



BENETTON GROUP

Integrated
Report
2023

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Integrated

Report

2023

UNITED COLORS
OF BENETTON.

S I S L E Y

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Out of Place. Art and Stories from the World's Refugee Camps



This report includes a selection of images taken from “Out of Place. Art and Stories from the World’s Refugee Camps,” a collection of works conceived and created by artists from different countries who live or have lived in refugee camps or settlements around the world, from Uganda to Kenya, from North America to Germany, and from Bangladesh to the United Kingdom and Italy.

“Out of Place” is part of Imago Mundi Collection, a project started by Luciano Benetton in 2006 to catalogue and disseminate the world’s contemporary artistic production with an alternative approach to that of the museum and market.

Today, Imago Mundi Collection features the works of over 26 000 artists from more than 160 countries and native communities on every continent, with varying levels of notoriety and experience. The only common parameter is the format: a 10x12 cm canvas used by all artists invited to express themselves.

The images selected in this Report reflect the conditions experienced by the refugees, united as victims of fate and relegated to oblivion by our society, on one hand, and, on the other, celebrate the creativity of those who, surrounded by misery and need, find the will and determination to make their voices heard through art.



Aerial view of Zatri refugee camp, CC0 - U.S. Government

A Camp from Above____2023

Arafa and the Dirars (Ethar)

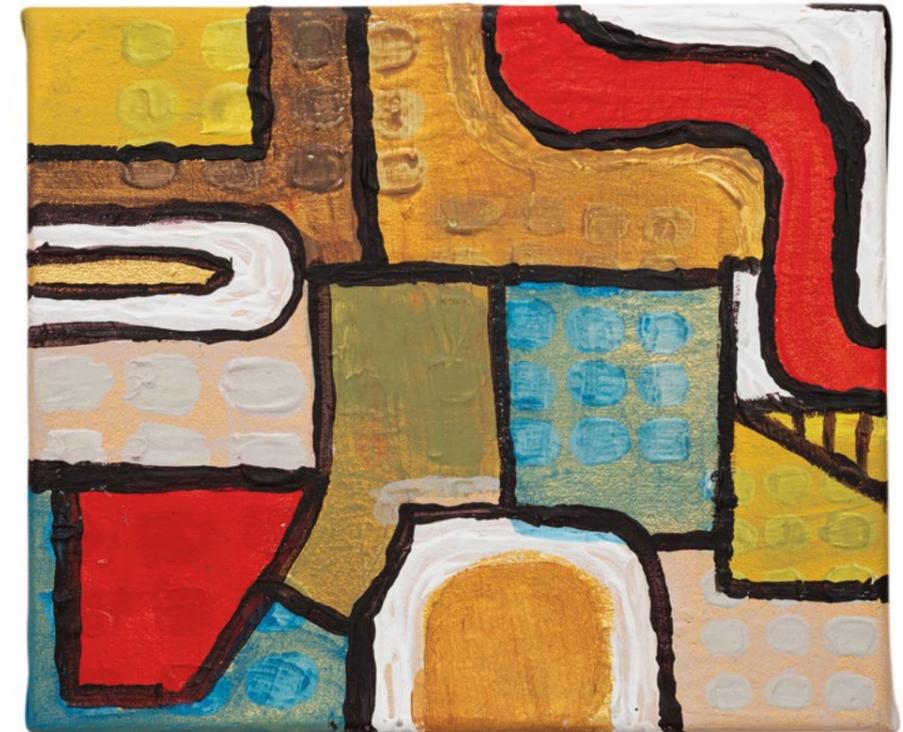
Sudan



12x10 cm____Acrylic on canvas

Arafa and the Dirars is an artists' collective composed of Arafa (the mother) and her four children: Mayas, Ethar, Waieel and Akram. Originally from Sudan, after fleeing the war in Libya and spending four years in a refugee camp in Egypt, in 2015, they landed as refugees in the UK and currently live in Hull.

The group works on the theme of war and its consequences. Their time in the camp allowed them to grow as a group of five members, harmoniously integrating their individual thoughts, views, feelings and concepts.



Where's home?___2019

Ebrahim Alipoor

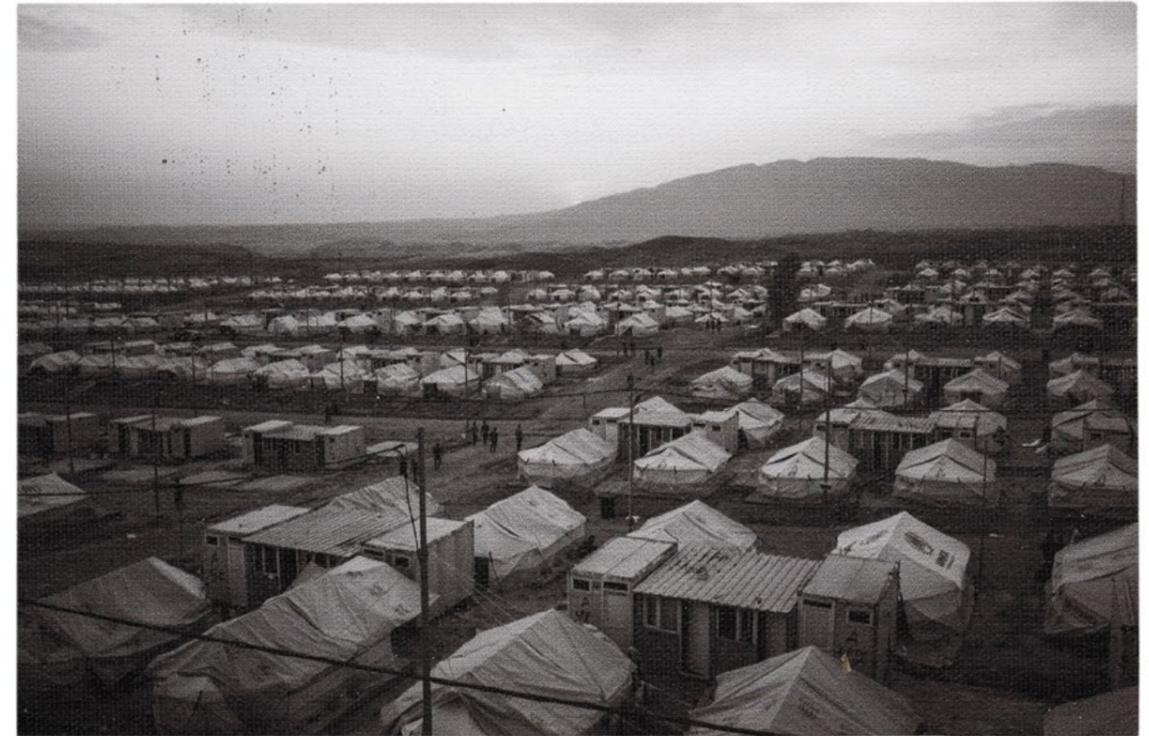
Iran



"I am Ebrahim Alipoor, an Iranian Kurdish artist, traveling in the pursuit of storytelling through photography. For thirteen years I have been looking for ways to create connections between people and their context. I have chosen photography as my main expression of art; photography is powerful in attracting people's attention, especially in countries like Iran - even though it is easier said than done."

Where's home? is a photograph taken at Bardarash, the main camp for Syrian refugees, located in the province of Duhok, in Iraqi Kurdistan.

15x12 cm___Digital image printed on canvas



The game___2023

Harem Tahir

Iraq



Harem Tahir is an Iraqi Kurdish artist living in Vancouver, Canada. He has a Bachelor's Degree in Fine Arts from the University of Sulaymaniyya, and a Master's Degree in teaching from Birmingham College in Erbil. He worked as a teacher at the Teaching Development Institute in the Iraqi Kurdistan region.

When his country was forced into war and hit by a humanitarian crisis, Harem relied on his creativity to help himself and the people around him to cope with a new, menacing situation. He has been actively contributing to REACH, an organization that provides humanitarian support to refugees and education to children; he has also worked as a volunteer in numerous refugee camps in Iraq, helping children to express themselves through creative activities.

12x10 cm___Acrylic on canvas





Massimo Renon, CEO of Benetton Group

Dear Stakeholders,

in 2023 the Benetton Group continued to work on a reorganization plan that, starting from the pillars of its identity, is transforming the Company into an increasingly innovative, responsible organization that stays close to its public.

The first and foremost important change concerned our brands. United Colors of Benetton moved toward a naturally colorful and democratic fashion concept with a premium positioning. Sisley focused on creating a 360° customer experience, based on the reinterpretation of the brand's heritage through iconic campaigns and online and offline events. The commercial strategy for both brands included the consolidation of our traditional markets, like South Korea and India, and the exploration of new business opportunities in the Middle East and Southeast Asia. In addition to opening several stores, in 2023 we also opened a new Benetton office in Singapore, a strategic regional hub and one of the fastest-growing markets in Asia.

At the same time, we continued transitioning procurement toward nearshoring in order to reduce the distance between production facilities and the markets in which we operate. To date, nearly 50% of our products are manufactured in the Mediterranean region. In addition, a portion of our collections includes NOOS (Never Out of Stock) items, i.e. pieces that remain unaltered over the seasons, which presents considerable advantages in terms of production, cost control and waste reduction.

In 2023, one of the most important milestones was the consolidation of a sustainability strategy based on three pillars: caring for people and communities, reduction of environmental impact and adoption of a business model targeting circularity. These three strategic pillars are also the central sections of this Integrated Report, which translates them into action.

For example, in January, we obtained approval of our short-term greenhouse gas emissions reduction targets from the Science Based Targets initiative (SBTi), a global program sponsored by the United Nations that helps companies set material targets in view of decarbonization. In 2023, we also celebrated 50 years of partnership with Woolmark, the global authority on wool, and renewed our commitment to lessen the environmental and social impact of the fashion industry through partnerships, such as Textile Exchange, Cascale and the Circular Fashion Partnership. Moreover, we have continued to invest in our people, creating new platforms and opportunities for discussion among employees and focusing on young individuals to attract and develop in our business practices.

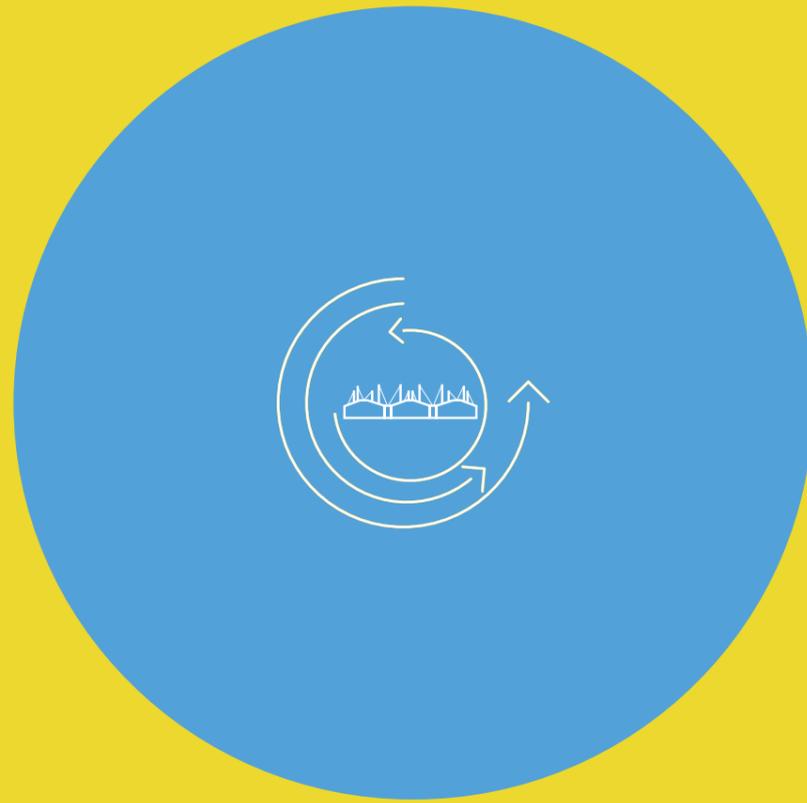
These are not to be considered as "one-shot" initiatives, but milestones of an evolving strategy that day by day indicate Benetton's future course. It goes without saying that this is a journey that we must make together. I am referring to all of us, employees and collaborators, and, above all, partners and stakeholders, who support us every day, from near and far. I am confident that this Annual Report, accompanied by the most recent Imago Mundi Collection - "OUT OF PLACE. Art and stories from refugee camps around the world," will provide us with new insights and fresh ideas to put into practice.

Enjoy reading it.



High lights 2023





Company

Benetton Group is a fashion company renowned globally for its identity, comprising style, color, authentic fashion and quality at affordable prices, reflected in the personality of its United Colors of Benetton and Sisley brands, which are followed by millions of fans and customers worldwide. Leveraging its history built on innovation, Benetton Group pursues a strategy of ongoing investment in products, stores, logistics, digital, communication and sustainability. The result is a competent and flexible organization that faces contemporary challenges with determination, with a focus on the environment, human dignity and social transformation.

History

1955

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

1962

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

1965

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

1966

Opening of the Group's first store in Belluno.

1969

Opening of the store in Boulevard St. Germain, Paris. It is the first store outside Italy.

1971

Registration of the 012 brand and development of the first jacquard and diamond patterned knits.

1974

Sisley enters the Benetton Group's brand portfolio.

1978

Benetton Group exports reach 60% of production.

1983

Benetton enters Formula 1 racing as sponsor of the Tyrrell team. Three years later, after the acquisition of Toleman, the Benetton Formula Limited racing team wins two drivers' and one constructors' world championships. In 2000, the team is acquired by Renault.

1985

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

1986

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

1987

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

1989

The iconic green United Colors of Benetton logo is born.

1991

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

1994

Fabrica, Benetton Group's Communications Research Center, is founded.

2006

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

2007

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

2012

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

2013

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

2014

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

2015

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

2019

United Colors of Benetton launches its first show at the Milan Fashion Week.

2020

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

2021

United Colors of Benetton opens a store with a high level of sustainability in Florence.

2022

Benetton Group joins the Science Based Targets initiative (SBTi), a program that guides companies on a progressive path to reduce greenhouse gas emissions.

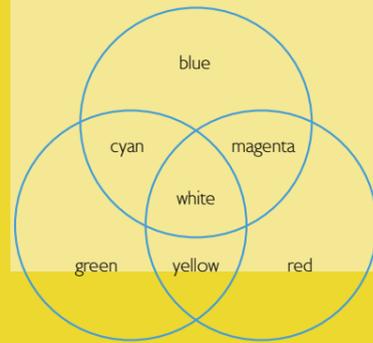
2023

Benetton Group defines its first sustainability strategy "United in driving beautiful change".

Values

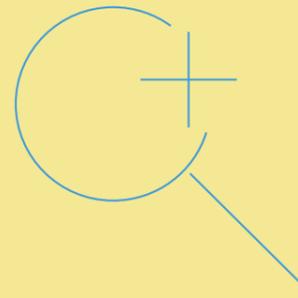
Color

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



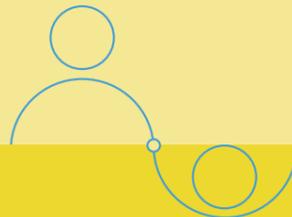
Quality

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



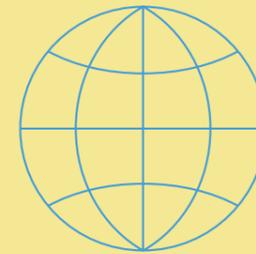
Social engagement

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



Internationality

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



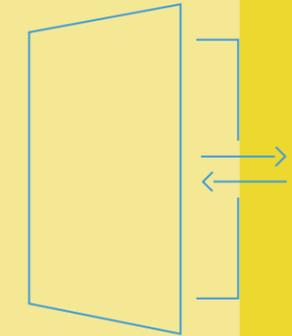
Culture

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



Freedom of expression

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



INPUT



SOCIAL AND RELATIONAL CAPITAL (BRAND VALUE)

- Long-term relationships with the main stakeholders
- Collaborating with the main local and global institutions and organizations (UN, ILO, Accord, etc.)
- Strong identity values



HUMAN CAPITAL

- Promoting and developing people
- Consolidating and expanding strong skills for the creation of quality and innovative clothing
- Commercial partnerships for production and distribution



PRODUCTION CAPITAL

- Widespread network of directly operated and indirectly operated stores
- Integrated management of all phases of the production cycle



FINANCIAL CAPITAL

- Constantly investing to expand the Company's assets



NATURAL CAPITAL

- Using natural resources in a responsible way



INTELLECTUAL CAPITAL

- Designing attractive and recognizable collections
- Effective Company processes focused on innovation and results
- Research projects supporting the Company in updating its tools and anticipating changes in the society

EXTERNAL ENVIRONMENT

BRAND

We continued the repositioning of our brands. United Colors of Benetton changed pace in terms of style and communication. Sisley has accelerated its relaunch process focusing on recovering the brand's heritage.

PRODUCT

We consolidated the use of "preferred" raw materials and the quality of our collection products. We have implemented new methods to control waste and increase efficiency in production. United Colors of Benetton presents a collection of timeless and essential pieces, while Sisley expresses fashion content in line with the brand's bold and nonconformist spirit.

PROCUREMENT

In managing procurement, Benetton Group is transitioning to nearshoring, a strategy that aims to keep production facilities close to its target markets.

LOGISTICS

We have renewed our commitment to guarantee logistics with a lower environmental impact and almost customized to sales needs through a state-of-the-art automated warehouse and the implementation of solutions such as intermodal transportation and reverse logistics.

DISTRIBUTION CHANNELS

Benetton Group distribution network has evolved to integrate e-commerce channels and new markets, with a focus on the Asia-Pacific region.

PURCHASE EXPERIENCE

Benetton Group is working on a new selling ceremony that reflects and expresses the full value of the brand, while Sisley is building a personalized shopping experience based on the characteristics of its customers.

CUSTOMERS

Benetton Group brands have intensified their dialogue with their audiences, developing lines and communication campaigns aimed at connecting with existing loyal customers and attracting new ones.

VALUE CHAIN

BUSINESS MODEL

GUIDING PRINCIPLES

SUSTAINABILITY

PEOPLE

INNOVATION

CUSTOMER CENTRICITY

SUSTAINABILITY FRAMEWORK

United in:

- Safeguarding People

- Protecting Nature

- Maximizing Circularity

OUTPUT 2023 OUTCOME



SOCIAL AND RELATIONAL CAPITAL (BRAND VALUE)

- 247 suppliers evaluated on their social performance
- 30% the Green B collection incidence on the total

+ Company reputation



HUMAN CAPITAL

- 66% of young individuals on internship were confirmed with an apprenticeship contract
- Launch of the Be.One platform for internal communication

+ Opening to new generations and consolidation of the corporate culture



PRODUCTION CAPITAL

- Integration of the production platforms in Benetton Group Manufacturing
- 9 stores in Italy undergoing energy efficiency upgrades

+ Value of corporate assets



FINANCIAL CAPITAL

- Economic value generated Euro 1 114 mln
- Economic value distributed Euro 1 104 mln

+ Distribution of the economic value to the stakeholders



NATURAL CAPITAL

- 51% sustainable cotton
- 99% campus waste recovered

- Negative environmental impacts



INTELLECTUAL CAPITAL

- Approval of the sustainability strategy
- + Group responsibility and commitment to decarbonization

Campus

Benetton campus comprises three locations in the province of Treviso.

Villa Minelli

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

Castrette

The Castrette logistics hub, also designed by Afra and Tobia Scarpa, was officially opened in 1984 and then expanded over the years. It houses a logistics hub of about 30 000 sqm, as well as office spaces, a canteen and the Benetton Studios, a multifunctional area that also includes the Benetton Archives and a studio.

Villa Pastega

Villa Pastega is a Venetian villa built in the 17th century with two "barchessas" and a small church, covering an area of approximately 51 000 sqm. In the 1990s, the villa was restored and greatly expanded by Japanese architect Tadao Ando to house Fabrica, Benetton Group's research center.

Brand

___Creativity and vision, reflecting the brand's soul, must adapt their language to an increasingly demanding and fast-paced market, in which you either evolve or perish. This is the most difficult task I share with nearly 50 passionate and talented colleagues___

Silvia De Sanctis, Design Director, UCB

United Colors of Benetton

United Colors of Benetton is a leading global brand for knitwear and casual wear that has managed to infuse the most authentic Italian spirit into its proposition. Established in the 1960s as part of Benetton family's foray into the business world, the Company became one of the world's most famous brands in the 1980s thanks to its iconic, brightly-colored sweaters and a series of advertising campaigns that completely and permanently disrupted the established canons of fashion communication. The brand has always addressed the family in its broadest and most inclusive sense, with a strong interest in the younger generations. Positivity, tolerance and inclusiveness, celebrating diversity and the uniqueness of individuals are the founding values of Benetton, which has always promoted responsible and

mindful consumption through a durable, contemporary and timeless style. Customer centrality that sees the client as a unique entity that cannot be duplicated translates into products that enhance the personality of each individual through the universal language of color.

Collections

UCB collections offer products for the everyday life of consumers, covering all occasions of use, to live fashion simply, comfortably and always personally. The offering comprises all product categories and is genderless, authentic and contemporary, with quality products for the whole family: an ideal wardrobe for every occasion. The latest collections recall the brand's archetypes, with a renewed focus on color, the quality of the materials, their sustainability and ideally creating an emotional bond between the product

and the consumer.

Knits have always been Benetton's core category, along with T-shirts and fleeces. Today, the expanded offering also includes shirts, skirts, pants, outerwear and accessories such as bags, watches, perfumes and luggage, for a natural and coordinated completion of the Benetton style.

Undercolors

Undercolors of Benetton is the Benetton Group brand that reflects the colorful, positive and casual personality of United Colors of Benetton in the categories of underwear, sleepwear, homewear, activewear and coordinated accessories. Founded in 1995, Undercolors offers a range of products characterized by style, comfort and functionality, with a special emphasis on research dedicated to sustainable and innovative raw materials.

Today, natural or recycled materials form the skeleton of the collections: organic cotton for underwear and sleepwear, sustainable viscose for knitwear, homewear and cover-up categories, recycled polyester for homewear and activewear, and recycled and regenerated nylon for beachwear. Today, 60% of Undercolors total sales come from over 300 specialist monobrand stores, with the remaining 40% from corners in the main United Colors of Benetton shops in Italy and in Europe.

Benetton Home

Benetton Home is the United Colors of Benetton home line, the result of

an exclusive agreement on a global scale with Bergner, Europe's largest distributor of household products. In 2023, the Benetton Home collection reflected the style of the Benetton apparel collection, and was presented in a pop-up store in the Porta Nuova area during the Milan Design Week.

___We thought of designing essentials suitable for wearing at home and interpreted them in the Benetton style___

Sara Veronese, Team Licensing, Benetton Group

Sisley

Sisley is an apparel brand of the lower-bridge segment of the market. Established in 1968 as a brand specializing in denim and cotton, it was acquired by Benetton Group in 1974 and became world-famous in the 1990s thanks to Therry Richardson's iconic campaign photos. In recent years, the brand underwent a relaunching phase, which included increased product quality and a

renewal of the brand's values in a contemporary key: boldness, sensuality, authenticity and the pursuit of happiness in all of its forms. By implementing a cross-sectional strategy spanning from product to marketing and stores, Sisley reaches out to working customer targets with the largest customer target group aged 30-45 years and the 25-30 age group on the rise. Sisley customers live an urban, hybrid life, divided between home, office and social events, and interpret fashion with an awareness-oriented and relaxed approach.

Collections

Characterized by day-to-night adaptability, Sisley's collections

allow consumers to always feel comfortable, at different times and in different contexts, from the office to aperitifs. Sisley's collections feature essentials along with more fashionable items, expressing the edgy and cool, gritty and nonconformist personality of the brand with updated shapes, fabrics and details. Especially the Women's collection has a very defined identity, characterized by international style and sophisticated sensuality. The flagship products are denim items and pants, knits and outerwear for both women and men. In 2023, the brand focused on knits, coats and suits, with great cross-over in weights to suit different seasons.

___Sisley's results are driven by domestic sales; we are also working on consolidating our presence abroad, especially through corners, where Sisley is placed close to brands with a very high perceived value, thus maximizing its own appeal, perceived quality and price___

Francesca Svab, Global Managing Director, Sisley

Global presence and market

Stores

Distributed around the world, Benetton Group's stores are physical locations where consumers can try on and buy the products of the brands in an increasingly

interconnected mode, using the digital touchpoints. They are also immersive places, where consumers can live an increasingly intense and engaging brand experience.

United Colors of Benetton

United Colors of Benetton relies on a distribution network of more than 3 200 stores around the world. Conceived as true playgrounds, where consumers can access a 360° brand experience, the stores fit organically into the local context. In 2023, Benetton Group opened new stores in Dubai Hills and Dubai Mall in the United Arab Emirates, Riyadh Hayat in Saudi Arabia, Shangri-La Mall and Mall of Asia in the Philippines, and a new store on Rue du Commerce, in Paris.

Also worth noting is the reopening of the Milan San Babila store.

117
Euro million
Sisley's net sales

Furniture

In line with the principle of adopting increasingly responsible conducts, the design and restyling of Benetton Group stores pay special attention to the reuse of furnishings recovered from shutdowns while limiting the use of plasterboard.

Energy efficiency

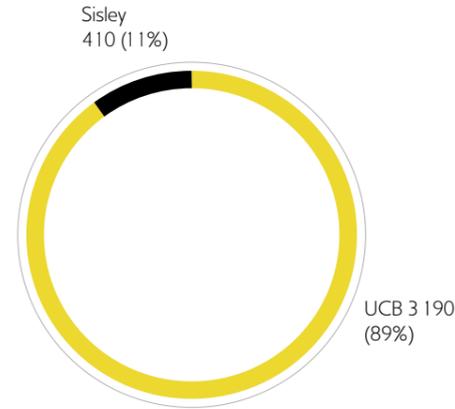
In 2023, Benetton Group maintained its goal of expediting the energy transition of its sales network: in Italy, stores are 100% powered by energy generated from certified water and ocean renewable sources, and the project is progressively expanding to the stores in France and Germany. In line with the relamping project launched a few years ago, the Group continued the installation of LED lighting in all directly operated stores.

898
Euro million
UCB's net sales

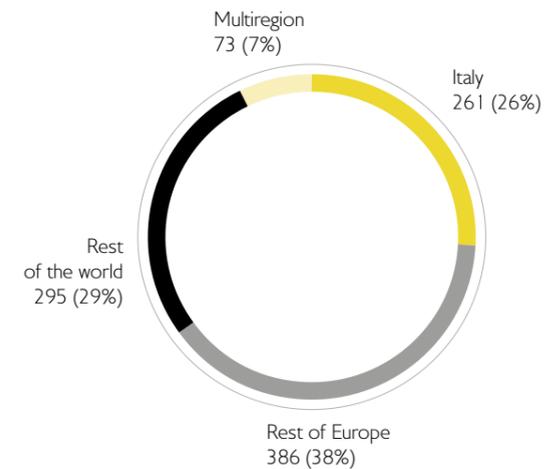
SISLEY

Sisley has about 400 stores distributed in major markets around the world, with a strong presence in Italy and South Korea. The new Loft concept store interprets the brand's new course with an essential, hi-tech, genderless, bright and dynamic environment where the product plays a central role and the consumer can enjoy an immersive brand experience. In 2023, Sisley opened five directly operated stores in Italy, one store in Turkey, Vietnam and Malaysia, and 54 corners in department stores around the world.

DISTRIBUTION NETWORK 2023 (NUMBER OF STORES)

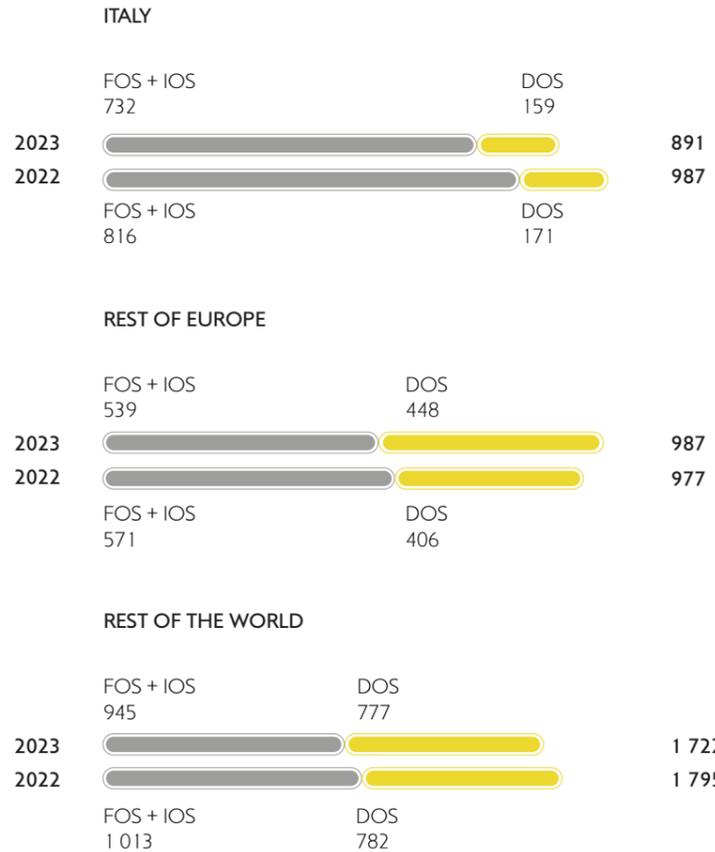


NET SALES BY GEOGRAPHIC AREA IN 2023 (EURO MILLIONS)



* The Multiregion area comprises sales generated by the Group in the different regions through e-commerce directly managed by the Headquarters via the websites brand.com

DISTRIBUTION NETWORK 2023 (BY CHANNEL)



Digital touchpoints

In 2023, the digital technology division continued the expansion to omnichanneling and new international digital markets, particularly in Asia and the Pacific region.

E-commerce and omnichannel

In 2023, the complicated economic scenario and the high inflation rate held back United Colors of Benetton's e-commerce growth. The return rate remained unchanged vs the previous year, confirming customer satisfaction. The main customer age bracket is 18-43, buying mainly online without going to brick-and-mortar stores. In the year, a series of actions have been implemented targeting the optimization of the shopping experience, along with new dedicated features to improve the user experience.

Through the redesign of the website, Sisley moved closer to its target profile and also attracted younger consumers.

Despite a 17% reduction in overall traffic and a 30% increase in the cost per click on digital advertising campaigns, in 2023, Sisley's e-commerce revenue remained in line with the previous year, thanks to the optimization of full funnel campaigns and the activation of lead generation campaigns that were successful in increasing customer loyalty. Concerning existing customers, revenue rose by 17% vs the previous year and 21% of returning visitors generated 78% of total transactions.

National platforms

In January 2022, the Benetton e-commerce platform in India was migrated to the same platform used by the headquarters, and in 2023, it consolidated its presence. In 2023, expansion continued in the Asia-Pacific region, particularly in China and Singapore, with the opening of stores in T-Mall and Vip.com, the activation of a WeChat channel for sales and communication with the Chinese market, and the implementation of a partnership with major Asian marketplaces such as Zalora, Lazada and Shopee. The Benetton e-commerce platform in Russia was suspended as a result of the difficult international situation.

