

Consolidated non-financial statement

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

Sustainability report as at 31 March 2024
Piquadro Group

PERFORMANCE
BEYOND AESTHETICS



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Letter from the President

Over the 2023/24 financial reporting period, Piquadro Group continued along its economic growth path while, at the same time, prioritizing sustainability.

Safeguarding our planet is a responsibility the Group takes extremely seriously, and it views such commitment to be pursued not only via attaining optimum energy efficiency, reduced emissions and the use of natural resources but also, primarily, through embracing a new product strategy leveraging the use of recycled materials while, in line with the Group's values, aiming, over time, to further extend their useful life.

Our awareness of environmental issues has continued via the scheme to offset all Scope 1 and Scope 2 emissions.

The 1,784 tons of CO₂ eq. generated over the previous reporting period have been offset by carbon credits certified by the Verra Verified Carbon Standard (VCS), the main standard certifying CO₂ reduction schemes. Each carbon credit represents one ton of CO₂ that has been absorbed, reduced or prevented from entering the atmosphere through CO₂ reduction/absorption schemes such as a reforestation project and the Rio Anapu Pacaja deforestation prevention project.

The Group has continued the process for offsetting CO₂ emissions related also to the manufacture of certain products among its best sellers, identifying around 40 products from the best-selling lines of all three Group brands, calculating the amount of CO₂ emitted, with the aim of offsetting it by purchasing additional certified carbon credits.

As part of its corporate non-financial reporting, during the financial reporting period 2023/2024, Piquadro Group calculated its Business Carbon Footprint for the first time, thus also extending it to include indirect Scope 3 greenhouse gas emissions.

With the aim of reinforcing its identity and values, the Group has launched new products: the Carcoat, an outerwear that makes the intrinsic features of Piquadro backpacks "wearable". Multipurpose, technical, transverse, created for travelling and, of course, sustainable; all these concepts have been incorporated into a warm, techno, lightweight garment. In addition to this article, not to be overlooked was the presentation of the new Piquadro sneakers featured in the Autumn/Winter 2023-24 collection, the product of a third season's partnership with ACBC, a leading Circular Science Company in Italian footwear. The commitment of the two brands to environmental protection has led to the creation of a new edition of the Corner2.0 line by ACBC.

Piquadro has continued to reinforce its commitment, both from the standpoint of organization and marketing, as well as communication, in its endeavor to support the Corno alle Scale ski

resort, by integrating the focus on outdoor activities into its product strategy, by creating high-performance products embracing the world of mountain and outdoor pursuits.

The Group continues to support the local area with projects helping the community, including donations to recognized associations aiding people in difficulty or to associations that manage creative therapy camps where children suffering from serious or chronic diseases and their families are hosted enabling them to enjoy a vacation and have fun. This year, Piquadro has contributed to supporting both Emilia-Romagna, which was seriously impacted by floods, and by restoring the Garisenda Tower.

Also noteworthy is the Group's decision to undertake a significant supply chain study, focusing on the management of its existing cut-and-sew manufacturers, both for Piquadro S.p.A. and for its subsidiary The Bridge S.p.A., and relevant system of procedures implementing the Supplier Code of Conduct and integrating the general terms and conditions of supply.

The path for sustainability followed by Piquadro for some years now continues to be the roadmap guiding the Group which has received a new, important recognition attesting its commitment to the environment and social issues: Standard Ethics, a rating agency known in "sustainable finance" and ESG (Environmental, Social and Governance) circles, for studies promoting standard principles of sustainability and governance, acknowledged by the European Union, the OECD and the United Nations, has raised the long-term Corporate Standard Ethics Rating (SER) for Piquadro Group to EE, while at the same time confirming the Corporate Standard Ethics Rating (SER) EE- assigned last year, certifying the Group's adequate compliance with sustainability standards. The Standard Ethics commentary note remarked that "the policies adopted by the Piquadro Group in 2023 enabled effective monitoring of the main ESG risk categories to which the Group may be exposed, namely occupational safety, the environment and supply chain management. | In the area of governance, it is worth mentioning that the risk dashboard was completed, which enables timely assessment of exposure to operational and economic-financial risks. Non-financial reporting remains aligned with international best practices. The evolution of outstanding ESG initiatives is ongoing".

The President of Piquadro S.p.A.
Marco Palmieri

Methodological note

This document is the consolidated non-financial statement (hereinafter also "NFS" or "Sustainability Report") of the Piquadro Group (hereinafter also "the Group") prepared in accordance with Legis. Decree 254/16 and relates, as applicable, to understanding the business activity, its performance, results and the impact of the product itself, regarding the issues stipulated in Art. 3 of Legis. Decree 254/16, referring to the reporting period ended 31 March 2024 (from 1 April 2023 to 31 March 2024).

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

This report has been prepared in accordance with the GRI Standards.

The definition of the relevant aspects for the Group and its stakeholders took place according to a structured process of materiality analysis described in the paragraph "Materiality assessment".

As regards the information provided by Art 3, paragraph 2 of Legis. Decree 254/16, it is noted that in the business sector, the following information is not included in the reporting scope as it is not relevant in understanding the business:

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

The scope of the economic, social and environmental data and information reported in this document refers to companies consolidated in full within the framework of the Group Consolidated financial statements as of 31 March 2024, listed in the "Corporate Structure" section of this document. No further significant variations are reported on changes in the Group's size, organizational structure, ownership structure and supply chain.

In order to allow the comparability of data and information over time and to assess the performance of the Group's activities, a comparison with the previous year was performed. In addition, in order to give a correct performance representation, the use of estimates has been limited as much as possible; where applicable, these are based on the best methodologies available and appropriately reported.

The frequency of the reporting of non-financial information and the publication of the NFS is done on an annual basis: this document was approved by the Board of Directors of Piquadro S.p.A. on 10 June 2024.

The Declaration is also subject to a limited assurance engagement (following the criteria stipulated in the Revised ISAE 3000 principle) by Deloitte & Touche S.p.A. The verification was carried out according to the procedures outlined in the "Auditing Company's Report", which is included in this document.

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

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

Environmental issues

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

In order to strengthen its commitment to responsible management of resources, reduction of energy consumption and better management of emissions into the atmosphere, the Piquadro S.p.A. Boards of Directors approved a Group environmental policy on 12 June 2023, which was previously submitted to the Risk and Control Committee.

Fight against active and passive corruption

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

In order to confirm and strengthen its commitment, which is essential and shared, in the fight against active and passive corruption, the Group confirms its objective of adopting an anti-corruption policy at Group level. The new Code of Ethics was approved by the Board of Directors of the parent company on 12 June 2023.

Staff issues

In the Code of Ethics, the Group has formalized its commitment to protecting and promoting the value of human resources, increasing its skills and guaranteeing safe working conditions which respect individual dignity. At Parent Company level, two personnel management procedures have been implemented, one in view of the administrative management of resources, the other drawn up within the organization and management Model pursuant to Legislative Decree 231/01. Furthermore, confirming its commitment in term of health and safety, the Board of Directors of Piquadro S.p.A approved the Group Policy for managing health and safety at work on 12 June 2023 which was previously submitted to the Control and Risk Committee.

Protection of human rights

In the Code of Ethics, the Group affirms its commitment to respecting human rights by referring to the ILO (International Labor Organization) Declaration on fundamental principles and rights at work, including the prohibition of forced labor and child labor, freedom of trade union association, the prohibition of discrimination and harassment. Moreover, through the dissemination of the Code of Ethics, the Group aims at applying these principles to all Group companies. Moreover, the Group has defined a Supplier Code of Conduct which defines the principles and practices that its suppliers must comply with. The Board of Directors of Piquadro S.p.A approved the Group Supplier Code of Conduct on 12 June 2023 which was previously submitted to the Control and Risk Committee. With a view to continuously improving the management and engagement of its supply chain, the Group confirms the objective of including, within the qualification process of new suppliers, new parameters relating to the protection of human rights and other social and environmental. For further information, please refer to the chapter "The sustainable supply chain management".

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1. The Piquadro Group

A summary of the Group as at 31 March 2024:



Revenue from sales: € 180.3 million (+ 2.7 % compared to 2022/2023 reporting period)



Consolidated Net Result: € 10,528 million



131 direct stores and 44 indirect retail stores



1,039 employees

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

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

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

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

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



1.1 The Group's background and values



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



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

- Founded in 1987 by Marco Palmieri, who at that time was a student at the University of Engineering, it was initially a small company that manufactured leather goods on behalf of third parties.

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

The name comes from the combination **Palmieri-Pelletteria** which, honoring the fact that the founder likes mathematical terms, becomes P^2 , (P squared), which in Italian is pronounced Piquadro.

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



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

- In 2006, the new headquarters was inaugurated in Silla di Gaggio Montano, a futuristic building surrounded by the green Tuscan-Emilian Apennines, where the research, development and logistics processes are managed.



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

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

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



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

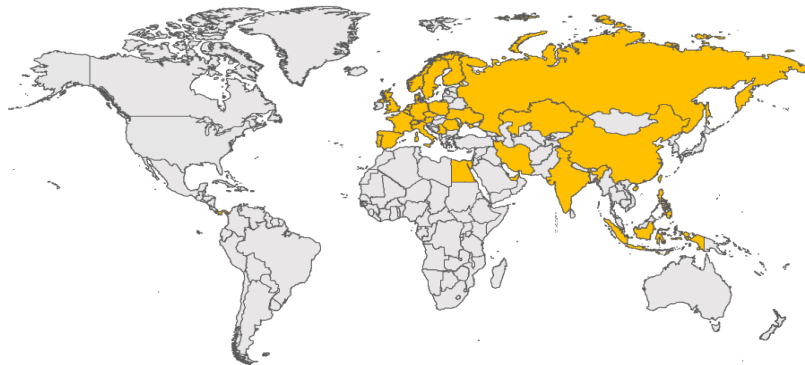


- In June 2018, Piquadro acquired Lancel International S.A. ("Lancel International") - a Swiss company, wholly owned by the Richemont Group, which owns the "Lancel" brand, which holds 99.9958 % of the capital of the French law firm Lancel Sogedi S.A. and the Spanish and Italian law firms which manage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

Brand diffusion

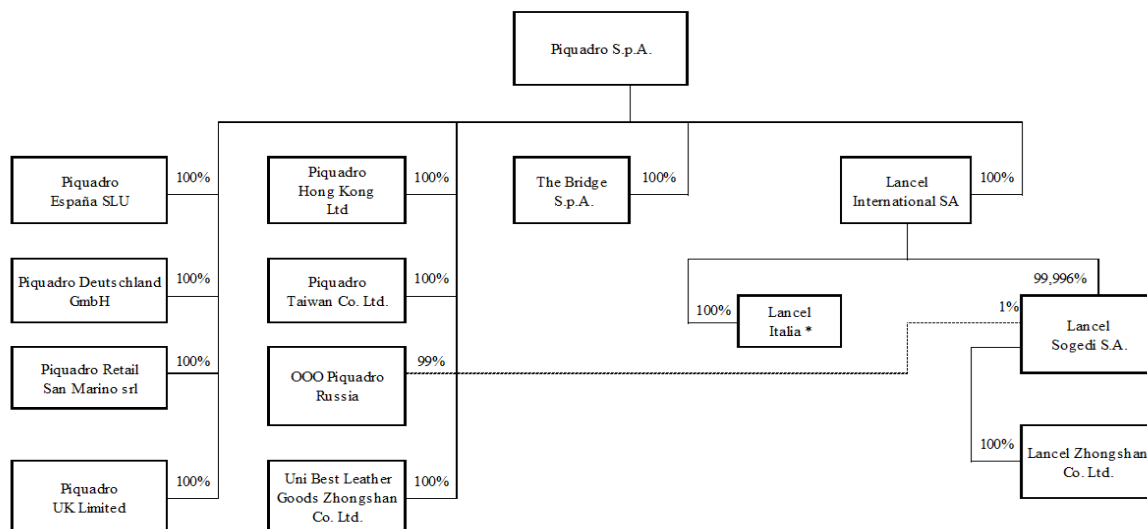
As of 31 March 2024, the brand is present in more than **50 countries with 175 retail stores**, of which **131 single-brand** stores are directly managed (50 Piquadro stores, 12 The Bridge, and 69 Lancel), **44 indirect retail stores** represented by multi-brand stores and single-brand franchise stores (38 Piquadro stores, 2 The Bridge and 4 Lancel) and finally a network of distributors reselling the items in specialized multi-brand stores.

Stores under direct or indirect management of the Piquadro Group in 2023/2024



Corporate structure

As of 31 March 2024, the Piquadro Group is structured as follows:



* company in liquidation

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

Corporate Governance



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

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

The company adheres to the Corporate Governance Code approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A¹

Standard Ethics, on 20 December 2023, awarded the Piquadro Group the Corporate Standard Ethics Rating (SER) "EE-", which indicates adequate compliance with sustainability standards. In the Standard Ethics commentary note, the agency stated that the Group "has strategically aligned its ESG (Environment, Social and Governance) actions with international voluntary sustainability goals and strategies promoted by the UN, the OECD and the EU; it has also set up an adequate Governance and ESG risk management system which can be implemented over time and aligned its non-financial reporting for the Group to international standards and best practices.

Governance structure and composition

Piquadro S.p.A. has adopted a traditional administration and control model within the meaning of article 2380-bis et seq. of the Italian Civil Code, with Shareholders' Meeting, Board of Directors and Board of Statutory Auditors.

Regarding the Shareholders' Meeting, responsibilities, role and functioning are determined by law and under the Articles of Association.

The **Board of Directors**, as described above, is made up of five to a maximum number of nine members, as established by the Shareholders' Meeting at the time of appointment. The Board shall appoint a Chair from among its members, wherever the Shareholders' Meeting has not already done so. The Board may also appoint one or more deputy chairs, whenever it sees fit, and also one or more Managing Directors who shall also be vested with powers to replace the Chair. The Board may appoint a secretary who may also be a person from outside the Company. The Board shall be vested with the broadest powers for the operational and non-operational running of the Company bar none, except for such statutory powers that fall within the purview of the Shareholders' Meeting. Legal representation of the Company and signing on behalf of the Company shall be granted separately to the Chair of the Board, as well as, whenever appointed, the deputy Chair(s) and the Managing Directors, within the limits

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

of the powers granted. The Board of Directors has the role of steering the Company, with the objective of pursuing its sustainable success (objective that translates as creating long-term value for the benefit of the shareholders, considering the interests of the other stakeholders that are relevant for the Company) (Principle I of the Code).

The Board of Directors shall remain in office for a term of three years and up to the time of approval of the financial statements year ends 31 March 2024 by the Shareholders' Meeting, and it shall have the following members²:

Marco Palmieri	Chairman and CEO
Tommaso Palmieri	Non-executive director
Roberto Trotta	Managing director
Pierpaolo Palmieri	Managing director
Valentina Beatrice Manfredi	Non-executive director, independent ³
Catia Cesari	Non-executive director, independent
Barbara Falcomer	Non-executive director, independent

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

Age range	As at 31 March 2024		
	Men	Women	%
<30	1	0	14%
30-50	0	1	14%
>50	3	2	72%
%	57%	43%	100%

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

The Board of Directors has sole responsibility for managing the Company that shall execute any and all transactions necessary for enabling the corporate purpose.

Regarding promoting parity of treatment and equal opportunities for both men and women across the entire corporate organization, the Company already promotes inclusion, parity of treatment and equal opportunities for both men and women employees, as endorsed in its Code of Ethics and, therefore, adoption of specific procedures has not been deemed necessary.

In compliance with the provisions of Principle I and Recommendation 1 of the Code, it has been clarified that the Board of Directors shall steer Group strategy pursuing sustainable success and, specifically, endorse the Non-financial Statement approved by the Piquadro Board of Directors. In addition, the Board shall approve the strategic lines and policies associated with the main sustainability topics.

Regarding the appointment of directors, the Remuneration and Appointments Committee shall aid the Board of Directors in the following tasks: (a) self-evaluation of the board of Directors and its Committees; (b) determining the optimal composition of the Board of Directors and its Committees; (c) identifying candidates for the office of director in the event of co-optation; (d)

² For information about the other duties and roles of directors, please see the Report on Corporate Governance and Corporate Shareholder Structure.

³ Independent board members as described by the TUF [Financial services Act] and Corporate Governance Code

possible submission of a list by the outgoing management board to be used according to procedures that ensure that any such list has been compiled and submitted in a transparent fashion; (e) preparation, updating and implementation of any succession plan for appointing the chief executive officer and other executive directors.

The Board of Directors has adopted diversity criteria, including gender diversity regarding its members, in accordance with the priority objective of ensuring adequate expertise and professionalism of its members, and also in compliance with the provisions of Principle VII of the Code. Considering the specific sector in which the Company operates and the reference markets, the members of the management and supervisory boards shall have adequate professional expertise and management skills, also with international scope, suitable for pursuing the objectives of the Company, and the foregoing shall be ensured by the co-presence of diversified technical, managerial and financial backgrounds and career paths that enable them to fill a broad range of roles. No specific evaluations have been made regarding the adequacy of managing sustainability areas, and actions intended for reviewing the skill sets required for managing such areas are planned and will be implemented over the next reporting periods.

In compliance with Recommendation 1 (d), the Board is required to provide an evaluation on the adequacy of the organization, administrative and financial reporting structure of Piquadro S.p.A. and its “strategically relevant” subsidiaries.

