



INTEGRATED REPORT

BENETTON GROUP 2020

Digital
BENETTON.COM:
A MULTIFACETED
CONCEPT

People
2020, THE YEAR
OF SMART
WORKING

Style
THE FLUID FUTURE
OF JEAN-CHARLES
DE CASTELBAJAC
COMES TO MILAN



Supply Chain
UNITED COLORS
OF BENETTON
IS ITALY'S TOP BRAND
FOR TRANSPARENCY

Communication
A GLOBAL NETWORK
OF INFLUENCERS

Product
SWIMWEAR
IN ECONYL®

INTEGRATED REPORT

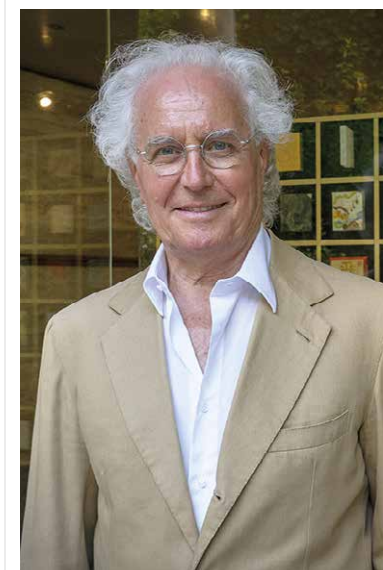
BENETTON GROUP 2020

Index

| | | | | | |
|------------|--|------------|--|------------|---|
| 005 | Letter from the Chairman | 054 | Campus | 090 | COMMUNICATION |
| 006 | Interview with Massimo Renon CEO, Benetton Group | 055 | Foreign offices and factories | 091 | Adv |
| 008 | Highlights | 056 | PRODUCT | 093 | Benetton Studios |
| 010 | Awards and acknowledgements | 057 | Fibers | 094 | Digital communication |
| 011 | THE COMPANY | 062 | Focus: Swimwear in ECONYL® | 096 | Focus: United Colors of Benetton's network of influencers |
| 012 | Values | 065 | Interview with Alberto Gallina Quality Assurance, Product and Supply Chain Sustainability, Benetton Group | 098 | Fabrica |
| 014 | History | 066 | Treatments | 100 | Social communicatione |
| 016 | Governance | 067 | Quality and safety | 102 | Interview with Mei-Ling Girault creative, Fabrica |
| 020 | Value generated | 068 | SUPPLY CHAIN | 103 | PEOPLE |
| 022 | Economic value generated and distributed | 069 | Management of the supply chain | 108 | Organisation |
| 023 | Objectives and initiatives | 073 | Our commitment to people in India | 109 | Focus: 2020, the year of smart working |
| 024 | Materiality matrix and relevant themes | 074 | Interview with Jasleen Kaur Marketing, PR and CSR, Benetton India | 110 | Benetton for You |
| 027 | Strategic map: themes, objectives and initiatives | 075 | Environmental impacts | 111 | Ponzano Children |
| 028 | Projects | 076 | Focus: United Colors of Benetton, Italy's top brand for transparency | 112 | Zero Injury Objective |
| 030 | Risk management | 078 | Logistics | 113 | Digital transformation |
| 032 | Benetton Group companies in the world | 080 | DIGITAL | 114 | Interview with Paola Cinquina HR Digital Transformation, Benetton Group |
| 033 | STYLE | 081 | Digitalisation | 115 | Training & Engagement |
| 034 | United Colors of Benetton | 082 | Dynamic websites | 116 | People Development |
| 038 | Focus: Blended Future | 085 | Focus: Blend Different, a new concept for benetton.com | 117 | Employer Branding |
| 040 | Undercolors | 086 | Interview with Vanessa Roccatelli Digital Marketing, United Colors of Benetton | 118 | Reward |
| 041 | Interview with Luca Collesei Brand Director, Undercolors | 087 | E-commerce and omnichannel | 119 | Industrial relations |
| 042 | Sisley | 088 | Digital marketing | 121 | APPENDIX |
| 046 | SPACES | 088 | Content Factory and App | 122 | Methodological notes |
| 047 | Distribution network | | | 124 | GRI content index |
| 051 | Interview with Antonio Nozzolino Store Manager, UCB Treviso | | | 133 | Independent Auditors' report |
| 052 | Focus: A new concept store for Sisley | | | | |

UNITED COLORS
OF BENETTON.

Letter from the Chairman



Dear Stakeholders,

2020 was a year like no other. We had to face a scenario that changed abruptly and radically, forcing us to alter the way we live and develop relations. Doing business in the period of the pandemic has been a daily challenge, and Benetton Group's results for the year have inevitably been affected.

However, I would like to emphasise the courage and determination that the Company showed. First of all, we thought of the people, by implementing very strict measures to ensure the safety and health of our employees and customers. Smart working, a practice we had already tried in the past, has become structural. And I should thank all of our workers for all that they have accomplished in this year.

The health crisis accelerated the relaunch process that we began two years ago. Digital technology is of the essence. We are integrating technology in every aspect of our Company life, according to an increasingly multi-channel perspective. The new benetton.com website

and the e-commerce are developed in this direction, as are the numerous virtual projects undertaken by the Company and Fabrica.

Digital technology will support and integrate brick and mortar stores, the natural core of our business model. As entrepreneurs, we must look to the future with optimism and aim at relaunching the physical stores with a strong "Benetton imprint". We must develop new experiences for our customers and followers.

To do this, every garment produced must be genuinely Benetton in its look and intrinsic composition. Jean-Charles de Castelbajac infused new life into the style, now supported by a dedicated structure, which will be enhanced through capsule collections for women, men and children.

"We are rainbows." We repeated it many times in these difficult months. It is not a slogan but a symbol that we brought around the world, both when we opened new stores and when we strengthened our presence in the most important department stores. These were tangible signs of our determination to never surrender and look always ahead.

The direction is marked out. Benetton will become increasingly sustainable, digital, agile and fast. Massimo Renon, appointed CEO in April 2020, has the critical task of implementing this vision, counting on the support of the Company and its shareholders. Martino Boselli joined the UCB Commercial and Sales Department, taking over responsibility for leading the Company in the achievement of the objectives set out in the Strategic Plan.

On the other hand, Sisley is continuing its re-positioning with products with a strong identity. The new store in Treviso, designed by architect Tobia Scarpa, is an example of experimental retail design that combines light, creativity and flexibility.

Unfortunately, 2021 will be another difficult year of great challenges that require making difficult choices. No physical event will be organised; in 2020, we participated in Pitti Bimbo for the first time and in the Milan Fashion Week for the third time. However, the scenario has not yet stabilised.

Even in this context, the core values of the Benetton Group will serve as a beacon. Our future is built on our past. Our commercial and product leadership cannot be separated from our values. Benetton has always been synonymous with color, quality, social commitment and supply chain control based on ethical and environmental principles. This will not change.

Evidence of this is the inauguration of our first entirely green store in Florence, inspired by the principles of circular economy, energy efficiency and technology in support of sustainability. The city we have chosen confirms our objective of pursuing a sustainable and responsible Renaissance.

Benetton was never just a fashion company, but an engine of positive social innovation that has served, serves and will serve as a point of reference.

Luciano Benetton
Chairman
Benetton Group



Interview with Massimo Renon
CEO, Benetton Group

You took office as CEO at an unprecedented time for Benetton Group and the world in general. What were your initial thoughts upon joining the Company?

I remember my first day at Benetton very well. When I entered the building, the first thing I perceived was an extraordinary feeling of style, aesthetics and attention to beauty. When you enter Villa Minelli, you immediately perceive the history of this legendary brand. It's difficult to explain, but it's something I see in the eyes of all the people who come to visit us. From the very first moment the feeling was: I'm going to work in a company that has made the history of Italy. Of course, the moment was difficult, but all the people who welcomed me expressed warmth, inclusiveness, and openness. This got my attention immediately, and it was an extraordinary feeling.

How will the pandemic affect the fashion industry in general?

The pandemic represents a swerve between what has happened to date and what will happen in the future, and I am not just talking about our industry. In the past months e-commerce has boomed, and this was very good for us too. Consumers no longer need to go physically to the store and touch the products, but they need - more importantly - to be guided to discover new distribution and purchasing channels through a different sensory experience. We believe that this acceleration represents an opportunity.

In your opinion, what are the pillars that will sustain the Company in the future?

When we talk about the future of the Company, the vision and the pillars upon which our future will depend are very clear. Certainly, the

Company must grow sustainably. Another pillar is the product, and we are currently investing a lot in products. A very important aspect is the revision of the distribution channels. We must grow stronger in physical retailing and be present with our brands in all the main e-commerce websites.

Where is the Company in terms of digital transformation? What is the direction for the future?

In the future, in order to be effective and stay one step ahead, the Company's vision must be innovation-oriented. To this end, we have embarked on an important path of digital evolution, which is not just a transformation, but embeds ongoing improvement of hard and soft tools alike. We are working on streamlining processes at a central level, so that everyone can work more efficiently. For example, we have provided our store personnel with innovative and effective tools to monitor all the key performance indicators. We also launched a new website, an important point of contact to reach out to the consumers who - as we well know - are no longer content to walk past the shop window and see the products on display. They look for a 360° experience, digital technology included.

The word sustainability is on everyone's lips. What role will sustainability play in the Company's future structure?

Benetton developed on principles and a very important set of values. We were the first to focus on items that today refer to sustainability. We want to reinforce this identity and become a strong and determined point of reference for our clients and partners. A few weeks ago, we opened a store in Florence with furniture made

of materials recycled from the textile industry: clothing, accessories, buttons, yarns, and finished garments. Obviously, all the garments for sale in the store feature marked sustainability properties, such as natural raw materials and low-impact treatments. This is a pilot project that will guide us towards creating an increasingly sustainable retail future. Everybody knows now that the drive towards sustainability is the real lever for growth.

In what direction is the Company moving in terms of product development and supply chain?

If we think of Benetton forty years ago, we think of an extraordinary, colorful, innovative, democratic, quality product. We want to keep these elements that are part of our DNA and return to a fashion quotient and an appeal gradient that are capable of attracting different generations that are not currently looking at Benetton. For this reason, we need to retain the extraordinary skills we have in our Company and also bring in new talents, who will help us interpret the inspiration, style and creativity of the coming decades. Today, the supply chain must not only produce well and in a timely manner, but also give customers what they want when they want it. This is why we're currently working on innovative systems to be used at points of sale at different times, but with a calendar that respects customer expectations.

Let's talk about our two brands. What does United Colors of Benetton mean to you and how do you see its future?

I think the future of United Colors of Benetton, our main brand, is colorful. It is one of the world's best-known brands. Who can forget our ad campaigns on tolerance and multiculturalism? And our Formula 1

victories? More than 150 million people walk into one of our brick and mortar stores every year. If we combine the number of consumers accessing our website and all consumer touchpoints, the potential is extraordinary.

Sisley?

We are experimenting with Sisley, because we believe that the brand is strong and has a very interesting appeal. It could be used as a real-life laboratory to experiment with an innovative path in terms of style, capsules and distribution, with a strong online presence, which may also prove positive for United Colors of Benetton.

You have been at Benetton for a year, after having traveled and held positions of responsibility in other companies. What is your idea of the Benetton Group?

I believe that Benetton has a very clear DNA and characteristics, infused by the founders. We have many people who work with competence and feel they have "green blood". We have an archive with thousands of garments and objects that can be used for inspiration in future collections.

The future to us means seizing this potential, maximising our strengths and trying to incorporate new ideas, inspirations, and energy, while continuing to work with dedication, speed and, above all, passion. Only in this way will we be successful; only in this way will we be ready to take advantage of all the opportunities that lie ahead, as we have always been able to do.

High lights 2020



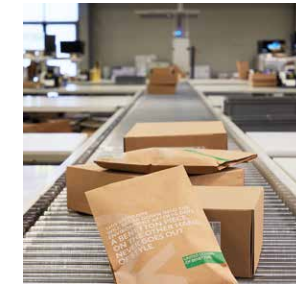
1050
SMART WORKERS
ACTIVE



100%
GREEN ENERGY
CAMPUS



60%
SUSTAINABLE
COTTON



39.5 EURO MLN
NET SALES
E-COMMERCE
BENETTON.COM
SISLEY.COM



-8.5%
EMISSION
INTENSITY
IN LOGISTICS

Awards and acknowledgements

FASHION TRANSPARENCY INDEX

For the second consecutive year, United Colors of Benetton ranked among the fashion brands most committed to disclosing credible information about its impact and operations, according to the Fashion Transparency Index, an annual report that analyses the ability of the leading global fashion brands to communicate transparent information about their supply chains.



LEADER IN DIVERSITY 2021

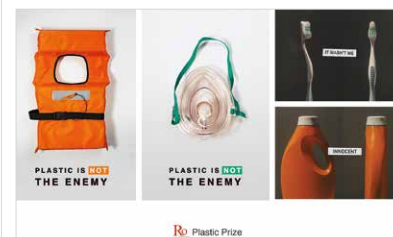
In 2020, the Benetton Group was recognised as "one of the leaders in Diversity 2021" by the Financial Times and Statista based on the following evaluation parameters: age, gender, ethnicity and disability. The survey, conducted among students, young employees and recruiters, ranked the Group 7th among apparel and accessories companies worldwide (industry and retail).



Four awards that acknowledge the Company's commitment to the environment, people and transparency

RO PLASTIC PRIZE

"Plastic is not the enemy" by young Fabrica resident Mei-Ling Girault is the winning project in the "Awareness on communication" category of the 2nd edition of the RO Plastic Prize, an initiative promoted by Rossana Orlandi for the purpose of engaging the design world in giving new life to used plastic and waste by exploring their endless possibilities for transformation. 1 200 candidates from 65 countries participated in the contest.



INTEGRATED UNIPV REPORT AWARD

Benetton Group's 2019 Integrated Report was the winner of the Sustainability Report Award organised by the Department of Economic and Business Sciences of the University in Pavia for the category "Voluntary Sustainability Reports". The jury awarded the prize with the following motivation: "Benetton's report stood out for a high strategic orientation combined with a reporting focus on relevant issues."



Benetton Group profile

Benetton Group is one of the world's best-known fashion companies thanks to a unique identity built on knitwear, quality, color and respect for diversity.

Founded in 1965 in Ponzano Veneto, in the province of Treviso, the Group operates in the main international markets with its two brands: United Colors of Benetton and Sisley.

Social commitment has always accompanied Benetton Group's global expansion. Over the decades Benetton Group has become the bearer of a universal message of humanity and tolerance and has implemented controls over its supply chain based on respect for ethical, environmental and labour law principles in addition to criteria of quality, competitiveness and transparency.

Today, Benetton Group is committed to being a globally responsible company from a social, environmental and economic perspective, growing together with the communities in which it operates.

Values



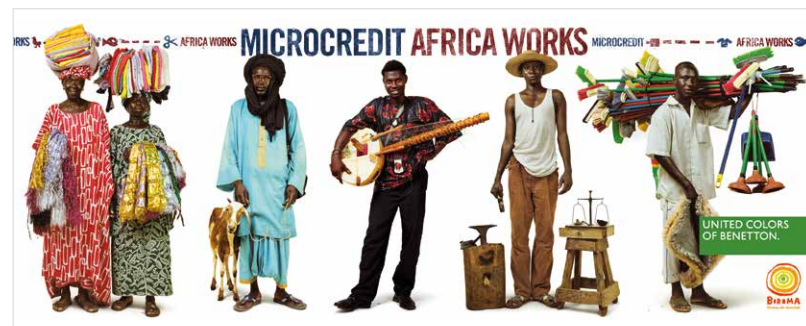
COLOR

The first thing that comes to mind when thinking of the Benetton Group is color, in all of its expressions. The colorful knits that have revolutionised the world of fashion are a metaphor for a playful and positive approach to life, celebrating our Italian origins.



QUALITY

Benetton Group constantly strives to attain the highest level of quality in all of its products, processes and services. This dedication is part of the Italian textile industry's tradition and - thanks to the passion and dedication of all the Group's employees - drives all of the Company's activities.



SOCIAL ENGAGEMENT

Producing apparel is not enough. Playing a central role in a constantly evolving scenario, Benetton Group considers it necessary to take concrete action to promote the development of individuals and communities and ensure respect for human rights at a global level.



INTERNATIONALITY

Benetton Group has always thought globally and not only in relation to business. Our vision is that of a world in which ethnic, cultural and religious differences are overcome in the name of global citizenship.



CULTURE

Since the beginning, Benetton Group has carried on a dialogue with some of the most prominent international figures in the world of culture. This has helped the Company developing new tools to understand and interpret the contemporary world. Because knowledge is crucial for the success of any enterprise.



FREEDOM OF EXPRESSION

Benetton Group is outspoken. We are convinced that our society can only evolve if people are provided with the right tools and allowed to express their opinions freely. This will result in more ideas, greater dialogue and more tolerance, also vis-à-vis those who see things differently.

History

1955 Luciano and Giuliana Benetton have the intuition to develop and sell a colorful, yellow knit, a brand new product in those days.



1962 Benetton starts producing knitted sweaters in neutral colors and dyeing them based on the orders received. First development of ready to dye production.



1965 Benetton Group was founded. In the same year, the factory designed by architects Afra and Tobia Scarpa was inaugurated in Ponzano, in the province of Treviso.



1966 Opening of the Group's first store in Belluno.

1969 Opening of the first store outside Italy. The location is Boulevard St. Germain, Paris.



1971 Registration of the Q12 brand and development of the first jacquard and diamond patterned knitted sweaters.

1974 Sisley enters the Benetton Group's brand portfolio.



1978 Group exports reach 60% of production.

1983 The Group enters Formula 1 racing as sponsor of the Tyrrel team. Three years later, after the acquisition of Toleman, the Benetton Formula Limited racing team is born. The team will go on to win, two drivers' and one constructors' world championships before being acquired by Renault in 2000.



1985 Benetton ad campaigns by Oliviero Toscani win the Grand Prix de la Publicité in France. This is the first of a series of awards that, together with criticism and censorship, fuel debate in many countries around the world.



1986 The Group is listed on the Milan Stock Exchange, followed by the listing on the Frankfurt Stock Exchange in 1988 and New York Stock Exchange in 1989.

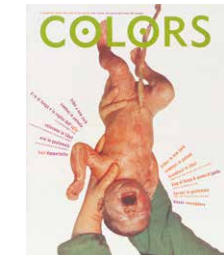


1987 Fondazione Benetton Studi e Ricerche is established, along with the International Carlo Scarpa Prize for Gardens.



1989 The iconic green United Colors of Benetton logo is born.

1991 Colors magazine, distributed in 40 countries and translated in four languages, is launched.



1994 Fabrica, Benetton Group's Communications Research Centre, is founded.



1994 The Undercolors brand is born.

2006 Benetton Group celebrates its 40th anniversary with an exhibition and a show at the Pompidou Centre in Paris.

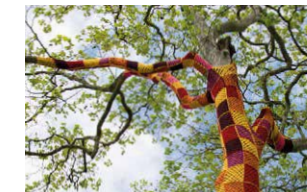


2007 Launch of the Ponzano Children Centre for the children of both Benetton Group employees and families of the surrounding area.



2012 Benetton Group delists from the Milan Stock Exchange, after also delisting from those of Frankfurt and New York.

2013 Benetton Group is recognised by Greenpeace for its commitment to environmental sustainability.



2014 The Group is reorganised into three separate entities: one directly focused on the brands, one dedicated to manufacturing and one engaged in real estate management.

2015 The partial demerger of Benetton Group S.r.l. is accomplished after completion of the refocus and relaunch plan.

2016 In April, Benetton Group S.r.l. acquires full control of Benetton Korea Inc.

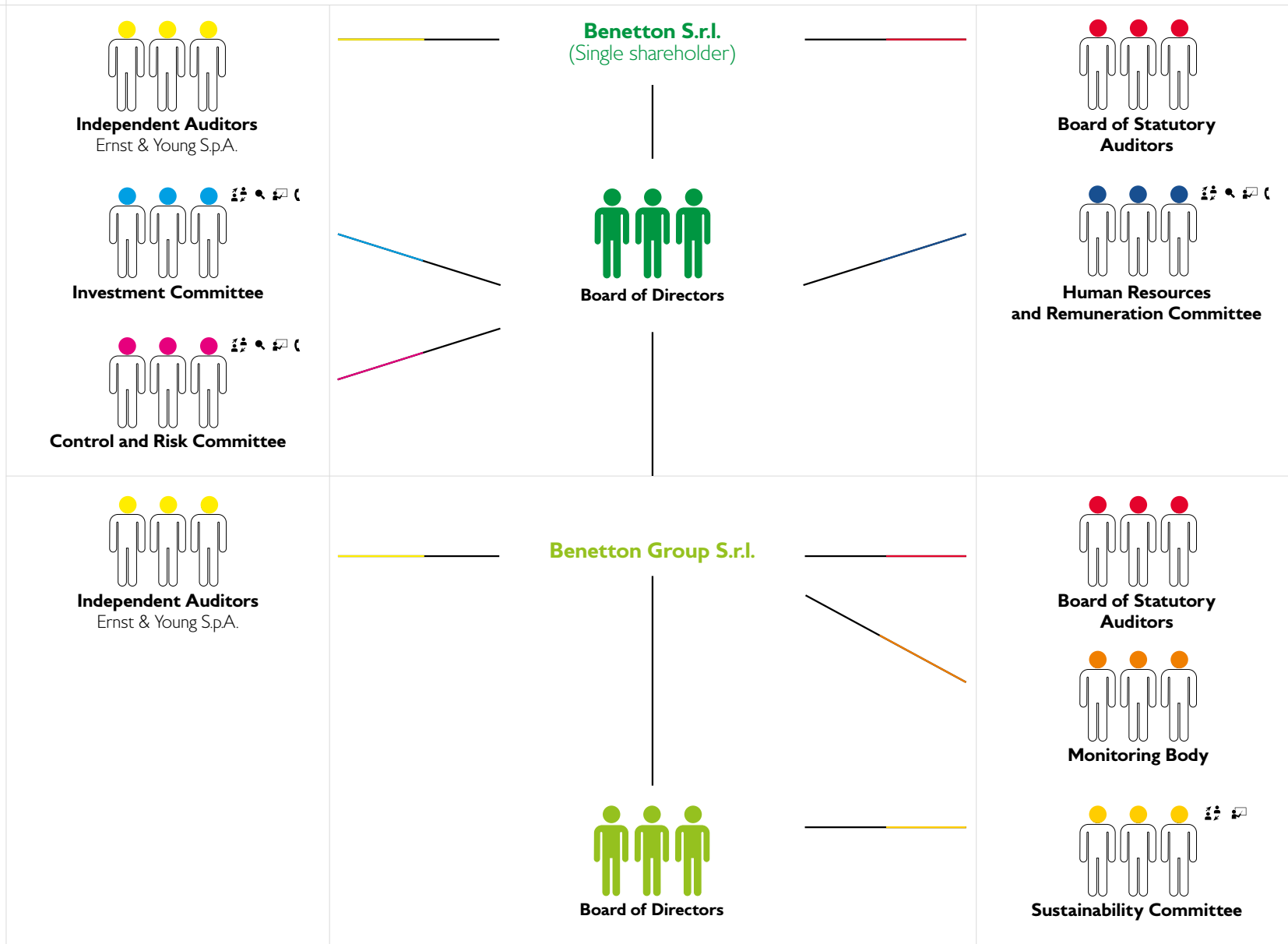
2019 United Colors of Benetton launches its first show at Milan Fashion Week to present the Rainbow Machine collection by its new artistic director Jean-Charles de Castelbajac.



2020 United Colors of Benetton is the first Italian brand in terms of transparency according to the Fashion Transparency Index.



Governance



- Functions:**
- Consultative
 - Proposals
 - Due diligence
 - Assistance

COMPOSITION OF CORPORATE BODIES AT 04.28.2021

| Board of Directors of Benetton S.r.l. | Office | Age | Investment Committee | Control and Risk Committee | Human Resources and Remuneration Committee | Monitoring body It. Leg. Decree 231/2001 |
|---------------------------------------|--------|-------|----------------------|----------------------------|--|--|
| Luciano Benetton | C | >70 | | | | |
| Massimo Renon | CEO | 51-69 | | | | |
| Ugo Giorcelli | | 51-69 | ○ | ○ | ○ | |
| Cristian Benetton | | <50 | | | | |
| Franca Bertagnin Benetton | | 51-69 | | | | |
| Ermanno Boffa | | 51-69 | | | | |
| Fabio Buttignon | | 51-69 | C | C | ○ | |
| Christian Coco | | <50 | ○ | ○ | ○ | |
| Nicola Pelà | | 51-69 | | | C | |
| Ugo Fonzar | | | | | | C |
| Andrea Pezzangora | | | | | | ○ (1) |
| Roberto Taiariol | | | | | | ○ (2) |
| Board of Statutory Auditors | | | | | | |
| Angelo Casò | C | | | | | |
| Antonio Cortellazzo | SA | | | | | |
| Giorgio Grosso | SA | | | | | |
| Gianluca Pivato | AA | | | | | |
| Graziano Gianmichele Visentin | AA | | | | | |

- C** Chairman
- CEO** Chief Executive Officer
- (1)** General Counsel
- (2)** Head of Internal Audit
- SA** Standing Auditor
- AA** Alternate Auditor
- Executive
- Non-Executive
- Independent - Non-Executive
- Member

BOARD OF DIRECTORS

The Board of Directors is responsible for managing operations. Among other things, it examines and approves:

- › guidelines for the Group's operations;
- › proposals concerning organisation and corporate governance;
- › general guidelines regarding the management of human resources;
- › proposals for the re-organisation of the Company's structure;
- › result of operations;
- › extraordinary corporate actions;
- › annual budgets and quarterly, half-yearly and annual financial results.

**INVESTMENT COMMITTEE**

The Investment Committee serves in a due diligence, advisory and/or recommendation-making capacity in support of the Board of Directors with regard to:

- › specific investment projects, assessing their adherence to alignment with the Group's strategic guidelines, their profitability targets and financial sustainability;
- › Company procedures regarding investments and significant transactions.

In general, the Committee monitors the implementation of the approved investment programs by overseeing their execution in terms of costs incurred and actual return on investment (post-audit), analysing the main criticalities.

CONTROL AND RISK COMMITTEE

The Control and Risk Committee, whose members have suitable experience in accounting and finance. It has the following main tasks:

- › assist the Board of Directors in defining the guidelines of the internal controls and in determining the criteria for deciding whether the risks faced by the Company and its subsidiaries are compatible with good and sound management practices. At the request of the Executive Chairman, it expresses opinions on specific issues concerning the identification of the principal business risks;
- › assist the Board of Directors in evaluating the adequacy, efficacy and effective functioning of the system of internal controls, which it oversees;
- › provide the Board of Directors with indications and information on compliance with corporate governance rules;
- › assess, together with the Chief Financial Officer and the Independent Auditors, the adequacy of the accounting standards adopted and their consistency for the purposes of preparing consolidated financial statements;
- › verify, with the assistance of the Head of Internal Audit, the process that generates the financial reporting data;
- › monitor the effectiveness of the auditing process and assess the results published in the Independent Auditors' report and the opinion letter;

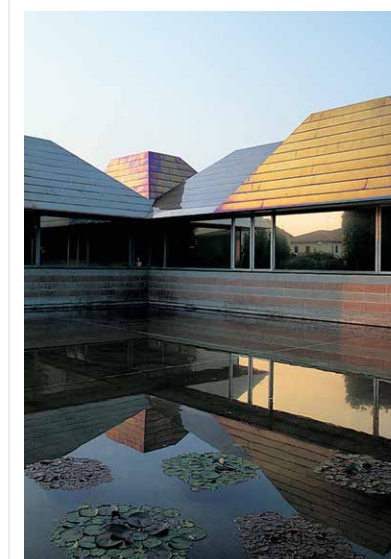


- › receive the annual report from the Head of Internal Audit on the application of the "Organisation and Management Model" - pursuant to Italian Legislative Decree 231/2001, which was adopted by the Company and also includes the Code of Ethics - and evaluate whether to present the Board of Directors with recommendations for updating and/or amending such model and its method of application;
- › assess and express an opinion in advance and as necessary requirement prior to confirming the appointment, on all auditing and non-auditing services provided by the Independent Auditors;
- › assess and verify the independence of the Independent Auditors.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee serves in a due diligence, advisory and recommendation-making capacity in support of the Board of Directors and in particular:

- › submits proposals on the overall remuneration of the Chairman, directors and senior managers of the Company and the Group;
- › examines performance targets and incentive plans for employees of the Company and the Group;
- › evaluates proposals regarding: composition criteria and skills profiles of the managers identified as components of management and control bodies in strategically important subsidiaries; policies for the strategic development of human resources and recruitment and appointment of senior managers of the Company and the Group.

**ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001**

The current Organisation, Management and Control Model adopted by resolution of the Board of Directors on 1st March 2016, to replace the one approved in 2008, is composed of a general part and numerous special parts. The Code of Ethics approved by the Company is treated as an integral part of the Model. Under its Code of Ethics, the Group has adopted the International Labour Standards (ILS) contained in the fundamental conventions of the International Labour Organisation (ILO).



Composition of the Sustainability Committee:

Massimo Renon Chief Executive Officer
Martino Boselli UCB Dir. Commercial and Sales Officer
Ugo Giorcelli Chief Staff Officer
Gianni Moscatelli Human Resources & Organisation Officer
Emanuela Pigni Category, Merchandising & Planning UCB Officer
Andrea Piras Product & Supply Chain Officer
Roberto Taiariol Internal Audit & Sustainability Officer
Carlo Tuniola CEO Fabbrica

GDPR

In 2018, with the enforcement of the European General Data Protection Regulation 2016/679 (known as GDPR), the Company set up a new Privacy function, headed by Mauro Menardo as Data Protection Officer, assisted by a multidisciplinary team.

The new function, responsible for personal data monitoring, assessment and processing, enables Benetton Group S.r.l. to ensure its employees, consumers and, in general, stakeholders correct personal data protection in the performance of their activities, so that data is always processed in compliance with the applicable national and European regulations in the matter.

SUSTAINABILITY COMMITTEE

The Sustainability Committee - set up by the Board of Directors in 2015 - defines and oversees Benetton Group's sustainability strategy. The establishment of this Committee is further evidence of the Company's commitment, at all levels, to become an agent of social change through its initiatives. The objectives of Benetton Group's Sustainability Committee include:

- › promoting the effective and continuous integration of sustainability initiatives into business activities and supporting the work of the Sustainability Director;
- › standardising all sustainability activities;
- › promoting dialogue with internal and external stakeholders on sustainability issues;
- › examining and periodically reviewing corporate sustainability implementation tools - starting with the Code of Conduct for Manufacturers and its implementation procedures - also in light of possible risks related to Company and brand reputation;
- › providing the Board of Directors with a constant flow of information and indications regarding the application of the corporate sustainability strategy and its tools;
- › overseeing activities related to integrated reporting and the disclosure of KPIs and relevant information on environmental and social issues.

Economic value generated and distributed

In 2020, Benetton Group continued the business re-launching process begun in previous years, despite the very complex and challenging context of the Covid-19 health crisis. The economic value generated by Benetton Group amounted to approximately Euro 736 million, while the economic value distributed totaled Euro 749 million, and the retained economic value was equal to approximately Euro -12.5 million.

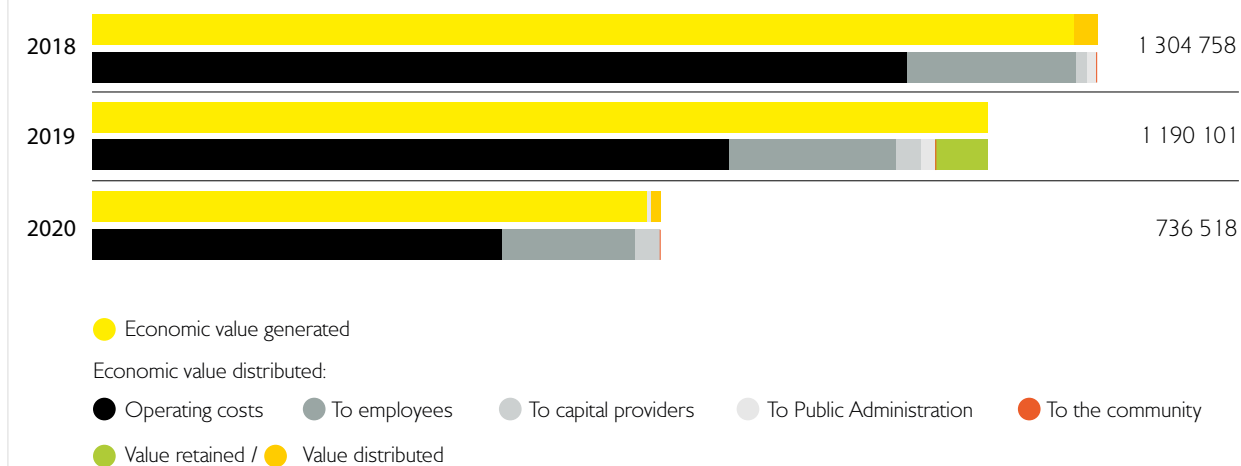
The reduction in the economic value generated is attributable to an unprecedented fall in revenues caused by the outbreak of the pandemic, which resulted in lockdown periods for retail clothing and accessories stores in Italy, Europe and much of the rest of the world. In response to the emergency situation, Benetton Group implemented a series of cost containment measures and policies reflected in the reduced distributed economic value:

- › renegotiation of the economic conditions of lease agreements;
- › flexibility in store personnel labour costs;
- › adoption of redundancy schemes allowed by the Italian government;
- › reduction of store advertising investments, concentrating the available resources on online communication; and
- › control of overhead costs.

