

Risk / Opportunity		Scenario					Mitigations	Outcomes	Residual Risk			
ID	Type	Description	Scope - business activity	Brand	Geography	Contact Dpt	Probability	Impact			Probability	Impact
1.	Water use/scarcity	The stress on water use and the exacerbation of water scarcity in many high intensity world's natural fiber growing regions will affect the availability and the price of raw materials (especially cotton which is the Benetton group's biggest and important one).	Supply chain/Sourcing	UCB/Undercolors/Sisley	India, Brazil, Pakistan, USA, Australia, Africa, China, Egypt, Indonesia, Turkey	Operations	3 - Probability of sourcing raw materials from regions interested by water scarcity	1 - Impact of raw material sourcing strategy on water scarcity considering volumes and risk level per country	BCI cotton and organic as preferred sourcing fibers. Waterfootprint impact analysis.	Estimated 10% water saving at agriculture level for raw material production (that account 80% of overall water footprint)	2	1
2.	Chemical hazards	The risk of discharge of hazardous chemicals from the whole lifecycle and all production procedures that are associated with the making and using of all textile and apparel products.	Supply chain (wet processing tier 2)	UCB/Undercolors/Sisley	Bangladesh, China, India, Italy, Turkey	Operations	2 - Probability of discharge of hazardous chemicals considering the country EPI risk and wet process geographical distribution	3 - Impact related to the discharged of chemical hazards in Benetton's operations and supply chain	Detox commitment ZDHC commitment MRSL SAC FEM	Wet process suppliers have reached an average of 78% compliance with the ZDHC MRSL (12.2021)	2	2
3.	GHG emission	The risk associated with the uncontrol of GHG direct and indirect emissions through the value chain.	Transportation/Supply chain/offices/stores	UCB/Undercolors/Sisley	Global	Sustainability management/ Operations/ Logistics/ Engineering	4 - Probability of failure to tackle the climate crisis due to uncontrol of direct and indirect GHG-emissions (mainly scope 3)	3 - Increase of GHG emissions due to air modality of transport and negative climate impact of from purchased raw materials, fabric production and garments	Commitment towards more sustainable logistics solutions, inventory and SBTs under evaluations		3	3
4.	Wastewater	The risk related to industrial pollution of fresh water resources during textile and apparel production.	Supply chain (wet processing tier 2)	UCB/Undercolors/Sisley	Bangladesh, China, India, Italy, Turkey	Operations	3 - Probability of industrial pollution of fresh water resources considering the country EPI risk and wet process geographical distribution	4 - Impact related to te industrial pollution of fresh water resources in sourcing countries	Test water SAC FEM	90% of wet process suppliers published water test and 80% have been evaluated with FEM	2	3
5.	Solid waste	The incapacity of control the overproduction and the disposal of office and commercial waste generated. Waste has to be recovered through appropriate sustainable program and to be treated through recycling, composting, anaerobic digestion, incineration, or disposal of in a sanitary landfill, according to local law and international best practice.	Supply chain/Offices/Stores/Product use and end of use	UCB/Undercolors/Sisley	Global	Operations/Energy manager/Sustainability	1. Probability of uncontrol the overproduction and the disposal of office and commercial waste generated.	1. Increase of incineration or landfill due to Benetton overproduction or mismanagement of its activity waste	Green campus project - separate collection of wastes in the offices and in the distribution center. Awareness campaign for the employees for reducing plastics (donation of a steel bottle)		1	1
6.	Energy	The risk to have inefficient energetical locations for stores and offices, missing the regional energy upgrade investment and maintenance.	Offices/Stores	UCB/Undercolors/Sisley	Global	Energy manager	2. Probability to have inefficient energetical locations for stores and office and to miss the opportunity of green energy purchasing	2. Impact (mainly financial) of maintaining inefficient energetical locations for stores and office and to miss the opportunity of green energy purchasing	Green energy purchasing for 100% HQ and Italian stores. Area Performance Index (API) monitoring	-20% API reduction in Italy and Portugal due to more efficient energetical solution and automation (vs 2019)	1	2
7.	Circular Economy	Shifting from a linear to circular business model is a requirement to transform fashion industry and to meet climate goals. Increasing awareness about circular economy is expected by impact customer performance who will choose companies that are seen as leaders in sustainability.	Product/Product use and end of use	UCB/Undercolors/Sisley	Global	Sustainability management	3. Probability to miss the development of innovative solution for circular economy and to scale it disregarding consumers' expectations	2. Loss of revenue due to missing consumers' expectations and fall behind the innovation development; be not prepared to the legislation update	Green B project		2	2

Legend: Risk increased in 2021