The Board shall also evaluate the actual working of the internal control and risk management system whenever such risks may be significant in relation to sustainability in the long-term for the Company’s operations. The Board, for evaluating the internal control and risk management system shall also have considered implemented improvement plans and the residual risks to which the Company may be exposed. The risk assessment shall be made based on the document containing the model for identifying the nature and degree of risk, compatible with the Company’s strategic objective, called “Risk Dashboard”, including any reference KPIs, which shall be prepared by the Head of the internal Audit, together with the director responsible for the internal control and risk management system and with the Manager responsible for preparing corporate financial reporting documents. The risk assessment shall be supplemented over the next reporting period to also include environmental and social risks.

The Board, also via directors with delegated powers, shall prepare and make any statutory disclosures and, for such purpose, it shall report to the Board of Statutory Auditors on activities performed and on any more significant transactions from a business, financial and asset-related standpoint executed by the Company. Specifically, it shall report on any transactions in which directors have a direct interest or that on behalf of third parties or whenever they may have been influenced by the entity exercising management and control, whenever such management and control exists; reporting shall be made at Board of Directors Meetings and, however, at least quarterly.

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

The Board of Directors has decided to not set up a specific committee intended for supervising sustainability issues associated with business operations and interaction with all stakeholders, preferring to allocate such functions to the other existing Committees Remuneration and Appointments Committee and the Control and Risk Assessment Committee).

Specifically, the Control and Risk Assessment Committee, in compliance with the Code, in advising the Board of Directors, shall be responsible for undertaking the following tasks:

- Assessing the suitability of periodic, financial and non-financial information in correctly representing the Company's business model and strategies, the impact of its activities and performance targets achieved,
- Reviewing the subject matter of periodic non-financial disclosures, for the purpose of the Internal Control and Risk Management system.

In compliance with the provisions of Recommendation 13 of the Code, considering that the Chair of the Board of Directors is also the Managing Director granted significant management and control delegated powers, indirectly via Piquadro Holding S.p.A., the Company and the Board has decided to appoint a "Lead Independent director": Contact and coordinator for requests and contributions made by the non-executive directors and, specifically, the independent directors, ensuring that the latter enjoy the fullest independence in expressing their judgements on the performance of management. This director also co-operates with the Chair of the Board of Directors with a view to ensuring that directors are recipients of a full and timely information flow.

The Board of Statutory Auditors is elected by the Shareholders' Meeting and it is composed of three standing statutory auditors and two alternates, appointed as prescribed by law. The Shareholders' Meeting, at the time of appointment, shall nominate the Chair of the Board of Statutory Auditors, likewise, determining Statutory Auditors' remuneration. The Board of Statutory Auditors' tasks and duties are determined by law. In addition, statutory auditors, also singly, may ask directors for additional information and clarification regarding information provided to them and, more generally, on the progress of corporate transactions or on certain business dealings, as well as conducting inspections, audits or asking for information at any time, in accordance with statutory provisions.

The Board of Directors, with a view to efficiently organizing the Committees within the Board of Directors, also considering the extremely limited number of transactions with related parties executed by the Company, has deemed it unnecessary to set up a specific committee, allocating to the Control and Risks Committee the function of Committee for Transactions with Related Parties, for the purpose of performing the tasks provided under Consob Regulation no. 17221 of 12 March 2010 (as amended) and under the Procedure "Transactions with Related Parties" adopted by the Company.

Remuneration policies

Regarding the remuneration of directors and other executive managers with strategic responsibilities, the Remuneration and Appointments Committee, in accordance with Recommendation 25 of the Code shall: (a) advise the Board of Directors on developing the remuneration policy; (b) submit proposals or opinions to the Board of Directors regarding the remuneration of executive directors and other directors with special duties and roles at the Company and within the Group, as well as setting performance goals attached to the variable portion of such remuneration; (c) monitor effective application of the remuneration policy, checking, specifically, that performance goals have actually been met; and (d) periodically evaluate the adequacy and overall consistency of the policy for the remuneration of directors and top management.

The Remuneration and Appointments Committee has a purely advisory role, while the power to determine remuneration of directors with special duties and roles shall always fall within the purview of the Board of Directors.

The Remuneration Policy shall establish the rules and guidelines for remuneration policies of the Parent and such Policy shall be prepared in compliance with the recommendation of the amended Corporate Governance Code and, specifically, the principles stated in article 6 of said Code and, namely:

- (i) For Non-Executive Directors, remuneration shall be fixed and not include a variable component; and
- (ii) For Executive Directors and Senior Managers with strategic responsibilities, remuneration shall include a fixed annual gross component and a variable one linked to pre-set and measurable objective that are associated with the creation of value for the shareholders.

In setting Executive Directors and Senior Manager with strategic responsibilities remuneration and the single components, the following factors shall be considered:

- (i) The specific subject matter of the delegated powers granted to individual Directors vested with special powers and/or offices; and
- (ii) the functions and role actually held at the Company, ensuring, in this way, that the planned variable component is in line with the nature of the tasks and duties allocated to them.

The variable component of remuneration for Executive Directors and Senior Managers with strategic responsibilities shall be determined based on the Management by Objectives (MBO) model that establishes payment of such variable component, following a pay-for-performance rationale, on meeting the quantitative general business and financial objectives and performance targets. The annual gross fixed component of remuneration shall have a weight varying from around 93% to around 72% of total remuneration provided in the event of exceeding the various allocated targets; (ii) the ceiling for the variable component shall correspond to 40% of the fixed component; and (iii) whenever the highest set performance targets have been attained the annual variable component shall be made up of a variable component that shall not exceed 25% of total annual remuneration.

Executive Directors shall be the beneficiaries of a medium/long-term incentive scheme (Stock Grant 2023-2027 Plan). The 2023-2027 Stock Grant Plan was approved by the Shareholders' Meeting on 20 July 2023. The Plan was conceived to respond to the new challenges that the Group will be facing in coming years and provides a tool which - via allocating financial instruments representing the value of the Company, triggered based on achieving pre-set performance objectives - it enables the attention and work focus of the beneficiaries to be directed at objectives of strategic interest, promoting their loyalty and incentivizing their permanence at the Company and at corporate Subsidiaries. The Plan is also intended for Senior Managers with strategic responsibilities that have a significant impact on attaining corporate results over the medium/long-term. Specifically, at the time of allocation, the Board of Directors of the Company, after having consulted the Remuneration Committee, shall identify (i) the single beneficiaries from among the Executive Directors, senior managers with strategic responsibilities, managers and employees of the Company and of subsidiaries ("Beneficiaries"); (ii) the number of ordinary shares to be allocated, as well as (iii) the terms and conditions for allocation and consignment of the ordinary shares, having considered possibly the number, category and level within the organization, the responsibilities and the professional expertise of the Beneficiaries.

The 2023-2027 Stock Grant Plan has the following objectives: (i) to align the remuneration of Beneficiaries with the shareholders' interests, steering management to taking decisions directed at creating value for the Piquadro Group in the medium/long-term and contributing to generating sustainable value, and the guidelines of the corporate Governance Code; (ii) build loyalty with management and incentivize their permanence in the Group; and (iii) ensure that overall Beneficiary remuneration remains competitive, by adding an extra element to remuneration.

The 2023-2027 Stock Grant Plan provides for free attribution to each identified Beneficiary of the right to receive from the Company (also for no consideration) of Piquadro ordinary shares listed on Euronext Milano organized by Borsa Italiana S.p.A.

The ratio between total annual salary of the person receiving the maximum salary and the mean of the total annual salary of all employees of the Group, excluding said person shall be 36.80 (substantially in line with the figure reported year ends 31 March 2023 which was 37.40) Compared to previous reporting period, since no change was reported for the individual receiving the highest salary, the rate between the percentage increase of the total annual salary of the person receiving the highest salary and the percentage increase of the mean of total annual salary of all Group employees, excluding said person, was zero.

It should be noted that the total salary of the person receiving the highest salary is calculated considering salary as director in all Group companies and total variable emoluments disbursed in the reporting period.

Total annual salaries of all the other Group employees include the gross salary of the employee, total overtime worked over the reporting period and, finally, total bonuses (fixed or variable) disbursed over the reporting period.

1.2 The Ethical management of our business



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

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

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

Piquadro believes in the values of **integrity, fairness, transparency and innovation**, thanks to its a strong and recognized cultural identity. The Piquadro Group also aims to reconcile competitiveness on the market with compliance to competition regulations and to promote, as regards social and environmental responsibility, the correct and responsible use of resources.

In June 2008, the parent company adopted the **organization and management Model** (hereinafter also the "Model") pursuant to Legis. Decree 231/2001 and adopted the **Group Code of Ethics**, to set up a structured and organic system of rules to enable the prevention of illegal behavior by monitoring areas and activities at risk and guarantee the ethical management of the *business*.

The subsidiary The Bridge S.p.A. has also instituted the Supervisory Body and adopted the Group Code of Ethics since 2017.

Code of Ethics

The Group, in the context of its activities and within in its business, has always considered its main objective to carry out the business activities by respecting and protecting all partners and individuals to whom it relates, as well as compliance with the law and regulations of the reference countries.

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

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

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

Moral integrity is a constant value and duty for the Piquadro Group, characterizing all the behaviors of the organization and in no case does pursuing the Group's interest justify an action which is not coherent with the principles of the Code. Therefore, each individual must pay attention to circumstances which may be indicators of misconduct and act promptly to avoid misconduct.

The Group Code of Ethics is an essential component of the organizational model and Group internal control system, which given tangible written form to the principle, which has always been adopted by the Company, that ethics shall always be at the foundation of corporate values. The Code of Ethics guides and inspires not only the business activities of the Group companies but also the actions of each single Company employee and all persons and entities that they may come into contact with while engaged in their jobs.

The organization and management model

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

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

In order to ensure the **effective dissemination of the Model, the Code of Ethics and the information** of the personnel with reference to **the contents of Legis. Decree 231/2001** and the connected obligations, specific area of the company's IT network is set up for the issue (where, besides the documents that make up the previously described set of information, the tools to report to the Supervisory Board as well as any other relevant documentation are provided and available).

In addition, in order to comply with Decree Law 23/2023 (see **whistle blowing** system) and to encourage reporting behavior that could determine or /help determine the responsibility as per ex Legis. Decree 231/2001, the parent company and The Bridge S.p.A. have adopted a reporting system to the Supervisory Authority which can guarantee the confidentiality of the whistle blower's identity.

Under the organization, management and control Model, the policy adopted by the Company regarding personal data processing finds tangible and actionable form, implementing compliance with the GDPR (EU General Data Protection Regulation) and updating of the compliance Model. The Parent (and The Bridge S.p.A.) have revised the model where necessary, both to reflect the natural progression of corporate dynamics and in cases where the review made corrections and adaption necessary. This latter aspect involved the following items:

- Suggestions and proposals for updating the model submitted by corporate departments able to actually implement them into the corporate fabric, according to the type and range of the measures; proposals regarding formal aspects, or those that are less relevant addressing HR and Organization or Administration, while in other cases with greater relevance, proposals are submitted to the Board of Directors.
- Follow-up: monitoring of implementation and actual working of the proposed solution.

Specifically, monitoring continued of Italian regulatory provisions, as well as measures issued by the Data Protection Authority and European Agencies. With this purpose in mind, each department was asked to update their in-company data protection sheets.

With a view to correctly defining governance choices implemented and in compliance with the statutory provisions of article 30 of the GDPR, the processing Register was updated containing all required information and risk assessment sheets implemented for checking the security of systems and the application of suggested measures under the ENISA (European Agency for Cybersecurity) Guidelines and the ISO 27000 Standard.

The parent (and Italian subsidiary The Bridge) has updated their corporate organizational chart and, as a result, the instructions and relevant authorizations of the appointed processors have been renewed.

Piquadro S.p.A. has also defined the training schedule regulatory compliance on personal data processing for all staff, including retaining relevant attendance certificates. It has further updated and implemented its dealings with suppliers, where it is necessary to enter into an agreement, in accordance with article 28 of the GDPR, consequently appointing a Processor. Implementation of the anti-intrusion alarm system was followed by timely updating of data protection provisions on completion of installation. The data entry and CRM access system used by all store staff was reviewed and enhanced. Statutory information notices for data subjects are reviewed and updated continually, whenever necessary. The rights of data subjects are always managed and processed according to statutory procedures and times. Reports received from data subjects are managed and processed according to statutory procedures and times.

Data processing within the Group is constantly monitored, also via review of data processing methods adopted by subsidiaries.

For further information about the Group Code of Ethics and the Organization and Management Model, please see the documents published in the section "Investor relations" on the website <http://www.piquadro.com>.

Tax compliance

The approach adopted by an organization regarding taxation is a measure of how it balances tax compliance with business activities and with ethical, social and sustainable development expectations. The Piquadro Group promotes a corporate culture underpinned by principles of correctness and compliance with tax rules.

Each single company within the Group has adopted a policy whose purpose is to provide guidance and define tax rules, with the goal of ensuring uniform application of tax rules. An independent Tax Advisor (Specialized Tax Area) has been appointed that, together with the Parent's tax representative, will create the basis for managing tax risk, with a view to ensuring correct and consistent interpretation of tax legislation and rules, as well as compliance with said legislation and rules, by defining general principles and rules to be adopted by the Group's Italian companies. Subsequently, at Group level, a specific advisor has been identified for each country, reporting to the Parent, with a view to better overseeing specific regulatory provisions applicable to individual countries.

The scope of processing under the policy described above is explained in the operating model adopted for managing tax aspects, as well as defining the lines, guidelines and standards for tax matters, with a view to ensuring uniform application of tax standards across the Piquadro Group.



The Tax Policy applies to all Piquadro Group companies for “Managing all Tax matters.” The Tax Policy was approved by Piquadro S.p.A. Board of Directors, after consultation and approval by the Risks Committee shall be adopted by the individual Group companies after approval by their own Board of Directors.

Any amendment is required to follow a similar approval procedure.

The Special Tax Area operates with a view to ensuring correct and uniform interpretation of Tax Legislation, as well as compliance therewith via defining general implementation standards and rules for the Group companies.

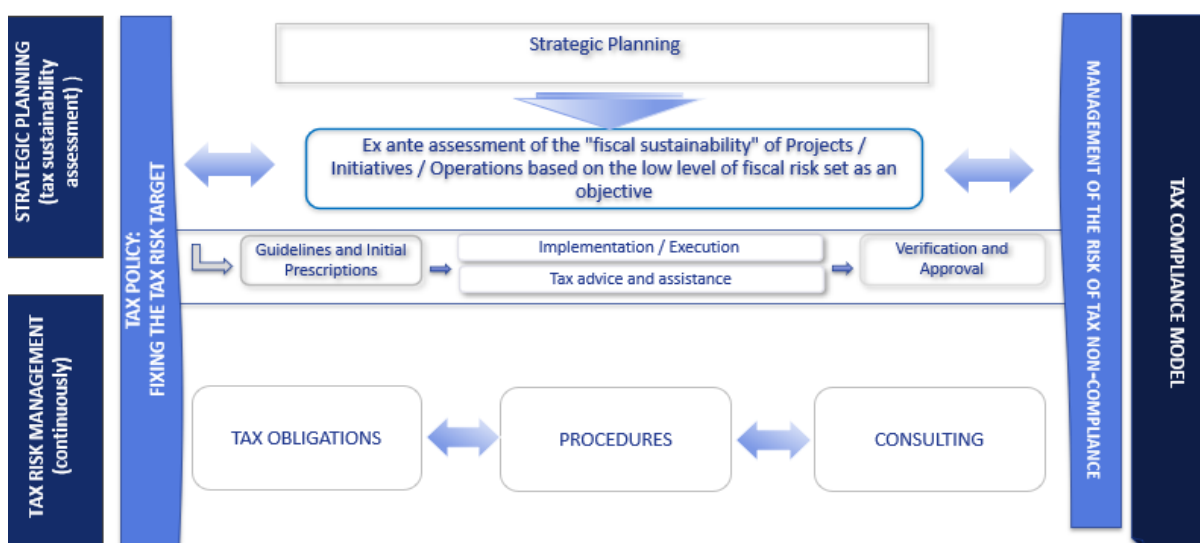
The Parent Company and the Specialist Tax Area Representative implement management and coordination of all tax-related matters via defining standards and rules for implementing regulatory provisions, for the purpose of ensuring their compliance.

Specifically, the Parent and Specialist Tax Area's Representative shall:

- define the lines and guideline for tax matters, for the purpose of uniform application of Tax Legislation regarding cases of common interest; within such context, they shall identify and interpret Tax Legislation in order to provide suitable disclosure to the Group companies.
- establish the information flows regarding tax matters for the Group companies, defining the methods and timeframes for acquiring such information flows.

The Group companies shall:

- acknowledges the lines, guidelines and standards communicated by the Parent's and Special Tax Area's Representative.
- ensure tax compliance falling within their responsibilities in line with the strategic inputs and guidelines.
- Promptly notify the Parent's Tax Representative about tax audits ordered by the Finance Administration and the outcome of such audits and assessments.
- Ensure an information flow to the Parent's Tax Representative, with a view to enabling the latter to efficiently undertake management and coordination activities.



The management and coordination role played by the Parent also involves the Parent's Tax Representative and the Specialist Tax Function in planning activities and defining corporate choices, promoting interaction that enables informed decision-making to be adopted across all aspects of corporate life where the tax variable may be a factor of interest.