Benetton Group continued to make investments necessary for economic recovery by increasing its exposure to short and medium-term loans from third parties. The Group's re-launch strategy focuses on products, sustainability and digital transformation and includes the rationalisation of organisational processes, strategic market monitoring, attention to consumer experience and digitalisation

| GRI 201-1 Value generated and distributed by Benetton (Euro thousand) | | | |
|---|------------------|------------------|-----------------|
| | 2018 | 2019 | 2020 |
| Economic value generated | 1 304 758 | 1 190 101 | 736 518 |
| Economic value distributed | 1 334 651 | 1 124 781 | 749 025 |
| Operating costs | 1 082 198 | 846 189 | 544 522 |
| Value distributed to employees | 223 820 | 222 668 | 177 741 |
| Value distributed to investors | 13 918 | 35 581 | 33 062 |
| Value distributed to PA. | 13 223 | 19 272 | (7 098) |
| Value distributed communities | 1 493 | 1 071 | 798 |
| Total retained economic value | (29 893) | 65 320 | (12 507) |

ECONOMIC VALUE GENERATED AND DISTRIBUTED (EURO THOUSAND)



Objectives and initiatives

In September 2015, the United Nations approved the 2030 Global Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). The implementation of this agenda requires nations, industries, businesses, financial institutions, NGOs and civil society to redirect their programs and plans towards these goals.



Benetton Group has decided to do its part to achieve these goals. In setting out its charter of commitments for the coming years, the Group chose to associate its actions with the SDGs closest to its core business and strategic action area.



SDG 5 GENDER EQUALITY
Gender equality is a necessary foundation for a peaceful, prosperous and more sustainable world for everyone. For this reason, Benetton Group has launched projects and initiatives designed to support the emancipation and empowerment of women around the world.




SDG 8 DECENT WORK AND ECONOMIC GROWTH
Benetton Group aims to reach higher economic productivity standards through diversification and technological progress, relying on development policies that support production activities, creativity and innovation by promoting a healthy and safe working environment for all workers.



SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Benetton Group leads the way in the global commitment to end the use of dangerous chemicals throughout the textile sector by 2020. The Company also implements policies for the sustainable management and the efficient use of resources and energy, as well as for the reduction of waste, also through recycling and reuse, where possible.



SDG 13 CLIMATE ACTION
The Group's contribution to combating climate change involves the implementation of initiatives to reduce energy consumption and climate-altering gas emissions, as well as reducing the environmental impact connected with its logistics activities and the distribution of its products.



SDG 17 PARTNERSHIP FOR THE GOALS
A successful Sustainable Development Agenda requires partnerships - built upon principles and values, a shared vision, and shared goals - that put people and the planet first. Benetton Group also works towards this goal, developing partnerships that can contribute to the achievement of the sustainable development goals.

BENETTON GROUP STAKEHOLDERS

Benetton Group mapped its stakeholders based on its areas of activity, dividing them as follows:

- › internal: individuals who are part of the Company;
 - › external: individuals who operate along the Group's value creation chain or who are indirectly influenced by/interested in the Company's activities.
- This process made it possible to identify approximately 30 categories of relevant stakeholders who, through interviews and dedicated workshops with the main corporate functions, were subsequently prioritised according to the following criteria:
- › dependence on Benetton;
 - › influence on Benetton.

In 2020 Benetton Group reviewed the engagement activities aimed at its stakeholders, maintaining seamless communication also during the pandemic period.

Through the "Be United Be Connected" project, the Group demonstrated its concern for its employees by posting periodic updates and procedures in relation to the new context. The invitation to remain united and connected despite forced distancing was translated into a series of initiatives to share moments of daily life. In addition, employees were also offered an opportunity to access courses to increase their knowledge about their interests and discover their potential.

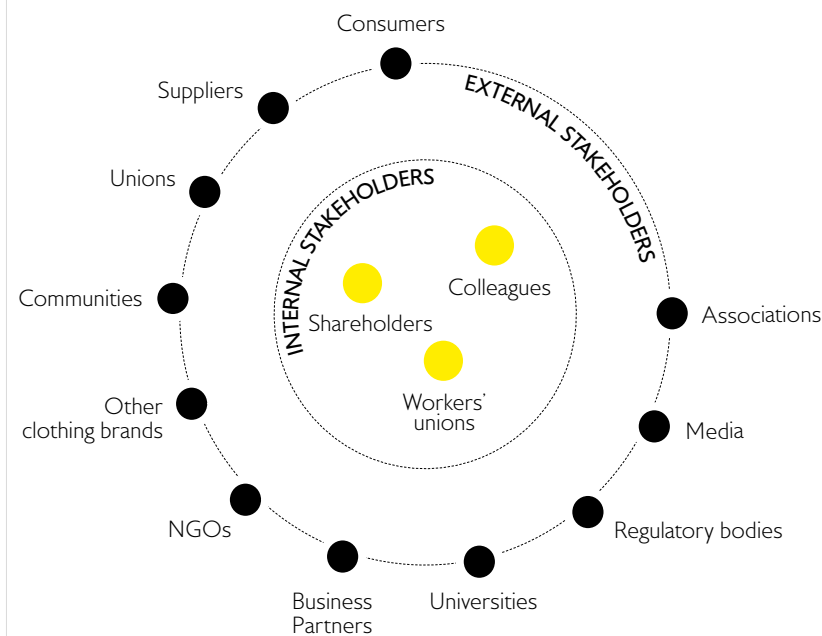
The unpredictable evolution of the international context required constant dialogue with suppliers calling for business readjustments, while guaranteeing safe operations and respect for workers' rights.

The collaboration with Sustainable Apparel Coalition (SAC) was expanded in 2020 to provide a common response to the crisis by sharing information available, resources to support communities and best practices to protect textile workers from the economic and social consequences of the pandemic.

Benetton Group has committed to transformational resilience and sustainable recovery by increasing its participation in specific working tables promoted by the Sustainable Apparel Coalition (SAC) and Zero Discharge of Hazardous Chemicals (ZDHC). The objectives are the identification of standard processes and common solutions to make the textile industry more sustainable, while minimising negative impacts on the environment and creating a positive social impact on communities. In particular, in 2020 Benetton Group confirmed its commitment for the next three years to adopt common supplier assessment tools and sustainability measurement standards. In 2020, Benetton Group kept its communication channels open in order to respond to requests for transparency made by consumers or associations and foster dialogue on important issues, such as recycling,

traceability and the commitment to animal welfare. In addition, Benetton Group monitored the evolution of industry mechanisms and macro-trends through dedicated newsletters and reports, as well as through participation in training sessions, for the purpose of identifying issues subject to potential regulation, change drivers and new stakeholder attitudes, to be reflected in the management of the economic, institutional and social context in which the Company operates.

- The main aspects monitored in 2020 were:
- › human rights
 - › freedom of association
 - › environment and product life cycle
 - › product-related policies (toxic substances, consumer health)
 - › animal welfare
 - › production chain and stakeholder engagement
 - › business ethics
 - › communication
 - › consumer rights



Strategic maps: themes, objectives and initiatives

QUALITY AND PRODUCT SAFETY



STRATEGIC INITIATIVES

| | | |
|----------------------------|--|--|
| SPECIFIC OBJECTIVES | Improvement of the quality performance of our products | B-Long project |
| | Product compliance | Valuation of the level of customer satisfaction in relation to product quality aspects |
| | Responsible product design | Increased number of substances monitored |
| | | Internal training updates on product safety |

SUSTAINABLE RAW MATERIALS



STRATEGIC INITIATIVES

| | | |
|----------------------------|---|--|
| SPECIFIC OBJECTIVES | 100% of cotton sustainably sourced by 2025 | Participation in BCI programme and constant involvement of suppliers |
| | | Higher utilisation of organic cotton |
| | | Integration of recycled cotton |
| | Increased use of sustainable raw materials | Definition of strategy and objectives for sustainable raw material procurement |
| | Definition of raw material sourcing and animal welfare policies | |

RESPECT OF WORKERS' HUMAN RIGHTS AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN



STRATEGIC INITIATIVES

| | | |
|----------------------------|---|---|
| SPECIFIC OBJECTIVES | Increased attention to human rights | Specific policies on topics regarding human rights |
| | Respect in the implementation of the Code of Conduct along the supply chain | CSR audit programs |
| | Internal educational programs on topics regarding human rights and auditing activities along the supply chain | Extension of the perimeter in the testing phase of the Higg Index social module |
| | External training on human rights | Training programme dedicated to internal employees |
| | Drafting of Guidelines and design of training activities | |

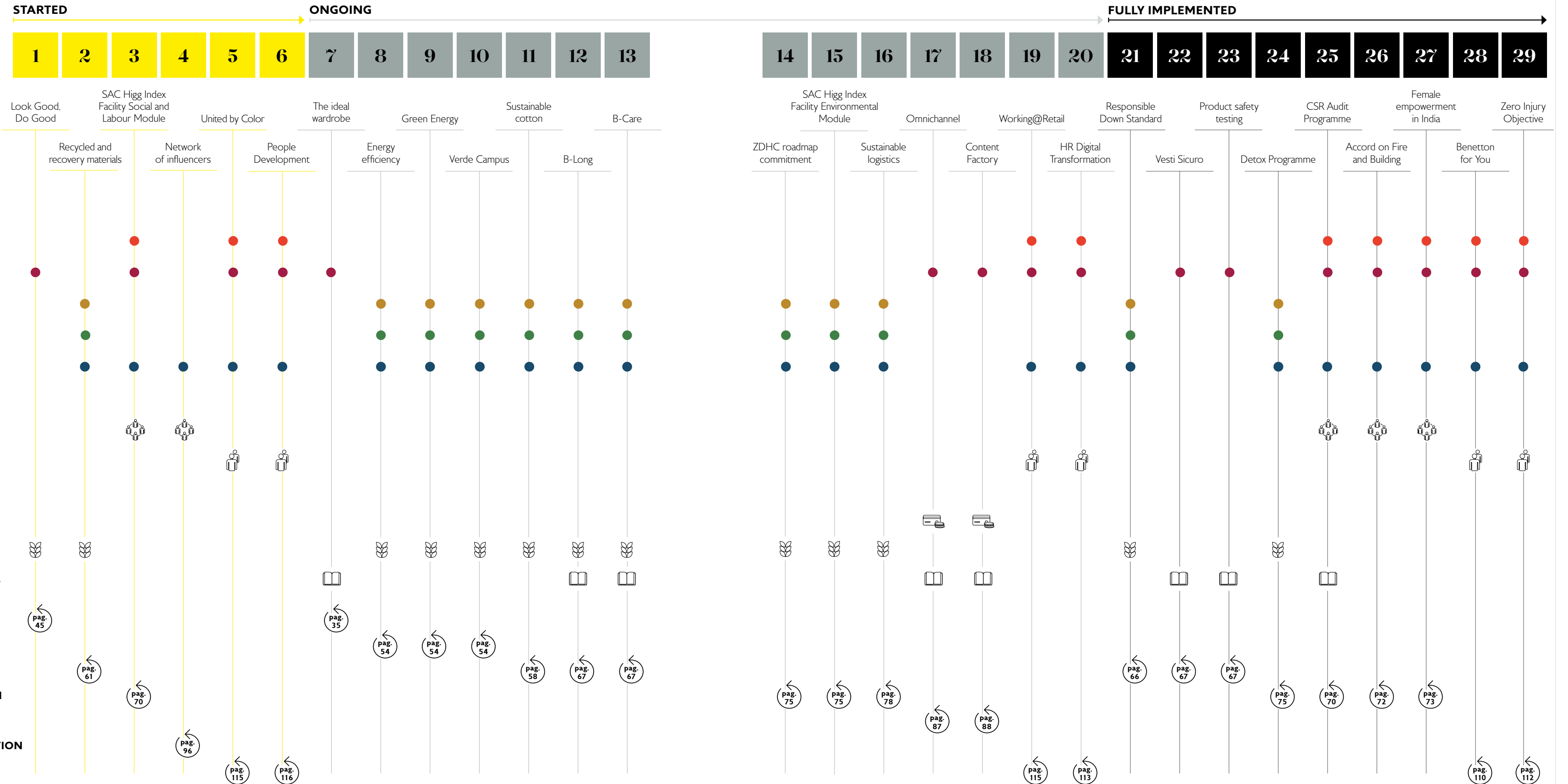
INNOVATION



STRATEGIC INITIATIVES

| | | |
|----------------------------|----------------------------------|---|
| SPECIFIC OBJECTIVES | Circularity | Use of new recycled and reclaimed fibers in products |
| | | Selection of monofiber fabrics that are easier to recycle |
| | Low environment impact processes | Collaboration with suppliers to design facilities powered by renewable sources that can reuse as many resources as possible |
| | | |

Projects



SDGs

- 6: Clean Water and Sanitation
- 8: Decent Work and Economic Growth
- 12: Responsible Consumption and Production
- 13: Climate Action
- 17: Partnerships for the Goals

CAPITAL

- SOCIAL AND RELATIONAL
- HUMAN
- PRODUCTIVE
- FINANCIAL
- NATURAL
- INTELLECTUAL

SECTION

- 01. STYLE
- 02. SPACES
- 03. PRODUCT
- 04. SUPPLY CHAIN
- 05. DIGITAL
- 06. COMMUNICATION
- 07. PEOPLE

Risk management

Benetton Group focuses the utmost attention on risk control and believes it is fundamental to assess, both beforehand and on an ongoing basis, the level of risk associated with strategic objectives for the creation of sustainable value.

Risk analysis was not subject to formal update in 2020 except for the integration of the Covid-19 risk, which was assigned a high priority at the operational level.

STRATEGIC RISKS

These are risks that could threaten the Company's current competitive position and the pursuit of its strategic objectives.

BRAND STRATEGY

Risks connected with the United Colors of Benetton brand repositioning strategy. Incorrect timing and development could result in losing current consumers prior to acquiring new customers.

DISTRIBUTION CHANNELS

Risks deriving from the failure to meet new store opening goals as well as the uncontrolled growth of the online market (e-tailers in particular), which may create conflicts with the Company's other strategic objectives, with potential negative effects also on brand positioning.

SUPPLY CHAIN

The ability of the supply chain to respect the delivery times of finished products established by the business calendar can impact global margins.

COUNTRY STRATEGY AND MARKET PRESENCE IN INDIA AND KOREA

The entry of international brands in the Indian and Korean markets, which are very important to Benetton, requires the delicate transition of the content of the United Colors of Benetton brand collection towards more global styles compared with the current ones, which have a strong local influence.

EXECUTION RISKS

The risks of losses inherent in the Company's operations, deriving from: human error; the incorrect functioning of the organisation and internal processes; incorrect use of systems; unlawful behavior

connected with fraudulent conduct; legal risks; inappropriate conduct with customers and suppliers that could compromise the ability to meet strategic objectives.

BUSINESS ORGANISATION

The staff's resistance to change could limit or slow down the business transformation process taking place in the Company. Other risks include the development of inadequate organisational structures and the inability to attract and retain talented people.

PRODUCT AND PRODUCT QUALITY

The Group's inability to identify the tastes of consumers and offer them products that satisfy their needs in terms of quality (considering the characteristics of the fabrics and materials used and the fit).

TIME-TO-MARKET

An overly long time-to-market may prevent the Company from quickly following market trends with subsequent loss of sales opportunities.

BUSINESS INTERRUPTION OF THE LOGISTICS PLATFORM

Natural disasters may result in interruption of the logistics platform of Castrette, the hub handling most of the distribution flows.

CYBERSECURITY

IT systems are exposed to threats that may exploit vulnerabilities and lead to attacks aimed at accessing data or undermining the functionality or availability of the services provided. Often the security of the data stored in terms of availability, confidentiality and integrity depends on the efficient operation of the IT system.

SUSTAINABILITY

Benetton's values have always been deeply rooted in sustainability concepts and in the future sustainability will continue to be one of the main business drivers, generating both opportunities and risks. Among the risks is the inadequate management of sustainability issues resulting in failing to meet customer expectations with inevitable repercussions on the business.

COVID-19

The Covid-19 pandemic could bring about significant changes in consumer behavior and needs, with impacts that cannot yet be assessed on business models and the socioeconomic context.

FINANCIAL RISKS

This is the risk category most immediately perceived by business. In part this is due to the implementation of the International Accounting Standard (IAS) and the requests for additional disclosures in financial reports deriving from national civil law. Financial risks include those connected with exchange rates, interest rates, counterparties and liquidity risk. The most keenly felt risk is that relative to foreign exchange transactions as the Group generates significant sales volumes denominated in Euro and considerable purchase volumes denominated in US dollars.

LEGAL/COMPLIANCE RISKS

Compliance risk is the risk deriving from the failure to comply with laws, regulations and internal rules. This can result in negative effects including fines, penalties, economic losses and, in more serious cases, damage to the Company's reputation with subsequent losses, requests for compensation, damage to the Company's image, etc.

COMPANY PROCEDURES

The possible inadequacy of Company procedures designed to guarantee respect for the main Italian and international regulations to which the Group is subject. Also of particular relevance are problems connected with security, antitrust and privacy regulations.

FISCAL COMPLIANCE

The Group's international reach exposes it to various tax obligations. The evolution of related regulations may expose the Group to the risk of default.

INTERNAL CONTROL SYSTEM

Changes or misalignments in the development and roll-out of the internal control system in the Group's subsidiaries could result in the inconsistency and/or unavailability of data to support decision-making processes.

EXTERNAL RISKS

These risks concern the effects of external events that may impact negatively on the Group's activities.

REPUTATION

Reputational risks have a direct impact on the way the Group is perceived by its stakeholders (customers, employees, shareholders and suppliers) and society at large. These risks originate from the potentially inappropriate management of issues relating to corporate social responsibility and environmental sustainability, product safety responsibility, the Group's corporate image, including on social media, and any other potential regulatory non-compliance that could have an impact on the reputation of the organisation.

SOCIAL AND POLITICAL INSTABILITY OF SOME NATIONS

Delays in the regular delivery of finished goods due to political instability in some of the countries where the Company's suppliers are located.

CLIMATE VARIATIONS

The Group's business is to some extent sensitive to the weather. For example, an excessively mild winter may lead to lower sales of higher-margin products, with a negative effect on the Company's economic results and financial position.

Benetton Group companies in the world

○ Benetton Group S.r.l.
Ponzano Veneto
(Treviso - Italy)

IT 100%
RETAIL ITALIA NETWORK S.r.l.
Milan (Italy)

IT 100%
BENETTON SERVIZI S.r.l.
Ponzano Veneto (Italy)

IT 100%
FABRICA S.r.l.
Ponzano Veneto (Italy)

IT 100%
PONZANO CHILDREN S.r.l.
Ponzano Veneto (Italy)

IT 100%
VILLA MINELLI -
SOCIETÀ AGRICOLA a r.l.
Ponzano Veneto (Italy)

CH 100%
BEN-MODE A.G.
Zurich (Switzerland)

DK 100%
BENETTON DENMARK A.p.S.
Copenhagen (Denmark)

IE 100%
BENETTON AGENCY IRELAND Ltd.
Dublin (Ireland)

FR 100%
BENETTON FRANCE
COMMERCIAL S.A.S.
Paris (France)

PL 100%
BENETTON RETAIL
POLAND Sp. z o.o.
Warsaw (Poland)

GR 100%
BENETTON HELLAS AGENCY
OF CLOTHING E.P.E.
Tavros (Greece)

CY 100%
SABBIA Ltd.
Nicosia (Cyprus)

RU 100%
BENETTON RUSSIA O.O.O.
Moscow (Russia)

RU 100%
KAZAN REAL ESTATE O.O.O.
Moscow (Russia)

IR 100%
BENETTON PARS P.J.S.C.
Tehran (Iran)

TR 100%
BENETTON GIYIM SANAYI
VE TICARET A.S.
Istanbul (Turkey)

EG 100%
BENETTON CAIRO
FOR CONSULTING
Cairo (Egypt)

TN 100%
BENETTON DE COMMERCE
INTERNATIONAL TUNISIE S.à r.l.
Sahline (Tunisia)

TN 100%
BENETTON COMMERCIALE
TUNISIE S.à r.l.
Sousse (Tunisia)

IN 100%
BENETTON INDIA Pvt. Ltd.
Gurugram (India)

CN 100%
BENETTON ASIA PACIFIC Ltd.
Hong Kong (China)

TW 100%
BENETTON TRADING TAIWAN Ltd.
Taipei (Taiwan)

JP 100%
BENETTON JAPAN Co. Ltd.
Tokyo (Japan)

KR 100%
BENETTON KOREA Inc. *
Seoul (South Korea)

US 100%
BENETTON TRADING USA Inc.
Miami (USA)

MX 100%
BENETTON MEXICANA S.A. de C.V.
Mexico City (Mexico)

MX 100%
BENETTON SERVICES S.A. de C.V.
Mexico City (Mexico)

MX 100%
BENETTON SERVICES II S.A. de C.V.
Mexico City (Mexico)

● Italy
● Rest of Europe
● Rest of the world

(*) Benetton Japan Co. Ltd.
directly owns the 50%
of the capital stock.

SUBSIDIARIES

FI BENETTON GROUP S.r.l.
FINNISH BRANCH
Åzets (Finland)

SE BENETTON GROUP S.r.l. ITALY
SWEDISH FILIAL
Malmö (Sweden)

ES BENETTON RETAIL
SUCURSAL EN ESPAÑA
Barcelona (Spain)

PT BENETTON GROUP S.r.l.
SUCURSAL EM PORTUGAL
Porto (Portugal)

DE BENETTON GROUP S.r.l.
GERMAN BRANCH
Frankfurt am Main (Germany)

UK BENETTON RETAIL UK
London (UK)

IE BENETTON GROUP S.r.l.
IRISH BRANCH
Dublin (Ireland)

NL BENETTON GROUP S.r.l.
DUTCH BRANCH
Breda (The Netherlands)

AT BENETTON GROUP S.r.l.
ZWEIGNIEDERLASSUNG ÖSTERREICH
Vienna (Austria)

CZ BENETTON GROUP S.r.l.
CZECH BRANCH - ODŠTEPNÝ ZÁVOD
Praha (Czech Republic)

HU BENETTON GROUP S.r.l.
HUNGARIAN BRANCH
- MAGYARORSZÁGI FŐKTELEPE
Budapest (Hungary)

BE BENETTON GROUP S.r.l.
BELGIUM BRANCH
Brussels (Belgium)

FR BENETTON GROUP S.r.l.
SUCCURSALE EN FRANCE
Paris (France)

MC BENETTON GROUP S.r.l.
SUCCURSALE À MONACO
Principauté de Monaco

SI BENETTON GROUP S.r.l.
PODRUZNICA LJUBLJANA
Ljubljana (Slovenia)

HR BENETTON GROUP S.r.l.
PODRUZNICA U RIJEKI GLAVNA
PODRUZNICA - Rijeka (Croatia)

IR BENETTON GROUP S.r.l.
FOREIGN BRANCH OFFICE
Tehran (Iran)

STYLE

Democratic fashion is here

Colors, shapes, details. Once again this year, the collections created by the Company reflect the unmistakable style of the two brands, United Colors of Benetton and Sisley, to meet consumer needs and desires.

A great history of style like that of Benetton Group knows no obstacles. Even in 2020, its brands have strengthened their positioning, producing fashion at democratic prices. Under the guidance of the creative director Jean-Charles de Castelbajac, United Colors of Benetton has emphasised its profile as a contemporary brand. The brand's traditional values - color and knitwear - have been reinterpreted from a fashion perspective, renewing the brand image and reaching out to younger audiences.

Sisley, on the other hand, has continued its efforts to position itself in the bridge segment of the market. By working on products, stores and digital technology, the brand will be prepared for a post-pandemic market.



UNITED COLORS OF BENETTON

An optimistic and democratic lifestyle brand by nature



United Colors of Benetton is an ambassador of contemporary casual chic style, strongly tied to its Italian roots and its DNA of knitwear and color.

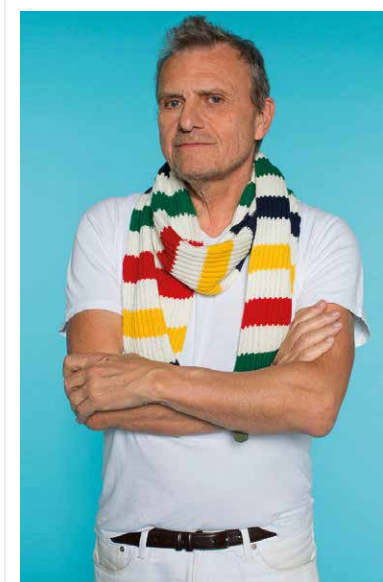
COLLECTIONS

The United Colors of Benetton collections feature colorful, comfortable, informal, quality and timeless products that can be worn every day for school, work or leisure.

United Colors of Benetton flagship products are sweaters, polo shirts, T-shirts, and fleeces, but the collections also include shirts, jeans, dresses, knitwear accessories, skirts, trousers, and jackets. Last but not least, a collection of accessories complete the range, including handbags, footwear, eyewear, watches, fragrances and luggage.

In 2020, the three-tier structure of the collection was confirmed. The Basics include a group of carryover items defined as "NOS" (Never Out of Stock), which will be repeated from season to season. In addition, special attention will be dedicated to the Volume Driver tier, which will see a substantial increase in proposals in 2021.

In 2020, the Group focused on increasing quality, using natural materials, such as linen, and extending the emotional life of items.



THE IDEAL WARDROBE

In recent years, the objective of United Colors of Benetton has been to consolidate its leadership in the field of Italian-style knitwear and casual wear. The brand maintained its consumer base, while at the same time reaching out to attract a new audience, composed of women and men in the 25-35 age bracket.

On the one hand, creative director Jean-Charles de Castelbajac was able to understand and interpret some of the most interesting trends in contemporary fashion, leveraging on his experience, creativity and the brand's heritage to design iconic pieces and unique experiences that aroused the interest of industry insiders.

On the other, the style team is still working to make the collections ever more comprehensive, commercial and contemporary. The product strategy is based on the creation of an ideal wardrobe for men, women and children, covering all the different moments of their daily life.



Men

The perfect wardrobe for the contemporary man starts with three occasions of use: casual, city and DNA (fleeces and tracksuits) and continues with a series of timeless items such as denim, knits, and outerwear.



Women

Passionate and multitasking: the contemporary woman has many sides. For her, United Colors of Benetton has developed a wardrobe inspired by an everyday casual chic style.



Kids

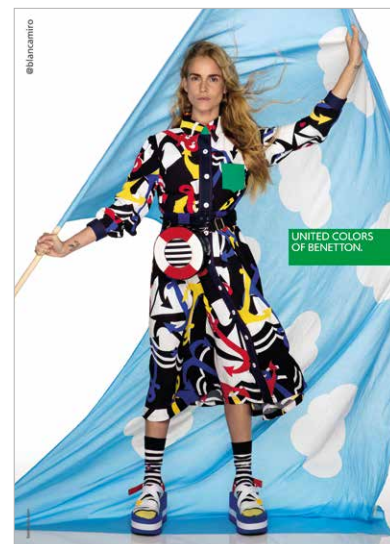
United Colors of Benetton children's collections account for about 40% of total sales. In 2020, sizes have been recalibrated, and in 2021 the brand will focus on the Junior collections with graphic updates, new fits and licenses.

Color waves

The story of a cruise on a sailing boat, touching all the most characteristic ports of the Mediterranean, from Hydra to Portofino, and from Cannes to Capri: this was the imagery behind the United Colors of Benetton Spring Summer 2020 collection.

Cult pieces, contemporary but never exaggerated fits, colorful and mixable, cool and lighthearted, looks with a precise identity. Iconic symbols such as anchors, knots and nautical stripes. Prints of Popeye - the ambassador of sustainability who invites us to respect the oceans - and of United Colors of Benetton's historic advertising campaigns. For her, items designed to last forever: the traditional striped

knits, waterproof canvas coats in vibrant colors, maxi skirts and tops featuring micro & macro floral prints. But also patchwork dresses made up with colored stripes, maxi stripes, pullovers made with mini sweaters, once used by the Company as color swatches. For him, jackets with military pockets and "pink" inserts, pleated trousers, unlined pastel-colored blazers, printed or in denim, and garment-dyed cotton yarn pullovers.

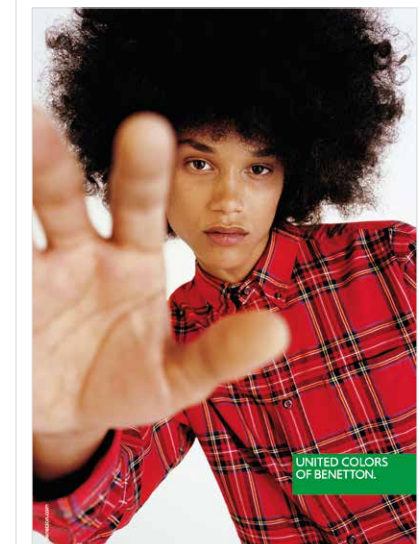


Blended Future

Blended Future: United Colors of Benetton Fall Winter 2020 collection celebrates fluidity and hybridisation, overcoming divisions between genders and generations.

Color is at the heart of the collection, featured in color block combinations on jackets, sweaters, fleeces, bomber jackets and cardigans. Outerwear and knits become cult items: printed in plaid or camouflage patterns, with 3D applications or graffiti designs. These items are often made in innovative and technological materials, such as double neoprene and waterproof oilskin, developed in Benetton's research labs. Quality meets with street-style design and fit: all-over furry color block suits, cropped and turtleneck duvet jackets,

cocoon XL-size down jackets with maxi hood. This concept of fusion is also reflected in the patterns - army with plaid, camouflage with regimental - and in the trimmings - style crossovers presenting maxi dresses with jacquard crosses, or pullovers with colored, asymmetrical, punk spotted prints and Bambi designs. The collection includes a capsule developed in collaboration with the Keith Haring Foundation, made up of fleeces, jackets, T-shirts and oversized hoodies with the prints of the great New York graffiti artist.



2021
In 2021, the collection will include four seasons (Spring, Summer, Fall, Winter), instead of two main seasons and two flash collections.



BENETTON STREET

In January 2020, the Kids FW2020 collection designed by Jean-Charles de Castelbajac debuted at Pitti Bimbo, the world's most important junior fashion trade show, presenting a style in line with kids' aesthetics, based on color as life's philosophical driver. At the Teatrino Lorenese of the Fortezza Da Basso, boys and girls paraded on the street of a hypothetical city where colored flags were waving. A hymn to the citizens of the future: agile, creative, curious, travelling fast on scooters and skateboards, loving street style and street art, wearing items dyed with non-toxic and natural colors, and down jackets made with recycled materials and noble fibers.

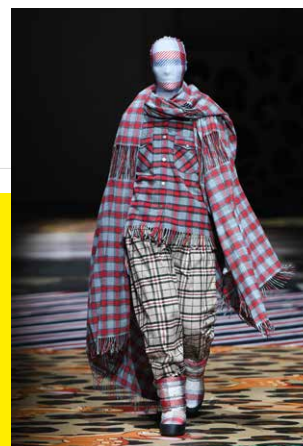
DEBLENDED FUTURE

On 20 February 2020, United Colors of Benetton presented its fashion show "Blended Future" in Milan. Conceived as an exciting mix resulting from the creativity of its creative director Jean-Charles de Castelbajac, the event brought together all brand collections.

"Fashion based on dem-olution, a word I made up by combining democratic and revolution," commented Castelbajac. "In 2020, I thought of creating an event of disruption: a fashion show as a single act of communication is excessively reductive today. I like narratives: about the world, materials, colors, people, and cross-pollination".

The event was held at the Pelota in Via Palermo, an emblematic location of Milan's fashion scene. 30 models, 30 mannequins, and an installation with a unique aesthetic. Jonathan Fitoussi, the young electronic music composer, played live. Content creator Goldie Williams took over of the brand's Instagram profile, creating also a space where attendees could take selfies with the looks presented, a mix of carryover, basic and trendier items, merged into a single idea of style.

So, beyond a mere fashion show: a world where fashion, culture, music and social media are hybridised, giving rise to a nomadic, free style, to enjoy and share.



THE FLUID FUTURE

OF UNITED COLORS OF BENETTON COMES TO MILAN



PHOTO: SGP

UNDERCOLORS

Style and sustainability at home

Undercolors of Benetton is the Group's brand that reflects the colorful, optimistic and casual personality of United Colors of Benetton in the categories of underwear, sleepwear, beachwear and coordinated accessories for all consumers.

Founded in 1994, Undercolors offers a range of products characterised by style, functionality and sustainability. Today, 60% of Undercolors total sales come from over 300 specialist monobrand stores and 40% from corners in the main United Colors of Benetton stores in Italy and Europe.

In 2020, the pandemic and consequent lockdown in Italy and much of the rest of the world represented an opportunity for Undercolors, which with its loungewear line was able to respond to the needs of consumers looking for items with great comfort characteristics and capable of translating the sporty/casual style for home use.

In 2020, the focus on sustainability was further emphasised. Product categories were restyled, replacing standard materials with more environmentally friendly but equally high-performing fabrics. Today, natural or recycled materials make up the backbone of the Undercolors collections, including superstretch organic cotton and recycled stretch lace for underwear, organic cotton for sleepwear, sustainable viscose for knitwear and regenerated nylon for beachwear.



Interview with Luca Collese
Undercolors Brand Director

What's your role in the Company?

I am responsible for the Undercolors Line, which is specialised in the categories of underwear, loungewear and homewear, and beachwear for the Family (Kids and Adults).

What did you do before becoming Brand Director of Undercolors?