In 2023, Sisley continued its digital expansion into new markets like Portugal and Turkey, where the opening of the digital channel integrates with the network of brick-and-mortar stores, with a view to increasing the visibility of the brand and the collections. The expansion in terms of channels and regions is expected to continue in 2024, with the opening of marketplaces in several European and international countries. This is meant to increase brand awareness, test new potential markets, create synergies with e-commerce and properly manage pricing and mark-down policies across the different e-commerce channels.

Communication and culture

Marketplace

Concurrently with the expansion into the Asia-Pacific region and China, Benetton also expanded its presence in four European countries through a partnership with Zalando. The partnership aims to increase the customer base and brand visibility, consolidate the multichannel strategy and reach new potential users by leveraging Zalando's 52 million active customers. Benetton also expects to further expand into the other European countries where Zalando is active by the end of 2024 and also open new marketplaces like Miravia (Alibaba Group), El Corte Inglés, Asos, Yoox, La Redoute, and others over the next three years. New partnerships for North and South America are in the pipeline. The fruitful collaboration with other partners in indirect mode, such as Amazon, About You, Answer, Otto, Modivo, Next and Boozt, continues.

Omnichannel

The omnichannel strategy aims to integrate the brick-and-mortar stores with the digital world, for the purpose of boosting sales and reducing inventory while offering an increasingly broad array of services to end consumers. Omnichannel sales make for 10% of total sales in the countries in which the omnichannel strategy has been implemented. The product locator service remains fully enabled to let consumers find which stores have the product they are looking for in stock; the click&collect service enables shoppers to order a product online and pick it up at the store; the click-

from-store service allows customers to purchase a product momentarily not available in the store and pick it up when it comes in; the return-in store service allows online purchases to be returned and/or exchanged in-shop; the reserve-in-store service lets customers book their purchases and then go and try them on in the store.

Loyalty

Both United Colors of Benetton and Sisley are developing new, more complex and engaging loyalty programs, enabling customers to take advantage of a range of exclusive benefits and dedicated promotions. In March 2023, the digital version of the Sisley Black Card, Sisley's loyalty program, improved the loyalized consumer's shopping experience by making it cross-channel. This strategy was immediately successful, improving the Conversion Rate KPIs by +6% and the AOV by +4.5%.

Recommendation AI

Benetton Group was the first in Italy to use Recommendation AI, an e-commerce solution based on Google's Artificial Intelligence that provides a personalized shopping experience to customers in Italy and Europe. This new technology, combined with a series of improved interactive features, made it possible to suggest personalized items to users based on their shopping and browsing preferences, generating an increased conversion rate, average cart value and time spent on the website.

Campaigns and events

In 2023, the pillars of the new strategy for United Colors of Benetton and Sisley were also consolidated in the area of communications. Benetton's new positioning in the democratic-premium segments translated into the organization of fashion shows, campaigns, events, and public relations initiatives. Sisley created two disruptive campaigns and a series of parallel initiatives to promote its collections and increase the visibility of its heritage.

Fashion shows

During the February and September Milan Fashion Weeks, United Colors of Benetton presented the FW23 and SS24 collections designed by Andrea Incontri at the Museo della Permanente. The two shows - *Infinity* and *Be ON* - were characterized by color, knits, full-spectrum appeal and creativity, and generated great resonance in the media also thanks to a global network of brand ambassadors,

celebrities and influencers (including Chiara Ferragni), who amplified the message, reaching out to millions of people around the world.

Fashion campaigns

United Colors of Benetton's product messages were conveyed through advertising campaigns shot by photographer Giampaolo Sgura, who interpreted the brand's communication codes from a fashion perspective. The campaigns appeared in the main generalist and fashion publications in Italy and abroad, in posters in Milan and Venice, and online.

Sisley renewed the brand's heritage through two campaigns: *Laws of Attraction*, a sensual and daring SS23 campaign interpreted by Iris Law and Xavier Serrano and shot by Drew Vickers; and *Burning Rose*, a campaign shot by Pierre-Ange Carlotti for the FW23 collection, in which Deva Cassel, daughter of Monica Bellucci, reinterprets the themes and contrasts that have made the brand famous around the world.

Never-Ending Wool

On the occasion of the presentation of the FW23 collection, United Colors of Benetton celebrated the quality of its wool items together with the 50th anniversary of its partnership with The Woolmark Company. The video campaign shows a group of women portrayed next to each other and reveals that - even if wearing different outfits, taking different poses, and with different hairstyles - they are actually the same person. This is meant to allude to the durability of Benetton's wool garments, which have been worn by individuals and families around the world for more than 50 years. The *Never-Ending Wool* claim refers to the durability of the Benetton's pure wool products, which are passed down from generation to generation and enjoy a potentially infinite lifecycle.

We Are Family

At Christmas, the "We Are Family" capsule collection by United Colors of Benetton, dedicated to dogs, was promoted with various in-store and online initiatives through influencers and FOOHs. FOOH is a new form of unconventional communication, mixing real and virtual situations. In this specific case, some Benetton-clad dogs starred in stories set in Piazza del Duomo in Milan, the Champs de Mars in Paris and on buses in London, and posted on Instagram and TikTok.

Special projects

The values of United Colors of Benetton were also communicated through special music and styling

projects. "You Should BE Dancing" featured some Italian fashion and costume stars who prepared six playlists that were distributed on Spotify and the brand's digital channels to celebrate the uniqueness of United Colors of Benetton. "Be Your Style" featured customers at United Colors of Benetton stores in Italy receiving exclusive and free advice from the most followed stylists at the national level, who helped them find their perfect look. During the Milan Fashion Week, Sisley launched its *Laws of Attraction* campaign with an installation and event that evoked the codes of contemporary art.

In-store initiatives

On the occasion of the Milan Design Week, Benetton presented its new home collection inside a pop-up store in the Gae Aulenti district. The pop-up store was conceived as a Benetton store of the future. In October, United Colors of Benetton celebrated rugby, one of its greatest passions, during the 2023 World Cup finals at its flagship store at Place de l'Opéra in Paris. The "lions" of the Benetton Treviso Rugby Team accompanied Parisian shoppers in the discovery of the brand's FW23 collection, and, in particular, the iconic rugby polo shirt, one of Benetton's signature items. After closing, the Place de l'Opéra store hosted an exclusive party with more than 250 guests, including celebrities and influencers. During the September Milan Fashion Week, Sisley reopened its flagship store in Piazza San Babila, which was

restyled for the occasion with giant red roses, a reference to the *Burning Rose* campaign.

Green&Blue Festival

In 2023, Benetton Group participated in the Green&Blue Festival, which focused on the theme "An Earth for All." June was sustainability month and Benetton organized a series of storytelling initiatives coordinated by the different business areas to underscore its commitment to both customers and employees.

Digital communication

This year too, Benetton Group took important steps in the digitalization of its communication, activating innovative projects online and collaborating with nationally and internationally renowned testimonials and influencers.

Websites and Apps

In 2023, the new United Colors of Benetton App was launched. The App can be downloaded from major app stores and allows users to track their order, simplifying the process of ordering an item which is not in stock at the store, in the size or color requested. Reading the barcode will be sufficient to land on the e-commerce product page, from where it will be possible to place the order. In 2023, Sisley implemented a complete redesign of the look & feel of the website, with a view to aligning digital touch points with the brand aesthetic.

Sustainability

A key section of benetton.com, the sustainability area is continually updated with data and certifications related to materials and manufacturing practices. Sustainability-related content is also communicated via the social media and the newsletters, with a view to providing consumers with all the pertinent information on the topic and meeting their need for transparency and enhanced product quality. In 2024, Sisley's website, sisley.com, will dedicate special attention to sustainability issues, to inform consumers about the environmental performance of its products, materials, logistics and packaging.

Digital advertising

In the last half of 2023, Sisley kicked off a series of digital advertising campaigns with top Italian publishers - Klarna and Stocard - and collaborations with influencers and content creators to promote website visits and conversions. The goal for 2024 will be a major thrust to improve channel revenue generation through full-funnel and brand awareness campaigns focused on conversion, by also leveraging the optimization of digital advertising and subsequently improved Return On Advertising Spend (ROAS).

___The objective is applying a multichannel strategy to reach out to different audiences, offering a cross-channel and immersive brand experience___

Filippo Parisi, International Advertising Manager. UCB

Social media

The Instagram page of United Colors of Benetton has played an increasingly central role in conveying the new brand image and capturing consumer interest. The profile served as main vector to communicate the brand's events, reaching out to a broader audience of consumers: the Milan Fashion Week fashion shows in February and September, with over 400 posts distributed and 86 million users reached, and the opening of the Gae Aulenti pop-up store during Design Week in April, with over 870 000 users reached. Mr. White, the puppet dog presented in the store windows and in the communications for the Christmas holidays, has come to life on United Colors of Benetton's Instagram channel. A mix of short films and 3D-processing resulted in three FOOH videos showing the puppet virtually getting around in Milan, London and Paris. The three videos generated significant buzz online and helped support brand awareness at a commercially important time like Xmas holidays. The activity was also amplified by collaboration with important influencers in the pet world, such as Mattia Stanga (3 million followers) and Giulia Valentina (nearly 1 million followers). In October 2023, Sisley's official TikTok channel reached over 15 000 followers, with 40 000 likes in just over

a month from its debut. Instagram recorded 20 000 followers (+13% YoY), a completely organic growth, without acquisition campaigns. The post for the launch of the FW23 campaign, starring Deva Cassel, generated thousands of likes and a 1 094% increase in the number of followers in just a few minutes.

USERS REACHED OUT BY UNITED COLORS OF BENETTON

16
mln
TikTok

14
mln
Meta

Cultural initiatives

In 2023, Benetton Group contributed to the production and dissemination of culture, thanks to the Archivio Benetton - which preserves the Company's history through objects and design and communication media - and Fabrica, a residency program established in 1994 that selects the best creative talents of the new generation and involves them through a learning-by-doing interdisciplinary process.

Fabrica Program

Curated by Carlos Casas, Spanish artist and filmmaker, Fabrica's residency program features, among other things, participation in a busy schedule of creative meetings and workshops, both online and in-person, with international experts and professionals, and a research project on a topic of social interest that will result in a final presentation-event. The March-August 2023 semester, which opened with an inaugural lecture by anthropologist Tim Ingold, proposed "Archaism" as a research topic, inviting young artists to explore the possibility of a return to ancestral knowledge and the recovery of a range of abandoned habits. In contrast, the September 2023-February 2024 semester focused on the theme "Co-ecologies". The event opened

with a lecture by independent writer and researcher Laura Tripaldi, and the discussion revolved around the biological, geological and ecological processes that new technologies and contemporary art practices are using to propose alternatives for living and co-existing on our planet.

Torino Graphic Days

Fabrica participated as a cultural partner in the eighth edition of Graphic Days®, an international festival dedicated to visual design held May 4-14 at the Cavallerizza Reale in Turin. Fabrica presented "Origins of the Future," an intercultural and interdisciplinary exploration of the activities and themes addressed during the six-month residency program.

Collaborations with cultural institutions

Collaboration between Fabrica and MoCA (Modern Contemporary Art) continued in 2023, with the launch of the Arte Laguna Award, a contest promoting creative talents and offering an opportunity to join a global network of collaborations. Fabrica offers a six-month art residency to the winner, selected from the nominees for this special award. Fabrica also continues to collaborate with the London College of Fashion, one of the world's leading academic centers dedicated to the world of fashion; with Kora, Centro del

Contemporaneo, a multidisciplinary contemporary production and research center located in Castrignano de' Greci, in the Apulia region; and with Nord/Est/Doc/Camp, a consulting and orientation workshop intended for medium- and feature-length documentaries in the final stages, produced in the North-East of Italy.

Google Arts & Culture

On November 20, 2023, a collaboration was launched between the Museimpresa association and the Google Cultural Institute, with a view to making enterprise culture accessible to everyone, anywhere in the world, at any time and on any device. The Google Arts & Culture page dedicated to Museimpresa on the platform collects more than 2 000 images, hosts 33 museums and archives including the Benetton Archive, and shares as many stories that illustrate the know-how and evolution of Made-

in-Italy products in a shared cultural project. The Benetton Archives contributed to the project with a selection of 100 images depicting exhibition spaces, historical machinery, sketches, color charts, iconic knits, advertising campaigns, iconic photos, images of headquarters and stores, cars and trophies from the Benetton Formula 1 team.

Archivissima 2023

This year too, the Benetton Archives joined the Night of the Archives (sponsored by ANAI - Italian National Association of Archives), which is part of the Archivissima program, the Italian festival for the promotion and enhancement of historical archives. The 2023 edition was dedicated to the #carnetdevoyage theme. Several participation criteria were offered and the Benetton Archives chose to participate in the initiative with "The Travel Years", a video showing United

Colors of Benetton's and Sisley's catalogs and images from the 1980s and 1990s.

Fondazione Fashion Research Italy - Fashion Archives

Fondazione Fashion Research Italy, a nonprofit organization based in Bologna, is an educational and exhibition center dedicated to training, innovation and the enhancement of the fashion industry's heritage. Its educational offering includes the Archivi della Moda (Fashion Archives) course, designed to train professionals to help brands enhance their heritage as a lever for modern communication and improved image. In the 2023-24 semester, Benetton was invited to present its Archives, providing an in-depth analysis of the technical-archival activities carried out in recent years. This also offered an opportunity to illustrate the history of the Company and its values.

__Our intention is not to use closed compartments, but open ones. Cross-pollination occurs when we embrace fragility. What makes us unique is the sharing of uncertainties__

Francesca Perpetuini, Residency Coordinator, Fabrica

Benetton Group companies in the world

BENETTON GROUP S.R.L. Ponzano Veneto (Italy) December 31, 2023



(*): Benetton Japan Co. Ltd. holds directly 50% of the share capital

SUBSIDIARIES

UK BENETTON RETAIL UK London (UK)

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

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

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

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

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

CZ BENETTON GROUP S.r.l. CZECH BRANCH ODŠTE PŇNÝ ZÁVOD Prague (Czech Republic)

ES BENETTON RETAIL SUCURSAL EN ESPAÑA Barcelona (Spain)

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

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

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

PT BENETTON GROUP S.R.L. SUCURSAL EM PORTUGAL Porto (Portugal)

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

HR BENETTON GROUP S.r.l. Podružnica U Rijeci Glavna Podružnica Rijeka (Croatia)

We are looking for a place we can call home____2023

Somaya Abdelrahman

Egypt



12x10 cm___Digital image printed on canvas

Born in 1996 in Egypt, Somaya Abdelrahman is a documentary photographer and artist working on social issues and human rights. She studied Fine Arts at the Faculty of Art, Cairo University, New Media at Istanbul's Nisantasi University and Visual Journalism and Documentary Photography at Hochschule Hannover, Germany.

In 2019, she was selected among the nine recipients of the Magnum Foundation and AFAC (Arab Fund for Arts and Culture) scholarships and in 2020 she won the scholarship offered by the Too Young To Wed organization as part of the Emerging Photographers Program sponsored by Canon USA.



Is a home still possible? ___ 2018

Zülküf Mavlay

Turkey



10x12 cm ___ Metal key on wooden frame

Born in 1977 at Silvan, Zülküf Mavlay lives and works in Diyarbakir, Turkey. He received his MA in Photography and Camera Operator from Anadolu University in 2020 and his BA in Pedagogy from Dicle University, Diyarbakir, in 2003. In 2021, he attended IFSAK workshops for Conceptual Photography and Visual Conversations with Arzu Arbak. He has presented his works in numerous exhibitions and photographic projects in Turkey.



Intersection___2023

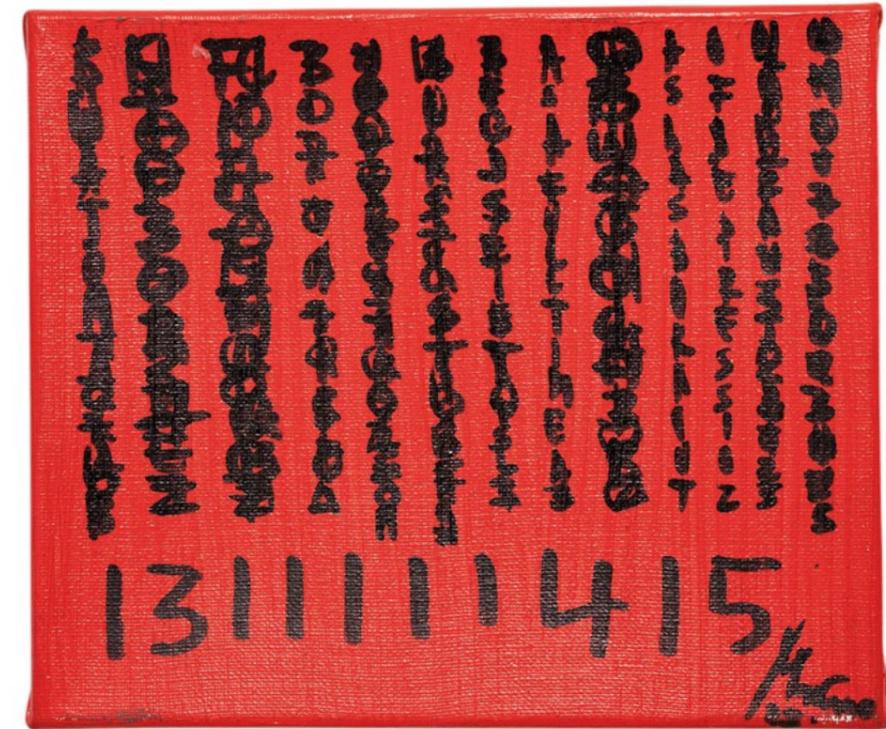
Chadrack Makano

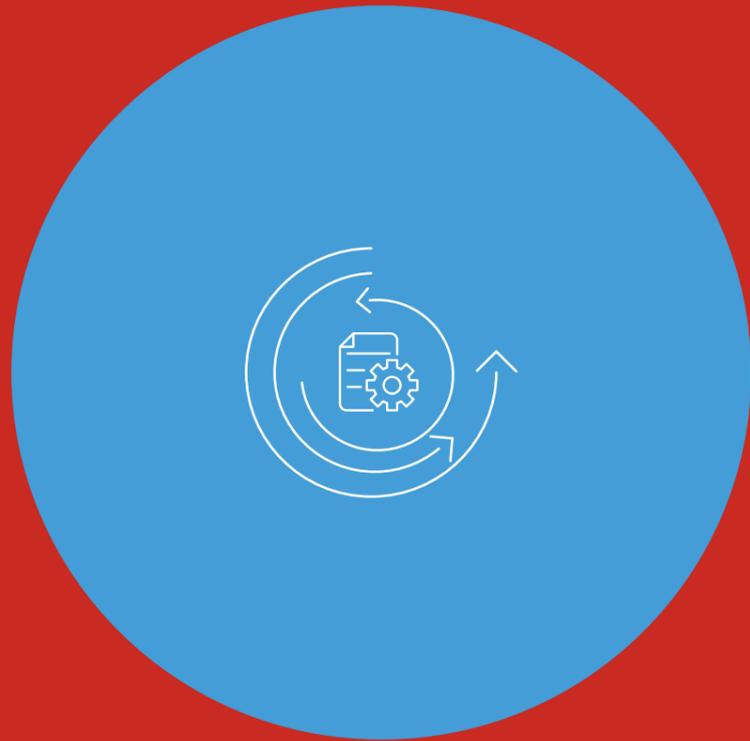
Congo

"I am an artist born in Congo. I fled my home country when I was 10 because of political violence. I have been living in the Nakivale refugee settlement in Uganda for eight years. I am part of Nyandja Arts, a group of refugee artists that provides a space for artistic expression and cultural exchange. My art reflects my personal experiences as a refugee and I hope it can promote peace and understanding between different cultures."



12x10 cm___Acrylic on canvas





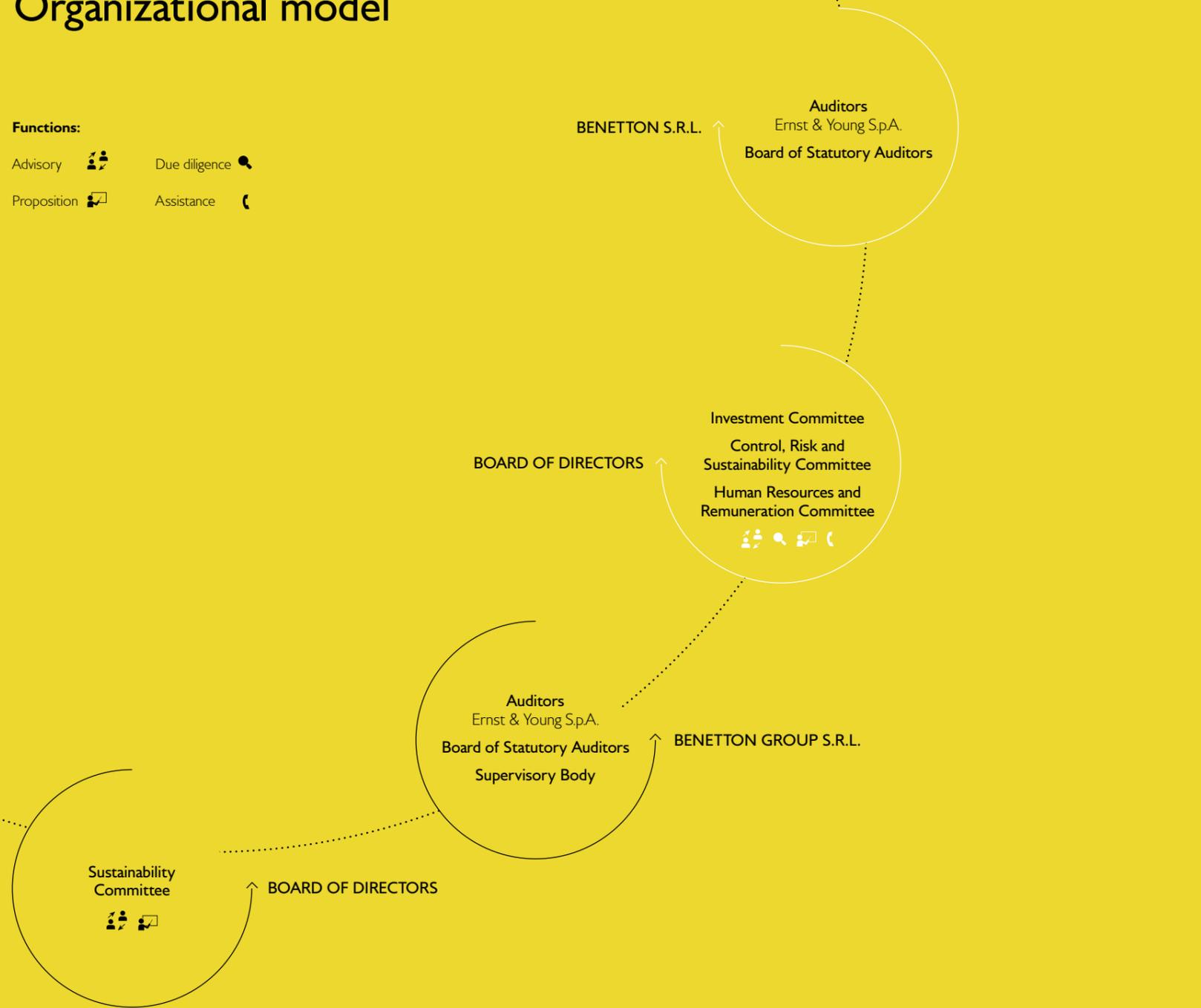
Governance

In a context of great changes and challenges, Benetton Group aims to develop a virtuous governance model that supports interaction between the top management and ownership, with a long-term perspective that guides business decisions. To maximize shared value creation, it is of the essence to integrate sustainability into business strategy, ensure an open and ongoing dialogue with stakeholders and conduct periodic due diligence and risk analyses.

Organizational model

Functions:

- Advisory
- Due diligence
- Proposition
- Assistance

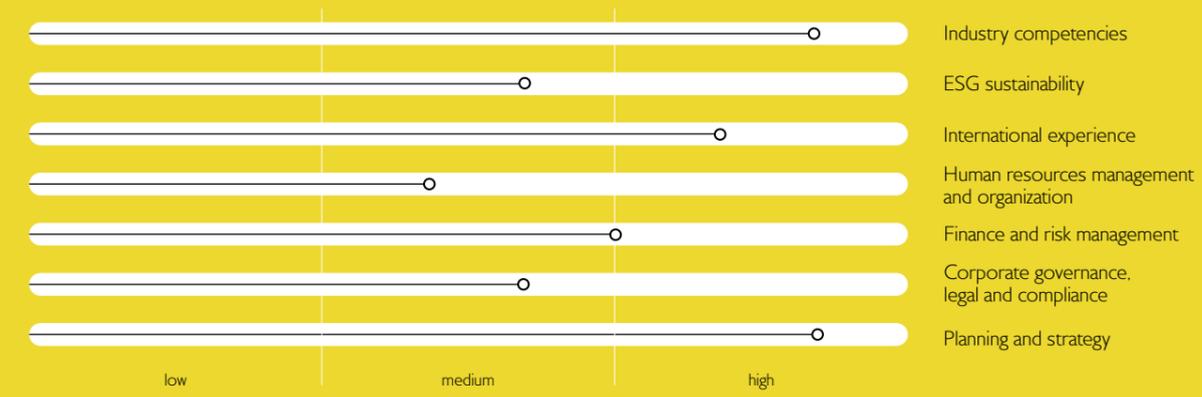


COMPOSITION OF CORPORATE BODIES AT 28.05.2024

Board of Directors of Benetton S.r.l.	Office	Age	Investment Committee	Control, Risk and Sustainability Committee	Human Resources and Remuneration Committee	Supervisory Body (Leg. Decree 231/2001)
Luciano Benetton	C	>70				
Massimo Renon	CEO	51-69				
Christian Benetton		51-69				
Franca Bertagnin Benetton		51-69				
Ermanno Boffa		51-69				
Fabio Buttignon		51-69	C	C	○	
Christian Coco		<50	○	○	○	
Micaela Le Divelec Lemmi		51-69				
Chiara Anselmi						C
Andrea Pezzangora						○ (1)
Roberto Taiariol						○ (2)
Board of Statutory Auditors						
Angelo Casò	C					
Antonio Cortellazzo	SA					
Giorgio Grosso	SA					
Gianluca Pivato	AA					
Massimo Catullo	AA					

- C** Chairman
- CEO** CEO
- (1)** General Counsel
- (2)** External Member
- SA** Statutory Auditor
- AA** Alternate Auditor
- Executive
- Non-executive
- Independent - non-executive
- Member

LEVEL OF ADEQUACY OF THE AVAILABLE COMPETENCIES





Governance

Benetton Group S.r.l. is subject to the management and coordination activities of the parent company, Benetton S.r.l. The management activities of Benetton S.r.l. are carried out through the traditional system of administration and control. Therefore, the Board of Directors, the Shareholders' Meeting and the Board of Statutory Auditors are convened and meet periodically. The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company; several committees are established from among its members to assist it in its operation. Benetton Group is an unlisted company, part of Edizione Group, a leading European holding company, wholly owned by the Benetton family. Given the ownership structure, there is no formalized procedure for the appointment and selection of directors, as the Board of Directors primarily represents the interests of the shareholders, and no significant cases of conflict of interest have emerged worth reporting to stakeholders. In selecting other members, expertise, independence and diversity represent the key criteria of the selection process. This is meant to ensure complementarity of high-level profiles and knowledge across the different relevant areas (sales, manufacturing, finance and management, risk control, human resources and organization). The Group's top executives participate in the meetings of the Board of Directors to ensure a constant

flow of information and proactive discussion on the most relevant organizational and business issues. In 2023, there were no specific training activities for the Board of Directors and top management regarding sustainable development. To ensure feedback from Benetton Group's leadership on sustainability, the Sustainability Committee and the Control, Risk and Sustainability Committee meet regularly to ensure that the top management, shareholders and external members are updated on the initiatives relating to sustainability and ESG aspects. The two committees also play a key role in supporting the drafting and review of this report, with a focus on the analysis of impacts and definition of material issues, supervision of control tools and assurance activities, while the Board of Directors is responsible for its approval. The Board of Directors is also responsible for approving Benetton Group's business plan and strategic direction, including sustainability goals and their integration into the Group's strategy.

Board of Directors

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

- the guidelines for the Group's operations;
- proposals concerning organization and corporate governance;
- the general guidelines regarding the management of human resources;
- proposals for the re-organization of the Company's structure;

- result of operations;
- extraordinary corporate actions;
- annual budgets and quarterly, half-yearly and annual financial results.

Investment Committee

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

- specific investment projects, assessing their alignment to the Group's strategic guidelines, their profitability targets and financial sustainability;
- Company procedures regarding investments and significant transactions. In general, the Committee monitors the implementation of the approved investment programs by monitoring their execution in terms of costs incurred and actual return on investment (post-audit), analyzing the main criticalities.

Control, Risk and Sustainability Committee

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

- assist the Board of Directors in defining the guidelines of internal control. At the request of the Executive Chairman, it expresses opinions on specific issues concerning the identification of the principal business risks;
- assist the Board of Directors in evaluating the adequacy, efficacy and effective functioning of the system of

- internal control, which it oversees;
- provide the Board of Directors with indications and information on compliance with corporate governance rules;
- assess, together with the Chief Financial Officer and the Independent Auditors, the adequacy of the accounting standards adopted and their consistency for the purpose of preparing the consolidated financial statements;
- verify, with the assistance of the Head of Internal Audit, the process that generates the financial reporting data;
- monitor the effectiveness of the auditing process and assess the results published in the Independent Auditors' report and the opinion letter;
- receive the annual report from the Head of Internal Audit on the application of the "Organization and Management Model" - pursuant to Italian Legislative Decree 23 I/2001 - which was adopted by the Company and also includes the Code of Ethics, and evaluate whether to present the Board of Directors with recommendations for updating and/or amending such model and its method of application;
- assess and express an opinion in advance and as necessary requirement prior to confirming the appointment, on all auditing and non-auditing services provided by the Independent Auditors;
- assess and verify the independence of the Independent Auditors;
- assess the environmental, economic and social impacts resulting from Company operations;

- monitor the Company's positioning in the main sustainability indexes;
- examine the Integrated Report, containing non-financial information;
- formulate opinions and proposals regarding specific sustainability issues.

Human Resources and Remuneration Committee

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

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

Organizational Model under Legislative Decree 231/2001

The current Organization, Management and Control Model adopted by resolution of the Board of Directors on December 19, 2022, to replace the one approved in 2008, is composed of a general part and numerous special sections.

The Code of Ethics approved by the Company is treated as an integral part of the Model. Under its Code of Ethics, the Group has adopted the International Labor Standards (ILS) contained in the fundamental conventions of the International Labor Organization.

The whistleblowing procedure allows the reporting of unlawful conduct relevant under Legislative Decree 23 I/2001 or violations of the Organizational Model or practices that do not comply with the provisions of the Code of Ethics. Anyone having a business relation with Benetton Group can submit a report, including employees, members of corporate bodies, partners, suppliers and collaborators.

GDPR

In 2018, with the enforcement of the EU General Regulation 2016/679 on the protection of personal data (known as GDPR), the Company set up a new Privacy function, headed by Mauro Menardo as Data Protection Officer, assisted by a multidisciplinary team. The new function, responsible for personal data monitoring, assessment and processing, enables Benetton Group S.r.l. to ensure its employees, consumers and, in general, stakeholders correct personal data protection in the performance of their activities, so that data is always processed in compliance with the applicable national and European regulations in the matter.

