



## Non-financial consolidated statement 2020



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# Chairman's message to stakeholders

The name GEOX was created with GEO - the Earth - in mind, thinking also about how to use innovation to make people feel good, hence the X in our name.

Geox's objective is to improve the daily lives of its customers through innovative products that guarantee breathability. The "shoe that breathes" is a notion, an idea and a promise that, from the moment it was created, has become the keystone of Geox's mission, aimed at well-being and total comfort.

Here at Geox, we're convinced that it is essential to apply ethics and principles focusing on fairness and respect, solidarity, the protection of individuals, sustainability and environmental protection in order for our company, and indeed the world, to achieve long-lasting development.

Human activity is undermining environmental harmony and does not always guarantee the best quality of life for people: that's why we believe it is of crucial importance for every company to evolve and put the well-being of the planet and society at the top of their list of priorities.

This conviction is what led Geox to join the Fashion Pact, a global coalition of leading companies in the fashion industry that are committed to achieving a number of goals, such as combating global warming, restoring biodiversity and protecting the oceans.

Over the years, our strong belief that even a simple pair of shoes can improve the well-being of the world and the people in it, has led us to continuously search for new and better ways to create our collections, paying more and more attention to quality and the environment.

This led us to come up with products made from sustainable materials, such as our Nebula™ and Aerantis™ shoes, and use recycled padding and recycled down in our apparel range.

In 2020, the Coronavirus pandemic had, and is continuing to have, significant economic and social repercussions on a global scale.

Since the very start of the emergency, Geox has put people's health first, creating an international team with the aim of identifying immediate priorities and future objectives, as we wish to manage today's exceptional circumstances by looking at future potential.

The Group has strictly complied with all provisions issued by government authorities, in some cases even taking action in advance, in an effort to contain the spread of the virus. It therefore temporarily closed its stores during the lockdown periods (mainly in the second and fourth quarters of 2020), made extensive use of smart working and implemented the strict health protocols agreed with its social partners in order to protect colleagues still coming into work (including offering regular serological testing, on a voluntary basis). Thanks to significant investments in technology over the years, e-commerce was able to remain fully operational, as did all management activities, customer relationships and customer care.

The path that we've taken to define a sustainable business model is reflected in our Non-Financial Consolidated Statement, telling the story of the concrete measures that we have implemented with a view to ensuring total transparency for all of our stakeholders.

**Mario Moretti Polegato**





# Geox Group

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# History

It was almost 32 years ago when Mario Moretti Polegato, founder and chairman of Geox, came up with the revolutionary idea of piercing the rubber soles of his shoes, allowing his feet to breathe during a trip under the hot sun of Reno, in Nevada. So, why not create a product that's as flexible and strong as a normal rubber sole, at the same time as guaranteeing extraordinary performance in terms of breathability and water resistance?

When he got back to Italy, Moretti Polegato decided to develop his idea in a small footwear company belonging to his family, creating a new technology for rubber soles: that's how the first "shoe that breathes" was born, which he immediately patented.

After pitching his invention to well-established footwear companies without success, and, having passed a market test with a range of kids' shoes, Moretti Polegato began manufacturing his Geox shoes independently. He improved and perfected the initial patent and went on to extend the range of products to include not just children's shoes, but men's and women's too.

That's how everyday design encountered avant-garde technology, a project whose very name symbolises its

close link with nature and real life. In fact, the word Geox is made up of Geo - the Greek for "earth" - and X, the symbol for the most advanced technology, developed in Italian laboratories and covered by numerous patents at international level. This name conveys all the commitment and energy of our drive and know-how, our care and attention, using research to support quality and everyday elegance.

"BREATHES" stands for innovation, research and continuous experimentation: a philosophy that unites creativity and performance, style and technology, respect for the environment and for people.

## Innovation at the forefront

Geox's mission is to develop technology that breathes.

The company constantly invests in research in order to continuously improve its products: innovative shoes and jackets able to provide maximum breathability, comfort and performance at the same time as offering a modern Italian design. Geox's technology is currently protected by some 55 patents and 11 more recent patent applications. The initial 'shoe that breathes'<sup>TM</sup> idea, with the rubber sole integrated with a special membrane that allows vapour to pass through but not water, was extended to shoes with a leather sole, which are also able to repel and disperse water and humidity. Geox's new generation of wind and rain proof products reached the peak of breathability

and heat-regulation technology in Amphibiox, a range of products offering outstanding levels of insulation and protection, reflecting the excellence of the brand.

And that's not all. The main concept of well-being you can wear has been studied, developed and perfected, permeating all of the brand's creations. This concept has been transferred from shoes to clothing collections, allowing outerwear to benefit from the fundamental quality of breathability.







# Amphibiox®

The waterproof & breathable shoe

## Geox's technological systems for water resistance and total breathability, suitable for all weather conditions.

Amphibiox® is the breathable and waterproof solution to suit all requirements in terms of comfort. This waterproof shoe is perfect for any situation: suitable for all types of weather and environments and whatever level of water immersion you may need, as well as providing your desired grade of heat insulation. A special breathable and waterproof membrane protects both the sole and the upper, preventing water from entering the shoe at the same time as guaranteeing Geox's extraordinary levels of breathability. The inside of the shoe therefore maintains an ideal microclimate for your feet, which stay warm, dry and are free to breathe naturally.



# Nebula™

3D breathing engineering

Nebula™ is made using revolutionary technology, providing excellent performance in terms of breathability and comfort. Bursting with innovation, this shoe is ideal for frequent travellers who want to get around with style and character, without compromising on comfort.



# Aerantis™

## Dynamic Breathing System

The Aerantis™ shoe combines different Geox technologies: the Net Breathing System™ breaks down barriers with the outside, thanks to the large perforated and breathable surface of the sole; the Ventilation System maximises air circulation inside the shoe; the Inner Breathing System allows for breathability around the foot.



# Spherica™

Transform the world you walk in

Spherica is the new Geox comfort concept that gives you an incredible cushion beneath the feet, thanks to its revolutionary sole with ZERO SHOCK SYSTEM featuring ultra-soft spheres positioned along the whole sole and working as cushioning pads that respond in all phases of movement.



# The jacket that breathes

Geox's garments allow humid area created by the evaporation of sweat to escape through breathing tape, which stretches from one shoulder to the other, a 3D spacer and a special breathable and waterproof membrane inserted inside, which has the dual function of allowing sweat to escape at the same time as preventing water from entering.

Thanks to Geox's innovative technology, the garment stays drier and perceived humidity is reduced.





# Geox worldwide

Geox was established in Italy but has a strong international presence: 77% of sales are generated abroad, across more than 115 countries.



Geox Shop Paris Rue de Rivoli



# A high-visibility brand

The Group implements a diversified distribution strategy across its individual markets, in order to ensure brand promotion is coherent for end consumers. In 2020, Geox was present in more than 10,000 wholesale selling points and 867 mono-brand stores.



# Everyday collections

In addition to their innovative solutions guaranteeing water resistance and breathability, Geox collections also stand out for their levels of comfort and their modern, versatile style, perfect for everyday wear. The company's in-house design centre analyses new consumer trends, explores materials and ideas, and develops a wide range of footwear and apparel for men, women and children.



# Group profile

With an extensive distribution network, which includes both wholesale and mono-brand stores, directly operated and franchised, Geox boasts a global leadership position.

Technology, breathability, well-being, Italian style and sustainability are the essence of Geox products.

We believe it is of crucial importance for every company to evolve and put the well-being of the planet and society at the top of their list of priorities.





In 2020, almost 9,000 physical lab tests were carried out in-house, +1,300 tests compared with 2019

Partnership with Aquafil to use Econyl™ thread to produce uppers made from recycled nylon for a number of models in the AERANTIS™ collection

Geox ranked first in the 'Training and Smart Learning' category at the 'HR Mission 2020 – Working with and for People in the Emergency' awards by the Italian association of HR managers ('AIDP')

Partnership with WWF for a kids' capsule collection, standing out for its use of LWG Gold-certified leather and soles made from recycled rubber

'Geox Health & Family Welfare' plan launched to improve the well-being of Geox employees and their families during the pandemic

Introduction of "X-Down" recycled down

Garment labels made from recycled polyester

New partnerships with seven FSC-certified authorised vendors for the production of sustainable packaging

ISO 37001 certification obtained (Anti-bribery management systems)

### Fashion Pact

Geox and the other signatories have developed one common agenda with first actions and tangible targets to jointly spearhead and scale sustainability in the fashion industry

Electricity from renewable sources: 74% of the group's global requirements in 2020, recording an increase compared with 2019



# Introduction

Geox Group creates, produces and distributes footwear and apparel, whose main feature is the use of innovative and technological solutions that can guarantee breathability and water resistance.

The success that the group has achieved right from the word go is thanks to the technological characteristics of “Geox” shoes and apparel. Thanks to a technology that is protected by some 55 patents and 11 more recent patent applications, Geox products offer technical performance able to improve foot and body comfort in a way that consumers are able to appreciate immediately.

Geox’s innovation, the result of constant investments in research and development, is based, with regard to footwear, on the creation and development of special sole structures: thanks to a special membrane that allows vapour to pass through but not water, rubber soles are able to breathe and leather ones remain waterproof. The innovation introduced to the apparel sector, on the other hand, allows for the body’s heat to escape naturally,

thanks to a spacer between the shoulders, guaranteeing maximum breathability for the body.

Geox is market leader in Italy and is one of the leading global brands in the International Branded Casual Footwear Market (Source: Shoe Intelligence, 2020).

As of 31 December 2020, Geox has over 10,000 wholesale sales points and 867 mono-brand “Geox Shops”, 410 of which are directly operated stores (“DOS”) and 457 are franchises.

## GEOX: BEST COMPANY IN RUSSIA 2020

In Russia, Geox was awarded “Best Company in Russia 2020” status, entitling it to use the “Star of Quality” label and awarding the company’s director the “Director of the year” certificate. In fact, based on its previous year’s figures, the company was classed as being a “reliable company” and was ranked seventh among all companies in the region (Central Federal District).

## 867 Geox Shops

**226 Italy**

**246 Europe\***

**24 North America**

**371 Other countries**



\* Europe includes: Austria, Benelux, France, Germany, Great Britain, Iberian Peninsula, Scandinavia and Switzerland.



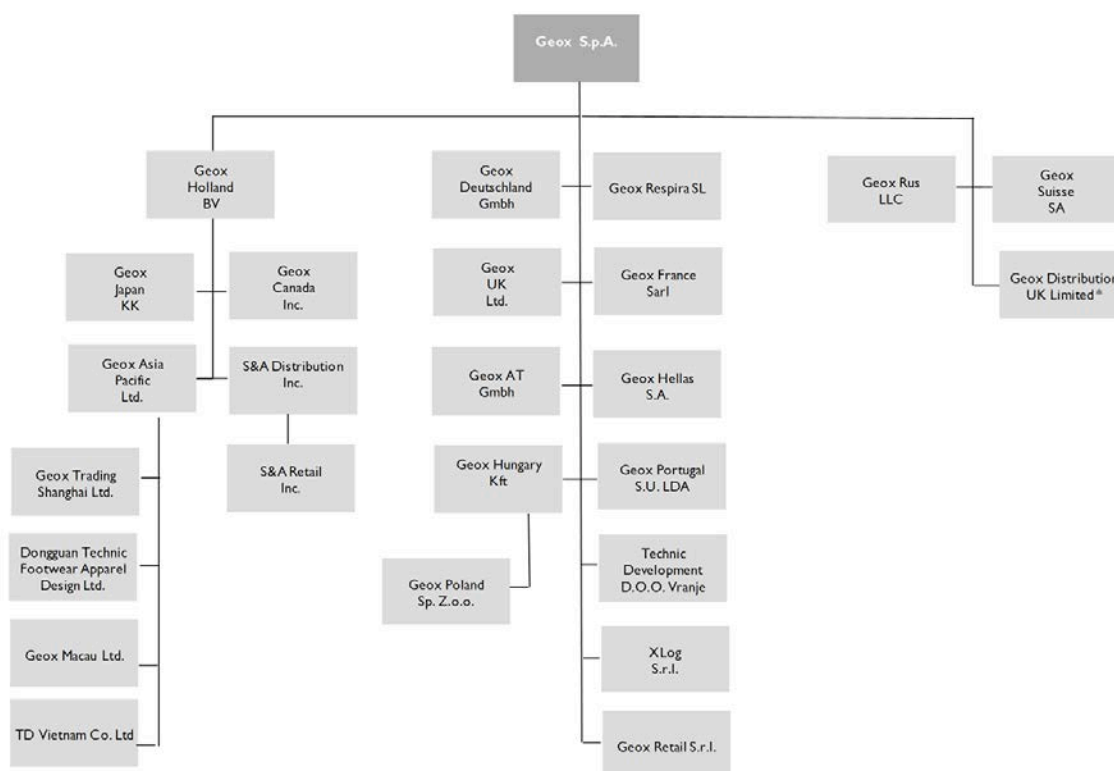
The Group, controlled by the operating holding company Geox S.p.A., is structured across three macro groups of companies:

- **Non-EU trading companies.** The role of these companies is to develop and oversee all aspects of the business in the various markets. They operate through licence or distribution agreements stipulated with the Parent Company;

- **EU commercial companies.** The initial role of these companies was to provide commercial customer services and coordinate the sales network on behalf of the Parent Company, which directly distributes the products on a wholesale basis. They then started to manage and develop the Group's network of mono-brand stores,

again on behalf of the Parent Company;

- **European trading companies.** The role of these companies is to develop and oversee their specific area in order to provide better customer service, increasing the direct presence of the Group through localized sales forces and investments in showrooms closer to the market. The trading companies in Switzerland and Russia, together with the newly established Geox Distribution UK, are also responsible for fulfilling the purchasing requirements of a product that can be sold immediately in their country, having already complied with customs procedures.



\* Company incorporated on 21 October but not fully operational as of 31 December 2020.

Mission

**GEOX WAS CREATED  
FROM AN INNOVATIVE  
IDEA:  
TO OFFER A RANGE  
OF PRODUCTS  
THAT “BREATHE”,  
GUARANTEEING  
MAXIMUM  
WELL-BEING  
FOR CONSUMERS**

# Values

## INNOVATION

Always open to change and improvement. We use research to identify the most advanced technologies and cutting-edge trends to be incorporated into our unique products.

## SUSTAINABILITY

Always taking great care of and fully respecting the people and the environment that surround us. Ethical conduct, equality, diversity, trust.

## PASSION

We put our very best into everything we do. We always maintain our values.

## WELL-BEING

We love everything to do with well-being and we apply this to everything we do.

## EXCELLENCE

Quality, safety and reliability. The utmost attention is paid to every single detail.

## CUSTOMER CENTRICITY

Our customers are our guide and our reason for being. Customer satisfaction is our objective.

## ITALIAN DNA

We're proud to be Italian. We convey the identity of our roots in every single one of our products.





# Geox's distinctive features

## TECHNOLOGY AND INNOVATION

Constant focus on the product with innovative and technological solutions developed by Geox and protected by patents

## FOCUS ON THE CONSUMER

Constant focus on product quality and customer satisfaction, offering a wide range of products for men, women and children, representing affordable and “democratic” luxury.

## HIGH LEVELS OF BRAND RECOGNITION

High levels of recognition of the brand and its distinctive features.

## EXTENSIVE DISTRIBUTION NETWORK

Approximately 860 mono-brand stores and a widespread network of wholesale clients throughout the world.

## FLEXIBLE SUPPLY CHAIN

A business model mainly based on flexible outsourcing, with the critical phases of the value chain being constantly overseen in Italy.



## Philosophy

**“GEOX WAS BORN IN ITALY,  
INSPIRED BY AN IDEA THAT  
HAS LED THE COMPANY  
TO BECOME ONE OF THE  
WORLD’S LEADING SHOE  
MANUFACTURERS, DEVELOPING  
TECHNOLOGY AND MODERN  
PRODUCTS AIMED AT  
IMPROVING PEOPLE’S  
WELL-BEING.  
FOLLOWING THIS INSPIRATION,  
GEOX HAS EMBARKED  
ON A PATH TOWARDS  
SUSTAINABLE INNOVATION,  
WHICH TODAY REPRESENTS  
ONE OF THE FUNDAMENTAL  
VALUES OF THE COMPANY’S  
PHILOSOPHY”**

*Mario Moretti Polegato  
Chairman of Geox S.p.A.*



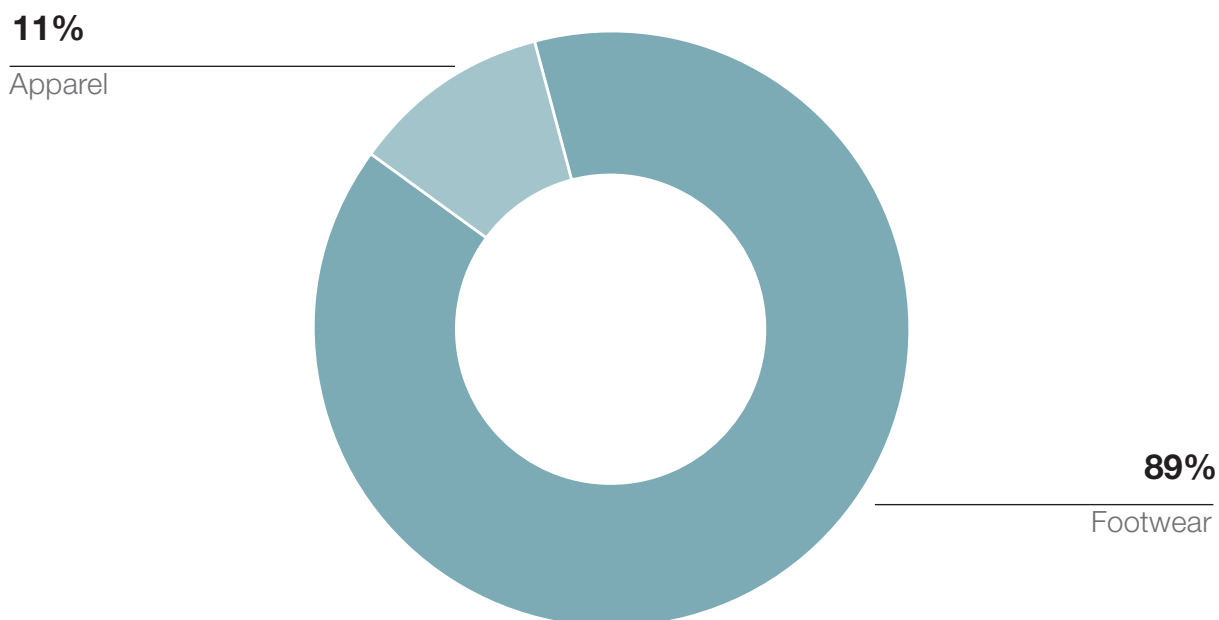




# Economic performance: creating value for stakeholders

Consolidated sales in 2020 amounted to Euro 534.9 million, down 33.6% compared with the previous year (-33.0% at constant forex), affected by the spread of the Covid-19 pandemic and the rationalisation of the store network completed over the course of the year.

Footwear sales represented 89.2% of consolidated sales, amounting to Euro 477.4 million, down 33.8% compared with 2019 (-33.2% at constant forex). Apparel sales represented 10.8% of consolidated sales, amounting to Euro 57.5 million (-32.4% at current forex, -31.1% at constant forex).



Sales generated by wholesale stores, representing 48.3% of Group revenues (44.7% in 2019), amounted to Euro 258.3 million (-28.3% at current forex, - 27.4% at constant forex), compared with Euro 360.4 million in 2019. This trend is due to the temporary closures of wholesale stores in the second and third quarter, which led our clients to: cancel some of their orders for the Spring/Summer season; reduce stock replenishment during the season; extend the sell-out period for the spring collection, closely working with Geox to review their initial orders for the winter season; postpone delivery advances for the SS21 collection. The Group also recorded fewer sales of stock from previous seasons.

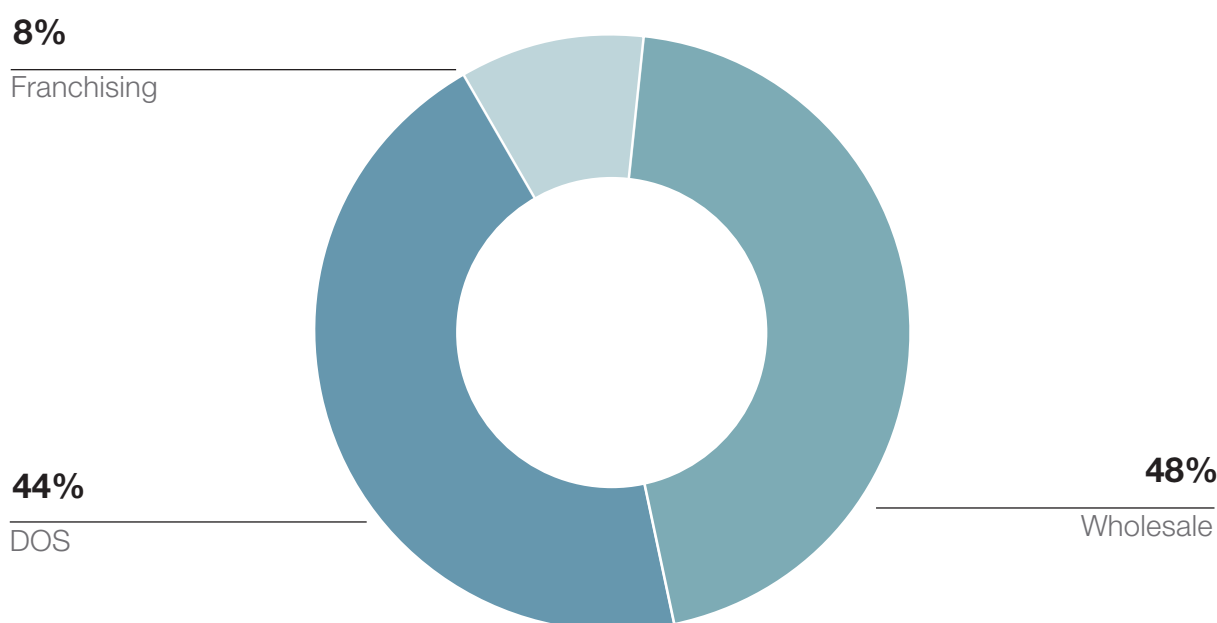
Sales in the franchising channel, accounting for 8.1% of Group revenues, amounted to Euro 43.1 million, reporting a decline of 48.9% (-48.3% at constant forex), compared with Euro 84.3 million in 2019. Performance for the year was affected by the temporary closures and by the reduction in the store network (around Euro 14 million, or 17%), down from 386 stores in December 2019 to 322 in December 2020.

Sales generated by directly operated stores (DOS), representing 43.6% of Group revenues, amounted to Euro 233.5 million, compared with Euro 361.1 million in 2019 (-35.3% at current forex, -34.9% at constant forex). Like-for-like sales performance of -33.8% was recorded at the end of 2020, reflecting the high percentage of stores that were temporarily closed during the year (over 20% on average) and the reduction in footfall caused by the restrictions on people's mobility. As already mentioned, the rationalisation of the store network must also be taken into consideration (around 10%), with a net reduction of 44 DOS being recorded mainly in the second half of the year.

After stores were reopened at the beginning of May, sales performance gradually recovered and recorded positive figures once again in August, coinciding with the summer sales in Italy and France. However, at the beginning of the fourth quarter, cases of contagion began to increase again, leading to more temporary closures in the main European markets and in Canada.

The Group's direct e-commerce channel recorded significant growth during the year, up 41% compared with 2019 (+21% in the first quarter, +59% in the second quarter, +37% in the third quarter and +44% in the fourth quarter) and has continued to record positive results in the first weeks of 2021 (+65% since the beginning of the year).

### Sales by distribution channel



Sales generated in Italy, representing 23.4% of Group revenues (28.3% in 2019), amounted to Euro 124.9 million, compared with Euro 228.5 million in 2019. Performance in Italy was more seriously affected by the Covid-19 emergency than in other European countries, as this was the first country in the area where the epidemic began to spread and is also the country where the Group has the highest number of physical stores. The rationalisation of the store network over the course of the year also affected annual performance (46 net closures, equal to 17% of the network). In this context, all channels were affected by the pandemic emergency. Directly operated stores, which had recorded a positive start to the year, were affected by the temporary closures, recording a drop in sales for the year substantially in line with the Group figure. With regard to performance in the wholesale and franchising channels, on the other hand, the drop in sales was mainly down to the factors already described. The franchising channel was particularly affected by the reduction in the store network during the period (37 net closures, equal to 30% of the network).

Performance of the e-commerce channel was particularly impressive, recording +79% at the end of December.



Sales generated in Europe, representing 46.8% of Group revenues (42.7% in 2019), amounted to Euro 250.3 million, compared to Euro 344.3 million in 2019, recording a decline of 27.3%, mainly due, as was the case for Italy, to the effects of the spread of the epidemic, which led to stores being temporarily closed mainly in the second and fourth quarters. Annual performance was also affected by the rationalisation of the store network over the course of the year (24 net closures, equal to 9% of the network). After the year got off to a positive start (approximately +5%), like-for-like sales generated by directly operated stores recorded a decline of around 31% at the end of the year.

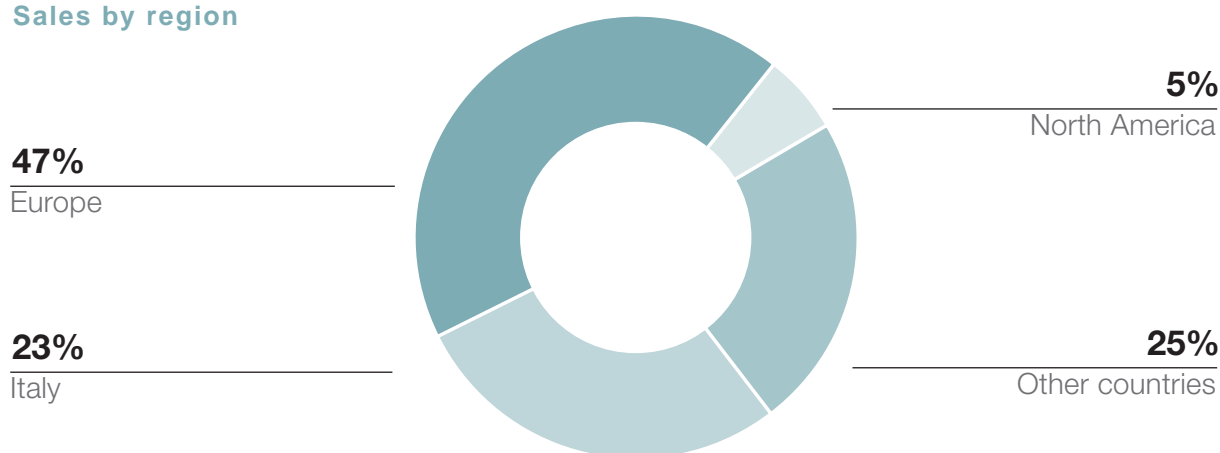
The direct e-commerce channel for the European market also recorded an excellent trend: +39%. Lastly, with regard to the wholesale and franchising channels, performance was negative but slightly better than in Italy, as these were not as badly affected by the timing of deliveries. North America recorded a turnover of Euro 24.8 million (4.6% of revenues), down 46.4% (-45.0% at constant forex). The period of closure in the first half of the year was longer in the USA and Canada, starting from mid-March and lasting until mid-June. 17 stores were once again temporarily closed in Canada at the end of November (74% of the network) after a new wave of contagion. In 2020, LFL sales performance for directly operated stores was down by approximately 45%. Over the course of the year, there were 13 net store closures (35% of the network). The e-commerce channel recorded +28% growth. The wholesale channel, on the other hand, recorded a decline of 28%.

A turnover of Euro 134.9 million was recorded in the Rest of the World (25.2% of revenues compared with 23.2% in 2019), down 27.8% compared with 2019 (-24.9% at constant forex), with a particularly different trend between the Asia Pacific area and Eastern Europe.

In China, Hong Kong and Macau, the reduction in turnover (-40.2% at current forex, 39.3% at constant forex) was mainly concentrated in the first part of the year, due to the restrictions on people's mobility and the closure of stores at the end of January/start of February. Stores here reopened at the beginning of March; from the start of April until mid-May, stores in Japan were temporarily closed, again following the containment measures imposed by the government to reduce the spread of the pandemic. Overall, LFL sales generated by directly operated stores recorded around a -28% drop at the end of 2020, with performance gradually improving in the second half of the year. Signs of recovery are now being seen particularly in China, where LFL sales for directly operated stores went from -50% in the first quarter of the year to +4% in the fourth quarter. At the end of the year, the direct e-commerce channel for the entire area recorded a performance of +17%.

Eastern Europe, on the other hand, recorded sales of Euro 101.3 million (18.9% of revenues compared with 16.2% in 2019), down by 22.5%. All directly operated stores temporarily closed towards the end of March, and then gradually reopened in June. New lockdown measures were then introduced in a number of countries from November onwards. LFL sales performance for directly operated stores amounted to approximately -17%. The e-commerce channel recorded very good performance (+79% compared with December 2019).

## Sales by region





Adjusted EBIT, before the net asset impairment and restructuring charges, amounted to Euro -111.0 million compared with Euro -3.1 million in 2019, being mainly affected by the reduction in turnover.

Net operating working capital as a percentage of revenues was equal to 33.2%, compared to 22.7% in 2019.

Over the course of the year, investments equal to Euro 18.2 million were made, down by approximately Euro 15.2 million compared with the previous year. The investments mainly regarded new openings and revamps of Geox Shops (Euro 7.7 million), IT (Euro 6 million) and industrial machinery and equipment (Euro 2.3 million).

For further details on the implications of Covid-19 on business strategy and performance, please refer to the relative section in the 2020 Consolidated Financial Statements (“Implications of the Covid-19 pandemic on the financial statements as of 31 December 2020”).

The economic value generated and distributed represents the company's potential to create wealth and share it among its stakeholders. In 2020, Geox Group generated an economic value equal to approximately Euro 553,259 thousand. The economic value distributed by the Group was equal to Euro 570,671 thousand.

### Economic value generated and distributed (euro/000)

	2018	2019	2020
<b>Economic value generated by the Group</b>	<b>862,622</b>	<b>839,796</b>	<b>553,259</b>
Sales	827,220	805,858	535,979
Other income	33,917	32,539	23,268
Financial income	3,920	4,199	2,564
Value adjustments to financial assets	-	-	-
Write-down of receivables	-2,211	-2,575	-8,509
Exchange rate differences	-224	-226	-42
Income/expenses from the sale of tangible and intangible assets	-	-	-
Value adjustments to tangible and intangible assets	-	-	-
<b>Economic value generated by the Group</b>	<b>850,481</b>	<b>759,060</b>	<b>570,671</b>
Operating expenses	670,646	588,874	451,111
Remuneration for collaborators	149,526	150,250	113,151
Remuneration for lenders	8,489	12,581	10,650
Remuneration for investors	15,552	6,480	-
Remuneration for public administration <sup>2</sup>	5,858	429	-4,444
Community <sup>3</sup>	410	446	203
<b>Economic value kept within the Group</b>	<b>17,432</b>	<b>105,495</b>	<b>110,793</b>
Amortisation and depreciation	-32,984	-111,975	-110,793
Other reserves (dividends)	15,552	6,480	-
<b>Reserves</b>	<b>-5,291</b>	<b>-24,759</b>	<b>-128,205</b>

2. Remuneration for public administration also includes deferred taxes.

3. The item Community also includes contributions relating to the management of the childcare centre.













# Responsible governance

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**€ 553 MLN OF ECONOMIC  
VALUE GENERATED**

**ISO 37001 CERTIFICATION  
OBTAINED (ANTI-BRIBERY  
MANAGEMENT SYSTEMS)**

**FASHION PACT: GEOX  
AND THE OTHER SIGNATORIES  
HAVE DEVELOPED ONE  
COMMON AGENDA WITH FIRST  
ACTIONS AND TANGIBLE  
TARGETS TO JOINTLY  
SPEARHEAD AND SCALE  
SUSTAINABILITY IN THE  
FASHION INDUSTRY**

# Group Governance

Since 2004, Geox S.p.A. has had listed shares on a regulated market managed by Borsa Italiana (*Italian Stock Exchange*).

Geox S.p.A. is controlled by LIR S.r.l. which has a shareholding of 71.10%. LIR S.r.l., with registered offices in Montebelluna (TV), Italy, is an investment holding company that belongs entirely to Mario Moretti Polegato and Enrico Moretti Polegato (who respectively own 85% and 15% of the share capital). The share capital of Geox amounts to Euro 25.9 million and is made up of 259,207,331 ordinary shares, each with a par value of Euro 0.10. The Company holds 3,996,250 treasury shares.

Geox has implemented a corporate governance system that aims at ensuring the correct general functioning of the Company and the Group, as well as further boosting the reliability of its products and, as a result, of the brand, on a global scale. With regard to the 2020 financial year, the governance system adopted by the Group complies with the principles set forth in the latest version of the Corporate Governance Code issued by Borsa Italiana (July 2018), which Geox endorses. The Company has adopted the principles laid down by the new Corporate Governance Code dated January 2020, with effect from 1 January 2021. The Company's governance structure, based on the traditional management and control system, is made up of the following company bodies: the Shareholders' Meeting, the Board of Directors, the Executive Committee, the Audit, Risk and Sustainability Committee, the Appointment and Remuneration Committee, the Board of Statutory Auditors and the Supervisory Board. The Committees represent an internal structure of the Board of Directors and have been established to improve the functioning and strategic guidance capability of the Board, in line with the recommendations of the Corporate Governance Code issued by the Corporate Governance Committee of Borsa Italiana S.p.A.. An Ethics and Sustainable Development Committee has also been created with the aim of guiding and promoting the company's commitment and ethical conduct.

- **The Shareholders' Meeting** expresses the will of the company by passing resolutions in ordinary

and extraordinary meetings. The Shareholders' Meeting is responsible for approving the matters required by Law and the Articles of Association, including: appointing and removing members of the Board of Directors and Board of Statutory Auditors and their relative remuneration, approving the financial statements and appointing the independent auditor.

**The Board of Directors** was made up of nine members as of 31 December 2020, all of whom were appointed on the basis of lists presented by the Shareholders (one presented by the majority shareholder, LIR S.r.l., owning 71.1004% of the subscribed and paid-in share capital, and a minority one presented by a group of asset management companies and institutional investors, whose total shareholding is equal to 2.65% of the subscribed and paid-in share capital). Since the Board of Directors was last appointed on 16 April 2019, its composition most recently changed following the resignation of Matteo Carlo Maria Mascazzini on 16 January 2020, with the director Livio Libralesso being appointed Chief Executive Officer on the same date. For further details, please refer to the Corporate Governance report, available on the company website: [www.geox.biz](http://www.geox.biz).

The Board of Directors has sole responsibility for managing the company and carries out all activities necessary for the implementation and achievement of the company's goals. The only aspects that do not fall under the responsibility of the Board of Directors are those assigned peremptorily to the Shareholders' Meeting by law and by the Articles of Association.

Geox's Articles of Association puts the Board of Directors in charge of decisions on acts concerning, for any reason and of any type, trademarks, patents and other intellectual property rights. The Board of Directors also has sole responsibility for all decisions, based on the proposals put forward by the Chairman of the Board of Directors, regarding the definition of strategic development guidelines and the direction of company management, also on a long-term basis, as well as decisions regarding the annual business and economic-financial plan and long-term forecast plans along with the related investment plans. Said decisions cannot be delegated.

As Geox has adopted the Corporate Governance Code for listed companies, it is under the obligation to carry out an assessment of the Board of Directors, taking into consideration its size and composition, the professional characteristics, experience and category of its members and how long they have been in office.



## Board of Directors as of 31.12.2020<sup>4</sup>

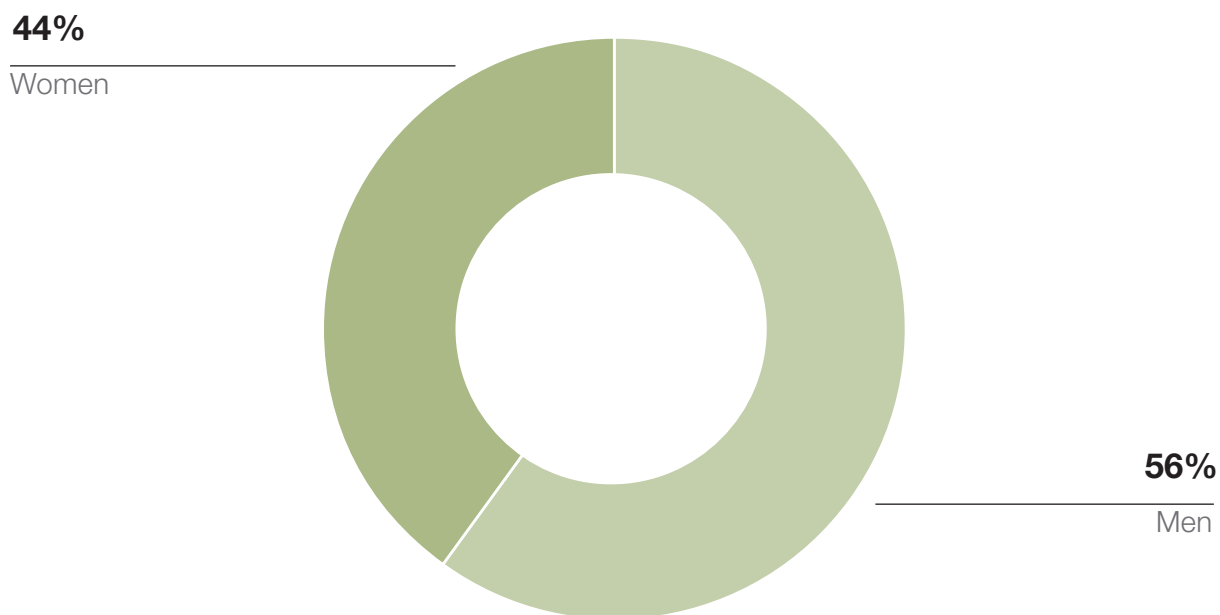
<b>Mario Moretti Polegato</b>	Not independent	Chair, Executive director
<b>Enrico Moretti Polegato</b>	Not independent	Vice Chair, Executive director
<b>Livio Libralesso</b>	Not independent	Chief Executive Officer, Executive director
<b>Claudia Baggio</b>	Not independent	Non-executive director
<b>Alessandro Antonio Giusti</b>	Not independent	Non-executive director
<b>Lara Livolsi</b>	Independent	Non-executive director
<b>Francesca Meneghel</b>	Independent	Non-executive director
<b>Alessandra Pavolini</b>	Independent	Non-executive director
<b>Ernesto Albanese</b>	Independent	Non-executive director



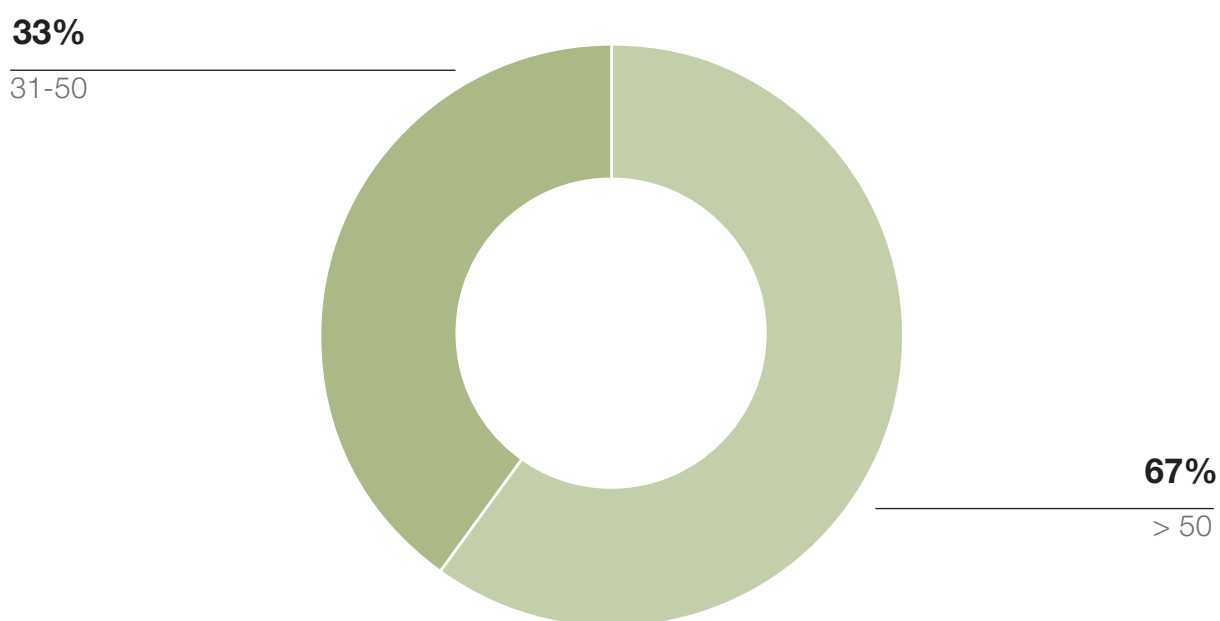
4. Please note that Matteo Carlo Maria Mascazzini, a non-independent director and Chief Executive Officer, was a member of the Board of Directors from 01.01.2020 to 16.01.2020.



### BoD composition by gender



### BoD composition by age



**The Executive Committee** is made up of three members and has the powers for the ordinary and extraordinary running of the Company, with the exception of specific matters reserved for the Board of Directors.

Mario Moretti Polegato (Chair)

Enrico Moretti Polegato

Livio Libralesso<sup>5</sup>

**The Audit, Risk and Sustainability Committee** is made up of three members, and more specifically of three non-executive directors, the majority of whom are independent. The role of this committee is to support the assessments and decisions made by the Board of Directors regarding the Internal Audit and Risk Management System, in accordance with article 7.C.1 and 7.C.2 of the Corporate Governance Code. Following the resolution passed by the Board of Directors on 18 January 2018, which was reconfirmed on 16 April 2019, and in accordance with the recommendations made by the Corporate Governance Code, this Committee has also been assigned the specific task of supervising issues regarding sustainability.

Francesca Meneghel (Chair) \*

Alessandro Antonio Giusti

Ernesto Albanese \*

\* Independent Directors

**The Appointment and Remuneration Committee** is made up of three members, and more specifically of three non-executive directors, the majority of whom are independent. The role of this committee is to express its opinions and put forward proposals to the Board of Directors regarding the size and composition of the Board of Directors itself, as well as to regularly assess whether the remuneration policy for directors and executives with strategic responsibilities is appropriate and correctly applied.

