

Consolidated non-financial statement

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

Sustainability report as of 31 March 2022

**LIFE BEYOND
PERFORMANCE**



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Letter from the President

The year 2021-22 was a year of profound organisational transformation for Piquadro due to the presence of a geopolitical and economic volatility context. During this year, we pursued the ERG processes with determination, and we created some new ones that will be completed in the forthcoming years.

We also intensively worked to promote the global sustainability culture at all company levels, by introducing elements to objectively and qualitatively assess the actions taken and the results attained.

We continued to grow in the eco-sustainable project culture, aware that a product is created respectful for the environment and its design stage is decisive to meet certain parameters. For example, the increasingly widespread use of the **PQ Circle Index** to measure the amount of recycled product used, which has become a design target, starts from here. Repairability principles and standards are also entering the design approach and they contribute to extending life cycles.

Additional steps forward have been taken also in extending terms of warranty that in some products have been increased from 2 to 5 years, and in this case as well to considerably increase the life cycle of the product.

From the social responsibility viewpoint, we took upon ourselves the obligation to exercise due diligence in the question of the Corno alle Scale ski resort, which otherwise would have closed. This resort gives jobs to about 100 people during the winter and to 50 in the summer.

The social contribution of this operation is extremely strong and tangible and demanded - above all from Piquadro - a significant effort to be put forth in terms of organisation, marketing, and communication.

On the other hand, it is a project perfectly integrated in the Group's business activity since products for outdoor activities are a part of the diversification strategy of the Piquadro product. Since we have a co-managed ski resort available, we can develop products in a coherent manner with Alpine guides and ski instructors and make them valid and credible while also substantially helping the local area.

The Group also continues to support people with disabilities and those in need with various initiatives, selectively distributing aid.

We also began an evaluation to obtain an ethical rating, which we hope to get by the end of the 2022-23 financial year. We have also almost completed the installation of the photovoltaic plant at the Gaggio Montano headquarters, which should allow us to cover half of the site's energy requirement.

Another project that we believe is of high impact is the one that began last year, and that will take shape in FY 2023-24: the statement, initially on some products, of the CO₂ emissions generated for their production, with the resulting proposal of offsetting actions to make the end consumer aware of and an active party to the mitigation actions to which he or she contributes.

Marco Palmieri

Methodological note

This document is the consolidated non-financial statement (hereinafter also "NFS" or "Sustainability Report") of the Piquadro Group (hereinafter also "the Group") prepared in accordance with Legis. Decree 254/16 and relates, as applicable, to understanding the business activity, its performance, results and the impact of the product itself, regarding the issues stipulated in Art. 3 of Legis. Decree 254/16, referring to the fiscal year ended 31 March 2022 (from 1 April 2021 to 31 March 2022).

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

This report was prepared in accordance with the GRI Standards: Core option.

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

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

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

The scope of the economic, social and environmental data and information reported in this document refers to companies consolidated in full within the framework of the Group Consolidated Financial Statement as of 31 March 2022, listed in the "Corporate Structure" section of this document. To this regard, please note that the company OOO Lancel Russia was merged by incorporation into OOO Piquadro Russia during the reporting year. Moreover, no significant variations are instead reported on the ownership structure and supply chain of the Group.

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

The frequency of the reporting of non-financial information and the publication of the NFS is done on an annual basis: this document was approved by the Board of Directors of Piquadro S.p.A. on 13 June 2022.

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

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

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

Environmental issues

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

The Piquadro Group has defined a Group environmental policy to strengthen its commitment to responsible management of the resources, to reducing energy consumption and to improved management of emissions into the atmosphere. It has been submitted to the Control and Risks Committee and which will be approved by the Board of Directors of the parent company in the upcoming months.

Fight against active and passive corruption

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

To confirm and reinforce its shared commitment not to be set aside to fighting active and passive corruption, the Group supplemented the section on managing this issue when the Group Code of Ethics was updated. The Board of Directors of the parent company approved the new Group Code of Ethics on 13 June 2022.

Staff issues

In the Code of Ethics, the Group has formalised its commitment to protecting and promoting the value of human resources, increasing its skills and guaranteeing safe working conditions which respect individual dignity. At Parent Company level, two personnel management procedures have been implemented, one in view of the administrative management of resources, the other drawn up within the organization and management Model pursuant to Legislative Decree 231/01. To confirm its commitment to protecting the health and safety of its workers, the Piquadro Group defined a Group occupational health and safety policy that was submitted to the Control and Risks Committee and that will be approved by the parent company's board of directors in the upcoming months.

Protection of human rights

In the Code of Ethics, the Group affirms its commitment to respecting human rights by referring to the ILO (International Labour Organisation) Declaration on fundamental principles and rights at work, including the prohibition of forced labour and child labour, freedom of trade union association, the prohibition of discrimination and harassment. Moreover, through the

dissemination of the Code of Ethics, the Group aims to apply these principles to all Group companies. Furthermore, the Group defined a Suppliers Code of Conduct within which the principles and practices to which its suppliers must adhere are set out. The Code was submitted to the Control and Risks Committee and will be approved by the parent company's board of directors in the upcoming months. In a perspective of continuous improvement of the management and engagement of its supply chain, the Group confirms the objective of including new parameters relating to the protection of human rights and other social and environmental criteria in its new supplier qualification process.

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1. The Piquadro Group

A summary of the Group as of 31 March 2022:

- 
Revenue from sales: € 149.4 million (+31,7% compared to fiscal year 20/21)
- 
Consolidated net profit: € (4.444) million
- 
138 direct stores and 42 indirect sales outlets
- 
1.027 employees

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

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

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

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

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



1.1 The Group's background and values



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



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

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

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

The name comes from the combination **P**almieri-**P**elletteria which, in homage to the fact the founder likes mathematical terms, becomes P², (P squared), which in Italian is pronounced Piquadro.

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



- The first Piquadro *boutique* opened in 2000 in Via della Spiga, in the heart of Milan's fashion quarter.

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



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

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

Sustainability Report 31 March 2022 of the Piquadro Group

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



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

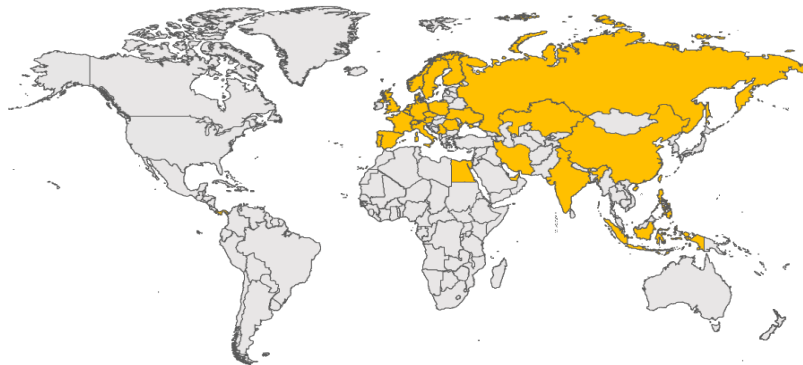


- In June 2018, Piquadro acquired Lancel International S.A. ("Lancel International") - a Swiss company, wholly owned by the Richemont Group, which owns the "Lancel" brand, which holds 99.9958 % of the capital of the French law firm Lancel Sogedi S.A. and the Spanish and Italian law firms which manage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

Brand diffusion

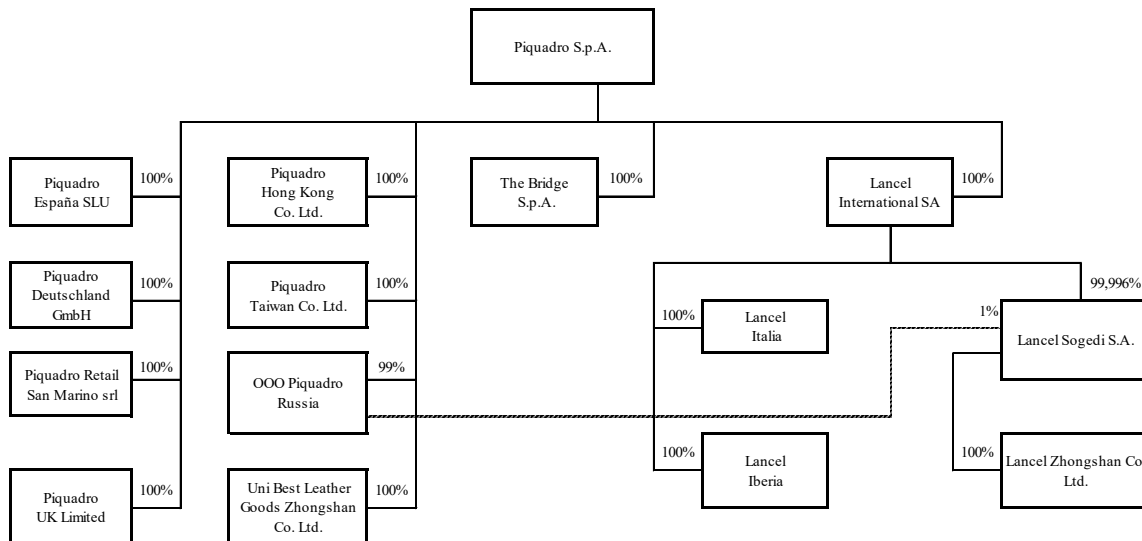
As of 31 March 2022, the brand is present in more than **50 countries with 180 sales outlets, of which 138 single-brand stores** are directly managed (47 Piquadro stores, 11 The Bridge, and 80 Lancel), **42 indirect sales outlets** represented by multi-brand stores and single-brand franchise stores (33 Piquadro stores, 2 The Bridge and 7 Lancel) and finally a network of distributors reselling the items in specialised multi-brand stores.

Stores under direct or indirect management of the Piquadro Group in 2021/2022



Corporate structure

As of 31 March 2022, the Piquadro Group is structured as follows:



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

Corporate Governance



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

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

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

The Board of Directors, in office for three years and until the approval by the Shareholders' Meeting of the financial statements until March 31, 2022, is as follows:

Marco Palmieri	Chairman and CEO
Marcello Piccioli	Member of the Board
Roberto Trotta	Member of the Board
Pierpaolo Palmieri	Member of the Board
Paola Bonomo	Non-executive director, independent ²
Catia Cesari	Non-executive director, independent
Barbara Falcomer	Non-executive director, independent

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

Age range	As at March 31 2022		
	Men	Women	%
<30	0	0	0%
30-50	1	0	14%
>50	3	3	86%
%	57%	43%	100%

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

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

¹ As regards the disclosure on the company's corporate governance system and ownership structures and on application of the Corporate Governance Code, please refer to the Corporate Governance Report and ownership structures found on the company's website, www.piquadro.com, Investor Relations Section.

²Independent board members as described by the TUF [Consolidated Law on Finance] and Corporate Governance Code.

In addition, the '**lead independent director**' has been established: a reference point and coordination of the applications and contributions of non-executive directors and, in particular, those who are independent, guaranteeing a wider autonomy of judgment than management, this person works with the Chairman of the Board of Directors to ensure that administrators receive comprehensive and timely flows of information.

1.2 The Ethical management of our business



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

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

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

Piquadro believes in the **values** of **integrity, fairness, transparency, and innovation**, thanks to its a strong and recognised cultural identity. The Piquadro Group also aims at encouraging competitiveness on the market by complying with competition regulations and at promoting proper and responsible use of resources in a perspective of social and environmental responsibility.

