

FERRAGAMO

MODERN SLAVERY STATEMENT

APPROVED BY THE BOARD OF DIRECTORS OF SALVATORE FERRAGAMO S.P.A. JULY 6, 2023

This document was approved by the Board of Directors of Salvatore Ferragamo S.p.A. (hereinafter, the “Company”) on July 6, 2023 and describes the measures taken by the Salvatore Ferragamo Group (hereinafter “the Group” or “Salvatore Ferragamo”) to ensure, as required by the UK “Modern Slavery Act 2015 - Section 54”, by the California “Transparency in Supply Chains Act of 2010 - SB 657” and by the Australian Modern Slavery Act (No. 153) 2018, the absence of any form of “modern slavery, forced labor and human trafficking” within its organization and outside along its own supply chain.

This statement refers to the fiscal year ended December 31, 2022 and is applicable to all legal entities belonging to the Group, having been drawn up in consultation with each legal entity that Salvatore Ferragamo S.p.A. is able to control directly or indirectly.

INTRODUCTION

Since the introduction of the Brand, creativity, innovation, and world-class craftsmanship have always been the core values of the Salvatore Ferragamo Group, guiding the design and production of any creation. Over the years, the deep connection with the local community and its culture has made the Salvatore Ferragamo Group increasingly aware of the need for a strong commitment to protect the places where it operates and the people that work for the Group.

THE SALVATORE FERRAGAMO GROUP

The Salvatore Ferragamo Group, one of the world's leaders in the luxury industry, whose origins date back to 1927, is active in the creation, production and sale of shoes, leather goods, apparel, silk products and other accessories for men and women. The Group's product offer also includes fragrances, eyewear and watches, manufactured by licensees. The uniqueness and exclusivity of our creations, along with the perfect blend of style, creativity and innovation enriched by the quality and superior craftsmanship of the 'Made in Italy' tradition, have always been the hallmarks of the Group's products.

