

INTEGRATED REPORT

BENETTON GROUP 2021



Style
**UNITED COLORS
OF GHALI**

Product
**DOWN JACKETS
GOOD INSIDE**

Supply Chain
**ADOPTION
OF THE HIGG INDEX**

Digital
**BENETTON ISLAND
ON ANIMAL CROSSING**

Communication
**IN SWEDEN WITH
THE HOPE PROJECT**

People
**THE NEW
COMPANY
SUPPLEMENTARY
AGREEMENT**

Spaces
**A HIGH
SUSTAINABLE
STORE**

INTEGRATED REPORT

BENETTON GROUP 2021

UNITED COLORS
OF BENETTON.

S I S L E Y

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SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

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UNITED COLORS
OF BENETTON.

Letter from the Chairman



Dear Stakeholders,

In the life of a company, some years have a greater specific weight than others, because the foundations for future years are laid. For Benetton Group, 2021 was one of those years. Thanks to the consolidation of the significant business decisions made since 2019, the Company managed to find its path back to growth, with progress that takes on even greater significance given the very complex context in which it was achieved.

The merit of our Company was understanding that what we are experiencing is no longer a time of "transitions", a term that was often used to dilute in time actions that, instead, were more urgent than ever. Rather, this is a time for disruptions. Benetton Group has confirmed that it still possesses that bold, innovative and pioneering spirit that has been one of the key factors in building the Company's success, ever since its foundation.

One of the disruptions accomplished refers to its digital business size. Our e-commerce sales recorded double-digit growth, and recently we've been among the first in the world to give concrete meaning to the term Metaverse, by enabling people to enjoy immersive experiences in our stores, starting with the store located in Corso Vittorio Emanuele in Milan.

2021 was also characterised by massive investments in sustainability-related areas and environmental protection, present in every area and activity of our Group: from the stores to the collections and from the supply chain to distribution and communication. These values are not new to the Company, nor have they been discovered in the wake of current trends: they are part of our DNA. To underscore this, we grouped all of our initiatives under a common umbrella - GREEN B - a project that brings together all the Group's sustainability activities. In this context, the concept store in Florence has a strong symbolic value, as it is the result of important research aimed at minimising the carbon footprint.

These two symbolic stores are just an example of the initiatives we have undertaken to renew and develop our network. For Benetton Group, physical and digital are now two sides of the same coin, going hand in hand in a multi-channel perspective, sharing a strong and very precise common ground: reaching the people who believe in us and in our products all over the world.

Moreover, growth was achieved through the products, in addition to the stores. At last, the strong identities of United Colors of Benetton and Sisley are reflected in the collections, demonstrating both deep respect for the heritage of the two brands and a constant drive towards innovation and sustainability. Our products are not "just" products, but bearers of values, a way of conveying to people the ideals of dialogue, equality and respect. To do so, this year too, Benetton Group relied on the collaboration of Jean-Charles de Castelbajac, who designed a capsule collection with an evocative name - IN LOVE WE TRUST - to symbolise renaissance and hope that the world needs more than ever. It should also be noted that in 2021 the brand ambassador of United Colors of Benetton was Ghali, an artist who acts as a "bridge" with the new generations, whom we must keep in mind in all our activities.

In 2021, Benetton Group also successfully managed to shift the center of gravity of its supply chain back to Europe, Italy and the Mediterranean area. A real reshoring process carried out starting from the enhancement of the Company's production factories in Croatia, Serbia, Tunisia - and obviously Italy - and incremental use of platforms in the EMEA area. As a result of this choice, the Company today can exercise even greater control over the entire supply chain, with significant advantages in terms of product quality, procurement speed, supply rotation and timely deliveries. The Company can also adapt with less impact to changing and turbulent international scenarios.

Last but definitely not least - in fact, the most important asset of Benetton Group: the people. To all Company employees - starting from CEO Massimo Renon and his team - a big "thank you" for the work you are doing. The Company is finding new ways for relaunch thanks to its people. Thanks to them we entered into a new agreement for innovation and development, to enhance the value of talents and ambitions and meet needs while taking into account the evolution of the society we live in and the world of work.

Benetton, therefore, changed profoundly in 2021. It became stronger, faster, more digital and sustainable. It developed all these characteristics without giving up its distinctive values.

In a year that has begun under very painful auspices, it is our duty as individuals and as an organisation to do our part to make this world "the best of all possible worlds" continuing to believe in everything we have always believed in. Equality and peace, first and foremost.

Luciano Benetton
Chairman
Benetton Group

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Interview with Massimo Renon
Chief Executive Officer
Benetton Group

by Luca Farioli

Green&Blue

Website and monthly add-on magazine
dedicated to environmental issues and
sustainability published by La Repubblica
and La Stampa

Two years of living dangerously, but never losing hope. The climate crisis, the pandemic, and now a conflict at the borders of the European Union. These emergencies are putting governments, citizens and companies to the test, forcing the adoption of innovative approaches. *“Today, managers are called upon to govern changes,”* said Massimo Renon, CEO of Benetton Group since the beginning of 2020. *“Until a few weeks ago, we thought that we had defeated Covid-19 thanks to the vaccination campaign, but now we are witnessing a humanitarian crisis in Ukraine, which is almost unbearable. We are currently observing the effects of the conflict on customer behavior. Benetton Group is a solid organisation and we are positive; we will come through this, too.”*

Mr. Renon, what does Benetton Integrated Report for 2021 highlight?

Firstly, improved financial results. And that's key for any business. Secondly, the great attention to products and quality, and I am specifically referring to raw materials and fabrics. It is a path that Benetton undertook long ago, but today we are pursuing it even further. As to sustainability, we are increasing the amount of recycled material we use in our products.

Last year, when you presented the Integrated Report for 2020, you said that the pandemic could also be turned into an opportunity. Did you manage to do it in 2021? And how?

Turning a globally impacting catastrophic event such as the pandemic into an opportunity was the first idea of all Italian companies. It was necessary to join forces to outlast the health crisis while giving full expression to the Company's potential. We did it by leveraging our DNA. Benetton has always been synonymous with knits, color, quality, fashion and Made in Italy. We developed the new business model on this, plotting a new course for Benetton.

In this period of remote learning, lockdowns and social distancing, how much did e-commerce grow for a big apparel brand like yours?

E-commerce is becoming increasingly important and, in fact, we enhanced it. Today we have one big global store, a single platform that enables us to reach out to all our customers directly, thanks to disintermediation, which eliminates a number of steps. E-commerce currently accounts for nearly 20% of our global sales. Up until two years ago it accounted for just a few percentage points. Online buyers very often sign up for the family card, provide us with data that we use for profiling and communicate directly with us, becoming involved in sales and marketing campaigns. Moreover, e-commerce is much more sustainable: we save on transport and logistics, which are part of the process to handle goods from the warehouse to the store, as we have thousands of physical stores all over the world.

Let's talk about sustainability. More and more often companies are asked not only to keep their accounts in order, but also to implement actions to reduce the carbon footprint

of their production processes. How sustainable is Benetton today?

Benetton has always, since its establishment, been synonymous with sustainability. Just think of our Ponzano headquarters, where 40 years ago solutions were adopted that were later imitated by large luxury and energy groups. Today we control the entire production process, not only to verify the quality of our products, but also their compliance with sustainability criteria. For example, half of our products are monofiber, which makes the item easier to recycle. More generally, we implement sustainability criteria that are absolutely in line with all the certifications of large companies. We take part in the Sustainable Apparel Coalition, a very diligent alliance that assesses the sustainability of fashion companies.

Fast fashion companies are criticised for their very high environmental costs. Maybe consumers should renew their wardrobe less frequently in order to produce less CO₂ emissions and reduce pollution. In your opinion, is it possible to combine sustainability and commercial success?

I think consumers today are definitely more aware than they were in the past. Before making new apparel purchases, they think it over carefully. So then, why do they purchase? I believe it is the quality of the product that makes them buy. They want to wear hypoallergenic garments, made of sustainable cotton, that both protect the environment and are also comfortable and warm. If the products are quality products and meet these characteristics, consumers can buy less and use them for a longer time. We are not interested in selling more to the same consumers, we want to sell quality products to more consumers.

A few years ago an entrepreneur visiting a textile factory in China asked the staff what the next season's hot fashion color would be. The answer was: “Look at the color of the river that flows under the factory, into which our manufacturing residues are discharged”. Is environmental awareness something reserved for a few enlightened Western entrepreneurs, or is it spreading throughout the entire supply chain?

Awareness about sustainability is definitely spreading, thanks to the certifications I was referring to before. And I'm optimistic.

I hope that Chinese river has turned crystal clear again. I can tell you this: the waterways that flow close by any Benetton plant have crystal clear water.

What are your future plans for sustainability?

The most important thing is to increase the number of products in the collection that meet sustainability criteria. In the past, they represented 15% of the total, now they account for 20%, 25%, 30%, but soon the entire architecture of the collections must comply with these criteria. Another aspect to consider is selling products in a sustainable way, as we do today in our GREEN B store in Florence. We plan to open other stores with the same concept in some particularly representative cities, and it is our intention to replicate the innovations experimented in Florence in all Benetton stores.

What is the future of the two brands United Colors of Benetton and Sisley?

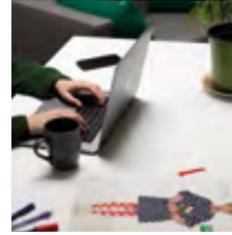
Benetton will become a democratic fashion brand, presenting comfortable and practical products in line with the characteristics of the original knits, sold at a fair price and for an occasion of use that can be at home or on the move. Sisley will be the cooler brand, younger and more contemporary, for an occasion of use that can be an aperitif or even the office.

Benetton is globally famous for its colors. What color is the future of Benetton?

I would like it to be only green, a color that has always been on our brand. A color of hope, positive. Even when it comes to figures and financial data, it's better they should be green rather than red. Green is therefore the common denominator that combines positive results and environmental sustainability. We work for a company that is in good health and that makes the planet feel good.

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Highlights 2021



OVER **1 000**
SMART WORKERS



30% OF ONLINE
CONSUMERS CHOOSE
GREEN B PRODUCTS



100%
GREEN ENERGY
DIRECTLY OPERATED
STORES IN ITALY



>25 000
TRAINING HOURS
IN ITALY



9TH POSITION
IN THE GLOBAL
FASHION BRANDS
RANKING, ACCORDING
TO THE FASHION
TRANSPARENCY
INDEX



71%
SUSTAINABLE
COTTON

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Values



COLOR

The first thing that comes to mind when thinking of the Benetton Group is color, in all of its expressions. The colorful knits that have revolutionised 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. Because Knowledge is crucial for the success of any enterprise.



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.

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 Tyrrel 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 on the Frankfurt Stock Exchange in 1988 and New York Stock Exchange in 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 Centre is founded.

The Undercolors brand is born.

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 Centre 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 recognised by Greenpeace for its commitment to environmental sustainability.

2014

The Group is reorganised into three separate entities: one directly focused on the brands, one dedicated to manufacturing and one engaged in real estate 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 to present the Rainbow Machine collection by new artistic director Jean-Charles de Castelbajac.

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 highly sustainable store in Florence.

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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 organisation and corporate governance;
- › the general guidelines regarding the management of human resources;
- › proposals for the re-organisation 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), analysing the main criticalities.

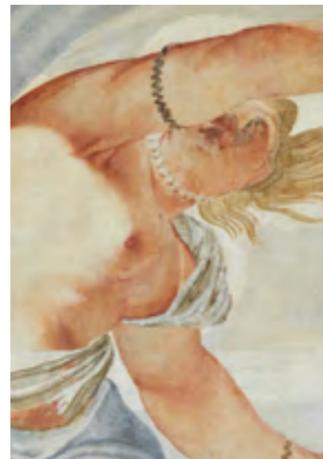
CONTROL, RISK AND SUSTAINABILITY COMMITTEE

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 the internal controls. 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 controls, 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 purposes of preparing 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 "Organisation and Management Model" - pursuant to Italian Legislative Decree 231/2001 - 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

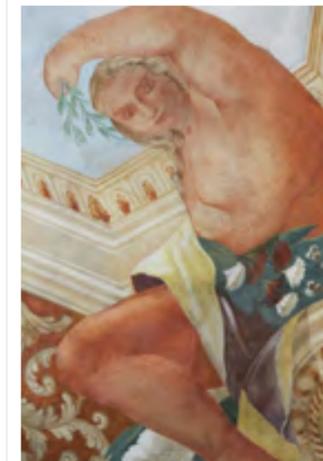
The Human Resources and Remuneration Committee serves in a due diligence, advisory and/or recommendation-making capacity in support of the Board of Directors and, in particular:

- › 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.



ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001

The current Organisation, Management and Control Model adopted by resolution of the Board of Directors on March 1, 2016, 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.



Composition of the Sustainability Committee:

Massimo Renon CEO
Martino Boselli UCB Chief Commercial & Sales Officer
Stefano De Marchi HR & Organisation Director
Ugo Giorcelli Chief Staff Officer
Nicoletta Sartori Head of Sustainability
Francesca Svab Sisley Director
Carlo Tuniola CEO Fabbrica
Marco Zeggio Chief Operations Officer

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;
- › standardising 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.

Business model

INPUT

CAPITAL SOCIAL AND RELATIONAL (BRAND VALUE)

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

CAPITAL HUMAN

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

CAPITAL PRODUCTION

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

CAPITAL FINANCIAL

- › Constantly investing to expand the Company's assets

CAPITAL NATURAL

- › Using natural resources in a responsible way

CAPITAL INTELLECTUAL

- › Designing attractive and recognisable collections
- › Effective Company processes through continuous focus on innovation and results
- › Research projects supporting the Company in updating its tools and anticipating consumer changes

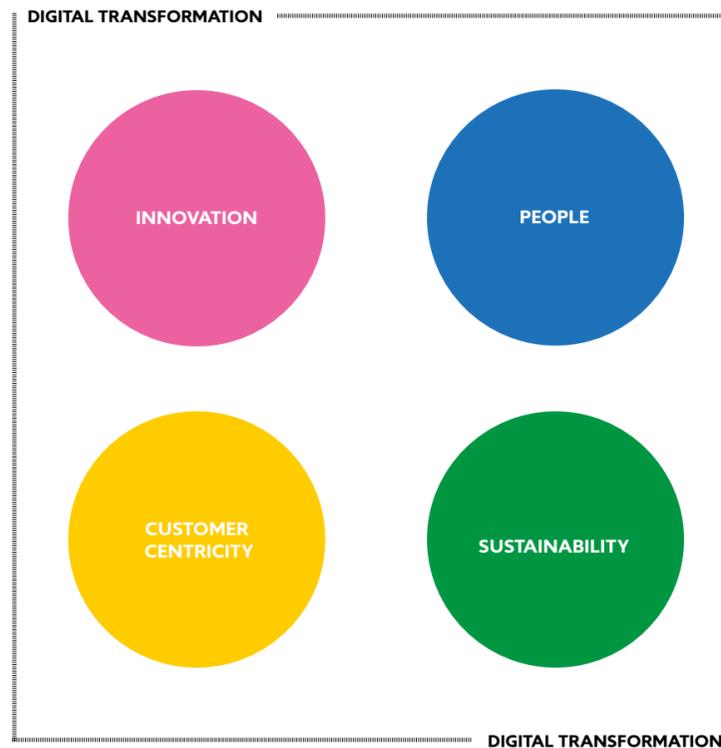
BUSINESS MODEL

7 CUSTOMERS
We consolidated our existing target and developed communication lines and campaigns for United Colors of Benetton, to strengthen our engagement with millennials.

