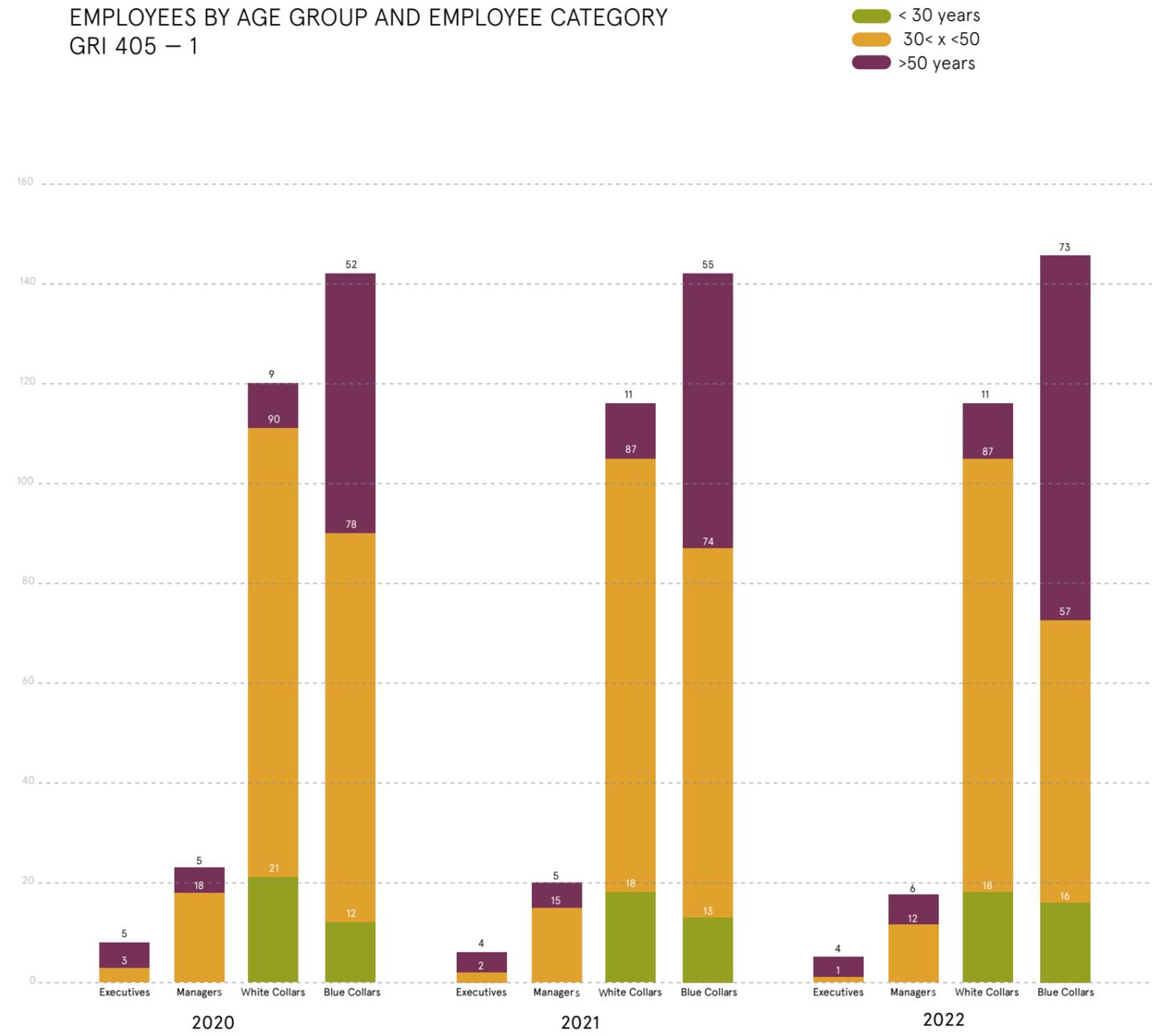
of diverse cultures and experiences among our employees in an effort to create a workplace where everyone's unique qualities are respected and valued.

In addition, our organisation is proud to have a significant female presence, with women representing 63% of our workforce and holding equal representation in executive positions. This gender balance is also reflected in our board of directors, where 33% of the members are female. Among them, Ms. Yun Cheng holds the highest position.

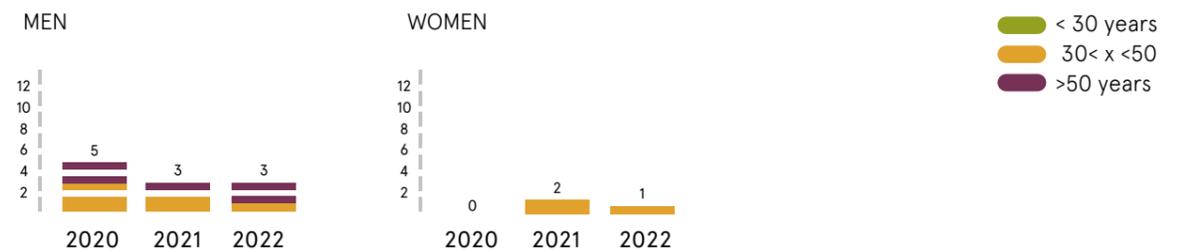
EMPLOYEES BY GENDER AND EMPLOYEE CATEGORY  
GRI 405 – 1



EMPLOYEES BY AGE GROUP AND EMPLOYEE CATEGORY  
GRI 405 – 1



BOARD OF DIRECTORS BY AGE AND GENDER  
GRI 405 – 1



## 2.2 INVESTING IN THE ARTISANS OF TOMORROW

**Sergio Rossi's success reflects the combined efforts of both men and women within the organization. As a result, we are committed to fostering the growth and development of our employees, assisting them in their professional and personal endeavours, as well as cultivating an inclusive and motivating workplace. Our ongoing commitment is to foster a corporate culture that emphasises employee autonomy and continuous development.**

In 2022, in continuation of our efforts of increasing and refining artisanal know-how and technical skills, we worked on improving our corporate structure. In line with activities undertaken in the previous year, we continued to boost the review of internal functions and channelling employees in strategic areas.

At Sergio Rossi, we highly value personal and technical skills of our employees and we actively encourage their expansion and improvement. We take great pride in the skill of our artisans, whose abilities are reflected in our exceptional products,

which continue the tradition of Italian craftsmanship. In order to ensure continuous excellence of our artisans, we foster a strong partnership with CERCAL, the esteemed International Footwear School and Research Centre in Italy. Our relationship with this prestigious institution goes far beyond collaboration. Investing in future generations of shoemakers and local communities has always been a top priority for our company. To prove this, some of the school's workshops involve visits to our San Mauro Pascoli factory and our archive.



## Our youth engagement programmes

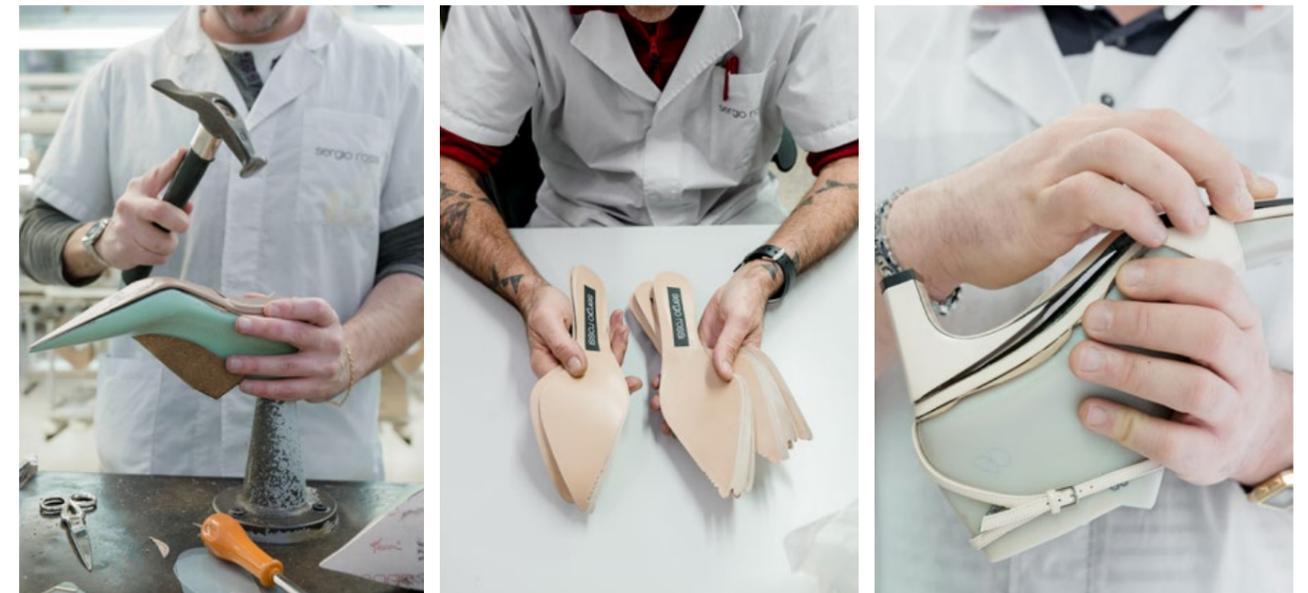
Considering the positive partnership of the past years with schools, also in 2022 we offered the opportunity to two students of having a work experience in our manufacturing plant. Indeed, we were able to offer a 300 hours internship.

In 2021, the San Mauro Pascoli factory provided a unique opportunity for two outstanding students enrolled in the "Technician for the design and manufacture of products in the footwear supply chain" course. One student worked over 250 hours in Customer Service, managing various tasks such as order handling, complaints resolution, and production order tracking. The other was involved in the comprehensive shoe prototyping process. Immersing themselves in the "art of doing", they both received first-hand training from skilled specialists and craftsmen. Additionally, a "Shoes Design" student was fortunate enough to undergo an internship spanning over 270 hours, allowing him to refine his skills. He was responsible for the design and creation of five sample shoes for the Fashion Graduate Italia 2021 - Cercal Fashion Show in Milan. This exceptional student further made his mark by winning the Cercal's "A talent for the shoe" ("Un talento per la scarpa") international competition for young designers organised by SammauroIndustria. It was a gratifying experience for these emerging talents to spend time in the 'Magic Kingdom', learning the globally acclaimed Italian craftsmanship. The following year, in 2022, our company was

involved as member of the jury who rewards another promising designer. The theme of the competition was titled 'Space Shoes. Beyond the limit'. And during the ceremony award our CEO was proud to announce the following year's theme, called "The invention of last" tributing our founder Sergio Rossi, who has been President of the school for 11 years. The 2022 winning designer's work outperformed 85 contenders from across the globe. The reward was a beneficial training period at the Cercal School, followed by a six-month stint at one of Sammauroindustria's associated footwear companies, complete with expense reimbursement. These competitions have proven pivotal in shaping young talents and fostering their potential in the footwear design industry.

In 2022, we maintained our global referral programme, which allows employees to inform the recruiting team of potential candidates for current and future job openings, in order to attract the best talent worldwide and engage our employees' networks. If a referred candidate is hired and successfully completes a 6-month probationary period, the referring employee is entitled to an economic bonus proportional to the new hire's rank.