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

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

Code of Ethics

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

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

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

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

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

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

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

Organisation and management Model

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

Fiscal responsibility

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

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

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



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

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

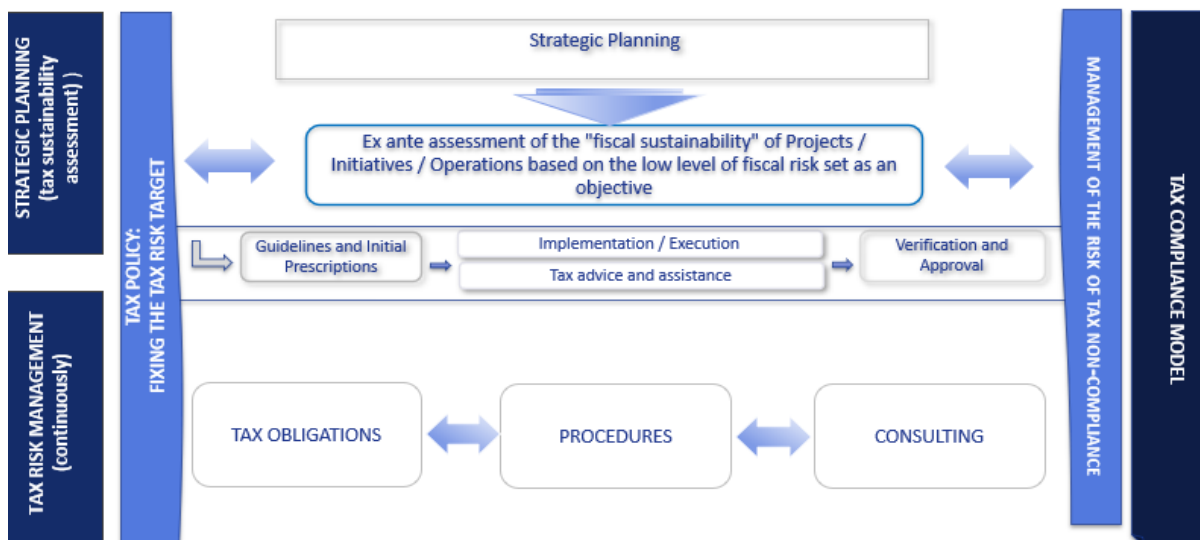
The management and coordination are performed by the Parent Company's Tax Reference Person and the Tax Specialist by defining the principles and rules for implementing the legislation, to ensure compliance with it.

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

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

The Group companies:

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



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

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

- business: new geographic markets, new sales channels, new contractual "structures/plants" and/or significant changes to existing ones;
- corporate: acquisitions /sales, breakdowns/splits, assignments of companies or company branches;

- investments: financial, tangible (real estate, technological, etc.), intangible (trademarks, patents, etc.);
- organization of business activities: outsourcing / insourcing of certain functions, centralization / decentralization, etc.;
- marketing: new methods of promoting the brands of the Piquadro Group;
- international operations: new methods of penetrating foreign markets and / or the foreign presence of Group companies and / or significant changes to existing methods.

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

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

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

- **Timeliness:** any fulfilment required by tax legislation must be performed correctly and within the deadlines provided for by the law, in order to avoid incurring penalties by the Financial Administration.
- **Traceability:** the traceability of the activities and documents relating to the different stages of the process must be guaranteed, ensuring the identification and reconstruction of the sources, the information elements as well as the checks carried out that support the activities. The conservation of the documentation must be ensured, in compliance with the terms provided for by the law.

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

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

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

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

- **Regulatory control:** continuous identification of the tax regulatory provisions applicable to the Companies of the Group.

- Regulatory impact analysis: reporting of regulatory changes in order to assess their potential impact on processes, organizational structures and IT systems.
- Opinions: to be issued upon request.

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

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

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

Selection criteria

Reporting area

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

Source of figures

The figures presented in the report, aggregated by tax jurisdiction, are taken from the local financial statements of the Group entities as at 31 March 2022. It is believed that with reference to the financial items shown in this report, the differences between the local and international accounting standards based on which the consolidated financial statements are drawn up are negligible.

Reporting period

It corresponds to the fiscal year that began on 1 April 2021 and ended on 31 March 2022 of the parent company Piquadro S.p.A.

The aggregated figures by tax jurisdiction are the following:

• **Total revenues**

Shown is the sum of revenues generated in the tax jurisdiction in the year of reference by all Group entities with separate records of revenues generated by transactions with third parties (“Unrelated party”) and intercompany transactions with other tax jurisdictions (“Related party”). The revenues comprise all positive income components. By way of example: the revenues from sales of products and provisions of services, the royalties received for rights to use industrial patents, interest receivable, capital gains on the sale of plant, property and machinery, intangible assets and equity investments, unrealised gains (such as the fair value of non-hedging derivatives); intercompany dividends are instead excluded.

• **Profit (Loss) before income tax**

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

• Income tax paid (based on cash accounting)

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

• Income tax accrued - current year

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

• Number of staff

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

• Tangible fixed assets other than cash and cash equivalents

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

Reporting currency

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

Materiality threshold

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

Sustainability Report 31 March 2022 of the Piquadro Group

Reporting of taxes country by country for the year 2021/2022

Piquadro Group - Summary table 1

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

Piquadro Group - Summary table 2

FY 2021/22	Total Sales	Sales from third parts	Intercompany sales	Profit (loss) before income taxes	Income taxes paid (based on cash accounting)	Income taxes accrued in the current year	Employees number	Tangible fixed assets (not cash and cash equivalents)
ITALY	106.329	83.140	23.190	9.884	93	2.814	383	8.594
FRANCE	58.264	56.566	1.698	(2.325)	0	69	299	5.242
CHINA	7.343	1.991	5.352	(598)	0	0	257	422
RUSSIAN FEDERATION	5.182	5.182	0	8	0	0	44	307
SPAIN	1.708	1.653	55	15	2	2	23	250
TAIWAN	499	451	47	(5)	1	1	12	57
SAN MARINO	273	264	10	2	0	0	4	144
UK	244	154	90	1	7	7	3	9
DEUTSCHLAND	24	20	4	27	3	3	1	0
HONG KONG	0	0	0	(10)	0	0	1	0
SWISS	0	0	0	(20.685)	0	(16)	0	0
Piquadro Group (before consolidation adjustments)	179.866	149.420	30.446	(13.686)	106	2.881	1.027	15.026

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

As regards any differences between income tax accrued on profits and the tax due (GRI 207-4-b-x), please refer to Note 37 of the Consolidated Financial Statements as of 31 March 2022 of the Piquadro Group.

1.3 Compliance and risk management



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

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

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

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

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

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

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

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

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

Type of risk	Management arrangements
<p>Environmental risks linked to the lack of compliance with the environmental regulations in countries where the Group works, inefficient management of materials, emissions, and energy or incorrect management of waste.</p>	<p>In the Code of Ethics, the Group has expressed its commitment to the protection of the environment and conducting its activities seeking a balance between economic initiatives and environmental needs. In addition, the parent company has adopted a special part relating to environmental crimes, within the framework of the organisation and management Model pursuant to Legislative Decree 231/01, as well as a waste management procedure. These areas were also analysed in the subsidiary The Bridge S.p.A. that has finalised the adoption of the special section on environmental offences.</p> <p>The Group also considers any impacts, potential risks and opportunities related to <i>climate change</i> relating to the organization's activities, strategy and financial planning.</p>
<p>Social risks related to non-compliance with the specific regulations of the relative products among other things, on the impact of the products themselves on health and safety, the failure to meet customer expectations, the inadequacy of the research and development process.</p>	<p>The products are subject to rigorous controls to ensure their quality and safety: special laboratory tests are carried out on both the finished products and materials to test for resistance, structural integrity, hydro-repellent qualities, and non-toxicity. As a benchmark, the Group has the REACH European Regulation which governs the use of hazardous chemicals in production processes with compliance also from its suppliers, where applicable. In addition, the Group has adopted a specific intellectual property management procedure.</p>
<p>Risks related to personnel in the unsuitability of the attraction and recruitment process, development plans and staff motivation, as well as the inadequacy of occupational health and safety measures.</p>	<p>In the Code of Ethics, The Group has formalized its commitment to ensure the physical and moral integrity of its employees and internal collaborators, working conditions regarding individual dignity and safe and healthy work environments, in full compliance with the current legislation.</p> <p>The parent company and the Italian subsidiary The Bridge, have carried out workplace risk analysis, formalized in the RAD (Risk Assessment Document). The same was done by the French company Lancel Sogedi S.A.</p> <p>To confirm its commitment to protecting the health and safety of its workers, the Piquadro Group defined a Group occupational health and safety policy that was submitted to the Control and Risks Committee and that will be approved by the parent company's board of directors in the upcoming months.</p>

Type of risk	Management arrangements
<p>Risks related to the fight against active and passive corruption are linked to the possibility of the Group's management and staff behaving in an unethical, unauthorised way, violating the rules and regulations, unlawful with reference to the crime of active and passive corruption.</p>	<p>The Group has formalised the values of ethics and integrity which inspire its business in the Code of Ethics: through its dissemination, it seeks to spread a culture of social responsibility when conducting the business.</p> <p>In addition, the parent company and The Bridge S.P.A. have adopted an organization and management model pursuant to Legis. decree 231/01 according to which areas and operations which are most subject to crime have been identified and analysed, for example, such as requesting authorisations, permits, licenses and certifications, sponsorships and donations, as well as the risks of dealing with external entities both public and private (Revenue Agency, I.N.P.S [National Institute for Social Security], I.N.A.I.L [National Institute for Insurance against Labour Accidents]).</p>
<p>Risks related to non-compliance with human rights related to the Group's operations and suppliers in countries where the legislation is less stringent than that of Italy.</p>	<p>In the Code of Ethics, the Group has formalised its commitment to respecting human rights by explicitly recalling the ILO Declaration on fundamental principles and rights at work, including the prohibition of forced labour and child labour, freedom to join a trade union and the prohibition of discrimination and harassment. Through the dissemination of the Code of Ethics, it aims to apply, in all Group companies, an ethical corporate culture which respects human rights.</p>

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



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

1.4 Our stakeholders and materiality analysis

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



With a view to sharing and improving the relationship with its *stakeholders*, the Piquadro Group has, over the years, started several paths of communication and exchange of information with them. The following are the main reference themes and dialogue channels for each keynote:

