SUSTAINABILITY REPORT

sergio rossi

CONTENTS

A message from our CEO

00 Sergio Rossi in figures

The main highlights

01 srAttitude

1.1 Sergio Rossi at a glance

1.2 Our commitment to sustainability

1.3 Resilient communication to meet the new onlife

02 HUMAN CAPITAL: Preserving the value of our peo

2.1 #wecareaboutyou

2.2 Investing in the artisans of tomorrow

03 LOCAL COMMUNITIES: Fostering local districts

3.1 Artisanal maestria in San Mauro Pascoli

3.2 Cultural and philanthropic activities

04 ENERGY: Reducing the footprint of our shoes

4.1 The responsible use of energy resources for emis

05 Methodological note GRI Content Index

	5
	6
	9
	10
	20
customers	24
ople	45
	47
	53
	59
	61
	71
	83
ssions reduction	85
	89
	98

RICCARDO SCIUTTO Chief Executive Officer

A MESSAGE FROM OUR CEO

The year 2020 turned out to be one of the toughest and more challenging years of the last decades. It will go down in history as the year in which the first pandemic of the Modern Era spread throughout the entire world, subverting old habits and customs and accelerating, when even creating, deep change in all aspects of our lives. As regards Corporate Social Responsibility, the Covid-19 pandemic revealed its true nature, showing the impact that companies' actions can have on all their stakeholders as well on the society in which they're operating.

I am proud to say, in my role as CEO of Sergio Rossi, that our company has been at the forefront in every moment of the 2020 pandemic. Our actions have been guided by all the principles that we always enunciated in each of the previous Sustainability Reports in regards to People and Profits, without disregarding Planet as well.

At the very first stage of the pandemic, we were among the first companies to activate fundraising in order to help Italian hospitals to manage the emergency and support research against Covid-19, donating 100,000 euros to the Fatebenefratelli Sacco Hospital in Milan, and launching a dedicated charity shopping event through which for a whole week our online sales have been donated to the same hospital. Then, we did our best to contribute to the prevention and spread of the infection, involving in this plan not only our direct employees, but a broader range of beneficiaries among which suppliers, external collaborators, business partners up to our final customers, to serve which many remote-shopping and digital initiatives have been implemented. The economic investments and commitments that have been required to implement these plans of safeguard of the public health have been dramatic, but the solidarity and the responsibility towards all our stakeholders have been strong and participatory at all levels of our company.

The extraordinary efforts required by this unprecedent situation did not prevent us from pursuing our environmental commitment. In fact, in 2020, we started purchasing electricity certified as produced from renewable sources for our Italian factory, facilities and stores while keeping producing electricity with our photovoltaic system installed in the San Mauro Pascoli plant. As a result, we avoided more than 1000 tons of CO_a. Moreover, in order to improve the environmental impact of the leather industry, all the leather we purchased for the productions of the outsoles has been certified by the Leather Working Group, a not-for-profit organization responsible for one of the world's leading environmental certification for the leather manufacturing industry.

In 2020 we unfortunately had to mourn the passing of our historical founder, Mr. Sergio Rossi. This painful event led us to a deep reflection on our DNA and founding principles, from which we emerged with renewed gratitude and awareness of our heritage and precious roots. As a tribute for our founder, we replicated our most iconic shapes from our Living Heritage archive through the Grazie Sergio collection.

As this report goes to print, a ground-breaking news has just been shared. After five years of excellent partnership with Investindustrial, thanks to which we had the chance to recover and renew this precious gem that Sergio Rossi was for the Made in Italy industry, a new shareholder takes off the company. Fosun Fashion Group, the global luxury fashion group based in China, just announced the acquisition of the 100% of Sergio Rossi Spa, involving in the operation also the current Sergio Rossi top management. This new corporate structure will grant the pursuing of the actual goals with renewed strength and enthusiasm, giving coherence and continuity to the project started with Investindustrial, to which goes our deep gratitude and esteem for the trust and support of these past 5 years.

We are excited about Sergio Rossi's future growth prospects, sure that with audacity and innovation, we will be able to catch new fast-growing markets and clients, and prosecute this extraordinary, thrilling journey.

00 - SERGIO ROSSI IN FIGURES The main highlights



OF PURCHASED ELECTRICITY CERTIFIED

AS PRODUCED FROM RENEWABLE SOURCES FOR OUR ITALIAN FACTORY, **OFFICES AND STORES**

OVER

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

OF ELECTRICITY AND NATURAL GAS CONSUMPTION IN 2020 WITH RESPECT TO 2017



HUMAN CAPITAL

EMPLOYEES IN EMEA REGION AS OF 31 DECEMBER 2020





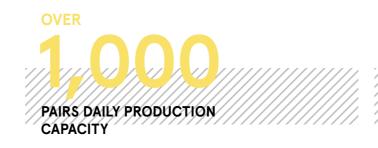
OF OUR TECHNICIANS AND ARTISANS HAVE BEEN WITH US FOR MORE THAN **10 YEARS**



OF OUR PROCUREMENT COMES FROM ITALIAN SUPPLIERS



OF OUR SUPPLIERS ARE LOCATED IN THE EMILIA-ROMAGNA REGION



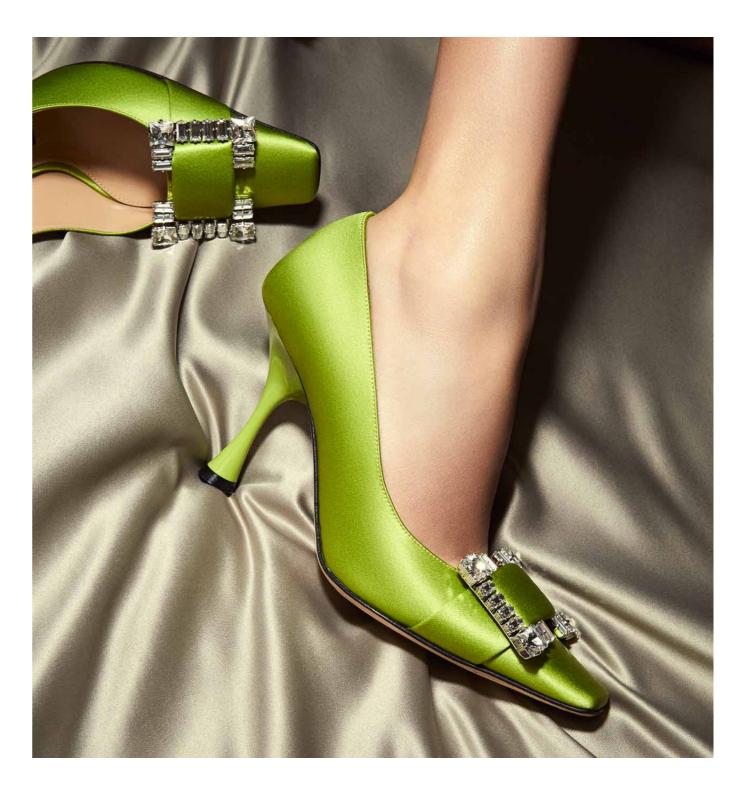


OUR PHOTOVOLTAIC PANELS INSTALLED IN SAN MAURO PASCOLI, BOTH SOLD AND USED





OF THE LEATHER PURCHASED FOR THE PRODUCTION OF THE OUTSOLES HAS BEEN **CERTIFIED BY THE LEATHER WORKING GROUP**



sr ATTITUDE

/01

1.1 SERGIO ROSSI AT A GLANCE

Sergio Rossi S.p.A. is an Italian company active in the design, production, distribution and sale of leather shoes and leather accessories for women through its brand, Sergio Rossi [102-1; 102-2]. Since its creation, our brand has become a leading benchmark in the luxury shoemaking sector and is renowned worldwide for its artisanship and for creating iconic models.

Over the past 70 years, the Company has fostered its daily life, from the sidewalk to the red carpet, enabling them to distinctiveness by enhancing the quality of its materials, the craftsmanship and elegance of its products and its luxury allure, which remain the foundations of Sergio Rossi's unique style.

and utmost sophistication and, over the decades, our shoes have accompanied countless female leaders and celebrities in their

remain effortlessly chic all day long.

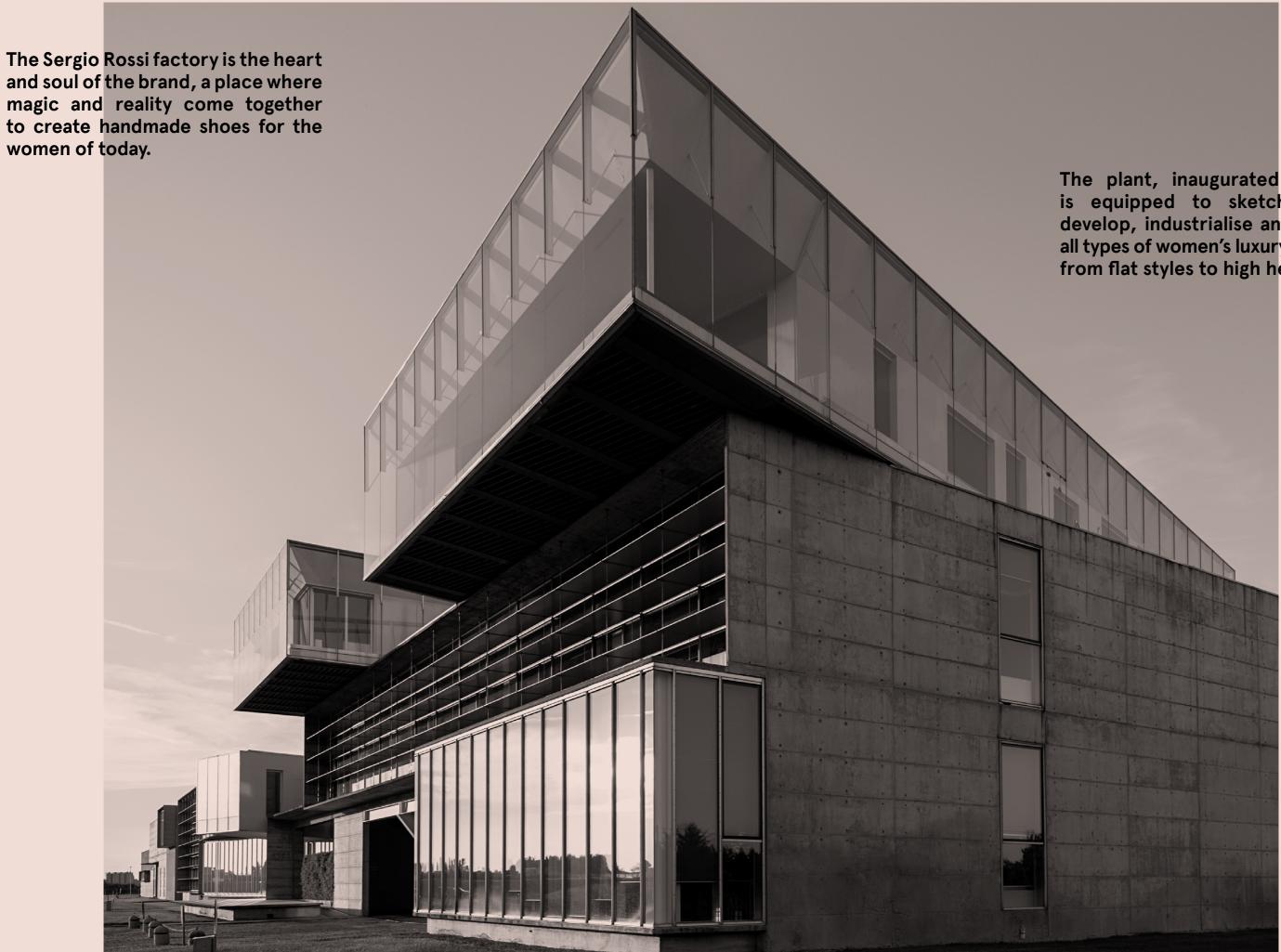
Whilst showroom and managerial offices are based in Milan [102-3], the fulcrum and the beating heart of our production activity The Sergio Rossi brand has become a synonym of timeless quality is the San Mauro Pascoli factory [102-4], where over 150 skilful artisans and technicians have been hand-crafting Sergio Rossi shoes for the past 6 decades.





sr1 SANDAL

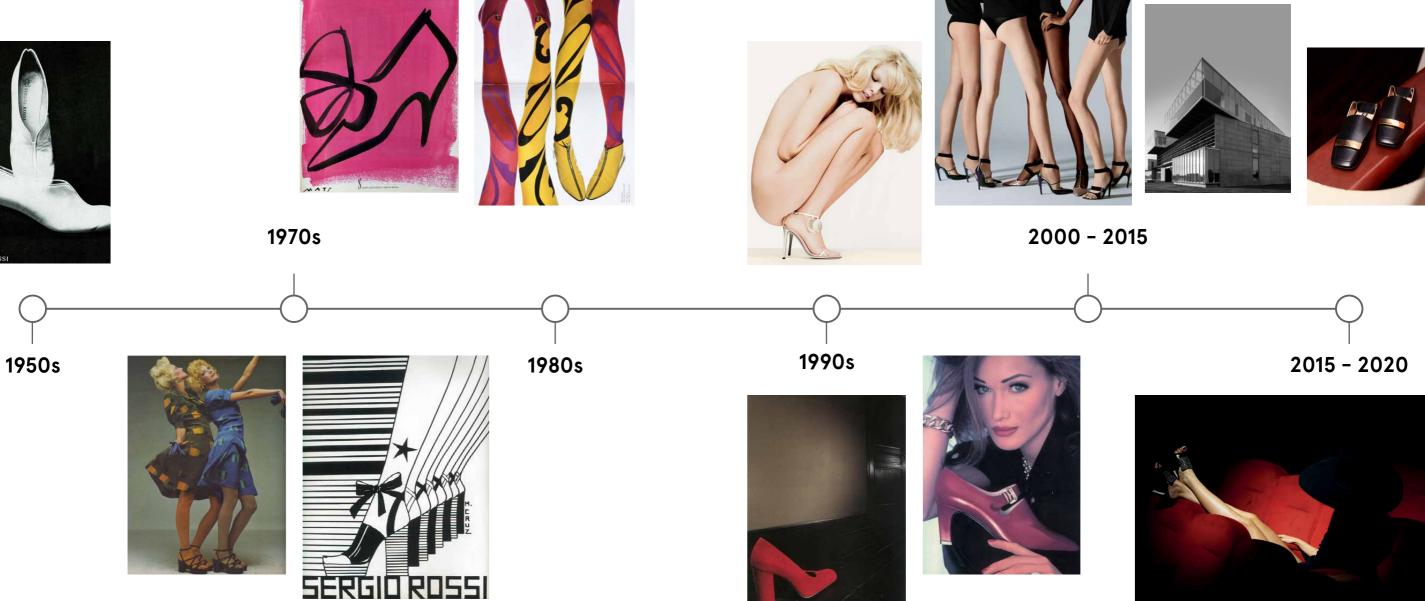
srTWENTY PUMP



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

Our never-ending dream: the timeline





1950s

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

1970s

Sergio started joining the Milanese fashion community and soon became the benchmark of the most renowned fashion stylists, such as Gianni Versace, with whom he started a partnership by providing his shoes for catwalk shows. Sergio Rossi soon became a renowned brand in Italy's fashion capital and the public recognised it as a synonym of the "Made in Italy" excellence.

1980s

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

1990s

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

2000 - 2015

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







2015 - 2020

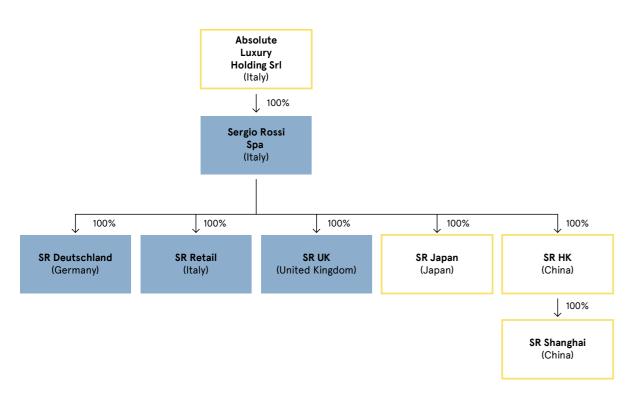
A fund managed by Invest industrial indirectly acquired 100% of Sergio Rossi. The acquisition set the beginning of a new relaunch phase for the brand, focusing on innovation in line with traditional codes. In 2016, Sergio Rossi S.p.A. completed its merger with Sergio Rossi Manufacturing S.r.l., involved in all the shoe production activities, whilst the company began a comprehensive transformation of its brand and image.

Ownership structure and economic value generated

Since December 2015, Sergio Rossi S.p.A. has been 100% controlled by Absolute Luxury Holding S.r.l., which is indirectly owned by a fund managed by Investindustrial.

Prior to that, the Company was controlled by the primary international multi-brand Kering Group, which had acquired it from Mr Sergio Rossi in 1999 [102-10]. In addition, Sergio Rossi S.p.A. entirely controls a series of affiliates located abroad,

SERGIO ROSSI GROUP STRUCTURE



5,102-45].

namely SR UK, SR JAPAN, SR HK which, in turn, controls 100%

of SR SHANGHAI and the newly formed SR DEUTSCHLAND

in 2019, as well as SR RETAIL, which owns and manages the

business of the direct operated stores in Italy and France [102-

All data and information refer to our operations in the EMEA

region as highlighted in below chart.

Legal Entity inserted in the Reporting Scope

On 10 June 2021, Fosun Fashion Group ("FFG"), the global luxury fashion group based in China signed an agreement to acquire 100% of Sergio Rossi S.p.A ("Sergio Rossi") from the PE fund, Investindustrial. The acquisition will further enrich FFG's current luxury brand portfolio, which currently includes Lanvin, Wolford, Caruso and St. John Knits, complementing the group's core competency through luxury accessories. FFG manages a portfolio of heritage brands covering a full spectrum of fashion luxury categories and it is one of the first movers to create a global luxury fashion group in China. This acquisition not only completes a more well-rounded strategic brand ecosystem for FFG, but also creates potential synergies between brands through Sergio Rossi's fully owned and state-of-the-art factory.