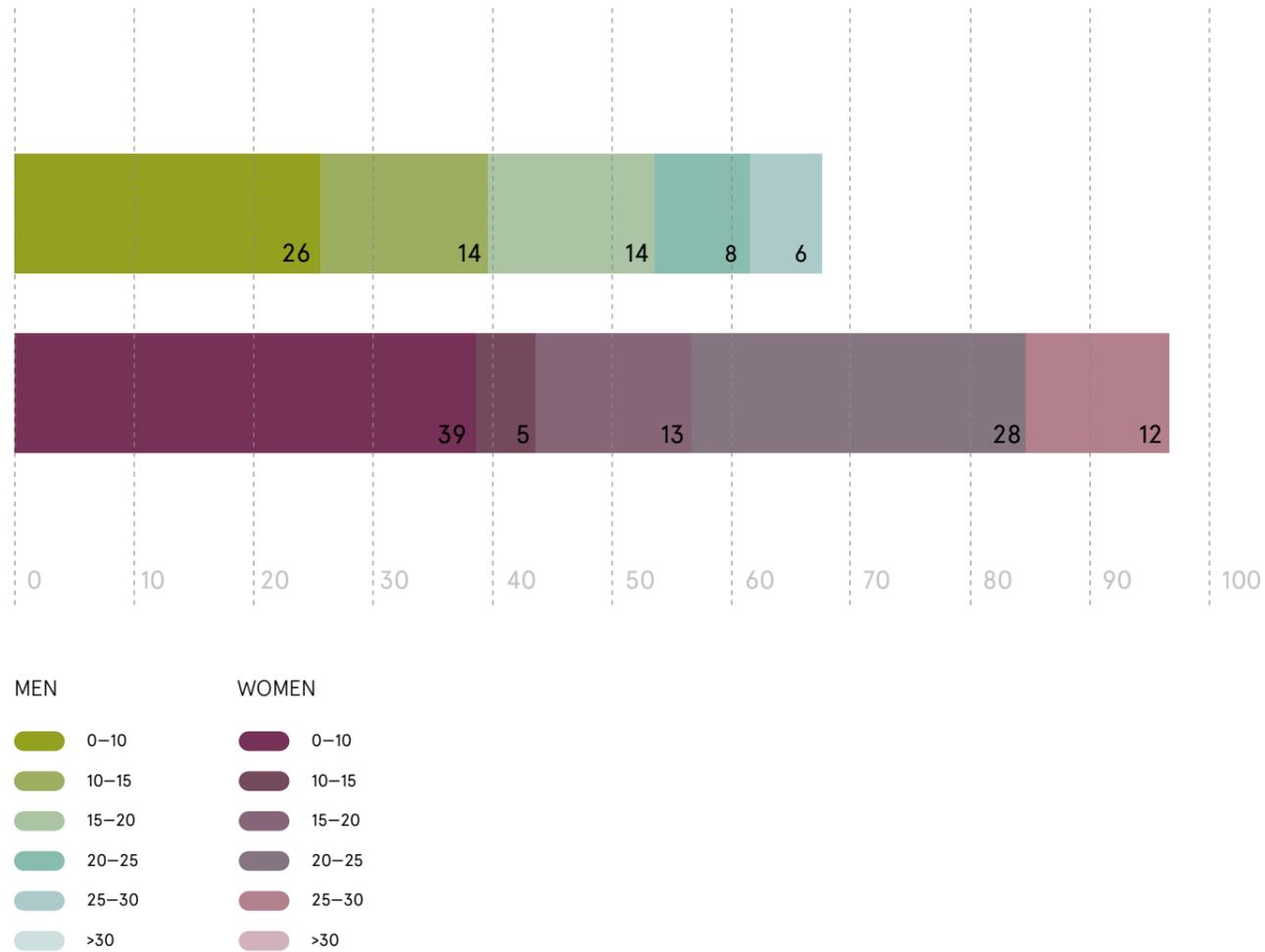
Our ability to create a positive environment and to retain highly skilled workers has been confirmed in 2022, with a 61% of people who worked with us for more than 10 years.



To attract the best talent worldwide, in 2021 we maintained our global referral programme, which enables employees to inform the recruiting team of potential candidates for current and future job openings, since we aim to attract the best talent and engage our employees' network. If a referred person is hired and successfully completes a probation period of 6 months, the

referring employee is entitled to receive an economic bonus, which is proportional to the rank of the newly hired person. Our ability to create a positive environment and to retain highly skilled workers has been confirmed in 2021, with a 63% of people who worked with us for more than 10 years.

EMPLOYEES POPULATION (TECHNICIANS AND ARTISANS) IN TERMS OF TOTAL RETENTION YEARS (%)



## Our corporate training

Sergio Rossi aims to develop everyone's professional and personal skills through standard and specific training programmes. For new hires at Sergio Rossi we provide a warm welcome into our world with a presentation of the brand history and a full immersion into the uniqueness of our production site in San Mauro Pascoli. Furthermore, new hires receive standard training related to the business programme's requirements and our corporate values and policies, which enable us to comply with our legal duties. Moreover, our Code of Business Conduct is included among the training package to spread the knowledge of our corporate principles: it consists of the conduct our employees are required to maintain when exposed to potential conflicts of interest, bribery and corruption or gifts. Furthermore, the new hire programme includes our internal policies, representing another key part of the standard training, and a specific training programme tailored to each role within the company.

Furthermore, both the Headquarters and Corporate Offices receive ongoing training programmes through the partnership of various training associations (i.e. Formazione Fondimpresa). For example, we provided training on computer programs, English classes, and coaching, in addition to reintroducing technical software skills courses such as Microsoft Excel and leadership courses (e.g. play serious). In addition, technical courses on retouching finishes, retouching fund forms and worker specializations have been scheduled for 2022.

The total number of training hours provided in 2022 decreased, in fact, we have gone from 1,937 in 2021 to 1,757 in 2022, however, we have been working to establish a central figure to provide our employees with the highest quality digital training. Thanks to the improvements to our digital channels in recent years, our retail employees are able to receive virtual training so that they could effectively operate in a remote environment and meet the needs of their new customers.

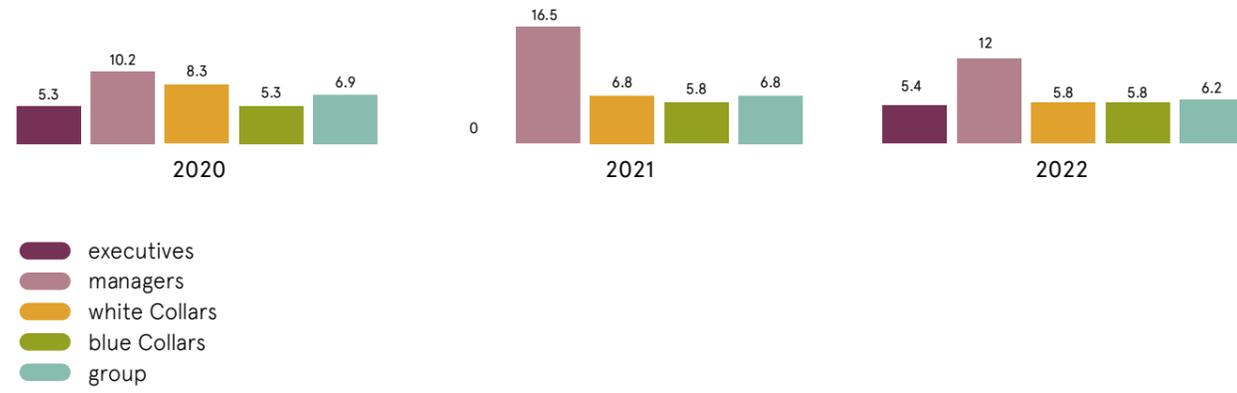
## Our Retail programme: srAcademy

Beside a full set of courses for our employees operating in SMP and Milan offices, in 2022, we also carried on the training activities for our worldwide retail network. The training has an intense programme focused on retail excellence since it aims to turn the shopping experience into a customer-tailored moment to spread harmonious habits and enhance sales competencies among our teams across all regions. srAcademy has, as its main goal, to assure a customer-centred approach and focus on personalised service, increasing proactivity and raising passion for our brand through the knowledge of products.

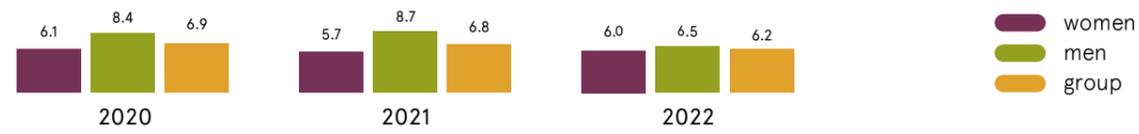
Additionally, our focus is on proactive communication and adaptability to meet various requests and situations, enabling us to develop a commercial mindset and deliver even more personalized service to our customers. This initiative provides specialized training courses to our sales teams, emphasizing craftsmanship, quality materials, and effective communication and marketing strategies aligned with our digital approach. Together with ordinary training and coaching activities for retail staff across our retail network, srAcademy engages our sales and wholesales teams worldwide through a deeper digital interaction. Thanks to a brand-new eLearning platform called srWorld. Available in three languages (English, Chinese, Japanese), srWorld offers access to a comprehensive retail roadmap, supporting onboarding processes and providing exercises, videos, and program content from srAcademy. In addition, we have enriched srWorld with new materials to maintain the enthusiasm of retail teams, especially during times when they are required to stay at home due to health crises. Furthermore, the introduction of a community channel allows individuals to stay connected and share updates about our brand. Despite the significant impact of the pandemic on store traffic and the ability of area managers to travel, SrAcademy has continued its training program to assist wholesale customers in enhancing their sales performance. Regarding training hours to in-stores employees, in 2022, 1,493 hours of training were provided. Of these, health and safety and soft skills training were represented by 81% and 19% in 2022, respectively.

Overall, in 2022 we organised 1,757 hours of training and most of the courses were attended online thanks to the improvement of our digital training platform. Thus, the per capita training hours provided remains similar to those provided the previous year (6.8 hours in 2021, 6.2 in 2022) [404-1].

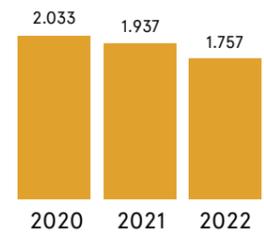
AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY  
GRI 404-1



AVERAGE HOURS OF TRAINING BY GENDER  
GRI 404-1



TOTAL NUMBER OF HOURS OF TRAINING  
GRI 404-1





# LOCAL COMMUNITIES /03

Fostering local districts

## SUSTAINABILITY POLICY

“Sergio Rossi is highly committed to promoting the growth, cultural development and welfare of the San Mauro Pascoli territory, where it concentrates its business activity, by involving the population and local stakeholders in the creation of new opportunities and initiatives based on local needs and expectations.”

### KEY COMMITMENTS OF THE POLICY

- To preserve the local artisan tradition;
- To contribute to enhance the quality of living and the socio-economic development of local communities where the Company operates;
- To implement philanthropic activities in line with the Company's values and objectives.

### MAIN RESULTS

- 27% of our suppliers are located in the Emilia-Romagna region
- daily production capacity of over 1,000 pairs
- 95% of our suppliers are Italian
- 70 years of history of the brand

### LINK WITH SDGS



**95%**

OF OUR SUPPLIERS  
ARE ITALIAN

OVER  
**1,000**

PAIRS DAILY PRODUCTION  
CAPACITY

**27%**

OF OUR SUPPLIERS ARE LOCATED  
IN EMILIA-ROMAGNA, MOSTLY  
IN THE LOCAL DISTRICT

**70**

YEARS OF HISTORY OF  
THE BRAND

## 3.1 ARTISANAL MAESTRIA IN SAN MAURO PASCOLI

### The highest quality products from the best artisans

Shoe craftsmanship and the concept of Made in Italy have been linked since the early 1900s. Italian artisans are renowned for their ability to blend beauty and functionality in everyday items, and this quality is evident in their work. They have always used their creativity to produce unique pieces that set their customers apart from the crowd. Since its inception, Sergio Rossi has fully embraced this unparalleled “maestria”. Our founder was famous for saying that “the comfort of a shoe comes from its shape. I maybe made no more than ten and they are what I cherish the most. Each shape is a part of me”, highlighting his devotion

to the purest form of artistic expression. Today we still feel a responsibility to not only keep the craft of shoemaking alive, but also to use it to help the community and the region in which we operate. Mr. Sergio Rossi's vision lives on through the work of more than 160 artisans and technicians in San Mauro Pascoli, who demonstrate excellence daily by using their experience to create unique masterpieces every day. Our company is an international example of excellence thanks to their skills and know-how.



ARTISAN AT WORK

## The Magic Kingdom: the heart of our commitment

At Sergio Rossi, we pride ourselves on being able to carry out projects from the designer's sketch to the realization of the finished product within the factory, our Magic Kingdom, undergoing all phases of development. Our plant consists of two production lines, two warehouses for storing leather, bottoms, and accessories, a prototype department, and an 11,700-square-meter logistics hub. This hub allows us to ship up to 5,000 pairs of shoes globally daily.

**Our factory is vertically integrated in all stages of manufacturing, from prototyping to engineering and all specific stages of production: from cutting to finishing (for more information, please refer to the "Production Steps" box). This allows us to maintain strict quality control, ensuring that every shoe meets our high standards. Our daily production capability is about 1,000 pairs, with almost 200 models and over 1,800 SKUs available for each collection.**

We believe that our decades of accumulated know-how combined with a focus on constant innovation distinguishes us in the

tradition of "Made in San Mauro Pascoli". To ensure that this excellence is maintained, we have introduced qualified young artisans to our team as permanent staff. We have also developed specialised training programs for young workers in industrial and technical fields. Our partnership with CERCAL further supports our commitment to generational turnover (for more details, see §2.2). Moreover, in 2022 we continued our job rotation program between various production functions and "training on the job" activities devoted to teaching the operation of specific machinery and equipment. In this way our technicians and artisans, besides improving their technical skills, can gain a comprehensive and interconnected vision of all phases of the engineering process.

We periodically control our machines to ensure that they operate at the highest levels of efficiency and that health and safety regulations are fulfilled, guaranteeing a safe workplace to our staff. In addition, we prefer cutting-edge equipment and methodologies in order to renovate our commitment to sustainability by reducing our environmental impacts.