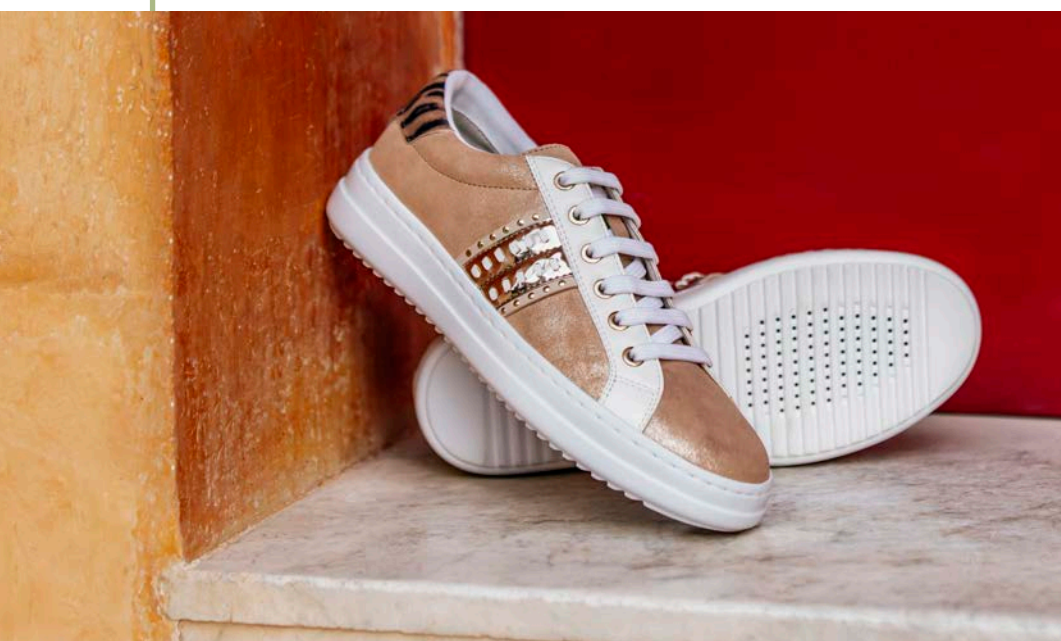
Lara Livolsi (Chair) \*

Alessandro Antonio Giusti

Alessandra Pavolini \*

\* Independent Directors

5. Please note that Matteo Carlo Maria Mascazzini, a non-independent director and Chief Executive Officer, was a member of the Executive Committee from 01.01.2020 to 16.01.2020; he was then replaced by Livio Libralesso.



**The Board of Statutory Auditors** is made up of three standing auditors and two substitute auditors. The role of this Board is to ensure that the Law and the Articles of Association are duly followed, that the principles of sound administration are respected, and that the Company has an adequate organisational structure, for those aspects falling under its responsibility, and an adequate internal audit system and administrative and accounting system in place. The Board of Statutory Auditors also checks the reliability of said administrative and accounting system to correctly represent operations. It is also the role of the Board of Statutory Auditors to ensure that the Company issues appropriate instructions to its controlled companies. The Board of Statutory Auditors must also oversee compliance with the provisions of Italian Legislative Decree no. 254/2016 and makes reference to this in its annual report to the Shareholders' Meeting. Statutory auditors are appointed, ensuring gender equality within the Board and the independence of each member, based on lists presented by the Shareholders.

Name	Role
Sonia Ferrero	Chair of the Board of Statutory Auditors
Francesco Gianni	Statutory Auditor
Fabrizio Colombo	Statutory Auditor
Giulia Massari	Substitute Statutory Auditor
Fabio Antonio Vittore Caravati	Substitute Statutory Auditor

**The Supervisory Board** is made up of three members and is responsible for overseeing the application of control procedures provided for by the Organization and Management Model pursuant to Italian Legislative Decree no. 231/2001, updated in 2018 and approved by the Board of Directors on 17 April 2018.

Name	Role
Marco Dell'Antonia **	Chair
Renato Alberini **	Member
Fabrizio Colombo	Member / Statutory Auditor

\*\* Members not belonging to the Board of Directors/Board of Statutory Auditors

**The Ethics and Sustainable Development Committee** is currently made up of four members. The Company created an Ethics Committee, which was renamed the "Ethics and Sustainable Development Committee" in 2016. Since the Board of Directors was last appointed on 16 April 2019, the composition of this committee has changed, with Mr Chemi Peres being appointed its last member on 15 July 2020. The aforementioned Committee is currently made up of Mario Moretti Polegato, Chemi Peres, Umberto Paolucci and Renato Alberini. The aim of this Committee is to guide and promote the company's commitment and ethical conduct.

Name	Role
Mario Moretti Polegato	Chair
Chemi Peres ***	Member
Umberto Paolucci ***	Member
Renato Alberini ***	Member

\*\*\* Members not belonging to the Board of Directors

For further details on Corporate Governance, please refer to the Report on Corporate Governance and Ownership Set-Ups, available on the company website [www.geox.biz](http://www.geox.biz).

# The Geox diversity policy

In 2017, Geox adopted the **Diversity policy for members of administrative, management and supervisory bodies**, the aim of which is to guarantee the smooth functioning of company bodies by regulating their composition and making sure that their members meet the personal and professional requirements to grant the highest level of diversity and expertise possible. This Policy promotes corporate social responsibility insofar as inclusion, integration and non-discrimination, with the aim of appreciating diversity, can help to remove the economic and social obstacles that otherwise limit individual freedoms. This policy applies the principle of substantive equality and respects the dignity of individual people.

Diversity is seen as a strength as it allows an administrative or supervisory body to include a range of different values, points of view, skills and ideas. These differences aid and enrich debate and reduce the risk of non-differentiated collective thinking. Geox takes the following aspects of diversity into account with regard to the composition of its board of directors and supervisory board:

- gender diversity, meaning a balanced representation of men and women;
- professional diversity, meaning diversified contributions from different professionals. This guarantees the contribution of financial expertise, regarding sectors that are relevant for the Company, international experience, leadership, risk management, and the planning and implementation of corporate strategies;
- geographical diversity, meaning the different places that the members of the board of directors and supervisory board come from. This allows for better knowledge of the specific characteristics of the different markets in which the Company operates.

**The Appointment and Remuneration Committee** ensures that Geox correctly complies with the Policy. In particular, this Committee has the task of:

- carrying out an annual assessment of the activities completed by the board of directors in order to identify any requirements in terms of the balance of skills and expertise, and the protection and enhancement of diversity;
- flagging up any critical issues that arise from the aforementioned assessment;
- expressing an opinion on the candidates for the role of director, specifying whether the lists comply with the aforementioned recommendations.

Candidates are selected by taking into consideration diversity in terms of gender, professional experience and place of origin.

For further details on Corporate Governance, please refer to the Report on Corporate Governance and Ownership Set-Ups, available on the company website [www.geox.biz](http://www.geox.biz).

# Internal Audit and Risk Management System

The Internal Audit and Risk Management system (hereinafter, also “IA-RMS”) is a process put in place by the Board of Directors, the management team and other professionals working within the corporate structure. This refers to a collection of rules, procedures and organisational structures aimed at ensuring effective and efficient identification, measurement, management and monitoring of the main risks faced by the Company, in order to contribute to its sustainable success. Geox’s IA-RMS helps the business to be run in line with the goals defined by the Board of Directors, with a view to achieving medium and long-term sustainable success through responsible decisions. This helps to safeguard company assets and the efficiency and effectiveness of its business processes, as well as ensuring the reliability of financial information, compliance with laws and regulations and with the articles of association and internal procedures.

The IA-RMS forms part of the general organisational structure and corporate governance procedures adopted by Geox, which are based on the most commonly used models and international best practices.

The Board of Directors, management team and other professionals working within the company draw up strategies and make their relative decisions based on a corporate risk management process; the latter is inspired by the COSO Report - Integrated Framework and COSO Enterprise Risk Management models issued by the Committee of Sponsoring Organizations of the Treadway Commission. Italian national guidelines are also taken into due consideration, issued by the organisations in the sectors in which Geox operates. The purpose of this risk management process is to identify potential events that may influence business activities, to manage risks within acceptable risk limits and to provide a reasonable degree of certainty that the company will reach its strategic, operational, reporting and compliance objectives.

## Internal Audit and Risk Management system and Enterprise Risk Management

Creating and maintaining an effective and efficient IA-RMS represents a key requirement for all listed and non-listed companies, as well as providing an additional guarantee for all stakeholders.

Implementing a well-structured Enterprise Risk

Management process (hereinafter, also “ERM”) allows the company to raise awareness of the fact that promptly identifying risks and appropriately assessing them can have an effect on its potential to reach objectives and its value, as well as making a decisive contribution to creating and preserving value.

In brief, the key players in the Internal Audit and Risk Management System in relation to the financial reporting process are as follows:

- the Financial Reporting Manager pursuant to art. 154-bis of the ‘TUF’ (*Italian consolidated law on financial intermediation*), who is responsible for defining and assessing the effective implementation of specific audit procedures that protect against the risks involved with the preparation of accounting documents;
- the Internal Audit department, which remains objective and independent and provides advice concerning the methods for checking the suitability and effective implementation of the audit procedures defined by the Financial Reporting Manager. As part of the broader assessment activities of the Internal Audit and Risk Management System, the Internal Audit department also flags up any significant facts/circumstances of which it becomes aware to the Audit, Risk and Sustainability Committee as well as to the Financial Reporting Manager should the issue in question refer to the financial reporting process;
- the Director in charge of supervising the Internal Audit and Risk Management System, being a key player in the initiatives to assess and manage company risks;
- the Audit, Risk and Sustainability Committee, which analyses the results of the audit activities regarding the Internal Audit and Risk Management System and regularly reports to the BoD on any action to be taken;
- the Supervisory Board pursuant to Italian Legislative Decree no. 231/01, which intervenes as part of its duties regarding the corporate offences provided for by Italian Legislative Decree no. 231/01, identifying risk scenarios and personally checking compliance with control measures. The Supervisory Board also monitors compliance with and implementation of the Group’s Code of Ethics.



Please note that, on 25 February 2021, the Board of Directors passed a resolution to align the company's procedures with the new Corporate Governance Code. More specifically, the Board updated and approved the guidelines for the Internal Audit and Risk Management system.

The Board of Directors defines how risks are managed and this is reflected in the company's policies, verbal and written communications and throughout all company decision-making processes.

Based on the strategic objectives and the relative risk management procedures defined by the Board of Directors, the management team defines a number of more-detailed tactical and operational goals, identifying the main risks affecting said goals for each operational/functional area. Risks are identified by classifying them based on a number of internal and external risk sources.

Audit activities are defined with reference to the policies and procedures that guarantee to management that risk response measures are being implemented correctly. Audit activities are implemented throughout the company's organisation, at all hierarchical and functional levels.

In order to guarantee the efficiency of the ERM information system and in line with the provisions of the Corporate Governance Code, the Board of Directors has appointed the Chief Executive Officer to be the main person in charge of facilitating communication processes, of maintaining the correct procedures to ensure that internal audit and risk management system guidelines are being duly followed and of providing regular updates on the steps taken to adapt the ERM as required<sup>6</sup>.

On an annual basis, the Board of Directors reviews and, if necessary, redefines the IA-RMS guidelines after consulting with the Internal Audit, Risk and Sustainability Committee; this ensures that the main risks relating to the issuer and its subsidiaries are correctly identified as well as being appropriately measured, managed and monitored. The Board of Directors also defines the extent to which the risks are compatible with running the company in line with the business management required to meet the strategic objectives identified, based on said objectives and the company's business plan.

During 2019, Geox's ERM underwent an important update process aimed at encouraging a more structured approach to monitoring and assessing the risks faced by the Company; this process was completed with the support of the Internal Audit, Risk and Sustainability Committee. In accordance with the provisions of the latest version of the Corporate Governance Code issued by Borsa Italiana on 17 July 2018, the Company launched

a specific process to identify the main risks it faces, also by assessing the current level of maturity of the risk management processes implemented by Geox Group.

This project involved four different stages, as described below:

- analysing the level of maturity of Risk Management processes compared with a reference holistic model, created based on leading market practices;
- creating a "Risk Model" to ensure the company's risks are managed in a uniform way;
- completing a "Risk Self-Assessment" with the aim of identifying and assessing the main risks faced by the company and the ways in which they are dealt with, based on the methodological approach of the ERM model. This involved analysing the main development factors of the 2019-2021 Strategic Business Plan and the associated risks and then analysing and assessing the relative "Top Risks";
- drawing up a specific Action Plan with the aim of proposing how to develop the risk management process, based on "as is" status, risk assessment requirements and management's expectations.

Geox has designed its ERM process in such a way as to allow for both risks that have already been mapped and any emerging risks affecting the company's objectives to be identified, assessed and managed on a regular basis; the purpose of this is to:

- ensure responsible risk management;
- clearly identify the responsibilities for risk management;
- include an assessment of the risks involved with company objectives when evaluating said objectives;
- provide guidelines for risk reduction priorities.

Since Italian Law no. 262/2005 came into force, the Company has also implemented a number of procedures aimed at increasing the transparency of company information and making its internal audit system more efficient, especially in relation to financial information. In particular, the financial reporting process is overseen by specific audit activities regarding the company processes that contribute to the recording of financial statement values. These activities refer to both the more business-related departments (sales processes, purchasing, warehouse management, etc.) and the departments that support accounting management (processes to close the financial statements, IT system management, etc.). The aforementioned audit procedures are defined by the

Financial Reporting Manager, who also regularly checks that they are being effectively implemented. The results of the assessments carried out by the Financial Reporting Manager are reported in the certification referred to by paragraph 5 and paragraph 5-bis of Art. 154-bis of the 'TUF' (*Italian consolidated law on financial intermediation*).

For further information regarding the Internal Audit and Risk Management System, please refer to the Report on Corporate Governance and Ownership Set-ups pursuant to article 123-bis of the TUF (*Italian consolidated law on financial intermediation*) and to the Directors' Report included in the Geox Group Consolidated Financial Statements.

## THE ROLE OF THE INTERNAL AUDIT, RISK AND SUSTAINABILITY COMMITTEE

The Internal Audit, Risk and Sustainability Committee is only made up of non-executive directors, the majority of whom are independent; the chair of the committee is an independent director. Overall, this committee has the necessary expertise for the business sector in which the Company operates, enabling it to assess the relative risks involved. In supporting the board of directors, the Internal Audit, Risk and Sustainability Committee:

- liaises with the financial reporting manager, independent audit firm and supervisory board in order to assess whether accounting principles are being correctly used and, in the case of a group, to ensure that said principles are used consistently when drawing up the consolidated financial statements;
- assesses whether periodic financial and non-financial reports correctly present the company's business model and strategies, as well as the impact of its activities and performance results, coordinating with the Committee established pursuant to recommendation 1, lett. a), where present;
- examines the content of periodic non-financial reports regarding the internal audit and risk management system;
- provides its opinions on specific aspects involved with identifying the main risks faced by the company and supports the board of directors with the latter's assessments and decisions in relation to the management of risks deriving from harmful circumstances that may come to its attention;
- examines the periodic reports and the most significant reports drawn up by the Internal Audit department;
- monitors the independence, suitability, efficiency and effectiveness of the Internal Audit department;
- may appoint the Internal Audit department to carry out checks into specific operational areas; in this case, it shall duly notify the chair of the supervisory board at the same time;
- reports to the board of directors on the activities carried out and on the suitability of the internal audit and risk management system, at least when annual and six-monthly financial reporting is approved.

6. As stated in the Report on Corporate Governance and Ownership Set-ups pursuant to Art. 123-bis of the TUF (*Italian consolidated law on financial intermediation*), in consideration of the extraordinary context resulting from the COVID-19 pandemic, it was deemed appropriate and more prudent for the Company, by way of derogation from the recommendations made by the Corporate Governance Code, to temporarily keep the director Alessandro Antonio Giusti as the person in charge of creating and maintaining the Internal Audit and Risk Management system, rather than fully transferring this role to the Chief Executive Officer; the reason behind this decision is to allow the CEO to focus as much as possible on the running of the business in such exceptional circumstances. Until the task of creating and maintaining the Internal Audit and Risk Management system is transferred to the Chief Executive Officer, all references to this role are understood to be made to the director Alessandro Antonio Giusti.

# Non-financial risks

As part of the steps taken to adapt to specific regulations (e.g., Italian Legislative Decree no. 231/01), adopting a risk-based approach, the Group identified specific risks and the relative control measures that refer to non-financial areas (regarding the environment, social issues, HR, respect for human rights and diversity, the fight against corruption), pursuant to Italian Legislative Decree no. 254/2016. These include: risks relating to active and passive corruption, environmental risks, human rights risks, etc. With a view to constantly improving its non-financial reporting, the Group is committed to identifying, updating and assessing non-financial risks and the relative ways to manage them, guaranteeing a structured and integrated approach to the management of Environmental, Social and Governance (ESG) risks.

For further information, please also refer to the subsequent sections of this document which take a more detailed look at a number of the more significant risks, such as those relating to workers' health and safety, the supply chain, customers' health and safety and product safety.

The Group's activities are affected by exogenous variables – some of which were already identified and assessed when Geox's ERM was implemented and updated – such as macroeconomic variables linked to the countries in which Geox Group operates (for example, in terms of production or simply also sales).

In this context, specific social and environmental issues are included, and this will increasingly be the case going forward (e.g., a focus on environmentally friendly products).

Geox Group therefore monitors how the external context is evolving in order to identify any new potential risks that are directly and/or indirectly linked to climate change, as well as proactively managing their possible impacts wherever possible; the Group also monitors all legislative and regulatory aspects that may be linked to climate change.

The Group also pays the utmost attention to:

- stakeholders' behaviour (e.g., consumers);
- consumers' increasing awareness of and attention to factors that are directly and/or indirectly linked to climate change;
- the aforementioned evolution trends, by adapting and/or implementing mitigation measures on an ongoing and timely basis.

In this context, Geox Group has renewed its strategic commitment to and responsibility for handling the developments and challenges of today and tomorrow in the best way possible, by signing up to the Fashion Pact and taking part in the round tables and projects linked to this initiative; by being a Fashion Pact signatory, Geox intends to remain at the forefront of activities to provide protection in important areas, such as climate change, biodiversity and the oceans.



# Sustainability policies and commitments

In 2005, Geox Group implemented its own Code of Ethics to guide and promote the Group's commitment and ethical conduct in all its daily activities. This Code of Ethics contains the principles that all addressees must abide by, namely the company bodies and their members, employees, temporary workers, consultants, collaborators of any kind, agents, lawyers and anyone who comes into contact with the Geox company. The Code of Ethics was last reviewed and updated in 2017 and was approved by the Board of Directors on 23 February 2018. To further strengthen this approach, and in relation to the fact that responsible supply chain supervision is of great importance to the Group, Geox adopted the Suppliers' Code of Conduct in 2014, the most recent version of which was also approved by the Board of Directors on 23 February 2018.

The Code of Ethics and the Suppliers' Code of Conduct are structured according to three main areas:

- **human capital:** in this regard, the Codes explicitly formalise the principles of protecting workers and human rights, such as the ban on under-age employment, forced labour and any form of employee discrimination. They state that it is strictly forbidden to resort to any practice which involves humiliation or debasement of individuals, such as mobbing, exploitation, abuse, intimidation, harassment or threats. They also guarantee workers' freedom of association and their right to join trade unions, order the payment of a minimum wage as defined by the law of the country of reference or by applicable collective bargaining agreements, and impose the respect of the maximum working hours permitted by law, including overtime. The Codes also require rules to be implemented to better protect minors, such as the ban on carrying out dangerous tasks and overtime;

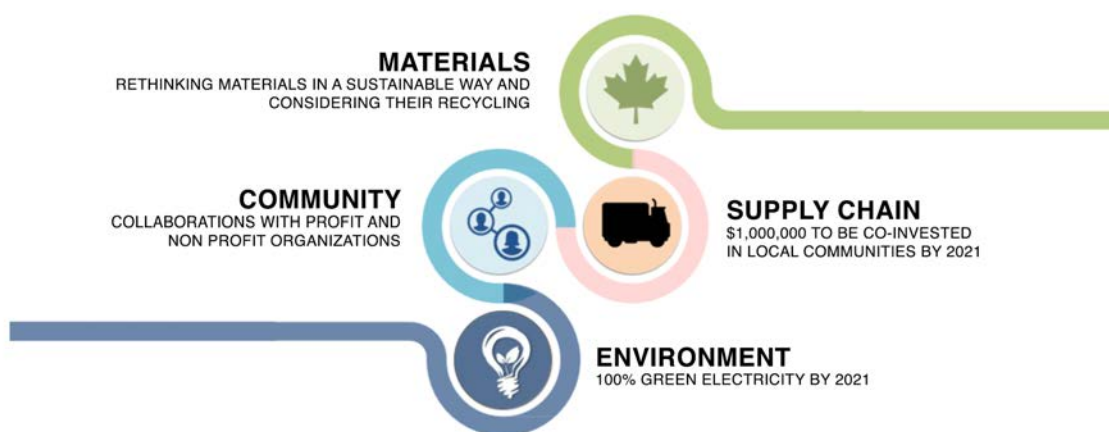
- **health, safety and the environment:** in this regard, the Codes require the definition of specific plans to protect employees' health and safety, emergency plans for fires and other disasters, first aid plans and measures to check the appropriateness of buildings, implementing work hours and procedures that do not compromise individuals' private lives or their ability to meet their basic needs. The Codes also state the need to respect applicable environmental legislation by promoting processes and activities that are safe and respectful of the environment, using energy from renewable sources,

implementing initiatives aimed at making structures more energy efficient, constructing environmentally sustainable buildings, assessing the environmental impact of all company processes and activities, working together with stakeholders to optimize the management of environmental issues, using logistics services with a low environmental impact, reducing the amount of waste produced and using responsible waste disposal procedures, and implementing suitable management and monitoring systems;

- **business conduct:** the Codes also regulate the Group's relations with the various stakeholders, including suppliers, sub-suppliers and subcontractors, customers, the financial market, competitors and the community. Said relations must be based on compliance with legal provisions and applicable regulations, including those relating to the confidentiality and protection of personal data, anti-money laundering, anti-corruption, antitrust, and management of privileged information. To ensure that stakeholders adhere to Geox's values, the Group requires all suppliers with whom it works continuously to sign both Codes.

The Code of Ethics and the Suppliers' Code of Conduct are adopted by all Group companies, with regard to the management and coordination activities carried out by the Parent Company. Please refer to the subsequent sections of the present document for more information on the commitments, policies and approaches contained in the Code of Ethics.

In addition to the aforementioned codes, at corporate level, Geox Group is also in the process of migrating Geox Retail to the new ISO 45001 standard; this process is set to be completed by September 2021. Compliance with this standard ensures that the requirements of the Workplace Health and Safety Management Systems are met, allowing the organisation to control risks in this field and improve its performance.



Business sustainability is one of Geox's main development guidelines, as indicated in its 2019-2021 Strategic Business Plan<sup>7</sup>. Over the course of 2020, Geox worked with a specialist company to launch a process to identify new sustainability trends, guidelines and objectives to be included in the new Strategic Business Plan.

The 2019-2021 Strategic Business Plan includes a number of responsible initiatives regarding products, processes, communications and charity activities. In particular, four macro areas have been identified: environment, materials, supply chain and community.

With regard to the environment, the goal has been set to use 100% green energy by 2021 also by increasing the use of solar panels. For further details on the results achieved by the Group with regard to the environment in 2020, please refer to the "Environment" section.

Another focus is on the environmental impact of the materials used. In this context, Life Cycle Assessment studies and certifications (FSC, etc.) play a particularly important role. With regard to materials, various recycling and/or material recovery initiatives and programmes will also be implemented, also through partnerships and capsule collections. In particular, recycled materials will be studied for uppers, soles, linings and paddings, with the aim of transforming waste into a secondary raw material, thereby avoiding the need to use materials of animal origin. For further details on the results achieved in this field in 2020, please refer to the "Product" and "Supply chain" sections.

With regard to supplier relations, Geox Group will give a new impulse to the supplier pre-selection and audit process in accordance with social and environmental criteria, providing the supply chain with *ad hoc* training to improve social-environmental performance. The aim of this is to develop side-by-side, in turn making Geox's suppliers become a "driver" for social and economic development in their local area. For further details on how relationships with suppliers developed in 2020, please refer to the "Supply chain" section.

Lastly, with regard to community, a number of partnerships will be launched with non-profit organisations in order to support social initiatives to help local communities. Furthermore, as part of its partnership with the **WWF**, € 2 from every pair of shoes sold goes towards the conservation of endangered species across the world. For further details on the results achieved in this field in 2020, please refer to the "Community" section.

7. The 2019-2021 Strategic Business Plan was approved by the Geox S.p.A. Board of Directors on 13 November 2018.



# Business integrity and anti-corruption measures

Geox is actively committed to preventing and combating corruption through control measures that form an integral part of its Internal Audit and Risk Management System and of the Group's corporate governance framework. Legality, honesty, integrity, correctness and transparency are some of the general principles expressed in the Group's Code of Ethics, inspiring how company activities are run.

Up until 2017, Geox Group's approach to preventing and combating corruption was based on the implementation of three main tools: i) the Organization, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (which includes the Group's Code of Ethics); ii) the guidelines for the management of conflicts of interest; and, iii) staff training. In 2018, Geox defined an additional *ad hoc* document to strengthen its commitment to preventing and combating corruption. This document includes specific principles and guidelines in this area, also for the Group's companies abroad: the "Global Compliance Program", approved by the Geox S.p.A. Board of Directors on 13 November 2018, as well as a dedicated Anti-Corruption Policy and due diligence procedure.

Over the course of 2019 and 2020, Geox took further concrete action in this field by taking the necessary steps to obtain ISO 37001 certification (Anti-bribery management systems). This certification procedure was successfully completed on 5 August 2020.

During the two years that the Group was involved with this certification process, significant company processes/activities were assessed in order to identify any gaps with respect to the standards required to be awarded the certification.

These actions involved, inter alia, appropriate inspections of direct and indirect suppliers aimed at identifying and attributing a risk rating based on one of three risk indicators: low, medium or high.

Due diligence activities have also been carried out into employees, directors, statutory auditors and third parties (e.g., suppliers, franchisees, distributors, etc.) aimed at assessing the risk of corruption. In order to ensure that people are well aware of anti-corruption measures, Geox Group has also provided compulsory, ad hoc training for the various business divisions.

The first measure taken by the Group to mitigate the risk of corruption, with regard to both the public administration and private individuals, is represented by the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (hereafter, also "Model 231"), adopted with reference to specific documents from the Italian companies belonging to Geox Group in order to ensure, as far as possible, that the crimes provided for by said Decree are prevented. The Model 231/01 has been constantly updated and integrated with new types of offences to be considered relevant for the purposes of Italian Legislative Decree no. 231/01, with the last update completed on 17 April 2018.

One of the main procedures used to implement the organisational Model and the Internal Audit and Risk Management System is the Code of Ethics. Geox uses the Group's Code of Ethics to formalise its commitment to combating all forms of corruption in all the countries in which it operates. For this reason, within the sphere of relations with third parties, whether public or private, individuals working with Geox Group are expected to abstain from offering, even indirectly, money or other benefits to the subjects involved, their family members or persons connected to them in any way, and they must not seek or establish relations with the aim of directly or indirectly influencing choices and activities. It should also be noted that all those operating in the name and on behalf of Geox Group are forbidden from receiving gifts or favourable treatment, unless they fall within the limits of normal business courtesy and have a modest value, even in those countries where it is customary to offer high value gifts.

A Supervisory Board is responsible for overseeing the suitability of the Model 231 and for making sure that it is followed and that it functions correctly. With the support of the Group's Internal Audit department, this Board constantly checks compliance with the control measures provided for by the Model in relation to the potential crimes that the Company is exposed to. The Supervisory Board is also responsible for monitoring whether the Group's Code of Ethics is respected and correctly applied, as well as receiving any information requests and/or notifications of violations of the Model 231 or of the Code of Ethics.

**The "Global Compliance Program"** is a governance tool aimed at strengthening the Group's ethical and professional commitment and preventing offences from

being committed abroad, including also the offence of corruption. In fact, for Geox, preventing corruption is more than a legal obligation, it is also and above all one of the key principles that underpins how the Group operates.

The “**Global Compliance Program**” is a document for the Group’s foreign companies and is classed as a governance tool aimed at strengthening the Company’s ethical and professional commitment and preventing offences from being committed abroad (such as offences against the public administration, fraudulent accounting, money laundering, offences committed in violation of workplace health and safety regulations and environmental crimes), which may otherwise lead to criminal liability for the company and subsequent reputation risks. This was drawn up in accordance with the principles and most authoritative international regulations in this field (i.e., the main international conventions on combating corruption, UK Bribery Act 2010, Good Practice Guidance on Internal Controls, Ethics and Compliance 2010, etc.), also taking into account the Group’s current organisational structure and the specific reference legislation applicable in the legal systems in which the Group’s companies operate.

Based on these principles, during 2018, Geox defined its Anti-Corruption Policy which organically integrates the existing rules on preventing and combating corruption. The aim of this policy is to further raise awareness of the rules and conduct that must be respected and is the result of a targeted risk assessment process together with legal recognition of corruption offences in the countries in which the Group operates. The areas that are theoretically at risk of corruption were identified - such as relations with the Public Administration, with suppliers and with external consultants, the management of donations, sponsorships, gifts and presents - and controls were introduced to mitigate the risk of corruption in said areas, identified as being particularly susceptible.

As well being defined by the aforementioned documents, the anti-corruption policy also provides for a dedicated due diligence procedure in addition to the implementation of an anti-corruption management system. This system is made up of a dedicated manual and specific measures aimed at identifying and assessing the risk of corruption, with the aim of preventing, detecting and responding to corrupt behaviour. The system is continuously monitored, reviewed and, if necessary, improved, together with the relative processes, in compliance with the requirements of the ISO 37001:2016 standard.

In order to monitor and prevent the risk of corruption, Geox Group has also adopted specific procedures and control measures, including a system of delegation of authority and powers of attorney, which the Supervisory Body may also inspect. This set of procedures includes the particularly important Guidelines for the management of conflicts of interest, aimed at promptly managing all potential situations of conflict between the personal interests of any individual with whom Geox comes into contact as part of its activities, and the interests of the Company. In particular, this document requires that the conduct of said individuals must protect and promote the best interests of the Group and they should behave with the utmost honesty when managing relations with both Group employees and third parties. In this context, there is also the requirement for any situation presenting even only a potential conflict of interest to be promptly flagged up to the Head of Internal Audit, the Head of Legal and Corporate Affairs and the Head of Human Resources, Organisation and Corporate Services.

Geox’s commitment to preventing and combating corruption can also be seen through its work to identify specific training courses aimed at raising awareness among the Group’s members of staff. In fact, training is an important way to make employees more aware and to develop their ability to recognise and manage any suspected cases of corruption. To this end, over the course of 2020, specific anti-corruption training was provided, with the involvement of Geox Group’s top management.

The Code of Ethics and the Model 231 provide for the possibility to flag up any situation of potential conflict with the principles of business integrity and corruption through the channels and methods set forth by the operating procedures published on the company website [www.geox.biz](http://www.geox.biz).

In addition to these reporting channels, Geox also began implementing a global whistle-blowing system in 2018 that is integrated at Group level. The aim of this system is to promptly and strictly manage any unlawful conduct and/or violations regarding suspicious behaviour and breaches of the Group’s Code of Ethics.

The Code of Ethics represents a cornerstone of the whistle-blowing system, but this must be read and interpreted together with the other documents that are considered of fundamental importance for the development and circulation of Geox's core values, i.e.: the Organization, Management and Control Model, the Suppliers' Code of Conduct, the policies, procedures, guidelines and, more in general, the legislation applicable to the Company.

In accordance also with recent Italian legislation in this regard, the internal whistle-blowing process has been structured using a dedicated channel, run by a third-party specialist, which includes an online platform and a multilingual helpline.

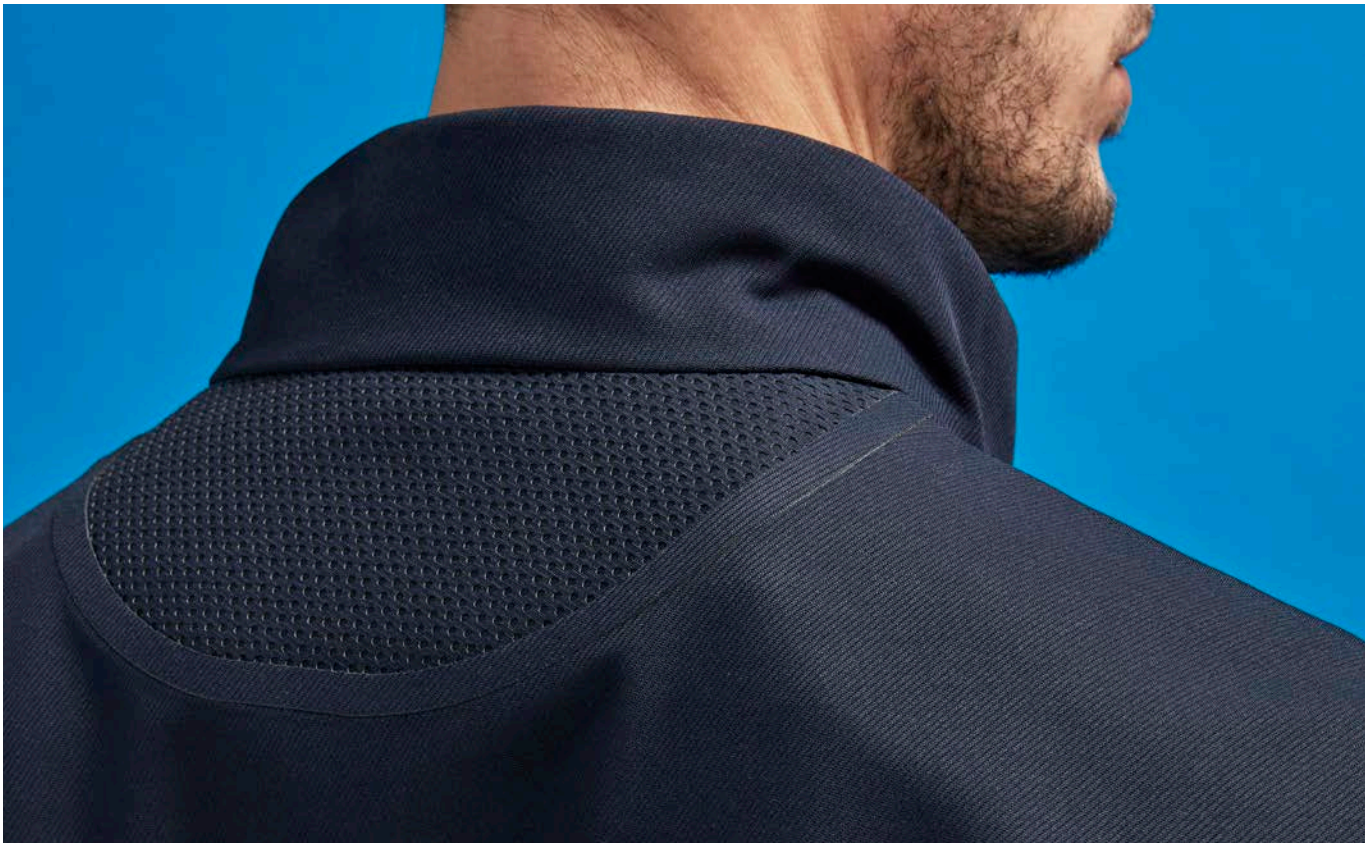
Reports can be made anonymously or the person in question may indicate their details. In any case, the confidentiality of the person making the report will be guaranteed as will the confidentiality of any information received.

All reports are received and managed by the Group's Internal Audit department, which then assesses and examines their legitimacy together with the Geox S.p.A. Whistle-blowing Committee, created specifically for this purpose and made up of the Head of Internal Audit, the Head of Legal and Corporate Affairs and the Head of HR, Organization and Corporate Services.

Over the course of 2020, the Company received two reports and, following specific analysis, no particular issues arose requiring any sort of measure to be taken.

Geox Group pays a great deal of attention towards the individuals involved in this process, which is why any form of retaliation against those making reports or referred to by reports is not tolerated in any way. For this reason, as a further protection measure, a "Non-Retaliation Policy" has also been drawn up *ad hoc*. Further, more detailed information can be found on the Company's website [www.geox.biz](http://www.geox.biz).

Please note that, between 2018 and 2020, no cases of corruption were recorded within the Group.



**IN 2019, GEOX JOINED THE  
FASHION PACT, CONFIRMING  
ITS COMMITMENT TO  
COMBATING CLIMATE CHANGE,  
RESTORING BIODIVERSITY AND  
PROTECTING THE OCEANS  
THROUGH MORE SUSTAINABLE  
MANAGEMENT OF THE  
PRODUCTION PROCESS**







# The roadmap towards sustainability

Geox launched its roadmap towards sustainability and innovation many years ago, involving different areas of the company: materials, products, environment and supply chain.

In order to ensure that sustainability issues are managed properly, Geox established an Ethics Committee on 9 December 2005, which was subsequently renamed in 2016, becoming the **Ethics and Sustainable Development Committee**. The role of this committee is to manage and promote the Group's commitment to running the business based on principles of professional ethics and integrity. On 15 July 2020, Mr Nehemia (Chemi) Peres was appointed as a new member of the Ethics and Sustainable Development Committee. Mr Peres has dedicated himself to continuing the legacy of his late father, Shimon Peres, former President of Israel and winner of the Nobel Peace Prize, fulfilling his vision through leading the implementation of numerous initiatives and activities in the fields of peace and innovation. He is also Chair of the Board of Directors of the "Peres Center for Peace & Innovation", Israel's leading non-profit organisation. The Peres Center develops and implements innovative and cutting-edge programmes in the fields of education and peacebuilding, innovation, medicine and the environment.

With regard to sustainability management, the Internal Audit, Risk and Sustainability Committee also plays an important role, as it has been tasked with overseeing the sustainability issues linked with company activities, as per the resolution passed by the Board of Directors on 18 January 2018 and subsequently reconfirmed on 16 April 2019. This committee is also responsible for analysing and assessing this Non-financial Consolidated Statement before it is submitted to the Board of Directors for approval.

The Head of the Group's Internal Audit department has been put in charge of overseeing and ensuring that the Non-financial Consolidated Statement is drawn up in accordance with the legislation regarding non-financial information (Italian Legislative Decree no. 254/2016).

The Internal Audit department also manages and coordinates the areas of Corporate Social Responsibility, together with the other Group structures involved, for whatever reason, in the various activities.

In 2018, Geox Group formalised its non-financial reporting process in an *ad hoc* procedure, identifying the company structures involved and the activities carried out in order to draw up the Non-Financial Consolidated Statement, including the checks into the data and qualitative information collected for this purpose.

As confirmation of the Company's ongoing focus on sustainability issues, the Group decided to become a signatory of the Fashion Pact in 2019; this pact is a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury), including their suppliers and distributors, all committed to a common core of key environmental goals in three areas: preventing global warming, restoring biodiversity and protecting the oceans.

Today, the Fashion Pact counts over 60 signatories, together representing 1/3 of the fashion industry; their aim is to act collectively in order to reduce their impact on the environment and to achieve concrete results. In the first year of the Fashion Pact, the signatories have developed one common agenda with first actions and tangible targets to jointly spearhead and scale sustainability in the fashion industry.



## Climate

Fashion Pact signatories are committed to implementation of science-based targets for Climate, to achieve net-zero carbon impact by 2050, and:

1. endorsement of the principles of the UN Fashion Industry Charter for Climate Action;
2. transition of 25% of key materials to lower climate impact sources by 2025;
3. implementation of 50% renewable energy by 2025 and 100% by 2030.



## Biodiversity

Please find below the initial concrete objectives defined by Fashion Pact signatories:

1. develop individual biodiversity blueprints by the end of 2020;
2. support zero deforestation and sustainable forest management by 2025.



## Oceans

The Fashion Pact's first goal is to eliminate any superfluous and polluting plastic from packaging (such as plastic bags, coat hangers, packs and sacks).

Signatories have undertaken to:

1. eliminate problematic or unnecessary plastics in B2C packaging by 2025, and B2B by 2030;
2. ensure at least half of all plastic packaging is 100% recycled content by 2025 for B2C and by 2030 for B2B.

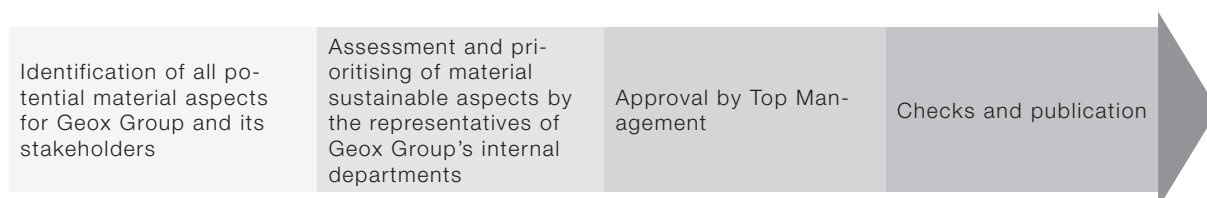
# Geox's sustainability priorities

For its first year of non-financial reporting, Geox launched a process of materiality analysis in order to identify the most significant non-financial issues for the Group and its stakeholders. The purpose of this was to be able to understand the issues that require particular attention and a constant focus, as well as to be able to define the contents of the present document in line with Italian Legislative Decree no. 254/2016 and the GRI Standards.

Upon completion of this process, a materiality matrix was defined which identifies the issues that are most likely

to have an economic, social and environmental impact, and which represent priorities in terms of social and environmental management and reporting as they have an influence over stakeholders' expectations, decisions, judgement and actions.

This analysis was coordinated by the Internal Audit department with the support of a specialist company, using a structured assessment process involving the members of the Group's management team responsible for potentially significant non-financial issues. The materiality analysis involved four different stages:



During the **identification phase**, potential material issues were selected by analysing various sources. The main sources used were:

- the GRI Standards (guidelines for sustainability reporting), and the provisions of Non-Financial Information legislation (Italian Legislative Decree no. 254/2016 which implements EU Directive 2014/95/EU, guidance for the disclosure of non-financial information provided by the European Commission);
- company documents such as the Code of Ethics, the Suppliers' Code of Conduct and the public commitments undertaken;
- international multi-stakeholder standards/initiatives, such as the Global Compact;
- external documents such as the change analysis report by a number of organisations including the World Economic Forum, the Sustainability manifesto for Italian fashion, international reports and studies on sustainability topics and trends in the fashion industry, evaluation questionnaires by rating agencies for admission to responsible investment indexes;

- benchmarking analysis carried out on the main competitors;

- media research activities.

During the **assessment and prioritisation** phase, representatives from company departments verified, analysed and gave importance and priority to every single issue. In order to complete Geox Group's first materiality analysis, these representatives, providing a global vision of Geox Group's processes and activities, assessed each issue from the point of view of both the company and the stakeholders. All aspects were assessed, from both of these points of view, on the basis of a range of criteria: alignment with the company strategy, economic and environmental impact, risks and impacts on company reputation, coherence with company policies, commitments undertaken and the Code of Ethics.