2020 was an unprecedented and very challenging year for -35% compared to last year), where the 33% of that has been allocated to staff costs through wages, benefits and social the whole world and, in terms of business, especially for the fashion industry, which suffered significant impacts on sales charges, whilst almost all of the remaining 67% is attributed to due to the Covid-19 pandemic. As a matter of fact, our stores operating costs. We also point out an increase on community were forced to stay closed to the public for several periods due investments (specifically charity, for giving our support against to lockdowns. Therefore, we have reached an overall direct the health crisis). In light of the above, the economic value economic value generated equal to \notin 42.4 million [102-7; 201-1], retained has maintained a positive result at €82 thousand i.e., -36% compared with 2019 revenues. Nevertheless, we kept (compared with €1.55 million in financial year 2019). We reiterate that financial sustainability in the long-term is the main operating costs under control, even reducing them and optimising both operations and corporate structure. indeed one of our key priorities to keep creating value for all our In fact, the economic value distributed is €42.4 million (namely stakeholders.

OUR ECONOMIC PERFORMANCE

Direct economic value generated: revenues

- Operating costs
- Employee wages and benefits
- Payments to Providers of capital
- Payments to government
- Community investments

Economic value retained

*FINANCIAL DATA INCLUDE ECONOMIC DATA OF SERGIO ROSSI S.P.A. AND OF THE FOLLOWING LEGAL ENTITIES: SERGIO ROSSI RETAIL S.R.L. SERGIO ROSSI UK LTD, SERGIO ROSSI DEUTSCHLAND GMBH, THAT COVER MORE THAN 50% OF THE GROUP IN TERMS OF NET GLOBAL REVENUES. THE SCOPE OF THE 2020 SUSTAINABILITY REPORT CONSIDERS INSTEAD JUST SELECTED SINGLE-BRAND AND OUTLET STORES FROM THE COMPANY'S EMEA RETAIL NETWORK. SEE THE METHODOLOGICAL NOTE AT PAG. 89 FOR FURTHER DETAILS.

M. U.	2019	2020
	(Italy and Global Retail Network - ITA, FR, DE e UK)	(Italy and Global Retail Network - ITA, FR, DE e UK)
€	66,857,111	42,458,383
€	65,303,096	42,376,418
€	48,385,894	28,110,156
€	16,654,994	13,844,341
€	31,101	134,200
€	193,090	165,895
€	38,016	121,826
€	1,554,015	81,965

Corporate governance and values

Our governance structure is based on a Board of Directors of Sergio Rossi S.p.A, comprising five members, which is entrusted with all the powers to ensure the ordinary and extraordinary management of the Company and a Board of Statutory Auditors, comprising three standing statutory auditors and two substitute statutory auditors. An independent auditing firm has also been appointed [102-18].

The Board of Directors reflects our new ownership structure, since, following the 2015 acquisition, 4 out of 5 members formally or informally represent Investindustrial in the definition of the corporate strategy and governance. Board members have also distributed, amongst themselves, a set of key responsibilities in order to ensure constant monitoring and correct conduct of corporate operations. Specifically, our Chairman, Mr Cesare Piovene Porto Godi, is in charge of the legal representation of the Company before any relevant stakeholder, whilst our CEO, Mr Riccardo Sciutto, is responsible for any decision relating to economic, social and environmental aspects and sets the Company's strategic objectives, in dialogue with the Company's senior management.

The Company's senior management is entrusted with all the risk management activities relating to corporate operations and the supply chain, as well as with the periodic revision of their effectiveness. In dialogue with the CEO, the Operations Function and the Human Resources Department continuously verify compliance of Sergio Rossi with local, national and international environmental and social laws and regulations. As a demonstration of the effectiveness of our internal control system, we have committed no legal breaches and have not received any sanctions or fines in the reporting period [307-1].

In 2018, Sergio Rossi has adopted the organisation, management and control model (the "Model") in accordance with the principles set out in Italian Legislative Decree no. 231 dated 8 June 2001 (the "Decree"), in order to prevent the liability envisaged for the commission of the offences set out in the Decree and the application of the related sanctions. The gap analysis, carried

out last year within the Organisational Model arrangement, confirmed the absence of significant risks with respect to all the potential offences identified by the Model itself.

In addition, in accordance with Italian legislation, the Model entails the introduction of a Supervisory Board, in charge of the oversight of the operation of and compliance with the Model, as well as of a dedicated whistleblowing channel, which provides a secure tool to all of our stakeholders for reporting breaches of laws and internal policies.

The application of the Model is constantly assessed and monitored by the supervisory body appointed for this specific file and no infringements have been recorded during 2020.

As regards internal policies, since 2017, we have adopted a Code of Business Conduct, defining a set of core corporate values, norms and principles of conduct, to which all employees of each company belonging to the Sergio Rossi Group must adhere, notwithstanding the local law provisions. The Code of Conduct addresses the employees' responsibilities to the Company, to their colleagues and to their suppliers and customers and states the Company's commitment on how the Group does business across the world. The document helps guide employees on how to conduct themselves as representatives of the Sergio Rossi Group, to be sure that all of our employees' behaviours and decisions, both inside and outside of the Company, are aligned towards the same principles and thus protect our Company Brand [102-16]. As of today, the Human Resources Department is entrusted with ensuring compliance with the content of the Code by all the corporate employees. As regards internal auditing and control activities, these are conducted by the Board of Statutory Auditors, which also oversees and manages the collection of internal data needed for the appropriate drafting of financial reporting documents.

In 2018, we also released our Sustainability Policy, in which we declare our main intentions and engagements towards environment and future generations.

THE VALUES OF THE SERGIO ROSSI GROUP

"We are true to our brand and committed to protect and develop it"

Riccardo Sciutto, Group CEO.

ethical standards:

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

RESPECT

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

RESPONSIBILITY

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

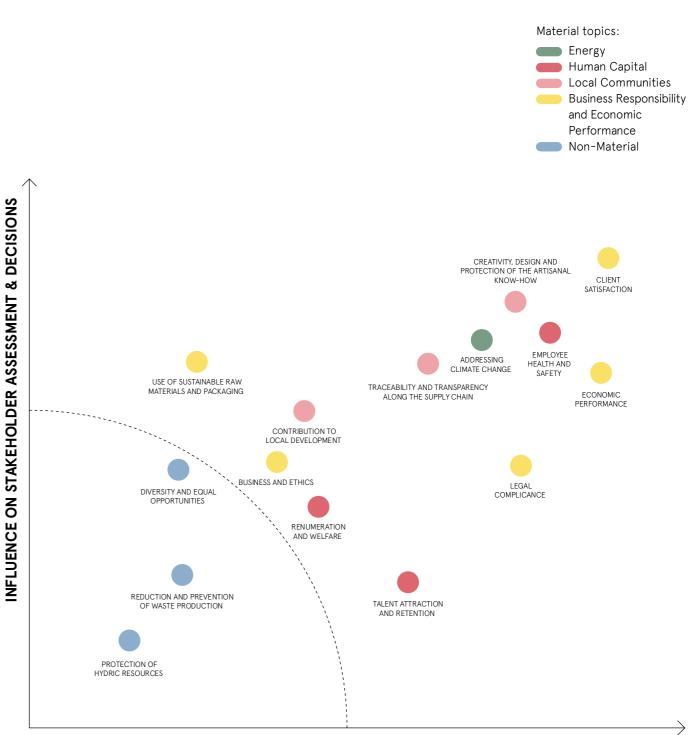
LOYALTY Supporting the Company's needs and committing to serve Company' interests first.



The Group is committed to the highest

1.2 OUR COMMITMENT TO SUSTAINABILITY

In line with our efforts towards our unavoidable values, we have consolidated our commitment to our first Group Sustainability Policy formalised and released in 2018. The document is the result of a crossfunctional process which engaged the management of Sergio Rossi and analysed internal and external sources regarding sustainability issues. It outlines what Sustainability is to Sergio Rossi, by underlining the link with our founding corporate values and defines the three main strategic areas - pillars - that are at the core of our approach to managing a responsible business.



As reported above, the 12 topics above the curve were Furthermore, we have associated each topic with the three considered to be material in 2020. The topics shown on the sustainability pillars included in our Sustainability Policy top-right quadrant correspond to the most relevant issues both and with an additional section, "Business responsibility and for the Company and for our stakeholders [102-47]. In the last economic performance", which we consider as a precondition three years, we increased our effort in reducing GHG emissions for the correct management of our company. and our engagement in improving our energy efficiency with positive results (for more information, please see §4).

As governments, businesses and society as a whole address the challenges of COVID-19 and the global pandemic, there are valuable lessons we have collectively learned. We have realised that the health of our economy, our people and the environment are closely linked. Once the world overcomes the worst of the pandemic, a key part of rebuilding our economy will need to include embracing the ESG agenda and sustainable business practices. Building our transformation journey towards the future has never been more crucial. Today, like never before, it is essential to confirm our ethical vision and to clearly state our principles, values and responsibilities. As expressed in the Policy, "Sustainability" for Sergio Rossi means being able to pursue quality and artisanal excellence whilst fostering environmental protection and social responsibility. Therefore, we undertake to conduct business responsibly through the integration of economic, environmental, and social aspects within all business processes and functions and by setting dedicated short and long-term goals intended to progressively improve our corporate sustainability performance.



WE SUPPORT These goals are established in accordance with the United Nations Global Compact (UNGC) [102-13], of which Sergio Rossi is a signatory and with the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development.

Specifically, we are strongly committed to conducting business legally and in accordance with the highest ethical standards, taking actions toward good health and well-being, quality education, affordable and green energy, decent work and economic growth, responsible consumption and production and climate action. Furthermore, as presented below, we identified our three main strategic pillars which represent our primary areas of commitment for the coming years.

ENERGY	 Efficient and responsible use of energy resources Corporate carbon footprint and GHG emissions minimization
HUMAN CAPITAL	 Training activities for personal development Attraction and retention of best talents Welfare, health and safety
LOCAL COMMUNITIES	 Preserve local artisanal traditions Quality of living and socio-economic development of local communities Philantrophic activities

To ensure the achievement of its main strategic objectives, Sergio Rossi's Chief Executive Officer is also responsible for the activities relating to sustainability and coordinates the Sustainability Committee, an inter-functional management working group, established in 2017.

The Sustainability Committee was involved in several activities in 2020, namely, the analysis of stakeholders' requests, the periodic revision of the materiality map and the development of the Sustainability Report. Furthermore, Sergio Rossi's CEO oversees the decision-making and supervision of internal health, safety and environmental (HSE) aspects. In this respect, the CEO appoints those responsible for the correct implementation of HSE actions and legal compliance. Additionally, the CEO coordinates the activities of the Human Resources & Facility and the Operations Functions, which are entrusted with the execution of HSE actions and the continuous assessment and monitoring of the related environmental, economic and social impacts. Furthermore, the CEO periodically reports to the board about the state of such activities, potential expenditure needs related to HSE aspects and formally reviews and approves the organisation's sustainability report. If the Human Resources & Facility and the Operations Functions detect any critical concerns relating to HSE, they report these to the CEO. After having carefully analysed the matter, the CEO determines the corrective actions to be implemented and appoints the respective people in charge.

Sergio Rossi's commitment is not limited to the three strategic areas highlighted in the Policy, but also includes other pivotal topics in order to create long-term value for all our stakeholders. These matters were, in fact, mapped during the process for defining our Sustainability Strategy, together with the updating of the materiality analysis.

In line with previous years, the materiality matrix shows the most relevant topics that reflect Sergio Rossi's economic, environmental and social impacts and/or may influence the decisions of the key stakeholders identified.

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SIGNIFICANCE OF ECONOMIC, ENVIRONMENTAL & SOCIAL IMPACTS

Addressing climate change	To be aware of the environmental footprint	§4.1 The responsible use of energy	Business Ethics	We firmly believe that an ethical business is	§1.1 Sergio Rossi at a glance
	of our operations, we are strengthening our efforts to reduce energy consumption and, thus, emissions by implementing energy efficiency and emission reduction	resources for emissions reduction		a successful business. This is why we have redefined our internal Code of Conducts and management of corporate values.	211 001 510 110001 01 0 5101100
SUSTAINABILITY PILLAR: HUMA	initiatives in all our facilities		Legal compliance	We have a strong commitment with respect to national and international legal dispositions regarding eco-toxicological	§3.1 Artisanal maestria in San Mauro Pascoli
Remuneration and welfare	Maximizing the welfare of our employees is one of our key goals. We have structured dedicated plans to ensure that our facilities are constantly motivating working environments. In the same vein, we also consider equal remuneration, regardless of gender and any kind of diversity, as	§2.1 #wecareaboutyou		requirements for the raw materials we use in our production process, in order to guarantee the maximum safety for customers and the environment. This is why, in the reporting period, we have committed no legal breaches and have not received any sanction or fine, having usually exceeded mandatory norms.	
	a strategic factor that brings significant benefits, not only for our people but also for the whole company.		Economic performance	A solid and sustainable economic performance is a necessary element to ensure our growth as well as the appropriate	§1.1 Sergio Rossi at a glance
Employee health and safety	Ensuring the health and safety of our employees constitutes the basis of our production process. In order to make our plant a 100% safe working environment, we always exceed the legal requirements, and	§2.1 #wecareaboutyou		management of sustainability aspects. Therefore, we take care to maximise the economic value we generate, with the aim of benefiting both our shareholders and the local community.	
	invest in the training and development of our people.		Use of sustainable raw materials and packaging	We devote the utmost attention to making sure that our raw materials and packaging are sustainably sourced, in	§3.1 Artisanal maestria in San Mauro Pascoli
Talent attraction and retention	We are convinced that the attraction and retention of the best talent constitutes the fuel of our economic development. As such, we collaborate with renowned stakeholders	§2.2 Investing in the artisans of tomorrow		order to guarantee the quality and safety of our products and to minimise our environmental and social impacts.	
	located in San Mauro Pascoli to attract and train the next generation of artisans.		Client satisfaction	We are committed to deliver an outstanding customer experience focused on the creation of solid and long-lasting emotional bonds with our customers, who	§1.3 Resilient communication to meet the new onlife customers
SUSTAINABILITY PILLAR: LOCA	L COMMUNITIES			are the focus of our activities and our main stakeholders.	
Contribution to local development	The bulk of our economic activity takes place in the San Mauro district, recognised worldwide as an area of luxury shoemaking excellence. Given the close relationships we have built with local stakeholders and communities, we devote our interest to promote their growth and welfare and we often collaborate for the development of mutually useful solutions.	§1.1 Sergio Rossi at a glance §2.1 #wecareaboutyou §3.1 Artisanal maestria in San Mauro Pascoli			
Creativity, design and protection of the artisanal know-how	Creativity, design and artisanal excellence constitute the distinctive elements that make our products elegant and timeless. We consider it our duty both to foster and safeguard our know-how and the uniqueness one of the San Mauro district.	§1.3 Resilient communication to meet the new onlife customers §3.1 Artisanal maestria in San Mauro Pascoli			
Traceability and transparency along the supply chain	We acknowledge the importance of ensuring the utmost transparency along our supply chain, in order to guarantee the quality of our <i>Made in Italy</i> products and to ensure the respect of environmental and social issues. This is why we carefully select and assess our suppliers, most of which have collaborated with us for a long time, in a climate of mutual trust.	§3.1 Artisanal maestria in San Mauro Pascoli			

1.3 RESILIENT COMMUNICATION TO MEET THE NEW ONLIFE CUSTOMERS

In 2020, we had to face an unknown and ever-changing situation, as the Covid-19 pandemic outbreak and overturned all traditional consumers' certainties and paradigms.

We decided to pursue our dialogue with our communication habits and lifestyles, with dedicated projects guided by safety, target, an eclectic and modern woman who is confident, audacious, dynamic yet elegant and sophisticated, trying to step by our customers as the world they knew was completely changing. We aimed to inspire positive thoughts and proactive mindfulness at first and then we turned all our projects into new opportunities to help shape the new consumers' shopping customers of tomorrow.

innovation and tradition.

We managed to face this challenge thanks to a deep dive into our history and DNA, alongside with a strong and full use of the newest technologies permeating all of our newly launched projects, in order to meet the needs of the emerging onlife

Shoes Make a Difference a charity project against Covid-19

At first, as the pandemic broke out and Italy entered the first total lockdown in its history, we decided to be an active part of a cause that was close to our hearts. vet crucial to our future and we started from our city: Milan. We wanted to rediscover and leverage our sense of brotherhood and the strength to support to pursue the road of an empathetic and mindful-driven each other with a charity project: Shoes Make a Difference. We chose to help the hospital ASST Fatebenefratelli-Sacco in Milan with a donation of €100,000, to support the hospital crisis Italy was experiencing and we also decided to involve our consumers actively, by launching a challenge to all women who have loved wearing our collections over the years: from 14 to 20 March, 100% of the proceeds made on SergioRossi.com were donated to support the fight against Covid–19. With this project, we did not want simply donate, but above all involve our consumers and strengthen the bond with the brand and the feeling of belonging to a bigger and stronger community. In this, we thought that also a shoe could have made a difference: a shoe that could have taken us back to a lighter and dreamier dimension, to be worn for the first outing with our beloved ones and friends after enforced isolation.

The #ShoesMakeADifference project received huge press coverage, both offline and online and was also supported by a wide crowd of fashion and lifestyle influencers, who decided to join and share our message with their audience, helping us to

reach almost 9,500,000 in total, 1,600,000 of whom only from Instagram.