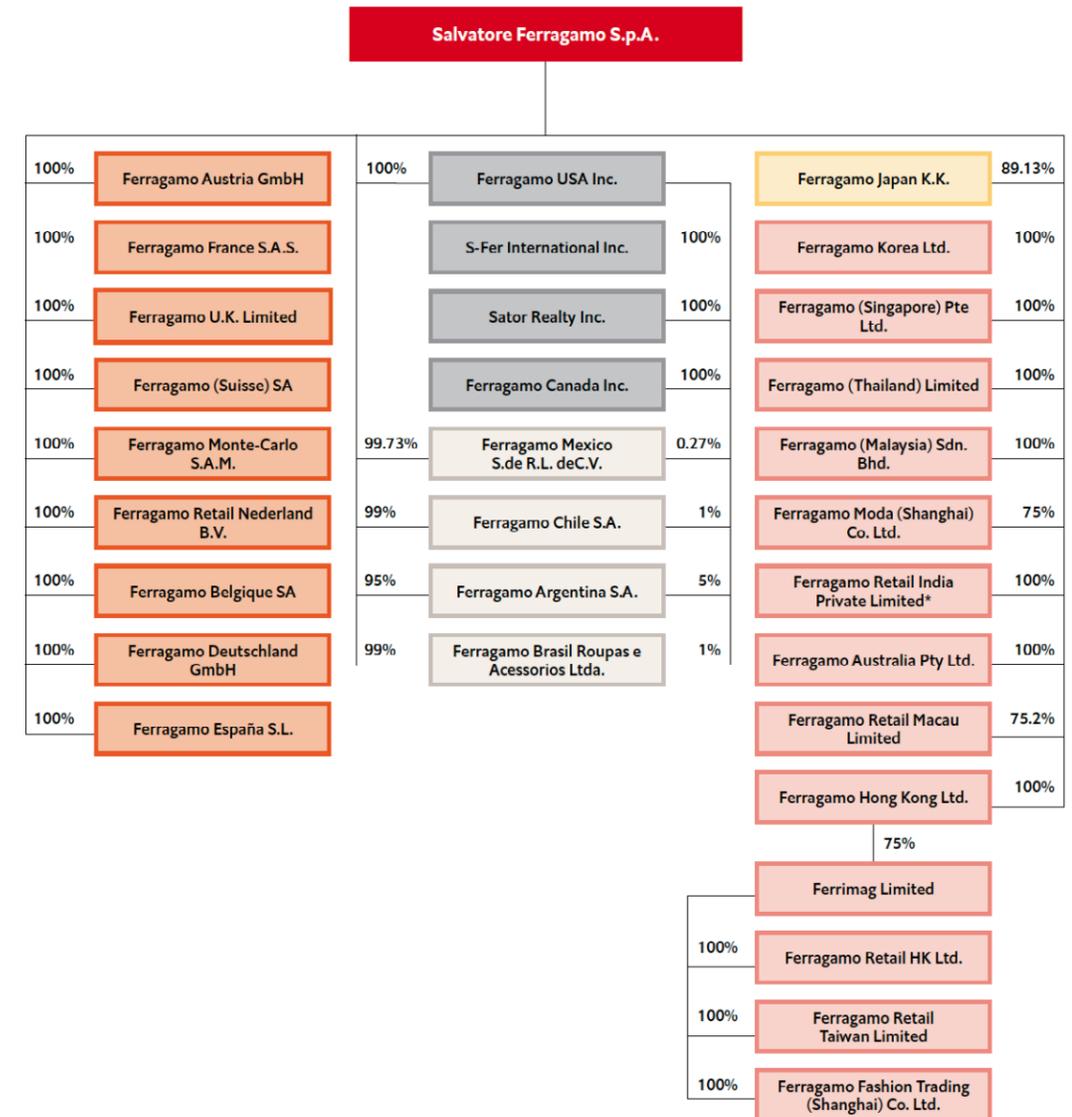
The Salvatore Ferragamo Group includes Salvatore Ferragamo S.p.A. as the Parent company and its subsidiaries, grouped into five geographic areas: Europe, North America, Central and South America, Asia Pacific and Japan.

Considering the whole distribution structure, the Salvatore Ferragamo Group is present in about 90 countries across the world. At 31 December 2022 the Group's distribution network could rely on 389 directly operated stores (DOS) and a network of tailored single brand stores and/or stores-in-stores managed by third parties (TPOS) as well as through a multibrand channel (taken as a whole, the so-called wholesale channel).

As at 31 December 2022, the Group had 3,830 employees, of which 94% on permanent contracts. In 2022, non-employee workers within the Group were 147, including 45 agency staff and 52 interns.

Since 2011, Salvatore Ferragamo S.p.A. has been listed on the Italian Stock Exchange.

GROUP STRUCTURE



Notes

- European companies
- North America companies
- Centre and South America companies
- Asia Pacific companies
- Japanese companies
- * Non operating company

EMPLOYEES

The Company and the Group companies strictly comply with all the regulations relating to employee work, applying collective agreements and guaranteeing all the rights established by collective and individual agreements and by law.

For the Salvatore Ferragamo Group, its people have always been of great importance, guaranteeing management based on the principles of fairness, integrity and respect. At every stage of the value chain, the Group's commitment translates into the professional development of its people, the attraction of new talent and the promotion of work-life balance, guaranteeing compliance with occupational health and safety standards. The main corporate welfare initiatives adopted are reported below.