During 2020, the Internal Audit department - appointed to manage sustainability issues and to oversee the non-financial reporting process - analysed the internal and external context in order to check whether priorities could be identified that may require the materiality analysis to be integrated. For the purposes of this analysis, the Internal Audit department took into consideration the

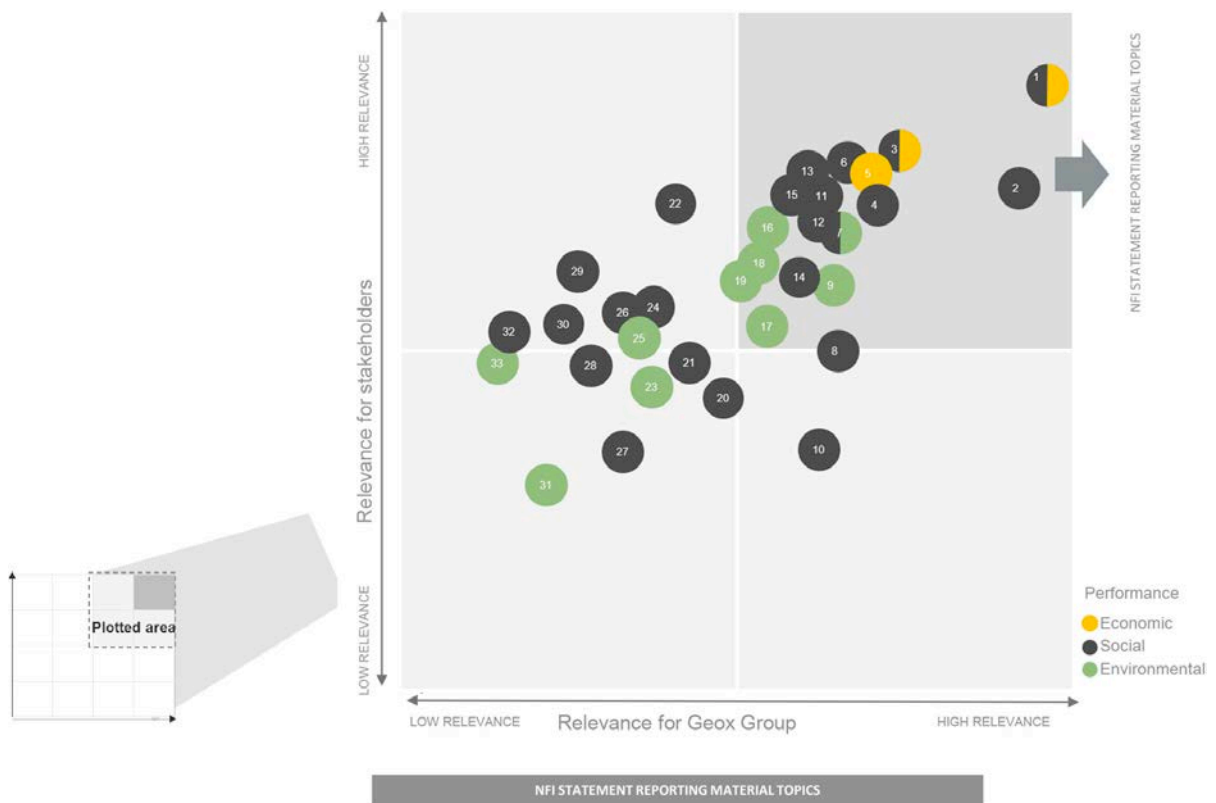
information arising from the benchmarking analysis, from the commitments signed upon joining the Fashion Pact and from the constant coordination and alignment with the other company departments. Following these activities, the material aspects already being reported on were confirmed and two additional topics were included, which took on greater importance for the organisation after becoming a signatory of the Fashion Pact. More specifically, the topics of “Responsible procurement and use of materials” and “Sustainable products and processes” reflect the commitments and objectives that the Group has undertaken to combat climate change and to protect biodiversity and the oceans; these are implemented through specific initiatives regarding product and process innovation, searching for natural and alternative solutions able to reduce the environmental impact of products. A number of streamlining opportunities were also identified, as well as some potential integrations of topics that may be significant; in this regard, over the coming reporting periods, steps will be taken to allow the Group to collect opinions from its main stakeholders regarding the relevance of the various sustainability issues. Based on the analysis carried out and in consideration of the recent developments in the external context, it can also be seen how, during 2020, the Group strengthened the policies and activities already in place, as well as taking specific mitigation action regarding workers’ health and safety and, more in general, respect for and protection of human rights and workers’ rights, confirming the

importance that the Group attributes to social issues and its people; this can also be seen in the priorities identified by the materiality analysis.

This process of analysis and assessment flagged up 33 issues, 18 of which are considered to have the greatest significance. These issues have been presented in a materiality matrix, identifying three pre-conditions that form the basis of the sustainability model:

- creating sustainable economic value over time;
- adopting an efficient and transparent governance system to support the business;
- a constant focus on compliance with applicable legislation and regulations.

This matrix was validated by top management and presented to the Internal Audit, Risk and Sustainability Committee.



The table below presents the most significant issues for Geox Group and its stakeholders, which are reported on in this Statement. With reference to the other issues included in the matrix, this document also provides brief descriptions of the approaches adopted by the Group, in consideration of their level of significance and social value (the issues that matter most to Geox Group and its stakeholders, which will therefore be reported on, are highlighted in green).

1	Attention to technology and product innovation
2	Fight against corruption
3	Product health and safety
4	Data protection and security
5	Brand protection and reputation strengthening
6	Employees health and safety protection
7	Suppliers selection and external services based on their ability to look after and manage human rights, workers health and safety and proper environmental management
8	Fight against counterfeit
9	Responsible provision and use of raw materials <sup>a</sup>
10	Workplace protection and creation
11	Human and workers rights respect
12	Creation of fair and equally remunerated commercial relationships with suppliers
13	Service excellence and proactive customer engagement, satisfaction and listening
14	Suppliers engagement, dialogue, knowledge transfer and training
15	Labelling traceability and product information
16	Reduction in energetic consumption and greenhouse gas emissions
17	Sustainable processes and products <sup>a</sup>
18	Reduction of waste and responsible waste management
19	Store eco -planning
20	National and local suppliers use
21	Remuneration, incentives plans and benefit management
22	Well-being e work-life balance
23	Focus on product life - cycle
24	Community development support
25	Animal welfare
26	Clear, direct and transparent internal communication
27	Craftsmanship valorisation and protection
28	Talent attraction and retention
29	Employees satisfaction
30	Training and skills development
31	Reduction in water consumption and water discharge monitoring
32	Diversity, equal opportunities and inclusion
33	Promotion of sustainable consumption, consumption behavioural change and customer education

8. This topic was included in the list of material issues considering the importance it took on for the organisation upon joining the Fashion Pact



# Stakeholder engagement

Geox Group's responsible approach to its social setting can be seen through the relationship it has with its stakeholders, a relationship based on constant dialogue and active involvement. The Group pays a lot of attention to its relationship with stakeholders, both inside and outside the company, endeavouring to understand their different points of view, their expectations and their needs in order to adapt its service model accordingly. This can be seen in the company's proactive approach to the many stakeholders with whom it interacts on a daily basis through the various points of contact.

In fact, Geox Group is fully aware that these moments of dialogue and involvement, representing opportunities for mutual growth and development, are essential in order to create value in the long term.

For Geox, promoting awareness of and compliance with the Code of Ethics and the principles of sustainability within the company represents a fundamental corporate governance initiative, as does the promotion of specific training and communication activities aimed at circulating the principles stated by the Code of Ethics and ensuring they are respected on a day-to-day basis.

This commitment also extends to external stakeholders, with training and awareness-raising initiatives. In accordance with the strategic business plan presented to the financial community in November 2018, Geox will continue to monitor its stakeholders with a view to ensuring constant dialogue and attention towards sustainability issues. In this context, Geox Group has updated its stakeholder map over time, based on its own analysis, benchmarks, etc.; the purpose of this is to take into consideration the interested parties, whether they be people or legal entities, who are most influenced by company activities.

During the first years of reporting, Geox took direct action to allow the Group to directly gather the main stakeholders' opinions on the relevance of the various sustainability issues. In particular, the Group has identified a number of dedicated communication channels, such as market analysis with reference to consumers and internal communication initiatives.

In order to consolidate the aforementioned actions, the Group shall implement further initiatives to engage its stakeholders (e.g. employees, customers, suppliers, etc.) as soon as external developments caused by the current emergency situation allow for this; these initiatives will involve workshops and/or surveys directly aimed at gathering the various opinions on the most significant material issues, integrating and streamlining them with the issues that have already been identified by the departments in charge.

Please find below the summary of the main channels and tools used to interact with the main stakeholders identified:

### People

- Ongoing dialogue and feedback with the HR, Organization & Corporate Services management team
- General analysis of resource requirements and training needs
- Development of a structured training system (Geox Learning System)
- Regular 'Performance & Behaviour Appraisal' meetings to discuss professional growth paths, set targets and assess personal performance
- Company welfare initiatives
- Company intranet
- Internal newsletter

### Trade unions, employee representatives

- Regular meetings with trade union representatives

### End customers and wholesale clients

- Interaction with sales staff in stores and online
- 'Benefeet' loyalty scheme
- Customer service department
- Company website, social media, e-mails, post and dedicated freephone number
- Informative newsletters

### Suppliers, laboratories and business partners

- Continuous dialogue and sharing best practices and expertise
- Defining and sharing standards
- 'The ID Factory' platform
- Seasonal visits and sharing the results of social audits (co-evolution programme)
- Supplier assessment and ranking
- Sustainability analysis of materials and co-planning of multi-functional innovation workshops to identify the best technological solutions

### Investors and analysts

- Shareholders' Meeting
- Conference Calls
- Daily dialogue
- Company website
- Seminars, meetings and industry conferences

## Media

- Interviews with top management
- Press conferences
- Events
- Company website
- Dedicated appointments

## Authorities and Institutions (local authorities, public administration, regulators, trade associations)

- Meetings with representatives from local institutions, both public and private

## Community and Future Generations (local communities and NGOs, schools and universities)

- Meetings with representatives from local associations and non-profit organisations
- Supporting social initiatives
- Relations with academia and schools

Geox Group endorses and takes part in many round tables and organisations at both national and international level. The Group takes part in the following organisations/associations:

- **Confindustria:** the main association representing manufacturing and service companies in Italy, whose aim is to represent companies and their values before institutions at all levels in order to contribute to social well-being and progress. Geox's Chairman is a member of the Advisory Board of this association.

- **Assocalzaturifici:** national association representing industrial shoemakers in Italy, acting as an ambassador for the excellence of Italian footwear.

- **Assindustria Venetocentro:** an association that represents industrial companies, formed by the merger between Confindustria Padova and Unindustria Treviso.

- **University Cardenal Herrera:** a private university in Valencia forming part of the CEU Foundation,

where Geox's Chairman is a member of the **"Global University of the Future Advisory Board"**.

- **European Patent Office:** part of the European Patent Organisation, this office is responsible for issuing European patents.

- **Aspen Institute:** international non-profit organization, established in 1950. One of its goals is to encourage enlightened leadership, ideas and timeless values, and discussion on modern-day problems.

- **World Economic Forum:** non-profit foundation established in 1971 thanks to the initiative of the economist and academic Klaus Schwab. This foundation regularly organises meetings between leading international experts in politics and economics, intellectuals and selected journalists in order to discuss the most urgent issues faced by the world today, also with reference to sustainability.









# Products

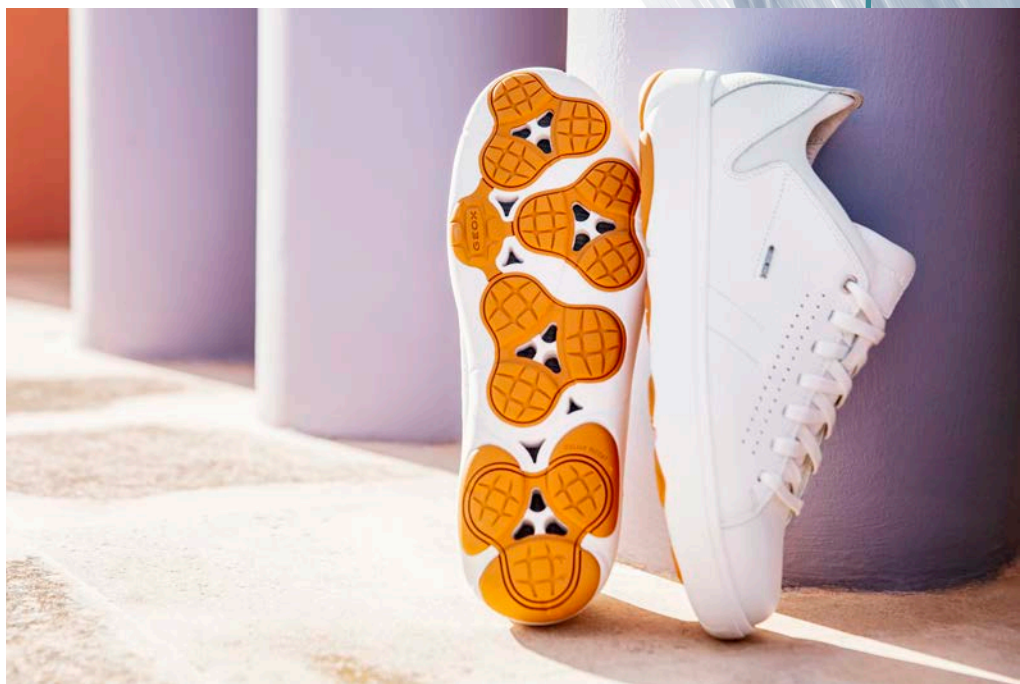
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# IN 2020: 55 PATENTS AND 11 PATENT APPLICATIONS

- In 2020, almost 9,000 physical lab tests were carried out in-house, **+1,300 tests compared with 2019**
- 100% of finished footwear products for adults and children in the F/W collection passed chemical safety tests, in compliance with legal requirements
- Development of the “**SPHERICA**” project with “Zero Shock System” soles: the spheres positioned on the sole act like shock-absorbing cushions that react to each and every movement
- Development of the “**XAND2**” and “**XAND 2S**” projects: thanks to an air-channelling system, ventilation and cushioning are brought together, ensuring total comfort and well-being
- **XLED™ JACKET**: this “**WEARABLE TECHNOLOGY** by **GEOX**” solution continued to be developed, applied to outerwear, allowing customers to safely get around the city by bike, kick scooter or on foot
- New co-moulding of soles using Geox’s waterproof and breathable membrane, making products more comfortable and the production process more sustainable
- Partnership with **Aquafil** to use **Econyl™** thread to produce uppers made from recycled nylon for a number of models in the **AERANTIS™** collection
- Partnership with WWF for a kids’ capsule collection, standing out for its use of **LWG Gold**-certified leather and soles made from recycled rubber
- Introduction of “**X-Down**” recycled down
- Garment labels made from **recycled polyester**

# Focus on technology and product innovation

Geox's mission is to develop **technology that breathes**, improving the daily lives of its customers through innovative products that guarantee breathability. The company constantly invests in innovation, research and development in order to continuously improve its products and achieve high standards of quality: innovative shoes and jackets able to provide maximum breathability, comfort and performance at the same time as offering modern Italian style. For Geox, innovation not only represents a fundamental aspect of its business strategy, but also underpins the Group's Code of Ethics. In fact, this document promotes an approach that is based on constantly developing innovative ideas through study and experimentation, which must be oriented towards continuously improving performance in terms of sustainability and product excellence.



In fact, Geox wants to achieve responsible innovation, ensuring that the innovative solutions of today do not create problems for tomorrow. In particular, when designing new solutions to cater for the requirements of end consumers, research and innovation activities are focused on creating products that not only meet the required standards of quality, but also comply with new product and process development paths, which often merge together. The goal is to guarantee technological improvements and progress and an excellent level of service, generating not just economic benefits but a positive impact on the environment (e.g. greater project sustainability in relation to carbon footprint<sup>9</sup> and water footprint<sup>10</sup>) and society too.

Research, continually coming up with new ideas and implementing innovative solutions play a significant role in the Group's strategy. This is because product innovation is key in order to consolidate Geox's competitive advantage. As proof of this, Geox's technological innovations are protected by 55 patents and 11 patent applications. In particular, two new patent applications for inventions were filed in 2020.

Over recent years, new application solutions have been developed for footwear, characterised by a high level of flexibility, breathability, lightness and cushioning. The innovative project strategy supports the product departments, updating materials and processes for the old and new technologies belonging to Geox.

Periodic meetings are held between those involved with innovation activities in order to discuss market requirements, the time frames needed to satisfy them and the definition of price levels. Following coordination meetings between these departments, a presentation meeting is organised with the Chairman and/or CEO, and subsequently, before the beginning of each season, with the Marketing department and Retail and Wholesale department, in order to define the implementation plan. For each season, the Merchandising department also provides a merchandising plan which lists both the new and ongoing lines, as well as the main focus points for development.

The Research & Development team supports the Footwear Innovation department and Apparel Innovation department in defining the innovation guidelines included in the 2019-2021 Business Plan, by researching advanced technological solutions that can be applied to footwear and apparel products and accessories. This team's objective is to ensure:

- the continuous development and implementation of breathability systems (Respira™) in all their product applications. In particular, researching, selecting and characterising waterproof and breathable membranes for possible applications (e.g. sole, upper, outerwear) and defining procedures to inspect their compliance, carrying out acceptance controls;
- research and validation of new technologies and new materials applicable to both footwear and apparel products, objectively identifying levels of performance in terms of breathability, well-being and comfort, thermoregulation, ergonomics and sustainability, checking technical compatibility with the Geox sole and outerwear system;
- that Geox maintains its technical expertise by working with the Product department, Technical Department and Production/Sourcing department to define the standards, specifications and procedures required to develop and control products and processes;
- support for the work carried out by the Footwear Innovation, Apparel Innovation, Product, Technical, Production/Sourcing and Marketing departments, applying the know-how and skills of the company's laboratory, for the physical tests regarding research into materials for footwear, apparel and accessories, conformity tests for the most innovative projects and breathability tests for footwear (e.g. Amphibiox™, WaterFriendly, Lights, Nebula™, Aerantis™, XLED™, Levita™, Nexside™, Spherica™, XAND 2, XAND 2S);
- support for the definition of assembly and sealing structures and procedures for the footwear sole-membrane system, working with the Soles and Moulds department, Technical department and Production department and checking implementation in the manufacturing process, by visiting the Group's suppliers and production plants as well as through laboratory assessments;
- support for the Product, Footwear Innovation and Apparel Innovation departments to identify the state of the art relating to new products for their patentability or freedom of execution;
- collaboration with the Legal and Corporate Affairs department, and in particular with the Intellectual Property team, to draw up, review and obtain patents and defend Geox's industrial and intellectual property.

9. Carbon footprint: indicator of greenhouse gas emissions directly or indirectly attributable to the organisation, expressed in CO<sub>2</sub> equivalent.  
 10. Water footprint: indicator of how much fresh water the organisation consumes, expressed in terms of water volumes consumed and contaminated per unit of time.







**NEW CO-MOULDING OF SOLES  
USING GEOX'S WATERPROOF  
AND BREATHABLE MEMBRANE,  
MAKING PRODUCTS MORE  
COMFORTABLE AND THE  
PRODUCTION PROCESS MORE  
SUSTAINABLE**

The **Footwear Innovation and Apparel Innovation** departments work on specific, highly innovative projects (Engineering and Industrial manufacturing), in line with the objectives of the 2019-2021 Strategic Business Plan and based on consumer centric design. By researching advanced technological solutions that can be applied to footwear and apparel products and accessories, the purpose of these functions is to continuously improve products and processes in order to satisfy the explicit needs of the business units (men's, women's and children's footwear and apparel) and anticipate the latent needs of the company or the market, through new solutions and technologies which may be patentable.

The high level of innovative technology used is confirmed by the **NEBULA™** range, a shoe that boasts 3D breathability thanks to the combined effect of the Net Breathing System and the Inner Breathing System, as well as the 3D Performance Unit system used for the sole. Today, the **NEBULA™** product platform continues to grow, further developing the concept of comfort, lightness, stability and grip - the key characteristics that make this footwear so comfortable and easy to use, like no other shoe before it.

Geox's ongoing research process has also led to the development and launch of new projects such as "**XAND2**" and "**SPHERICA**", based on the concept of increasing consumers' comfort and well-being. More specifically:

- "**SPHERICA**" with all-round comfort soles: these soles feature the "Zero Shock System", made up of two interlocking layers of different thicknesses, characterised by extremely soft spheres; these spheres are positioned underneath the soles of the feet and act like shock-absorbing cushions that react to each and every movement;
- "**XAND2**" and "**XAND 2S**" incorporate two innovative technologies, both of which are the subject of patent applications; thanks to an air-channelling system, ventilation is combined with cushioning to ensure superior comfort and a complete sense of well-being.

In order to simplify the production process by reducing the number of footwear components, a new co-moulding process was introduced for a number of lines in 2020, whereby Geox's waterproof and breathable membrane is inserted directly into the sole mould when it is created; this avoids using any additional sealants, which were used until now in order to ensure waterproof performance between the membrane and the sole. This technology makes the soles more flexible and the shoes more comfortable to wear, as well as making the production process more sustainable.

A new closure has also been applied to a number of models in the 2021 F/W collection, which is also the subject of a patent application. This new closure allows consumers to adjust the tightness of the laces using a slider and to block the section of the laces in excess of said slider at the point that best fits their instep, preventing the laces from being free and loose. This avoids any risk of the laces catching on external objects or of the person wearing them tripping over, as well as making the shoes aesthetically more attractive.

Work is continuing to further develop and evolve the **AERANTIS™** line (which uses the dynamic ventilation concept) and **LEVITA™** line (which amplifies the cushioning effect and allows for a better circulation of air), with these technologies being introduced in **AMPHIBIOX™** versions, adding water protection to their list of characteristics.

In fact, the technological innovations used for the **AMPHIBIOX™** range are characterised by a breathable and waterproof membrane that is also applied to the upper, making shoes water resistant and breathable all over.

With regard to the kids' collection, **PLAYKIX** represents a Geox innovation in the field of interactive footwear, introducing the "Gaming Controller" concept. Thanks to an electronic device positioned inside the heel, these shoes can connect via Bluetooth to a smart device, allowing the user to command the movements of an avatar inside a video game developed as part of the Geox Playkix app (available from the Apple Store and Play Store). This product began to be developed in 2019 and is expected to be launched with the 2021 S/S collection.





With regard to apparel, 2020 saw numerous innovation projects being consolidated that were first launched in 2019. Please find below details of the main ones.

In order to encourage a more sustainable way of life, Geox has developed and launched its **XLED™ JACKET**. This is the first "**WEARABLE TECHNOLOGY by GEOX**" solution to be applied to outerwear, allowing customers to safely get around the city by bike, kick scooter or on foot. The **XLED™ JACKET** innovatively integrates an LED lighting system and optical fibres with a special translucent

membrane, which is also waterproof and breathable, thereby providing protection against external agents. The lighting circuit has been developed in collaboration with OSRAM GmbH, a leading manufacturer of lighting devices. Special LED lights are inserted around the chest area on the front of the jacket and around the bottom on the back, and the person wearing it can choose whether to light them up continuously or intermittently; a USB port inside the jacket allows you to charge the lights using a compatible power bank. This jacket represents a versatile solution for urban mobility and, at the same time, an





innovative design for today's commuters.

As part of the **AERANTIS™** range, the line of products featuring "VENTILATION SYSTEM" technology has been extended and further strengthened, in particular:

- for the 2020 S/S collection, the **AERANTIS™** range included a new system of side perforations down the main material used for the jacket. These perforations draw in air which then allows for better heat exchange thanks to the ribbed lining with 3D structure and the use of a material with high levels of thermal conductivity. The

result is greater dissipation of body heat;

- for the 2020 F/W collection, the **AERANTIS™** outerwear range featured thermo-adaptive wadding made from recycled down alongside the wadding made from recycled synthetic material. This revolutionary thermo-adaptive wadding allows for personalised thermoregulation as it is sensitive to changes in temperature/humidity, amplifying the natural thermoregulation qualities of natural feathers without the need for a down insert in the position of the 3D lining.

However, the main innovation that involves the entire 2020 F/W collection refers to the evolution of the original outerwear breathability patent, which dates back to 1999, with a number of changes being introduced. The original solution exploits the physical principle of convection, whereby hot air tends to rise. With the evolution of the original patent, the humid air created by the evaporation of sweat escapes through the exclusive, NEW 3D SPACER and NEW BREATHING TAPE, a special breathable and waterproof membrane, which has the dual function of allowing sweat to escape at the same time as preventing water from entering. This new breathing tape will be made from the same material as the jacket. In particular, with product sustainability in mind, the laminated membrane in this case is also WATERLESS, meaning it is dyed without using any water.

Building on the actions taken in previous years, the Group also continued work on various process innovation activities, with the aim of raising awareness of how to acknowledge market requirements through innovative solutions that use virtuous materials and technologies. The in-house technology used for Geox's products is continuously redesigned in order to improve it further and meet ever changing market requirements in terms of lightness, wearability and comfort.

Furthermore, Geox's awareness towards sustainability issues has led the company to increasingly focus on lowering the environmental impact of its products and designing more streamlined processes that therefore use less energy. In this context, streamlining the process to create the collections and increased awareness of market requirements are leading to an improved focus on prototype development, potentially leading to a reduction in energy consumption.

In line with its commitment also as a signatory of the Fashion Pact, over the course of 2020, the Group consolidated its use of more sustainable components to make shoes (linings, tips, heel cap, 3D mesh for insole assembly, leather from LWG-certified tanneries) and, at the same time, it introduced new materials with recycled elements (extractable insoles, materials used to make uppers, the shank for formal shoes), replacing those currently used.

In 2020, thanks to a partnership with Aquafil for the use of **Econyl™** thread, it was also possible to develop uppers made from recycled nylon for a number of models in the **AERANTIS™** collection (one of the most innovative product lines); in fact, Econyl® is a nylon thread made by recycling nylon waste and fishing nets. This project will be launched with the 2021 S/S collection.

With regard to kids' ranges, the sustainability project developed in collaboration with **WWF** involves a capsule

collection characterised by the use of LWG Gold-certified leather and soles mainly made from recycled rubber.

With regard to materials, R&D activities are continuing for the upcoming collections, researching new and more sustainable materials to create waterproof and breathable membranes in order to reduce use of PTFE. Innovation will also be focused on researching solutions to create uppers and soles using recycled materials. A project will also be launched to create an upper that can be separated from the sole, making it easier to dispose of the relative materials at the end of their life cycle.

With regard to apparel, building on the steps already taken, 2021 will see consolidation of the use of recycled materials with a low environmental impact, thanks to both 100% recycled padding deriving from plastic bottles and the inclusion of E-Warm recycled wadding; X-Down recycled down will also be used more. Thanks to the use of recycled down, during the 2021 F/W season, Geox will see the number of items with sustainable padding in its collection increase from 74% to 85%.

Furthermore, in 2021, all garment labels will be produced using recycled polyester.

A new polo shirt has also been developed, made from organic cotton with a low environmental impact. This product is made using only **GOTS-certified cotton** ("Global Organic Textile Standard"). This standard states that the fibres must come from certified organic farms, meaning significant savings in terms of water consumption: in fact, it is estimated that around 200 litres of water are required to produce one tonne of organic cotton, compared with 2,000 litres for traditional cotton.

Research is also ongoing into recycled linings and outer materials, working towards the creation of garments that are almost completely sustainable.

**PARTNERSHIP WITH AQUAFIL  
TO USE ECONYL™ THREAD  
TO PRODUCE UPPERS MADE  
FROM RECYCLED NYLON FOR  
A NUMBER OF MODELS IN THE  
AERANTIS™ COLLECTION**

# Product quality and safety

A key element of Geox's strategy is its strong commitment to ensuring the quality and safety of its products. Quality is essential in order to offer end consumers a product that guarantees style, functionality and safety.

Geox aims at offering its customers products that can also provide them with responsible quality. In fact, in line with industry trends, the goal is increasingly to build harmonious relationships with both the environment and people, aiming to eliminate toxic substances from products and the production chain at the same time as introducing sustainable and/or recycled products, as well as improving employee and consumer health and

safety. Following these principles has an influence over customer satisfaction and protects brand reputation. To mitigate any potentially negative social and environmental impacts, Geox has focused on the search for new, highly technological materials, products with reduced CO2 emissions and less use of natural resources.



The choice of materials has the greatest influence on the overall impact of the product. This is why Geox directly involves its suppliers in its sustainability analysis of the various materials, and works with them to plan multi-functional innovation workshops in order to identify the best solutions, right from the first choices made by the Product and Material Research departments during the sampling phase, when these materials are also tested in advance. Generally speaking, these departments check the chemical conformity and quality of the raw materials, from both a physical-mechanical point of view and from

a chemical point of view, based on Geox's requirements stated in the Manufacturing Agreement; the Production department then continues these checks during the production process in order to ensure that the required and defined standard is maintained.

In order to guarantee that its products meet all applicable safety requirements and its own technical specifications, Geox carefully selects its suppliers, regardless of where the products are produced. In fact, responsibility for the quality and compliance of materials

is delegated, first and foremost, to the suppliers who are required to manufacture products in accordance with the applicable laws and regulations in the countries of reference, with certifications being requested as confirmation. Geox's production philosophy can nonetheless be defined as "controlled selling", as the majority of production activities, despite not being directly carried out by Geox itself, are constantly supervised by the Group's team of technicians and Quality Department. In this context, the Quality Department not only supports and works with the other company departments, but also interacts and cooperates with players both upstream (Geox Product, Geox Material Research, suppliers) and downstream (customers).

Geox's Quality Department carries out the following activities as standard procedure for both S/S and F/W collections.

- *collecting Confirmation samples for production fabrics (CFSF)*<sup>11</sup>: suppliers send Geox a sample of fabric that acts as a reference for the quality of all items produced. Once this sample has been checked, it is approved and archived by the certification office within the Quality department. The process of receiving and inspecting CFSFs is monitored and flagged up for any checks that may become necessary during the entire production season;

- *collecting Confirmation samples for finished items (CFS)*: a reference sample to check quality for all production processes is approved by Geox technicians. This reference sample is then inspected once again before being archived by the Quality Department in Italy. The process of receiving and inspecting the CFS is monitored throughout the production season;

- *managing checks on the final product, Pre-Delivery and Inbound*: product inspections are carried out at the end of the production line by Geox personnel, in accordance with the Quality Control Manual, both in Italy and on the premises of final product suppliers. Apparel items are statistically checked when they arrive to the inspection centre and after a final checking phase including ironing, packaging and storage, they are then sent to Geox's central warehouse in Signoressa (TV). Footwear and apparel items are statistically checked directly inside Geox's central warehouse, in an area entirely dedicated to their quality control, and at the appointed inspection centre, respectively. If non-conformities are found as a result of this inspection, the batch may be blocked and then appropriate corrective actions may be taken; if, on the other hand, the inspection is successful, then the products can be sent to customers. The Quality Department is also constantly called upon to define the standards of acceptability and tolerance for the product,

as well as to provide technical support to solve process issues;

- *directly checking the fit of the shoes*: a representative selection of new models from the collection is taken, which are then directly inspected and confirmed in terms of sizing and fit in Italy before production begins. Any findings or issues in terms of quality and/or wearability are reported to the factory and the other company departments in charge, in order to implement improvements before production can begin;

- *analysis of returned goods and technical support for the Customer Service department and Stores*: the analysis carried out on returns allows the Quality Control team, working together with the Customer Service department, to understand more about market response, check results to implement improvement measures, and focus future corrective actions on further improving both product quality and the level of customer service. This is why, since 2016, any faulty goods returned have been collected at Geox's headquarters, in order to allow for Quality Control technicians to analyse them directly. Should any quality issues be found linked to the fabrics and/or materials or the style and/or wearability of the products, these technicians inform the Material Research and Product teams and the Technical Department in order for them to take the necessary corrective actions. The aim of this approach is to try and prevent the issue(s) from happening again and to ensure that quality improvements are increasingly visible. In order to further improve the level of customer service, with regard to the e-commerce channel, the Quality Control department provides technical support for the return of faulty products, directly liaising with the first-level Customer Service team;

- *footwear material certification*: this department checks chemical conformity and the quality of raw materials and of the finished product, from both a physical-mechanical point of view and from a chemical point of view, based on Geox's requirements stated in the Manufacturing Agreement.

Geox's challenge of constantly respecting its commitment to product quality and safety has increased over time, as the Group has had to expand its supply chain and the number of companies supplying materials and the finished product, in order to satisfy customer requirements. Within this context, only those suppliers have been chosen that can provide the necessary guarantees to allow Geox to sell products that comply with applicable legislation.

These dynamics have meant that Geox has had to implement increasingly strict quality control and supervision systems in order to ensure that all products

11. This phase of the quality control procedure is only carried out with reference to the testing process for apparel items.



meet the applicable safety requirements, thereby avoiding the main risks regarding its customers which relate to safety issues, i.e. not managing to guarantee safety for the end consumer when using the product, including also children; however, this process also boosts customer confidence in the safety of Geox products, thereby reinforcing the company's competitive position.

Other impacts that may have short or long-term effects on health are those due to prolonged exposure to harmful toxic substances. The latter may represent a potential risk factor for consumers, workers and, last but not least, for the environment, with direct and indirect consequences.

The aforementioned negative impacts may harm the Group's image and reputation, causing a reduction or even a ban on sales due to media coverage, legal consequences and/or warnings on official websites (RAPEX, CPSIA, etc.) issued by the competent health and safety authorities.

In order to prevent these negative impacts, consumer health and safety issues are monitored and guaranteed through the various Quality control processes. It is in Geox's interest to maintain high standards of quality, aimed at safeguarding the comfort and performance of its shoes and apparel, so much so that the Manufacturing Agreement includes both Attachment L (in 2020, version 6.0 was drawn up regarding chemical-physical requirements for apparel, while version 7.1 was drawn up for footwear, both valid from the 2021 F/W season) and the Quality Control Manual. The requirements imposed by the Manufacturing Agreement include, for example, slip resistance and the resistance of small parts for footwear for children aged up to 36 months. With reference to the latter, also for the 2020 S/S and F/W seasons, specific testing continued on the detachment of small parts for certain items from the Baby and Junior collections. The purpose of this testing is to build up a database that can act as a tool for the departments involved first with the design phase and then with the production process, in order to minimise risks for consumers.

Through the Manufacturing Agreement and the relative attachments, Geox asks its production partners to operate in full compliance with applicable international legislation regarding dangerous or potentially dangerous chemical substances, including the European REACH regulation. Documents have been drawn up containing the RSL (Restricted Substances List) and physical-mechanical requirements for raw materials and finished shoes, apparel and accessories, as they have an impact

during the material research and manufacturing stages. In particular, chemical testing is carried out for all references of the footwear range, in accordance with Geox's RSL. This process involves 5 groups of substances being tested for adults and 17 groups of substances being tested for children. Goods must pass this chemical testing phase in order to be able to leave the premises.

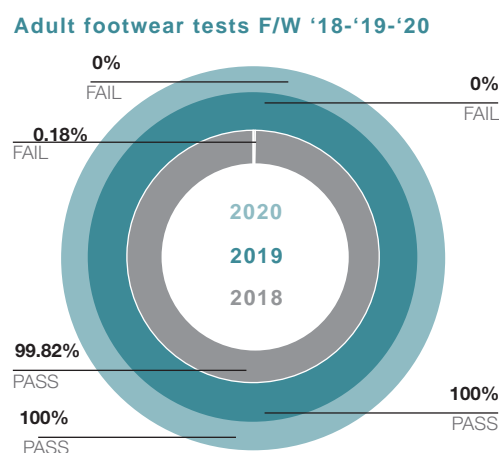
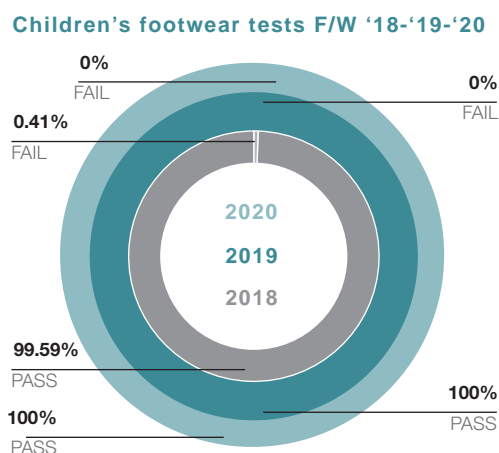
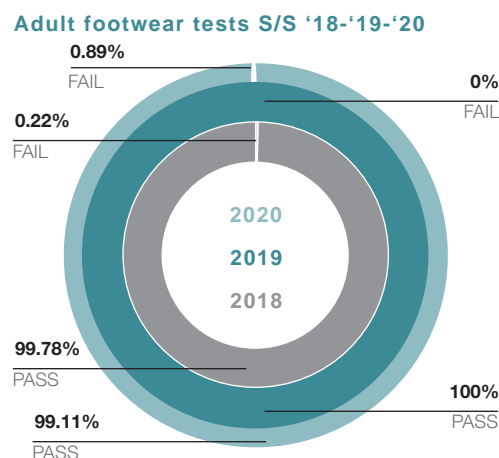
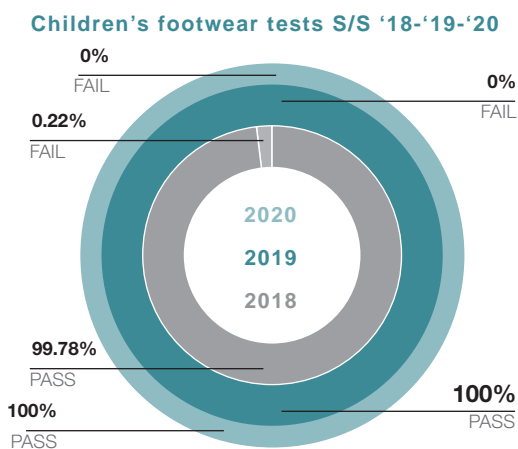
Chemical-physical tests on raw production materials and chemical tests on finished footwear products and on fabrics, linings and down for Apparel products are managed by the production and Quality Control department. The purpose of this is:

- to work closely with suppliers of raw materials and finished products, based on the requirements of the various product lines, and with external certification laboratories;
- to collect and assess the chemical-physical tests carried out by Geox;
- to manage the chemical-physical tests on raw materials (i.e. Random Pick-Up - RPU - procedures) carried out by Geox for all product lines, and the chemical tests on finished footwear products;
- to manage any potential non-conformities linked to the aforementioned checks, in order to minimise risks for the company and for consumers.

With the aim of improving quality control software, a project was launched in 2020 with an external company to create a new advanced portal to manage both "Pre-Delivery" and "Inbound" checks, to be launched in 2021; this portal will allow for real-time monitoring of quality control activities throughout all phases of the process, and to process advanced statistics.

Chemical safety tests increase customer confidence in the safety of Geox products, thereby strengthening the company's competitive position. If a non-conformity (FAIL) is found, the appropriate corrective actions are

implemented based on the stage of production reached, with the material presenting issues being replaced and the product either being tested again in order to validate its conformity, or being thrown away.



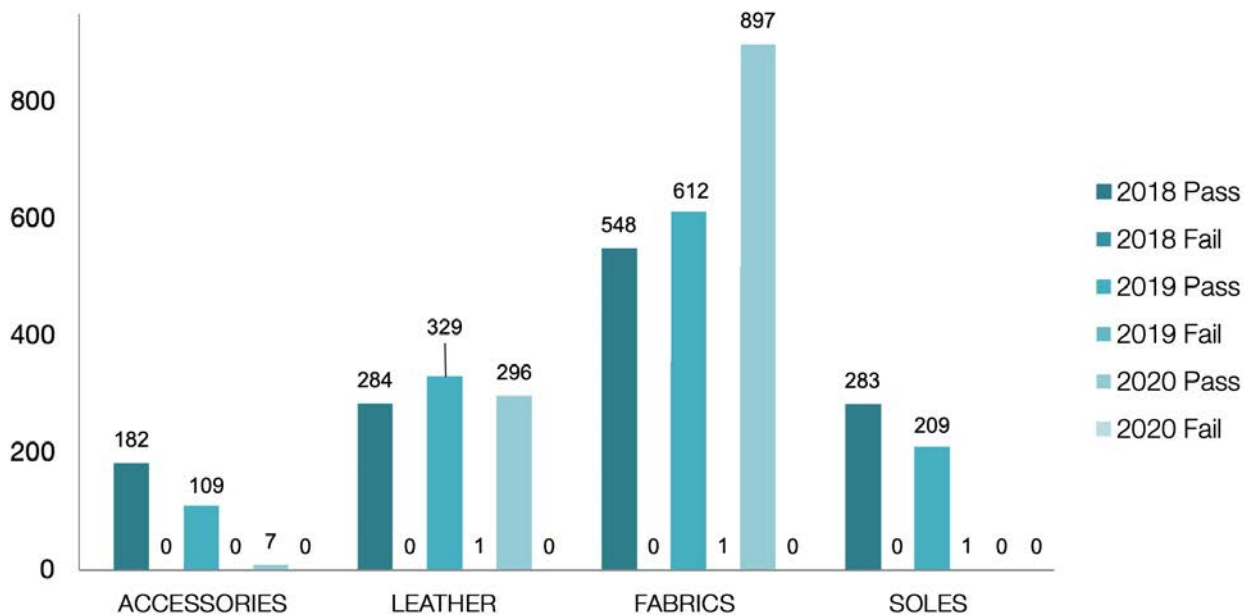
For the F/W collection, all products successfully passed the chemical tests, highlighting a very positive trend in terms of the chemical safety of finished products. With reference to the S/S collection, there were no non-conformities for children's footwear, while one non-conformity was detected in the adult collection (0.89%); this non-conformity concerned the materials used to make the sole, which is not accessible by the end consumer. In terms of numbers, a total of 4,193 tests were carried out in 2020. In particular, 2,221 tests were carried out for the S/S collection: 874 on children's shoes and 1,347 on adult shoes. For the F/W collection, a total of 1,972 tests were carried out: 776 on children's shoes and 1,196 on adult shoes.

In 2020, Geox invested over USD 2.3 million in chemical-physical testing of materials and chemical testing on finished products (footwear only), in terms of both direct and indirect costs.

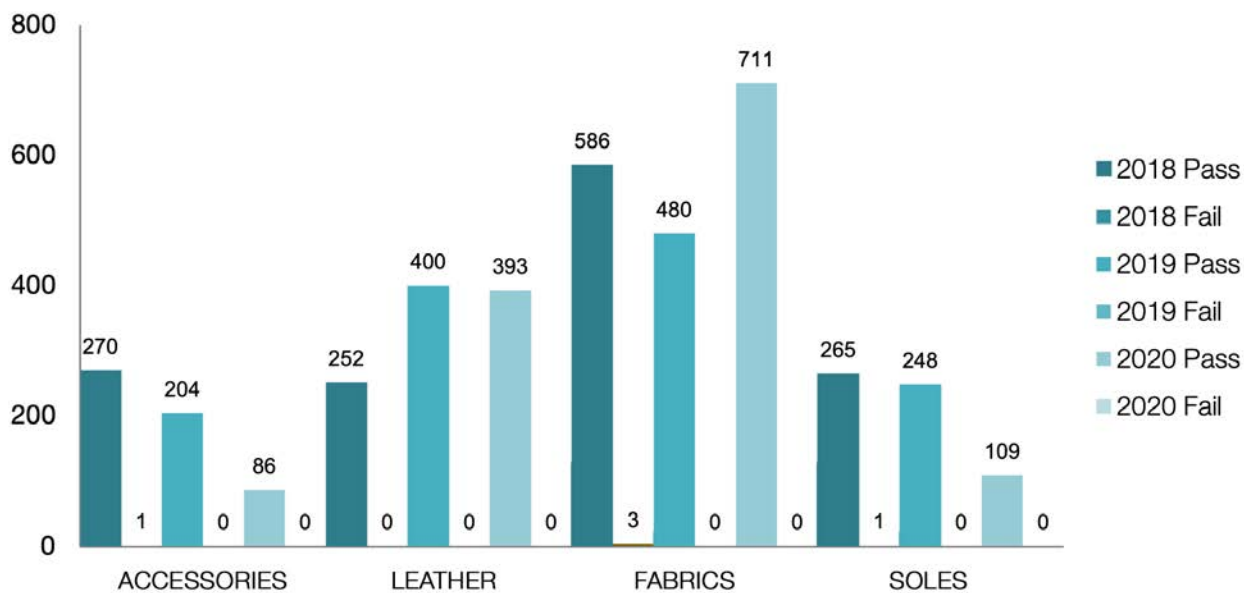
Furthermore, almost 9,000 physical laboratory tests were carried out in-house (7,700 in 2019) in addition to tests aimed at directly verifying the water resistance of around 800 pairs of shoes and assessing the breathability of approximately 500 pairs (S/S 20 and F/W 20). Tests to measure the slip resistance of soles were carried out on approximately 170 models, with the aim of reporting back to the Soles and Moulds department on the performance of the treads and guaranteeing that products are safe to use for the end customers.