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

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

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

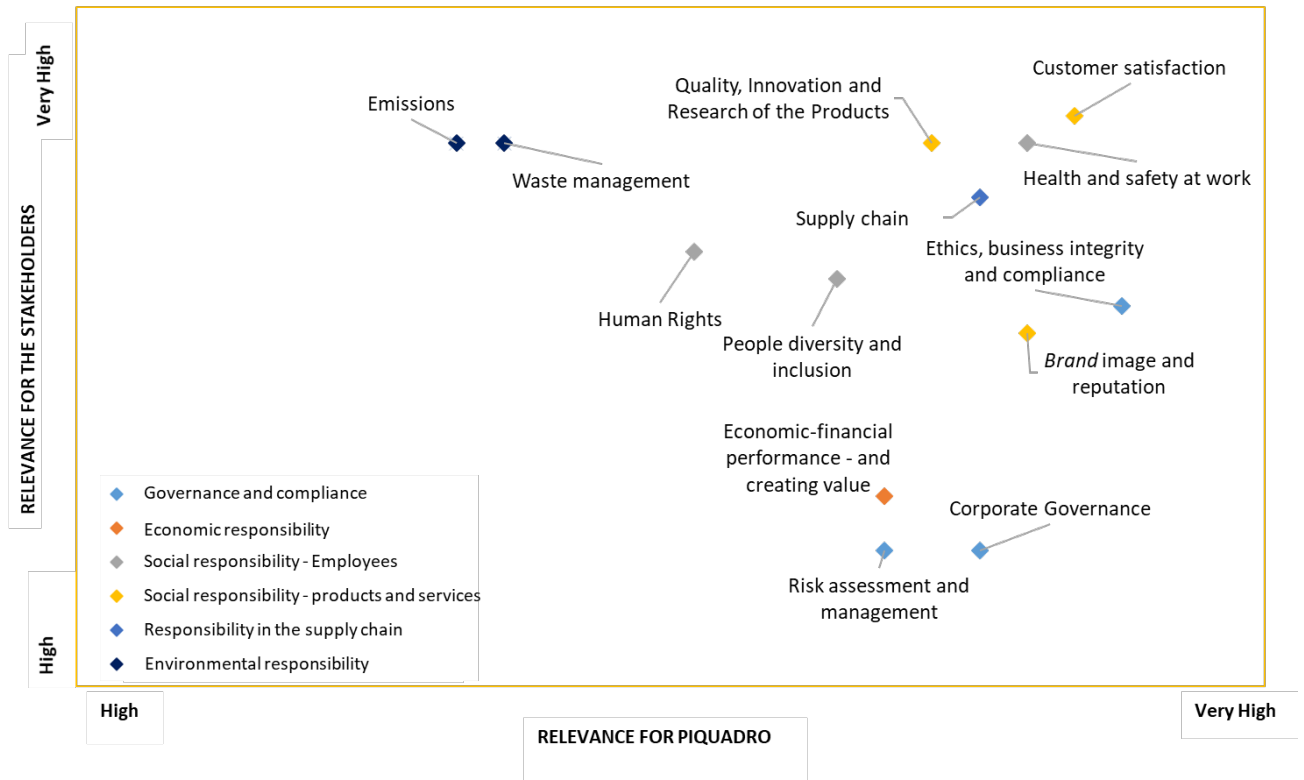
Materiality analysis

The aim of the materiality analysis is to identify significant aspects which have a significant impact on the Groups' business, from an economic, social, and environmental point of view, and which could substantially influence the assessments and decisions of its stakeholders.

A moment of internal discussion and reflection was taken for the year 2021/2022, involving the top company management and several members of the board of directors. The purpose was to analyse the significant sustainability themes while keeping in mind the specificities of Piquadro Group's sector, and the effects arising both from the pandemic and most recently from the Ukraine-Russia conflict.

Internal stakeholders (employees) and external stakeholders (customers and suppliers) were involved in updating the materiality analysis of the two prior financial years by completing a questionnaire. Moreover, a process of rationalising material themes was carried out in 2021 to make them more concise and focussed on the aspects important for the Group. For the year 2021/2022, all themes proving to be material in the previous non-financial statement, depicted in the materiality matrix shown below, were confirmed:

The Piquadro Group's materiality matrix



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

Material aspect	Relevance for the Group	Impact scope	
		Where the impact occurs	Group involvement ³
Governance and compliance			
Ethics, business integrity and compliance	Respecting ethical principles and complying with laws and regulations in business conduct are a fundamental and essential condition for the Piquadro Group. In all relations with its counterparts, the Group is committed to pursuing conduct based on fairness, loyalty, and collaboration.	Piquadro Group	Caused by the Group
Risk assessment and management	The Group pays particular attention to the assessment of the main risks that could have a negative impact on its work and threaten its solidity. In this sense, resources are used for the analysis and correct management.	Piquadro Group	Caused by the Group
<i>Corporate Governance</i>	The focus on Group <i>Corporate Governance</i> is geared towards achieving strategic objectives and at the same time ensuring the correct and sound management of business, ensuring the protection of all <i>stakeholders</i> .	Parent company	Caused by the Group
Economic responsibility			
Economic-financial performance - and creating value	The Group aims to generate solid and positive economic and financial <i>performance</i> from a medium- to long-term perspective and distribute value to its <i>stakeholders</i> .	Piquadro Group	Caused by the Group
Responsibility in the supply chain			
Supply chain	<p>Throughout the value chain, the Group aims to maintain relationships based on fairness with its <i>partners</i>. The Group recognizes the value of the materials and services provided by its suppliers, which are a fundamental element for the high-quality <i>standards</i> of its products. In addition, the Group aims to define a Supplier Code of Conduct and insert, as part of the qualification process, parameters related to the protection of human rights and other social and environmental criteria.</p> <p>The Group gives an increasing importance to the safeguard of the environment, and it will evaluate how to reduce its impacts, in particular, with regard to the use of the resources necessary for production.</p> <p>The Group pays attention to the responsible use of chemicals by asking its suppliers to comply with REACH's requirements (where applicable).</p>	Piquadro Group and Suppliers	Caused by the Group and related to the Group through its business relations

³Impact due to the Group: the impact is directly ascribable to the Group activities;
Impact related to the Group through its commercial relationships: the impact is directly connected to the Group's activities, products and services through a business relationship (e.g. relationship between the Group and its suppliers);
Impact to which the Group contributes: the impact is connected to the Group's activities, products and services, as they are generated by subjects with which the organization interacts

Material aspect	Relevance for the Group	Impact scope	
		Where the impact occurs	Group involvement ³
Social responsibility - Employees			
People diversity and inclusion	<p>The Group pays particular attention to the management and development of its employees, aware that they are one of the necessary pillars to achieve their strategic objectives.</p> <p>In this sense, a number of vocational growth programmes are undertaken. The Group is constantly looking for the best talent and is committed to maintaining the best resources within it.</p> <p>In dealing with employees, the Group maintains a strict adherence to the principles of non-discrimination and equal opportunities, as expressed in its Code of Ethics.</p> <p>The Group intends to develop policies, benefits (economic and non-economic) and actions aimed at improving the well-being of employees, to create a comfortable working environment that meets the workers' needs and expectations.</p>	Piquadro Group employees	Caused by the Group
Health and safety at work	<p>Protecting its employees' health and safety is constantly a priority for the Group, which is committed to complying with all the current rules and to increasing the training of its employees in these areas.</p>	Piquadro Group employees ⁴	Caused by the Group
Human Rights	<p>In all relations, both with its employees and with suppliers, the Group maintains a conduct aimed at the protection of human rights.</p>	Piquadro Group; Suppliers	Caused by the Group and related to the Group through its business relations
Social responsibility - products and services			
Brand image and reputation	<p>The Group has the constant goal of extending its <i>brand</i> and at the same time protecting its reputation. The Group's image must convey the values on which its business is based.</p>	Piquadro Group and indirect sales channel	Caused by the Group and related to the Group through its business relations
Quality, Innovation and Research of the Products	<p>Maintaining a high <i>standard</i> of quality of your products is a vital condition. For this reason, each item is subjected to stringent tests and controls which aim to ensure that numerous quality parameters are passed.</p> <p>The Group's growth involves the ability to innovate and develop new products that can meet customers' different needs. For this reason, the Group invests extensive resources in research and development.</p>	Piquadro Group and Suppliers	Caused by the Group and related to the Group through its business relations

⁴The Company will conduct further analysis on the significance of other non-employee workers in order to evaluate the possibility of collecting data from the employers of external collaborators and suppliers who work at the Group's premises and/or under the Group's control, evaluating the quality and accuracy of the data over which they exercise direct control.

Material aspect	Relevance for the Group	Impact scope	
		Where the impact occurs	Group involvement ³
Customer satisfaction	The Group aims to always place innovative and high-quality products on the market to fully meet its customers' expectations. Customer satisfaction is a primary goal for the Group.	Piquadro Group and indirect sales channel	Caused by the Group and related to the Group through its business relations
Environmental responsibility			
Emissions	The Group is committed to taking action to reduce its harmful emissions into the atmosphere.	Piquadro Group and Electricity Suppliers	Caused by the Group and related to the Group through its business relations
Waste management	During the production phase, the Group is committed to proper waste management and the reduction of waste from production materials.	Piquadro Group	Caused by the Group

1.5 Creating value



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

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

The consolidated turnover recorded by the Piquadro Group in the financial year 2021/2022 ended 31 March 2022 equals 149.4 million euros, a **31.7%** decrease compared to the same period of the previous financial year closed with 113.5 million euros. With reference to the **Piquadro** brand, revenues recorded in the year ended 31 March 2022 totalled 64.2 million euros, **up** by **37.8%** compared to the year ended 31 March 2021. This increase was determined both by the increased sales of the Wholesale channel, which was approximately 29.9%, representing 57.1% of Piquadro brand sales, and by the 49.8% increase in sales of the DOS channel, which also includes the e-commerce website, representing 42.9% of Piquadro brand sales. Please note that e-commerce sales were up by 2.4% compared to a value that had already risen by 21.1% in the previous year.

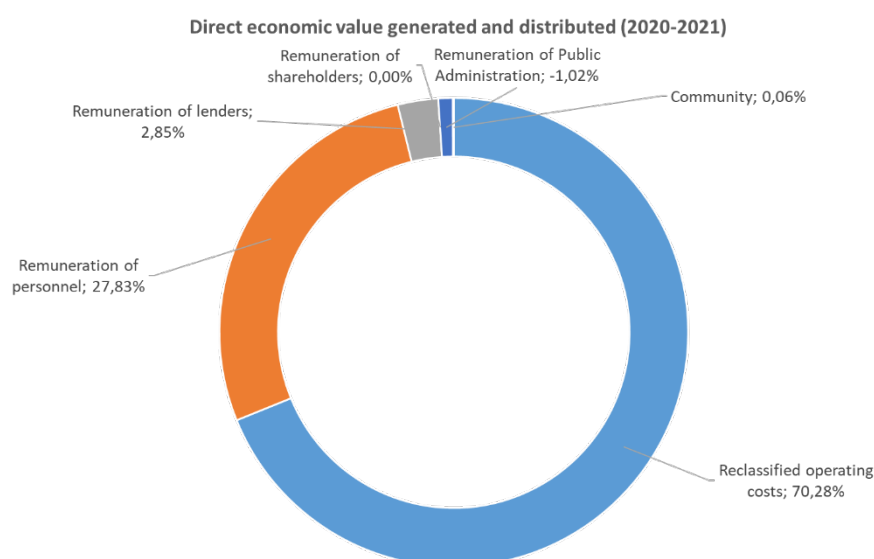
With reference to the **The Bridge** brand, revenues recorded in the year ended 31 March 2022 totalled 25.1 million euros, **up** by **30.1%** compared to the year ended 31 March 2021. Sales of the Wholesale channel, which was approximately 57.4% of The Bridge brand sales, increased by 16.1% while sales of the DOS channel (which also includes the e-commerce website), representing 42.6% of The Bridge brand sales, increased by 55.5%. Please note that e-commerce sales were up by 16.9% compared to a value that had already risen by 70.2% in the previous year.

Revenues from sales made by **Lancel** in the year ended 31 March 2022 totalled 60.1 million euros, **up** by **26.3%** compared to the year ended 31 March 2021. Sales of the Wholesale channel, which amounted to 20.3% of Lancel brand sales, increased by 32.9% while sales of the DOS channel (which also includes the e-commerce website), representing 79.7% of Lancel brand sales, increased by 24.8%. Please note that e-commerce sales were up by 6.5% compared to a value that had already risen by 171.2% in the previous year.

The **creation and distribution of value for its stakeholders** is a **constant commitment** of the Piquadro Group and is calculated by reclassifying the consolidated income statement. In the 2021/2022 fiscal year, the **economic value generated** by the Piquadro Group was **159 million euros**; this value has been redistributed to the various stakeholders of the Group: suppliers, employees, shareholders, Public Administration, communities, and lenders.