SERGIO ROSSI PLANT

## PRODUCTION STEPS



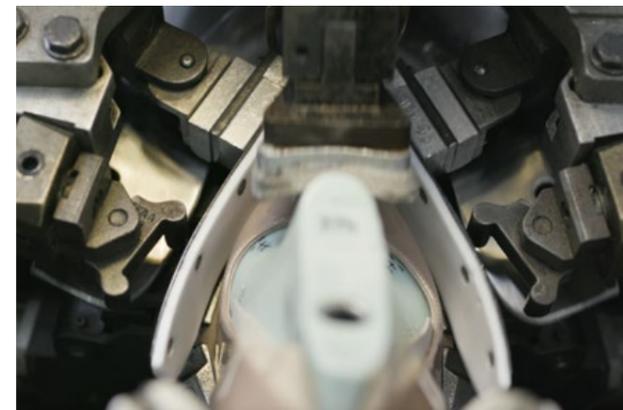
### CUTTING

This process is based on automated cutting machines, hollow cutters as well as highly-skilled cutters, able to perform this operation manually, as their experience enables them to extract the best from a leather piece. Therefore, all prototype samples and special pairs are always cut manually.



### SEAMING

All the upper parts coming from the previous cutting phase are sewn together thanks to the expertise of hand-sewing operators. Often, at this point, specific accessories, such as buckles, stones or embroideries, depending on the characteristics of each model, are inserted.



### LASTING

The lasting phase comprises a series of operations leading to the assembling of the upper and the other components, such as the sole and the heel. Our artisans' precision and ability to adapt their manual work depending on the specificities of each model add further value to the final product.



### FINISHING

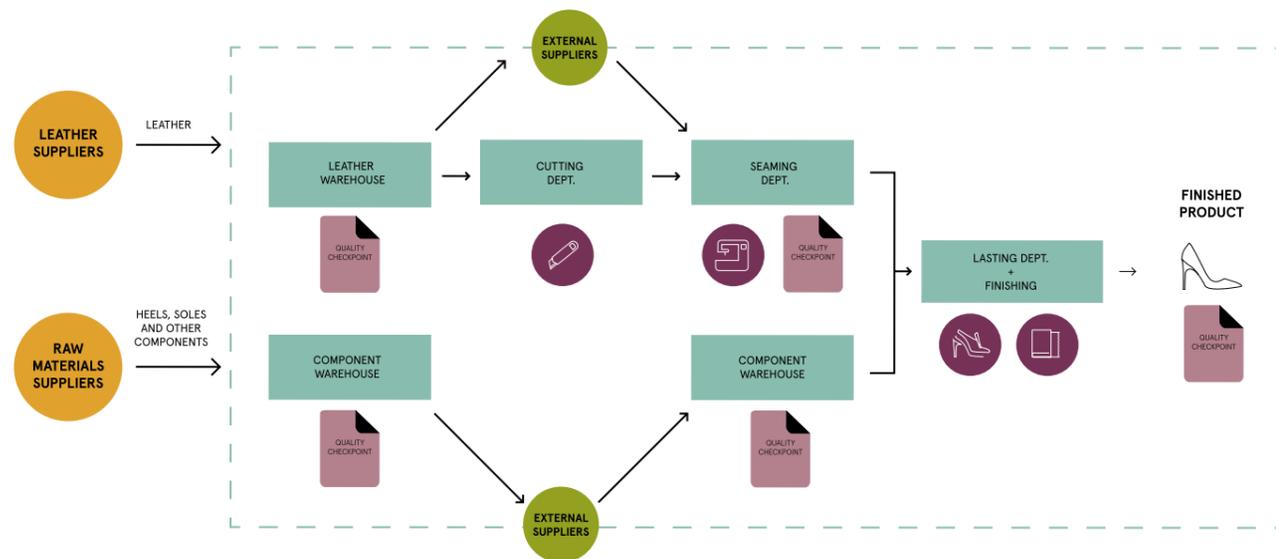
Representing the end of the production process, this phase comprises all the polishing, waxing and retouching activities. Our dedicated team is entrusted with implementing these final steps before placing the final product in its package.

In 2021, we have launched an internal project to replace solvent-based with water-based glues, which have a lower impact on the environmental as they contain less chemicals and hazardous substances. We conducted a feasibility analysis and continued with several tests in 2022 to gradually replace solvent-based glue wherever possible. We aim to accelerate the transition to water-based glues in the next two years. Nevertheless, we remain committed to identifying opportunities to reduce our environmental impact and will continue to explore alternative solutions.

Since 2016 we have performed a Quality Project to formalize and strengthen our commitment to the Made in Italy identity and the high-quality standards of our products. The project involved the mapping of more than 120 phases required to produce the final product. In addition, we have clearly specified the objectives, procedures, and instruments required to conduct periodic quality checks on the raw materials, components, and semi-finished goods we receive from our suppliers, as well as on our finished goods. Our dedicated team participated enthusiastically and paid attention to details daily, reflecting our brand's essential strength.

In addition, as a good production practice, inventory leftovers from past collections are largely used for special productions to minimise their footprint. This allows for a partial reduction of the overall production waste and the adoption of a circular approach, giving a second life to leftovers rather than dispose them.

We based our strategy on customer satisfaction and, to meet all the expectations and questions, we enhanced the after sale repairing service, a solution that has led to increasing appreciation by our customers. Customers can request the replacement of a shoe component such as heel, strass, tags, and laces if accidentally damaged through correct use of the product. Our artisans fulfil these requests and, thanks to their expertise and traditional craftsmanship, are able to restore the timeless elegance and charm of our creations. Thereby, the aftersales service gives customers' damaged shoes a second life and consistently ensures Sergio Rossi's quality standards and comfort throughout the product life cycle and upcycling initiatives. In 2021, we handled 159 after-sale inquiries from consumers wishing to have their models restored through a repairing or an at-home-delivery of a shoe spare parts.



NOTE: REFERRING TO THE CUTTING AND SEAMING PHASE WE RELY ON OUR INTERNAL PRODUCTION CAPACITY AND ON EXTERNAL SPECIALIST SUPPLIERS, WHICH ARE CONSTANTLY MONITORED IN TERMS OF QUALITY

# IMPROVING MANUFACTURING EFFICIENCY



**In 2022, the Make-to-stock (MTS) production and logistics model became fully operational. The transition to this model from the Make-to-Order (MTO) began in 2021 to better meet market demand and successfully manage a greater increase in flexibility than in the previous years. The last developed model enables the launch of orders by production SKU without any specific connection to the client orders; as a result, logistics has the final decision regarding which channel and/or customer will have business priority for the delivery and it can be taken with a great flexibility in terms of time. We have determined the three most significant advantages of this transition, among many others:**

- react promptly and adapt to both positive and negative local sales circumstances;
- strengthen the level of service for top-performing channels and consumers (shorter lead time, greater order fulfilment rates);
- reduce the average inventory level and optimise the working capital.

**Due to the dedication of our team and logistic partners, we have achieved even greater efficiency and sustainability within our operations. With equal volume, we reduced the number of boxes shipped in 2022 respect to the previous year (-30%). In addition, our logistic partners contributed to the project by offering intelligent and sustainable solutions for their services, such as low-emission transport via electric trucks or fuel-cell hybrid electric vehicles.**

**We will continue to investigate and implement innovative approaches to reduce our environmental impact and maintain product quality.**

## The importance of sourcing

We are committed to contributing to the quality of living and the socio-economic development of local communities by minimising social and environmental impacts related to the production of our shoes. To guarantee that proper quality standards are met, it is essential to improve our by strengthening collaboration with our local partners along the entire value chain.

During the development of a new collection, the Supply Chain section of Sergio Rossi coordinates with the Research & Style one to determine the range of raw materials and semi-finished components required to manufacture, on an industrial scale, the new collection's models. Given the high standards of quality and dependability we expect from all our business partners, the selection of new suppliers may be a lengthy and delicate procedure.

Moreover, the Supply Chain function is responsible for the efficiency and accuracy of the supplier selection, monitoring and control phases, as well as the inbound and outbound logistics processes. The function closely collaborates with the logistics and purchasing departments, which are responsible for the selection and shipment of raw materials, accessories, semi-finished products, and finished goods. Given the strategic role of suppliers, we put in place a structured system to ensure an appropriate selection and monitoring to guarantee consistent levels of quality; for this reason, we are constantly in contact with them and we visit their production sites regularly.

The supplier research activity driven by the Buying Office is sealed by the signing of our supply agreements, comprising a series of ethical and environmental clauses that must be accepted in order to agree on a commercial collaboration. Moreover, our suppliers must comply with our Restricted Substances List (RSL), which contains all the specific restriction in the use of chemicals that suppliers must meet for their products to be accepted in our warehouses (please refer to "Our efforts to ensure customer health and safety"). We rely on a consolidated network of raw material suppliers who have been carefully evaluated over the

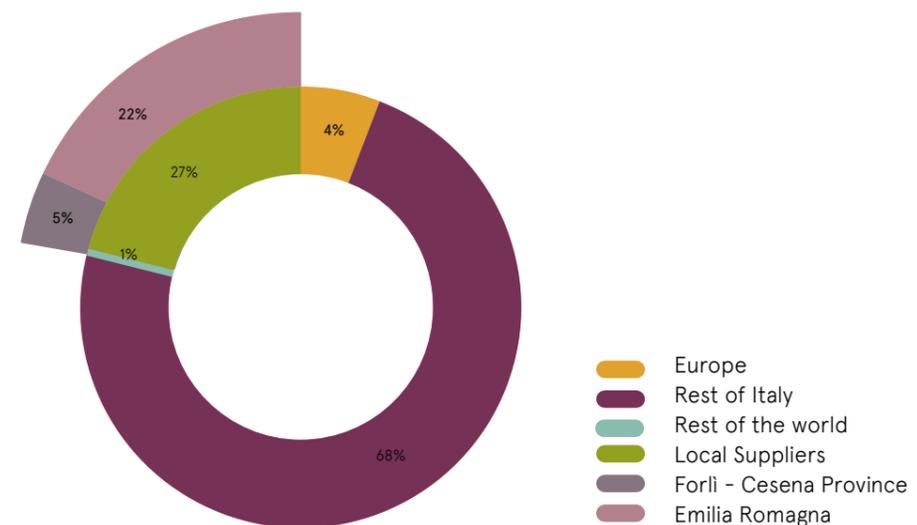
past few years, taking into account three constantly monitored variables: Quality, Cost and Efficacy.

**We are pleased to point out that Sergio Rossi shoes are made with leather and components purchased from Italian suppliers. The most important component of our production is leather, not only in terms of quantity and value, but also because it defines the style of Sergio Rossi's shoes. Therefore, we rely on Italian tanneries for 100% of the procured leather. Most of them are working day by day to raise the level of control over transparency and traceability and provide support for brands that want to promote products of excellence.**

We are also glad to declare that leather procured to produce outsoles has been certified by the Leather Working Group, a non-profit organisation responsible for one of the world's most prestigious environmental certifications for the leather manufacturing industry. This certification programme aims to reduce the environmental effect of the leather industry by evaluating and certifying leather producers.

Over the years we have built close partnerships with our suppliers of raw materials and semi-finished goods thanks to our willingness to maintain and strengthen our relationships with local and historic suppliers, while continuing to expand our network searching for reliable, trustworthy and efficient dependable partners who share our values. We primary rely on the distinctiveness and resilience of the Forlì and Cesena district, which counts over 200 small firms and 3,000 producers of footwear for the world's finest brands. These "zero km" suppliers provide us more than 22% of our overall procurement volumes, contributing to a total of 95% of our purchases of raw materials, products, and services from Italian suppliers. Only 4% comes from suppliers located in Europe and 1% from the rest of the world. Moreover, the purchase of raw materials from local suppliers (Emilia-Romagna and San Marino) has increased by 56% compared to 2021 [2-6; 204-1].

PROPORTION OF SPENDING ON SUPPLIERS  
GRI 204-1



NOTE: THE DATA IS ASSESSED IN TERMS OF ECONOMIC VALUE OF THE PURCHASED MATERIALS AND SERVICES AND COVERS THE ENTIRE PROCUREMENT BUDGET RELATED TO THE PRODUCTION PROCESS. THE "LOCAL" CATEGORY COMPRISES SUPPLIERS BASED IN THE EMILIA-ROMAGNA REGION (ITALY) AND IN SAN MARINO, THEN FURTHER SUBDIVIDED INTO THE FORLÌ-CESENA PROVINCE ("VERY LOCAL"), LOCATED IN THE EMILIA-ROMAGNA REGION AND CHARACTERISED BY THE SIGNIFICANT PROXIMITY TO THE SAN MAURO FACTORY AND THE REST OF THE REGION; THE "ITALY" CATEGORY COMPRISES THE MARCHE, VENETO, LOMBARDIA, ABRUZZO, PIEMONTE, PUGLIA, CAMPANIA AND TOSCANA REGIONS; WHILE THE "EUROPE" CATEGORY COMPRISES ALBANIAN, SPANISH AND SERBIAN SUPPLIERS.