**IN 2020, ALMOST 9,000  
PHYSICAL LAB TESTS WERE  
CARRIED OUT IN-HOUSE, +1,300  
TESTS COMPARED WITH 2019**

Material tests FTW F/W '18-'19-'20

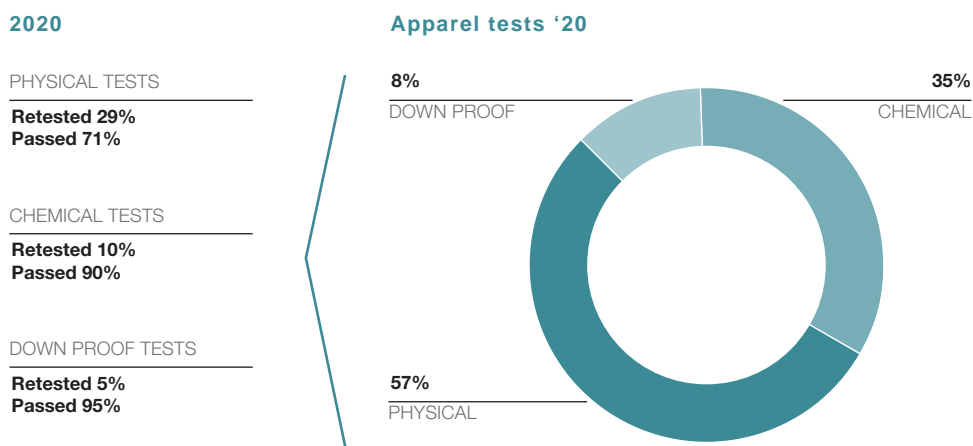


Material tests FTW S/S '18-'19-'20



The tests carried out on footwear materials in 2020 reported positive and improving results, even compared with the already excellent results achieved over the previous two years. Overall, there was a slight decline in the total number of materials tested, from 2,675 in 2018 to 2,500 in 2020. However, in 2020, all materials tested passed successfully, carrying on the positive trend recorded since 2018 (when 0.19% of tests were failed), going from five cases down to zero.

With regard to Apparel, Geox carried out a total of 492 physical tests, 301 chemical tests and 74 down proof tests in 2020. The below diagram shows the apparel tests carried out in 2020 broken down by type, with details of successful tests and retests.



For the F/W 20 season, the range of material tests was extended, introducing also specific physical tests on the “Breathing Tape” (81 tests carried out). For the same season, 38 down proof tests were also carried out on fabrics and 36 were completed for the S/S 20 season.

Lastly, inspections were also carried out on accessories. Overall, 22 physical tests and 53 chemical tests were carried out.

In response to new market demands, the Group is also a member of the Leather Working Group, an association of manufacturers and distributors in the leather industry that promotes the adoption of sustainable and responsible practices. Geox also respects the international Fur Free Alliance standards, forbidding the use of any type of animal fur in products.

In the case of pure down, Geox condemns any practice involving live plucking and requires every supplier to provide certification that the feathers purchased originate from the “food industry”.

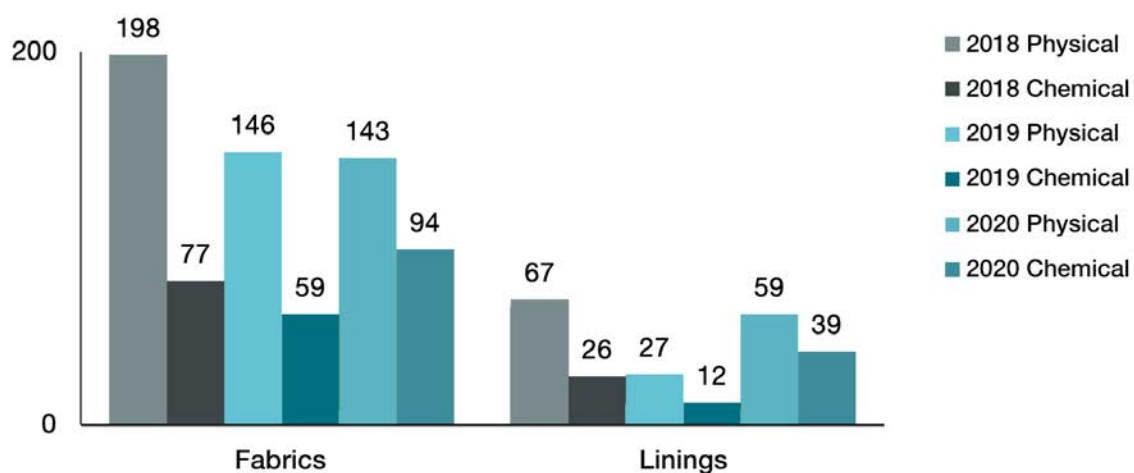
In 2020, research continued into alternative materials to animal leather.

In 2020, Geox also introduced “X-Down” recycled down into its collection.

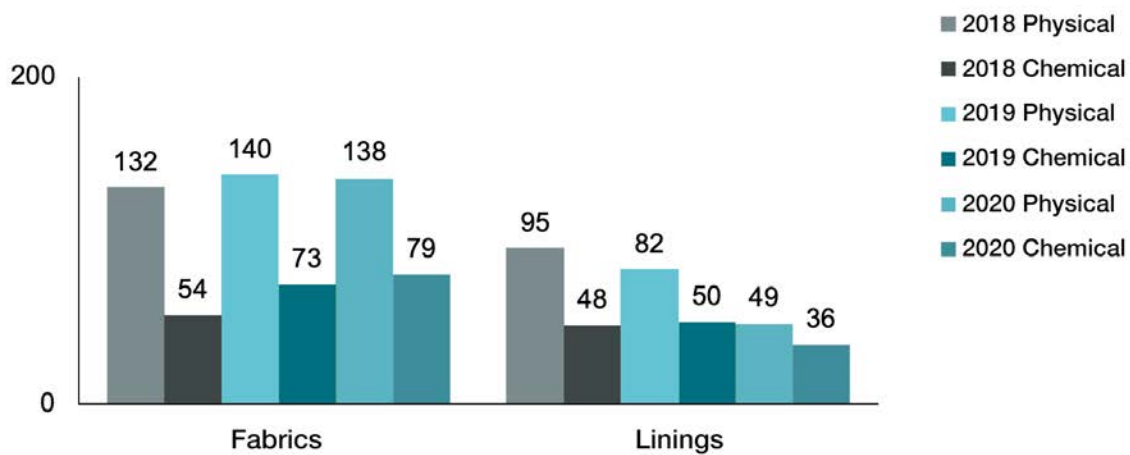
Geox’s ongoing commitment to health and safety is also confirmed by the fact that no cases of non-conformity with applicable product health and safety regulations were recorded during the three-year period 2018-2020. Furthermore, in relation to the aim of constantly improving customer satisfaction, a new monitoring system for returns and complaints has been used since 2019 based on reporting and indicators. This allows the company to also identify whether complaints are linked to health and safety risks.



Material tests RTW S/S '18-19'-20'



Material tests RTW F/W '18-19'-20'















# Supply chain

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**NEW PARTNERSHIPS WITH  
SEVEN FSC-CERTIFIED  
AUTHORISED VENDORS  
FOR THE PRODUCTION OF  
SUSTAINABLE PACKAGING**

**IN 2020, 31 SOCIAL-ETHICAL-  
ENVIRONMENTAL AUDITS  
WERE CARRIED OUT DESPITE  
THE DIFFICULTIES CAUSED BY  
CORONAVIRUS**

**SUPPORT PROVIDED TO  
CHINESE SUPPLIERS DURING  
THE PANDEMIC, THROUGH  
FREE WEBINARS AIMED AT  
PROMOTING WELL-BEING AND  
CARE FOR WORKERS**

# Supply chain profile

Geox undertakes to build and maintain its relationships with suppliers based on trust. The company is fully aware of the strategic importance of maintaining sound relationships with its suppliers, not only to create value for customers by offering them the best in terms of quality and style, but also to protect all those who work in the supply chain and the environment. That's why relationships with suppliers go beyond the simple business sphere and

are instead based on sharing the necessary elements to promote and pursue responsible and sustainable business development. With regard to the management of supplier relationships, Geox has defined an evolutionary model based on four pillars, reported below.



Considering that Geox only produces a small percentage of its footwear directly (approximately 6% of total production volumes in 2020), the Group requires high performance standards from its suppliers in terms of costs, quality, level of service and sustainability. The Group's relationships with suppliers are underpinned by its Code of Ethics, which outlines Geox's sustainable business approach, and the Suppliers' Code of Conduct. These documents are shared with suppliers when they sign their contract and are available on the company website, with the aim of sharing best practices and aligning suppliers' activities with the Group's ethical values and commitments. The purpose of these codes is to ensure that all the Group's suppliers respect the rules of conduct provided therein, in order to guarantee minimum requirements regarding legal compliance, ethics and integrity in business management, human rights and rights for employees, health and safety, environmental protection and social impacts, for all structures in which these suppliers operate.

Geox's suppliers can be broken down into three macro categories:

- direct suppliers, meaning suppliers of finished products (shoes, apparel, bags and moulds) (so-called Manufacturers);
- indirect suppliers, meaning appointed suppliers of raw materials (leather, packaging, soles, accessories, fabrics/synthetic and membranes) (so-called Authorised Vendors);
- other suppliers (so-called subcontractors).

The Manufacturers use a chain of suppliers appointed by Geox (Authorised Vendors), for each category of materials. In fact, Geox selects the materials to be used in the production process by carefully selecting suppliers who guarantee quality, service levels, sustainability and competitive prices. The Group is paying increasing

attention to finding materials that are available where manufacturing takes place, thereby supporting the local community and also minimising the environmental impact involved with transporting the necessary raw materials. Furthermore, Geox also uses leather tanned without heavy metals (vegetable tanning, synthetic tanning) and synthetic materials made with recycled components. In this context, recycled polyester linings have been widely used and special projects have been developed with a KNITTED upper made from recycled polyester.

With specific reference to the material used to produce soles, a strategic component for the performance of Geox footwear, if a supplier is not able to guarantee the quality of the materials produced in-house, due to a lack of skills or equipment, then Geox shall develop and certify producers of the material in order to supply the sole factories that it uses.

All materials selected by Authorised Vendors are tested in ISO/IEC 17025:2018-accredited laboratories and by the SGS certification body, for footwear and apparel respectively, guaranteeing the absence of toxic substances as required by the REACH regulation. During the production cycle, these raw materials are tested again through random checks carried out at the factories, as well as at the end of the production cycle through Stock Keeping Unit (SKU) tests on the finished products.



## MEASURES TO PROTECT BIODIVERSITY: FSC CERTIFICATION FOR BOXES

In 2020, Geox took important steps forward with FSC-certified boxes, setting itself the objective of also researching “FSC” suppliers able to guarantee the production of cards and tissue paper with this international certification.

The Forest Stewardship Council (FSC) promotes environmentally friendly forest management, able to safeguard biodiversity and ecological processes and to allow local populations and society in general to enjoy all the related long-term benefits. Certified FSC members have therefore been chosen as suppliers for the packaging supply chain, guiding Geox in its process to protect biodiversity and respect the environment.

This programme was launched in 2020 and shall also continue in the coming years. In fact, as of 2020, all Geox boxes around the world are produced by seven Authorised Vendors with FSC certification; during 2021-2022, Geox also intends to work with suppliers who are able to guarantee the production of FSC-certified cards and tissue paper. A new type of cardboard has also been adopted (with the exception of three countries), which is made using less paper; all plastic items have been removed from packaging.

By 2023, Geox wishes to reach the goal of only purchasing recycled materials for its packaging; to this end, it shall select suppliers that meet the necessary requirements, such as the traceability and certification of their production processes.

Geox’s supply chain counts around 200 suppliers, of which 35% are direct and 65% are indirect. Roughly speaking, 95% of production volumes relate to the footwear division, with the remaining percentage referring to the production of apparel.

Indirect suppliers include the tanneries, sole factories, suppliers of fabrics and suppliers of packaging and metal accessories. With regard to footwear, there are also the 382 suppliers for the Serbian factory in Vranje, including suppliers of finished products, raw materials, work, transport and portorage services and various materials.

In 2020, 17.1 million shoes were produced (S/S 20 - F/W 20) across 40 production sites (Manufacturers) and two sample rooms in ten different countries. 90.2% were produced in Asia (Vietnam 21.8%, Myanmar 20.6%, India 17.9%, Cambodia 15.5%, Indonesia 13.7%, China 0.7%), and 9.8% in Europe/North Africa (Serbia 6.4%, Morocco 2.4%, Spain 1.1%).

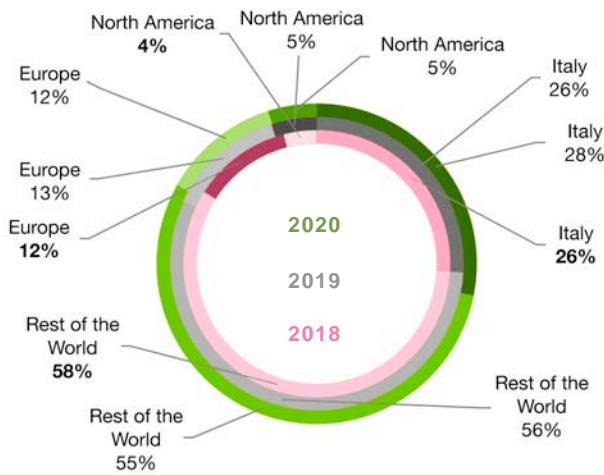
were produced across 19 production sites (Manufacturers) in five different countries. 99.9% were produced in Asia (Vietnam, Indonesia, Myanmar and China) and 0.1% in Italy. 201,078 accessories were also produced (socks and polo shirts) at two production sites (Manufacturers) in two different countries. 69.4% were produced in Italy and 30.6% in Turkey.

For the S/S 20 - F/W 20 seasons, the supply chain used, as Authorised Vendors: 33 appointed tanneries, 33 fabric suppliers, 8 metal accessory suppliers, 10 packaging suppliers, 56 sole factories and 9 mould providers.

With regard to the distribution of purchases by geographic area<sup>12</sup>, which remained substantially in line with the previous two years, 5% was allocated to North America, 12% to Europe, 28% to Italy and 55% to the rest of the world.

With regard to the apparel business unit, for the SS20/FW20 seasons, 958,435 Men's-Women's outerwear items

**Purchases by region**



**COVID - 19 :  
DIVERSIFICATION  
OF COUNTRY RISK**

Considering the effects of the lockdown caused by the Coronavirus pandemic, for the 2021-2022 two-year period, Geox shall remain committed to diversifying risk across several countries.

In fact, the company intends to keep its near-shore production, at the same time as developing its products with a view to creating production clusters, making the most of available local resources in the various production areas; to this end, it will be necessary to share a Sourcing Strategy with the various departments.

In this respect, active partnerships shall be sought along the entire value creation chain, in order to achieve greater flexibility and to avoid the risk of losing key partners as a result of the crisis. This approach will also benefit local economies and reduce the environmental impact linked to the transportation of raw materials and finished products.

12. For "significant locations of operation" exclusive reference is made to Italy.



# Developing a responsible supply chain

The **evolutionary model** defined by Geox to develop a responsible and sustainable supply chain shows how the relationship with its suppliers goes beyond the simple business sphere, aiming instead at a constant sharing of good practices, which are formalised in the definition of a series of operating procedures based on the Suppliers' Code of Conduct and inspired by the values of the Group's Code of Ethics, which all partners are contractually obliged to respect. A supply chain that respects the standards imposed by both national and international laws is of fundamental importance, as is Geox's commitment to selecting suppliers who are also focused on promoting policies that respect workers' rights, human rights, animal rights and the environment. In order for Geox to evolve, all of the suppliers who have an influence over final product performance must also evolve.

In order to ensure that it works with responsible partners, Geox assesses the sustainability profile of its suppliers, both during the selection phase and throughout the partnership, also using an independent third-party company. All suppliers must undergo an audit by a third-party firm and must take part in a continuous improvement programme, with dedicated action plans and planned re-audits. By 2022, Geox's goal is to have carried out social audits throughout its supply chain; in 2020, this initiative experienced a slowdown due to the Covid-19 pandemic, postponing its completion until 2022.

Suppliers are selected based on the principles of objectivity, impartiality, expertise, competition and value for money, as well as the principles of transparency, correctness and excellence, fully respecting the highest quality, environmental and social standards. Each supplier relationship is bound by the need to respect the laws and regulations regarding employment, human rights, health and safety, the environment, anti-corruption, data protection and the health and well-being of animals that are applicable in the country of reference, and all members of the supply chain must apply the principles stated by the Code of Ethics, Suppliers' Code of Conduct and the ten principles of the Global Compact. Each supplier is also asked to guarantee adequate working conditions and ensure respect for basic human rights and the principles

of equal treatment and non-discrimination, as well as the prevention of child labour, rejection of forced labour and freedom of association.

With specific reference to the UK market, these values and principles are also confirmed by the Modern Slavery Statement, approved by the Board of Directors of Geox UK Limited on 04/03/2020. This statement describes the measures adopted by Geox Group to ensure, as required by UK legislation "Modern Slavery Act 2015 - Section 54", that there are no forms of "modern slavery, forced labour and human trafficking" within its structure nor along its supply chain.

To this end, Geox maintains and improves systems and procedures to prevent any form of human rights violation, which is why it has partnered with a number of parties, involved in various ways, such as suppliers and associations, in order to develop and implement specific programmes to prevent modern slavery and human trafficking.

**THE COMPANY PAYS A  
GREAT DEAL OF ATTENTION  
TO COMPLYING WITH  
LEGAL PROVISIONS, AS  
DEMONSTRATED BY ITS  
APPROVAL OF THE MODERN  
SLAVERY STATEMENT**

**IN 2020, 31 SOCIAL-ETHICAL-  
ENVIRONMENTAL AUDITS WERE  
CARRIED OUT**

**E-LEARNING TRAINING FOR THE  
SUPPLY CHAIN**

All manufacturers are required to sign the “Manufacturing Agreement” which regulates all contractual terms and conditions (such as quality specifications, chemical-physical tests, compliance with the RSL, acceptance of the Code of Ethics and Suppliers’ Code of Conduct, acceptance of social audits, etc.).

Suppliers that are appointed in accordance with the “Authorised Vendor Agreement” are advised by Geox and provide raw materials to the Manufacturers. They are required to sign the Code of Ethics, the Suppliers’ Code of Conduct and the RSL. Authorised Vendors are required to register with “The ID Factory” portal, in order to send some general information about the company (Accreditation Form) and, above all, to be able to monitor performance in terms of their business relations with Manufacturers.

In fact, forecasts of the raw materials to be supplied to Manufacturers are published on the portal; Manufacturers also use this portal to place orders with Authorised Vendors, requesting confirmation that their orders have been accepted, confirmation of the relative delivery date, the uploading of materials tests and the uploading of invoices upon delivery.

Thanks to these data being updated, Geox is able to check that raw materials are being purchased in line with the instructions provided, as well as monitoring the level of service and quality provided to Manufacturers.

Every season, the Manufacturers appraise Authorised Vendors based on a survey filled out using the IDF portal.

As is also the case for Manufacturers, Authorised Vendors are also assessed on an annual basis, according to the four assessment pillars: Sustainability, Quality, Service and Costs.

Subcontractors, on the other hand, are selected directly by the factories producing the finished products, having obtained prior written consent from Geox to do so. In this case, it is up to the factories themselves to ensure that the Code of Ethics and Suppliers’ Code of Conduct are duly respected.

During 2018, on a total of four new Manufacturers in the Footwear business unit, 50% were assessed according to social-environmental criteria. In 2019, this percentage rose to 67%, out of a total of three new Manufacturers in the Footwear business unit. In 2020, out of a total of four new Manufacturers in the Footwear business unit, 50% were assessed according to social-environmental criteria.

The production facilities in Serbia were supplied by 68 new providers, six of which (9%) were assessed based on environmental criteria and two (3%) based on social criteria.

As already mentioned, Manufacturers are assessed according to four assessment pillars (Sustainability, Quality, Service, Costs), using 20 KPIs, and based on their performance, classified according to five different categories: Platinum, Gold, Silver, Bronze and Iron. Performance is discussed with the supplier on a yearly basis and the “Best Factory Awards” are assigned.

The company shares production performance results with its suppliers on an annual basis, in order to improve levels of service and quality (Co-Evolution Programme). It shall also help suppliers to define dedicated Action Plans, also to improve their ranking scores and thereby boost the overall performance of the supply chain. Despite the restrictions on mobility due to the pandemic, performance continued to be shared remotely in 2020, without any scheduled visits. For the 2021-2022 two-year period, Geox wishes to continue sharing results in order to further improve Manufacturers’ performance; ongoing liaison and feedback processes with all suppliers allow for action plans to be defined on an ongoing basis, aimed at ironing out any weaknesses in the supply chain.

## COVID-19: MANAGING SUPPLIER RELATIONSHIPS

During 2020, the situation in the countries where the Group's products are manufactured was affected by the Covid-19 pandemic, with a significant impact on people's mobility, social lives and health and safety as well as on logistics and the on-site presence of our technicians.

In order to best deal with this situation, a number of different measures were taken: new quality control strategies were developed remotely; production continued in a number of different areas in order to mitigate the risk of local lockdowns; production alternatives were introduced for goods, by both introducing four new factories and developing and expanding product categories in the factories that were already part of the Supply Chain.

Despite the restrictions imposed by the pandemic, the selected certification body nonetheless continued to carry out audits in 2020, checking and ensuring that social commitments were still being respected at this particularly difficult time.

After accepting Geox's Code of Ethics and Code of Conduct, suppliers must undergo a social-ethical-environmental audit, carried out by a third-party company appointed by Geox. More specifically, suppliers are involved in a structured audit programme to identify any critical issues and to implement any corrective actions necessary to be able to retain the position of an authorised Group supplier. These actions are then monitored through follow-up audits, where necessary. This audit programme is carried out across three main areas:

- social impact;
- health and safety;
- environmental impact.

Most shoes are produced and most materials are supplied in developing countries, where there are high political and social risks. The main social risks refer to the exploitation of workers in terms of minimum wages not being guaranteed, overtime not being paid, child labour, discrimination and safety in the workplace.

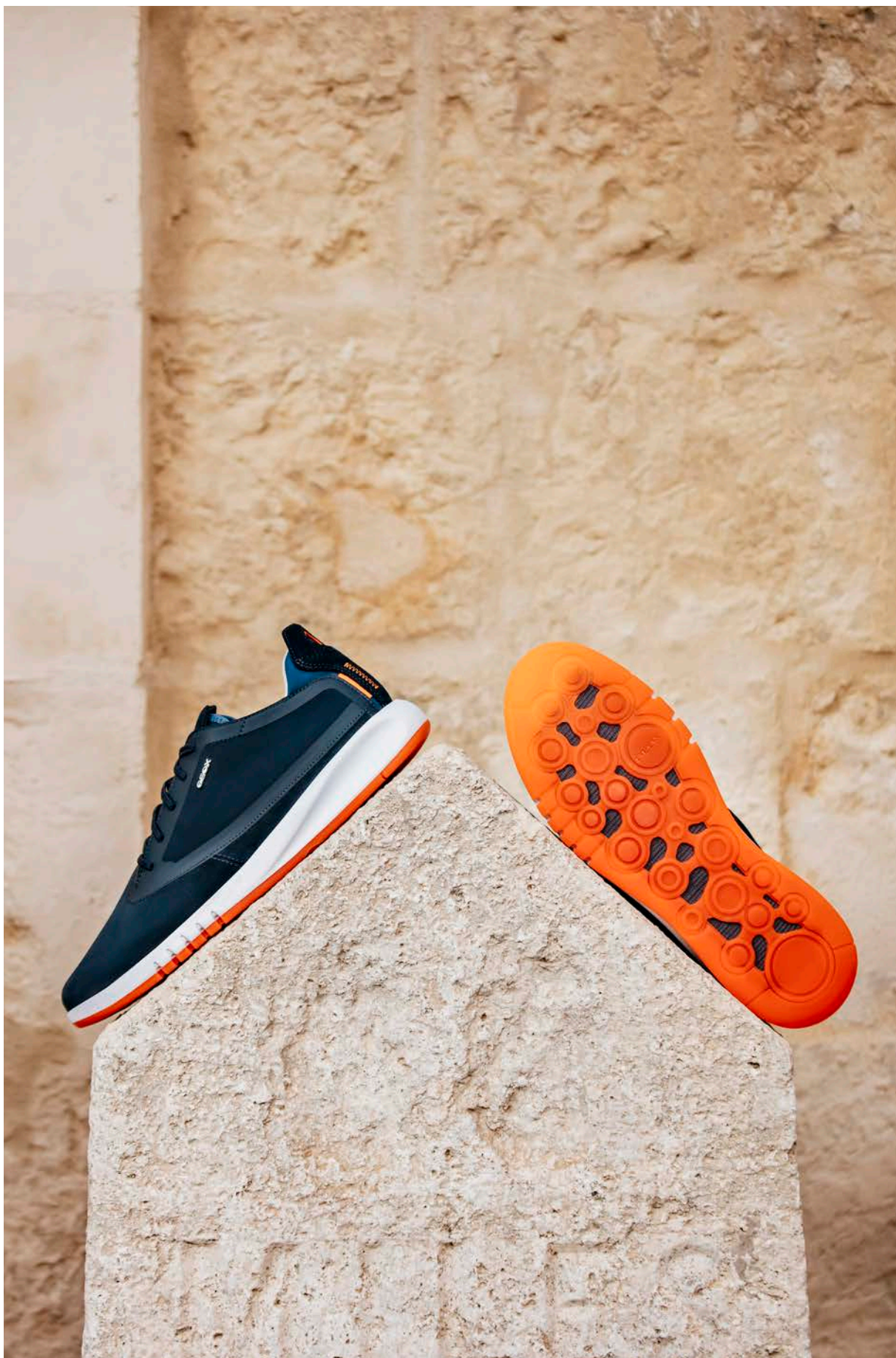
Geox has always worked towards managing and mitigating potential risks by continuously monitoring its supply chain, basing its activities on respect for human rights as this represents a fundamental value that underpins its business culture and strategy.

More specifically, Geox proactively assesses the ethical as well as the technical and financial reliability

of its suppliers, also by collecting documentation and certifications that guarantee their compliance with legal provisions, also with regard to being up to date with salary payments, pension and social security contributions, workplace health and safety requirements and respect for the environment and human rights.

In addition, Geox diversifies its production across a number of different countries, thereby avoiding too much exposure to any one given country and effectively managing any kind of risk.







Audit Topics



The first step in defining the procedure to assess whether local laws and the Suppliers' Code of Conduct are being respected was to draw up the operating framework. A risk analysis that takes a range of factors into consideration, including the economic value of the orders made, the type of good and/or service provided, the geographic location and other parameters. The main aims of the audit are therefore to:

- protect brand reputation;
- mitigate the country risk resulting from supply chain delocalization in countries with better costs but higher risks;
- independently check health and safety, environmental and working-social conditions;
- ensure that there are no "Zero Tolerance" issues within the supply chain;
- implement a continuous improvement process in order to identify and resolve any so-called "Major" issues.

This framework was updated in 2018 after a new provider was appointed to carry out supply chain auditing. The aim was to customise the audit checklist with a higher percentage of questions regarding health and safety and the environment and to automate the management of flows for corrective actions through a dedicated management software. Development of an ongoing training service has also been planned in the areas that are identified, on a case-by-case basis, as being the most critical for each supplier during the audit.

The audits are carried out by a global leader in auditing services regarding compliance in the fields of Health and Safety, the Environment and Social Responsibility, based on a pre-defined checklist. This checklist is drawn up in accordance with sustainability parameters based on the SA8000® standard, the social responsibility and workers' rights policy, the OSHAS 18001 standard regarding workers' health and safety, the ISO 14001 standard regarding the environment and Geox's Code of Ethics, in compliance with the Group's sustainability provisions signed by the suppliers themselves.

The checklist breaks down the aforementioned three macro-areas into 15 different sections, with H&S in turn being represented by 9 subsections as this was highlighted in previous years as being the most critical area, for a total of 386 questions.

Audit activities are planned according to a "risk-based" logic, with priority being given to the type of supply (direct or indirect), brand protection, and the intrinsic level of environmental risk within the production process.

Audits may be fully announced, semi-announced or unannounced based on how well Geox knows the supplier and how long they have been a supplier for. Audits may form part of an annual timetable that follows periodic rotation, or may be requested after previous audits highlighted certain issues that required the definition and implementation of corrective actions.

Geox has launched a process to increase the accountability of its supply chain regarding the time required to implement corrective actions, introducing the possibility to charge suppliers for the cost of the audit should the agreed corrective actions not be implemented. Company procedures provide for the possibility to carry out more than one re-audit with a view to supporting the supplier in the process of continuous improvement. There is nonetheless the possibility to suspend relations with any supplier that underestimates the importance of social and environmental issues and health and safety in the workplace. During the 2019-2020 two-year period, no critical issues were found that would otherwise lead to the termination of the supply arrangement.

Audit results represent an important driver for selecting and keeping on suppliers.

Following audit activities, any non-conformities are reported using a corrective action plan. The implementation of corrective actions is checked by requesting documentation or through a re-audit (in the case of negative audit results), and as part of the three-year audit plan (in the case of positive audit results).

31 social-ethical-environmental audits were carried out in 2020 (75 in 2019 and 64 in 2018), involving 28 suppliers, broken down into the following categories: footwear (7), apparel (7), soles (7), insoles (1), synthetic materials (1), packaging (4), accessories (3) and logistics services (1).

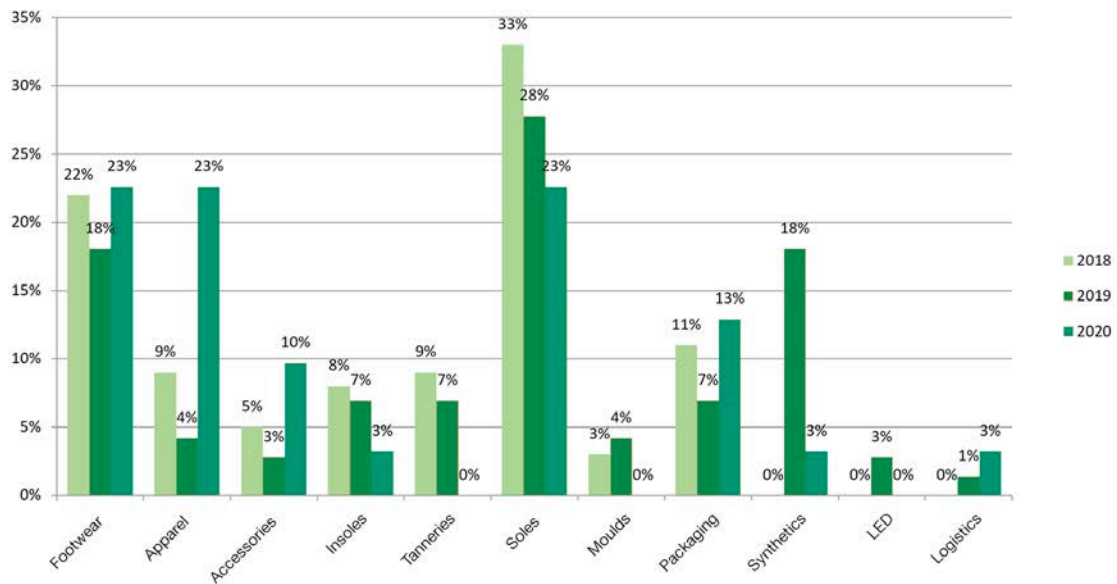
Despite the restrictions imposed by the spread of the Covid-19 pandemic, which created significant disruption and affected people’s health, safety and mobility, not to mention the various lockdowns at different times in the various countries of reference, social-ethical-environmental auditing and monitoring activities continued vis-à-vis suppliers, albeit to a lesser extent compared with those completed during the previous reporting period.

None of the suppliers that underwent the audit reported any critical issues with regard to the environment.

Audit results flagged up workplace health and safety as being the area with the most non-conformities.

With regard to audit results, it should be highlighted that, in 2020, 75% of suppliers obtained a positive result, with room for improvement being identified in 25% of cases with regard to social-ethical issues; there is therefore an improving trend compared with previous years (in 2019, room for improvement was identified in these areas for around 48% of the suppliers audited).

### Audit by type<sup>13</sup>



13. The percentages have been calculated on the total number of suppliers that underwent a social-ethical-environmental audit

In 2018, Geox also implemented a global whistle-blowing system that is integrated at Group level. The aim of this system is to allow all stakeholders to report any unlawful conduct and/or violations regarding suspicious behaviour and breaches of the Group's Code of Ethics and to manage them in a prompt and scrupulous manner.

For 2021, the Group has set itself the objective of managing to gain full control over the entire supply chain, covering both direct suppliers (Manufacturers) and indirect suppliers (Authorised Vendors), in order to monitor and share their performance and develop improvement plans. Over the coming two years, Geox also intends to increase the number of social-ethical-environmental audits that it carries out, covering the entire supply chain.

## COVID-19: SUPPORT FOR CHINESE SUPPLIERS

In 2020, the company appointed by Geox to carry out social audits and monitor compliance with its Code of Ethics and Code of Conduct was used by the Group to provide support to alleviate some of the hardship and trauma caused by Covid-19, which had such a deep impact on production in China, as well as on workers, their families and the community as a whole.

For this reason, a webinar entitled "Wellness at Work - Supporting Workers during an Epidemic" was held for suppliers based in China; the purpose of this initiative was to use proactive communication to promote well-being and care for workers.

# Engaging and listening to suppliers and ensuring stable business relationships

Geox creates its products based on a “controlled selling” production philosophy, meaning that it is of fundamental importance to instigate and engage in continuous dialogue and share good practices and expertise with its suppliers.

The Manufacturers and the Headquarters begin to interact during the initial project development phase, when the Product Department communicates with the factories’ sample rooms in order to develop the first prototypes based on the technical specifications provided. The R&D department, supporting technicians, works directly with factories’ Sample Rooms in order to develop new technologies. In this regard, new manuals and requirements are promptly issued which are signed by the factories themselves in order to ensure that they have understood them and will keep them confidential.

Manufacturers then interact with the various Geox representatives, who vary depending on the various phases of product manufacturing. More specifically, the Manufacturers interact with:

- the Technical Department for product development and approval of samples, for footwear lines;
- the Product Department to develop the collection;
- the Purchasing Department to define costs;
- the Production Department for technical support regarding the production lines;
- the Quality Department for pre-delivery checks on each consignment;
- the Logistics Department to plan deliveries;
- the R&D department for constant supervision of chemical, physical/mechanical and patent requirements;
- the Internal Audit department to organise social audits and to monitor corrective actions.

The “sole that breathes” concept is the essence of what makes Geox shoes so unique, which is why it is so important to correctly manage relationships with the suppliers of forms, moulds and soles. In this regard, the Structures Department within the Parent Company provides the high-calibre design for these components, organising the local sourcing necessary to guarantee quality footwear.

More specifically, Geox has selected and works together with form manufacturers who are able to offer constant growth in line with new sector studies, guaranteeing production engineering of the shoe support structure. This ensures high quality production at the same time as safeguarding the initial design.

The moulds, which are used to produce the soles, are made by external suppliers with whom Geox shares its patented know-how through on-site training. The purpose of this is to ensure that the soles meet the necessary requirements to create the Geox membrane “that breathes”. Any sensitive information provided to suppliers is managed through supplier and technical/intellectual agreements, in line with the Code of Ethics and Suppliers’ Code of Conduct. An ongoing relationship is also established with Geox’s technical team through site visits, exchanging digital files containing design elements and regular visits, particularly when new sole projects are launched. Supplier loyalty is recognised as being of fundamental importance in order to have the guarantee that moulds will be delivered according to the company schedule. Wherever possible, mould providers are located in the areas where the soles and shoes are produced in order to optimise transport and create a local activity hub that can maximise the relative services.

The soles complete and enrich the shoes based on the choice of style and technical characteristics of the material. The Operations Department is in charge of choosing which material to use, in collaboration with the Style Department, which weighs up the benefits of the final product, such as: lightness, cushioning, durability and cost. Appropriate laboratory tests are carried out to determine whether the materials used for the finished



product comply with physical, mechanical and chemical parameters. As a sign of the importance that Geox attributes to each new sole product, after carrying out all the necessary technical assessments, together with the various bodies involved, it certifies mass production after issuing a “sole identity card”.

Also with regard to apparel products, Geox is in daily contact with its suppliers, with constant visits by technicians and individuals in charge of quality control who are local, speak the local language and are employed by Geox. Suppliers are provided with the material and technical support necessary to guarantee suitable performance for the garment. Wherever possible, Geox turns to its trusted suppliers, also for new developments, applications and production requirements.

To remain fully informed and to ensure appropriate management of relations with its suppliers, Geox has mapped out its supply chain. Constantly monitoring social audit results and sharing the relative improvement measures with a view to achieve continuous improvements, means that Geox continuously interacts with all its production chain on a daily basis for operations issues. This guarantees maximum technical support and provides the know-how necessary to prevent any kind of qualitative problem.

Furthermore, meetings with Production and Operations managers are organised every six months in order to agree upon the sourcing strategy. These meetings represent an opportunity to share Vendor performance (with regard finished products and raw materials), issue

Vendor Rankings, discuss future business possibilities and negotiate new production sites in order meet the objectives set by the Board.

In this regard, Geox has been measuring the results achieved by its production partners since 2015, and sharing the results with them during specific seasonal visits. More specifically, Geox analyses, together with each supplier, the results achieved in the various areas covered by the social audits, using the inspections carried out in previous seasons as points of reference. This analysis allows the focus areas of improvement measures to be identified, thereby defining a plan of action that is specific for each season. In this way, the Group endeavours to encourage the identification of mutual areas of improvement in order to foster the co-evolution programme. The co-evolution programme aims at transforming Geox’s suppliers into “drivers” for social development and the local economy.













# People

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**GEOX RANKED FIRST IN  
THE 'TRAINING AND SMART  
LEARNING' CATEGORY AT THE  
'HR MISSION 2020 – WORKING  
WITH AND FOR PEOPLE IN THE  
EMERGENCY' AWARDS BY THE  
ITALIAN ASSOCIATION OF HR  
MANAGERS ('AIDP')**

**'GEOX HEALTH & FAMILY  
WELFARE' PLAN LAUNCHED  
TO IMPROVE THE WELL-BEING  
OF GEOX EMPLOYEES AND  
THEIR FAMILIES DURING THE  
PANDEMIC**

**‘GEOX DIGITAL WEEK’: A SERIES OF PERIODIC, DIGITAL EVENTS TO OVERCOME PHYSICAL DISTANCE AND SHARE ARTICLES, IDEAS, REFLECTIONS AND ONLINE TRAINING ACTIVITIES**

**NEW AGREEMENTS SIGNED TO INCREASE THE RANGE OF DISCOUNTS AND PRODUCT SPECIAL OFFERS AVAILABLE TO EMPLOYEES**

# Human Resources

Geox Group recognises the central role played by human resources, firmly believing that the main success factor of any organisation lies in the professional, human and creative contribution made by the people who work there. In particular, Geox is fully aware that growth is driven by the contribution made by each and every person, in the work that they do every day. That's why it recognises the value and the dignity of people as being a fundamental requisite for the healthy running of the business. Geox respects and valorizes People, and their diversity, by respecting their basic human rights, by protecting their physical, cultural and moral integrity and by continually developing their technical and professional skills.

As of 31 December 2020, Geox Group counted a total of 4,458 employees, recording a decrease compared with the previous two-year period. More generally, Geox Group's total workforce, including not only employees but also interns and temporary workers, amounts to 4,486.

In 2020, the most represented professional category refers to store employees (49% of the total), followed by factory workers (29% of the total), office staff (18% of the total), middle managers<sup>14</sup> (3% of the total) and senior managers (1% of the total).

## Number of employees by professional category and by gender<sup>15</sup>

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior managers	40	5	<b>45</b>	36	7	<b>43</b>	39	7	<b>46</b>
Middle managers	82	48	<b>130</b>	71	38	<b>109</b>	69	42	<b>111</b>
Office staff	295	504	<b>799</b>	293	534	<b>827</b>	276	490	<b>766</b>
Store employees	509	1,975	<b>2,484</b>	492	2,040	<b>2,532</b>	379	1,677	<b>2,056</b>
Factory workers	343	891	<b>1,234</b>	334	927	<b>1,261</b>	335	971	<b>1,306</b>
<b>Total</b>	<b>1,269</b>	<b>3,423</b>	<b>4,692</b>	<b>1,226</b>	<b>3,546</b>	<b>4,772</b>	<b>1,098</b>	<b>3,187</b>	<b>4,285</b>

## Percentage employees by professional category and by gender

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Senior managers	89%	11%	84%	16%	85%	15%
Middle Managers	63%	37%	65%	35%	62%	38%
Office staff	37%	63%	35%	65%	36%	64%
Store employees	20%	80%	19%	81%	18%	82%
Factory workers	28%	72%	26%	74%	26%	74%

14. The middle manager category includes those who report directly to senior management.

15. The figures included in the breakdown of personnel by gender and by age refer to Geox Group employees excluding employees of North America (554 in 2018, 398 in 2019 and 173 in 2020). Said figures are not available for the categories in question, in accordance with local practices.

With regard to the geographical breakdown of Group employees, 32% are employed in Italy, 20% in the rest of Europe, 4% in North America and the remaining 44% in the rest of the world.

### Number of employees by geographic area and by gender

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	425	1,172	<b>1,597</b>	442	1,164	<b>1,606</b>	399	1,041	<b>1,440</b>
Europe	319	860	<b>1,179</b>	292	918	<b>1,210</b>	199	670	<b>869</b>
North America	ND	ND	<b>554</b>	ND	ND	<b>398</b>	ND	ND	<b>173</b>
Rest of the world	525	1,391	<b>1,926</b>	492	1,464	<b>1,956</b>	500	1,476	<b>1,976</b>

The majority of Geox employees (64%) are aged between 30 and 50, with the average age at Group level being 39 for both men and women, recording an increase compared with the previous year (37).

### Employees by age group<sup>16</sup>

	2018	2019	2020
<30	30%	27%	21%
30-50	60%	61%	64%
>50	10%	12%	15%

### Percentage employees by professional category and by age group<sup>16</sup>

	2018			2019			2020		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior managers	0%	62%	38%	0%	51%	49%	0%	54%	46%
Middle Managers	2%	78%	20%	0%	74%	26%	0%	68%	32%
Office staff	14%	72%	14%	15%	68%	17%	14%	68%	18%
Store employees	40%	53%	7%	38%	54%	8%	30%	60%	10%
Factory workers	22%	66%	12%	17%	68%	15%	14%	67%	18%

<sup>16</sup> Excluding employees in North America (554 in 2018, 398 in 2019 and 173 in 2020).



### Employees aged under 30<sup>17</sup>



### Employees aged between 30 and 50<sup>17</sup>



### Employees aged over 50<sup>17</sup>



17. Excluding employees in North America (554 in 2018, 398 in 2019 and 173 in 2020).

The Company is committed to building **stable and lasting relationships**, which is confirmed by the percentage of employees hired with a permanent contract (over 87% of the total) and their length of service. In fact, 28% of all employees have been with the company for

“between 6 and 10 years”. Use of interns and temporary workers is limited. In 2020, Geox Group used one intern and 27 temporary workers.