Soon after the #ShoesMakesADifference charity commitment. as the pandemic kept spreading all over the world, we decided communication, to do our part and keep company to our public with messages of positivity taken from brilliant authors and artists who made our world extraordinary. We celebrated resilience, positivity, patience, and switched all our messages from a product-oriented focus, to an inspirational and positive set of statements, alongside with beautiful landscapes, moodboards and images, in an attempt to express our trust in a brighter future, our gratefulness for every small gift that every single day can bring us and our love for all people, places and experiences we could meet in our life. The overturn of our messages and tone of voice was also meant as a form of respect for all those who were struggling to fight the Covid-19 and those who were suffering from the lockdown economical and psychological consequences: our love letters to the major cities in the world, from Milan to Tokyo, from New York to Shanghai (without forgetting our beloved Romagna) were meant to be the light and the positive inspiration for all our followers who were forced to stay home, to give them a little ray of light and hope for things to be back to normality soon.

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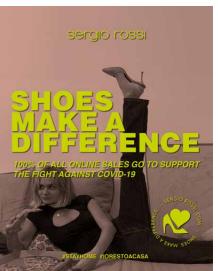
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ONLINE SALES GO TO SUPPORT THE FIGHT AGAINST COVID-19









New sales spaces for new shopping habits

inaugurated our first Milanese pop-up in Via Montenapoleone 1, introducing a new identity inspired to the Wonder Machine remotely open our showroom to our business partners during installation by Gary Card, which characterised our showroom and retail windows in 2019.

The space - a dreamy total nude design - was conceived as an intimate location, where the walls are entirely covered by Sergio Rossi boxes to become displays and shelves, whilst, at the centre, an oversized slide measuring 5 metres high connects the store with the warehouse, delivering shoes directly to the customer - an allusion to the Magic Kingdom, the San Mauro Pascoli Factory. This new space also introduced a new approach to the market and the consumer's new habits: with the aim to act in the respect and safety of customers and staff, the new popup was created with a new innovative retail approach. In fact, it was the first Sergio Rossi store to offer an exclusive digital experience: users could browse through the e-commerce with a video service of a private shopping session or for booking an appointment in store. The innovative design gave a new brave interpretation of the retail experience after Covid-19, "a digital hub in the heart of Milan in such an unprecedent moment in which we must move in a new way, with flexibility and curiosity" said Riccardo Sciutto, Sergio Rossi's CEO, when the space was inaugurated. "Facing the post Covid-19 era means acting with avant-garde ideas and being smart, with a new strategy and storytelling capable of creating a proper atmosphere and psychological context for shopping. Today, I'm confident, only with audacity and passion, that we will be able to seize new business opportunities that this era will generate".

This new digital approach, presented through our pop-up, was just a step of a bigger process of digitalisation of our entire approach to our business, from merchandising to design, from communication to sales, both B2C and B2B.

In mid-May, as all businesses slowly began to reopen, we It is in the B2B activity that we introduced another strategical tool: the Sergio Rossi Secret Room, a virtual space in which to sales campaigns and broadcast our newest collections, as well as our iconic and timeless selection.

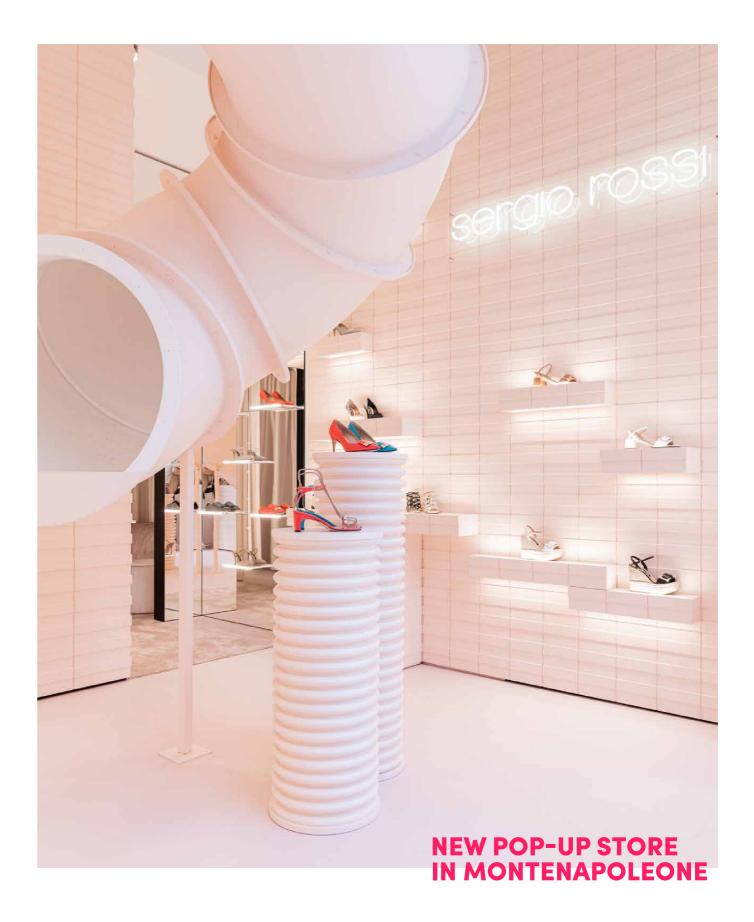
> This "virtual showroom" consisted not only of an exclusive video call platform for remote sales and events, but managed to engage customers through live contents and product show cases, thanks to multiple cameras and a central control room for videocall direct management. Most of the B2B appointments for the wholesale sales campaign were held in our Sergio Rossi Secret Room, achieving over 100 appointments in almost 30 countries and the tool was also used during Fashion week to virtualise certain press appointments, paving the way to the virtualisation of VIP retail exclusive appointments showcasing, not only in-season collections, but also special previews and made-on-measure models.

> This new integrated digital and virtual approach to projects and sales truly represents the new onlife customer that the pandemic contributed to raise: an individual whose relational, communicational, working and economical dimensions are the result of a continuous interaction between analogical and material reality and virtual and interactive reality. This new audience has learned to manage and integrate, seamlessly, real life and experiences and virtual life and experiences and has spread from the youngest and digitally native individuals to the eldest and digital adoptive generations, from babyboomers onwards.

> Nowadays, an integrated, digital and omnichannel approach is therefore not only the essential condition to communicate with the youngest generations, but also an additional, powerful tool to talk with our core consumer target, from Boomers and Gen X to Millennials and Gen Z.



SERGIO ROSSI SECRET ROOM

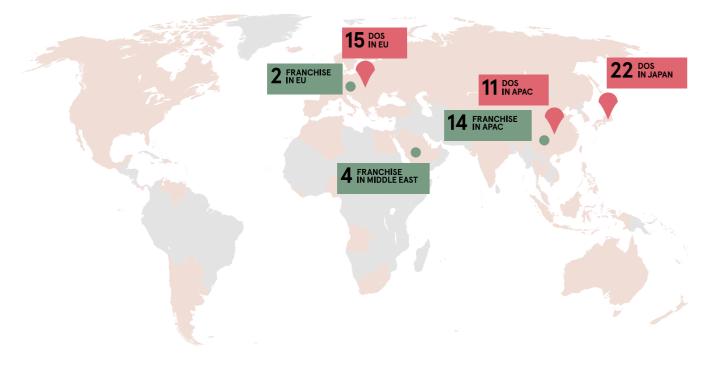


Distribution Network

We distribute our products in 14 countries, including directly operated stores (DOS) and franchised stores, divided into 3 main geographical markets: Europe and the Middle East (EMEA), Asia Pacific (APAC), Japan [102-48].

In 2020, the number of DOS decreased from 56 to 48 DOS scattered amongst these 3 regions, comprising 34 stores and 14 outlets with the addition of 20 franchising stores in the EMEA and APAC regions.

Furthermore, we sell products through our online e-commerce channel, by shipping to 83 countries worldwide [102-6].



56 DOS worldwide 15 Franchisees' monobrand stores and corners

83 Countries served through e-commerce

Digitalizing our events: srLive

The success of the press presentation of September held in followers about shoes and styles. Moreover, Riccardo Sciutto streaming on our website combined with the digital tools joined the conversation, giving the company's point of view on fine-tuned in the first half of the year and now strengthened, iconic shapes, must haves and timeless models by Sergio Rossi. enabled us to move a step forwards, also in the relationship and The activity recorded over 1,200 interactions on Volpicella's engagement with our retail customers as the second wave of the profile and an engagement of over 12,500, whilst the Sergio Rossi IG profile gained 500 new followers after the event. The Covid-19 pandemic hit Italy in the autumn. Likewise, the major brands had already executed in China, we switched our in-store response from both IG users and from Sergio Rossi's customers events (which could not take place in the first half-year due to confirmed people's strong intention to keep on searching for the Covid-19 stores closures and restrictions) into live-streamed beauty besides the pandemic, looking for exclusive (yet remote) from-store events. To entertain and involve consumers at best, shopping experiences and innovative interactions with brands we also decided to ask some influencers currently friends of to manifest their desire for lightness and self-expression, even the brand to participate and host the live streaming, to present in difficult times. the collections and engage participants through Q&A, styling The second virtual event was organised on the occasion of the sessions and even an exclusive interview to our CEO from our 11.11 Tmall event, involving Chinese influencer Niki Wu Jie. Wonder Machine pop-up store in Milan. Based in Milan, but with a very high engagement and audience

the collections and engage participants through Q&A, styling sessions and even an exclusive interview to our CEO from our Wonder Machine pop-up store in Milan. The first virtual event took place from the Milan store and saw Viviana Volpicella, stylist and creative fashion editor, as the first host. The live event took the shape of an informal talk with Viviana, who was asked different questions from her



VIVIANA VOLPICELLA



NIKI WU JIE



GRAZIE Sergio Only for Sergio Rossi lovers

September 2020 saw the very first edition of the Milan Fashion Week in the after-Covid era and we got this chance to further strengthen our digital-oriented strategy, whilst never forgetting and, in fact, enhancing the communication of our history and heritage. During a virtual press event, broadcasted from our showroom, our CEO Riccardo Sciutto introduced GRAZIE Sergio, a journey through the history of the Brand to deepen the innovative vision and the contemporary approach of the Maestro through the decades up to the new millennium: 10 of his most beautiful creations from our Living Heritage archive have been selected and accurately reproduced in a limitededition series.

The project, conceived during lockdown, was inspired by the creator of the dream we experience every day and was thought as a due tribute to carry on and celebrate the vision and creativity of Mr Sergio Rossi. Risen from the heart and filled with emotion, GRAZIE Sergio is more than a collection, as it lives above all traditional seasons and comes from the visceral desire to move and be moved (for more information, please see §cap.3.2).

The video streaming was watched by over 4,100 people from press and trade worldwide, reaching over 5,800,000 social media impressions, with +130% editorial coverage compared to the "traditional" press presentation of February, the last hosted in presence in our showroom.



SI ROSSI

During 2020 we worked on a new exciting project called SI ROSSI, that will be launched in 2021. An exclusive new collection with an ultra-glam attitude that pays tribute once more to our roots: hyper high platforms and vibrant colours are the distinctive features typical of a 70s eclectic style well know to the brand. Also the logo winks at the historical archive, taking inspiration from the already existing line which today is re-proposed with a touch of irony and lightness.

SI ROSSI is the statement of a confident and modern femininity: sandals, pumps and mules made unique thanks to a new sculpture heel, a manifesto of the know-how and craftsmanship of the brand. It represents a new element in the long history of the brand which today takes a new step towards the future, looking at tomorrow with audacity and a light spirit.





ehind the scene

WHO LOVES TO PLAY WITH STYLE AND A CONFIDENT AND MODERN FEMININITY CHARACTERIZED BY

Sergio Rossi Man

As the year began, we wrote a brand new chapter in our rich history by re-introducing the man collection, which was interrupted in 2016, accordingly to our strong intention to first refocus and recover our true essence on the women's collections. After over 3 years from the brand relaunch, this felt like the perfect time to make our sr1 iconic collection available for everyone, with a range that could work fluidly from womenswear to menswear. In fact, sr1 was the starting point for the relaunch of our Menswear collection, introduced in January 2020, during Pitti Immagine Uomo 97 in Florence and dedicated to our passion-driven and innovative-thinking man, seeking essential items that have a classic feel but a modern twist.



SERGIO ROSSI STAND AT PITTI IMMAGINE UOMO





SERGIO ROSSI MAN COLLECTION



srAddiction

embrace all kinds of collection partnerships. This collaboration hub is aimed at seeing a selection of different synergies, from the fashion system to the most unexpected and unexplored lands, interpreting the world of Sergio Rossi with an exclusive vision.

To familiarise the brand with the youngest generations, besides pursuing our intention for fusions of styles and positioning, we replicated srAddiction project also in 2020. Summertime was the perfect time to start a new chapter, bringing us to a dreamy season made of freedom and adventures with friends: simple moments of real life we longed for in the past months. Sergio Rossi decided to celebrate the summer with the new srAddiction Sergio Rossi + Manebí, a collection pervaded with an inebriating and dreaming spirit, the perfect balance between the Italian know-how of over 70 years of Sergio Rossi and the young and adventurous soul of Manebì. A story that was even more beautiful for the two Italian brands to tell together, to share a message of positivity

srAddiction is the creative container created by Sergio Rossi to and collaboration in such a unique moment that has made us rediscover the strength that we have when we're united. "The juxtaposition of two different Italian brands created a modern product made for summer lovers," said Riccardo Sciutto. "It's a crucial step, because today more than ever, we must move in a smart way to reach our customers, bringing fresh energy to the brand".

> The collection featured a selection of Manebi's most iconic espadrillas, reinterpreted with Sergio Rossi's vision with eclectic colours and details and was price positioned to meet a younger and carefree target, easy-going with summery styles and occasions of use.

> The market welcomed this capsule warmly, with several editorials both online and offline, an Instagram total engagement of over 350,000 and a total reach of 7,600,000, 15,200 IG stories viewed on our website the collection doubled the conversion rate from the dedicated newsletter, recording +31% website sessions from social organic unpaid formats.



SRADDICTION SERGIO ROSSI + MANEBÍ

So.

910 r0881



Women we love new creative directions

Also in 2020, despite the pandemic and the many lockdowns which affected major events worldwide, we reconfirmed our brand ambassadress strategy, including a wide range of KOLs and style icons as both contributors in brand positioning and visibility and further evolve our collaborations, engaging selected KOLs as content creators for our newest product families. Specifically, we commissioned special projects to two renowned influencers, appointing them as art directors, to create a completely new set of contents entirely conceived and produced by them, to have a different eye on our collections and give a twist to our communication codes.

The contents were shared through our social media, as if they were a "take over" on our institutional images, with a focus on three periods and group of styles: in June, we launched Sergio Superheel, art directed by @styleheroine; in October, the same talent created a beautiful set of contents dedicated to a selection of our newest icon srTwenty, a family inspired by our archive introduced to the market in 2019 and soon become a best seller; in December, we engaged @theuniqueorn for our #HolidayIndoor project, featuring a selection of sr1 and srTwenty in shining and sparkling colours and materials, perfect for the Holiday season, even though new lockdowns forced us to stay at home.



SERGIO SUPERHEEL BY STYLE HEROINE



SR TWENTY BY STYLE HEROINE

Digitalising our manufacturing process: Sergio Rossi Virtual Collection

All projects realised during 2020 kept the focus on our woman: ironic, self-confident, contemporary and modern, yet disclosing her rediscovered innate sensuality and pushing on her more feminine side. The end of the year was the perfect time to release one last project, looking at the future with innovation and positivity and taking a new step towards the digitalisation of the production and creative process. After Your Own Sergio Rossi project, running on sr1 slipper, pump and sneaker and still available on our website and alongside the srWonder Made To Order service available in our stores, both for regular collections and for Bridal exclusive models, we introduced our first Virtual Collection, based entirely on 3D sampling. The project started from an iconic product of the Brand: the Godiva pump. The model with the ankle strap and the V-neck back, which became a global bestseller just a few months after its first launch in September, was made available in selected materials and a range of colours, exclusively produced on order. Pre-orderable online at sergiorossi.com, the shoe was viewable through a special 3D rendering and then created by the artisans of the San Mauro Pascoli factory, only after confirmation of the style and size. With this project, we inaugurated an era of zero-impact productions and, making use of the newest technologies, we consolidated our commitment to sustainability. We successfully faced the most difficult challenge of tomorrow: to combine business development and fashion's hunger for novelty with the need to adopt sustainable policies in production, stock management, environmental and social matters, always keeping in mind our centre of gravity: the consumers and their desires. This marked the beginning of a larger project, aimed at implementing several possible stages of the production chain -from stylistic creation to prototyping- with the use of new technologies and latest innovations, choosing a sustainable vision, not only for an ethical factor, but also as a business development opportunity.



VIRTUAL GODIVA PUMP

S E R G I O R O S S I V I R T U A L C O L E C T I O N



Share our Sustainability Commitment: BEYONDsrSHOES

At Sergio Rossi, we are driven by respect for the environment and we work every day to be sustainable in various aspects of our lives. However, we are all accountable for our actions and the impact we have on our planet, so it is crucial for all of us to take responsibility and focus our attention on a more sustainable present, to build a better and safer future.

Starting from 2019, we felt the urge to share our actions and results and involve our customers in this commitment. In 2020, we pursued our communication of the most impactful actions made by our company in recent years though a dedicated project, inviting people to join us in our effort to make the world a stronger, more sustainable place.