1 PRODUCT
We have taken a decisive turn for the collections of our brands, which includes a consolidation in the use of natural raw materials and a renewed focus on the quality of the garments and style of the new generations.

2 BRAND
We continued the repositioning of our brands. United Colors of Benetton focuses on affordable fashion, while Sisley consolidated its contemporary identity to move into the Bridge Premium segment of the market.

DIGITAL TRANSFORMATION



6 PURCHASING
We continued with the omnichannel strategy implementation, which involves the end consumer in a global experience, breaking down the boundaries between analogue and digital distribution channels.

5 DISTRIBUTION
In 2021, direct e-commerce channels recorded double-digit growth in terms of sales, confirming the trend in consumer spending increasingly oriented to e-commerce.

3 STORE
We launched a high-sustainability store concept for United Colors of Benetton and initiated a strategic process to make our stores increasingly agile, flexible, sustainable and connected with the online shopping experience.

4 LOGISTICS
We continued our commitment to ensuring logistics services with reduced environmental impact and almost customised to satisfy sales needs through the implementation of solutions such as intermodal transportation, automatic re-sorting, prompt product-to-store allocation and reverse logistics.

EXTERNAL ENVIRONMENT

EXTERNAL ENVIRONMENT

OUTPUT 2021 OUTCOME

CAPITAL SOCIAL AND RELATIONAL (BRAND VALUE)
› 28 SDG-related actions
› 235 suppliers assessed based on their social impact
› 12% weight of the GREEN B collection on the total

+ Company reputation

CAPITAL HUMAN
› Approximately 300 new resources under 30 hired in Italy
› 25 000 training hours organised in Italy

+ Attention to people and opening to new generations

CAPITAL PRODUCTION
› EuroShop Retail Design 2022 award for the GREEN B concept of Florence
› 39 refurbished stores

+ value of Company assets

CAPITAL FINANCIAL
› Economic value generated Euro 871 508
› Economic value distributed Euro 808 526

+ Distribution of the economic value to stakeholders

CAPITAL NATURAL
› 48% sustainable raw materials
› 78% recycled waste

- Negative environmental impacts

CAPITAL INTELLECTUAL
› Revision of the social and environmental due diligence process
› Development of the GREEN B project that groups all the initiatives regarding sustainability of the Group's brands

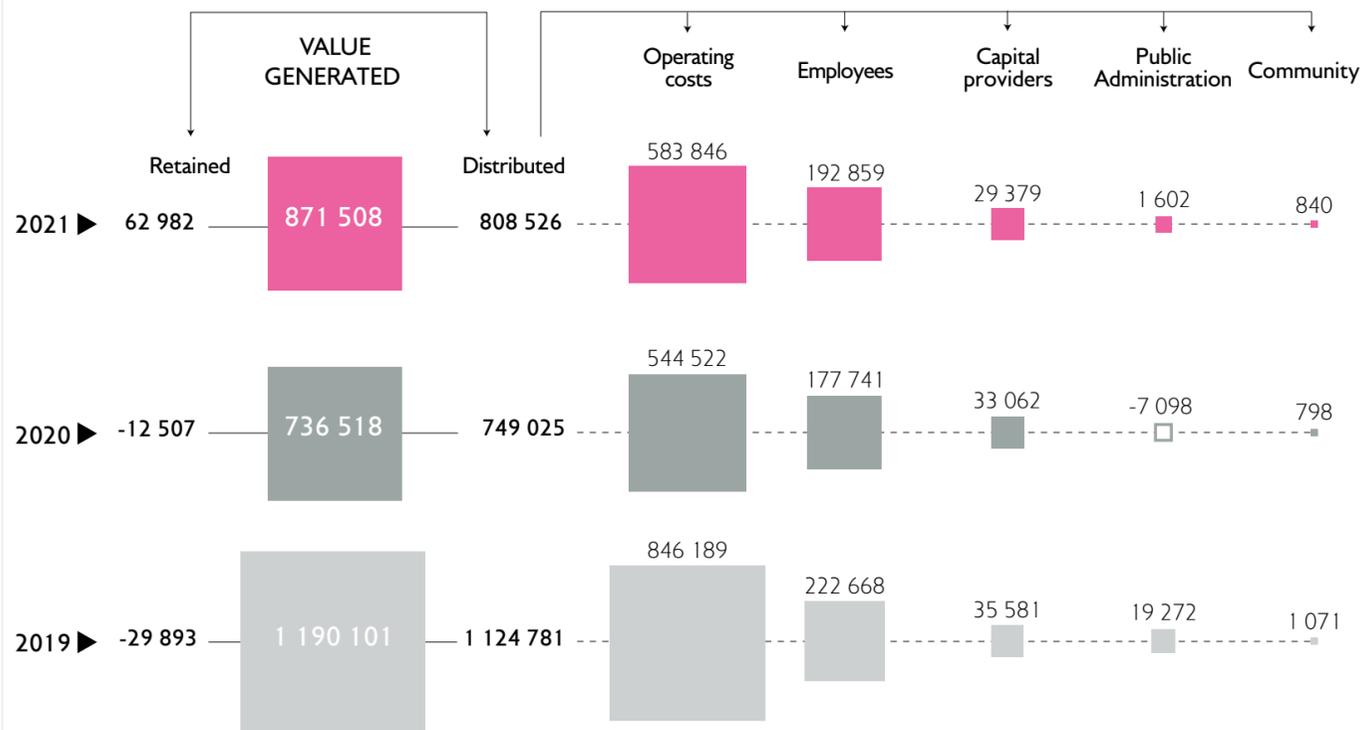
+ Group's responsibility and innovation in communication

Economic value generated and distributed

In 2021, Benetton Group continued its re-launching process, consolidating the strategic choices made in the previous years and improving its economic performance on a year-on-year basis. The economic value generated amounted to approximately Euro 871 million, while the economic value distributed totaled Euro 808 million, and the retained economic value was equal to approximately Euro 63 million. The increase in the economic value generated indicates a priority focus on the dimension of economic sustainability, with clear signs of recovery, despite the uncertainties due to the situation of the Covid-19 pandemic. The increase in revenues is driven by growing sales from directly operated stores, double-digit growth in e-commerce and the contribution of sales in the two markets of India and Korea. Benetton Group also implemented a series of actions designed to ensure an increase in margins, through reduced use of discounts and cost containment from optimised use of inventories, in line with the policy of improving sell-through and disposing of the previous collections. The results are in line with the approved Business Plan, which focuses on efficiency gains and increased performance of the various channels on a like-for-like basis.

Despite the complexities of the current socio-economic context, Benetton has decided to continue to invest in a number of strategic areas, including digital transition - which is fundamental to making the operations supporting the business simpler and more efficient - and environmental and social sustainability. The program of new store openings has also kept moving forward, confirming the search for increasingly cutting-edge solutions to offer a unique brand experience, inclusive and designed around the consumer.

ECONOMIC VALUE GENERATED AND DISTRIBUTED
(EURO THOUSAND)



Materiality matrix and relevant themes

The degree of detail with which the relevant topics within the Report are treated reflects the results of the materiality assessment. The materiality assessment is a process aimed at identifying, assessing and prioritising the most significant issues from both the Company's point of view and that of its stakeholders. As envisaged by the GRI Standards, material topics are identified by considering the importance of the impacts of business activities both within and outside the reporting perimeter, meaning throughout the entire value chain of Benetton Group. The process of defining materiality-related themes was updated in 2020 in order to reflect the consequences of the Covid-19 pandemic on the Group's operations and strategic risk management and to represent the new sensitivity of the stakeholders to the identified themes. Indeed, 2020 represented a moment of disruption for the Company, which tested its resilience in dealing with change, and for society at large, re-proposing a reassessment of the fragile balance between health, the environment, wellbeing and economic growth. Updating the materiality analysis was therefore necessary to incorporate stakeholder expectations and

ensure consistency in corporate action. In 2021, Benetton Group revised its internal materiality analysis as a result of a significant change in the Company's management. In line with the GRI Standards, the necessary inputs were collected on the most relevant issues for the purpose of confirming and strengthening data collection and sustainability reporting in this Report. In particular, the first phase of the process of definition of the materiality perimeter included the identification of the relevant issues based on the following elements:

- › media analysis aimed at mapping media coverage and public interest in each topic;
- › benchmark analysis of the topics covered by major companies operating in the same sector as Benetton Group;
- › analysis of the main sector documents, sustainability indexes, documents and reports of the most relevant and influential non-governmental organisations, policy makers, and the main global stock exchanges in order to identify the main sustainability trends;
- › mapping of priorities and strategic business objectives. The identified issues were then prioritised through the direct

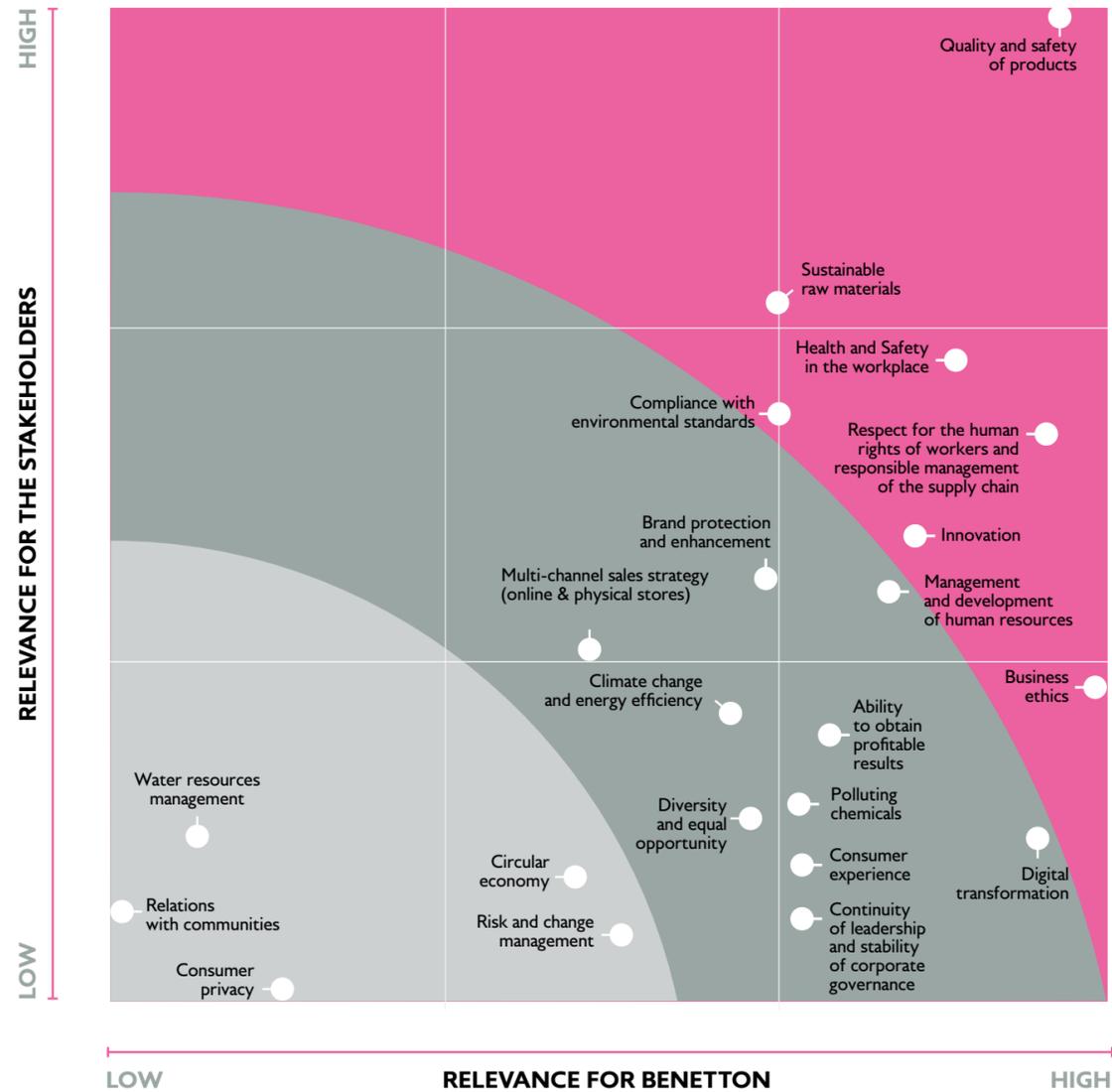
involvement of the management, with a view to giving greater importance to aspects that can positively or negatively affect the ability of the organisation to provide a vision and create value. As regards the relevance for Benetton Group the following factors were considered:

- › Company commitment and policies concerning each topic;
- › the impact of each topic on the Company's capital as identified by the framework <IR> (financial, manufactured, intellectual, human, natural, social and relationship capital).

The identified topics were then submitted to the stakeholders for their evaluation through a questionnaire administered to employees, end consumers and suppliers and each item was analysed based on the relevant importance for the stakeholder category considered. With regard to the importance for stakeholders, the primary factor was the specific relevance of the different topics for the sector in which Benetton Group operates. Once the issues had been prioritised for stakeholders and the Company management, data were consolidated, so as to obtain the materiality matrix which led to the definition of the contents for the Integrated Report.

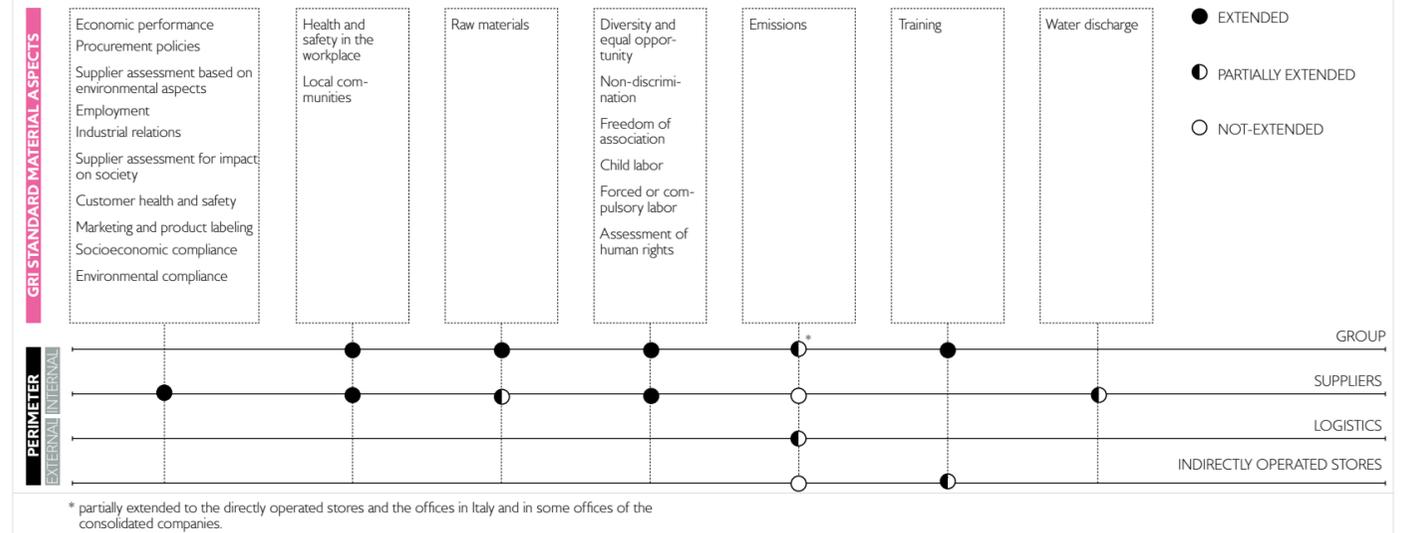
The latest update of the materiality analysis shows a shift to the right for many issues, pointing to an increased internal awareness regarding many aspects of sustainability. Product quality and safety, raw materials and respect for the human rights of workers have been confirmed as important issues, confirming the Company's strategic guidelines. In addition, health and safety in the workplace emerged as one of the most important issues at the Company level, especially when considering the Covid-19 health crisis in response to which the Group implemented actions to adequately protect its employees while concurrently ensuring business continuity.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



The material topics were then cross-checked against the aspects defined by the GRI Standards, as set out in the table hereinafter. The table also indicates the perimeter of each aspect and any limitations involving failure to extend reporting to the perimeter outside the organisation. As for the material aspects outside of Benetton Group, currently not reported, the Company will focus its attention in coming years on implementing specific activities designed to gradually extend the scope of disclosure.