- The **Solidarity Vacation Fund**, which allows all employees to voluntarily and freely give up their days off and their vacation days to colleagues who have particular needs to assist a family member or who suffer from serious health conditions.
- The **Flexible Benefit plan**, the purpose of which is to support workers and their families in social and cultural activities, in their development and in school fees and costs for their children. The plan consists of the possibility to use non-monetary goods and/or services, in addition to remuneration, to meet personal and family needs.
- As regards **supplementary health care** offered to Salvatore Ferragamo's employees, the existing coverage was maintained in 2022, including that relating to protection in cases of illness from Covid-19 and that on business travel for European employees. Moreover, in recent years, a series of improvement measures have been implemented to offer coverage levels of supplementary health services superior to the provisions of the national collective bargaining agreements.
- Following the experiments already started in 2018, Salvatore Ferragamo decided to introduce remote working across the board, **Smart Working**, subject to the compatibility with the characteristics of the specific business activities carried out.
- Training is a cornerstone of Ferragamo's staff development strategies. Over 95,800 hours of training were provided at Group level in 2022, which concerned, among other topics, the strengthening of soft skills, the use of IT tools, languages and specialist training.

Average hours of training - Salvatore Ferragamo Group

No. of hours	2022			2021		
	Men	Women	Total	Men	Women	Total
Managers	25.97	28.34	27.41	23.14	23.49	23.35
White collars	28.79	25.45	26.42	30.45	29.83	30.01
Blue collars	7.48	4.56	6.43	7.51	7.34	7.45
Total	24.99	25.06	25.04	25.75	27.84	27.15

- The cultural change process aimed at raising awareness of the impact of **diversity, equity and inclusion** in the business was activated in 2020. In 2021, the program was further strengthened with the organization of two training courses dedicated to disability and the participation as the first Italian company to the "The Hiring Chain" global campaign promoted by CoorDown, launching an important job inclusion project.
- Special emphasis is placed also on providing **equal opportunities**, ensuring the same work conditions for male and female employees and promoting initiatives to help balance family and professional life through different types of employment agreements. More specifically, as at 31 December 2022 there were 62 male employees and 223 female employees who were on part-time contracts. The latter have always played a key role in the Salvatore Ferragamo Group, accounting for nearly 66% of its employees and holding over 61% of senior management positions. Women make up a significant 40% of the Parent Company's Board of Directors, above and beyond the applicable laws. Since 2020 the Company has joined Valore D, the first business association in Italy committed to creating a professional world free of discrimination, where gender equality and a culture of inclusion support the growth of the organization.

STAFF

The Group's staff as at 31 December 2022 and 31 December 2021 is shown below.

No. of people	31 December 2022			31 December 2021		
	Men	Women	Total	Men	Women	Total
Employees	1,288	2,542	3,830	1,288	2,599	3,887

Breakdown by occupational classification and age group	31 December 2022								31 December 2021							
	<30		30-50		>50		Totale		<30		30-50		>50		Totale	
	N°	%	N°	%	N°	%	N°	N°	%	N°	%	N°	%	N°		
Managers (of which top managers, middle managers and store managers)	12	0.3	520	13.6	197	5.1	729	12	0.3	585	15.1	177	4.6	774		
White collars	623	16.3	1,836	47.9	341	8.9	2,800	683	17.6	1,818	46.8	347	8.9	2,848		
Blue collars	40	1.0	190	5.0	71	1.9	301	32	0.8	167	4.3	66	1.7	265		
Total	675	17.6	2,546	66.5	609	15.9	3,830	727	18.7	2,570	66.1	590	15.2	3,887		

Breakdown by occupational classification and gender	31 December 2022					31 December 2021				
	Men		Women		Tot	Men		Women		Tot
	N°	%	N°	%	N°	N°	%	N°	%	N°
Managers (of which top managers, middle managers and store managers)	286	7.5	443	11.6	729	301	7.7	473	12.2	774
White collars	810	21.1	1,990	52.0	2,800	819	21.1	2,029	52.2	2,848
Blue collars	192	5.0	109	2.8	301	168	4.3	97	2.5	265
Total	1,288	33.6	2,542	66.4	3,830	1,288	33.1	2,599	66.9	3,887

THE SUPPLY CHAIN

Ferragamo has always been synonymous with Made in Italy, and quality – a sign of refinement and excellence – is indisputable, permeating every facet of the Company's spirit and business operations. While respecting these values, the Group has always been committed to supporting the development of local communities, promoting Italy's world-class manufacturers and carefully purchasing products and services almost exclusively from Italian suppliers, both of first and second tier.