The Parent's Tax Representative, on request or following notification by the Proposing Function, shall forward to the Specialist Tax Function information regarding projects, transactions and events concerning the following areas:

- Business: new geographic markets, new sales channels, new contractual "structures/frameworks" and/or significant changes to existing ones.

- Corporate: acquisitions/disposals, divestments/demergers and business or business line transfers.
- Investments: financial, tangibles (real estate and technological P&E, etc.) and intangibles (trademarks and patents, etc.).
- Organization of business operations: outsourcing/insourcing of certain functions and centralizing/decentralizing, etc.).
- Marketing: new methods for promoting Piquadro Group brands.
- International operations: new methods for penetrating foreign markets and/or reinforcing Group companies foreign presence and or significant changes to existing methods.

Involvement of the Specialist Tax function in the previously mentioned decision-making processes is achieved via support given to the Proposing Function and in-company organizational structures consisting in offering preliminary assessment of projects/transactions/events directed at ensuring Tax Legislation compliance.

Whenever non-routine/operating transactions/operations are planned, prior to their approval, the Specialist Tax Function has the task of supporting decision making management by assessing the underlying risk level of such transactions/operations.

Within the context of managing tax compliance falling under their responsibility, each Group company is required to comply with the following operating rules:

- Timeliness: each obligation required by tax legislation shall be performed correctly and within the statutory deadlines, for the purpose of avoiding fines and penalties adopted by the Finance Administration.
- Traceability: the traceability of activities and documents regarding the various process steps shall be guaranteed, ensuring that sources and information items can be identified and reconstructed, as well as the checks conducted supporting such activities. Relevant documentation retention shall be ensured in compliance with the statutory retention periods.

Each Group company, at its own organization shall identify and notify its Tax Representative to the Parent, ensuring that the following tasks are performed:

- Mining and processing of information management system data and relevant consistency analysis on such data.
- Preparation and filing, together with the Specialist Tax Function of tax returns.
- Calculation of tax to be paid.
- Recording in accounts of tax paid and whenever tax compliance so requires “provisioning” in accounts and recording of such provision and subsequent use.
- Filing of documentation proving tax compliance (returns, transmission confirmations and paid tax receipts).

Within the area of tax litigation or at stages prior to litigation, the Group companies are required to comply with the principles and rules of conduct that enable the Parent and Specialist Tax Function to constantly monitor tax audits.

The Tax Compliance activities and services shall be performed by the Specialist Tax Function and shall include:

- Regulatory observation desk: ongoing monitoring of tax regulatory provisions applicable to the Group companies.
- Regulatory impact analysis: reporting of new regulation for the purpose of assessing their potential impact on processes, organization structures and IT systems.
- Opinions: to be issued on request.

The Group companies warrant to comply with – formally and substantively – with all tax laws and rules, as interpreted by the Italian Revenue Agency.

The Group companies shall establish relations with the Finance Administration marked by full collaboration, and they shall not hinder any assessment or audit activities conducted by the latter in any way whatsoever and they shall respond to any requests received in a prompt and transparent manner. Information provided to the Finance Administration shall be complete, accurate, truthful and transparent.

The system for reporting unlawful conduct may also use the whistleblowing channel.

Basis of preparation

Reporting boundary

The reporting boundary consists of the entities directly or indirectly controlled by the Parent Piquadro S.p.A.

Data source

The data presented in the report have been aggregated by tax jurisdiction and they have been sourced from Group entity local financial statements year ends 31 March 2024. It is held that, in relation to the financial statement items presented in this report, differences between local GAAP and IFRS which are the standards used for preparing consolidated financial statements are negligible.

Reporting period

The reporting period corresponds to the tax year that runs from 1 April 2023 to 31 March 2024 for the Parent Piquadro S.p.A.,

Aggregate data by tax jurisdiction are as follows:

• Total revenue

The sum of all sales revenues generated in the tax jurisdiction for the reporting period in question by all Group entities, with separate itemization of revenue generated by transactions with third parties (“Non-related Parties”) and intragroup transactions with other tax jurisdictions (“Related Parties”). Revenue includes all positive income items. Including, but not limited to, revenue from sale of goods and services, royalties received for the licensing of industrial patents, interest income, capital gains on the disposal of PP&E, intangible assets and equity interests and unrealized gains (such as the fair value of derivatives not used for hedging); intragroup dividends are instead excluded.

- **Profit (Loss) before income tax**

The sum of profit and loss before taxation is reported for the reporting period in question for all Group entities.

- **Income tax paid (based on cash accounting)**

Income tax paid on a cash basis for the reporting period in question by all Group entities resident in the tax jurisdiction, both to the tax jurisdiction of residence and to all other tax jurisdictions. Also, the withholding tax paid by the other Group entities has been attributed to the subsidiary, applied to income paid to said subsidiary, primarily for services rendered.

- **Tax on accrued income – current period**

Current taxes accrued on income before tax are shown (or in the case of loss, current tax credits) recognized in the current reporting period, reported by all Group entities.

- **Headcount**

The number of employees in service at the end of the reporting period at all Group entities.

- **Non-current tangible assets other than cash and cash equivalents**

The sum of the book value of all non-current tangible assets of the Group entities resident in the tax jurisdiction or operating there via PE. Intangible assets and all financial assets (cash, equity interests, securities, receivables and derivative assets, etc.).

Reporting currency

The reporting currency is the Euro (EUR/€). Figures are stated in thousands of Euro. Figures stated in currencies other than the Euro have been translated using the average exchange rate for the period in question.

Materiality threshold

Sums under € 1,000 have not been reported.

Reporting of county-by-country taxes for the 2023/2024 reporting period

Piquadro Group - Summary table 1

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

Piquadro Group - Summary table 2

FY 2023/24	Total Sales	Sales from third parts	Intercompany sales	Profit (loss) before income taxes	Income taxes paid (based on cash accounting)	Income taxes accrued in the current year	Employees number	Tangible fixed assets (not cash and cash equivalents)
ITALY	132.075	109.269	22.805	18.658	3.079	3.795	424	8.817
FRANCE	63.103	61.865	1.238	(4.296)	0	93	301	2.910
CHINA	8.711	2.227	6.484	282	0	0	229	310
RUSSIAN FEDERATION	3.898	3.898	0	(19)	130	130	40	1
SPAIN	1.516	1.456	60	9	3	3	15	220
TAIWAN	596	596	0	9	0	0	16	79
SAN MARINO	372	372	0	2	0	0	3	104
UK	367	367	0	3	12	12	7	1
DEUTSCHLAND	221	218	3	1	0	0	3	4
HONG KONG	0	0	0	(8)	0	0	1	0
SWISS	0	0	0	(82)	0	(2)	0	0
Piquadro Group (before consolidation adjustments)	210.859	180.269	30.590	14.559	3.223	4.031	1.039	12.447

* It should be noted that for Italy revenue generated by intracompany transactions also includes those transactions between Italian companies in the Group and not only those with other tax jurisdictions.

Regarding possible differences between tax on income accrued on profit and tax due (GRI 207-4-b-x), please see Note 37 of the Piquadro Group Consolidated Financial Statements as at 31 March 2024.

1.3 Compliance and risk management



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

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

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

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

In the 2023/2024 reporting period, no significant cases of non-compliance with laws and regulations were reported that gave rise to the payment of fines or other non-monetary penalties.

In addition, during the reporting period, no penalties were paid due to non-compliance with laws or regulations.

In the 2023/2024 reporting period, no cases of corruption were reported.

The operational and economic-financial risk assessment is based on a model of identification of the nature and level of risk compatible with the organization strategic objectives, called "*Risk Factors Dashboard*". In this document, prepared for the Parent and implemented also by

subsidiary, The Bridge, risks, classified by strategic, operating and financial categories have been analyzed, such as, for example:

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

Type of risk	Management arrangements
	<p>monitored through its administration console. With regard to data integrity, this is stored on databases whose access by developers and directors is monitored and controlled by the appropriate software and appropriate procedures. The data flow that takes place via e-mail, e-commerce, order entry is protected through regularly updated electronic certificates. Storage on both the production and the DR site has been enhanced which will allow complete replication of the production on the DR site.</p>
<p>Risks related to changing customer preferences and increased competition The Group attributes its success to the consumer's appreciation for the style and quality of its products, while still contemplating possible any changes in consumer tastes which the Piquadro Group is unable to anticipate and that might instead be met by competitors</p>	<p>The Group's management considers that the key factors in countering these risks are:</p> <ul style="list-style-type: none"> - the ability to offer products in line with the expectations of reference consumers; - the pursuit of appropriate marketing policies; - maintaining and developing its production model as well as - maintaining and strengthening its single-brand and multi-brand distribution capacity
<p>Economic and financial risks related in particular to credit risk from commercial transactions or financing activities, liquidity risk concerning the availability of financial resources and the access to the credit market and market risk, better divided into the components of exchange rate risk (given by operations in currency areas other than the Euro) and interest rate risk due to exposure to financial instruments that generate interest.</p>	<p>Risk management is carried out centrally in the context of specific organizational directives governing their management and the control of all transactions that have close relevance in the structure of financial and/or commercial assets and liabilities.</p> <p>For example, in relation to exchange rate risk, Management adopted a risk containment strategy better defined as a "hedge accounting policy" which consists in continuous hedging of purchase-related risks over a six-month time horizon based on the amount of orders issued.</p>

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

Type of risk	Management method
<p>Environmental risks linked to the lack of compliance with the environmental regulations in countries where the Group works, inefficient management of materials and energy or incorrect management of waste.</p> <p>Piquadro has launched a process for identifying and assessing risks linked to climate change, which it intends to conclude by the end of the next reporting period, considering potential impacts on the primary operating sites and supply chain, This process serves to identify physical risks, transition risks and opportunities, linked to the sector and features of the Group's business and this has led to the identification of the following risks: i) extreme weather events that could have consequences for Group sites, the supply chain and logistics; ii) introduction of regulations aimed at containing the generation of CO₂ emissions and, in general, climate change that could impact business; iii) rise in the cost of certain natural raw materials and decrease in their availability; iv) change in preferences expressed by consumers that are becoming increasingly better informed and aware of the topic of climate change.</p>	<p>In the Code of Ethics, the Group has expressed its commitment to the protection of the environment and conducting its activities seeking a balance between economic initiatives and environmental needs. The Parent approved a Group Environmental Policy on 12 June 2023.</p> <p>In addition, the Parent company has implemented a special section on environmental crimes, in the organization and management Model under Legis. Decree 231/01 and has adopted a waste management procedure. These areas were also analyzed in the subsidiary The Bridge S.p.A. that has finalized the adoption of the special section on environmental offences.</p> <p>The Group has taken out insurance cover for the operating sites aimed at mitigating weather events and it is taking action to prepare action plans intended for safeguarding the supply chain and service logistics, also via segmentation actions which are in line with the business requirements of each brand.</p> <p>The Group aims to reduce its carbon footprint, via energy efficiency projects, by optimizing energy usage and by purchasing energy from renewable sources.</p> <p>The product development strategy privileges, where possible, the use of recycled material and, in general, aims to use materials responsibly and efficiently.</p> <p>Commencing from the 2022/2023 reporting period, the Group started offsetting Scope 1 and Scope 2 CO₂ emissions generated by the manufacture of certain products among the bestsellers (around 40 products included in the bestselling lines of all three Group brands).</p>
<p>Social risks linked to non-compliance with the specific product regulations also regarding the impact of the products themselves on health and safety, the failure to meet customer expectations, the inadequacy of the research and development process.</p>	<p>The products are subject to rigorous controls to ensure their quality and safety: special laboratory tests are carried out on both the finished products and materials to test their resistance, structural integrity, hydro-repellent qualities and non-toxicity. As a benchmark, the Group has the REACH European Regulation which rules the use of hazardous chemicals in production processes the compliance with which is also required to its suppliers, where applicable. In addition, the Group has adopted a specific intellectual property management procedure.</p>

Type of risk	Management method
<p>Risks related to personnel in the unsuitability of the attraction and recruitment process, development plans and staff motivation, as well as the inadequacy of occupational health and safety measures.</p>	<p>In the Code of Ethics, The Group has formalized its commitment to ensure the physical and moral integrity of its employees and internal collaborators, working conditions regarding individual dignity and safe and healthy work environments, in full compliance with the current legislation.</p> <p>The parent company and the Italian subsidiary The Bridge, have carried out workplace risk analysis, formalized in the RAD (Risk Assessment Document). The same was done by the French company Lancel Sogedi S.A.</p> <p>By way of confirming its commitment to occupational health and safety, Parent Piquadro S.p.A, Board of Directors approved the Group Occupational Health and safety policy on 12 June 2023, previously submitted and checked by the Control and Risks Committee.</p>
<p>Risks related to the fight against active and passive corruption are related to the possibility of the Group's management and staff carrying out unethical, unauthorized behavior, violation of rules and regulations, offence with reference to the crime of active and passive bribery.</p>	<p>The Group has formalized the values of ethics and integrity which inspire its business in the Code of Ethics: through the dissemination of this, it tries to disseminate a culture of social responsibility when conducting the business.</p> <p>Furthermore, the parent company and The Bridge S.p.A. have adopted an organization and management model pursuant to Legis. decree 231/01 under which areas and operations which are most at risk of crime have been identified and analyzed, for example, such as requesting authorizations, grants, licenses and certifications, sponsorships and donations, as well as the risks of dealing with external entities both public and private (Revenue Agency, National Institute for Insurance against Labor Accidents and National Institute for Social Security).</p>
<p>Risks related to non-compliance with human rights related to the Group's operations and suppliers in countries where the legislation is less severe than that of Italy.</p>	<p>In the Code of Ethics, the Group has formalized its commitment to respecting human rights by explicitly recalling the ILO Declaration on fundamental principles and rights at work, including the prohibition of forced labor and child labor, freedom to join trade unions and the prohibition of discrimination and harassment.</p> <p>Through the dissemination of the Code of Ethics, it aims to apply, in all Group companies, an ethical corporate culture which respects human rights. In addition, the Group approved the Group Supplier Code of Conduct on 12 June 2023 and it is currently undertaking a full review of the supplier selection procedure, directed at implementing proper supply chain management, for from the social and environmental standpoint, in terms of classifying and preventing potential risks; this procedure plans to monitor the supply chain in relation to compliance with occupational health and safety standards, compliance with human rights and environmental regulations. In parallel, the Supply Code of Conduct is undergoing review and any updating in the light of new processes and procedures which are currently being defined.</p>

This model is being supplemented and redefined, in relation to the various risk areas, and via the creation of a summary dashboard, presentation clarity has been enhanced. It should be noted that the first stage of this task initially involved the Company Administration Function, together with the Internal Auditor and the Control and Risks Committee and subsequently the same players were joined by top management levels of the main areas involved in defining risks, and subsequently, over this reporting period, a final version was prepared by the Company and submitted to the Control and Risks Committee showing the main risk findings to which the Company is exposed.

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

1.4 Our stakeholders and materiality assessment

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



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

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

The Group has also developed a significant **relation and partner network** with trade associations:

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

Materiality assessment

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

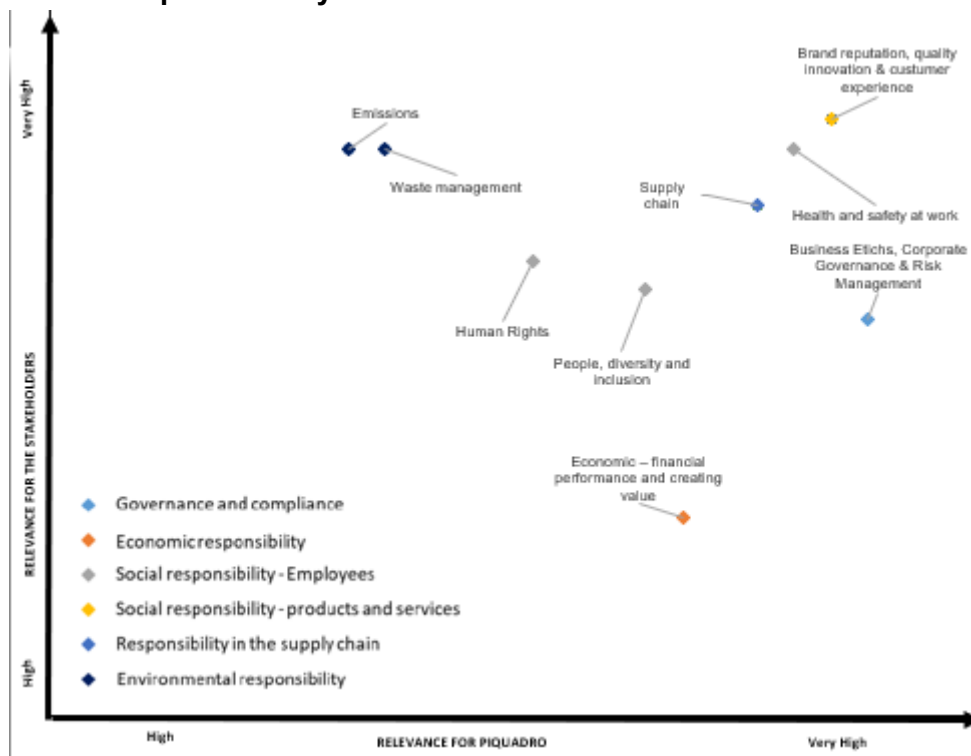
For 2023/2024 the previous materiality assessment was confirmed by corporate top management and by certain members of the Board of Directors.