GRI MATERIAL ASPECTS: REPORTING PERIMETER AND DISCLOSURES



BENETTON GROUP 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.

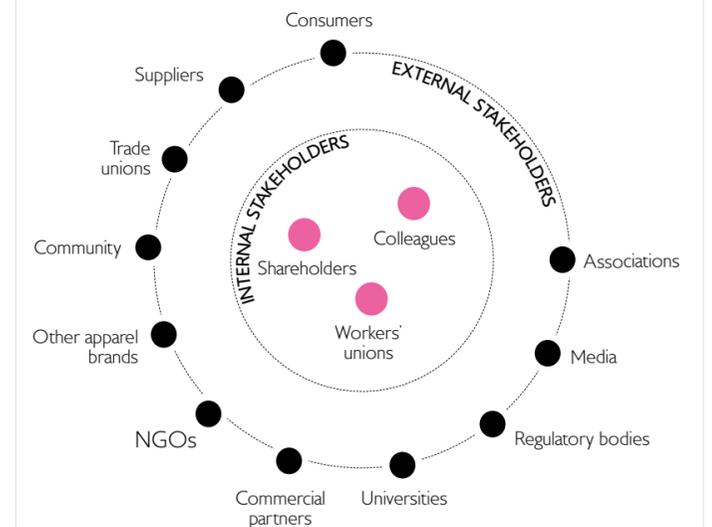
During the period, around 30 relevant categories of stakeholders were identified, which, through dedicated interviews and workshops with the main Company functions, were subsequently prioritised on the basis of:

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

In 2021, Benetton Group continued activities aimed at involving its internal and external stakeholders, maintaining active communication also through digital channels to respond to requests for transparency made by consumers or associations while fueling dialogue on important current issues.

The persistence of the general instability in the international context requires, in particular, constant dialogue with suppliers, in order to readjust business and guarantee safe operations and respect for the human rights of workers. Benetton Group's commitment to transformational resilience and sustainable recovery is also expressed through collaboration with Sustainable Apparel Coalition (SAC) and Zero Discharge of Hazardous Chemicals (ZDHC) the aim being to adopt the most appropriate practices for effective mitigation of social and environmental risks. In addition, during the year, Benetton Group monitored the evolution

in the industry and the macro trends in order to identify issues subject to potential regulation, the drivers of change and the interests of the various stakeholders with particular attention to due diligence, transparency and consumer communication.



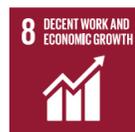
Agenda 2030

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 towards 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 legitimisation of women around the world.



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 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 2020. The Company also 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.

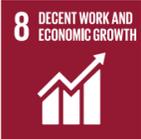


SDG 13 CLIMATE ACTION
The Group's contribution to combating climate change involves the implementation of initiatives to reduce energy consumption and climate-altering gas emissions, as well as reducing the environmental impact connected with its logistics activities and the distribution of its products.



SDG 17 PARTNERSHIP 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 towards this goal, developing partnerships that can contribute to the achievement of the sustainable development goals.

Projects and initiatives

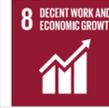
	STATUS	Page
 <ul style="list-style-type: none"> • Supplier assessment program (Higg FSLM) • Supplier training program (tier 1, FSLM tool) • Benetton for You • Welcome Back Mom • Ponzano Children 	 	@ 74
	 	@ 74; @ 78-79
	 	@ 124
	 	@ 124
 <ul style="list-style-type: none"> • Smart working • BYG • Training programs/people development • Career day • Digital recruiting • Due diligence on social impacts • Assessing risks in the workplace • Training and dissemination of the culture of prevention • "Near misses" analysis 	 	@ 124
	 	@ 131-132
	 	@ 131-134
	 	@ 130
	 	@ 130
	 	@ 30-31; @ 72-76
	 	@ 30-31; @ 128
	 	@ 128
	 	@ 128
	 <ul style="list-style-type: none"> • Participation in the Better Cotton program and involvement of the suppliers • Increasing use of organic cotton • Integration of recycled cotton • GREEN B collection • Detox guidelines with minimum requirements • Training programs dedicated to suppliers • Verde Campus 	 
 		@ 61
 		@ 61
 		@ 105
 		@ 80
 		@ 80
 <ul style="list-style-type: none"> • GHG inventory and discussion of the goals • Due diligence on environmental impacts 	 	-
	 	@ 30-31; @ 80
 <ul style="list-style-type: none"> • Sustainable Apparel Coalition • Textile Exchange • Zero Discharge of Hazardous Chemicals • Circular Fashion Partnership • Accord 	 	@ 23; @ 72-74; @ 78-80
	 	@ 64
	 	@ 23; @ 80
	 	@ 77
	 	@ 76

 started
 ongoing
 fully implemented

SDGs implementation



Goal	Capital	Benetton commitment	Actions	Investments	2021 impact
5.1 Ending all forms of discrimination against all women, girls and young women everywhere in the world - GRI Disclosure: 401-1, 404-1, 401-3, 405-1, 405-2, 406-1	Human	Promoting gender equality and reducing all forms of discrimination	<ul style="list-style-type: none"> Whistleblowing system for reporting 	NA	1 report positively solved
5.2 Eliminating all forms of violence against all women, girls and young women in the public and private spheres, including trafficking for prostitution, sexual exploitation and other types of exploitation - GRI Disclosure: 408-1, 409-1, 414-1, 414-2	Social and Relational Intellectual	Compliance with the Code of Conduct Internal/external training on human rights	<ul style="list-style-type: none"> Supplier assessment program (Higg FSLM) Supplier training program (Tier 1, FSLM tool) 	53 000 € >> Investment supplier social assessment 13 500 € >> TÜV Rheinland training cost 35 000 € >> Supplier financial support 200 >> Hours dedicated to membership activities	235 suppliers assessed in 2021 130 trained suppliers
5.4 Recognising and valuing unpaid care work and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household, according to national characteristics - GRI Disclosure: 401- 2, 401-3	Human	Developing innovative welfare policies to balance work and family life	<ul style="list-style-type: none"> Benetton for You Welcome Back Mom Ponzano Children 	260 000 € >> Investments Benetton for You 151 000 € >> Investments Ponzano Children	33 children of employees attending kindergarten
5.5 Ensuring full and effective participation and equal leadership opportunities for women at all levels of decision-making in political, economic, and public life - GRI Disclosure: 405- 1	Intellectual	Dissemination of the culture of gender equality and integration in the corporate strategy	<ul style="list-style-type: none"> Revision of the Supplementary Agreement with inclusion of the Diversity & Inclusion Committee 	In implementation	All employees



Goal	Capital	Benetton commitment	Actions	Investments	2021 impact
8.6 By 2030, achieving full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value - GRI Disclosure: 401-1, 401-2, 401-3, 404-1, 404-2, 405-1, 405-2	Human and Intellectual	Investing in worker development and growth; work-life balance	<ul style="list-style-type: none"> Remote working BYG Training programs/people development 	370 000 € >> Investment in training, of which 50% subsidised	+1 000 active smart workers +2 000 people involved in training 90% retention after 12 months of people who have participated in people development programs
8.6 By 2020, substantially reducing the percentage of unemployed youth who are not in education or training - GRI Disclosure: 401- 1	Human and Intellectual	Promoting the connection between universities and the world of work and being the choice of talented young people	<ul style="list-style-type: none"> Career days Digital recruiting Collaboration with entities, universities and associations 	5 000 € >> Participation in Career Days 15 000 € >> Investment in recruiting platforms	approximately 300 new hires under 30 in Italy +40 active internships ~ 150k visualisations of the LinkedIn page
8.7 Taking immediate and effective measures to eliminate forced labor, end modern slavery and human trafficking, and ensuring the prohibition and elimination of the worst forms of child labor, including the recruitment and use of child soldiers, and, by 2025, ending child labor in all its forms - GRI Disclosure: 408-1, 409-1	Intellectual	Increased attention to human rights	<ul style="list-style-type: none"> Due diligence on social impacts Specific policies on topics regarding human rights 	100 hours (= 10 days / 5 000 €) >> Dedicated to due diligence and monitoring activities	Identification of the risks and impacts and the relevant forms of risk mitigation
8.8 Protecting labor rights and promoting a safe and secure work environment for all workers, including migrant workers, particularly migrant women, and those in precarious employment - GRI Disclosure: 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7	Human and Intellectual	Zero Injury Objective	<ul style="list-style-type: none"> Assessing risks in the workplace Training and dissemination of the culture of prevention "Near misses" analysis Covid-19 management 	222 500 € >> Investment in health and safety	15 000 training hours dedicated to prevention and protection 550 employees involved
		Ensuring health and safety throughout the supply chain	<ul style="list-style-type: none"> Verifying the adequacy of workplaces and compliance with health and safety principles throughout the supply chain 	31 500 € >> SAC Fee	200 suppliers identified as having health and safety non-conformities, which are implementing corrective measures



Goal	Capital	Benetton commitment	Actions	Investments	2021 impact
12.2 By 2030, achieving sustainable management and efficient use of natural resources - GRI Disclosure: 302-1	 Intellectual	100% sustainable cotton by 2025 70% sustainable raw materials by 2030	<ul style="list-style-type: none"> Participation in the Better Cotton program and involvement of the suppliers Growing use of organic cotton Integration of recycled cotton GREEN B collection 	42 000 € >> Better Cotton	48% sustainable raw materials 12% incidence of GREEN B products on the total of the collection
12.4 By 2020, achieving environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reducing their release to air, water, and soil, in order to minimise their adverse effects on human health and the environment - GRI Disclosure: 303-1, 305-1, 305-2, 305-3	 Intellectual	Reducing environmental impact along the supply chain, limiting the use of chemicals that are hazardous to health and the environment in manufacturing processes, compliance with ZDHC MRSL guidance by 2030 for all wet-process providers	<ul style="list-style-type: none"> Detox guidelines with minimum requirements Training programs dedicated to suppliers 	27 000 € >> Fee ZDHC 31 500 € >> Fee SAC	80% FEM coverage (item volumes) 90% water test coverage (item volumes)
12.5 By 2030, substantially reducing waste generation through prevention, reduction, recycling, and reuse - GRI Disclosure: 301-2	 Intellectual	Maximising campus recovery process and promoting segregated waste collection	<ul style="list-style-type: none"> Verde Campus 	96 000 € >> Cost for waste disposal	78% recycled waste 58.42 t of iron recovered (18 000 € >> revenues from sales)
12.8 By 2030, ensuring that people around the world have the relevant information and awareness about sustainable development and lifestyles in harmony with nature - GRI Disclosure: 417-1	 Intellectual, Social and Relational	Developing a hub to communicate all sustainability information to consumers	<ul style="list-style-type: none"> GREEN B 	90 000 € >> Investment in the development of the GREEN B project	306 SS2.1 items approved 514 FW2.1 items approved



Goal	Capital	Benetton commitment	Actions	Investments	2021 impact
13.1 Strengthening resilience and adaptive capacity to climate-related risks and natural disasters in all countries - GRI Disclosure: 302-1, 305-1, 305-2, 305-3, 305-4	 Natural Intellectual	Defining SBTs	<ul style="list-style-type: none"> GHG inventory and discussion of the goals Due diligence on environmental impacts 	50 000 € >> Investment in the SBT project 100 hours (= 10 days / 5 000 €) >> Dedicated to due diligence and monitoring activities	Identification of the risks and impacts and the relevant forms of risk mitigation
17.1.6 Enhancing the global partnership for sustainable development	 Intellectual, Social and Relational	Developing partnerships that contribute to sustainable development	<ul style="list-style-type: none"> Sustainable Apparel Coalition Textile Exchange Zero Discharge of Hazardous Chemicals UN Global Compact Circular Fashion Partnership Accord 	96 000 € >> Annual investment in membership activities	100% tier 1 suppliers and 80% tier 2 suppliers involved in FSLM/FEM Certifications (OCS, RDS GRS, GOTS) 1 568 t waste collected in one year through the CFP program to be recycled 28 SDGs initiatives/projects
17.1.7 Encouraging and promoting effective partnerships among public, public-private, and civil society stakeholders	 Intellectual, Social and Relational	Developing partnerships that contribute to sustainable development	<ul style="list-style-type: none"> UN Global Compact Circular Fashion Partnership Accord 		

PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

Risk management

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. Risk analysis was subject to a partial review in 2021 to adjust it to the changed 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

Longer-than-scheduled supply chain delivery times - caused by lockdowns in our production areas along with increasing difficulty in finding transportation solutions - can impact global margins.

COUNTRY STRATEGY AND MARKET PRESENCE IN INDIA AND 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 towards 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 organisation, 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 ORGANISATION

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 organisational 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.

DIGITALISATION

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 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.

COVID-19

The Covid-19 pandemic crisis could introduce significant changes in consumer behavior and needs with impacts, that cannot be currently assessed, on business models and the socioeconomic context.

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 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.

INFLATION AND INTEREST RATE

The increase in the inflation rate during 2021 may not be reversed and instead create the conditions for a general rise in interest rates with concurrent 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 organisation.