I worked in Market Analysis & Consumer Insight, Merchandising, CRM & Loyalty, and Licensing at different levels. Previously, I gained experience in Market Research in London, then I moved to strategic consulting at BCG, in the Consumer Goods & Industrial Goods area. After that, I was appointed Brand Manager in the Consumer Marketing division at Edison Group.

When did Undercolors debut and how has it changed since 2017, the year in which you were appointed brand director?

Undercolors debuted in 1994 as a category extension of UCB lifestyle. At the beginning, Undercolors products were exclusively sold in UCB stores, but soon after a decision was made to develop the line through a dedicated monobrand store project. Over the last three years, we have worked to strengthen the foundations of the business and product model with a view to future development, working in particular on strengthening the brand identity and product sustainability.

What distinguishes Undercolors from other competitor brands?

First, the business model. We are the only apparel brand (together with Calvin Klein) that distributes its own underwear collections through a monobrand store network. Second, the complete assortment that allows us to reach out to a broad consumer base with underwear, loungewear, homewear, beachwear, hosiery, accessories and footwear for all age groups. Finally, the "ironic" style and colors typical of United Colors of Benetton.

Could you please share with us an identikit of the Undercolors customer?

About half of total purchases generated in the monobrand stores are made by consumers who have adhered to the Company's Loyalty programme. These are loyal customers, who find in the Undercolors stores the same quality, attention to materials, comfort, style, and colors of UCB. 90% are women, who buy for themselves, their children and their partners. The average age is 30-50 years.

Last year we were all forced to spend a lot of time at home. What impact did it have on Undercolors in terms of performance?

After the lockdown in March, Undercolors performed pretty well in April

and May. The decline in store traffic was compensated by an increased willingness to purchase by customers. Loungewear and homewear were the most popular categories, consistently with the new lifestyles, including smart working. In addition, the holiday season was the best in the last three years, driven by the performance of the sleepwear category. Probably, the desire to escape, the positive attitude that is precisely the strong point of Undercolors, also contributed to these results.

Do you think some of the new habits will remain after the pandemic ends?

The pandemic has accelerated macro-trends that were already underway. Among others, the growth of the Loungewear category as an occasion of use - linked to the concept of spending a lot of time at home and going out only for short trips (excellently summarised in the "2-mile fashion" concept) - the spread of a lifestyle oriented to wellbeing, the progressive strengthening of a casual style, the greater attention to selective purchases, the basic evergreen style, and more and more product sustainability.

What is the project you are most proud of?

The project I'm most proud of is sustainability. Over the last few seasons we have accelerated the introduction of sustainable materials into the collection. We made the choice not to focus on product "capsules" but work with our bestsellers... It is an "open" project, evolving, leading us progressively to consider sustainability in the entire product life cycle.

What are the challenges and objectives for the brand's future?

In view of the results achieved, the Undercolors plan envisages a commercial strengthening in Italy. As for the development abroad, we have completed the transformation and requalification of the monobrand store network in Portugal and launched an Undercolors monobrand store testing in Spain.

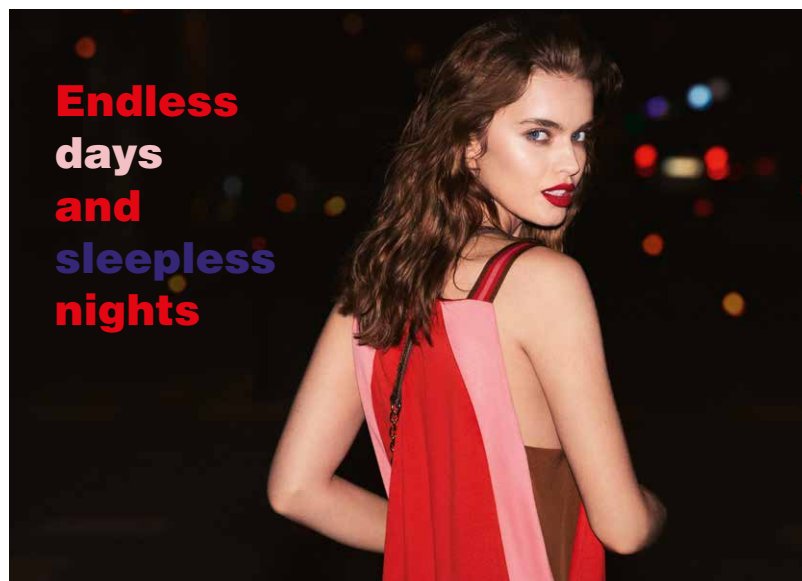
You are a veteran of Benetton Group. What is the aspect you enjoy most about working here that you think is not easily found in another company?

The aspect that most resonates with me is the brand DNA, the values and the brand personality of United Colors of Benetton. A brand that is more "current" than ever and extraordinarily close to the new generations. Working with the idea of being an ambassador for a lifestyle and a philosophy is an extra motivation that makes me more resilient when facing uncertainties and difficulties.

SISLEY

Sexy and contemporary, the future brand

Sisley is an urban lifestyle brand that interprets the latest fashion trends with attention and authenticity, leveraging on coolness, creativity and sustainability.

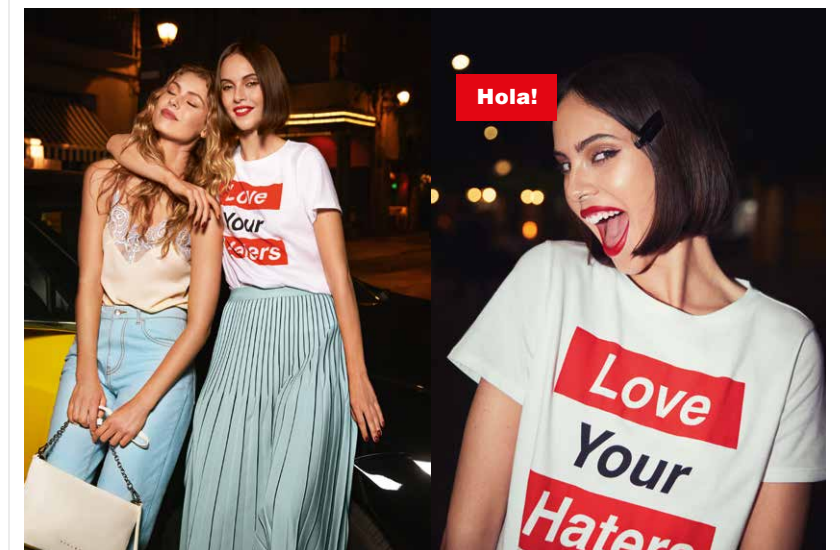


DYNAMISM TO POWER

Founded in the Sixties as an innovative denim brand for women, Sisley developed over the decades, making dynamism and instinct two pillars of seamless growth.

In recent years, its embedded resilience and openness to change enabled its repositioning as a contemporary casual chic brand in the bridge segment of the market, for women and men who pay attention to style but also to price and trends.

Today, these characteristics are still driving the transition towards an increasingly contemporary style, with increasingly sustainable products and even more digital communication.

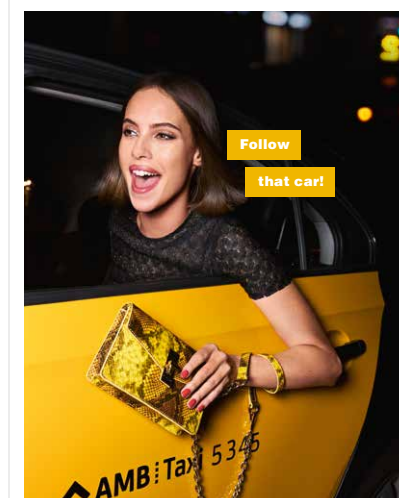
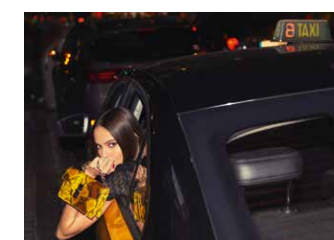


COLLECTIONS

Sisley collections reflect the latest trends and contents of global fashion and represent not only a look, but also a search for a strong and recognisable identity.

Sensitive to the phenomena that attract younger generations, Sisley expresses its avant-garde approach in the style of its accessories, colors and fabrics. Sisley is refined style without frills, at an interesting quality/price ratio, guaranteed by ongoing research and development in the textile sector and in the new technologies applied to it.

Sisley's key items are denim and outerwear for men and women, women's dresses and men's jackets. The collections also include shirts, trousers, knits, T-shirts, and fleeces, as well as accessories, bags and footwear.



Men

The Sisley man has a youthful and dynamic spirit, seeking comfort and style at a reasonable price, while paying great attention to trends.

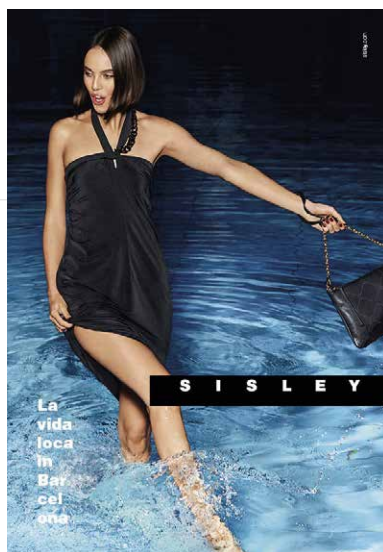
Women

The Sisley woman is modern and sensual. She recognises style and quality and likes to be updated on the latest trends and news presented by the different brands.

A ticket to ride the world

From Africa, with its warm orange tones, to the fresh and flowery Camargue; from Japan, with its pictorial and sacred imagery, to Central Europe and Art Nouveau: the Spring Summer 2020 collection by Sisley was a journey around the planet, to learn to love and respect it.

A natural color palette with natural fabrics. The woman's wardrobe features soft, fluid pieces, designed to liberate the body. "Feminine" minimalism pointing to cool nonchalance: blouses, slip dresses, military-style shirts enriched by soft looks with tartan or color block patterns, characterised by modern fits. Traditional denim has been revisited with a bolder image, almost workwear, matched with trench coats belted at the waist. The man's wardrobe is urban and features a traveler's style in the brand's heritage: denim, black&white and military green on jackets, shirts and trousers, both cargo and more "formal". Softened fashion, to be squeezed into a suitcase, combining the tailoring of a khaki vest with rolled-up trousers, a white tie-dye T-shirt with a sandy brown suit. Dusty shades, slub fabrics, extra-fine yarns, irregular stripes. For an almost material fashion, the narration of a beautiful season to enjoy with a renewed masculine chic attitude.



2021
In 2021 Sisley will launch a new dyeing treatment for denim, with a low environmental impact.

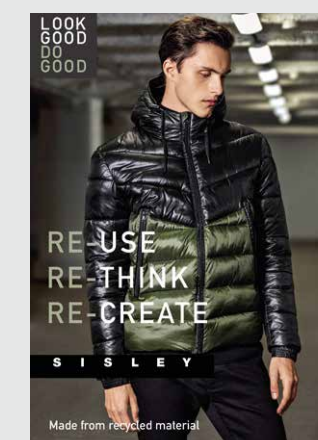
Let's start from here

Provoking with a smile, bringing personality to the wardrobe. This was Sisley's proposal for Fall Winter 2020, an idea of urban cool and versatile fashion that is in the brand's DNA.

For women, the looks feature an international flavor, ideal for mid-season. The color palette includes cold shades of purple, ice, pink and fluid fabrics, such as satin and georgette. Modernist cuts constructed with an almost oriental rigor. Tartan on long dresses and full skirts, or suits with a masculine attitude, reinterpreted with accessories in faux fur and vinyl. And again, suggestions of the campuses of the Seventies, between the "good girls" in reassuring Ivy league uniforms and the "rebels" with musical rave looks. For men, a soft appeal with references to the great classics of the Seventies that comprise the ribbed turtle neck sweater, worn under a corduroy jacket, and unlined blazers with plaid details. Knits are precious, with basic pieces in cotton, with extra virgin merino wool, flannel, cashmere blends, and 3D tricot. The color palette is "serious", including lead gray, copycat blue, and military green, forest green, and bottle green. And again, an industrial flair that mixes technical fabrics - nylon, eco-suede and rubberised fabrics - with precise fashion styling.

LOOK GOOD, DO GOOD

In autumn 2020, Sisley launched the "Look Good. Do Good" platform to group all brand sustainability projects. These include a collection of recycled polyester duvet jackets for men and women. In particular, the padding is made with recycled PET bottles. The shapes, essential but reinterpreted in a contemporary way, are typical Sisley. Color block alternates the brand's classic black with green inspired by the military, to blend into the environment that the item is committed to respecting.



2021
In Motion is a project expected to be launched in 2021, including very versatile items that can be used on different occasions, changing their function according to components that can be added, removed and integrated.

SPACES

Space for our brands

Stores, campuses, foreign offices: the Company's physical locations are manifestations of its philosophy. In a year of forced closures and remote working, Benetton Group has taken advantage of the opportunity to plan the future of its spaces.

Open, bright, with no cash counters: in the Sixties, the first Benetton stores revolutionised the world of retail. Today, they express the same pioneering spirit, evolving to embrace new consumers and new shopping experiences.

In this difficult year, Benetton Group managed to introduce a new store concept for Sisley and designed a highly sustainable store concept for United Colors of Benetton.

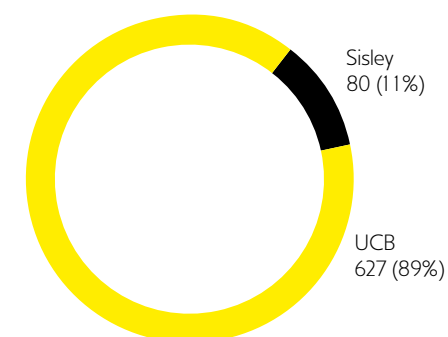
The Group continued its efforts to make the Company's Ponzano and Castrette campuses and overseas offices as well as its production facilities increasingly sustainable.

DISTRIBUTION NETWORK

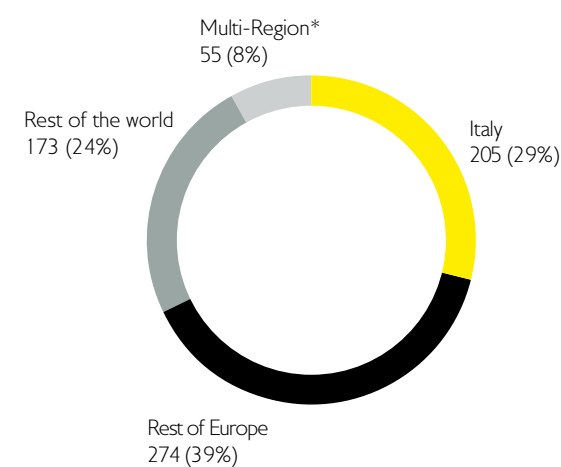
A continuously evolving network

Benetton Group is gradually readjusting its commercial network in line with its new strategic positioning targeting a medium-higher segment, with collections characterised by increasing attention to product quality and brand identity. In the near future, the Company plans to further analyse store profitability in order to prioritise network restructuring, by favouring formats with a higher profitability potential per sales area in the most strategic commercial areas. The Group will also further focus on the relationship between the brand and the final consumer through the implementation of a new sales ceremony designed for our customers, and the acceleration of omnichannel services.

NET SALES BY BRAND IN 2020 (EURO MILLION)

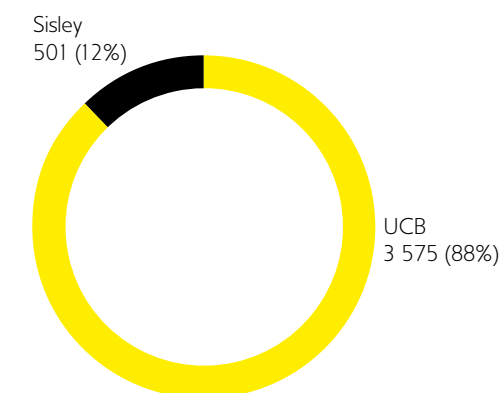


NET SALES BY GEOGRAPHIC AREA IN 2020 (EURO MILLION)



* The Multi-Region area includes the sales generated by the Group in the different geographical areas through the e-commerce channel managed directly by the head offices through the brand.com websites

DISTRIBUTION NETWORK IN 2020 (NUMBER OF STORES)



ITALY

| Year | FOS + IOS | DOS | Total |
|------|-----------|-----|-------|
| 2019 | 1,147 | 102 | 1,249 |
| 2020 | 972 | 107 | 1,079 |

REST OF EUROPE

| Year | FOS + IOS | DOS | Total |
|------|-----------|-----|-------|
| 2019 | 834 | 366 | 1,200 |
| 2020 | 686 | 389 | 1,075 |

REST OF THE WORLD

| Year | FOS + IOS | DOS | Total |
|------|-----------|-----|-------|
| 2019 | 1,263 | 756 | 2,019 |
| 2020 | 1,170 | 752 | 1,922 |

Increasingly sustainable stores

One of the main drivers behind the design of the new Benetton Group new store concepts is sustainability. Today, 74% of the energy of the stores in Italy is generated from certified renewable water and ocean sources. In 2020, the Group made a concerted effort to improve energy efficiency in the stores through the installation of high-efficiency air ventilation systems, the use of LED lamps and the implementation of energy meters equipped with self-reading devices. All Benetton Group stores use eco-friendly paper shopping bags, processed with water-based inks and sourced from an FSC (Forest Stewardship Council) certified paper mill. Catalogues and brochures are also made of FSC certified paper, the global brand that identifies products from controlled forests managed according to social and environmental sustainability criteria.

2021

In March 2021, the Group will open a highly sustainable store in Piazza della Stazione, in Florence, featuring recycled materials, energy saving technology and increasingly sustainable collections.

UNITED COLORS OF BENETTON

Today, the distribution network of United Colors of Benetton includes over 3 500 stores. 2020 was a difficult year for retail, but the brand nevertheless managed to open new stores and corners.

In particular, 21 London-concept stores were opened. Launched in 2018 and implemented in several Italian and foreign locations, the London-concept store is a real temple of knitwear that combines Italian style, high-tech content and focus on the consumer shopping experience, with furnishings in natural and green materials and limited use of plasterboard.

50 stores were also opened with the Light Colors concept developed in 2019, that allows for a quick and flexible commercial rollout in secondary locations.

In 2020, United Colors of Benetton inaugurated dedicated corners in some Galeries Lafayette locations - Rosny 2, Agen, Grenoble, Rouen - and Printemps Haussman - Parly 2, Lyon and Strasbourg. These openings confirmed United Colors of Benetton's strategy to increase its presence in the world's largest department stores, including Selfridges and Westfield, Arnotts and De Bijenkorf.

2021

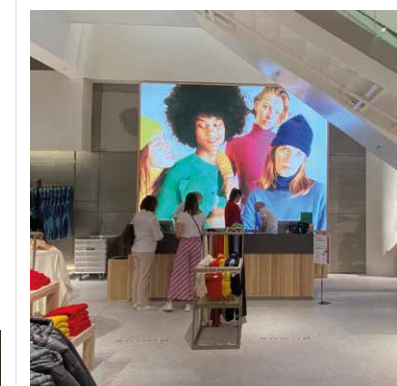
In 2021, the Group will open an innovative store in Milan, combining sustainability and digital technology. Customers are invited to see, touch and try on garments that will later be delivered to their homes after purchase.

SAFE REOPENING

In May, in accordance with government and regional regulations, all Benetton Group brand stores reopened, ensuring a completely safe shopping experience for its customers. Precautionary measures have been applied inside the stores in line with the indications of the health authorities. In particular, a limited number of consumers were allowed inside the stores at anyone time, the in-store air was regularly refreshed, and surfaces and rooms were sanitised in accordance with current regulations. Customers are asked to observe social distancing, wear a face mask and sanitise their hands often when in the store. At the reopening, Sisley stores featured signs with messages saying "Finally... Freedom!", while United Colors of Benetton stores displayed the rainbow symbol to deliver messages of hope and freedom to their customers.

NEW LOCATIONS IN GERMANY

In September, a new London-concept United Colors of Benetton store extending over a surface of 1 100 sq m opened in Frankfurt, on one of Europe's main shopping streets. It was just the last of a series of openings included in the Group's strategy for Germany, which also covers Hamburg, Düsseldorf and Bremen. The strategy aims to reposition the United Colors of Benetton brand in the German market, focusing on style, quality, prestigious retail locations and integration with the digital channels to attract an increasingly sophisticated target, sensitive to authentic fashion at democratic prices.



SISLEY

Today, Sisley has about 500 stores distributed in the main global markets. The number of stores remained substantially unchanged throughout 2020.

The brand launched the flexible and efficient Scarpa store concept and implemented it in Treviso, Viareggio and Bari. Rich&Raw is Sisley's other store concept, inspired by Bernardo Bertolucci's film *The Dreamers*, which juxtaposes rich elements - such as brass, marble, mirrors, wainscoting, glossy and lacquered surfaces - with raw ones, such as exposed brick walls, metal components and vintage wooden flooring.



Interview with Antonio Nozzolino
Store Manager, UCB Treviso

How many years have you been working as a store manager for United Colors of Benetton and in which stores?

I have been working as a United Colors of Benetton store manager for seven years. I have worked in the stores in Assago, Venice, Verona, Milan Duomo and now Treviso, Benetton's home town, right in the historic centre.

What do you like the most about working for United Colors of Benetton?

Benetton is not just about dressing, but it involves purchasing and, obviously, selling. In this period of time, when it seems that we are overwhelmed by negativity, it's so nice to hear about ideas and projects, be in contact with people and, meanwhile, have fun. I like working with a team of competent, energetic people, who are dedicated to innovative projects and from whom I always learn new things.

It's been a particularly complicated year for brick&mortar stores. How did you navigate it?

If we compare our current life to the one we had until the beginning of 2020, a lot has changed. The entire world was turned upside down, in a total disruption. People are now spending more time online and rely on search engines to evaluate, look for and plan their purchases, both online and offline. I have been thinking a lot about our pre-pandemic habits, what we are currently experiencing and what lies ahead, when this is all over. My hope is that we can all get through this period as fighters. We will certainly bear some scars, but we will win.

What tools did the Company provide you with during this period?

The Company provided us with all possible protective equipment for employees and customers (masks, gloves). We had Plexiglas panels installed in front of the cash desks to create a barrier at checkout, additional physical markers were added on the floor of the stores to indicate the safety distances to be respected and we are now counting the customers entering the store to avoid exceeding the allowed customer limit.

How did staff react?

All staff members reacted to the changes in their own way and experienced a normal range of emotions in response to the health crisis, such as anger, anxiety, sadness, fear, and guilt expressed in various forms, but they never gave up. During the lockdown period, we reinforced our way of being there for one another, trying to create a new routine based on the new needs. We looked to the future, using this period as an existential challenge, without wasting our time.

The lockdown accelerated the process of integration between the online and offline store. How did you experience this change?

Integrating offline and online experience has never been so important. People plan their visits to the stores more carefully, looking for real-time information on products, opening hours and services offered. I believe that digital innovation is one of the key factors driving change to transform business and adapt to the expectations and needs that have emerged in this period.

Did you take part in specific trainings this year?

Due to the health crisis, training activities this year have been entirely managed online. We discussed a lot, sharing the difficulties and critical issues we had to overcome as well as the opportunities, adaptations to be made and challenges still ahead of us. The training focused on how to better manage the Covid-19 crisis in our stores.

You are in contact with customers every day. Who are they? What are they looking for?

Customers' expectations are constantly growing. They want us to recognise their uniqueness through the proposal of specific solutions that meet their needs, but they also want us to guarantee the respect of their privacy with regard to personal data processing. While a few years ago it was acceptable to work with approximate customer segmentation, today it is of the essence - for the purpose of being competitive - to define "custom" solutions, show empathy, use an authentic communication style, solve problems, ensure the satisfaction of the ones and manage the dissatisfaction of the others. It is necessary to get to know your customer from scratch again and re-organise the sales force.

What are your dreams and projects for the future?

To me, a Store Manager is the person who holds the reins, the one who, in a centralised structure like ours, makes sure that all directives, both in terms of values and objectives, are respected. In my professional career, I believe I have managed to bring my strengths into play and "smooth out" my weaknesses through experience. Life and work taught me that fairness and determination are the road to happiness, but the passion, creativity and adrenaline I feel when the store fills up with customers represent the fuel that keeps me going. My future expectations at Benetton include ongoing challenges. At Benetton, every day is like the first day and I will always try to give my best.

A NEW CONCEPT STORE FOR SISLEY

In March, Sisley launched a new concept that combines creativity and flexibility to offer customers a unique shopping experience in line with contemporary market scenarios. White flooring. Modular shelves. Two cash counters and two tables. Lighting all over the space highlighting the products. The refurbished Treviso store is a simple and essential space.

The store was designed by Tobia Scarpa, a globally renowned stararchitect and a long-standing friend of the Group. Last year, Tobia Scarpa had already been contacted to design the new United Colors of Benetton Light-concept stores. The two concepts share several points: the importance of lighting, cost rationalisation, and quick implementation.

"The Treviso store is a three-month tailor-made experiment that will then be adapted as needed," explained Scarpa. "The Company has always put great emphasis on the human factor and this new approach aims to consolidate these values, making customers feel comfortable with everything they need."

The store layout includes mirrors and sofas, with a restyled Sisley logo along the stairwell, and a smart use of the brand's colors - white, black, dark red - to orient customers in the space. Mannequins are replaced by two-dimensional silhouettes, very similar to the jointed puppets used by children, with hand-drawn faces of men and women.

All these aspects contribute to strengthening the idea of an increasingly flexible, light, sustainable store that evolves in line with the different market scenarios, where e-commerce is becoming increasingly relevant.



CAMPUS

Three efficient and sustainable offices

The Benetton Group campus comprises three locations, located within a 10-kilometer area in the province of Treviso.



Villa Minelli is Benetton Group's headquarters, a historic 16th century building of great cultural value located in Ponzano Veneto. Purchased in 1969, the building was refurbished and renovated in a process lasting more than 15 years under the guidance of the architects Afra and Tobia Scarpa.



Also designed by the architects Afra and Tobia Scarpa, the Castrette facility was officially inaugurated in 1984 and then expanded over the years. It comprises a logistics hub of approximately 30 000 sq m, along with office spaces, a canteen and the Benetton Studios multifunctional area.



Not far from Castrette is Villa Pastega, a Venetian villa built in the 17th century and flanked by two *barchesse* and a small church, extending over a surface of about 51 000 sq m. In the 1990s, the villa was restored and significantly expanded by the Japanese architect Tadao Ando to house Fabrica, Benetton Group's communication research centre.

ENERGY SAVING

In 2015, Benetton Group carried out energy tests on a representative sample of stores and on the head offices of Ponzano and Castrette. The analyses were repeated in 2019 (measuring 2018 energy consumption) and gave a snapshot of the energy profiles of the areas considered, allowing the identification of the most critical energy-related issues, which led to the development of an energy efficiency plan. Thanks to the redistribution of workspaces

and new systems, in 2020 the Benetton Group optimised and reduced energy consumption in the headquarters.

INVESTMENTS

Approximately half of the 2020 investments involved improving facility safety. In addition, during the year, the Benetton Group continued to replace light bulbs with energy-efficient, long-lasting LED lamps in some areas of the Ponzano and Castrette offices. Re-lamping, and the resulting increased efficiency, is expected to be continued in 2021.

DATA CENTRES

The work to improve the efficiency of the Ponzano Data Centre began in 2012 and continued throughout 2020. The Data Centre uses approximately 7% of the total energy on campus. The main actions were targeted to the power supply and air conditioning system of the Data Centre and reduced energy consumption by approximately 750 000 kWh/year. In 2019, the new power supply system of the Data Centre was completed (including a second cutting edge UPS), which led to a reduction of about 100 000 kWh in 2020.

RENEWABLE ENERGY

Since 2017, the electricity that powers the entire Benetton campus comes from certified water and ocean renewable sources.

WASTE MANAGEMENT

Benetton Group operates in compliance with industry standards and accountability in relation to waste management and its ethical and environmental consequences.

VERDE CAMPUS

Launched in 2019, Verde Campus is the project focusing on making the Benetton Group's headquarters more efficient and sustainable, and includes a series of employee-targeted initiatives aimed at promoting good practices in the environmental field, such as segregated waste collection and saving of water, gas and energy. Verde Campus is a section of the Company's intranet where employees can find updates on the latest resource-saving initiatives.

2021
A feasibility study is currently underway regarding the development of renewable energy power systems for the Castrette headquarters.

| Total waste production | Unit | 2018 | | 2019 | | 2020 | |
|-------------------------|------|-------|-----|-------|-----|-------|-----|
| | | Total | % | Total | % | Total | % |
| Total | t | 2 202 | 100 | 2 112 | 100 | 1 488 | 100 |
| of which: | | | | | | | |
| Recurring waste | t | 2 167 | 98 | 2 083 | 99 | 1 465 | 98 |
| of which segregated | t | 1 770 | 80 | 1 777 | 84 | 1 305 | 89 |
| of which non segregated | t | 432 | 20 | 335 | 16 | 160 | 11 |
| Occasional waste | t | 35 | 2 | 29 | 1 | 23 | 2 |

FOREIGN OFFICES AND FACTORIES

The projects in India

In 2020, Benetton India confirmed a series of initiatives launched in the previous year and aimed at making its facilities increasingly energy efficient, encouraging employees to save paper and water at work and reducing the amount of waste

to be conveyed to landfills. The projects include, among others, the installation of electric hand dryers in the toilets, reduced use of plastic, introduction of packaged food to minimise food waste, reduced air transport and a collaboration

with WWF, inviting employees to participate in the "Adopt a Plant" initiative. Other initiatives, initially planned for the Earth Hour in March 2020, were cancelled due to the lockdown.

| GRI 302-1 Energy consumption | Unit | 2018 | 2019 | 2020 |
|--|------------|-------------------|-------------------|-------------------|
| Energy consumption in the headquarters | kWh | 18 776 407 | 17 537 998 | 15 073 252 |
| | GJ | 67 595 | 63 137 | 54 264 |
| Energy consumption in the stores | kWh | 39 578 968 | 43 588 522 | 38 041 470 |
| | GJ | 142 484 | 156 919 | 136 949 |
| Total energy consumption | kWh | 58 355 374 | 61 126 520 | 53 114 722 |
| | GJ | 210 079 | 220 055 | 191 213 |
| Total natural gas | m³ | 1 210 994 | 1 251 127 | 1 218 893 |
| | GJ | 42 691 | 44 169 | 43 004 |
| Diesel oil | l | 441 914 | 396 432 | 273 970 |
| | GJ | 15 856 | 14 224 | 9 821 |
| Gasoline | l | 38 221 | 33 843 | 20 440 |
| | GJ | 1 252 | 1 108 | 660 |
| District heating | kWh | 121 825 | 132 000 | 1 263 861 |
| | GJ | 439 | 475 | 4 550 |
| Total energy consumption | GJ | 270 317 | 280 032 | 249 248 |

| GRI 305-1 / 305-2 Emissions | u.m. | 2018 | 2019 | 2020 |
|--|-------------------------|---------------|---------------|---------------|
| Scope 1 Emissions (GRI 305-1) | | | | |
| Consumption of natural gas in the headquarters and in the directly operated stores | t CO ₂ | 2 388 | 2 471 | 2 418 |
| Diesel oil | t CO ₂ | 1 167 | 1 047 | 723 |
| Gasoline | t CO ₂ | 92 | 81 | 48 |
| F-gas | t CO ₂ | 0 | 488 | 62 |
| Total | t CO₂ | 3 647 | 4 087 | 3 251 |
| Scope 2 Emissions (GRI 305-2) - Location Based | | | | |
| District heating | t CO ₂ | 23 | 23 | 218 |
| Energy consumption in the headquarters | t CO ₂ | 6 158 | 5 701 | 5 535 |
| Energy consumption in the directly operated stores | t CO ₂ | 14 636 | 17 119 | 14 659 |
| Total | t CO₂ | 20 817 | 22 843 | 20 412 |
| Scope 2 Emissions (GRI 305-2) - Market Based | | | | |
| District heating | t CO ₂ | 23 | 23 | 218 |
| Energy consumption in the headquarters | t CO ₂ | 1 464 | 1 553 | 1 088 |
| Energy consumption in the directly operated stores | t CO ₂ | 14 423 | 16 490 | 13 290 |
| Total | t CO₂ | 15 910 | 18 066 | 14 596 |

GRI 302-1 Energy consumption
GRI 305-1 / 305-2 Emissions:
The breakdown for natural gas between head offices and the stores is not available.

In 2020 the increased district heating consumption and the resulting increase in emissions is due to more complete data collection and, from 2020, to the inclusion of Benetton Russia consumption.

The decrease in energy consumption and the resulting lower emissions are attributable to the periods of store and office closure due to the Covid-19 pandemic.

PRODUCT

The product is at the heart of Benetton

And at the heart of the product, the raw materials from which the product is made. What are they and how were they chosen. Taking the stock of sustainability issues, including recycled fibers, new sustainable materials, treatments with reduced environmental impact and quality control.

A company that produces collections for two brands - United Colors of Benetton and Sisley - must be able to count on raw materials that respond to the different needs of seasonality, style and occasion of use. Raw materials are increasingly important and this is demonstrated by the Group's increasing tendency to work directly with fabric producers, bypassing intermediaries.

In addition, Benetton Group has rationalised the supply chain, defining precise control standards and procedures to guarantee reliable production processes, with a view to offering quality, high performance and durable products.