The philosophy of the Founder, Salvatore Ferragamo, who remained deeply connected to his roots, lives on in the strategy of the Group, which relies on a wide network of carefully selected and qualified suppliers known for their craftsmanship.

To deliver both a quality product and make production and distribution more efficient and flexible, the Group pays special attention to the key stages of the supply chain, limiting subcontracting to just one tier, thus facilitating an improved monitoring of quality throughout the supply chain. Similarly, the Group directly manages the product development and industrialization stages, performing quality and safety controls, both upstream and downstream of the manufacturing process, on the whole production.

When selecting suitable suppliers, the Group places special emphasis on the technical assessment of raw materials, semi-finished and finished products as well as the acquisition of documents concerning manufacturing plants – and, in some cases, it follows up with a visit to the premises.

The Group relies on a procurement structure with a high level of technical preparation and works with reputable and well-known companies, with which it has established an ongoing collaboration. This structure highlights the Group's strong connection to the local community and, considering the geographic distribution, it has a high percentage of Italian raw material suppliers, equal to around 97% of procurement in 2022. Moreover, Tuscan contract manufacturers accounted for approximately 54% of the turnover of finished product processing, while Campanian contract manufacturers accounted for approximately 25%; the remaining part of this 2022 turnover is allocated to the other Italian regions.

As for workshops, the Group works exclusively with highly specialized manufacturers that meet the most demanding quality standards. The majority of these are located in Italy. Selection and retention of external workshops is vital to the Ferragamo brand, as it helps maintain the world-class quality standards of its products as well as protecting extensive know how developed over the years, with high exchange of information and skills between the Group and the contract manufacturers.

POLICIES

Corporate ethics are a top priority for Salvatore Ferragamo in its business dynamics and demands. They convey a message of loyalty, fairness and respect throughout the entire Group, and constitute a reference point in its business environment. The Parent Company cultivates and fosters continuous, direct line of communication with its subsidiaries, which creates a shared culture of ethical business principles on which the businesses are based upon.

In a framework which seeks to integrate social responsibility in daily business operations, the Group considers the collaboration with the supply chain as central in an effort to achieve the highest ethical and sustainable business development standards.

The Group is committed to guaranteeing respect for human rights for all workers, both within the Group and in its supply chain, and it has implemented several policies and procedures to ensure their respect and implementation.

- The **Code of Ethics** sets forth the ethical principles and general guidelines that, along with legal, regulatory and contractual rules, characterize the organization and activities of Salvatore Ferragamo S.p.A and its subsidiaries. The Code of Ethics applies to the Company's corporate boards, employees, legal representatives and independent contractors who, for any reason and regardless of the type of contractual relationship, operate in the name and on behalf of Group Companies. The Company requires compliance with the Code of Ethics by certain third parties (business partners, customers, suppliers, professional, consultants and other types of external parties) with which it enters into business dealings or transactions. Disciplinary measures, varying according to the severity and within the limits of the current regulatory framework, are applicable by the Company in the event of any breaches. In particular, failure to comply by external parties to comply with the Code of Ethics may result in the termination of the contract, engagement or general relationship in effect with the Company, as well as claims for damages if the conditions are present.

The full Code of Ethics is available in the Governance section of the Group's web site.

- The **Sustainability Policy**, prepared in accordance with the principles and rules presented in the Group Code of Ethics and in the Framework of Sustainable Development Goals (SDGs) provided by the United Nations, establishes a framework of Guiding Principles on the social and environmental responsibility of the Salvatore Ferragamo to be adopted in its daily operations. It aims to establish an equity and professional-oriented corporate culture by promoting honesty, integrity and transparency, and by incentivizing sustainable development through starting a dialogue on corporate ethics and increasing the responsibility of our stakeholders. The Policy Recipients are the corporate boards, employees and any person operating in the name and on behalf of any company of the Salvatore Ferragamo Group.