The analysis process was launched, as shown in the standards, by first analyzing the organization context, its operations and the value chain, in addition to the relevant stakeholder categories. Based on the foregoing, positive and negative impacts potentially significant for the Group were identified. Management, also considering the findings of analyses conducted in previous reporting periods, identified the relevant impacts for Piquadro and added them to the material topics.

Subsequently, after introduction of the CRSD, the Group is committed to conducting a study of the materiality assessment, as required by the Directive (double materiality).

The main material topics are shown in the materiality matrix reported further on.

The Piquadro Group materiality matrix



For each topic identified as material, a brief description of the relevance that the topic has for the Group and the mitigation and management actions implemented, as well as the positive and negative impact boundaries (where the impact occurs and Group involvement).

Material issue	Relevance for the Group and mitigation actions	Impact	Impact boundary	
			Where the impact occurs	Group involvement ⁴
Governance e compliance				
<i>Business Ethics, Corporate Governance, Risk Management</i>	Respecting ethical principles and complying with laws and regulations in business conduct are extremely important for the Piquadro Group. In all relations with its counterparts, the Group is committed to pursuing conduct based on fairness, loyalty and collaboration. The Group has a Code of Ethics, via which it promotes fighting active and passive bribery and Risk Management analysis for the purpose of mitigating the risk as broadly as possible.	Conduct in breach of codes, laws or regulations and unlawful acts of collusion/corruption (potential negative impact).	Piquadro Group	Caused by Piquadro
	The Group places great store on assessing the primary risks which may generate negative impacts on its business operation and threaten its stability. With such issues in mind, resources have been used for analyzing and correctly managing them. The Piquadro Group, however, in full compliance with Italian and international laws and regulations, as well as, if existing, in-company procedures established under the Organization and Management Model prescribed under Legislative Decree 231/01.			
	The focus on Group corporate governance has the aim of attaining strategic objectives while, at the same time, ensuring proper and healthy business management, guaranteeing all stakeholders.			
Economic responsibility				
Economic-financial performance - and creating value	The Group aims to generate solid and positive economic and financial performance from a medium- to long term perspective and distribute value to its stakeholders.	Generating value and distribution to stakeholders (actual positive impact)	Piquadro Group	Caused by the Group

⁴ Impact caused by the Group: the impact is directly caused by Group activities.

Impact is associated with the Group via its commercial dealings; the impact is directed linked to the Group's activities, products and services via a business dealing (e.g., dealings between the Group and its suppliers).

Impact to which the Group contributes: the impact is linked to the Group's activities, products and services, in that generated by parties with which the organization interacts.

Material issue	Relevance for the Group and mitigation actions	Impact	Impact boundary	
			Where the impact occurs	Group involvement ⁴
		<p>Negative impact on the economies of the countries where the Group operates due to failing to pay taxes due (potential negative impact)</p> <p>Creation of value via procurement at local suppliers (current positive impact)</p>		
Responsibility in the supply chain				
Supply chain	<p>Throughout the value chain, the Group aims to maintain relationships based on fairness with its partners. The Group recognizes the value of the materials and services provided by its suppliers, which are a fundamental element for the high-quality standards of its products. In addition, the Group has approved the Supplier Code of Conduct and has planned to add parameters related to the protection of human rights and other social and environmental criteria as part of the qualification process.</p> <p>Safeguarding the environment is an area which is gaining increasing relevance for the Group that will be evaluating methods for reducing its impacts, specifically, the use of resources needed for manufacturing.</p> <p>The Group places high store on the responsible use of chemicals, asking its suppliers, where applicable, compliance with the REACH Regulation.</p>	<p>Indirect, negative social and environmental impacts along the supply chain, due to failure to supplier sustainability practices. (potential negative impact)</p>	Piquadro Group and Suppliers	Caused by the Group and linked to the Group via its business relations.
Social responsibility – employees				
People diversity and inclusion	The Group pays particular attention to the management and development of its employees, as it is aware that they are one of the	Promoting local area employment	Piquadro Group employees	Caused by the Group

Material issue	Relevance for the Group and mitigation actions	Impact	Impact boundary	
			Where the impact occurs	Group involvement ⁴
	<p>necessary pillars to achieve its strategic objectives.</p> <p>Various professional growth programs are undertaken in this regard. The Group is constantly seeking the best talent and is committed to retaining the best resources.</p> <p>In its relations with employees, the Group applies a strict policy of non-discrimination and equal opportunities, as endorsed in its Code of Ethics.</p> <p>The Group is committed to developing policies, benefits (economic and non-economic) and actions aimed at enhancing the wellbeing of employees, with a view to creating an agreeable working environment that satisfies the workers' needs and expectations.</p>	<p>(current positive impact)</p> <p>Incidents of discrimination (potential negative impact)</p> <p>Promoting employee and co-worker wellbeing (actual positive impact)</p>		
Health and safety at the workplace	<p>Safeguarding its employees' health and safety is constantly a major issue for the Group, which is committed to complying with all the current rules and to increasing the training of its employees in these areas.</p> <p>Compliance of products with the EU REACH Regulation that governs the use of hazardous chemical in manufacturing processes and compliance therewith is also required by its suppliers, where applicable.</p>	Employee work-related injuries (current negative impact)	Employees of the Piquadro Group ⁵	Caused by the Group
Human rights	<p>In all relations, both with its employees and with suppliers, the Group maintains a conduct aimed at the protection of human rights.</p> <p>The Group has formalized its commitment to human rights in its Code of Ethics, explicitly referring to the ILO Declaration on labor standards and fundamental human rights, most noteworthy of which are the ban on forced labor and</p>	Breaches of human rights within the value chain (e.g., child labor and acts of discrimination, etc.) (potential negative impact)	Piquadro Group; Suppliers	Caused by the Group and linked to the Group via its commercial relations

⁵ The Group will conduct an in-depth analysis of the relevance of workers other than employees, for the purpose of assessing the need to collect data at the employers of external co-workers and suppliers that work at the Group sites and/or under Group control, evaluating the quality and the accuracy of such data over which no direct control is exercised.

Material issue	Relevance for the Group and mitigation actions	Impact	Impact boundary	
			Where the impact occurs	Group involvement ⁴
	<p>child labor, freedom to trade union association, ban on discrimination and harassment.</p> <p>Through dissemination of the Code of Ethics, the Group aims to spread a corporate culture that is ethical and respectful of human rights across all Group companies</p>			
Social responsibility – products and services				
Brand reputation, quality innovation & customer experience	<p>The Group has the constant goal of extending its brand and at the same time protecting its reputation. The Group's image must convey the values on which its business is based.</p> <p>Maintaining a high standard of quality of your products is a vital condition. For this reason, each item is subjected to stringent tests and checks which aim to ensure that numerous quality parameters are passed.</p> <p>The Group's growth involves the ability to innovate and develop new products that can meet customers' different needs. For this reason, the Group invests extensive resources in research and development.</p> <p>The Group aims to always place innovative and high-quality products on the market to fully meet its customers' expectations. Customer satisfaction is a primary goal for the Group.</p>	<p>Customer satisfaction (actual positive impact)</p> <p>Quality and innovative product offering (actual positive impact)</p>	Piquadro Group	Caused by the Group and linked to the Group via its commercial relations.
Environmental responsibility				
Emissions	<p>The Group has introduced a Supplier Code of Conduct policy that requires them to commit to business practices that endorse environmental responsibility in the areas of energy usage and air emissions.</p>	<p>CO₂ emissions generated by supplier and contracting firms manufacturing activities (actual negative impact)</p>	Piquadro Group and Suppliers	Caused by the Group and linked to the Group via its commercial relations.
	<p>The Group has an environmental policy, in which the optimization of material used is incentivized, limiting waste and encouraging the adoption of proper waste management or forwarding to circular economy processes.</p>	<p>CO₂ emissions generated by manufacturing and commercial activities at Group sites</p>	Piquadro Group and Electricity Providers	Caused by the Group and linked to the Group via its commercial relations.

Material issue	Relevance for the Group and mitigation actions	Impact	Impact boundary	
			Where the impact occurs	Group involvement ⁴
	The Group is investing in R&D and ongoing improvements, as well as mitigation plans and energy usage audits at its manufacturing sites.	(current negative impact)		
Managing waste and production waste	The Group has an environmental policy, in which the optimization of material used is incentivized, limiting waste and encouraging the adoption of proper waste management or forwarding to circular economy processes.	Waste generation (actual negative impact)	Piquadro Group	Caused by the Group manufacturing entities

CSRD and new reporting standards

On 10 November 2022, the final version of the Corporate Sustainability Reporting Directive (CSRD) was approved, the result of the agreement reached by the EU Parliament, Council and Commission. The Directive has the objective of amending the reporting requirements of the Non-Financial Reporting Directive (NFRD) and improving sustainability reporting, with a view to exploiting the potential of the contributing to transition to an economic and financial system that is fully sustainable and inclusive, in line with the European Green Deal and the sustainability development goals of the UN.

The New Directive requires a sustainability disclosure to be incorporated into the Directors' Operating Report, in line with the CSRD requirements and new reporting standards, the European Sustainability Reporting Standard ("ESRS"), Sector agnostic, prepared by EFRAG and adopted by the European Commission under Delegated Act of 31 July 2023.

In relation to the coming into force of the new CSRD directives for the 2024 reporting period, the Piquadro Group has planned a gradual analysis and adoption process for transition to the CSRD and first time adoption of the ESRS.

1.5 Creating value



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

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

The economic value created is distributed mainly to suppliers and employees

Consolidated revenue from sales and services reported by the **Piquadro Group** for the **2023/2024** reporting period ended 31 March 2024 totaled EUR **180.3** million, up 2.7% compared to the same period previous year that reported EUR 175.6 million (+3.6% exchange rates being equal).

With regard to the **Piquadro** brand, revenues recorded in the 2023/2024 reporting period ended 31 March 2024 total EUR 81.5 million with an increase by 6.9 % compared to the year ended 31 March 2023 (+8.3% exchange rates being equal).

Sales in the wholesale channel reported an increase of 12.4% and those in the DOS channel was up 3.4%. (+7.2% exchange rates being equal).

Regarding the **The Bridge** brand, revenue from sales in the 2023/2024 reporting period ended 31 March 2024 totaled EUR 34.1 million, up 10% compared to the previous similar reporting period ended 31 March 2023. Wholesale channel sales reported an increase of 11.5% and those in the DOS channel were up 13.2%.

Maison Lancel revenue from sales for the 2023/2024 reporting period ended 31 March 2024 totaled EUR 64.7 million, down (5.4%) compared to the similar reporting period ended 31 March 2023, including the exchange rate effect (-4.6% exchange rates being equal). The performance reported for the Lancel brand was impacted by the particular domestic market situation, especially in Q1, by protests staged in France, a market where the Maison generated 90% of its sales revenue in the reporting period, in addition to the closure of a number of points of sales (impact of around 2.7% on total sales revenue).

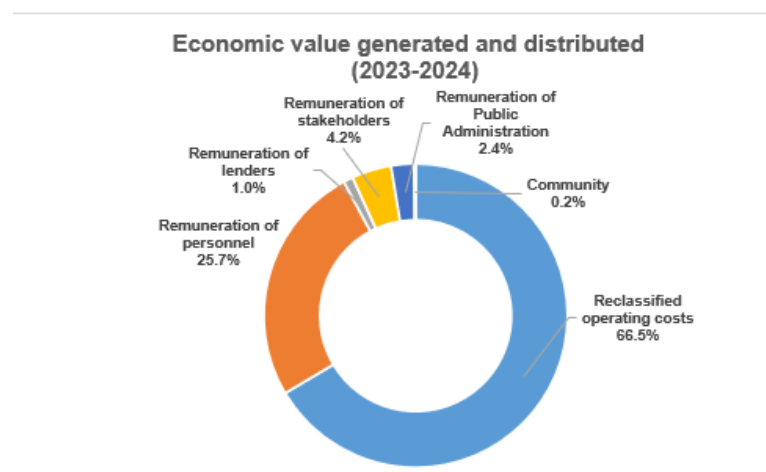
The **creation and distribution of value for its stakeholders is a constant commitment** of the Piquadro Group and is calculated by reclassifying the consolidated income statement.

In the 2023/2024 fiscal year, the **economic value generated** by the Piquadro Group was **EUR 187,230 million**; this value was redistributed to the various stakeholders of the Group: suppliers, employees, shareholders, Public Administration, communities and lenders.

Statement of the economic value generated and distributed of the Piquadro Group		
<i>(in thousands of Euro)</i>	31 March 2024	31 March 2023
Economic value generated	187,230 €	177,698 €
Sales revenue	180,269 €	175,595 €
Other income	5,276 €	2,004 €
Variation of inventories	268 €	(1,510) €
Financial proceeds	1,418 €	1,608 €
Distributed economic value	165,701 €	159,637 €
Reclassified operating costs	110,152 €	104,912 €
Costs for purchases	35,593 €	35,716 €
Costs for services and use of reclassified third-party assets	73,841 €	68,385 €
Other reclassified operating costs	718 €	811 €
Remuneration of personnel	42,554 €	42,657 €
Personnel costs	42,554 €	42,657 €
Remuneration of lenders	1,692 €	2,130 €
Financial Charges	1,692 €	2,130 €
Remuneration of shareholders	7,000 €	5,000 €
Distribution of profit for the year ⁶	7,000 €	5,000 €
Remuneration of Public Administration	4,031 €	4,843 €
Income tax	4,031 €	4,843 €
Community	272 €	96 €
Donations and sponsorship	272 €	96 €
Economic value withheld	21,530 €	18,061 €
Parent company's reserve profits	3,528 €	1,502 €
Profit (Loss) attributable to minority interests	0	0
Depreciation and amortization	18,001 €	16,559 €

Most of the distributed value, amounting to about **66.5% of the total** (as compared to 65.7% of the year ended 31 March 2023), falls into the category of **reclassified operating costs** which includes the Group's suppliers. **Employees** make up the second significant item in the distribution of value, obtaining **25.7%** of the total value (compared to 26.7% of the year closing on 31 March 2023). The remainder is divided between **lenders (1.0%)**, **shareholders (4.2%)**, **Public Administration (2.4%)**, and **the community (0.2%)**.

⁶ The share of profit for the year distributed corresponded to allocation of earnings for the period to distributing a dividend, resolution adopted on 10 June 2024, which the Piquadro S.p.A. Board of Directors decided to submit to the Shareholders' Meeting.



The Russian Federation's decision to invade Ukraine on 24 February 2022 has led to a series of economic and financial consequences worldwide. This conflict, still in progress, during the initial months of the war caused high currency volatility, which ceased when the EUR/RUB stabilized at around 80/90 RUB to 1 EUR. Further consequences included adopting restrictive sanctions against the Russian Federation (individual sanctions against natural persons), economic sanctions and diplomatic measures by the United States of America, United Kingdom and the European Union. Regarding specifically the economic sanctions, it should be noted that those affecting the export of luxury goods, the Piquadro Group reacted by initially suspending logistics operations and invoicing the Russian subsidiary, both involving DOSs and Russian multi-brand customers, measures which were subsequently dropped as the effect of said sanctions did not restrict the Group's exports. It should be noted that the Group has no goods suppliers in Russia and Ukraine.

The impacts of the conflict for the Piquadro Group include primarily that arising out of exchange rate performance – previously mentioned – offset by the Group via increasing retail prices in Russia, commencing from the first months of the war. Despite this, Piquadro Group product DOS sales have not been significantly impacted by this situation.

More noteworthy indirect impacts include the price hikes of various raw materials such as gas and oil which has contributed to a further increase in inflation with consequences for mass consumer goods, also impacting, as a result, GDP growth and consumer purchasing power.

In the 2023/2024 reporting period, the Piquadro Group continued selling goods to wholesale customers in the Russian Federation, while keeping all DOS retail activities open. As at 31 March 2024, Piquadro Group sales in Russia totaled 2.16% of consolidated sales revenue (2.75% as at 31 March 2023).

At the same reporting date, assets held by the Group in Russia amounted to EUR 3.7 million and, namely: (i) usage rights for points of sale (EUR 1.0 million); (ii) inventory (EUR 1.2 million); (iii) cash and cash equivalents (EUR 0.3 million); (iv) receivables (EUR 0.6 million); (v) non-current tangible assets (EUR 0.1 million); (vi) non-current finance assets (EUR 0.1 million). Based on information currently available, recovery of said amounts appears to present no critical factors, save for the natural uncertainty inherent in an evolving situation.

Regarding the volatility of such a scenario, all and only those business development activities, including the opening of new stores have been temporarily suspended; management continues to monitor the situation with a view to protecting assets, corporate assets and worth and continuation of the company as a going concern, by adopting measures required for ensuring that its business activities are conducted in compliance with application legislation.

1.6 EU Taxonomy

European Taxonomy (governed by Regulation (EU) 2020/852, “Taxonomy Regulation”) is a system for classifying economic activities promoted by the European Union for the purpose of defining the requirements for determining that certain economic activities” may be considered “eco-sustainable”.