SOCIAL AND POLITICAL INSTABILITY OF SOME NATIONS

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.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

Benetton Group companies in the world

○ Benetton Group S.r.l.
Ponzano Veneto
(Treviso - Italy)

IT 100%
RETAIL ITALIA NETWORK S.r.l.
Milan (Italy)

IT 100%
FABRICA S.r.l.
Ponzano Veneto (Italy)

IT 100%
PONZANO CHILDREN S.r.l.
Ponzano Veneto (Italy)

IT 100%
VILLA MINELLI -
SOCIETÀ AGRICOLA a r.l.
Ponzano Veneto (Italy)

CH 100%
BEN-MODE A.G.
Zurich (Switzerland)

DK 100%
BENETTON DENMARK A.p.S.
Copenhagen (Denmark)

IE 100%
BENETTON AGENCY IRELAND Ltd.
Dublin (Ireland)

PL 100%
BENETTON RETAIL
POLAND Sp. z o.o.
Warsaw (Poland)

GR 100%
BENETTON HELLAS AGENCY
OF CLOTHING E.P.E.
Tavros (Greece)

CY 100%
SABBIA Ltd.
Nicosia (Cyprus)

RU 100%
BENETTON RUSSIA O.O.O.
Moscow (Russia)

RU 100%
KAZAN REAL ESTATE O.O.O.
Moscow (Russia)

IR 100%
BENETTON PARS P.J.S.C.
Tehran (Iran)

TR 100%
BENETTON GIYIM SANAYI
VE TICARET A.S.
Istanbul (Turkey)

EG 100%
BENETTON CAIRO
FOR CONSULTING
Cairo (Egypt)

TN 100%
BENETTON DE COMMERCE
INTERNATIONAL TUNISIE S.à r.l.
Sahline (Tunisia)

TN 100%
BENETTON COMMERCIALE
TUNISIE S.à r.l.
Sousse (Tunisia)

IN 100%
BENETTON INDIA Pvt. Ltd.
Gurugram (India)

CN 100%
BENETTON ASIA PACIFIC Ltd.
Hong Kong (China)

TW 100%
BENETTON TRADING TAIWAN Ltd.
Taipei (Taiwan)

JP 100%
BENETTON JAPAN Co. Ltd.
Tokyo (Japan)

KR 100%
BENETTON KOREA Inc. *
Seoul (South Korea)

US 100%
BENETTON TRADING USA Inc.
Miami (USA)

MX 100%
BENETTON MEXICANA S.A. de C.V.
Mexico City (Mexico)

● Italy
● Rest of Europe
● Rest of the world

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

SUBSIDIARIES

FI BENETTON GROUP S.r.l.
FINNISH BRANCH
Åzets (Finland)

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

ES BENETTON RETAIL
SUCURSAL EN ESPAÑA
Barcelona (Spain)

PT BENETTON GROUP S.r.l.
SUCURSAL EM PORTUGAL
Porto (Portugal)

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

UK BENETTON RETAIL UK
London
(UK)

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

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

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

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

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

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

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

HR BENETTON GROUP S.r.l.
PODRUZNICA U RIJECI GLAVNA
PODRUZNICA - Rijeka (Croatia)

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

STYLE

Heritage and experimentation

In the year of post-Covid recovery, Benetton Group made a number of strategic choices for its collections.

First, it focused on the attractive power of its brands. United Colors of Benetton again confirmed its distinctive values, namely creativity and integration, through an exceptional ambassador extensively appreciated by the new generations. At the same time, Sisley embarked on a journey to recover its heritage, without relenting in its pioneering and experimental approach to fashion.

Secondly, the Company introduced a major disruption in the structure of its collections by integrating the "see now, buy now" approach, which will make it possible to respond to consumer demands in an increasingly agile, timely and personalised way.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

UNITED COLORS OF BENETTON

Optimistic and democratic, United Colors of Benetton is the casual chic, contemporary brand with a DNA of knits and colors, Italian style and global vision



COLLECTIONS
The United Colors of Benetton collections feature colorful, comfortable, informal, timeless quality products that can be worn every day.

The product strategy is based on the creation of an ideal wardrobe for men, women and children in the different moments of their daily life, proposing increasingly complete, commercial and contemporary collections.

United Colors of Benetton flagship products are sweaters, polo shirts, t-shirts and fleeces, but the collections also include shirts, jeans, dresses, knitwear accessories, skirts, trousers, jackets and coats. Last but not least, a collection of accessories complete the range, including handbags, footwear, eyewear, watches, fragrances and luggage.

BRAND

In recent years, United Colors of Benetton's goal has been to consolidate its leadership in Italian-style knitwear and casual wear.

The brand is defending its consolidated consumer segment and reaching out to new consumer targets, made up of women and men aged 25-35.

The goal is to offer a unique, inclusive brand experience that revolves around customers and spans from product to retail and services.



TOTAL SALES

40%
children

NET SALES UCB BRAND

757
Euro mln



60%
adults

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

2022
Starting in 2022, more space will be given to seasonal projects dedicated to special product categories, showcases and trends.

FASHION SHOWS

In Fall 2021, United Colors of Benetton organised a live show at Fabrica to present the Spring/Summer 2022 collection to the sales force and share ideas and projects after a long period of remote working. The event, with cocktails, DJ set and a rainbow-inspired setting, attracted many guests who saw a preview of the new products for the upcoming season. The guests included Filippa Lagerback, Daniele Bossari, Filippo Magnini and of course Ghali, the brand's ambassador, who energised the evening with a surprise performance.



FRIULANE COLLECTION

In 2021, United Colors of Benetton launched the Friulane collection. A Benetton-styled reinterpretation of traditional party shoes, they trace their origins to the last century in the countryside of the Friuli-Venezia Giulia region and were later adopted by Venetian gondoliers. Hand-sewn using recycled and discarded materials, Friulane shoes are entirely Made in Italy, in 100% cotton velvet and come in six colors.

LIFE

A portrait of Marilyn Monroe. A sailor's kiss to his beloved. A dog with his head out the window. The most iconic photos of the last century came to life on t-shirts and sweatshirts for adults and children, in plain organic cotton. The initiative was the result of a collaboration with LIFE, the American weekly magazine that from 1883 to 1972 captured the evolution of society and customs with its images, collaborating with some of the greatest photographers of the time.

HARRY POTTER

Last fall, the universe created by J.K. Rowling featured a line of sweatshirts, caps, scarves and pants for children, with prints, details and colors that recall the Hogwarts school of magic.



PERSONALISATION

During the year, United Colors of Benetton has offered its website users the possibility of personalising their purchases, adding signatures, words and symbols to their shirts, polo shirts, sweatshirts, beach boxers, t-shirts, backpacks and fanny packs.

CASA BENETTON

Napkins and aprons, towels and washcloths, blankets and sheets: Casa Benetton products are now available on the United Colors of Benetton online store. Casa Benetton includes textiles that meet everyday needs and cover the main areas of the home: kitchen, bathroom, bedroom and outdoor areas. The entire line is based on sustainability: the products are created in a sustainable way, respecting the environment, selecting raw materials and improving the efficiency of processes throughout the supply chain. Casa Benetton is the result of an exclusive agreement on a global scale with Bergner, Europe's largest distributor of products for the home, and was created with the ambition of bringing Benetton's optimistic personality into the home.



2022
Starting in 2022, 30% of the collections will consist of continuous NOS (Never Out of Stock) items, which will remain stable over the seasons and make the basic wardrobe increasingly cross-cultural and contemporary.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



UNITED COLORS OF GHALI



THE CAPSULE COLLECTION FOR THE NEW GENERATIONS

September 21, Tuesday. At the opening of Milan Fashion Week, United Colors of Benetton presented United Colors of Ghali, a capsule collection signed by the Italian artist, available online and in selected stores of the brand.

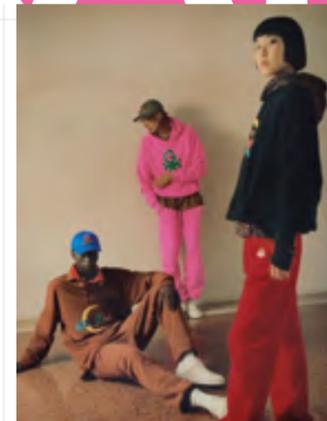
Multiculturalism and integration. Creativity and dialogue with the new generations. Since its announcement in spring 2021, the meeting between Benetton and Ghali seemed totally natural, based on a set of strong and shared values.

"I wanted to make a real collection, for our everyday life," Ghali said during the September presentation. "I designed it

keeping my fans in mind, those who listen to me, those who live in this country and in the streets".

The capsule collection by the artist comprises a series of streetwear items with an oversized cut and relaxed fit - including t-shirts, sweatshirts, pants, rugby jackets, sweaters, socks, pajamas, caps, slippers, children's and babies' apparel - mixing references to Ghali's life and cultural universe with Benetton symbols and colors.

The unique items include a limited edition varsity jacket, "Welcome to the Grand Boulevard", and a series of colored nylon hijabs where Ghali's "G" blends with the Benetton logo.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

UNDERCOLORS

Sustainable items for everyday life

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, beachwear and coordinated accessories.

Founded in 1994, Undercolors offers a range of products characterised by style, comfort and functionality, with a special emphasis on research dedicated to sustainable and innovative raw materials. Today, natural and recycled materials represent the core of the collections: superstretch organic cotton and recycled stretch lace for underwear, sustainable viscose for knitwear and regenerated nylon for beachwear. Loungewear, dedicated to home relaxation, was particularly successful during the lockdown period and still is a key category for the brand.

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.



Interview with Piergiorgio Davoli
Design Director of
United Colors of Benetton

What's your name and what role do you have in the Company?

My name is Piergiorgio Davoli, Pier for short. I am UCB Design Director for Adults and Children.

What did you do before taking on this role? And before joining Benetton?

Before beginning my adventure at UCB, I worked for ten years at Sisley, first as Design Director and then as Creative Director. I got my feet wet in knitwear and I had a couple of experiences in one of Italy's geographical cradles for this category: the Emilia-Romagna region. Then I worked at the Cerruti group as Global Manager, in charge of all the group's collections, and at Calvin Klein as Merchandising, Design and Product Development Director for the CK Calvin Klein brand.

What are the strong points of Sisley in your opinion? And UCB?

The answer lies in the distinctive identity and values of the two brands: Sisley is dusky, unconventional, irreverent in a polite way, a bit snobbish, glam, trendy, dynamic and aesthetic. Benetton is about smiling, colorful and positive vibes, a timeless wardrobe that is at the same time in step with the times. It is everyday life combined with good taste, coolness, modernity at easy reach. Easy Cool.

The past two years have been rather disrupting in many ways. What are the repercussions that you expect on the fashion industry in general?

It's a process that was already in the air and in the last two years it sped up dramatically. For years, the fashion industry has produced much more than was needed. This space is no longer available and there won't be space for everyone any longer. The game will revolve around brand identity, a responsible approach, function, emotion and experience. Therefore, I see lots of opportunities for Benetton.

Let's focus on style, what are the trends that are emerging that you expect to last in the future?

Comfortable, relaxed, casual apparel. What we've been wearing in the last couple of years is a trend that will continue. The door has been opened to a new desire to feel beautiful, modern, well-groomed and unique in taste. I like to think of the New Normal concept, where the terms New and Normal, although very simple, are not at all banal.

Since you became UCB Design Director, what have you doneto try to change the brand's style?

Actually, the brand style is already very clear. Benetton is an extraordinary brand with a rich heritage that deserves absolute respect. I have

therefore worked on this value, trying to limit as much as possible compromises that would have weakened the brand's identity and instead work on developing a democratic, distinctive and contemporary proposal.

What about operations in your department?

There have been radical changes, both in terms of approach and resources. I have increased cross-pollination, putting together professional paths and experiences from different backgrounds; I looked for unconditional passion for experimentation and design accompanied by profound sensitivity towards shapes, materials and colors. I have formed a group with the knowledge, approach and ability to work while keeping in mind that the product stands at the center, which is fundamental to interpreting the needs of the market based on effective and efficient planning.

What are the challenges you expect to face and the goals you aim to reach in the immediate future of the brand?

Well - essentially - returning the brand to being cool, modern, attractive and interesting for contemporary consumers across different segments. We should do this in a unique and consistent way, through the products, offering a physical or virtual shopping experience, leveraging communication and using all the channels that increase engagement and interaction.

You are a veteran at Benetton Group. What is the aspect you like best about working at Benetton that you believe won't be easy to find in another company?

There is a sort of magic that combines culture, a sense of beauty, passion, the contrast between tradition and contemporaneity, and an ability to face challenges and changes. This generates extraordinary energy and determination to "give".

Choose a UCB garment that represents you and tell us why.

I have a very simple dress code, almost always the same, taking the concept of a timeless wardrobe to the extreme. A pure wool turtleneck, an organic cotton crew-neck, a piqué polo shirt, stretch cotton chino pants. Very simple items where details, the fit, the intrinsic quality of Benetton materials make the difference.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

SISLEY

Sisley is the urban lifestyle brand that interprets the latest fashion trends with quality and authenticity



BRAND

Sisley is the urban lifestyle brand with an innate ability to be avant-garde. At the end of 2021, Sisley relaunched by leveraging its heritage in a modern key, enhancing its agility and speed of response to the market.

Sisley is a contemporary brand in the bridge segment of the market, whose target consumers are women and men sensitive to fashion trends, who live an urban, 24/7 hybrid home-office and social life. They like to dress cool with up-to-date fashion details or content, without ever being out of place, buying the right level of quality at an affordable price.

From the archive to the new strategy, the relaunch is involving the products, the stores and the communication.



COLLECTIONS

Sisley collections emphasise the edgy and cool, bold and unconventional personality of the brand.

Sisley products are day-to-night and express the brand DNA through contemporary shapes, fabrics and details. The flagship products are denim/trousers, knitwear and outerwear for both women and men.

The collections include a Monday-to-Friday section of products suitable for the hybrid home-office life, a weekend section with a focus on denim, knits and jackets, and a special occasion section with more toney pieces that can also be played down easily.



DENIM

Sisley FW 2021 denim collection re-proposed iconic pieces such as traditional styles, but also new fits in line with market trends, with a special emphasis on sustainability, an important point for the future development of the brand. Next year, Sisley will launch the Undyed capsule, with an important communication campaign reflecting the brand's spirit.



NET SALES
SISLEY
90
Euro mln

THE STORES

Increasingly efficient, connected, identity-oriented

In recent years, the repositioning of brands towards a medium-high segment triggered a restructuring of the distribution network towards increasingly sustainable and connected stores designed to maximise the relationship between the brand and its customers, and located in strategic commercial areas.

FURNITURE

Benetton Group stores feature furnishings made from natural materials and green partitions, with limited use of plasterboard. In line with the approach of putting sustainability at the center, the Group pays special attention to the reuse of furnishings recovered from shutdowns for new store openings or restyling.



CERTIFIED PAPER

All Benetton Group stores use eco-friendly shopping bags made with water-based inks and paper source by mills certified by the Forest Stewardship Council (FSC), the global brand that identifies products from controlled forests managed according to social and environmental sustainability criteria. Catalogs and brochures are also FSC-certified.