### Number of workers with other types of contract

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Intern	4	7	11	2	6	8	0	1	1
Temporary work	12	26	38	9	43	52	9	18	27
<b>Total</b>	<b>16</b>	<b>33</b>	<b>49</b>	<b>11</b>	<b>49</b>	<b>60</b>	<b>9</b>	<b>19</b>	<b>28</b>

During 2020, around **980 people**<sup>18</sup> were hired, mainly women (72% of the total<sup>19</sup>). With regard to the breakdown by age group, 54% of new recruits are aged under 30: this confirms Geox’s commitment and investment in the younger generations. 39% of new recruits are aged between 30 and 50. With regard to the geographic breakdown: 13% of new recruits were hired in Italy, 38%

in Europe, 10% in North America and the remaining 39% in the rest of the world.

### Percentage turnover by gender and by age group 2020<sup>20</sup>

	Gender			Age		
	M	W	Total	<30	30-50	>50
Rate of recruitment	22.50	19.80	22.01	51.63	12.60	9.38
Rate of employees leaving	32.70	29.24	36.03	72.88	19.72	13.04

### Percentage turnover by geographic area 2020

	Italy	France	Spain	Germany	UK	Rest of the world
Rate of recruitment	8.89	69.62	38.76	23.16	23.08	23.72
Rate of employees leaving	18.75	104.62	84.50	46.32	132.31	32.90

18. Employees who had more than one contract during the year in question have only been counted once.

19. Excluding employees in North America (604 in 2018, 449 in 2019 and 103 in 2020).

20. The turnover rates by gender and by age group do not include employees in North America. The number of employees in North America who were hired and who left the Group (604 in 2018, 449 in 2019 and 103 in 2020 with regard to new recruits; 533 in 2018, 452 in 2019 and 315 in 2020 with regard to employees leaving) are included in the total turnover rates.

In 2020, 1,606 resources left the company, mainly referring to retail staff, which is considered normal in the context of the industry's competitive dynamics. The majority of employees leaving the Group were aged under 30 (approximately 52% of the total<sup>21</sup>). 42% of the total, on the other hand, were aged between 30 and 50. With regard to the geographic breakdown: 17% of employees leaving Geox were based in Italy, 42% in Europe, 20% in North America and the remaining 21% in the rest of the world.

With regard to the dynamics that affect its personnel, Geox has developed a structured Recruitment, Selection and Hiring process which falls under the responsibility of the HR, Organization & Corporate Services Director. This process normally involves a general and widespread

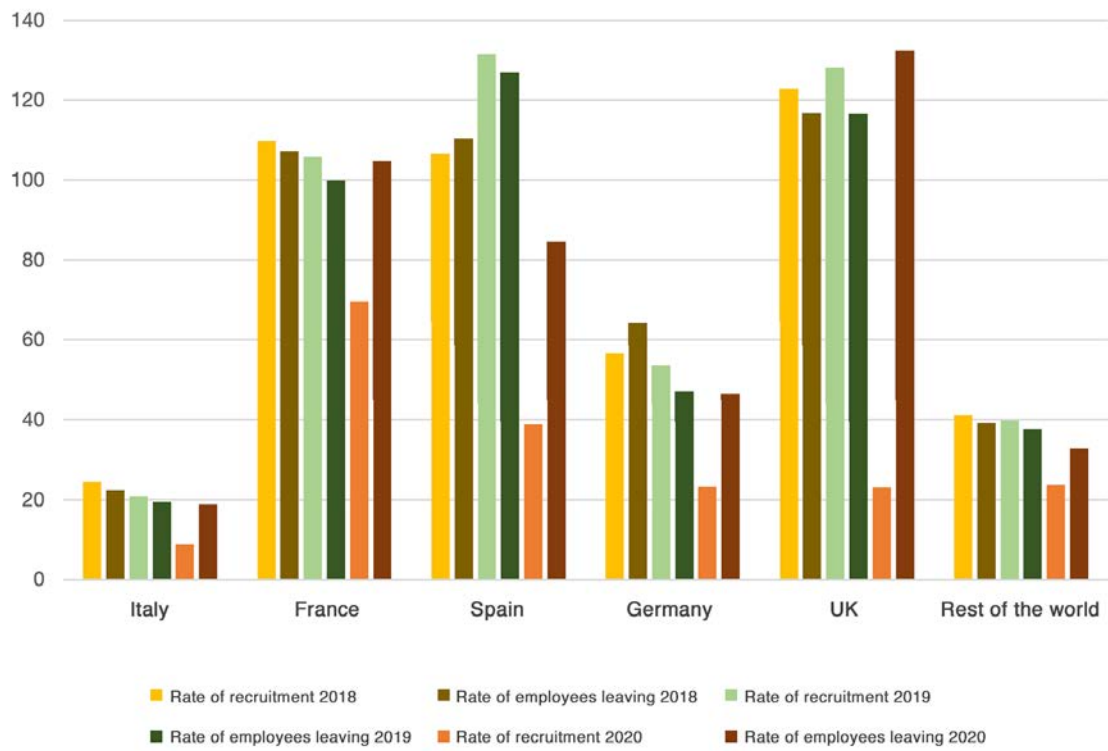
analysis covering all company departments, which is carried out during the last quarter of the year. The purpose of this analysis is to understand the resources that are needed to implement company development plans over the course of the following year. The recruitment, selection and hiring of new staff may also arise following a careful review of development plans, projects and organisational structures carried out over the year. Staff are selected based on the professional profile of the candidates, meaning: skills and experience, people skills, a favourable approach to the Company's culture and development potential.

Staff are hired in accordance with the plan for the delegation of powers and, with regard to pay and benefits, the Group's remuneration policies are fully followed



21. The turnover rates by gender and by age group do not include employees in North America. The number of employees in North America who were hired and who left the Group (604 in 2018, 449 in 2019 and 103 in 2020 with regard to new recruits; 533 in 2018, 452 in 2019 and 315 in 2020 with regard to employees leaving) are included in the total turnover rates.

## Hiring rate and rate of employees leaving by region



# Diversity, equal opportunities and protecting human rights and worker's rights

As specified in the Code of Ethics, Geox Group respects different ideas and points of view. In fact, the diversity of the Group's workforce enables it to fully understand different markets and customers, enrich skills and achieve goals in the best way possible. This is the reason why Geox does not tolerate any form of violence or discrimination, especially regarding gender, disability, health, sexual orientation, age, political opinions, religion, race, ethnic group or social and cultural conditions.

Geox encourages a team spirit and cooperation, and expects all members of staff to work together in order to maintain a climate of mutual respect. In particular, the Group endeavours to ensure that company policies allow people to work in environments that respect their dignity and that guarantee their safety, refusing any practices that may humiliate or degrade them or their role, including mobbing, exploitation, abuse, intimidation, harassment or threats.

The position of those who find themselves in a situation whereby they have limited ability to work (pregnancy, maternity leave, young age, accident, disability, etc.) is protected thanks to measures to maintain their physical and moral integrity, also in compliance with applicable legislation.

Furthermore, Geox strongly condemns any form of forced labour or exploitation, whether it be in the form of child labour, or the exploitation of people with disabilities or pregnant women, or anyone who has not given their consent. The use of under-age workers is only permitted in the context of applicable legislation being correctly applied and in compliance with the UN Convention on the Rights of the Child. More generally, the respect of human rights and of the rights of workers is of fundamental importance for Geox Group. That's why, as part of its work, it takes inspiration from the International Labour Standards (ILS) covered by the fundamental International Labour Organisation (ILO) conventions.

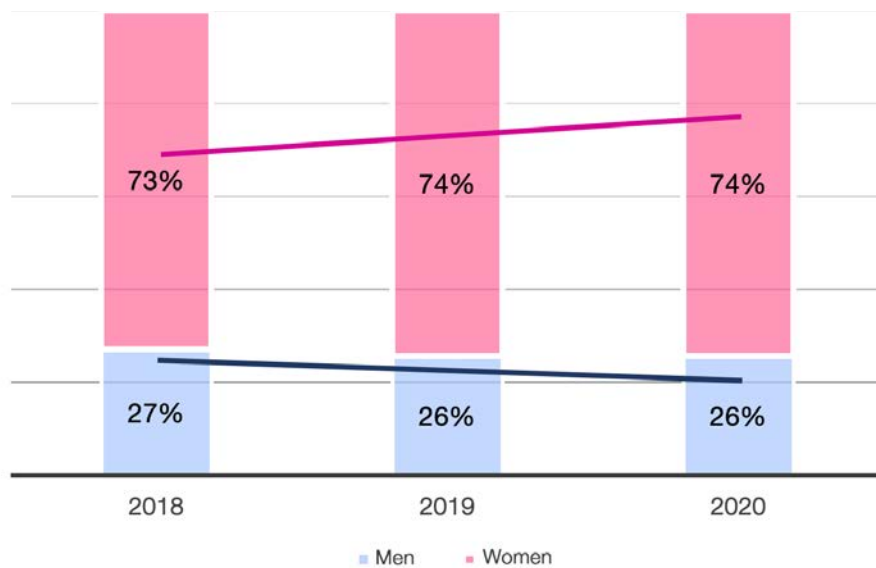
Over the last three years, no cases of discrimination were recorded within the Group. Furthermore, no complaints were received relating to working practices and/or respect of human rights.

With regard to gender balance at Geox, 7 out of 10 resources are women: the share of women within the workforce is in fact equal to approximately 74%.<sup>22</sup>. The percentage of female workers is high in all geographic areas and across all professional categories.

22. Excluding employees in North America (554 in 2018, 398 in 2019 and 173 in 2020).



## Number of employees by gender <sup>23</sup>



As of 31 December 2020, the Group counted 40 employees with disabilities, of which 27 women and 13 men.



23. Excluding employees in North America (554 in 2018, 398 in 2019 and 173 in 2020).

# Remunerations, incentive schemes and benefit

In order to develop the skills and expertise of its workforce, Geox Group adopts objective, transparent and verifiable criteria based on merit, guaranteeing equal opportunities for all, without any form of discrimination. In particular, staff are recruited, hired and then assessed based on objective criteria which ensure that each candidate's professional profile, skills and performance respect company requirements, all in full respect of equal opportunities among individuals.

With these principles in mind, Geox has developed an efficient and effective **performance management** process aimed at attracting new talents and retaining employees. More specifically, in order to value its employees, Geox began implementing a **Performance & Behaviour Appraisal** system a number of years ago. This system allows the company to compare the level of results achieved with the objectives assigned, closely observe skills and organisational behaviour, identify the company departments that show excellent or improving performance and thereby encourage new development measures, **training** and remuneration policies based on merit. This process is made up of an initial stage which allows for the assessment of the skills and experience that the employee has developed as part of their role. This is followed by a careful **feedback** process in order to encourage free discussion between the employee and their supervisor. Building on the path followed in previous years, once again in 2020, this system allowed the company to identify a number of **Key People** within the various departments and define specific development plans for them (in terms of **training** and their career paths).

# DEVELOPMENT OF THE PERFORMANCE & BEHAVIOUR APPRAISAL PROCESS, ENHANCING GROUP RESOURCES

Geox gives each worker the right to fair and regular pay and suitable compensation for any overtime. The salaries and benefits received by Geox Group employees respect the legal requirements in each country of reference.

With a view to attracting new talents and retaining its employees, Geox Group has defined the starting salaries and the Company Pay Package in full respect of the minimum amounts provided for by law or national collective bargaining agreements, considering remuneration to be a strategic factor in managing and developing its personnel. The Head of the Human Resources, Organization and Corporate Services Department and the Chief Executive Officer are responsible for ensuring that the employee remuneration process is correctly and appropriately managed.

As Geox is a listed company, it has defined a Remuneration Policy for board members and executives with strategic responsibilities, in compliance with the recommendations provided by the Corporate Governance Code issued by Borsa Italiana (*Italian Stock Exchange*). This policy is developed by the Company's Human Resources, Organization & Corporate Services Department, Appointment and Remuneration Committee, Chief Executive Officer, Board of Directors and the Shareholders' Meeting (for further details, please refer to the Remuneration Report available on the website [www.geox.biz](http://www.geox.biz), under the section "Governance").

On an annual basis, Geox rewards its best-performing resources and those who have contributed to achieving company results, in terms of internal development and according to merit-based criteria taking into consideration the skills and conduct required of the role held.

In particular, there is a short and medium/long-term, variable incentive scheme in place for the management team. The short-term variable incentive scheme is based on an MBO reward system, which differs based on the type of employee, divided into "structure", "retail" and "sales force".

For "structure" personnel, the variable annual incentive is based on quantitative and qualitative objectives, linked to individual performance and Group results. This scheme is designed for managers and resources who are considered to be of strategic importance to reach the company's objectives. Following the Coronavirus health emergency and given the uncertainties regarding the duration and spread of the epidemic, which made it impossible to reach the performance objectives set in the 2020 Budget, all 'structure' staff waived their right to the short-term MBO reward system for 2020.

For 'retail' and 'sales force' staff, on the other hand,

the MBO reward scheme remained in place during 2020; for retail staff, this system is defined by quantitative, individual and group targets depending on the role held and the type of store under management, while for the sales force it is based on personal quantitative targets.

The medium-long term incentive process involves rights and consequently ordinary shares being granted to top management and a number of key figures (stock grant plan). Monetary incentive schemes are also provided, albeit to a lesser extent.

Benefits for the employees working at Geox Group's main headquarters include:

- **Eating Geox Restaurant:** the company restaurant has been built using state-of-the-art techniques and materials in full compliance with sustainability principles in order to have a limited impact on the environment. A great deal of attention is paid to the ingredients selected, how dishes are prepared and to the reduction of waste. The in-house Eating Geox Restaurant is a large communal area dedicated to employees in the heart of Geox Group, offering them information and everything they need for a healthy diet, thereby improving their well-being.

- **"Mondo Piccino" company nursery:** the "Mondo Piccino" nursery was created in February 2008 to support the needs of many parents working for the Company. Geox makes a monetary contribution and supports families by providing an educational service for their children that "fosters well-balanced and harmonious psychological-physical development", in accordance with the principles of respect, a warm welcome and solidarity. Each year, the nursery caters for around 50 children aged between 0 and 3, and its aim is to meet all of their needs and those of their parents in the best way possible.

- **Sport Village and Gran Teatro Geox:** employees get a range of discounts with organisations that are able to create benefits for their health and well-being, such as the courses offered by the Sport Village gym. There is also a partnership in place with the Gran Teatro Geox arena, meaning that employees can purchase tickets for all scheduled events and shows at a reduced price. Furthermore, four tickets for every show are up for grabs through a company competition.

In 2020, Geox signed an agreement with an external company specialising in obtaining special terms and agreements for companies, in order to offer a broader and more structured range of discounts and special offers on products and services for its employees in Italy; a dedicated platform is used to grant access to these discounts and special offers.

Other discounts with a range of local companies also remain valid, guaranteeing reduced prices for the purchase of certain goods and services. Special promotions are also available for the purchase of Geox footwear and apparel.

## COVID-19: GEOX HEALTH & FAMILY

Considering the epidemiological emergency and the impact that this situation is having on the well-being of its employees and their families, Geox has identified and promoted a number of welfare tools, aimed at meeting the non-financial needs of employees working at its headquarters and in its stores in Italy; this is called the “Geox Health & Family Welfare” plan. Blue-collar and white-collar workers (including junior managers) with a fixed-term or permanent contract can access this plan, with each beneficiary receiving a given amount in the form of goods and services provided through special rights (e.g., gift vouchers, shopping vouchers, fuel vouchers, reimbursements for school expenses, reimbursements of travel expenses, reimbursements of mortgage interest, etc.); a dedicated online platform is used to manage these discounts and special offers.

Company nursery “Mondo Piccino”





# Work-life balance

In its Code of Ethics, Geox confirms its commitment to ensuring that company policies allow people to work in environments that respect their dignity and guarantee their safety, with working hours and procedures that do not compromise their private lives or their ability to satisfy their basic needs. In fact, the value and dignity of people represent fundamental requirements to run a healthy business.

In order to ensure its employees have a good work-life balance and maintain their professional commitment, in line with organisational requirements, Geox Group offers the possibility to use part-time contracts. Approximately 27% of company personnel are hired under a part-time work contract. 33% of staff hired with this kind of contract work part-time for less than or equal to 50% of the time; 47% work part-time 50-75% of the time; and 19% work part-time >75% of the time, calculated based on traditional full-time hours.

In order to allow employees to balance their family and professional responsibilities, the company also grants a maximum of 2.5 flexible hours per day, regarding the time of arrival and departure.

## COVID-19: SMART WORKING

As long as this is compatible with the role held within the company, Geox gives workers the opportunity to work from home, as another way of ensuring a healthy work-life balance as well as protecting their safety and well-being given the ongoing health emergency; to this end, it makes appropriate tools and technology available to allow for efficient smart working.

## Number of employees by type of employment<sup>24</sup>

	2018			2019			2020		
	M	W	Total	M	W	Total	M	W	Total
Full-time	1,011	2,272	<b>3,283</b>	975	2,344	<b>3,319</b>	943	2,218	<b>3,161</b>
Part-time	258	1,151	<b>1,409</b>	251	1,202	<b>1,453</b>	155	969	<b>1,124</b>
<b>Total</b>	<b>1,269</b>	<b>3,423</b>	<b>4,692</b>	<b>1,226</b>	<b>3,546</b>	<b>4,772</b>	<b>1,098</b>	<b>3,187</b>	<b>4,285</b>

24. Excluding employees in North America (554 in 2018, 398 in 2019 and 173 in 2020).

# Staff training and development

## GEOX RANKED FIRST IN THE 'TRAINING AND SMART LEARNING' CATEGORY AT THE 'HR MISSION 2020 – WORKING WITH AND FOR PEOPLE IN THE EMERGENCY' AWARDS BY THE ITALIAN ASSOCIATION OF HR MANAGERS ('AIDP')

Geox believes that training is an **essential and strategic** tool for personal development and, as such, promotes a culture of ongoing learning with a view to innovation, also through the use of new learning environments.

Geox Group manages, trains and helps its employees to develop, supporting them with their professional growth and constantly updating their managerial and technical skills. This allows each employee to carry out their role in the best way possible, with a view to achieving the company's goals. To this end, Geox clearly defines roles, responsibilities and objectives for each employee, based on their position and level within the organisation chart. This avoids situations of stress caused by ambiguity and conflict between role and responsibility, and also helps with merit-based development.

The structure of Geox's training system, called the Geox Learning System, is based on the types of courses and skills to be developed, as well as the relative addressees. Training schemes and activities are defined following careful analysis of training needs together with business requirements. The aim is to develop and perfect employees' technical and managerial skills in order to fill gaps in knowledge, improve performance and invest in the professional growth of co-workers.

The **Geox Learning System** involves external consultants and instructors, as well as in-house experts, who all contribute to the professional growth of employees by sharing their specialist know-how.

In 2020, the main training initiatives focused on the following areas: Induction training for new recruits, Management Training, Technical-Specialist Training and Health & Safety Training.

New recruits are trained through specific and individual induction programmes that vary depending on the role held; these programmes allow new recruits to learn more about the company's history, values and philosophy.

Management training includes a more in-depth look at the aspects involved with developing important soft skills, especially given the new context, such as change

management, teamwork and leadership.

The management training programme "Lead to Excellence - The Modern Geox Leader" also continued in 2020. More specifically, "Geox Leaders" are those who represent the Company's values, promote evolution and change and guide people by endeavouring to achieve business objectives through managerial tools. This course, dedicated to a group of company managers, is aimed at consolidating and integrating leadership skills (which are particularly important to guide change and people) and managerial skills, all in line with the Geox Leadership Model.

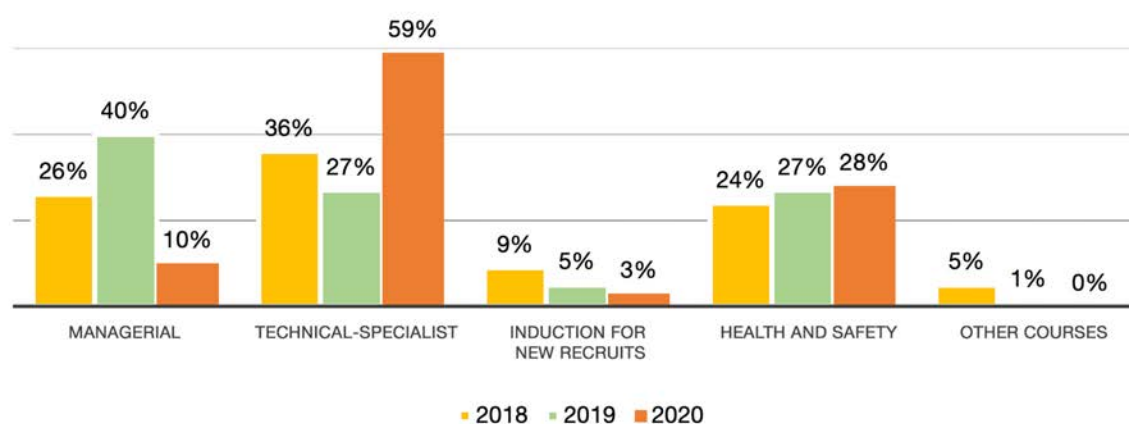
Technical-specialist training was also provided, aimed at developing technical skills depending on employees' roles and area of expertise, for example linked to using new tools and putting new and more efficient procedures into practice.

During 2020, the retail training programme also continued, providing both managerial and technical-specialist training. The aim of this programme is to take an in-depth look at issues relating to the development of skills regarding footwear and apparel products, sales, relationships with customers and team management.

With regard to retail, the "SMIT" ("Store Manager In Training") programme also continued, which was first launched last year; this professional growth course helps talented individuals to develop by training them on how to be a future Store Manager of a Geox Shop in Italy and/or abroad.

Geox Group has also always played an active role in promoting a culture of health and safety within the work environment, providing training courses for all categories of workers. Geox is committed not only to respecting legal requirements, but also to significantly raising employee awareness of this issue.

## Hours of training by type of course provided (%)



In 2020, a total of 16,286 hours of training were provided, equal to an average of approximately 4 hours of training per employee.

## Hours of training by professional category and by gender<sup>25</sup>

	2018			2019			2020		
	M	W	Total	M	W	Total	M	W	Total
Executives	271	48	<b>319</b>	802	339	<b>1,140</b>	238	99	<b>337</b>
Middle Managers	851	439	<b>1,290</b>	1,123	808	<b>1,930</b>	469	343	<b>812</b>
Office staff	2,070	2,839	<b>4,908</b>	2,779	3,836	<b>6,615</b>	1,015	1,432	<b>2,448</b>
Store employees	2,793	8,480	<b>11,273</b>	3,838	12,621	<b>16,459</b>	1,315	8,808	<b>10,123</b>
Factory workers	549	1,022	<b>1,571</b>	425	563	<b>988</b>	478	1,466	<b>1,944</b>
<b>Total</b>	<b>6,533</b>	<b>12,828</b>	<b>19,361</b>	<b>8,966</b>	<b>18,167</b>	<b>27,133</b>	<b>3,515</b>	<b>12,148</b>	<b>15,664</b>

## Average hours of training by professional category

	2018			2019			2020		
	M	W	Total	M	W	Total	M	W	Total
Executives	6.8	9.6	<b>6.8</b>	22.3	48.4	<b>25.6</b>	6.1	14.2	<b>7.4</b>
Middle Managers	10.4	9.1	<b>9.5</b>	15.8	21.3	<b>17.4</b>	6.8	8.2	<b>7.1</b>
Office staff	7.0	5.6	<b>6.0</b>	9.5	7.2	<b>7.7</b>	3.7	2.9	<b>3.1</b>
Store employees	5.5	4.3	<b>3.8</b>	7.8	6.2	<b>5.7</b>	3.5	5.3	<b>4.9</b>
Factory workers	1.6	1.1	<b>1.3</b>	1.3	0.6	<b>0.8</b>	1.4	1.5	<b>1.5</b>

25. Excluding the hours of training provided to employees in North America (137 hours in 2018, 122 in 2019 and 622 in 2020).



## COVID-19: A NEW PLAN FOR SHARING INFORMATION, STAYING CONNECTED AND PROVIDING TRAINING

With a view to protecting employees' health following the Covid-19 health emergency, remote training has been strongly encouraged, for example through video conferencing, webinars, virtual classrooms and digital training videos.

An 'engagement ecosystem' has also been created, made up of a plan to share information, stay connected and provide training; the aim of this initiative is to strengthen the relationships and interconnections in place, make the best use of time also in virtual environments, share *know-how* and develop learning on future skills. This plan is broken down to cover three separate areas:

- *Be Safe & Informed*, linked to the value of social sustainability. Employees are kept constantly up to date and informed through: the creation of a vade mecum, which is used to share conduct guidelines and prevention measures; internal information notices being sent via the company's e-mail system and intranet; infographics and posters being displayed around the company to share internal guidelines and welfare measures to support individuals and their families.

- *Be Safe & Connected*, linked to the value of well-being. A tool has been developed to overcome physical distances and maintain healthy relationships between colleagues; a kind of digital bond able to reach the new 'widespread offices' and support people, helping them to reflect on and perceive change and the ways in which identities are transforming. This digital tool allows people to share their ideas and thoughts about the current context and, above all, to work and remain aligned on the required skills. This new communication plan gave rise to the 'Geox Digital Week' initiative, a series of periodic, digital events over the course of a week, giving people the chance to enjoy articles, ideas and reflections, information and updates as well as digital training videos and activities.

- *Be Safe & Learn*, linked to the value of excellence. Training materials have been gathered together in a smart book and shared via online learning; this smart book takes an in-depth look at both individual skills (such as creativity, curiosity, emotional intelligence and change management) and professional skills (such as smart working, efficient communication, problem solving, decision making and time management). With regard to the development of digital skills, in December 2020, a '**Digital Learning Day**' was held at the company in order to take a more in-depth look at topics such as innovation, the digital mindset and the continuous development and refreshing of skills. This event was organised with a general meeting followed by three digital learning rooms, where people could attend speeches held by experts regarding change management, digital skills and problem solving.





# Protecting workers' health and safety

The Group Code of Ethics expresses Geox's commitment to providing a working environment able to guarantee workers' health and safety. In fact, the health and safety of employees is of fundamental importance for the Group as they represent the heart of the business. That's why an appropriate working environment, suitable equipment, employee training and anything else necessary to fulfil safety requirements, all have a crucial role to play.

In particular, Geox Group believes that workplace health and safety represents a basic right for its workers and a key element for the Group's sustainability performance, which is why it guarantees safe and healthy working environments in compliance with applicable workplace health, safety and hygiene legislation in every country where it operates. To this end, the company undertakes to promote and consolidate a culture of workplace health and safety by raising awareness of risks, providing adequate resources and training, and asking all staff, at all levels, to ensure they behave in a responsible way and follow the safety management system in place, including all the company procedures contained therein. More specifically, Geox Group is fully aware that safety is the result of the actions of the entire organisation, from the top management right down to each worker, each with their own level of responsibility. This awareness has led Geox Group to commit to continuously improving the health and safety of its workplaces, by involving the departments in charge and by defining and sharing development objectives and the relative plans being implemented.

With regard to the main headquarters, the responsibility for ensuring that the working environment is safe and complies with applicable legislation, and therefore carrying out the activities involved with implementing Italian health and safety laws for the workplace, is assigned, first and foremost, to the Employer (Chief Executive Officer) and to all other figures involved in organising safety (Individual appointed by the Employer - Head of HR, Organization and Corporate Services -, Health and Safety Officer, Senior Managers and Appointed Employees). The Health and Safety Officer, supported by the Appointed Employees, identifies risks and makes suggestions on the measures necessary to reduce and/or eliminate them; workers' representatives may also take part in this process by providing any input they see fit. The improvement measures put forward are then approved by the Employer or by someone appointed by the latter; in fact, it is always the responsibility of the Employer, whether the Parent

Company or its subsidiaries, to regularly update the procedures following any new legislation or organisational changes.

Appointed Employees are in charge of overseeing activities, after receiving specific training for this role. If there is a Management System in place, Appointed Employees shall regularly fill in checklists in order to monitor workers' health and safety.

Geox Group fully complies with the requirements of the specific local legislation applicable in the various countries in which it operates. In particular, for its operations outside of Italy, Geox Group is supported by a Health & Safety (H&S) consultant in order to carry out the activities necessary to comply with local legislation.

At group level, specific budgets have been set aside in order to ensure that the defined H&S programmes are implemented properly. Having said that, in consideration of the fact that Geox considers health and safety to be a priority issue for its operations, the company also admits that previously agreed budgets may be exceeded should the Employer believe that it is necessary to implement specific improvement measures.

Although the Group's international presence means that it is subject to many different sets of laws and regulations at local country level, the Parent Company has defined a number of guidelines containing specific rules of conduct. The purpose of these guidelines, approved by the Head of Retail, is to reduce and eliminate the likelihood of accidents and/or injuries occurring, and they have been shared all over the world, with each store in Europe and across the various Business Units.

The entire Geox Group follows the procedures provided for by the international standard BS OHSAS 18001. Geox Retail S.r.l. was already awarded this certification back in 2013. The production facilities in Serbia also obtained this certification and maintained it also in 2020. The procedures provided for by this standard refer to both employees and third parties working at the aforementioned companies; they are issued by the departments in charge and reviewed by internal auditors before being checked and approved by the Employer. The procedures necessary to migrate to the new ISO 45001 standard are currently ongoing.

The Workplace Health and Safety Management System that goes along with this certification defines and

regulates:

- hazard identification and risk assessment procedures and the definition of relative controls;
- the training, development and communication process;
- the control of documents, data and registrations;
- inspections and audits;
- the speed and ability to react to an emergency;
- the management of accidents, near misses, non-conformities and corrective and preventive actions;
- the management of service contracts;
- the definition of objectives and programmes, and the review by senior management;
- the procedure to coordinate and manage change and special activities.

The main aim of this Management System is to define consistent and controlled health and safety management for workers and to implement shared improvement measures to reduce the number of injuries.

It is of fundamental importance to Geox to reduce to a minimum the risk of possible accidents, occupational diseases and emergency situations, by implementing appropriate preventive measures. With specific reference to risks, it should be noted that Geox Group's workforce is mainly characterised by workers using display screen equipment, salespeople and, lastly, conveyor belt workers in the Serbian factory. More specifically, the main activity carried out at the Geox S.p.A. headquarters and its representative offices across the various Business Units and in Europe is office work, implying the use of display screen equipment. It is therefore possible to conclude that the risk of the Group can be considered low.

It is nonetheless necessary to consider that the Group has a significant number of employees who travel and live abroad: this may cause risks linked to road accidents or accidents involving other modes of transport, as well as possible risks deriving from terrorist attacks, violence or robberies given the current geopolitical situation. In order to address these risks, Geox has implemented a new IT system that tracks and monitors crisis and emergency situations in the various countries, allowing it to assess any necessary travel in an informed and responsible way, for the safety of those going abroad. For example, thanks to the planning of flights, the system sends notifications providing information about any emergency situations (e.g. adverse and dangerous weather conditions, strikes,

etc.) that may be present in the countries workers are travelling to, assigning a level of seriousness to each. Furthermore, travellers can use an app on their smartphone, that ensures they are traceable and provides them with notifications should any emergency situations arise; in the event of an alarm, the worker can generate an S.O.S. message to activate an assistance service from Italy.

With specific reference to the activities carried out at mono-brand stores, due to the service model in place, employees are constantly going into the warehouse and using portable step ladders, which statistically represent the biggest cause of accidents.

There are, on the other hand, several potential risks deriving from the activities carried out on the shoe production lines in the Serbian factory. These include risks associated with the use of machinery and the use of chemical substances.

Risks involved with routine activities have been identified by a qualified professional (health and safety officer in Italy and similar figures in other countries). When new tasks, new machinery, new chemical products, etc. are introduced for the first time, the relative contact person must inform the qualified professional in advance, so that the latter may complete the necessary risk assessment and evaluate any room for improvement in order to correctly manage the risks involved.

In order to correctly manage these types of risks, Geox Group has defined a model based on preventive measures. In general, each worker is required not to expose themselves or other workers to hazards that may cause injuries or damage to themselves or others, implementing the preventive measures defined by the Group in order to protect health and safety. Specific company documents (e.g. guidelines, operating instructions), as well as training and information notices, are used to communicate said measures.

With regard to information, notifications for workers are made available on notice boards as well as being published on the company portal and sent via e-mail; all necessary information is also provided as part of training courses. If there is a Management System in place, the relative procedures and forms are first shared with the departments involved in advance (the Appointed Employees and workers' representatives), and are then disclosed to all workers and made available on the company portal.

Geox also organises regular training courses that vary in terms of their type and frequency depending on the role held (appointed employee, workers' representative, member of the emergency team, etc.), with the aim of

ensuring that workers are suitably trained on specific risks and are able to report any potentially harmful situations. In fact, all workers may report any risks detected to their Appointed Employee of reference, or directly to the Health and Safety team. Companies that adopt a Management System must also ensure that workers use a dedicated form to report any injuries or near misses (understood to mean any work-related event that could have led to injury or ill health (disease) or death but that, by pure chance, did not: i.e. an event that has the potential to cause injury) and to describe exactly what happened; based on these reports, the Health and Safety Officer shall investigate the relative cause in order to identify the most appropriate measures to be taken to reduce any risk of injury. During 2020, the Group provided a total of 4,562 hours of training dedicated to health and safety through courses involving all categories of workers (-61% compared with 2019 and -3% compared with 2018). The significant percentage difference with the previous year is due to compulsory training involving all employees that was provided in 2019 (this training had last been provided in 2012 and had to be repeated again by law).

The Group has also defined specific health procedures that are developed based on the risk assessment findings which define the periodic health inspections that workers must undergo in relation to the general risks they are exposed to.

Before opening a new place of work, whether an office or a point of sale, a careful health and safety risk assessment is always carried out. Internal audits are then carried out on a regular basis in order to check compliance in the workplace, the effectiveness of the procedures defined and the training activities carried out. These audits are based on document analysis and site visits (inspection of the work environments and work equipment), with the aim of defining time frames for the implementation of any improvement measures as well as appointing the individual in charge of the risk reduction process. These regular inspections are currently carried out for Geox S.p.A., Xlog S.r.l., Geox Retail S.r.l., and TDV D.o.o. and one-off checks are also planned for a number of stores in Europe. In order to continuously improve the management of these issues, above all with reference to workplaces outside of Italy, follow-up audits are also carried out with the support of external consultants. The purpose of these is to check the correct implementation of any corrective actions identified following negative findings from previous audits. The Group identifies and updates its safety targets based on audit results and the checklists that are regularly filled in by the Appointed Employees.

Generally speaking, in each country, there are committees or workers' representatives that meet at least once a year to share their risk assessments, together with

their proposals and choices regarding any improvements that have been/are to be implemented.

In Italy, Geox organises an annual meeting on the topic of workplace health and safety, attended by the Employer, the officially appointed doctor, the Health and Safety Officer, the Chair of the Supervisory Board and the Worker's Health and Safety Representative. During this meeting, for which minutes are drawn up, the attendees share and discuss analyses and results regarding risk assessments, health inspections, accident statistics, personal protective equipment used and training and information provided to workers.

Special committees, made up of the Employer, workers' representatives and the HR manager, have been set up in a number of foreign countries, especially in Serbia. These committees meet regularly with the same purposes as stated above; in some cases, these committees also meet to identify any new risks that may have arisen as a result of new activities being introduced, in order to speed up the decision-making process regarding the best solutions to be adopted.

## COVID-19 - PROTECTING WORKERS' HEALTH AND SAFETY

Right from the beginning of the Coronavirus pandemic, Geox Group has taken appropriate measures to protect the health and safety of its workers.

Back in January 2020, before the virus had even reached Italy, the Group had already begun to define detailed guidelines regarding travel to and from abroad. When the first regulatory restrictions were introduced in March 2020, the Group also took action to stop the spread of the virus both in Italy and abroad (e.g., by measuring people's temperature, internal regulations regarding hygiene best practices, smart working procedures, dividing up open space offices, preventing gatherings, etc.).

Subsequently, during the lockdown, the 'Contagion Prevention' protocol was drawn up and adopted for the headquarters in Biadene di Montebelluna (TV), before being adapted based on the local legislation in force in each of the countries of reference and for Group companies (Xlog S.r.l. and Geox Retail S.r.l. for the sales network). This meant that members of staff were already well aware of the regulations in force governing their activities when they gradually began returning to their offices and stores (e.g., social distancing signs, use of hand sanitiser, the wearing of masks, contagion prevention signs, the maximum number of participants permitted in meetings held in person depending on the room, etc.). These Contagion Prevention rules were updated based on the decrees subsequently issued by the Italian government or in accordance with local legislation in the various foreign countries.

All personal protective equipment (e.g., Plexiglas screens, sanitising gel and other sanitising products, etc.) were purchased centrally by the main headquarters and then sent to the various stores and offices as necessary.

Starting from May 2020, the company has given all employees and external consultants at its main headquarters the opportunity to have rapid serological tests; starting from November, on the other hand, rapid antigenic swabs also began to be offered and stricter measures were introduced regarding non-employees being able to access offices (any individuals who are not employees are now also required to provide a negative serological or antigenic test result).

Thanks to these measures, the risk of contagion is classed as 'low' in both stores and offices.

It should be noted that, in Italy, the supervisory bodies in charge carried out a number of inspections, all of which were completed successfully.

Also during 2020, workplaces were carefully managed and there were continuous communications and awareness raising activities aimed at preventing as well as monitoring the correct implementation of improvement plans. These measures helped to limit the number of workplace injuries. In particular, in 2020, fewer injuries were recorded than in the previous year; in fact, only one injury was reported (during the commute home)<sup>26</sup>.

Accident statistics are examined on an annual basis in order to monitor performance and to identify, implement and activate any necessary corrective actions to eliminate the root cause. All indicators relating to accident indices are also monitored and assessed.

During the 2018-2020 three-year period, no fatal accidents were reported. It should also be noted that, in 2019, there were no cases of occupational disease, while this figure rose to eight in North America in 2020; in 2018, there was one case of occupational disease which originated during the relative employee's previous role outside of Geox Group. As a result, the Group's overall occupational disease rate<sup>27</sup> was equal to 0.02% for 2018 and 0.27% in 2020.

For 2020, the mortality rate resulting from workplace injuries<sup>28</sup> was equal to zero.

### Breakdown of the number of injuries by gender and geographic area and hours worked in 2020

	Men	Women	Total
<b>In the workplace</b>	15	48	<b>63</b>
Italy	6	10	<b>16</b>
Europe	5	27	<b>32</b>
North America	3	5	<b>8</b>
Rest of the world	1	6	<b>7</b>
<b>During the commute home</b>	4	11	<b>15</b>
Italy	2	4	<b>6</b>
Europe	2	3	<b>5</b>
North America	0	0	<b>0</b>
Rest of the world	0	4	<b>4</b>
<b>Total</b>	<b>19</b>	<b>59</b>	<b>78</b>

26. Figures relating to previous reporting periods are shown in the "Graphs and Tables" section. Please note that, starting from the Non-Financial Consolidated Statement 2020, the Group has adapted to the new GRI 403 reporting standard "Occupational Health and Safety" (2018)

27. (Number of occupational diseases/Number of hours worked)\*200,000.

28. (Number of deaths due to injury at work/Total number of hours worked) x 1,000,000.



## Injuries with serious consequences

	Men	Women	Total
<b>In the workplace</b>	4	13	<b>17</b>
Italy	0	0	<b>0</b>
Europe	1	8	<b>9</b>
North America	3	5	<b>8</b>
Rest of the world	0	0	<b>0</b>
<b>During the commute home</b>	2	3	<b>5</b>
Italy	0	0	<b>0</b>
Europe	2	2	<b>4</b>
North America	0	0	<b>0</b>
Rest of the world	0	1	<b>1</b>
<b>Total</b>	<b>6</b>	<b>16</b>	<b>22</b>

## Occupational disease

	Men	Women	Total
Italy	0	0	<b>0</b>
Europe	0	0	<b>0</b>
North America	3	5	<b>8</b>
Rest of the world	0	0	<b>0</b>
<b>Total</b>	<b>3</b>	<b>5</b>	<b>8</b>

## Number of hours worked

	Men	Women	Total
Italy	546,879	1,013,574	<b>1,560,453</b>
Europe	83,599	647,463	<b>731,062</b>
North America	19,307	36,926	<b>56,233</b>
Rest of the world	800,345	1,981,124	<b>2,781,469</b>
<b>Total</b>	<b>1,450,129</b>	<b>3,679,087</b>	<b>5,129,217</b>

## 2020 accident indices

	Men	Women	Total
<b>Rate of recordable workplace injuries<sup>29</sup></b>	13.10	16.04	<b>15.21</b>
Italy	14.63	13.81	<b>14.10</b>
Europe	83.73	46.33	<b>50.61</b>
North America	155.38	135.41	<b>142.26</b>
Rest of the world	1.25	5.05	<b>3.95</b>
<b>Rate of workplace injuries with serious consequences<sup>30</sup></b>	<b>4.14</b>	<b>4.35</b>	<b>4.29</b>

During 2020, with a view to disclosing an increasing amount of information, the following figures were collected, relating to accidents suffered by workers who were not working directly for the Group, i.e. workers belonging to a cooperative whose employees work in the logistics centre in Signoressa (TV) and a number of external workers in Macau (China):

## Number of accidents involving workers who are not employees, broken down by gender (2020)

	Men	Women	Total
<b>In the workplace</b>	11	5	<b>16<sup>31</sup></b>
<b>During the commute home</b>	2	1	<b>3</b>
<b>Number of hours worked</b>	ND	ND	<b>491,509.50</b>

## Accident indices for non-employees 2020

	2020
<b>Rate of recordable workplace injuries<sup>32</sup></b>	<b>38.66<sup>33</sup></b>

There were no cases of workplace injuries with serious consequences or deaths for non-workers, meaning that the rate of workplace injuries with serious consequences (excluding death)<sup>34</sup> and the rate of deaths resulting from workplace injuries<sup>35</sup> were both equal to zero in 2020.

29. (Number of recordable workplace injuries/Number of hours worked)\*1,000,000.

30. (Number of workplace injuries with serious consequences (excluding deaths)/Number of hours worked)\*1,000,000.

31. Workplace injuries plus 1 injury relapse for men and 1 injury relapse for women.

32. (Number of recordable workplace injuries/Number of hours worked)\*1,000,000.

33. Counting also the injury relapses, the rate of recordable workplace injuries for non-employees amounts to 42.73.

34. (Number of workplace injuries with serious consequences (excluding deaths)/Number of hours worked)\*1,000,000.

35. (Number of deaths due to injury at work/Total number of hours worked) x 1,000,000.

# Dialogue and internal communications

Geox Group pays a great deal of attention to its co-workers and promotes a series of initiatives to make employees more involved within the company, thereby boosting their sense of belonging.

Communication is an effective tool to create a shared culture and a relaxed and positive environment within the Group.

In particular, during 2020, the internal communications activities carried out following the health emergency were particularly significant, details of which can be found in the Staff training and development section. The purpose of this communications plan, covering three topic areas (Be Safe & Informed, Be Safe & Connected, Be Safe & Learn), was to keep staff constantly up to date on the current situation, at the same time as sending newsletters to encourage them to stay connected and engage other colleagues.

During the reporting period, work continued to update and enrich the company's intranet, in order to ensure that Group employees are kept constantly updated on the services made available by the company, as well as the company's results, advertising campaigns and new products.