Specifically, an economic activity is considered eco-sustainable (i.e. in line with the Taxonomy) whenever it substantially contributes to meeting one or more environmental objectives defined in the Taxonomy Regulation, such as mitigation or adaptation to climate change, the sustainable use and safeguarding of water and other marine resources, transition to a circular economy and prevention and reduction of pollution, as well as protecting and restoring biodiversity and ecosystems. In addition, to be considered eco-sustainable, an economic activity is required to not cause significant harm to any of the environmental objectives, it must be performed in compliance with the minimum safeguard guarantees and it must comply with the prescribed technical requirements.

After publication of Regulation (EU) 2020/852, to date the following additional regulatory amendments have come into force:

- Delegated Regulation (EU) 2021/2139 of 4 June 2021 (aka “Delegated Act on Climate”) has establish the technical requirements according to which an economic activity is considered to significantly contribute to objectives for mitigating and adapting to climate change.
- Delegated Regulation (EU) 2022/2178 of 6 July 2021 supplementing the provisions of article 8 of the Taxonomy Regulation, specifying the subject matter, methods and ways to present required disclosures.
- Delegated Regulation (EU) 2022/1214 of 9 March 2022 supplemented both aforesaid Delegated Regulations, in relation to certain types of economic activities regarding the use of fossil fuels and nuclear energy (who disclosure is not applicable to Piquadro’s business).
- Delegated Regulation 2023/2486, applicable for all disclosures made on and after 1 January 2024, has introduced technical screening requirements for four environment-related objectives for determining the substantial contribution made by an economic activity to sustainable use and protection of water and marine resources, to transition to the circular economy and to preventing and reducing pollution or to protecting and restoring biodiversity and ecosystems.
- Delegated Regulation (EU) 2023/2485, supplementing Delegated Regulation (EU) 2021/2139 regarding the first two climate objectives that classifies economic activities so that they are potentially eligible according to the Taxonomy and therefore “eligible” for all the aforesaid six environmental objectives, as well as being eco-sustainable and, thus, “aligned” thereto.

Based on Regulation (EU) 2020/852 (“Taxonomy Regulation”), for reporting period 2022/2023, Piquadro was asked to disclose the share of sales revenue, CapEx and OpEx considered eligible and aligned with the first two objectives of Taxonomy Regulation article 9 (Mitigation of climate change and Adaptation to climate change) e eligibility for the other four environmental objectives. In line with the previous reporting period, specific analyses were conducted to assess the degree of eligibility and alignment, based on the disclosures linked

to the economic activities that may substantially contribute to the six environmental objectives of the Taxonomy.

In this context, Piquadro conduct an analysis on the economic activities performed by the Group, for the purpose of identifying those that are considered eligible and aligned for the previously described objectives and for preparing the disclosures required under the reference regulations, as well as considering guidance for interpretation provided by the European Commission as a “Q&A” session in December 2021, February 2022 and December 2022⁷.

On completion of these analyses, for reporting period year ends 31 March 2024, the share of sales revenue, CapEx and OpEx linked to “eco-sustainable” activities totaled 0%, both regarding eligibility for the six environmental objectives and alignment to mitigation and climate change adaptation objectives. Any investments or operating costs for energy efficiency measures were also assessed whose total, overall, was negligible, thus determining a total KPI CapEx and OpEx value of zero.

The following tables include the quantitative KPIs required under Delegated Regulation (EU) 2021/2178 referring to reporting period 2023/2024.

Regarding the foregoing, it should be noted that the following factors were considered for calculating such requirements:

- For calculating the sales revenue KPI, the sum of revenue from the sales of goods and services was considered in compliance with IAS 1 82(a) and Directive 2013/34/EU which defines the “Net Turnover” denominator as revenue from the sales of goods and services, net of VAT, returns and other additional taxes.
- The CAPEX KPI considers the sum of all increases over the 2023/2024 reporting period to all balance sheet tangible and intangible items, including usage rights arising out of IFRS 16.
- The OPEX KPI considers the sum of all operating costs linked to R&D, daily maintenance of manufacturing plant and corporate assets, and short-term lease contracts.

In summary, it should be noted that, in conducting such analyses and preparing the disclosures for Taxonomy, Executive Management generally adopted a prudent approach based on its understanding and interpretation, according to the current state of the art, of the applicable regulatory requirements. Against this background, the analysis of the technical regulatory framework, with a view to additional future evolutions and/or interpretations, could lead to substantial changes in assessments and the process for calculating KPIs for the next reporting period.

⁷ Please refer to the “Frequently Asked Questions” section on the website [page://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en](http://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en) for details.

Share of revenue arising out of the sale of goods and services linked to economic activities aligned to the taxonomy.

Tab.1

Taxonomy - Key performance indicators (KPIs)
Turnover from products or services associated with economic activities aligned to taxonomy - Disclosure for the year 2023-24
(In thousands of euros)

Economic activities (1)	Fiscal Year 31 March 2024		DNSH criteria («not to cause significant harm») (10)										Criteria for the substantial contribution				Fiscal Year 31 March 2024		Code(a) (2)
	Turnover (3)	Share of turnover, year N (4)	Climate change mitigation	Climate change adaptation	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity(10)	Climate change mitigation	Climate change adaptation (12)	Water (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum guarantees of protection	Share of turnover aligned (A.1) or eligible (A.2) to taxonomy, year N-1 (18)	Category enabling activity (19)	Category transition activity (20)	
A. TAXONOMIC ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned Activity 1		%																	
Activity 2 (d)		%																	
Activity 3		%																	
Turnover of environmentally sustainable activities (aligned with taxonomy) (A.1)	0	0%	%	%	%	%	%	%	%	%	%	%	%	%	%	%			
Of which enablers		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%			
Of which transitional		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%			
A.2. Activities eligible for taxonomy but not sustainable (non-taxonomic activities) (g)																			
Activity 1 (e)		%	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	%				
Turnover of taxonomically eligible but not sustainable (non-taxonomically aligned activities) (A.2)	0	0%	%	%	%	%	%	%	%	%	%	%	%	%	%	%			
A. Turnover of taxonomically eligible activities (A.1+A.2)	0	0%	%	%	%	%	%	%	%	%	%	%	%	%	%	%			
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover of non-taxonomic assets	180,268	100%																	
Total	180,268	100%																	

Share of CapEx arising out of goods and services linked to economic activities aligned with the taxonomy.

Tab.2

Share of operating expenses arising from products or services associated with economic activities aligned to taxonomy - Disclosure for the year 2023-24
(In thousands of euros)

Economic Activities(1)	Fiscal Year 31 March 2024		Criteria for the substantial contribution						DNSH criteria («not to cause significant harm»)(h)						Share of CapEx aligned (A.1) or eligible (A.2) to taxonomy, year N-1 (18)	Category activities	Category transition activities (20)		
	Code (a) (2)	CapEx (3)	Share of CapEx, year N (4)	Climate change mitigation	Climate change adaptation	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity(10)	Climate change mitigation	Climate change adaptation (12)	Water (13)	Circular economy (14)	Pollution (15)				Biodiversity (16)	Minimum guarantees of protection (17)
A. TAXONOMIC ELIGIBLE ACTIVITIES				Yes; No; N/AM (b)(c)	Yes; No; N/AM (d)(e)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)			
A.1. Environmentally sustainable activities (aligned)																			
Activity 1			%																
Activity 2 (d)			%																
Activity 3			%																
CapEx of environmentally sustainable activities (aligned)		0	0%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Of which enablers			%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Of which transitional			%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
A.2. Activities eligible for taxonomy but not sustainable (non-taxonomic activities) (g)				AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)	AM; N/AM (f)			
Activity 1 (e)			%																
CapEx of taxonomically eligible but not sustainable assets (non-taxonomically aligned assets)(A.2)		0	0%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
A.Capex of taxonomic assets (A.1+A.2)		0	0%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
CapEx of assets not eligible for taxonomy		14,523	100%																
Total		14,523	100%																

Share of OpEx arising out of goods and services linked to economic activities aligned to the taxonomy.

Tab.3

Share of operating expenses arising from products or services associated with economic activities aligned to taxonomy - information for year 2023/24 (in thousands of euros)		Criteria for the substantial contribution										DNSH criteria (not to cause significant harm) (h)					Category enabling activity (19)		Category transition activities (20)	
Fiscal Year 31 March 2024	Fiscal Year 31 March 2024	OpEx (3)	Share of OpEx, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees of protection (17)	OpEx share aligned (A.1) or allowable (A.2) to taxonomy, Year N-1 (18)			
Code(a) (2)	Currency	%	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes; No; N/AM (b)(c)	Yes/No	%	A	T	
Economic Activities (1)																				
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (aligned)																				
Activity 1 (*)			%														%			
Activity 2 (*)			%														%			
Activity 3			%														%			
Operating expenses of environmentally sustainable activities (aligned) with <i>Of which enablers</i>	0	0%	0%	%	%	%	%	%	%	%	%	%	%	%	%		%			
<i>Of which transitional</i>			%	%	%	%	%	%	%	%	%	%	%	%	%		%			
A.2. Activities eligible for taxonomy but not sustainable (non-taxonomic activities) (f)				AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)	AM; N/AM (e)					
Activity 1 (d)			%																	
Operating expenses of activities eligible for taxonomy but not sustainable (non-taxonomy-aligned activities)	0	0%	0%	%	%	%	%	%	%	%	%	%	%	%	%		%			
A. OpEx of assets eligible for taxonomy (A.1+A.2)	0	0%	0%	%	%	%	%	%	%	%	%	%	%	%	%		%			
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																				
Operating expenses of non-taxonomically eligible assets	3.894	100%	100%																	
Total	3.894	100%	100%																	

*Total direct expenditure as of 31 March 2024, related to R&D costs, building renovation measures, short-term leasing, maintenance and repair, other expenditures on the daily maintenance of buildings, plant and machinery, and insurance related to buildings.

2. Quality, innovation and product research



The Piquadro Group is highly committed to enhancing brand awareness and the perception of its **brands' image and reputation**. Nurturing of the image of the Group's brands is done not overlooking even the smallest detail.

Piquadro's aim is to bring together the Italian leather goods tradition and original design and innovation. The Bridge brand products celebrate refinement and attention to detail. The Lancel collections encapsulate the Parisian allure of a Maison founded in 1876.

The Piquadro Group operates in the leather goods market and is active in designing, developing, manufacturing and distributing articles such as bags, women's handbags, cases and accessories. In addition to the Piquadro brand, the Group also owns and manages The Bridge and Lancel brands.

2.1 Our product quality

The Piquadro Group invests many of its resources in trying to increase the quality of its products. The leather processing tradition has been brought together with innovation to offer customers unique and distinctive products. Top-quality materials are used to produce the products and each product undergoes a series of tests to check that meets the company's high-quality standards.

The Group pursues the hundred-year-old, Italian tradition in leatherworking, reinterpreting this tradition in a contemporary and original key.

In Piquadro's products, the brand's identifying values, design, comfort and technology blend with the taste of craftsmanship, the quality of precious leathers and the attention to detail. Leathers are carefully treated to enhance their texture and prevent wear and they are combined with latest generation tech textiles with the aim of creating products which have a recognizable and essential aesthetic.

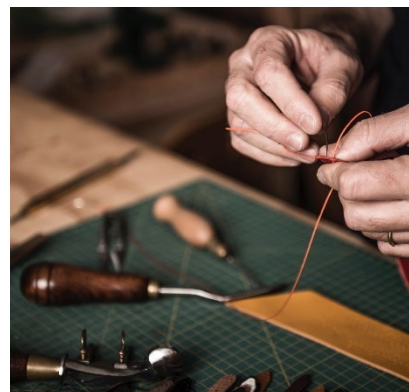


Also the **leathers** used by **The Bridge** are carefully selected and primarily treated at Italian tanneries, according to the strictest technical and artisanal techniques, from tanning to dyeing to finishing. **Vegetable tanning**, which only uses natural tannins, is one of the **features of the classic products in the collection**. Attention to the materials and leathers used, as well as hardware which features the classic gold makes each single The Bridge product a unique piece that is one of its kind.

Quality of the materials used, together with utmost attention given to the various manufacturing phases, in addition to final quality control and product finishing is a touchstone for quality excellence.

The products of all companies in the Group undergo **rigorous checks** in order to ensure excellent quality and avoid health risks due to the use of improper materials. In a state-of-the-art test laboratory, equipped with specialized machinery both products and raw materials undergo testing to check their resistance, structural integrity, water-repellence and toxicity.

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



During the financial year 2023/2024 no cases of non-compliance with regulations and/or voluntary codes relating to the health and safety impacts of products were recorded.

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

The treaty contains three **Appendices**, in which all species subjected to regulation are listed. The “threatened” species are listed in Appendix I. There are about 1,000. Their trade is prohibited at international level and their use can be allowed only for exceptional circumstances. Appendices II and III instead contain the “controlled” species, almost 10,000. Their trade must be compatible with their survival in nature. The Piquadro Group takes also into account the leather supplier certifications, such as those issued by:

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

is calculated considering the products certified and their documented and verifiable information;

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



- GRS (fabric certification) is promoted by Textile Exchange, one of the most important international non-profit organizations for responsible and sustainable development in the textile sector. The standard recognizes the importance of recycling for the growth of a sustainable production and consumption model, with the aim of fostering the reduction of resource consumption (virgin raw materials, water and energy) and of increasing the quality of recycled products. GRS entails the issue of an environmental declaration verified by a third party that assures the content of recycled materials of their products, both intermediate and finished, the preservation of traceability along the entire production process, the restrictions in using chemicals and the compliance with environmental and social criteria in all phases of the production chain, from the recycling of the materials and the subsequent manufacturing phases up to the labelling of the finished product. The **Global Recycle Standard** guarantees:

- products containing at least 20% of pre-consumer and post-consumer recycled material;
- manufacturing activities and processes through which the recycled material is used to make intermediate products (e.g. yarns and fabrics) or finished products for the consumer that use management models and procedures compliant with the set requirements.

2.2 Research and development



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

The Group's Research and Development for the Piquadro brand is conducted internally and occasionally in collaboration with outside industrial designers, based on indicators from market trends provided by the Group's internal departments (Product Marketing office) and Sales office). In this way, The Piquadro Group develops the collections with a view to responding to the needs of end customers which still need to be satisfied.

The in-company structure dedicated to product design manages operational activities, as well as coordinating external consultants with whom the Piquadro Group works. In certain cases, the Piquadro Group uses independent designers both at the product design stage and for subsequent development, especially in the case of Travel goods.

Commencing from reporting period year ends 31 March 2021, the study and design of Piquadro articles has been increasingly focused on identifying solutions that satisfy the needs of consumers that transition smoothly across various uses over the arc of a day and, therefore, require containers that are adaptive and/or transformational. Piquadro has therefore focused its research and development on creating modular articles, a design approach that is key for obtaining transformative, adaptive and high-performance products in various situations.

In reporting period year ends 31 March 2024, the design of Piquadro articles was increasing focused on the research and development of solutions that satisfy business travelers, those travelling on vacation and everyone on the move in their daily routine.

Modularity, performance and making travelling and moving around agile were the objectives underpinning Piquadro's design efforts, which came to fruition primarily in the Corner Travel collection.

The wheeled cases in this collection can be recognized due to the rubber corners and their distinctive feature is their modularity which enables one them to be coupled together.

This special function enables several articles to be carried using only one hand, leaving the other hand free, thereby making travelling easier. This modularity function was the outcome of the study, design and creation of a coupling system based on an anodized aluminum snap-hook which is a distinctive feature of the collection. Whenever needed, this coupling system can also be used as an address tag. Safe transport of the wheeled cases coupled in this way is also ensured by hooks on the sides of the articles.

The focus on making travelling smoother and more agile has also involved studying a modular accessory and, namely, the CA6392FX that the customer can place on their hard-body case, equipping it with multiple and multipurpose pockets. If needed, the customer may pull the article out of the wheeled case, compressing the two compartments using a zip and use it as a backpack, releasing the concealed back straps. This convertible article is part of the FX collection whose distinctive feature is the multipurpose functions that have been studied and

created. Primarily the backpacks that are part of this collection feature a special side to which a special camouflage elastic belt is attached, with slots to which a special leather pouch can be coupled. This pouch has a magnetic safety lock that enables it to be attached to the backpack or, alternatively, to a belt.

Great attention and research have been dedicated also to creating travel backpacks which, in addition to complying with the size restrictions set by the various airlines also feature packing functions both for clothes, documents and electronic devices.

Development of women's leather articles for the working woman on the move has also been continued. Specifically, the matching of travel articles with sneakers has been a focus.

Also in the 2023/24 reporting period, Piquadro continued to focus on environmental awareness, as witnessed by the number of products for which CO₂ generated to manufacture them has been offset.

In apparel, the collaboration with Facib have moved forward giving rise to the SS24 collection that places the accent on high-performance from the standpoint of breathability and water and wind resistance.

Each Piquadro product in the PQ-BIOS collection has a tag that shows the **PQ-Recycled Index**, an indicator created by Piquadro to certify the ratio of recycled material weight used in that product to total material weight used to manufacture it.

Also product packaging and merchandising are produced using recycled materials; paper that is FSC certified (**Forest Stewardship Council®**) certifying the origin from forests or sources managed responsibly, soya-based ecological inks and, last but not least, recycled cotton for the drawstrings of dust covers.

Piquadro's vocation for designing every single detail and for ensuring that each product offers the best from a functional standpoint translates into ongoing research and processing of ad hoc solutions, that are often groundbreaking and patented. As at 31 March 2024, the company had 250 active trademarks and 36 patents for products, components and accessories.