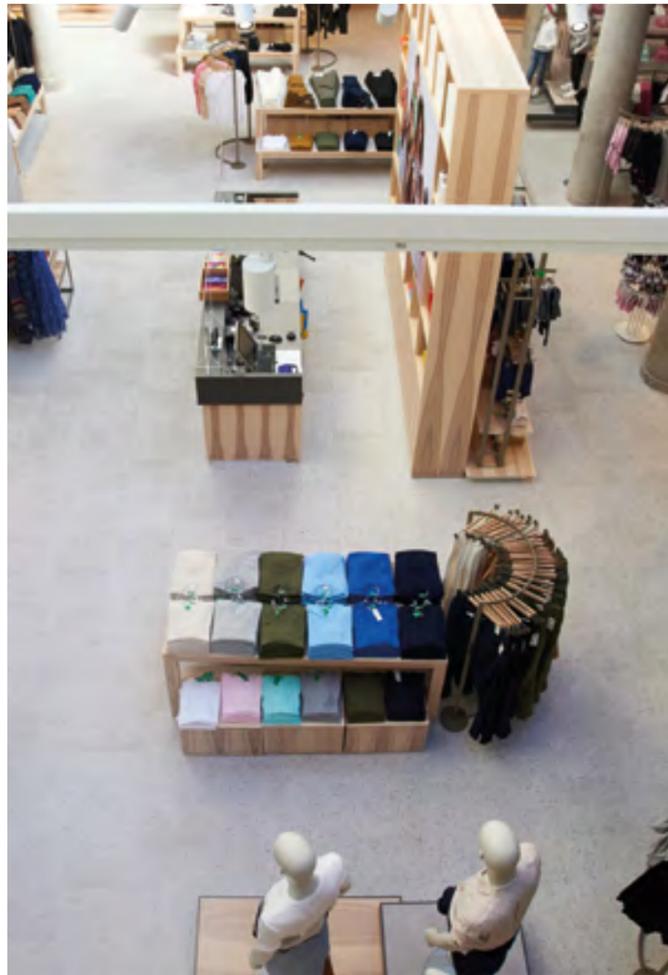
ENERGY EFFICIENCY

In 2021, the energy transition of the stores in Italy was completed, now powered 100% * by energy from certified water and ocean renewable sources. In addition, the planned store re-lighting project continues with the installation of LED lighting in all directly operated stores by 2023.

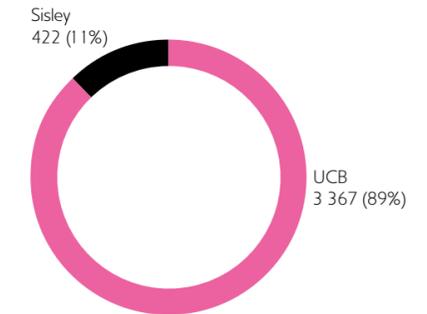
* A small percentage of consumption, consisting of grid losses, is not covered by GO (certificates of Guarantee of Origin).



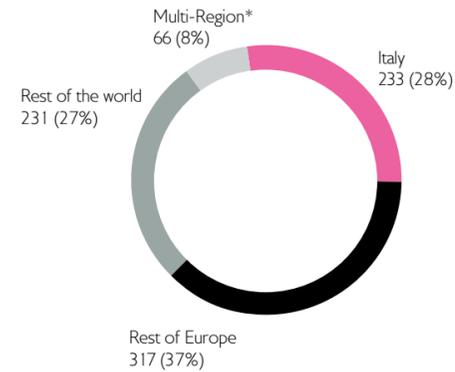
2022
Starting from 2022, the tenders launched for the purchase of raw materials regarding furniture, flooring and lighting in the stores will include criteria for assessing sustainability and traceability of the supplier production chain.



2021 DISTRIBUTION NETWORK (NUMBER OF STORES)



NET SALES BY GEOGRAPHICAL AREA IN 2021 (EURO MILLIONS)

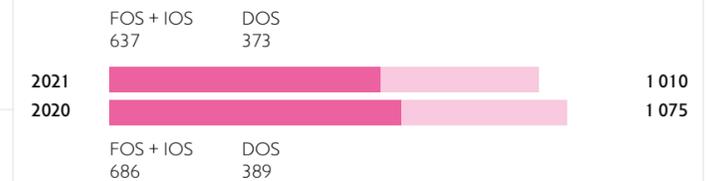


* The Multi-Region area includes sales generated by the Group in the different geographical areas through e-commerce managed directly by the Headquarters through the benetton.com and sisley.com websites.

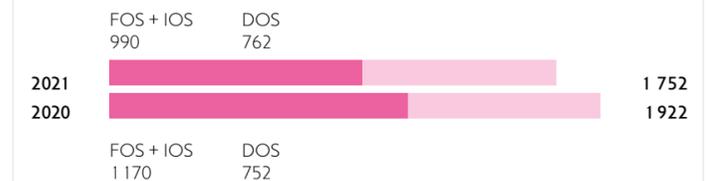
ITALY



REST OF EUROPE



REST OF THE WORLD



GREEN B

A HIGHLY

SUSTAINABLE

STORE CONCEPT



United Colors of Benetton inaugurated in **Florence a new store concept** – characterised by the use of sustainable materials and cutting-edge energy-efficient technologies – that will become a pilot case study for a new approach to low-impact retail.

The store extends on a single floor of 160 sqm, featuring **natural and recycled materials**. The floor is made of gravel from the Piave river and waste wood from beech trees felled by the Vaia storm, and the walls are treated with a mineral-based paint that has antibacterial and anti-mold properties, reducing pollutants in the environment.

The store interiors were produced with **new materials that integrate waste from the textile industry**: used buttons (difficult to dispose of) mixed with hydro-resin were processed to develop perimeter platforms and display boards; recycled wool (in its raw wick state) was re-used as a pattern on the perimeter partition and as a decoration for the dressing room curtains; rossino, a material derived from recycled mixed textile fibers, was used to develop shelves, display boards and dummies.

A sustainable system was developed specifically for the shop windows, with a reduction of the resources usually employed. The crystal-clear panels are fixed to the ceiling and they can be moved like a sort of theatrical backdrop, bringing to life the connection between the store and the street. The store windows are also equipped with transparent, low-impact LED screens projecting dedicated video contents according to local needs.

Energy consumption was reduced by 20% compared to that of a standard store. Miniature sensors, artificial intelligence and data analysis are part of a concept intended to maximise store energy efficiency while ensuring customer comfort by automatically adjusting temperature and air flow based on the number of people in the shop.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

2022
In 2022, the GREEN B store concept will also be presented in an updated version in select locations in emerging markets.

UNITED COLORS OF BENETTON

Today, United Colors of Benetton has a distribution network of over 3 300 stores.

In the main locations, the stores follow the London concept, a real temple of knitwear that combines Italian style, technological content, a focus on customer journey and the use of natural and sustainable

materials. In secondary locations, the stores follow the Light Colors concept, developed in 2019 to allow for a rapid and flexible commercial roll-out.

In 2021, despite the difficulties caused by the health crisis, Benetton Group opened several new stores in locations like Ancona, Forte dei Marmi and Como in Italy, and restyled existing

stores like the one in Rua de Santa Caterina in Porto, Portugal. Undercolors opened its first flagship store in Corso Vercelli, in Milan, and other stores in different locations.

The Group has a strong development plan for 2022 for both the DOS and FOS channels to penetrate new markets through the opening of stores

that will attract consumers thanks to a unique and contemporary image that offers customers an experience full of energy.

2022
In 2022, we will offer our customers a unique sales experience that includes the presence of an in-store color specialist.



United Colors of Benetton London concept



United Colors of Benetton Light Colors concept



Undercolors flagship store

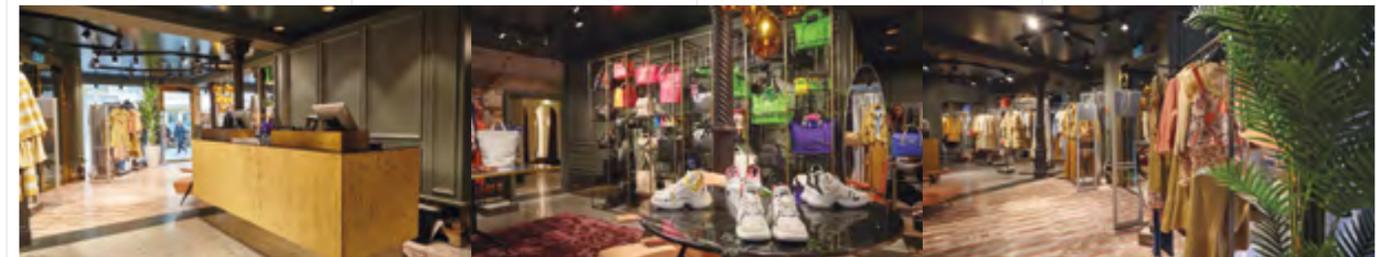
SISLEY

Today, Sisley has about 400 stores distributed in the world's main markets, with a strong presence in Italy and South Korea.

In the main commercial locations, the store concept reflects the spirit of the brand. The essential furnishing elements and the clear and contemporary environment - characterised by

the use of cement colors and pure white - are designed to set off the collections. An important component is light, that traces the space on the ceiling through strategic lines and intersections to ensure a correct and flexible lighting. The digital component also plays a role, with the installation of LED walls and interactive screens. Consistently with the relaunching of the brand, the Group is

developing a strategy targeted to the directly operated and franchised stores to elevate them from business locations to meeting points for the brand and the community.



Sisley Rich and Raw concept



Sisley Scarpa concept

2022
Sisley's commercial strategy for 2022 includes expansion in the Italian market and the opening of 40 new monobrand stores in major European locations.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

THE OFFICES

Inside and outside the Campus

During the last two years, the extension of agile working led to the emptying out of workplaces. In the future, the design and standardisation of agile working methods could also result in benefits in terms of energy efficiency.

CAMPUS

The Benetton Group campus comprises three locations within a 10 km range in the province of Treviso. Benetton Group's headquarters is Villa Minelli, a historic 16th century building of great 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.

Also designed by the architects Afra and Tobia Scarpa, the Castrette facility was officially inaugurated in 1984 and then expanded over the years. It comprises a logistics hub of approximately 30 000 sqm along with office spaces, a canteen and the Benetton Studios multifunctional area. Villa Pastega is a Venetian villa built in the 17th century and flanked by two *barchesse* and a small church, extending over a surface of about 51 000 sqm. In the 1990s, the villa was restored and significantly expanded by the Japanese architect Tadao Ando to house Fabrice, Benetton Group's communication research center.



Villa Minelli



Castrette



Villa Pastega

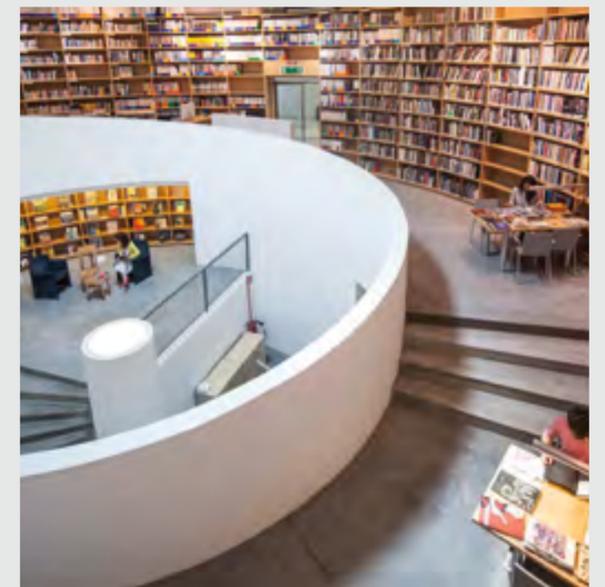
BENETTON STUDIOS

The Benetton Studios are a multifunctional area inside the Castrette headquarters. Home to - among others - the Benetton Archives and the photo and video studios, they occupy an area of 1 300 sqm. Here the Company autonomously manages nearly 70 000 images and 1 200 videos that are produced every year for United Colors of Benetton and Sisley.



THE LIBRARY

The Fabrice library comprises over 7 000 books on photography, industrial design, arts, graphic design and subjects connected to visual communication, a collection of reference texts and a broad variety of international magazines, as well as more than 400 music CDs from all over the world and over 600 videocassettes and DVDs. It is open to the public by appointment and the catalogue is available on the fabrica.it website.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



ENERGY EFFICIENCY

In 2015, Benetton Group carried out energy tests on the head offices of Ponzano and Castrette. These analyses gave a snapshot of the energy profiles of the areas considered, allowing the identification of the most critical energy-related issues, which led to the development of an energy efficiency plan. Thanks to the redistribution of workspaces and new systems, in 2021 the Benetton Group optimised and reduced energy consumption in the headquarters.

NON-COMMERCIAL INVESTMENTS

Approximately half of the 2021 non-commercial investments involved facility safety. In addition, during the year, the Benetton Group continued to replace light bulbs with energy-efficient, long-lasting LED lamps in some areas of the Ponzano and Castrette offices.



2022
Relamping activities resulting in increased energy efficiency will continue in 2022 with the goal of converting all lighting in Campus buildings to LED by 2024.

RENEWABLE ENERGY

Since 2017, the electricity that powers the entire Benetton campus comes from certified water and ocean renewable sources.

A feasibility analysis is underway for the construction of energy self-generation plants and, specifically, photovoltaic plants and hydroelectric turbines.

WASTE MANAGEMENT

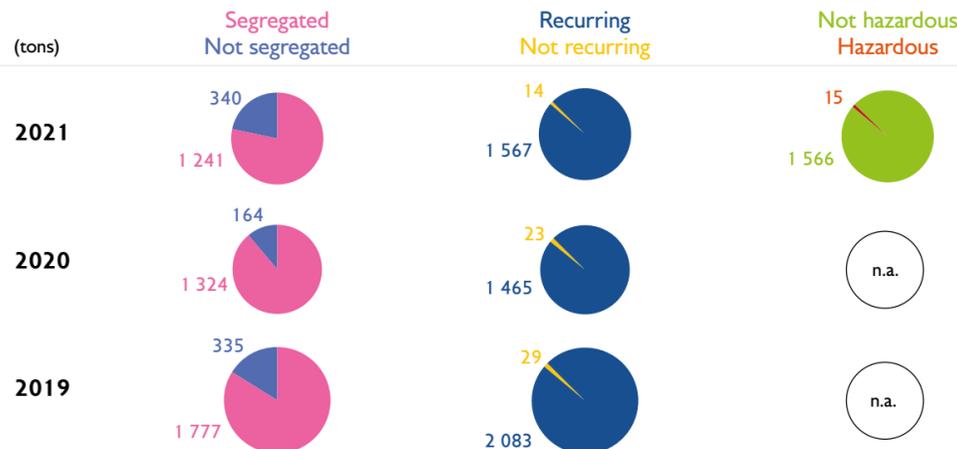
Benetton Group operates in compliance with the industry standards and accountability in relation to waste management and its ethical and environmental consequences. In 2021, the share of waste resold or recycled grew.

VERDE CAMPUS

Launched in 2019, Verde Campus is the project focusing on making Benetton Group's headquarters more efficient and sustainable, and includes a series of employee-targeted initiatives aimed at promoting good practices in the environmental field, such as segregated waste collection and saving of water, gas and energy.

GURGAON SITE - BENETTON INDIA

In 2021, Benetton India confirmed a series of initiatives aimed at making its Gurgaon facilities increasingly sustainable with a special attention to energy efficiency, encouraging employees to save paper and water at work and reducing the amount of waste to be conveyed to landfills. The projects include, among others, reduced use of plastic and printer cartridges, consumption of pre-packaged food in order to minimise food waste, reduced air transport, the use of LED bulbs and an initiative inviting employees to participate in a reforestation campaign and switching off the lights for 10 minutes on International Earth Day.



Hazardous waste includes discarded equipment, lead batteries, other batteries and accumulators, water-based detergents and ink waste containing hazardous substances.