Outlook of the economic value generated and distributed in the Piquadro Group		
(in thousands of Euro)	31 March 2022	31 March 2021
Economic value generated	159,138 €	115,215 €
Sales revenue	149,420 €	113,477 €
Other income	5,446 €	2,642 €
Change in inventories	3,002 €	(1,692) €
Financial income	1,270 €	788 €
Economic value distributed	141,737 €	105,187 €
Reclassified operating costs	92,884 €	73,924 €
Purchase costs	30,461 €	22,306 €
Costs of services and fees for the enjoyment of third-party assets	61,382 €	50,922 €
Other reclassified operating costs	1,042 €	696 €
Remuneration of personnel	38,800 €	29,276 €
Costs for personnel	38,800 €	29,276 €
Remuneration of lenders	3,121 €	2,995 €
Financial Charges	3,121 €	2,995 €
Remuneration of shareholders	4,000 €	0 €
Distribution of profit for the year ⁵	4,000 €	0 €
Remuneration of Public Administration	2,903 €	(1,074) €
Income taxes	2.903 €	(1,074) €
Community	30 €	67 €
Donations and sponsorship	30 €	67 €
Economic value retained	17,401 €	10,028 €
Parent company's reserve profits	444 €	(5,792) €
Profit (Loss) attributable to minority interests	0	0
Depreciation and amortization	16,797 €	15.820 €

Most of the distributed value, amounting to about 65.5% of the total (as compared to 70.28% of the year ended 31 March 2021), falls into the category of **reclassified operating costs** which includes the Group's suppliers. **Employees** make up the second significant item in the distribution of value, obtaining 27.4% of the total value (compared to 27.83% of the year closing on 31 March 2021). The remainder is divided



⁵ The distribution amount of the year's profit corresponds to the allocation of profit for the year to dividends that the board of directors of Piquadro S.p.A. resolved to propose to the Shareholders' Meeting on 13 June 2022.

between **Lenders (2.2%)**, **shareholders (2.8%)**, **Public Administration (2.0 %)**, and the **community (0.02%)**.

The swift evolution that led to the Russian Federation's decision to invade Ukraine on 24 February, in the aftermath of several weeks of rising tension, triggered a series of consequences on the world's economic and financial scene. This conflict, still in progress, also caused considerable volatility from the monetary viewpoint, with the Euro/Ruble exchange rate that arrived - on the days immediately following the outbreak of the conflict - at values over 40% higher than what had been recorded in previous months, with a subsequent return to previous levels as the year came to an end. Furthermore, the USA, UK and European Union issued targeted restrictive sanctions (individual sanctions against natural persons), economic sanctions and diplomatic measures against the Russian Federation. As regards the economic sanctions, noteworthy are those concerning the export of luxury goods, for which the Piquadro Group initially suspended logistic operations and invoicing to the Russian subsidiary, and to the stores directly managed and to the Russian multi-brand customers, which then resumed on a regular basis since the reach of these sanctions did not restrict the Group's exporting activities. It is specified that the Group has no suppliers of goods in Russian or Ukraine.

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

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

As the ruble appreciated against the euro in the first two months of the financial year 2022-2023, the Piquadro Group reacted by reducing the previously implemented price list increases. Exports to the wholesale customers also resumed. Please note that Piquadro Group sales in Russia in the 12 months that ended on 31 March 2022 represented 4% of consolidated turnover. On that same date the assets held by the Group in Russia (investments in assets, including usage rights, inventory, receivables, and liquidity) amounted to 4.7 million euros. The Piquadro Group has already integrated a significant reduction in its economic assets in the 2022-2023 budget to consider dynamics generated by the Russia-Ukraine conflict, without planning execution of an impairment test, also because of the profit made in the year that just came to an end and of the expected profit for the financial years to come by the Russian subsidiary.

In connection with the volatility of this scenario, all business development activities, including the opening of new stores, have been suspended. Management is therefore monitoring the situation to protect the assets, the Piquadro Group's equity and business continuity.

Piquadro has adopted the measures necessary to guarantee that its activities are carried out in compliance with the applicable rules while ensuring ongoing monitoring of the evolution of the sanctions framework to adapt its activities to the restrictions applicable from time to time.

1.6 EU taxonomy

EU Regulation no. 2020/852 of 18 June 2020 (hereinafter also “Regulation” or “EU Taxonomy”) defines the taxonomy of the economic activities that can be considered eco-sustainable, i.e. a standardised system for classifying economic activities that can contribute to one of the environmental goals identified by the legislation. More specifically, in order for an activity to qualify as eco-sustainable, that is to say, aligned with EU Taxonomy, Art. 3 of the Regulation requires that it:

- contributes to the attainment of one or more environmental goals in a substantial manner;
- does not significantly damage any of the remaining environmental goals;
- is carried out in observance of minimum social safeguard guarantees;
- complies with the technical scrutiny criteria set by the European Commission.

According to the provisions of Art. 8 of the Regulation and the relevant Delegated Act, the Piquadro Group is subject to reporting information on how and to what extent its activities are associated with eco-sustainable economic activities pursuant to the Taxonomy in its Consolidated Non-Financial Statement.

For the publications of the period from 1 January to 31 December 2022, current legislation requires that the amount of turnover, capital expenditure (hereinafter also “Capex”) and operating expenses (hereinafter also “Opex”) considered eligible or ineligible for EU Taxonomy be reported. Reference is made only to the climate change mitigation and adaptation objectives (relating to which the eligible economic activities are listed in the Annexes to the Climate Delegated Act (EU 2021/2139). The following section describes how the Group assessed compliance with Regulation (EU) 2020/852 and the provides the table with the quantitative KPIs required based on the pondered interpretation of the requirements applicable today.

Please note that in performing analyses and preparing the Taxonomy disclosures the Group adopted, overall, a prudential approach based on its own understanding and interpretation under the conditions of its current knowledge of the applicable regulatory requirements. In this context, the awaited publication of the technical regulations of reference for the other environmental goals defined by Art. 9 of the Regulation, and the intervention of other evolutions in the interpretation of the regulation, might lead to substantial changes in the assessments and process for calculating KPIs for the next reporting year. It is emphasised that the limited review of this document made by the Independent Auditor Deloitte & Touche S.p.A. does not extend to this statement.

Method for calculating indicators

To prepare the report required by the regulation referred to above, the Piquadro Group compared the economic activities as described in the Annexes of the Climate Delegated Act with its own activities and found that the prevailing Group economic activities regarding production and distribution of leather goods products are not included in these Annexes and were therefore considered to be ineligible for EU Taxonomy. Based on these results, the indicators required by Art. 8 of the Regulation were then calculated, also considering the capital expenditure and operating expenses connected with the purchase of output from

activities eligible for the taxonomy and/or relating to the measures taken that allow emissions into the atmosphere to be reduced.

The analysis of the information is concentrated on the head offices, showrooms, and stores in Italy and abroad. Based on the regulatory requirements, the indicators were calculated as described below.

Eligible turnover amount

- Numerator: amount of net turnover relating to eligible economic activities pursuant to the Taxonomy and that, based on the analyses described above, were found to be 0 for the Piquadro Group, taking eligible activities to 0% and ineligible activities to 100%.
- Denominator: "Total revenues" as shown on the Consolidated Financial Statements of the Group as at 31 March 2022.

Eligible capital expenditure (CAPEX) amount

- Numerator: increases in fixed assets relating to i) the economic activities of the Group eligible for Taxonomy, ii) the purchase of output from aligned economic activities eligible for Taxonomy and iii)/or relating to the measures taken that permit emissions into the atmosphere to be reduced. In the case of the Piquadro Group, possible investments in energy efficiency interventions were for the most part considered. As at 31 March 2022, eligible investments of a negligible amount were identified for the scope described above, thereby determining a total value of the Capex numerator to be zero at consolidated level.
- Denominator: increases in tangible and intangible fixed assets before amortisation and depreciation and any revaluations, including those arising from value redeterminations and reductions, for the year in question, and excluding the changes in fair value. It includes any acquisitions of tangible assets (IAS 16), intangible assets (IAS 38), real estate assets (IAS 40), and assets for usage of rights (IFRS 16 - par. 53, letter h).

Amount of eligible operating expenses (OPEX)

- Numerator: operating expenses relating to i) the economic activities of the Group eligible for Taxonomy, ii) the purchase of output from economic activities eligible for Taxonomy and iii)/or relating to the measures taken that permit emissions into the atmosphere to be reduced. In the case of the Group, any investments with non-capitalised costs relating to energy efficiency interventions, including the restoration of buildings, the installation, maintenance, and repair of devices for energy efficiency and the installation, maintenance, and repair of energy monitoring systems. As of 31 March 2022, eligible operating expenses, as defined hereunder, of a negligible amount were identified for the scope described above, thereby determining a total value of the Opex numerator to be zero at consolidated level.
- Denominator: total direct non-capitalised costs relating to research and development, building restoration measures, short-term leases and variable rental fees, maintenance and repair, and any other direct cost connected with the maintenance of property, plant, and machinery by the company or third parties to whom these tasks are outsourced, necessary to guarantee the continual and effective operation of these assets. Expenses relating to the

everyday operation of property, plant, and machinery, as well as raw materials, the cost of employees using the machinery, electricity and other costs were excluded.

KPIs⁶	TOTAL (€ mil)	% OF ASSETS ELIGIBLE FOR TAXONOMY	% OF ASSETS NOT ELIGIBLE FOR TAXONOMY
Turnover	149.4	0%	100%
Capex	17.4	0%	100%
Opex	10.2	0%	100%

⁶ Please refer to Delegated Regulation, previously Art. 8 of Regulation EU 2020/852 (EU 2021/2178) and its Annexes for the definition of these parameters.

2. Quality, Innovation and Research of the Products



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

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

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

2.1 Quality of our products

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

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

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



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

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

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

To ensure compliance with the high-quality standards, the **Group uses the European Regulation, REACH** as a benchmark, for registration, evaluation, authorisation and **restriction of hazardous chemicals** during production processes. In particular, the purchase specifications stipulate, where applicable, the need to respect expected fulfilments. In addition, the Group relies on the support of an external laboratory to carry out sample chemical tests on raw materials in order to check the compliance with the parameters defined by the aforementioned regulation for dangerous substances.

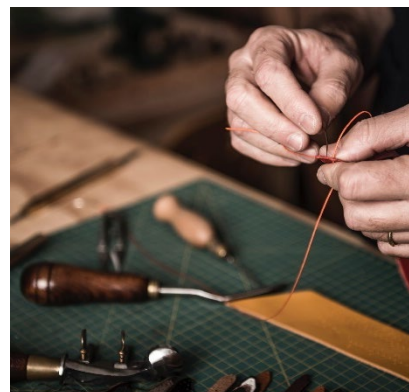
During 2021/2022, no cases of non-compliance with regulations and/or voluntary codes relating to the health and safety impacts of products were recorded.

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

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

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

- ICEC – Raw material (leather) traceability before tanning: the search for market transparency also concerns the degree of control that the tanneries (or raw leather dealers) have over their supplies, including the knowledge of the countries of origin of the raw materials (hides), of the slaughterhouses and of the ranches from which they come.
- TS SC 410 certification “for a system of products” Includes a wide range of products in the analysis (also of multiple origins). The traceability of the leathers before the tannery/raw leather dealer is mapped. The relevant rating specifying the degree of



traceability of the raw materials before the tannery/raw leather dealer is defined, and it is calculated considering the products certified and the information documented and that can be verified relating to them;

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



- GRS (fabric certification) is promoted by Textile Exchange, one of the most important international non-profit organisations for responsible and sustainable development in the textile sector. The standard recognises the importance of recycling for the growth of a sustainable production and consumption model, with the aim of fostering the reduction of resource consumption (virgin raw materials, water, and energy) and of increasing the quality of recycled products. GRS entails the issue of an environmental declaration verified by a third party that assures the content of recycled materials of their products, both intermediate and finished, the preservation of traceability along the entire production process, the restrictions in using chemicals and the compliance with environmental and social criteria in all phases of the production chain, from the recycling of the materials and the subsequent manufacturing phases up to the labelling of the finished product. The **Global Recycle Standard** guarantees:
 - products containing at least 20% of pre-consumption and post-consumption recycled material;
 - manufacturing activities and processes through which the recycled material is used to make intermediate products (e.g. yarns and fabrics) or finished products for the consumer that use management models and procedures compliant with the set requirements.