# Industrial relations

In all countries where Geox Group operates, it has always endeavoured to build and maintain successful dialogue with trade unions in order to find the best solutions to balance the needs of single workers or specific categories of workers, with those of the company.

Geox Group guarantees the protection of workers' rights, including their freedom to join trade unions and take part in collective bargaining, in full compliance with the regulations imposed by applicable legislation, by national and local collective bargaining agreements and, if present, by individual bargaining agreements.

Workers' rights are also protected pursuant to the policies and general guidelines of reference issued by the Parent Company.

Should an employment relationship not be covered by a national bargaining agreement, then the individual's employment contract must be drawn up in such a way as to ensure the clear identification of all regulations protecting workers and the company's compliance with them, in terms of both personal rights and pay issues.

## Employees covered by national collective bargaining agreements

	2018	2019	2020
<b>Number of employees covered by a national collective bargaining agreement</b>	2,640	2,678	2,252
<b>Percentage of total employees</b>	50% <sup>36</sup>	52% <sup>36</sup>	51% <sup>36</sup>

With a view to maintaining relationships based on mutual recognition, dialogue and collaboration, Geox organises regular meetings to discuss with trade union and company representatives. With regard to the management of labour relations in the main countries where Geox operates, there were only a limited number of disputes recorded in 2020: these disputes mainly regarded appeals following lawful dismissals for misconduct. For employees who left in agreement with the company, trade union representatives were involved in order to define a fair solution for both the individual and the company through a process of conciliation.

The company also has a series of policies and regulations in place in order to protect clear and transparent labour relations. In particular, for Geox Retail, a set of regulations and policies has been introduced in all stores in order to regulate relationships with customers, fellow store employees and supervisors, and to ensure that company procedures are followed. In some countries (France and Belgium), company regulations have also been introduced to implement specific aspects of local legislation.

36. In certain countries where Geox Group operates, there are no national collective bargaining agreements in place.

# Production facilities in Serbia

Geox decided to invest in a socially disadvantaged and economically depressed area in southern Serbia, on the border with Kosovo, by building modern production facilities in the municipality of Vranje, in collaboration with a famous local architecture studio. This production plant employs over 1,300 people and covers a surface area of more than 20,000 square meters. The structure built allowed for a real urbanisation process to develop, which is still continuously evolving. The total investment was equal to approximately Euro 20 million, of which around Euro 11 million were provided by the Serbian government as funding for foreign settlements generating local jobs and subsequent development of the local community. This amount will be paid back through tax and social contributions. Unlike other local or foreign enterprises operating in Serbia, Geox Group does not benefit from privileged tax treatment.

In the past, Vranje had already been home to a shoe production plant. That's why Geox decided to invest in rebuilding that production sector, using some of the existing local know-how and generating positive knock-on effects by creating jobs in an area that had been affected by years of unemployment and social crisis. Geox's efforts have also focused on increasing the culture of quality shoe manufacturing, by using modern and sophisticated processing technologies. In particular, a Pilot Centre has been created at the Serbian production plant to develop and implement new technologies and to experiment with new materials. As of today, production in Serbia covers approximately 8% of the Group's requirements. In 2020, the Serbian production facilities also became a point of reference for Group imports from all other countries.

Thanks to the production facilities in Serbia, Geox Group can cover production peaks arising from sales of best-sellers, creating the advantage of being able to reduce initial order quantities, with the ultimate aim of reducing overall waste. The activities carried out in the Serbian production plant involve the entire production process, which is gradually evolving in accordance with the logic of lean production. In 2020, a project was completed aimed at improving warehouse management at the production hub; this involved a new management software being implemented and ad hoc training courses being provided to members of staff.

## Human Resources and Salaries

As of 31 December 2020, the Serbian plant counted 1,254 employees with a permanent work contract, out of the 1,290 hired. Workers are never paid below the legally required minimum wage; in particular, average salaries of

direct employees are between 2% and 10% higher than the legal minimum.

In accordance with the law, overtime is paid at a rate that is 26% higher than the basic hourly wage and a maximum of 32 hours are permitted per month.

The company liaises with the on-site trade union on an ongoing basis, in order to ensure that the organisation is able to best understand the needs of its colleagues.

In 2020, the COVID-19 pandemic meant that production halted at these facilities for over five weeks; minimum salaries were nonetheless guaranteed, as were all other workers' rights.

## Health, Safety and the Environment

The main aim of the Management is to guarantee a safe and healthy working environment in order to ensure the Health and Safety of its workers. To this end, over the years, the Health and Safety Department has been reinforced with company resources and external consultants, in order to continuously improve the level of employee Health and Safety. Various initiatives have also been taken to improve the working environment. These include the significant investment made to improve the existing air-conditioning system. This approach also led to a consulting company being appointed to implement ISO 45001 certification. Compliance with this standard ensures that the requirements of the Workplace Health and Safety Management Systems are met, allowing the organisation to control risks in this field and improve its performance.

With a view to achieving sustainable development in the area in which it works, the Group is also committed to promoting responsible conduct and practices in order to reduce the direct and indirect impacts of its business activities. This is also achieved by working together with stakeholders, both inside and outside the company, with the aim of optimising the management of environmental issues. To this end, the company constantly monitors the environmental impacts of its activities, also for the production plant in Serbia. It does this, for example, by regularly analysing the company's microclimate, the fumes released by the chimneys and the waste disposed of. With specific reference to this last point, a recycling point has been installed next to the factory in order to facilitate waste collection and disposal, which has allowed for a significant increase in the amount of sorted waste since 2019. An ad hoc professional role has also been included in the workforce to manage waste and specific training



has been planned to ensure that waste is managed correctly.

During 2020, work to cover this recycling point was contracted out, as requested by the local authorities, and a shredder was also purchased in order to reduce the overall volume of non-recyclable waste.

### Community support

Geox Group presents itself as an active component of the local community and undertakes to contribute to social, economic and environmental development as well as to the well-being of the population. In particular, its commitment at the production plant in Serbia can be seen through its promotion and financing of a series of initiatives to the benefit of the local community and its employees, such as social support activities (e.g. contributing to initiatives for cultural, recreational and sports activities, etc.), setting up a first aid room (preparations are currently underway to enter into an agreement with the local health

authority) and holding information seminars for employees to raise awareness about healthy living. Socialising between employees was also encouraged, contributing to organising recreational and fun activities and events.

It also helps to develop the local community by using local suppliers. In fact, Geox Group recognises the high social value of building sound and long-lasting relationships with these suppliers: that's why over 50% of suppliers for the Serbian production plant come from the local community. This represents an excellent growth opportunity for the craftsmen and small-medium enterprises based near to the production facilities, also allowing the group to minimise the environmental impact involved with transporting the materials used. Furthermore, in accordance with the lean production logic adopted by the company, using local suppliers allows for direct contact with them, thereby ensuring a reduction in stock levels and a higher quality service, both upstream and downstream of the supply chain.



## COVID-19: CORONAVIRUS EMERGENCY IN SERBIA

In 2020, the Coronavirus pandemic led to production halting for more than five weeks. In order to support the loss incurred due to this shut-down, the plant received a non-repayable, extraordinary grant from the Serbian government, as provided for in the "COVID-19 Emergency Decree" for all companies operating in Serbia.

The company in turn provided support for the hospital in Vranje, donating € 15,000 to help manage the emergency situation and € 3,000 for the purchase of personal protective equipment for the hospital's accident & emergency department.

A total of € 7,000 was invested towards improving workers' health and safety at the plant, plus € 25,000 for the supply of safety devices and to sanitise the facilities.







# Customers

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**GEOX = WELLBEING + WELL  
DESIGNED: IMPROVING  
PEOPLE'S DAILY SENSE OF  
WELL-BEING, ENCOURAGING  
THEM TO GET MOVING AND  
KEEP FIT**

**SUSTAINABLE PRODUCT LINES  
LAUNCHED: A NUMBER OF  
NEBULA MODELS FEATURE AN  
UPPER MADE FROM RECYCLED  
POLYESTER AND THE PADDING  
OF SOME E-WARM GARMENTS  
IS MADE FROM RECYCLED  
MATERIAL**

**GEOX SHOPS: SUSTAINABLE  
AND CERTIFIED POP MATERIALS  
FOR WINDOW DISPLAYS**

**GEOX RANKED ONE OF ITALY'S  
TOP 10 COMPANIES IN TERMS  
OF CUSTOMER EXPERIENCE  
EXCELLENCE AND THE  
OMNICHANNEL INDEX (2020  
ITALY REPORT<sup>37</sup>)**

**TRAINING PROGRAMMES  
FOR ALL SALES ASSOCIATES  
TO IMPROVE CUSTOMER  
RELATIONSHIP MANAGEMENT  
SKILLS**

**RESEARCH CARRIED OUT BY  
LARGO CONSUMO MAGAZINE,  
IN COLLABORATION WITH  
IPSOS, NAMED GEOX AS ITALY'S  
"BEST FOOTWEAR BRAND 2021"**

**9.92%: LEVEL OF INTEREST IN  
THE COMPANY EXPRESSED ON  
LINKEDIN**

37. [https://kdocs.kpmg.it/Marketing\\_Coms/Highlights/CX2020.pdf](https://kdocs.kpmg.it/Marketing_Coms/Highlights/CX2020.pdf)

# Customer focus and excellent service

Geox has always placed technology and product innovation at the heart of its business; this can be seen in its innovative and sustainable production processes that respect both workers' health and safety and ecosystems. Lastly, the company's constant focus on its end customers is of key importance to consolidate these values and make them clear to all.

In fact, Geox has put its customers at the heart of its value chain, taking them into consideration as part of every action and decision taken. The goal is to proactively anticipate their needs and desires and to quickly respond to their requests and expectations. In particular, Geox's Code of Ethics states that one of the Group's main objectives is to fully satisfy the needs of its customers and to create a solid relationship with them based on the general values of correctness, honesty, integrity, efficiency, reliability, professionalism and transparency. The Code of Ethics also affirms the Group's commitment to providing its customers with products that stand out for their high quality, safety and excellent levels of service. In particular, Geox ensures that its products fulfil market expectations and requirements, also in terms of the safety of the materials and chemical substances used to make them. When carrying out its activities, Geox pursues high levels of quality and continuous improvements.

In this regard, sales staff play a crucial role, as does the customer's buying experience in general. Geox continuously invests in carefully planning moments of customer interaction through the various sales channels, whether physically in-store or online.

In 2020, with the support of WPP Group, the company carried out detailed quantitative and qualitative research which led to "target personas" being identified (i.e. current and potential consumers); the profiles of these target personas were also mapped in detail, not only from a social-demographic point of view but also in terms of personality traits and purchasing behaviour, leading to the definition of archetypes based on which business, marketing and communication decisions can be efficiently guided.

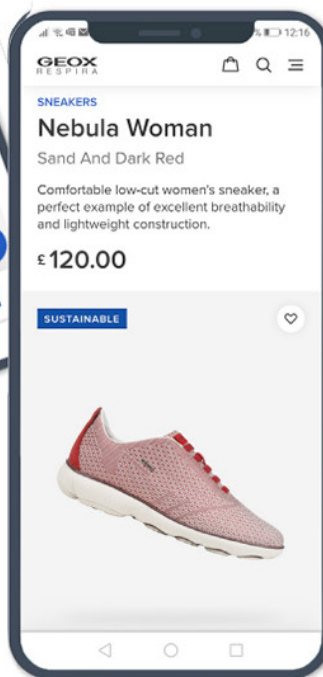
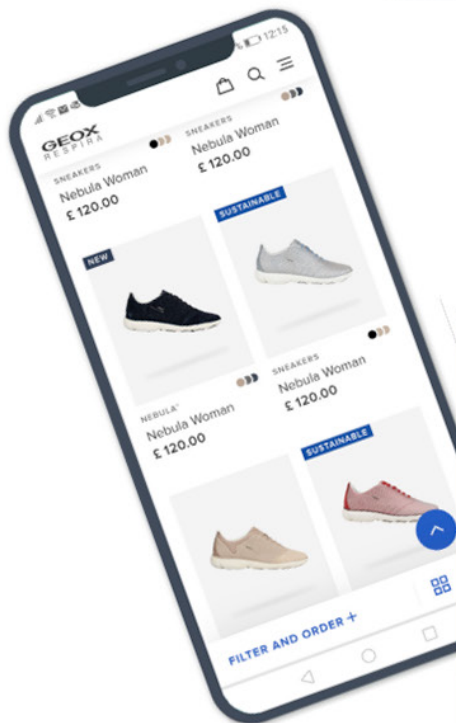
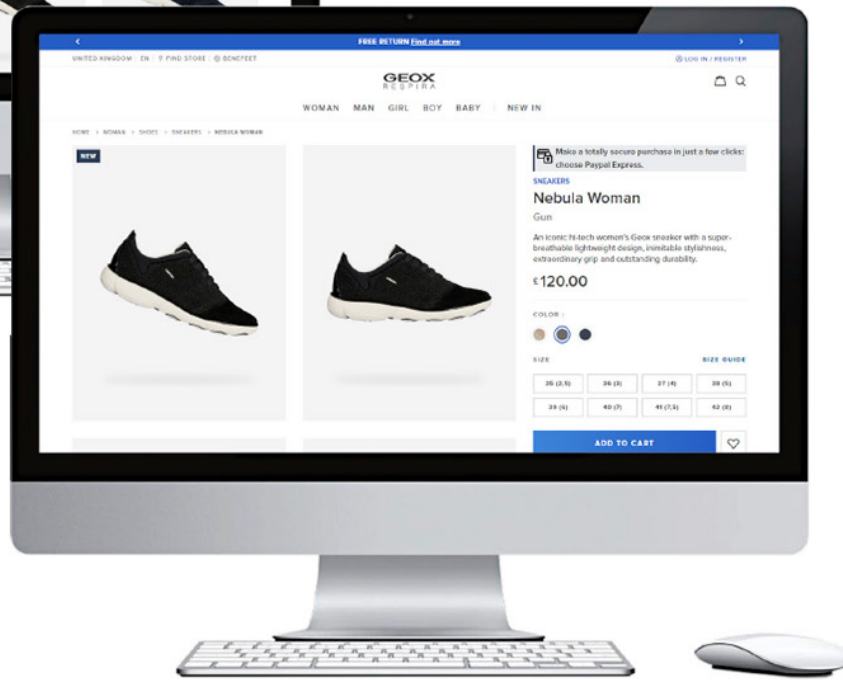
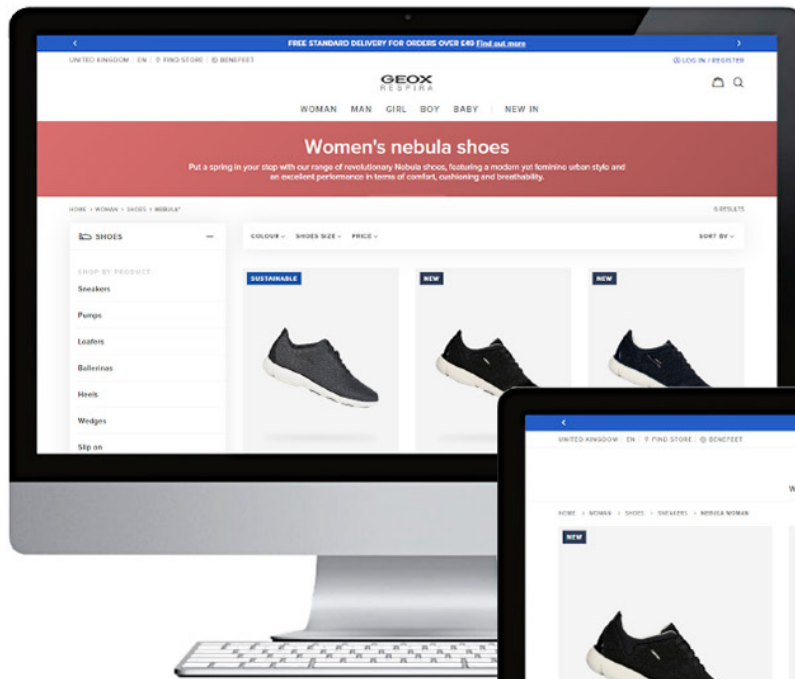
A new e-mail and SMS marketing platform was also used to activate automated 'Customer Journeys' that react by sending messages in line with the customer

personas identified. Developing automated customer journeys that react in real time to customers' behaviour has led to greater customer engagement and a stronger relationship with Geox. For example, there are customer journeys referring to membership of the 'benefect' loyalty scheme (e.g., reaching the point thresholds and subsequently receiving vouchers) and others that are activated based on online behaviour (e.g. 'back in stock' alerts, abandoned shopping cart).

At the same time, in response to the question "How to be relevant?", Geox Group continued to revamp its physical stores in line with a philosophy that sees them as being more than just places to shop, but also places to enjoy different experiences and emotions: customers are recognised as being unique people, respecting their individual habits and behaviour, the study of which has allowed for the service on offer to be customised as much as possible.

Geox stores now have new window displays in line with the X-Store concept, developed to offer customers an innovative buying experience, featuring minimalist walls and furnishings able to evoke a sense of lightness and airiness, in perfect Geox style. Window displays are now seen as marketing tools, and no longer only as mere "containers" for products.

The new Geox stores are designed as "Brand Media" and tools to engage customers. Digital content therefore also plays an incredibly important role at a time when the company, which currently enjoys strong brand awareness among 30 to 50 year olds, wants to attract younger consumers. In 2020, digital "click and collect", "click and reserve", "return in store" and "Geox@home - endless aisle" services were implemented throughout the DOS network and, in the second half of the year, many franchising partners also opted to implement these initiatives. Other services such as "shipment from store" are also being studied, with the aim of launching them by the end of the year. To further modernise the network, the Adyen platform has also been introduced to support electronic payments, which will shortly allow customers to benefit from the full mobile payment experience; this platform was tested in a number of markets in 2020.



With a view to implementing the values underpinning “customer-centricity”, Geox’s “Service Model” became the “Relationship Model” starting from 2019: this effort focused on providing sales associates with tools to improve their customer engagement skills. These tools mainly focus on providing these members of staff with ongoing, quality training. This Relationship Model is based on four core elements:

- **GREET:** this is essential in order to make Geox customers feel “at home”, thereby creating a welcoming atmosphere;
- **ENGAGE AND INVESTIGATE:** although customers must be left alone for long enough to browse the in-store collections themselves, Geox personnel should also provide them with some information on the products and the brand, sparking even more interest in the Group;
- **OFFER:** once they have understood the customer’s needs, Geox personnel should propose at least 3 different models to help them pick the best shoe to meet their requirements;
- **TECHNOLOGY:** customers should always be told about Geox’s unique patents. This reinforces their purchasing decision and reassures them of the benefits and comfort that they’ll be getting from a pair of Geox shoes.

All sales personnel are also given specific instructions on how to display products inside the store.

The efficiency and functioning of the Relationship Model is monitored by each store supervisor on an ongoing basis, by providing continuous training courses to sales staff and by using survey tools such as the “Mystery Shopper”.

With regard to sales team training, a particularly important role is played by the store manager who, thanks to the “Geox Retail Excellence” programme, is regularly involved in training sessions aimed at ensuring that guidelines defining how to display and sell products are being correctly followed. All training course materials are loaded up onto a dedicated portal that can be accessed by store managers. They must then ensure that these materials are circulated among sales staff during their morning briefing. In 2020, Geox decided to use short video clips, each lasting approximately 2/3 minutes, to provide continuous mini training sessions in a smart way. During the pandemic, store staff also received training on how to respect the necessary procedures to avoid contagion.

As was also the case in the previous year, on-site visits had been planned during 2020 to assess the Customer

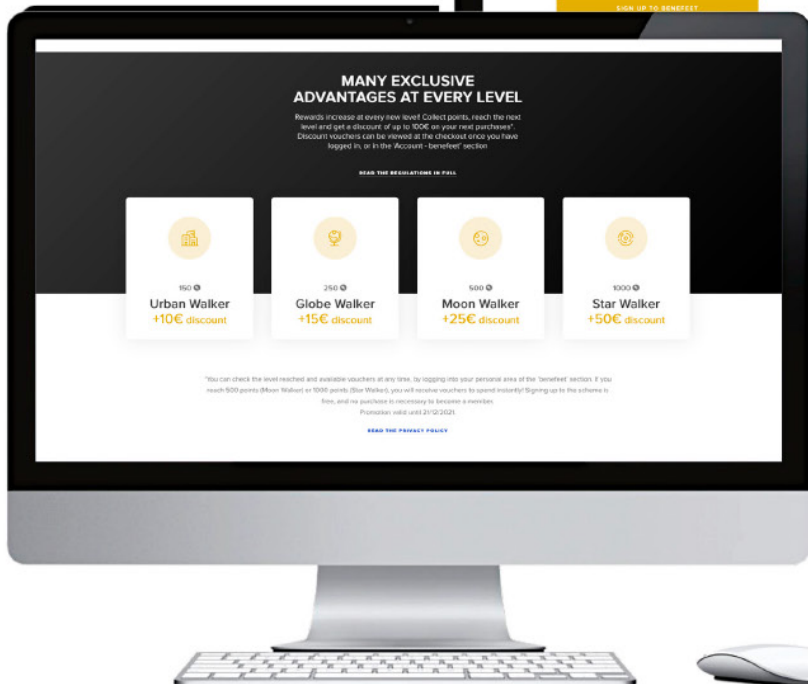
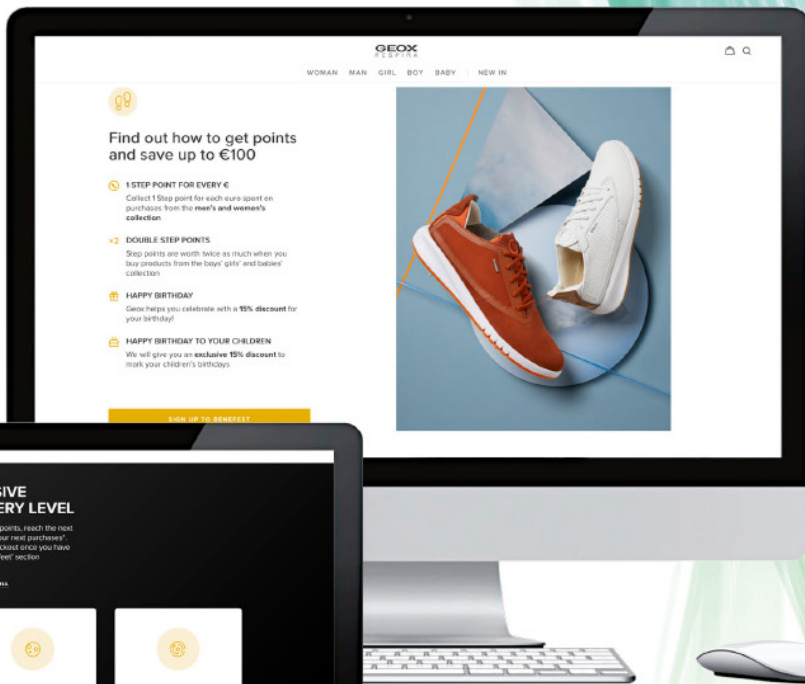
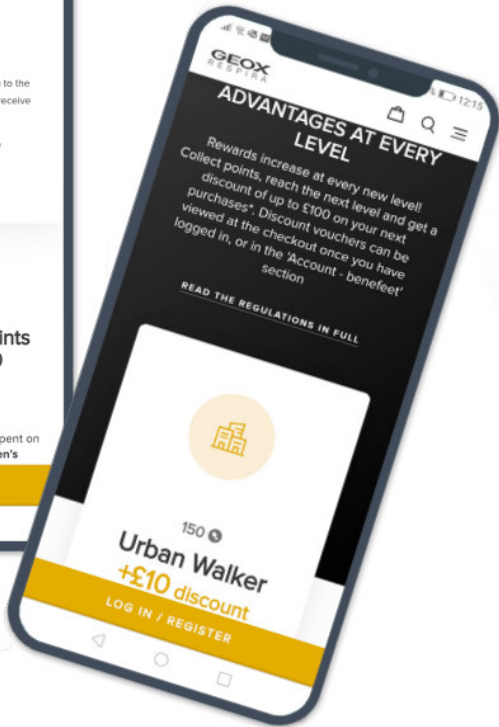
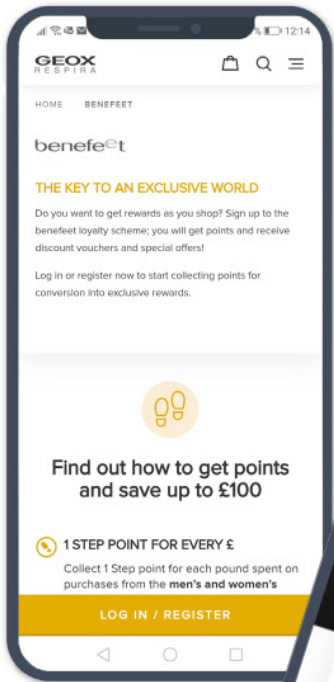
Experience inside Geox Stores, using a Mystery Shopper programme; however, the store closures resulting from the pandemic significantly slowed down this initiative, which therefore played a much less important role than in the past. However, the restrictions imposed by the pandemic also provided an opportunity for Geox to rethink its approach; in fact, a more streamlined and ‘smarter’ method has now been selected, allowing for feedback to be immediately collected from customers. This new method will be implemented during 2021, allowing Geox to once again take positive steps forward.

In 2020, the Benefeet loyalty scheme continued to represent the main way to interact and share information with customers and to gather information on them. This is a loyalty scheme whereby customers can collect points linked to how much they spend. The points that they collect during a given year can be spent in Geox Shops, participating Geox franchises, or online at [www.geox.com](http://www.geox.com) in the markets of Italy, Spain (including Andorra), France, Belgium, Luxembourg, Germany, Austria, Portugal and Great Britain.

During 2021, Geox will remain committed to further improving customer satisfaction in terms of rewards and creating a sense of belonging, in order to lay the foundations for long-term relationships; in order to achieve this, it intends to offer customised services and benefits that reward customers’ status and improve their buying experience. More specifically, new benefits and growing incentives will be defined, based on customer status; customers will be suitably informed of these, ensuring that their relationship with Geox is kept alive.

However, the Benefeet loyalty scheme is not the only way for Geox to interact with its customers; customer contact and relationships are also supported through the development of a contact strategy aimed at the [geox.com](http://www.geox.com) database in all EMEA markets, where the direct e-commerce service is already present, and at the online and offline Noram database. During 2021, customer relations will also be strengthened by planning a contact strategy that is in line with the company’s objectives and aimed at boosting customer loyalty. More specifically, the content of communications will be enriched with the aim of increasing customers’ interest in the brand; the timing of communications will also be optimised in order to increase the open rate and, as a result, enhance customer interaction. Personalised product recommendations will also be implemented for customers.





\*You can check the level reached and available vouchers at any time, by logging into your personal area of the "benefeet" section. If you reach 500 points (Moon Walker) or 1000 points (Star Walker), you will receive vouchers to spend instantly! Signing up to the scheme is free, and no purchase is necessary to become a member. Promotion valid until 21/12/2021.

[READ THE PRIVACY POLICY](#)

**“CUSTOMER CENTRICITY”: THE GROUP’S MAIN OBJECTIVE IS TO FULLY SATISFY THE NEEDS OF ITS CUSTOMERS, PROVIDING PRODUCTS WITH HIGH QUALITY AND SAFETY STANDARDS**

**LAUNCH OF AUTOMATED CUSTOMER JOURNEYS TO BOOST ENGAGEMENT AND STRENGTHEN CUSTOMER RELATIONS**

**GEOX RANKED ONE OF ITALY’S TOP 10 COMPANIES IN TERMS OF CUSTOMER EXPERIENCE EXCELLENCE AND THE OMNICHANNEL INDEX (2020 ITALY REPORT)**





For all registered customers, Geox guarantees quality customer service on a number of levels, mitigating the risk of not managing complaints/contact with customers in a prompt way due to the global market in which the product in question is sold and the large and fragmented sales network. An ad hoc assistance service is also reserved for customers who have signed up to the benefeet loyalty scheme; these customers can contact the Geox Customer Service team (using the contact details provided on the website [www.geox.com](http://www.geox.com) under the “customer service” section, or the company’s social media sites), or by visiting one of the participating Geox Shops in person, and ask for information on their benefeet profile (to change or cancel the personal details provided upon registration, check the number of points collected as part of the benefeet “Every step brings a benefit” initiative, ask about the benefits dedicated to them and any other information relating to the loyalty scheme).

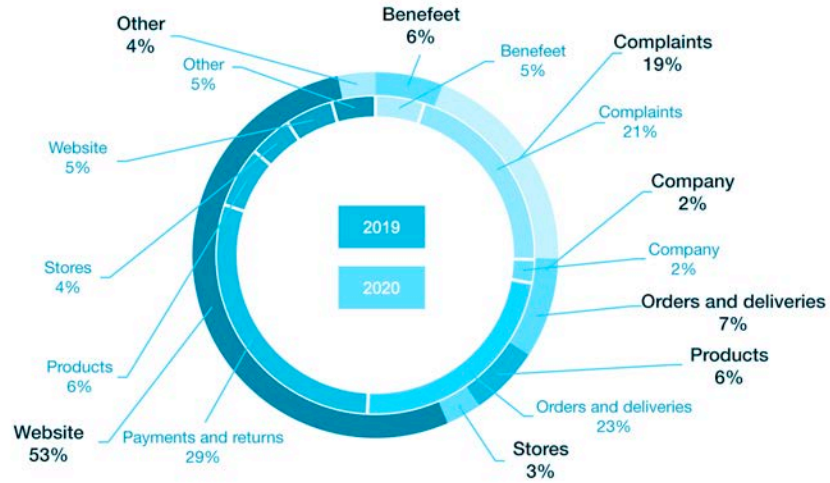
For issues strictly relating to the processing of personal data, all registered customers (who have registered with the loyalty scheme or with [geox.com](http://geox.com)) can also send an e-mail to [privacy@geox.com](mailto:privacy@geox.com) (as indicated in the privacy information notice available on [geox.com](http://geox.com) and in Geox Shops). By liaising with customers in compliance with applicable legislation on the collection and processing of data, Geox gathers a range of information relating to the people who purchase its products and their buying behaviour; this information contributes to building up a substantial database, allowing the company to understand its customer base better and offer the most suitable service. Based on the analysis carried out on this wealth of information, Geox Group has also defined a series of initiatives to communicate with customers, such as product and promotional newsletters, invitations to in-store events, etc. One such initiative involved sending over 54 million messages via SMS and e-mail to benefeet members, with the aim of reaching customers on their mobile devices.

The fact that Geox has a customer-centric approach can also be seen in the fact that it has a Customer Care department to promptly manage any requests from consumers, in relation to any channel of purchase. With regard to product quality, Geox pays particular attention to satisfying its customers’ needs, complying with applicable legislation in every country in which it operates, but assessing and taking into account the specific details of each case. Each customer also has the right to return products, in their original condition, within 15 or 30 days from the date of purchase, depending on the channel or market.

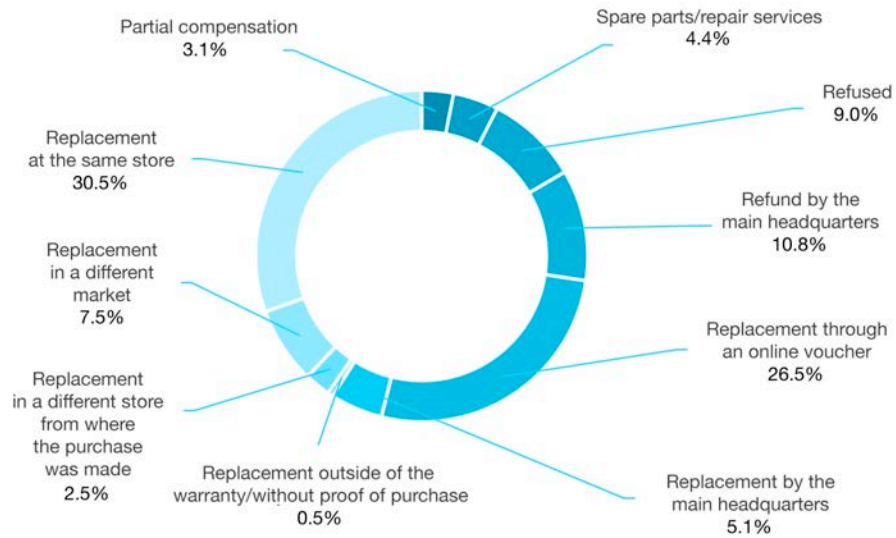
During 2020, the Customer Care department handled 154,584 cases. Out of these, 10,089 referred to issues linked to product quality and included all correspondence with customers to agree upon a solution, leading to 3,163 conclusive actions (see graph “2020 conclusive actions” below). During the reporting period, 1,231 cases dating back to 2019 were also resolved. As at the date of drawing up this document, 22 cases referring to 2020 remain pending.

In 2019, activities arising from an initial contact with customers and including all interactions for a single case, amounted to 185,210. Out of these, 18,562 referred to issues linked to product quality and included all correspondence with customers to agree upon a solution, leading to 6,673 conclusive actions (see graph “2019 conclusive actions” below). Furthermore, in 2019, 584 interactions were managed relating to 2018 and there were 33 outstanding cases from 2019.

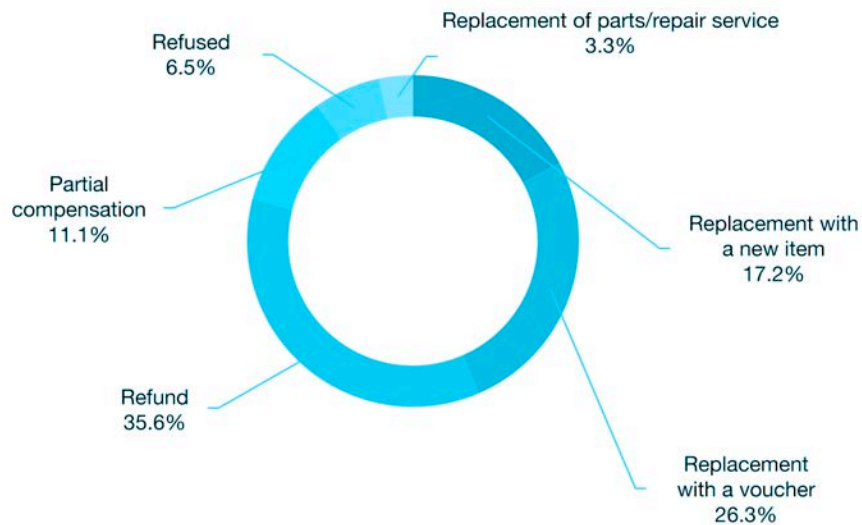
### Scope of contact 2019-20



### Conclusive actions 2019



### Conclusive actions 2020





# Data security and protection

In 2018, in order to implement European data protection regulation no. 679/2016 (“GDPR”), Geox Group, with the help of two external consultants, structured a mapping and gap analysis process regarding the personal data processing that it carries out. This process involved all departments and all Group companies.

From an organisational point of view, the Group appointed (duly notifying the data protection authority) a Data Protection Officer (DPO) and created a Privacy Committee in charge of providing support for data protection impact analysis and assessment (DPIA) supervising the security of data processing, providing instructions for the processes and activities carried out by the various departments involved, overseeing staff training and supporting the DPO to manage any data breaches.

The gap analysis did not flag up any specific critical issues, whereas the mapping suggested that procedures be updated in accordance with applicable data protection legislation, following a “by design and by default” approach. The Group is committed to implementing and optimising adequate technical and organisational measures, aimed at efficiently applying data protection principles and integrating the necessary guarantees into its data processing activities, in order to fulfil the requirements of the GDPR and protect the rights of data subjects.

During 2020, there was an exponential growth in cyber attacks against many companies both in Italy and on an international scale. Geox Group also fell victim to a ransomware attack in June 2020. Following this, the Company quickly restored its IT systems and databases, guaranteeing business continuity without losing any data. Impulse was also given to a series of activities, already launched in previous years, aimed at strengthening the physical security of infrastructure and data by defining specific measures that shall continue into 2021; the aim of these measures is to ensure defences that are in line with industry best practices. The Group believes that the importance of the wealth of data acquired depends largely on strictly protecting the confidentiality of the data belonging to people who buy Geox products or who work with the Group in whatever capacity.

Geox Group has also signed a memorandum of understanding with the Italian State Police (the Veneto region's Postal and Communications Police Department)

to prevent and combat cyber crime on IT systems. The aim of this memorandum of understanding is to develop a partnership in order to share and analyse information that can help to prevent attacks or damage to Geox Group's IT system, to report any emergencies in terms of vulnerability, threats and incidents that may harm the normal functioning of telecommunications systems, and to identify the source of any attacks suffered by the technological infrastructure under management.

Considering the amount of attention that the company pays to protecting the personal data of its internal and external stakeholders, during 2019, Geox decided to undergo an external audit in order to confirm the procedures it has implemented to manage personal data with regard to B2C customers. This was completed in 2020.

The Customer Relationship Management (CRM) database collects the personal data of Geox's customers. More specifically, customers can sign up to the benefiet loyalty scheme both online on geox.com and by filling in a paper form at a participating Geox Shop, subject to them giving their consent to the processing of their data; Geox stores said data in full compliance with data protection legislation inside its high-security databases. During 2021, Geox will take action to simplify and align its process for customers to register at its various touchpoints, both online and offline; it shall also digitise this process in order to ensure the highest standards in relation to the procedures to process the personal data of its customers, in compliance with the GDPR.

In order to ensure that customers' rights are fully respected, procedures have been implemented as part of the benefiet scheme involving training in-store members of staff. In particular, participating stores received a manual via e-mail explaining how the scheme works; store staff can connect to the geox.connect portal and read the privacy policy on the processing of customers' personal data, which was updated in 2019 after the GDPR was implemented, together with the relative manual in order to ensure that data are collected and processed properly at all times, in compliance with the GDPR. Compliance sessions were also held with the Legal and Corporate Affairs department, improving how customer requests regarding data protection are handled; a ticketing system

was also implemented to monitor the data protection requests that Geox receives to its dedicated e-mail address (privacy@geox.com).

During 2020, the French data protection authority began a European cooperation procedure with the Italian data protection authority, after a French citizen lodged a complaint about the 'stop' function not working in an SMS to unsubscribe; all the necessary information was provided to the Italian data protection authority and no other complaints have been received.

269,755 new registrations were recorded and 48,226<sup>38</sup> requests were managed to update personal data, to erase personal data in order to be removed from the Benefeet loyalty customer database and/or to erase data in order not to receive any further marketing notifications via e-mail/SMS.

<sup>38</sup> The figure for 2018 (58,016 cancellations) cannot be compared with the 2019 figure (133,001), as the scope of reporting was extended. In particular, 2019 figures include the requests for erasure received from Benefeet customers in Europe as well as those from customers who have signed up to geox.com in Europe and North America (i.e. Canada and USA). Furthermore, in 2019, requests to modify personal data were also taken into consideration.

# Protecting intellectual property and the fight against counterfeiting

Geox owes the success of its brand to the constant focus on the product, characterised by the use of innovative and technological solutions able to guarantee breathability, water resistance and well-being. Its future growth strategies are also based on continuous technological innovation with regard to breathability and comfort.

Historically, the Geox brand has always represented innovation, reliability, practicality, pragmatism, quality, health and well-being for all the family. Over recent years, the brand strategy has evolved by developing aspects relating to social responsibility and sustainability, and considering concepts such as dynamism and the improvement of services, also in terms of comfort.

In this context, the “Makes you feel good” concept represents the essential component of Geox’s brand strategy and underpins how consumers perceive the brand: marketing campaigns therefore express the benefit of the product through the “Geox breathes” slogan. Breathability and water resistance, guaranteed by Geox’s innovative technology, help to improve the customer’s daily well-being thanks to a reliable product, characterised by modern and versatile Italian style for a broad customer base.

Geox’s technological innovation strategy, protected by some 55 patents and 11 patent applications, filed in Italy and extended internationally, makes it a priority for the Group to protect not only the brand but also the technology behind Geox’s innovative products that are characterised by “breathability”. That’s why Geox Group has a continuous commitment to the fight against counterfeiting, in order to protect the authenticity of its brand, intellectual property and its image, as well as the rights of its end customers.

In this context, Geox has established an in-house team specialising in Intellectual Property, within the Legal and Corporate Affairs Department, which deals with the management of patents, trademarks, designs, know-how and work protected by copyright and domain name rights. This work is of key importance for the protection and strengthening of the company’s intangible assets.

The fight against counterfeiting comes in a number of forms. Geox protects its intellectual property rights primarily through the targeted monitoring of specific channels and competitors. In particular, each season, the Intellectual Property Department carries out constant checks into large-scale wholesale stores that sell shoes and websites that sell products of competitors, against whom Geox has exercised its intellectual property rights in the past.

Activities linked to protecting intellectual property are also boosted, on the one hand, by notifications received from various players involved with selling Geox-branded products or from third parties (e.g. armed forces personnel, departments in charge of checking for counterfeiting in various countries and customs officials), and, on the other hand, by dedicated online and offline investigations carried out directly by the Group’s own Intellectual Property team.

If any issues are flagged up, the Intellectual Property team starts carrying out the necessary research and analysis of the case in question, deciding upon which strategy to follow. Normally, Geox opts for a conciliatory approach, aimed at settling any disputes out of court. This avoids having to deal with lengthy and costly legal proceedings. Should it not be possible to reach a settlement agreement, the Intellectual Property Department identifies an external professional who can support Geox through the legal proceedings, and then coordinates and supervises their work.

Geox not only fights counterfeiting to protect its own intangible assets, but also takes an active role in the fight against counterfeiting of industrial property rights belonging to others (private individuals or legal entities). In fact, Geox Group’s operations fully comply with the industrial and intellectual property rights belonging to the Company itself and to third parties, as well as with the laws, regulations and national, EU and international conventions regarding the protection of said rights. In this context, Geox Group has imposed a general ban for all addressees of its Code of Ethics on any behaviour aimed, in general, at counterfeiting, altering, duplicating, copying or disseminating, in any form and without trademark rights, distinguishing marks and features, technical solutions, patents, designs, models and the

work of others. Furthermore, it has defined a series of initiatives and company procedures aimed at avoiding, to the extent possible, any conduct by Geox that could be seen as interfering with the industrial property rights of third parties. More specifically, Geox has provided training courses for personnel working in the Product Department, and prior checks and controls are carried out on products destined for the new collections, on names, distinguishing marks and features and the labels used relating to the products, and, more in general, on all information and communications provided on packaging, promotional material and as part of marketing campaigns.

With regard to specific patent rights, the Intellectual Property team actively works together with the Research and Development department in order to ensure that the technology used in the various Geox products does not interfere with patents belonging to third parties.

In 2020, despite the clear disruption caused by the pandemic, the Intellectual Property team managed to successfully handle the changes and developments caused by these extraordinary events. In particular, considering consumers' increasing tendency to make purchases online, including Geox products, the Intellectual Property department further increased its focus on and monitoring of the internet. This can be seen in the activities that continued aimed at preventing unlawful conduct that may be harmful to Geox's industrial property rights and, even more serious and significant, to the end consumers. In fact, it should be borne in mind that many end consumers found themselves somehow forced to make purchases online and, due to some of them having limited experience with e-commerce, there was a notable increase in consumers falling victim to fraud and scams, leading to financial losses. The Industrial Property department tackled unlawful conduct not only by reporting it to the competent authorities (in particular, the Italian Postal and Communications Police), but also by taking action to prevent it through measures to remove websites and content deemed to be potentially harmful to

Geox's rights and dangerous for consumers.