The project featured the product at its centre and aimed at revenge shopping trend emerged in the second half of the year. both communicating more about our values and processes and Our actions focused on the digital environment and ecommerce raising awareness amongst our customer and followers on all ecosystem of the country, as the specificity of the region required sustainability topics. The shoes (specifically selected amongst dedicated strategies and investments. our iconic ranges with some special seasonal items) were the To grab the outpacing growth of the luxury ecommerce in China, protagonists of each content and spoke in the first person to we opened, in May 2020, our first single-brand store on JD.com, embody the values of the brand and each content promoted which, alongside a renewed investment on Tmall, led us to +136% the hashtag #BeTheChange #BEYONDsrSHOES to strengthen on total turnover vs PY. Thanks to our dedicated efforts and the communication to our public. Besides exposing our results, budgets, we also managed to participate actively for the first time the feeling that we wanted to share with our customers was in the 11.11 event, the biggest shopping experience in the world. that all those who chose Sergio Rossi would not only wear a Alongside our expansion into the Chinese ecommerce shoe, but would also embrace a philosophy and a series of very environment, we also strengthened our presence on Chinese specific values, in line with the ethics of work and social and social media. After having strongly incremented our frequency environmental sustainability. and interaction with users on Wechat and having relaunched

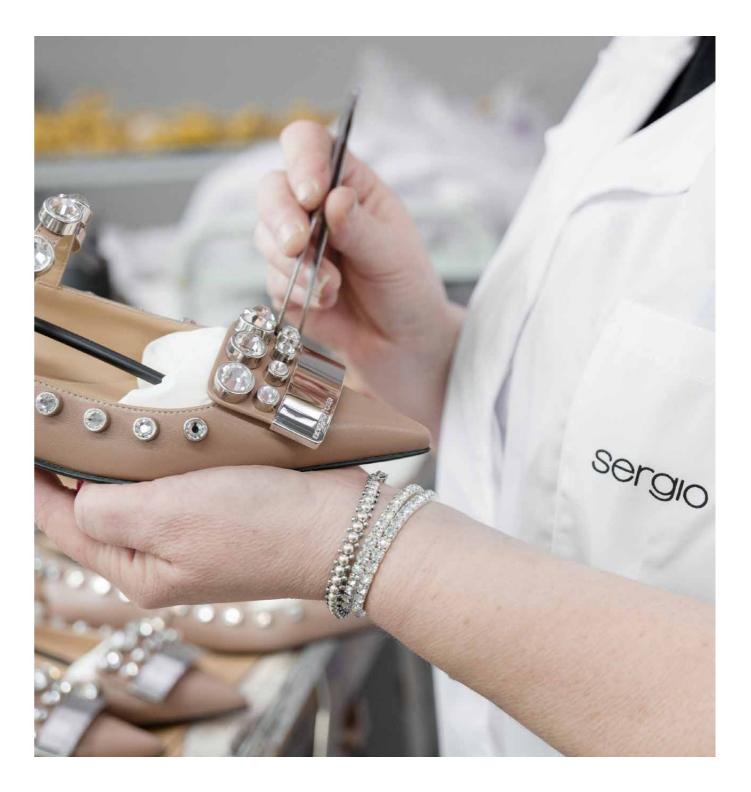
Sergio Rossi in China: A digital growth

Since the acquisition and the repositioning of the brand started in 2016, China has been our priority in all aspects of the strategy, from Distribution to Communication, from Digital to Organisation.

In recent years, we changed our distribution and management partner in the country, we reset our PR and communication strategy, pushing on celebrities and KOLs more aligned with the new collections, we invested in a brand ambassadress to accelerate the brand awareness and communicate more effectively the new positioning and we worked on our DOS and franchising network through new openings, closures and refurbishments.

This process continued also in 2020, as China was the first country to get out of the Covid-19 emergency with impressive rates of growth after the pandemic lockdowns and a re-bounce/ revenge shopping trend emerged in the second half of the year.

Alongside our expansion into the Chinese ecommerce environment, we also strengthened our presence on Chinese social media. After having strongly incremented our frequency and interaction with users on Wechat and having relaunched Weibo, in July, we also joined RED, a social media and e-commerce platform with over 300 million registered users: 70% of the users born after the 1990s (or Generation Z) and 80% of users being female. Today, we have over 65,000 followers across WeChat, Weibo and Red.



HUMAN CAPITAL

Preserving the value of our people





SUSTAINABILITY POLICY

"Convinced that human capital represents an invaluable resource for the company, Sergio Rossi aims to offer a positive and stimulating work environment, in order to motivate all its employees by developing their artisanal and managerial skills. Moreover, Sergio Rossi aims to ensure employees' welfare, health and safety in excess of normative requirements, intended to guarantee they benefit from a constructive and safe workplace that meets everyone's needs."

KEY COMMITMENTS OF THE POLICY

To secure the health and safety of our employees To actively promote an inclusive environment and value the contributions of all the people

To ensure a stimulating and innovative working environment in order to attract and retain the best talent.

To implement training activities aimed at fostering the technical, managerial and personal development of all its employees.

MAIN RESULTS

- 63% of our employees are women and 37% are men

- 65% of our technicians and artisans have been with us for more than 10 years

- 96% of our employees held permanent contracts

- Adoption of all the preventive measures to guarantee a safe workplace for artisans and technicians and the possibility of remote working for all the offices.

LINK WITH SDGS



EMPLOYEES IN EMEA REGION

63% 37% WOMEN MEN



ARTISANS WITH US FOR MORE THAN 10 YEARS

2.1 #WECAREABOUTYOU

The safety of our employees and teams across departments and regions, customers and communities remained the highest priority throughout 2020.

In San Mauro Pascoli, health and safety aspects are directly production facilities: our artisans and technicians have been able to managed by our Facility Function, responsible for monitoring return safely to the workplace as soon as the production restarted. activities as well as implementing a comprehensive set of Since the very first day of reopening, several measures have health and safety activities aimed at maximising the protection been activated such as temperature screening with infrared of our employees, often going beyond standard requirements. thermometers located at the entrances, protective masks The team is also in charge of reporting health and safety distributed and social distancing measures required as mandatory. On top of that, we organised daily cleaning with sanitisation of performance on a monthly basis and of transmitting it to a dedicated team, including the CEO, the Chief Operating buildings to minimise the risk of spreading the virus, together Officer and the Production Director, in order to highlight how with a constant and complete air renewal of our premises. the safety performance of our employees is evolving. Besides the extraordinary Covid-related measures, we

In 2020, the strategic role of our Facility team has been strengthened our ordinary safety programme along production further supported by a specially established crisis committee, processes. The yearly check of the correct functioning of the that comprehended the HR function, a competent medical aspiration system of powders and solvents within the San authority, a prevention and protection department officer, Mauro factory led to a satisfactory result with no detection a workers' representative and a trade union representative, of malfunctioning (the monitoring programme started in responsible for defining the key steps to prevent the spread 2017) and the introduction of vending solution for personal of the virus, as well as sustaining continuity of essential protective equipment (PPE) helped safety managers to oversee the correct use of PPE thus increasing the awareness operations in case of detection of positive cases. A covid Protocol has been promptly released, providing all the of their correct use (initiative started in 2018).

guidelines on the most appropriate conduct in order to prevent the

We succeeded in minimising cases of Covid-19 infections connected to the workplace and reducing ordinary injuries (slightly down despite 2019) thanks to the combination of the aforementioned initiatives. In line with previous years, the two injuries recorded in 2020 were not classified as "highconsequence", as they did not result in an injury from which the worker could not expect to recover fully to pre-injury health status within 6 months. In addition, no fatalities were

spread of the coronavirus. A healthcare insurance has been activated and redundancy funds have been anticipated for all employees. Considering our efforts in recent years on implementing our digital processes, we succeeded in immediately providing for remote working for both Milan and San Mauro Pascoli offices, contributing to reducing the spread of the virus. Immediate actions to shield and protect vulnerable people were recorded in the reporting period [403-9]. put in place, together with several activities in order to secure our

WORK RELATED INJURIES [GRI 403-9]

Employees

- Total number of recordable work-related injuries
- Of which high-consequence work-related injuries
- Number of hours worked
- Recordable work-related injuries rate
- High-consequence work-related injuries rate

External workers

- Total number of recordable work-related injuries
- Of which high-consequence work-related injuries
- Number of hours worked
- Recordable work-related injuries rate
- High-consequence work-related injuries rate

PLEASE, NOTE THAT 2018 AND 2019 DATA REGARDING EXTERNAL WORKERS ARE NOT AVAILABLE. FURTHERMORE, ALL DATA DO NOT INCLUDE COMMUTING INCIDENTS IF NOT ORGANISED BY THE ORGANISATION.

2018	2019	2020
5	3	2
0	0	0
466,258	482,856	398,772
10.7	6.2	5.0
-	-	-
2018	2019	2020
 2018 0	2019 0	2020 0
0	0	0
0	0	0

In relation to employee welfare, in 2020, we consolidated the system for senior and middle managers which enables them to convert the full amount of their bonus, thus exempt from taxes, directly into welfare services, such as leisure activities, courses, sports, elderly care, supplementary pension, etc. Furthermore, in 2020, a new programme was implemented for all employees, allowing them to choose whether to receive payment of their "Production Bonus" in terms of monetary contribution or in welfare services, thus exempted from taxation.

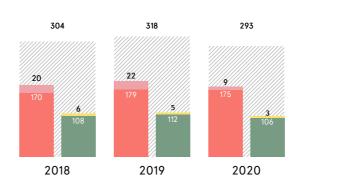
Regarding parental leave, the number of employees benefitting from maternity or paternity leave has been almost constant compared with 2019 (from a total of 29 to 23 in 2020). All employees who ended their mandatory parental leave returned to work in 2020 [401-3], encouraged by new opportunities of more flexible work.

ARENTAL LEAVE [GRI 401-3]	2018	2019	2020
Employees entitled to benefit from maternity leave	144	150	133
Employees entitled to benefit from paternity leave	114	117	109
Total employees entitled to benefit from parental leave	258	267	242
Number of employees who have benefited from maternity leave	20	22	20
Number of employees who have benefited from paternity leave	7	7	3
Total employees who have benefited from parental leave	27	29	23
Of which: number of employees who have benefited also from a flexible distribution of the voluntary maternity leave	19	19	14
Of which: number of employees who have benefited also from a flexible distribution of the voluntary paternity leave	5	5	2
Of which: Number of employees who have benefited also from a flexible distribution of the voluntary parental leave	24	24	16
Of which: number of employees who returned after their maternity leave	18	19	16
Of which: number of employees who returned after their paternity leave	2	2	2
Of which: Number of employees who returned after their parental leave	20	21	18
Number of employees retained 12 months after returning to work following a period of maternity leave	18	19	16
Number of employees retained 12 months after returning to work following a period of paternity leave	7	7	3
Total employees retained 12 months after returning to work following a period of parental leave	25	26	19

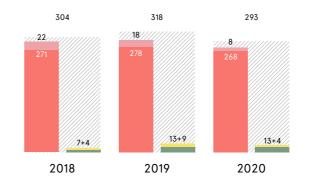
In line with our corporate digitalisation strategy, in 2020, we and 43 employees. Our corporate offices in Milan comprise 50 finalised the optimisation of a HR management software that employees (17%) whilst the remaining 14% (42 employees) work enables the HR Workflow to be integrated into one platform, in our stores across the EMEA Retail Network. significantly reducing procedures regarding payments, presence In line with our commitment to create lasting relationships and travel. All employees have their own virtual page with with our employees, in 2020, 96% of our employees held personal documents (payslip, attendance sheet, etc), corporate permanent contracts and 90% were employed on a full-time communications and memorandums, immediately categorised and basis. In addition, all of our employees are covered by collective archived. The platform is also available via web from desktop and bargaining agreements as required by the respective country mobile for the HR Department, the managers and the employees. laws. For employees working in the UK and Deutschland, national contracts are applied [102-41].

As of 31 December 2020, we employed a total of 293 people, of A comprehensive breakdown of our employees in terms of employment contract and type, geography, gender and age is which 201 are employed in our corporate offices and production site in San Mauro Pascoli, Italy (69%): 158 artisans and technicians provided below.

EMPLOYEES BY CONTRACT TYPE AND GENDER GR1 102-8



EMPLOYEES BY CONTRACT TYPE AND REGION GR1 102-8



WOMEN



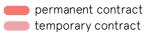
permanent contract temporary contract



permanent contract emporary contract

////// total employees







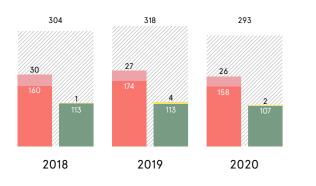
REST OF EUROPE

permanent contract

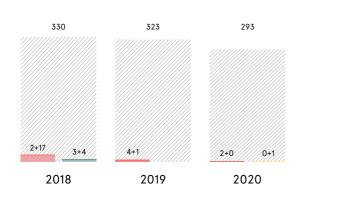
emporary contract

////// total employees

EMPLOYEES BY CONTRACT TYPE AND GENDER GR1 102-8



EMPLOYEES BY OTHER CONTRACT TYPE GR1 102-8





WOMEN

MEN

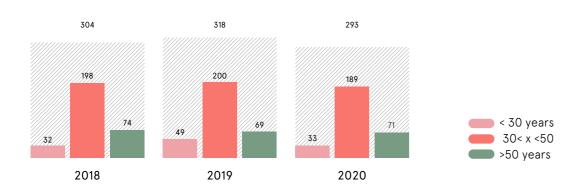
permanent contract

temporary contract

permanent contract emporary contract

////// total employees

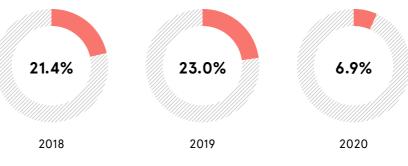
EMPLOYEES BY AGE GRI 102-8



NEW EMPLOYEES HIRES BY GENDER AND AGE GRI 401-1



NEW HIRES RATE GRI 401-1

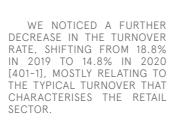






TERMINATIONS BY GENDER AND AGE GRI 401-1







2.2 INVESTING IN THE ARTISANS OF TOMORROW

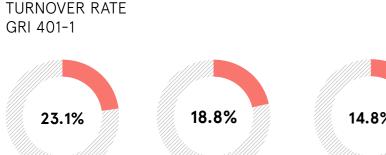
We constantly strive to cultivate our corporate culture based on the concept of employee empowerment and growth. In Sergio Rossi we actively promote an inclusive environment and value the contributions of all the people that commit every day to the success of our brand.

"Becoming President of Cercal is a natural step, a In 2020, we continued working on our corporate structure commitment that derives from my deep love for the by reviewing internal functions and channelling employees protection and respect of Italian craftmanship and a in strategic areas, strengthening the power of artisans and tribute to our founder who passed away last April. Now it technicians teams and reinforcing technical depts. will be essential to bring Cercal to the future, leading this important association to support young talents and opening the number of artisans and technicians has grown (from 152 the doors of our heritage to the world, with audacity and without fear of innovating" Riccardo Sciutto

In fact, despite a slight decrease on total number of employees, to 158) and we are glad to record that the increase entirely concerns female employees.

As a further result of the positive collaboration with CERCAL, we were able to offer more than 250 hours internship to two students: one student received training on industrialisation processes of the shoe, whilst the other was involved in our first 3D project (for more information, please see §3.1). At the end of the programme, both students started a 6 months internship period. Given the importance of attracting the best talent, we maintained our global referral programme in 2020, which enables employees to inform the recruiting team of potential candidates for current and future job openings. If a referred person is hired and successfully completes a probation period of 6 months, the referring employee is entitled to receive a financial reward, which is proportional to the rank of the newly-hired person.

Given that artisanal excellence is one of our distinctive attributes, in 2020, despite the pandemic having forced us to slow the enthusiasm on new projects, we continued investing in the development of talents by strengthening our partnership with CERCAL, the International Footwear School and Research centre, one of the most renowned professional shoemaking schools in Italy. To confirm this willingness to work together towards commons pillars - young generations and our local community - in 2020, our CEO was elected president of the school, as Mr Sergio Rossi has been for 11 years.



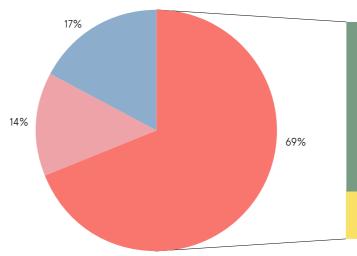
2018



14.8% 2020

PLEASE, NOTE THAT THE 2019 TURNOVER RATE HAS BEEN REVISED WITH RESPECT TO THE 2019 SUSTAINABILITY REPORT.

EMPLOYEE DISTRIBUTION AS OF 31 DECEMBER

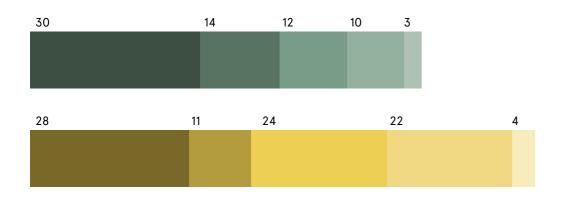


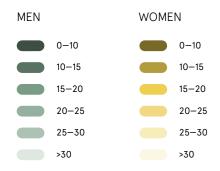
54% 15%



Technicians & Artisans Corporate Offices

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





OUR ABILITY TO CREATE A POSITIVE ENVIRONMENT AND TO RETAIN HIGHLY SKILLED WORKERS HAS BEEN CONFIRMED IN 2020, WITH A 65% OF PEOPLE WHO WORKED WITH US FOR MORE THAN 10 YEARS.



ARTISAN AT WORK

Training Programme

The constant attention on upskilling our talents required, in customers. Through this programme, sales teams receive 2020, an acceleration of our digital innovation programme. Besides our traditional training initiatives, digital adoption soared during the pandemic.

Thanks to the improvement of our digital channels carried out in recent years, our retail employees had the opportunity to receive virtual training during the pandemic in order to be able to successfully operate in a remote environment and engage with their new customer's need.

Our corporate training

Sergio Rossi has always structured specific training programmes aimed at developing everyone's professional and personal skills. Each new hire receives training related to the requirements of the business programme and to our corporate values and policies. which enable us to comply with our legal duties. The training package includes our Code of Business Conduct, which is aimed at spreading the knowledge of our corporate principles, as well as the conduct our employees are required to maintain when exposed to potential conflicts of interest, bribery and corruption or gifts. Furthermore, the programme includes our internal policies, representing another key part of the standard training. In addition, new hires receive the specific training programme tailored according to their specific role within the company. It normally includes a warm welcome into the Sergio Rossi world with a presentation of the brand history and a full immersion into the uniqueness of our production site in San Mauro Pascoli. Both the Headquarters and Corporate Offices receive ongoing training programmes through the partnership of various training associations (Formazione Fondimpresa). Due to pandemic, most technical courses were unavoidably suspended (e.g., a 120-hour training course on manufacturing skills), but other courses on sketching, rendering and 3D modelling took place as soon as the company re-opened (for more information, please see §3.1.). In addition, a one-to-one English course was attended by 8 employees and specific sessions related to the corporate culture as well as to health and safety aspects are constantly held on specific schedules.