FIBERS

Raw materials that respect the environment

From wool to cotton and linen, today almost 80% of the fibers Benetton Group uses to manufacture garments are of natural origin, and thus have a lower impact on the environment. In addition, about half of the items are monofiber, making them easier to recycle. Over

the past year, the Company has launched several projects, some already operational and others planned for 2021, all aiming to offer customers an increasing range of sustainable materials and treatments.



| GRI 301-1 Raw materials | Unit | criteria | 2018 | 2019 | criteria | 2020 |
|--|------|----------|---------------|---------------|----------|---------------|
| Total | t | | 21 846 | 23 694 | | 16 883 |
| Renewable | | | | | | |
| Cotton | t | >=35% | 15 539 | 17 190 | >=0% | 11 065 |
| Wool | t | >=35% | 1 196 | 1 047 | >=0% | 1 205 |
| Linen | t | >=35% | 334 | 384 | >=0% | 509 |
| Mixed (natural fibers) | t | | 234 | 194 | | 20 |
| Non-renewable | | | | | | |
| Artificial fibers | t | >=35% | 1 004 | 1 173 | >=0% | 1 037 |
| Synthetic fibers | t | >=35% | 2 770 | 2 597 | >=0% | 3 019 |
| Mixed (natural/artificial/man-made fibers) | t | | 769 | 1 109 | | 28 |

Figure is referred to Benetton Group S.r.l., Benetton India Private Ltd. and Benetton Korea Inc. For the 3-year period Korea's consumption is limited to direct procurement. For 2018 India's consumption is limited to domestic production (only cotton). 2020 figures are reported more accurately with the elimination of the percentage thresholds related to raw materials and adopting the Textile Exchange coefficients in the conversion operations.

Cotton: increasingly sustainable

From polo shirts to fleeces, and from T-shirts to Undercolors brand items, cotton is by far the most prevalent fiber in Benetton Group's collections. That's why the Company has made a public commitment to increase its sourcing of sustainable cotton to produce quality garments that have a reduced impact on the environment.

ORGANIC COTTON

In 2020, organic cotton - that is, derived from non-genetically modified plants grown according to organic farming principles, without GMOs or chemical fertilisers and pesticides, and therefore with a lower environmental impact - accounted for 8% of the overall production of all cotton items. In the Undercolors Spring Summer 2020 collection, only organic cotton was used for the baby underwear pajamas and men's underwear; in the Fall Winter 2020 collection, the use of organic cotton was extended to women's items. Benetton sources organic cotton from certified supply chains. These are independent certification systems that trace organic cotton from its source.

RECYCLED COTTON

Since 2019, Benetton Group has increased its use of recycled cotton, a sustainable fiber derived from pre-consumption (production surplus) and post-consumption (fabrics and end-of-life garments) textile scraps. These are collected and sorted by color, then cut into small parts, frayed and re-used for new production of pre-colored yarns. A studied mix of virgin fibers and recycled raw material (at least 20%) from certified supply chains allows the Company to produce items characterised by quality and durability, with a lower environmental impact.

BCI COTTON

In 2017, Benetton Group joined BCI (Better Cotton Initiative), the world's largest programme dedicated to cotton sustainability. According to the prescriptions of the programme, the Group sources cotton processed and grown by farmers trained to minimise the use of fertilisers and pesticides, use water and soil sustainably, and comply with the principles of equity in labour relationships. In 2020, the percentage of BCI cotton totaled 52% (calculated on the total annual cotton requirement).

2025
Our goal is to use 100% sustainable cotton (organic, recycled and BCI) in our collections by 2025.



60%
SUSTAINABLE COTTON IN OUR COLLECTIONS



Excellent and recycled wool

Benetton implements a series of initiatives to certify the quality of wool, a material that is easily recyclable, biodegradable, long-lasting and consumes less energy during washing.

The quality of products made with Italian yarns in 100% extra-fine Merino wool, Cashmere and Shetland is certified by Woolmark, the global authority in the field of wool. Moreover, as evidence of its role as an ambassador of Italian knitwear in the world, in 2017 Benetton Group became the first European fashion company to join the IWTO (International Wool Textile Organisation), a position that allows it to contribute to making the wool supply chain increasingly sustainable and transparent, influencing topical issues such as recycling, yarn quality, traceability and animal protection.

2021
Starting with the Fall Winter 2021 collection, some items in the children's collection will be produced in recycled wool.

RECYCLED WOOL

Like other textile fibers, wool is recyclable and retains all the properties of traditional wool. Italy is the world capital of wool recycling. Recycling is a conscious choice that makes it possible to avoid potentially polluting production phases, save raw materials and reduce waste.

Benetton Group's recycled wool garments use a blend of virgin and recycled fibers (at least 20%) from certified supply chains to guarantee the level of quality that consumers take for granted in a Benetton product, combined with a lower environmental impact.



Linen, a very ancient fiber

In 2020, Benetton Group collections saw a considerable increase in the presence of linen, an ancient plant fiber that is naturally sustainable.

In addition to being fresh and hypoallergenic, flax requires much less water than other fibers, and almost no chemicals. Moreover, linen is also an extremely durable fiber that is entirely recyclable, as is the waste from its processing.



New recycled materials

In 2020, Benetton further increased its use of recycled materials, in particular synthetic fibers from pre- or post-consumer waste, in order to mitigate the environmental impact associated with the conventional version of these fibers.

The Undercolors summer collection featured a beachwear line made from regenerated nylon. For the autumn-winter season, United Colors of Benetton presented down jackets featuring a padding in recycled polyester and Sisley down jackets made entirely from recycled materials, except for the zipper. To guarantee consumers maximum traceability, Benetton has decided to purchase only materials certified in accordance with standards set by the Textile Exchange, one of the most important non-profit organisations promoting responsible and sustainable development in the international textile industry.



ECONYL®

Nylon polyamide is a synthetic product often used in technical textiles because it is highly resistant with a tensile elongation before failure higher than other cellulose fiber fabrics. Because of its resistance, nylon polyamide is not biodegradable, and therefore represents a threat to the pollution of the sea and the environment. ECONYL® is a completely regenerated nylon polyamide, derived from nylon waste, like carpets and rugs or fishing nets, and processing scraps. The material can be endlessly recycled without ever losing its characteristics. By replacing virgin nylon polyamide with ECONYL®, Benetton Group contributes to progressively reducing the amount of waste on the planet by recovering and regenerating it, so that it can be reintroduced into the production

cycle as quality raw materials with characteristics similar to those of the virgin product.



RECYCLED POLYESTER

Polyester is one of the most widely used synthetic fibers in the textile industry. Benetton Group made a choice to promote fabrics that contain at least 20% of recycled polyester from certified supply chains that verify the origin and re-use of production scraps or end-of-life materials that would otherwise end up in landfills.

RECYCLED POLYESTER WADDING

The term wadding for clothing, or padding, generally refers to a material designed to insulate from the cold and used for a soft and fluffy padding. Made of polyester fiber, the wadding is very long-lasting, and easy to maintain and wash. Wadding made of recycled polyester is obtained from common plastic food bottles (PET). Recycling 65 33cl PET bottles produces one kg of wadding, which means that 13 bottles are needed to manufacture a child's jacket and 26, twice as many, for an adult jacket. Our recycled polyester wadding also comes only from certified supply chains.



SWIMWEAR

IN ECONYL®

**A 100%
REGENERATED
NYLON FIBER**

Swimwear is generally made of nylon, a polymer synthesised in the laboratory that is lightweight, stretch, and resistant, but also difficult to dispose of. A selection of items from the United Colors of Benetton 2020 beachwear collection comes in ECONYL®, a 100% regenerated nylon fiber sourced from used fishing nets and other nylon waste. ECONYL® has the same performance characteristics as nylon, but does not use virgin raw material.

For the entire collection, a total of 15 tons of waste was used, a quarter of which was represented by used fishing nets. This choice resulted in 90 tons of CO₂ emissions saved, corresponding to 106 barrels of crude oil.

Consumers who purchased ECONYL® swimwear items, which will be offered again in 2021, helped clean up the planet from waste and reduce the environmental impact deriving from the production of virgin synthetic materials.



**BENETTON
TRANSFORMS
PLASTIC**



Sustainable viscose

Viscose is a man-made fiber of natural origin derived from wood pulp.



Benetton Group selects sustainable viscose, modal and lyocell from two suppliers who distinguished themselves for their contribution to forest conservation, the use of new alternative fibers, sound procurement policies, transparency and traceability. The same suppliers - in addition to genetically marking their fibers via DNA sequences to make them traceable - have made available to Benetton special software applications to verify the origin of the fabrics.

2021
In 2021, items in viscose, modal and lyocell will be offered, namely biodegradable fibers that contribute to environmental protection.



Interview with Alberto Gallina
 Quality Assurance, Product and Supply Chain Sustainability

What is your role at Benetton Group?

I have been dealing with sustainability since 2014. Until 2016 I took care almost exclusively of the environmental aspects related to production processes, then I extended the horizon considerably and today a lot of my time is also dedicated to that portion of sustainability closely linked to product choices and sustainable raw materials sourcing.

You are a veteran at Benetton Group. What did you do before dealing with sustainability?

Yes, I've been here for many years, but thanks to the fact that Benetton is a structured and complex company, I've had an opportunity to explore and contribute in different areas, especially related to Operations. I started out in what used to be called the Time & Methods office, and then moved on to the Procurement Department, first following raw materials and then items marketed in the EMEA area. For two years I headed Local Office Operations in Egypt, and then I was called back to Italy to take care of supplier relationships, since the Company in the meantime had publicly aligned itself with Greenpeace by signing the Detox Commitment.

Tell us about the two years spent in Cairo. What objectives did you have? How was it to live and work in Egypt?

It was a great experience both for the friends I made and the appreciation I received. Egyptian culture is very different from the European model in customs and habits, and yet very far from the stereotype that identifies Egypt with the Pyramids and the Red Sea. I lived through the aftermath of the Arab Spring, the coup d'état of 2013, and felt the difficulties of my collaborators and their families, but the results were there to be harvested: in just two years we almost doubled production in the country. When I returned at the beginning of 2014, I had grown considerably from a professional standpoint.

In recent years, "sustainability" has become a buzz word in the fashion industry. What does it mean to you?

I'd say that sustainability is even an abused term, and not just in our industry, which, as everyone knows, is one of the most polluting globally. Since I started working on sustainability, things have changed a lot. Today, issues and names of organisations - like ZDHC, SAC, and Textile Exchange, of which we are members - are points of reference, and the adoption of the tools these organisations make available is essential for fashion industry operators. However, the path is still uphill. There is a need to educate not only industry operators but also consumers, making them aware of conscious and coherent behaviors that guarantee the right balance between social and environmental protection and economic needs.

What does Benetton Group need to reach the goal of using 100% sustainable cotton by 2025?

Benetton joined BCI (Better Cotton Initiative) in 2017 with an ever-increasing commitment. In fact, in the first two years, we sourced over 50% of cotton from suppliers who adhere to the BCI programme. Due to the pandemic, in 2020 we couldn't increase at the same pace as we did in the previous years, but considering also organic and recycled cotton, we are confident that we can reach the goal by 2025.

Among the raw materials used in the collections, which one do you think has the most potential in terms of sustainability? Why?

I don't think we can identify one fiber over another. I would rather point to a whole group of fibers that can easily be recycled, such as wool, cotton, polyester, and nylon polyamide. The long-term strategy will be to involve the fashion industry in making products with materials that are entirely reusable, easily recyclable and therefore do not generate waste, while the short- and medium-term strategy is focusing on managing the waste produced in a more responsible way, through reuse and recycling.

Tell us about the best project you've worked on since you joined Benetton.

In many years I have worked on countless projects, but the one that gave me the most satisfaction from a professional standpoint was when Greenpeace listed us among the Avant-garde brands in their 2016 Detox catwalk. A hard-earned result, the fruit of teamwork, carried out in an uncompromising manner, by seamlessly assisting and helping the entire supply chain in understanding the demands that were considered too onerous until a few years ago. The important media coverage at a global level and seeing the name of the Company I work for counted among the elite of those contributing to preserving the natural resources so that all humanity can continue to enjoy them made me so proud, not only as a Benetton employee but above all as a man and a father.

What are your objectives and dreams for the future?

My personal objective is certainly to continue to work in the field of sustainability, with increasing curiosity and desire to grow, and with a large working group, willing to team up and continue to explore. For the future I dream of a continuous evolution and convergence between brands, organisations and stakeholders; the exchange of information and the elimination of overlaps will certainly lead to renewed investment, new energy and greater dynamism to be used always and only in favour of an ever more necessary sustainable development.

Responsible and certified down feathers

In May 2017, Benetton Group obtained the Responsible Down Standard (RDS) certification, a protocol guaranteeing that down feathers and jackets used in the Benetton and Sisley collections are derived from geese and ducks raised for food purposes in compliance with animal welfare principles and criteria.

RDS independently verifies, through the assessment of neutral and specialised bodies, all aspects of animal breeding and care, including the origin to final product traceability of feathers and down. The aim is to reassure consumers that their purchase helps to protect and improve the living conditions of the geese and ducks involved in the production process.



TREATMENTS

Reduced environmental impact

Benetton Group is committed to producing garments using low-impact treatments that minimise the use of resources and the release of pollutants into the environment.

37% of knitwear is processed by Olimpias, a strategic partner with a industrial plant located in Croatia. The factory the factory recycles and re-uses 60% of industrial water purified from wastewater. In 2021, some United Colors of Benetton products will be dyed with natural vegetable and mineral dyes, with reduced use of chemical additives. Also with regard to washing, state-of-the-art processes will be used, which will reduce water consumption, limit waste production and diminish CO₂ emissions into the atmosphere.

2021
In 2021, Sisley will launch the Eco Couture project, a capsule of T-shirts, denim and knits characterised by natural materials and dyes.

QUALITY AND SAFETY

Long-lasting products

In 2020, Benetton Group strengthened its commitment to operating in a preventive manner, working with suppliers to define precise control criteria and procedures to guarantee reliable production processes. This was made possible thanks to the rationalisation of the supply chain and the optimisation of materials, with the ultimate objective of ensuring product quality in terms of compliance with the standards, and, above all, in terms of durability.

B-LONG

In 2020, the B-Long strategic project was continued, aimed at ensuring compliance with Benetton quality standards and the durability of the materials that make up the garments produced. In particular, B-Long allows the Company to monitor the fabrics and colors used to produce approximately 70% of United Colors of Benetton products. The tests, carried out by third-party certified laboratories, also proved fundamental as a form of cross-checking between different production facilities, optimisation of the project approval and material procurement processes. So far, the tests have been positive and confirmed compliance with the Company's quality standards.

B-CARE

In a society of disposable fashion, Benetton is committed to producing quality apparel. However, the durability of a garment also depends on the wearer. How do you remove lint from a knit? How do you mend an item? How do you sew on a button? How do you do laundry without the garments shrinking or getting ruined? To answer these simple and frequently asked questions, United Colors of Benetton published "Wear. Care. Repair", a consumer guide on garment maintenance. The guide includes a series of written instructions and video tutorials that explain in simple terms how to take care of one's garments at home in order to make them last longer and contribute to reducing the carbon footprint of Benetton products.

In 2020 the lower number of test is mainly attributable to the decrease of volumes of garments produced and to the rationalisation of materials and suppliers used.

2020
30 247

Tests on products

Tests on our garments go beyond normal international mechanical and chemical safety standards.

NO hazardous chemical substances like carcinogenic or allergenic colorants, phthalates, formaldehyde and heavy metals.
NO hazardous components, like easily detachable parts or excessively long strings.

2019
39 979

2018
43 891

DRESS SAFELY

Dress Safely is Benetton Group's project dedicated to garment quality and safety, especially with regard to kidswear. The Dress Safely tag - always present on the United Colors of Benetton kidswear collection and on the Sisley Young and Undercolors of Benetton lines - certifies compliance with the strictest textile safety parameters and ensures that the details and components of our products do not present any danger of suffocation or entrapment.



A responsible supply chain

Benetton Group's supply chain, its commitment to respect human rights and reduce its carbon footprint. What was done in the year of the Covid-19 pandemic, a stress test for the supply chain but also a powerful accelerator of ongoing processes.

From a supply chain perspective, 2020 boosted actions that were already underway. The Group had already set in motion its business plan to move the heart of the supply chain to the Mediterranean area, rationalising production areas and sourcing centres, and the situation that arose with the pandemic accelerated the process.

When Covid-19 became a global problem and individual countries began to impose the first lockdowns, Benetton Group launched a series of initiatives to help its community and readjust its business to the new, unpredictable international context, without ever relenting on the respect of its suppliers and workers' rights. In particular, order cancellations have been limited, and products and materials have always been paid to suppliers.

Even if 2020 slowed down the implementation of the efficiency processes due to the difficulties of traveling from one country to another, the actions targeting the reduction of the Group's carbon footprint already put in place in 2019 were maintained.

MANAGEMENT OF THE SUPPLY CHAIN

An engaged and careful supply chain

Over the years, Benetton Group has implemented a series of practices and initiatives aimed at ensuring that all the people involved in the supply chain are treated fairly and correctly. Respect for human rights, in fact, is not only an ethical imperative, but also a pressing demand from consumers and an essential prerequisite for doing business.

As confirmation of its commitment to respect human rights, in 2020 Benetton Group implemented several measures to respond to the Covid-19 health crisis. These measures were targeted to ensuring support for its suppliers and protecting the health and safety of its workers. Order cancellations have been limited, and suppliers have been paid for orders already placed and materials already purchased. Any payment extensions have been agreed upon with the suppliers. Moreover, during the audits, priority was given to checking compliance with anti-Covid-19 regulations. The collaboration with the Sustainable Apparel Coalition, of which Benetton Group is a member, enabled constant discussion and sharing regarding the initiatives to be adopted in response to the health crisis.

SUPPLIER SELECTION

Supplier selection is not only based on criteria of quality and competitiveness of the products offered and transparency, but also on compliance with social, ethical and environmental principles. A list of current suppliers located all around the world is available for consultation on the Benetton Group website.

www.benettongroup.com/sustainability/supply-chain/

CODE OF CONDUCT

Any individual or company that establishes a business relationship with Benetton Group must comply with the Group's Code of Conduct, founded on respect for human rights and protection of the environment. The Group's Code of Conduct implements the most relevant international standards, with particular reference to the UN Guidelines on Business and Human Rights of June 2011 and the Communication from the European Commission on the Renewed Strategy on Corporate Social Responsibility of October 2011. For the benefit of all its current business partners worldwide, the Code of Conduct is available on the Group's website in several languages.

To support suppliers in the operational implementation of the requirements of the Code of Conduct, the Company circulated the Guidelines for the Benetton Group Code of Conduct for Manufacturers, specifying Benetton's expectations regarding safety in the workplace, respect for workers' rights and environmental protection. The aim is to make the Code of Conduct more understandable and easier to apply, providing operational solutions and practical examples that can help suppliers in the proper management of their sites.

| GRI 204-1 Value of procured products (Euro) | | | | | | |
|---|--------------------|------|--------------------|------|--------------------|------|
| | | 2018 | | 2019 | | 2020 |
| EMEA | 264 878 013 | 43% | 245 320 342 | 44% | 165 061 357 | 48% |
| Asia | 354 493 793 | 57% | 316 751 362 | 56% | 180 059 655 | 52% |
| Rest of the world | 2 040 287 | 0% | 440 | 0% | - | 0% |
| Total | 621 412 093 | | 562 072 144 | | 345 121 012 | |

2018-2019 figures have been adjusted as the estimate of procured products from Korea was in line with the volume of manufactured garments.

The overall drop in the procurement value in 2020 reflected the reduction in the number of garments produced, equal to 53 million. This figure also includes local production in India and Korea, developed specifically to meet the style and demands of local consumers. In line with the strategic objective of rationalising production and making the supply chain ready to respond quickly to

consumer needs, in 2020 Benetton Group pursued a substantial balance of production sources in the EMEA region (48%) and Asia (52%). This approach allowed the Group to increase control over the supply chain, reduce the time needed for product development and industrialisation by responding rapidly to market needs and, last but not least, increase the efficiency of logistics.

CSR AUDIT

Benetton Group has implemented an audit programme to monitor observance of the Code of Conduct, which applies to all finished garment producers, with particular attention to those located in regions where respect for human rights and workers is considered more at risk. Suppliers to be audited are identified jointly by the Sustainability and Operations functions, while the Sustainability function is responsible for the organisation of the audits. Audits are carried out by independent auditing bodies of international standing on the basis of a checklist prepared internally in accordance with the principles contained in the Code of Conduct. The checklist, which incorporates the provisions of the SA8000 Standard, is designed to verify working conditions, environmental impact, transparency and compliance with the applicable local and international regulations. In particular, Benetton Group is very sensitive to the protection of

human rights and has carried out an internal analysis to measure the potential risks relating to issues such as child labour and forced labour. No significant risks have been identified in the European Union, because the legislation adequately protects workers' rights and the compliance controls of the various bodies in charge are considered effective; as a preventive measure, Benetton Group is supporting its suppliers in formalising procedures and sharing some best practices. All suppliers located outside the European Union, on the other hand, present a significant risk in terms of respect for fundamental human rights, and are therefore subject to accurate controls by means of audits. The CSR Audit function carries out audits on all producers of finished garments regularly, repeated every six months as a maximum and at least every two years as a minimum, according to the results recorded and the need to correct procedures identified as critical in previous audits. Audits are almost exclusively

unannounced, in order to obtain a more objective representation of the level of compliance of the Group's supply chain, as well as to enable the identification of the most critical non-conformities. With a view to continuous improvement, Benetton supports its suppliers in the remediation process through a monitoring activity that involves the periodic forwarding of updated corrective plans and evidence of the resolution of the identified non-conformities. In 2020, as an active member of the Sustainable Apparel Coalition, Benetton Group also committed to managing the transition process from its CSR audit programme to the Facility Social Labour Module (FSLM), which will become the exclusive benchmarking standard starting from 2021. The module focuses on the verification and promotion of fair and safe working conditions along the supply chain and the assessment of the effectiveness and efficacy of the social management systems. Benetton is committed not only to guaranteeing and giving evidence

of respect for human rights for its direct and indirect workers, but also to actively collaborating with other brands, suppliers, worker representatives and associations in order to define a common standard to assess social impacts and monitor progress in ensuring safe and dignified working conditions. A gradual expansion of the scope of the FSLM activities is also planned over the next few years, with a rollout of the module beyond Tier-1. In 2020, CSR audits were reduced due to the pandemic crisis: the lockdown imposed on production activities, the need to guarantee the implementation of safety standards in the workplace and travel restrictions resulted in an overall reduction in the number of social impact supplier audits (approximately 180). Of these, approximately 66% implemented corrective measures to remedy the identified non-conformities, and 12 business relationships were terminated.

| | 2018 | 2019 | 2020 |
|--|-------|-------|-------|
| GRI 414-1 New suppliers that were screened using social criteria | | | |
| No. of new suppliers | 128 | 72 | 57 |
| of which: | | | |
| New suppliers screened based on their social impact | 82 | 42 | 31 |
| Percentage of new suppliers screened based on their social impact | 64.1% | 58.3% | 54.4% |
| GRI 414-2 Negative social impacts in the supply chain and actions taken | | | |
| Total no. of suppliers | 707 | 594 | 576 |
| of which: | | | |
| Suppliers screened based on their social impact | 325 | 350 | 187 |
| Suppliers identified as having significant negative social, real and potential impacts in relation to the community | 59 | 59 | 35 |
| Suppliers identified as having significant negative social, real and potential impacts in relation to the community with which improvement actions were agreed in order to mitigate the social impacts | 35 | 41 | 23 |
| Percentage of suppliers identified as having significant negative social, real and potential impacts in relation to the community with which improvement actions were agreed in order to mitigate the social impacts | 59.3% | 69.5% | 65.7% |
| Suppliers identified as having significant negative social, real and potential impacts in relation to the community with which relations were terminated after assessment | 24 | 18 | 12 |
| Percentage of suppliers identified as having significant negative social, real and potential impacts in relation to the community with which relations were terminated after assessment | 40.7% | 30.5% | 34.3% |

| GRI 412-1 Human rights assessment | | |
|--|-------------------------|-------------------|
| | No. of suppliers | % assessed |
| Albania | 3 | 33% |
| Bangladesh | 14 | 100% |
| China | 88 | 72% |
| Croatia | 11 | 91% |
| Egypt | 8 | 100% |
| Spain | 4 | 75% |
| India | 122 | 70% |
| Italy | 70 | 27% |
| Korea | 77 | 0% |
| Cambodia | 3 | 100% |
| Laos | 1 | 100% |
| Morocco | 14 | 79% |
| Moldova | 2 | 100% |
| Myanmar | 5 | 100% |
| Portugal | 3 | 100% |
| Romania | 12 | 67% |
| Serbia | 7 | 43% |
| Tunisia | 108 | 64% |
| Turkey | 19 | 84% |

Occasionally, Benetton collaborated with a few suppliers located in Ukraine, Kosovo, Bosnia-Herzegovina and Indonesia. Given the occasional nature of the relationship and the low level of risk associated with these activities, no assessment was carried out locally with regard to the compliance of these plants with the respect of human rights.

Considering the Covid-19 situation, Benetton Group suspended its audit programme in Korea and in Italy with a reduction of the coverage in these countries.

NON-DISCRIMINATION AND FREEDOM OF ASSOCIATION

Benetton Group believes that every company must be committed to rejecting any form of discrimination, ensuring fair and respectful treatment of its people in all circumstances. In particular, in 2020, no employee reports of discrimination were received through the Whistleblower mechanism. In addition, 95% of our audited suppliers meet the requirements of the Code of Conduct. The non-conformities identified refer to procedural aspects, except for one single case relating to a discriminatory dismissal, which ended up with a litigation between Benetton Group and the supplier.

In 2020, five events were recorded in which there was no worker representation. The other non-conformity cases are related to procedural aspects and low familiarity of workers with unions



ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

In December 2017, Benetton Group confirmed its adherence to the Accord on Fire and Building Safety in Bangladesh, launched in May 2013 following the event that is universally remembered as "the Rana Plaza tragedy". The Accord, of which Benetton was one of the first signatories, is an independent initiative involving more than 200 fashion companies worldwide and also involving trade unions, the International Labour Organisation (ILO) and various non-governmental organisations. The Accord, developed to make all apparel manufacturing workplaces in Bangladesh safe, also provides for independent inspections and transparency of the local textile supply chain. The main points of the agreement include:

- › an independent inspection programme supported by the signatory companies, involving

employees and trade union associations;

- › transparent communication of the list of production facilities, inspection reports and corrective action plans;
- › the commitment of the signatory companies to ensure the effective implementation of the corrective action plans and to maintain ongoing business relations;
- › the establishment of democratically elected health and safety committees in all factories to identify the main risks related to workers' health and safety;
- › the enhancement of workers' skills through a broad-based training programme;
- › the implementation of complaint mechanisms and the right to refuse to work in unsafe conditions.

OUR COMMITMENT TO PEOPLE IN INDIA

SAKHI

Sakhi means "friend" in Hindi and is a programme that Benetton India launched in 2016 to foster the empowerment of a group of its female employees with a low level of education and coming from disadvantaged classes in the Gurgaon area. Through the programme, these women have access to health screenings, weekly English language classes and craft workshops, thereby increasing their skills and promoting their economic independence. In 2020, the handicraft workshops focused on the upcycling of production scraps to be used for the development of more than 38 000 face masks, fanny packs and wallets.

AARHOI

"AARHOI. Wings of Empowerment" is a project developed to improve the health of Indian women and girls during the menstrual phase, while decreasing Benetton India's carbon footprint. AARHOI relies on the use of production scraps deriving from Benetton garments to create high quality, 100% biodegradable cotton sanitary napkins. The pads, produced by a

group of 100 dressmakers in Bangalore, are soft, easy to wash with soap and water, and can be reused up to 72 times (from three to four years). More than 100 000 pads were distributed from 2017 to 2020, thanks to the help of partner organisations like HelpAge India, THDC, Child Rights & You, and NAARI Wellness, all active in different regions of the country and providing practical assistance through education to combat the taboos still prevalent in India regarding menstruation.

CLOTHES FOR A CAUSE

Working in partnership with a network of local non-governmental organisations such as Uday Foundation, CanKids and Sapno Ke Pankh, Benetton India has donated defective or returned garments to the needy through the Clothes for a Cause initiative in Uttar Pradesh, Uttarakhand and Delhi NCR.

SAMVEDNA PROJECT

The NGO Child Rights & You (CRY) works in the districts of Bhopal, Vidisha and Raigarh in Madhya Pradesh. Samvedna is our local partner, working in particular with the children of

Bedia, who are often forced into prostitution by their own community. Through awareness campaigns, community assemblies and planned actions involving groups of children, more than 1 800 young people have gained access to schooling in the villages included in the project.

#UNITEDBYCAUSE

During the pandemic, Benetton India has donated more than 100 000 face masks in the Delhi NCR district as a side initiative of the #UnitedbyCause campaign and thanks to the support of the Uday Foundation. In addition, CanKids helped us produce 21 140 face masks from 2 114 meters of fabric, and donate them to 2 640 children and families across the country.

For some years now, Benetton India has carried out a series of initiatives designed to promote the empowerment and emancipation of the most vulnerable individuals in India, starting from the women working for the Company.



Interview with Jasleen Kaur
Head of Marketing, PR
and CSR at Benetton India

How long have you been with the Company and what were you doing before?

I joined Benetton almost 6 years ago. Before I was working for Canon, the Japanese multinational.

What did you know about Benetton before joining the Company? How has your perception changed since you started working there?

I grew up with Benetton and I remember that I always liked the images of its stores. To me, Benetton is the first brand ever to represent inclusivity, using diverse models in its ad campaigns. This was a first in the Indian market, at that time. I also remember studying Benetton's case history, when I was attending strategy classes at business school. When I joined Benetton, my trust in the Company grew even more. I understood how much Benetton cares about social impact. This is not just a superficial attempt to look cool.

How many people work at Benetton India? Where do they work?

Benetton has 419 workers and 4 offices in India. This number is net of labour on temporary employment agreements, currently totaling 1200 people.

You have coordinated many campaigns and PR activities for Benetton over the past few years. What is the perception of the Company in India?

In India, Benetton is positioned as an ethical brand with strong values. It is known for its colors and inclusive advertising campaigns. Millennials are attracted to Benetton because of its provocative and cutting-edge communication. The brand was the first in India to implement marketing strategies that later have become benchmarks for the industry and beyond.

In December 2020 you were appointed Head of CSR for Benetton India. Over the past few years many social initiatives have been implemented in India. Why?

Social responsibility is at the core of Benetton's values. And social responsibility must be heralded, because it has been an asset of the Company since the very first yellow sweater produced by Mr. Benetton. Benetton CSR efforts confirm our DNA, showing the world that our commitment has been the same since 1965, and won't change in the future. I am proud of all the efforts we have made so far. Let's go ahead!

What is Benetton India doing to reduce its carbon footprint?

All Benetton India divisions implemented several initiatives targeting sustainability and the protection of our planet. These range from upcycling engineering to consolidated load distribution. The reduction of the carbon footprint involves a cultural change that calls for greater awareness and a

contribution from everyone. Benetton India has a very low carbon footprint and aims to reduce it further through the implementation of various projects, managed by the supply chain and administration divisions.

Tell us about the best project you've been involved in since you joined the Benetton Group.

It has been a long journey and I have lived every day as a new opportunity. It is very difficult to select one single project, because we have worked on many strategies, which allowed us to reap great results. Maybe, the one I feel closest to is #UnitedBy. This is an umbrella project grouping all of our advertising campaigns in India. I had the honor and pleasure of leading Benetton India's first ad campaign in the country under the guidance of our country manager, Sundeep Chugh.

How did the Covid-19 pandemic affect your work and Benetton India in general?

India is a densely populated country and there was deep concern among all of us about how the pandemic would spread across the country. Despite the rigorous and extensive lockdown, Benetton India managed to recover well. The pandemic made me realise that challenges make you discover your strengths. Benetton India is a big family sharing the value of ethics and integrity. Over the years, proactive collaboration has allowed us to complete the digitisation process, which enabled us to navigate the pandemic without too many difficulties. Everyone was and still is motivated to do their best and make the green flag fly high.

What are your hopes and goals for the future?

I firmly believe that factories produce products, but customers are at the core of brands. Consumers today are knowledgeable, smart and can access any information with a click. It is of the essence to be honest and ethical. My objective at Benetton is to make sure that our customers are aware of the brand's recognition of its responsibility and commitment. I hope I can add something to the history of this exceptional brand every day. This is undoubtedly my biggest goal.

What would you like to say to your colleagues in Italy?

Although we may never have met, but I hope that anyone reading this interview feels that we are all connected, all members of this beautiful family. I would also like to take this opportunity to thank all my co-workers and supervisors at the headquarters for the unfailing, wholehearted support provided to me and my division. I have always enjoyed my visits to Treviso, because they are super productive, and everyone is always very kind and sincere.

ENVIRONMENTAL IMPACTS

Reduction in the use of chemical pollutants

One of the key pillars of Benetton Group's sustainability policy is its reliance on an increasingly clean supply chain. For this reason, every year the Group involves its suppliers in various projects to further raise their awareness and proactivity. The results achieved in 2020 are proof that environmental sustainability is considered one of the fundamental aspects for the Group's business continuation.

Despite the difficulties caused by the Covid-19 health crisis, both brands and suppliers committed to a sustainable future. The economic difficulties have not stopped investments in this area, as evidenced by the wastewater test reports and the Higg FEM modules published in the ZDHC and SAC portals, respectively.