2.2 Research and Development



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

The Group's R&D activity for the Piquadro brand is carried out internally through a dedicated team that, in recent years, has been particularly focused on *BAGMOTIC*, which integrates technology into briefcases, backpacks, trolleys and luggage. Starting from the year ended 31 March 2020, the research and development activity mainly implemented starting from the previous innovations (**PQ-BIOS collection**) and almost all the collections are made of recycled fabrics. In addition, in some collections recycled materials were used for the lining, the webbing and the taping of the zip. During 2022, Piquadro presented its first collection of sneakers coordinated with a selection of backpacks, made in collaboration with ACBC, the first and only Italian B Corp in the world of footwear that is an expert in the design and production of sustainable shoes.

Rising out of this partnership is **Corner20**, a line offering a range of sneakers and backpacks that exalt the synergy and expertise of the two brands and that brings back an original detail in its design: the rubber corner of the iconic Corner line launched in 2001. The newborn Piquadro unisex sneaker presented in five colours with recycled fabric and PU upper has a cork insole, while the sole and tread contain plastics recovered from production waste. The backpacks - three models in five colours - are produced with the same criteria used for the shoes, always based on the standards set for B Corps.

Piquadro favours recycled and/or biodegradable materials and at the same time is working to extend the life cycle of products, for their reparability and to support the sale of second-hand products. As part of this strategy, Piquadro has introduced and gradually expanded its product lines made with 100% recycled nylon and has worked on the sustainability of the leather collections by guaranteeing their origin from a responsible and certified supply chain. The collaboration with ACBC described above is one more step forward for Piquadro, an increasingly active promoter of sustainable innovation and of a cultural change that, in line with profit, places respect for the environment in the top position.

During the last year, Research particularly concentrated on the **Corno alle Scale Project**, which focussed on the following areas:

- recycled and performing materials (Cordura®)
- owing to its known thermal properties, the graphene print was used on the back of the sky-mountaineering backpack
- study of the hexagonal graphics;
- study of the waterproof pocket with SOS information
- with the use of a composite production process, Piquadro has made a leather able to resist the penetration of water for more than 2 hours.
- assemblies with high temperature heat sealing to make the backpack of the Corno alle Scale summer collection watertight

- search for the top performing functional characteristics intended for specific outdoor activities

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

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



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

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

Piquadro's focus on planning every single detail and on the products' maximum functionality translates into a constant research activity and the development of ad hoc solutions which are often innovative and subject to registration. As of 31 March 2022, **the company has 43 active patents** related to both products and to components and accessories.

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

The collections are the result of research from analysing *trends*. This begins long before the actual creation of the products, with the trends influencing the materials and colours chosen for the season. The proposals are assessed with the sales force to respond to the standards

of functionality and modernity which make the products attractive to an attentive and demanding public.

As of 31 March 2022, **the company has 158 trademarks and patents filed** for both products and utility/design models.

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

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

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

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

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

In size and wealth, Maison Lancel's archives include approximately 3,500 items of leather goods, small leather goods, luggage, 1,200 pieces of art, 300 sketches and paper models and they contribute to the brand's image and influence, embodying, in the "Parisian elegance", the four universes: women, men, travel, the art of gifting. As of 31 March 2022, **the company has 88 trademarks and patents filed** for both products and utility/design models.



2.3 Piquadro

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

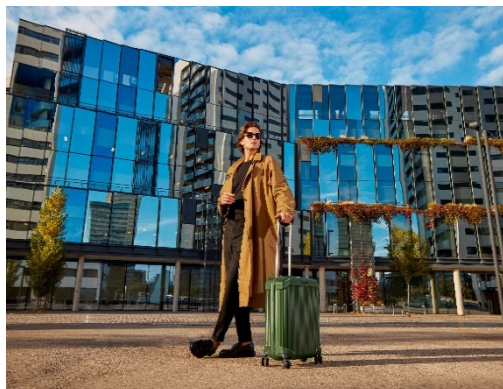
The spirit of Piquadro's products lies entirely in the concept which inspires the design of each of them: "**tech-inside**". But functionality for Piquadro affects all aspects of the product: new materials, new tests to verify their reliability, new internal organisation solutions to make their items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

Design and innovation

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

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

Youngsters' creativity is an important source of inspiration for Piquadro. **Attention towards new talent** is seen by promoting competitions which give young designers an opportunity to work on concrete cases by demonstrating their potential.



Green Evolution

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

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

Two are the new Piquadro eco-friendly lines: **Brief2** - a "sustainable" version of a best seller line- and **PQM** which, besides being eco-friendly, also features a protection against viruses. The backpacks, trolleys, travelling bags, one-shoulder backpacks, and the fanny packs of the two new lines are the result of a careful research aimed at creating products with reduced environmental impact as part of the sustainability project.

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

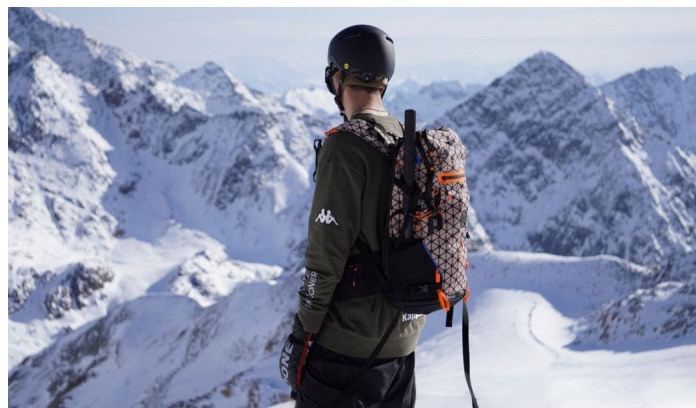


PQM is the new line made of 100% eco-friendly polyester obtained from recycled PET bottles.

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

Piquadro Corno alle Scale

Ongoing research for the development of high performance materials and solutions has always been Piquadro's mission, and today this effort takes shape in a new line of backpacks and travel bags inspired by the home mountain, Corno alle Scale. Equipped with accessories functional for a number of disciplines and made in ultra-performing materials and with special attention paid to the environment, the Corno alle Scale line is designed not only for ski tourism, alpine skiing and snowboarding enthusiasts, but also for trekking and trail lovers with a wide range of different products whose high technical standards are certified by the athletes and coaches of the Italian Winter Sports Federation that Piquadro has sponsored for almost ten years



The main material from which the new Piquadro Corno alle Scale is made is **Cordura 305 DEN**, a high performance fabric in terms of lifetime, lightness, and abrasion, rubbing and tear resistance. The double layer Water Resistance treatment also guarantees its impermeability.



Like all Piquadro fabrics, this Cordura as well is an eco-friendly material because it is 40% recycled using PET bottles.

The graphene back is ideal for breathability, and the hook system it is fitted with allows skis, a snowboard, poles, snowshoes, an ice axe, and ropes to be secured to it. The removable netting is perfect for the helmet, while the thermal pocket on the side is ideal for the water bottle and the one lined with microfibre is great for

eyewear or a camera. The backpack is also equipped with a hydration system and an explanatory label inside provides first aid instructions. It is also available in leather with waterproofing treatment.

The trail backpack equipped with a hydration system and a front zipped and taped pocket is made with the ultra-performing, waterproof, and super abrasion, tear and chafe-resistant 40% recycled eco-friendly Cordura material. Made with the same material are the ski bag, the ski boots backpack completes with the ventilation system and hooks for the load and LED light, and the trolley equipped with a hooks system providing modularity so that the matching backpack can be hooked onto it.

Corno alle Scale, an extremely technical line designed and tested on the Corno alle Scale snow, and the perfect synthesis of sustainability and performance. It precisely depicts this desire to enjoy nature without defacing it.



2.4 The Bridge

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

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

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



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

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

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

Today **The Bridge bags** continue to fascinate and delight people: the vintage but

also a little grunge atmosphere of the collections enchant the numerous lovers of the genre. The Bridge accessories - with their retro and at the same time contemporary flavour - represent, therefore, the ideal and aesthetic references of a heterogeneous and extremely attentive public: from young metropolitan bohemians to vintage enthusiasts, from freelancers to those who do not want to renounce to elegance - even while traveling. From those who buy luxury and high-quality products with ease to those who, perhaps on the occasion of a special event, choose an accessory "for life".

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

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

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



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

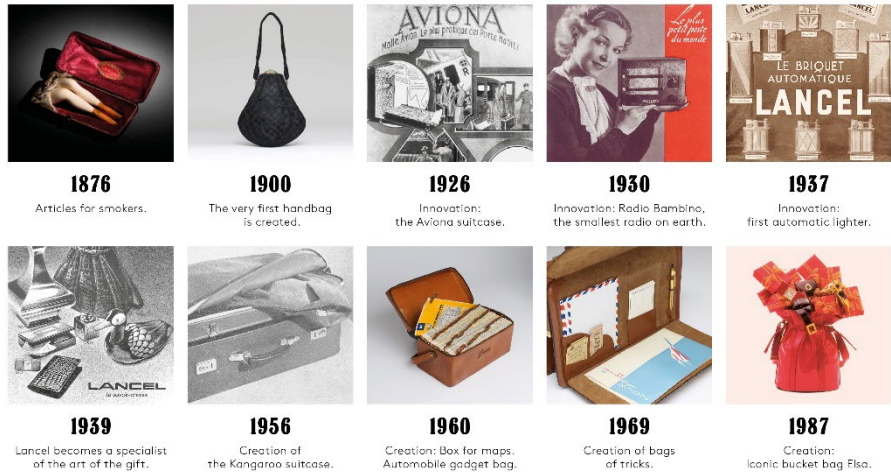
The Bridge recounts the "***Tuscany way of life***", with its **casual and sophisticated look**, a state of being, a sober, composed yet well-maintained lifestyle which blends in beautifully, for a *savoir vivre* and comfortable safety.

2.5 Lancel Group

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

In its early days, Lancel made accessories for smokers; later the brand diversified and offered decorative items and accessories, such as watches, silverware, glasses, barometers, scissors, lamps, table accessories and products made in their workshops by the craftsmen.

At the beginning of the 20th century, Angèle and Alphonse created the first leather goods offering a diverse range of products, such as clutch bags and the first handbags equipped with a cigarette holder: Lancel, therefore, began to represent the Parisian lifestyle by creating, until the 1920s, precious leather bags (lizard, satin, soft calf skin) with clasps for jewellery or small mirrors, or with a makeup kit and a secret compartment containing a small umbrella. Albert Lancel turns handbags into a fashion accessory.



One of the most iconic historical and iconic articles of the maison is called Daligramme and is a tribute to Salvador Dali: in the seventies, the surrealist painter gave Gala Eluard, his wife and muse, a **Lancel** bag which had a silk-screen "daligramme", a secret love alphabet with which the artist communicated with his beloved. That special model was reinterpreted in the



2000s and became it-piece of the collection, thus representing a new symbol which goes beyond the classic monogram: the *daligramme* became an emblem of great

love, hidden behind fascinating symbolism.

Lancel is regularly in contact with artists to participate in the creative process of its leather goods lines, such as Isabelle Adjani or Brigitte Bardot who actively participated in designing and creating the relative bags. In 2010, Brigitte Bardot designed and created with Lancel "the Bardot bag," which respects nature and animals, not using leather and without any chemical processes, thus creating an accessory which has become a cult.