The full Sustainability Policy is available in the Group's sustainability-site.

- Salvatore Ferragamo S.p.A. is signatory to the **United Nations Global Compact**, the world's largest corporate sustainability initiative, offering a universal language for corporate responsibility and supporting organizations in making responsible strategic decisions to promote internationally shared corporate goals. Participation in the Global Compact includes a commitment to comply with the provision of the International Labor Organization (ILO), concerning abolition of forced and child labour.

Information about the participation of the Group is available in the U.N. Global Compact's site.

- The **Supplier Code of Conduct** sets forth the ethical principles and rules of conduct that must characterize the commercial relations between the Group and its partners. The Code includes rules and standards of conduct concerning business ethics and integrity, labor and human rights, the respect of ecosystems, including respect of animals and environment protection, and product responsibility. Direct Suppliers of the Salvatore Ferragamo Group are required to guarantee their compliance with the Code, disseminating it and requiring its respect by their employees, suppliers, external collaborators and others belonging to the supply chain for the Group. In the event of cases of non-compliance with the Code, the recipients are required to implement the actions necessary for the adjustment of their activities and operations.

The Supplier Code of Conduct is available in the Governance section of the Group's web site.

- The **Inclusion Policy** aims to support multiculturalism, considered essential for the development of innovative and distinctive elements that can increase the Brand's competitiveness, and to promote equality and equal opportunities, fighting all types of discrimination and condemning any form of harassment. In addition, the Policy sets the goal of promoting meritocracy and fair treatment at all levels, facilitating the development, expression and enhancement of individual potential.

The Inclusion Policy is available in the Governance section of the Group's web site.

- Salvatore Ferragamo S.p.A. has obtained the internationally recognized **certification SA8000** for social accountability. SA8000 is a global standard that accounts for business ethics and responsible labour relations, with specific requirements on refusing the use of child labour and the use of forced and compulsory labour. A committee, called the Social Performance Team, was set up; it is composed of a balanced number of representatives of workers and management and it oversees the implementation and correct application of the SA8000 Standard.

The SA800 Policy is available in the Governance section of the Group's web site.

- Salvatore Ferragamo S.p.A. has adopted the **Policy for combating child labor**, which aims to formalize the Company's commitment in this area and prevent minors from being exposed to situations that may be risky or harmful for their development and physical and mental health.

The Policy for combating child labor is available in the Governance section of the Group's web site.

- Salvatore Ferragamo has adopted an **Organizational, Management and Control Model** under Italian Law-Decree 231/2001 in order to prevent the corporate liability for criminal offences perpetrated by own executives, employee or representatives. Special Section of the Company's Organizational Model requires Ferragamo managers to obtain from industrial suppliers and manufacturers certifications that they and their sub-contractors comply with national labor laws, including those laws relating to minimum age, compensation, work conditions, and collective work agreements.

The general section of the Organizational Model is available in the Governance section of the Group's web site.

RISK ASSESSMENT & DUE DILIGENCE

The Salvatore Ferragamo Group is committed to identifying the main business risks and implementing adequate instruments to manage them, through a model consistent with the recognized standards of **Enterprise Risk Management** (ERM). As regards social aspects and respect of human rights, the Group monitors risks connected to the violation of labour laws, as well as inadequate procurement and supply chain model.

The Group believes that the risk of modern slavery within its organization is almost non-existent and that it is generally low in its production supply chain. The geographical location and the nature of the carefully selected and qualified suppliers, often dedicated and continuous collaborators of the Group for many years, reduces the risks of forced labor and trafficking in human beings.

In order to ensure the achievement of ethical and sustainable standards along its supply chain, the Group promotes monitoring and awareness-raising initiatives of its suppliers, constantly monitoring the adequacy of the procurement model. In particular, risk elements in the supply chain are assessed – in terms of impact and likelihood of occurrence – with respect to human rights, child labor, forced and compulsory labor, non-discrimination, freedom of association and collective bargaining, occupational health and safety, working time, remuneration and regularity of working conditions and applied disciplinary practices.