Sustainability Committee

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

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

Composition of the Sustainability Committee:

[Massimo Renon](#) CEO
[Martino Boselli](#) Head of Sales - UCB
[Stefano De Marchi](#) Head of Human Resources and Organization
[Silvia De Sanctis](#) Design Director UCB
[Iacopo Martini](#) Chief Financial Officer

[Nicoletta Sartori](#) Head of Sustainability
[Francesca Svab](#) Global Managing Director Sisley
[Carlo Tunioli](#) CEO - Fabbrica
[Marco Zeggio](#) Operations Officer

Ongoing dialogue

Collaboration among different stakeholders is fundamental to expediting the transformation of the sector and create positive impact.

Stakeholders

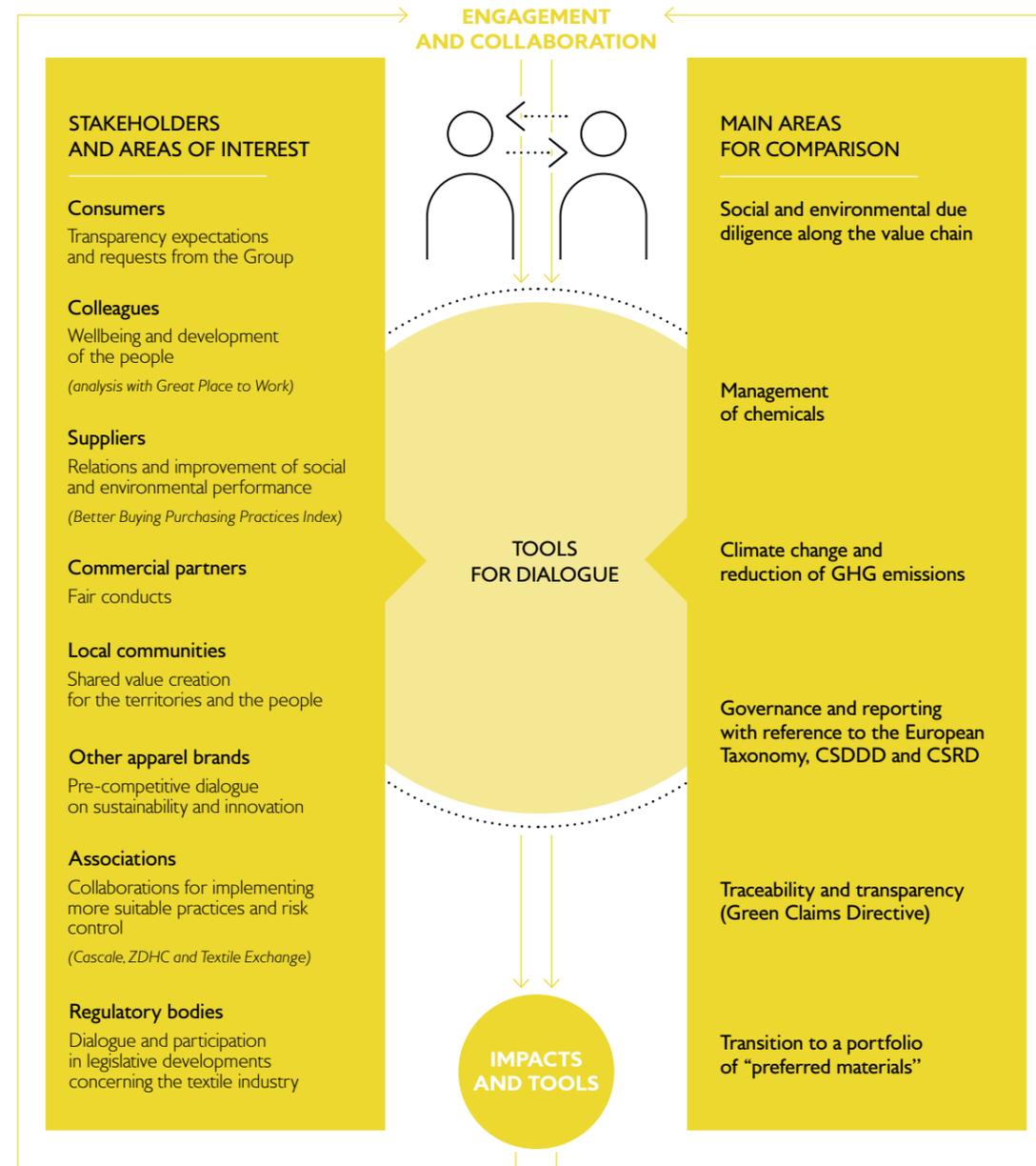
Benetton Group mapped its stakeholders based on its areas of activity, dividing them as follows:

- **internal:** individuals who are part of the Company;
- **external:** individuals who operate along the Group's value creation chain or who are indirectly influenced by/interested in the Company's activities.

In 2023, around 30 relevant categories of stakeholders were identified, which, through dedicated interviews and workshops with the main Company functions, were subsequently prioritized on the basis of:

- their **dependence** on Benetton;
- their **influence** on Benetton.

Benetton Group aims to identify current and potential impacts on key stakeholder categories and define in a shared way the most appropriate mitigation and management tools. In 2023, Benetton Group continued activities aimed at involving its internal and external stakeholders, maintaining active communication and launching new initiatives.



Materiality matrix

Material topics

The degree of detail with which the relevant topics within the Report are treated reflects the results of the materiality assessment. Material topics are topics that represent an organization's most significant impacts on the economy, the environment and the people, including possible violations of human rights on the negative side, and assessing the contribution to sustainable development with regard to positive impacts. In 2023, in accordance with GRI Standard 3, Benetton Group revised its materiality matrix implementing minor adjustments to the materiality matrix of the previous year analyzing the impacts generated by the Company. Specifically, it identified and measured the most significant economic, social and environmental impacts and established a scale of priorities, outlining the material issues subject to reporting. As envisaged by the GRI Standards, the analysis of impacts requires a preliminary mapping of the organizational context through a description of the activities carried out and business relationships, an analysis of the sustainability context and the relationship with key stakeholders. Specifically, the following elements were considered in the analysis:

- the company's business model, the regions in which it operates, the products offered, the characteristics of the industry and the company size;
- the characteristics of its relations with the stakeholders;

- the analysis of the main industry documents, sustainability indexes, documents and reports of the most relevant and influential nongovernmental organizations and policy makers, in order to identify the main sustainability trends, and the main critical issues at local, regional and global level and anticipate the expected regulatory developments. Benetton Group then identified its current and potential impacts from an economic, social and environmental perspective, with particular attention to human rights impacts across the different business functions and stages of the value chain. Impacts are classified as current or potential, positive or negative, short- or long-term. For each of the identified impacts, the stage of the value chain involved, the causal link to the organization (direct or through its supply chain), the approved policies and commitments and the mitigation actions taken were specified. Benetton Group also evaluated the effectiveness of the measures undertaken and summarized the dialogue with stakeholders on the various topics. In this phase, the Group considered the elements that emerged from the discussion with the parent company Edizione S.p.A., the issues addressed by policy makers in the European Green Deal and the EU Sustainable Textiles Strategy as well as the input from associations of which Benetton Group is a member (Cascale, ZDHC, Textile Exchange, UN Global Compact).

This was followed by an assessment of the significance of the impacts, based on the parameters of severity and probability of occurrence; in the case of negative impacts, severity takes into account the scale, scope and degree of irreparability of the impact, leading to the identification of aspects to monitor in the risk management system, with the identification of appropriate control and mitigation tools.

In the case of positive impacts, the assessment is based on the scale and scope of the impact. The impacts thus assessed were prioritized to identify the list of material topics that guided the definition of content for the Integrated Report. The identified topics were compared to the GRIs applicable to companies in the sector to check for consistency and completeness of reporting. The Committee on Control, Risk and Sustainability (CCRS) and the Sustainability Committee supervised the process, formulating opinions and proposals, and finally approved the list of material topics divided into two categories: high and medium materiality. Considering the previous analysis, there are minor deviations: issues related to privacy violations, and business ethics and integrity are considered medium-impact and have therefore been reported, while the impact related to air pollution has been reassessed as slight. The choice of preferred materials and fibers, responsible management of

the supply chain and respect for human rights were confirmed as key elements; consistency with Benetton Group's strategy, water consumption, biodiversity and animal welfare emerged as priorities. Finally, the relevance of the topic of climate change and the focus on energy consumption demonstrates an internal awareness of the Company's impact; in this context, Benetton Group has in fact defined specific greenhouse gas (GHG) emission reduction targets throughout its entire value chain.

VALUE CHAIN



MATERIALITY MATRIX
TABLE OF IMPACTS (MEDIUM-HIGH)

Impact	Description	Type	Level	SDG(s)	Attribution
Selection of “preferred” material and fibers <i>GRI series: 301</i> - More information in the Chapter dedicated to Circularity pages 117-119	Commitment to selecting “preferred” materials and fibers with reduced impacts and greater benefits for the climate, nature and the people compared to the traditional ones. Policy and Commitment • 100% sustainable cotton by 2025 Remedial or mitigation actions -	+	Medium	12	• Upstream (supply chain)
Responsible management of the supply chain <i>GRI series: 414;308</i> - More information in the Chapter dedicated to the People pages 82-83 Chapter dedicated to Nature page 104 and Chapter dedicated to Circularity pages 121-122	Selection and management of suppliers based on social and environmental criteria in line with the assessment standards shared in the industry. Maintaining collaborative relations and partnerships with suppliers to ensure flexibility, quality, transparency and efficiency. Policy and Commitment • Code of Conduct for Suppliers • ZDHC Wastewater Guidelines. Remedial or mitigation actions -	+	Medium	8, 12, 13, 17	• Upstream (supply chain)
Consumption and discharge of water <i>GRI series: 303</i> - More information in the Chapter dedicated to Nature pages 103-104	High consumption of water in water-stressed areas for agriculture, farming and process activities. Water discharge with parameters not in line with legal requirements and/or characterized by the presence of substances hazardous to human health and the ecosystem. Policy and Commitment • ZDHC Wastewater Guidelines. Remedial or mitigation actions • Evaluation of suppliers using Higg FEM • Wasatex Project • Use of cotton derived from Better Cotton Initiative • Use of organic cotton.	-	Medium	5, 8, 12	• Upstream (supply chain)
Threats to biodiversity <i>GRI series: 304</i> - More information in the Chapter dedicated to Nature page 105	Loss of biodiversity attributable to agricultural and industrial exploitation, deforestation and soil degradation. Potential threat to ecosystems from waste and chemicals leaked into the environment. Policy and Commitment • Policy on Biodiversity Remedial or mitigation actions • Introduction of recycled materials (cotton, wool, man-made fibers) that avoid the use of new soil	-	Medium	12, 13	• Upstream (supply chain)

Type:

+ positive
 - negative
 //
 ⦿ potential
 ○ current

Materiality level:

■ low
 ■ medium
 ■ high

Impact	Description	Type	Level	SDG	Attribution
Lack of protection of human rights and respect for health and safety <i>GRI series: 401; 403; 404; 405; 406; 407; 408; 409; 413; 414</i> - More information in the Chapter dedicated to the People pages 71-88	Potential human rights violations across the value chain. The Company must adopt a due diligence approach. Policy and Commitment • Code of Ethics • Code of Conduct for suppliers Remedial or mitigation actions • Compliance with all applicable laws and regulations • Supplier assessment using Higg FSLM • Use of Better Cotton or GOTS certified cotton • Industrial relations, periodic dialogue with employee representatives	-	Medium	5, 8, 12	• Upstream (supply chain) • Company
Climate change <i>GRI series: 302; 305; 302</i> - More information in the Chapter dedicated to Nature pages 98-102	Inability to reduce GHG emissions across the value chain in compliance with the Paris Agreement on Climate Change by decoupling the Company’s economic growth from resource exploitation. Policy and Commitment • Definition of the SBTi objectives to reduce Scope 1-2-3 emissions Remedial or mitigation actions • Use of renewable energy • Energy efficiency program • Evaluation of suppliers using Higg FEM • Use of “preferred” materials and fibers • Use of recycled materials • Intermodal transportation • Saturation of transportation means	-	Medium	13	• Upstream (supply chain) • Company • Downstream (Logistics and distribution channels)
Threats to animal welfare - More information in the Chapter dedicated to Circularity pages 118-119	Insufficient practices to protect animal welfare Policy and Commitment • Policy of the five freedoms of the animal Remedial or mitigation actions • Responsible Down Standard (RDS) Certification	-	Medium	12	• Upstream (supply chain)
Management of chemicals <i>GRI series: 308</i> - More information in the Chapter dedicated to Nature page 104 Chapter dedicated to Circularity page 114	Potential harm to human health and the environment from uncontrolled management of chemicals. Policy and Commitment • ZDHC wastewater guidelines • Restricted Substance List (RSL) Remedial or mitigation actions • Evaluation of suppliers using Higg FEM • Use of cotton derived from Better Cotton Initiative • Use of sustainable viscose	-	Medium	12	• Upstream (supply chain)



Impact	Description	Type	Level	SDG	Attribution
Failed management of waste GRI series: 306 - More information in the Chapter dedicated to Nature pages 100-101 Chapter dedicated to Circularity pages 115-116	Inappropriate management of hazardous and non-hazardous waste, with possible harm to human health and the environment. Difficulty in reusing textile waste in new production processes by introducing circular recycling models. Inability to control overproduction and manage unsold goods, avoiding destruction and landfill disposal.			12	• Upstream (supply chain) • Company
Policy and Commitment					
• Waste management procedure					
Remedial or mitigation actions					
• Compliance with applicable laws and regulations • Segregated waste collection • Recycled packaging • Use of re-usable metal containers for 40% of production • Pilot project to recover cotton waste in Bangladesh • Accurate sales forecasts to limit overproduction and use of an outlet network to dispose of unsold products					
Generation and distribution of the economic value GRI series: 201-204 - More information in the Chapter dedicated to Governance page 61	Generation and distribution of the value that generates wealth for stakeholders particularly the local economies in which the Company operates.			8	• Company
Policy and Commitment					
-					
Remedial or mitigation actions					
-					
Increasing awareness to sustainable consumption - More information in the Chapter dedicated to Circularity page 114	Possibility to educate consumers and encourage the development of sustainable consumption patterns and attention to product care.			12	• Downstream (consumers)
Policy and Commitment					
-					
Remedial or mitigation actions					
-					
Company ethics and integrity GRI series: 205-206 - More information in the Chapter dedicated to Governance pages 46-47	Failed adoption of policies to promote conducts inspired by the highest principles of ethics and transparency. Inadequate procedures and controls to prevent corrupt practices, money laundering, unfair business practices and other forms of conducts not in line with the Group's values.			17	• Upstream (supply chain) • Company
Policy and Commitment					
• Code of Ethics • Code of Conduct for suppliers • Anti-corruption Procedure • Whistleblowing					
Remedial or mitigation actions					
• Training on the Code of Conduct and Business Ethics					

Type:

positive
 negative
 //
 potential
 current

Materiality level:

low
 medium
 high

Impact	Description	Type	Level	SDG	Attribution
Privacy violations GRI series: 418 - More information in the Chapter dedicated to Governance page 47	Mismanagement of data and consequent violation of the Data Protection Act.			12	• Company
Policy and Commitment					
• Code of Ethics • Privacy Procedure • Whistleblowing					
Remedial or mitigation actions					
• Training on privacy • Monitoring activities • Definition of technical and organizational measures					

Benetton Group observed additional topics of mild impact that it is committed to monitoring and verifying during the course of the year.

TABLE OF IMPACTS (LOW)

Promoting diversity and inclusion Promote an inclusive corporate culture, support diversity and condemn all forms of discrimination. Achieve gender equality in management level positions, promote equal opportunities for men and women to enter the company and grow professionally.	
Contribution to innovation Investments in new business models and innovation projects regarding key challenges for the fashion industry (traceability, new materials, less impacting processes).	
Commitment to people development and training Training talent through training programs and professional development opportunities.	
Failed transition to a circular business model Insufficient, or underperforming, investments and actions toward economically sustainable and scalable solutions in order to make the textile industry a circular business, minimizing waste of resources (energy and materials).	
Failure to meet product quality or safety standards Insufficient efforts to address health and safety issues throughout the life cycle of a product or service, resulting in consumer prejudice or violations of regulations and voluntary codes.	
Misleading communication and greenwashing practices Misleading communication about the social and environmental performance of a product, service or brand. Greenwashing practices.	
Air pollution Negative impacts from air emissions from direct operations, refrigerant systems, and production processes.	

Agenda 2030



In September 2015, the United Nations approved the 2030 Global Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). The implementation of this agenda requires nations, industries, businesses, financial institutions, NGOs and civil society to redirect their programs and plans toward these goals. Benetton Group has decided to do its part to achieve these goals. In setting out its charter of commitments for the coming years, the Company chose to associate its actions with the SDGs closest to its core business and strategic action areas.



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



SDG 12__Responsible consumption and production
Benetton Group leads the way in the global commitment to the elimination of the use of dangerous chemicals throughout the textile sector by 2030. Moreover, the Company implements policies for the sustainable management and the efficient use of resources and energy, as well as for the reduction of waste, also through recycling and reuse, where possible.



SDG 17__Partnerships for the goals
A successful Sustainable Development Agenda requires partnerships - built upon principles and values, a shared vision, and shared goals - that put people and the planet first. Benetton Group also works toward this goal, developing partnerships that can contribute to the achievement of the Sustainable Development Goals.



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

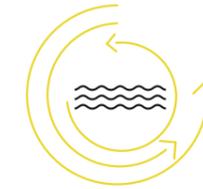


SDG 13__Climate change
The Group's contribution to combating climate change involves the implementation of initiatives to reduce energy consumption and climate-altering gas emissions, as well as reducing the environmental impact connected with its logistics activities and the distribution of its products.

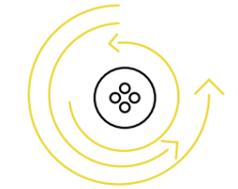
Sustainability Strategy



Safeguarding People
United in safeguarding people: people are at the core of the strategy of the Benetton Group, which has always shown its commitment with its campaigns addressing issues related to diversity and inclusion. Benetton Group is committed to creating a corporate culture of sustainability, designing ways of working that maximize employee well-being and protecting the human rights of all the people who work for the Group, throughout the value chain.



Protecting Nature
United in protecting nature: in a context where natural environments are threatened by the climate crisis and inappropriate resource management, Benetton Group recognizes its responsibility to reduce greenhouse gas emissions in line with the approved Science Based Targets and mitigate its impact on water and biodiversity by defining a concrete and ambitious plan of action.



Maximizing Circularity
United in maximizing circularity: considering the impact of products, the Group's goal is to decouple economic growth from resource consumption. Benetton Group prioritizes the transformation of the product portfolio by increasing the use of low-impact materials and implementing circular planning principles.

In 2023, Benetton Group defined its sustainability strategy, leveraging the Company's vision as a positive driver of change and the interpretation of sustainability as a conscious process of evolution in line with people and the planet. The strategy has three key pillars: People, Nature and Circularity. The sustainability strategy is approved by the Sustainability Committee and the Board of Directors and is shared with the holding company Edizione in order to responsibly integrate the parent company's strategic influence on sustainability into a shared value creation path. The Sustainability function, with the support of the two Committees (Control, Risk and Sustainability Committee and Sustainability Committee), is responsible for defining the priority ESG objectives for Benetton Group and coordinating the other corporate departments to ensure the execution of the defined strategic guidelines, as well as overseeing the management of social, environmental and economic impacts.

The Beautiful Change

Everything in nature is constantly changing. So we are.

We are replacing fibers in our collections: our products are increasingly made of organic or recycled materials, sourced from certified supply chains, and by 2025 we will be using only sustainable cotton.

We are decreasing the miles our garments travel: today, the factories are closer to the markets where they are sold. This choice allows us to optimize production and reduce emissions from transportation.

We are improving our supply chain: as members of Cascale, our suppliers must satisfy increasingly stringent controls, both from an environmental protection standpoint and in terms of workers' rights.

We are restyling our stores, by paying more attention to the use of natural materials and reclaimed furniture, and we also intend to virtuously integrate physical and online shopping.

We are extending the life cycle of our products: we design them to last for many years, with a timeless style in line with the commitment of the user and so that once they are discarded they can easily be recycled.

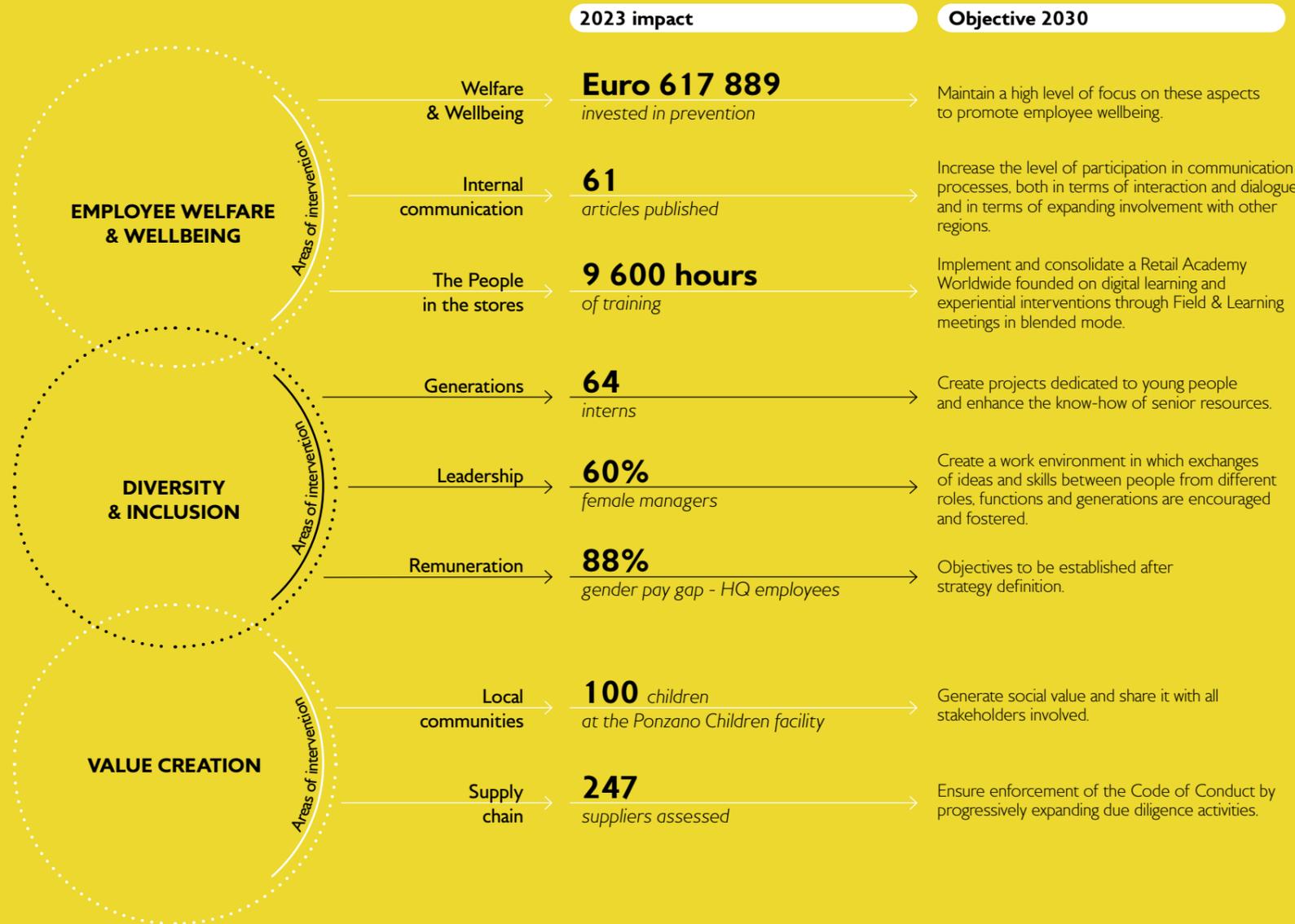
We are reducing our impact on the environment: we have embarked on a journey that will lead us to decrease our greenhouse gas emissions according to the guidelines of the Science Based Targets initiative by 2030.

For all of us at United Colors of Benetton, this is not just an obligation, but an opportunity to evolve in harmony with the planet that hosts us and become a more beautiful and fairer company.

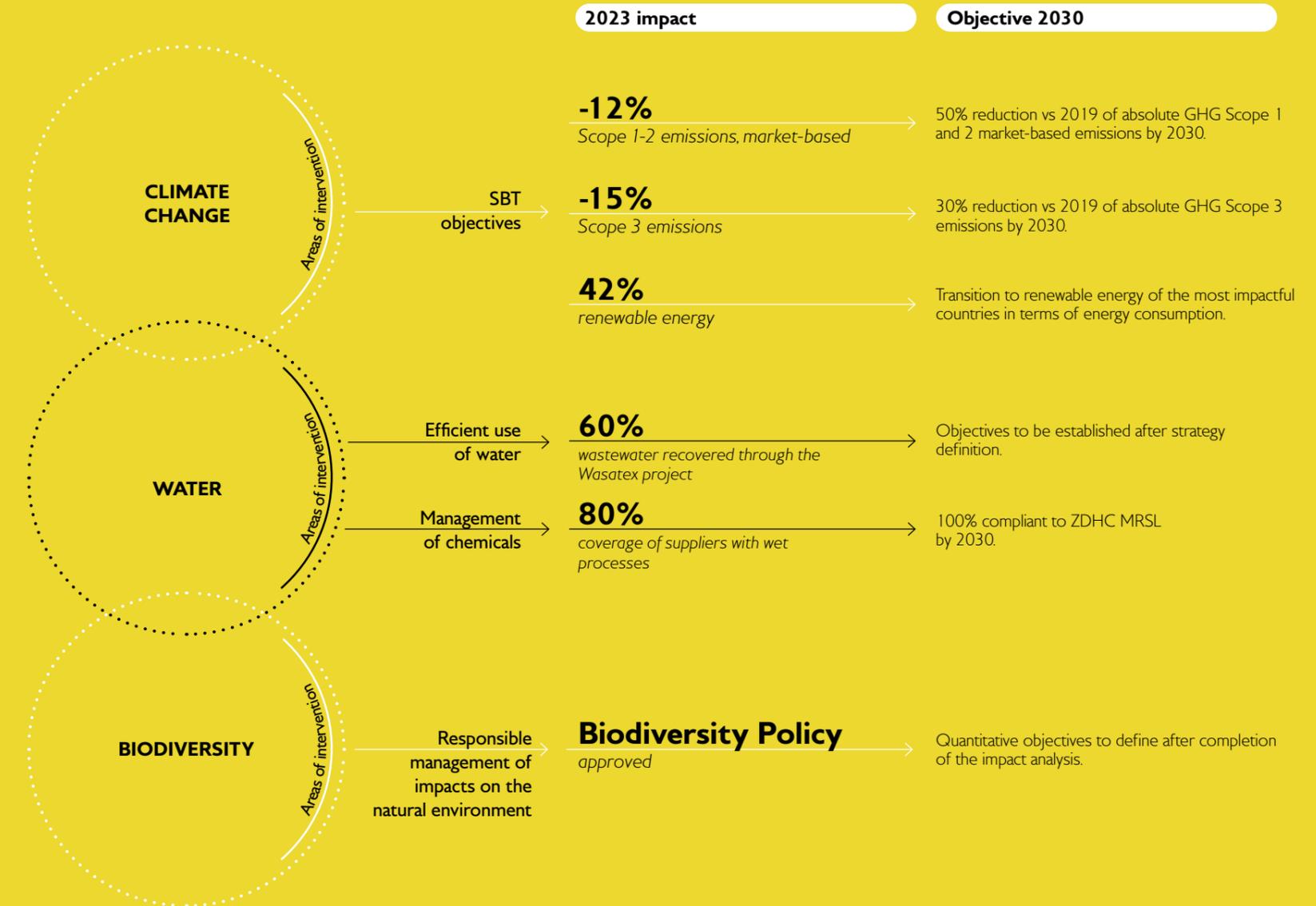
A better company.