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

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

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



2.6 Customer experience



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

The communication policy is aimed at spreading and consolidating the image of the **Piquadro, The Bridge and Lancel** brands.

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

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

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

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

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



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

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

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

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

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

The **digital strategies** include:

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

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

3. People, diversity, and inclusion

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

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

- **prohibition of forced labour:** forced labour, slave labour or provided by prisoners is prohibited;
- **freedom to join a trade union and the right to collective bargaining:** the right of workers and employers to organise themselves and the right to form and/or join a trade union of their choice is recognised. Workers and employers can participate in collective bargaining freely and independently from public authorities;
- **prohibition of child labour and the exploitation of the employment of children:** child labour is prohibited. The minimum age for admission to work must be no less than the age of finishing compulsory schooling in the countries concerned;
- **prohibition of discrimination in employment:** workers must be employed based on their own ability to work and without discrimination based on race, gender, individual characteristics, religious belief, political views, national or social origin;
- prohibition of harassment: employees and collaborators are prohibited from any behaviour, from any position, subjected to sexual or moral harassment, psychological violence, bullying and straining⁷

⁷ Straining, in the eyes of the law, consists of a single action or several hostile actions which have lasting effects on a person who is in a position of inferiority.

3.1 Our people



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

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

As of 31 March 2022, there were **1.027** employees in the Group, an increase by 7.4% compared to 956 employees as of 31 March 2021.

The three largest poles are Italy (37%), France (29%) and China (25%) while the remaining 9% of employees are distributed in the other countries where the Group is directly present.

Distribution of Group employees by country

Country	as of 31 March 2022	as of 31 March 2021
Italy	383	366
China	257	221
Hong Kong	1	1
Germany	1	1
Spain	23	25
Taiwan	12	13
France	299	290
San Marino	4	0
UK	3	2
Russia	44	36
Total	1.027	956

Based on the total number of employees as of 31 March 2022, 76% have a **permanent contract** (in line with last year), while the remaining **24%** are employed on a **fixed-term contract**.

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

Table 1 – type of contract

Type of contract	as of 31 March 2022			as of 31 March 2021		
	Men	Women	Total	Men	Women	Total
Permanent	200	584	784	165	567	732
Fixed term	54	189	243	65	159	224
Total	254	773	1.027	230	726	956

Table 2 – Geographical area

Geographical area	as of 31 March 2022			as of 31 March 2021		
	Permanent	Fixed term	Total	Permanent	Fixed term	Total
Italy	345	38	383	344	22	366
Rest of Europe	331	43	374	331	24	355
Rest of world	108	162	270	57	178	235
Total	784	243	1.027	732	224	956

Table 3 – Age group and gender

	as at 31 March 2022											
	ITALY				REST OF EUROPE ⁸				REST OF WORLD			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Tot
Men	10	66	29	105	24	40	8	72	9	56	12	77
Women	29	201	48	278	90	141	71	302	18	142	33	193
Total	39	267	77	383	114	181	79	374	27	198	45	270

	as at 31 March 2022			
	GROUP			
	<30	30-50	>50	Total
Men	43	162	49	254
Women	137	484	152	773
Total	180	646	201	1.027

⁸ The geographical area "rest of Europe" also includes Russia.

88% of Group employees as of 31 March 2022 have a **full-time** contract, while the remaining **13%** are employed on a **part-time** contract. Of the total of 897 employees on a full-time contract, there are 238 men and 659 women, whereas in part-time contracts, there are 16 men and 114 women.

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

As of 31 March 2022, Piquadro S.p.A. and The Bridge S.p.A. have agreements with 44 companies, both Italian and overseas, for the marketing of their products through commercial agents.

During the 2021/2022 financial year, **441 new employees were hired**, and **370 workers left**.

Number of people hired and incoming employees in the Group per geographical area, gender, and age group area

Table 4 – New hiring rates in the Group

	2021/22														
	ITALY					REST OF EUROPE ⁹					REST OF WORLD				
	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%
Men	10	18	5	33	31%	22	12	0	34	47%	22	32	1	55	71%
Women	25	37	7	69	25%	86	32	12	130	43%	21	95	4	120	62%
Total	35	55	12	102	27%	108	44	12	164	44%	43	127	5	175	65%
New hirings %	90%	21%	16%	27%		95%	24%	15%	44%		159%	64%	11%	65%	

Number of personnel hiring	2021/2022				
	GROUP				
	<30	30-50	>50	Tot	%
Men	54	62	6	122	48%
Women	132	164	23	319	41%
Total	186	226	29	441	43%
New hirings %	103%	35%	14%	43%	

The new hiring turnover is calculated as the relationship between the total number of people hired in 2021/2022 (Table 4) and the total number of employees as of 31 March 2022 for the relative age and gender group (Table 3).

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

Number of personnel leaving and Group turnover per geographical area, gender and age group

Table 5 – Turnover of people leaving the Group

	2021/22														
	ITALY					REST OF EUROPE					REST OF THE WORLD				
	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%
Men	9	13	3	25	24%	14	10	2	26	36%	19	26	1	46	60%
Women	10	45	5	60	22%	69	41	9	119	39%	21	66	7	94	49%
Total	19	58	8	85	22%	83	51	11	145	39%	40	92	8	140	52%
Leaving turnover %	49%	22%	10%	22%		73%	28%	14%	39%		148%	46%	18%	52%	

Number of personnel leaving	2021/2022				
	GROUP				
	<30	30-50	>50	Tot	%
Men	42	49	6	97	38%
Women	100	152	21	273	35%
Total	142	201	27	370	36%
Leaving turnover %	79%	31%	13%	36%	

The leaving rate is calculated as the relationship between the total number of people who left the Group in 2021/2022 (Table 5) and the total number of employees as at 31 March 2022 for the relative age and gender band (Table 3).

The leaving rate is mainly attributable to the Group's stores and to the Chinese subsidiary Uni Best.

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

3.2 Employee Management and Development



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

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

In the 2020/2021 financial year, more than **4.623** hours of training were given to the Group's employees. In addition to mandatory health and safety training in the workplace, specific courses, and training on Sales Strategy issues, not just when opening new points of sale (outlets or boutiques) by store managers of historical outlets identified for their professionalism, product knowledge and undisputed sales capabilities. During these sessions, the product's characteristics, the way they are displayed, and the presentation of the brand's characteristics are illustrated.

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

Total hours of training given to Group employees

Professional category	2021/2022			2020/2021		
	Men	Women	Total	Men	Women	Total
Directors	0	0	0	1	38	39
Employees	444	1.351	1.795	699	1.721	2.419
Workers	931	1.897	2.828	756	1.296	2.052
Total	1.375	3.248	4.623	1.456	3.055	4.510

Average hours of training per year per employee

Professional category	2021/2022			2020/2021		
	Men	Women	Total	Men	Women	Total
Directors	0	0	0	0,1	38	4,3
Employees	2,85	2,25	2,37	4,9	3	3,4
Workers	10,58	11,09	10,92	9,5	8,3	8,7
Total	5,41	4,20	4,50	6,3	4,2	4,7

The Piquadro Group goes on investing in the continuous training process of which the Parent Company recognizes the importance above all on issues regarding the Organization and

Management Model and the Code of Ethics.¹⁰ The information and training activities are planned at the beginning of the working relationship, both at the headquarters and at each point of sale, and at all occasions when the need is found in order to ensure the proper knowledge of Legis. Decree 231/01 and the provisions of the organisation and management Model. During the year, Piquadro S.p.a. and The Bridge S.p.a. provided a total of **42** hours of classroom training on these topics.

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

3.3 Employee well-being and equal opportunities

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

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

Group headcount per professional category and gender

Professional category	as at 31 March 2022					as at 31 March 2021				
	Men	%	Women	%	Total	Men	%	Women	%	Total
Directors	10	91%	1	9%	11	8	89%	1	11%	9
Employees	156	21%	601	79%	757	142	20%	568	80%	710
Workers	88	34%	171	66%	259	80	34%	157	66%	237
Total	254	24.73%	773	75.27%	1,027	230	24.06%	726	75.94%	956

At Group level, as of 31 March 2022, there were a total of 259 workers, 757 employees and 11 directors: of these **76% are women**.

Group headcount per professional category and age group

Number of people	as at 31 March 2022							as at 31 March 2021						
	<30	%	30-50	%	>50	%	Tot	<30	%	30-50	%	>50	%	Tot
Directors	0	0%	4	36%	7	64%	11	0	0%	3	33%	6	67%	9
Employees	166	22%	460	61%	131	17%	757	153	22%	441	62%	116	16%	710
Workers	15	6%	181	70%	63	24%	259	11	5%	170	72%	56	24%	237
Total	181	18%	645	63%	201	20%	1,027	164	17%	614	64%	178	19%	956

As regards the age range, employees aged between 30 and 50 account for 63% of the total, in line with the data of last year.

18% of employees are under 30, demonstrating the Group's high ability to also attract and employ younger resources.

As of 31 March 2022, **91%** of directors are employed at local level, i.e. they are of the same nationality as the country in which they work.

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

- to cater for employees, Piquadro has an internal canteen service, while both The Bridge and Lancel offer a relaxation - kitchen room for workers in addition to the "Ticket Restaurant" vouchers to eat meals elsewhere;
- directors and most of the Group's managers are given a company car
- both Lancel and The Bridge, to facilitate the movement of employees, also offer a contribution for public transport subscriptions;
- Furthermore, The Bridge gives its employees a 100-euro voucher to be freely spent at certain affiliated businesses;
- with the aim of guaranteeing its employees a high degree of flexibility and the ability to balance work needs with private life, a smart working system is being implemented in multiple targeted situations in Piquadro;
- Uni Best has set up a dormitory facility for all workers with guaranteed board and lodging;
- the company's welfare in the Group's Chinese company is also supported by the activity of the so-called "staff union", a team of employees who act as spokesmen of the workers and, with top management, promote activities and initiatives for workers.
- In December 2021, the Parent Company Piquadro S.p.A. and the Italian subsidiary Lancel Italy gave all employees a shopping voucher worth € 516.

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

Trade union relations

In the case of employment contracts, **95.7%** of the Group's employees are covered by **collective agreements**. In addition, The Bridge has also a second-level contract for certain categories of employees.

Together for employment

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

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

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



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

3.4 Health and safety at work



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

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

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

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

The risks considered range from those relating to the structure and work environments, to the machinery and equipment used, the hazardous substances with which employees could come into contact, work related stress, the protection of pregnant personnel in the workplace, etc. In the same document, companies are committed to ensuring that each worker receives sufficient and adequate health and safety training, anticipating a specific relationship between roles performed and training requirements.

During the financial year ended 31 March 2022, the Italian companies Piquadro S.p.A. and The Bridge S.p.A. and the production subsidiary Uni Best continued their implementation of an increasingly refined management system striving for the continuous improvement of safety in the workplace, monitoring and urging its employees to report any critical issues regarding safety. Uni Best also provides all new employees with a manual listing the company's general guidelines and standards including safety in the workplace, thus pursuing its objective to provide information which can make it easier to create a complete prevention system at its headquarters.

The French subsidiary Lancel Sogedi S.A. is equipped with an employee representative body (formerly CHSCT and now CSE – a health and safety committee) which contributes to protecting its workers' wellbeing, health, and safety. This body actively takes part in improving

working conditions and guarantees that all the elements relating to occupational safety are respected. The CSE is responsible for analysing all the risks to which employees could be exposed in the workplace and establishes any corrective and preventative actions necessary. To carry out this analysis, the CSE regularly conducts studies, surveys and inspections.