The Bridge's Research and Development activity is carried out in the subsidiary The Bridge S.p.A. by a dedicated team. The Bridge's products originate from a combination of craftsmanship and the continuous study of design and increasingly new features. There has always been a real in-house artisan workshop from which prototypes are created. A team of designers is responsible for creating new collections for each season, interpreting the needs of the market and the company's DNA. The collections are the result of the research that starts from the analysis of the trend long before the actual creation of the products, with the trends influencing the materials and colors chosen for the season. The proposals are assessed with the sales force to respond to the standards of functionality and modernity which make the products attractive to an attentive and demanding public.

This year a series of extremely important peripheral products for business development have been created such as scarves, gloves and belts.

As at 31 March 2024, the company has **158 trademarks and patents filed** for both products and utility/design models.

The Lancel's research and development is carried out by a dedicated team of 9 specialists at the headquarters of the Parisian company. Maison Lancel is known for innovation and creativity: the team develops all the components and finished products alongside the design team. Lancel's products come from the combination of their archives, the continuous study of design and the expertise of leather goods with the help of the Atelier, located at the Lancel headquarters, made up of "compagnon du devoir" craftsmen who make the prototypes of the new models.

All leathers are carefully selected by the Design department with the help of a leather specialist. Ogni colore della pelle è definito dal Design e sviluppato solo per Lancel.

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

Lancel products generate from the combination of its own archive-based designs, the continuous study of design and as a result of skills accrued in producing leather goods, via support also from the Atelier, located at Lancel's headquarters, composed of artisans "*Compagnon du Devoir*" who create the prototypes for the new designs.

In size and wealth, Maison Lancel's archives include approximately 3,500 items of leather goods, small leather goods, luggage, 1,200 pieces of art, 300 sketches and paper models and they contribute to the brand's image and influence, embodying, in the "*Parisian elegance*", the four universes: women, men, travel, the art of gifting. As at 31 March 2024, the company has **104 trademarks and patents filed** for both products and utility/design models.



2.3 Piquadro

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

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

Design and innovation

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

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

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



25-year Corner line anniversary



To celebrate this milestone, the original design of the Corner Line was revamped and applied to a series of new wheeled cases and backpacks in the **Corner 2.0** line, featuring, like the originals, the rubber corners, a synthesis of aesthetics and performance, perfectly in line with Piquadro's design philosophy. The wheeled cabin case and the roll top backpack in the Corner 2.0 line are made in a rubberized techno-textile, an ideal material for ensuring optimum protection of contents while, at the same time, bowing to the soft lines of luggage with a decidedly youthful and casual design, with the two rubber corners which render the line extremely recognizable, while reinforcing the structure.

The inside of the wheeled case is extremely well-organized with a padded front compartment suitable for containing a 17.3" laptop and a clothes compartment fitted with belts. The handles are padded the TSA

lock is included. The backpack features a classic roll-top, deconstructed design, with a generous compartment and padded pockets for holding a 15.6" laptop and an 11" iPad® Pro laptop. The adjustable, cross-chest belt holds the backpack firmly in place, while the various pockets mean that badge, umbrella and water bottle are always on hand.

The roll-top backpack in the Corner 2.0 line is Carbon Neutral. **Piquadro** has in fact offset 31.09 kg of carbon dioxide generated in its manufacture within a wider project that, since September 2022 has enabled the entire Group to announce Scope 1 and Scope 2 carbon neutrality.

Outerwear that makes the features of Piquadro products “wearable”

Extremely techno and lightweight, apparel created by Israeli designer, Yossi Cohen, for **Piquadro** represents a new expression in Piquadro's fusion of its founding principle in Piquadro's product design. The new field jacket, in the car coat and parka feature the use of a Technowool, specifically created for this collection, made of tree membranes; a natural wool layer and two, ultra-thin laminated techno textile. The two bomber jackets are in softshell fabric. All the collection features details that are a cue for Piquadro's unmistakable style: black edging finishing the hood and/or collar, heat-sealed zippers, shielded pockets and logo printed shoulder tapes and ribbons.

The star of the collection is the **Carcoat** which literally makes the intrinsic features of **Piquadro** backpacks “wearable”. Multitasking, techno and cross-purpose, with a propensity to adopt the form of a warm, techno and lightweight outerwear garment. Made in a fabric called Taslan and multitasking: mid-length but it can be shortened (from a max. length of 95 cm to 72 cm) and therefore ideal of any type of urban mobility. The front features two concealed maxi pockets, divided into multipurpose net compartments, shielded and closed by black coated zippers and also waterproof. A third maxi pocket, normally placed inside the garment, may, if needed, be attached on the back like a backpack. The hood features contrasting black-ribbed edging, a distinguishing feature of all garments in the collection, in line with the studied Piquadro branded personalizations.

The new Piquadro **sneakers** from the 2023-2024 Autumn-Winter collection are the offspring of the third season of partnership with ACBC, Circular Science Company leader in Italian footwear. Commitment of the two brands to environmental protection has led to the creation of a new edition of the **Corner2.0 line by ACBC**.

A new model, taking its cue from the classic tennis shoe, is presented in addition to the trainers with its original detail inspired by the unmistakable rubber corner from the Corner line, an enormous success in the early 2000s. ACBC, formerly BCorp italiana for the creation of sustainable sneakers, designed the materials' composition, selecting for manufacture technologies like ReRubber and RePet resulting from the reuse of rubber and plastic bottle waste and FreeBio™, a leather substitute material derived from recycled polyamide fibers and a PU water-based coating that satisfy the highest performance and durability standards.

The two sneaker models are manufactured in seven and six different color combinations, respectively, with fabric and recycled PU upper, while the inner sole is in cork and the sole and thread contain plastics recovered from manufacturing waste.

The range is completed by a Trekking shoe, suitable for “offroad” adventures; the model is manufacturing respecting the environment while ensuring high performance and quality levels. The upper combines FreeBio™ - an animal leather substitute created by ACBC – an eco-friendly fabric featuring a geometric print from the Piquadro Corno alle Scale outdoor line. The sole is in rubber and the tread in VIBRAM for ensuring proper performance and, as previously stated, the details that characterized this model have been created starting with waste sourced from the agricultural industry.

2.4 The Bridge

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

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

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



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

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

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

Today The Bridge bags continue to fascinate and delight people: the vintage but also a little

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

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

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

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



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

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

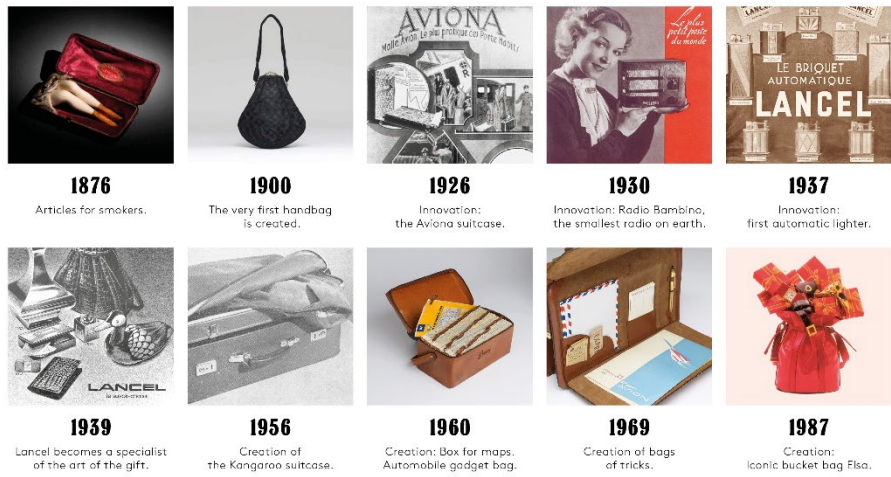
2.5 Lancel Group

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

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

At the beginning of the 20th century, Angèle and Alphonse created the first leather goods offering a diverse range of products, such as clutch bags and the first handbags equipped with a cigarette holder: Lancel, therefore, began to represent the Parisian lifestyle by creating, until

the 1920s, precious leather bags (lizard, satin, soft calf skin) with clasps for jewelry or small mirrors, or with a makeup kit and a secret compartment containing a small umbrella. Albert Lancel turns handbags into a fashion accessories.



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



2000s and became the it-piece of the collection, thus representing a new symbol which goes beyond the classic monogram: the daligramme became an emblem of great love, hidden behind fascinating symbolism.

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

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

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

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



2.6 Customer experience



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

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

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

The activity of all workers is based on the criterion of quality, essentially understood as achieving the customer's total satisfaction.

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

To ensure a high-quality experience for customers, there are also many benefits for customers registered in **PiquadroClub**, including (depending on the value of the product purchased):

- A warranty without a receipt;
- extension of the warranty from 24 to 36 months;
- welcome gifts and birthday presents (15% discount, seven days before and after your birthday);
- invitation to pre-sales, special initiatives and promotions developed during the year;
- invitation to preview the new collections in store or online or on press-days;
- home delivery of items purchased at airports;
- at the request of the retail function, exclusive promotions in boutiques communicated only by e-mail, only for subscribers;
- free personalization before Christmas (or other occasions, such as Valentine's Day), through a newsletter with products which the client can customize in-store or, depending on the "history" and the customer's purchase behavior, there may be **free personalization** (after the first purchase) and access to limited edition products.



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

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

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

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

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

Digital strategies include:

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

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

3. People, diversity and inclusion

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

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

- **prohibition of forced labor:** forced labor, slave labor or provided by prisoners is prohibited;
- **freedom to join a trade union and the right to collective bargaining:** the right of workers and employers to organize themselves and the right to form and/or join a trade union of their choice is recognized. Workers and employers can participate in collective bargaining freely and independently from public authorities;
- **prohibition of child labor and the exploitation of the employment of children:** child labor is prohibited. The minimum age for admission to work must be no less than the age of finishing compulsory schooling in the countries concerned;
- **prohibition of discrimination in employment:** workers must be employed on the basis of their own ability to work and without discrimination based on race, gender, individual characteristics, religious belief, political views, national or social origin;
- **prohibition of harassment:** employees and collaborators are prohibited from any behavior, from any position, subjected to sexual or moral harassment, psychological violence, bullying and straining⁸.

⁸ Straining, in the eyes of the law, consists of a single action or several hostile actions which have lasting effects on a person who is in a position of inferiority.

3.1 Our people



In the Code of Ethics, the Group has formalized its commitment to protect and promote the value of human resources, increase the assets of skills and ensure safe working conditions that respect individual dignity. Furthermore, the Group is committed to finalizing the adoption of a management and staff development policy and occupational health and safety policy, with a view to continuous improvement.

The products offered by the Group are designed, created and distributed according to the guidelines of an organizational model characterized by the supervision of all the most critical phases of the supply chain, from conception, to production and subsequent distribution. This entails a great deal of attention to the correct management of human resources, (and not to be contemplated without) respecting the individual local situations in which the Group operates, an intense involvement of people, especially in the phases that are considered strategic for the success of the brands.

As of 31 March 2024, there were **1,039 employees** in the Group, in line with the data recorded as of 31 March 2023.

The three largest poles are Italy (41%) France (29%) and China (22%) while the remaining 8% of employees are distributed in the other countries where the Group is directly present.

Distribution of Group employees per country

Country	as at 31 March 2024	as at 31 March 2023
Italy	424	404
China	229	240
Hong Kong	1	1
Germany	3	1
Spain	15	17
Taiwan	16	12
France	301	314
San Marino	3	4
UK	7	4
Russia	40	42
Total	1,039	1,039

Of all employees, **76%** are employed on a **permanent contract** as of 31 March 2024 (in line with the last year), while the remaining **24%** have a **fixed-term contract**.

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

Table 1 – type of contract

Type of contact	as at 31 March 2024			as at 31 March 2023		
	Men	Women	Total	Men	Women	Total
Permanent	218	572	790	198	592	790
Fixed-term	51	198	249	50	199	249
Total	269	770	1,039	248	791	1,039

Table 2 – Geographical area

Geographic area	as at 31 March 2024			as at 31 March 2023		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Italy	369	55	424	356	52	408
Rest of Europe	308	61	369	319	59	378
Rest of the world	113	133	246	117	136	253
Total	790	249	1,039	792	247	1,039

Table 3- Age and gender

	as at 31 March 2024											
	ITALY				REST OF EUROPE ⁹				REST OF THE WORLD			
	<30	30-50	>50	Tot	<30	30-50	>50	Tot	<30	30-50	>50	Tot
Men	15	81	31	127	27	30	9	66	8	50	12	70
Women	35	205	57	297	106	126	71	303	7	131	38	176
Total	50	286	88	424	133	156	80	369	15	181	50	246

	as at 31 March 2024			
	GROUP			
	<30	30-50	>50	Total
Men	50	161	52	269
Women	148	462	166	776
Total	198	623	218	1,039

87% of Group employees as at 31 March 2024 have a **full-time** contract, while the remaining 13% are employed with a **part-time** contract in line with the data recorded as at 31 March 2023. Of the total 1,039 employees on a full-time contract, there are 250 men and 650 women, whereas in part-time contracts, there are 18 men and 121 women.

⁹ The geographical area "Rest of Europe" also includes Russia

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

As at 31 March 2024, Piquadro S.p.A., The Bridge S.p.A., and Lancel Sogedi have agreements with 45 companies, both Italian and overseas, for the marketing of their products through commercial agents.

Professional categories	as at 31 March 2024			as at 31 March 2023		
	Men	Women	Total	Men	Women	Total
Agents	22	3	25	43	2	45
Temporary workers	0	0	0	3	6	9
Interns	0	3	3	0	0	0
Total	22	6	28	46	8	54

During the 2023/2024 reporting period, the Group reported **415** new hires and **422** leavers.

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

Table 4 – New hiring rates in the Group

	2023/24														
	ITALY					REST OF EUROPE ¹⁰					REST OF THE WORLD				
	<30	30-50	>50	Tot	%	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%
Men	20	21	2	43	34%	39	14	2	55	83%	10	16	0	26	37%
Women	44	41	1	86	29%	113	44	9	165	54%	6	34	0	40	23%
Total	64	62	3	129	30%	152	58	11	221	60%	16	50	0	66	27%
Hiring rate %	128%	22%	3%	30%		114%	37%	13%	60%		107%	28%	0%	27%	

	2023/24				
	GROUP				
	<30	30-50	>50	Total	%
Men	69	51	4	124	47%
Women	163	119	10	292	38%
Total	232	170	14	416	40%
Hiring rate %	117%	27%	6%	40%	

The new hiring turnover is calculated as the ratio between the total number of people hired in 2023/2024 (Table 4) and the total number of employees as at 31 March 2024 according to the related age range and gender (Table 3).

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

¹⁰ The geographical area "Rest of Europe" also includes Russia.

Table 5 – Turnover of people leaving the Group

2023/24															
	ITALY					REST OF EUROPE					REST OF THE WORLD				
	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%
Men	6	24	1	31	24%	32	20	3	55	85%	10	12	0	22	31%
Women	25	42	11	78	26%	109	50	20	179	61%	10	34	7	51	29%
Total	31	66	12	109	26%	141	70	23	234	65%	20	46	7	73	30%
Leaving rate %	62%	23%	14%	26%		108%	47%	28%	65%		133%	25%	14%	30%	

2023/24					
Number of personnel leaving	GROUP				
	<30	30-50	>50	Total	%
Men	48	56	4	108	41%
Women	144	126	38	307	40%
Total	192	182	41	416	40%
Leaving rate %	97%	29%	19%	40%	

The leaving rate is calculated as the ratio between the total number of people who left the Group in 2023/2024 (Table 5) and the total number of employees as at 31 March 2024 for the related age and gender range (Table 3).

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

3.2 Employee management and development



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

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

In the 2023/2024 reporting period, **3,901** hours of training were given to the Group's employees. In addition to mandatory health and safety training in the workplace, specific courses and training on Sales Strategy issues, not just when opening new points of sale (outlets or boutiques) by store managers of historical outlets identified for their professionalism, product knowledge and undisputed sales capabilities. During these sessions, the product's characteristics, the way they are displayed, and the presentation of the brand's characteristics are illustrated.

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

Total hours of training given to Group employees

Professional category	2023/2024			2022/2023		
	Men	Women	Total	Men	Women	Total
Directors	33	1	34	0	0	0
Employees	628	1,450	2,708	208	501	709
Workers	595	1,194	1,789	1,046	1,738	2,784
Total	1,256	2,645	3,901	1,254	2,239	3,493

Average hours per-capita of training given to Group employees

Professional category	2023/2024			2022/2023		
	Men	Women	Total	Men	Women	Total
Directors	4.1	1.0	3.8	0	0	0
Employees	4.0	2.3	2.7	1.3	0.8	0.9
Workers	7.3	7.1	7.2	12.8	10.4	11.2
Total	5.1	3.3	3.8	5.1	2.8	3.4

The Piquadro Group continues to invest in ongoing training, the importance of which is recognized by the Parent, focused primarily on topics regarding the Organizational and Management Model and the Code of Ethics. The relevant information and training activities are planned at the beginning of the working relationship, both at the headquarters and at each point of sale, and at all occasions when the need is found in order to ensure the proper

knowledge of Legis. Decree 231/01 and the provisions of the organizational and management Model. During the year, the companies of the Group provided a total of **219** hours of classroom training on these topics.