Safeguarding People



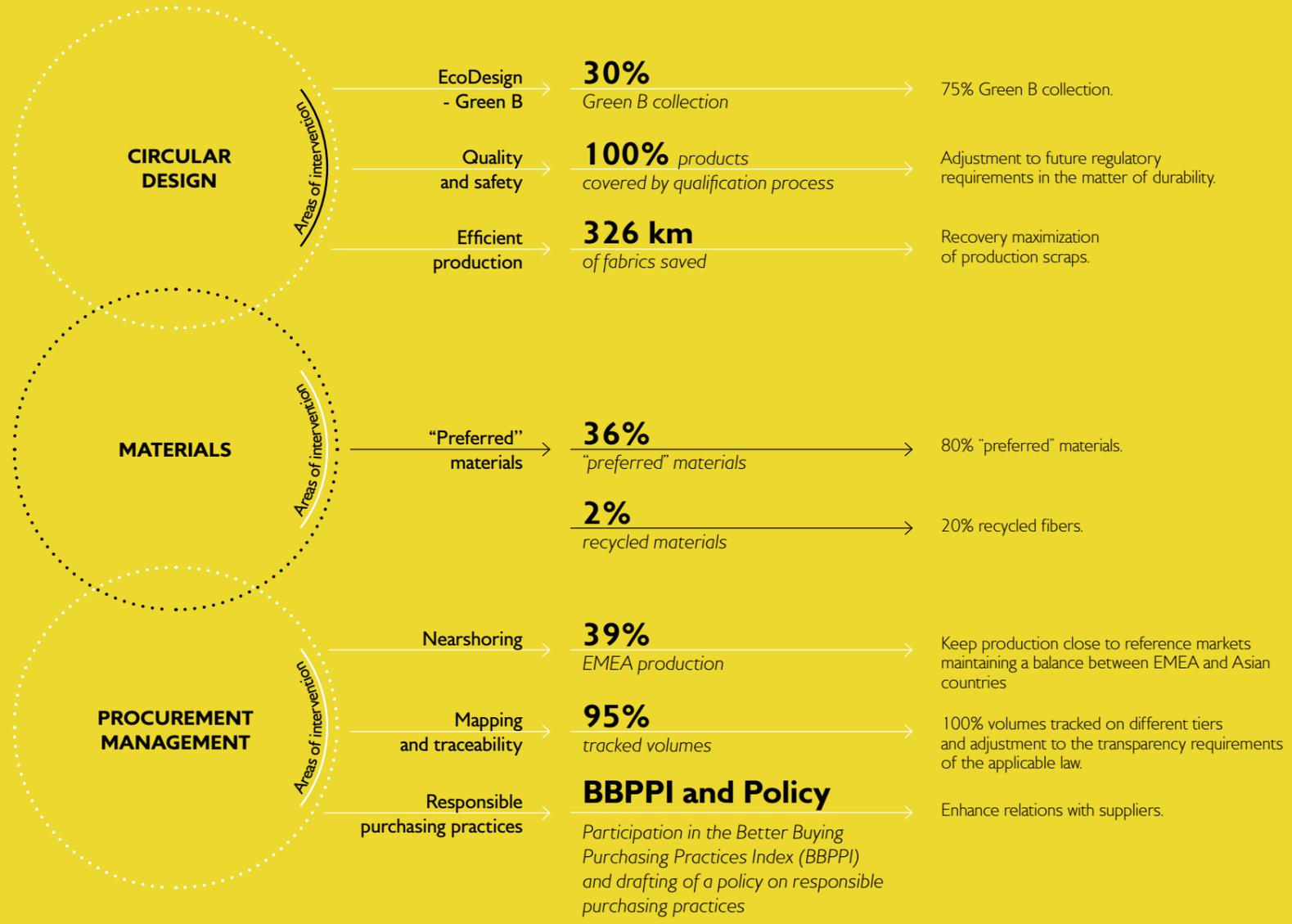
Protecting Nature





Maximizing Circularity

2023 impact **Objective 2030**



Value generated

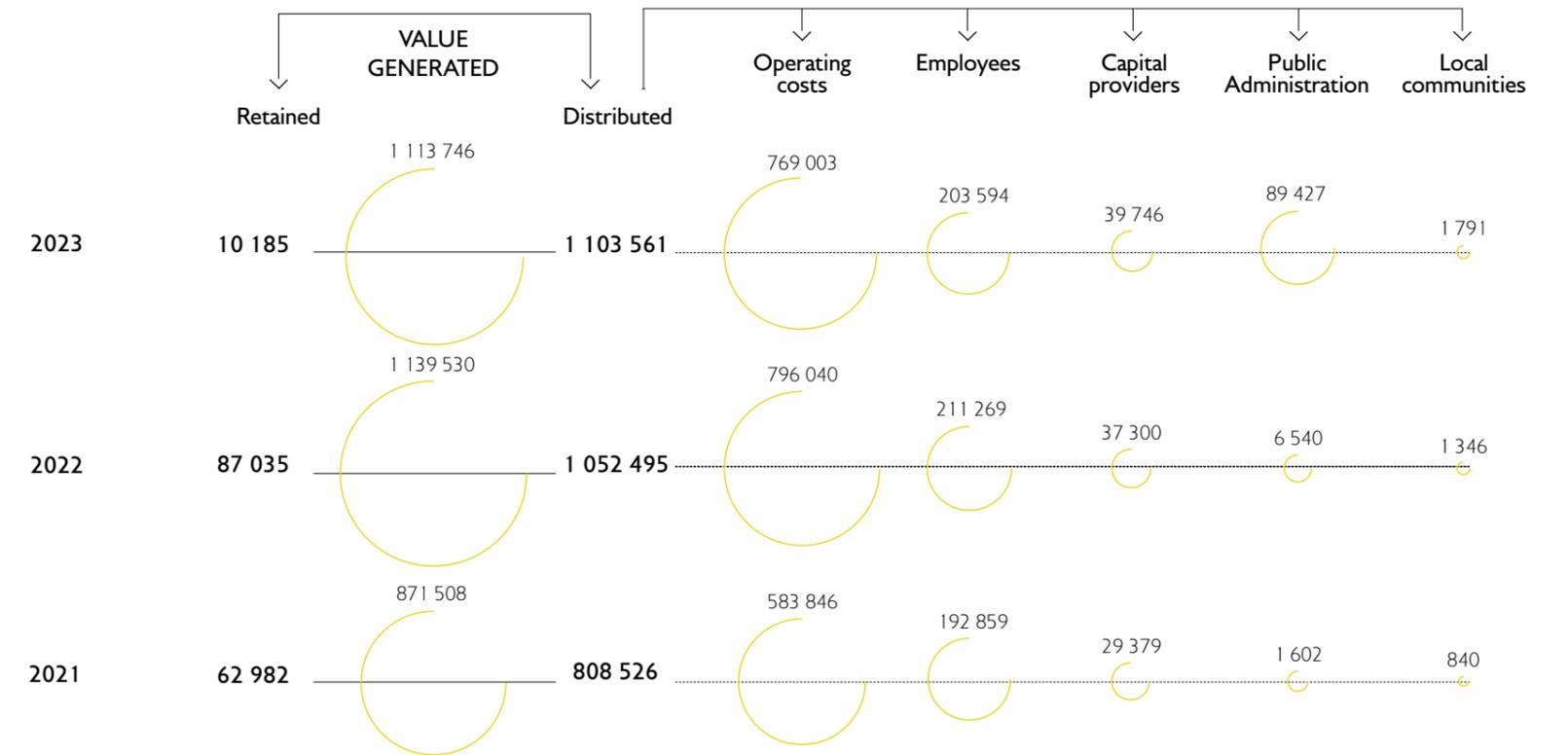
2023 was a challenging year for Benetton Group, as for all companies in the textile-clothing industry: the end of the post-pandemic recovery, the geopolitical tensions, inflation, and currency volatility had a negative impact on the Group's performance. In light of the difficult environment

and the deviation of expected results from the Business Plan forecasts, with the endorsement of the parent Edizione S.p.A., a new 2024-2029 Plan was prepared to guide the Group's economic recovery. In 2023, the generated economic value totaled approximately Euro 1 114 million, the

distributed economic value Euro 1 104 million and the retained economic value about Euro 10 million. The generated economic value exceeding Euro 1 billion reflects increased revenue and production efficiency, on the one hand, and, on the other, the negative effect due to currency

differences. The distributed economic value reflected the impairment of deferred tax assets, and the significant reduction in the retained economic value compared to the previous year is attributable to the significant incidence of impairment activities based on the 2024-2029 Business Plan forecasts.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (EURO THOUSAND)





Risk control

Benetton Group focuses the utmost attention on risk control and believes it is fundamental to assess, both beforehand and on an ongoing basis, the level of risk associated with strategic objectives for the creation of sustainable value. In 2023, risk analysis was adjusted to the changed international scenario.

Strategic risks

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

Brand strategy

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

Distribution channels

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

Supply chain and availability of finished products

Meeting expected delivery times for finished goods along with an increasing difficulty in finding transportation solutions in line with the deadlines defined by the commercial calendar can impact global margins.

Country strategy and market presence in India and South Korea

The entry of international brands in the Indian and Korean markets, which are very important to Benetton, requires the delicate transition of the content of the United Colors of Benetton

brand collection toward more global styles compared with the current ones, which have a strong local influence.

Execution risks

The risks of losses inherent in the Company's operations, deriving from human error, the incorrect functioning of the organization, internal processes and the use of systems, unlawful behavior connected with fraudulent conduct; legal risks; inappropriate conduct with customers and suppliers that could compromise the ability to meet strategic objectives.

Business organization

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

Product and product quality

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

Business interruption of the logistic platform

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

Cyber threats

Risks in this group include risks related to technology infrastructure, robotic IT networks, and communications. The risk of cyber attacks on IT systems could compromise the availability of systems as well as the confidentiality and integrity of key information.

Digitalization

The adoption of digital technologies requires new skills or significant training efforts to improve the knowledge of the personnel.

Sustainability

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

Financial risks

This is the risk category most immediately perceived by businesses, also thanks to the implementation of the International Accounting Standard (IAS) and the requests for additional disclosures in financial reports deriving from national civil law. Financial risks include risks connected with exchange rates, interest rates, counterparty and liquidity.

Exchange risk

The most keenly felt risk is that relative to foreign exchange transactions, as the Group presents significant sales volumes denominated in euro and considerable purchase volumes denominated in US dollars. Moreover, in 2023, some currencies (RUB, TRY, INR) fluctuated significantly regarding the sales in the corresponding countries.

Inflation and interest rate

The upswing in inflation that began during 2021 and has remained at high levels to date is creating the conditions for a general rise in the cost of raw materials, services and interest rates, resulting in a possible decline in total profitability.

Legal and compliance risks

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

Company procedures

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

Fiscal compliance

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

Internal control system

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

External risks

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

Increase in prices of raw materials, transportation and energy

Shortages of raw materials, increased costs of raw materials, energy and transportation may not be passed on, if not only partially, in the price lists, resulting in loss of profitability.

Reputation

Reputational risks have a direct impact on the way the Group is perceived by its stakeholders (customers, employees, shareholders and suppliers) and society at large. These risks originate from the potentially inappropriate management of issues relating to corporate social responsibility and environmental sustainability, product safety responsibility, the Group's corporate

image, including on social media, and any other potential regulatory non-compliance that could have an impact on the reputation of the organization.

Social and political instability of some countries

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

Climate variations

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

Natural events

Important natural events affecting an area populated by significant suppliers could result in delays in product deliveries.

Mâdar (Mother) of Piety____2020

Youssef Al Shuwaili

Iraq



Youssef Al Shuwaili, a 23-year-old Iraqi artist, migrated to Lesbos, Greece, in February 2018.

This photograph was taken on September 15, 2020. It shows an Afghan mother cradling her baby with her left arm and holding a tear gas grenade in her right hand; the image was used against her by the Greek police after the Moria refugee camp was engulfed by flames.

“The title of this photograph is *Mâdar* (meaning “mother” in Farsi) of *Piety* because it reminds me of the *Madonna della Pietà*, with the body of Jesus cradled in the Virgin Mary’s arms, after being taken down from the cross. A mother holding love in one hand and hate in the other.”

10x12 cm____Digital image printed on canvas



Untitled___2020

Salwa Raheen

Afghanistan



10x12 cm___Acrylic on canvas

Salwa Raheen lives and works in Kabul. She holds a Bachelor's Degree in Graphic Design and a major in Visual Arts and Performing Arts. She addresses the problems and difficulties faced by Afghan women in society and is engaged in supporting and promoting Afghan culture. With the current government, she cannot freely make or display her works, but hopes to continue practicing art in the future.



Protection from the rain___2015

Paşa İmrek

Turkey

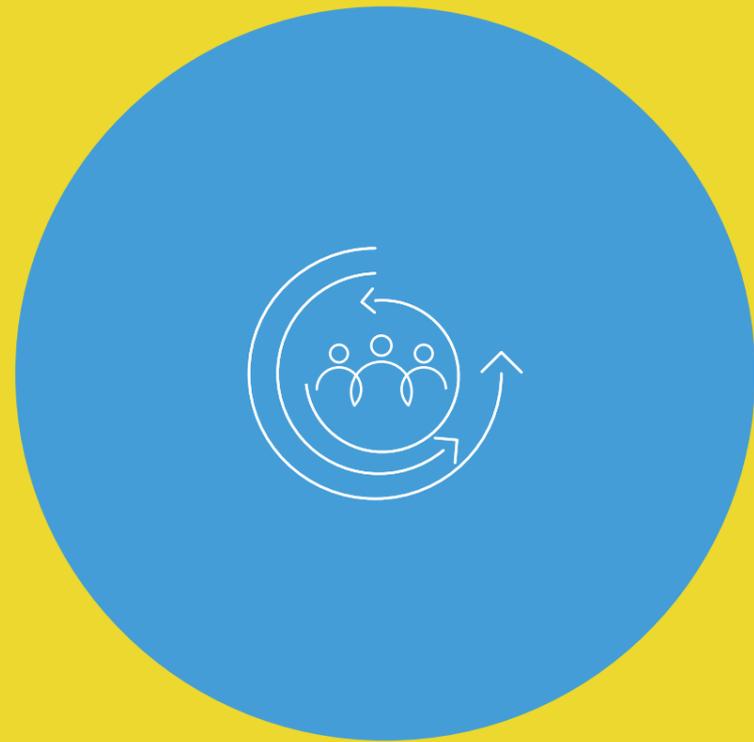


12x10 cm___Photograph on archival paper

Born in the Hilvan district of Sanliurfa province, Turkey, Imrek is self-taught in the field of photography, and has never received artistic training. His photos, taken with his analog camera and drawing on street life, reflect real issues in society. He closely followed the Syrian war and the wave of migration that accompanied it. He documented the plight of refugees in tent cities on the Syrian border. He traveled to Syria and photographed what was left after the war in Kobanê.

He was selected, in 2017, for the Professional Photography category at the Sony World Photography Awards and the International Photography Grant for the Kobanê project, and was a finalist at the Hamdan bin Mohammed bin Rashid Al Maktoum International Photography Awards (HIPA) in 2022.





People

Wellbeing to work better: this is the philosophy that has oriented the HR Department's strategy over the past year. It is not a fad, nor an abstract concept: it is not the illusion of a company in which everyone is totally happy. The philosophy revolves around designing ways of work and interaction within Benetton Group through the different stages of the Company's journey: from recruiting to on-boarding, from training to ongoing growth through different roles and functions, with a continuous and reciprocal exchange of skills. This way of understanding the role of the Company's HR Department has resulted in a series of projects and initiatives that can be grouped into the following three main categories: Wellbeing, Diversity & Inclusion and Value Creation.

Wellbeing

__Actively and concretely dealing with wellbeing means renewing the ways through which we organize and experience tomorrow's work: processes, policies, environment, common spaces, context, values, culture and leadership - putting people first__

Stefano De Marchi, Chief HR & Organization Officer, Benetton Group

Wellbeing within the Company
For Benetton Group, the concept of wellbeing is embodied by a series of actions aimed at caring for and developing people, sharing common goals and values and enabling collaboration by leveraging positive and rewarding relationships. In this light, existing projects, including corporate welfare, have been enriched by new initiatives with a view to promoting an engaging and stimulating professional environment capable of enhancing the production of every employee.

Great Place to Work

In 2022, Benetton Group launched a process of analysis and improvement in collaboration with Great Place to Work, a company specialized in organizational research and consulting for more than 30 years. The research model used hinges on people, analyzing the company and its culture through the opinions and experiences of its employees. Consolidated through over 30 years of research on companies around the world, this analysis is universal. An anonymous questionnaire was prepared to probe perceptions regarding the quality of corporate life and collect suggestions. The survey involved a sample equal to 30 percent of the corporate population in Italy and was launched on an experimental level in 2022. The outcomes of the first survey guided a number of actions that were put into practice in 2023. For example, the development of tools to boost internal communication and

the implementation of GoodHabit, a training system characterized by a hundred courses made available to all Italian employees of the Group, both at headquarters and in stores. In 2023, the survey was extended to include all Group employees, with a 76% response rate. The outcomes of the analysis are being processed and actions will be developed for implementation in 2024.

Company Welfare project

Launched in 2015, "Benetton per Te" (Benetton for You) is a program aimed at the wellbeing of Benetton Group employees and their families targeting improvements in work-life balance and life in the company. The program includes a number of initiatives organized according to three main areas. The first relates to Flexible Benefits and, starting in April 2024, will offer the entire corporate population an opportunity to take advantage of the welfare bonus indexed to the achievement of the Group's objectives, in the form of welfare credit, with the tax and contribution benefits provided for by the regulations. The second relates to special agreements, including discounts on services that will soon be accessible also through a dedicated App. The third comprises all the evergreen initiatives, such as the Ethical Hour Bank (a tool where employees can donate vacation and/or leave hours), the Ponzano Children's Center (the preschool for employees' children) and the Health Plan and Supplementary Pension Scheme.

Better Inside Better Outside

Although we are all aware of the importance of mental and physical health, the rhythms of daily life often lead us to underestimate its importance. To this end, the Group launched "Better Inside Better Outside," a project that aims to disseminate a culture of wellbeing in the company and consequently improve performance. Implemented in collaboration with partner BioTekna, the program involved the organization

of a meeting with employees every two months to share methods and tools to organize their lifestyle and feel good about themselves and in group interaction. To date, the program involves leadership team members, board managers and young people who have participated and are part of the BYG_Benetton for Young Generations program.

Beach Volleyball Trophy

Benetton Group has always cultivated a very strong connection with the world of sports. An example is the Villa Minelli Trophy, an annual beach volleyball tournament with the participation of all headquarters employees. Also in 2023, the Trophy offered an opportunity to get physical activity, make new friends and, above all, have fun, cultivating the company values of cooperation, sportsmanship and positive attitude.

GRI 401-3 Return to work and retention rates of employees that took parental leave								
	2022				2023			
	Italy	Europe	Rest of the world	Total	Italy	Europe	Rest of the world	Total
Employees with right to:								
Maternity leave	52	88	27	167	57	55	23	135
Paternity leave	5	1	8	14	10	3	10	23
Total	57	89	35	181	67	58	33	158
Employees who took parental leave:								
Maternity leave	52	84	27	163	57	53	20	130
Paternity leave	5	1	8	14	10	3	9	22
Total	57	85	35	177	67	56	29	152
Employees who returned to work after:								
Maternity leave	59	74	18	151	43	50	19	112
Paternity leave	5	1	8	14	10	3	9	22
Total	64	75	26	165	53	53	28	134
Maternity leave	113%	88%	67%	93%	75%	94%	95%	86%
Paternity leave	100%	100%	100%	100%	100%	100%	100%	100%
Total	112%	88%	74%	93%	79%	95%	97%	88%
Retention rate - Employees who returned to work after parental leave ended and who were still working 12 months after their return to work								
Maternity leave	32	67	10	109	47	38	10	95
Paternity leave	8	1	5	14	5	1	3	9
Total	40	68	15	123	52	39	13	104
Maternity leave	74%	86%	77%	81%	80%	51%	56%	63%
Paternity leave	80%	50%	63%	70%	100%	100%	38%	64%
Total retention rate	75%	85%	71%	80%	81%	42%	50%	63%

The 2022 figures have been adjusted as a result of the improved data collection process.



Internal communication

In a period of radical change, internal communication represents a key asset for Benetton Group. With this in mind, at the end of 2022 a new function was created within the HR Department dedicated to consolidating a shared corporate culture and updating employees and collaborators with respect to ongoing projects and strategies, with a view to fostering participation. In the first year, the focus was on developing a mindset geared toward sharing information across different areas of the Company. To this end, “Redazione Diffusa” (Expanded Internal Press Office) was established. This was followed by the implementation and improvement of tools necessary to facilitate the circulation of content: for example, the digital magazine *Il Filo Verde* (The Green Thread), a monthly newsletter for internal communication, along with the corporate Intranet using new software integrated into the Microsoft365 ecosystem.

___Use the digital magazine, be part of it, feel engaged___

Massimo Renon, CEO of Benetton Group

Digital magazine

Il Filo Verde is a digital house organ that collects and shares the Group's stories and voices in a streamlined and engaging mode. The eye-catching graphics recall a fashion magazine. Content is produced by the

Redazione Diffusa staff, coordinated by the Internal Communication team. In 2023, 61 articles were published at biweekly intervals divided into four categories: Benetton World, People, On the Agenda, Style and Product. The articles featured multimedia content with a description of the Company's main events and projects. Many articles also included interviews with the main players of the topics covered, with a view to leveraging the behind-the-scenes storytelling while enhancing employee skills and activities.

New Intranet

In 2023, the corporate Intranet was revamped both functionally and in terms of content. First, the Group migrated to the SharePoint application, which allows the tool to be integrated within the Microsoft365 ecosystem, also accessible from Teams and with a quick and easy consultation mode. The migration presented an opportunity to update and streamline some pages that had become

outdated and difficult to access over the years. The new Intranet comprises the Company's operational information and communications - from corporate policies to the cafeteria menu - and a

news section with information about upcoming appointments, events and any updates to the system or procedures.

Redazione Diffusa Redazione Diffusa is composed of a group of stakeholders from different Departments and regions, who meet weekly to define the editorial plan of the content to be published and shared on the different Company's internal communication channels.

Coordinated image

Consolidating a consistent Group identity is of the essence for a company as complex and diversified as Benetton Group. For this reason, in 2023, the Group reviewed and updated the brand identities of United Colors of Benetton and Sisley with a view to providing Group employees with clear and precise guidelines for communicating the brand image outside.

People in the store

Benetton Group has always been committed to ensuring a high-quality customer shopping experience. For this reason, in 2023, Retail Training was strengthened with field trainers dedicated to providing training directly in the stores and with increased Learning Design skills that enable in-house development of digital training activities. Courses were delivered through a combination of online webinars, engaging videos, gaming and in-store events led by the Retail Training team. In 2023, training covered a variety of topics ranging from product to sustainability and from commercial focus to store tools.

Several digital tools were developed in order to ensure daily support and improved store performance.

These include the Yoobic platform, an easy and intuitive tool, accessible from a computer or smartphone, which is now used by the entire store population in Italy and will be extended to foreign countries in the future. The implementation of Yoobic Learning, developed at the beginning of May and launched in mid-September in Italy, allows every member of the sales team to view and participate in constantly updated courses addressing improved sales performance and the acquisition of customer service skills. In 2024, an e-learning section will be added for foreign countries, featuring streamlined and interactive content useful for improvement in sales and customer relations.

Selling experience

Benetton Group is redesigning the customer experience of United Colors of Benetton stores, pursuing a service model reflecting premium positioning with an increased level of customer service and interaction. Launched in May 2023, the initial study phase lasted until November. A pilot phase will commence in 2024, resulting first in the measurement of the initial project KPIs and later in understanding how the model can be improved in order to create a new selling experience that reflects and expresses the full value of the renewed Benetton brand.

___We will create a distinctive and personalized sales experience that will increase the conversion rate and bring customers to interact with the store___

Martino Boselli, Chief Commercial & Sales Officer, UCB

Industrial relations

A key element in ensuring Benetton Group's growth and success is dialogue with the objective of finding innovative solutions that contribute to employee wellbeing and establishing firm rules governing corporate life and business development, reconciling work-life balance and sustainability expectations with those of the Company. Benetton Group has always

distinguished itself for the high degree of discussion with workers' representatives, which - over time - has resulted in a series of Second Level Agreements (i.e., Supplementary Company Agreements) that have added rights and rules that improve on the legal and the national industry bargaining provisions. The latest one, the “Agreement for Innovation and Development 2021-2023,” is the 2021 Corporate Supplementary Agreement, which has regulated corporate life over the past three years.

Today, having completed its mission, the Agreement leaves the parties solid foundations upon which to further develop the negotiation of worker conditions. Negotiations are already in progress between the Company and local union representatives to stipulate a new agreement for the next three years, with a view to providing continuity and congruence with the Company's needs. The Company is therefore

continuing its consolidated tradition of recognizing the value of collective bargaining as a valuable tool for determining contractual conditions and regulating relations between Company management and trade unions. In addition, full compliance with all national collective bargaining agreements (SMI Textile, Trade, Executives, etc.) is confirmed, including disclosures in case of major organizational changes. When National Collective Bargaining Agreements are not available abroad, labor relations are managed in compliance with the applicable national laws and regulations, apart from exceptions in favor of workers. At the end of 2022, the Company acquired three production plants abroad. Two due diligence activities were launched in Serbia and Croatia, which did not reveal any critical issues for the HR and employee relations part and highlighted, in fact, some positive outcomes for the workers. A due diligence activity, expected to be completed in 2024, is now in progress in Tunisia. In Italy, two meetings with workers are organized on an annual basis for alignment.

Health and safety

Benetton Group is committed to implementing ongoing improvement actions and preventive measures to manage aspects concerning workers' health and safety. The risk assessment and improvement actions are subject to constant updating, with particular reference to the risks concerning activities, context and interference of

enterprises engaged in the assembly, service or maintenance sectors. The basic and refresher training sessions coordinated and/or held by the Prevention and Protection Service are administered according to the role held and the level of risk in e-learning, videoconference, classroom or on-the-job mode, and constitute a moment of dialogue and reporting aimed at contextualizing and actively involving all participants in the culture of prevention. Every option includes an analysis of accidents and near misses, which is fundamental to verify the effectiveness of the prevention measures adopted and implement possible improvements. In 2023, the efforts of the Prevention and Protection Service focused in particular on the preparation of specific integrations to the risk assessment and emergency plan and basic and refresher training for workers responsible for firefighting activities, in accordance with the regulatory and organizational changes enforced, including also several practical scenario simulations carried out in a dedicated test field. In relation to the Covid-19 risk, the protocol shared in the workplaces was updated by monitoring the cases and implementing the necessary prevention measures each time, as required by current regulations.

GRI 403-9 Work-related injuries		2022							2023	
	m.u.	Italy	Europe	Rest of the world	Total	Italy	Europe	Rest of the world	Total	
Employees										
Hours worked	h.	3 254 863	3 771 432	3 316 774	10 343 069	3 448 006	3 955 895	3 020 356	10 424 257	
No. of work-related injuries	no.	15	61	4	80	12	42	4	58	
of which commuting injuries	no.	-	11	-	11	1	12	-	13	
of which with high-consequence	no.	-	1	-	1	-	-	-	-	
No. of fatalities	no.	1	-	-	1	-	-	-	-	
Fatality rate	%	0.31	-	-	0.10	-	-	-	-	
Rate of high-consequence work-related injuries	%	-	0.27	-	0.10	-	-	-	-	
Rate of work-related injuries	%	4.61	16.17	1.21	7.73	3.48	10.62	1.32	5.56	
Workers who are not employees										
Hours worked	h.	233 367	-	46 108	279 475	291 835	20 086	5 329 130	5 641 051	
No. of work-related injuries	no.	7	-	-	7	5	-	-	5	
of which commuting injuries	no.	-	-	-	-	-	-	-	-	
of which with high-consequence	no.	-	-	-	-	-	-	-	-	
Rate of high-consequence work-related injuries	%	-	-	-	-	-	-	-	-	
Rate of work-related injuries	%	3.00	-	-	25.05	1.71	-	-	0.89	

The 2022 figures have been adjusted as a result of the improved data collection process.

Based on Benetton's internal policies, the injuries reported (recordable injuries) are those which resulted in the employee being absent from work for more than 24 hours. Mainly, injuries are related to commuting to and from the workplace with transportation managed by the organization, internal transfers and the handling of goods.

GRI 403-10 Work-related ill health		2023		
		Unit	Employees	External staff
Recordable work-related ill health		-	1	-
Casualties (work-related ill health)		-	-	-

Diversity and Inclusion

___What makes me proud of the program and my job is helping young colleagues to grow professionally and become increasingly autonomous, and feeling that they are developing an increased sense of belonging to the Company___

Giada Trentin, Training & Development, Benetton Group

Gender inclusion initiatives

In Benetton Group's population, women have always played a central role in numerical terms. The Company promotes adequate female representation in hiring and promotion processes at all levels of leadership, with increasing attention to senior management levels, encouraging good work-life balance practices to this end. In recent years, the Group standardized a number of initiatives that facilitate work-life balance, with a focus on the needs of female employees.

Remote working and flexible working hours

In 2023, Benetton Group employees logged more than 300 000 hours in remote working mode. Envisaged in the 2021-2023 Supplementary

Labor Contract, remote working promotes better work-life balance of individual workers and families, with a significant impact on the possibility for female workers to better pursue their career goals. This provision includes work flexibility, i.e. flexible time to start working in the morning, lunch breaks, and the possibility for parents with school-age children to engage in remote interviews with teachers during working hours, for a maximum of 15 minutes per day.

Baby Gift

The Baby Gift initiative was also renewed in 2023. This is a gift voucher for the purchase of products from the Benetton Kidswear line to share in the celebration of a newborn's arrival with employees who have just become parents or grandparents. The voucher

amount to Euro 150 for parents and Euro 50 for grandparents.

Generations in the Company

A future-oriented company must put youth at the center. In 2023, Benetton Group implemented a series of projects and activities aimed at increasing its attractiveness as a prospective employer, encouraging generational change, better accommodating new recruits and offering more opportunities for internal growth. These initiatives are part of a corporate culture that has always celebrated new generations and cross-cultural exchange as a driver of innovation.

Universities Outreach

Benetton Group collaborates with more than 22 universities and institutes. In 2023, the Company organized Career Days both online and in-person with 15 universities, including: IUAV and Ca' Foscari of Venice, H-Farm, University of Padua and Verona, IED of Milan, and TAG. In 2023, the Company also launched the "In-House Career Days" and students were invited to the Castrette headquarters to visit the company, learn more about the world of work and familiarize themselves with different company functions. Challenges were also launched at other partner institutions, with the Company giving a brief to students on a specific theme or business area, from design to e-business, and then listening to

students' proposals, offering feedback and a prize for the most interesting work. In 2023, Benetton Group also provided two scholarships to H-Farm College students on digital technology.

Warm Up Internship Program

In February 2022, Benetton Group formalized Warm Up, a program that aims to welcome young students, undergraduates and recent graduates interested in undertaking training or starting a career path in the company. Young people who join the company receive all-round training. They are tutored by a reference mentor to acquire trade-specific skills and develop hard skills, and by accessing the Benetton Warm Up Training Program, an in-person training plan, they can learn more about the corporate culture while developing soft skills. The Warm Up program includes both mentoring and reverse mentoring moments to create a continuous exchange of know-how and experience between newcomers and those who have been in the Company for some time. In order to facilitate access to the program for resources from all over Italy, young interns are given an opportunity to take advantage of shared residencies for the internship period. 64 interns were accepted in 2023, and 31 have been confirmed and received an apprenticeship contract. The program has come to its fourth edition, with a total of 125 young participants and a 66% conversion rate into apprenticeship contracts.

The Company is currently working on a Warm Up 2.0 project.

BYG_Benetton for Young Generations

Generational change and new competencies are key issues for the development of any organization. These are the foundations of BYG_Benetton for Young Generations, the training and development plan dedicated to young people under 32, which during 2023 reached its second edition. The program lasts about eight months and involves the participation of colleagues at both the headquarters and the store network, in Italy and

abroad. The young people involved are chosen by the supervisors, who make the selection based on objective criteria such as age, seniority in the company, positive performance and fluency in English. In addition, the worker's distinctive characteristics are evaluated, such as motivation for growth, communication and interpersonal skills, flexibility, proactivity, energy and enthusiasm, curiosity and openness to change. BYG_Benetton for Young Generations is based on three pillars:

- Explore, to get to know oneself, outline the development of competencies and explore possible

professional scenarios:

- Experience, to build the career path through on-the-job experience, knowledge of corporate functions and a privileged relationship with management;
- Excellence, to enhance managerial skills through an exclusive training program in partnership with CUOA Business School and a psychophysical performance training and monitoring program in partnership with BioTekna.

Fabrica

Since its establishment in 1994, Fabrica, Benetton Group's research center, has stood out as a cross-cultural

and multidisciplinary center where personal growth combines with the fine-tuning of professional skills. In 2023, Fabrica's educational program welcomed 35 young people from 26 different countries. Over its 30 years of activity, Fabrica has developed a network of more than 800 Alumni from 80 countries, including designers, artists, researchers, photographers, videomakers, filmmakers, musicians, writers, journalists and all-around creative talents, a Babel of different cultures and languages, sensibilities and styles.

Ongoing collaboration
Inclusion in a work environment also means building a context in which exchanges of ideas and skills between people from different roles, functions and headquarters are encouraged and fostered. For this reason, in 2023, Benetton Group launched or continued a series of projects.

Leading Across Generations

Leading Across Generations is Benetton Group's project dedicated to increasing the ability of leaders to retain, enhance and develop young talent. The ultimate goal of the project is to manage different generations with different needs and expectations. The three pillars are:

- Explore: explore one's managerial style and be able to organize an action plan that enhances the strengths of an individual (360° Feedback - Individual Profile);
- Experience: a training course that focuses on knowledge and experience, developing five functional skills for talent management and growth;

- Excellence: moments of connection and collaboration between managers and young colleagues based on reverse mentoring. Infinity is the training provider supporting Benetton Group in the Leading Across Generations project.

Employee Value Proposition

In 2023, Benetton Group began a process of redefinition of its Employee Value Proposition, with a view to improving the communication of the Company's value to internal and external talents. The process involved a representative sample of the corporate population in Italy, both at headquarters and in stores, who participated in two co-creation workshops and a number of interviews with top management, using a set of tools including an online survey. The process fostered interaction and sharing between new hires and people who had been with the Company for a long time. The outcomes were then summarized in a document that collected the different points of view that emerged during the process and highlighted the need

for a balance to be found between the Company's heritage dimension and its future orientation at a time of strong transformation for the Benetton Group.