ZDHC WASTEWATER GUIDELINES

As part of the wet process wastewater testing programme - carried out by requesting suppliers to perform tests according to the ZDHC (Zero Discharge of Hazardous Chemicals) Wastewater Guideline - Benetton Group monitored over 80% of its production involved in wet processes. Similarly to the previous year, this year's result, this result demonstrates the efficacy of the protocol developed and shared by the ZDHC working group, of which Benetton Group is a founding member. In fact, the common objective of the ZDHC member brands - to rely on a sustainable supply chain and maintain a clear and standardised communication with the suppliers involved - is increasingly gaining visibility across the sector, also as a result of the fact that many suppliers work with multiple

brands. Numerically, the wet processes belonging to the Benetton supply chain that have provided results of the analyses performed on wastewater have more than quadrupled since 2013, the year in which the programme was launched, and approximately 10% in 2020 compared to 2019, a decrease closely linked to the impact of the Covid-19 pandemic on the textile industry, including reduced manufacturing that, in some cases, has even led to the Company shutdowns.

SAC AND HIGG INDEX

In 2017, Benetton Group joined SAC (Sustainable Apparel Coalition), the largest alliance promoting sustainable production that includes fashion, footwear and textile brands, among others. Starting in 2018, the Company adopted the Higg Index, a set of tools developed and made available by SAC that enable

brands, retailers and suppliers to measure their performance in terms of sustainability. In particular, the Higg FEM (Facility Environmental Module) allows Benetton Group to evaluate the suppliers involved in wet-process production. The Higg FEM includes about 80 questions organised as a supplier self-assessment to monitor several activities (e.g. the adoption of environmental management systems, the use of water and energy, waste management, emissions into the atmosphere and the use of chemicals) and can also be validated by a third party entity approved by SAC. There are no follow-up visits or audits by the brand, but the supplier is engaged in an ongoing improvement and transparency process subject to assessment year by year. In other words, the Higg FEM overcomes the traditional "pass or fail" logic and provides benchmarks that allow companies to identify weaknesses and possible corrective actions to undertake.

Every year, thanks to the use of the Higg FEM, Benetton can assess an important percentage (around 80% by volume) of suppliers involved in wet processes. This percentage was confirmed in 2020 as well, despite the difficulties due to the Covid-19 health crisis. This demonstrates the suppliers' commitment to measuring and reducing their environmental impacts.

DETOX COMMITMENT

By signing the Detox Commitment launched by Greenpeace in 2013, Benetton Group embraced the goal that it has been pursuing in 2020 as well, despite the restrictions imposed by the

Covid-19 pandemic. In fact, despite the multiple difficulties faced by the textile industry, Benetton Group confirmed the work accomplished in previous years, by increasingly reducing the remaining gap to achieve the final goal. In 2020, Benetton Group published the wastewater test reports of the suppliers involved in 90% of wet-process production. The total elimination of 11 groups of hazardous chemicals, the adoption of a Restricted Substances List (RSL) and the publication of at least 80% of the wastewater test outcomes relating to suppliers involved in the wet processes (i.e. dry cleaners and laundries) are the commitments defined in the Detox Commitment and, in the last two assessments made by Greenpeace (in 2016 and 2018, respectively), Benetton Group was praised as a leader in transparency, and for its ability to monitor the supply chain and continuing commitment to replacing harmful chemicals with less impactful substances.

UNITED COLORS OF BENETTON, ITALY'S TOP BRAND FOR TRANSPARENCY

The Fashion Transparency Index 2020 certified that United Colors of Benetton is among the fashion brands most committed to disclosing credible information about its carbon footprint and operations.

"Consumers can make more informed decisions if they have access to credible, quality information about the social and environmental impacts of the clothing items they buy," reads the introduction to the report.

United Colors of Benetton achieved an overall score of 55%: the score is the highest among all Italian companies and among the top ten globally. This is a great leap forward compared to only four years ago, when the brand's score was 17%.

Among the categories analysed by the index, traceability is the one in which United Colors of Benetton obtained the best result, with a score of 73% (against an average of 16%). This is the fourth best result among all brands analysed globally.

Published by Fashion Revolution, since 2013 the Fashion Transparency Index has analysed the level of transparency of 200 major apparel brands and retailers, assessing five categories: adherence to environmental and social commitments, governance of environmental and social policies, supply chain traceability, supplier control and action, and the ability to address specific issues such as waste management, freedom of association or the use of sustainable materials.



Efficient use of natural resources

Reducing the environmental impacts along the supply chain also involves an efficient use of natural resources. This includes designing plants that are powered by renewable sources and capable of reusing as many resources as possible.



TUNISIA

In 2019, our strategic partner Olimpias installed a solar energy plant (hot water production for the dyehouse) in its factories in Tunisia. Currently there are studies underway to analyse the feasibility of plants for energy generation from renewable sources.

CROATIA

Developed between 2014 and 2016 thanks to a European Union funding, the Wasatex project allowed the textile factory of the Olimpias Tekstil Group in Osijek, Croatia, to reuse purified wastewater in the industrial production cycle. In 2020, the factory was able to reuse up to 60% of its process water. Olimpias Tekstil is a long-term partner of Benetton Group.



Benetton Group considers water a key resource for people and the planet. Therefore, the Group analysed the geographic distribution of its suppliers involved in wet processes to monitor how the organisation impacts water-stressed areas. Only 2% of suppliers are located in high-risk areas. For the next few years, Benetton Group is committed to quantifying water use and consumption by suppliers with significant impacts on water

resources in high-risk water-stressed areas. Benetton Group is also committed to quantifying the impact of water discharges along the value chain. In 2020, the facilities of Olimpias, a strategic supplier, discharged 1 169 318 m³ of water. Of this amount, almost all was conveyed into water treatment plants. All plants are located in low-to-medium water-risk areas (level 2-3).

| GRI 303-4 Water discharge | |
|---------------------------|----------------|
| Basin risk level | % of suppliers |
| 1 | 0% |
| 2 | 4% |
| 3 | 54% |
| 4 | 39% |
| 5 | 2% |

1 low stress level, 5 high stress level. Analysis made by Water Risk Filter.

LOGISTICS

A consumer-centric sustainable model

Benetton Group's business model puts the consumer at the centre of all Company processes. This approach contributed to the development of the logistics strategy, which hinges on a service that is customised to meet the needs of the points of sale, a reduced environmental impact and the attainment of a higher level of garment traceability. The Control Tower End-to-End Visibility allows the supply chain to be managed from a single point of observation and the identification, at any time, of the status of any Benetton product stock, with a level of detail that reaches single SKUs. Since 2019, Benetton logistics has been managing stocks, product picking and shipping of all United Colors of Benetton and Sisley e-commerce orders from the Castrette hub, integrating end-to-end B2C (Business to Consumer) flow as well.

INTERMODAL TRANSPORTATION

In 2020, the Group confirmed its commitment to intermodal transportation and, in general, to the use of the least environmentally impacting means of transportation, with a view to reducing CO₂ emissions linked to logistics and distribution activities. In particular, preference was given to rail transportation (with a low polluting impact) over cargo flights. As to imports of goods from China, air transportation was replaced, where possible, with alternative solutions such as rail or sea/air (first leg by sea and the second by air). The use of the train service from Shanghai/Dalian to Warsaw (Poland), continuing on with road transport to reach the Castrette factories, was consolidated, resulting in approximately 90% reduction in CO₂ emissions. After the first tests carried out in 2018, the Group also

consolidated the combined cargo ship and flight system for goods that would have been shipped entirely by air transport due to a maritime transit time that was considered inadequate based on the envisaged delivery date. This mode allows goods to be transported for an initial leg by cargo ships in containers, and then continue with cargo flight transport only for the final leg, resulting in approximately 50% reduction of CO₂ emissions. In 2020, the Group also consolidated the use of train service for imported goods from the ports of Genoa and La Spezia to Padua (continuing on with road transport to reach the Castrette site), as an alternative to road transport (diesel oil or methane), with an estimated 60% reduction in CO₂ emissions. Despite the heavy impact of Covid-19 on logistics, with consequent longer transit times and reduced availability of means

of transportation, the use of cargo flights has been decreased both for imports and exports in favour of sea transport, always respecting the required delivery dates.

METHANE

In 2020, Benetton Group made use of methane fueled vehicles in inbound flow of merchandise from the ports of Genoa, La Spezia, Trieste and Venice to Castrette, reaching 10% of the total volume. This resulted in 10-15% fewer CO₂ emissions compared to diesel-powered vehicles.

SATURATION OF TRANSPORTATION

Shipping at Benetton includes loading vehicles with loose packages and no use of pallets. This method optimises the loading space and truck saturation. The result is that one truck in five is eliminated from the road.

| CO ₂ emissions reductions | Unit | 2018 | 2019 | 2020 |
|--------------------------------------|-----------------------------------|--------|--------|--------|
| Logistics | t CO ₂ | 24 580 | 23 783 | 10 997 |
| Emissions intensity | g CO ₂ /garment per km | 0.027 | 0.035 | 0.032 |

2019-2020 figures include Benetton India Private Ltd emissions.

The CO₂ emissions reduction in 2020 is due to the decrease of the B2B traffic when stores were closed and to lower use of airfreight.



PACKAGING

Thanks to the use of reusable metal baskets, Benetton Group saves over 1 300 tons of cardboard every year, corresponding to approximately 20 000 trees. In addition, for the purpose of fully exploiting batch size and avoiding air transport, the Group uses different types of cardboard boxes in different heights. In the meantime, the work of the team dedicated to the analysis of alternative solutions to plastic packaging continues. The objective is to identify an eco-sustainable alternative to the polybag packaging used to protect United Colors of Benetton and Sisley items as they move along the supply chain, during production.

The Group is still analysing the possibility of delivering e-commerce orders to the final consumer by alternative, eco-friendly means - such as bicycles

- in large cities like Milan and Rome. With a view to helping raise consumer awareness about the impact of the relevant choices, the Group is also studying the possibility of letting consumers choose, at the moment of the online purchase, between home delivery or store pickup. Also oriented to sustainability, users can choose shipment time, selecting from urgent delivery by courier or standard delivery in 3-4 days, taking advantage of the Company's logistics. CSR issues and specific questions about the type of fleet have also been integrated as drivers for supplier selection as of the end of 2020, taking into account also their environmental and social impact. The suppliers' monitoring system will be improved during 2021.

| GRI 301-1 Packaging | Unit | 2018 | 2019 | 2020 |
|----------------------|------|--------------|--------------|--------------|
| Total | t | 5 010 | 4 411 | 2 795 |
| Renewable | | | | |
| Paper and cardboard | t | 4 127 | 3 591 | 2 241 |
| Non-renewable | | | | |
| Polyethylene (PE) | t | 881 | 819 | 553 |
| Iron | t | 2 | 1 | 1 |

Figures referred to Benetton Group S.r.l.



2021
Starting in mid-2021, used polybags will be collected from certain pilot stores and delivered to a recycling company. The new polybags that will be produced will consist of 30 percent recycled plastic.

2021
Starting in the first half of 2021, e-commerce shipments will be delivered in paper bags instead of cardboard packages, resulting in raw material savings.

The digital transformation of Benetton and Sisley

From e-commerce to omnichannel, from apps to social networks, the projects for an increasingly digital future are in the pipeline.

Although digitisation has been a key topic for several years, the exceptional situation in 2020 acted as a booster, accelerating the processes underway and making the Group hit the results expected for 2021 a year ahead.

The situation consequent to the outburst of the Covid-19 pandemic, with stores closed for the lockdown, consolidated digital purchasing as a habit even among consumers who had never shopped online before.

This considerably accelerated responsiveness, previously unthinkable - to digital activities - bringing brands closer to people and their needs.



DIGITALISATION

Growing online and offline integration

In recent years, Benetton Group has invested resources and energy in the progressive digitalisation of its business, a strategy that proved to be fundamental for staying in step with the times and being increasingly flexible in facing contemporary challenges.

The Group has reached the objective of offering a seamless interaction between the digital experience and the real world, with a remarkable leap forward in e-commerce and the use of digital channels. 2020 closed with the significant completion of the new United Colors of Benetton website, a dynamic site open to further evolutions. Now, the Group's to-do list includes the priority of transforming the points of sale into "digital stores", by further developing omnichannel marketing and working on the new app to support the sales network.

37.5
Euro mln
2020

benetton.com

20.1
Euro mln
2019

17.5
Euro mln
2018

2.0
Euro mln
2020

sisley.com

1.2
Euro mln
2019

0.8
Euro mln
2018

Net sales trend of benetton.com and sisley.com limited to direct channel and central management

DYNAMIC WEBSITES

The digital core of our brands

BENETTON.COM

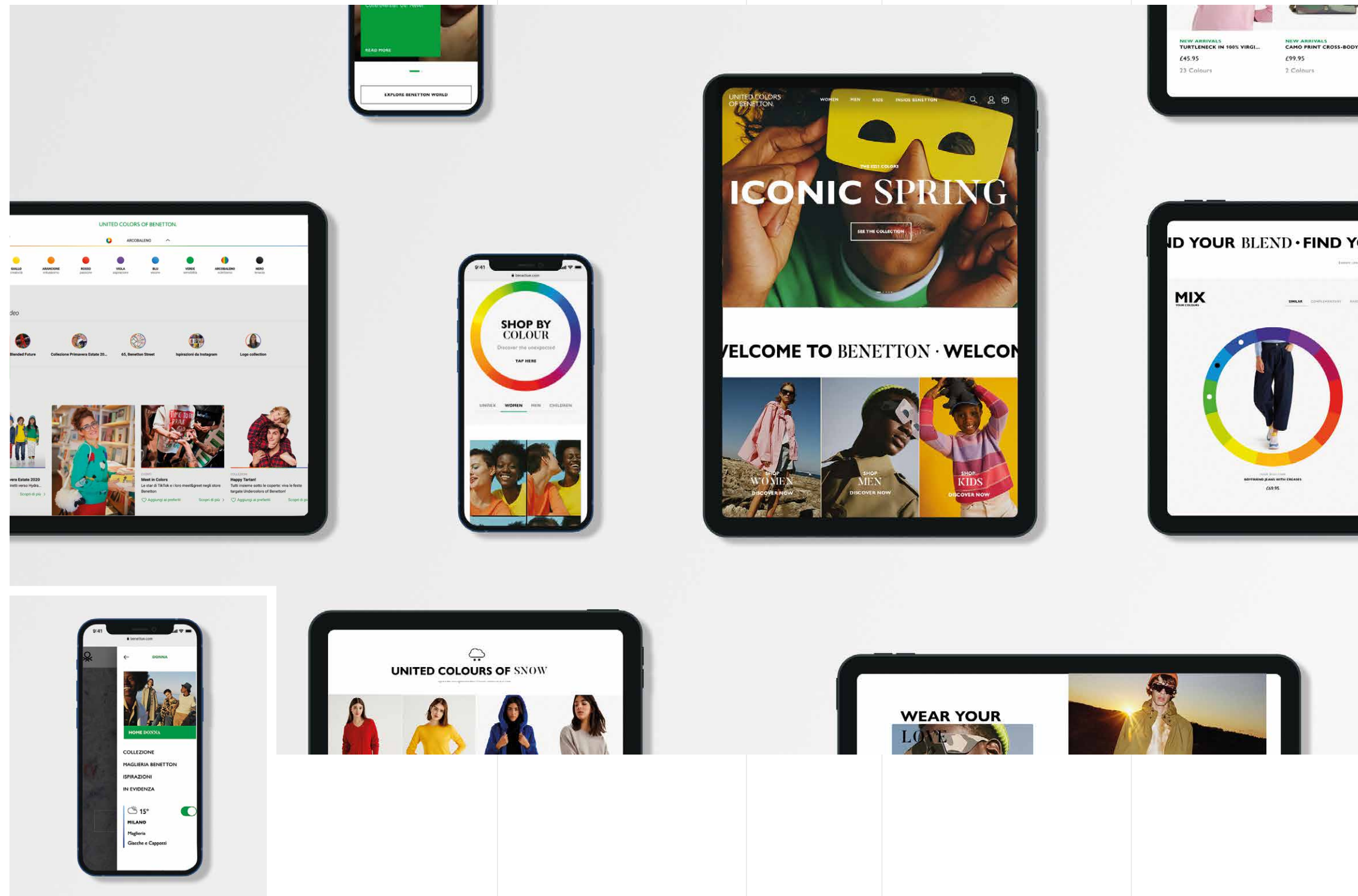
In 2019, United Colors of Benetton carried out a complete restyling of its website, with the objective of making it more user-friendly and improving the online shopping experience. Designed as an editorial platform, the website was focused on content published with a view to describing the Company through storytelling from different points of view. In December 2020, the new United Colors of Benetton website went online, with a clear orientation towards brand awareness, demonstrated through a wealth of editorial content.

BENETTON INSIDE

As planned in 2019, the benetton.com "Inside" section's content was integrated into the website. A further step forward is planned by early 2021, with the integration of e-commerce related editorial content. Product purchasing will become a comprehensive experience, a window onto the Company's history, its know-how, and style. Ample space of the product-related editorial content will revolve around sustainability.

WEATHER FORECASTS

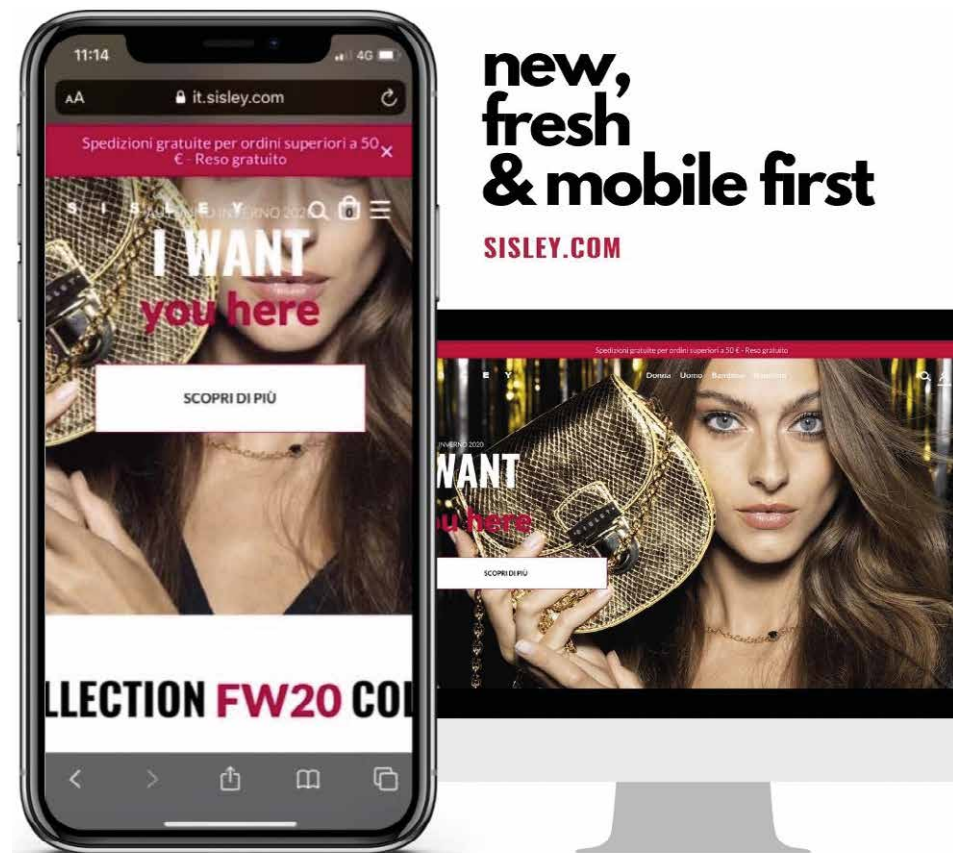
As planned, in 2020 benetton.com integrated the innovative weather forecast function, which allows personalised navigation based on weather conditions at the user's location. After flagging the weather tips option and confirming geopositioning, users will land on the homepage of a weather-based, customised website following them in their journey.



With a view to making the user experience lighter, more enjoyable and engaging for an increasingly young audience, some content has been organised in the form of a game. The "Color Wheel" is a tool for those who don't know where to start and seek inspiration from a color randomly chosen from all of the United Colors of Benetton shades. On the product pages, "Find your blend" presents alternative combinations, emphasising the value of one's personality and of a style without boundaries or barriers. In this way, contents are no longer only commercial but become messengers of the brand's values.

SISLEY.COM

The Sisley website also presents a fresh look in 2021. The optimisation of the shopping process, the outcome of the restyling completed in 2020, resulted in an improvement of conversion metrics, number of visitors per acquisition source, bounce rate, time spent by users on the website and leads generated. Simplicity and linearity guarantee users an improved browsing experience: the content takes on a central role, communicating the brand's core values, and the design facilitates navigation and browsing. The customisation of the new sisley.com website focused on redefining the tone of voice and the brand value proposition, also and above all with a view to the development of communication following the launch of the Spring Summer 2021 campaign.



2021
In 2021, Sisley will launch a section on its website dedicated to the brand's history, its sustainability initiatives and the current communication campaign.

BLEND

DIFFERENT A NEW CONCEPT FOR BENETTON.COM



United Colors of Benetton's new website, which went online at the end of 2020, is inspired by the brand's core values, presenting its commercial proposition in a new, personalised way that can be interpreted by users according to their individual style.

The concept that guided the restyling is the Blend Different motto. The seminal idea is that e-commerce, today, does not only target user conversion, but, above all, user engagement. For this reason, proposing different and interactive product narratives has become key to leveraging differentiation in the digital landscape.

Through the new benetton.com website, the shopping experience is first and foremost a moment of engagement. Consumers are invited to play with the collection, experimenting with new outfit combinations and colors to find their unique, personal style. The Shop by Color, Find your Blend and Blend Different sections that are made available, respectively, on the homepage, in the product pages and in the women's, men's and children's sections - allow users to enjoy an engaging, contemporary online shopping experience, open to any personality, style and identity.

Starting with the SS21 collection, the website landing page will automatically adapt to the user, his/her behavior according to the path that led them there. There will no longer be just one benetton.com website, but many different versions, with interesting user-tailored and personalised content.



Interview with Vanessa Roccatelli
Digital Marketing Manager,
United Colors of Benetton

What is your role at Benetton Group?

I work in the e-business marketing.

What did you do before? What brought you here?

I worked for a few years in some web agencies in Milan and Treviso, but I was looking to work in a more corporate environment. I had the opportunity to join Benetton in 2008 and 12 years have already gone by! But the thing I often say is that in these years so many things have changed for me that it's as if I had changed company every two years :)

In recent years digital transformation has been one of the key topics for the Benetton Group. What is it? Why is it so important?

From my point of view, digital transformation does not simply mean "adopting digital technologies in a company". It implies many things: a change of mentality, flexibility, adaptation to changes in the market and in society, quick decision-making, and knowledge about how to use new digital tools to face familiar situations in a new way. It means being able to question previous knowledge and look at the world with new eyes.

Where are we on this journey? What are the important steps that Benetton Group has already taken and what are the ones that it still needs to take?

I believe that the Covid-19 pandemic has simply accelerated a process that had already begun. As usual, there are people who welcome change with enthusiasm and others who find it more difficult to accept. We have come a long way, but there are still many challenges ahead.

In the year of the pandemic, with forced store lockdowns, having a strong digital strategy proved vital for many fashion brands. How did it go for United Colors of Benetton? What threats did the Group face? What opportunities did the Group manage to seize?

The big opportunity we were able to seize was that we started to develop a content plan based on consumer demands, adapting our commercial proposal to the new needs and social context. This, along with our firm determination to face such a critical situation, was - in my opinion - the key to our success.

2020 was also the year of the launch of the new UCB website. What are the main features of the project?

The new benetton.com website is based on Blend Different, a concept inspired by the brand's core values, which focuses on the narrative of

United Colors of Benetton and its commercial proposition in a highly customisable way, adaptable to everyone's style. The new website has an editorial soul, with contents that narrate and exude the values of the brand, integrated into the shopping experience. It is also a "playful" website, presenting the collection interactively and engaging visitors in a playful manner.

After years in the UCB Digital Marketing Division, you have certainly developed a vision of the Group's typical user, the one who always keep a UCB website tab open in his/her browser. Who is s/he? How old is s/he? What personality does s/he have? What are her/his passions?

I can definitely say that the person who buys through our e-commerce is not the same customer buying in brick and mortar stores. S/he is aged 25-40 and is most often a woman with children. We are working to collect more and more behavior-related data and psychographic profiling data, so I believe I will be able to answer this question better in a few months :)

What is the project you are most proud of, among all those you have been involved in at Benetton?

The new website has definitely been a very interesting experience, but I can't recall any specific project. What I like most about my job is that I get to learn new things every day and that's what makes me most proud.

If you weren't working in digital technology, in which area of the Company would you like to work? Why?

Honestly, I've never thought about it.. but I don't think I'd like to work in any area other than this one.

What are your dreams and plans for the future?

To continue to learn; keep up with a world that is moving faster and faster; be able to recognise, among billions of pieces of information and data, the ones that are really important; to maintain my enthusiasm and dedicate time to my family.

E-COMMERCE AND OMNICHANNEL

The growth of e-commerce

2020 proved exceptional for the Benetton Group e-commerce business, with growth approaching triple digits for United Colors of Benetton.

The launch of the United Colors of Benetton e-commerce platforms in India and Japan was planned for 2020, but was delayed due to organisational reasons. The e-commerce platform in India is currently in progress, after an analysis that required a complete reorganisation of the digital team. The launch of the digital catalogue with store locator is expected for early 2021, while the platform will become fully operational in the second half of the year.

Phase 2 starting

THE OMNICHANNEL STRATEGY FOR UNITED COLORS OF BENETTON

In 2020, the Group changed the omnichannel business model, integrating brick and mortar stores with the digital world for the purpose of boosting sales and reducing inventory, while offering an increasingly broad array of services to the end customers. Of equal importance, the new strategy was completely redesigned according to the principles of efficiency and sustainability. From a user's perspective, nothing has changed, with the following features remaining fully enabled: the "product locator" service lets consumers find out in which store a product they are looking for is available; the "click&collect" service enables shoppers to order a product online and pick it up at the store; the "endless aisle" service, allows customers

to order a product momentarily not available in the store and pick it up later; the "return in store" service allows online purchases to be returned and/or exchanged in-shop; the "reserve-in-store" service lets customers book their purchases and then go and try them in the store. The analysis revealed that more than 70% of the "click-and-collect" users - the flagship omnichannel service - were served from the e-commerce warehouse located in Castrette, rather than from the physical store stocks. Consequently, the Group made a decision to re-organise the business model, turning the stores into pickup points. In this way, United Colors of Benetton has optimised logistics in a sustainable way, while the stores, transformed into hubs for the collection of the merchandise, have benefited from increased store traffic especially

the 18-25 year-old target, not used to in-store purchasing. The omnichannel distribution approach applies to around 100 UCB-branded stores - both directly operated and franchises - in Italy. The planned expansion has been slowed down as a result of the Covid-19 lockdowns.

2021
In 2021 the omnichannel strategy is expected to be extended to Spain and Portugal and later to all the other countries at the global level.

2021
In 2021, the virtual assistant chatbot will be introduced as a new feature to support the omnichannel strategy.

THE OMNICHANNEL STRATEGY FOR SISLEY

As planned in 2019, Sisley implemented the omnichannel strategy in 2020. Currently, omnichannel applies to DOS stores in Italy and is being tested in some FOS stores in the Lombardy region. The system includes the following services: "product locator", letting consumers find out in which store a specific product is available; "click&collect", to order a product online and pick it up at the store; the "click-from-store" service, to buy a product not available in the store and pick it up later; and the "return-in-store" service, to return or change a product purchased online.

During the lockdown period, two new Sisley custom features have been developed: the "personal shopper" service, to book a personalised in-store styling consultation, and the live chat with in-store sales staff. The two services were designed to meet emerging customer needs and re-create a personal relationship, put on stand-by by the lockdown. In parallel with the implementation of the new omnichannel strategy, Sisley carried out a training project, comprising four webinars, to guide franchisee partners in managing the selection of social media content consistently with the brand's communication strategy. Statistics walk the talk: users are increasingly using social media to scout for new products, but also to get information prior to purchasing in the stores. In addition, for Sisley social media represent an opportunity to increase and develop brand awareness, customer loyalty, and improve customer satisfaction.

LOYALTY

In 2020, Benetton Group loyalty programs were redesigned, with the introduction of a digital card and new rewarding systems.

DIGITAL MARKETING

Old and new tools

UNITED COLORS OF BENETTON: QUICK AND REACTIVE MARKETING

In 2020, United Colors of Benetton revolutionised its digital marketing strategy. In the past, there was a single marketing plan developed in line with the production schedule. In 2020, the marketing plans multiplied to pursue a new proactive communication agenda intended to respond better to the contingent situation and consumer desires. For example, much space was given to Undercolors of Benetton during the first lockdown, when people were looking for comfort and convenience, while in the days of the first major winter snowfall the focus was shifted to wool sweaters. This strategy has already generated interesting results.

SISLEY: TRAFFIC GENERATION STRATEGIES

Sisley consolidated the foundations for the development of an effective online advertising strategy, fine-tuning content with a clear priority for videos. Programmatic advertising, namely targeting the forwarding of the right message at the right moment to users intercepted through an advanced profiling process, was reinforced with the aim of raising awareness through the definition of increasingly automated online media planning strategies.

In 2020, activities aimed at generating traffic on the website were also augmented through search engine optimisation (SEO) strategies - with the activation of campaigns in new countries - and social media campaigns.

2021

In 2021, United Colors of Benetton will approach the social media platforms TikTok and Twitch. The initial exploratory lead acquisition phase will be followed by a consolidation phase in the second half of the year.

2021

After completing the active customer database merger, in 2021 the Company expects to improve its user data management strategy in order to be in a position to offer user-specific and personalised - and therefore more effective - content.

CONTENT FACTORY AND APP

An archive of contents available to all

In early 2020, the Content Factory, the platform where product and collection content is produced and shared, including technical descriptions, images and videos, was launched for both United Colors of Benetton and Sisley. Currently, all countries that have a local e-commerce solution and manage their newsletters autonomously can tap into the official Content Factory images.

2021

In 2021, the Group plans to develop custom templates for WhatsApp, Facebook and Instagram to be used for the digitisation process of the stores.

The United Colors of Benetton apps

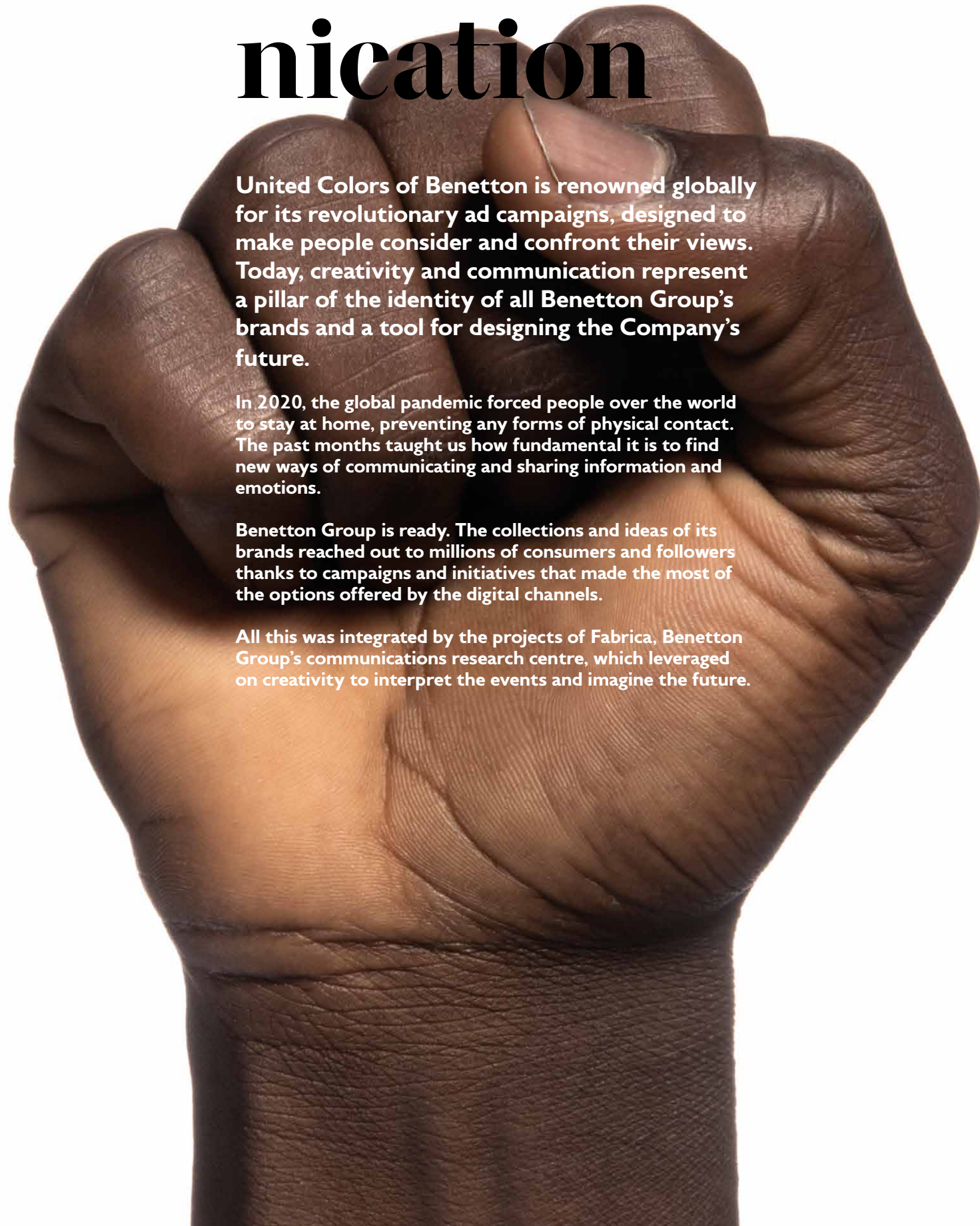
Two new United Colors of Benetton apps are currently in the testing phase. The first is user oriented and updated according to the user profile and style; the second is a clienteling app to support sales. The latter has been designed to make the store increasingly digital. The app will contain newsletters, the posts published on all social media, high-resolution images and descriptions of the collections. In this way, the sales force will always be up to date on what's new and can rely on a single point of reference where they will find all the information they need. For United Colors of Benetton, this means developing a consistent tone of voice, everywhere in the world.