3.3 Employee well-being and equal opportunities

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

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

Group headcount per professional category and gender

Professional category	as at 31 March 2024					as at 31 March 2023				
	Men	%	Women	%	Total	Men	%	Women	%	Total
Directors	8	89%	1	11%	9	8	89%	1	11%	9
Employees	176	22%	613	78%	789	157	20%	624	80%	781
Workers	85	35%	156	65%	241	82	33%	167	67%	249
Total	269	26%	770	74%	1,039	247	23.77%	792	76.23%	1,039

At Group level, as of 31 March 2024, there were a total of 241 workers, 789 employees and 9 executives: of these **74.11% are women**.

Group headcount per professional category and age range

Number of persons	as at 31 March 2024							as at 31 March 2023						
	<30	%	30-50	%	>50	%	Total	<30	%	30-50	%	>50	%	Total
Executives	0	0%	2	22%	7	78%	9	0	0%		44%	5	56%	9
Employees	190	24%	460	58%	139	18%	789	189	24%	441	56%	151	19%	781
Workers	9	4%	160	66%	72	30%	241	14	6%	166	67%	69	28%	249
Total	199	19%	622	60%	218	21%	1,039	203	20%	611	59%	225	22%	1,039

As regards the age range, employees aged between 30 and 50 account for 60% of the total in line with the data recorded in the last year (59% as at 31 March 2023).

19% of employees are **under 30**, in line with the data recorded in the last year, demonstrating the Group's high ability to also attract and employ younger resources.

As at 31 March 2024, **89%** of the executives are employed at local level, i.e. they are of the same nationality as the country in which they work.

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

- to cater for employees, Piquadro has an internal canteen service, while both The Bridge and Lancel offer a relaxation - kitchen room for workers in addition to the "Ticket Restaurant" vouchers to eat meals elsewhere;
- Executives and most of the Group's managers are given a company car;
- both Lancel and The Bridge, in order to facilitate the movement of employees, also offer a contribution for public transport subscriptions;
- Furthermore, The Bridge gives its employees a 100-euro voucher to be freely spent at certain affiliated businesses;
- with the aim of guaranteeing its employees a high degree of flexibility and the option of achieving a better life-work balance, a smart working system is currently being implemented for multiple targeted jobs.
- Uni Best has set up a dormitory facility for all workers with guaranteed board and lodging;
- the company's welfare in the Group's Chinese company is also supported by the activity of the so-called "staff union", a team of employees who act as spokesmen of the workers and, with top management, promote activities and initiatives for workers. In December 2023, Parent, Piquadro S.p.A. activated a corporate welfare platform designed to be flexible and performing, with a system of extensive services designed to enable its employees to use welfare benefits in the most comprehensive way possible.

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

During the 2023/2024 reporting period, no discrimination linked incidents were reported or other significant forms of discrimination involving the Group.

Trade union relations

In the case of employment contracts, 87.1% of the Group's employees are covered by **collective agreements**. In addition, The Bridge has also a second-level contract for certain categories of employees. For employee work conditions other than those regulated by bargaining agreements, the following local provisions are adopted.

Together for employment

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

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

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



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

3.4 Health and safety at work



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

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

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

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

The risks taken into account range from those relating to the structure and work environments, to the machinery and equipment used, the hazardous substances with which employees could come into contact, work related stress, the protection of pregnant personnel in the workplace, etc.

In the same document, companies are committed to ensuring that each worker receives sufficient and adequate health and safety training, anticipating a specific relationship between roles performed and training requirements.

During the financial year ended 31 March 2024, the Italian companies Piquadro S.p.a. and The Bridge S.p.a. and the production subsidiary Uni Best continued their implementation of an increasingly refined management system striving for the continuous improvement of safety in the workplace, monitoring and urging its employees to report any critical issues regarding safety. Uni Best also provides all new employees with a manual listing the company's general guidelines and standards including safety in the workplace, thus pursuing its objective to provide information which can make it easier to create a complete prevention system at its headquarters.

The French subsidiary Lancel Sogedi S.A. has an employee representative body (formerly CHSCT and now CSE – a health and safety committee) which contributes to protecting its

workers' wellbeing, health and safety. This body actively takes part in improving working conditions and guarantees that all the elements relating to occupational safety are respected. The CSE is responsible for analyzing all the risks to which employees could be exposed in the workplace and establishes any corrective and preventative actions necessary. To carry out this analysis, the CSE regularly conducts studies, surveys and inspections.

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

Employee health and safety indicators ¹¹

PIQUADRO GROUP – Employee Accidents		
Number of Accidents	2023/2024	2022/2023
Total number of recorded accidents at work	12	11
Total number of serious accidents at work (excluding deaths)	0	0
Total number of deaths due to accidents at work	0	0
Health and safety indicators	2023/2024	2022/2023
Rate of recorded accidents at work	6.30	5.98
Total number of serious accidents at work (excluding deaths)	0	0
Total number of deaths due to accidents at work	0	0

The accidents occurred outside Europe refers to the company Uni best located in China. The main types of injuries detected were wounds and bruises, and cuts.

In order to monitor this data relating to recorded workplace accidents, Piquadro believes that only a shared system may improve the benefits therefore, such objectives can be achieved if all employees adhere to the safety policies.

For this reason, the Group goes on striving for disseminating and consolidating a **safety culture** among all its employees and collaborators, developing awareness of risks and promoting responsible behavior on the part of the personnel. To this purpose, the Italian companies Piquadro S.p.a. and The Bridge S.p.a., the Chinese production subsidiary Uni Best and Lancel Sogedi S.A. periodically give general and specific training on health and safety. Over **2,177** hours of health and safety training were provided during the reporting period.

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

¹¹Accident rates have been calculated considering the ration between the total number of incidents and the total number of hours worked, using a multiplying factor of 1,000,000. It should be noted that only accidents have been considered that led to one or more sick leave days.

company structures and company property or to the health or safety of colleagues and third parties.

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

4. Sustainable and transparent supply chain management

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

4.1 The sustainable management of the supply chain



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

The Group is committed to carrying out **sustainable management of the supply chain** and, to this end, a **Supplier Code of Conduct** was adopted in 2023 that defines the principles and standards of behavior that should be met by its suppliers.

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

The Group is constantly searching for services and products distributed not only by Italian suppliers to maintain high standards of excellence in the final products.

Objective parameters such as, for example, quality and efficiency are used to select the suppliers and to define the purchase conditions.

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

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



Product research and development



Purchase of raw materials, semi-finished products, finished products and services



Production



Distribution



Sales to the end customer

The Group's main types of suppliers

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

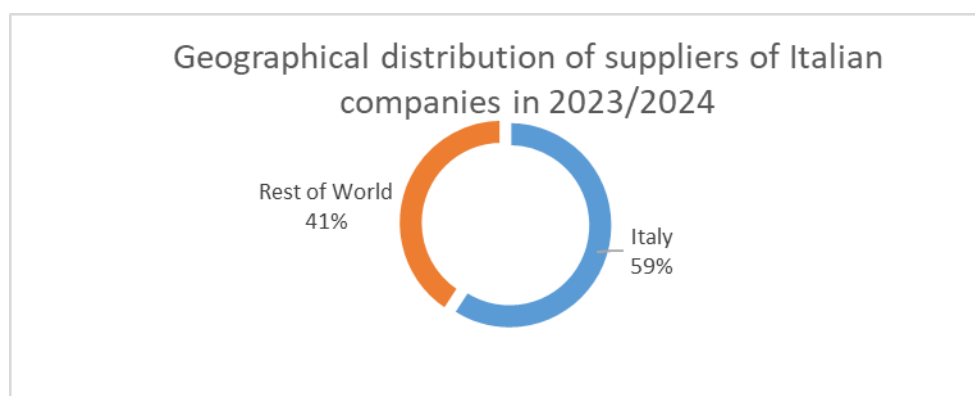
The production activity, which is partially carried out by external operations, is entrusted to external suppliers of proven competence and quality, located mainly in Hong Kong, Italy, China, the Czech Republic and Bulgaria. This activity is carried out on the basis of prototypes, engineered and provided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

The Group's main purchasing types are represented by the categories "raw **materials and finished products**" and "**external processing**" which, together, **account for 58%** of annual expenditure (essentially in line with the data recorded in the reporting period ended 31 March 2023 and equaling 55%).

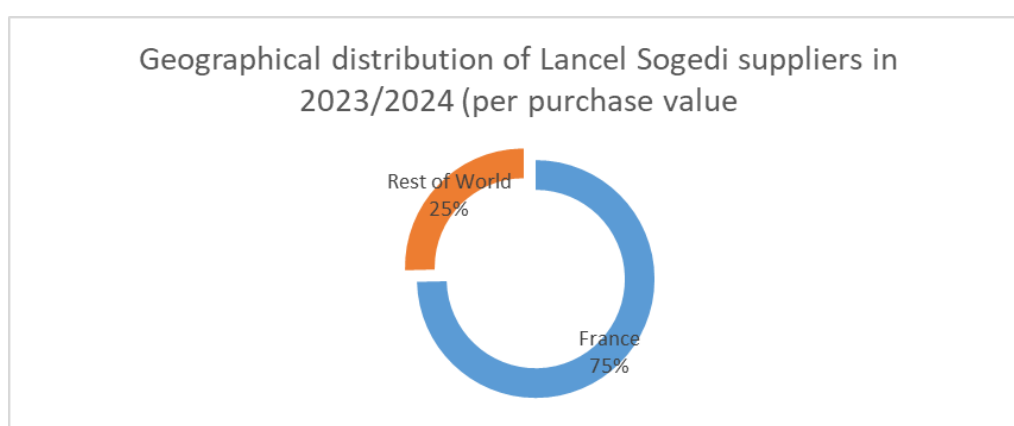
The following is the Group's total expenditure by purchase category in the 2023/2024 FY.

2023/2024		
Category	Value of total annual expenditure by type [million €]	Percentage of total annual expenditure by type
Raw materials and finished products	35,593	33%
External production	28,357	26%
Publicity and marketing	10,729	10%
Administrative/sales/transport services	22,060	20%
Costs for use of third-party goods	12,695	12%
Total	109,434	100%

Local suppliers¹² for the **Italian companies** are dominant in terms of business volume and account for **59% of the total value of purchases** made in 2023/2024, a slight decrease of about 12% compared to the same data of the previous FY, mainly due to a change in the provision strategy.



The **local suppliers for the French company**, in terms of turnover, account for **75% of the total value of purchases** made in line with the data recorded in the FY ended 31 March 2023.



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

¹²“Local” means a supplier located in the same country as the Piquadro group entity that makes the purchase.



The percentage of local Chinese suppliers is **49%** of the value of purchases in 2023/2024 (increasing compared to 45% recorded in the 2022/2023 reporting period).

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

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

To promote responsible conduct along its production chain and to mitigate the risk of human rights violations, incidents of child labor or forced labor or violation of the freedom of association and collective bargaining, the Group approved the **Supplier Code of Conduct** on 12 June 2023 which defines the principles and standards of conduct that it expects to be complied with by its suppliers, in addition to continuing disseminating the ethical principles and rules of conduct under the Code of Ethics.

Regarding the management of cut-and-sew manufacturers, the Group Operation management has launched a significant analysis activity on the existing supplier chain, both for Piquadro S.p.A. and its subsidiary, The Bridge, and relevant system of procedures. The general terms and conditions of supply agreements will be supplemented to include reference to the Supplier Code of Conduct, whose endorsement and signing was made mandatory commencing with supply orders issued on and after April 2024. In addition, a comprehensive review of supplier selection procedures is underway, aimed at implementing correct management of the supply chain, also from a social and environmental standpoint, in terms of qualification and prevention of potential risks: said procedure includes monitoring of the reference supply chain and its compliance with occupation health and safety regulatory provisions, human rights and environmental regulations in force. In parallel, the Supplier Code of Conduct is currently being revised and it will be updated to reflect any new processes and procedures that are being defined.

4.2 Responsible material consumption

The Piquadro Group, in line with the responsible management of its business, is committed to purchasing high-quality materials.

Raw material and consumables purchased by type¹³

	Type	Unit of measure	Total as at 31/03/2024
Non-renewable	LEATHER	SQM	430,846
	PREMIUM LEATHER	SQM	1,761
	METAL HARDWARE	PIECES	7,372,182
	LININGS AND FABRICS	ML	114,346
Renewable	SHOPPING BAG/PAPER/CARDBOARD	KG	249,509
	of which FSC (<i>Forest Stewardship Council</i>)	KG	120,231
	of which non-FSC (<i>Forest Stewardship Council</i>)	KG	129,296
	COTTON/CLOTH BAGS	PIECES	567,555

The most common raw material in terms of purchases is leather, used to make the Group's three brands. In the 2023/2024 FY, the Group purchased about **431 thousand square meters of leather**, mainly from Italian tanneries.

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



Vegetable Tanning

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

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

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

¹³The types shown include the primary material and substance consumables purchased according to the units of measure generally adopted.

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

In addition, the parent company and subsidiary The Bridge S.p.A., within the organizational and management Model under Legis. Decree 231/01, analyzed any possible risks potentially related to the use of these substances, revealing that the type of activities carried out within the Group's companies do not appear to be such as to expose workers to risks to their health and safety.



4.3 Energy management

During the 2023/2024 financial year, the Piquadro Group's energy consumption stood at about **21,801 GJ (lightly reduced if compared to 22,378 GJ as of 31 March 2023)**. The main types of energy sources used were:

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

The reported energy consumption relates to the Italian offices, the Chinese production establishment and, for electricity consumption only, the 131 DOSs of the Piquadro Group (133 as at 31 March 2023) Only the store in Milan uses natural gas. Fuel consumption for corporate cars refer to the Piquadro S.p.A. entities, The Bridge, Uni Best and Lancel Sogedi.

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

Energy consumption of the Piquadro Group ¹⁴

Type of usage	2023/2024	2022/2023
	Total (GJ)	Total (GJ)
Electricity¹⁵	15,691	16,099
<i>of which purchased from renewable sources with GO¹⁶</i>	1,226	3,138
<i>of which self-generated using photovoltaic system</i>	757	148
Non-renewable fuel	6,110	6,235
<i>of which: natural gas for heating</i>	1,610	1,969
<i>of which: LPG for heating</i>	1,696	1,766
<i>of which: petrol for company fleet</i>	426	348
<i>of which: diesel for company fleet</i>	2,377	2,196
Total energy consumption	21,801	22,378
<i>of which from renewable sources</i>	1,983	3,286
% of renewable energy on the Group's total consumption	9.10%	14.69%

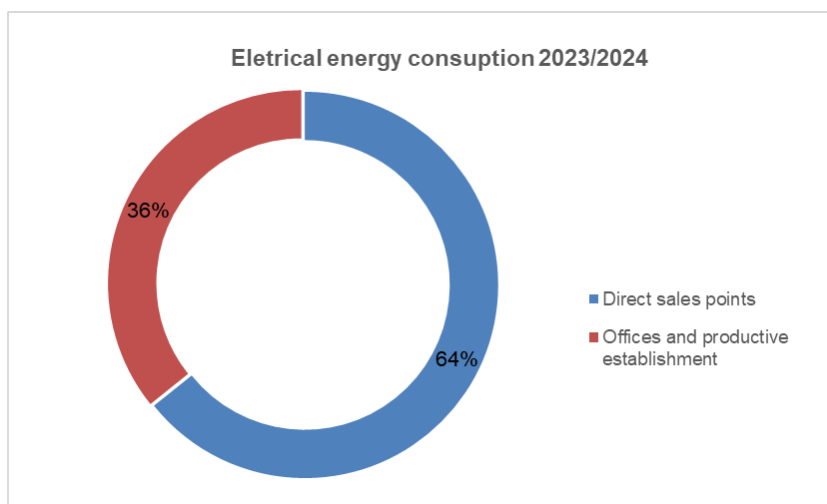
Compared to the electricity consumption breakdown, it should be noted that the DOSs account for approx. **64% of Group total consumption (66% as at 31 March 2023)**.

¹⁴For calculating energy consumption in GJ, conversion factors issued by the Department for Environmental Food & Rural Affairs (DEFRA), UK have been used, for 2022 and 2023, respectively. For converting LPG, in 2022/2023, a conversion factor was used issued by AIB in 2022, while in 2023/2024, the conversion factor used was that of the National Inventory Report (NIR) 2023.

¹⁵2023/2024 data for the electricity consumption of 7 Piquadro DOSs have been estimated based on similar consumption of other points of sale, based on their size and geographical location.

Electricity consumption for 44 Lancel points of sale have been estimated considering annual usage of 300 kWh/sqm. Most of these points of sale are located at airports or shopping malls, whose situations do not make it possible to report precise data.

¹⁶Lancel Sogedi SA purchases part of its electricity from renewable sources via certified origin guarantees.



4.4 Emissions into the atmosphere

With regard to emissions into the atmosphere, in the 2023/2024 financial year, the Group produced **1,531 t CO₂eq** using the location-based calculation method, and **1,856 tCO₂eq** using the marked-based ¹⁷calculation method, deriving from the consumption of electricity and non-renewable fuels.

Specifically, direct emissions (Scope 1), i.e., those deriving from the consumption of natural gas, LPG, diesel and petrol totaled **409 tCO₂eq**.