In the 2018-2019 two-year period, Geox was not involved in any legal proceedings in relation to violations of third-party intellectual property rights. In 2020, on the other hand, Geox was involved in legal proceedings in Italy relating to an alleged breach of intellectual property rights belonging to a third-party company and of unfair competition legislation. These proceedings were concluded with the court ruling in favour of Geox, dismissing the third party's claims and fully accepting the defensive arguments put forward by Geox; any claims of an alleged breach were therefore dismissed. The third-party company was also ordered to reimburse Geox S.p.A. for all legal expenses.

# USE OF RECYCLED RAW MATERIALS TO PRODUCE A NUMBER OF PRODUCT LINES, BOTH FOOTWEAR AND APPAREL

During 2020, a number of sustainable projects and products were launched, such as:

- **Sustainable Nebula**, Geox's iconic sneaker for men and women, with an upper made from Jacquard fabric featuring 100% recycled polyester yarn deriving from used plastic bottles, entirely re-worked in Italy. An e-mail marketing campaign to contacts in Geox's customer database was used to promote this product;
- **E-WARM**: padding made from synthetic fibre deriving from recycled material, which ensures optimal wearability and guarantees adequate thermal insulation. This product was launched on the market with the campaign to promote the S/S 20 collection;
- **X-DOWN**: recycled down that began to be used in the F/W 20 season;
- **'Geox for WWF'** kids' collection: the **'Geox for WWF'** baby and kids' collection was promoted through a newsletter marketing campaign informing customers about Geox's commitment to supporting the WWF in its work to protect wild animals all over the world. For each pair of shoes purchased, **€ 2** (or the equivalent in local currency) are donated to the **WWF** to support its efforts to defend nature.



# Marketing, communication and product information strategy

Marketing and communications also form an integral part of Geox's Sustainable Innovation programme, which puts the well-being of people and the planet at the heart of all its decisions, ensuring that not only Geox products, but also people and planet Earth, can breathe. The company's marketing and communication strategy takes its inspiration from this firm belief, and is guided by the principles of transparency, clarity and respect for people, above all its clients and end customers.

In 2020, Geox Group spent around 57% of its total investments in "sustainable" content, published only online or on TV, for the launch of its campaigns.

Geox Group's marketing and communication strategies are defined with extreme care and awareness to ensure they are in line with company values and that they are simple, clear and complete, avoiding any misleading, elusive and/or incorrect content. Products and services offered to customers are guaranteed to correspond with the commitments and obligations undertaken by Geox, also through the aforementioned communications. In particular, the company's web platforms have been re-engineered to ensure maximum transparency, with a view to sharing data and information relating to the product.

Thanks to the expansion of its digital channels, it has been possible to develop a continuous dialogue with customers, making it even easier for them to contact Geox however they prefer: a dedicated freephone number, a specific e-mail address, the company website and social media. With specific reference to the new target customer base (25+), the Group is trying to further strengthen its digital communication channels (mobile first), by developing all-year-round content and advertising campaigns through high-impact images and messages based on story-telling. Geox is active on Facebook, Instagram, Pinterest, Youtube, Vimeo and LinkedIn.

The omnichannel approach allows the Group to gather data and information about its customers, also to guarantee better service levels and prompt turnaround times in response to their needs. This new approach has also allowed for the Benefeet loyalty scheme to be reviewed in order to better manage the customer base

and increase the value of each individual shopper. The "True Omnichannel Approach" was strengthened by expanding the range of products available online and by reviewing Customer Relationship Management, creating an innovative "unique customer view" that can be used by the different platforms: this allows for personalised relationships to be developed with customers through services and messages provided through both online and offline points of contact. In fact, by introducing digital platforms as points of contact, the omnichannel approach allows the Group to complete its existing range of traditional communication channels, combining both digital and physical worlds.

In addition to the "Click & Collect", "Reserve in store", "Return in store" and "Geox@home" services already launched, 2020 also saw the introduction of the "Book an in-store appointment – SIMPLY BOOK" service. The GEOX@HOME service was also extended to include franchised Geox Shops (the pilot service was first launched in December 2019).

The website [www.geox.com](http://www.geox.com) is continuously developed and updated in order to improve the customer experience on an ongoing basis. The website's strategic content has been developed to integrate the brand and products in a more efficient way, focusing on product presentation and providing accurate information. In addition, there is also the intention to develop integrated logistics based on a single storage warehouse, thereby guaranteeing a wider assortment for e-commerce and reducing "out of stock" issues.

When defining its communication campaigns, Geox pays particular attention to respecting people's dignity and safeguarding diversity, avoiding any form of discrimination. Particular attention is paid to communications regarding children's lines, which always fully and strictly comply with applicable child protection legislation in all countries in which the Group operates.

Geox manages potential risks involved with consumer communications and risks to brand reputation:

- by complying with the regulations in place to protect consumers with regard to communications, especially those targeting children; subjecting adverts to prior checks by specialist legal consultants and, if required, also by local advertising watchdogs;

- with regard to promotional materials destined for children, by asking suppliers to ensure that products are accompanied by the certifications required by the countries in which said materials will be distributed;

- by publishing “Netiquette” guidelines in a dedicated section of the geox.com website, together with information for consumers regarding appropriate communications on Geox’s social media accounts.

With regard to marketing and communication strategies, thanks to the digital evolution, Geox has also been able to focus on improving the efficiency of its processes, aiming also at reducing the environmental impact of the activities involved. More specifically, the Group has strengthened its range of digital channels, setting itself the objective of using them for 60% of its communications, in order to reduce the amount of waste produced by printing advertising material. Printed catalogues have also been fully replaced with catalogues available online and via apps (with the exception of Russia and China). This approach focused on content sharing has also allowed for an optimised use of digital material (photos, videos, etc.), using them for a range of different advertising campaigns.

With regard to responsible customer communications, product labels also play an important role in sharing clear, transparent and accurate information. Within its Code of Ethics, Geox Group affirms its commitment to providing its customers with accurate, true and comprehensive information regarding its products and services, allowing them to make well-informed decisions. It also states Geox’s commitment to ensuring there are suitable methods in place to communicate with and listen to customers, and replying to suggestions and complaints in order to further strengthen this trust-based relationship in the long term.

During 2019, no non-conformities were recorded regarding product information and labelling. In 2018, on the other hand, two complaints regarding labelling were received in the Chinese market. One complaint referred to the fact that labels did not include the code identifying the style. This was remedied by introducing this code starting from the 2018 Spring-Summer collection. The second complaint referred to a non-conformity relating to a physical requirement of the relative GB Standard. GB standards are applied and can only be inspected by government laboratories in China. Geox Group now fully complies with the Chinese requirements and, to this end,

it has decided to hire an independent, external entity (TÜV SÜD) to help it carry out footwear testing in accordance with the GB standards.

During 2019, no formal warnings were received regarding breaches of advertising legislation, whereas one formal warning was received in 2018. In 2018, the Advertising Standards Authority (ASA) in the UK sent a formal warning, with reference to the Geox Music promotion linked to a 2018 Fall-Winter Geox Junior collection. In particular, in relation to this campaign that was also publicised on TV, the ASA asked Geox to publish the list of British cities where the multi-brand stores taking part in the promotion were located on the website geox.com (in addition to the list of mono-brand Geox Shops).

During 2020, no non-conformities were recorded regarding product information, labelling and communications.

## COVID-19: COMMUNICATIONS

Numerous communication initiatives and activities were implemented following the Coronavirus emergency. In particular:

- guidelines were drawn up and shared regarding prevention measures for employees in the Geox headquarters and in Geox Shops;
- internal newsletters were produced to keep in touch with staff working from home and offer encouragement and suggestions on how to improve personal well-being during lockdown periods;
- the social media plan was updated to only include still life photos or indoor environments and activities inside the home during lockdown periods;
- a new neutral tone of voice was used to emphasise moments of comfort in daily life;
- materials created for stores to communicate:
  - periods of closure;
  - reopenings ('Welcome back' window stickers);
  - in-store safety instructions (social distancing, use of disinfectant gel and personal protective equipment);
- online communications sent via geox.com and Geox's social media to inform consumers about Geox Shops closing and reopening and to activate omnichannel services and book in-store appointments;
- F/W 20 advertising campaign created with still life images of products, without using any models and without any filming in outdoor locations, respecting restrictions on people's mobility and social distancing rules;
- materials created for window displays in Geox Shops that can be used with the utmost flexibility, able to cater for changes to the retail calendar and product ranges without the need for reprinting;
- videos, catalogues and other digital sell-in tools created for the virtual showroom and to support S/S 21 and F/W 21 sales campaigns

# Digital world

## Instagram

- More than 314 thousand followers (38,820 new followers during the year)
- Over 496 posts during the year
- Increase in average engagement rate per post: +133%
- Increase in the average number of likes per post: 1,320 likes per post on average, +20% vs. 2019 (ytd).
- Average reach of posts: 41.6K + 35% vs. 2019 (ytd).

## Facebook

- 1.45 million followers in total, +50K new followers in 2020
- 241 posts on a global scale, plus country-specific posts (Russia, Hong Kong, Philippines, Thailand, Vietnam, Cambodia, Singapore, Armenia and Azerbaijan)
- Average reach: 670 thousand people per post
- Almost all users who write to Geox receive a response on the same day as they send the message.

## LinkedIn – data available from 2/02/2020

- Total views for the page: 36 thousand
- Single visitors: 22 thousand
- 6,837 total reactions
- 235 total comments
- 858 total shares
- 66,072 followers in total: 9,316 new followers
- Percentage of followers' interest in the content published: 9.92%

## Pinterest

- Impressions (total pin views): 2M
- Total Audience: 1M
- Engagements (people who interacted with the pins): 56 thousand
- Engaged Audience: 33 thousand





Move with ease, wherever you go. <http://bit.ly/GeoxAerantisMen>

AERANTIS

Light & STYLISH  
Modern and breathable design means ultra comfort with a sustainable exterior and zero-waste effect.

LIGHTWEIGHT

NEBULA

Breathe life into your Spring with our new collection. Modern comfort for happy feet.

#geox #geoxshoes #springvibrations



All Pins



Instagram.com  
#Geox...  
3,24 Followers

Note to self  
What do you want to remember about this Pin?



We'd like to share some other nice spots from our event in Chiozzo Casavico.

Looking forward to helping our customers measure their Italian DNA, passion for quality and our neighbors' luck.









# Environment

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**ELECTRICITY FROM RENEWABLE SOURCES: 74% OF THE GROUP'S GLOBAL REQUIREMENTS IN 2020, RECORDING AN INCREASE COMPARED WITH 2019**

**'ZERO LANDFILL' GOAL: ALL WASTE PRODUCED IN ITALY WAS SENT FOR RECYCLING**

**SMART WORKING SAVED APPROXIMATELY 23 TONNES OF CO2 FOR XLOG EMPLOYEES**

**PAPER SHOPPING BAGS: 99% FSC-CERTIFIED**



**DKV CLIMATE: A NEW FUEL  
CARD THAT OFFSETS EMISSIONS  
CAUSED BY JOURNEYS MADE BY  
COMPANY VEHICLES**

**CONAI: GEOX GROUP CITED AS  
AN EXAMPLE OF EXCELENCE IN  
REDUCING THE ENVIRONMENTAL  
IMPACT OF PACKAGING**

**PHOTOVOLTAIC SYSTEM  
EXPANDED AT THE SIGNORESSA  
SITE WITH THE INSTALLATION  
OF 1,584 ADDITIONAL PANELS  
USING CRYSTALLINE SILICON  
TECHNOLOGY, GUARANTEEING  
AN EXTRA 604,000 KWH**

# Commitment to protecting the environment

In order to achieve sustainable business development, Geox Group is committed to planning its activities in such a way as to guarantee the best balance possible between economic initiatives and environmental protection, safeguarding the rights of both present and future generations, and in any case ensuring compliance with all applicable national and international legislation. In particular, Geox Group believes environmental protection to be of the utmost importance in order to achieve sustainable development in the areas in which it operates, taking into consideration also the rights of the local community and future generations. That's why the company is committed to promoting a culture of respect for the environment by encouraging responsible conduct and practices in order to reduce the direct and indirect impacts of its business activities. This is also achieved by working together with stakeholders, both inside and outside the company, with the aim of optimising the management of environmental issues.

Within its Code of Ethics, Geox Group affirms its responsibility for ensuring that its business activities or practices do not directly or indirectly lead to the irreversible alteration of natural ecosystems. In order to do this, the company seeks solutions that limit as much as possible the pollution of the air, water or soil, the accumulation of substances extracted from the subsoil or produced by the Company, and the waste of natural resources (water, plants, animals, minerals, etc.) and energy. Geox is committed to scrupulously respecting applicable legislation regarding environmental protection and to adopting, wherever possible, more stringent criteria than said legislation and, when opportune to do so, to following international guidelines.

Geox Group assess the environmental impacts of all company processes and activities, with a view to minimising environmental risks and with the aim of achieving high standards of environmental protection by implementing adequate management and monitoring systems. As a result, Geox pays particular attention to developing processes and activities that are as safe and as respectful of the environment as possible, by using advanced criteria and technology in the field of environmental protection, energy efficiency and the sustainable use of resources. In particular:

- it preferably uses energy from renewable sources, generated by its own production plants (solar panels at the logistics centre in Signoressa - TV and in the headquarters in Biadene - TV) and purchased from third parties;
- it implements initiatives aimed at making its buildings more energy efficient. In particular, a programme is in place to continuously update older infrastructure in order to reduce energy consumption, also by replacing traditional light fittings with LED technology;
- it plans training courses and awareness-raising initiatives among personnel in order to encourage everyone working within the Group to behave in a responsible way and reduce waste to a minimum;
- it has introduced biodegradable cups and palettes for coffee machines, made from organic corn and which are therefore compostable, also giving people the chance to use their own cups;
- it reduces water consumption through the installation of flow reducers on taps in sinks and washbasins, and the use of dual-flush toilets or toilets that require less water. Furthermore, plants with limited evapotranspiration have been chosen in order to reduce the amount of water needed to irrigate green areas;
- it has installed recycling points in its restaurant in order to encourage the sorting of waste;
- it has endeavoured to reduce waste and recycle any rubbish: as of today, the main headquarters and logistics hub recycle 100% of their rubbish thanks to a partnership with a company dedicated to collecting and sorting waste;
- it pays full attention to reducing the amount of packaging used and to recycling, as well as to using recycled and recyclable materials. When selecting materials, those with a higher content of recycled content are favoured, as are those coming from the local area;
- it has started to gradually replace the fleet of company cars with hybrid and electric cars;
- it has replaced fuel cards with the innovative "DKV Climate" cards. By signing the agreement for the supply of these cards, DKV certifies that CO2 emissions

generated by consuming the fuel purchased with said cards are offset. Furthermore, by purchasing fuel with these cards, Geox also takes part in an innovative and concrete environmental protection project on a global scale: for every litre of fuel purchased, DKV makes a donation to support projects such as the construction of wind turbines in Turkey, the use of biomass burners in China or the use of solar cookers in Madagascar;

- it has launched a company carpooling scheme, reserving a number of parking spaces for employees who share their car with one or more colleagues. This has led to great environmental and economic advantages: on average, it saves 484 km per day, which, over a year, is the equivalent of replanting a small forest containing 1,500 trees<sup>39</sup> ;

- it has promoted the use of bicycles to get to work, introducing dedicated bike park areas and making a changing room with shower available to employees.

Geox's commitment to protecting the environment can also be seen in its Eating Geox Restaurant, Italy's first restaurant to obtain LEED certification (Leadership in Energy and Environmental Design), which uses the most advanced solutions in terms of energy saving and system efficiency. The Eating Geox Restaurant was developed according to green building procedures, i.e. operational guidelines on how to integrate environmental and social sustainability principles into building techniques. As a result, less extracted raw materials and polluting substances are consumed, resources are used more efficiently and the well-being of the people in the building has been increased. The building itself, the meals on offer, the rooms inside and the use of the restaurant have all been designed to have a positive impact on people and a significantly reduced impact on the environment.

As further evidence of Geox Group's ongoing commitment and attention to environmental issues, during the 2018-2020 three-year period, no significant fines or non-monetary sanctions were imposed for failing to comply with environmental regulations and laws, and there were no complaints regarding environmental impacts that needed to be dealt with and resolved through formal complaint management mechanisms.

39. This calculation was carried out using the Treadom calculator - lemon trees 50 kg / tree.

# Energy consumption and emissions

Most of Geox Group's energy consumption is linked to the main headquarters in Biadene di Montebelluna (TV), the logistics hub in Signoressa (TV) and the network of Geox Shops. In particular, Geox Group mainly consumes energy for lighting, heating and cooling buildings, production activities, sales areas and goods warehouses.

The Group's approach to reducing environmental impacts is based on continual improvement, achieved thanks to careful planning of sequential activities and measures, such as:

- relamping, through the use of LED fixtures, reducing electrical energy consumption by 50% and guaranteeing a level of lighting that complies with IEC regulations, with subsequent improvement to working conditions. In particular, during 2020, thanks to these initiatives to improve the efficiency of lighting systems, a total of 10,080 kWh/year were saved (36.29 GJ of electricity in 2020, 145 GJ in 2019 and 55 GJ in 2018, resulting in a respective potential saving<sup>40</sup> of over 6.5 tonnes of CO<sub>2</sub>e emissions in 2020, 14 tonnes of CO<sub>2</sub>e in 2019 and 5 tonnes of CO<sub>2</sub>e in 2018);

- improving the efficiency of the heating system in building F at the Signoressa logistics hub, with the replacement of the old distribution system, made up of an air processing unit (air capacity of 40,000 m<sup>3</sup>/h) and non-insulated galvanised steel ductwork. New terminals were installed made up of vertical, suspended air conditioners fitted with a helical motor and drainage system to get rid of condensation; these terminals also work with chilled water, providing air conditioning during the summer in addition to fulfilling the primary heating requirements during the winter. The size of the exchange battery for these terminals also ensures optimal performance even when the temperature of the intake water is less than 45°C, as is normally produced by air-cooled heat pumps. The system used to distribute water to the terminals is made from new, black, seamless pipes made from drawn steel and completed with thermal insulation made from self-extinguishing polyurethane foam pipe sections and covered in PVC film. The pumping system was replaced with a system of electronically controlled, circulating

electric pumps with variable capacity instead of the previous ones with a fixed capacity;

- expansion of the existing photovoltaic system on the roof of building C of the Signoressa logistics hub, with the installation of 1,584 photovoltaic panels using crystalline silicon technology, covering a total surface area of 2,835 m<sup>2</sup>; this is equivalent to a nominal power of 548 kWp and is able to guarantee an annual electricity production of 604,000 kWh, in addition to approx. 1,100,000 kWh already produced by the photovoltaic system on the roof of building B. This expansion has therefore increased the share of energy produced using renewable sources, meeting 45% of the electricity needs of the Signoressa logistics hub;

- installation of new street lights in the square opposite the entrance to the headquarters in Biadene di Montebelluna (TV), replacing the existing ones. This initiative to make lighting systems more efficient has led to a total saving of 6,256 kWh/year (22.52 GJ of electricity, with a subsequent potential saving<sup>41</sup> of over 4 tonnes of CO<sub>2</sub>e emissions);

- monthly monitoring of electricity and gas meters in order to check consumption and their correct functioning;

- installation of automatic light switch timers in certain areas of the company, which detect whether there are people present. These avoid lights staying on when there is no-one in the room.

In 2020, Geox Group's energy consumption, both direct and indirect, amounted to over 96 thousand GJ. 87% of energy directly consumed came from non-renewable sources, with the remaining 13% coming from renewable sources.

26% of energy directly consumed came from non-renewable sources, with the remaining 74% coming from renewable sources. More specifically, 100% of electricity purchased in Italy, Austria, Serbia, Switzerland and Germany came from renewable sources.

40. The saving in terms of emissions is potential as 100% of electricity used in Italy comes from renewable sources. The saving is calculated considering that the systems work for 16 hours a day for 250 business days. The emissions factor used to calculate emissions in 2018 and 2019 was published by Terna in 2017. The emissions factor used to calculate emissions in 2020 takes into consideration an emission of 0.65 kg of CO<sub>2</sub>e for every kWh consumed.

41. The saving in terms of emissions is potential as 100% of electricity used in Italy comes from renewable sources. The saving was calculated considering that the system works for 10 hours a day for one year. The emissions factor used to calculate emissions in 2018 and 2019 was published by Terna in 2017. The emissions factor used to calculate emissions in 2020 takes into consideration an emission of 0.65 kg of CO<sub>2</sub>e for every kWh consumed.

## Direct and indirect energy consumption and energy intensity (Gj)

	2018	2019	2020
<b>Direct energy consumption<sup>42</sup></b>	<b>31,372.21</b>	<b>30,253.58</b>	<b>29,454.14</b>
<b>From non-renewable sources:</b>	<b>27,896.15</b>	<b>26,680.05</b>	<b>25,516.59</b>
Natural gas	19,039.77	19,267.10	17,064.36
LPG (including consumption by the fleet of company cars)	601.47	790.33	1,428.41
Diesel (including consumption by the fleet of company cars)	8,156.90	6,405.89	6,385.48
Petrol (including consumption by the fleet of company cars)	98.01	216.73	638.34
<b>From renewable sources:</b>	<b>3,476.06</b>	<b>3,573.53</b>	<b>3,937.55</b>
Solar panels (self-generated)	3,476.06	3,573.53	3,937.55
<b>Indirect energy consumption<sup>43</sup></b>	<b>88,848.81</b>	<b>91,632.86</b>	<b>67,381.06</b>
Electricity from non-renewable sources	37,299.27	34,754.62	17,374.02
Electricity from renewable sources	51,549.54	56,878.24	50,007.05
<b>Total energy consumption</b>	<b>120,221.02</b>	<b>121,886.44</b>	<b>96,835.20</b>
Energy intensity (GJ/employee)	22.92	23.58	21.72

## Direct and indirect emissions and carbon intensity (t CO<sub>2</sub>e)

	2018
<b>Direct emissions (scope 1)</b>	<b>1,576.51</b>
<b>From non-renewable sources:</b>	<b>1,576.51</b>
Natural gas	972.94
LPG	35.83
Diesel (including consumption by the fleet of company cars)	561.47
Petrol (including consumption by the fleet of company cars)	6.27
<b>From renewable sources:</b>	<b>-</b>
Solar panels (self-generated)	-
<b>Indirect emissions (scope 2)</b>	<b>3,631.19</b>
Electricity from non-renewable sources	3,631.19
Electricity from renewable sources	-
<b>Total emissions<sup>44</sup></b>	<b>5,207.70</b>
Carbon intensity (tCO <sub>2</sub> e/employee)	0.99

42. Consumption includes electricity consumed by offices and stores in Italy and in the most significant foreign countries, as well as consumption of LPG for the production plant in Serbia and fuel for the fleet of company cars. With reference to the fleet of company cars, 10 hybrid vehicles were also used in 2019, and 21 in 2020, which were included in the calculation, referring to their basic fuel consumption.

43. Includes electricity consumed by offices and stores for Italy and for the most significant foreign countries. With reference to the fleet of company cars, electricity was consumed for a total of 367,753 km by hybrid cars and a total of 29,000 km by electric cars.

44. The conversion factors used to calculate emissions were published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) in 2018. For the emissions factor relating to electricity, please refer to DEFRA 2015.



## Direct emissions (scope 1) and carbon intensity (t CO<sub>2</sub>e)

	2019	2020
<b>Direct emissions<sup>45</sup></b>	<b>1,429.21</b>	<b>277.51</b>
<b>From non-renewable sources:</b>	<b>1,429.21</b>	<b>277.51</b>
Natural gas <sup>46</sup>	983.98	177.88
LPG (including consumption by the fleet of company cars)	47.08	79.26
Diesel (including consumption by the fleet of company cars) <sup>47</sup>	386.97	20.37
Petrol (including consumption by the fleet of company cars)	11.18	-
<b>From renewable sources:</b>	<b>-</b>	<b>-</b>
Solar panels (self-generated)	-	-
<b>Carbon intensity (tCO<sub>2</sub>e/employee)</b>	<b>0.28</b>	<b>0.06</b>

## Indirect emissions (scope 2) and carbon intensity (t CO<sub>2</sub>e)

	2019	2020
<b>MARKET-BASED indirect emissions<sup>48</sup></b>	<b>2,789.80</b>	<b>818.06</b>
Electricity from non-renewable sources	2,789.80	818.06
Electricity from renewable sources	-	-
<b>LOCATION-BASED indirect emissions<sup>49</sup></b>	<b>8,804.34</b>	<b>5,615.68</b>
Electricity from non-renewable sources	2,631.94	799.74
Electricity from renewable sources	6,172.39	4,815.94
<b>MARKET-BASED carbon intensity (tCO<sub>2</sub>e/employee)</b>	<b>0.54</b>	<b>0.18</b>
<b>LOCATION-BASED carbon intensity (tCO<sub>2</sub>e/employee)</b>	<b>1.70</b>	<b>1.26</b>

45 The conversion factors used to calculate emissions were published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) in 2019 and in 2020.

46. In 2020, 13,205.26 GJ of natural gas were consumed, for which the supplier offset the relative emissions generated. In this way, the Group avoided emissions equal to 674.46 t CO<sub>2</sub>e.

47. In 2020, Geox opted to almost exclusively use DKV Climate cards for the purchase of fuel for its fleet of company cars, replacing the fuel cards previously used. These cards offset the emissions generated by consuming the fuel purchased. In this way, the Group avoided emissions equal to 406.35 t CO<sub>2</sub>e for the consumption of diesel, 40.64 t CO<sub>2</sub>e for the consumption of petrol and 0.03 t CO<sub>2</sub>e for the consumption of LPG. The reduction in emissions is also due to the fact that 10 hybrid vehicles were introduced to the company's fleet in 2019, while 21 hybrid vehicles and two electric cars were used in 2020.

48. The factors used to calculate emissions were published by the AIB in 2018 and in 2019. For countries where the AIB factor was not available, the same factors were used as those to calculate "location-based" emissions.

49. The factors used to calculate emissions were published by Terna in 2017.

CO<sub>2</sub>e emissions linked to total energy consumption (direct and indirect) were equal to approximately 5,900 tonnes of CO<sub>2</sub>e (location-based method) and 1,100 tonnes of CO<sub>2</sub>e (market-based method). To give an overview of energy consumption, Geox Group has calculated its own energy intensity index compared to the number of employees: this is equal to 21.72GJ/employee and corresponds to emissions in 2020 of approximately 1.32 t CO<sub>2</sub>e/employee (location-based method) and of approximately 0.25 t CO<sub>2</sub>e/employee (market-based method).

Geox Group has also estimated the environmental impacts of employees travelling for work. CO<sub>2</sub>e emissions generated by work-related travel amounted to approximately 160 tonnes in 2020. The reduction in emissions generated by business trips is in line with the approach taken by the company in recent years, but above all was caused by the emergency situation that characterised 2020. It should also be noted that 15,000 km were driven using electric rental cars.

In 2020, emissions of hydrofluorocarbons (HFCs) amounted to 135.4 kg. An exceptional increase was recorded in these emissions in 2020, equal to +151% compared with the previous year and approximately +84% compared with 2018, due to accidental breakage of some cooling circuits in the headquarters in Biadene and in a number of Group stores.

### Emissions resulting from employee travel (scope 3) (t di CO<sub>2</sub>e)

	2018	2019	2020
<b>Emissions resulting from air travel</b>	<b>1,864</b>	<b>731</b>	<b>148</b>
Short distance	15	13	4
Medium distance	254	148	47
Long distance	1,595	570	97
<b>Emissions resulting from train travel</b>	<b>32</b>	<b>49</b>	<b>6</b>
National railway lines	27	31	5
International railway lines	5	18	1
<b>Emissions deriving from car rental</b>	<b>26</b>	<b>16</b>	<b>8</b>
<b>Total emissions<sup>50</sup></b>	<b>1,922</b>	<b>796</b>	<b>162</b>

50. The conversion factors used to calculate emissions were published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) in 2018 and in 2020. For 2019, emissions figures were provided directly by the transport service provider.

# Sourcing materials

When making footwear, Geox Group mainly uses fabrics (e.g. cotton, wool, polyester), leather and the material used to make soles (e.g. EVA, rubber, leather). In this regard, Geox requires production processes to be structured in such a way as to optimise the use of materials, thereby avoiding waste.

With regard to footwear production, over the course of 2020, total consumption of fabrics amounted to 2,748,100 m<sup>2</sup>, of which around 22% came from recycled material. The amount of leather used, on the other hand, was equal to 2,384,055 m<sup>2</sup>. The materials used to produce soles amounted to 4,479 tonnes.

In addition to the raw materials used by the Footwear business unit, purchases made by the Apparel business unit must also be taken into consideration. In particular, during the reporting period, a total of 339 tonnes of material were purchased for padding (e.g. down, wadding), approximately 44% of which recycled.

Please find below the information relating to the raw materials used to produce apparel items and footwear:

## Materials used 2020<sup>51</sup>

	u.m	Total	%recycled
<b>Fabrics for footwear</b>	m2	<b>2,748,100</b>	22.16%
<b>Leather for footwear</b>	m2	<b>2,384,055</b>	-
<b>Composite materials for soles</b>	t	<b>4,479</b>	9.27%
<b>Material for padding</b>	t	<b>339</b>	43.96%

## GEOX SHOPS: SUSTAINABLE AND CERTIFIED POP MATERIALS

Geox's commitment and continuous research into the use of increasingly sustainable materials not only refers to packaging, but also involves the POP materials used for window displays and in-store communications. In particular, the following have been used: panels made from FSC-certified cardboard for steel structures; environmentally friendly and 100% recyclable fabric banners (100% polyester/PVC free), coloured using water-based ink; Easy Dot stickers (PVC free) to cover window-display cubes; and display cases made from 100% recyclable and FSC-certified honeycomb cardboard. A project has also been launched aimed at minimising the environmental impact of packaging for accessories sold in Geox shops, such as creams, brushes, cloths, travel sets, etc., thanks to the use of packaging made from recycled and/or certified materials, ink with no mineral oil content, etc.

51.Total consumption of fabrics, leather and materials used to make soles refer to Authorised Vendors for the S/S 20 - F/W 20 seasons.

In addition to these raw materials, there are the materials that are used daily in the offices, such as paper for printers, and those needed in the warehouse, such as the paper and cardboard used for product packaging. There are also the materials that are used to support sales, such as bags, which are subject to analysis and checks aimed at finding solutions to reduce consumption and/or make them more sustainable.

Overall consumption of paper and cardboard, including office paper, cardboard for packaging and other materials such as shopping bags, amounted to 9,688 tonnes. Out of this total, around 30% is made up of recycled material, with 42% being FSC-certified.

More specifically, total consumption of paper/cardboard for packaging purposes amounted to over 9,420 tonnes, 48.98% of which was made up of recycled material. The Group has set itself the objective of having 100% of its packaging made of recycled material.

A total of 19 tonnes of paper were used for the standard activities carried out in offices and stores. In 2020, thanks to the Group's focus on minimising the environmental impacts of its business, 100% of paper shopping bags were made from 100% FSC-certified paper.

With regard to photocopies and printouts, the target of using recycled paper to cover around 80% of the requirements of the main headquarters in Biadene di Montebelluna and the logistics hub in Signoressa was successfully reached in 2020 (i.e. 2,500 reams out of 2,870). This change has enabled the company to significantly reduce its environmental impact: it is estimated that approximately 80% less water is used, 70% less electricity is consumed and 50% less CO2 emissions are produced, compared with the purchase of virgin-fibre paper<sup>52</sup>.

Please find below the information relating to the materials used for office work and in-store paperwork:

### Materials used 2020<sup>53</sup>

	u.m	Total	%recycled	%FSC
<b>Office paper</b>	t	<b>19</b>	85.71%	6.37%
<b>Shopping bags</b>	t	<b>256</b>	0.29%	97.50 %
of which paper	t	250	0%	100%
of which other materials	t	6	11.48%	-
<b>Plastic packaging</b>	t	<b>97</b>	-	-
<b>Paper/cardboard for packaging</b>	t	<b>9,420</b>	48.98%	40.85%
<b>Cards and labels</b>	t	<b>81</b>	-	42.17%
<b>Hangers</b>	t	<b>69</b>	88.14%	-
<b>Other<sup>54</sup></b>	t	<b>232</b>	83.71%	-

52. Source: <https://www.stp.de/en/>

53. In 2020, consumption figures include the paper used to produce the S/S and F/W collections and for shipping to Geox S.p.A. and its branches, as well as the consumption of offices and stores in Italy and in the most significant foreign countries. The cardboard boxes for the Geox S.p.A. headquarters and the Signoressa warehouse were also included as was the cardboard used at the production site in Serbia.

54. Other materials include miscellaneous materials used for shipping (e.g. Sellotape, pallets, etc.).

# Waste

The waste generated by Geox Group mainly refers to packaging materials (paper/cardboard, plastic, wood), iron and steel, office waste and production scraps (fabrics). The main producers of waste within the Group are the main headquarters in Biadene di Montebelluna and the logistics hub in Signoressa.

Geox has the objectives of reducing the amount of waste generated and optimising recycling, also by using responsible waste disposal methods, as well as reducing the costs of waste disposal. To do this, it has defined a plan aimed at correctly separating and disposing of waste and reducing costs, by improving the disposal of recyclable waste and, above all, material used for store window displays (e.g., display units, mannequins, etc.), through a more careful analysis of its composition.

In order to make sure waste is managed properly, a number of awareness-raising initiatives are implemented, such as training courses to make sure that waste is managed and sorted correctly. In fact, all waste is separated according to the different EWC (European Waste Catalogue) codes. Rubbish that has already been sorted into the various categories is then returned to market according to the different methods available, promoting the reuse of materials and a subsequent reduction of waste. More specifically, all paper/cardboard, PVC film, iron and moulds and forms made from plastic-coated resin, are reused as these materials are all sold on. Glass, plastic bottles and cans are all sent for recycling. In any case, waste disposal is only handled by authorised suppliers.

Furthermore, in order to better manage and gain better control over the entire chain, Geox has entrusted an intermediary authorised by the Italian Environment Ministry to manage waste. This is a category 8A operator that works throughout Italy using a certified management system. This operator oversees the management of the waste loading and unloading register on behalf of Geox S.p.A., Xlog S.r.l. and Geox stores, as well as gathering and monitoring data regarding waste and auditing all suppliers used by the Group, such as transport companies, waste disposal centres, intermediate plants, etc. This company's

contribution also aims to ensure that EWC codes are correctly applied to the different types of waste and that all the necessary documentation is correctly managed, as well as supporting Geox in defining strategies to limit the environmental impacts of waste management. Geox has also adopted a management software to record and archive all the necessary documentation to comply with applicable legislation (e.g. various forms, the 'MUD' environmental declaration form, 'AIA' integrated environmental authorisation, etc.).

Geox S.p.A. is also part of the project run by the Treviso and Belluno Chamber of Commerce aimed at converting certificates of origin into electronic format, meaning that the document can be printed directly by the companies. This is only a first step as the process cannot be fully dematerialised at the moment because customs authorities still only accept paper documents.

In 2020, for Geox S.p.A., Xlog S.r.l. and Geox stores<sup>55</sup>, waste processing plants have been identified that are able to guarantee the recycling of 99.9% of the materials disposed of, thanks to their recovery for energy purposes or for the production of secondary raw materials (SRMs); this measure led to the 'zero landfill' goal being reached, as well as allowing for traceability and supervision of the relative supply chain.

In 2020, there was a reduction in the total amount of waste produced by Geox Group compared both with 2018 (-7.4%) and with 2019 (-5.8%). In fact, this was equal to approximately 1,767 tonnes of waste, of which 6.67 tonnes can be classed as hazardous waste.

With regard to waste disposal methods, 87.5% of waste produced by the Group was sent for recycling or reuse, 0.5% was sent to a dedicated waste water treatment plant (septic tank sludge) and the remaining 12% went to landfill.

55.Excluding solid urban waste and septic tank sludge.



## Waste produced (t)<sup>56</sup>

	2018	2019	2020
<b>Hazardous waste</b>	<b>3.43</b>	<b>12.11</b>	<b>6.67</b>
Electronic devices	0.86	2.64	0.78
Fluorescent tubes	-	0.34	0.01
Chemical laboratory products	-	-	-
Spray cans	1.03	0.42	-
Glues and sealants	-	-	-
Others <sup>57</sup>	1.54	8.71	5.88
<b>Non-hazardous waste</b>	<b>1,905.07</b>	<b>1,864.15</b>	<b>1,769.09</b>
Paper / Cardboard	1,397.80	1,384.84	1,214.55
Plastic	7.32	22.61	12.66
Wood	222.36	227.74	163.08
Biowaste	82.2	137.88	106.53
Others <sup>58</sup>	195.39	91.09	272.27
<b>Total</b>	<b>1,908.50</b>	<b>1,876.26</b>	<b>1,775.76</b>

## Disposal method (t)<sup>55</sup>

	2018	2019	2020
Recycling	1,770.86	1,874.20	1,546.74
Landfill	137.64	2.06	213.85
Reuse	ND	ND	6.16
Waste water treatment plants / purifiers	ND	ND	9.00
<b>Total</b>	<b>1,908.50</b>	<b>1,876.26</b>	<b>1,775.75</b>

In 2021, Geox intends to reduce the CO<sub>2</sub> emissions generated by transporting its waste; to this end, it shall select transport companies that use environmentally friendly vehicles in order to ensure the lowest environmental impact possible, as well as favouring waste disposal centres close to its premises.

56. Including the waste produced in Italy managed directly by Geox Group and not through municipal companies, and the waste produced at the facilities in Serbia.

57. Hazardous waste mainly includes absorbent material, filtration material and fabrics contaminated by hazardous substances.

58. 'Other' non-hazardous waste includes toners as Geox Group uses toners classified as non-hazardous waste, electronic devices, iron and steel, slurry from septic tanks, biowaste, etc.

# Water

Geox Group's water consumption is linked to the use of drinking water at its offices, to run certain cooling systems in stores and for the production process.

Geox Group, and in particular Geox S.p.A. and Xlog S.r.l. promote a sustainable use of water resources, to satisfy today's needs without jeopardising the ability to satisfy the needs of future generations too. To this end, ongoing analysis is carried out into the systems that can be used to reduce the consumption of drinkable and non-drinkable water.

Geox S.p.A.'s commitment to the responsible use and recycling of water can be seen through the following initiatives:

- monthly monitoring of meters for drinkable water in order to check consumption and their correct functioning, both for the headquarters and for Xlog S.r.l.;
- rainwater harvesting in underground tanks in the area of the company restaurant, to be used to water green areas. The rest of the water needed for this purpose is taken from the local "Consorzio di Bonifica" (land reclamation and drainage authority) irrigation channels;
- some of the components were replaced for one of the two pumping stations used for the fire-prevention water supply network, made up of hoses, hydrants, sensors and sprinklers positioned around the buildings and outdoor areas of the Signoressa logistics hub. In particular, all of the stop valves to draw water from and return it to the storage tank were replaced, as were all the non-return valves towards the distribution network. As well as improving the safety of the system, this initiative also reduced the amount of electricity consumed by the pump to keep the level of working pressure constant, as well as reducing the amount of water withdrawn by the available utility connections. This reduction in consumption was confirmed by the readings from the drinking water meter relative to the fire-prevention system; in 2020, only 106 m<sup>3</sup> of water were used to top up a 1,500 m<sup>3</sup> capacity tank. In 2019, 11,226 m<sup>3</sup> of water were used for the same capacity tank.

In 2020, the Group consumed a total<sup>59</sup> of 21.6 megalitres of water, of which 21.5 megalitres were used for the standard activities of its plants and stores, with the remaining 0.1 megalitre referring to consumption for the fire prevention system. All water consumed was 'fresh' water, i.e. with less than 1,000 mg/L of dissolved solids. Mains water coming from surface water<sup>60</sup> in water-stressed areas, referring to Serbia and Spain, amounted to 7.7 megalitres. There was around a 40% decrease in the total amount of water withdrawn compared with the previous year, thanks to the modernisation of one of the pumping stations.

59. 2018 consumption figures include: Italy (excluding stores), Spain, Austria, Great Britain, Serbia, Japan, Asia-Pacific and the United States. 2019 consumption figures include: Italy (excluding stores), Spain, Austria, Hungary, Great Britain, Serbia, Japan, Asia-Pacific and the United States. 2020 consumption figures include: Italy (excluding stores), Spain, Austria, Great Britain, Serbia, Japan, Asia-Pacific and the United States. 60. Water withdrawn in Serbia amounted to 7.3 megalitres and came from surface water; the origin of the 0.4 megalitres of water consumed in Spain is not known.

# Logistics

Transporting goods from production processes to every single point of sale has a significant impact on the environment, as well as being a strategic part of the business. That's why Geox focuses on and is committed to implementing, to the extent possible, logistical solutions able to ensure operating efficiency and reliable delivery times on the one hand, and environmental protection on the other. In particular, in the Group's Code of Ethics, Geox affirms its commitment to using logistics services with a low environmental impact, opting for providers who pay attention to the energy efficiency of their activities and offsetting atmospheric emissions.

In this regard, also in 2020, Xlog S.r.l., the Geox Group company providing transport and warehouse services in the logistics hub in Signoressa (TV), continued to integrate environmental and social issues into its strategic business decisions. Where possible, Xlog S.r.l. bases its activities on the procedures proposed by sustainable development goals, as part of the various aspects that characterise transport and storage processes. Once again in 2020, this focus led to innovation being used in the best way possible along the entire supply chain, adopting a sustainable approach: it is fair to say that the company has fully entered the "Industry 4.0" era, with industrial automation and new computerised procedures creating new ways of doing things, allowing for increases in storage volumes, productivity and production quality of plants, at the same time as reducing packaging, lowering environmental impact in terms of emissions and improving working conditions.

## Choosing partners and monitoring emissions

Partners, in particular transport service providers, are selected following careful and constant analysis of the various factors that allow Xlog to minimise the environmental impact of transport activities, without compromising on operating efficiency and cost reduction. In this context, Geox Group favours providers that have more modern and technologically advanced fleets and, more in general, that have already adopted sustainable and certified management systems and procedures. Despite the situation characterised by the pandemic, suppliers continued to be carefully assessed by organising various online meetings in 2020. Xlog prefers partners who:

- invest in using alternative fuels and vehicles with advanced technologies and who show that they are geared towards increasingly environmentally friendly

solutions (e.g. electric vehicles for door-to-door deliveries, hybrid lorries, etc.);

- use software to support the driver to drive in such a way as to reduce emissions as much as possible. In this context, Xlog promotes and supports transport providers who organise regular training and driving courses on how to drive in a "green" and safe way;

- use tools to optimise the planning of logistics flows and minimise travel, at both a central level (Xlog) and with regard to distribution providers;

- carefully select rest areas in order to favour exclusive, safe and well-equipped parking networks complete with connections to an electricity supply for overnight stays;

- record CO<sub>2</sub>e emissions associated with transport activities, where possible;

- invest in the security of the goods entrusted to them.

Thanks to the support of its logistics service providers, in 2017, Geox Group began to monitor the CO<sub>2</sub>e emissions involved with the transportation of finished products. During 2018, more criteria were used to calculate emissions, also including those deriving from "export" logistics relating to returns, those regarding road transport and those deriving from sea and air freight. Starting from 2019, with reference to emissions generated by "export" logistics, mapping and reporting was also extended to ex works goods with regard to road haulage and distribution with regard to air transport. The latter figure was also collected for 2018.

## COVID-19: SMART WORKING TO IMPROVE HEALTH AND THE ENVIRONMENT

In 2020, in the logistics hub in Signoressa (TV), smart working was used consistently, in line with the government directives introduced to better protect workers' health.