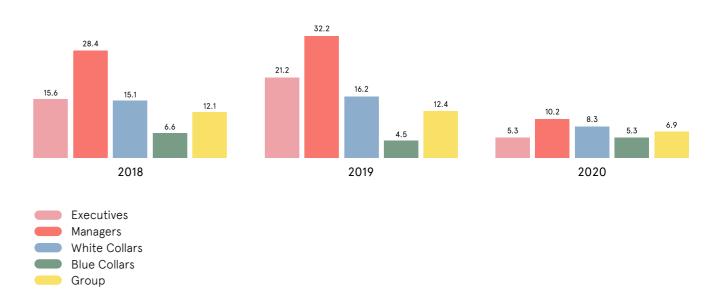
specific training courses dedicated to craftsmanship and quality of materials, as well as additional sessions highlighting the features of the communication and marketing activities, in line with our digital strategy.

Together with ordinary training and coaching activities for retail staff across our retail network, srAcademy engaged our sales and wholesales teams across the world throughout a deeper digital interaction thanks to a brand new eLearning platform called srWorld. Translated into three languages (English, Chinese, Japanese), the platform includes an access to a retail roadmap, which supports inductions as well as exercises, video and contents of our program srAcademy. Sr World has been enriched with new content to maintain enthusiasm amongst retail teams when forced to stay home during the health crisis. Furthermore, the creation of a community channel enabled people to keep in touch and share novelties about the brand. Despite the pandemic having significantly affected store traffic and the travelling of area managers, SrAcademy maintained its training programme in order to assist wholesale customers in improving their sale performances.

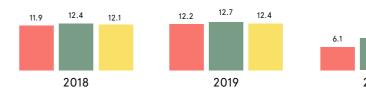
In 2020, 32% of trainings was dedicated to CRM and the new tool Clienteling App, to enhance the interaction with our customers, enabling a better assistance and experience whilst accessing our stores or digital channels. Despite the Covid-19 emergency and store staff forced to stay home for most of the year, we managed most of the trainings (35% of EMEA training was held through webinars), although we recorded an obvious decrease in both training hours and participants. As a result, the number of per capita training hours provided to our employees halved, from 12.4 in 2019 to 6.9 in 2020 (-44%). In line with the per capita increase, total hours of training reached 2,033 hours in 2020 [404-1].

Thanks to the improvement of our digital channels carried out in recent years, our retail employees had the opportunity to receive virtual training during the pandemic in order to be able to successfully operate in a remote environment and engage with their new customer's need.

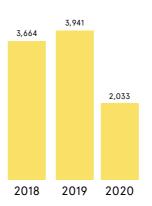
AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY GRI 404-1



AVERAGE HOURS OF TRAINING BY GENDER GRI 404-1



TOTAL NUMBER OF HOURS OF TRAINING GRI 404-1



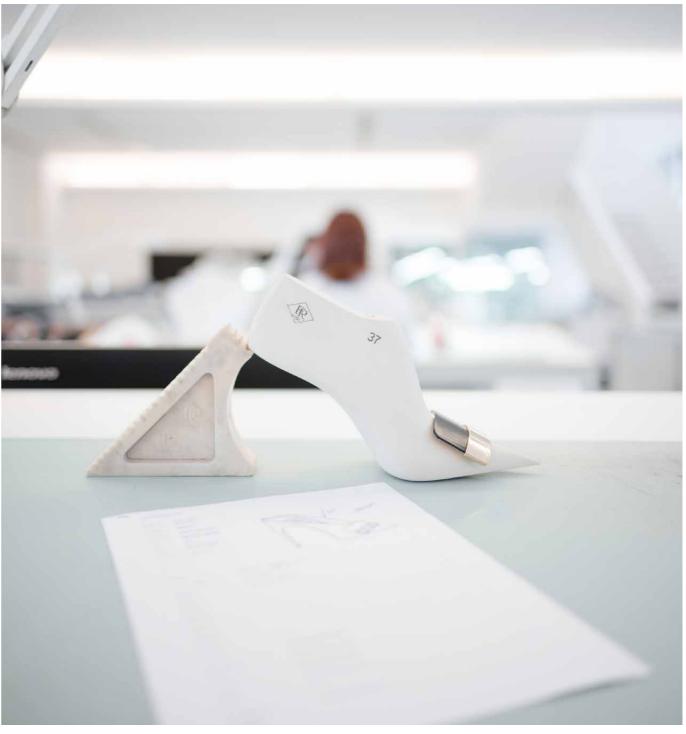
Our Retail programme: srAcademy

Besides a constant updating of SMP and Milan teams through the aforementioned initiatives, in 2020, we carried on developing our structured plan for our worldwide retail network, which started in 2017, with an intense activity focused on retail excellence, aimed at turning the shopping experience into a customer-tailored moment with the purpose to spread harmonious habits and to enhance sales competences among our teams across all regions.

srAcademy, our first training programme adopted in 2017, had, as its main goal, to assure a customer-centred approach and focus on a personalised service, increasing proactivity and raising passion for our brand through the knowledge of products. The ambition of the srAcademy is twofold: following a "glocal" approach, aimed at training and coaching the store staff all around the world to create coherence between production, product, sales and communication and adapt to different requests and situations in a proactive manner so to build up a commercial mindset for an even more tailored service to









Fostering local districts

SUSTAINABILITY POLICY

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

KEY COMMITMENTS OF THE POLICY

To preserve the local artisanal tradition.

To contribute to enhancing the quality of living and the socio-economic development of local communities where the Company operates.

To implement philanthropic activities in line with Company's values and objectives.

MAIN RESULTS

- 94% of our suppliers are Italian

- 21% of our suppliers are located in the Emilia-Romagna region

- Over 1,000 pairs daily production capacity

- 100% of the leather procured for the production of the outsoles has been certified by the Leather Working Group, a not-for-profit organisation responsible for one of the world's leading environmental certification for the leather manufacturing industry.

LINK WITH SDGS



94% OF OUR SUPPLIERS ARE ITALIAN

21% OF OUR SUPPLIERS LOCATED IN EMILIA-ROMAGNA, MOSTLY

IN THE LOCAL DISTRICT

OVER 1,000 PAIRS DAILY PRODUCTION CAPACITY

100% OF THE LEATHER PURCHASED FOR THE PRODUCTION OF THE OUTSOLES HAS BEEN CERTIFIED BY THE LEATHER WORKING GROUP

3.1 ARTISANAL MAESTRIA IN SAN MAURO PASCOLI

Artisanal production, worldwide distribution

Since the early 20th century, the art of shoemaking has always been associated with the concept of Made in Italy. Indeed, the capability of entwining beauty and functionality in daily use objects is a unique feature of Italian artisans, who have always put their genius at the service of their customers with the genuine ambition of creating works of art capable of making their owners stand out from the crowd. Each shape is a part of me", demonstrating his attachment to the purest act of artistic creation. Nowadays, we still feel the responsibility, not only to keep alive the art of shoemaking, but also to leverage this tradition as a means to foster the development of the community and the district in which we operate. That is the reason why the vision of Mr Sergio Rossi is still vivid

their owners stand out from the crowd. This unmatched "maestria" has been fully internalised by Sergio Rossi since its foundation. Famously, our founder used to say that "the comfort of a shoe comes from its shape. I maybe made no more than ten and they are what I cherish the most. That is the reason why the vision of Mr Sergio Rossi is still vivid in San Mauro Pascoli, thanks to the presence of over 150 artisans and technicians, who make our Company an internationally renowned example of excellence by daily employing their skills and know-how to create unique masterpieces.



ARTISAN AT WORK

The fulcrum of our commitment: the Magic Kingdom

Within the factory, our Magic Kingdom, we are able to carry out projects from the designer's sketch to the realisation of the finished product, undergoing all stages of development. The plant comprises a factory equipped with 2 production lines and 2 warehouses, storing bottoms, leather and accessories, the prototype department and a logistic hub measuring 11,700 m2, capable of dispatching up to 5,000 pairs of shoes per day all over the world.

Together with the capability of engineering our shoes, the factory is vertically integrated to all production stages: from Cutting to Finishing (see side box "Production Steps"). It has a production capacity of about 1,000 pairs a day, choosing from a range of nearly 200 models and over 1,800 SKUs¹ each collection.

Decades of accumulated know-how combined with a focus on constant innovation are considered one of the distinctive points of excellence of the "Made in San Mauro Pascoli" tradition. Along with the major achievements reached in 2019, such us the consolidation of the sneaker production and part of the men collection produced in factory we carried on investing in the internalisation of the cutting activities ensuring the correct transfer of competence and know-how from generation to generation spreading a sustainability mindset amongst our artisans, whilst having an almost complete ownership of the cutting process. Last year, we also increased control over our supply chain with the introduction of several local trusty highquality partners in sewing, which is a critical production phase. Despite the difficult year and the restrictions caused by the health emergency, we managed to carry on most of the aforementioned plans linked to maximise the centralisation of the shoe activities in our plant together with some exciting new projects dedicated to heritage, innovation and technology.

With the passing away of the founder Sergio Rossi, the Covid emergency has been perhaps more personal for the brand than for others. Today, more than ever, we tribute our founder, who entrusted us with 70 years of immeasurable artistic heritage of exceptional value.

A dedicated project, called "Grazie Sergio", was conceived during the lockdown and took shape despite the difficulties due to restrictions: 10 of the most beautiful creations from our archive have been selected from different decades and analysed by our technicians who were able to reproduce every single detail and component of the model. Despite limitations and obvious distance, our technicians and marketing department worked as a team, contributing to the realisation of an ambitious tribute to our Maestro. The selected styles have been carefully reproduced in full respect of the original archive sample and the marketing department completed the whole process, realising a dedicated packaging and a coherent communication strategy.

Production self-sufficiency and an innate vocation for craftsmanship have been the brand's cornerstones since the

1970s, when Sergio Rossi was considered a forerunner and one of the pioneers experimenting the power of co-branding with major collaborations with Versace, Krizia, Moschino, Dolce and Gabbana and Alaia. Following our traditions, in 2020, we offered our manufacturing skills and expertise to create footwear collections for several leading luxury brands as well as cobranding capsules with international brands.

In order to be always aligned to market's request, we operate a constant updating in terms of technologies in our production plant: in line with our business plan, we installed a new lasting machine, a sole cementing machine and four new heating boilers, enabling a constant monitoring of the energy consumption. We always make sure that disused machinery is correctly disposed of. Technology and innovation have also been introduced in the technical area where, despite restrictions and limitations, we managed to launch a 3D project involving technicians and design dept. The project was mainly conceived to familiarise with 3D technology in order to have multiple advantages such as a sensible decrease in the total number of prototypes produced, considering the possibility of an immediate digital visualisation of the design of the sketch. This enabled us to reduce the final number of samples produced with a sensible decrease of waste of materials and components together with a reduction of time-tomarket schedule.

Alongside technology and innovation, the introduction and the stabilisation of young talented artisans is the leitmotiv of the improvement of our manufacturing processes. For this reason, we created specific training for young employees working in production and technical areas. This commitment is also enhanced by our collaboration with CERCAL, thanks to which we ensure an adequate generational turnover (for more information, please see §2.2). Furthermore, in 2020, as soon as it was permitted, we continued the job rotation scheme between different production functions and "training on the job" activities, dedicated to the use of specific machinery and equipment. In this way, our technicians and artisans, besides improving their technical abilities, can gain a comprehensive and interconnected vision of all phases of the engineering process.

Our upcycling activities, performed through our spare part request service, still confirm that the aftersales service is deeply appreciated by our customers. In fact, whether through our CRM, our DOS stores or our Franchisee partners, it is possible to ask for a replacement of a shoe component such as heel, strass, tags and laces if accidentally damaged by the customer. The fulfilment of said requests is made by our artisans who are able to restore the timeless elegance and charm of our creations, thanks to their expertise and traditional craftsmanship. Thereby, the aftersales service provides customers' defective shoes with a new life and it endlessly guarantees the quality standards and typical comfort of Sergio Rossi. In 2020, we managed 205 after-sale requests from customers who wanted to restore their models through our service.



SERGIO ROSSI PLANT

¹ A Stock Keeping Unit (SKU) is an ID storage code for a product, based on combinations of different parameters like colors and shapes.

SSO

ARTISAN AT WORK

PRODUCTION STEPS









CUTTING

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

SEAMING

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

LASTING

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

FINISHING

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

The importance of sourcing

We are committed to contributing to the quality of living and the socio-economic development of local communities by minimising social and environmental impacts relating to the production of our shoes. In addition, it is crucial for us to maximise scrutiny over our supply chain, in order to ensure the respect of appropriate quality levels.

To do so, when developing a new collection, Sergio Rossi's Supply Chain function coordinates with the Research & Style function to clearly establish the range of raw materials and semi-finished components which will be needed to realise, on an industrial scale, the models included in the new collection. The selection of new suppliers for this purpose may be a lengthy and complex process, given the high quality and reliability we require from all our business partners.

Furthermore, the Supply Chain function is entrusted with the smooth and correct functioning of all of the supplier selection, monitoring and control phase, as well as of the inbound and outbound logistics operations. The function interacts closely with the Logistics and Buying offices, which are responsible for each specific task involved in the selection and shipping of raw materials, accessories, semi-finished and finished products. Given the strategic role of suppliers, we put in place a structured system to ensure their appropriate selection and monitoring to guarantee consistent levels of quality; for this reason, we are constantly in contact with them and we visit their production sites regularly.

The supplier research activity driven by the Buying Office is sealed by the signing of our supply agreements, comprising a series of ethical and environmental clauses that have to be accepted in order to agree on a commercial collaboration. At the same time, we also ask our suppliers to adhere to our Restricted Substances List (RSL) (please refer to the box concerning customer health and safety), containing all the specific limitations in the use of chemical substances, which suppliers have to comply with before we can accept their products in our warehouses. The Buying Office relies on a consolidated network

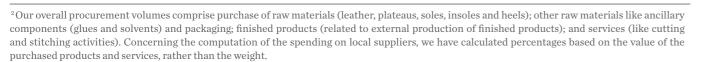
of raw material suppliers, which have been carefully assessed in recent years, thanks to dedicated Quality/Cost/Effectiveness rankings, which are constantly monitored.

We are proud to emphasise that the 94% of the leather and components of a Sergio Rossi shoe come from Italian suppliers. Leather is the most important material of our production, not only for quantity and value, but also because it defines the style of Sergio Rossi's shoes. Therefore, we rely on Italian tanneries for 100% of the leather procured.

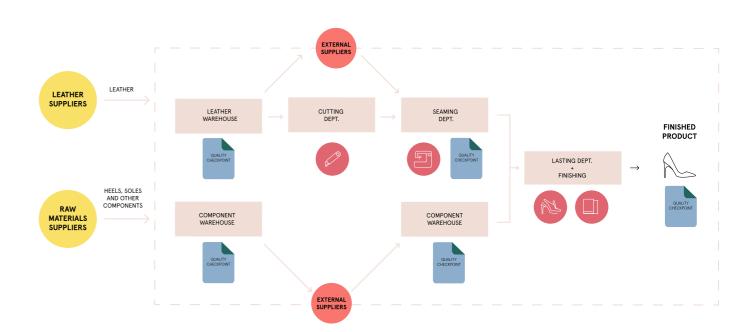
The continuous monitoring of the environmental impacts of our products is an integral part of our sustainability commitment: in 2020, all of the leather we procured for the production of the outsoles has been certified by the Leather Working Group, a notfor-profit organisation responsible for one of the world's leading environmental certification for the leather manufacturing industry. The goal of this certification scheme is indeed to improve the environmental impact of the leather industry by assessing and certifying leather manufacturers.

The strong collaboration created with our external raw materials and semi-finished products suppliers has been possible partly thanks to the constant commitment to keeping and strengthening our relationships with local and historic providers, whilst simultaneously extending our network, in a constant pursuit of transparent, efficient and reliable partners who share our values. In addition, we strongly rely on the uniqueness and force of the Forlì and Cesena district, gathering around 200 small companies and 3,000 people working with the best shoemaking brands in the world. These local suppliers provide us more than the 21% of our overall procurement volumes and, more generally, 94% of our procurement of raw materials, products and services comes from Italian suppliers, while the remaining 6% comes from the European area [102-9; 204-1].

PROPORTION OF SPENDING ON SUPPLIERS NOTE: THE DATA ARE ASSESSED IN TERMS OF GRI 204-1 ECONOMIC VALUE OF THE PURCHASED MATERIALS AND SERVICES AND COVERS THE ENTIRE PROCUREMENT BUDGET RELATED TO THE PRODUCTION PROCESS. THE "LOCAL" CATEGORY COMPRISES SUPPLIERS BASED 19% IN THE EMILIA ROMAGNA REGION (ITALY) AND IN SAN 21% MARINO, THEN FURTHER SUBDIVIDED INTO THE FORLÌ-CESENA PROVINCE ("VERY LOCAL"), LOCATED IN THE EMILIA ROMAGNA REGION AND CHARACTERISED BY THE SIGNIFICANT PROXIMITY TO THE SAN MAURO FACTORY AND THE REST OF THE REGION; THE "ITALY" CATEGORY COMPRISES Europe THE MARCHE, VENETO, LOMBARDY, CAMPANIA AND Rest of Italy TUSCANY REGIONS; WHILE Local Suppliers THE "EUROPE" CATEGORY 73% COMPRISES AI BANIAN Forlì - Cesena Province SPANISH AND SERBIAN Emilia Romagna SLIPPLIERS



Given our support of the Made in Italy concept and the high qualitative standards characterising our products, in 2016, we started a Quality Project, aimed at formalising, consolidating and redesigning the procedures and operations leading to our daily shoemaking activities. In this respect, we mapped over 120 steps needed to obtain the final product, in order to align the organisations to our quality and value targets. At the same time, we have clearly defined the objectives, methods and instruments



NOTE: REFERRING TO THE CUTTING AND SEAMING PHASE WE RELY ON OUR INTERNAL PRODUCTION CAPACITY AND ON EXTERNAL SPECIALIST SUPPLIERS, WHICH ARE CONSTANTLY MONITORED IN TERMS OF QUALITY Total procurement volumes in 2020 equalled 228.2 tonnes, The weight of packaging procured, in line with productionrecording a decrease of 34% with respect to 2019 [301-1]. Specifically, the weight of raw materials used for production purposes decreased from 198 tonnes in 2019 to 119.3, as the production slow down due to pandemic.

related raw materials, decreased by 26% compared to 2019 levels. All our packaging materials, including boxes and shopping bags, are FSC-certified (see the box below).