Indirect emissions (Scope 2), on the other hand, deriving from the purchase of grid electricity, totaled **1,122 tCO₂** based on the "location-based" method and **1,448 tCO₂** using the "market-based" calculation method.

[1]Scope 1 emissions [tCO₂eq]¹⁸

Type of source	2023/24	2022/23
Scope 1		
Use of fuel for heating	206	221
<i>of which from natural gas</i>	94	1081
<i>of which from LPG</i>	112	113
Use of petrol for company fleet	28	23
Use of diesel for company fleet	175	157
Total Scope 1	409	401

Scope 2 Emissions [tCO₂]¹⁹

Type of source	2023/24	2022/23
Scope 2		
Electrical energy (location-based)	1,122	1,148
Electrical energy (market-based)	1,448	1,383

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

¹⁸It should be noted that for better alignment with the provisions of GRI Standard 305-1 for calculating Scope 1 emissions an emission factor source was used that returns emissions as CO₂eq. Scope 2 emissions have been expressed instead as tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ eq), as inferred from the reference technical literature. For calculating Scope 1 emissions for the year 2022-23, the emission factors published by the Department for Environment, Food & Rural Affairs, UK (DEFRA), in Greenhouse gas reporting - Conversion factors 2022 and 2022 for the year 2023-2024 were used, referring to the petrol used abroad. For natural gas, LPG and petrol (Italy boundary), emission factors published by the Ministry of the Environment have been used, while the emission factor for diesel used was that published by the NIR.

¹⁹ To calculate Scope 2 emissions with the "location-based" method, emission factors were used reported within the publication Confronti Internazionali, Terna 2019. With regard to the calculation of emissions using the "market-based" method, Residual mix emission factors were used published by the Association of Issuing Bodies (AIB) in the document European Residual Mixes 2022 and 2023; these factors have only been applied for the following countries: Italy, French, Great Britain, Spain, Germany, and San Marino. For the other countries, where factors were unavailable, the same factors used for the calculation were maintained with the "location-based" method.

As part of its corporate non-financial reporting, during the financial reporting period 2023/2024, Piquadro Group calculated its Business Carbon Footprint for the first time – in collaboration with ACBC – thus also extending it to include indirect Scope 3 greenhouse gas emissions, both for the 2022-2023 and current reporting period.

Calculation of Scope 3 GHG emissions is an important step along this path, offering a clear and detailed view of indirect emissions associated with our value chain.

The calculation method follows the guidelines of the Greenhouse Gas Protocol (GHG Protocol), a global standard for managing GHG emissions. Piquadro Group Scope 3 del emission ²⁰ reporting is as follows:

- Category 1: Emissions deriving from the manufacture of goods and provision of services purchased or purchased from the company.
- Category 3: Emissions deriving from the extraction, production and transport of fuels and energy purchased or consumed by the company not included in Scope 1 and Scope 2.
- Category 4: Emissions deriving from the transport and the distribution of goods purchased from the company.
- Category 9: Emissions deriving from the transport and distribution of products sold by the company.

These emissions account for a significant portion of our overall environmental impact and, therefore, measuring it precisely is essential for improving our environmental performance. The Piquadro Group acknowledges the importance of transparency and environmental responsibility and is committed to providing detailed and accurate information on its emissions.

In the calculations and in the tables further on the following criteria have been used, in line with the GHG Protocol methodology:

- System boundaries: We have used the "operating control" approach, as for Scope 1 and Scope 2 emissions.
- Calculation method: We have used the Hybrid DATA method, that combines primary²¹ specific data for the company with standardized sector and database data, providing a robust and reliable estimate of Scope 3 emissions.
- Emission factors: We have used emission factors provided by the SimaPro 9.4.0.3 software for translating inventory data into GHG emission estimates and the EF (environmental footprint) v3.0²² calculation method.

²⁰ It should be noted that Categories 1 and 9 for Uni Best Leather Goods Zhongshan Co. Ltd. have been excluded from

²¹ It should be noted that primary data for categories 1, 4 and 9 account for 80% of materials purchased, procured and transported company inbound and company outbound. Regarding shipments, both distance and prevalent means of transport have been considered for single routes.

²² For calculating emission factors for purchased goods and procured in Category 1, specifically, leathers, fabrics, plastics and metals, the Ecoinvent 3.8 e Agrifootprint 6 databases were used. For calculating Category 1 services, emission factors shown in the database Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6 were used. U.S. 2021 based on monetary value. For calculating Category 4 and Category 9 emissions linked to the transport and distribution, emission factors published by the Department for Environment, Food & Rural Affairs, UK (DEFRA) have been used. For calculating Category 3 emissions, input data refer to Scope 1 and Scope 2 data, reported in this non-financial disclosure using the Ecoinvent 3.8 database.

Scope 3 emissions reporting is not only a commitment to sustainability but also an opportunity to improve operating efficiency and make cost savings. On disclosing such data, the Piquadro Group is renewing its long-term commitment to environmental sustainability. The group is aware that the road leading to a sustainable future requires a continuous effort and we are determined make our contribution to protecting the planet for future generations.

In the 2023/2024 reporting period, Scope 3 emissions calculated for the Piquadro Grout totaled **36,465** tons CO₂eq.

Scope 3 emissions \[tCO₂eq]

Type of source	2023/24	2022/23
Scope 3 – Indirect emissions		
Cat. 1 Emissions from the production of goods and services purchased and procured by the company.	34,269	33,006
Cat. 3 Emissions from the extraction, production and transport of fuels and energy purchased and consumed by the company, not included in Scope 1 and Scope 2.	569	489
Cat. 4 Emissions from the transport and distribution of purchased goods.	1,240	897
Cat. 9 Emissions from the transport and distribution of products sold.	387	320
Total Scope 3	36,465	34,712

Total Emissions [tCO₂ eq]

Total	2023/24	2022/23
Total emissions (Scope 1, 2, and 3 <i>location-based</i>)	37,996	36,261
Total emissions (Scope 1, 2, and 3 <i>market-based</i>)	38,322	36,496

4.5 Carbon Neutrality



The Piquadro Group is already committed to reducing emissions by implementing measures for accelerating energy transition; The Gaggio Montano headquarters, already since November 2022 has been using a photovoltaic system which contributes to reducing the purchase of grid electricity in favor of self-generated power from renewable sources. In addition, Maison Lancel purchases part of its electricity from certified origin renewable sources. The Piquadro Group collaborates with its designers to create circular products with low environmental impact.

The Piquadro Group takes a new, decisive step in its sustainability path and, after undertaking initiatives such as the progressive use of recycled materials, leather from the certified supply chain and the project to support the community of its mountains, announces from 2023/2024 carbon neutrality for the entire Group (Scope 1 and 2).

The Piquadro Group has in fact offset its carbon footprint considering all direct emissions (**Scope 1**) and indirect emissions from purchased electricity (**Scope 2 market-based**)²³ generated during the 2022/23 reporting period

The objective of offsetting 1,784 tons of CO_{2eq} generated by the Group's entities was achieved through certified carbon credits generated thanks to the reforestation of heavily degraded areas of **Cerrado** in Brazil, a tropical forest featured by one of the highest biodiversity in the world and through the **Rio Anapu Pacaja** deforestation prevention project.



So-called "carbon credits" or offsetting certificates are one of the tools via which the effects of the carbon footprint represented by the production of global CO₂, among the main causes of climate change, can be mitigated. One carbon credit is equivalent to one ton of CO₂ prevented or removed from the atmosphere through the development of certified projects, including forestry projects that not only capture atmospheric CO₂, thanks to the chlorophyll photosynthesis of plants, but contribute to the benefit of biodiversity and the local community.²⁴

At the same time as offsetting the carbon footprint for corporate activities, the Piquadro Group made another important commitment to environmental sustainability in 2023/2024 FY; it gradually began to offset CO₂ emissions linked to the production of certain products included among the Group's **best sellers**. Specifically, for Piquadro and The Bridge, 40 products were

²³Offsetting does not consider Scope 3 indirect emissions.

²⁴Carbon credits for the Piquadro Group reforestation project have been certified by Verra Carbon Standard Verra of Washington DC, and they undergo independent auditing (Rina Services).

identified among the best-selling lines and the carbon footprint for each was calculated, with the aim of offsetting it by purchasing additional certified carbon credits

Products ²⁵			Emissions	
Brand	Code	Type	Unit CO2eq [kg]	Total CO2eq offset [t]
Piquadro	CA5854C2O	Backpack	13.62	3.32
Piquadro	CA5738CAS2	Backpack	27.55	2.87
Piquadro	CA5738CAS	Backpack	27.55	0.06
Piquadro	CA4818UB00	Backpack	41.69	172.18
Piquadro	SN5977C2O	Shoe	10.58	59.88
Piquadro	CA5855C2O	Backpack	17.53	0.02
Piquadro	CA5856C2O	Backpack	15.69	12.99
Piquadro	BV4425PQL	Wheeled cases	27.03	235.11
Piquadro	BV4427PQL	Wheeled cases	37.49	140.62
Piquadro	BV4428PQL	Wheeled cases	42.2	105.54
Piquadro	BV4428PQLS2	Wheeled cases	42.2	67.77
Piquadro	BV4427PQLS2	Wheeled cases	37.49	65.91
Piquadro	BV4425PQLS2	Wheeled cases	27.03	96.15
Piquadro	BV5398PQL	Wheeled cases	27.03	42.03
Piquadro	BV6393PQL	Wheeled cases	37.49	63.51
Piquadro	BV6394PQL	Wheeled cases	42.2	55.03
Piquadro	BV4425PQLS3	Wheeled cases	27.03	68.79
Piquadro	BV6393PQLS3	Wheeled cases	37.49	54.85
Piquadro	BV6394PQLS3	Wheeled cases	42.2	44.18
Piquadro	BV5213PQL	Wheeled cases	59.3	89.60
Piquadro	BV4426PQL	Wheeled cases	37.5	137.89
Piquadro	BV4425PQLX	Wheeled cases	25.57	11.81
Piquadro	CA5856C2OW	Backpack	35.64	79.19
Piquadro	CA6144C2OW	Backpack	31.63	19.67
Piquadro	CA6291C2OW	Backpack	31.09	65.48
Piquadro	CA5854C2OP	Backpack	89.9	28.41
Piquadro	CA5856C2OP	Backpack	70.47	55.74
Piquadro	CA6144C2OP	Backpack	76.99	41.96
Piquadro	BV6376C2O	Wheeled cases	58.3	54.04
Piquadro	BV6377C2O	Wheeled cases	53.7	79.85
Piquadro	BV6379C2O	Wheeled cases	68.1	47.47
Piquadro	SN6430C2OS2	Shoe	9.93	9.11
Piquadro	BV5213PQLS2	Wheeled cases	59.3	13.05
Piquadro	SN5977C2OW	Shoe	10.58	9.75

²⁵ The first eleven products and The Bridge brand products have been offset in the reporting period ended 31 March 2023 and, specifically, they were offset considering their relevant manufacture in the reporting period running from April 2023 to March 2024. By contrast, the other products were offset considering stocks as at 31 March 2023 and their manufacture in reporting period running from April 2023 to March 2024.

Piquadro	BV4425PQLP	Wheeled cases	77.5	116.41
Piquadro	BV4426PQLP	Wheeled cases	82.9	56.62
Piquadro	BY6380C2O	Backpack	14.36	14.45
Piquadro	BV6381C2O	Wheeled cases	21.21	16.48
Piquadro	BV6377C2OW	Wheeled cases	53.7	1.29
Piquadro	BV6376C2OW	Wheeled cases	58.3	0.12
Piquadro	BV6379C2OW	Wheeled cases	68.1	0.14
Total Piquadro				2,239.32
The Bridge	4402201	Donna Story cross-body bag	33.64	65.79
The Bridge	6440901	Zaino story	54.73	7.11
Total The Bridge				72.91
Total of the Group				2,312.23

4.6 Waste management



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

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

In the reporting period 2023/2024, the Piquadro Group produced a total of approximately **184.48 tons of waste**, almost all of which were non-hazardous.

Total weight of waste generated [303-3]						
Type Of Waste [ton]	31.03.2023			31.03.2024		
	Hazardous	Not Hazardous	Total	Hazardous	Not Hazardous	Total
LEATHER WASTE	-	9.28	9.28	-	11.23	11.23
PACKAGING MATERIAL	0.17	26.71	26.88	0.1195	24.96	25.08
WOOD	0.59	16.78	17.38	-	4.04	4.04
IRON / STEEL	-	2.33	2.33	-	8.59	8.59
ORGANIC WASTE	-	3.36	3.36	0.21	0.37	0.58
PLASTIC	0.06	0.17	0.23	-	-	-
ELECTRONIC COMPONENTS	-	0.46	0.46	-	0.07	0.07
PAPER	-	137.81	137.81	-	134.89	134.89
Total	0.82	196.91	197.73	0.3295	184.15	184.48

As regards the disposal method, the Group sends about 85% of **its waste** to recycling (compared to 77% of the 2022/2023 FY).

Waste diverted from disposal [306-4]								
Disposal Method [ton]	31.03.2023				31.03.2024			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardous waste								
Reuse	0	0.0885	0.0885	0%	0	4.37	4.37	3%
Recycle	0	0	0.0	0%	0	135.89	135.89	86%
Not Hazardous waste								
Reuse	0	151.33	151.33	100%	0	17.88	17.88	11%
Recycle	0	0	0.0	0%	0	0.0	0.0	0%
Total	0.00	151.42	151.42	100%	-	158.14	158.14	100%

Waste directed to disposal [306-5]								
Disposal Method [ton]	31.03.2023				31.03.2024			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardous waste								
Incineration (with energy recover)	0	14.98	14.98	32%	0	0	0	0%
Incineration (without energy recover)	0	0	0	0%	0	0	0	0%
Rubbish dump	0	0.138	0.138	0%	0	0	0	0%
Not Hazardous waste								
Incineration (with energy recover)	0	0	0.0	0%	0	4.26	4.26	16%
Incineration (without energy recover)	0	5.93	5.93	13%	22.08	0	22.08	84%
Rubbish dump	0	25.0	25.0	55%	0	0	0	0%
Total	0.00	46.31	46.31	100%	22.08	4.26	26.34	100%

5. The link with the territory



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

During the 2023/2024 financial year, the Piquadro Group made multiple donations to non-profit organizations and local associations for development and promotion purposes and sponsored social and cultural events in the area, such as the Civil Protection donation hub of Silla di Gaggio Montano.

Piquadro donated a total of € 26,000 to people experiencing hardship, in part as spending vouchers, together with the Municipality of Lizzano in Belvedere and other additional donations to recognized associations that manage recreative therapy camps where children suffering from serious or chronic disorders and their families are hosted for holidays and periods where they can have fun. Lancel, instead, has entered into an agreement with the French Institute of Fashion with the aim of promoting equal opportunities, financing a three-year student scholarship.

In May 2023, the Piquadro Group donated EUR 100 thousand supporting the Emilia-Romagna region hit by severe flooding, while, in December 2023, it donated a further EUR 100 thousand as a contribution to the restoration of Bologna Torre Garisenda tower.

Piquadro is proud to support its mountain communities, promoting economic and social development via sustainable tourism that is open to diversity and respecting the environment. Born out of the longstanding friendship and shared love for their mountains, Marco Palmieri, founder of Piquadro and Flavio Roda, President of the Italian Winter Sports Federation, a fellowship was formed involving numerous business people and local situations that has led to the creation of a new enterprise managing the facilities and lifts of the ski resort best loved by the inhabitants of Bologna. The aim is to relaunch this local facility via developing informed and sustainable tourism that enables young people to stay and live in their local area without seeking jobs elsewhere. The challenge is to find a balance between environmental sustainability and using nature without disfiguring, but rather developing a new and embraced environmental sustainability.



The Bridge, in particular, has regular contact with schools and training facilities in general that are located in the Florentine basin: through the activation of curricular, extracurricular and

apprenticeship contracts, it has frequent contact with Polimoda and with MI.TA (Made in Italy Tuscany Academy) the first Higher Technical Institute in the field of technical professions for fashion with offices in Scandicci (Florence).

Si



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

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

GRI Content Index

Statement of use	Piquadro S.p.A. has reported the Non-financial Disclosure in accordance with the GRI Standards for the reporting period running from 1/04/2023 to 31/03/2024.
GRI 1 used	GRI 1: Reporting principles (2021)
GRI Standards valid for the sector	N/A

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GRI Material Topics (2021)	3-3 Management of the material topic	26-31			
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GRI 407: Freedom of association and collective bargaining (2016)	407-1 Operations and suppliers in which freedom of association and collective bargaining may be at risk	30			
GRI 408: Child labor (2016)	408-1 Operations and suppliers at significant risk of child labor	30			
GRI 409: Forced labor (2016)	409-1 Operations and suppliers at significant risk of forced labor	30			
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**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Piquadro S.p.A. and its subsidiaries (hereinafter "Piquadro Group") as of March 31, 2024 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on June 10, 2024 (hereinafter "NFS").

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

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

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

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

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

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

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

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards, IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

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

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

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Piquadro Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Piquadro Group;
4. understanding of the following matters:
 - business management model of the Piquadro Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;

- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

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

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

In particular, we carried out interviews and discussions with the employees of Piquadro S.p.A. and its subsidiaries Lancel Sogedi S.A. and The Bridge S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

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

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

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Piquadro Group as of March 31, 2024 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Montanari
Partner

Bologna, Italy
July 1, 2024

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