Total procurement volumes in 2022 equalled 323.2 tonnes, recording an increase of about 11% with respect to 2021. The net purchase of raw material decreased compared to last year because it was possible, in 2022, to use leather in stock to realise special productions in order to optimise purchasing and generate value through a conscious use of resources: we focused our effort on make material consumption more efficient during the production processes. Instead, the volume of materials purchased referred to bottom components has experienced a higher growth trend (overall +52%) on plateaus, heels and top heels because the purchase of

bottom components must be precisely timed as they are specific components that have unique characteristics of shape and size. The increase in purchase is also due to the production of Sì Rossi, whose heels and platforms are a distinctive feature of the collection. Overall, the weight of packaging procured, in line with production-related raw materials, increased by 17% compared to 2021 levels [301-1]. To share a more conscious behaviour on consumption choices, Sergio Rossi packaging adopts the FSC-certified packaging materials, which include boxes and shopping bags (for more details, see the box below).

## RAW MATERIALS AND PACKAGING BY WEIGHT [TONS] GRI 301-1

CATEGORY	TYPE MATERIAL	2020	2021	2022
Production-related	Leather	41.8	55.2	44.6
	Fabric	4.3	7.1	9.2
	Plateaus	0.5	0.8	1.9
	Insoles	16.0	19.3	22.4
	Outsoles	41.2	55.4	60.4
	Heels and Top Heels	15.5	20.7	30.8
Ancillary materials	Glues	2.2	2.9	2.8
	Solvents	1.6	2.3	3.0
Packaging	Quality Labels	0.1	0.05	0.05
	Box Labels	0.4	0.3	0.4
	Labels	0.1	0.2	0.2
	Boxes	49.1	63.0	65.9
	Shopping Bags	6.2	7.9	10.0
	Tissue Paper For Packaging	15.6	20.6	23.4
	Transport Packaging	31.0	32.1	45.0
	Dust Bags	2.0	2.7	3.2
<b>Total</b>		<b>227.7</b>	<b>290.5</b>	<b>323.2</b>

THE DATA COMPRISED WITHIN THE TABLE REFER TO THE PRODUCTION ACTIVITIES CONDUCTED IN SAN MAURO PASCOLI.

## Our packaging certified by FSC

The Forest Stewardship Council (FSC) is a worldwide, independent, non-profit organisation that safeguards forests for future generations by creating certification criteria for forests and industries.

The FSC certification ensures that products are derived from sustainably managed forests thus generating positive effect on environment, society, and economy. FSC inspections are carried out globally by 17 independent certification organizations. Lastly, ASI (Accreditation Service International) accredits these organizations.

## Our efforts to guarantee customer health and safety

The health and safety of our consumers are unavoidable aspects for Sergio Rossi. In accordance with national and international legislation which require the observance of ecotoxicological standards, our Company constantly monitors the materials used in its production processes. We respect the REACH regulation which limits the use of forbidden chemical compounds and ensure the highest level of consumer and environmental safety. Following this monitoring, Sergio Rossi has created an attachment to the supply agreement, an internal Restricted Substances List (RSL), shared with all raw material suppliers.

Moreover, in order to conduct chemical controls upon the receipt of our raw materials, we have introduced an internal control plan. To ensure legal compliance, we recognised chemical laboratories conducting tests on the raw materials we acquire. For each category of goods, such as leathers and textiles, a different quality control plan is set for the validation of 10 to 15 chemicals; in this regard, we managed to increase the number of chemical tests performed on materials in 2022 (from 85 in 2018 to 200 chemical tests in 2022). In addition, we have entrusted the management of product safety for both customers and employees to an internal department which assesses the physical qualities of materials and their compliance with international standards by conducting mechanical testing, such as tensile and deformation tests, before starting with production activities [416-1].

## Tradition and Innovation in San Mauro Pascoli

In 2021 we designed a collection which merged tradition with innovation, authenticity, and passion. The SI ROSSI line is a wonderful synthesis of our 360° knowledge and expertise and, for this reason, we decided to reserve the production of this specific collection in our main plant in Italy. The project further continued in 2022 and almost all the shoes were manufactured in San Mauro Pascoli. Since it was inspired by an existing line from the 1990s and the logo replicates the one conserved in the archives, the SI ROSSI collection is a manifesto of the artisanal knowledge and craftsmanship of the historic footwear company and symbolizes the principles of our organization (for more details, see §3.2).

Production autonomy and an innate vocation for craftsmanship have been the brand's pillars ever since the 1970s, when Sergio Rossi was regarded as a forerunner and a pioneer experimenting the potential of co-branding through significant collaborations with Versace, Krizia, Moschino, Dolce & Gabbana and Alaïa. As in the previous year, in 2022 we further maintained collaborations with numerous top luxury brands and with multinational companies, offering them our manufacturing abilities and expertise to design and produce footwear collections and co-branded capsules (for more details, see §1.1).

<sup>1</sup> The REACH Regulation of the European Union (EC 1907/2006) has been adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, whilst enhancing the competitiveness of the EU chemicals industry. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.



## 3.2 CULTURAL AND PHILANTHROPIC ACTIVITIES

### Our roots: an authentic story of Italian craftsmanship

Sergio Rossi's past is intertwined with the history of San Mauro Pascoli, a small village in Emilia Romagna best known as the birthplace of the poet Giovanni Pascoli, lover of nature and everyday life. The territory found its calling in the footwear industry after World War II, when the success of cobblers visiting villages and farms led to a shift from traditional farming activities.

At that time, San Mauro Pascoli's craftsmen specialized in the manufacturing of sandals which were sold in small shops on the Riviera and the village became a large crafts centre. Starting from that moment, the flourishing industry focused on high fashion female footwear. At the same time, small companies that specialized in semi-finished good, such as soles, heels and bottoms, as well as laboratories, cutting uppers by hand and with machines, opened and flourished in the same territory. Thanks to the proximity between all these companies active in the footwear sector, a true artisanal industry was born, establishing itself on the global market thanks to its superior craftsmanship, the quality of materials, and original designs. Mir-Mar, the first industrial-size shoe factory, was established in San Mauro Pascoli in 1958. During that period, seaside communities were humming with life and activities. One of these was Rimini, which Federico Fellini celebrated in his well-known movie *Amarcord*. This is the background of Sergio Rossi's founder early history: he learned the shoemaker profession and skills from his father. In 1951 he took over its father's business and designed the first handmade sandals. In recent years we have been working to relaunch the brand image, identifying a new aesthetic identity. Through the Living Heritage project, Sergio Rossi's legacy now relives in a modern new era, matching a contemporary perspective which fully represents the company's pivotal theme.

### Rediscovering the Essence of Sergio Rossi: The Living Heritage Project

To protect the cultural heritage of the brand and the artisanal district in which we operate, in 2017 we launched the Living Heritage project, which involves the creation of both a physical historical archive and a digital platform. Thanks to this initiative, we have built an archive on the history and evolution of the product and of the brand through the years, with the aim of helping designers looking for inspiration by making available an extremely wide range of past models and sketches. Since the launch of the Heritage Project, we have collected almost 6,000 historical models worldwide and restored them, in order to represent the path of a creative genius: Sergio Rossi. In fact, over 18,000 documents including drawings, lookbooks, advertising and editorial images have been recovered and digitalised. More than 4,200 models out of total 6,000 were restored, photographed, stored and catalogued.

The Living Heritage project was created with the intention of delivering a storyline capable of boosting the uniqueness of our brand through its history, while collecting all the major components of its distinctive heredity, since we believe that our rich past is key to paving the road for future generations in an effective way.

## Think Heritage, Play digital: Our Digital Platform

To better organize and ease accessibility to the brand's memory, the physical archive has been converted to a digital form in accordance with our business strategy. As a result, more than 22,000 records are available for consultation through our digital system.

A digital archive not only helps in storing and consulting information, but it ensures the story of the brand is communicated in a new, innovative way. The platform currently enables in-depth researches, which can lead users down novel reading trajectories by reviling unexpected connection between images, documents, photographs, places, people, from both earlier to more recent and contemporary times, which continue to enliven and enrich the story of Sergio Rossi.

**2017**

BEGINNING OF THE PROJECT

**350**

DAYS FOR THE LAUNCH OF THE LIVING HERITAGE PROJECT

**640**

SQM DEDICATED TO OUR HISTORY

**18,000**

DOCUMENTS AND IMAGES DIGITALIZED

**1,100**

HISTORICAL LASTS

**4,200**

RESTORED MODELS, PHOTOGRAPHED, STORED AND CATALOGED

**6,000**

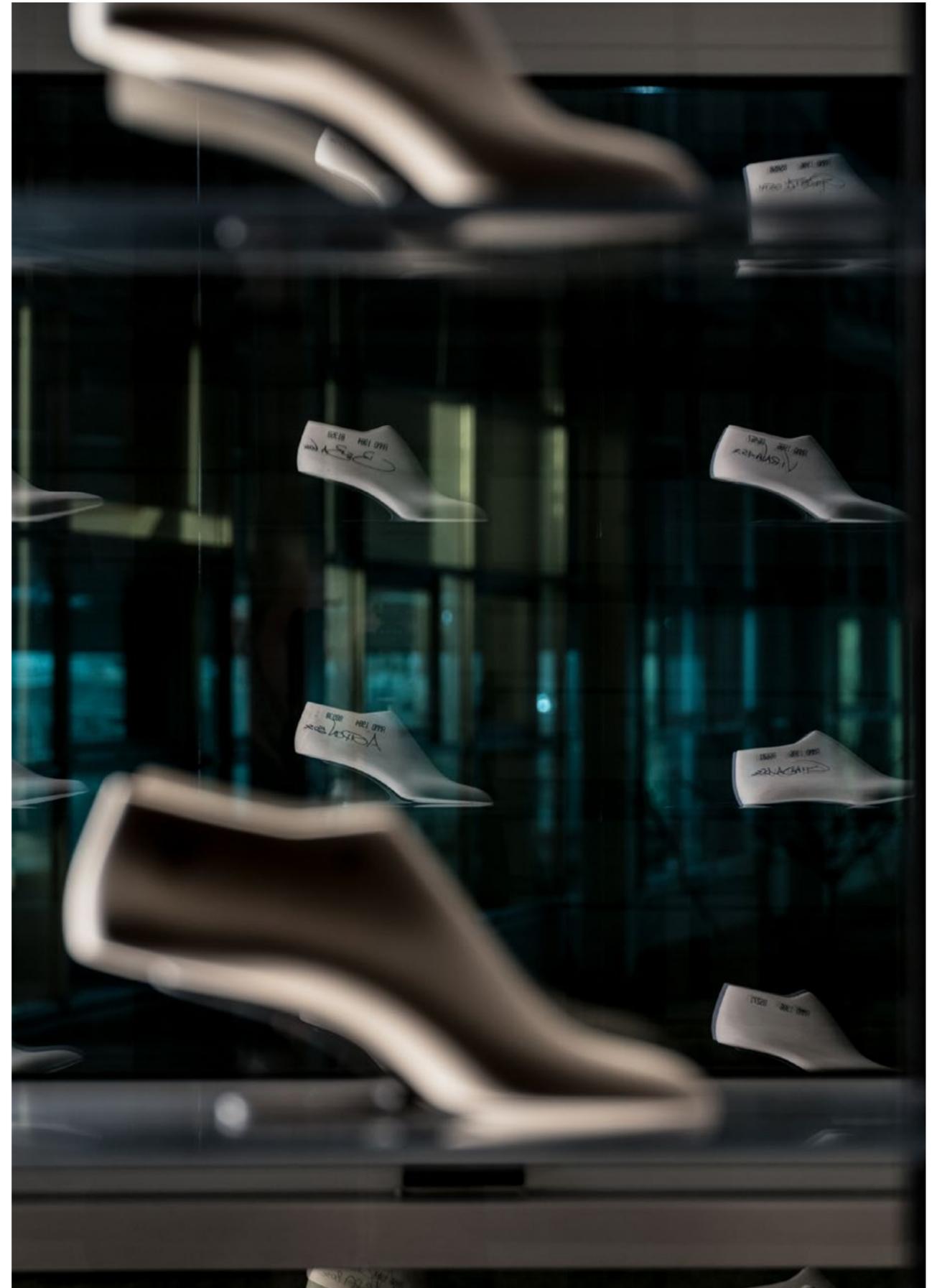
SHOES AND OTHER ACCESSORIES ARCHIVED IN SAN MAURO PASCOLI AS OF TODAY

**70**

YEARS OF HISTORY

**100**

INSPIRATION MODELS FROM THE 40S



## The exhibition space: a Living Heritage

The Living Heritage project involves, in addition to the physical, historical archive and the digital platform, an exhibition space with an art installation which represents the story of Sergio Rossi in a functional and emotional journey within the Magic Kingdom, our factory of wonders.

The exhibition space, located in our headquarters in San Mauro Pascoli, showcases the brand's history and its main milestones. It was created to guide visitors through the history of Sergio Rossi, thanks to an immersive experience which helps them visualizing the world and the style of Sergio Rossi.