This also had a positive impact on the environment, linked to the daily mobility of Xlog staff (55 people in total). It has been calculated that, on average, it takes workers approximately 45 minutes each to reach the plant from their home and, considering that around 31% of staff on average worked from home, a total of 138,200 km<sup>61</sup> were avoided, equal to a saving of approximately 23 tonnes of CO<sub>2</sub>e;<sup>62</sup> this saving is added to the overall reduction in environmental impact of the plant, resulting from the lesser use of the heating and cooling systems, water, printers, etc.

In 2018, a significant increase in emissions was recorded relating to the import of Geox goods by air. This was due to the higher inbound and outbound volumes in addition to a strong growth in air freight. During the 2018-2019 two-year period, there was a general decrease of around 4%, due to the type of transport and the volumes being transported. In 2020, total emissions reduced in absolute terms compared with 2019 and 2018 due to the ongoing Coronavirus pandemic, which halted both imports and the handling of goods in general.

An application is currently being developed to record indirect emissions deriving from all transport operations that fall within the scope of reporting.

### E-commerce

Online transactions grew by 51.9% over the last 12 months, as a result of both the health emergency and the company's decision to launch its "Geox @ home" and "Endless aisle" projects, both of which are managed through the e-commerce channel. The change in purchasing behaviour forced the logistics hub to increase the number of workers, pushing the current structure to the limit, to the point that it was necessary to reorganise the space available in order to ensure maximum efficiency; for 2021, research is ongoing to find other possible solutions to increase warehouse capacity, also in view of the launch of the Geox Marketplace.

## NEW PARTNERSHIPS FOR GREENER TRANSPORT

With regard to distribution in the UK, Geox began to work with two new partners in 2020, both of which have a fleet of vehicles that use cutting-edge technology, thereby ensuring a reduction in emissions and noise and guaranteeing efficient and increasingly 'green' transport services, promoting also the safety of workers and of the goods transported

61. Considering an average of 200 working days per year and an average distance of 20.5 km between work and home, to be travelled twice a day.  
62. The factor used to calculate emissions was published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) in 2020. Use of a medium-sized diesel car was taken into consideration.



External warehouses and the Signoressa logistics hub

## Emissions from logistics (t CO<sub>2</sub>e)

	2018	2019	2020
<b>Emissions from “Export” logistics<sup>63</sup></b>	<b>6,571.91</b>	<b>6,211.09</b>	<b>4,608.92</b>
Road	3,211.24	3,315.77	2,911.42
Sea	106.35	67.90	50.91
Air	3,254.32 <sup>64</sup>	2,827.42	1,646.59
<b>Emissions from “Import” logistics<sup>65</sup></b>	<b>26,280.14</b>	<b>25,249.22</b>	<b>19,277.23</b>
Road	237.54	221.87	185.33
Sea	2,342.60	2,117.35	1,711.90
Air	23,700.00	22,910.00	17,380.00
<b>Total</b>	<b>32,852.05</b>	<b>31,460.32</b>	<b>23,886.15</b>

63. Export emissions refer to air, sea and road freight (excluding km from haulage relating to “mixed” transport, i.e. carried out with different modes of transport, for which it is impossible to distinguish the number of km completed by road and using other methods). CO<sub>2</sub>e emissions relating to road freight have been estimated using the average emissions factor published by the BEIS (UK Department for Business, Energy & Industrial Strategy) or, if available, based on the certified reports provided by logistics partners (e.g. UPS). CO<sub>2</sub>e emissions relating to sea freight have been estimated considering an average emissions factor equal to 450.5 kg of CO<sub>2</sub>e per TEU. CO<sub>2</sub>e emissions relating to air freight have been estimated considering an average emissions factor equal to 15.8 kg of CO<sub>2</sub>e per kg of goods transported.

64. 2018 figures on emissions relating to distribution by air for “export” logistics have been integrated into the table. This explains the difference of 1,093.30 t CO<sub>2</sub>e compared with the figures published in the 2018 Non-financial consolidated statement.

65 Import emissions relate to air, sea and road transport. CO<sub>2</sub>e emissions relating to road freight have been estimated considering the average emissions factor published by the BEIS (UK Department for Business, Energy & Industrial Strategy). CO<sub>2</sub>e emissions relating to sea freight have been estimated considering an average emissions factor equal to 450.5 kg of CO<sub>2</sub>e per TEU. CO<sub>2</sub>e emissions relating to air freight have been estimated considering an average emissions factor equal to 15.8 kg of CO<sub>2</sub>e per kg of goods transported.



## Packaging

Over recent years, product quality and the efficiency of logistics services have begun to play an increasingly important role from a strategic point of view. In this regard, many measures have been implemented to improve the efficiency of logistics and the functionality of packaging, optimising loads and reducing the volumes handled.

In particular, with regard to e-commerce goods, as well as the choice to only use packaging made from cellulose coming from a sustainable supply chain, the chosen formats to manage packages have also been updated. This change has optimised loads, reducing the volumes being handled and the overall quantity of packaging required.

Geox's commitment to using increasingly sustainable packaging has been recognised in the last two years, with the company being included in the list of brands that take environmental sustainability into consideration in their packaging, as part of the "CONAI - *the Italian Packaging Consortium* - contest for eco-designed packaging in the circular economy - Encouraging environmental sustainability for packaging". Companies that wish to take part in the CONAI contest use a dedicated "eco tool" to assess the sustainability of their packaging, by comparing the environmental impact of packaging BEFORE and AFTER the actions taken. This tool uses a simplified LCA analysis ("from cradle to cradle") to calculate the effects of the prevention measures implemented by companies on their own packaging. The result of this analysis is expressed in terms of reductions in energy consumption, water consumption and emissions. Both CONAI's Eco Tool and the methods used to determine the list of award-winning companies were subject to the validation of DNV GL, a third-party certification body.

In 2020, participation in the CONAI contest led to two successful cases; Geox was also granted an additional prize for circular innovation in the e-commerce sector.

This algorithm was developed following the increase in e-commerce sales, which not only led to a recipient-based logic being introduced instead of a product-based approach (with customers receiving a single package with different types of product rather than several packages depending on the products ordered), but also required a system that could optimise the choice of packaging based on the products purchased online; thanks to this algorithm, the packaging now chosen offers the lowest volume and therefore requires less raw material to be used and handled. As well as getting rid of any excess packaging, boxes chosen in this way also reduce shipping volumes and therefore allow for a more efficient use of transport services, in turn reducing the company's carbon footprint.

### CONAI REWARDS GEOX: GEOX GROUP CITED AS AN EXAMPLE OF EXCELENCE IN REDUCING THE ENVIRONMENTAL IMPACT OF PACKAGING

CONAI awarded Geox S.p.A. the prize for e-commerce applications. The company has developed an algorithm that optimises packaging choices, allowing for the most suitable option to be selected for every product that needs to be shipped. This means that outgoing packaging volumes are reduced to a minimum: the size of each box is suitable for its contents and weighs less than standard packaging, for the same number of products shipped. This has led to savings of approximately 50% in terms of CO<sub>2</sub>e emissions, energy consumption and water consumption.

In 2016, a scheme was launched to digitalise transport documents, which continues to guarantee consistent savings in terms of paper consumption.

In 2020, the process was completed to improve the electrical efficiency of Warehouse F (which first began in 2019); after the measures taken, this warehouse has become an effective example of how intelligent automation and optimised warehouse processes can lead not only to improved economic performance, but also to positive results with regard to energy efficiency and sustainability.

In 2020, the fire detection system was also updated, bringing it in line with the technical regulations of reference (UNI11226), a number of existing components were replaced in all buildings of the logistics hub and fire prevention certificates were renewed for warehouses C and E.

Work was also carried out on the heating and air-conditioning systems: as well as replacing an air-conditioner and a radiator in warehouses B and E respectively, work was completed to improve the energy efficiency of the heating system in warehouse F.

Since 2012, the logistics hub has also had a photovoltaic system, which was further expanded in 2020. Sunshade film was also installed in warehouses A and D and at the gatehouse, in order to improve indoor temperatures during the summer.

A number of other initiatives have been implemented in the logistics hub, which highlight the amount of attention that the organisation pays to its social and environmental impacts. In particular, activities were carried out to raise awareness among personnel in order to encourage every colleague to behave in a responsible way and reduce waste to a minimum. Separate waste collection has been encouraged and refreshment points have been created to provide drinks on tap, to be used with a personal cup rather than in disposable plastic cups. Recycled paper was purchased and additional initiatives are planned for 2021, such as the installation of electric hand dryers. Furthermore, thanks to the numerous initiatives taken and the hours of training provided to workers with regard to health and safety issues and the handling of dangerous goods, it should be noted that no accidents have been recorded among XLog employees in the workplace in the last six years.

# Eco-design of stores

***“Combining style and innovation, clearly conveying product technology, emphasising the value of “Made in Italy” quality and sustainability, and devoting plenty of space to digital content”.***

That’s how Mario Moretti Polegato, chairman and founder of Geox, summed up the X-store concept. This concept, labelled “X”, has been developed to offer customers an innovative buying experience, featuring minimalist walls and furnishings able to evoke a sense of lightness and airiness, in perfect Geox style.

The architectural design of the stores brings to mind the concept of breathability and fully complements the surrounding building, especially if historical, in line with the principles of sustainability. In particular, the X-Store concept was created and has been developed in order to achieve high-performance in terms of the sustainable use of materials. In fact, the design of each store maintains and enhances any original architectural features such as windows, columns, ceilings and exposed bricks, integrating them into the new concept. To fully respect the environment, stores are built with wood, metal, tiles made from natural ceramic, plasterboard walls with a cement finish or rendered/painted and LED lighting, using recycled materials (rugs), FSC certification (wood) and Green Building certification (tiles, plasterboard panels).

Particular attention has also been paid to minimising the environmental impacts of the process to demolish old stores. The aim is to create stores that only use recycled and FSC-certified materials in order to obtain LEED certification for each “X-store”. With a view to achieving this certification, in 2020, only these types of materials were used for store revamps and new openings; these measures were taken in 12 stores.

Over the course of 2020, the construction of a new outlet was completed in Amsterdam, which obtained BREEAM certification.

The stores reflect the quality and craftsmanship that only “Made in Italy” can offer. These include the finish on the main door, which features the typical holes of Geox brand soles, a symbol of breathability. In addition to these holes, the doors are also fitted with ventilators and air purification systems to guarantee a rewarding shopping experience characterised by a sense of well-being. The stores also feature rugs made using recycled fishing nets.

Starting from 2017, Geox stores began to be involved in a process of LED relamping, again with a view to improving sustainability performance. This “re-store” process for existing stores involved 15 stores in 2020. This allowed for in-store temperature to be significantly reduced, thereby reducing consumption of air-conditioning systems. Energy consumption monitoring systems were also installed. The purpose of this is to extend this restyling to another 15 stores in 2021 and then gradually throughout the rest of the network.

Digital content also plays an incredibly important role at a time when the company, which currently enjoys strong brand awareness among 30 to 50 year olds, wants to attract younger consumers. Services available to customers include “click and collect”, allowing them to pick up their online purchases in-store. X-Stores also offer free Wi-Fi, mobile phone charging points and fast pay services.











# “SUSTAINABILITY AND RESPECT FOR THE ENVIRONMENT ARE FUNDAMENTAL VALUES FOR GEOX”

Mario Moretti Polegato, Chairman of Geox S.p.A.

# Community

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**GEOX'S CAPSULE COLLECTION  
FOR WWF: €2 FROM THE SALE  
OF EACH PAIR OF SHOES GO  
TOWARDS THE CONSERVATION  
OF ENDANGERED SPECIES  
AROUND THE WORLD**

**GEOX AND WWF:  
COMMUNICATION CAMPAIGNS  
SUPPORTED BY DIGITAL  
TOOLS, INFLUENCERS AND  
AMBASSADORS IN ORDER TO  
RAISE AWARENESS ABOUT  
CLIMATE CHANGE**

**GEOX TOOK PART IN WWF  
INTERNATIONAL'S EARTH HOUR  
CAMPAIGN IN CHINA**



**GEOX AND WWF**  
to inspire and enable  
the younger generation  
to step up for wildlife  
and nature.



**WWF**

**TOGETHER,  
TAKING A STEP  
FOR WILDLIFE**

**GEOX**  
RESPIRA



# Helping the community to develop

Geox Group is an active member of the local community and undertakes to contribute to social, economic and environmental development as well as to the well-being of the population. In particular, Geox replies positively to requests for sponsorships and donations, as long as they offer guarantees in terms of quality and reliability, are aimed at improving social and environmental issues, or if they are received from organisations promoting culture/social well-being. This commitment can be seen through its promotion of and financial contributions to initiatives and projects that are aimed at supporting national and international charity organisations and local communities.

This commitment takes the form of donations made to initiatives to benefit social care and integration, the environment and the development of local communities and culture. In 2020, Geox donated around Euro 200 thousand to supporting local communities.

Once again in 2020, an important social and cultural initiative supported by Geox Group was the sponsoring of Gran Teatro Geox, for a total of Euro 103 thousand (Euro 160 thousand in 2019, substantially in line with the previous year). The Gran Teatro Geox arena is one of the most important theatres in Italy and in Europe. This arena was created to host various types of events, from famous musicals to rock concerts, from private events to classical music concerts, and is an innovative space that takes great care in its programming, offering a very high quality service. In January and February 2020, Gran Teatro Geox hosted nine events, before it was forced to close in order to contain the spread of the Covid-19 pandemic.

During 2020, the new collection of children's shoes launched in 2019 as part of a two-year partnership between Geox and WWF was further developed. The aim of this partnership is to support WWF's commitment to environmental conservation, raising consumers' awareness of the importance of protecting nature, other species and the uniqueness of our Planet. Geox intends to use this collection to inspire the new generations to protect the environment. With the aim of contributing to the protection of endangered animal species, Geox undertook to donate € 2 to this charity for every pair of shoes sold from the "Geox for WWF" collection between 1 August 2019 and 30 September 2021, with a guaranteed annual contribution of Euro 200 thousand.

This collection is made using recycled cotton fibre and leather from audited and LWG-certified suppliers (Leather Working Group), with the soles being made from 20% recycled rubber. Packaging, on the other hand, is made from FSC-certified cardboard, as is the hang tag, the tissue paper used in the packaging is made from pure cellulose and 100% recycled paper is used for the stuffing inside the shoes.

In order to raise customers' awareness towards responsible consumption and encourage them to buy these shoes, the proceeds from which will support environmental projects, the "Geox for WWF" collection was mainly promoted through the following actions:

- educational book with paper masks to cut out, dedicated to the endangered species being protected by the WWF Wildlife campaign. Copies were handed out for free inside Geox's mono-brand stores;
- dedicated display units and window displays for mono-brand and wholesale stores;
- dedicated shopping bags given out for free to anyone buying shoes from the "Geox for WWF" collection;
- marketing campaigns, using both traditional means and digital tools, influencers and ambassadors on social media and on the geox.com website.

In China, Geox also took part in the Earth Hour campaign promoted by WWF International on 28 March 2020, by symbolically turning off the lights in its Geox Shops; this initiative was accompanied by an intense communication campaign using Geox's digital channels and also involved Elle China, featured in both the pages of the magazine and on its social media. In Hong Kong, Geox was also one of the sponsors of the local advertising campaign dedicated to Earth Hour and involved four popular celebrities to promote the 'Geox for WWF' collection.



# Graphs and Tables

## Number of suppliers subject to social-ethical-environmental audits and actions taken

	u.m.	2018	2019	2020
Number of suppliers subject to social-ethical-environmental audits		64	71	28
Number of suppliers found to have negative social-ethical-environmental impacts, whether in practice or potentially	N°	33	34	7
Percentage of suppliers found to have negative social-ethical-environmental impacts, whether in practice or potentially, and with whom improvement measures have been agreed as a result of the audit	%	52%	48%	25%
Percentage of suppliers found to have negative social-ethical-environmental impacts, whether in practice or potentially, and with whom the relative relationship has been terminated as a result of the audit	%	0%	0%	0%

## Percentage turnover by gender and by age group 2018<sup>66</sup>

	Gender			Age group		
	M	W	Tot	<30	30-50	>50
Hiring rate	41.45	37.28	<b>45.86</b>	83.06	20.59	<b>15.05</b>
Rate of employees leaving	46.89	34.91	<b>44.28</b>	79.98	21.71	<b>14.85</b>

## Percentage turnover by gender and by age group 2019<sup>66</sup>

	Gender			Age group		
	M	W	Tot	<30	30-50	>50
Hiring rate	40.95	38.69	<b>44.93</b>	89.85	20.99	<b>16.87</b>
Rate of employees leaving	42.58	34.12	<b>42.24</b>	79.78	20.82	<b>15.83</b>

## Percentage turnover by geographic area 2018

	Italy	France	Spain	Germany	UK	Rest of the world
Rate of recruitment	24.55	109.58	106.45	56.61	122.73	41.26
Rate of employees leaving	22.48	107.04	110.22	64.05	116.67	39.14

## Percentage turnover by geographic area 2019

	Italy	France	Spain	Germany	UK	Rest of the world
Rate of recruitment	20.80	105.63	131.41	53.44	128.08	39.77
Rate of employees leaving	19.49	99.72	126.7	46.96	116.44	37.68

66. The turnover rates by gender and by age group do not include employees in North America. The number of employees in North America who were hired and who left the Group (604 in 2018, 449 in 2019 and 103 in 2020 with regard to new recruits; 533 in 2018, 452 in 2019 and 315 in 2020 with regard to employees leaving) are included in the total turnover rates.

## Breakdown of the number of employees by type of contract and by gender

2018

	Permanent contracts (no.)			Temporary contracts (no.)			Total
	M	W	Tot	M	W	TOT	TOT
Italy	385	1,019	<b>1,404</b>	40	153	<b>193</b>	<b>1,597</b>
Europe	251	591	<b>842</b>	68	269	<b>337</b>	<b>1,179</b>
North America	ND	ND	<b>551</b>	ND	ND	<b>3</b>	<b>554</b>
Rest of the world	464	1,100	<b>1,564</b>	61	291	<b>352</b>	<b>1,916</b>
<b>Total</b>	<b>1,100</b>	<b>2,710</b>	<b>4,361</b>	<b>169</b>	<b>713</b>	<b>885</b>	<b>5,246</b>

2019

	Permanent contracts (no.)			Temporary contracts (no.)			Total
	M	W	Tot	M	W	TOT	TOT
Italy	398	1,045	<b>1,443</b>	44	119	<b>163</b>	<b>1,606</b>
Europe	214	611	<b>825</b>	78	307	<b>385</b>	<b>1,210</b>
North America	ND	ND	<b>396</b>	ND	ND	<b>2</b>	<b>398</b>
Rest of the world	438	1,150	<b>1,588</b>	54	314	<b>368</b>	<b>1,956</b>
<b>Total</b>	<b>1,050</b>	<b>2,806</b>	<b>4,252</b>	<b>176</b>	<b>740</b>	<b>918</b>	<b>5,170</b>

2020

	Permanent contracts (no.)			Temporary contracts (no.)			Total
	M	W	Tot	M	W	TOT	TOT
Italy	391	1,013	<b>1,404</b>	8	28	<b>36</b>	<b>1,440</b>
Europe	180	537	<b>717</b>	19	133	<b>152</b>	<b>869</b>
North America	ND	ND	<b>172</b>	ND	ND	<b>1</b>	<b>173</b>
Rest of the world	438	1,185	<b>1,623</b>	62	291	<b>353</b>	<b>1,976</b>
<b>Total</b>	<b>1,009</b>	<b>2,735</b>	<b>3,916</b>	<b>89</b>	<b>452</b>	<b>542</b>	<b>4,458</b>

## Breakdown of the number of accidents by gender and geographic area

	2018			2019		
	Men	Women	Total	Men	Women	Total
<b>In the workplace</b>	15	57	<b>72</b>	21	74	<b>95</b>
Italy	3	19	<b>22</b>	3	25	<b>28</b>
Europe	5	21	<b>26</b>	13	31	<b>44</b>
North America	5	10	<b>15</b>	2	9	<b>11</b>
Rest of the world	2	7	<b>9</b>	3	9	<b>12</b>
<b>During the commute home</b>	6	14	<b>20</b>	10	16	<b>26</b>
Italy	5	7	<b>12</b>	5	7	<b>12</b>
Europe	1	3	<b>4</b>	5	4	<b>9</b>
North America	-	-	-	-	-	-
Rest of the world	-	4	<b>4</b>	-	5	<b>5</b>
<b>Total</b>	<b>21</b>	<b>71</b>	<b>92</b>	<b>31</b>	<b>90</b>	<b>121</b>

## Accident indices and Absenteeism rate 2018

	Men	Women	Total
<b>Severity index<sup>67</sup></b>	<b>0.09</b>	<b>0.10</b>	<b>0.10</b>
Italy	0.03	0.23	<b>0.16</b>
Europe	-	0.12	<b>0.03</b>
North America	0.38	0.01	<b>0.02</b>
Rest of the world	0.02	0.08	<b>0.06</b>
<b>Frequency index<sup>68</sup></b>	<b>7.67</b>	<b>9.41</b>	<b>8.95</b>
Italy	11.04	17.95	<b>15.65</b>
Europe	6.93	84.55	<b>26.09</b>
North America	30.00	2.85	<b>4.08</b>
Rest of the world	2.04	4.78	<b>3.96</b>
<b>Absenteeism rate<sup>69</sup></b>	<b>2.68</b>	<b>2.29</b>	<b>2.37</b>
Italy	2.22	3.78	<b>3.26</b>
Europe	0.34	4.84	<b>1.45</b>
North America	1.39	0.23	<b>0.28</b>
Rest of the world	3.33	4.18	<b>3.93</b>

67. Severity index: (number of days lost due to injury at work/total number of hours worked) x 1,000.

68. Frequency index: (number of injuries/total number of hours worked) x 1,000,000.

69. Absenteeism rate: (total number of days of unplanned absence/total number of days worked) x 100.



## Accident indices and Absenteeism rate 2019

	Men	Women	Total
<b>Severity index<sup>67</sup></b>	<b>0.13</b>	<b>0.49</b>	<b>0.38</b>
Italy	0.04	0.67	<b>0.47</b>
Europe	0.09	0.63	<b>0.42</b>
North America	-	0.43	<b>0.27</b>
Rest of the world	0.05	0.11	<b>0.09</b>
<b>Frequency index<sup>68</sup></b>	<b>12.91</b>	<b>18.24</b>	<b>16.49</b>
Italy	10.79	20.86	<b>17.58</b>
Europe	23.98	30.84	<b>28.11</b>
North America	16.32	41.32	<b>32.32</b>
Rest of the world	3.81	6.83	<b>6.00</b>
<b>Absenteeism rate<sup>69</sup></b>	<b>6.31</b>	<b>8.51</b>	<b>8.38</b>
Italy	3.64	11.04	<b>13.93</b>
Europe	11.13	11.96	<b>11.61</b>
North America	1.45	1.01	<b>1.17</b>
Rest of the world	4.51	7.33	<b>6.55</b>

## Number of accidents involving workers who are not employees, broken down by gender (2019)

	Men	Women	Total
<b>In the workplace</b>	18	2	<b>20<sup>70</sup></b>
<b>During the commute home</b>	2	3	<b>5</b>

## Accident indices for non-employees, broken down by gender 2019

	Men	Women	Total
<b>Frequency index<sup>71</sup></b>	73,89	51,10	<b>67,84<sup>72</sup></b>

70.20 accidents at work, including 2 men and 1 woman suffering an injury relapse.  
71.Frequency index: (number of injuries/total number of hours worked) x 1,000,000.  
72 Net of the injury relapses, the frequency index is equal to 59.69.

## Materials used

	u.m	2018	2019
<b>Paper for offices/stores and shopping bags<sup>73</sup></b>	<b>t</b>	<b>488</b>	<b>437</b>
of which FSC-certified (%)		96%	99.39%
<b>Paper/cardboard for packaging<sup>74</sup></b>	<b>t</b>	<b>10,415</b>	<b>10,519</b>
of which recycled (%)		47%	80.01%
<b>Fabrics for footwear<sup>75</sup></b>	<b>m2</b>	<b>2,908,685</b>	<b>2,743,128</b>
of which recycled (%)		0.50%	0.53%
<b>Leather for footwear<sup>75</sup></b>	<b>m2</b>	<b>2,633,364</b>	<b>2,633,212</b>
of which recycled (%)		-	-
<b>Composite materials for soles<sup>75</sup></b>	<b>t</b>	<b>6,073</b>	<b>5,329</b>
of which recycled (%)		10.00%	10.00%

73 Paper consumption includes consumption relating to offices and stores in Italy, Switzerland, Germany, Austria, Spain, Great Britain, Japan, Asia-Pacific, Indonesia, Vietnam e Shanghai. In 2019, consumption includes paper used by offices and stores in Italy and the most significant foreign countries.

74. In the 2018-2019 two-year period, consumption figures include the paper used to produce the S/S and F/W collections each year and for delivery to Geox S.p.A. and its representative offices. The cardboard boxes for the Geox S.p.A. headquarters and the Signorossa warehouse were also included as was the cardboard used at the production site in Serbia.

75.Total consumption of fabrics, leather and materials used to make soles refer to Authorised Vendors for the S/S 18 - F/W 18 - S/S 19 - F/W 19 seasons.





# Methodological Note

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## Reporting standards applied

Geox Group's Non-Financial Consolidated Statement (hereafter also referred to as the "Statement"), written in compliance with articles 3 and 4 of (Italian) Legislative Decree no. 254/2016 (hereafter also "Decree"), contains information relating to environmental and social issues and issues relating to employees, the respect of human rights and the fight against corruption. This information is useful in order to better understand the activities carried out by the Group, its performance, its results and its impact.

This Statement, published once a year, is written pursuant to (Italian) Legislative Decree no. 254/2016 and in accordance with the GRI Standards ("Core option"), which have been used as reference; these standards were published in 2016 by the Global Reporting Initiative and have since been integrated with subsequent amendments published by said organisation (as applicable at the time). As of today, the GRI Standards represent the most widespread and well-known global standards for non-financial reporting. The GRI Content Index is included on page 212-216 to make it easier for readers to track the information included in this document.

The non-financial reporting presented by the Statement reflects the principle of materiality or relevance, as provided for by the legislation of reference, which also characterises the GRI Standards: the topics covered by the Statement are those that, following the materiality analysis and assessment described on pages 62-64 of the present document, are considered to be the most relevant as they are able to best reflect the Group's social and environmental impacts or to influence the decisions of its stakeholders.

## Scope of reporting

The qualitative and quantitative data and information contained in the Statement refer to the performance of Geox Group (hereafter also "the Group") during the financial year ending 31 December 2020. As provided for by art. 4 of Italian Legislative Decree no. 254/2016, this Non-Financial Consolidated Statement includes the data of the parent company (Geox S.p.A.) and its subsidiaries, fully consolidated. For further details on the list of companies that are subject to consolidation, please refer to Geox Group's 2020 consolidated financial statements. Any restrictions on this scope of reporting have been duly indicated within the document. A comparison with the previous two financial years has also been provided. No restatements were made compared with the previous year, unless specifically stated otherwise.

## Reporting process

Geox Group's Non-Financial Consolidated Statement for 2020 has been drawn up based on a structured reporting process, as follows:

- All company structures/Departments in charge of the relevant areas and the relevant data and information included in the Group's non-financial reporting. These individuals were asked to help identify and assess the topics and the significant projects/initiatives to include in the document. They were also asked to help collect, analyse and consolidate the data, with the task of verifying and validating all information reported in the Statement, each dealing with their own area of expertise. In particular, the data and information included in the present Statement come from the company's administration and accounting computer system, and from a non-financial reporting system (data collection tables), implemented especially to satisfy the requirements of (Italian) Legislative Decree no. 254/2016 and the GRI Standards. Data was processed through careful extraction and accurate calculations and, where specifically stated, through estimates. Economic-financial figures were taken from the 2020 Consolidated Financial Statements;

- After being assessed by the Internal Audit, Risk and Sustainability Committee, the Statement will be submitted for the Board of Directors for approval, during the meeting called to approve the 2020 Consolidated Financial Statements;

- BDO Italia S.p.A. shall pass its judgement on the compliance of the Statement by carrying out a limited examination;

- the Statement will be published on the corporate website in order to make it available to all stakeholders in a transparent way.

## Reporting principles

The content of the Non-Financial Consolidated Statement has been identified and reported on in consideration of the GRI principles of relevance, inclusiveness, context of sustainability and completeness. To define quality information criteria and the scope of reporting, the GRI principles of balance between positive and negative aspects, comparability, accuracy, timeliness, clearness and reliability have also been applied.

**Table linking Geox material topics with the GRI Standards**

MATERIAL TOPICS IDENTIFIED BY GEOX	TOPIC-SPECIFIC GRI STANDARDS OF REFERENCE	SCOPE OF THE IMPACTS	
		IMPACTS INSIDE THE GROUP	IMPACTS OUTSIDE
THE GROUP		Tutto il Gruppo	End customers, Investors, Suppliers
Combating corruption	Anti-corruption (GRI 205)	The entire Group	Organisations and Institutions, Community, Suppliers
Product quality and safety	Customer health and safety (GRI 416)	The entire Group	End customers
Data security and protection	Customer privacy (GRI 418)	The entire Group	End customers
Protecting and strengthening brand reputation(*)		The entire Group	Investors
Protecting workers' health and safety	Occupational health and safety (GRI 403)	The entire Group	Trade union organisations, Suppliers
Selecting and supervising suppliers/third party companies regarding their ability to protect and deal with human rights, workers' health and safety and correct environmental management	Supplier environmental assessment (GRI 308) Child labour (GRI 408) Forced or compulsory labour (GRI 409) Supplier social assessment (GRI 414)	The entire Group	Suppliers, Investors
Fight against counterfeiting(*)		The entire Group	End customers, Investors
Respecting human rights and workers' rights	Non-discrimination (GRI 406) Child labour (GRI 408) Forced or compulsory labour (GRI 409)	The entire Group	Suppliers, Trade union organisations
Building stable commercial relationships and equal pay for suppliers(*)		The entire Group	Suppliers
Engaging, listening to and satisfying customers and providing an excellent service	General Disclosures (GRI 102-43)	The entire Group	End customers
Involvement and dialogue with suppliers, transfer of competencies and supplier training	General Disclosures (GRI 102-43)	The entire Group	Suppliers
Traceability, product information and labelling	Marketing ed etichettatura (GRI 417)	The entire Group	Suppliers, End customers
Reducing energy consumption and greenhouse gas emissions	Energy (GRI 302) Emissions (GRI 305)	The entire Group	Suppliers
Reducing the amount of waste produced and using responsible disposal procedures	Effluents and Waste (GRI 306)	The entire Group	Suppliers
Eco-design of stores	Energy (GRI 302)	The entire Group	Suppliers
Responsible procurement and use of materials	Materials (GRI 301)	The entire Group	Suppliers, Investors, Customers
Sustainable products and processes(*)		The entire Group	Suppliers, Investors, Customers

(\*) With regard to the topic in question (not directly linked to a Topic-Specific GRI Standard), GEOX reports on the management approach adopted and the relative indicators in the document.

## GRI Content Index

Disclosure	Indicator description	Page number/Note	Omissions
<b>GRI 102: GENERAL DISCLOSURES 2020</b>			
<b>COMPANY PROFILE</b>			
102-1	Name of the organisation	Pag. 42	
102-2	Activities, main brands, products and/or services	Pag. 9-20	
102-3	Location of the organisation's general headquarters	Back cover	
102-4	Number of countries in which the organisation operates	Pag. 21-22	
102-5	Ownership structure and legal form	Pag. 42-43	
102-6	Markets served	Pag. 21-22	
102-7	Size of the organisation	Pag. 21-22	
102-8	Employees by type of contract, gender, origin, age, membership of "protected categories"	Pag. 118-121, 203	
102-9	Supply chain description	Pag. 96-107	
102-10	Significant changes during the reporting period regarding the Group's size, structure, ownership or supply chain	There were no significant changes.	
102-11	Method of applying the principle or a prudent approach	Pag. 49-52	
102-12	Adoption of codes and external standards with regard to economic, social and environmental performance	Pag. 60-61	
102-13	Membership to national or international associations and support organisations	Pag.67	
<b>STRATEGY</b>			
102-14	Message from the Chairman and Chief Executive Officer	Pag. 4	
<b>ETHICS AND INTEGRITY</b>			
102-16	The company's internal values, principles, standards and rules of conduct.	Pag. 27-28; 55-57	
102-17	Description of support mechanisms and ways to disclose ethical and legitimate conduct	Pag. 52, 56-57, 108	
<b>GOVERNANCE</b>			
102-18	Corporate governance structure	Pag. 42-47	
102-23	Indicate whether the Chairman also has an executive role	Pag. 44	
102-24	Processes and relative criteria to appoint and select members of the highest governance boards and committees	Pag. 42, 46-48	
102-25	Conflicts of Interest	Pag. 55-57	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of engaged stakeholders	Pag. 66	
102-41	Percentage of employees covered by national bargaining agreements	Pag. 143	

102-42	Process to identify and select the stakeholders to be engaged	Pag. 62
102-43	Approach to engaging stakeholders	Pag. 63, 65
102-44	Key and critical aspects arising from stakeholder engagement and the relative actions taken	Pag. 63-64
<b>REPORTING PRACTICES</b>		
102-45	List of the companies included in the consolidated financial statements and indication of the companies not included in the report	Pag. 210
102-46	Process to define the contents of the report and the scope of each aspect	Pag. 63-64; 210
102-47	List of aspects identified as being material	Pag. 64
102-48	Explanation of the effects of any amendments to information included in previous statements and reasons for said amendments	Pag. 210
102-49	Significant changes compared to the previous reporting period	Pag. 210
102-50	Reporting period	Pag. 210
102-51	Release date of the most recent statement	Non-Financial Statement 2019
102-52	Frequency of reporting	Pag. 210
102-53	Contacts and useful addresses to request information on the non-financial statement and its contents	Pag. 221
102-54 / 102-55	GRI content index and selection of the "in accordance" option	Pag. 210 e presente GRI Content Index
102-56	Third-party certification	Pag. 217-219
<b>ECONOMIC PERFORMANCE: TOPIC SPECIFIC STANDARDS</b>		
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>		
GRI 103	Management approach 2016	Pag. 32-35
201-1	Direct economic value generated and distributed	Pag. 35
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>		
GRI 103	Management approach 2016	Pag. 96-99
203-1	Development and impact of infrastructure investments and services provided, mainly for "public benefit"	Pag. 100
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>		
GRI 103	Management approach 2016	Pag. 96-99
204-1	Proportion of spending on local suppliers	Pag. 99
<b>GRI 205: ANTI-CORRUPTION 2016</b>		
GRI 103	Management approach 2016	Pag. 55-57
205-3	Any cases of corruption identified and corrective actions implemented	Pag. 57
<b>ENVIRONMENTAL PERFORMANCE: TOPIC SPECIFIC STANDARDS</b>		
<b>GRI 301: MATERIALS 2016</b>		
GRI 103	Management approach 2016	Pag. 176-177, 182-183

301-1	Materials used, broken down by weight and volume	Pag. 182-183, 206
301-2	Percentage of materials used that come from recycling	Pag. 182-183, 206
<b>GRI 302: ENERGY 2016</b>		
GRI 103	Management approach 2016	Pag. 176-178
302-1	Energy consumed inside the organisation	Pag. 179-180
302-2	Energy consumed outside the organisation	Pag. 179-180
302-3	Energy intensity	Pag. 179
303-4	Reduction of energy consumption	Pag. 178
<b>GRI 303: WATER 2018</b>		
GRI 103	Management approach 2016	Pag. 176-177, 186
303-1	Water withdrawal by source	Pag. 186
303-2	Water sources significantly affected by withdrawal of water	Pag. 186
303-3	Water recycled and reused	Pag. 186
<b>GRI 305: EMISSIONS 2016</b>		
GRI 103	Management approach 2016	Pag. 176-178
305-1	Direct greenhouse gas emissions (Scope 1)	Pag. 180
305-2	Greenhouse gas emissions generated by energy consumption (Scope 2)	Pag. 180
305-3	Other indirect greenhouse gas emissions (Scope 3)	Pag. 181
305-4	Intensity of greenhouse gas emissions (GHG)	Pag. 180-181
305-5	Reduction of greenhouse gas emissions	Pag. 178
305-6	Emissions of ozone depleting substances (ODSs)	Pag. 181
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>		
GRI 103	Management approach 2016	Pag. 184-185
306-2	Waste produced by type and disposal method	Pag. 185
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>		
GRI 103	Management approach 2016	Pag. 176-177
307-1	Monetary value of any significant fines and number of non-monetary fines received for failure to comply with environmental regulations and laws	Pag. 177
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>		
GRI 103	Management approach 2016	Pag. 100-108
308-1	Percentage of new suppliers who have been assessed according to environmental criteria	Pag. 106;202
308-2	Current and potential significant negative environmental impacts within the supply chain and actions taken	Pag. 100-108
<b>SOCIAL PERFORMANCE: TOPIC SPECIFIC STANDARDS</b>		
<b>GRI 401: EMPLOYMENT 2016</b>		



GRI 103	Management approach 2016	Pag. 118-130
401-1	Total number of new recruits and hiring rate and HR turnover	Pag. 121-123, 202
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>		
GRI 103	Management approach 2016	Pag. 135-141
403-1	System to manage workplace health and safety	Pag. 136-137
403-2	Identifying hazards, assessing risks and investigating accidents	Pag. 136-138
403-3	Workplace health services	Pag. 136-137
403-4	Participation and consultation of workers and communications on workplace health and safety	Pag. 139-141, 204-205
403-5	Training for workers on workplace health and safety	Pag. 139-141, 204-205
403-6	Promoting workers' health	Pag. 139-141, 204-205
403-7	Preventing and mitigating impacts of workplace health and safety within business relationships	Pag. 139-141, 204-205
403-9	Accidents at work	Pag. 139-141, 204-205
<b>GRI 404: TRAINING AND EDUCATION 2016</b>		
GRI 103	Management approach 2016	Pag. 131-132-134
404-1	Average annual hours of training per employee, by gender and by category	Pag. 132-134
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>		
GRI 103	Management approach 2016	Pag. 48. 124-125
405-1	Composition of governance bodies and breakdown of employees by category with regard to gender, age, membership to "protected categories" and other diversity indicators	Pag. 45, 124-125
<b>GRI 406: NON-DISCRIMINATION 2016</b>		
GRI 103	Management approach 2016	Pag. 48, 124-125
406-1	Any cases of discrimination identified and corrective actions implemented	Pag. 124
<b>GRI 408: CHILD LABOUR 2016</b>		
GRI 103	Management approach 2016	Pag. 100-108
408-1	Identification of operations with a high risk of child labour and the measures adopted to help eliminate this	Pag. 100-108
<b>GRI 409: FORCED OR COMPULSORY LABOUR 2016</b>		
GRI 103	Management approach 2016	Pag. 100-108
409-1	Activities with a high risk of using forced or compulsory labour and the measures taken to contribute to its abolition	Pag. 100-108
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>		
GRI 103	Management approach 2016	Pag. 100-108
412-1	Number and percentage of companies that are subject to an assessment on the respect of human rights	Pag. 100-108
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>		
GRI 103	Management approach 2016	Pag. 100-108

414-1	Percentage of new suppliers assessed based on criteria regarding the impacts on the company	Pag. 107, 202
414-2	Current and potential significant negative impacts on the company within the supply chain and actions taken	Pag. 100-108
GRI 416: CUSTOMER HEALTH AND SAFETY 2016		
GRI 103	Management approach 2016	Pag. 83-90
416-1	Percentage of product and service categories for which impacts on health and safety are assessed	Pag. 86, 88-90
416-2	Total number of cases of non-conformities with voluntary regulations and codes regarding impacts on the health and safety of products and services during their life cycle	Pag. 89
GRI 417: MARKETING AND LABELING 2016		
GRI 103	Management approach 2016	Pag. 165-166
417-1	Type of information relative to products and services required by procedures, and percentage of significant products and services that are subject to these information requirements	Pag. 165-166
417-2	Total number of cases on non-conformities with voluntary regulations or codes regarding information and labelling on products/services	Pag. 166
417-3	Total number of cases on non-conformities with voluntary regulations or codes regarding marketing activities, including advertising, promotion and sponsorship	Pag. 166
GRI 418: CUSTOMER PRIVACY 2016		
GRI 103	Management approach 2016	Pag. 152-161
418-1	Number of written complaints relating to violations of data protection regulations and loss of customer data	Pag. 161

## Independent Auditors' Report

on the consolidated non-financial statement pursuant to article 3, paragraph 10 of Legislative Decree no. 254 of December 30, 2016 and of art. 5 of CONSOB Regulation n. 20267 of January 18, 2018

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 ("Decree") and to article 5 of the CONSOB Regulation n. 20267 of January 18, 2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of GEOX S.p.A. and subsidiaries (the "Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 15, 2021 (hereinafter the "NFS").

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### Directors' and Board of Statutory Auditors' responsibility on the Consolidated Non-Financial Statement

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative, "core" option, (hereinafter "GRI Standards"), identified as a reporting standard.

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

Moreover, the Directors are responsible for the identification of the content of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the Group' business and characteristics, to the extent necessary to ensure an understanding of the Group's business, performance, results and the related impacts.

Finally, the Directors are responsible to design a business management model for the organisation of the Group's activities, as well as, with reference to the topics identified and reported in the NFS, for the policies for the identification and management of the risks generated or undertaken by the Group.

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

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### Auditors' Independence and quality check

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control that includes directives and procedures concerning compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditors' responsibility

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

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

Specifically, we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the process in place for the selection process in the light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance to the Decree.
3. If applicable: comparison of data and financial economic disclosures presented in the NFS with those included in the Group's consolidated financial statements.
4. Understanding of the following matters:
  - Business management model of the Group's activity, with reference to the management of the topics set out in article 3 of the Decree;
  - Policies adopted by the entity in connection with the topics set out in article 3 of the Decree, achieved results and related key performance indicators;
  - Main risks, generated and/or undertaken, in connection with the topics set out in article 3 of the Decree.

With reference to these matters, we compared them with the disclosures presented in the NFS and carried out the procedures described in point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of significant qualitative and quantitative information disclosed in the NFS.

Specifically, we carried out interviews and discussions with the management of GEOX S.p.A. and we also performed limited documentary verifications, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, with respect to significant information, taking into consideration the Group's business and characteristics:

- at parent company's:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business model, policies applied and main risks, we carried out interviews and gathered supporting documentation to check for consistency with

available evidence.

- b) with regards to quantitative information, we carried out both analytical and limited procedures to ensure, on a sample basis, the correct aggregation of data.

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### Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of GEOX Group as of December 31, 2020 has not been prepared, in all material respects, in accordance with the requirements of article 3 and 4 of the Decree and the Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards").

Padova, March 30, 2021

Signed by  
BDO Italia S.p.A.

Stefano Bianchi  
Socio

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





# Registered office contact details

Via Feltrina Centro, 16

31044 Biadene di Montebelluna (TV)

## Company information

Share capital: Euro 25,920,733.1 fully paid-in

REA [Economic and Administrative Index] no. : 265360

Tax code/Registration no. with the Treviso Companies Register: 03348440268

## For information on the Non-Financial Statement

### **Francesco Allegra**

francesco.allegra@geox.com

tel. +39 0423 282930

CSR Manager

### **Simone Maggi**

simone.maggi@geox.com

tel. +39 0423 282476

Investor Relations Manager

Documents available to shareholders [www.geox.biz](http://www.geox.biz)  
(***“Investor Relations” Section***)

#GeoxSustainability