"45 Minutes With"

In May 2023, Benetton Group launched "45 Minutes With", a new format designed to enhance internal resources and skills and circulate corporate culture. "45 Minutes With" is a monthly event that takes place on Fridays - when most of the corporate population is in remote working mode - with the participation of employees from headquarters and stores. The goal is to create an opportunity for sharing, discovery and engagement through project enhancement, rewarding participation with branded gifts and some Q&A moments. To date, six sessions have been organized, with more than 500 participants in total, featuring talks by various Company profiles, experts in fields as diverse as sustainability, style, creativity, education and advertising, and some external professionals.

Employee Value Proposition: The Employee Value Proposition comprises a group of promises. It specifies what employees and candidates can expect to receive from a company and what they can give back. The Employee Value Proposition provides motivation for people and helps answer questions such as: why should I join this company? Why should I stay? Why should I continue to engage in the work?

GRI 404-1 Average number of training hours provided broken down by employee and year							
Training hours		2021		2022		2023	
	m.u.	Men	Women	Men	Women	Men	Women
Managers							
Total training hours delivered	Hours	34		130		413	
By employee	Hours/employee	1		3		10	
of which to:	Hours/employee	1	3	3	5	10	12
White collars							
Total training hours delivered	Hours	33 970		28 291		29 063	
By employee	Hours/employee	5		4		4	
of which to:	Hours/employee	4	5	5	4	5	4
Blue collars							
Total training hours delivered	Hours	271		719		1 374	
By employee	Hours/employee	1		3		9	
of which to:	Hours/employee	1	1	3	3	9	8
Benetton Group							
Total training hours delivered	Hours	34 275		29 140		30 850	
By employee	Hours/employee	5		4		4	
of which to:	Hours/employee	4	5	5	4	6	4

Remuneration

The contribution of each employee is fundamental to Benetton Group's growth; therefore, the Group is committed to setting remuneration policies that are appropriate, fair and in line with national laws and collective bargaining agreements. Incentive programs are developed based on criteria of transparency and competitiveness.

Incentives for managers

Also in 2023, the short-term (MBO, Management by Objectives) corporate and long-term (LTI, Long Term Incentive) management incentive plans were launched, including the assignment of financial bonuses to managers who reach specific corporate and individual

targets. Today, the plan is operational in 17 countries and involves over 150 managers, 30% of whom are abroad. The structure and mechanism of the plan include objectives linked to economic and financial performance at the Group level as well as in terms of individual performance, in order to orient behavior toward the effective achievement of business results. The three-year 2021-2023 incentive plan (LTIP - Long Term Incentive Plan) was also confirmed for some key managerial positions operating both in Italy and abroad. The objective is to focus Top Management on the medium- and long-term business KPIs envisaged in the 2021-2023 Business Plan in order to ensure the sustainability of the Group's economic

and financial performance.

The structure and the KPIs of the short- and long-term incentive plans were reviewed and assessed by the Human Resources and Remuneration Committee and subsequently submitted to the Board of Directors for final approval.

Reward - Senior Manager

All Benetton Group executive manager recruitment and appointment proposals were thoroughly discussed by the Human Resources and Remuneration Committee and then approved by the Board of Directors.

SM Mapping

In 2023, Benetton Group continued mapping the performance of the

sales network with a view to having a constantly updated snapshot of the managerial population in an ever-changing context. The purposes are identifying the potential of the network and building effective and shared development plans to manage turnover and organizational needs; and knowing the critical issues in order to define how to best support the management.

Incentives for the sales network

In 2023, the incentive plans dedicated to the sales network were confirmed in line with the previous year. The KPIs were identified based on consistency aspects including role, channel and region to measure the contribution of each individual to the achievement of business results.

Value creation

Local communities

The Benetton campus comprises three locations within a 10 km range in the highly-populated province of Treviso. For decades, the Company has been a major employer in the area and strives to positively impact the lives of its communities through a range of projects and initiatives spanning from the Ponzano Children Center to Fabrica and the Archives.

Ponzano Children

Ponzano Children is a childcare center with five sections for children of different ages: two for infant day care, one for the nursery school and two kindergartens, for a total of about 100 children ranging from 9 months to 6 years of age. Founded in 2008, Ponzano Children hosts both the children of employees and the children of the residents, promoting a dialogue between the Company and the territory and ensuring an educational service of excellence to the families living close to the Company. Located in a building designed by Spanish architect Alberto Campo Baeza, Ponzano Children hinges on building relationships and promoting research, the wellbeing of children and the community consistently with the guidelines set by the nurseries and kindergartens of Reggio Emilia.

XXII Business Culture Week

Promoted by Confindustria and organized by Museimpresa, the Business Culture Week organizes a series of events each year in Italy aimed at sharing the cultural heritage held by museums and company

archives. On the occasion of the XXII edition - entitled "The Person at the Center of Sustainable Development. The soul of a responsible enterprise" - the Benetton Archives were opened to the public on November 11, 2023 to share the main steps of the Company's history, with a focus on respect for the environment and the people. In addition to the visit to the Archives, guests also participated in a meeting with the Sustainability team members, who explained Benetton Group's current sustainability strategy, hinged on the idea of continuous evolution in harmony with the planet. Moreover, the tour included a historical selection of magazines, advertising campaigns and communication initiatives dedicated to the issues of environmental protection, energy crisis, waste emergency, animal welfare and climate change.

Exhibitions-events at Fabrica

Curated by Spanish filmmaker Carlos Casas, Fabrica's cultural program features a busy schedule of meetings and creative workshops with international experts and professionals, free and open to the public. Over the course of the residency semester, Fabrica's young artists develop research work that contributed to a final exhibition on a socially relevant theme. In July 2023, the exhibition-event *Monument to Dust* explored the concept of the archaic through installations, images, videos, sculptures, readings, projections, live drawing and performance sessions. More than 500 people attended the event.

Venezia Fabrica Futura

Venezia Fabrica Futura is an eco-critical workshop on Venice, set up by Fabrica at the Ospedaletto Complex in Venice from May to October 2023. Starting from its headquarters, Fabrica moved to Venice to explore alternative futures already present in its complex ecosystem. Among the works on display were a series of multimedia projects created by the center's young artists along with presentations, tastings, concerts, projections and performances with international guests. The workshop was inaugurated on May 19, 2023 with the participation of 700 guests and continued on the occasion of Art Night Venezia in June and on the occasion of Biennale Musica 2023 in October.

Merry Fabrica

On Saturday, November 16 and Sunday, November 17, 2023, the Group celebrated the sixth edition of Fabrica's Christmas event, which over the years has developed into a welcome recurrence for consumers looking for a different shopping experience, one that includes workshops, music, street food and creativity. In addition to the market area, with more than 70 selected makers, most of them local, the program also included a series of cultural activities: a robotics workshop, a creative embroidery workshop, a children's reading-show, a printing technology workshop, a Japanese bookbinding workshop and two musical performances. More than 6 000 people attended the event.

__Merry Fabrica is not only a shopping opportunity. It is a 360° experience. The location is magnificent. There is culture, open and free events organized for the public. There are moments of conviviality with food trucks and evening concerts__

Daniela Mesina, Creative Production Manager, Fabrica

GRI 405-2 Ratio of basic salary and remuneration for women and men - Italy						
	2021	2022	2023	2021	2022	2023
Offices	Salary ratio			Remuneration ratio		
Managers*	-	-	85%	-	-	74%
Middle managers	98%	98%	98%	96%	96%	94%
White collars	92%	90%	89%	92%	90%	88%
Blue collars	98%	95%	92%	98%	95%	93%
Stores	Salary ratio			Remuneration ratio		
Middle managers	117%	117%	116%	117%	127%	122%
White collars	87%	87%	89%	86%	84%	86%

(*) The Managers category refers only to Senior Managers. The 2021-2022 ratio is not shown because the number of senior female managers in the sample makes the index irrelevant.

(**) In stores, the number of middle managers is rather low, and therefore it can vary significantly due to fluctuations in turnover.

GRI 2-21 Annual total compensation ratio		
Year	Total annual remuneration ratio	Variation in the total annual remuneration ratio
2021	32.82	-30
2022	45.45	220.5
2023	63.47	29.72

In the three-year period, the CEO is the person who receives the highest salary.



Supply chain

With a view to creating value in all the regions in which it operates, both directly and indirectly, Benetton Group is committed to ensuring respect for human and workers' rights throughout the supply chain.

Supplier selection

Benetton Group selects its suppliers not only based on criteria of quality and competitiveness of the products offered, but also on compliance with social, ethical and environmental principles. In 2023, the Group continued the process to bring production activities closer to Italy, a more environmentally sustainable choice that will make it possible to integrate and optimize the platforms already existing in Europe while meeting the wishes of increasingly demanding consumers. A list of current suppliers located all around the world is available for consultation on the Benetton Group website: www.benettongroup.com/sustainability/supply-chain/.

Code of Conduct

Based on respect for human rights and protection of the environment, the Group's Code of Conduct implements the most relevant international standards, with particular reference to the UN Guidelines on Business and Human Rights of June 2011 and the Communication from the European Commission on the renewed strategy on Corporate Social Responsibility of October 2011. Any individual or company that establishes a business relationship with Benetton Group must comply with the Group's Code

of Conduct. To make the Code of Conduct more understandable and support suppliers in the operational implementation of its requirements, the Code of Conduct is available on the Group's website in several languages along with the Guidelines for Benetton Group's Code of Conduct for Manufacturers, which specifies Benetton's expectations regarding safety in the workplace, respect for workers' rights and environmental protection, and provides operating solutions and practical examples.

Higg FSLM

As an active member of the Cascale - the largest international alliance among fashion brands and textile producers that promotes sustainable production - in 2023 Benetton Group adopted the Higg Facility Social and Labor Module (FSLM), a tool that measures the social performance of its suppliers. The module focuses on the verification and promotion of fair and safe working conditions along the supply chain and the assessment of the effectiveness and efficacy of the social management systems, in line with the Group's Code of Conduct and the most relevant industry standards. Benetton is committed not only to guaranteeing and giving evidence of respect for human rights for its direct and indirect workers, but also to actively collaborating with other brands, suppliers, worker representatives and associations in order to define a common standard to assess social impacts and monitor progress in ensuring safe and dignified working conditions. Compared to

a proprietary tool, the Higg FSLM module offers the opportunity to reduce the effort associated with audit activity, allowing resources to be focused on improvement actions and ensuring data comparability. To this end, the Higg FSLM contents reflect the Social & Labour Convergence Program (SLCP) framework, a multi-stakeholder initiative designed to develop a systemic solution to the proliferation of social audits by creating a common assessment tool (Converged Assessment Framework - CAF). The Higg FSLM module is required of all manufacturers of finished products (tier 1) with particular attention to those located in areas where respect for human and workers' rights is considered more at risk. The first step requires suppliers to compile a self-assessment module, which is then subject to on-site verification by an internationally recognized auditing firm qualified as a Verification Body. The audit verifies the accuracy of the information submitted and fills in the correct answers in the case of omissions or incorrect data. The tool focuses not only on the identification of non-conformities, but also on the monitoring of the management system for social issues and working conditions, with audits carried out in announced or semi-announced mode. Finally, the supplier has the opportunity to share the module on the platform with the different stakeholders (brand, retailer, other producers). Benetton Group is very sensitive to the protection of human rights and periodically updates its analyses to measure potential risks

associated with issues such as child and forced labor. All suppliers, including those located in other regions of the European Union - where no significant risks have been identified because the legislation adequately protects workers' rights and the compliance controls of the various supervisory bodies are considered effective - have been subjected to third-party audit on site, wherever possible. Benetton Group requires the annual submission of the Higg FSLM module from all manufacturers of finished products, expecting their performance to improve year after year. To this end, Benetton Group supports its suppliers in the remediation process through a monitoring activity that involves the periodic forwarding of updated corrective plans and evidence of the resolution of the identified non-conformities. In addition, Benetton Group is committed to providing capacity building programs to its suppliers with a view to continuous improvement. In 2023, 247 producers of finished goods were assessed on their social impact. Of these, approximately 50% implemented corrective measures to remedy the identified non-conformities, while 4 business relationships were terminated. Benetton Group is also committed to and working toward a progressive expansion of the scope of social performance measurement and evaluation activities on its supply chain. In 2023, 65 suppliers involved in second tier wet processes were subject to assessment.

Non-discrimination and freedom of association

Benetton Group believes that every company must be committed to rejecting any form of discrimination, ensuring fair and respectful treatment

of its people in all circumstances. In 2023, two employee reports of discrimination were received through the whistleblower mechanism which were positively solved. In addition, 7 cases of lack of worker

representation were identified. Other non-conformities were related to procedural issues and unfamiliarity of workers with representative bodies.

	2021	2022	2023
GRI 414-1 New suppliers that were screened using social criteria			
Total number of suppliers	55	98	53
of which:			
Suppliers screened for their social impact	22	59	31
% of new suppliers screened for their social impact	40%	60%	59%
GRI 414-2 Negative social impacts in the supply chain and actions taken			
Total number of suppliers	547	536	410
of which:			
Suppliers screened for their social impact	235	263	247
Suppliers identified as having significant negative social impacts, real and potential in relation to the company	38	21	8
Suppliers identified as having significant negative social impacts, real and potential in relation to the company with whom improvement actions have been agreed to mitigate social impacts	26	12	4
% of suppliers identified as having significant negative social impacts, real and potential in relation to the company with whom improvement actions have been agreed to mitigate social impacts	68%	57%	50%
Suppliers identified as having significant negative social impacts, real and potential in relation to the company with whom relations have been terminated after the assessment	12	9	4
% of suppliers identified as having significant negative social impacts, real and potential in relation to the company with whom relations have been terminated after the assessment	32%	43%	50%

International Accord for Health and Safety in the Textile and Garment Industry

In November 2023, Benetton Group adhered to the new International Accord for Health and Safety in the Textile and Garment Industry, through which the brands and the international trade unions confirmed their three-year commitment made following the event that is universally remembered as “the Rana Plaza tragedy.” The document serves as a framework contract for the implementation of country-specific security programs (CSSPs), currently in Bangladesh and Pakistan, and possible future programs in other clothing-producing countries. The Accord, of which Benetton was one of the first signatories, is an independent initiative involving approximately 150 fashion companies worldwide and also involving international trade unions, the International Labor Organization (ILO) and various non-governmental organizations. Developed to make all clothing manufacturing factories safe, leveraging the successful outcomes of the program implemented in Bangladesh, the new Accord is

expected to be expanded to other markets. The Accord helps ensure the safety of millions of textile workers by conducting independent inspections, providing training, requiring supply chain transparency and legally binding contracts. The main points are:

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

EIS project

In 2023, Benetton Group joined the Employment Injury Scheme (EIS) project, promoted by the International Labor Organization (ILO) in Bangladesh and aimed at protecting workers and their families from the risk of becoming destitute as a result of work-related injury, illness or death. Thanks to the voluntary contribution of participating brands, it is possible to guarantee the payment of supplementary compensation to protect workers, which will be progressively included in regular pay.

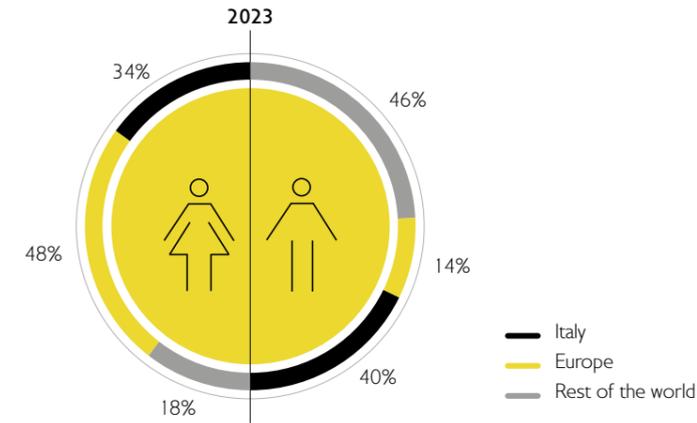
Projects in India

In 2023, Benetton India collected more than 170 000 quality items to donate them to the needy in the Delhi and Gurgaon region, relying on the mediation of local NGOs, including Goonj, Ashish Foundation, and Sapno Ke Pankh. Benetton India’s commitment to garment distribution in the Chamanpura village, in partnership with the NGO Mera Parivar, has been publicly acknowledged by local authorities. In December 2023, Benetton India, in partnership with the Medi-Help foundation, also

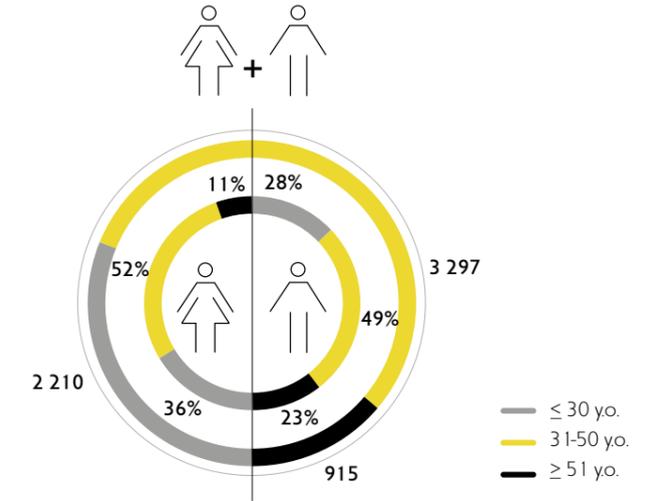
organized an eye screening camp on the premises of The Earth Savors foundation in the village of Mandawar-Gurugram. During the camp, computerized eye examinations were offered to 100 people, conducted by qualified eye surgeons, and personalized prescriptions were distributed along with eye drops and prescription glasses.

BENETTON GROUP: BREAKDOWN OF EMPLOYEES IN 2023

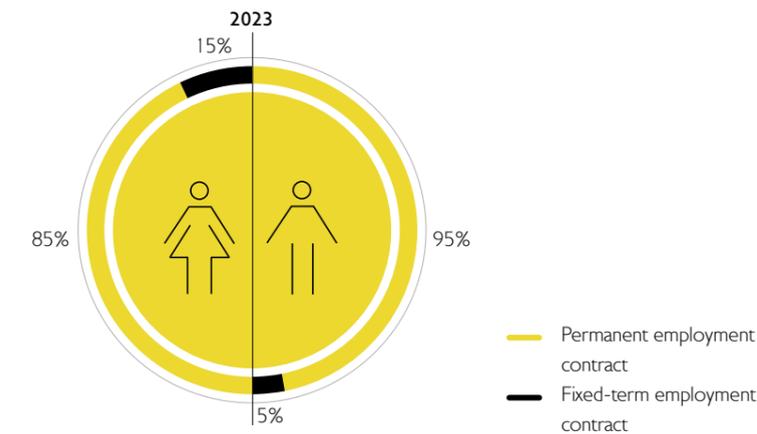
• by geographic area



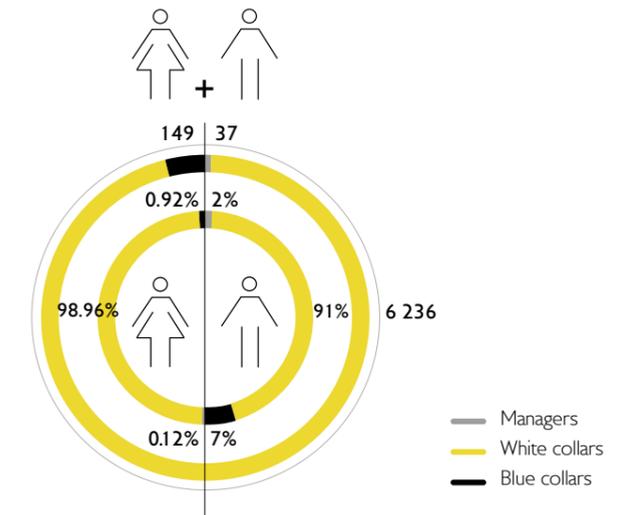
• by age



• by type of contract

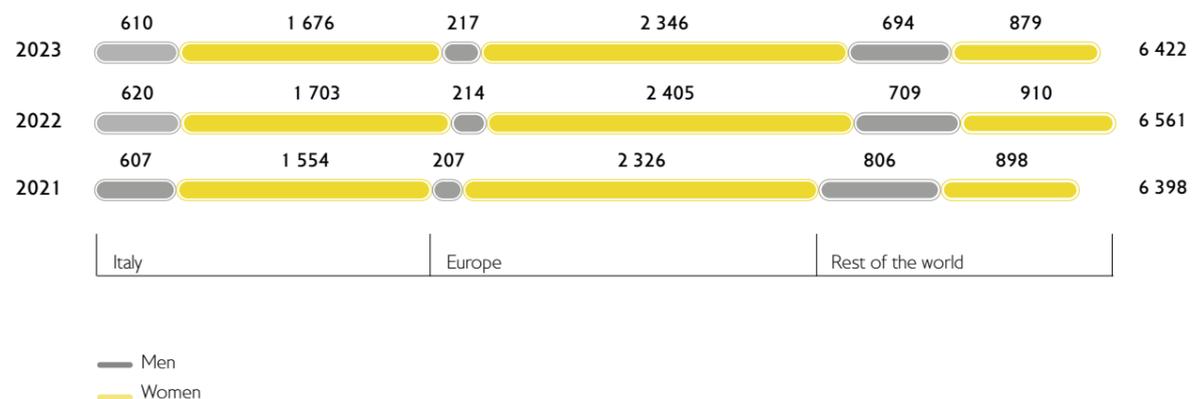


• by category





EMPLOYEES BY GEOGRAPHIC AREA



GRI 2-7 Information on employees by type of contract

Type of contract	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	1,544	3,983	5,527	1,496	4,245	5,741	1,445	4,165	5,610
Fixed term	76	795	871	47	773	820	76	736	812
Other	-	-	-	-	-	-	-	-	-
Total	1,620	4,778	6,398	1,543	5,018	6,561	1,521	4,901	6,422

Working hours	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	1,452	2,842	4,294	1,370	2,897	4,267	1,297	2,650	3,947
Part time	168	1,936	2,104	173	2,121	2,294	224	2,251	2,475
Other	-	-	-	-	-	-	-	-	-
Total	1,620	4,778	6,398	1,543	5,018	6,561	1,521	4,901	6,422

GRI 405-1 Composition of governance bodies and breakdown of employees by gender, age, allocation to protected categories and other diversity indexes

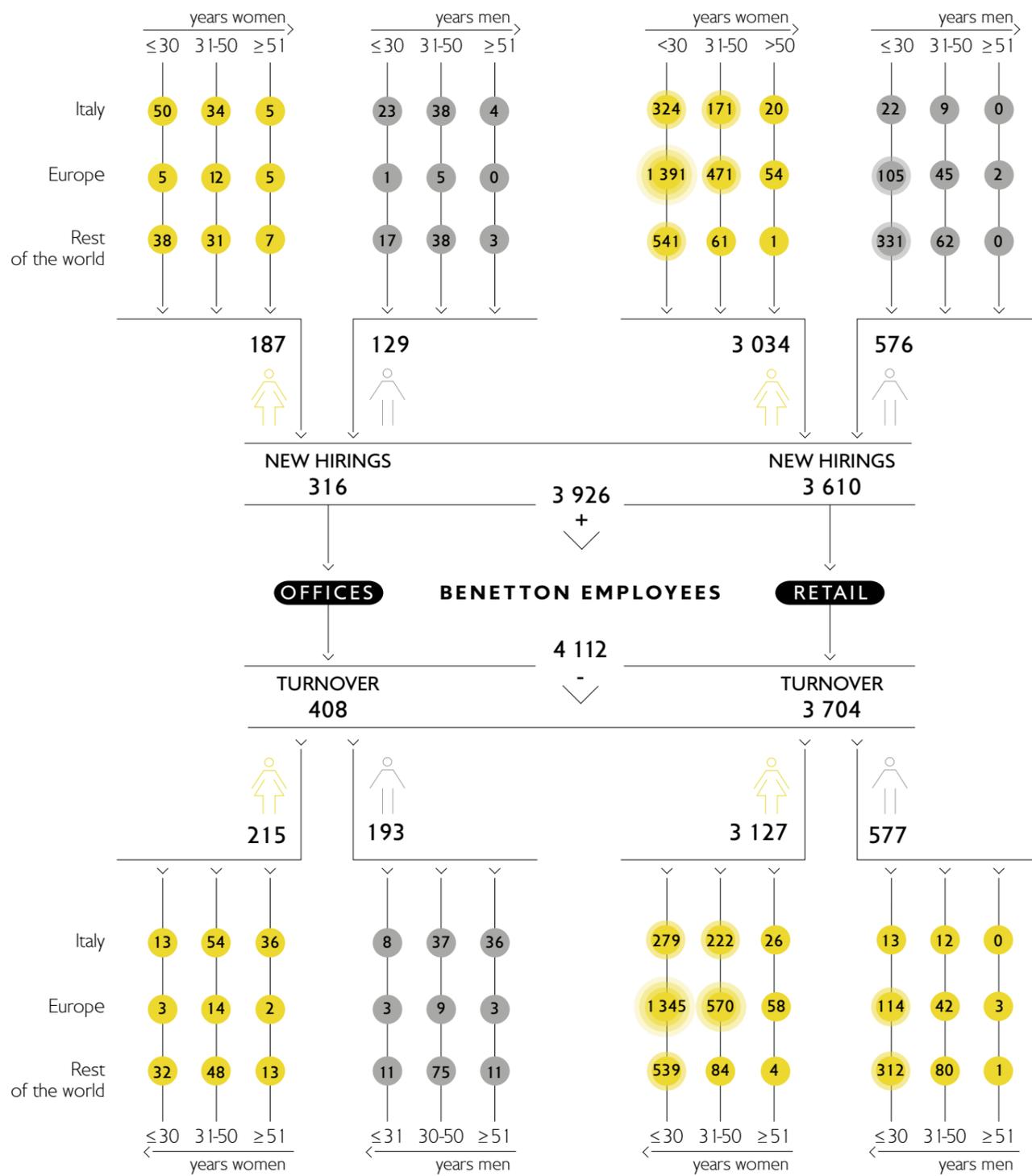
	Age bracket	Italy	Europe	Rest of the world	Total
Managers					
Men	≤ 30 yo.	-	-	-	-
	31-50 yo.	12	1	1	14
	≥ 51 yo.	12	3	2	17
Total men		24	4	3	31
Women	≤ 30 yo.	-	-	-	-
	31-50 yo.	2	-	1	3
	≥ 51 yo.	2	1	-	3
Total women		4	1	1	6
Total		28	5	4	37
White collars					
Men	≤ 30 yo.	56	83	273	412
	31-50 yo.	226	102	380	708
	≥ 51 yo.	201	27	38	266
Total men		483	212	691	1,386
Women	≤ 30 yo.	406	889	479	1,774
	31-50 yo.	919	1,261	357	2,537
	≥ 51 yo.	307	190	42	539
Total women		1,632	2,340	878	4,850
Total		2,115	2,552	1,569	6,236
Blue collars					
Men	≤ 30 yo.	11	1	-	12
	31-50 yo.	23	-	-	23
	≥ 51 yo.	69	-	-	69
Total men		103	1	-	104
Women	≤ 30 yo.	10	2	-	12
	31-50 yo.	9	3	-	12
	≥ 51 yo.	21	-	-	21
Total women		40	5	-	45
Total		143	6	-	149
TOTAL		2,286	2,563	1,573	6,422

Workers who are not employees (number)

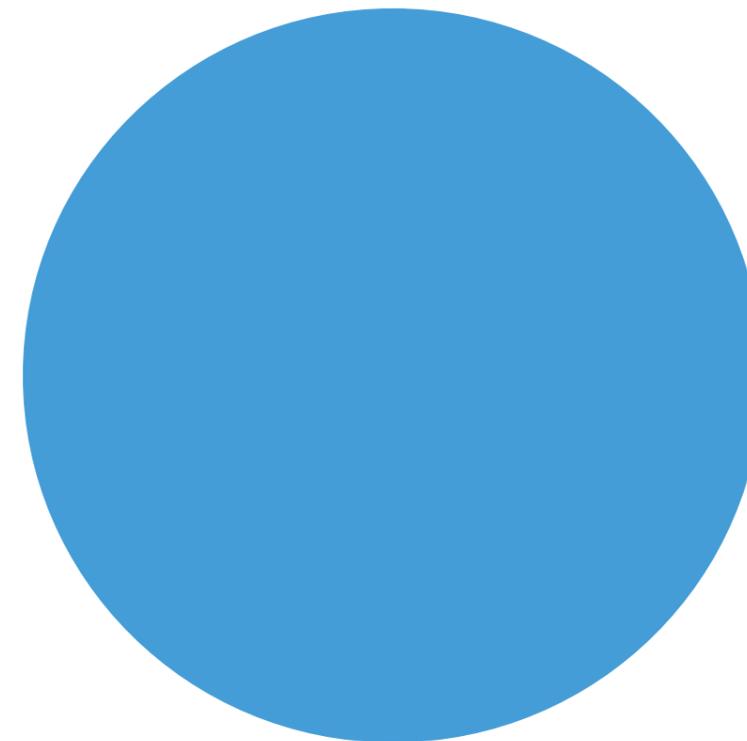
	Units	2022	2023
Total		-	2,623
Interns (pursuant to national law)		n.s.	72
Contractors hired by the organization to perform work at its premises, in a public area (e.g., a street), or directly at the premises of a client of the organization		n.s.	187
Workers hired through a temporary work agency		n.s.	224
Other		n.s.	2,140

The majority of non-employed workers are store staff. In some countries (India and Korea), these workers are not employed under a traditional employment contract. "Other" category also includes apprentices, other staff, freelancers, and part-time workers.

**GRI 401-1:
NEW HIRINGS AND
TURNOVER IN 2023**



New hires and turnover figures for 2023 do not match the difference between total employees for 2022 and 2023. This is due to internal contract transformations and reporting in accordance with local legislation by subsidiaries.



Getting lost___2023

Chinar Hassan

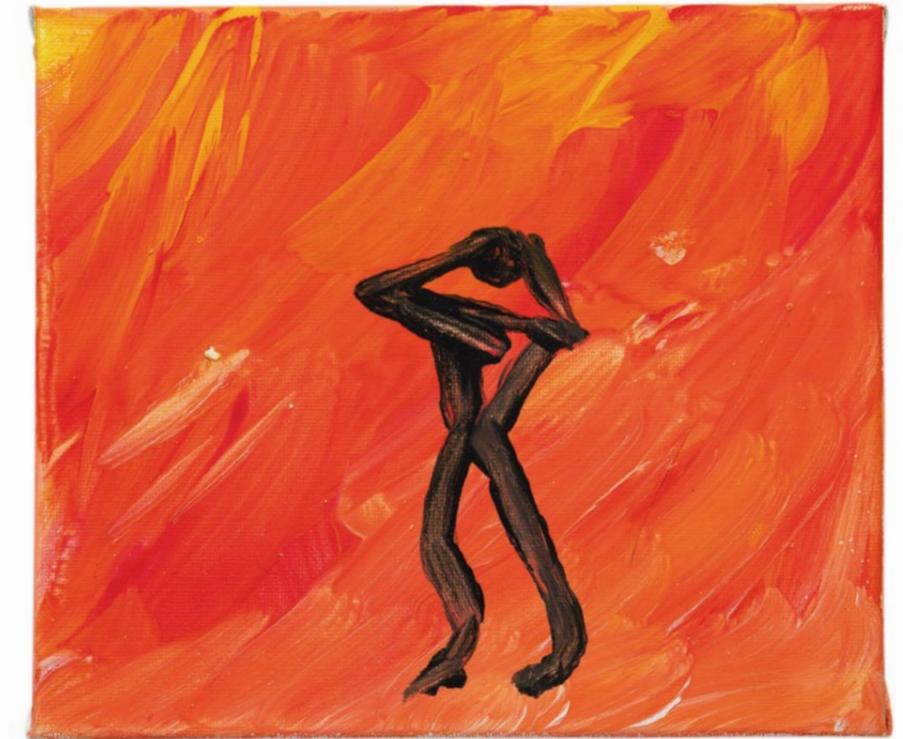
Syria



12x10 cm___Acrylic on canvas

"My name is Chinar Hassan, I was born in Al Hasakah Governorate, Syria, in 1992. I have been married since 2014 and have two children.