We designed the Living Heritage to allow visitors to experience an inspired world, where iconic models are revisited with fresh and modern designs, while still faithful to Sergio Rossi's values and original features.

The exposition was designed by architect Marco Costanzi and is divided in three different sections, each with a distinct dimension and functionality.

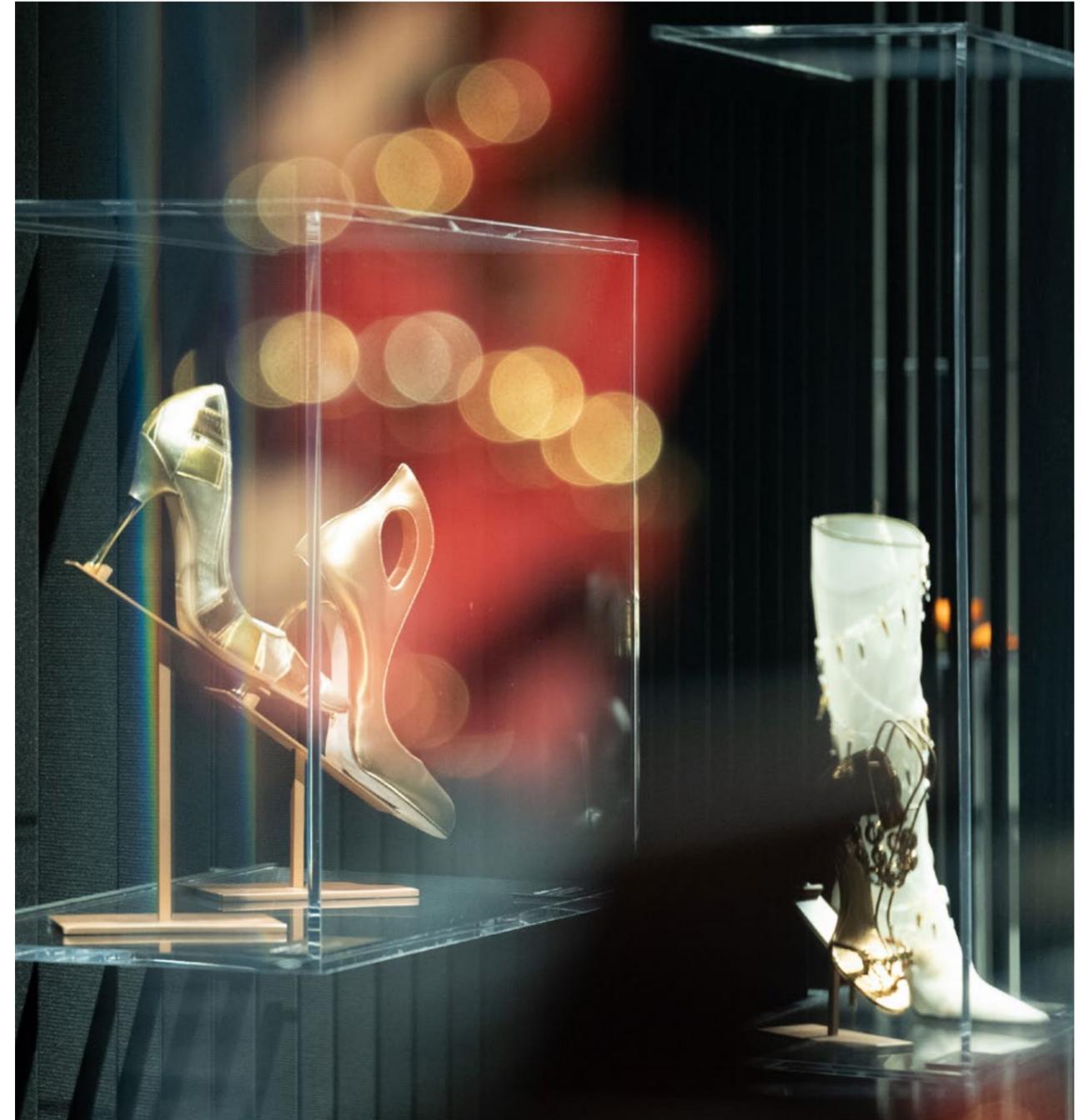
The exhibition starts with the "Gallery of Lasts", a space where the distinctive component of the brand, the last, is used to reinterpret the brand's history. Then, the visit continues along the heart of the "Living Archive", a place where we conserve part of our vintage collection, and, lastly, the "Living Emotions" area, a mystical path bringing back to life the different souls of the brand.

We thought of the "Living Archive" first as a space for consultation, research and work. Over 500 pairs of shoes, carefully chosen from over 70 years of history, are exposed there, along with heels, embroideries, monographs and catalogues which are connected to the shoes displayed. To increase the efficiency of the working area, we divided our models in different categories so that the structure of the Archive is able to describe the Italian Maestria of our eponymous founder Sergio Rossi: from his debut with colourful wedges and sandals, to mules, moccasins and pumps, while also introducing its collaborations with designers such as Alaïa, Versace, Dolce & Gabbana, and lastly, to a wall where our most iconic stretch boots are displayed,

pieces loved by supermodels in the 90's.

The "Living Emotions" area is located closely to the Living Archive. There, the exhibition hosts a section with a strong visual and emotional impact that represents the world of Sergio Rossi, by showcasing the fundamental models and themes that have always reflected the different spirits of SR women. In addition, a special area is reserved to the brand's rebirth: it is possible to see how we reinterpreted the inspirations from the past with a modern style in our contemporary collections. For each new collection, the original DNA of the brand serves as the foundation. The history of the brand can be consulted at any moment thanks to the archive, ensuring a line of dialogue between the past and present of the brand. Being able to use it underlines how the Living Archive is fundamental for the development of each collection. Since 2016, when we re-invented Sergio Rossi's brand, the first sr1 collection was inspired by 90's fashion and, similarly, many other projects have been influenced by our rich history, including the srMilano, the SERGIO collection, whose label is a geometric re-edition of a 1970s archival logo, and our Sr Twenty, whose squared toe and low heel commemorates the turn of the century. The 2022 SI ROSSI collection, whose name recalls an historical line conceived in the 90s, has been enriched with new models. In 2022 we had more than 100 request for visiting our Living Heritage Archive and our Magic Kingdom. A great variety of visitors, including stakeholders, artists, creatives, commercial partners, influencers have been thrilled to experience such Moments of Wonder.

Beside the fashion community, in 2022 we also opened the doors of our Archive to post graduate schools and universities such as Politecnico of Milan and Cercal School. One of our future objectives is, in fact, to further increase the number of visits so to unveil the plant as a center of excellence and to share with all stakeholders the passion and the magic behind both our artisanal work and our Kingdom.



ICONIC MODELS EXHIBITION

## SI ROSSI

SI ROSSI, launched in 2021, is a collection that honours our foundation, a manifesto of the know-how and craftsmanship of our historical footwear brand. SI ROSSI reflects a strong and contemporary approach to femininity, through an exclusive line characterized by an ultra-glam attitude, ideal for women who love to play with fashion and who embrace their youthful spirits without boundaries. In 2022 we presented the 4th campaign inspired by the grunge atmospheres of 90s London

and Berlin clubs.

Although hyper high platforms and vibrant colours are the distinguishing features typical of '70s eclectic styles, they are mixed to vivid '90s party elements. Moreover, the logo itself was inspired by an historical item taken from the archive and revised with an actual and ironic design. ROSSI represents a fresh collection that takes a bold move from the brand history while maintaining a playful personality.



### 2022 CNMI awards: The Craft & Italian Artisanship Award

In 2022, the Camera Nazionale della Moda Italiana Sustainable Fashion Awards celebrated those that have emerged in the Italian and international fashion industry as leading in their commitment to sustainability in its highest sense: vision, innovation, commitment to craftsmanship, inclusivity, circular economy, human rights and environmental justice.

In that year, Sergio Rossi has been a candidate and won the third place for The Craft & Italian Artisanship Award. The award honours attention to fabrics and techniques from the past, as well as valuing the resilience of such business models when approaching the future. It intends to recognise dedicated efforts in Italy which encourage research and development around local design, materials, and production processes.

“Considering initiatives which celebrate and champion the work and achievements of artisan shoemakers to inspire current and future generations of creative designers, Sergio Rossi chose to honor the brand’s historical roots in this way helps to share knowledge and build new design capabilities”.

The CNMI Sustainable Fashion Awards represent the commitment to the construction of a shared path in a renewed ecology of relations and practices, a new way of living together, which is based on the pact between man and nature.

### Trade associations

To support the development of the footwear industry and of sectorial studies which would promote the growth of the business, we are committed to building synergies with Italian trade associations. As Sergio Rossi S.p.A., we are currently members and actively participate to regular meetings of several trade associations, such as Cercal, Altagama, The National Chamber for Italian Fashion, Montenapoleone District and Sammauroindustria [GRI 2-28].



# ENERGY

Reducing the footprint of our shoes

/04

## SUSTAINABILITY POLICY

### SUSTAINABILITY POLICY

"Sergio Rossi is aware of the increasing challenges posed by climate change and it is committed to monitor and progressively reduce its energy consumption as well as to mitigate the GHG emissions related to its activities. In particular, the San Mauro Pascoli plant is the epicenter of Sergio Rossi's sustainability activities as well as the fulcrum of all its production activities."

## KEY COMMITMENTS OF THE POLICY

To develop strategies to promote the efficient and responsible use of energy resources such as the improvement of energy efficiency of the production plants and of the proprietary stores within the retail network.

To continuously measure the corporate carbon footprint and its sources, and to identify further initiatives aimed at minimising GHG emissions.

## MAIN RESULTS

- 484,001 kWh of electric energy produced by our photovoltaic panels and internally consumed, which reveals an increase of 1% compared to 2021

-100% of purchased electricity certified as produced from renewable sources for our Italian factory, offices and stores

- Over 1,260 tons of CO2 avoided thanks to the purchase of certified electricity and our photovoltaic system

- 24% of the entire electrical requirement of the San Mauro Pascoli plant supplied by our photovoltaic system

## LINK WITH SDGS



# 24%

OF THE ENTIRE ELECTRICAL REQUIREMENT OF THE SAN MAURO PASCOLI PLANT SUPPLIED BY OUR PHOTOVOLTAIC SYSTEM

# 100%

OF PURCHASED ELECTRICITY CERTIFIED AS PRODUCED FROM RENEWABLE SOURCES FOR OUR ITALIAN FACTORY, OFFICES AND STORES

# OVER 1,260

TONS OF CO2 AVOIDED THANKS TO THE PURCHASE OF CERTIFIED ELECTRICITY AND OUR PHOTOVOLTAIC SYSTEM

# 484,001

KWH OF ELECTRIC ENERGY PRODUCED BY OUR PHOTOVOLTAIC PANELS AND INTERNALLY CONSUMED, WHICH REVEALS AN INCREASE OF 1% COMPARED TO 2021

## 4.1 THE RESPONSIBLE USE OF ENERGY RESOURCES FOR EMISSIONS REDUCTION

Sergio Rossi is acutely aware of the difficulties posed by climate change and recognises the crucial role that businesses can play in addressing these problems. We are fully committed to minimising the environmental impact of our operations and we have launched a series of initiatives aligned with the principles of the United Nations Global Compact with the goal of achieving long-term reductions in all of our major areas of impact. Our Facility team leads this initiative, which identifies and implements programmes to improve energy efficiency and reduce greenhouse gas (GHG) emissions. We recognise that reducing our environmental footprint requires collective action, and we are proud to set the standard for mitigating our activities' impact on the planet.

Aware of our responsibility to the environment and to keep our impact under control, we focused on daily monitoring of our energy consumption. After the two years marked by the pandemic, production activities fully restarted in 2022. In line with previous years, the majority of our energy consumption is attributable to the San Mauro Pascoli plant, whose energy demand is primarily driven by three factors: purchased and self-produced electricity, natural gas, and diesel fuel for company vehicles. The Facility team also carried out various optimisation activities by leveraging several foresightful investments made in previous years; for instance, we continued to use our internal metering system to obtain a comprehensive overview of our energy consumption; this allowed the Facility team to monitor daily consumption trends by analysing energy data.

As in previous years, a portion of our factory's electricity demand was met by San Mauro Pascoli's photovoltaic system. In 2021, we performed cleaning and maintenance on the solar panels to ensure their optimal operation and energy output. Our primary objectives were to evaluate the system's condition and proper operation, and to confirm that the solar panels were in good working order. To accomplish this, we used thermal cameras, which allowed us to prevent the panels from overheating and preserve their functionality. This operation is performed with high frequency, and the last analysis, carried out in 2022, did not detect any loss of efficiency of the panels. At Sergio Rossi we take great pride in our production facility's PV system, which allows us to rely on the electricity supply less frequently. Our commitment to sustainability enables us to generate renewable energy. By performing PV panel maintenance, we were able to maintain the growth achieved in 2021, with a slight increase in the amount of photovoltaic-produced electricity consumed internally. We are pleased to report that our photovoltaic system supplied approximately 20% of the San Mauro Pascoli plant's total electrical demand, resulting in an estimated 221 tonnes of CO2 savings. We are committed to guaranteeing the optimal efficiency of our photovoltaic system for years to come, as we take

great pride in our efforts towards sustainable energy.<sup>1</sup>

In 2022, we renewed our effort to reduce environmental impacts, and we continued to purchase Guarantees of Origin (GO) to cover the grid-sourced electricity we purchased. By doing so, we ensure that our operations are powered by renewable energy sources, thereby contributing to the decarbonization of the national energy mix.