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

CATEGORY	TYPE MATERIAL	2018	2019	2020
Production-related	Leather	68.2	76.1	41.8
	Fabric	-	3.8	4.3
	Plateaus	1.1	1.0	0.5
	Insoles	19.9	25.2	16.0
	Outsoles	58.4	66.6	41.2
	Heels and Top Heels	19.9	25.6	15.5
Ancillary materials	Glues	3.2	2.8	2.2
	Solvents	2.3	1.4	1.6
Packaging	Quality Labels	0.1	0.01	0.1
	Box Labels	0.6	0.6	0.4
	Labels	0.2	0.2	0.1
	Boxes	64.0	70.8	49.1
	Shopping Bags	6.4	12.1	6.2
	Tissue Paper For Packaging	14.5	17.3	15.6
	Transport Packaging	29.9	39.5	31.0
	Dust Bags	-	2.6	2.0
Total		288.7	345.4	227.7

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

FSC Certification

The Forest Stewardship Council (FSC) is an international, independent, non-profit organisation that protects forests for future generations. The FSC sets standards under which forests and companies are certified.

FSC certification ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. The FSC certification programme is an independent third-party scheme. FSC inspections are carried out by 17 independent certification bodies across the world. These bodies are in turn accredited by ASI (Accreditation Service International).



Our efforts to guarantee customer health and safety

In addition, we have adopted an internal control plan aimed at implementing chemical controls upon the receipt of our raw materials. In this respect, we rely on accredited chemical laboratories, conducting tests on the raw materials we receive, to guarantee our legal compliance. Each commodity category, such as leathers and textiles, has its own dedicated quality control plan that ranges from 10 to 15 substances to be verified. In 2020, we almost doubled the number of chemical tests performed on materials with respect to 2018 (from 85 to 168 in 2020). Lastly, for specific cases, we also carry out mechanical tests, such as tensile and deformation tests, in order to test the physical properties of materials and their conformity to international standards. [416-1]

The health and safety of our customers is central to Sergio Rossi. Our Company has always been committed to monitoring the materials it uses in its production activities, in accordance with national and international legislation imposing the respect of eco-toxicological requirements. These requirements are intended to limit the use of prohibited chemical substances and to guarantee the maximum safety for customers and the environment, according to the REACH regulation. Therefore, Sergio Rossi has created an internal Restricted³ Substances List (RSL), shared with all our raw materials suppliers as an annex to the supply agreement.

³ The REACH Regulation of the European Union (EC 1907/2006) has been adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.





3.2 CULTURAL AND PHILANTHROPIC ACTIVITIES

Our roots: an authentic story of Italian craftmanship

The history of Sergio Rossi is bound to the history of San We believe our rich heritage is the key to successfully leading the Mauro Pascoli, a small village in Emilia Romagna known as the way for future generations. With this idea, in 2017, we started birthplace of Giovanni Pascoli, a poet and lover of nature and the Living Heritage project, aimed at preserving and fostering everyday life. After World War II, the territory found its vocation the cultural heritage of the brand and of the artisanal district in in the footwear industry. The success of cobblers travelling which we operate. around villages and farms paved the way for transformation and The Living Heritage project has been intended primarily to provide a narrative capable of enhancing the uniqueness and for the gradual abandonment of traditional farming activities. The village changed into a large crafts centre specialising in the history of our brand, by gathering all the main elements of its manufacturing of sandals, at the time sold in small shops on distinctive DNA. The creation of our corporate archive should the Riviera. This signalled the start of the flourishing industry be considered a pivotal move in this sense, aimed at providing specialising in high-fashion, female footwear. At the same time, designers with an extremely wide range of past models and in the same district of San Mauro Pascoli, small businesses sketches from which to take inspiration. specialising in semi-finished products - soles, heels and bottoms From the launch of the Heritage Project, almost 6,000 historical - and laboratories cutting uppers by hand and by machine models from all over the world have been collected and restored, opened and grew vigorously. A true artisanal industry, asserting representing the history of Sergio Rossi's creative genius since itself on the global market thanks to the quality of materials, the foundation of the Company in the 50's. Simultaneously, more manufacturing and original designs. than 14,000 documents - drawings, look books, advertising and editorial images - have been recovered and digitalised.

In 1958, Mir-Mar was established in San Mauro Pascoli. It was the first industrial-size shoe factory. In the meantime, seaside towns nearby were in full swing. Amongst them, Rimini, which would subsequently be celebrated by Federico Fellini in his famous film Amarcord. It is precisely the cultural proximity to the great director that made for a unique legend: the décolleté shoes worn by Anita Ekberg in Fellini's masterpiece "La Dolce Vita" were very similar to those created by Sergio Rossi, who, precisely during those years, built his fortune on women's footwear.

This is the context surrounding the start of Sergio Rossi's adventure: following his father's footsteps, a skilful shoemaker, he took over the business in 1951 and made the first hand-made sandals.

Thanks to the vision of Riccardo Sciutto, the brand was relaunched in 2016, marking a new path in keeping with the brand's aesthetic identity. Through the Living Heritage project, its legacy is interpreted according to a contemporary perspective and fully represents the company's pivotal theme.

Rediscovering the Essence of Sergio Rossi: The Living Heritage Project

Think Heritage, Play digital: Our Digital Platform

In order to further increase its accessibility and in line with our corporate strategy, the physical archive has been concurrently digitalised to better organise and promote the memory of the brand: today, more than 17,000 records are ready to be consulted through our digital systems and the work is constantly in progress thanks to a dedicated Heritage Team fully engaged with the project.

The digital archive does not just provide information storage and consultation advantages, but becomes a new way of telling the story of the brand. The platform currently allows for indepth searches capable of guiding users on new paths of reading through unexpected relationships between images, documents, photographs, places, people, of the past but also more recent and contemporary, which continue to enrich and bring to life the story of Sergio Rossi.

Hence, it will funnel the creation of applications and tools specifically designed for a greater customer involvement in the discovery of Sergio Rossi's founding values and history.





350 DAYS FOR THE LAUNCH OF THE LIVING HERITAGE PROJECT

3,250 RESTORED MODELS, PHOTOGRAPHED, STORED AND CATALOGED 640 SGM DEDICATED TO OUR HISTORY

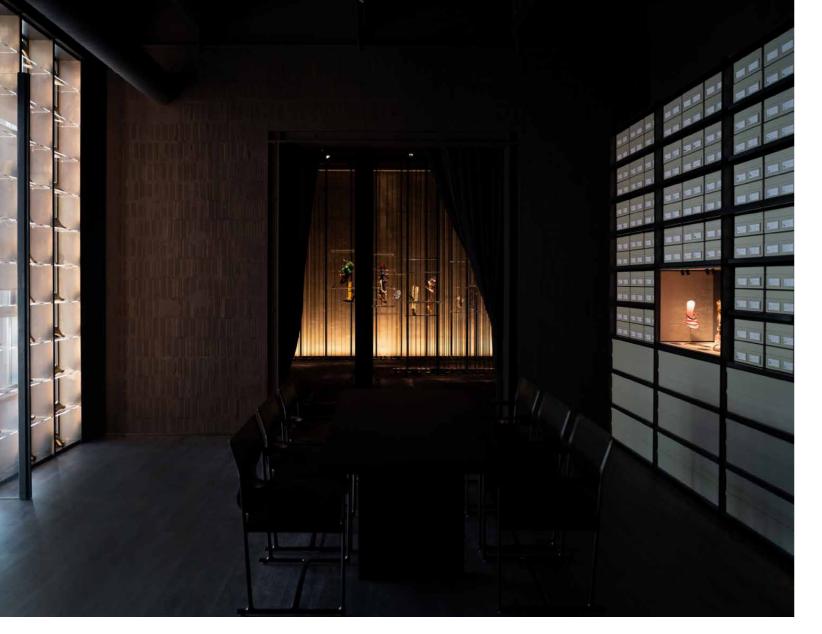
6,000 SHOES AND OTHER ACCESSORIES ARCHIVED IN SAN MAURO PASCOLI

AS OF TODAY









Our Living Heritage

In the manufacturing heartland of the company in San Mauro Pascoli, the Living Heritage project was developed to guide the visitor through an immersive experience in order to offer an interpretation of the world and the style of Sergio Rossi.

The exhibition space, created by architect Marco Costanzi and strategically located within our Magic Kingdom, is divided into three different moments, each of them characterised by a spatial and functional level.

The first step welcomes the visitor is the "Gallery of Lasts", where the history of the brand is reinterpreted through its distinguishing element: the last. Once passed through the gallery, the visitor enjoys the heart of the Archive, the so called "Living Archive", where part of the vintage collection is conserved and the" Living Emotions" area, a magic path through which the different souls of the brand come back to life.

The "Living Archive" is indeed mainly conceived as an area for consultation, research and work. Over 500 pairs of selected shoes spanning 70 years of history, as well as heels, embroideries and monographs and catalogues showing multiple links with the shoe, are stored in that area. In order to enhance the effectiveness of this working area, the space has been organised into several product categories that narrate the Italian Maestria of our eponymous founder Sergio Rossi: from his debut with

colourful wedges and sandals, to mules, moccasins and pumps, first witnesses of his collaborations with designers as Alaïa, Versace, Dolce & Gabbana, leading to the wall of our most iconic stretch boots, so loved by supermodels in the 90's.

Alongside the Living Archive is finally located the "Living Emotions" area: a part of the exhibition where the world of Sergio Rossi can be experienced through a strong visual and emotional impact by showing the most iconic models and themes that have always represented the various souls of SR women. A special section is dedicated here to the rebirth of the brand: inspirations from the past are reinterpreted with a modern twist in our contemporary collections as sr1, srMilano or SERGIO show. The DNA of the brand is indeed the inspiration point for every new collection and it shows, through a constant dialogue between past and present, how the archive is the crucial starting point for the design and development of each collection. From the new beginning of the Company in 2016, with the 90's model which inspired the first sr1 collection, to all the several projects inspired by our rich heritage: the srMilano, the SERGIO collection, which label is a geometric re-edition of an archival logo dating back to the Seventies and our Sr Twenty, whose squared toe and low heel, celebrate the beginning of the century.



ICONIC MODELS EXHIBITION

GRAZIE Sergio

In the middle of the lockdown, on 3 April, we were hidden by a further dramatic news: our founder, Mr Sergio Rossi, the inspiring man who made our dream possible, died from a Covid-19 infection. As the news was broadcasted, social media became swarmed with artworks dedicated to the life and the vision of Sergio Rossi. It was incredible to witness the impact our founder had on so many people, as tributes came from all over the world to manifest the love and affection that they felt for Sergio. We decided to create a special initiative: #GrazieSergio, a collection of all the amazing works of art dedicated to the memory of Sergio Rossi, which were finally published on our IG account. The further step was a deep reflection on what the heritage of Sergio Rossi meant for our company: we revived, from the archive, ten of the most wonderful creations and signature styles, spanning from the 60's to the '00s. Each model was accurately reproduced from the original one guarded in our Living Heritage Archive, including every small detail such as the inner label with the original logo and the selection included the pillars and iconic collections as sr1 and srTwenty.

A deep dive into our origins and history from which we came back with a renewed awareness of the precious treasure that is kept into our DNA, through drawings, sketches, moulds, samples, prototypes and shoes Mr Rossi created in his life. A true inspiration for all collections to come, to keep the spirit and vision of our founder alive, guiding the future growth of our brand and business.







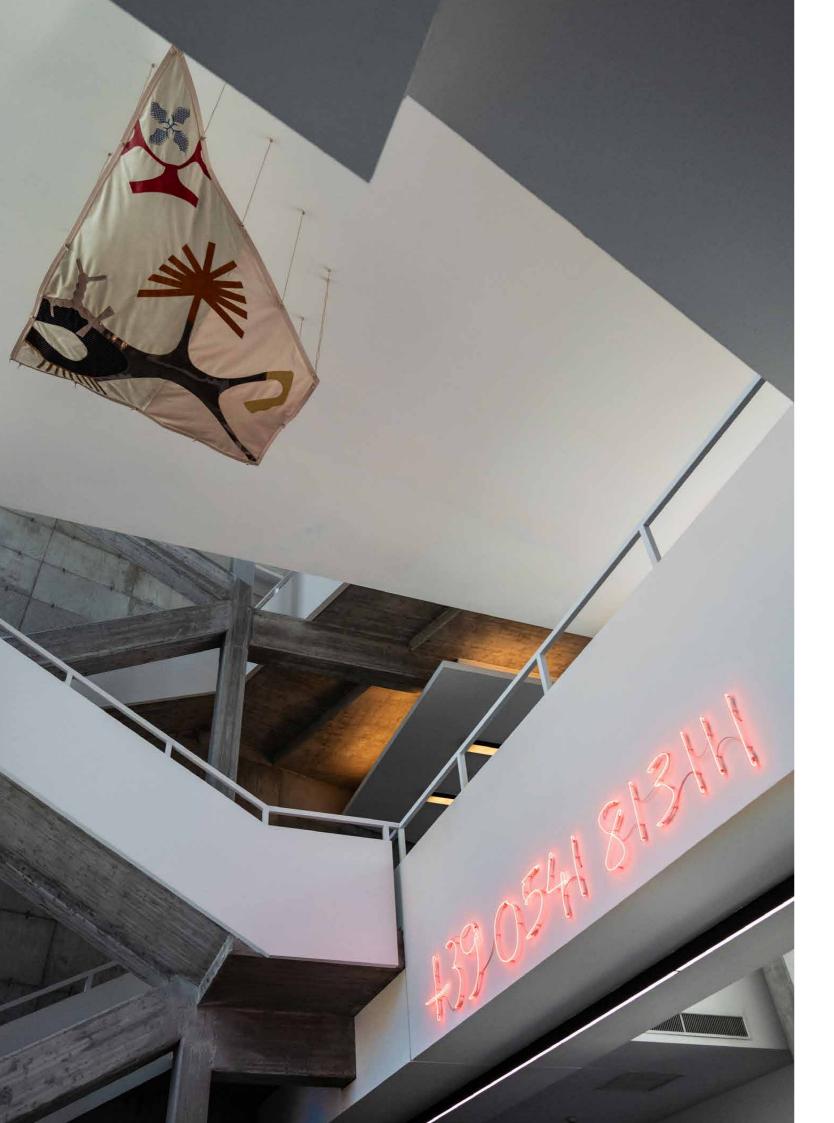
#GRAZIE SERGIO ARTWORKS



Giving back to the community

Since the emergency started, Sergio Rossi has taken concrete We are strongly committed to creating synergies with Italian actions on the fight against coronavirus. In March, the trade associations that support the development of the company supported the hospital ASST Fatebenefratelli - Sacco industry and publish sectorial studies that are key to our with a donation of €100,000 and by launching a challenge to business. As Sergio Rossi S.p.A., we are currently members all women who have loved wearing our collections over the of several trade associations, comprising Cercal, Altagamma, years. Through the campaign "Shoes make a difference", 100% The National Chamber for Italian Fashion, Montenapoleone of all online sales were devolved to support the hospital crisis, District and Sammauroindustria, and we participate in their thanks to a partnership with the e-commerce provider Diana associative regular meetings [102-12; 102-13]. Corp (for more information, please see §1.3)

Trade associations



Art in the factory

The corporate archive is rooted on the idea that there are multiple similarities between a Sergio Rossi product and art. In pursuing this approach, we decided to create a museum of contemporary art in the Sergio Rossi factory in San Mauro Pascoli, where fashion and artistic production coexist. The project aims to enhance the history of the brand by researching and supporting contemporary artistic productions. The aim of the project is to start, together with the artist, an exchange of experiences by developing a work of art born and raised in the factory.

The first three works of art installed in 2018 in San Mauro Pascoli were selected to mark the beginning of an exhibition path in the factory, thus setting up a dialogue with the history of the brand, the nature of the place and its territory.

The common thread of the three works of art is indeed the dialogue with the place, with the context and also with Romagna and the story of Sergio Rossi. This is why we chose Italian artists, which are only the first of a series, who serve to make the factory a more accessible space.