The conflict still going on in my country forced us to flee the hell of war and take refuge in the Iraqi Kurdistan region, where we have been living since 2014. Since childhood I have loved books, poems and art, but due to the difficult circumstances I have not been able to realize my dreams and aspirations. Today I share with you this simple painting that expresses part of the life I have lived, though I know not what the future holds."



Homeless refugees, forced exodus, uncertain life___2017

Kadri Kurt

Turkey



Born in 1972 in Diyarbakir, where he lives and works, Kadri Kurt received his Master's degree and Ph.D. from the Faculty of Arts and Sciences, Department of High Energy and Plasma, Firat University, in Turkey. He was a founder and member of the BFT/Batman Photography Community in 2000.

"My personal history has been shaped by immigration, exodus, and homes left behind. My grandmother's tragic story of migration plays a central role in my research. This is why I am looking for my past through similar experiences.

The Yazidis have been subject to many massacres throughout their history. The massacre on August 3, 2014 was called the 73rd edict of Shengal and was recognized as genocide by the United Nations. This situation reminded me of the tragedy my grandmother experienced during her migration and brought to the surface the deep impression it left in my mind."

12x10 cm___Photograph on archival paper



Placeless Burden. Towards Uncertainty___2018/2023

Rushdi Anwar

Iraq

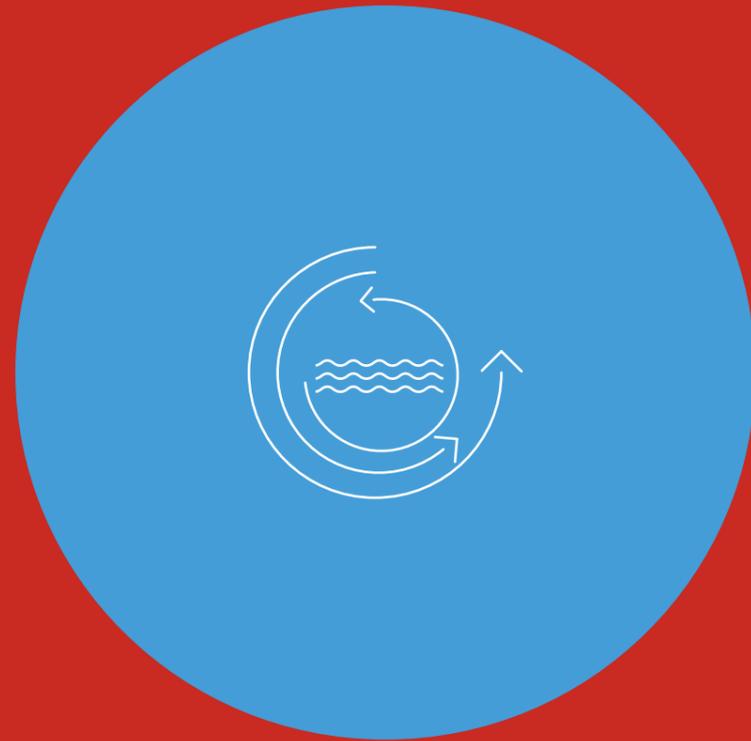


10x12 cm___Photograph on archival paper

Rushdi Anwar is a Kurdish artist, researcher, academic and activist who lives between Melbourne, Australia, and Chiang Mai, Thailand. His work focuses on engagement with his community and the search for social equity.

Anwar emphasizes socio-political issues in his hometown in Iraqi Kurdistan and the Middle East. He draws on personal experiences and memories, reflecting poetically on contemporary issues of forced exodus, identity, conflict and trauma suffered under colonial or ideological regimes.





Nature

In nature, change occurs organically.

There is no growth without transformation. Like a living organism, Benetton Group is also constantly changing to adapt to the surrounding context, implementing a series of projects and initiatives that progressively transform its operations. In particular, the Company takes a holistic approach to managing its environmental impacts on water, biodiversity and climate, with a focus on risks to the business. This means that the Group carries out environmental impact analyses to define science-based objectives that result in the preparation of an action plan that enables it to address product design and have an impact on the entire supply chain.

Combating climate change

___We need to recognize the relations between climate change, social equity and business profitability. It is high time to re-think the traditional growth model in order to decouple the economic performance of a company from the number of products and the use of new resources___

Nicoletta Sartori, Head of Sustainability, Benetton Group

Decarbonization of the value chain

The climate crisis is having consequences on communities, natural ecosystems and organizations, exacerbating social and economic inequalities. In this context, Benetton Group acknowledges its responsibility to help reduce the climate impacts - not only those directly generated through its operations but also through investments in the decarbonization of its value chain. Efforts to combat climate change go hand in hand with the proper management of water resources and the preservation of biodiversity. These are essential pillars of

Benetton Group's strategy, along with the impacts on human rights, including the right to health and access to water.

Science Based Targets initiative

Benetton Group has formalized its short-term GHG emissions reduction targets according to the Science Based Targets initiative (SBTi) protocol to keep global warming below 1.5°C. Specifically, Benetton Group undertakes to achieve a 50% reduction in absolute GHG Scope 1 and 2 emissions and a 30% reduction in absolute GHG Scope 3 emissions by 2030, starting from 2019 baseline. The definition of the SBTs led the Group to rethink the process of

value creation, focusing on decoupling economic growth from increasing the volume of products manufactured. Benetton Group is working to recover product margins by producing less and more in line with market demand, opening up to experimentation with new business models that favor durability - physical and affective - of garments and the re-use of materials in the production cycle.

Scope 1 and 2 emissions: these emissions are generated by Benetton Group's activities, like electricity and natural gas used in the stores, logistics centers and offices.

Scope 3 emissions: these emissions are generated by indirect activities deriving from Benetton Group's value chain, like raw material procurement, transportation and logistics, waste disposal, employee commuting, and product use and end-of-life.

GHG emissions inventory - GRI 305

GRI 305-1 / 305-2 / 305-3 Emissions	m.u.	2021*	2022*	2023
Scope 1 emissions (GRI 305-1)				
Consumption of natural gas in the headquarters and in the directly operated stores**	t CO ₂ e	2 763	2 446	2 272
Diesel oil	t CO ₂ e	925	877	898
Gasoline	t CO ₂ e	72	102	238
F-gas	t CO ₂ e	41	293	220
Total	t CO₂e	3 801	3 718	3 628
Scope 2 emissions (GRI 305-2) – Location-based				
District heating	t CO ₂	215	198	228
Electricity consumption in the headquarters	t CO ₂	5 551	5 138	4 942
Electricity consumption in the directly operated stores	t CO ₂	16 259	19 573	18 499
Total	t CO₂	22 025	24 909	23 670
Scope 2 emissions (GRI 305-2) – Market-based				
District heating	t CO ₂	215	198	228
Electricity consumption in the headquarters	t CO ₂	1 157	958	809
Electricity consumption in the directly operated stores	t CO ₂	14 157	17 441	16 678
Total	t CO₂	15 529	18 597	17 715
Scope 3 emissions (GRI 305-3)				
Purchased goods and services	t CO ₂ e	330 223	425 218	405 103
Capital goods	t CO ₂ e	7 494	9 341	6 283
Fuel-and energy-related activities	t CO ₂ e	4 539	5 175	4 934
Upstream transportation and distribution	t CO ₂ e	17 832	14 414	10 634
Waste generated in operations	t CO ₂ e	2 310	2 687	2 015
Business travel	t CO ₂ e	1 527	3 692	4 887
Employee commuting	t CO ₂ e	6 626	7 216	6 802
Downstream transportation and distribution	t CO ₂ e	24 968	27 340	24 148
Use of sold products	t CO ₂ e	61 416	68 231	66 731
End-of-life treatment of sold products	t CO ₂ e	15 866	16 581	15 543
Franchises	t CO ₂ e	9 432	9 660	9 272
Total	t CO₂e	482 233	589 554	556 352

* Data for 2021-2022 have been adjusted due to an improvement in the collection process.

** The breakdown for natural gas consumption between head offices and the stores is not available.

Reducing Scope 1 and Scope 2 emissions
Benetton Group has implemented a number of projects and initiatives to decrease its Scope 1 and 2 emissions, i.e., those generated directly from its operations. Specifically, Scope 1 emissions include direct emissions from sources owned or controlled by the Company, while Scope 2 emissions identify indirect emissions from energy generated off-site and consumed by the Company.

Energy-efficient spaces
Benetton Group carefully monitors energy consumption to reduce waste and pursues optimal configuration in the use of its facilities. Energy diagnoses are carried out periodically at the Ponzano and Castrette offices to identify major critical points in terms of consumption. Subsequently, the Group defines an efficiency plan to be implemented. In particular, the Group is replacing light bulbs with energy-efficient, long-lasting LED lamps in some areas of the Ponzano and Castrette offices, with investments distributed until 2030. In 2023, the Group continued the installation of LED lamps also in the stores, while store design and restyling

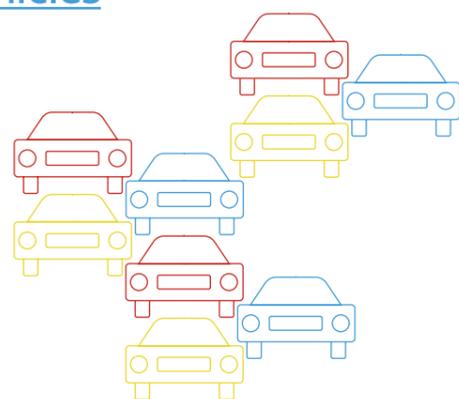
pay special attention to the choice of materials and the re-use of furniture from closures. The Group carried out a benchmarking analysis with regard to criteria of LEED® certification for Interior Design and Construction, which measures the quality of life and environmental wellbeing of the store, promoting a sustainability-oriented approach.

Transition to renewable energy
Since 2017, the electricity that powers the entire Benetton campus and all directly operated stores comes from certified hydroelectric and tidal renewable sources. Since 2023, 11 directly operated stores in France have also been powered by certified energy generated from renewable sources. Benetton Group intends to progressively promote the transition to renewable energy for its foreign offices and directly operated stores, starting with the most significant countries in terms of emissions incidence. In addition, the Group is considering entering a power purchasing agreement (PPA) that would allow it, in the long term, to purchase energy generated from renewable sources at a fixed price.

Company car fleet
A new corporate car policy was approved in 2023. The aim is to replace the car fleet with 100% electric or plug-in hybrid vehicles, limiting emission impacts. In addition, 44 charging stations were installed on the campuses of Ponzano and Castrette.

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

approx.
20%
of electrical or plug-in hybrid vehicles



Gurgaon site - Benetton India
In 2023, Benetton India confirmed a series of initiatives aimed at making its Gurgaon facilities and processes increasingly sustainable. The main

initiatives include the promotion of electric and sustainable mobility with the introduction of BlueSmart, a 100% electrical taxi service for business rides, and the continuation

of the partnership with FM Logistic, the logistics and distribution company operating with a LEED Gold certification in India. The Gurgaon site uses energy-efficient LED lamps.

GRI 302-1 Energy consumption	m.u.	2021	2022	2023
Total electric energy consumption in the headquarters	kWh	15 942 598	15 068 750	14 556 057
	GJ	57 394	54 248	52 402
Total electric energy consumption in the stores	kWh	42 881 727	48 063 090	46 157 049
	GJ	154 374	173 027	166 165
Total electric energy consumption	kWh	58 824 325	63 131 840	60 713 106
	GJ	211 768	227 275	218 567
Total natural gas consumption in the headquarters and stores*	m³	-	-	-
	GJ	-	-	-
Total natural gas	m³	1 393 164	1 213 151	1 114 665
	GJ	49 152	43 534	40 000
Diesel	l	348 085	342 953	357 427
	GJ	12 510	12 321	12 841
Gasoline	l	30 457	47 372	113 481
	GJ	993	1 539	3 686
District heating	kWh	1 259 222	1 163 296	1 270 345
	GJ	4 533	4 188	4 573
Total energy consumption	GJ	278 956	288 857	279 667

GRI 306-3	m.u.	2021	2022	2023			
Total waste production - Campus	Total	%	Total	%	Total	%	
Total	t	1 581	100	1 947	100	1 869	100
Non-hazardous waste	t	1 566	99	1 932	99	1 856	99
Hazardous waste	t	15	1	15	1	13	1
Recurring waste	t	1 567	99	1 931	99	1 856	99
Occasional waste	t	14	1	16	1	13	1
Recovered waste	t	1 241	78	1 764	91	1 852	99
Disposed waste	t	340	22	183	9	17	1

GRI 306-3	m.u.	2021	2021	2023			
Total waste production - Foreign offices and stores	Total	%	Total	%	Total	%	
Total	t	1 559	100	1 514	100	1 442	100
Non-hazardous waste	t	1 559	100	1 514	100	1 442	100
Hazardous waste	t	-	-	-	-	-	-
Recurring waste	t	1 559	100	1 514	100	1 441	100
Occasional waste	t	-	-	-	-	1	-
Recovered waste	t	1 467	94	1 366	90	1 420	98
Disposed waste	t	92	6	148	10	22	2

* The breakdown for natural gas consumption between head offices and the stores is not available.

The slight decline in energy and natural gas consumption is attributable to the implementation of energy-efficient measures and optimized space management.

Reducing Scope 3 emissions
Benetton Group is committed to reducing its Scope 3 emissions, i.e. emissions that have a substantial impact on the Company's value chain even if derived from non-proprietary activities or activities not controlled by the Company. Specifically, 70% of Benetton Group's emissions are attributable to its supply chain, from raw materials selection to production processes and supplier selection.

Transportation
In 2023, the Group continued to pursue the reduction of CO₂ emissions in the logistics and transportation sector by using modal shift. In this regard, cargo flights for imports were reduced by about 50% compared to 2022, in favor of sea freight, a less impacting mode of transportation.

Saturation of transportation
Shipping at Benetton includes loading vehicles with loose packages and no use of pallets. This method optimizes the loading space, eliminating one truck in five from the road.

Returns and deliveries
In 2023, the Paperless project, which involves the elimination of return labels and related documentation for e-commerce orders, was completed. Moreover, at the moment of the online purchase consumers can choose between home delivery or store pickup.

Attention to the supply chain
All tier 1 and tier 2 suppliers are required to complete the Higg FEM form, which allows the Group to monitor energy consumption and emission hotspots. Next year, Benetton Group undertakes to involve its suppliers in the decarbonization process, on the one hand, promoting the transition to renewable energy for Benetton Manufacturing, and, on the other, fostering participation in multistakeholder initiatives focused on energy efficiency, coal elimination and electrification.

Logistics is an element of excellence at Benetton Group, designed to address an increasingly challenging market and support future business developments. Thanks to top-notch and high-tech structures, we can optimize response time to the sales network while contributing to reducing environmental impact and increasing product traceability

Valentino Soldan, Head of Logistics, Benetton Group

Water

Water Management Policy
Water is a key resource for people and the planet. The frequency and intensity of adverse events, such as floods or severe droughts, make it clear that the climate crisis has interconnected impacts with water resource management, with possible negative consequences throughout the supply chain. Improper management of water consumption and discharge jeopardizes not only the natural environment, causing progressive soil degradation and ecosystem depletion, but also people's health, for which reason

access to water remains one of the basic human rights. The textile industry uses large amounts of water, from raw materials to production processes to garment washing. For this reason, Benetton Group has drafted a water management policy to identify direct and indirect impacts, define water consumption reduction targets (through the promotion of in-house awareness campaigns and the selection of more sustainable materials) and ensure adequate wastewater quality criteria.

Direct and indirect consumption
Benetton Group measures its water consumption every year. In 2023, water consumption in the campus totaled 26 499 m³, while consumption by directly operated stores was estimated at 34 695 m³ per year. None of the operations directly managed by Benetton are located in high-risk areas. As for its supply chain, Benetton analyzes the geographic distribution of suppliers involved in wet processes in order to verify the Company's impact in water-stressed areas. Nearly 8% of suppliers are located in high-risk areas.

Risk level for the area	No. of suppliers	% of suppliers
1	-	-
2	11	6%
3	93	48%
4	73	38%
5	15	8%
Total	192	-

1 low water-stressed area, 5 high water-stressed area. Analysis carried out using the Water Risk Filter.

Water withdrawal per source	m.u.	2022		2023	
		All areas	Water-stressed areas	All areas	Water-stressed areas
Surface water (total)	liters	-	-	-	-
Groundwater (total)	liters	361 072 000	-	340 455 000	-
Sea water (total)	liters	-	-	-	-
Water produced (total)	liters	-	-	-	-
Third-party water (total)	liters	33 191 000	-	26 499 000	-

Water discharge from all areas	m.u.	2022			2023		
		Drinking water	Other water sources	Total	Drinking water	Other water sources	Total
Surface water	liters	-	-	-	-	-	-
Groundwater	liters	-	-	-	-	49 400 000	49 400 000
Sea water	liters	-	-	-	-	-	-
Third-party water sources	liters	-	-	-	-	-	-
Of which total volume sent to other organizations	liters	-	-	-	-	-	-
Total water discharge	liters	-	-	-	-	49 400 000	49 400 000

Benetton Group made an initial attempt to quantify water consumption and discharge on its sites (campus and stores). Reporting of water discharge was limited to the Castrette water treatment plant, while water consumption was reported based on primary data for the campus, and partially estimated for the stores.

Wasatex

Built between 2014 and 2016 with European Union funding, the Wasatex project allowed Benetton Manufacturing’s textile factory in Osijek, Croatia, to re-use purified wastewater in the industrial production cycle. In 2022, the factory was able to re-use over 60% of its processing water. 33% of Benetton Group’s knitwear is produced in the Croatian factory.

ZDHC Wastewater Guidelines

Wet-process suppliers, which have the most significant impacts on water resources, are required to verify their wastewater parameters through a water test conducted according to the ZDHC Wastewater Guidelines. In 2023, Benetton Group monitored more than 80% of its wet-process production. Similarly to the previous year, this year’s result demonstrates the efficacy of the protocol developed and shared by the ZDHC (Zero Discharge of Hazardous Chemicals), of which Benetton Group is a founding member. It is becoming more and more evident that the common objective of the ZDHC member brands is to rely on a sustainable supply chain and maintain clear and standardized communication with the suppliers involved, also because many suppliers work with multiple brands. Numerically, the wet processes belonging to the Benetton supply

chain that have provided results of the analyses performed on wastewater have more than quadrupled since 2013, the year in which the program was launched.

Environmental assessment of the supply chain

Benetton Group adopts Higg FEM (Facility Environmental Module) to assess the environmental performance of its suppliers with a special focus on wet processes. Through approximately 80 questions, the Higg FEM allows Benetton Group to monitor several activities, including the adoption of environmental management systems, the use of water and energy, waste management, emissions into the atmosphere and the use of chemicals, and it is organized as a supplier self-assessment module that can also be validated by a third-party entity. There are no follow-up visits or audits by the brand, but the supplier is engaged in an ongoing improvement and transparency process subject to assessment on a year-on-year basis. In other words, the Higg FEM overcomes the traditional “pass or fail” logic and provides benchmarks that allow companies to identify weaknesses and possible actions to undertake. Every year, approximately 80% of wet-process suppliers carry out the Higg FEM analysis (coverage calculated on the total of items produced). This demonstrates the

suppliers’ commitment to measuring and reducing their environmental impacts.

Detox Commitment

In 2013, Benetton Group signed the Detox Commitment launched by Greenpeace, which envisages the total elimination of 11 groups of hazardous chemicals from the supply chain, the adoption of a Restricted Substances List (RSL) and the publication of at least 80% of the wastewater test outcomes relating to suppliers involved in the wet processes (i.e. dry cleaners and laundries). After 10 years, despite the various difficulties faced by the textile industry due to recent global events, Benetton Group confirmed the work accomplished in previous years, by increasingly reducing the remaining gap to achieve the final goal. In the last assessment made by Greenpeace, “Self regulation: a fashion fairytale, November 2021,” Benetton Group was praised as a leader in transparency and for its ability to monitor the supply chain and its continuing commitment to eliminating harmful chemicals.

Biodiversity

___Benetton Group has knowingly chosen to align its development in continuity, rather than in contrast, with the natural environment: the integration of biodiversity into the strategic approach will allow the Group to set the targets and implement the actions necessary to protect and restore ecosystems___

Alessia Scroccaro, Sustainability Department, Benetton Group

Biodiversity Management Policy

Viable ecosystems are essential to preserving the planet in the long run. The textile industry is highly dependent on biodiversity: from soil fertility for growing cotton to forest protection for viscose, to air and water quality for the people working along the supply chain. Properly quantifying the impacts of the industry on natural ecosystems and their correlations is even more complex than measuring the carbon footprint, yet no less important. For this reason, Benetton Group has drafted a biodiversity management policy, identifying its significant impacts along the value chain, from the choice of raw materials to production processes.

Biodiversity Risk Filter

No Benetton Group operation is located in protected areas or areas with a high biodiversity value. Even knowing that the impact of the Group’s offices and stores is minimal, Benetton Group has mapped the geographical distribution of directly operated stores to measure the physical and reputational risk in terms of biodiversity, using the Biodiversity Risk Filter.

Biodiversity and raw materials

The commitment to protect ecosystems is in line with the Group’s overall strategy to increasingly source “preferred” materials, including organic, recycled cotton or Better Cotton, and with the commitment to select man-made fiber suppliers with a positive ranking in the Canopy Hot Button Report. Benetton Group also aims to integrate an increasing percentage of recycled raw materials in its products in order

to reduce dependence on virgin raw materials. Finally, all Benetton Group stores use eco-friendly shopping bags made with water-based inks and paper sourced from mills certified by the Forest

Stewardship Council (FSC). Catalogs and leaflets are also certified by FSC, the global brand that identifies products from controlled forests managed according to social and environmental sustainability criteria.

GRI 304-1		
Level of physical risk	No. of sites	% of sites
Low	60	5%
Medium	730	63%
High	377	32%
Total	1 167	100%
Level of reputational risk	No. of sites	% of sites
Low	138	12%
Medium	660	56%
High	369	32%
Total	1 167	100%

Biodiversity embraces all living species on Earth, their genetic information and ecosystems. Biodiversity loss threatens the ability of the Earth to preserve ecosystems. This issue needs to be addressed urgently. Business activities contribute to biodiversity loss through operations that involve overexploitation of land, freshwater and oceans, and the intensive use of resources, and thus contribute to exacerbating climate change, pollution and the prevalence of invasive species. Biodiversity loss poses a potential physical, regulatory, financial, and reputational risk to organizations. By defining Science Based Targets for Nature, companies can quantify their impacts and help combat biodiversity loss.

Foreign to Their Own Land.
From Migration to Exile, The Sinjar Yazidis____2016

Fatma Çelik

Turkey

Born in 1987 in Diyarbakir, Turkey, where she lives and works, Fatma Çelik graduated from the University of İnönü, Department of Psychological Consulting and Orientation.

She works as a volunteer with children and women through civil organizations. She joined the artistic group NarPhotos in 2012. Her videos and stills concentrate on migration, identity, memory, sustainability and gender.



12x10 cm____Digital image printed on canvas



The dance of calligraphy___2023

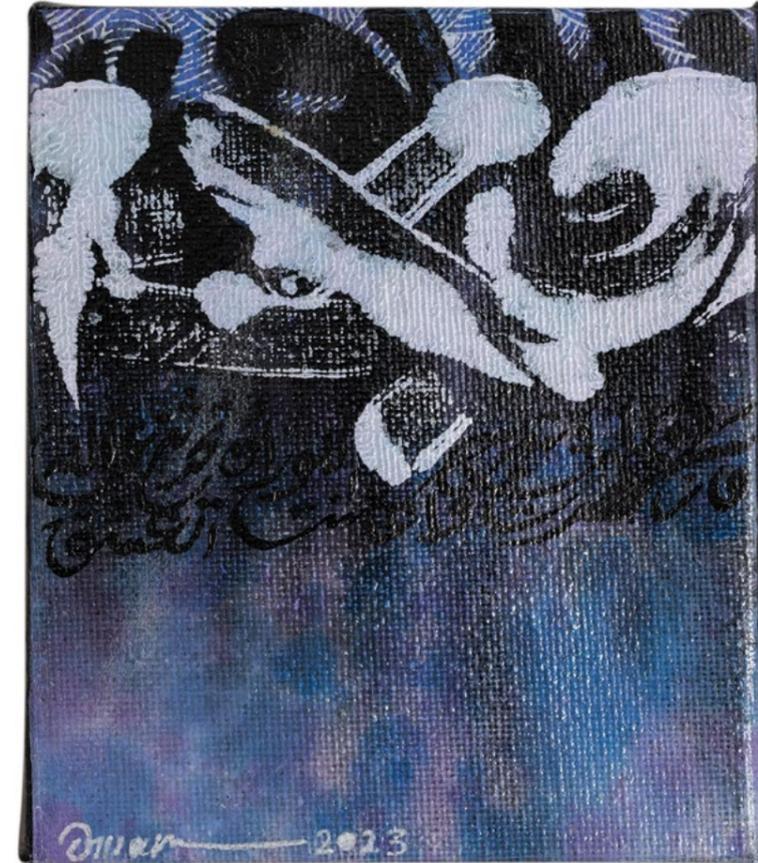
Omar Ibrahim

Syria



Born in 1978 in Sweida, Syria, Omar Ibrahim received his Master's degree in Sculpture from the Faculty of Fine Arts, Damascus University. He also studied Painting, Graphic Design and Interior Design. An art consultant, founder and director of Cocoon Agency, he teaches calligraphy. After becoming a concern for local authorities in Syria, he applied for residency in France in 2015. He was responsible for field operations for the NGO Première Urgence Internationale in Beirut in 2013. He has exhibited his works in solo and group exhibitions in France, Syria, Lebanon, the United States and Japan.

12x10___Mixed technique



The Path___2023

Mohamed Keita

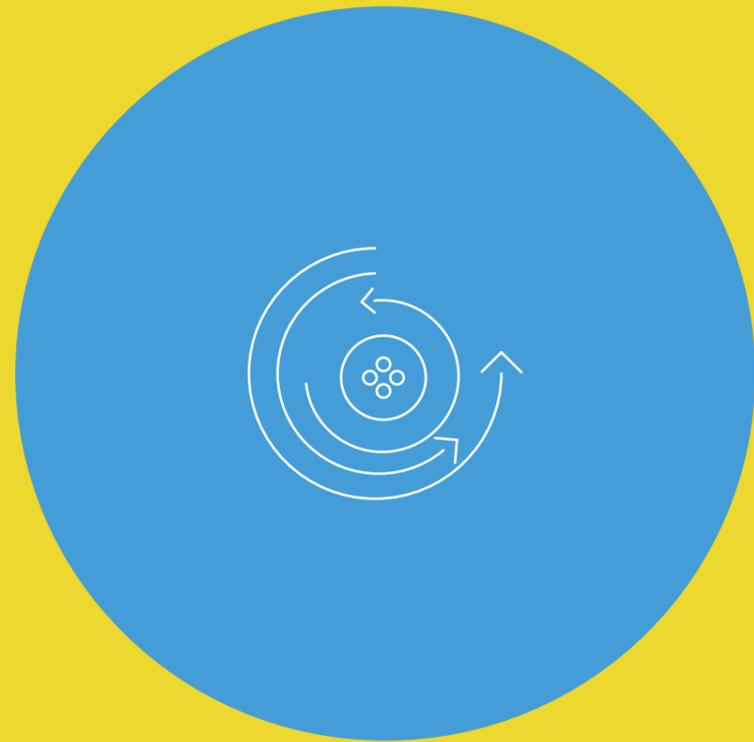
Ivory Coast

Born in the Ivory Coast in 1993, Mohamed fled the civil war in his country at age 14 and embarked on an extensive journey that took him through Guinea, Mali, Algeria, Libya and Malta before landing in Italy in 2010, at the age of 17. Taken in at the CivicoZero day care center for minors in Rome, Mohamed studied Italian while working as a porter in a hotel. In the center, he discovered photography and began his artistic career.



12x10 cm___Digital image printed on canvas





Circularity

The adoption of a circular business model is the key to decoupling economic growth from resource consumption, thus preserving the natural environment and protecting the human rights of the people involved. A key step to take is the implementation of a product strategy that accelerates the transformation of collections by adopting eco-design principles, increasing the use of low-impact materials and involving the end consumer in the process.

The integration of circularity along the entire value chain - from design to end-of-life - is a long-term goal, but it must be pursued now, in light of the need for systemic changes in the entire fashion industry.

Eco-Design

Design is the first important step in circularity. In the design phase, choices are made that will have an impact on the recyclability and physical and emotional durability of the products. In reviewing its sustainability strategy, Benetton Group has formalized its commitment to adopting the principles of eco-design and put into practice the related initiatives involving product recyclability and reparability in the design of its products. This will result in the integration of circular design principles in product development, along with the definition of specific improvement goals.

Timeless style

Benetton Group is gradually recovering legacy elements that belong to the brand's roots and identity, such as the logo, colors, and knits. The value proposition revolves around a collection of timeless, modern and versatile pieces that are must-haves in everybody's wardrobe. These are essentials intended to be used and re-used by consumers, season after season, retaining their value over time. The design of durable products and a communication strategy geared toward fostering consumers' emotional connection with the products they purchase are key elements in Benetton Group's approach to eco-design.

NOOS collection

The NOOS (Never Out of Stock) collection by United Colors of Benetton comprises approximately 160 best-sellers and essentials from

the SS23 and FW23 seasons that will remain unchanged for four years and be made available to stores as made-to-stock in 1-3 weeks. In this way, customers will know that they can find the basic item they are looking for at Benetton, while the Company can manage production more efficiently, without waste and with better control over supply costs. The NOOS collection accounts for about 14% in volume and more than 17% of total sales.

Green B collection

One of Benetton Group's main achievements in 2023 was the introduction of a progressive target on the Green B collection, made with reduced-impact materials and processes. This choice makes it possible to pursue the transformation of the product portfolio by defining a target and a monitoring activity: the Group's commitment thus becomes an intentional choice and translates into a quantifiable and measurable process, from design to production through sales.

Single material

More than half of our items are made of monofiber material (main fabric). This facilitates recycling. Benetton Group's product design focuses on the product's use and end-of-life. Next year, Benetton Group will define specific circular design guidelines that take into account aspects such as durability, recyclability, the choice of materials and accessories and the impact of production processes and treatments, also in accordance with the expected

European legislation on eco-design. The goal is to combine the collection's style drivers with technical solutions targeting reduced use of resources, right from the design phase.