We are proud to announce that 100% of the electricity purchased by our San Mauro Pascoli plant, Milan offices, and Italian retail locations comes from renewable sources. 99% of our EMEA retail stores' total electricity demand was met by renewable energy sources, an increase of 1% from 2021. Specifically, our photovoltaic system generated and self-consumed 1,742 GJ of energy, while we purchased 8,200 GJ from hydroelectric, thermal, and wind power plants.

Diesel and natural gas consumption met the remaining energy demand, accounting for 697 GJ and 2,778 GJ, respectively [GRI 302-1]. Moreover, our increased electricity production resulted in the sale of 390 GJ back to the grid, a 2% increase over 2021.

We take great pride in our efforts to source renewable energy, and we remain committed to discovering new ways to reduce our environmental footprint. From 2022, we have replaced halogen lamps with LED modules to enhance energy efficiency. Most of the lighting systems in the San Mauro plant and our offices in Milan have been renovated, with the relamping project expected to be completed soon. Moving forward, we are providing more LED lamps in production and aim to replace lighting in the leather department. Furthermore, we will conduct a feasibility study on replacing part of some offices with LED lamps to further optimize energy use. We will continue our engagement in exploring new technologies and solutions to increase our energy efficiency in the coming months.

In 2022, in Pontaccio and our EMEA stores, we registered a 3% decrease in our overall greenhouse gas emissions (Scope 1 and Scope 2 Location-based), from 977 tons of CO2 in 2021 to 943 tons of CO2. The reduction in emissions is primarily due to our

<sup>1</sup> The percentage of electricity supplied by the photovoltaic system is calculated as the ratio between the total production of the photovoltaic system and the site's energy demand (sum of energy produced and self-consumed, and energy absorbed from the grid).

efforts to decrease diesel consumption and the implementation of additional energy savings as well as a delay in the boiler switch-on by 15 days in Pontaccio (as per the specifications of the National Plan to contain the natural gas consumption, the supply of which is difficult and subject to sudden price changes due to the war in Ukraine). Additionally, favourable climatic conditions in 2022 also played a vital role in reducing our emissions. Lastly, the closing down of the German store halfway through the year also contributed to reducing electricity consumption in 2022. Thanks to the purchase of Guarantees of Origin (GOs) for all our Italian facilities and retail locations, we reduced GHG emissions from electricity use by 1,040 tons of CO2 according to the Market-Based calculation [305-1; 305-2].

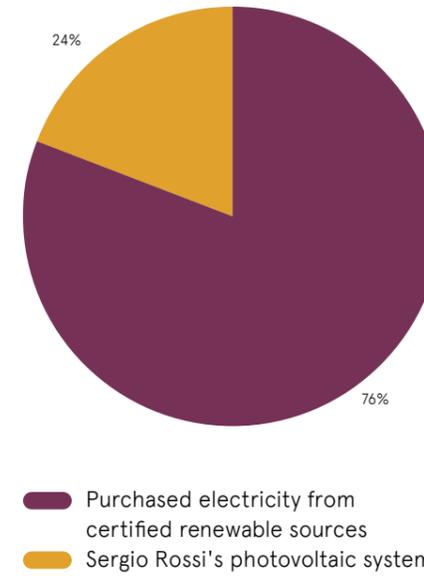
In accordance with the Greenhouse Gas Protocol, we continued to monitor our GHG emissions in 2022, including reporting Scope 3 emissions associated with business travel, logistics of sold products, and water consumption and discharge. The increase in Scope 3 emissions from 344 to 429 tons of CO2e reflects the return to pre-pandemic levels of mobility and business activities. Compared to the previous year, emissions related to business travel and logistics significantly increased in 2022, reaching pre-pandemic levels due to the end of global lockdown measures. The product shipping category includes all products shipped from

our San Mauro Pascoli production plant to our clients and stores worldwide. Furthermore, emissions tied to air travel for business purposes also increased significantly, about 15 times greater than the previous year [305-3]. As we continue to prioritize sustainability in all our operations, we renovate our commitment to finding innovative ways to reduce our environmental footprint and mitigate our impact on the planet.

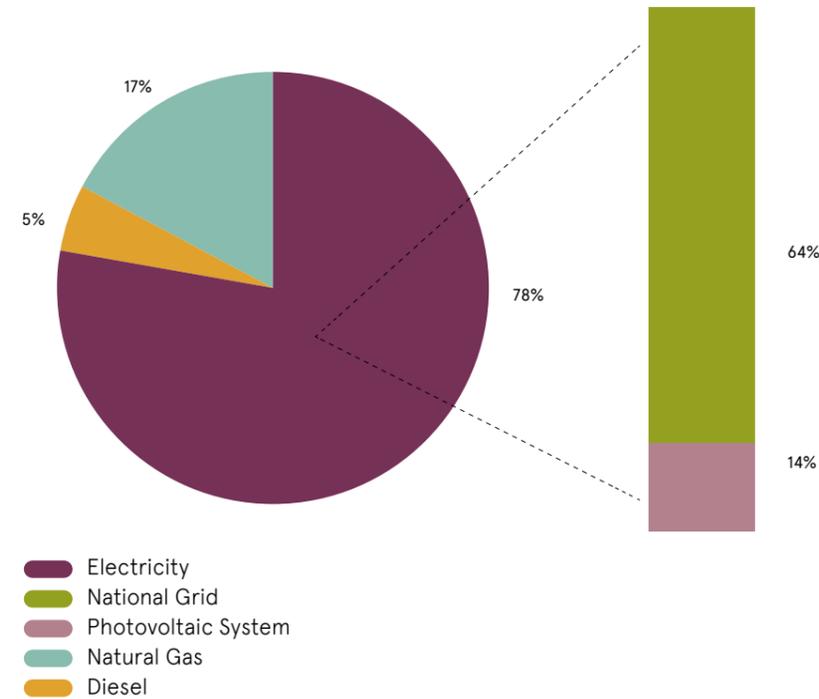
Regarding outbound logistics, we restructured our San Mauro Pascoli logistics operations substantially in 2020. In recent years, we've established partnerships with new logistic suppliers who have committed to progressively move to more sustainable transportation options, thereby reducing the emissions associated with transportation and logistics operations. Moreover, in 2021, Sergio Rossi Group changed its logistic partner in Asia, allowing more efficient shipments by preventing boxes destined for China from passing through Hong Kong. In addition, we have implemented the Make-to-stock (MTS) model (for more information, see 3.1 "Improving manufacturing efficiency") to enhance the overall efficiency of our production and logistics operations. Over the next few years, we will continue to evaluate our outbound logistics performance and optimise our internal operations by implementing client satisfaction and production process-oriented innovations.



ELECTRICITY SOURCES OF SAN MAURO PASCOLI PLANT



SERGIO ROSSI'S ENERGY MIX



NOTE: DATA FROM THIS GRAPH INCLUDE ALL ENERGY SOURCES CONSUMED IN SAN MAURO PASCOLI, PONTACCIO, EMEA RETAIL NETWORK.

## ENERGY CONSUMPTION [GJ] GRI 302-1

Type of consumption	Energy source	2020	2021	2022
– Emergency generator	Diesel	2.6	4.2	10.0
– Heating	Natural gas	3,195.9	3,330.7	2,237.4
– Electricity	National grid	7,620.6	8,462.9	8,368.0
	<i>Of which purchased with GOs</i>	7,167.6	8,269.2	8,199.7
	Photovoltaic system	1,509.1	1,724.3	1,742.4
– Owned vehicles	Diesel	4.6	8.9	5.9
– Leased vehicles	Diesel	692.6	820.1	681.1
<b>– Total energy consumption</b>		<b>13,025.4</b>	<b>14,351.1</b>	<b>13,044.8</b>

## DIRECT AND INDIRECT GHG EMISSIONS [TONS OF CO<sub>2</sub> EQUIVALENT] GRI 305-1-2-3

Activity	2020	2021	2022
<b>Scope 1: direct GHG emissions</b>			
– Natural gas consumption for heating purposes	179.7	187.2	126.1
– Diesel consumption for emergency electricity generation	0.2	0.3	0.8
– Diesel consumption for owned and leased vehicles	48.2	57.6	51.1
– Refrigerant gases leakage	0	0	13.4
<b>– Total scope 1</b>	<b>228.1</b>	<b>245.1</b>	<b>191.4</b>
<b>Scope 2: energy indirect GHG emissions</b>			
– Electricity purchased from the grid (Location-based method)	696.8	731.8	721.5
– Electricity purchased from the grid (Market-based method)	33.5	12.1	4.3
<b>– Total scope 1 and 2 (Location-based method)</b>	<b>924.87</b>	<b>976.9</b>	<b>943.3</b>
<b>Scope 3: other indirect GHG emissions</b>			
– Business travel by air	9.2	3.0	46.0
– Business travel by train and rented cars	1.8	2.4	4.2
– Logistics of sold products	287.8	332.7	374.3
<b>– Total scope 1 and 2 (Location-based method)</b>	<b>298.8</b>	<b>338.1</b>	<b>424.4</b>
<b>– Total scope 1, 2 (location-based method) and 3</b>	<b>1,223.6</b>	<b>1,315.0</b>	<b>1,337.3</b>

## 4.2 WASTE

We are fully committed to optimizing waste separation and recycling, particularly during production. While we continuously strive to reduce the waste we generate, in 2022, we undertook a disposal process that is not typically carried out annually. During that year, we gathered a total of 39.7 tons of waste, of which 96% was classified as non-hazardous waste. Our primary goal was to divert as much waste as possible from disposal through various recycling initiatives. In fact, around 84% of total waste in 2022 was diverted from disposal [306-3, 306-4, 306-5]. It is important to note that there has been a significant increase in waste generation compared to the previous year, mainly due to the reclassification of cutting waste from municipal waste to industrial waste. In fact, as of January 1, 2022, Legislative Decree 116/2020, which requires separate collection of textile waste,

came into effect in Italy. Compliance with this obligation has led to a different classification of textile waste, which, in 2022, is considered non-hazardous waste to be sent to recycling. Furthermore, we also made efforts to reduce our reliance on hazardous materials by replacing neon lamps with more environmentally friendly LED alternatives. While this switch positively impacted our environmental footprint, it did increase hazardous waste generation due to the disposal of the replaced lamps. To further minimize our impact, we implemented measures to continue to reduce production waste and single-use plastics. As part of the first initiative, we adopted a circular approach, giving leftovers a second life instead of sending them for disposal (see 3.1). [GRI 306-1, 2]

WASTE TYPE [GRI 306-3, 4, 5]	Treatment	2020 KG	2021 KG	2022 KG
– Hazardous waste	Recovery operation – Recycling	60	40	140
	Disposal operation – Direct Disposal	534	260	1,360
– Non-hazardous waste	Recovery operation – Recycling	22,050	12,690	33,210
	Disposal operation – Direct Disposal	3,520	7,920	4,980
<b>– Total waste diverted from disposal</b>		<b>22,110</b>	<b>8,180</b>	<b>33,350</b>
<b>– Total waste directed to disposal</b>		<b>4,054</b>	<b>8,180</b>	<b>6,340</b>
<b>– Total waste</b>		<b>26,164</b>	<b>20,910</b>	<b>39,690</b>

The data refer only to the San Mauro Pascoli production site, given that both the Pontaccio office and the EMEA Retail Network fall within the local municipal waste collections, thus not requiring quantity monitoring.

## 4.3 AIR EMISSIONS

Every year we perform for the San Mauro Plant the analysis of our atmospheric emissions, as required by the environmental authorities in accordance with Italian Legislative Decree n. 152/06. The fluctuations in air emission levels from year to year are not solely dependent on the operating hours of machines. Instead, they are influenced by the sampling process, which is conducted once a year for a brief period. Additionally, the lack of specific conditions during the analysis poses challenges when comparing data from one year to another. To address this, we consider the production plant to operate under consistent conditions throughout the year. Based on this assumption, we provide estimated values for the three-year period.

Air Emissions	2020	2021	2022
- Total organic carbon (COT)	1.4	1.3	2.3

Moreover, also in 2022, we respected all the limits required by law. The legal limits are related to the purchase of products releasing COTs during their use; such limits for Sergio Rossi are equal to 9,500 kg of glues and solvents that are mainly used for production and cleaning. [305-7]





**METHODOLOGICAL /05  
NOTE**

## Reporting principles and criteria **Scope of Reporting**

This document represents the Sustainability Report of Sergio Rossi and it has been drawn up with the purpose of sharing, in a transparent manner, the company's commitment to sustainable development, and its efforts to promote a business model that respects the social, environmental and economic spheres towards which the company has an impact.