SIGNATURE Vedovamazzei

Neon light cm 400x49.8

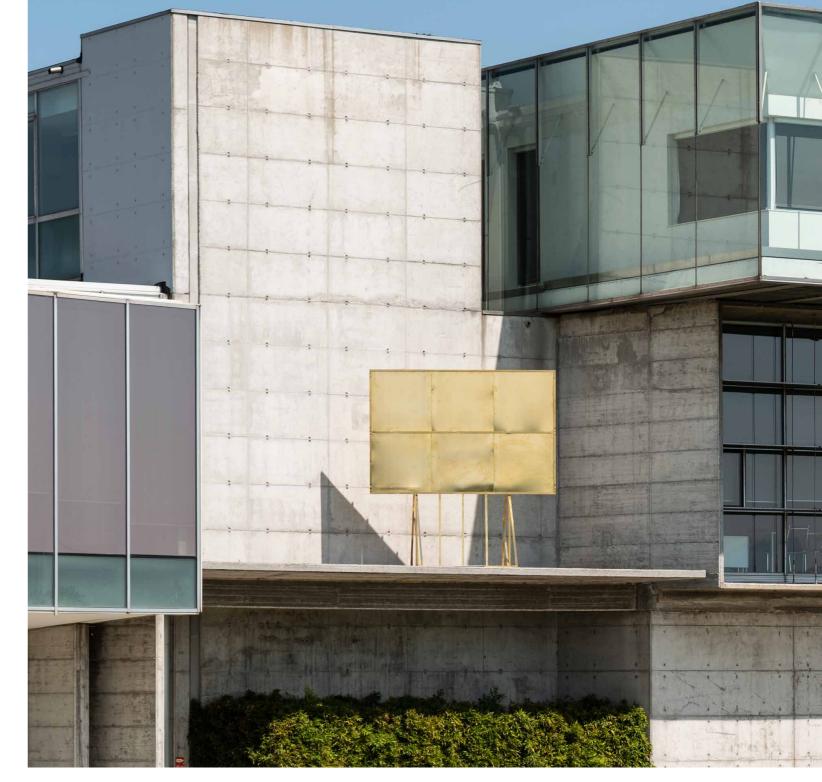
The company's telephone number written by the CEO Riccardo Sciutto is called "Portraits". Made in blown glass in Milan, the work has an immediate visual impact as it is 4 metres long and it is also visible from the outside, evocating the emotional and human-centred approach of a brand.



VELA AL TERZO (ARVËDAS) Ettore Favini

Fabrics, leather Dimensions determined by space

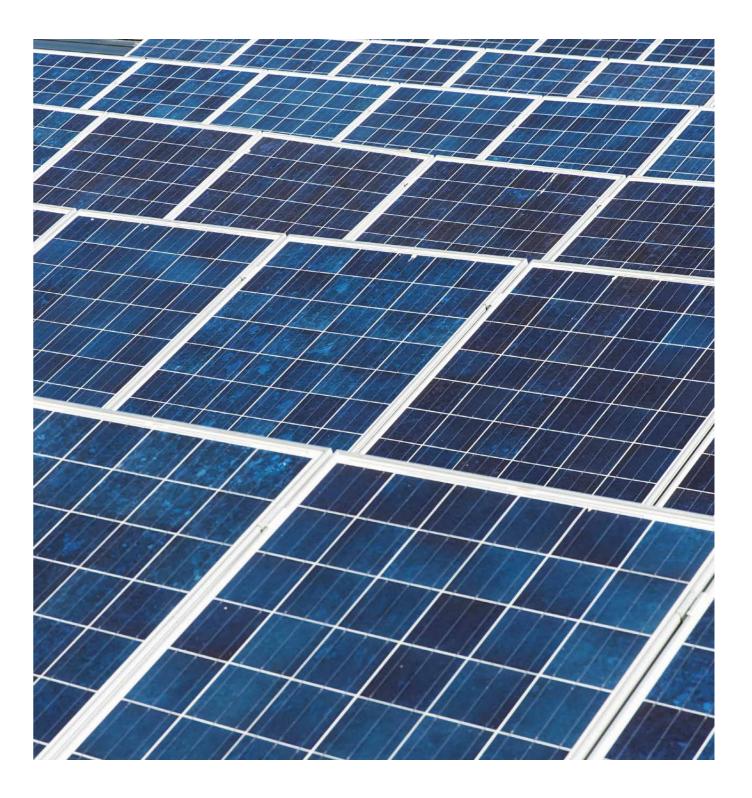
A delicate and elegant sail measuring 2 metres in diameter, installed in the highest part of the entrance in the hall of Sergio Rossi, just like a sail of an ancient boat. This work was created using leathers and model patterns coming from our past collections. Favini, in fact, spent a week together with our artisans choosing materials and patterns derived from both the archive and from the living memories of the workers. In so doing, he created a design sewn on the surface of the sail, which is precisely hanging - with sailing ropes - as a symbol and memory of Sergio Rossi's history.



BILLDOR Davide Allieri

Brass cm 370x300x250

A 3-metre-high structure made of brass plates assembled on site. The choice of the position, in relation to the rigorous architecture of the factory, is a sign visible from the highway in a way that all passersby cannot fail to notice the golden structure that represents an advertising bill, emptied of its media content. A tribute to the substance of a brand like Sergio Rossi, who does not need images or bright lights, but lives his story.



ENERGY

Reducing the footprint of our shoes

/04

SUSTAINABILITY POLICY

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

KEY COMMITMENTS OF THE POLICY

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

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

MAIN RESULTS

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

- Over 1,000 tons of CO₂ avoided thanks to the purchase of certified electricity and our Photovoltaic system

- -43% of electricity and natural gas consumption in 2020 with respect to 2017

- 592,203 kWh of electric energy produced by our photovoltaic panels installed in San Mauro Pascoli, both sold and used

LINK WITH SDGS



100% OF PURCHASED ELECTRICITY **CERTIFIED AS PRODUCED FROM RENEWABLE SOURCES**

-43% OF ELECTRICITY AND GAS **CONSUMPTION WITH RESPECT TO 2017** **OVER**

1,000 TONS OF CO, AVOIDED THANKS TO THE PURCHASE OF CERTIFIED ELECTRICITY AND OUR PHOTOVOLTAIC SYSTEM

592,203 KWH OF ELECTRIC ENERGY PRODUCED BY OUR PHOTOVOLTAIC PANELS

4.1 THE RESPONSIBLE USE OF ENERGY RESOURCES FOR EMISSIONS REDUCTION

Sergio Rossi is aware of the challenges posed by climate change and believes in the essential role of business in addressing these issues; as such, we are committed to reducing the environmental footprint of our activities and, also following the signing of the UN Global Compact, Sergio Rossi has started implementing a series of interventions set out to achieve a long-term reduction of its main impacts. Specifically, the Facility team is in charge of identifying and implementing initiatives aimed at comprehensively increasing energy efficiency thus reducing greenhouse gas (GHG) emissions.

Characterized by the pandemic, 2020 has been an unconventional photovoltaic system covered approximately the 20% of the total year that, naturally, influenced the management of our factory, electricity demand of the San Mauro Pascoli plant, generating offices, and stores' also from an environmental perspective. savings for around 140 tons CO₂. Particularly, in 2020 the Facility team has been involved in several In line with the commitment to reducing environmental impacts, activities to balance energy management and safety measures: in 2020 we started to purchase Guarantees of Origin (GO) for the they indeed had to balance energy consumption with a different electricity purchased from the grid in the San Mauro Pascoli plant, the Milan offices and all the Italian stores. The GO certification management of our facilities compared to the previous years scheme certifies the renewable origin of the energy sources, thus due not only the closing periods requested by local authorities to mitigate the effect of the pandemic, but also to increase safety encouraging the energy sector towards the decarbonization of the national energy mix. As a result, 95% of Sergio Rossi's overall level, for instance by optimizing indoor air circulation. electricity demand in 2020 has been met through renewable In line with the previous years, the majority of the energy energy: particularly, 1,509 GJ were produced by our photovoltaic system and 7,168 GJ from purchased electricity produced by hydroelectric and tidal power plants [302-1]. Moreover, in 2020 we sold 623 GJ to the grid, recording an increase of 75% compared to 2019 as a consequence of the plant's closing period due to pandemic restrictions, thus, to contribute to the improvement of the energy mix of the Italian national grid. Although the Covid-19 slowed both production and maintenance activities, in 2020 we managed to carry on the substitution of halogen lamps with LED modules: currently, more than 80% of the lighting systems of the San Mauro facilities and part of the Milan offices had been renovated. We aim to finalize the revamping project of the lighting system in the coming months and, in the meantime, we will continue to search for new technologies and solutions to further optimize the energy use.

consumption has been linked to our San Mauro Pascoli factory. whose energy demand is mainly led by three factors: electricity, both purchased from the grid and self-generated, natural gas and the diesel consumed by corporate vehicles. 2020 data shows an overall reduction of all energy sources that can be mainly explained by the great attention and expertise of our Facility team, and, secondly, as a result of the pandemic. We indeed gradually achieved consumption optimization thanks to different investments undertaken in the past years: in 2018 we installed a metering system that enables us to have a more comprehensive overview of our energy demand as well as a high-efficiency heat pump able to optimize heat generation. During 2020, the Facility team continued its daily oversight of consumption patterns analysing energy data and evaluating the most efficient mix between the heat pump and the traditional boilers, achieving a reduction of 43% electricity and natural gas consumption in 2020 with respect to 2017. The continuous efforts for monitoring energy sources allowed us to decouple the energy consumption of the San Mauro Pascoli plant and the production volumes.

Being GHG emissions linearly correlated to energy consumption, the pandemic also affected emission patterns: indeed, the temporary production downtime, the massive introduction of the remote working as well as the business travel limitations resulted in an overall reduction of total direct and indirect GHG emissions. Nevertheless, this reduction was partially mitigated by In line with the previous year, a part of the electricity demand has been covered by the photovoltaic system installed in our factory a different use of the heating system in San Mauro: to reduce the in San Mauro. With the aim of verifying the status and the proper air circulation, and thus the chance of virus spread, we radically functioning of the plant, in 2020 we carried out the periodical increased air circulation. The Facility Team estimated an 18% cleaning and maintenance of the photovoltaic panels to guarantee increase of natural gas consumption to heat all the 42,000 square high efficiency levels and energy yields. As in previous years, our meters of the production plant.

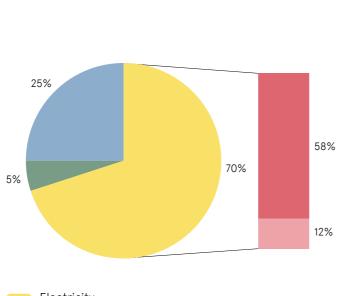
On the whole, the total amount of GHG emissions (Scope 1 + Scope 2 Location-based) has been reduced from 1,147 in 2019 to 925 tons of CO_eeq in 2020, corresponding to a 19% year-on-year decrease mainly due to a reduction in the electricity consumption as effect of the pandemic. Thanks to the purchase of GOs for all the Italian facilities and stores, we also avoided more than 900 tons of CO2 emissions related to electricity consumption [305-1; 305-2].

In 2020 we also kept monitoring our GHG emissions in accordance with the Greenhouse Gas Protocol by also including the Scope 3 emissions related to business travels, the logistics of sold products, and, since 2020, those related to water consumption and discharge. The halving data – from 680 to 311 tons of CO₂ - reflects the restrictions on movements and the lockdowns introduced by local authorities to limit the pandemic's spread worldwide. In 2020, the emissions concerning business travels dropped while those linked to products shipments had approximately halved with respect to the previous year. Particularly, this last category concerns all the products shipped on our charge from our factory in San Mauro to both our clients worldwide and our logistic hubs in Asia. The most significant contribution is related to air transport, which accounts for 89% of logistics-related carbon emissions, followed by road shipments (4%), arranged for Italian and European deliveries [305-3].

As for the outbound logistics, in 2020 we completed the important reorganization of our logistics activities in San Mauro Pascoli. During a three-year project, we adopted several corrective actions, such as the introduction of new and larger boxes to optimize shipments, as well as the choice of a lower number of providers, improving the control of products movements thus saving both shipping times and CO_a emissions. In addition, our new delivery partners are committed to progressively move to more sustainable transportation solutions, progressively reducing the emissions related to transport and logistics operations. For the years to come, we will continue to monitor our performances for outbound logistics and we will focus our attention on optimizing internal operations, adopting new solutions that better meet client satisfaction and production processes.

Finally, in 2020 we started reporting emission related to water. Water-related emissions have been calculated both for water withdrawal and discharge, that, in 2020, resulted in 4 and 8 tons of CO₂ respectively.





Electricity National Grid

- Photovoltaic System
- Natural Gas
- Diesel

ENERGY CONSUMPTION [GJ] GRI 302-1

ype of consumption	Energy source	2018 ⁴	2019	2020
Emergency generator	Diesel	3.2	3.3	2.6
Heating	Natural gas	3,075.2	3,313.4	3,195.9
Electricity	National grid	11,857.2	9,097.3	7,620.6
	Photovoltaic system	1,842.7	1,771.4	1,509.1
Owned vehicles	Diesel	39.0	42.6	4.6
Leased vehicles	Diesel	1,676.5	1,011.5	692.6
Total energy consumption		18,473.8	15,239.5	13,025.4

DIRECT AND INDIRECT GHG EMISSIONS [TONS OF CO, EQUIVALENT] GRI 305-1-2-3

Activity

Scope 1: direct GHG emissions

- Natural gas consumption for heating purposes
- Diesel consumption for emergency electricity generation
- Diesel consumption for owned and leased vehicles
- Refrigerant gases leakage
- Total scope 1

Scope 2: energy indirect GHG emissions

- Electricity purchased from the grid (Location-based method)
- Electricity purchased from the grid (Market-based method)
- Total scope 1 and 2 (Location-based method)

Scope 3: other indirect GHG emissions

- Business travel by air
- Business travel by train and rented cars
- Logistics of sold products
- Water consumptions and discharges⁵
- Total scope 1 and 2 (Location-based method)
- Total scope 1, 2 (location-based method) and 3
- ⁴ 2018 diesel consumption data have been updated with respect to the 2018 Sustainability Report due to the availability of more accurate figures. 5 2018 and 2019 data regarding emissions due to water consumption and discharges are not available

2018	2019	2020
172.0	185.4	179.7
0.2	0.2	0.2
118.5	72.8	48.2
0	0	0
290.8	258.4	228.1
1,170.6	889.0	696.8
1,547.4	1,194.5	33.5
1,461.4	1,147.4	924.87
104.4	83.9	9.2
12.6	9.4	1.8
530	587	287.8
-	-	12.2
646.9	680.3	311.0
2,108.31	1,827.7	1,235.9



METHODOLOGICAL /05 NOTE

Reporting principles and criteria

The present document represents the Sustainability Report of Sergio Rossi and encompasses the period from 1st January to 31st December 2020 [102-51; 102-52]. The report is yearly published and has been written in accordance with the GRI Sustainability Reporting Standards: Core option, published by the Global Reporting Initiative (GRI) [102-54].

In the paragraphs "Materiality Analysis" and §1.2 "Our commitment to sustainability" is reported an in-depth description of the process applied to detect and identify the contents of the Sustainability Report. The present document also fulfils Sergio Rossi commitment to produce a Communication on Progress - a public disclosure outlining its progress in implementing the 10 principles of the UNGC – as required by the United Nations Global Compact (UNGC) Initiative, signed in 2017.

With regards to Human Rights, Sergio Rossi's Sustainability Report does not directly address the UNGC issues and principles, since the majority of the Company's direct activities and suppliers are located in Italy, where laws ensure the regulation of human rights. Nonetheless, Sergio Rossi includes clauses on labour conditions and on the respect of human rights in its Code of Business Conduct and the protection of workers occupational health and safety is an issue on which the Company is continuously committed to report on.

Scope of Reporting

Through the Sustainability Report 2020, Sergio Rossi aims to communicate to all its stakeholders, the initiatives, events and programs designed and implemented across the year. Moreover, the document also illustrates the activities launched during the previous years that have generated results in 2020 as well as further initiatives planned to be realized or completed in the following ones [102-50].

With the purpose of creating a historical comparison of data, whenever it has been possible, figures concerning 2018 and 2019 have been displayed in order to guarantee performance comparability. All the information refers to Sergio Rossi S.p.A. and to a series of selected single brand and outlet stores from the Company's EMEA Retail Network, operating under the Sergio Rossi Retail S.r.l., and its French branch, the SR UK Ltd - all fully controlled by Sergio Rossi S.p.A; from 2019, data also include SR Deutschland, the German branch. In particular, 2020 data include the following shops: the Montenapoleone store in Milan, the Via dei Condotti store in Rome, the Leccio, Noventa di Piave, Fidenza Village, Serravalle, Castel Romano and San Mauro Pascoli outlets in Italy, the Faubourg Saint-Honoré store in Paris, the Bicester Village outlet in Bicester and the Sergio Rossi Outlet store in Metzingen. Any exception to such scope is clearly outlined within the document [102-45; 102-49]. Sergio Rossi S.p.A. has its headquarters and plant in San Mauro Pascoli, via Stradone 600/602 (Italy).

Materiality analysis

As every year, in 2020 Sergio Rossi updated the materiality analysis, in accordance with the GRI Standards. To begin with, the main topics and concerns raised by stakeholders were taken into account in the definition of the materiality matrix, as summarized below [102-40; 102-42; 102-43; 102-44].

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

Through a preliminary context analysis, we identified the main sustainability issues affecting the leather goods and fashion industries. Particularly, we conducted a sector-specific media analysis and a benchmark analysis of our peers' sustainability reporting with the aim of detecting the most relevant matters for comparable companies and the most pressing priorities for our stakeholders. As a result, the collected information suggested the relevance that each topic had for our stakeholders, by weighting them depending on the different priorities and concerns of each stakeholder category. After having recognized the main sustainability topics for Sergio Rossi's stakeholders, we involved our top managers in the updating of their perceptions about stakeholders' priorities by giving a weighted score to each topic. Such scores, reflecting the relevance of each topic for all our relevant stakeholders, are reported on the y-axis within the materiality map presented in §1.2 "Our commitment to sustainability". To complete the analysis, we asked the top management to evaluate the relevance of each material topic

for Sergio Rossi taking into consideration personal perception, impressions and knowledge of the sector and its recent developments, the commitment of Sergio Rossi on those topics and their actual and potential impact for the Company and its entire value chain. Once arranged all data, we have updated the position of every topic on the x-axis of the materiality matrix.

In the following table are summarized all the material aspects (whose identification is described in detail in Chapter 1), related to their corresponding GRI Standard. The table also provides the so-called reporting "boundaries", i.e. whether each material topic generates impacts within and/or outside the organization. The table also reports any potential reporting limitation due to the current unavailability of data and information pertaining to an external perimeter [102-46]. Sergio Rossi carries on its commitment in continuously updating and improving methods to gradually broaden the scope of data collection and reporting for each material topic.