I am

S I S L E Y

The power of communication



United Colors of Benetton is renowned globally for its revolutionary ad campaigns, designed to make people consider and confront their views. Today, creativity and communication represent a pillar of the identity of all Benetton Group's brands and a tool for designing the Company's future.

In 2020, the global pandemic forced people over the world to stay at home, preventing any forms of physical contact. The past months taught us how fundamental it is to find new ways of communicating and sharing information and emotions.

Benetton Group is ready. The collections and ideas of its brands reached out to millions of consumers and followers thanks to campaigns and initiatives that made the most of the options offered by the digital channels.

All this was integrated by the projects of Fabbrica, Benetton Group's communications research centre, which leveraged on creativity to interpret the events and imagine the future.

#BlackLivesMatter

ADV

Campaigns for the future

Even in 2020, Benetton Group's campaigns reached out to millions of people all around the world. Despite the pandemic, United Colors of Benetton and Sisley managed to produce ideas and images that attracted consumer attention, creating memories for millions of people around the world.



UNITED COLORS OF BENETTON

The Spring Summer 2020 campaign featured three Instagram talents flying the brand's flag over an imaginary journey and adventure conceived for the collection by the creative director Jean-Charles de Castelbajac. In the Fall Winter 2020 campaign, the brand introduced a new photographic approach and a fresh, multi-ethnic and optimistic cast to interpret United Colors of Benetton's signature communication codes in a contemporary key, with a focus on digital media and Generation Z.



2021

In 2021, Ghali will be the United Colors of Benetton brand ambassador. Ghali is a Milan-based rapper of Tunisian origin, embodying the brand's core values of multiculturalism and inclusiveness.

SISLEY

After closing the travel campaign season with the last leg, shot in Barcelona and presenting the Spring Summer 2020 collection, Sisley chose a more intimate narrative for the Fall Winter 2020 campaign, consistent with the exceptional period its fans were experiencing.

SISLEY FW 20

I WANT YOU HERE

Men and women. Alone or in pairs. Kissing, smiling, sipping a cup of coffee or stroking a cat. Sharing the common denominator of authenticity of the self, revealing their most intimate nature. The Sisley Fall Winter 20 ad campaign was an ode to contact and intimacy, precisely during the months in which physical closeness was precluded. The words "I want you here" stood out in red on the black and white portraits, emphasising the passion exuding from those snapshots of everyday life, testifying to real and sensual experiences, in line with the brand's tradition.

**BENETTON STUDIOS**

Photo & video studios

Benetton's photo and video production facilities extend over an area of 1 300 sq m within the Benetton Studios at Castrette di Villorba, Treviso. At the studios the Company independently produces some 70 000 shots and 1 200 videos produced each year for United Colors of Benetton and Sisley. The material is used in the advertising, in the brands' advertising, social media and e-commerce campaigns

- as well as in the look book, for distribution to the press, marketing, merchandising books, virtual tours and backstage. The studios include a sample room showcasing - depending on the season - between 25 000 and 30 000 items; four sets with state-of-the-art shooting technologies, lights and grips; coordination offices; meeting room, catering area and services. Then, there are the post-

production rooms, where the shots are edited for delivery and publication. Built in 2011, the studios are directly managed by Benetton Group, which since 2017 has controlled the entire supply chain of photographic and video production. This makes it possible to optimise all the services already available at the Castrette headquarters (catering, cleaning, etc.), reduce the impact of logistics previously necessary

to transfer goods and personnel to external studios both in Italy and abroad, relocate internal resources by capitalising on their experience and professionalism, and offer a training path to young photographers and post-production specialists, who are offered internships that could later result in collaborations.



DIGITAL COMMUNICATION

New initiatives to communicate with millions of people

In March 2020, Benetton Group intensified its online communication strategy through the implementation of numerous digital initiatives and virtual events aimed at attracting a broad international audience.

United Colors of Benetton

WE ARE RAINBOWS

In the spring, United Colors of Benetton launched We Are Rainbows, an Instagram project conceived by its creative director Jean-Charles de Castelbajac to spread a positive message of solidarity during the distressing period of the first lockdown. As a global ambassador of the magic of colors, United Colors of Benetton asked its community on Instagram to interpret the rainbow symbol with a drawing, a photo, a video, and post it on their social media profiles.



VIRTUAL PRESS DAY

The presentation of the collection to the fashion press evolved thanks to the Virtual Showroom, an interactive environment that is constantly updated with product information, look books, still life representations and press releases. This allows anyone, anywhere, to immerse themselves in the Benetton universe.

UNITED COLORS OF SOCIAL

United Colors of Benetton social media channels (Facebook, Instagram, Snapchat, TikTok, YouTube, Pinterest and Telegram) reach more than 8 million followers every day, with platform-specific content.

2021

In 2021, the Group will work with a group of TikTokers to activate the community and increase United Colors of Benetton brand recognition among Generation Z.

BENETTON COLLEGE AND COLOROPOLI

Spanish influencer @mestraambclasse and Italian paper artist Isadora Bucciarelli (in collaboration with MUBA - Museo dei Bambini di Milano - Milan's Children Museum) were the testimonials of Benetton College and Coloropoli. These were two workshops that animated the United Colors of Benetton digital channels last autumn, dedicated to children and their parents and designed with the aim of entertaining, engaging and developing creativity.



UCB LAB - SPAIN

Fashion, Social Media, Art and Music were the themes of the four episodes of the UCB Lab. A cycle of virtual meetings on creativity was organised and held in Spain, promoted by the United Colors of Benetton store located in Paseo de Gracia in Barcelona, amplified by a network of Spanish influencers and relaunched on the Group's domains. Gemma Galán,

Spanish creative model, and TV host, interviewed exceptional guests to talk about their creative universe and the importance of thinking outside the box.

FREEDOM

FREEDOM was a cycle of virtual appointments dedicated to the theme of freedom and the meeting between generations. We talked about fashion, sports, cinema, but also inclusiveness, the digital world and sustainability, with internationally renowned talents, including the creative director Jean-Charles de Castelbajac. The events, produced by United Colors of Benetton in collaboration with Vanity Fair Italia in October and November 2020, were broadcast on the dedicated platform Vanity Stage and on the social media channels of the two brands.

VIRTUAL TOUR OF THE BENETTON ARCHIVES

112 000 knits, 30 000 boxes containing documents, over 180 000 iconographic and multimedia materials. In November 2020, the Benetton Archives - a 1 300 sq m space inside the Studios at Castrette di Villorba (Treviso) - opened its doors to the public virtually on the occasion of the 19th edition of the

Settimana della Cultura d'Impresa (Corporate Culture Week), promoted by Confindustria and Museimpresa. During the online tour of the Benetton Archives, visitors connected via Zoom were taken on a journey featuring historical garments, sketches, color charts, industrial machinery and advertising campaign images, reliving the most important moments in Benetton's history.

RAINBOW WISH

With the Holiday season approaching, United Colors of Benetton launched Rainbow Wish, an initiative in which the community was invited to visually express their dreams and share them on Instagram. Belen Rodriguez and Anna dello Russo are just two of the stars who responded to the #RainbowWish challenge, which reached a total audience of 11.4 million people.

LIVE IT UP WITH BENETTON

In mid-March 2020, Benetton India invited talented creative professionals from different walks of life to hold a short session on its digital channel, to spread some creativity and enthusiasm among its followers under the hashtag #LiveItUpWithBenetton.

Sisley

QUARANTINE QUEEN CHALLENGE

In April 2020, in the middle of the lockdown period, Sisley challenged people to wear their favourite outfit and let loose to the tune of Queen's "I Want to Break Free" while cooking, cleaning, watching TV or doing whatever. To maximise the virality of the challenge - in which nearly 3 million people participated - a number of Instagram and TikTok influencers were involved. In the week in which the challenge was launched, the Sisley Instagram profile reached over 5 million followers with nearly 25 million impressions. The hashtag #quarantinequeenchallenge generated 2.6 million views on TikTok.



ONE DAY TOGETHER AWAY

On the occasion of the Fall Winter 20 Campaign, Sisley launched an Instagram filter dedicated to today's unfulfillable desires (to be satisfied tomorrow) that generated 1.5 million impressions and 100,000 filter acquisitions, as well as an interactive game on the social media, called "One day together away", featuring influencers and followers, with over 10 million impressions.

TIKTOK AND INSTAGRAM

In 2020, Sisley launched a series of initiatives aimed at strengthening the relationship between consumers and the brand, through the involvement of influencers on TikTok and Instagram. TikTok proved to be the perfect sounding board to engage an apparel and fashion audience in an innovative way and a valid business tool to maximise results in a commercially crucial moment, like on Black Friday.



XFactor Italia
ITALY
1.1M FOLLOWER



Casadilego
ITALY
206K FOLLOWER



N.A.I.P.
ITALY
109K FOLLOWER



Anna Dello Russo
ITALY
1.9M FOLLOWER



Katia Follesa
ITALY
1.1M FOLLOWER



Belen Rodriguez
ITALY
9.7M FOLLOWER



Filippo Magnini
ITALY
395K FOLLOWER



Caterina Balivo
ITALY
1.4M FOLLOWER



Camila Raznovich
ITALY
177K FOLLOWER



Luisa Bertoldo
ITALY
50.1K FOLLOWER



Rocco Adriano Galluccio
ITALY
52.1K FOLLOWER



Martina Socrate
ITALY
110K FOLLOWER



Akispetretzikis
GREECE
841K FOLLOWER



G. Le. Fou
GREECE
94K FOLLOWER



Melita Jenny
GREECE
162K FOLLOWER



Carine Galli
FRANCE
70.5K FOLLOWER



Tanya Khanijow
INDIA
168K FOLLOWER



Sone Kanwar
INDIA
61.2K FOLLOWER



Dorota Gardias
POLAND
179K FOLLOWER



Ola Kot
POLAND
212K FOLLOWER



Casa Feliz
PORTUGAL
366K FOLLOWER



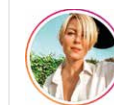
João Baião
PORTUGAL
256K FOLLOWER



Ana Guiomar
PORTUGAL
537K FOLLOWER



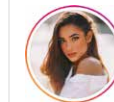
Carina Caldeira
PORTUGAL
71.7K FOLLOWER



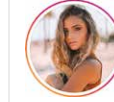
MinnieMars
PORTUGAL
48K FOLLOWER



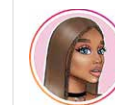
Paula Echevarria
SPAIN
3.4M FOLLOWER



Lola Lolita IG
SPAIN
1.8M FOLLOWER



Sofia Surfers
SPAIN
891K FOLLOWER



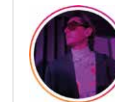
Mary Senn
RUSSIA
2.7M FOLLOWER



Alexandr Rogov
RUSSIA
608K FOLLOWER



Ellie Gudwin
RUSSIA
36.3K FOLLOWER

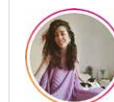


Vladislav Lisovets
RUSSIA
331K FOLLOWER

UNITED COLORS OF BENETTON'S NETWORK OF INFLUENCERS

During X-Factor Italia, multi-instrumentalist N.A.I.P. and singer Casadilego, later winner of the talent award, took to the stage wearing a total United Colors of Benetton look.

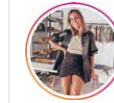
This is one of the many collaborations that the brand has activated on various social media channels and media platforms with fashion and lifestyle influencers, artists and Italian media personalities, to support the Fall Winter 2020 collection.



Natalia Ferviù
SPAIN
401K FOLLOWER



Melissa Villareal
SPAIN
252K FOLLOWER



Fatima Cantó
SPAIN
235K FOLLOWER



Michenlo
SPAIN
302K FOLLOWER



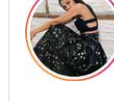
Enmistrece
SPAIN
103K FOLLOWER



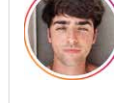
Oh Mami Blue
SPAIN
407K FOLLOWER



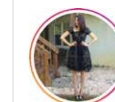
Maestra AmbClase
SPAIN
150K FOLLOWER



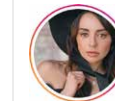
Andrea Rueda
SPAIN
85K FOLLOWER



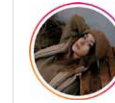
Luc Loren
SPAIN
266K FOLLOWER



Misslenarik
RUSSIA
95.7K FOLLOWER



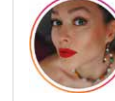
Likakashirina
RUSSIA
323K FOLLOWER



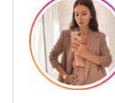
Lelirochester
RUSSIA
59.1K FOLLOWER



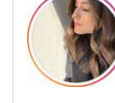
Olya.happy.mom
RUSSIA
196K FOLLOWER



Kate Katkova
RUSSIA
193K FOLLOWER



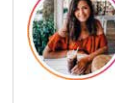
Fashion and Impression
RUSSIA
237K FOLLOWER



Tesa Jurasevic
SLOVENIA
41K FOLLOWER



Tuba Unsal
TURKEY
741K FOLLOWER



Nesemcelikkaya
TURKEY
57.8K FOLLOWER



Denise Tantucci
ITALY
535K FOLLOWER



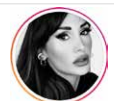
Ludovica Sauer
ITALY
165K FOLLOWER



Pinguini Tattici Nucleari
ITALY
479K FOLLOWER



Sara Waka
ITALY
18.4K FOLLOWER



Cindy Sold
ITALY
235K FOLLOWER



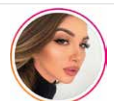
Carlotta Rubaltelli
ITALY
374K FOLLOWER



Francesca Crescentini
ITALY
122K FOLLOWER



Antonino Spinalbese
ITALY
107K FOLLOWER



Iman Karovic
BOSNIA
41.8K FOLLOWER



Sonja Kovac
CROATIA
500K FOLLOWER



LE QC
FRANCE
2.03M FOLLOWER



Daphné Bürki
FRANCE
211K FOLLOWER



Clara Paban
FRANCE
28K FOLLOWER



Raïssa Touré
FRANCE
40.3K FOLLOWER



Estelle Denis
FRANCE
88.3K FOLLOWER



Karan Wahi
INDIA
2.7M FOLLOWER



Bárbara Inês
PORTUGAL
159K FOLLOWER



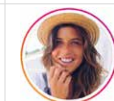
Nadia Sena
PORTUGAL
1.3K FOLLOWER



Mariana Machado
PORTUGAL
154K FOLLOWER



Denise de Assis
PORTUGAL
34.4K FOLLOWER



Ines Folque
PORTUGAL
92.1K FOLLOWER



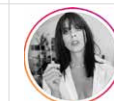
Madalena Abecasis
PORTUGAL
213K FOLLOWER



Monica Lice
PORTUGAL
28.9K FOLLOWER



Oliworlds
PORTUGAL
28.3K FOLLOWER



Marta Riimbau
SPAIN
611K FOLLOWER



Coco Davez
SPAIN
186K FOLLOWER



Brisa Fenoy
SPAIN
56.5K FOLLOWER



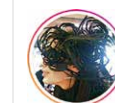
Stay Homas
SPAIN
401K FOLLOWER



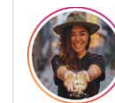
Nberrin
TURKEY
61.9K FOLLOWER



Styleboom
TURKEY
102K FOLLOWER



Elifkaradayi
TURKEY
100K FOLLOWER

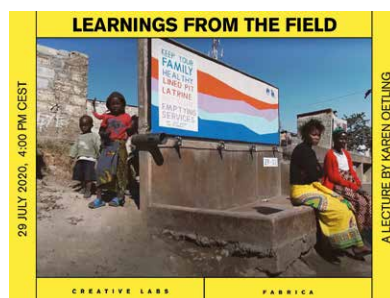
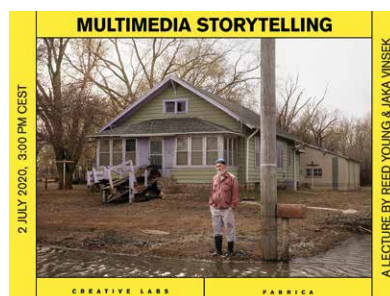


Bohemother
TURKEY
209K FOLLOWER

FABRICA

A creative hub with a global and multidisciplinary approach

Founded in 1994 to experiment with themes and languages with a global and multidisciplinary approach, Fabrica is Benetton Group's communications research centre. In more than twenty-five years it has hosted over 700 creative talents aged under 25, from more than 65 countries around the world, including photographers, illustrators, artists, writers, advertising specialists, filmmakers, musicians, video-makers, journalists, graphic designers, developers, hackers and designers. Also in 2020, Fabrica launched a series of initiatives and research projects, with the aim of analysing, deconstructing and interpreting the difficult moment the entire world population was going through and imagining a future, post-pandemic world.



RE-START, ITALY AFTER COVID-19

A show-conference directed by sociologist Stefano Allievi and broadcast live from the Fabrica auditorium on 20 May. A journey through words, audiovisual materials and works of art to analyse the structural weaknesses of the country from different perspectives, such as demographics, immigration, emigration, education and labour.



FABRICA CREATIVE LABS

The Covid-19 health crisis has profoundly changed our lives. Each of us has assumed new habits, behaviors and learning methods, trying to maintain connections through other channels. Fabrica launched the Fabrica Creative Labs to circulate skills and knowledge with a free series of workshops and conferences with leading professionals from the world of art, culture and communication. The programme attracted great interest and will be continued in 2021.



DIALOGUE ON COLORS

On 19 November, United Colors of Benetton creative director Jean-Charles de Castelbajac and the art historian and architect Manlio Brusatin met virtually to discuss colors from various perspectives: fashion - of course - but also physics and philosophy, history and painting. The idea of the meeting developed after Fabrica's acquisition of the Library of Color, a collection of about 1 500 volumes collected by Manlio Brusatin over the years. The collection, acquired in collaboration with the Benetton Archives, is one of the most complete color collections in the world. It adds to the over 8 000 volumes on photography, design, art and visual communication already in Fabrica's library.

FABRICA ABOUT FUTURE

A series of meetings with Italian startups and companies, entrepreneurs and professionals from several sectors ranging from fashion to design, tourism to food, automotive to finance, culture to showbiz, sharing ideas and actions they are putting in place to navigate the complicated period we are all experiencing. The first meeting was held on 21 October with Alberto Cartasegna and Enrico Casati, founders of Miscusi, an Italian pasta restaurant brand, and Velasca, a men's handcrafted footwear company, respectively.



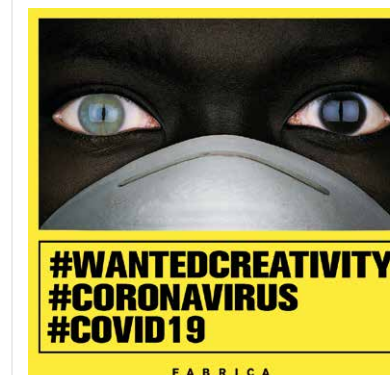
MERRY FABRICA

Merry Fabrica is Fabrica's holiday season event, organised virtually. In its digital showcase www.merry.fabrica.it, Fabrica presented a selection of artisans, designers, and artists sensitive to the responsible use of materials and attentive to the circular economy. Around 60 producers took part in the initiative with a broad range of products, all sharing an artisanal, handmade style: clothing, bijoux jewelry, fashion accessories, floral art, children's items, natural products, contemporary gifts, design and furnishing objects, prints, illustrations, books, seeds for urban agriculture and even the possibility of adopting an animal or a tree.



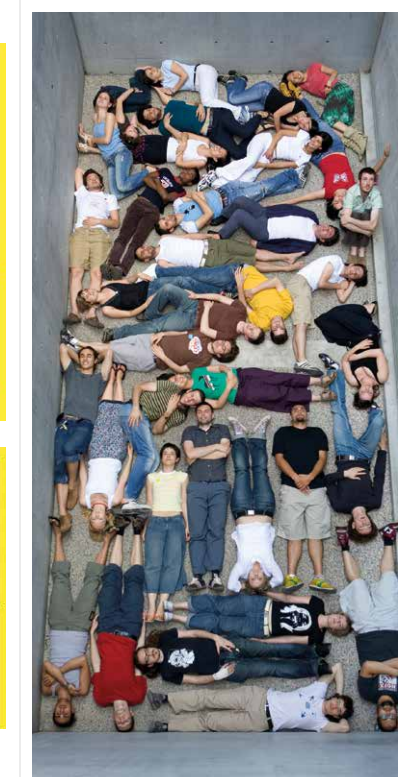
FABRICA CREATIVE CALLS

A series of "creative calls" addressed to the international creative community to narrate some of the key moments of 2020 through art, design, photography, writing and video making: the pandemic, of course, but also racist violence, the #blacklivesmatter movement and the American elections. Hundreds of creative talents from dozens of countries around the world participated in the initiative by sharing drawings, photographs, videos, ideas and thoughts, which Fabrica posted on its digital channels to increase visibility.



FUNDED COURSES

In June 2012, Fabrica obtained the Education Center certification in accordance with DGR No. 359/2004, which identifies it as a suitable structure to provide education and training courses to young unemployed students with high school and/or university qualifications, officially recognised by the Veneto Region and the Italian State. The certification is fundamental to facilitate attracting scholarship holders/students from all over the world. The fifth audit for the renewal of the certification is scheduled in February 2022.



TRAINING

In 2019, Fabrica organised and developed training activities related to the DGR 341 - Axis III School to Work Alternation - in collaboration with CIM&FORM, a training company with ties to the Confindustria Verona business association. The courses, mainly targeting high school and technical vocational school students in the Veneto region, focused on the development of the skills necessary to apply for internships in the world of work and on the school-labour relationships, involving also the Benetton Group Human Resources department. In October 2019, a new course was launched - "Garanzia Giovani - Work Experience" - is a specialised training in collaboration with T2i, an innovation company promoted by the Chambers of Commerce of Treviso, Venezia, Rovigo, the Po Delta region, and Verona, for nine graphic designers aged under 30. The title of the course was "SEGNO&STILE" and it was aimed at providing students with 176 hours of theoretical training, getting them ready to enter the world of work with a 3-month internship at the Benetton Group communication and design studios and three graphic design offices in 2020. The course will end in 2021.



2021
The Fabrica About
Future meetings will
be continued in 2021.

SOCIAL COMMUNICATION

A spotlight on the issues of our time



For over thirty years, Benetton Group has used its global communication channels to spread social messages. Once again in 2020, the initiatives of Fabrica and the Group, in general, contributed to drawing attention to injustice and the problems of our society, stimulating a concrete, solution-oriented debate.

ANDRÀ TUTTO BENE?

For the second consecutive year, Fabrica turned an ear to the weakest, accepting the invitation of the NGO L'Albero della Vita Onlus. In Italy, approximately 1.7 million households lived in poverty well before the pandemic. More suffered as a result of the current health crisis. A separate world of people who very often live next door. The Fabrica team paid a visit to some of these families living in the Milan area, testifying to the fact that poverty is no longer a prerogative of certain geographical regions, social situations or ethnic groups. In its documentary "Andrà tutto bene? (Will it be all right?) The voice of poverty in the pandemic", Fabrica reflected their fears, uncertainties and hardships, but also great resilience, courage and trust. The trailer for the soon-to-be-released documentary was presented on 17 October, the International Day against Poverty.

WORLD WIDE QUARANTINE

Is this pandemic teaching us something we didn't know before? What is it forcing us to face? What will the future look like? How would you define this virus? These are some of the questions posed to the international creative community, including artists, photographers, designers, musicians, and video makers, during the spring 2020 lockdown. Testimonials, insights and moments collected into a documentary to narrate and remember this exceptional historical period.



KABA

Kaba is a short documentary directed by Fabrica's young Romanian creative video maker Alexandra Vogel, which tells the story of Kaba Mohamed, a 22 year old Ivorian, who made a decision to leave his country in pursuit of safety. The documentary recounts episodes and situations common to all those who, like Kaba, undertake a long and dangerous journey to reach a place where they can finally live a normal life. Kaba was made in collaboration with Refugees Welcome Italia and was presented by the United Nations Regional Information Center for Western Europe (UNRIC) on 18 December, the International Migrants Day.



WITH MY FACE

With My Face is a short documentary directed by Fabrica's young Portuguese creative video maker Madalena Silva Carlos that describes the lives, experiences and stories of four women with genetic syndromes, going well beyond diagnosis. A journey through the deconstruction of labels and prejudices, revolving around humor, love, sports and beautiful dollhouses. The result is an unfiltered conversation and a story that overcomes all differences. The documentary was presented on 3 December, on the occasion of International Day of Persons with Disabilities.



WE ARE FACTS

"We are Facts" is an exhibition composed of 12 projects - documentaries, photographs, sculptures and digital explorations - organised in 2020 by Fabrica's young creative talents from all over the world. The aim was to offer a snapshot of our current lives, raising public awareness on issues such as sustainability, diversity, respect for the environment, equality, and creativity. The exhibition was set up physically in the spaces of Fabrica, but can also be visited through an evocative virtual tour.



PLASTIC IS NOT THE ENEMY

Plastic is Not the Enemy by Fabrica's young resident Mei-Ling Girault is the winning project in the Awareness on Communication category, of the 2nd edition of the RO Plastic Prize, an initiative by the well-known gallery owner Rossana Orlandi to involve the world of design in giving new life to used plastic and waste, exploring their infinite possibilities for transformation. 1 200 projects from 65 countries were presented in the contest. Alexandra Vogel of Fabrica was one of the three finalists with her project "Plastic Mugshot"



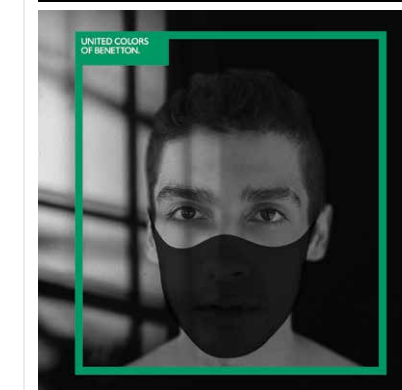
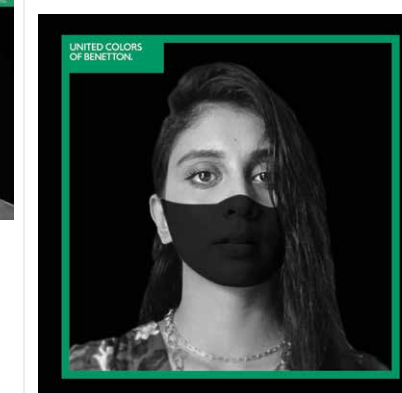
UNITED BY STORIES

In line with the brand's ongoing initiatives to empower women and celebrate femininity, in 2020 Benetton India launched a powerful campaign on International Women's Day titled #UnitedByStories, focusing on strong women who, despite their wounds and failures, faced it all and emerged stronger in their own life journey.



UNITED BY CAUSE

To celebrate the unsung heroes of 2020, Benetton India launched #UnitedByCause, a campaign that showcased moving stories of kindness warriors who crossed all boundaries to help the needy during the crisis. The campaign also involved a group of "cause ambassadors" and the launch of an Instagram AR filter that allowed consumers to swipe and show themselves wearing a mask with inspirational words, like compassionate, activist, empathetic, etc., in order to reinforce the campaign. #UnitedByCause reached over 10.4 million people on Instagram and over 2.4 million people on Facebook.





Interview with Mei-Ling Girault,
Graphic Designer, Fabrica

Hello, where do you come from and what do you do at Benetton?

Hi, my name is Mei, I am 24 years old. I come from Paris and I am a member of the Fabrica residents' management team.

How long have you been working at Fabrica? What did you do before?

After five years of study at Penninghen (an art direction and interior design university), I attended a master's in art direction in July 2019. In November, I started my one-year residency at Fabrica, which I have extended until now.

Could you please try to explain what Fabrica is to someone who has never heard of it?

Fabrica is a communication research centre that brings together in one place young creative minds from different parts of the world. Their work consists in creating new ideas and inventing solutions for the future, through different media. A sort of dream team ready to conquer the world.

What do you like most about Fabrica?

Apart from Tadao Ando's immense architecture, what I like most about Fabrica are the people. Open-minded, friendly, curious, strange, mysterious, and I have learned something from everyone, in one way or another.

What's the most interesting project you've been involved in since you joined Fabrica?

The documentary "Will it be all right?" for the Albergo della Vita Foundation. It was one of the first projects developed after the end of the quarantine. Two other Fabrica residents and I spent three weeks in Milan interviewing and filming a group of families living in precarious conditions because of the pandemic. We took care of everything: the interviews, the shooting, sound recording, editing, posters, etc. The result is a 28-minute documentary film that will be released soon.

How did you and the other people at Fabrica navigate the pandemic period?

When Italy went into lockdown in February, we at Fabrica started working from home. I tried to keep my mind constantly occupied, to make time pass more quickly. I participated in the open creative call "Fabrica Versus Covid", for which I created a series of face masks with graphics representing all of the world's flags. And I developed "Hippocra-cie", a project about the "future after the pandemic", for which I imagined a new government/dictatorship focused on health.

You are one of the winners of the Rossana Orlandi Plastic Prize 2020. Could you please describe your work and the concept behind it?

The theme of the Rossana Orlandi Plastic Prize 2020 was "Guiltyless Plastics". The title of my project is "Plastic is Not the Enemy". It is a collection of plastic objects (a life jacket, a helmet, an oxygen mask and a reflector) on a white background. The purpose was to show how plastic allows us to create objects that can prevent accidents and save lives. Despite the criticism regarding plastic, my intention was to show that "plastic is a material that can help society, but only if it is not overproduced and overused."

What did you know about Benetton before joining Fabrica? How has your perception of the Company changed now that you work there?

I didn't know much about the brand before joining Fabrica, but I was aware of its values and pioneering role in the world of advertising. Now, I definitely know more about the beliefs that drive it and the innovations it has introduced compared to other brands.

How can creativity bring value to a company like Benetton Group in your opinion?

It already has. Creativity is about the "new". It means surprising, entertaining, innovating, discovering unexplored territories. This is how creativity adds value.

What are your dreams and goals for the future?

My dream is to be part of something bigger than I am, being able to reach out to others and creating the "new", whatever form it takes. I have values and beliefs and I try to bring them to life through my work.

People are the key



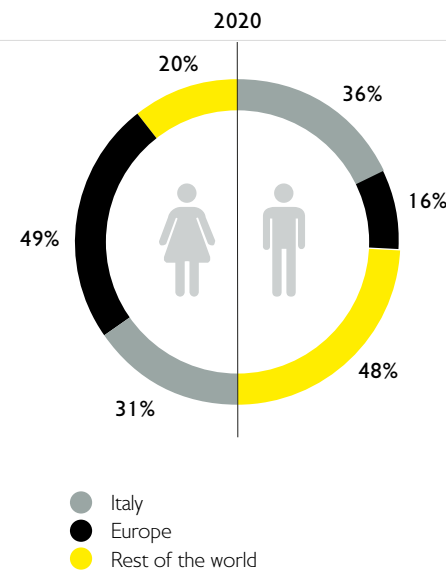
The people of Benetton. How many, where they are and how they work. But above all, how the Company takes care of them, including internal communication, training and safety. In a year that also marked an acceleration from this point of view.

People played a central role in enabling Benetton Group to respond in a resilient way in a year of disruption, such as 2020. Without the composure and preparation of all the teams worldwide, it would have been difficult to manage the deep change and the different measures applied by the various countries to face the pandemic.

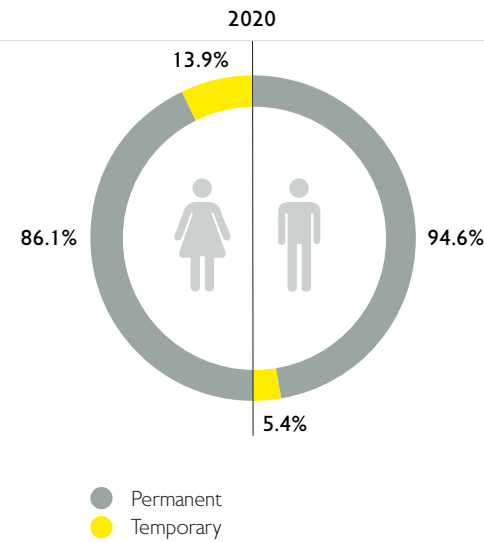
And although some of the Company's objectives, even in the long term, have been achieved effortlessly - one above all, the change of mindset resulting from smart working and remote training, communication and collaboration technology - there are in particular two challenges to be faced in 2021: renewing both the company's processes and organisation by retaining all the international professionals, modifying geographies and perimeters and attracting new professionals from outside in a virtuous generational change - all while putting the customer and all the key processes linked to the product, the store and the distribution processes back at the center.