The report refers to financial year 2022, reporting data from 1st January to 31st December 2022 [2-3] and it is published annually. The document has been written with reference to the GRI Sustainability Reporting Standards 2021, published by the Global Reporting Initiative (GRI). The description of the process adopted to detect and identify the contents of the Sustainability Report is reported in the paragraphs "Materiality Analysis" and §1.3 "Our commitment to sustainability". Furthermore, this document also meets Sergio Rossi commitment to produce a Communication on Progress as required by the United Nations Global Compact (UNGC) Initiative, signed in 2017. Sergio Rossi's Sustainability Report does not directly address the issues and principles relating to human rights of the UNGC, since most of the company's direct activities and suppliers are in Italy, where laws ensure the regulation of human rights. Nonetheless, Sergio Rossi includes clauses on labour conditions and respect of human rights in its Code of Business Conduct and the protection of health and safety in the workplace is an issue on which the Company is constantly committed to reporting.

Through the Sustainability Report 2022, Sergio Rossi aims to communicate the initiatives, events, and programmes conceived and implemented during the year to all its stakeholders. The document also illustrates the activities launched in previous years which generated results in 2022 as well as further initiatives planned to be implemented or completed in the following years.

With the purpose to make a historical comparison of data and to guarantee the comparability of the performances, whenever possible, the data relating to 2020 and 2021 have been displayed. All the information refers to Sergio Rossi S.p.A. and to a series of selected single brand and outlet stores from the Company's EMEA Retail Network, operating under the Sergio Rossi Retail S.r.l., and its French branch, and the SR UK Ltd. – all fully controlled by Sergio Rossi S.p.A; from 2019, data also include SR Deutschland, the German branch. In particular, 2022 data include the following shops: the via Spiga flagship and the via Matteotti store in Milan, the via dei Condotti store in Rome, Noventa di Piave, Fidenza Village, Serravalle, Castel Romano and San Mauro Pascoli outlets in Italy and the Faubourg Saint-Honoré store in Paris. Any exception to such scope is clearly outlined within the document [2-2]. Sergio Rossi S.p.A. has its headquarters and plant in San Mauro Pascoli, via Stradone 600/602 (Italy).

## Materiality analysis

In 2022 Sergio Rossi updated the materiality analysis, in accordance with the GRI Standards 2021. To begin with, the table below represents our stakeholders which were confirmed by top management thanks to their knowledge of the sector, the Group and its environment [2-29].

STAKEHOLDER CATEGORY	ENGAGEMENT TOOLS AND ACTIVITIES	ENGAGEMENT FREQUENCY
Clients	Direct dialogue through the retail force, analysis of social media, monitoring of the satisfaction of products through complaints management (see §1.3)	Daily
Competitors	-	-
Employees	Continuous dialogue with the HR department	Daily
Franchisees and Landlords	Periodic meetings	Monthly/yearly
Local communities	Monitoring of main topics and concerns through the dialogue with other actors of San Mauro District, media monitoring and participation to trade associations	Quarterly/yearly
Shareholder and Investors	Formal and informal meetings, periodic management reports, sustainability reporting	Quarterly/yearly
Social Media users and influencers	Analysis of social media trend topics, interaction through Sergio Rossi social media profiles	Daily
Suppliers	Continuous dialogue, periodic meetings, written communication regarding our quality and chemical compliance requirements (see §3.1)	Daily
Testimonials	Continuous dialogue, periodic meetings, interaction through Sergio Rossi social media profiles	Daily
Trade and production partners	Periodic meetings	Yearly
Universities and other educational institutions	Joint initiatives and other periodic meetings	Quarterly/yearly
Wholesalers	Periodic meetings	Quarterly/yearly

We structured a four-step process to update the materiality analysis according to GRI 3: Material Topics (2021).

**Understand the organization's context.** Through a preliminary context analysis, we identified the main sustainability issues affecting the leather and fashion industry, taking into account the entire value chain of our sector. We conducted a media analysis related to our company and a benchmarking analysis of our peers' sustainability reporting, with the aim of identifying the most relevant issues for comparable companies. In addition, we considered legislative pressure, sector documents, sustainability standards and trends. With the information gathered, we identified the most significant impacts Sergio Rossi has or could have on the economy, environment and people, including impacts on human rights.

**Identify actual and potential impacts.** We divided the impacts in two categories: actual, those that are ongoing, and potential, those that could occur in the future. We also characterized each of them by considering whether they are positive or negative. Assess the significance of the impact. At this stage, we assessed the significance of the identified impacts to prioritize them. For actual impacts, the significance of an impact is determined by the severity of the impact, whereas the significance of a potential impact is determined by the severity and likelihood of the impact. The severity of an actual or potential impact is driven by three factors: scale (how severe the impact is), scope (how widespread the impact is along the value chain) and irremediable character (how hard it is to counteract or make good the resulting harm— only for negative impact). Likelihood refers to the chance of the impact happening and whether the company has policies, procedures, or activities to prevent and mitigate the impact considered. Actual impacts present full score in likelihood.

**Prioritize the most significant impacts for reporting.** At this stage, to determine the material topics on which to focus the Sustainability Report, impacts are prioritized according to their significance. The significance of an impact is assessed in relation to the other impacts identified, sorted by importance and establishing a threshold value. Material topics are those with the highest priority that exceed the materiality threshold. Subsequently, Sergio Rossi's Top Management and the Sustainability Committee were engaged to confirm the prioritization of material topics. A workshop has been organized to discuss the preliminary analysis and asking the Top Management to assess the relevance of each material topic, taking into account their knowledge of the company, the sector and its recent developments, the commitment of Sergio Rossi on those topics and their actual and potential impact for the Company and its entire value chain [2-14].

The following table presents the list of material topics (whose definition is described in detail in Chapter 1), related to their corresponding GRI Standard. The table also reports any potential reporting limitation due to the current unavailability of data and information related to the entire perimeter [3-1]. Sergio Rossi carries on its commitment in continuously updating and improving methods to gradually broaden the scope of data collection and reporting for each material topic.

As shown in the table, "Legal compliance" is no longer considered material as in the previous year's analysis, as it is considered a relevant area a priori, since it underlies of the Group's activity. Instead, "Polluting emissions", "Protection of human rights and workers", and "Reduction and prevention of waste production" are material topics introduced in the 2022 reporting year.

MATERIAL TOPIC	GRI MATERIAL ASPECT	ASPECT BOUNDARY		REPORTING LIMITATIONS	
		WITHIN THE ORGANISATION	OUTSIDE THE ORGANISATION	WITHIN THE ORGANISATION	OUTSIDE THE ORGANISATION
Economic performance	GRI 201: Economic performance	Sergio Rossi S.p.A.			
Contribution to local development	GRI 204: Procurement practices	Sergio Rossi S.p.A.			
Use of sustainable raw materials and packaging	GRI 301: Materials	Sergio Rossi S.p.A.	Suppliers		Reporting scope not extended to suppliers
Addressing climate change	GRI 302: Energy	Sergio Rossi S.p.A.	Suppliers		Reporting scope not extended to suppliers
	GRI 305: Emissions	Sergio Rossi S.p.A.	Suppliers		Reporting scope extended just to some suppliers
Polluting emissions	GRI 305: Emissions	Sergio Rossi S.p.A.			
Reduction and prevention of waste production	GRI 306: Waste	Sergio Rossi S.p.A.			
Business and Ethics	GRI 205: Anti-corruption	Sergio Rossi S.p.A.			
	GRI 307: Environmental compliance 2016				
Traceability and transparency along the supply chain	GRI 308: Supplier environmental assessment	Sergio Rossi S.p.A.			
	GRI 414: Supplier social assessment	Sergio Rossi S.p.A.			
Talent attraction and retention	GRI 401: Employment	Sergio Rossi S.p.A.	External workers		Reporting scope includes cleaning, maintenance and reception services, as well as temporary agency workers of the Sergio Rossi S.p.A.
Employee health and safety	GRI 403: Occupational health and safety	Sergio Rossi S.p.A.			
Remuneration and welfare	GRI 401: Employment				
Protection of human rights and workers	GRI 406: Non-Discrimination	Sergio Rossi S.p.A.			
Client satisfaction	GRI 416: Customer health and safety	Sergio Rossi S.p.A.	Clients		
Creativity, design and protection of the artisanal know-how	GRI 404: Training and education	Sergio Rossi S.p.A.			
Diversity and equal opportunities	GRI 405: Diversity and equal Opportunity	Sergio Rossi S.p.A.			

## QUALITY REPORTING PRINCIPLES

Our Sustainability Report is drafted in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. The document highlights both strengths and weaknesses, as well as potential areas of improvements for the Group. The data collection and reporting processes are structured in order to ensure the comparability over the years and to guarantee an accurate interpretation of information by the key stakeholders interested in our performance evolution. We have been supported by the Italian EY Climate Change and Sustainability Services team in the drafting of the 2022 Sustainability Report. The current Sustainability Report is not subject to external assurance [2-5].

## Reporting principles and criteria

The calculation methodologies described below outline how energy and environmental figures have been computed for 2020, 2021 and 2022.

## Energy consumption

To compute the energy consumption regarding owned and leased vehicles, we based our calculation on the available data of fuel consumption.

The following table shows the conversion factors that have been used:

<b>FUEL DENSITY</b>	<b>LCV (LOWER CALORIFIC VALUE)</b>
DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021.	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali 2019, 2020 and 2021.

## GHG emissions

Concerning environmental data, when actual data were not available, conservative estimations have been used. Greenhouse gases emissions calculations have been carried out based on the principles included in the GHG Protocol Corporate Accounting and Reporting Standard.

Indirect (Scope 2) GHG emissions related to electric energy consumption have been calculated with both the location-based and the market-based method.

For what concerns the amount of GHG emissions related to transportation activities (Scope 3), indirect emissions resulting from outbound logistics have also been considered by considering all shipments from our factory in San Mauro Pascoli to our store network and logistic hub worldwide. The Scope 3 emissions calculation also includes: emissions related to business travels by train, plane and rental car, and, from 2020, those related to water consumptions and discharges.

Finally, in order to calculate the amount of CO2 saved thanks to the energy generated by our photovoltaic system, we have first converted the kWh consumption of electricity coming from the photovoltaic system into avoided CO2 emissions by using the Terna emission factor (i.e. the same used for electricity purchased from the grid). Afterwards, such saving has been compared to the amount of CO2 emissions generated by an average passenger vehicle (as defined by the UK DEFRA conversion tables) traveling for 10,000 kilometres, as to obtain the corresponding equivalence.

## Air emissions

To calculate the amount of air emissions, all pollutants relating to industrial processes have been considered; to obtain the quantity, the pollutants concentrations is multiplied by estimated annual flows.

## Contacts

For further information about this Sustainability Report, please contact [2-3]:

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GHG EMISSIONS SCOPE 1			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Emergency generator/ Heating and Cooling	Fuel consumption (Diesel and natural gas)	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali 2019, 2020 and 2021	Only CO <sub>2</sub> emissions were considered
Owned and leased cars	Fuel consumption (diesel)	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali 2019, 2020 and 2021	Only CO <sub>2</sub> emissions were considered
Leakages from air-conditioning systems of refrigerant gases	Leakages (kg)		IPCC, 2013 - Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the IPCC. Cambridge University Press, p. 732

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from the national grid (Location-based method)	Electricity consumption (kWh)	Terna, international comparisons on Enerdata figures - 2018, 2019, and 2020 data	Only CO <sub>2</sub> emissions were considered
Electricity purchased from the national grid (Market-based method)	Electricity consumption (kWh)	AIB, European Residual Mixes - 2018, 2019 and 2020 data	

GHG EMISSIONS SCOPE 3			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Business travel by air	Distance covered (km)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021.	CO <sub>2</sub> equivalent, considering the following gases: CO <sub>2</sub> (GWP = 1), CH <sub>4</sub> (GWP = 25) and N <sub>2</sub> O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4).
Business travel by train	Distance covered (km)	Ferrovie dello Stato Italiane, "Rapporto di Sostenibilità", 2018, 2019 and 2020.	Only CO <sub>2</sub> emissions were considered
Outbound logistics	Products shipped (km*kg)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021.	CO <sub>2</sub> equivalent, considering the following gases: CO <sub>2</sub> (GWP = 1), CH <sub>4</sub> (GWP = 25) and N <sub>2</sub> O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4).

## APPENDIX

In addition to the topics highlighted as material through our materiality analysis, we closely monitor other environmental aspects connected to our processes, especially from the perspective of regulatory compliance. Particularly, we monitor data on water consumption.