In order to mitigate the likelihood and impact of the occurrence of risks of human rights violations in its production chain, the Group carries out several controls related to their respect and, more generally, to the promotion of integrity and ethics in business. In particular, in addition to a specific **qualification procedure for suppliers** in the production sector, starting in 2019, the Group disseminated and required the signing of a Supplier Code of Conduct.

Drawn up with a view to integrating social responsibility and collaborating with its own supply chain, the Supplier Code of Conduct sets out ethical principles and rules of conduct, which supplement the legal, regulatory and procedural standards that underpin commercial relations with the supply chain. The rules and standards of conduct concern business ethics and integrity, labor and human rights, respect for ecosystems and product responsibility. The recipients are responsible for guaranteeing their own compliance with the Code, as well as for disseminating it and asking their employees, suppliers and external collaborators to comply with it.

In order to monitor compliance with the ethical and social standards characterizing its supply chain, the Group carries out audits of its direct suppliers and sub-suppliers, assessing their actual compliance with the principles set out in its **Supplier Code of Conduct**. The **monitoring activity** is carried out by a specialized external company according to a multi-year plan and includes both the request for a self-assessment, by filling in a questionnaire, and on-site audits, with interviews with workers and management and an inspection of suppliers' production sites. Based on the results of the audit, in case of non-compliance with the provisions of the Code, the addressees are obliged to implement the actions required to adjust their activities and operations in order to remove, prevent or mitigate any identified non-compliance. The plan envisaged specific actions to be implemented within agreed deadlines or suggestions for improvement activities.

In the event of serious or repeated violations of the Code, the Group reserves the right to terminate business relations with suppliers, as well as in the event of failure to implement the agreed improvement plan for the removal of any major non-conformities or failure to cooperate in the implementation of monitoring activities.

During 2022, 40 self-assessments and 74 audits were carried out, involving direct suppliers, as well as subcontractors. With reference to the non-conformities identified, 64 follow-ups were also conducted to verify the corrective measures implemented, of which 54 were carried out remotely and 10 through new visits to the suppliers' sites.

Among these, the most significant critical issues that emerged in 2022 concerned only first tier suppliers and for the most part related to compliance with occupational health and safety standards. In all cases, the suppliers involved were required to implement the necessary actions to remove the non-conformities found, subject to subsequent follow-up to verify the corrective measures implemented. Minor findings and recommendations also mainly concerned health and safety issues and, for the remainder, environmental issues. With regard to respect for human and workers' rights, non-conformities emerged in a limited number of cases, exclusively related to subcontractors, irregularities that were promptly reported to the Company's direct suppliers to ensure that immediate corrective actions would be adopted.

Finally, the Group relies on a **whistleblowing** system to correctly manage reports of violations of laws, including human rights, and the values and principles of the Code of Ethics, as well as any other internal policies or procedures. The Group encourages its suppliers to communicate and has set up specific channels for sending reports of alleged or ascertained violations of its Code of Conduct. Reports can also be made by external parties by contacting the Group Ethics Committee by email or regular mail. The Ethics Committee, appointed by the Board of Directors, examines and investigates all complaints received to assess whether they are legitimate and take action as it sees fit.

There were no reports received in 2022 with reference to issues related to human rights or violations of the Supplier Code of Conduct.

COVID-19 PANDEMIC IMPACTS

For Salvatore Ferragamo Group protecting and safeguarding human resources has been particularly critical in the emergency situation caused by the global spread of the Covid-19. Indeed, the pandemic has laid the foundations for a review of the risk portfolio in order to understand how the Group has responded and is responding to the pandemic. The Company's Risk Map was supplemented with the results of the Covid Risk Assessment.