GRI 302-1 Energy consumption	m.u.	2019	2020	2021
Energy consumption in the headquarters	kWh	17 537 998	15 073 252	15 942 598
	Gj	63 137	54 264	57 393
Energy consumption in the stores	kWh	43 588 522	38 041 470	40 214 862
	Gj	156 919	136 949	144 774
Total energy consumption	kWh	61 126 520	53 114 722	56 157 460
	Gj	220 055	191 213	202 167
Total natural gas consumption	m³	1 251 127	1 218 893	1 393 164
	Gj	44 169	43 004	49 152
Diesel oil	l	396 432	273 970	348 085
	Gj	14 224	9 821	12 510
Gasoline	l	33 843	20 440	30 457
	Gj	1 108	660	993
District heating	kWh	132 000	1 263 861	1 259 222
	Gj	475	4 550	4 533
Total energy consumption	Gj	280 032	249 248	269 355

GRI 305-1 / 305-2 Emissions	m.u.	2019	2020	2021
Scope 1 Emissions (GRI 305-1)				
Natural gas consumption in the headquarters and in the stores	t CO ₂	2 471	2 418	2 763
Diesel oil	t CO ₂	1 047	723	925
Gasoline	t CO ₂	81	48	72
F-gas	t CO ₂	488	62	41
Total	t CO₂	4 087	3 251	3 801
Scope 2 Emissions (GRI 305-2) – Location based				
District heating	t CO ₂	23	218	215
Energy consumption in the headquarters	t CO ₂	6 944	5 535	5 551
Energy consumption in the directly operated stores	t CO ₂	17 062	14 659	14 435
Total	t CO₂	24 029	20 412	20 201
Scope 2 Emissions (GRI 305-2) – Market based				
District heating	t CO ₂	23	218	215
Energy consumption in the headquarters	t CO ₂	1 553	1 088	1 157
Energy consumption in the directly operated stores	t CO ₂	16 504	13 290	12 333
Total	t CO₂	18 080	14 596	13 075

GRI 302-1 Energy consumption

GRI 305-1 / 305-2 Emissions:
The breakdown for natural gas consumption between head offices and the stores is not available.

In 2020 the increased district heating consumption and the resulting increase in emissions is due to more complete data collection from 2020 including Benetton Russia consumption.

The limited increase in energy consumption and the resulting greater emissions are attributable to the recovery of activities after the lockdowns due to the Covid-19 pandemic.

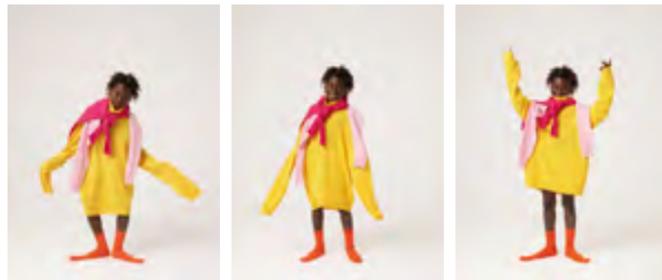
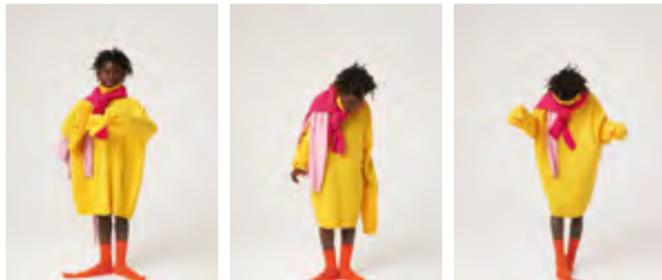
PREMISE	COMPANY	STYLE	SPACES	PRODUCT	
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

Never-ending wool

Soft and breathable, wool consumes less energy during washing and garments made of wool last longer, on average, than those made of other fibers. In addition, wool is the prevalent reused and recycled fiber and is biodegradable. Benetton Group implements a series of initiatives to certify the quality of its wool.

WOOLMARK

In 2021, Benetton Group renewed its partnership with The Woolmark Company, an Australian brand that has in 50 years has grown to become the global authority in the field of wool. The collaboration resulted in the certification of the quality and sustainability of over 500 000 Extra Fine Merino garments of the FW 2021 collection. Woolmark is committed to developing and promoting a more responsible use of wool while reassuring brands and consumers that wool is a sustainable choice for the fashion industry. Benetton launched the partnership with the Never-Ending Wool photo and video campaign distributed on its channels, showing how United Colors of Benetton wool garments are often handed down from generation to generation, becoming true family totems.



INTERNATIONAL WOOL TEXTILE ORGANIZATION

In 2017, Benetton Group became the first European company in the fashion industry to join the IWTO (International Wool Textile Organization), a position that allows it to contribute to making the wool supply chain increasingly sustainable and transparent, influencing topical issues such as recycling, yarn quality, traceability and animal protection.

RECYCLED WOOL

Starting with the FW 2021 collection, some items in the Children's collections have been produced in 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. Recycling is a conscious choice that makes it possible to avoid potentially polluting production phases, save raw materials and reduce waste. Benetton Group's recycled wool garments use a blend of virgin and recycled fibers (at least 20%) from certified supply chains to guarantee the level of quality that consumers take for granted in a Benetton product, combined with a lower environmental impact.

ARTIFICIAL FIBERS

Linen, naturally sustainable

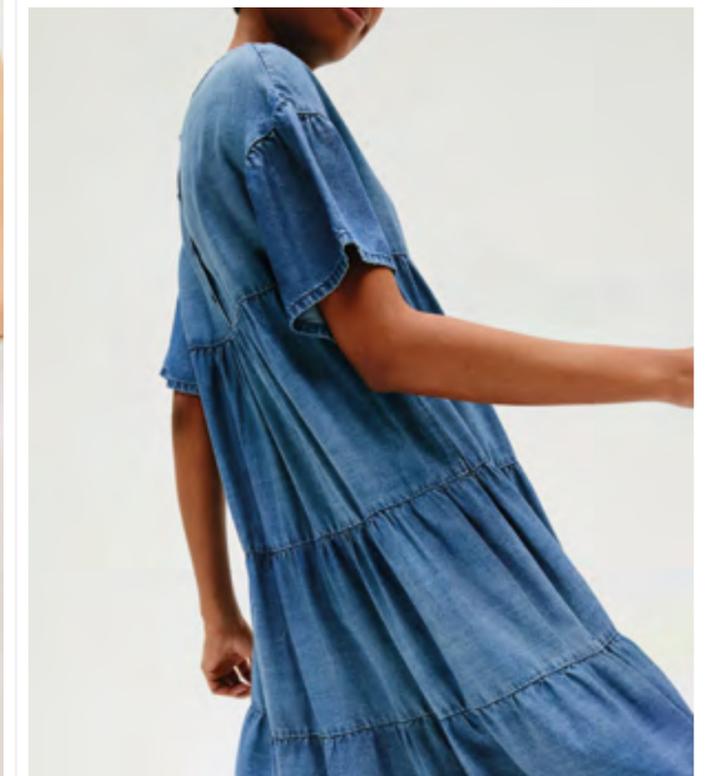
Benetton Group collections comprise products in linen - a fiber made from the flax plant and in use since antiquity - that is naturally sustainable. In addition to being fresh and hypoallergenic, flax requires much less water

than other fibers, and almost no chemicals. Moreover, linen is also an extremely durable fiber that is entirely recyclable, as is the waste from its processing.



Viscose, modal and lyocell

Viscose is an artificial fiber of natural origin that - being derived from wood pulp - is biodegradable. Benetton Group sources viscose, including the modal and lyocell variants, from two suppliers that stand out globally for their contribution to forest preservation, the use of new alternative fibers, and the implementation of sound procurement, transparency and traceability policies. In addition, viscose is produced using processes with a low environmental impact.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

SYNTHETIC FIBRES

Recycled and regenerated

In 2021, Benetton further increased its use of recycled synthetic materials from pre- or post-consumer waste. To ensure maximum traceability, Benetton has decided to purchase only materials certified according to the Textile Exchange standards, one of the most important international non-profit organisations promoting responsible and sustainable development in the textile industry.

RECYCLED POLYESTER
Polyester is one of the most widely used synthetic fibers in the textile industry. Benetton Group made a choice 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.

RECYCLED POLYESTER WADDING
Some of Benetton Group's down jackets are made of recycled polyester wadding.

In 2022, products will be developed with a mix of more recycled fibers, particularly cotton/polyester from certified supply chains.

2022
In 2022, Undercolors will use recycled nylon also in Men's swim boxers and Women's underwear lace items.

ECONYL®
The Undercolors Summer collection features a line of Women's beachwear made from ECONYL®, a completely regenerated nylon polyamide, derived from nylon waste, like carpets and rugs or fishing nets, and processing scraps. The material can be endlessly recycled without ever losing its characteristics. By replacing virgin nylon polyamide with ECONYL®, Benetton Group contributes to progressively reducing the amount of waste on the planet by recovering and regenerating it, so that it can be reintroduced into the production cycle as quality raw materials with characteristics similar to those of the virgin product.



2022
In 2022, Undercolors will introduce a solid-color beachwear item from 100% recycled fabrics.

FEATHERS

Responsible and certified

In May 2017, Benetton Group obtained the Responsible Down Standard (RDS), a protocol guaranteeing that the down feathers used in jackets come from geese and ducks raised for food purposes in compliance with animal welfare principles and criteria.



RDS independently verifies, through the assessment of neutral and specialised bodies, all aspects of animal breeding and care, including the origin to final product traceability of feathers and down. 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.

2022
In 2022, Benetton brands' collections will introduce items in regenerated down from certified supply chains.

GRI 301-1 Raw materials	m.u.	criterion	2019	criterion	2020	2021
Total	t		23 694		16 883	16 953
Renewable						
Cotton*	t	>=35%	17 190	>=0%	11 065	11 086
Wool*	t	>=35%	1 047	>=0%	1 205	1 123
Linen*	t	>=35%	384	>=0%	509	374
Blends (natural fibers)	t		194		20	18
Non-renewable						
Artificial fibers	t	>=35%	1 173	>=0%	1 037	1 175
Synthetic fibers	t	>=35%	2 597	>=0%	3 019	3 177
Blends (natural/artificial/man-made fibers)	t		1 109		28	-

* pure raw materials > 35% criterion 2019

Data refers to Benetton Group S.r.l., Benetton India Private Ltd. and Benetton Korea Inc. For the 3-year period, consumption in Korea is limited to direct procurement.

2020 and 2021 data are more accurate in that the raw material percentage thresholds were not considered and the Textile Exchange coefficients were used in the conversion.

DOWN JACKETS GOOD INSIDE

In Fall 2021, *United Colors of Benetton* introduced the *Eco-Recycle down jacket*. Colorful and sustainable, its padding does not contain feathers, but recycled polyester wadding.

The term wadding for clothing, or padding, generally refers to a material designed to insulate from the cold and used for a soft and fluffy padding. Made of polyester fiber, the wadding is very long-lasting and easy to maintain and wash.

Wadding made of recycled polyester is obtained from common plastic bottles (PET). Recycling 65 33cl PET bottles produces one kg of wadding, which means that approximately 13 bottles are needed to manufacture a child's jacket and 26 bottles, twice as many, for an adult jacket.

This not only reduces the use of virgin raw materials, but also the amount of plastic that would otherwise end up in landfills. In addition, our recycled polyester wadding also comes only from certified supply chains.

The colorful Eco-Recycle down jackets for adults come in recycled polyester and 3D wadding, a special resilient fiber that incorporates air, making the garment warm and extra-light, just like down would be.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

LIFE CYCLE

Safer, long-lasting, quality products

Thanks to the optimisation of materials, the rationalisation of the supply chain and the seamless collaboration with consumers, Benetton Group strives to ensure the highest quality in terms of safety, durability and compliance with industry requirements.

B-LONG

In 2021, the B-Long strategic project was continued, aimed at ensuring compliance with Benetton quality standards and the durability of the materials that make up the garments produced. In particular, B-Long allows the Company to monitor the fabrics and colors used to produce approximately 70% of United Colors of Benetton products. The tests, carried out by third party certified laboratories, also proved fundamental as a form of cross-checking between different production facilities, optimisation of the project approval and material procurement processes. The tests have been positive and confirmed compliance with the Company's quality standards.

TIMELESS EDITION

In a number of stores, United Colors of Benetton sells products from past collections that are still relevant today as they feature excellent quality and style, overcoming seasonal fashion trends. This is a way to reduce waste and promote a more responsible and planet-friendly fashion.

CLOTHES FOR A CAUSE

Working in partnership with a network of local non-governmental organisations, in 2021 Benetton India once again donated returned but quality garments to the needy in Northern India. Through the Clothes for a Cause initiative, Benetton gives its contribution to the creation of an increasingly circular economy model.



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.

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 our products do not present any danger of suffocation or entrapment.



SUPPLY CHAIN

Towards a shorter supply chain

The supply chain is the Company's backbone. The supply chain transforms ideas into value, designs into products, and brings Benetton Group together with the people who choose its brands.

2020, the year of the pandemic, was the year of shifting gears, with the center of gravity of the supply chain increasingly moving towards the Mediterranean area, in response to a need to rationalise production areas and sourcing centres. 2021 marked a further acceleration on the design of the supply chain through the implementation of three strategic actions.

First: near-reshoring, i.e. bringing production activities closer to the country of origin. Second: the rationalisation of sources, i.e. a process of integration between production platforms to guarantee more timely and synchronised deliveries. Third: the rationalisation of materials through a reduction in the quantity of products produced and fabrics used.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



SUPPLIERS' HUB

Measuring our engagement

Benetton Group is committed to ensuring that all the people involved in the supply chain are always treated fairly and correctly. Respect for human rights, guaranteed through the implementation of consolidated practices and initiatives, has become measurable thanks to the adoption of the tools provided by Sustainable Apparel Coalition, shared and recognized at international level.

GRI 204-1 Procurement Practices (euro)

		2019	2020	2021
Asia	316 751 362	56%	180 059 655	52%
EMEA	245 320 342	44%	165 061 357	48%
Rest of the world	440	0%	-	0%
Total	562 072 144		345 121 012	333 497 078

2019 figures have been adjusted as the estimate of procured products from Korea was in line with the volume of manufactured garments.

In 2021, procured products confirmed to be in line with the result of the previous year with an overall total of 54 million garments produced. This figure also includes local production in India and Korea, developed specifically to meet the style and demands of local consumers. In line with the strategic objective of rationalising production and making the supply chain ready to respond quickly to consumer needs, in 2021 Benetton Group pursued a substantial balance of production sources in the EMEA region (47%) and Asia (53%). This approach allowed the Group to increase control over the supply chain, reduce the time needed for product development and industrialisation by responding rapidly to market needs and, last but not least, increase the efficiency of logistics.

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 2022, a process was launched to bring production activities closer to Italy, a more environmentally sustainable choice that will make it possible to integrate and optimise 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.