Dress Safely

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

B-Care

B-Care is an online consumer guide on garment maintenance dedicated to United Colors of Benetton customers. The guide includes a series of written instructions and video tutorials that explain in simple terms how to take care of one's garments at home in order to make them last longer, like sewing a button or mending an item or doing the laundry without the garments shrinking or getting ruined.

Efficient production

In the transition to a circular model, it is fundamental to monitor product quality along all stages of the production chain while improving process quality, decreasing waste and promoting the re-use of scraps. Benetton Group deploys a number of initiatives that meet both needs.

Extra consumption

"Extra consumption" is a new concept of sustainable fashion: what was previously considered "waste" now becomes a resource, according to a zero-waste philosophy. In 2023, all extra-consumption management activities in Benetton Manufacturing's Tunisian factories were fully operational, resulting in a 4.2% reduction in the use of fabrics, corresponding to a total of 326 km. In addition to the significant economic value (Euro 1.2 million), this figure also reflects a major impact on product sustainability.

Advanced Product Quality Process

In 2023, Benetton Group implemented an Advanced Product Quality Process (APQP) framework integrated with product development schedules. This qualification management system - derived from the automotive industry - assesses technical feasibility early in the design phase through objective product certifications. The goal is to ensure that the quality is in line with customer usage expectations and consequently maximize the useful life of the product. The APQP qualification process now covers 100% of the items included in the sample collection and measures three key aspects: conformity of materials to quality standards, product durability and product construction. As to durability, a number of parameters were defined to be included in the product technical specifications and in line with international standards, to ensure that products maintain good performance when used (in terms of look, performance after washing and technical characteristics).

-4.2%
reduction of fabric waste

corresponding to **326**
km
of fabrics

approx. **1.2**
Euro mln
generated economic value

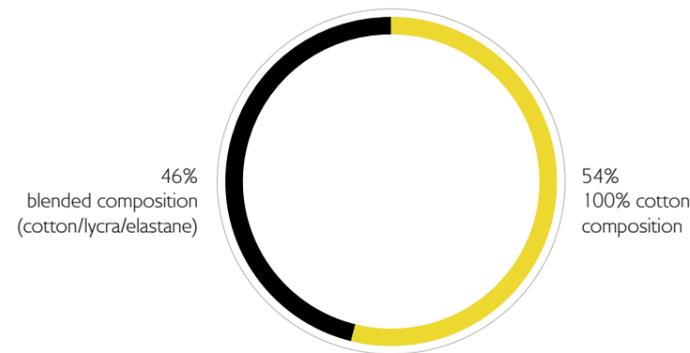
Circular Fashion Partnership

First established in Bangladesh in 2021, the Circular Fashion Partnership is a cross-sector initiative that supports the introduction of circular business models in major manufacturing countries by promoting the development of the recycling industry through the recovery of waste from production processes to make new garments. The partnership facilitates commercial and circular collaborations between textile industries, fashion brands and recycling experts, with a view to generating economic value by boosting the market for recycled fibers. In 2023, Benetton Group involved two new suppliers in the project, with a total of five active suppliers participating in the collection of cotton production waste, which is later sold and recycled.

__The Circular Fashion Partnership enables Benetton Group to help build a circular ecosystem. We are convinced that only through collective action can we drive the transformation of the sector toward more sustainable production models__

S.M. Rayhan Hossain, Supply Chain Sustainability, Benetton Group

149 005 t
fabric waste collected in 2023



Materials

__Sustainability is a shared culture company-wide, both in terms of people’s conduct and collection development. We are making great strides: from setting goals on Green B, to obtaining OCS and RCS certifications, and from co-branding with Lenzing to choosing materials with reduced impact__

Fabiana Morandi, Operation Sustainability Coordinator, Benetton Group

Selection and sourcing

Whether it is natural fibers such as wool or cotton, or synthetic fibers such as polyester or polyamide, the extraction and use of resources has an impact on the climate, the environment and people. For this reason, Benetton Group is gradually increasing the use of recycled fibers and materials in its collections and has defined its goals for the sourcing of raw materials, which must avoid the degradation or destruction of the ecosystem and biodiversity,

minimize negative impacts at all stages and processes and foster resilient development of the environment and people. In 2019, Benetton Group implemented the “preferred” materials framework, following the Textile Exchange definition. The identified programs are supported by a chain of custody and a third-party verification process that enables full traceability of the material throughout the value chain while ensuring the integrity of sourcing

practices. The standards used in the certification processes are: Organic Content Standard (OCS), Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Recycled Claim Standard (RCS), Responsible Down Standard (RDS) and Forest Stewardship Council (FSC). In order to measure progress, Benetton Group contributes to the Textile Exchange’s Corporate Fiber and Materials Benchmark. In 2023, Benetton Group obtained the OCS and RCS certifications.

What are “preferred” materials?

Textile Exchange has the ambitious goal of leading the industry toward the adoption of resilient, regenerative and circular production models that are developed in accordance, and not in conflict, with nature. The goal is to ensure a sustainable future for all stakeholders involved, from farmers to brands to end consumers. The definition of “preferred” materials is constantly evolving to represent the correlations of impacts on climate, water, biodiversity and communities. “Preferred” materials are defined as raw materials or fibers that result in a considerable reduction in environmental impacts and provide benefits for climate, nature and people compared to the conventional techniques by taking a holistic approach to production transformation.

GRI 301-1 Raw materials	m.u.	2021*	2022*	2023
Total	t	17 971	23 766	22 566
Renewable				
Cotton	t	11 293	15 253	14 161
Wool	t	1 232	1 501	1 591
Linen	t	409	943	816
Mixed (natural fibers)	t	20	22	14
Non-renewable				
Artificial fibers	t	1 241	1 430	1 313
Synthetic fibers	t	3 776	4 617	4 671
Mixed (natural/artificial/synthetic fibers)	t	-	-	-

Data refer to Benetton Group S.r.l., Benetton India Private Ltd. and Benetton Korea Inc.
* Data for 2021-2022 have been adjusted due to an improvement in the collection process.



80% of the fibers in Benetton Group's products are of natural origin. In particular, cotton accounts for about 60% of product volumes: conventional cotton has very high social and environmental impacts, so the Company has started a transition to using only sustainable cotton - organic, recycled and Better Cotton - in the upcoming years. Another essential fiber in Benetton Group's collections is wool, a naturally sustainable material that the Group is committed to making even better by using recycled wool in its collections.

Organic cotton

In 2023, 9% of all cotton items produced by Benetton Group were made with organic cotton derived from non-genetically modified plants, grown according to organic farming principles, without GMOs or fertilizers and chemical pesticides, and therefore generating a lower environmental impact. Organic cotton derives from certified sources. These are independent certification systems that trace organic cotton from its source.

Recycled cotton

Since 2019, Benetton Group has increased its use of recycled cotton, a sustainable fiber derived from pre-

consumption (production surplus) and post-consumption (end-of-life garments or unsold items) textile scraps. These are collected and sorted by color, then cut into small parts, frayed and re-used for new production of pre-colored yarns. A studied mix of virgin fibers and recycled cotton (at least 20%) from certified supply chains allows the Company to produce items characterized by quality and durability, with a lower environmental impact.

Better Cotton

In 2017, Benetton Group joined Better Cotton, the world's largest program dedicated to cotton sustainability. According to the prescriptions of the program, the Group sources cotton processed and grown by farmers trained to minimize the use of fertilizers and pesticides, use water and soil sustainably and comply with the principles of equity in labor relationships. In 2023, the percentage of Better Cotton totaled 40% (calculated on the total annual cotton requirement).

Pure wool

Benetton Group has an extensive tradition in Made-in-Italy knitwear and fully appreciates the excellence of wool, a naturally sustainable material. Wool is durable and requires less

washing at lower temperatures. In 2023, Benetton Group celebrated 50 years of partnership with Woolmark, the world's wool authority. The collaboration resulted in the certification of the quality and sustainability of over one million Extra Fine Merino wool products of the United Colors of Benetton winter collection.

Recycled wool

Like other textile fibers, wool is recyclable and retains all the properties of traditional wool. Italy is the world capital of wool recycling. Some items in Benetton Group's kidswear collections use a mix of virgin fiber and recycled fiber (at least 20%) from certified supply chains, reducing the environmental impact while ensuring the level of quality that consumers expect from Benetton.

Linen

Benetton Group's collections include garments made from linen, an ancient vegetable fiber that is sustainable by nature. In addition to being cool and hypoallergenic, linen can be grown with far less water than other fibers, and almost no chemicals. Linen is also an extremely durable fiber that is completely recyclable, as is the waste from its processing.

Man-made fibers are created from materials of natural origin but processed through chemical processes. Benetton Group is committed to progressively using only suppliers with reduced risk, who have achieved the "green shirt" status in the Hot Button Ranking, in line with its roadmap for responsible sourcing of viscose, lyocell and modal.

Viscose

Viscose is an artificial fiber of natural origin. It is derived from wood pulp and accounts for a small portion (6%) of Benetton Group production. To preserve forests and biodiversity and reduce the environmental impact from chemical processing, the Company is committed to sourcing sustainable viscose - including the modal and lyocell variants - from certified supply chains.

Synthetic fibers are derived from fossil materials, non-renewable resources whose global demand has steadily increased in recent decades. In 2023, Benetton Group maintained the use of synthetic fibers from pre- or post-consumption recycling. To ensure consumers about full traceability, Benetton Group has decided to purchase certified recycled materials in line with Textile Exchange.

Recycled nylon

Lab-produced polymer, nylon is much appreciated in the apparel industry for its strength, light weight and stretchability, even if it is difficult to dispose of. When recycled, a new fiber can be produced with the same properties as the original fiber, with less CO₂ emissions and environmental impact. A selection of United Colors of Benetton products, particularly the beachwear collection, is made from ECONYL®, a nylon fiber that is 100% regenerated from waste and production waste. ECONYL® maintains the same characteristics and performance as nylon, reducing the use of additional raw material.

Recycled polyester

Polyester is one of the most widely used synthetic fibers in the textile industry. Benetton Group made a decision to promote fabrics that contain at least 20% recycled polyester from certified supply chains that verify the origin and re-use of production scraps and end-of-life materials that would otherwise end up in landfills. Some of Benetton Group's down jackets are made with recycled polyester wadding exclusively derived from certified supply chains. Specifically, it is made by recycling common plastic bottles (PET): it takes about 26 33-cl bottles to stuff a man's jacket.

Since 2017, Benetton Group has been certified by the Responsible Down Standard (RDS), a protocol guaranteeing that down feathers come from geese and ducks raised for food purposes in compliance with animal welfare principles and criteria. In addition, a percentage of regenerated feathers was included in the brands' collections in 2023.

RDS

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

Regenerated feathers

Some of the duck and goose feathers in United Colors of Benetton's collections are regenerated. After being recovered from previous products, they are washed, sterilized, sorted and mixed to achieve the right balance between lightness and warming capacity. This process is strictly controlled and certified and can be repeated endlessly, feeding the virtuous circle of recovery and reuse.

Benetton Group's products are transported using a specific packaging along the entire value chain from the suppliers to the warehouse and the stores.

Packaging

Packaging contributes significantly to resource consumption and waste generation. Benetton Group implements a number of initiatives to reduce packaging and minimize environmental impacts: from the use of reusable metal baskets, which saves more than 1 300 tons of cardboard annually, the equivalent of about 20 000 trees, to the use of different types of cardboard of different heights to saturate packages without carrying air. Moreover, both the packaging material (produced with partly recycled material) and the envelopes used for e-commerce shipments are FSC certified. E-commerce shipments are delivered in paper envelopes instead of cardboard packages, leading to a saving in terms of raw material used of approximately 50%, decreasing the volume transported and also resulting in a reduction in CO₂ emissions.

GRI 301-1 Packaging	m.u.	2021	2022	2023
Total	t	2 439	3 470	3 052
Renewable				
Paper and cardboard	t	1 942	2 809	2514
Non-renewable				
Polyethylene (PE)	t	496	660	537
Iron	t	1	1	1

Data refer to Benetton Group S.r.l., Benetton India Private Ltd. and Benetton Korea Inc.

Alternative business models

The challenge and the opportunity for introducing new business models to sustain the economic growth of companies without producing new garments can transform the fashion industry. Indeed, in recent decades, the number of items produced has almost doubled, with consequent revenue fragmentation and a significant increase in the industry's carbon footprint. Benetton Group's approach intends to explore new business models - from the sale of second-hand clothing to repair services and product rentals - in order to identify the solution that best fits the two brands' identity, market positioning and target consumers. The process is still in its initial phase; the goal for the next

two years is to launch pilot projects for United Colors of Benetton and Sisley and verify the results of the initiatives. By 2030, Benetton Group aims to scale models of circular business, creating a new line of revenue streams for the Group.

___Re-imagining growth requires building a bridge to connect the financial and non-financial factors. The creation of business value, regarded as the economic return on business activity, must be in line with social and environmental value, understood as the shared value generated for the community___

Nicoletta Sartori, Head of Sustainability, Benetton Group

Management of the supply chain

The risks and impacts associated with the management of the supply chain are forcing a rethinking of the global production model, with a strong push toward vertical integration, nearer production sources and small batch production, all made possible by digitization. Dealing with possible supply chain disruptions is a central issue that company CEOs have to face worldwide. Rising commodity prices, caused by inflation, the energy crisis, logistics blockages and fragmented and relocated production pose growing risks to the continuity of manufacturing operations and call for a paradigm shift in supplier relationship management. In particular, strengthening business relationships with strategic partners enables brands to mitigate risks, increase control over the supply chain and invest in innovation and sustainability projects.

Nearshoring

From the supply chain management standpoint, Benetton Group's strategy is moving toward "nearshoring," with a view to limiting the distance from the target market and thus producing less and better, so as to promptly meet the needs of end consumers on time. Nearshoring makes it possible to reduce lead time, increase control over the supply chain and make logistics more efficient. This is a first step in curbing overproduction, the biggest challenge for a brand that aims to act responsibly. With many practices remaining unchanged for several years, the current business model is neither responsive nor economically and environmentally sustainable. The increasing volatility of demand requires a shift from a made-to-stock production system to a pure retail model, which is the Group's goal in the coming years. In addition to revising the business model, Benetton Group intends to strengthen sustainability in

the production platforms in Tunisia, Serbia and Croatia by implementing energy efficiency measures and transitioning to renewable energy sources.

Traceability

Benetton Group is making investments to increase its supply chain transparency. Knowing where and how garments are produced is not only a priority for the end consumer, but also a risk management tool to prevent vulnerabilities and address possible disruptions in the value chain. The pending European legislation, taking into account the digital product passport and the due diligence directive, will make traceability a key element in creating a balance between cost-effectiveness and competitiveness for textile companies. Thanks to the work done to build a long-term business relationship based on mutual trust and transparency, today Benetton Group can publish a list of suppliers that

covers 95% of its annual production. A list of current suppliers located all around the world is available for consultation on the Benetton Group website: www.benettongroup.com/sustainability/supply-chain/. As proof of its commitment to transparency, Benetton Group publishes its supplier data on Open Supply Hub, a platform that enables standardization of information collection and improved data quality. However, Benetton Group's commitment to traceability cannot be limited to its suppliers (from packaging to raw materials), but must be extended downstream of the value chain, considering the product's use and end-of-life. The Group recognizes the important challenges associated with managing the entire product life cycle and intends to be an active player in the process of industry transformation.

___We need to redesign the value proposition for the customer through basic items, in order to reduce production and increase the product's life cycle___

Marco Zeggio, Product Development and Operations Director, Benetton Group

Responsible purchasing practices

The purchasing practices of brands and retailers have an impact not only on the financial stability and economic sustainability of business partners, but also enable suppliers to pay their workers adequate wages while ensuring adequate working conditions. The adoption of responsible purchasing practices is therefore critical to safeguarding fair working conditions. Benetton Group intends to act as a fair buyer vis-à-vis its suppliers.

This is a cross-cutting commitment that requires the support of the CEO and all corporate functions involved, from design to planning, from sourcing to quality control, and last but not least, sustainability. Through the partnership with the Better Buying Institute (BBI), established in 2023, finished product suppliers were involved in assessing the Group's purchasing practices. The feedback received allowed Benetton Group to identify its strengths and

weaknesses and work on the identified gaps. The adoption of responsible purchasing practices requires an approach geared toward continuous improvement.

Procurement

In 2023, procurement showed a slight reduction (-4%) compared to the previous year, yet still in line with the reduction in the total number of finished items, equal to 60 million. The value also includes local productions

from India and Korea, targeting the style and demands of local consumers. In line with its two-pronged objective, Benetton Group balanced its production between the EMEA region (39%) and Asia (61%). This approach gave the Group greater control over the supply chain, reducing the time needed for product development and manufacturing, making it possible to respond rapidly to emerging market demands and, last but not least, making logistics more efficient.

GRI 204-1 Procurement (euro)					
	2021*		2022*		2023
EMEA	156 758 025	47%	246 049 133	50%	185 055 223
Asia	176 585 445	53%	246 837 466	50%	287 545 951
Rest of the world	-	-	-	-	-
Total	333 343 470		492 886 599		472 601 174

* Data for 2021-2022 have been adjusted due to an improvement in the collection process.

KEY RECOMMENDATIONS FROM BETTER BUYING

Principle 1 – Visibility: Share information with suppliers about future business developments in advance and with a sufficient degree of detail to plan activities.

• Planning

Principle 2 – Stability: Maintain long-term relationships with suppliers and limit peaks or troughs in orders during the year.

• Planning
• Procurement and order placement

Principle 3 – Time: Agree with suppliers on an appropriate timeline to carry out all preliminary and production processes in compliance with the law and the requirements of the Code of Conduct.

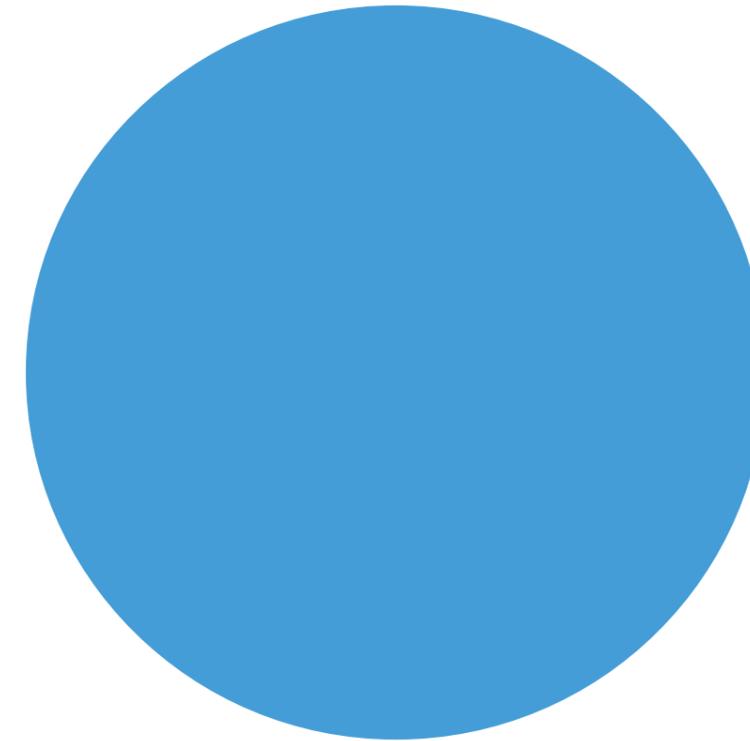
• Management of procurement practices

Principle 4 – Financial management: Adopt sound financial practices in dealing with suppliers, based on risk sharing; avoid unilateral decisions that may negatively impact suppliers.

• Planning
• Negotiation and payment terms
• Order cancellations

Principle 5 – Shared responsibility: Contribute as a brand to the social and environmental improvement of the supply chain, recognizing that the path to sustainability is a shared goal with partners.

• Attention to the supply chain
• Standardization of audits
• Win-win partnerships



Safety___2023

Saja Hamdouni

Palestine

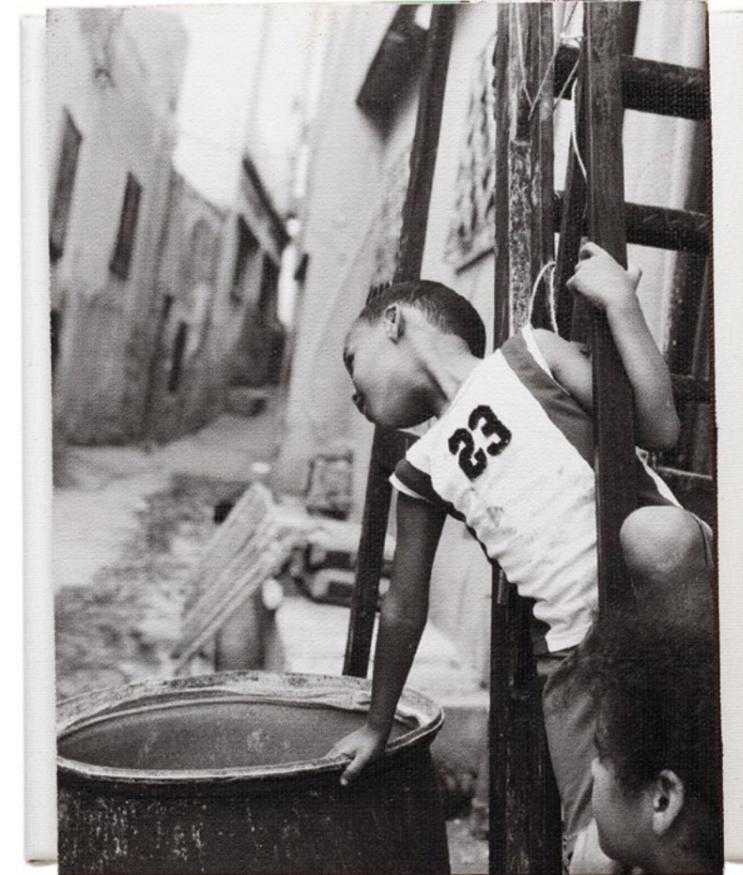


10x12 cm___Digital image printed on canvas

Saja Hamdouni was born in 2001 in Camp Irbid, Jordan. Her family comes from the village of Al Sendyana in Haifa, Israel.

Her grandparents were flee to Jordan in 1948. She is currently studying Pharmaceutical Sciences at Yarmouk University in Irbid. From an early age she showed interest in art and photography.

Saja Hamdouni's work illustrates the hardships of living in a refugee camp, with a special focus on children.



Returned to the sender, Tent #8____2023

MyLoan Dinh

Vietnam



Born in 1972 in Saigon, Vietnam, she now lives in Charlotte, North Carolina (USA) and works between the United States and Berlin. MyLoan Dinh is a Vietnamese-American multidisciplinary artist. She studied at the University of North Carolina at Chapel Hill and the School of Art & Design, University of Wollongong, New South Wales, Australia.

This work is made from eggshells and the fiber used to make travel bags often used by migrants, known as "refugee bags," and features the only childhood photo she has, taken when she was in a refugee camp in Thailand.

12x10 cm____Eggshells, polypropylene and cotton fabric, paper



Numbers___2023

Iyad Sabbah

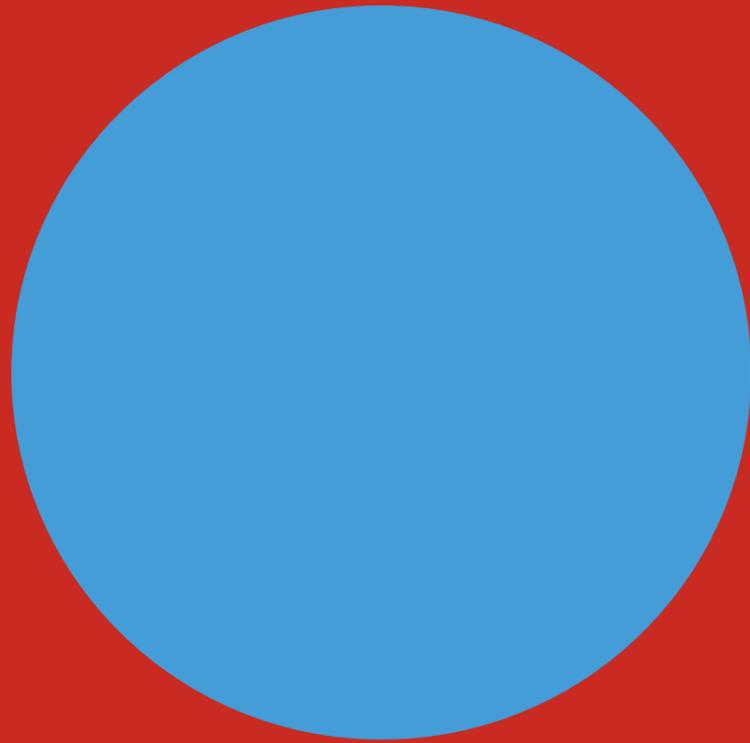
Palestine



12x10 cm___Ink on canvas (front)/artificial clay (back)

An artist born in Palestine, Iyad Sabbah currently lives and works in Belgium. He holds a PhD in contemporary sculpture from the Institute of Fine Arts in Tunis. He has been a lecturer for more than 18 years at the Department of Humanities of Al-Aqsa University in Gaza. In 2014, as part of the exhibition *Worn Out*, he exhibited some bloody clay figures on a beach, representing families forced to flee their homes in Gaza City's Shejaiya district, heavily affected by fighting that year.





Appendix
Methodological Notes
Annexes
GRI Standards



Methodological notes

Benetton Group's Integrated Report illustrates how value is created over time through the connections between financial and non-financial factors and the business's primary sustainability performance indicators. The principles and content of the "International <IR> Framework," issued in December 2013 by the International Integrated Reporting Council (IIRC), were taken into account for the drafting of the Integrated Report. The report was also prepared in accordance with the "GRI Sustainability Reporting Standards" updated in 2021 by the Global Reporting Initiative (GRI). In line with the GRI Standard indications, Benetton Group has applied the new GRI Universal Standards and conducted a rigorous materiality analysis to identify the most significant impacts on the economy, the environment and the people, with special attention to human rights. All impacts identified as material have been used as a key to guide the Group's sustainability strategy, mitigation measures and impact management tools (pages 50-53). As required by the GRI Standards, the "GRI Content Index" containing details of the indicators reported and any omissions has been included.

Quantitative indicators not referring to any general or topic-specific disclosures of the GRI Standards, shown in the pages indicated in the Content Index, are not subject to limited auditing by EY S.p.A.

Reporting perimeter and sustainability context

This is the eighth edition of Benetton Group's Integrated Report. It contains a description of initiatives and activities carried out during calendar year 2023 as well as performance trends during the three years from 2021 to 2023, if available.

Performance indicators are gathered and reported on an annual basis. The information reported refers to Benetton Group S.r.l. and its subsidiaries in Italy and abroad with the only exclusion of Benetton Pars P.J.S.C. (Iran), whose operations are very limited. The reporting perimeter coincides with the above, except for indicators 302-1, 305-1 and 305-2 that do not include energy consumption for headquarters based in France, Switzerland, and the UK, for which consumption figures are not available. Indicators 405-2 and 2-21 consider only data for Italy due to limitations in information collection, which Benetton Group is committed to addressing in the coming years. Benetton Group S.r.l. has its headquarters in via Villa Minelli, in Ponzano Veneto (Treviso), while its industrial complex is located in via della Cartiera 1, in Castrette di Villorba (Treviso).

Principles for ensuring report quality

The information reported was gathered with the aim of providing a balanced and clear picture of the Company's actions and characteristics. The process of reporting the information

and quantitative data was improved through a software tool and structured so as to ensure data comparability over time, where possible, in order to provide an accurate interpretation of the information and a complete view to all stakeholders interested in trends in Benetton's performance.

Calculation method

Details of the methods used to calculate certain indicators reported in this document are provided below. The data referred to 2023 are the best possible estimate with the information available at the time of the drafting of this Report.

Workers who are not employees

GRI 2-8 reports information on workers who are not employees on the payroll at the end of the reporting period and divided into the following categories: interns (in accordance with local legislation), contractors, temporary workers or hired through an agency, and independent or contracted workers whose duties are controlled by the organization. "Others" includes store staff from Korea and India, who are hired under a contract other than the traditional employment contract.

New hirings and turnover

Benetton Group annually reports the rate of new hires and employee turnover broken down by headquarters and store personnel so as to monitor specific retail dynamics. It should be noted that these figures are not comparable with those

reported in the headcount tables as a result of internal contract transformations and reporting in accordance with local legislation by subsidiaries.

Return to work and retention rate after parental leave

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

Injury rates

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

- Rate of work-related injuries with high consequences: number of injuries with high consequences (excluding deaths)/worked hours x 1 000 000;
- Rate of recordable injuries: number of recordable injuries/worked hours x 1 000 000.

Injuries with high consequences include injuries where the worker fails to

recover, does not recover, or it is not realistically expected that the worker recovers fully to her/his pre-injury health condition within six months. Injuries resulting from commuting include all injuries where commuting was directly managed by the organization.

Data related to injury rates is shown with reference to employees and workers who are not employees: in the 2021-2022 two-year period, temporary workers and interns are included, while for 2023 the index covers the entire scope of workers who are not employees (as described in GRI 2-8), with the only exception of individuals with consulting contracts in Italy, for whom it is not possible to report the actual number of worked hours.

Greenhouse gas emissions

Greenhouse gas emissions were calculated using the principles indicated in the GHG Protocol. In particular, relevant greenhouse gases are considered, all of which are traced back to the common unit CO₂ equivalent (with the exception of Scope 2 emissions, measured in CO₂). The emission factors used to calculate the CO₂ emissions disclosed in the Report were determined as follows:

Scope 1 direct emissions:

emissions related to the total consumption of natural gas and diesel for the heating of the head offices and global directly operated stores and gasoline and diesel for the company

vehicles were determined using the emission factors reported in the table of national standard parameters published by the Italian Ministry for the Environment for 2021-2022, while the emission factors indicated in the Defra table were used to determine 2023 emissions. The calculation of Scope 1 emissions also includes data regarding refrigerant gas leaks from air conditioning and cooling systems installed at the Italian campus and in the Italian stores. Fluorinated gas emissions were calculated using the emission factors provided by the 2021, 2022 and 2023 Defra tables.

Scope 2 indirect emissions:

indirect emissions correspond to the consumption of energy purchased and district heating. The emissions connected with the consumption of electricity are calculated according to the location-based and market-based approach. For the calculation of location-based emissions, the emission factors reported in the tables "Confronti Internazionali" published by Terna, that have Enerdata as their source and available in their most recent version with reference to the year 2019, were used for the calculation of indirect emissions for the three-year period 2021-2023. For the calculation of market-based emissions, the residual mixes reported in the "European Residual Mixes" document, published by AiB and available for the year 2020, were used. The emissions linked to district heating were calculated using the emission

factors reported in the Defra tables available for the 2021-2022-2023 three-year period.