BENETTON GROUP: 2020 - EMPLOYEE BREAKDOWN

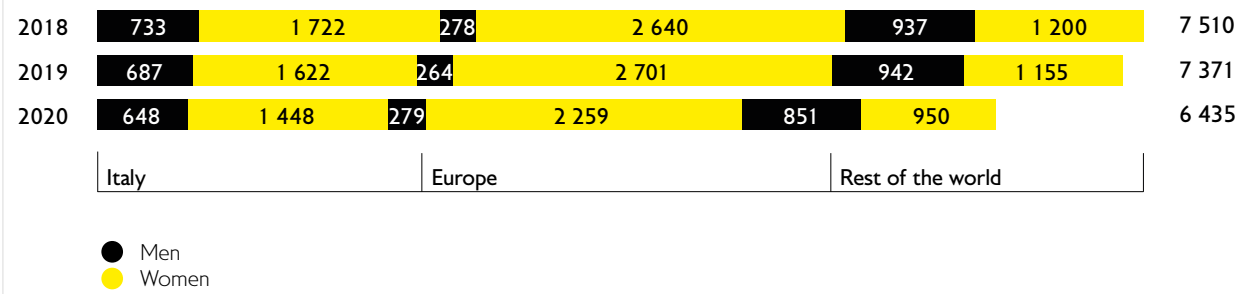
• by geographic area



• by type of contract



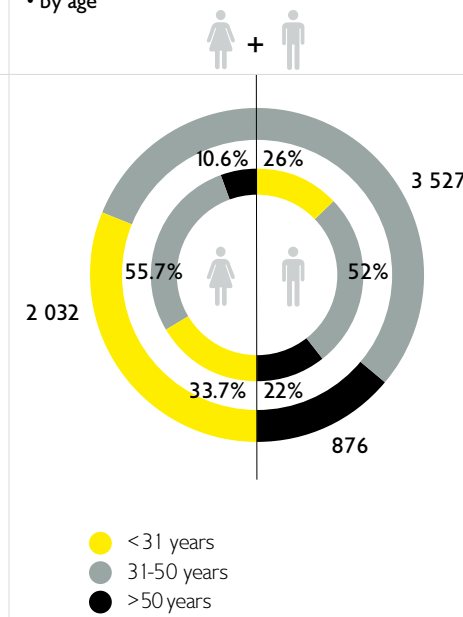
EMPLOYEES BY GEOGRAPHIC AREA



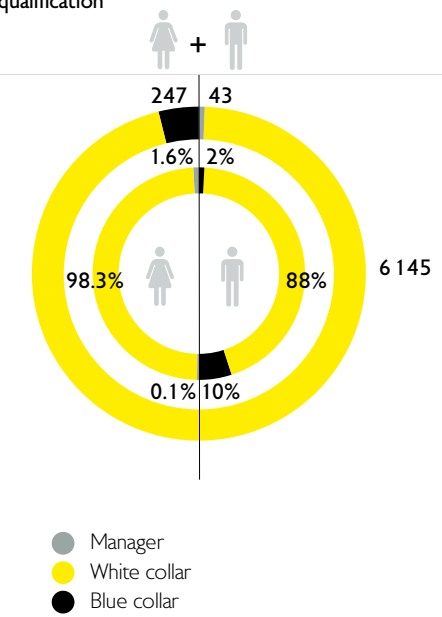
GRI 102-8 Employees by:

| | 2018 | | | 2019 | | | 2020 | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Employment contract | | | | | | | | | |
| Permanent | 1 761 | 4 105 | 5 866 | 1 770 | 4 229 | 5 999 | 1 682 | 4 009 | 5 691 |
| Temporary | 187 | 1 457 | 1 644 | 123 | 1 249 | 1 372 | 96 | 648 | 744 |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 1 948 | 5 562 | 7 510 | 1 893 | 5 478 | 7 371 | 1 778 | 4 657 | 6 435 |
| Employment type | | | | | | | | | |
| Full-Time | 1 688 | 3 164 | 4 852 | 1 627 | 3 093 | 4 720 | 1 540 | 2 858 | 4 398 |
| Part-Time | 260 | 2 398 | 2 658 | 266 | 2 385 | 2 651 | 238 | 1 799 | 2 037 |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 1 948 | 5 562 | 7 510 | 1 893 | 5 478 | 7 371 | 1 778 | 4 657 | 6 435 |

• by age



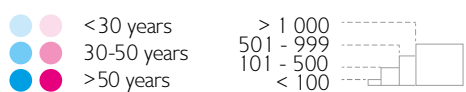
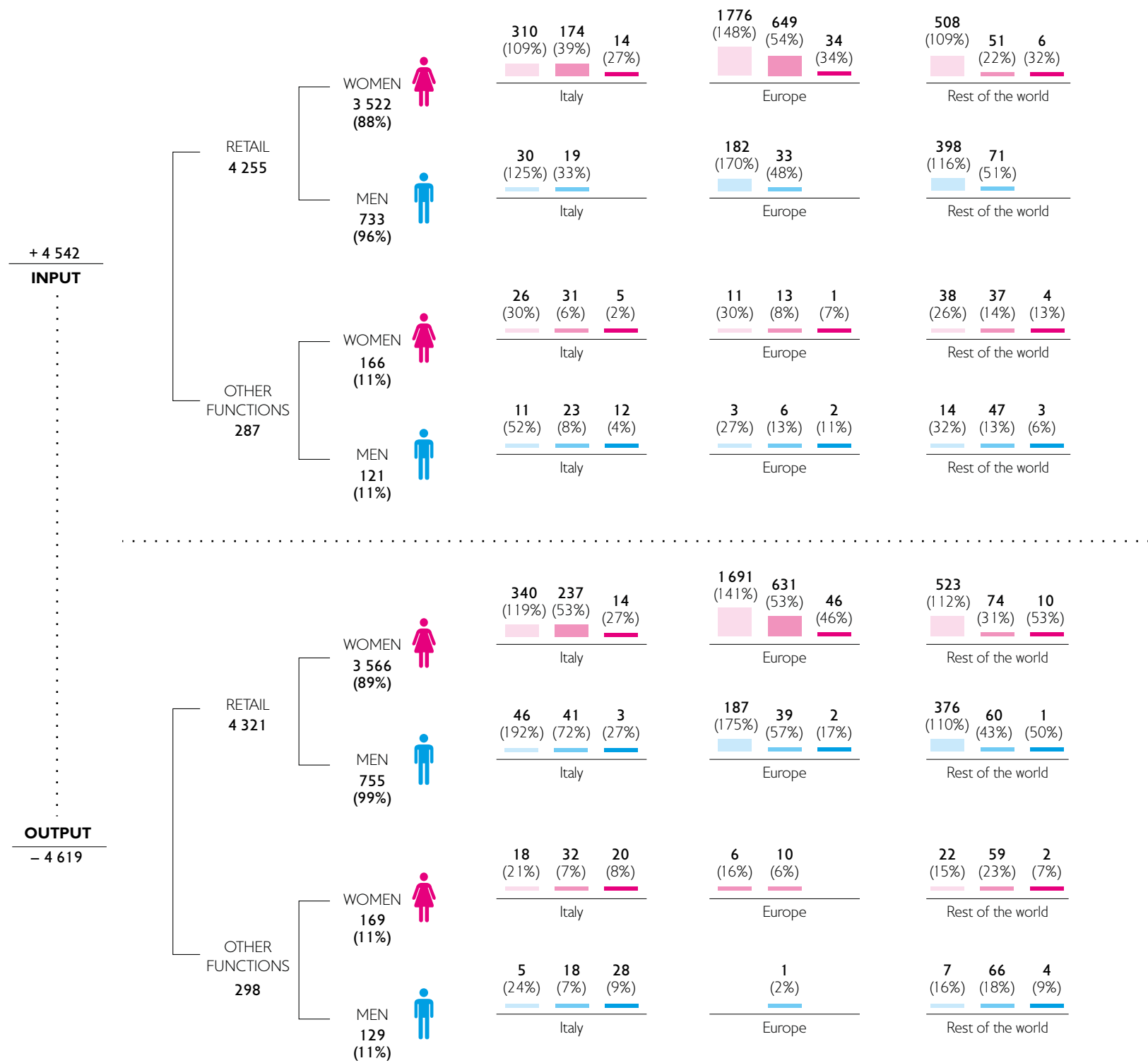
• by qualification



GRI 405-1 Employees by qualification, gender and age

| | Age | Italy | Europe | Rest of the world | Total |
|---------------------|-------------|--------------|--------------|-------------------|--------------|
| Manager | | | | | |
| Men | < 31 years | - | - | - | - |
| | 31-50 years | 8 | 1 | 3 | 12 |
| | > 50 years | 21 | 3 | 3 | 27 |
| Total men | | 29 | 4 | 6 | 39 |
| Women | < 31 years | - | - | - | - |
| | 31-50 years | 1 | 1 | - | 2 |
| | > 50 years | 2 | - | - | 2 |
| Total women | | 3 | 1 | - | 4 |
| Total | | 32 | 5 | 6 | 43 |
| White Collar | | | | | |
| Men | < 31 years | 40 | 107 | 310 | 457 |
| | 31-50 years | 261 | 130 | 454 | 845 |
| | > 50 years | 207 | 29 | 29 | 265 |
| Total men | | 508 | 266 | 793 | 1 567 |
| Women | < 31 years | 228 | 840 | 481 | 1 549 |
| | 31-50 years | 889 | 1 256 | 424 | 2 569 |
| | > 50 years | 292 | 126 | 42 | 460 |
| Total women | | 1 409 | 2 222 | 947 | 4 578 |
| Total | | 1 917 | 2 488 | 1 740 | 6 145 |
| Blue collar | | | | | |
| Men | < 31 years | 3 | 3 | - | 6 |
| | 31-50 years | 36 | 5 | 34 | 75 |
| | > 50 years | 72 | 1 | 18 | 91 |
| Total men | | 111 | 9 | 52 | 172 |
| Women | < 30 years | - | 20 | - | 20 |
| | 31-50 years | 9 | 14 | 1 | 24 |
| | > 50 years | 27 | 2 | 2 | 31 |
| Total women | | 36 | 36 | 3 | 75 |
| Total | | 147 | 45 | 55 | 247 |
| TOTAL | | 2 096 | 2 538 | 1 801 | 6 435 |

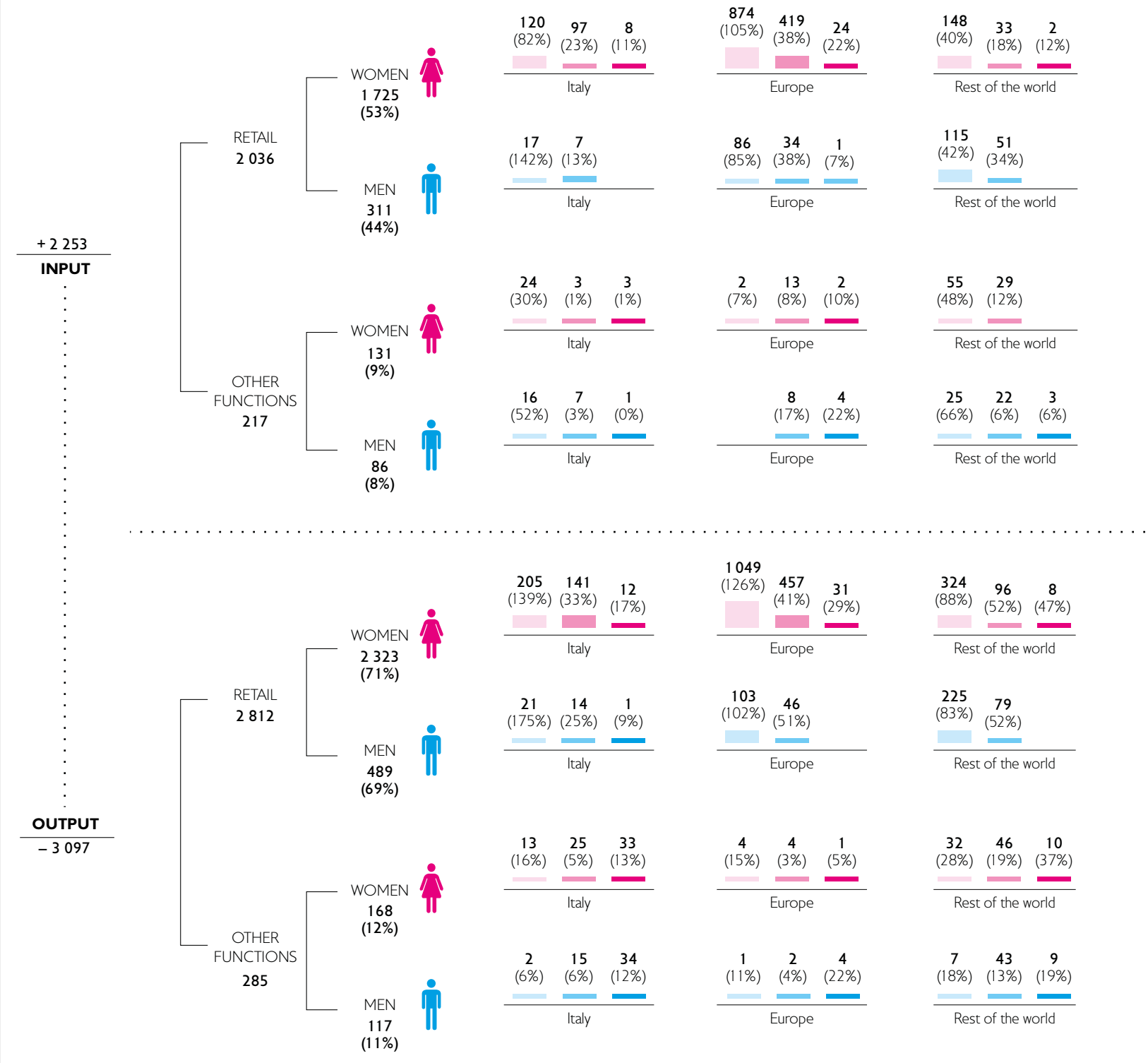
GRI 401-1 NEW HIRINGS AND TURNOVER IN 2019



000 No. of employees hired (leaving) during the year (fixed-term + permanent)
 (000%) Turnover rate: total no. of employees hired (leaving) / no. of employees as at 31.12

RETAIL means staff directly employed in the store and includes store manager, salesperson, warehouse operator and visual merchandiser functions in the store.

GRI 401-1 NEW HIRINGS AND TURNOVER IN 2020



000 No. of employees hired (leaving) during the year (fixed-term + permanent)
 (000%) Turnover rate: total no. of employees hired (leaving) / no. of employees as at 31.12

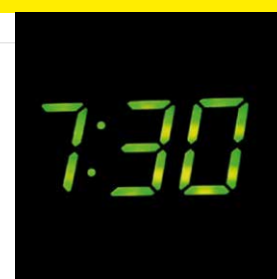
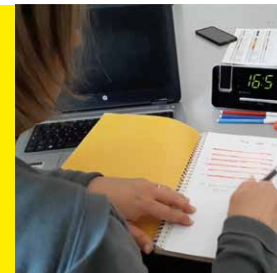
RETAIL means staff directly employed in the store and includes store manager, salesperson, warehouse operator and visual merchandiser functions in the store.

ORGANISATION

Organisational structure

In 2020, Benetton Group strengthened its organisational model, defined in 2019. The first-tier organisational areas are “Commercial & Sales” and “Product & Supply Chain”. The latter has undergone a complete internal reorganisation, with the aim of improving collection processes and coordination between production, creativity and design.

The HR & Organisation Department continues to support the change and transformation of the Company in line with the business plan and strategies of the new CEO. The HR focus on transformation plays a central role across all functions, but particularly on HR People Development and HR Digital Transformation, which are engaged in the business transformation process targeted to facilitate the generational transition. All other functions based on end-to-end HR processes are continuing their work to optimise headcount and review business processes. For the purpose of providing support to the external areas and optimising the business processes both top-down and bottom-up in a standardised way in all countries, a new HR business partner for Europe was introduced at the end of 2020. This function is tasked with the analysis of the organisational models currently in use in the various countries in order to standardising processes and reduce inefficiencies, while maintaining a focus on labour costs, harmonising rules and policies, and, above all, identifying and sharing international best practices. Last but not least, in 2020 the new HR business partner function for the headquarters became fully operational.



200

PERSONS ELIGIBLE FOR SMARTWORKING

1 050

ACTIVE SMARTWORKERS

57 000

DAYS OF SMART WORKING
(January-December 2020)

2 600 000

KM NOT TRAVELLED
equivalent to 65 times the circumference of the Earth (estimate)

630

TONS OF EMISSIONS AVOIDED
(estimate)

85 000

HOURS OF TRAFFIC SAVED
(estimate)

2020

THE YEAR OF SMART WORKING

Smart working, a flexible way of working remotely, experienced a great acceleration in 2020 and proved to be fundamental in ensuring Benetton Group business continuity during the most difficult and unpredictable times of the year.

At the headquarters, more than 1 050 people smart worked for a total of more than 57 000 days. In June, to capitalise on the experience from an organisational system perspective, all smart workers were asked

to describe their experience by answering a questionnaire. The feedback collected from the answers provided reveals new habits, streamlined processes and more effective and faster communications. In addition, they talk about innovation and pride for being part of the Benetton Group, perseverance and broad open-mindedness. A paradigm shift that occurred effortlessly and at all levels, even within teams that considered working without meetings impossible. People leaders too, voted in favour of this

system, developed to deal with a situation of chaos and then turned into an important opportunity to make the experience structural for part of the employee population, without reductions in operational efficiency.

Specific digital training initiatives have contributed to informing and training smart workers, not only in terms of rules and technologies, but also in terms of mindset, planning and organisation of time management, activities and communication methods and

tools, to make remote work more effective.

Considerable strides were also made regarding environmental sustainability, with over 2 600 000 km “saved” as a result of employees not travelling to reach the workplace, a distance equal to nearly 65 times the circumference of the Earth. In addition, 630 tons of CO₂ emissions were also “saved”, along with 85 000 hours spent in traffic, making more time available for other things.

BENETTON FOR YOU

Benetton Group's initiative that puts people at the centre

Benetton for You is the People Care programme that the Group launched in 2015 to promote the wellbeing of all the employees of the Italian offices, regardless of their seniority or contract type. Some of the initiatives included in the People Care programme are also active abroad, in response to specific needs. The programme covers four areas of intervention: work-life balance, health, family and savings, with several annual and multi-year projects.

FLEXIBLE BENEFIT

In 2020, employees covered by the National Collective Labour Agreement applied to the Textile industry could access the Welfare Credit, comprising a broad catalog of goods and services made available through the Benetton for You platform. The Welfare Credit, included in the Corporate Supplementary Agreement, was mainly used for purchase vouchers, fuel vouchers and shopping vouchers. As was the case in 2019, unspent credits at 30 November 2020 were allocated to the Banca Ore Etica, an employee solidarity project.

75%
PERCENTAGE OF WELFARE CREDIT SPENT BY EMPLOYEES

25%
UNSPENT CREDITS ALLOCATED TO BANCA ORE ETICA

BANCA ORE ETICA

Since 2018, the Banca Ore Etica has been supporting people in situations of need with vacation and leave hours donated by other employees. The Company also participates in the collection by matching the number of hours of each individual donation. In 2020, the initiative, which was introduced in the Corporate Supplementary Agreement, was again nurtured with great generosity. In such a special year, it was really helpful for many people who could benefit from solidarity hours to - for example - look after their own health or that of their family members.

COVID-19 - SOLIDARITY

In order to support the Company's population most affected by the Covid-19 health crisis, all Benetton Group managerial staff spontaneously decided to donate part of their accrued vacation time to the Banca Ore Etica and a percentage of their salary to a solidarity fund in favour of the Company. A special internal committee has then redistributed

the entire economic value of the vacation days donated in an ethical manner. The decision was made to support those colleagues who had been most affected by the measures of work suspension following the application of redundancy schemes, giving priority to lower income groups and workers with dependent family members. Thanks to the donation made by the Company managers, approximately 600 colleagues benefitted from more than 900 days off in 2020.



LA GHIRADA

Also in 2020, Group employees and their families had access to advantageous rates for the summer camps (summer centres, camps and after-school activities) organised at La Ghirada - Città dello Sport, the 22-hectare complex built in Treviso by the Benetton family and dedicated to sports activities.



PONZANO CHILDREN

A space made for children

Founded in 2008, Ponzano Children is a childcare centre that hosts both the children of employees and the children of Ponzano and other municipalities in the surrounding area. An educational service that hinges on building relationships and research, the wellbeing of children and the community, following the guidelines set by the nurseries and kindergartens of Reggio Emilia. Ponzano Children is located in a building designed by the Spanish architect Alberto Campo Baeza. Today, it includes five sections of different ages, of which two for infant day care, one for the nursery school and two for kindergartens, for a total number of about 100 children from nine months to six years of age.



GRI 401-3 Return to work and retention rates of employees who took parental leave

| | Italy | Europe | Rest of the world | Total | Italy | Europe | Rest of the world | Total |
|--|-------------|------------|-------------------|------------|-------------|------------|-------------------|------------|
| Employees entitled to: | | | | | | | | |
| Maternity | 66 | 121 | 40 | 227 | 46 | 97 | 37 | 180 |
| Paternity | 17 | 3 | 9 | 29 | 9 | 2 | 9 | 20 |
| Total | 83 | 124 | 49 | 256 | 55 | 99 | 46 | 200 |
| Employees who took a parental leave: | | | | | | | | |
| Maternity | 66 | 121 | 40 | 227 | 46 | 97 | 37 | 180 |
| Paternity | 17 | 3 | 9 | 29 | 9 | 2 | 9 | 20 |
| Total | 83 | 124 | 49 | 256 | 55 | 99 | 46 | 200 |
| Return to work after parental leave ended: | | | | | | | | |
| Maternity | 70 | 80 | 30 | 180 | 52 | 59 | 13 | 124 |
| Paternity | 17 | 3 | 9 | 29 | 9 | 2 | 8 | 19 |
| Total | 87 | 83 | 39 | 209 | 61 | 61 | 21 | 143 |
| Maternity | 106% | 66% | 75% | 79% | 113% | 61% | 35% | 69% |
| Paternity | 100% | 100% | 100% | 100% | 100% | 100% | 89% | 95% |
| Total | 105% | 67% | 80% | 82% | 111% | 62% | 46% | 72% |
| Retention rate - employees who returned to work after parental leave ended and still working 12 months after their return | | | | | | | | |
| Maternity | 49 | 71 | 19 | 139 | 56 | 46 | 14 | 116 |
| Paternity | 18 | 1 | 8 | 27 | 17 | 1 | 5 | 23 |
| Total | 67 | 72 | 27 | 166 | 73 | 47 | 19 | 139 |
| Maternity | 98% | 79% | 79% | 85% | 80% | 58% | 47% | 64% |
| Paternity | 90% | 100% | 73% | 84% | 100% | 33% | 56% | 79% |
| Total retention rate | 96% | 79% | 77% | 86% | 84% | 57% | 56% | 67% |

2019 figures have been adjusted due to the improvement of the information collection processes.

ZERO INJURY OBJECTIVE

Benetton Group's commitment to safety in the workplace in the year of the Covid-19 pandemic

Benetton Group has always been committed to ensuring suitable and safe workplaces for the performance of its business activities. It also implemented ongoing improvement actions and prevention measures to manage all aspects relating to the health and safety of its workers. The Prevention and Protection Service present in all Benetton Group companies constantly updates the risk assessment and the corresponding ongoing improvement plan based on the

occurrence of specific issues and organisational changes. A special synergy is developed with outsourcers engaged in set-up, service or maintenance activities in order to manage interference risks. The dissemination of the culture of prevention takes place through basic and advanced training at all levels - including through targeted interventions in e-learning mode - by the Prevention and Protection Service, with integrated and customised courses depending on

the role covered, previous training and the need for upgrading. Training becomes a moment of dialogue, listening and evaluation of possible improvements, both during normal activities and in emergency situations, with the analysis of accidents and near misses. In addition to training courses linked to regulatory compliance, awareness-raising activities are also organised to manage the residual risk of certain activities, aimed at correcting inappropriate behavior and

updating prevention measures by delivering specific safety instructions. Employee awareness on the correct behaviors for Covid-19 management and containment proved to be of paramount importance, with particular attention to all regulatory and corporate provisions, which were promptly circulated with ad hoc communications by the Company Management.

| GRI 403-9 Rates of injury at work | Unit | 2019 | | | | 2020 | | | |
|--|------|-----------|-----------|-------------------|------------|-----------|-----------|-------------------|-----------|
| | | Italy | Europe | Rest of the world | Total | Italy | Europe | Rest of the world | Total |
| Employees | | | | | | | | | |
| No. of hours worked | h. | 3 597 662 | 4 020 585 | 5 539 605 | 13 157 853 | 2 203 610 | 2 127 590 | 3 332 158 | 7 663 358 |
| No. of injuries at work | no. | 25 | 76 | 18 | 119 | 18 | 49 | 48 | 115 |
| of which while traveling | no. | 14 | 16 | 6 | 36 | 12 | 12 | 3 | 27 |
| of which with severe consequences | no. | 1 | - | 1 | 2 | 2 | - | - | 2 |
| Rates of injury at work | - | 6.95 | 18.9 | 3.25 | 904 | 8.17 | 23.03 | 14.41 | 1501 |
| Rates of injury with severe consequences | - | 0.28 | - | 0.18 | 015 | 0.91 | - | - | 0.26 |
| External staff | | | | | | | | | |
| No. of hours worked | h. | - | - | 125 832 | 125 832 | 114 957 | - | 85 300 | 200 257 |
| No. of injuries at work | no. | - | - | - | - | 5 | - | - | 5 |
| of which while traveling | no. | - | - | - | - | 1 | - | - | 1 |
| of which with severe consequences | no. | - | - | - | - | - | - | - | 0 |
| Rates of injury at work | - | - | - | - | - | 43.49 | - | - | 24.97 |
| Rates of injury with severe consequences | - | - | - | - | - | - | - | - | - |

Based on Benetton's internal policies, the accidents reported (recordable accidents) are those which resulted in the employee being away from work for more than 24 hours. The main types of accidents concern commuting to and from the workplace, internal transfers and handling of goods.

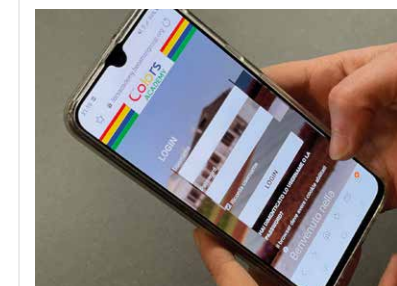
DIGITAL TRANSFORMATION

A jump in the future thanks to digital tools

The objective of this function - developed in 2019 within the Human Resources area - is to facilitate the change of mindset to promote the digitisation process of the Company, by identifying solutions, tools and methodologies to optimise time, streamline processes, and encourage innovation within the Company. In part because of the restrictions imposed by the spread of the Covid-19 pandemic, 2020 was a year in which digitalisation played a central role in ensuring work continuity, communication and training within the Company. The result was that a strong synergy was developed to solve contingent needs and deliver the projects in the pipeline. The HR Digital Transformation strategy was divided in four main work areas: Tools, Training, Communication and Policy. The rethinking of digital connection tools was also key for 2020, after the implementation of Workplace in 2019.

COLORS ACADEMY

This is the new Digital Learning Platform designed to completely innovate training: always accessible, engaging and constantly updated. The Colors Academy is the reference point for the Group's training offer, structured as a single tool made available for all the employees of the headquarters, direct DOS stores and FOS stores.



BE DIGITAL

Understanding the digital world: this project is designed to promote the effective and conscious use of the digital tools that can improve our daily work, increase responsiveness and upskill competencies. Be Digital is an integrated system of initiatives embedding innovative work

methods (webinars, virtual classrooms, e-learning) to facilitate the acquisition of knowledge regarding digital tools and develop a Digital Mindset. The Digital Talks have accompanied our "coffee break" every Monday afternoon with a 30 minute deep dive into specific Digital topics:

- › **#learn&grow:** webinars on training and development;
- › **#connect:** webinars on the tools that facilitate communication and team work;
- › **#besafe:** webinars on digital security;
- › **#innovation:** webinars on innovation, inside and outside the Company;
- › **#tool:** webinars on best practices in the use of the tools.

In 2020, 16 Digital Talks webinars were held, three editions of the Digital Mindset virtual classroom, six Digital Upskilling e-learning training modules, three Digital quizzes: "How many do you know?", and five "Discover the platform" tutorials, with the participation of around 800 employees.

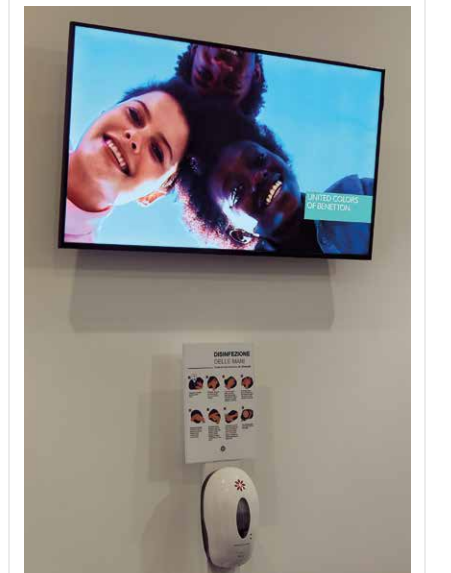
ZOOM

Videoconference and chat system adopted by the Company that has enabled and improved remote work, also reducing travel and transfers. Zoom also proved to be a useful tool for managing webinars and virtual classrooms, enabling a complete renewal of working and training methods.



COMMUNICATION

The change and launch of the new tools was supported by constant communication activities, carried out via proprietary Company channels (monitors, intranet, etc.) and also using innovative methods, such as interactive videos. In addition, 17 newsletters updating on the contents and new proposals of Colors Academy were issued.



POLICY

With the objective of standardising and normalising the use of new technologies, in 2020 the HR Digital Transformation function worked with the IT department on the definition of a number of Company policies. A pilot project has already been rolled out in relation to the optimised use of email signatures and a new Social Media Policy will soon be launched.



Interview with Paola Cinquina
HR Digital Transformation, Benetton Group

How long have you been working at Benetton and what is your role?

I joined Benetton in 2015, first in the Training and Development function, but since 2019 I've been Head of HR Digital Transformation.

Where do you come from? What brought you here?

Before joining the Company I worked in many places! I grew up in Veneto but I worked many years abroad, especially in Barcelona, and when I returned to Italy I started the adventure of freelancing in connection with training, communication and design. It was an intense and stimulating period, with so many very different projects to deal with. I spent three months also in Tunisia, where I interviewed local film directors during the day and transcribed and translated from French into Italian in the evening to report the information collected!

What is the thing you like most about your job at Benetton?

I've always loved the projects and the innovation that this Company generates: the years spent at Benetton are worth twice those spent at other firms. The Company allows you to take on challenges by contributing to complex, high-profile projects, working side by side with highly skilled colleagues. Benetton has also a great heritage and profound values: just take a look at our archives, they will take your breath away. Last but not least: from the window of my office I can see the 17th century Villa Minelli. How many others can enjoy such a beautiful view?!

You've been dealing with Digital Transformation for a couple of years. What is it?

Today, dealing with digital transformation can mean everything and nothing, as it is such a broad theme that one can easily lose one's bearings. In my case, I work in Human Resources and in this context, Digital Transformation means redefining the tools to be used by HR to accomplish activities like: streamlining processes and facilitating new practices. At the same time, however, dealing with the human side of Digital Transformation means, above all, supporting business change by contributing to the dissemination of a digital mindset and key digital skills.

To what extent do you think that your work is useful for Benetton Group employees?

When we talk about transformation, the impression is that we are starting from very high scenarios and trends. But, actually, the objective is very practical, i.e. changing the daily work routines performed at the Company. Thinking about the tools implemented last year, this means, for instance, the Colors Academy learning platform and the Zoom platform, and we can measure their practicality in the way they contributed to the changed modalities through which training or communication are managed by the teams. The real value is, in my opinion, training for change: helping people to acquire the skills and mindset that will enable them to make the best

use of the tools and face the reskilling process that digital technology requires.

What is it like working in this area? Did you find any resistance or difficulties?

My role is extremely new, so on the one hand I have the advantage in terms of extreme freedom in the definition of processes and projects; on the other, this also makes things more complicated: everything must be designed and planned from scratch, there is no reference history to be used as a benchmark or established routines that streamline work. That's why I try to be as flexible as possible. I do small-scale tests and measure the feedback I receive to understand what really responded to the Company's needs and what the best methods are.

2020 was a tough year for everyone. What impact did it have on your job?

2020 was a very long and tiring year, with a huge amount of work. But the pandemic has also generated an acceleration of digital transformation processes, overcoming a lot of resistance. My opinion is that there will be no turning back from these experiences, and they will have an impact also when we go back to normal.

What is the project you're most proud of?

Definitely the Colors Academy project, our digital learning platform, which was my top priority in 2020. Along with Zoom, these tools allowed us to revamp not only training but access to business and training content, enabling employees to play a central role in their own reskilling.

You've been working in Human Resources at Benetton Group for a number of years and you must have an idea of the ideal company employee. Could you please describe her/him?

Transparency, proactivity and collaboration are certainly key elements for obtaining results and ensuring a positive Company climate. Competencies are obviously also important, but as we said, we are living in the era of reskilling: all you need is the determination and the desire to roll up your sleeves and get to work.

What are your plans and dreams for the future?

As a woman working in a specific field, that of digital technology, which is often considered a predominantly male universe, my main dream is to enhance the participation of women in this segment. There are many valuable colleagues in the Company and I have no doubt that Benetton will stand out in the competitor arena also for its ability to assign important roles to us, super women! Let's work on it!

TRAINING & ENGAGEMENT

Training that unites everyone

2020 was an important year in terms of training and development initiatives, also taking into account the DOS personnel.