To prevent and improve safety in the workplace, CSE consultations take place every month (at least 4 meetings a year are mandatory). These meetings analyse the structure of the business organisation (e.g. workloads, work rhythms and increased work duties), the environment (e.g. temperature, lighting, ventilation or workplace noise) and working hours. The CSE has decision-making authorities, so it can initiate an alert procedure in the event of serious and imminent risk or serious risk to public health or the environment. These actions are summarized in the "Unique Document" drawn up for both the headquarters and the stores.

Employee health and safety indicators¹¹

PIQUADRO GROUP – Work-related injuries		
Number of Accidents	2021/2022	2020/2021
Total number of recorded injuries at work	7	7
Total number of serious injuries at work (excluding deaths)	0	0
Total number of deaths due to injuries at work	0	0
Health and safety indicators	2021/2022	2020/2021
Rate of recorded injuries at work	3.77	4.41 ¹²
Rate of serious injuries at work (excluding deaths)	0	0
Rate of deaths due to injuries at work	0	0

In the period under review, the data on accidents has decreased by 14% compared to the previous year.

The accidents which occurred outside Europe were mainly at the Uni Best company located in China. The main types of accidents detected were injuries and bruises, and cuts.

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

¹¹The accident rates have been calculated as the ratio between the total number of accidents and the number of total hours worked, using a multiplication factor of 1,000,000. It should also be noted that only events which led to at least one or more days of absence were considered as accidents.

¹² As a result of an improvement of the data monitoring system regarding the hours worked by the employees of the Chinese company, the accidents at work rate recorded as at 31 March 2021 was stated again after the one published in the previous non-financial statement. For previously published data, please refer to the NFS of 31 March 2021, available on the website www.piquadro.it in the Investor Relations/Sustainability Report section.

For this reason, the Group continues its commitment to disseminating and consolidating a **safety culture** to all its employees and collaborators, developing awareness of risks, and promoting responsible behaviour on the part of the personnel. To this purpose, the Italian companies Piquadro S.p.A. and The Bridge S.p.A., the Chinese production subsidiary Uni Best and Lancel Sogedi S.A. periodically give general and specific training on health and safety.

Over **4.039** hours of health and safety training were provided during the financial year.

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

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

Managing Covid-19

During the year ended on 31 March 2022, Piquadro S.p.A. managed the emergency events linked to the COVID-19 epidemic by keeping a ready and organised structure active and able to involve the different internal functions and figures responsible at all levels, such as the Prevention and Protection Service and the Company Doctor.

The experience gained in previous years about protecting health and safety at work allowed the company to guarantee the prevention and protection measures based on the different scenarios that took place, both locally and at the national level.

The main health and safety efforts were addressed to monitoring prevention and protection principles established in the Company Protocol for Emergency Management and in the implementation of a system of initiatives aimed at verifying the effectiveness of this document, also continuously bringing the Company Protocol into line with the new regulatory references and administrative measures on a continuous basis.

More specifically, for the parent company, the Human Resources Office took on the role of information coordination and sorting while encouraging meetings with the Prevention and Protection Service, the Company Doctor and with the other members of the protocol verification committee.

Sound communication backed by action taken by the people in charge, the Employer and the Workers' Safety Representative was guaranteed to the workers.

The network of points of sale, heavily affected by the restrictions triggered by the state of emergency, was involved through the coordination figures who took part in the updating and monitoring activities.

4. Sustainable supply chain and environmental responsibility

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

4.1 The transparent and sustainable management of the supply chain



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

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

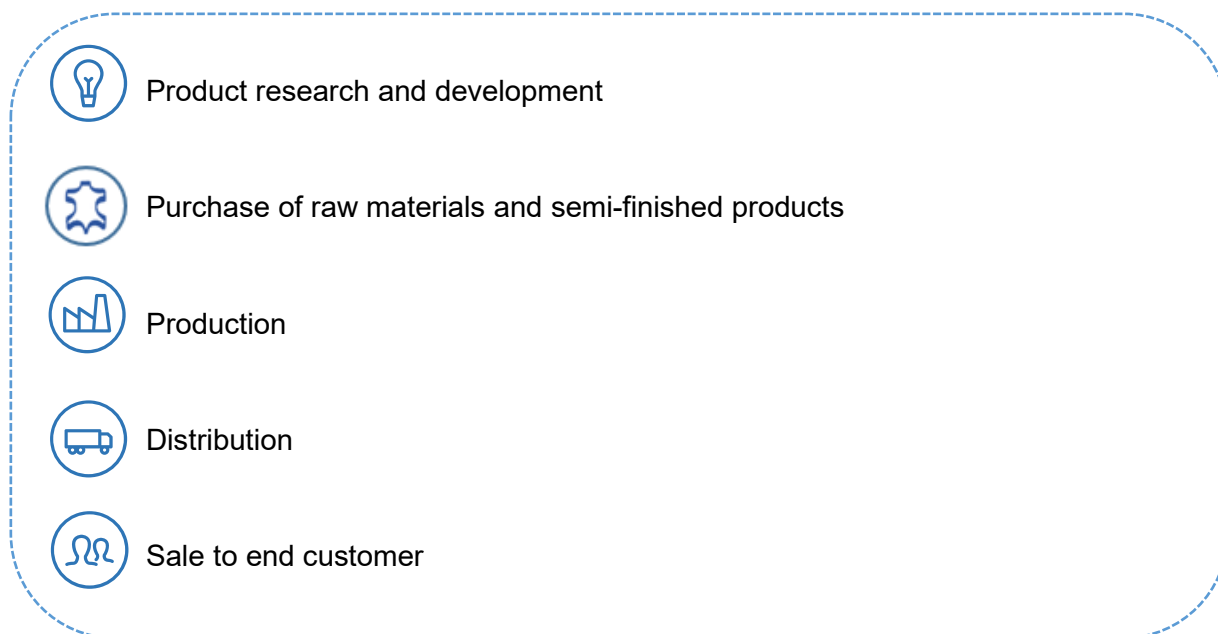
The combination of **traditional Italian leather working, quality, design and innovation has always characterised the Piquadro company.**

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

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

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

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



The Group's main types of suppliers

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

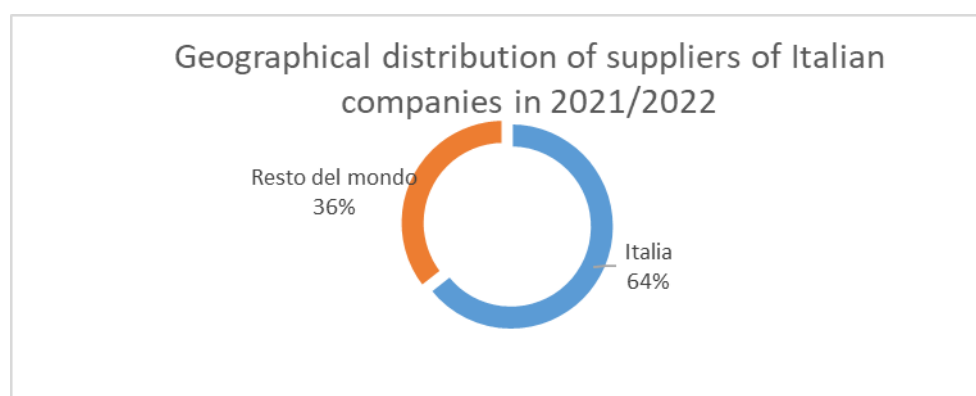
The production activity, which is partially carried out by external operations, is entrusted to external suppliers of proven competence and quality, located mainly in Hong Kong, Italy, China, the Czech Republic, and Bulgaria. This activity is carried out based on prototypes, engineered and provided by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

The Group's main purchasing types are represented by the categories "**raw materials and finished products**" and "**external processing**" which, together, **account for almost 52% of annual expenditure**.

The following is the Group's total expenditure by purchase category in the 2021/2022 FY.

2021/2022		
Category	Value of total annual expenditure by type [thousands €]	Percentage of total annual expenditure by type
Raw materials and finished products	31,581	33%
External production	17,110	19%
Advertising and marketing	10,296	12%
Transport services	8,377	9%
Commercial services	4,827	5%
Administrative services	2,978	3%
General services	4,603	5%
Services for production	3,945	4%
Costs for use of third-party goods	8,126	9%

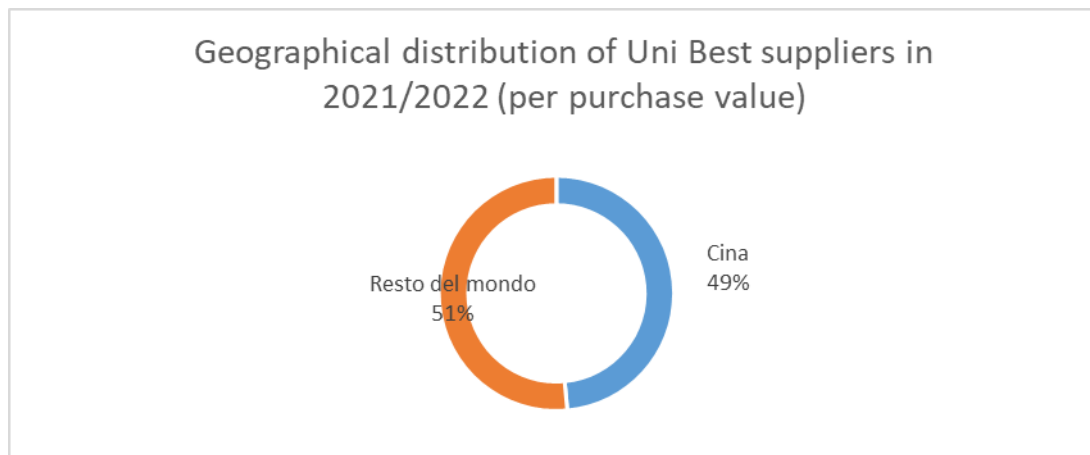
Local suppliers for Italian companies are dominant in terms of business volume and account for **64%** of the **total value of purchases** made in 2021/2022 (a slight increase compared to the same data of the 2021/2021 FY, equalling 66%)



As regards **local suppliers for the French company**, these represent, in turns of turnover, **70%** of the **total value of purchases** (compared to 66% of the previous year).



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



The percentage of local suppliers, understood as Chinese suppliers, is **49%** of the value of purchases in 2021/2022 (increasing if compared to 47% in 2020/2021).

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

For this purpose, the Code of Ethics is expressly addressed not only to administrators and internal workers, but also to external employees, customers, agents and, of course, suppliers.

The Group defined a **Suppliers Code of Conduct** within which the principles and practices to which its suppliers must adhere are set out. The Code was submitted to the Control and Risks Committee and will be approved by the parent company's board of directors in the upcoming months. In a perspective of continuous improvement of the management and engagement of its supply chain, the Group confirms the objective of including new parameters relating to the protection of human rights and other social and environmental criteria in its new supplier qualification process.

4.2 Responsible material consumption

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

Raw material and consumables purchased by type¹³

Type	Unit of measure	Total as at 31.03.2022
LEATHER	M ²	504,296
SHOPPING BAG	KG	110,831
of which FSC (<i>Forest Stewardship Council</i>)	KG	12,584
of which Non FSC (<i>Forest Stewardship Council</i>)	KG	98,247
METALLIC ACCESSORIES	UNITS	8,250,233
COTTON/CLOTH BAGS	UNITS	539,859
FELT AND FABRICS	ML	157,338

The most common raw material in terms of purchases is leather, used to make the Group's three brands. In the 2021/20221 FY, the Group purchased over **504 thousand square metres of leather**, mainly from Italian tanneries.

As well as leather, to make its products, the Group also purchased fabrics, nylon and polyester, accessories and metallic accessories. The other categories of materials used by the Group were paper for office activities and cardboard and plastic for product packaging and transport (cardboard boxes, product tags, cellophane, and other plastic packaging material).