Scope 3 indirect emissions:

for the calculation of CO₂ emissions the following references and methods were used:

- Purchased goods and services: Ecolnvent database (updated to 2023) for emission factors related to raw materials used and primary data on supply chain energy consumption multiplied by emission factors published by Defra, Terna and AiB;
- Fuel and energy-related activities: Defra tables for the years 2021-2022-2023;
- Upstream and downstream transportation and distribution: a methodology developed by TK'Blue, an international non-financial rating agency related to transport, was used for the logistics network directly managed by HQ, while Ecotransit software is used for outbound transport for India; finally, India's inbound transport and transport managed by Benetton Korea were estimated as there are no actual data available;
- Waste generated in operations: Defra tables for the years 2021-2022-2023 in relation to type of travel and disposal mode;
- Business travel: Defra Employee commuting for the years 2021-2022-2023;
- Employee commuting: Defra tables for the years 2021-2022-2023;
- Leased goods and franchisees:

AiB factors for 2020;

- Use of sold products: estimate that considers the number of washes for a garment, the average energy consumption and emission factors published by Terna in 2019;
- End-of-life treatments of sold products: Defra tables for the years 2021-2022-2023.



Annexes

	NEW HIRINGS						TURNOVER																	
	2022			2023			2022			2023														
	Stores		Offices	Total		Stores		Offices	Total		Stores		Offices	Total										
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%								
ITALY																								
Men	25	36%	109	20%	134	22%	31	41%	65	12%	96	16%	33	47%	110	20%	143	23%	25	33%	81	15%	106	17%
≤ 30	10	111%	15	33%	25	45%	22	138%	23	45%	45	67%	14	156%	16	35%	30	55%	13	81%	8	16%	21	31%
31-50	14	26%	59	28%	73	27%	9	17%	38	18%	47	18%	15	28%	44	21%	59	22%	12	23%	37	18%	49	19%
≥ 51	1	14%	35	12%	36	12%	0	0%	4	1%	4	1%	4	57%	50	17%	54	18%	0	0%	36	13%	36	13%
Women	637	63%	95	14%	732	47%	515	52%	89	13%	604	36%	498	50%	141	20%	639	38%	527	53%	103	15%	630	38%
≤ 30	317	107%	31	39%	348	93%	324	105%	50	46%	374	90%	259	87%	18	23%	277	74%	279	91%	13	12%	292	70%
31-50	297	48%	51	13%	348	35%	171	30%	34	10%	205	22%	211	34%	60	15%	271	27%	222	38%	54	15%	276	30%
≥ 51	23	25%	13	6%	36	11%	20	19%	5	2%	25	8%	28	30%	63	27%	91	28%	26	25%	36	16%	62	19%
EUROPE																								
Men	152	105%	18	26%	170	79%	152	112%	6	7%	158	73%	159	110%	14	20%	173	81%	159	117%	15	19%	174	80%
≤ 30	102	146%	10	91%	112	138%	105	175%	1	4%	106	126%	109	156%	9	82%	118	146%	114	190%	3	13%	117	139%
31-50	47	76%	6	14%	53	50%	45	71%	5	13%	50	49%	46	74%	1	2%	47	44%	42	67%	9	23%	51	50%
≥ 51	3	23%	2	14%	5	19%	2	15%	0	0%	2	7%	4	31%	4	29%	8	30%	3	23%	3	18%	6	20%
Women	2 008	89%	22	14%	2 030	84%	1 916	92%	22	8%	1 938	83%	2 036	91%	22	14%	2 058	86%	1 973	95%	19	7%	1 992	85%
≤ 30	1456	159%	4	25%	1460	157%	1391	170%	5	7%	1396	157%	1 414	155%	5	31%	1 419	153%	1345	165%	3	4%	1348	151%
31-50	494	42%	16	13%	510	39%	471	42%	12	8%	483	38%	561	47%	11	9%	572	43%	570	51%	14	9%	584	46%
≥ 51	58	40%	2	13%	60	37%	54	34%	5	17%	59	31%	61	42%	6	40%	67	42%	58	36%	2	7%	60	31%

	NEW HIRINGS						TURNOVER																	
	2022			2023			2022			2023														
	Stores		Offices	Total		Stores		Offices	Total		Stores		Offices	Total										
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%								
REST OF THE WORLD																								
Men	338	93%	82	25%	420	60%	393	112%	58	17%	451	65%	345	95%	163	49%	508	73%	393	112%	97	28%	490	71%
≤ 30	280	123%	26	65%	306	114%	331	145%	17	38%	348	127%	274	120%	11	28%	285	106%	312	137%	11	24%	323	118%
31-50	56	42%	54	21%	110	28%	62	51%	38	15%	100	26%	70	53%	123	47%	193	49%	80	66%	75	29%	155	41%
≥ 51	2	50%	2	6%	4	11%	0	0%	3	8%	3	8%	1	25%	29	94%	30	86%	1	33%	11	30%	12	30%
Women	536	89%	72	24%	608	67%	603	106%	76	24%	679	77%	479	80%	122	40%	601	66%	627	111%	93	30%	720	82%
≤ 30	473	116%	45	53%	518	105%	541	138%	38	44%	579	121%	402	98%	35	41%	437	88%	539	137%	32	37%	571	119%
31-50	55	32%	24	12%	79	21%	61	41%	31	15%	92	26%	74	43%	73	36%	147	39%	84	57%	48	23%	132	37%
≥ 51	8	38%	3	18%	11	29%	1	4%	7	44%	8	19%	3	14%	14	82%	17	45%	4	15%	13	81%	17	40%
Total																								
Men	515	89%	209	22%	724	47%	576	102%	129	13%	705	46%	537	93%	287	30%	824	54%	577	102%	193	20%	770	51%
≤ 30	392	128%	51	53%	443	110%	458	151%	41	34%	499	118%	397	129%	36	37%	433	107%	439	144%	22	18%	461	109%
31-50	117	47%	119	23%	236	31%	116	49%	81	16%	197	26%	131	53%	168	32%	299	39%	134	57%	121	24%	255	34%
≥ 51	6	25%	39	12%	45	12%	2	8%	7	2%	9	3%	9	38%	83	25%	92	25%	4	17%	50	15%	54	15%
Women	3 181	83%	189	16%	3 370	67%	3 034	83%	187	15%	3 221	66%	3 013	78%	285	25%	3 298	66%	3 127	86%	215	17%	3 342	68%
≤ 30	2246	139%	80	44%	2326	129%	2256	149%	93	35%	2349	132%	2075	128%	58	32%	2133	119%	2163	143%	48	18%	2211	124%
31-50	846	43%	91	13%	937	35%	703	38%	77	11%	780	31%	846	43%	144	20%	990	37%	876	48%	116	16%	992	39%
≥ 51	89	34%	18	7%	107	20%	75	26%	17	6%	92	16%	92	36%	83	31%	175	33%	88	30%	51	19%	139	25%

000 No. of employees hired (leaving) in the year (fixed term + permanent)

(000%) Turnover rate: total No. of employees hired (leaving)/no. of employees at 31.12

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



GRI content index

GRI ASPECTS	DISCLOSURE	DESCRIPTION	REFERENCE
GRI 2 GENERAL DISCLOSURES			
GRI 2 Disclosures for organizations and reporting practices	2-1	Organizational details	Page 132 / Chap. Appendix
	2-2	Entities included in the organization's sustainability reporting	Page 132 / Chap. Appendix
	2-3	Reporting period, frequency and contact point	Page 132 / Chap. Appendix
	2-4	Restatements of information	Page 132 / Chap. Appendix The following indexes were subject to restatement: GRI 2-27, GRI 301-1, GRI 204-1, GRI 401-3, GRI 305-3, GRI 403-9, GRI 416-2 to improve data collection processes resulting in more accurate data and information.
	2-5	External assurance	Pages 150-152 / Chap. Appendix
GRI 2 Activities and workers	2-6	Activities, value chain and other business relationships	Pages 24-25; 28-29; 34-35 / Chap. Company Pages 82-84 / Chap. People Pages 121-122 / Chap. Circularity
	2-7	Employees	Pages 85-87 / Chap. People
	2-8	Workers who are not employees	Page 87 / Chap. People
GRI 2 Governance	2-9	Governance structure and composition	Pages 44-47 / Chap. Governance
	2-10	Nomination and selection of the highest governance body	Pages 44-47 / Chap. Governance
	2-11	Chair of the highest governance body	Page 45 / Chap. Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	Pages 46-47 / Chap. Governance
	2-13	Delegation of responsibility for managing impacts	Pages 46-47; 49 / Chap. Governance
	2-14	Role of the highest governance body in sustainability reporting	Pages 46-47 / Chap. Governance
	2-15	Conflicts of interest	Given Benetton Group's governance and ownership structure, the risk of conflicts of interest for the highest governing body is limited. A formal process regarding the management of conflicts of interest for the highest governing body has not been established.
	2-16	Communication of critical concerns	Pages 46-47 / Chap. Governance

GRI ASPECTS	DISCLOSURE	DESCRIPTION	REFERENCE
	2-17	Collective knowledge of the highest governance body	Pages 46-47 / Chap. Governance
	2-18	Evaluation of the performance of the highest governance body	Pages 46-47 / Chap. Governance Omission: not applicable; there is no mechanism for assessing the performance of the highest governing body against the impacts of the organization
	2-19	Remuneration policies	Pages 46-47 / Chap. Governance
	2-20	Process to determine remuneration	Page 47 / Chap. Governance Page 80 / Chap. People
	2-21	Annual total compensation ratio	Page 80 / Chap. People Omission: information on the indicator is currently available with boundary limitation (Italy). Benetton is committed, in the coming years, to collect the necessary data to cover the indicator
GRI 2 Strategy, policies and practices	2-22	Statement on sustainable development strategy	Page 15 / Chap. Introduction Pages 54-60 / Chap. Governance
	2-23	Policy commitments	Pages 46-47 / Chap. Governance Page 82 / Chap. People Pages 103-105 / Chap. Nature Policy available at: www.benettongroup.com/en/the-group/governance/codes-and-procedures/ https://www.benettongroup.com/en/sustainability/company-approach/risk-analysis-and-policy/
	2-24	Embedding policy commitments	Pages 46-47; 50-54 / Chap. Governance Pages 82-84 / Chap. People Pages 103-105 / Chap. Nature
	2-25	Processes to remediate negative impacts	Pages 46-47; 50-54 / Chap. Governance Pages 80-84 / Chap. People Pages 98-105 / Chap. Nature
	2-26	Mechanisms for seeking advice and raising concerns	Page 47 / Chap. Governance Page 83 / Chap. People

* Reports related to the whistleblowing procedure can be sent to audit.committee@benetton.it.
The csr@benetton.it mailbox is available to collect questions related to the Group's sustainability journey and due diligence approach.



GRI ASPECTS	DISCLOSURE	DESCRIPTION	REFERENCE
	2-27	Compliance with laws and regulations	In the three-year reporting period (2021-2023) Benetton Group was subject to an audit by the Data Protection Authority (2022), which was followed in 2023 by a penalty of Euro 240 000 for the identified non-conformities
	2-28	Membership associations	Page 48 / Chap. Governance
GRI 2 Stakeholder engagement	2-29	Approach to stakeholder engagement	Page 48 / Chap. Governance Page 81 / Chap. People
	2-30	Collective bargaining agreements	Page 75 / Chap. People The % of workers under a collective bargaining agreement in 2023 corresponds to 42%
GRI 3 GENERAL DISCLOSURES			
GRI 3 Description of material topics	3-1	Process to determine material topics	Page 49 / Chap. Governance
	3-2	List of the material topics	Pages 50-53 / Chap. Governance
MATERIAL TOPICS			
ECONOMIC PERFORMANCE INDICATORS			
GRI 201 Economic performance 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance
	201-1	Direct economic value generated and distributed	Page 61 / Chap. Governance
GRI 204 Procurement practices 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance
	204-1	Proportion of spending on local suppliers	Page 122 / Chap. Circularity
GRI 205 Anti-corruption 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance
	205-2	Communication and training about anti-corruption policies and procedures	All employees in Italy received information and training on anti-corruption policies and procedures in compliance with Italian Law 231/2001. In March 2023, a specific training was administered to Purchasing and Procurement dedicated to ethics. All suppliers received information about anti-corruption policies and procedures in line with Italian Law 231/2001 and the Company's Code of Ethics.
	205-3	Confirmed incidents of corruption and actions taken	A report to Whistleblowing in 2022 revealed an incident of corruption for preferential purchase from some suppliers.
GRI 206 Anti-competitive behavior 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance

GRI ASPECTS	DISCLOSURE	DESCRIPTION	REFERENCE
	206-1	Legal actions related to anti-competitive behavior, anti-trust and monopoly practices	One single case of legal action was reported: the process started in 2022 and was successfully completed with a favorable outcome for the Group in 2023 with some alerts related to the revision of the procedure and the franchise agreement
ENVIRONMENTAL PERFORMANCE INDICATORS			
GRI 301 Raw materials 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 114-120 / Chap. Circularity
	301-1	Materials used by weight or volume	Page 117 / Chap. Circularity
GRI 302 Energy used by the organization 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 100-101 / Chap. Nature
	302-1	Energy consumption within the organization	Page 101 / Chap. Nature
GRI 303 Water and water discharges 2018	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 103-104 / Chap. Nature
	303-1	Interaction with water as a shared resource	Pages 103-104 / Chap. Nature
	303-2	Management of water discharge-related impacts	Pages 103-104 / Chap. Nature
GRI 304 Biodiversity 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Page 105 / Chap. Nature
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 105 / Chap. Nature
GRI 305 Emissions 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 98-100; 102 / Chap. Nature
	305-1	Direct greenhouse gas emissions (Scope 1)	Page 99 / Chap. Nature
	305-2	Indirect greenhouse gas emissions (Scope 2)	Page 99 / Chap. Nature
	305-3	Indirect greenhouse gas emissions (Scope 3)	Page 99 / Chap. Nature
GRI 306 Waste 2020	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 100-101 / Chap. Nature
	306-2	Management of significant waste-related impacts	Page 100 / Chap. Nature Pages 115-116 / Chap. Circularity
	306-3	Waste generated	Page 101 / Chap. Nature

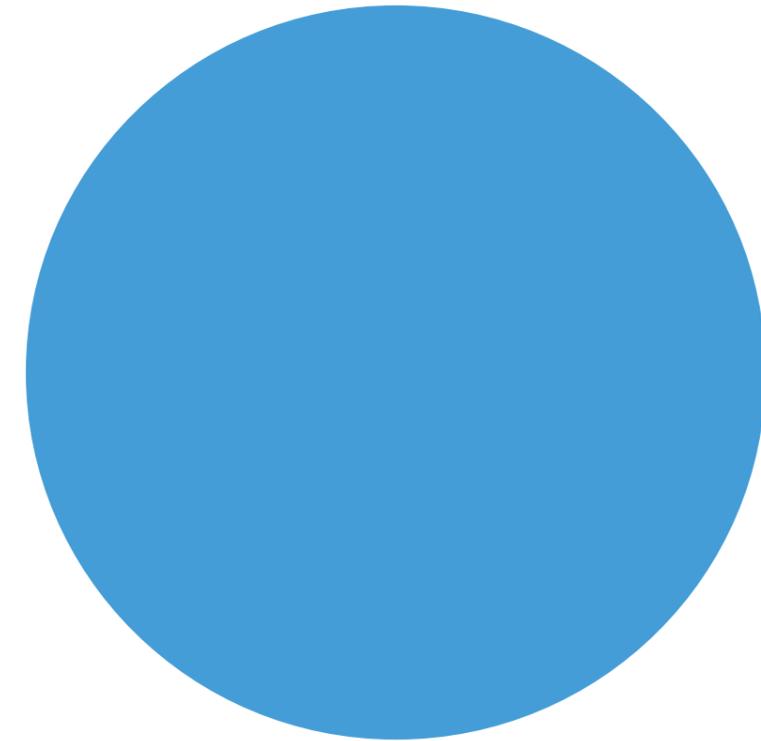


GRI ASPECTS	DISCLOSURE	DESCRIPTION	REFERENCE
SOCIAL PERFORMANCE INDICATORS			
GRI 401 Employment 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 72-81 / Chap. People
	401-1	New employee hires and employee turnover	Page 88 / Chap. People Pages 134-135 / Chap. Appendix
	401-2	Benefits provided to full-time workers and not provided to part-time and temporary workers broken down by significant locations of operation	Pages 72-80 / Chap. People
	401-3	Rate of return to work and retention rate after parental leave (by gender)	Page 73 / Chap. People
GRI 402 Industrial relations 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Page 75 / Chap. People
	402-1	Minimum notice period for organizational changes	Page 75 / Chap. People
GRI 403 Health and safety in the workplace 2018	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Page 75 / Chap. People
	403-1	Occupational health and safety management system	Page 75 / Chap. People
	403-2	Hazard identification, risk assessment, and incident investigation	Page 75 / Chap. People
	403-3	Occupational health services	Page 75 / Chap. People
	403-4	Worker participation, consultation and communication on occupational health and safety	Page 75 / Chap. People
	403-5	Worker training on occupational health and safety issues	Page 75 / Chap. People
	403-6	Promotion of worker health	Page 75 / Chap. People
	403-7	Prevention and mitigation of occupational health and safety impacts within business relationships	Page 75 / Chap. People
	403-8	Workers covered by an occupational health and safety management system	Page 75 / Chap. People
	403-9	Work-related injuries	Page 76 / Chap. People
403-10	Work-related ill health	Page 76 / Chap. People	

GRI ASPECTS	DISCLOSURE	DESCRIPTION	REFERENCE
GRI 404 Training and education 2018	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 77-79 / Chap. People
	404-1	Average annual training hours per employee, broken down by worker category and gender	Page 78 / Chap. People
	404-2	Programs for upgrading employee skills and transition assistance programs	Pages 77-79 / Chap. People
GRI 405 Diversity and equal opportunity 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 77-80 / Chap. People
	405-1	Composition of governance bodies and breakdown of employees by gender, age, allocation to protected categories and other diversity indexes	Pages 85-87 / Chap. People
	405-2	Ratio of basic salary and remuneration of women to men	Page 80 / Chap. People
GRI 406 Non-discrimination 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 77-78; 82-84; 87 / Chap. People
	406-1	Total number of discrimination cases and corrective actions taken	Page 83 / Chap. People
GRI 407 Freedom of association 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 82-84 / Chap. People
	407-1	Identification of activities and key suppliers where freedom of association and collective bargaining may be exposed to significant risks and actions taken to defend these rights	Pages 82-84 / Chap. People
GRI 408 Child labor 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 82-84 / Chap. People
	408-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 82-84 / Chap. People
GRI 409 Forced or compulsory labor 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 82-84 / Chap. People
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 82-84 / Chap. People
GRI 413 Local communities 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 81; 84 / Chap. People
	413-1	Operations with local community engagement, impact assessment and development programs	Pages 81; 84 / Chap. People



GRI ASPECTS	DISCLOSURE	DESCRIPTION	REFERENCE
GRI 414 Supplier assessment based on social aspects 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 82-84 / Chap. People
	414-1	New suppliers screened using social criteria	Page 83 / Chap. People
	414-2	Negative social impacts in the supply chain and actions taken	Page 83 / Chap. People
GRI 416 Health and safety of consumers 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 114-115 / Chap. Circularity
	416-2	Assessment of the health and safety impacts of product and service categories	In 2022, a kidswear item was withdrawn from the market due to a nonconformity detected by the Spanish Authority.
GRI 417 Marketing and product labeling 2016	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Page 114 / Chap. Circularity
	417-1	Requirements for product and service information and labeling	The labels of all products marketed by the Group, regardless of their commodity category, specify the information required by the regulations of the country in which they are marketed. In particular, information relates to: country of origin, presence of toxic substances and method of disposal
	417-2	Incidents of non-compliance concerning product and service information and labelling	No significant cases of non-compliance regarding product labeling were identified in the three-year period 2021-2023.
	417-3	Incidents of non-compliance concerning marketing communications	Regarding consumer protection regulations, no cases of non-compliance were identified in the three-year period 2021-2023 that led to the payment of penalties by the Group.
GRI 418 Customer privacy	3-3	Management of the material topics	Pages 47; 50-53; 62-63 / Chap. Governance
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In the three-year reporting period (2021-2023) Benetton Group was subject to an audit by the Data Protection Authority (2022), which was followed in 2023 by a penalty of Euro 240 000 for the identified non-conformities
OTHER MATERIAL TOPICS NOT REPORTED BY GRI			
Animal welfare	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Pages 118-119 / Chap. Circularity
Increasing awareness to responsible consumption	3-3	Management of the material topics	Pages 50-53; 62-63 / Chap. Governance Page 114 / Chap. Circularity



My country is a flower garden____2023

Nuveen Barwari

Iraq



10x12 cm____Recovery material, thread, piece of carpet, textile ink

Nuveen Barwari is a Kurdish-American artist, born in Nashville, Tennessee (USA), and raised in Duhok, a region of Iraqi Kurdistan. She lives and works in Albany, New York.

She received a B.A. in Studio Art from Tennessee State University (Nashville) in 2019 and an MFA from the University of Tennessee (Knoxville) in 2022. Her work has been featured in numerous publications and exhibited in various galleries across the United States.



Crossing___2023

Hairul Amin

Myanmar



Hairul Amin had to leave his country and home in 2017 and now lives in the Kutupalong refugee camp in Bangladesh. He is a craftsman, drawing and making sketches and layouts of his future works. He is an artist deep in his heart. His dream is to teach drawing and handicrafts to the younger generations of Rohingya living in the camp.

12x10 cm___Acrylic on canvas



A king without a throne___2023

Famakinka Olunafemi

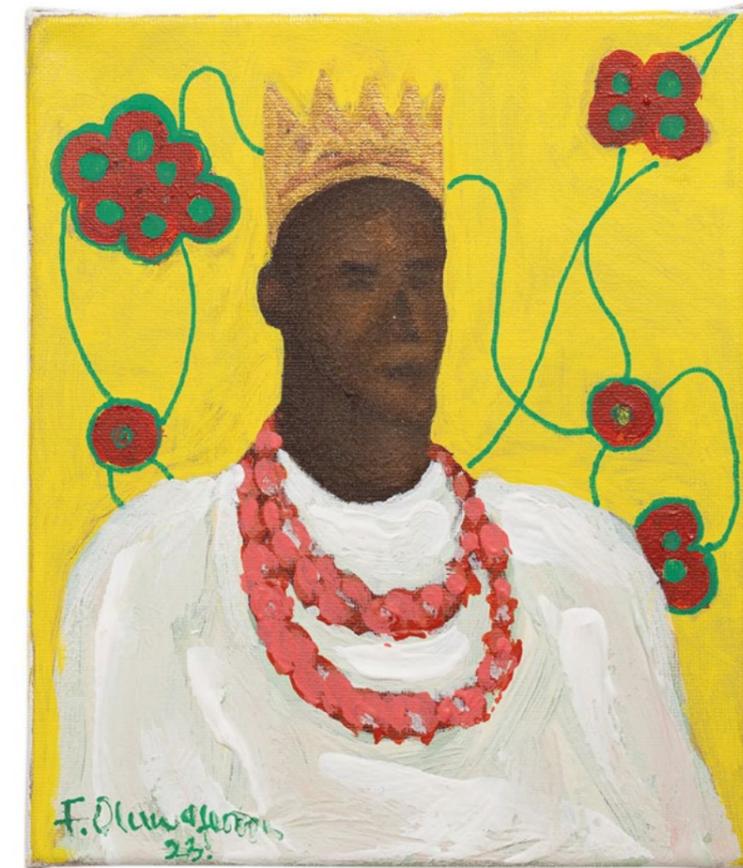
Nigeria



10x12 cm___Acrylic on canvas

Famakinka Olunafemi is a Nigerian painter currently living in France.

He has loved painting since childhood, but has always worked by copying existing images. The work created for this project marks his first original painting.





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Independent auditors' report on data and information included in the Integrated Report 2023 and referenced in the "GRI content index" (Translation from the original Italian text)

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

We have been appointed to perform a limited assurance engagement on the data and information included in the Integrated Report 2023 referenced in the "GRI content index" of Benetton Group S.r.l. (hereinafter "the Company") and its subsidiaries (hereinafter also "Benetton Group" or "the Group") for the year ended on December 31, 2023 (hereinafter also "GRI Disclosure of the Integrated Report").

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

The Directors of Benetton Group S.r.l. are responsible for the preparation of the GRI Disclosure of the Integrated Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph Methodological notes of the Integrated Report 2023.

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

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

Auditors' independence and quality control

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

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

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the GRI Disclosure of the Integrated Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements.

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Sede Secondaria: Via Lombardia, 31 - 00187 Roma
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This principle requires the planning and execution of procedures in order to obtain a limited assurance that the GRI Disclosure of the Integrated Report is free from material misstatements.

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

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

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the GRI Disclosure of the Integrated Report, with reference to the methods of analysis and understanding of the reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
2. comparison of economic and financial data and information included in the GRI Disclosure of the Integrated Report with those included in the Group's consolidated financial statement;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the GRI Disclosure of the Integrated Report.

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

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

- at Group level,
 - a) with reference to the qualitative information included in the GRI Disclosure of the Integrated Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For Benetton retail Benetton Group Srl – Benetton Hellas Agency of Clothing E.P.E. (Greece) and Benetton Group Srl German Branch (Germany), that we have selected based on their activity, relevance to the consolidated performance indicators and location, we have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.



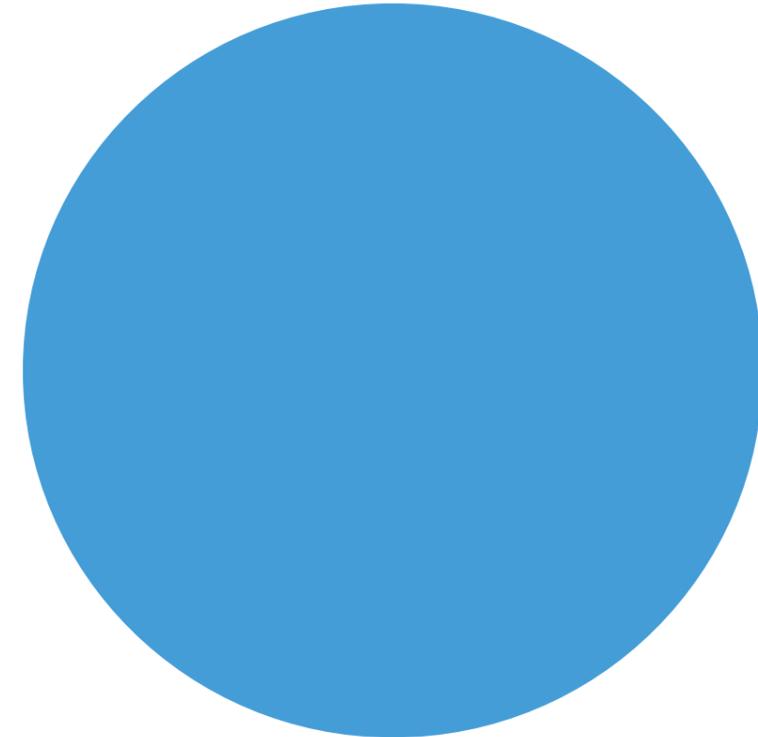
Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the GRI Disclosure of the Integrated Report of Benetton Group S.r.l. and its subsidiaries for the year ended on December 31, 2023 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph Methodological notes of the Integrated Report 2023.

Treviso, June 17, 2024

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

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



Escape___2023

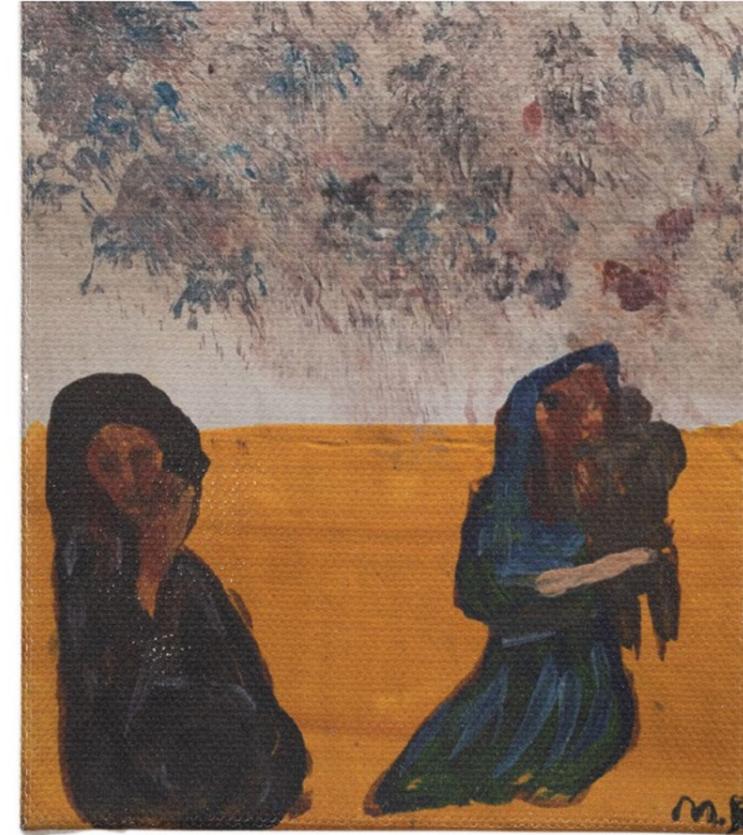
Mohamed Rabah

Iraq



"I am a 19-year-old artist originally from Diyala province, Iraq. My hometown, Jallula, was occupied by the terrorist organization ISIS and we were forced to flee to the district of Khanaqin. We had to live on the streets because we could not find shelter. Fortunately, a police officer helped us and took us to an IDP camp. We stayed there for about six months during a scorching summer without electricity or water. After a couple of months, our town was liberated and we returned to the ruins of our homes in Jallula. Many homes had been demolished, looted and burned. We rebuilt them from scratch and had to buy new furniture. It was during the period of displacement that I discovered my passion for drawing. I continued to draw and developed my skills to create beauty among the ruins."

10x12 cm___Acrylic on canvas



Fragments of a house I once knew. Yarmouk camp, Syria, 2023

Ameen Abo Kaseem

Syria



12x10 cm ___ Digital image printed on canvas

A Palestinian-Syrian documentary photographer and video editor, Ameen Abo Kaseem lives and works in Damascus. He is currently studying Visual Arts at the Higher Institute of Dramatic Arts in Damascus. He took up photography in 2016. He has been forced to flee three times, which caused constant instability in his life. He recently received a mentorship grant awarded by AFAC, Magnum Foundation and Prince Claus Fund through the Arab Documentary Photography Program for the project *How was life before this disaster?*



Single Mother___2023

Alpha Mukange

Democratic Republic of Congo



10x12 cm___Acrylic on canvas

A self-taught artist, Alpha Mukange was born in 1995 in the Democratic Republic of Congo. Since childhood he has drawn out of passion and has been doing so professionally for the past 10 years. He moved to the Kakuma refugee camp in 2010. He has worked for the Norwegian Refugee Council of Kenya, making signs in the Kakuma camp, before leaving his work to concentrate on painting. He received art training with practical application of elements and principles of art and design in Nairobi in 2016. He is one of the winners of the Youth with Refugees global art competition, launched by UNHCR in April 2020 during the Covid-19 pandemic.



Acknowledgements

Thank you to all the colleagues who contributed to the drafting of this report.

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The images of this publication are taken from "Out of Place. Art and Stories from the World's Refugee Camps," a collection of works by artists of different nationalities curated by Claudio Scorretti, Irina Ungureanu and Aman Mojadidi for Imago Mundi Collection. All rights concerning the images are reserved under copyright law. No work may be reproduced or used in any form or medium outside the context of this publication without written permission from Fondazione Imago Mundi.



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