BE UNITED BE CONNECTED

The Be United Be Connected project was developed in the first half of 2020 to make all employees feel close to the Company during the lockdown period, with training activities and initiatives to be performed at home. The aim was to connect people with each other in order to help them cope with the moment of uncertainty and disruption.



WORKING@RETAIL

Working@Retail is a set of initiatives launched in the second half of 2019 with the aim of strengthening a cross-channel retail approach, implementing standard tools for even more effective sales management - including reporting, labour cost management and piloting - and digital tools for managing and monitoring store activities. Born from the collaboration integrating human resources and commercial functions, this is the first corporate project involving all channels (DOS, FOS, IOS) and all brands (UCB, Sisley, Undercolors).

OMNICHANNEL

The training plan is a key step for the implementation of the omnichannel strategy, with four areas offered to the sales

network. In the first months of 2020, 17 UCB FOS stores completed the rollout. In September 2020, the project was extended to 31 Sisley brand stores. The project was also launched abroad, starting with DOS stores in France and Spain.

NEW FOS PROJECT

The objective of the training initiative was to encourage the improvement of customer relations and sales ceremony techniques in order to offer an increasingly effective customer experience to the franchising network as well.

BENETTON TRAINING JOURNEY

This project aims to transfer content by engaging users, stimulating them to put themselves to the test and actively interact with the collection. The objective is to increase the sense of belonging to the brand and trigger customer engagement through emotional storytelling. Alternative look proposals, sections dedicated to the emphasising body shapes and exercises and examples focused on the various sales techniques, customised according to the specific items of the collection.

SELLING IN COLOR - 2021

Selling in Color is a training programme that aims to support store staff in their daily relationship with customers. Based on the People in Color

model, its objective is to facilitate recognition of the different types of customers who enter the stores.

WORKOUT TOTAL SELL

Training dedicated to the Golden Rules of selling adjusted according to the current Covid-19 context, with the integration of content partially inspired by the Selling in Color model. Particular attention is paid to the consumer's state of mind and how to provide a sales experience consistent with the needs and issues related to the pandemic.

2021

One of the goals for 2021 is to complete the United by Color engagement project, which was interrupted due to the outbreak of the pandemic before completion of the last two phases, adapting it to the current situation in order to continue to strengthen people's sense of belonging and pride in the Company.

MEETING THE CEO



Meeting the CEO is an initiative conceived by the new CEO to meet and personally get to know colleagues representing the various Company functions, including the sales network. Under the due safety rules, 10 meetings were organised at the Studios. Some 60 people participated in each meeting connected via webinar, for a total of more than 700 people involved.

PEOPLE DEVELOPMENT

The right people in key positions

The massive campaign implemented in 2020 to digitise learning and corporate communication processes will be extended to cover all the support tools in 2021, with a view to reinforcing individual competencies, management training and performance assessment - namely the items on which the HR People Development function will focus its actions. The corporate objective of process transformation and generational change must be consistently reflected in the processes that map and upgrade the competencies that the Group's business plan calls for over the next 5 years.

DEVELOPMENT OF HUMAN CAPITAL

Company change and process renewal are subject to HR policies for human capital development. In 2020, the new People Development function worked on the following areas:

- › definition and implementation of a succession planning process consistent

with the organisational changes underway, with a special focus on key positions:

- › mapping and assistance in the professional growth path of key people;
- › implementation of a managerial training plan dedicated to People Leaders orienting behavior towards excellence.

BENETTON'S SUCCESSION PLANNING MODEL BASED ON KEY POSITIONS AND KEY PEOPLE

- › Key positions: identified with the managers of reference on the basis of objective parameters, such as the impact that the position has on business strategies, the degree of complexity managed, the type of internal and external relations, and the number of resources;
- › Key people: identified through an interview and a referral methodology that exemplifies the concept of people retention, because they are important for today's business plan and long-term strategies;
- › Succession Plans: developed as a map of the risks to be covered

to protect the business and individual growth.

Growth and transfer plans based on an analysis of the Succession Folder were put in place to deal with the departure of senior resources holding key positions. In concrete terms, the plan was characterised by moments of assistance and personalised managerial actions (training, coaching, etc.).

UNITED PROGRAM: A MANAGERIAL TRAINING PROGRAMME

United Program is the managerial training programme dedicated to all Benetton People Leaders and involving about 250 employees. In 2020, a total of 1 689 training hours were delivered via webinar and other remote forms. The programme covers four areas:

- › strategy&tactics
- › people
- › economics
- › teamwork

Leading the Future (Strategy&Tactics area) - virtual classroom
In line with the Be-Digital programme, People Leaders have been engaged in exploring the main technological trends in depth. Six virtual rooms were organised with the participation of 100 people.

Re-ignite customer emotions (Strategy&Tactics area) - webinar
An expert of retailing shared his unique perspective with the People Leaders, accompanying them in a customer-centric analysis. The webinar saw the participation of 91 people.

People management in colors (People area) - virtual classroom
People Management in colors is a training course dedicated to employees who have assumed a role of responsibility for less than one year. Two training courses were organised, for a total duration of approximately 14 hours each and with the participation of 33 people.

Under Pressure (People area) - virtual classroom
During the lockdown period, the People Leaders analysed their emotional responses and shared them with their team members. Four editions were organised with the participation of 41 people.

Smart Leader (People area) - webinar and microlearning
Short microlearning courses to support managers in re-thinking their role in smart team management. Six training modules were organised with e-learning and three webinars, with the participation of approximately 150 people.

Leadership in action (People area) - group coaching
For the Product Development & Operations function, two editions were organised for a total duration of nine hours each and with the participation of 15 people.

Individual coaching
Concurrently with the training activities, employees holding key positions and with increasing responsibilities were offered individual coaching sessions, with up to 45 hours provided.

| GRI 404-1 Average year training hours by employee and gender | | | | | | |
|--|--------|-------|--------|-------|--------|-------|
| Training hours | 2018 | | 2019 | | 2020 | |
| | Men | Women | Men | Women | Men | Women |
| Italy | | | | | | |
| Total training hours provided | 12 490 | | 17 774 | | 5 783 | |
| Training hours by employee | 5 | | 8 | | 3 | |
| of which provided to: | 6 | 5 | 8 | 8 | 2 | 3 |
| Europe | | | | | | |
| Total training hours provided | 6 448 | | 10 475 | | 8 665 | |
| Training hours by employee | 2 | | 4 | | 3 | |
| of which provided to: | 2 | 2 | 3 | 4 | 2 | 3 |
| Rest of the world | | | | | | |
| Total training hours provided | 10 906 | | 11 288 | | 12 603 | |
| Training hours by employee | 5 | | 5 | | 5 | |
| of which provided to: | 4 | 3 | 6 | 5 | 6 | 4 |
| Benetton Group | | | | | | |
| Total training hours provided | 29 844 | | 39 537 | | 27 050 | |
| Training hours by employee | 4 | | 5 | | 3 | |
| of which provided to: | 6 | 3 | 6 | 5 | 4 | 3 |

EMPLOYER BRANDING

A programme to attract the best talents

COLLABORATION PROJECTS WITH INSTITUTIONS AND UNIVERSITIES

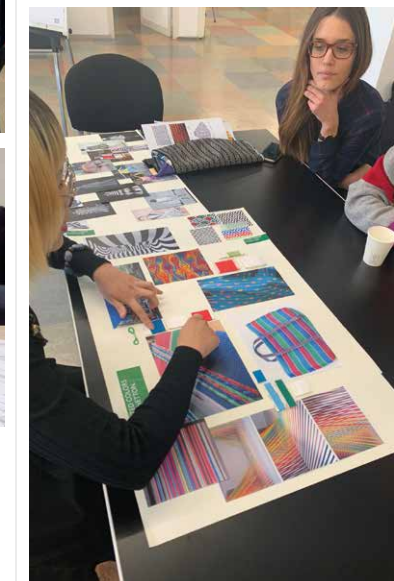
In 2020, the partnership between Benetton and the most prestigious universities and institutions continued with a view to identifying new talents in the fashion industry.

Sign & Style Project

Benetton Group collaborated with Fabrica in the Sign & Style project, a free graphics training provided to unemployed people and addressed to NEETs (Not in Education, Employment or Training). The project is funded by the European Social Fund.

Master in Knitwear Design - Academy of Fashion and Costumes of Rome

This is a collaboration with the Academy of Fashion and Costumes of Rome for a scholarship for the Master in Knitwear Design. The students of the master course designed a capsule collection inspired by the Benetton universe. The winning items will be showcased at the Pitti Filati trade show in February 2021.



Mittelmoda District

In 2020, the Mittelmoda District - the project dedicated to vocational fashion schools of the Friuli Venezia-Giulia region - saw the participation of Benetton on the jury panel and in the fashion show of last December 2020, which was broadcasted in streaming, showcasing items designed by the students. Participants focused on four categories: apparel, accessories, texture and materials, and pattern making.



DIGITAL RECRUITING

In 2020, the Work for US web page recorded over 190 000 visits in the Italian version of the Benetton Group website and nearly 160 000 in the English version. More than 30 000 people visited the Life & Work sections on the Group's LinkedIn profile. Approximately 18% of all visitors searched the Group's open vacancies. Despite the impact of the Covid-19 pandemic, the Group's recruiting process did not reflect any substantial slowdowns. As it was not possible to organise traditional "career days", the Group changed the ways used to attracting young talents.

2021
The main objective for 2021 is identifying new ways of engagement and sharing with schools and universities through the organisation of virtual meetings with students, in order to guarantee continuity of the Group's employer branding activities.

REWARD

How the remuneration policy changed in 2020

The complexity of 2020 also had an impact on Benetton Group's Reward initiatives, which required a targeted and flexible approach to manage, motivate and retain the resources already present in the Company. The remuneration policy was therefore adjusted according to a Total Reward perspective, putting an emphasis on growth, development and work-life balance.

Actions on the fixed and variable components of remuneration were very selective and focused on young people and strategic resources capable of contributing to building the Company's future.

MANAGEMENT INCENTIVES

In 2020, the short-term (MBO, Management by Objectives) and long-term (LTI, Long Term Incentive) management incentive plans were strongly influenced by the unstable and unpredictable economic and financial context. We took advantage of this year of disruption to design new reward systems to be launched in 2021, giving new impetus

to managerial actions at all levels in support of the plan. With a view to drawing everybody's attention to the achievement of the budget objectives, the new reward systems have also been designed for employee categories that are currently excluded from the application of these tools.

SALES INCENTIVE PLANS

Incentive plans for sales and store personnel represent one of the most effective levers for driving continuous improvement in business performance and putting the customer at the centre. At Benetton Group, the differentiated approach by sales channel (direct DOS, indirect IOS, franchising FOS) - already introduced in the past years with a "glocal" (global and local) approach - continued in 2020, with plans aimed at reinforcing the most effective behaviors and best practices of sales roles.

GRI 405-2 Ratio of basic salary and remuneration for women and men - Italy

| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
|--------------------|---------------------|------|------|---------------------------|------|------|
| Headquarter | Salary ratio | | | Remuneration ratio | | |
| Managers * | 88% | 79% | 82% | 85% | 76% | 81% |
| Executives | 96% | 95% | 94% | 95% | 92% | 90% |
| White collars | 90% | 89% | 89% | 90% | 89% | 89% |
| Blue collars | 98% | 98% | 98% | 97% | 97% | 98% |
| Store | Salary ratio | | | Remuneration ratio | | |
| Executives | 71% | 87% | 117% | 66% | 94% | 120% |
| White collars | 90% | 87% | 86% | 88% | 85% | 85% |

* The Managers category refers only to senior managers.

In 2020, the ratio of base salary and remuneration between men and women of the headquarters remained more or less in line with the previous

year. In stores, the number of middle managers is rather low and therefore it can vary according to fluctuations in turnover.

INDUSTRIAL RELATIONS

A dialogue that is good for everyone

A fundamental element in ensuring the growth and success of Benetton Group's human resources is the maintenance of a constant and continuous dialogue, in the pursuit of innovative solutions that are as favourable as possible to employee wellbeing and the improvement of working conditions in the Company. In 2020, the dialogue, made difficult by the outbreak of the pandemic, was based on in-person and virtual meetings at all levels. Joint Covid-19 crisis committees were set up with workers' unions, which normally have been meeting every two weeks to monitor and update the Company's situation with respect to the application of Covid-19 containment measures.

The constructive contribution of all parties, together with the measures for the adoption of correct behaviors (information to all employees, smart working, social distancing, use of masks, use of hand-sanitising gel, etc.) ensured that in 2020 no Covid-19 positive cases were recorded in the Company.

At the national level, despite the aforementioned difficulties due to the outbreak of the pandemic, 2020 saw further consolidation of the contents of the Company's supplementary agreement - in the last year of its validity - and the related result bonus, with particular reference to the highly qualitative work carried out by the three Joint Committees on training, Company welfare and employee grading. From the crisis management perspective and the stop-and-go imposed by the pandemic on the store network, the dialogue between the Company and the unions undoubtedly produced a positive result in terms of maintaining the focus on revenues without jeopardising employee safety or resorting to redundancy schemes.

ORGANISATIONAL TURNAROUND

In continuity with the previous year, in 2020 numerous targeted organisational turnaround actions were implemented in various Company areas. These actions recorded particularly positive results, both in terms of productivity and rationalisation of processes and costs, with a specific emphasis on the Commercial and Product areas.

RESULT BONUS

The Company confirms the consolidated tradition hinged on the recognition and value of collective bargaining as a privileged tool for the determination of contractual conditions and the regulation of relations between Company management and trade unions. The Company confirms full compliance with all the National Collective Labour Agreements managed (SMI Textile, Commerce, Executives, etc.) also with regard to notice periods for important organisational changes. In the event in which National Collective Agreements are not applied by foreign subsidiaries, the employment relationship is managed in compliance with the applicable national laws, except for more favourable exceptions for the workers. The new second-tier supplementary agreement, which was in the last year of application in 2020, maintained the same criteria for the determination of the efficiency parameter used in the 2015-2017 three-year period. These criteria confirmed their validity in the definition of the amounts payable as bonus, even if the outbreak of the Covid-19 pandemic at the beginning of 2020 limited its determination.

2021/22
The supplementary health plan was confirmed for all the Group's employees and renewed for 2021 and 2022.





Appendix

UNDERCOLORS
OF BENETTON.

Methodological notes

Benetton Group's Integrated Report illustrates how value is created over time through the connections between financial and non-financial factors, and the business's primary sustainability performance indicators.

The principles and content of the "International <IR> Framework" issued in December 2013 by the International Integrated Reporting Council (IIRC) were taken into account for the drafting of the Integrated Report. The report was also prepared in accordance with the "GRI Sustainability Reporting Standards" defined in 2016 by the Global Reporting Initiative (GRI), in accordance with the Core Option.

In line with the GRI standard indications, Benetton Group has mapped all of its stakeholders and conducted a rigorous materiality analysis to identify the aspects that have a significant impact on its ability to create value over time. The issues identified were also used as a key to guide the Group's sustainability strategy (see the chapter "The materiality matrix and relevant themes", page 24).

REPORTING PERIMETER AND SUSTAINABILITY CONTEXT

This is the fifth edition of Benetton Group's Integrated Report. It contains a description of initiatives and activities carried out during calendar year 2020, as well as performance trends during the three years from 2018 to 2020, if available.

Performance indicators are gathered and reported on an annual basis.

The information reported refers to Benetton Group S.r.l. and its subsidiaries in Italy and abroad.

The reporting perimeter coincides with the above, except for :

- › figures related to Sabbia Ltd (commercial company based in Cyprus), acquired during 2019, for which indicators are available only for the years 2019 and 2020;
- › indicators 302-1, 305-1 and 305-2, that do not include energy consumption - which are not available - for headquarters based in France, Germany, Switzerland and the UK, for which consumption figures are not available. For Germany,

details are available for 2020. For the 2019-2020 period Benetton Pars P.J.S.C. (Iran) has been excluded from the reporting perimeter due to the strong reduction of activity in 2019.

Benetton Group S.r.l. has its headquarters in via Villa Minelli, in Ponzano Veneto (Treviso), while its industrial complex is located in via della Cartiera 1, in Castrette di Villorba (Treviso).

The reporting does not include energy consumption figures of Fabbrica, the kindergarten and the winery as they are not considered headquarters or stores.

PRINCIPLES FOR ENSURING REPORT QUALITY

The information reported was gathered with the aim of providing a balanced and clear picture of the Company's actions and characteristics. The process of reporting the information and quantitative data was improved through the implementation of a software tool and structured so as to ensure data comparability over time, where possible, in order to provide an accurate

interpretation of the information and a complete view to all stakeholders interested in trends regarding Benetton's performance.

CALCULATION METHODS

Details of the methods used to calculate certain indicators reported in this document are provided below. The data referred to 2020 are the best possible estimate with the information available at the time of the drafting of this Report.

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE

The return rate after parental leave is calculated based on the number of workers who returned after leave compared to the overall number of workers who took leave in the period. A rate greater than 100% indicates more returns than leaves taken and depends on the leave periods taken at the end of the previous year and continued in the period. The retention rate after parental leave is calculated as the number of workers employed 12 months after returning from maternity/ paternity leave compared to the

number of employees who took parental leave during previous years.

INJURY RATES

Details of the methods of calculation used for injury rates are provided below:

- › Rate of recordable occupational injuries: number of recordable injuries/hours worked x 1 000 000
- › Rate of work-related injuries with serious consequences: number of work-related injuries with serious consequences (excluding deaths)/hours worked x 1 000 000

Injuries with serious consequences include injuries where the worker fails to recover, does not recover, or it is not realistically expected that the worker recovers fully to her/his pre-injury health condition within six months.

Injuries resulting from commuting include all recorded injuries, with no distinction in the case of commuting directly managed by the organisation.

The rates for the 2019-2020 period have been calculated for permanent employees only and exclude interns and other staff on temporary contracts. Reporting also considers work-for-hire contracts.

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions were calculated using the principles indicated in the ISO 14064-1 international standard. In particular, the only gas considered was carbon dioxide (CO₂). The

emission factors used to calculate the CO₂ emissions disclosed in the Report were determined in the following way:

SCOPE 1 DIRECT EMISSIONS:

the emissions related to the total consumption of natural gas and diesel oil for the heating of the head offices and global direct stores and gasoline and diesel oil for the Company vehicles were determined using the emission factor reported in the table of national standard parameters published by the Italian Ministry for the Environment for 2018, 2019 and 2020. Since 2019, the calculation of Scope 1 emissions also includes data regarding refrigerant gas leaks from air conditioning or cooling systems installed at the Italian campus and in the Italian stores. Fluorinated gas emissions were calculated using the emission factors shown in the 2019 and 2020 Defra tables.

SCOPE 2 INDIRECT

EMISSIONS: indirect emissions relate to electricity use and to district heating. The emissions connected with the consumption of electricity are calculated according to the location-based and market-based approach. For the calculation of the location-based emissions the emission factors reported in the tables published by Terna were used regarding the international comparisons available for 2017 and 2018 (the most recent version) based on Enerdata statistics, used respectively for the calculation of the indirect emissions in 2019-2020. Conversely, the factors used to calculate indirect emissions

regarding 2018 energy consumption derive from the previous Terna 2016 table, as it was the most updated version at the time in which the calculation was made (2018 reporting cycle)

For the calculation of market-based emissions, the residual mixes reported in the "European Residual Mixes" document, published by AIB and available for the years 2018-2019, were used.

The emissions linked to district heating were calculated using the emission factors reported in the Defra tables available for the 2018-2019-2020 three-year period.

SCOPE 3 INDIRECT

EMISSIONS: for the calculation of CO₂ emissions generated by transportation for logistics purposes, a methodology developed by TK Blue, an international non-financial rating agency specialised in transport, was used.

GRI content index

| GRI Standard | Disclosure | Page number | Omission |
|--|---|--|----------|
| GRI 102: GENERAL DISCLOSURES 2016 | | | |
| Organisational profile | | | |
| 102-1 | Name of the organisation | 122 | |
| 102-2 | Primary brands, products, and/or services | 33-45 | |
| 102-3 | Location of the organisation's headquarters | 122 | |
| 102-4 | Countries in which the organisation operates | 32 | |
| 102-5 | Nature of ownership and legal form | 16-17; 32; 122 | |
| 102-6 | Markets served | 47; 87 | |
| 102-7 | Scale of the organisation | 22; 47; 104-105 | |
| 102-8 | Information on employees and other workers | 104-105 | |
| 102-9 | Description of the supply chain (number of suppliers, volumes and sourcing markets) | 69-71 | |
| 102-10 | Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain | 14-15 | |
| 102-11 | Explanation of how the precautionary approach or principle is addressed by the organisation | The Company adopts a prudential approach in managing environmental, social and governance risks as illustrated on page 30-31 | |
| 102-12 | External initiatives | 22-23; 27-29; 68-73; 75; 77 | |
| 102-13 | Memberships of national and/or international advocacy organisations | 119 | |
| Strategy | | | |
| 102-14 | Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability | 5 | |
| Ethics and integrity | | | |
| 102-16 | Mission, values, codes of conduct, principles relevant to economic, environmental and social performance, developed internally and state of progress in their implementation | 12-13; 20-21; 27-29; 68-73; 75 | |
| Governance | | | |
| 102-18 | Governance structure of the organisation, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental and social impacts | 16-19 | |
| Stakeholder engagement | | | |
| 102-40 | List of stakeholder groups with which the organisation engages | 26 | |
| 102-41 | Percentage of total employees covered by collective bargaining agreements | 119 | |
| 102-42 | Basis for identification and selection of primary stakeholders with whom to engage | 24-26 | |
| 102-43 | Approach to stakeholder engagement | 24-26 | |
| 102-44 | Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting | 24-26 | |
| Reporting practice | | | |
| 102-45 | Entities included in the consolidated financial statements | 122 | |
| 102-46 | Defining Report content and topic boundaries | 24-25; 122-123 | |
| 102-47 | List of material topics | 24-25; 122-123 | |

| GRI Standard | Disclosure | Page number | Omission |
|--------------|--|-------------|----------|
| 102-48 | Restatement of information | 122-123 | |
| 102-49 | Changes in reporting | 25; 122-123 | |
| 102-50 | Reporting period to which the social responsibility report refers | 122-123 | |
| 102-51 | Date of most recent previous social responsibility report | 122 | |
| 102-52 | Reporting cycle | 122 | |
| 102-53 | Contact point for questions regarding the social responsibility report and its contents | 136 | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | 122 | |
| 102-55 | GRI content index | 124-131 | |
| 102-56 | Policy and current practice with regard to seeking external assurance for the social responsibility report | 133-135 | |

MATERIAL TOPICS

ECONOMIC PERFORMANCE INDICATORS

Economic Performance

GRI 103: Management Approach 2016

| | | | |
|-------|--|--------------|--|
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 20-21; 30-31 | |
| 103-3 | Evaluation of the management approach | 20-21 | |

GRI 201: Economic Performance 2016

| | | | |
|-------|---|----|--|
| 201-1 | Direct economic value generated and distributed | 22 | |
|-------|---|----|--|

Procurement Practices

GRI 103: Management Approach 2016

| | | | |
|-------|--|-----------|--|
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69 | |
| 103-3 | Evaluation of the management approach | 69 | |

GRI 204: Procurement Practices 2016

| | | | |
|-------|---|----|--|
| 204-1 | Proportion of spending on local suppliers at significant locations of operation | 69 | |
|-------|---|----|--|

ENVIRONMENTAL PERFORMANCE INDICATORS

Raw Materials

GRI 103: Management Approach 2016

| | | | |
|-------|--|---------------------|--|
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 57-65; 78-79 | |
| 103-3 | Evaluation of the management approach | 57-65; 78-79 | |

GRI 301: Raw Materials 2016

| | | | |
|-------|------------------------------------|-----------|--|
| 301-1 | Materials used by weight or volume | 57-59; 79 | |
|-------|------------------------------------|-----------|--|

Energy consumption by the organisation

GRI 103: Management Approach 2016

| | | | |
|-------|--|------------------|--|
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 54-55; 77 | |
| 103-3 | Evaluation of the management approach | 54-55; 77 | |

| GRI Standard | Disclosure | Page number | Omission |
|---|--|---|--|
| GRI 302: Energy consumption by the organisation 2016 | | | |
| 302-1 | Energy consumption by the organisation | 55 | |
| Water and effluents | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 75; 77 | |
| 103-3 | Evaluation of the management approach | 54-55; 75; 77 | |
| GRI 303: Water and effluents 2018 | | | |
| 303-1 | Interactions with water as a shared resource | 75; 77 | Some information regarding this indicator is not currently available. Benetton undertakes, in the coming years, to gather the data needed to disclose this indicator |
| 303-2 | Management of water discharge-related impacts | 75; 77 | |
| 303-4 | Water withdrawal | 77 | |
| Emissions | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 54-55; 78-79 | |
| 103-3 | Evaluation of the management approach | 54-55; 78-79 | |
| GRI 305: Emissions 2016 | | | |
| 305-1 | Direct greenhouse gas emissions (Scope 1) | 55 | |
| 305-2 | Energy indirect greenhouse gas emissions (Scope 2) | 55 | |
| 305-3 | Other indirect greenhouse gas emissions (Scope 3) | 78 | |
| 305-4 | GHG emissions intensity | 78 | |
| Environmental Compliance | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 75; 77 | |
| 103-3 | Evaluation of the management approach | 75; 77 | |
| GRI 307: Environmental Compliance 2016 | | | |
| 307-1 | Non-compliance with laws and regulations in the environmental area | In 2020 the Group did not received significant fines for non-compliance with laws and regulations concerning the environmental issues | |
| Supplier Environmental Assessment | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 75; 77 | |
| 103-3 | Evaluation of the management approach | 75; 77 | |

| GRI Standard | Disclosure | Page number | Omission |
|--|--|-------------|--|
| GRI 308: Supplier Environmental Assessment 2016 | | | |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | 75; 77 | Some information regarding this indicator is not currently available. Benetton undertakes, in the coming years, to gather the data needed to disclose this indicator |

SOCIAL PERFORMANCE INDICATORS

| | | | |
|--|---|----------------|--|
| Employment | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 108-119 | |
| 103-3 | Evaluation of the management approach | 108-119 | |
| GRI 401: Employment 2016 | | | |
| 401-1 | New hirings and turnover | 106-107 | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | 108-119 | |
| 401-3 | Return to work and retention rates after parental leave (by gender) | 111 | |
| Labour/Management relations | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 119 | |
| 103-3 | Evaluation of the management approach | 119 | |
| GRI 402: Labour/Management Relations 2016 | | | |
| 402-1 | Minimum notice periods regarding organisational changes | 119 | |
| Occupational Health and Safety | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 112 | |
| 103-3 | Evaluation of the management approach | 112 | |

| GRI Standard | Disclosure | Page number | Omission |
|--|--|--------------------------------|----------|
| GRI 403: Occupational Health and Safety 2018 | | | |
| 403-1 | Occupational health and safety management system | 112 | |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 30; 112 | |
| 403-3 | Occupational health services | 112 | |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 112 | |
| 403-5 | Worker training on occupational health and safety | 112 | |
| 403-6 | Promotion of worker health | 112 | |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 112 | |
| 403-9 | Work-related injuries | 112 | |
| Training and education | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 114-116 | |
| 103-3 | Evaluation of the management approach | 114-116 | |
| GRI 404: Training and Education 2016 | | | |
| 404-1 | Average hours of training per year per employee, by gender and by employee category | 116 | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | 116 | |
| Diversity and Equal opportunity | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 16-19; 30-31; 105; 110; 118 | |
| 103-3 | Evaluation of the management approach | 16-19; 105; 110; 118 | |
| GRI 405: Diversity and Equal Opportunity 2016 | | | |
| 405-1 | Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership, and other indicators of diversity | 16-19; 105 | |
| 405-2 | Ratio of basic salary and remuneration of women to men | 118 | |
| Non-discrimination | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69-70; 72-73; 105; 110; | |
| 103-3 | Evaluation of the management approach | 69-70; 72-73; 105; 110; | |
| GRI 406: Non-discrimination 2016 | | | |
| 406-1 | Number of incidents of discrimination and corrective actions taken | 72 | |
| Freedom of Association | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69-72 | |
| 103-3 | Evaluation of the management approach | 69-72 | |

| GRI Standard | Disclosure | Page number | Omission |
|--|---|--------------|----------|
| GRI 407: Freedom of Association 2016 | | | |
| 407-1 | Identification of operations and main suppliers in which the right to exercise freedom of association and collective bargaining may be at significant risk and measures taken to support these rights | 71 | |
| Child Labour | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69-72 | |
| 103-3 | Evaluation of the management approach | 69-72 | |
| GRI 408: Child Labour 2016 | | | |
| 408-1 | Identification of operations and main suppliers having significant risk for incidents of child labour, and measures taken to contribute to its elimination | 69-72 | |
| Forced or Compulsory Labour | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69-72 | |
| 103-3 | Evaluation of the management approach | 69-72 | |
| GRI 409: Forced or Compulsory Labour 2016 | | | |
| 409-1 | Operations having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to its elimination | 69-72 | |
| Human Rights Assessment | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69-72 | |
| 103-3 | Evaluation of the management approach | 69-72 | |
| GRI 412: Human Rights Assessment 2016 | | | |
| 412-1 | Total number and percentage of suppliers subject to human rights reviews or impact assessment | 71 | |

| GRI Standard | Disclosure | Page number | Omission |
|---|---|---|----------|
| Local Communities | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69-74 | |
| 103-3 | Evaluation of the management approach | 69-74 | |
| GRI 413: Local Communities 2016 | | | |
| 413-1 | Percentage of sites of operations in which local community engagement, impact assessments, and development programs have been implemented | 71-73 | |
| Supplier Social Assessment | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 69-72 | |
| 103-3 | Evaluation of the management approach | 69-72 | |
| GRI 414: Supplier assessment for impacts on society 2016 | | | |
| 414-1 | New suppliers that were screened using social criteria | 71 | |
| 414-2 | Significant actual and potential negative impacts on society and actions taken | 69-72 | |
| Customer Health and Safety | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 67 | |
| 103-3 | Evaluation of the management approach | 67 | |
| GRI 416: Customer Health and Safety 2016 | | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | 67 | |
| 416-2 | Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | There have been no significant incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products in the three-year period 2018-2020 | |
| Marketing and Labelling | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 88 | |
| 103-3 | Evaluation of the management approach | 88 | |

| GRI Standard | Disclosure | Page number | Omission |
|--|--|---|----------|
| GRI 417: Marketing and Labelling 2016 | | | |
| 417-1 | Requirements for product and service information and labeling | All products marketed by the Group, regardless of product sector, report on their labels the information required by law in the country in which they are marketed. More specifically, information is provided on: country of origin, presence of toxic substances, and methods of disposal | |
| 417-2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes | There have been no significant incidents of non-compliance with regulations and voluntary codes concerning the labelling of products during their life cycle in the three-year period 2018-2020 | |
| 417-3 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes | There have been no significant incidents of non-compliance regarding consumer protection that determined the payment of monetary fines by the Group in the three-year period 2018-2020 | |
| Socio-economic Compliance | | | |
| GRI 103: Management Approach 2016 | | | |
| 103-1 | Explanation of the material topic and its boundary | 24-25 | |
| 103-2 | The management approach and its components | 30-31; 67; 88 | |
| 103-3 | Evaluation of the management approach | 30-31; 67; 88 | |
| GRI 419: Socio-economic Compliance 2016 | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | In 2020 the Group did not receive significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | |



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Independent auditors' report on data and information included in the Integrated Report 2020 and referenced in the "GRI content index" (Translation from the original Italian text)

To the Board of Directors of
Benetton Group S.r.l.

We have been appointed to perform a limited assurance engagement on the data and information included in the Integrated Report 2020 referenced in the "GRI content index" of Benetton Group S.r.l. (hereinafter "the Company") and its subsidiaries (hereinafter also "Benetton Group" or "the Group") for the year ended on December 31, 2020 (hereinafter also "GRI Disclosure of the Integrated Report").

Responsibilities of the Directors for the GRI Disclosure of the Integrated Report

The Directors of Benetton Group S.r.l. are responsible for the preparation of the GRI Disclosure of the Integrated Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological notes" of the Integrated Report 2020.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a GRI Disclosure of the Integrated Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of Benetton Group S.r.l. regarding the sustainability performance as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the GRI Disclosure of the Integrated Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle of "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.

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This principle requires the planning and execution of procedures in order to obtain a limited assurance that the GRI Disclosure of the Integrated Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the GRI Disclosure of the Integrated Report were based on our professional judgment and included inquiries, primarily with the Company's personnel responsible for the preparation of the information included in the GRI Disclosure of the Integrated Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the GRI Disclosure of the Integrated Report, with reference to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcomes;
2. comparison of economic and financial data and information included in the GRI Disclosure of the Integrated Report with those included in the Group's consolidated financial statement;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the GRI Disclosure of the Integrated Report.

In particular, we have conducted interviews and discussions with the management of Benetton Group S.r.l. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for the preparation of the GRI Disclosure of the Integrated Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level,
 - a) with reference to the qualitative information included in the GRI Disclosure of the Integrated Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for Benetton Retail Sucursal en España (Spain) and Benetton Group s.r.l. German Branch (Germany), that we have selected based on their activity, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.



Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the GRI Disclosure of the Integrated Report of Benetton Group S.r.l. and its subsidiaries for the year ended on December 31, 2020 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodological notes" of the Integrated Report 2020.

Treviso, May 5, 2021

EY S.p.A.
Signed by: Maurizio Rubinato, Auditor

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

Acknowledgements

Thank you to all the colleagues who contributed to the success of this report/project

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