BENETTON FOR MYANMAR

IN MARCH 2021, BENETTON GROUP DECIDED TO SUSPEND ALL NEW ORDERS TO MYANMAR FOLLOWING SECURITY ISSUES AND CONCERNS ABOUT VIOLATIONS OF HUMAN RIGHTS IN THE COUNTRY FOLLOWING THE COUP THAT BROUGHT THE MILITARY TO POWER. *"In all the markets in which it operates, Benetton Group has acted as the standard-bearer of fundamental values such as inclusiveness, integration and non-violence. We are called to contribute as a company to promote respect of these values and we intend to do our part. We will suspend orders from the country to give a strong and unequivocal sign," SAID CEO MASSIMO RENON. "We hope that the situation will return, as soon as possible, to one in which fundamental human rights are guaranteed, so we can resume supporting the local populations through work and dignity."*

PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

HIGG FSLM
As an active member of the Sustainable Apparel Coalition - the largest international alliance among fashion brands and textile producers that promotes sustainable production - in 2021 Benetton Group adopted the Higg Facility Social and Labor Module (FSLM), a tool that measures the social performance of its suppliers, completing the transition process from its CSR audit program initiated in 2020. 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. The transition to the FSLM module was motivated by the opportunity to reduce the effort associated with audit activities while focusing on the resources aimed at implementing improvement actions and ensuring data comparison. To this end, the FSLM contents reflect the Social & Labor 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 FSLM module is required by the Sustainability and Operations functions 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, while the analysis of the module, and therefore the assessment of the social performance of suppliers, is entrusted to the Sustainability function. The first step requires suppliers to compile a self-assessment module, which is then subject to on-site verification by an internationally recognised 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. No significant risks have been identified in the European Union, because the legislation adequately protects workers' rights and the compliance controls of the various supervisory bodies are considered effective. As a

preventive measure, Benetton Group is supporting its suppliers in formalising procedures and sharing some best practices. All suppliers located outside the European Union, on the other hand, present a significant risk in terms of respect for fundamental human rights, and are therefore subject to accurate controls by means of third party audits. To expedite the adoption of the new Higg FSLM tool, Benetton Group organised a training activity with the support of TÜV Rheinland in Turkey, Tunisia, Morocco, Egypt, Bangladesh, China and India, in order to facilitate understanding of the tool and address some operational criticalities identified during the first cycle. The Group is committed to offering capacity building programs to its suppliers, with a view to continuous improvement. Benetton Group will require the annual submission of the FSLM module from all manufacturers of finished products, expecting their performance to improve year after year. Benetton 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 and working towards a gradual expansion of the scope of the FSLM activities along its supply chain: in 2021, the FSLM module was also requested, on a voluntary basis, from second tier wet process suppliers. The FSLM module enabled Benetton Group to assess the social performance of a total of 235 producers of

finished products. Of these, approximately 68% implemented corrective measures to remedy the identified non-conformities while 12 business relationships were terminated. 22 wet process suppliers shared the FSLM module with Benetton.

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 particular, in 2021, one single employee report of discrimination was received through the Whistleblower mechanism. In 2021, 7 cases of lack of worker representation were identified. Other non-conformities related to procedural issues and unfamiliarity of workers with representative bodies.

2022
Higg FSLM training activities are expected to be completed in early 2022, with a session for Croatia and Serbia.

	2019	2020	2021
GRI 414-1 New suppliers that were screened using social criteria			
N. of new suppliers	72	57	55
of which:			
Suppliers screened based on their social impact	42	31	22
Rate of new suppliers screened based on their social impact	58.3%	54.4%	40.0%
GRI 414-2 Negative social impacts in the supply chain and actions taken			
Total n. of suppliers	594	576	547
of which:			
Suppliers assessed based on their social impact	350	187	235
Suppliers identified as having significant negative social, real and potential impacts in relation to the community	59	35	38
Suppliers identified as having significant negative social, real and potential impacts in relation to the community with which improvement actions were agreed in order to mitigate the social impacts	41	23	26
Percentage of suppliers identified as having significant negative social, real and potential impacts in relation to the community with which improvement actions were agreed in order to mitigate the social impacts	69.5%	65.7%	68.4%
Suppliers identified as having significant negative social, real and potential impacts in relation to the community with which relations were terminated after assessment	18	12	12
Percentage of suppliers identified as having significant negative social, real and potential impacts in relation to the community with which relations were terminated after assessment	30.5%	34.3%	31.6%

GRI 412-1 Human rights assessment		
	N. of suppliers	% assessed
Albania	3	33%
Bangladesh	13	92%
Bosnia-Herzegovina	1	100%
China	80	44%
Croatia	13	77%
Egypt	9	89%
India	107	61%
Italy	66	11%
Korea	89	-
Cambodia	1	100%
Laos	1	100%
Morocco	9	-
Myanmar	4	100%
Portugal	2	50%
Romania	9	33%
Serbia	2	100%
Tunisia	107	68%
Turkey	21	67%
Vietnam	3	67%

The decrease in the number of new suppliers subject to assessment is due to the adoption of the FSLM module, which takes longer to complete; however, to mitigate risk, suppliers are preliminarily assessed through other protocols based on multi-stakeholder initiatives.

Occasionally, Benetton collaborated with a few suppliers located in Spain, Moldova and Ukraine involved in minor phases of the production process. Given the occasional nature of the relationship and the low level of risk associated with these activities, no direct assessment was carried out in these factories with regard to their compliance with human rights regulations.

Due to the Covid-19 situation, Benetton Group suspended its audit program in Korea and did not complete the audits in Morocco, while activities in Italy were partially resumed.

The collaboration with the four suppliers in Myanmar preceded the Company's decision to suspend orders in the country.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	



ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

In December 2021, Benetton Group adhered to the International Accord for Health and Safety in the Textile and Garment Industry, confirming its commitment made with the signing of the previous agreement in May 2013 following the event that is universally remembered as “the Rana Plaza tragedy”. The Accord, of which Benetton was one of the first signatories, is an independent initiative involving approximately 200 fashion companies worldwide and also involving international trade unions, the International Labour Organization (ILO) and various non-governmental organisations. Developed to make all apparel manufacturing workplaces in Bangladesh safe, the Accord also provides for independent inspections and transparency of the local textile supply chain. The main points of the agreement include:

- › 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.

CIRCULAR FASHION PARTNERSHIP

Benetton Group adheres to the Circular Fashion Partnership, an initiative in support of the development of textile recycling in Bangladesh, using waste from production processes to make new products. The partnership facilitates commercial and circular collaborations between textile industries, fashion brands and recycling experts in Bangladesh, with a view to generating economic value in the country by boosting the market for recycled fibers. In 2021, some of Benetton Group's suppliers joined the initiative and, after training, began collecting cotton production waste for subsequent re-sale and recycling.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

MORE VALUE TO THE SUPPLY CHAIN

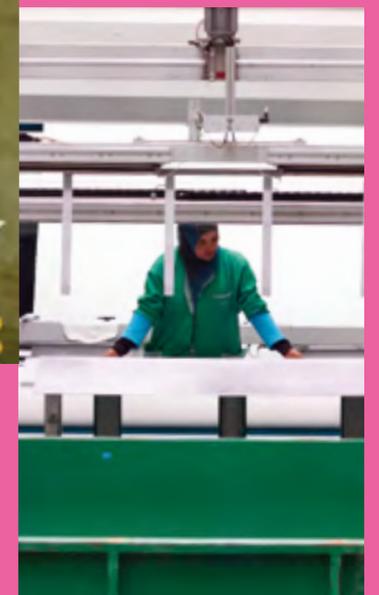
One of the greatest challenges faced by the fashion industry is communicating the environmental and social sustainability of its products to consumers. Even if the concepts are shared, there is no common language capable of translating practices and initiatives into comparable and effective data to communicate.

To this end, the Sustainable Apparel Coalition (SAC), of which Benetton Group has been a member since 2017, developed the Higg Index, a set of tools used to measure the social and environmental impacts of textiles, apparel and footwear.

The Higg Facility Environmental Module (Higg FEM) is the preceding tool, which Benetton adopted in 2018 to assess environmental impacts such as water consumption, global warming potential, fossil fuel use, chemical management and water pollution.

In 2021, Benetton Group also adopted the Higg Facility Social & Labor Module (Higg FSLM), which assess the social and working conditions of all the workers along the supply chain. The parameters subject to assessment include recruitment and hiring criteria, working hours, wages, worker treatment and engagement, health and safety issues, employment termination criteria, management systems and empowerment of individuals and communities.

The goal is to improve workers' conditions, enabling them to work in safe and healthy environments and earn fair wages.



ADOPTION OF THE HIGG FACILITY SOCIAL & LABOR MODULE



In 2021, Benetton Group obtained the Progressive Plus level according to criteria SAC requires of its members. Together with more than 270 members globally, Benetton Group is proud to help SAC achieve its vision, goals and commitments, in a unified effort to return to the planet and its people more than what our industry receives.

ENVIRONMENTAL IMPACTS

The fight against waste and pollution

Environmental sustainability is considered one of the fundamental aspects not only for the survival of the business but also for the future of the entire planet. One of the key pillars of Benetton Group’s sustainability policy is its reliance on an increasingly clean supply chain. The results achieved in 2021 resulting from the initiatives implemented with the suppliers are interesting.

ZDHC WASTEWATER GUIDELINES

As part of the wet process wastewater testing program - carried out by requesting suppliers to perform tests according to the ZDHC (Zero Discharge of Hazardous Chemicals) Wastewater Guideline - Benetton Group monitored approximately 90% of its production involved in wet processes. Similarly to the previous year, this year’s result demonstrates the efficacy of the protocol developed and shared by the ZDHC working group, of which Benetton Group is a founding member. In fact, the common objective of the ZDHC member brands - to rely on a sustainable supply chain and maintain clear and standardised communication with the suppliers involved - is increasingly gaining visibility across the sector, also as a result of the fact that 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 decreased quadrupled since 2013, the year in which the program was launched, and decreased approximately 10% in 2020 compared to 2019. A decrease closely linked to the impact of the Covid-19 pandemic on the textile industry, including reduced manufacturing that, in some cases, even led to company shutdowns.

SAC E HIGG INDEX

The Higg Index, i.e. the set of tools developed and made available by the Sustainable Apparel Coalition (SAC), includes the Higg Facility Environmental Module (FEM) that Benetton uses to assess suppliers involved in wet process production. The Higg FEM includes about 80 questions 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. It is organised as a supplier self-assessment module and can also be validated by a third party entity approved by SAC. 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, thanks to its use, Benetton Group can assess an important percentage (around 80% by volume) of suppliers involved in wet processes. This percentage was confirmed in 2021 as well, despite the difficulties due to the Covid-19 health crisis. This demonstrates the suppliers’ commitment to measuring and reducing their environmental impacts.

DETOX COMMITMENT

By signing the Detox Commitment launched by Greenpeace in 2013, Benetton Group embraced the goal that it pursued in 2021 as well, despite the restrictions imposed by the Covid-19 pandemic. In fact, despite the multiple difficulties faced by the textile industry, Benetton Group confirmed the work accomplished in previous years, by increasingly reducing the remaining gap to achieve the final goal. In 2021, Benetton Group published the wastewater test reports of the suppliers involved in 90% of wet process production. The total elimination of 11 groups of hazardous chemicals, 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) are the commitments defined in the Detox Commitment. 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.

NATURAL RESOURCES

The use of renewable sources in foreign factories

Reducing environmental impacts along the supply chain also involves an efficient use of natural resources. This includes designing plants that are powered by renewable sources and capable of reusing as many resources as possible.

TUNISIA

In 2019, our strategic partner Olimpias installed a solar energy plant (hot water production for the dyehouse) in its factories in Tunisia. Currently there are studies underway to analyse the feasibility of plants for energy generation from renewable sources.



CROATIA

Built between 2014 and 2016 with European Union funding, the Wasatex project allowed the textile factory of the Olimpias Tekstil Group in Osijek, Croatia, to reuse purified wastewater in the industrial production cycle. In 2021, the factory was able to reuse over 60% of its process water. Olimpias Tekstil is a long-term partner of Benetton Group.



Benetton Group considers water a key resource for people and the planet. Therefore, the Group analysed the geographic distribution of its suppliers involved in wet processes to monitor how the organisation impacts water-stressed areas. Only 2% of suppliers are located in high-risk areas. For the next few years, Benetton Group is committed to quantifying water use and consumption by suppliers

with significant impacts on water resources in high-risk water-stressed areas. A first step was accomplished in 2021 by Olimpias, a strategic wet-process supplier, which discharged 640 429 m³ of water. Of this amount, almost all was conveyed into water treatment plants both on-site and off-site. All plants are located in low-to-medium water risk areas (level 2-3).

GRI 303-4 Water discharge		
Basin risk level	N. of suppliers	% of suppliers
1	0	0%
2	4	2%
3	132	71%
4	46	25%
5	4	2%

1 low stress level, 5 high stress level. Analysis made by Water Risk Filter.

LOGISTICS

The importance of the last link in the chain

Logistics is the intersection point between the supply chain and the consumer and the consumer is at the center of the Company's business model. This approach contributed to the development of the logistics strategy, which hinges on a service that is customised to meet the needs of the points of sale, a reduced environmental impact and the attainment of a higher level of garment traceability.

INTERMODAL TRANSPORTATION

With a view to reducing CO₂ emissions linked to logistics and distribution activities, in 2021, the Group confirmed its commitment to intermodal transportation and, in general, to the use of the least environmentally impacting means of transportation like rail transportation (with a low polluting

impact) over cargo flights. This was an even more impactful choice in a context disrupted by the pandemic, which lengthened transit times and reduced transportation availability.

As to imports of goods from China, air transportation was replaced, where possible, with alternative solutions such as rail or sea/air (first leg by sea and the second by air). The use of the train service from Shanghai/Dalian to Warsaw (Poland), continuing on with road transportation to reach the Castrette factories, was consolidated, resulting in approximately 90% reduction in CO₂ emissions.

The Group also consolidated the combined cargo ship and flight system for goods that would have been shipped entirely by air transportation due to a maritime transit time that was considered inadequate based on the envisaged delivery date. This mode

allows goods to be transported for an initial leg by cargo ships in containers, and then continue with cargo flight transportation only for the final leg, resulting in approximately 50% reduction of CO₂ emissions estimated. In 2021, the Group also consolidated the use of train service for imported goods from the ports of Genoa and La Spezia to Padua (continuing on with road transportation to reach the Castrette site), as an alternative to road transportation (diesel oil or methane), with an estimated 60% reduction in CO₂ emissions.

SATURATION OF TRANSPORTATION

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



CO ₂ emissions saved	m.u.	2019	2020	2021
Logistics	t CO ₂	23 783	10 997	16 566
Intensity of emissions	g Co ₂ /item per km	0035	0032	0049

2021 figures include e-commerce emissions and FCA shipments.

The increase in total emissions and logistics-related emissions intensity is attributable to a broader reporting scope, making 2021 figures non-comparable with data of the previous years.

PACKAGING

Thanks to the use of reusable metal baskets, Benetton Group saves over 1 300 tons of cardboard every year, corresponding to approximately 20 000 trees. In addition, for the purpose of fully exploiting batch size and avoiding air transportation, the Group uses different types of cardboard boxes in different heights. 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 44%, decreasing the volume transported and also resulting in a consequent reduction in CO₂ emissions.



2022

Starting in 2022, brand websites will include a dedicated section where consumers will find information on how to dispose of packaging.