MATERIAL TOPIC	GRI MATERIAL ASPECT	ASPECT BOUNDA	RY	REPORTING	LIMITATIONS
		WITHIN THE ORGANIZATION	OUTSIDE THE ORGANIZATION	WITHIN THE ORGANIZATION	OUTSIDE THE ORGANIZATION
Economic performance	GRI 201: Economic performance	Sergio Rossi S.p.A.			
Contribution to local development	GRI 204: Procurement practices	Sergio Rossi S.p.A.			
Use of sustainable raw materials and packaging	GRI 301: Materials	Sergio Rossi S.p.A.	Suppliers		Reporting scope not extended to suppliers
Addressing climate change	GRI 302: Energy	Sergio Rossi S.p.A.	Suppliers		Reporting scope not extended to suppliers
	GRI 305: Emissions	Sergio Rossi S.p.A.	Suppliers		Reporting scope extended just to some suppliers
Legal compliance	GRI 307: Environmental compliance	Sergio Rossi S.p.A.			
Business and Ethics					
Traceability and transparency along the	GRI 308: Supplier environmental assessment	Sergio Rossi S.p.A.			
supply chain	GRI 414: Supplier social assessment	Sergio Rossi S.p.A.			
Talent attraction and	GRI 401: Employment	Sergio Rossi S.p.A.			
retention	GRI 404: Training and education	Sergio Rossi S.p.A.			
Employee health and safety	GRI 403: Occupational health and safety	Sergio Rossi S.p.A.	External workers		Reporting scope includes cleaning, maintenance and reception services, as well as temporary agency workers of the Sergio Rossi S.p.A.
Remuneration and welfare	GRI 401: Employment	Sergio Rossi S.p.A.	Clients		
Client satisfaction	GRI 416: Customer health and safety	Sergio Rossi S.p.A.	Clients		
Creativity, design and protection of the artisanal know-how	GRI 404: Training and education	Sergio Rossi S.p.A.			

QUALITY REPORTING PRINCIPLES

Our Sustainability Report is drafted in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. The document highlights both strengths and weaknesses, as well as potential areas of improvements for the Group. The data collection and reporting processes are structured in order to ensure the comparability over the years and to guarantee an accurate interpretation of information by the key stakeholders interested in our performance evolution. We have been supported by the Italian EY Climate Change and Sustainability Services team in the drafting of this 2020 Sustainability Report.

The current Sustainability Report is not subject to external assurance [102-56].

Reporting principles and criteria

The calculation methodologies described below outline how energy and environmental figures have been computed for 2018, 2019 and 2020.

Energy consumption

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

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

FUEL DENSITY	LCV (LOWER CALORIFIC VALUE)
DEFRA (Department of	MATTM (Ministero dell'Ambiente
Environment, Food & Rural	e della Tutela del Territorio e del
Affairs), Conversion factors -	Mare), Tabella parametri standard
Full set, 2018, 2019 and 2020.	nazionali 2018, 2019 and 2020.

GHG emissions

not available, conservative estimations have been used. to industrial processes have been considered; to obtain the Greenhouse gases emissions calculations have been carried quantity, the pollutants concentrations is multiplied by out based on the principles included in the GHG Protocol estimated annual flows. Corporate Accounting and Reporting Standard.

Indirect (Scope 2) GHG emissions related to electric energy consumption have been calculated with both the locationbased and the market-based method. The first one reflects the average emissions intensity of grids on which energy consumption occurs while the second reflects emissions from electricity that the Company has chosen on purpose.

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

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

Air emissions

Concerning environmental data, when actual data were To calculate the amount of air emissions, all pollutants relating

GHG EMISSIONS SCOPE 1

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Emergency generator/ Heating and Cooling	Fuel consumption (Diesel and natural gas)	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali 2018, 2019 and 2020	Only CO ₂ emissions were considered
Owned and leased cars	Fuel consumption (diesel)	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali 2018, 2019 and 2020	Only CO ₂ emissions were considered
Leakages from air-conditioning systems of refrigerant gases	Leakages (kg)		IPCC, 2013 - Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the IPCC. Cambridge University Press, p. 732

	GHG EMISSI	ON
SOURCE	ACTIVITY DATA	E
Electricity purchased from the national grid (Location-based method)	Electricity consumption (kWh)	Te co fi d
Electricity purchased from the national grid (Market-based method)	Electricity consumption (kWh)	A _

GHG EMISSIONS SCOPE 3

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Business travel by air	Distance covered (km)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2018, 2019 and 2020.	CO_2 equivalent, considering the following gases: CO_2 (GWP = 1), CH4 (GWP = 25) and N ₂ O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4).
Business travel by train	Distance covered (km)	Ferrovie dello Stato Italiane, "Rapporto di Sostenibilità", 2017, 2018 and 2019.	Only CO ₂ emissions were considered
Outbound logistics	Products shipped (km*kg)	*kg) DEFRA (Department of CO ₂ equivalent Environment, Food & Rural the following g Affairs), Conversion factors - Full set, 2018, 2019 and 2020. (GWP = 298). (Potentials (GW from IPCC Fou Report (AR4).	
Water consumptions and discharges	Water used and disposed (cubic metres (m3)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full 2020.	Only CO2 emissions were considered

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Business travel by air	Distance covered (km)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2018, 2019 and 2020.	CO_2 equivalent, considering the following gases: CO_2 (GWP = 1), CH4 (GWP = 25) and N ₂ O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4).
Business travel by train	Distance covered (km)	Ferrovie dello Stato Italiane, "Rapporto di Sostenibilità", 2017, 2018 and 2019.	Only CO ₂ emissions were considered
Outbound logistics	Products shipped (km*kg)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors – Full set, 2018, 2019 and 2020. (GWP = 298). Glo Potentials (GWPs from IPCC Fourtl Report (AR4).	
Water consumptions and discharges	Water used and disposed (cubic metres (m3)	DEFRA (Department of Only CO2 emissions Environment, Food & Rural considered Affairs), Conversion factors - Full 2020.	

Contacts

For further information about this Sustainability Report, please contact [102-53]:

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IS SCOPE 2

EMISSION FACTOR

Terna, international comparisons on Enerdata figures - 2016, 2017, and 2018 data

AIB, European Residual Mixes 2017, 2018 and 2019 data

Only CO₂ emissions were considered

GWP

APPENDIX

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

Water

In 2020, our water consumption, which is entirely supplied by municipal sources, slightly increased with respect to the previous year (+3%), shifting from 11,300 to 11,642 cubic meters [303-1]. Even if the production was quitted for few months due to the critical situation caused by the pandemic, the growth of water consumption of the San Mauro Pascoli plant increased once activities started again: indeed, to ensure a safe workplace for our employees we increased the daily cleaning and activities of sanitization that, as a result, raised the overall water consumption.

WATER CONSUMPTION	DATA (M ³)		
JOOKOL	2018	2019	2020
Municipal supply	12,874	11,300	11,642

* The data refer only to the San Mauro Pascoli production site and the Pontaccio office, since water consumption at the store level is not directly managed by Sergio Rossi. Nonetheless, stores' contribution can be considered negligible.

Air emissions

As required by the environmental authorities in accordance with Italian Legislative Decree n. 152/06, we yearly conduct analysis on our air emissions. The year-on-year fluctuation in air emission levels is not directly related to the number of functioning hours of our machines, but to the specific sampling taken into account for the analysis. Assuming the same year-round operating conditions of the production plant, we estimate the following values for the three-year period.

	UNIT	2018	2019	2020
Volatile Organic Compounds (VOC)	Т	2.2	0.86	1.4

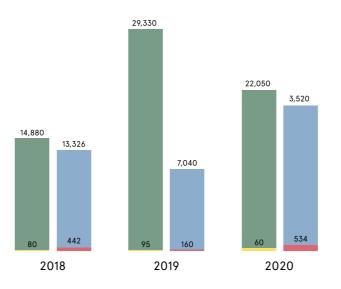
Moreover, also in 2020, we respected all the limits required by law. The legal limits are related to the purchase of products releasing VOCs during their use; such limits for Sergio Rossi are equal to 9,500 kg of glues and solvents that are mainly used for production and cleaning

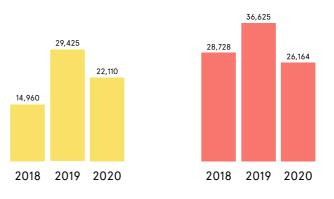
Waste

The overall amount of waste produced can be split into two different macro-categories: hazardous and non-hazardous waste. The latter category comprises raw material, packaging, and all the garbage that can be assimilated to municipal waste; while the second category is included some of the glues we use in our production process, neon, and some container categories.

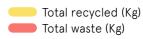
During 2020 we collected 26 tons of waste, 98% of which was non-hazardous waste [306-2]. Considering the disposal method, the greatest part of the waste was recycled (85%). Numbers concerning waste are indeed fluctuating mainly depending on the disposal of old stocks and it is not directly linked to the regular production process.

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





Recycling hazardous waste (Kg) Recycling non-hazardous waste (Kg) Landfill hazardous waste (Kg) Landfill non-hazardous waste (Kg)



GRI Content Index

The following table indicates the correspondence between the information required by the GRI Standards with respect to each indicator linked to our material topics and the contents of this document. In particular, when some information is missing because of the actual impossibility of measuring the related KPIs, we have inserted a detailed reference under the "Omissions" column below [102-55].

GRI STANDARD DISCLOSURE GRI 101: FOUNDATION 2016 ORGANIZATIONAL PROFILE 102-1 Name of the General Disclosures organization 102-2 Activities, brands, products, and services 102-3 Location of headquarters 102-4 Location of operations 102-5 Ownership and legal form 102-6 Markets served 102-7 Scale of the organization 102-8 Information on WE SUPPO employees and other workers 102-9 Supply chain 102-10 Significant changes to the organization and its supply chain 102-11 Precautionary Principle or approach

102-13 Membership of associations

102-12 External initiatives

OMISSION PART OMITTED, REASON AND EXPLANATION

10	
10	
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16	
28	
17, 46, 60	
UNGC 6 47, 51	
66-67	
16	
Sergio Rossi does not formally adhere or adapt its decision-making approach in accordance to the precautionary approach.	
77	
20, 77	

GRI STANDARD	DISCLOSURE	PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION	GRI STANDARD	DISCLOSURE
	STRATEGY				102-46 Defining report content and topic Boundaries
		UNGC 8, 9 5			102-47 List of material topics
	ETHICS AND INTEGRITY				102-48 Restatements of information
	102-16 Values, principles, standards, and norms of behavior	UNGC 1, 2 18-19			
	GOVERNANCE				102-49 Changes in reporting
	102-18 Governance structure	18			102-50 Reporting period
	STAKEHOLDER ENGAGEMENT				102-51 Date of most recent report
	102-40 List of stakeholder groups	91			102-52 Reporting cycle
		4, 5 4, 5			102-53 Contact point for questions regarding the report
	102-42 Identifying and selecting stakeholders	91			102-54 Claims of reporting in accordance with the GRI Standards
	102-43 Approach to stakeholder engagement	91			102-55 GRI content index
	102-44 Key topics and concerns raised	91			102-56 External assurance
	REPORTING PRACTICE				
	102-45 Entities included in the consolidated financial statements	16, 90			

OMISSION PART OMITTED, REASON AND EXPLANATION

PAGE NUMBER/URL

21-23, 90-92	
21, 92	
With respect to last year's figures, the 2019 turnover rate has been updated by considering the 2018 total workforce.	
90	
90	
September 2020	
90	
94	
90	
99-108	

The Report has not been subject to external assurance

GRI STANDARD	DISCLOSURE	PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION	GRI STANDARD	DISCLOSURE	PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION
GRI 200 ECONOMIC STANDARD SERIES				GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were recorded in the reporting period	
	ECONOMIC PERFORMANCE			GRI 300			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22-23, 92		ENVIRONMENTAL STANDARDS SERIES			
	103-2 The management approach and its components	17, 22-23			MATERIALS		
	103-3 Evaluation of the management approach	17		GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	WE SUPPORT UNGC 7, 8 22-23, 92	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	17			103-2 The management approach and its components	UNGC 7, 8 22-23, 66-68	
	PROCUREMENT PRACTICES				103-3 Evaluation of the management approach	UNGC 7, 8 66-68	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22-23, 92		GRI 301: Materials 2016		UNGC 7, 8 68	
	103-2 The management approach and its components	22-23, 46, 66			ENERGY		
	103-3 Evaluation of the management approach	66		GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	WE SUPPORT UNGC 7, 8 22-23, 92	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	66			103-2 The management approach and its components	UNGC 7, 8 22-23, 84-88	
	ANTI-CORRUPTION				103-3 Evaluation of the management approach	UNGC 7, 8 22-23, 84-88	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22-23, 92		GRI 302: Energy 2016	302-1 Energy consumption within the organization	WE SUPPORT UNGC 7, 8 88	
	103-2 The management approach and its components	18-19, 22-23			WATER		
	103-3 Evaluation of the management approach	18-19		GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC 7, 8 96	
102					103-2 The management approach and its components	UNGC 7, 8 96	103

GRI STANDARD	DISCLOSURE		PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION	GRI STANDARD	DISCLOSURE	PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION
	103-3 Evaluation of the management approach	WE SUPPORT	UNGC 7, 8 96			ENVIRONMENTAL COMPLIANCE		
GRI 303: Water 2016	303-1 Water withdrawal by source	WE SUPPORT	UNGC 7, 8 96		GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC 7 22-23, 92	
	EMISSIONS					103-2 The management approach and its components	UNGC 7 22-23, 92	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	WE SUPPORT	UNGC 7, 8 22-23, 92			103-3 Evaluation of the management approach	UNGC 7 18, 22-23	
	103-2 The management approach and its components	WE SUPPORT	UNGC 7, 8 22-23, 84-88		GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	UNGC 7 18	
	103-3 Evaluation of the management approach	WE SUPPORT	UNGC 7, 8 22-23, 84-88			SUPPLIER ENVIRONMENTA ASSESSMENT	L	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	WE SUPPORT	UNGC 7, 8 85		GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22,92	
	305-2 Energy indirect (Scope 2) GHG emissions	WE SUPPORT	UNGC 7, 8 85			103-2 The management approach and its components	22,92	
	305-3 Other indirect (Scope 3) GHG emissions	WE SUPPORT	UNGC 7, 8 85			103-3 Evaluation of the management approach	22, 66-67	
	EFFLUENTS AND WASTE				GRI 308: Supplier environmental assessment 2016	were screened using environmental criteria	No suppliers were screened using environmental criteria in the reporting period	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	WE SUPPORT	UNGC 7, 8 97		GRI 400 SOCIAL STANDARDS SERIES			
	103-2 The management approach and its components	WE SUPPORT	UNGC 7, 8 97			EMPLOYMENT		
	103-3 Evaluation of the management approach	WE SUPPORT	UNGC 7, 8 97		GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC 6 22-23, 92	
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	WE SUPPORT	UNGC 7, 8 97			103-2 The management approach and its components	UNGC 6 22-23, 46, 48-55	
104						103-3 Evaluation of the management approach	UNGC 6 48-55	105

GRI STANDARD	DISCLOSURE	PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION	GF ST.	RI ANDARD	DISCLOSURE		PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	UNGC 6 51-52				403-5 Worker training on occupational health and safety	WE SUPPORT	Pg. 56; based on the Italian Legislation, training on health and safety is mandatory for all	
	401-3 Parental leave	UNGC 6 48						employees; length and type of training is based on worker's role and level of risk.	
	OCCUPATIONAL HEALTH AND SAFETY					403-6 Promotion of worker health	WE SUPPORT	The Group did not provide any additional non-occupational medical and healthcare services.	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC 6 22-23, 92		_		WE SUPPORT	Sergio Rossi does not have		
	103-2 The management approach and its components	UNGC 6 22-23, 46-47				health and safety impacts directly linked by business ر relationships	UNGC 6	potentially significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business	
	103-3 Evaluation of the management approach	UNGC 6 46-47		 GF	RI 403: Occupational	403-9 Work-related	WE SUPPORT	UNGC 6 47	
GRI 403: Management approach disclosure 2018	management system	 Occupational health and safety management for Italian companies is based on the Italian legislation which defines periodic activities that have to be carried out in order to ensure workers' 		he	alth and safety 2018	TRAINING AND EDUCATION			
	403-2 Hazard	safety. Integral part of such		GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	WE SUPPORT	UNGC 6 22-23, 92		
	identification, risk assessment, and incident investigation UNGC 6 activities is the identification of work related hazards and risk assessments from which	 identification of work related hazards and risk assessments from which no significant risks have 			103-2 The management approach and its components	WE SUPPORT	UNGC 6 22-23, 53, 56-57		
	403-3 Occupational health services	UNGC 6 47				103-3 Evaluation of the management approach	WE SUPPORT	UNGC 6 53, 56-57	
	403-4 Worker participation, consultation, and	These aspects are managed in compliance with the provisions of		GRI 404: Training and Education 2016	-	404-1 Average hours of training per year per employee	WE SUPPORT	UNGC 6 56-57	
	communication on occupational health and safety UNGC 6 UNGC 6 the Italian legislative framework which requires the presence of at least one "Employee Representative" as a mandatory role within the Occupational health and safety management system.	6 the Italian legislative framework which requires the presence of at least one "Employee				SUPPLIER SOCIAL ASSESSMENT			
		mandatory role within the Occupational health and safety management			RI 103: Management proach 2016	103-1 Explanation of the material topic and its Boundary		22-23, 92	
				103-2 The management approach and its components		22-23, 92			

PAGE NUMBER/URL	PA	١G	ΕN	UN	IΒ	ER	/U	RL
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GRI STANDARD	DISCLOSURE	PAGE NUMBER/URL	OMISSION PART OMITTED, REASON AND EXPLANATION
	103-3 Evaluation of the management approach	66-67	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	No suppliers were screened using social criteria in the reporting period	
	CUSTOMER HEALTH AND SAFETY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22-23, 92	
	103-2 The management approach and its components	22-23, 69	
	103-3 Evaluation of the management approach	69	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	69	
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	No incidents of compliance concerning the health and safety impacts were recorded in the reporting period	

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