## Water

Water consumption for Sergio Rossi is mainly related to civil and drinking uses, in fact, water is not used in the production phase. For this reason, water consumption refers entirely to freshwater which is supplied by municipal sources: the municipality manages not only the withdrawn but also the discharge into the sewer [303-1, 303-2]. In 2022, water use slightly decreased from the previous year (-10%), shifting from 13,056 to 11,794 cubic metres, returning to pre-pandemic levels. According to Aqueduct's Water Risk Atlas Tool (World Resource Institute) the site of San Mauro Pascoli is highlighted as "water stress area", and it represents the 86% of total water consumption [303-3].

The decrease in water demand could be mainly related to the reduction in daily cleaning and sanitization activities to ensure a safe workplace for our employees adopted during the pandemic years. In our production site in San Mauro Pascoli, we collect rainwater to irrigate green areas; for the limited contribution, the data consumption is not monitored.

WATER CONSUMPTION SOURCE	DATA (M <sup>3</sup> )		
	2020	2021	2022
Municipal supply	11.6	13.1	11.8
Of which from area with water stress issue	10.2	11.5	10.2

## GRI Content Index

The correspondence between the information required by the GRI Standards in relation to each indicator associated to our material topics and the contents of this document is presented in the following table. Where information is missing due to the unavailability of KPI monitoring, we have included a detailed reference under the “Omissions” column.

**STATEMENT OF USE**

Sergio Rossi S.p.A. has reported the information cited in this GRI content index for the period 01/01/2022 – 31/12/2022 with reference to the GRI Standards.

**GRI 1 USED**

GRI 1: Foundation 2021

**APPLICABLE GRI SECTOR STANDARD**

At the date of publication of this report, there are no GRI Sector Standards applicable to Sergio Rossi S.p.A.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	

**GENERAL DISCLOSURES**

**GRI 2: General Disclosures 2021**

**THE ORGANIZATION AND ITS REPORTING PRACTICES**

2-1 Organizational details	1.1 Sergio Rossi at a glance - pagg. 10; 16		
2-2 Entities included in the organization's sustainability reporting	Methodological Note - pag. 100		
2-3 Reporting period, frequency and contact point	Methodological Note - pag. 100		
2-4 Restatements of information			No restatement of information from previous reporting periods was made.
2-5 External assurance			The report has not been subjected to external assurance, in fact the Sustainability Report at the present document it is done on a voluntary basis.

**ACTIVITIES AND WORKERS**

2-6 Activities, value chain and other business relationships	1.1 Sergio Rossi at a glance - pagg. 10; 16		
	1.2 Distribution network - pag. 24		
	3.1 The importance of sourcing - pag. 77		
2-7 Employees	2.1 Promoting a safe workplace - pagg. 56-57		
2-8 Workers who are not employees	2.1 Promoting a safe workplace - pag. 57		

**GOVERNANCE**

2-9 Governance structure and composition	1.1 Corporate governance and values - pag. 18	Independence: number of other significant positions and commitments held by each member, and the nature of the commitments; under-represented social groups;	Information unavailable/incomplete	Independence of Board members, the number of other important positions held and commitments made by each member and the nature of the commitments, underrepresented
	1.3 Our commitment to sustainability - pag. 47			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON EXPLANATION	
			competencies relevant to the impacts of the organization; stakeholder representation.	social groups, important expertise regarding the impacts of the organization, and stakeholder representation are not specified within the Organization.	
	2-10 Nomination and selection of the highest governance body	GRI Content Index, pag. 112			There is no criteria and procedure for the appointment and selection of the highest governing body and its committees.
	2-11 Chair of the highest governance body	GRI Content Index, pag. 112			The chair of the highest governance body is not a senior executive in the organization.
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1 Corporate governance and values - pag. 18 1.3 Our commitment to sustainability - pagg. 46-47			
	2-13 Delegation of responsibility for managing impacts	1.3 Our commitment to sustainability - pag. 47			
	2-14 Role of the highest governance body in sustainability reporting	1.3 Our commitment to sustainability - pag. 47 Methodological Note - pag. 102			
	2-15 Conflicts of interest	GRI Content Index, pag. 112			No processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated.
	2-16 Communication of critical concerns	1.1 Corporate governance and values - pag. 18			
	2-17 Collective knowledge of the highest governance body	GRI Content Index, pag. 112			No measures taken to bring forward the collective knowledge, skills and experience of the highest governing body regarding sustainable development.
	2-18 Evaluation of the performance of the highest governance body	GRI Content Index, pag. 112			No procedures for evaluating the performance of the highest governing body in controlling the management of the impacts

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON EXPLANATION	
	2-19 Remuneration policies	GRI Content Index, pag. 113			on economy, environment and people.  There are no formalized remuneration policies for members of the highest governance body and senior executives, nor is there a formalized description how the remuneration of these individuals is related to their objectives and performance in relation to the management of the organization's impacts on the economy, environment and people.
	2-20 Process to determine remuneration	GRI Content Index, pag. 113			There is no regulation regarding the remuneration of members of the highest governing body and senior executives.
	2-21 Annual total compensation ratio	GRI Content Index, pag. 113	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees Contextual information	Confidentiality constraints	Given the updated GRI standards, this is the first year that Sergio Rossi has to disclose this information. To ensure the privacy of employees and the highest paid individual, it was decided not to publish the values for the reporting year 2022.
<b>STRATEGY, POLICIES AND PRACTICES</b>					
	2-22 Statement on sustainable development strategy	A message from our CEO - pag. 5			
	2-23 Policy commitments	1.1 Our Code of Business Conduct - pag.20			The Sustainability Policy has been approved by the Board and is

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	
	2-23 Policy commitments	1.3 Our commitment to sustainability - pag. 46			available online
	2-24 Embedding policy commitments	1.1 Our Code of Business Conduct - pag.20			
		1.3 Our commitment to sustainability - pag. 47			
	2-25 Process to remediate negative impacts	1.3 Our commitment to sustainability - pag. 47			
	2-26 Mechanisms for seeking advice and raising concerns	1.1 Corporate governance and values - pag. 18			
	2-27 Compliance with laws and regulations	1.1 Corporate governance and values - pag. 18			
	2-28 Membership associations	1.3 Our commitment to sustainability - pag. 46			
		3.2 Trade associations - pag. 87			
<b>STAKEHOLDER ENGAGEMENT</b>					
	2-29 Approach to stakeholder engagement	Methodological Note - pag. 101			
	2-30 Collective bargaining agreements	2.1 Promoting a safe workplace - pag. 55			

## MATERIAL TOPICS

GRI 3: Material topics 2021	3-1 Process to determine material topics	Methodological Note - pag. 102			
	3-2 List of material topics	1.3 Our commitment to sustainability - pagg. 48-49  Methodological Note - pag. 103			

## ECONOMIC PERFORMANCE

GRI 3: Material topics 2021	3-3 Management of material topics	1.1 Ownership structure and economic value generated - pagg. 16-17			
		1.3 Our commitment to sustainability - pag. 49			
		Methodological Note - pag. 103			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1 Ownership structure and economic value generated - pag. 17			
<b>CONTRIBUTION TO LOCAL DEVELOPMENT</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 49			
		3.1 The importance of sourcing - pag. 77  Methodological Note - pag. 103			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.1 The importance of sourcing - pag. 77			
<b>USE OF SUSTAINABLE RAW MATERIALS AND PACKAGING</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 49			
		3.1 The importance of sourcing - pag. 78  Methodological Note - pag. 103			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	3.1 The importance of sourcing - pag. 77			
<b>ADDRESSING CLIMATE CHANGE</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		3.1 The importance of sourcing - pagg. 91-92  Methodological Note - pag. 103; 106			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	4.1 The responsible use of energy resources for emissions reduction - pagg. 91; 94			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.1 The responsible use of energy resources for emissions reduction - pagg. 92; 94			
	305-2 Energy indirect (Scope 2) GHG emissions	4.1 The responsible use of energy resources for emissions reduction - pagg. 92; 94			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	
	305-2 Energy indirect (Scope 2) GHG emissions	4.1 The responsible use of energy resources for emissions reduction - pagg. 92; 94			
	305-3 Other indirect (Scope 3) GHG emissions	4.1 The responsible use of energy resources for emissions reduction - pagg. 92; 94			

#### POLLUTING EMISSIONS

GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		4.3 Air emission - pag. 96			
		Methodological Note - pagg. 103; 105			
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3 Air emission - pag. 96			

#### REDUCTION AND PREVENTION OF WASTE PRODUCTION

GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		4.2 Waste - pag. 95			
		Methodological Note - pag. 103			
GRI 306: Effluents and waste 2020	306-1 Waste generation and significant waste-related impacts	4.2 Waste - pag. 95			
		306-2 Management of significant waste-related impacts	4.2 Waste - pag. 95		
		306-3 Waste generated	4.2 Waste - pag. 95		
		306-4 Waste diverted from disposal	4.2 Waste - pag. 95		
		306-5 Waste directed to disposal	4.2 Waste - pag. 95		

#### BUSINESS AND ETHICS

GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
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GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 46			Methodological Note - pag. 103
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken				No incidents of corruption were recorded in the reporting period.

#### TRACEABILITY AND TRANSPARENCY ALONG THE SUPPLY CHAIN

GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 49			
		3.1 The importance of sourcing - pag. 77			
		Methodological Note - pag. 103			
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	GRI Content Index, pag. 117			No suppliers were screened using environmental criteria in the reporting period.
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	GRI Content Index, pag. 117			No suppliers were screened using environmental criteria in the reporting period.

#### TALENT ATTRACTION AND RETENTION

GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		2 Human Capital - pag. 52			
		2.1 Promoting a safe workplace - pagg. 53-55			
		2.2 Investing in the artisans of tomorrow - pagg. 62-64			
		Methodological Note - pag. 103			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2.1 Promoting a safe workplace - pagg. 58-59			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	
<b>EMPLOYEE HEALTH AND SAFETY</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		2 Human Capital - pag. 52			
		2.1 Promoting a safe workplace - pag. 53			
		Methodological Note - pag. 103			
GRI 403: Occupational health and safety 2016	403-1 Occupational health and safety management system	GRI Content Index, pag. 118			Occupational health and safety management for Italian companies is based on the Italian legislation which defines periodic activities that have to be carried out in order to ensure workers' safety.
		403-2 Hazard identification, risk assessment, and incident investigation	GRI Content Index, pag. 118		Integral part of such activities is the identification of work-related hazards and risk assessments from which no significant risks have emerged.
	403-3 Occupational health services	2.1 Promoting a safe workplace - pag. 53			
	403-4 Worker participation, consultation, and communication on occupational health and safety	GRI Content Index, pag. 118			These aspects are managed in compliance with the provisions of the Italian legislative framework which requires the presence of at least one "Employee Representative" as a mandatory role within the Occupational health and safety management system.
	403-5 Worker training on occupational health and safety	GRI Content Index, pag. 118			based on the Italian Legislation, training on health and safety is mandatory for all employees; length and type of training is based on worker's role and level of risk.
	403-6 Promotion of worker health	GRI Content Index, pag. 118			The Group did not provide any additional non-occupational medical and healthcare services.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GRI Content Index, pag. 119			Sergio Rossi does not have in place a process to analyze potentially significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships.
	403-9 Work-related injuries	2.1 Promoting a safe workplace - pag. 53			
<b>REMUNERATION AND WELFARE</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		2 Human Capital - pag. 52			
		2.1 Promoting a safe workplace - pag. 54			
		Methodological Note - pag. 103			
GRI 401: Employment 2016	401-3 Parental leave	2.1 Promoting a safe workplace - pag. 54			
<b>PROTECTION OF HUMAN RIGHTS AND WORKERS</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		2.1 Promoting diversity and ensuring equal opportunities - pag. 60			
		Methodological Note - pag. 103			
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index, pag. 119			No incidents of discrimination were recorded during the reporting period .
<b>CLIENT SATISFACTION</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 49			
		3.1 Our efforts to guarantee customer health and safety - pag. 79			
		Methodological Note - pag. 103			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		NOTE
			REQUIREMENTS OMITTED	REASON	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1 Our efforts to guarantee customer health and safety - pag. 79			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index, pag. 120			No incidents of compliance concerning the health and safety impacts were recorded in the reporting period.

### CREATIVITY, DESIGN AND PROTECTION OF THE ARTISANAL KNOW-HOW

GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 49			
		2 Human Capital - pag. 52			
		2.2 Investing in the artisans of tomorrow - pag. 62-65			
		Methodological Note - pag. 103			

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2.2 Our Retail programme: srAcademy - pagg. 65-66			
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### DIVERSITY AND EQUAL OPPORTUNITIES

GRI 3: Material topics 2021	3-3 Management of material topics	1.3 Our commitment to sustainability - pag. 48			
		2.1 Promoting diversity and ensuring equal opportunities - pag. 60			
		Methodological Note - pag. 103			

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Promoting diversity and ensuring equal opportunities - pag. 60 - 61			
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