Vegetable Tanning

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

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

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

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

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

In addition, the parent company has adopted a special part relating to environmental crimes, within the framework of the organisation and management Model pursuant to Legislative Decree 231/01, as well as a waste management procedure.



4.3 Energy management

During the 2021/2022 financial year, the Piquadro Group's energy consumption stood at about **24.085 GJ (in line with 23.359 GJ as at 31 March 2021)**. The main types of energy sources used were:

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

The reported energy consumption relates to the Italian offices, the Chinese production establishment and, for electricity consumption only, the 138 direct outlets of the Piquadro Group (129 as of 31 March 2021). Consumption fuel by company cars is related to the company Piquadro S.p.A., The Bridge, Uni Best and Lancel Sogedi.

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

Energy consumption of the Piquadro Group¹⁴

Type of consumption	2021/2022	2020/2021
	Total (GJ)	Total (GJ)
Purchased electricity¹⁵	15,336	15,393
<i>Of which: renewable¹⁶</i>	3,461	4,369
Non-renewable fuel	8,748	8,146
<i>of which: natural gas for heating</i>	4,305	4,182
<i>of which: diesel for heating</i>	59	152
<i>of which: LPG for heating</i>	1,870	1,938
<i>of which: petrol for company fleet</i>	296	97
<i>of which: diesel for company fleet</i>	2,219	1,777
Total energy consumption	24,085	23,539
<i>of which: renewable sources</i>	3,461	4,369

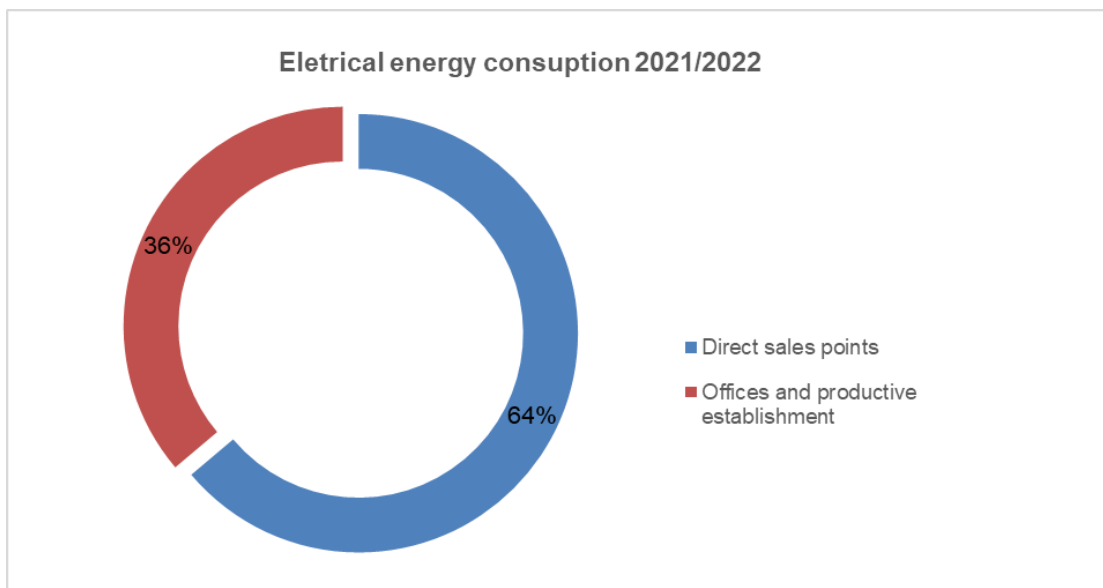
As far as the distribution of electricity consumption is concerned, direct outlets account for about 64% of the Group's **total consumption** (in line with the data of last year).

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

¹⁵The 2020/2021 data on the electricity consumption of 3 direct Piquadro stores has been estimated by analogy to other outlets, based on their size and geographical location.

The electricity consumption of 40 stores of the Lancel brand is estimated annually at 300kWh/m². Most of these outlets are placed in airports or shopping centres whose contractual conditions do not allow timely reporting of the data. Following a process of improving the monitoring system of the data regarding the electricity purchased from renewable sources, the data as at 31 March 2021 has been restated as compared to that published in the previous NFS. For previously published data, please refer to the NFS of 31 March 2021, available on the website www.piquadro.it in the Investor Relations/Sustainability Report section.

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



4.4 Emissions into the atmosphere

About emissions into the atmosphere, in the 2021/2022 financial year, the Group produced **1,665 t CO₂eq** using the location-based ¹⁷calculation method, deriving from the consumption of electricity and non-renewable fuels.

In particular, direct emissions (Scope 1), i.e. from consumption of natural gas, LPG, diesel and petrol amounted to around **546 t CO₂eq**.

Indirect emissions (Scope 2) on the other hand, resulting from the purchase of electricity from the grid, amounted to a total of around **1,120 t CO₂** based on the location-based calculation method and around **1,350 t CO₂** with reference to the "market-based" calculation method.

Emissions of Scope 1 [tCO₂eq]¹⁸

Type of source	2021/22	2020/2021
Scope 1¹⁹		
Use of fuel for heating	359	372
<i>of which: natural gas</i>	243	237
<i>of which: LPG</i>	111	124
<i>of which: diesel</i>	4	12
Use of petrol for company fleet	20	7
Use of diesel for company fleet	167	126
Total Scope 1	546	505
Scope 2²⁰		
Purchased electrical energy (location-based)	1,120	1,127
Scope 2		
Purchased electrical energy (market-based)	1,350	1,300

¹⁷GRI Sustainability Reporting Standards provide two methodologies for calculating the emissions of Scope 2: "Location-based" and "Market-based". The "Location-based" reflects the average intensity of emissions from the total national electricity production, while the "Market-based" method reflects the emissions from electricity that companies have chosen to use and is therefore calculated by emission factors that also consider contractual instruments for the sale and purchase of certified electricity.

¹⁸ It should be noted that for better alignment with what is required of the GRI 305-1 standard to calculate Scope 1 emissions, a source of emission factors was used that restores emissions into CO₂eq. Emissions from Scope 2 are instead expressed in tonnes of CO₂, however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂eq), as inferred from the related technical literature.

¹⁹ To calculate Scope 1 emissions, the emission factors published by the *Department for Environment, Food & Rural Affairs, UK (DEFRA), in Greenhouse gas reporting - Conversion factors 2020 and 2021* were used.

²⁰ To calculate Scope 2 emissions with the "location-based" method, emission factors were used reported within the publication *Confronti Internazionali*, Terna 2018 and 2019. Regarding the calculation of emissions using the "market-based" method, Residual mix emission factors were used published by the Association of Issuing Bodies (AIB) in the document *European Residual Mixes 2020 and 2021*; these factors have only been applied for the following countries: Italy, French Great Britain and Spain. In other cases where factors were unavailable, the same factors used for the calculation were maintained with the "location-based" method.

Following a process of improving the monitoring system of the data regarding the electricity purchased from renewable sources, the data as at 31 March 2021 has been restated as compared to that published in the previous NFS. For previously published data, please refer to the NFS of 31 March 2021, available on the website www.piquadro.it in the Investor Relations/Sustainability Report section.

4.5 Waste Management



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

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

During the 2021/2022 tax year, the Piquadro Group produced a total of approximately **240 tonnes of waste**, almost all of which were **non-hazardous**.

Waste generated (306-3)

Type of waste [ton]	31.03.2021			31.03.2022			Variation 2021/2022
	hazardous	Not hazardous	Total	hazardous	Not hazardous	Total	
LEATHER WASTE	-	56,21	56,21	-	33,04	33,04	-41%
PACKAGING MATERIAL	0,10	33,78	33,87	0,09	31,75	31,84	-6%
WOOD	-	14,60	14,60	-	20,27	20,27	39%
IRON / STEEL	-	0,37	0,37	-	5,82	5,82	1473%
ORGANIC WASTE	0,03	-	0,03	0,01	13,62	13,63	43170%
PLASTIC	-	-	-	-	2,46	2,46	0%
ELECTRONIC COMPONENTS	0,02	0,45	0,47	0,20	6,04	6,24	1235%
PAPER	-	128,88	128,88	-	129,97	129,97	1%
Total	0,15	234,28	234,43	0,30	242,97	243,27	4%

As regards the disposal method, the Group sends about **82% of its waste to recycling** (compared to 76% of the 2020/2021 FY).

Waste diverted from disposal (306-4)								
Disposal method [ton]	31.03.2021				31.03.2022			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardus Waste								
Reuse	0	0	0	0%	0	0,08	0,08	0%
Recycle	0	0,24	0,24	0%	0	0,2	0,2	0%
Not Hazardus Waste								
Reuse	0	143,085	143	81%	0	180,981	180,981	91%
Recycle	0	34	33,94	19%	0	18,575	18,575	9%
Total	0,000	177,27	177,27	100%	0	199,836	199,836	100%

Waste directed to disposal (306-5)								
Disposal method [ton]	31.03.2021				31.03.2022			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardus Waste								
Incineration (with energy recovery)	0	0	0	0%	0	0	0	0%
Incineration (without energy recovery)	0	0	0	0%	0	0	0	0%
Rubbish dump	0	0	0	0%	0	5,92	5,92	14%
Not Hazardus Waste								
Incineration (with energy recovery)	0	0	0	0%	0	0	0	0%
Incineration (without energy recovery)	0	0	0	0%	0	0	0	0%
Rubbish dump	0	57	57	100%	0	37,51	37,51	86%
Total	0,000	57,160	57	100%	0	43,43	43,43	100%

5. The link with the territory



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

During the 2020/2021 financial year, the Piquadro Group made multiple **donations** to non-profit organisations and local associations for development and promotion purposes and sponsored social and cultural events in the area, such as the Civil Protection donation hub of Silla di Gaggio Montano.

Piquadro has donated shopping vouchers for an amount of **€ 21.000** to people in difficulty, in collaboration with the municipality of Lizzano in Belvedere, and donated equipment to the Costa di Alto Reno Terme Hospital.

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

What was formed by the long-standing friendship and a common love for their mountains of Piquadro Founder Marco Palmieri and President of the Italian Federation of Winter Sports is the association that, by involving a large number of entrepreneurs and local companies, led to the creation of a new company to manage the skiing facilities of Bologna's most beloved ski resort. The aim is the rebirth of this local reality by developing an aware and sustainable tourism that allows young people to remain in the homeland without having to seek work elsewhere. The challenge is to find a balance between environmental sustainability and enjoyment of nature without disfiguring it. Or better still, by developing a new and heartfelt environmental sensitivity.



The Bridge has regular contact with schools and training facilities in general that are located in the Florentine basin: through the activation of curricular, extracurricular and apprenticeship contracts, it has frequent contact with Polimoda and with MI.TA (Made in Italy Tuscany Academy) the first Higher Technical Institute in the field of technical professions for fashion with offices in Scandicci (Florence). It also donated to the Urban Forestry Center which collaborates with various non-profit organizations for the protection of the nation's historical, artistic, and natural heritage.



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

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

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

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Piquadro S.p.A. and its subsidiaries (hereinafter "Piquadro Group") as of March 31, 2022 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on June 13, 2022 (hereinafter "NFS").

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

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

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

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

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

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

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

Auditor's Independence and quality control

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

Auditor's responsibility

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

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

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Piquadro Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Piquadro Group;

4. understanding of the following matters:

- business management model of the Piquadro Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

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

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

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

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

- at the Parent Company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Gaggio Montano (BO) headquarters for Piquadro S.p.A., Scandicci (FI) headquarters and production site for The Bridge S.p.A. and Zhongshan (China) headquarters and production site for Uni Best Leather Goods Zhongshan Co.Ltd., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Piquadro Group as of March 31, 2022 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Montanari
Partner

Bologna, Italy
July 1, 2022

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