During the year, the lingering effects of the pandemic made it necessary to manage the emergency situation, in order to guarantee the Group's employees the best possible safety conditions in carrying out their tasks, while maintaining business continuity. In the various countries in which it operates, the Group continued to ensure the highest safety standards and support employees in their work during the health emergency. In Italy, in particular, in accordance with the regulations in force, Salvatore Ferragamo updated its safety protocols, continuing to implement throughout the period required by the relevant Law Decrees also the "EU Digital Covid Certificate" control measure, in addition to the temperature checks for users accessing the company's premises, which was activated during the worst periods of virus spread. Moreover, the Group constantly provided its employees with personal protection equipment such as masks and hand sanitizing gel, and the Health & Safety team has been regularly sharing updates with all employees to ensure full compliance with health standards and constantly evolving regulatory requirements.

Following the experiments already started in 2018, in 2021 Salvatore Ferragamo decided to introduce remote working across the board, subject to the compatibility with the characteristics of the specific business activities carried out. This flexible and innovative organizational model has also been adopted in other corporate offices of the Group allowing to foster the social distancing necessary to cope with the pandemic. Remote working aims to increase productivity and reconcile employees' work/life balance. The adoption of the remote working project was accompanied by the provision of training content aimed at managers and corporate collaborators to facilitate the remote working culture and support cultural change through concepts such as working for goals, developing a relationship of trust, and time management.

PERFORMANCE INDICATORS (KPI)

The Salvatore Ferragamo Group constantly monitors the effectiveness of actions and measures in place for an ethical and responsible business conduct, including measures taken to mitigate modern slavery risks. In particular, the Group has defined internal KPIs to monitor how the business is exposed to the risk of modern slavery (whistleblowing reports) and to measure the performance of anti-slavery actions undertaken (number and results of audits conducted on suppliers, follow-up activities carried out to verify the removal of non-conformities found and number of training activities performed).

A further indicator adopted starting from 2020 to measure the level of ethical-social performance is the questionnaire submitted to the main suppliers of the Group, to verify compliance with the principles and rules contained in the Supplier Code of Conduct. The total self-assessments carried out involved 206 suppliers, with a coverage of active suppliers up to 2022 equal to 83% in terms of turnover. The results were positive in the majority of cases, with an advanced or intermediate level of compliance equal to 91% and the remaining minority with a basic level of compliance (in such cases, priority was given to conduct audits for a thorough verification of any critical issues). No cases of partial or negative compliance levels emerged.

TRAINING

The Salvatore Ferragamo Group is committed to both raising awareness and maintaining open and clear communication and training within the organization, with respect to ethical principles and policies for the respect of Human Rights and Labour Standards and the prevention of modern slavery.

In 2019, an e-learning program on the Group's Whistleblowing System and the Code of Ethics was launched. It is available, in nine languages, to all employees through a dedicated intranet platform and offered to all new employees, as part of their onboarding training.

Specific trainings on human rights and social responsibility have been developed in the SA8000 context, involving senior management and employees, also engaging personnel with direct responsibility for supply chain management.

Furthermore, initiatives have been taken for the Supplier Code of Conduct's implementation, providing information and training to recipients, as well as support to achieve full compliance with the principles and provisions contained therein, including prevention of modern slavery along the entire supply chain. In particular, training workshops were held for the main suppliers of finished products and third-party workers (who together cover more than 70% of Ferragamo products).

LOOKING AHEAD

For the Salvatore Ferragamo Group, ethics are not only central to the setting of the Company's goals, but they also a critical tool for planning the Group's future activities, in our commitment to pursue value creation for the years to come and for the new generations.

It is for us essential that the integrity of the business and the respect of human rights remain priorities in the definition of objectives along the entire supply chain and that the Group remains committed to working proactively to encourage the fight against modern slavery by reviewing its activities, operations and procurement procedures.

July 6th, 2023

Marco Gobbetti
Chief Executive Officer and Managing Director
Salvatore Ferragamo S.p.A.