2022

A dedicated team is currently analysing alternative solutions to plastic packaging. The first step includes the introduction of a polybag containing 30% of recycled plastic in the production cycle by 2022.

DELIVERIES

At the moment of the online purchase consumers can choose between home delivery or store pickup. Soon users will also be able to choose shipment time, selecting from urgent delivery by courier or standard delivery in 3-4 days, taking advantage of the Company's logistics. The Group is also studying the possibility of delivering e-commerce orders to the final consumer by alternative, eco-friendly means - such as bicycles - in large cities like Milan and Rome. As of the end of 2020, CSR issues and specific questions about the type of fleet have also been integrated as drivers for supplier selection, taking into account their environmental and social impact.



2022

In 2022, an oversight system will be finalised to monitor suppliers on environmental and social aspects.



GRI 301-1 Packaging	m.u.	2019	2020	2021
Total	t	4 411	2 795	2 439
Renewable				
Paper and cardboard	t	3 591	2 241	1 942
Non-renewable				
Polyethylene (PE)	t	819	553	496
Iron	t	1	1	1

Figures refer to Benetton Group S.r.l.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	



Interview with Nicoletta Sartori
Head of Sustainability

What do you do at Benetton Group?

I am Head of Sustainability.

Can you explain the concept of sustainability in words a child could understand?

Sustainability is about not harming the environment and people, while maintaining a balance between what we use and what our planet can give us.

How did you come to cover this role?

I joined Benetton in 1997 and worked in different departments, including Sales, Administration, Finance and Control. In 2014, I moved to Internal Audit, which at that time was starting to handle Corporate Social Responsibility. As the function evolved over time, it was renamed Sustainability and became an autonomous department with increasingly broad and comprehensive competencies. At the beginning of this year I was appointed Head of Sustainability, replacing Roberto Taiariol in the function.

Sustainability is a buzzword these days. Why is sustainability so critical for companies today?

In 2020, the Earth Overshoot Day - the day on which humankind consumes all the natural resources the Earth can replenish in a year - fell on August 22. One year later, it fell on July 29. We lost almost one month in under a year. In this context, it is mandatory that each company commit to using resources in a more efficient and responsible way, re-organising operations in a circular economy perspective. It's not just a question of environmental sensibility; this affects companies' resilience. The companies caught unprepared will probably not survive in the medium term.

Where is Benetton Group on its path towards sustainability?

We are committed to using increasingly sustainable raw materials in our products and carefully monitoring our suppliers from both a social and an environmental standpoint. In addition, we are trying to eliminate the harmful chemicals from our production processes while keeping the quality of our products high so that they can last longer. The production model has always been based on the quantities ordered by our customers, avoiding overproduction and unnecessary waste of resources, but for the future we are targeting increased efficiency, producing less but more efficiently, quickly and based on customer needs.

What are the main obstacles?

Technology, I'd say. Currently, one of the biggest challenges is managing apparel product end-of-life. To recover and recycle the raw materials, the industry needs scalable technological solutions. In this context, a paradigm shift is needed to enable more efficient and responsible consumption and production.

Sustainability inevitably affects Benetton Group's supply chain. How is the supply chain changing?

We are increasingly committed to analysing risks and using appropriate tools to verify that suppliers comply with the requirements of our Code of Conduct. We are aware that this is a big challenge and that's why we are not alone on this path, but as members of the Sustainable Apparel Coalition we are committed - together with our peers - to developing and adopting the best tools available.

Who are your suppliers?

The Benetton supply chain is very heterogeneous. It comprises both small factories just a few km from our headquarters and large plants with thousands of employees and workers on the other side of the world. When visiting our smaller suppliers, I always appreciate their determination and the passion they dedicate to the activities they carry out, in a context that has become much more competitive as a result of globalisation.

Tell us about the most interesting project you've been involved with since you started working on sustainability at Benetton.

Drafting the Integrated Report, starting from a blank sheet of paper six years ago. It has been a wonderful experience both professionally and personally, also thanks to the team of colleagues and professionals with whom I have the pleasure to collaborate. It's a project that has allowed me, and I think all of us, to get to know the company we work for much better; the many initiatives it carries out and its ability to create value beyond economic results.

What are your dreams and plans for the future?

I am working on a project that will lead the Company to define its own CO₂ reduction goals in order to make a concrete contribution to climate change mitigation. This and other projects will enable Benetton - in my opinion - to pave the way towards an increasingly sustainable model of development.

DIGITAL

A laboratory for Company transformation



It's crystal clear that the future will go increasingly digital. Therefore, being ahead of the game can make a big difference. Benetton Group's pioneering digital department tests strategies and markets using innovative digital tools.

While targeting omnichannel optimisation, Benetton Group confirms that the website represents the flagship tool underlying its international expansion strategy, going hand in hand with increasingly targeted and differentiated digital marketing activities and Instagram growth potential as a fundamental communication and entertainment channel.

If 2020 was the year of the boom, 2021 will be remembered as the year of consolidation for both brands, Benetton and Sisley.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

E-COMMERCE AND OMNICHANNEL STRATEGY

Conquering international markets

With a year of record sales behind them, e-commerce and omnichannel strategy relaunch their campaigns to conquer foreign markets, with a two-pronged approach focused on internationalisation and digital scouting.

NATIONAL PLATFORMS

As planned, in 2021 the e-commerce platforms in India and Japan were launched and activities continued to build on the internationalisation of a number of websites designed for foreign markets, including Russia, Turkey, Lebanon, Mexico and Taiwan. In 2022, the Group will roll-out its digital strategy, already tested successfully in Japan, in Australia and in some Southeast Asian countries.

OMNICHANNEL STRATEGY FOR UNITED COLORS OF BENETTON

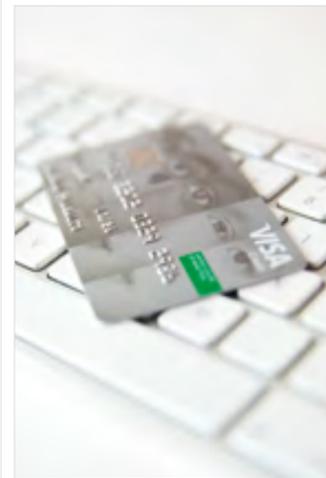
The omnichannel strategy was consolidated in 2021 through the integration of the brick-and-mortar stores with the digital world, for the purpose of boosting sales and reducing inventory while offering an increasingly broad array of services to end customers. The product locator service remains fully enabled to let consumers find in which store a product they are looking for is available: the click&collect service enables shoppers to order a product online and pick it up at the store; the endless aisle service allows customers to order 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. As planned, in 2021, the omnichannel strategy was extended to Spain and Portugal.

2022
In 2022, United Colors of Benetton will directly manage its marketplace within Amazon and Yoox e-tailer platforms.

2022
A new omnichannel function is expected to be launched in 2022. WhatsApp Business will enable the DOS stores to contact customers, send catalogues and information and reserve a product in the store or have it shipped to their home.

E-COMMERCE AND OMNICHANNEL STRATEGY FOR SISLEY

Sisley e-commerce posted very promising results in 2021, with a 60% increase in sales over 2020. Benchmark KPIs were all up for all traffic sources, both organic and paid, with increases in the number of transactions, average order value and revenue. The omnichannel strategy was also consolidated. In Italy, the product locator, click&collect, click-from-store and return-in-store services have been extended to all stores in the network.



The digital department is working on the possibility of integrating omnichannel functionalities at store checkouts in order to enable the user to buy an item present in the store and an item available on e-commerce with a single transaction.

SELLING CEREMONY

Benetton Group believes that digital and physical operations should serve the same goals. The Group is fine-tuning sophisticated digital tools that duplicate the in-store shopping experience as much as possible, making it increasingly engaging, immersive and effective.

2022
In 2022, the Group will launch a new purchasing ceremony, with digital tools playing a key role in helping the sales assistant respond effectively to customer requests.

LOYALTY

In 2020, the Benetton Group's brand loyalty programs were subject to a complete restyling, introducing a digital card and new reward systems. Today, United Colors of Benetton is working on an innovative, more detailed and complex loyalty program that will enable the most loyal customers to obtain products and benefit from the services offered by partner brands.

APPS

After years of study, the United Colors of Benetton app has reached the testing phase. The launch is scheduled for 2022.



Interview with Lisa Durante
Digital & e-commerce manager
at Benetton Group

What exactly do you do at Benetton Group?

I work in the e-Business area and I am in charge of buying, merchandising, store management and customer care for the UCB, 012 and Undercolors brands.

What did you do before? How did you get here?

I started my professional career at yoox.com, when it was still a start-up. I then covered different roles in the digital area for luxury companies, and I was later appointed Digital & e-commerce Manager.

You joined Benetton approximately ten years ago but then you moved on to other experiences before returning in 2019. Why did you decide to come back?

I came back because I felt I hadn't finished my career at Benetton. I felt like I had left a job unfinished. When I was offered the chance to come back to a structured environment and work with a team of enthusiastic people, where I could also grow further professionally, I accepted immediately. Compared to the time when I left in 2013, the Company has - in recent years - embraced the change offered by digital technology, recognising e-commerce as a real business channel.

Why - in your opinion - is it important for a company like Benetton Group to invest in digital technology?

Benetton Group is a very complex organisation, like all large companies. Digital technology offers an opportunity to review and improve processes, increase productivity and improve internal and external communication. In an increasingly unstable economic and social context, digital technology helps to prepare for and react to change.

What are the main goals Benetton Group has achieved in recent years?

E-commerce skyrocketed in terms of sales, but the real challenge was making it become a profit center. And we did it. Many of our online competitors still have a long way to go before they achieve it.

What are the challenges and goals for the upcoming future?

One of the main challenges is consolidating and increasing the customer base we've been developing in recent years, especially as new privacy laws and an increasingly crowded and expensive environment make it harder to work on lead acquisition.

You are also responsible for customer care. Who are Benetton Group's online customers?

They are mainly women aged 35-45. And the 25/35 age bracket is also growing. Online customers pay a great deal of attention to materials, quality and sustainability. They see us as a reliable brand with a fair price/quality ratio. Compared to the customers going to brick-and-mortar stores, online customers are very interested in iconic products. The logo, the primary colors, the rugby polo shirt have recorded excellent sales results.

In your opinion, what are the key assets for Benetton Group to increase its visibility and obtain results in such a crowded online market arena?

Sustainability and inclusiveness are part of our heritage. These themes are certainly very topical and young consumers consider them very relevant. However, I would focus more on colors, because colors can be interpreted in many different ways. To mention a few: games, beauty, culture, etc.

What is the project you are most proud of amongst all the ones you've been involved in at Benetton?

One of the best projects I contributed to was the collaboration with Nintendo for the Animal Crossing videogame. I loved the concept they presented and the way it was developed. It was really cool to see our products used as apparel items for the characters.

What are your dreams and plans for the future?

One day, I would love to go back to university and study History.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

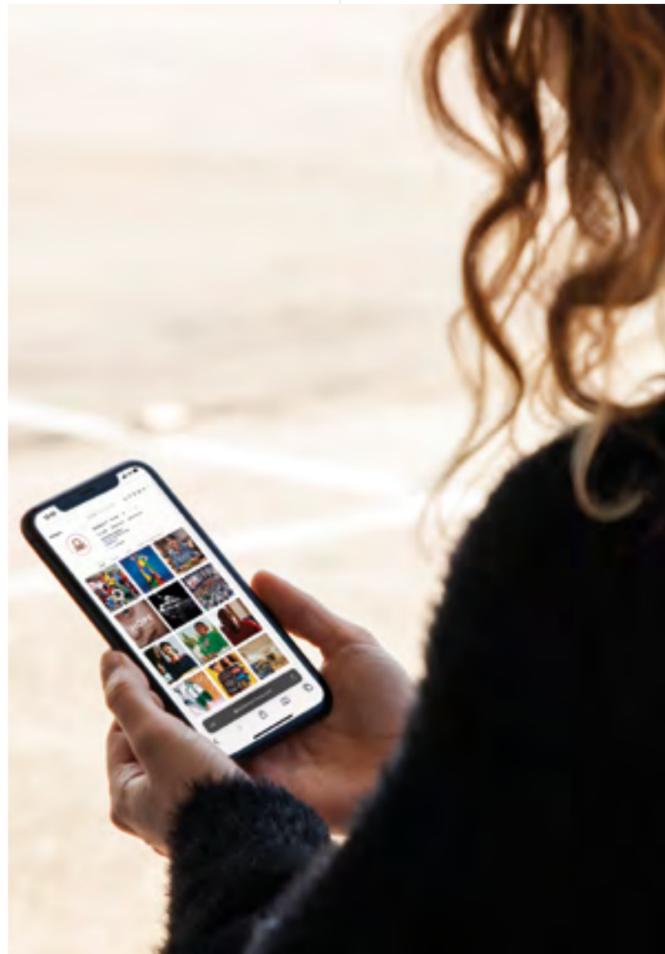
DIGITAL COMMUNICATION

Entertainment on social media

In 2021, Benetton Group once again took important steps to increase digital communication by launching online projects and collaborating with both Italian and international testimonials and influencers.

INSTAGRAM

United Colors of Benetton further consolidated and diversified its presence on Instagram. Today, the Group's profile has 750 000 followers, mainly women from Italy, Spain, Portugal and Greece. In 2021, the number of posts saved increased by 179% compared to 2020, a sign that followers find the quality content produced worth revisiting.



Followers

749.9k

Profile fanbase

+12.49%

Clicks from Instagram to product page

+25.32%

Saved posts

+179%

TIKTOK



Eight creators launched a dance on Benetton's TikTok channel which users of the platform could join, following the choreography, the music and - if they wanted - adding a branded filter specifically developed for the occasion. Be United, the name given to the dance, was also used as a hashtag that generated over 687 000 views and 344 000 user-made videos.



GAMING

After decades of success in rugby, basketball, volleyball and Formula 1, Benetton approached the world of e-sports with Animal Crossing: New Horizons, a famous and very popular Nintendo branded videogame, and League of Legends, an online strategy game played by more than 100 million individual gamers worldwide.

SPOTIFY

United Sounds of Benetton by Ghali is the playlist on Spotify, the world's most popular audio streaming subscription service. Selected by the Italian-Tunisian rapper and United Colors of Benetton brand ambassador, the playlist includes contemporary and eclectic tracks from around the world and is constantly updated.

SISLEY

In 2021, Sisley continued its monitoring of the entire marketing funnel, with an eye to conversion and awareness objectives. To this end, the paid search campaigns have been optimised with close monitoring of the metrics of performance investments. As to traditional online media planning, programmatic advertising was consolidated in order to reach advanced and increasingly qualitative targets. Social media played an important role in the digital strategy, serving as a search tool for scouting new products and information in the pre-purchase phase in the physical stores. In addition, social media provided Sisley with the possibility of increasing and developing brand awareness through integrated and cross-channel actions.

2022

In 2022, United Colors of Benetton is expected to open a space in the metaverse, another touchpoint in the brand's omnichannel strategy.



WELCOME TO BENETTON ISLAND

THE WORLD OF UNITED COLORS OF BENETTON ON ANIMAL CROSSING



A new island appeared on Animal Crossing since last October: New Horizons, the life simulator that became one of the most popular games during the first lockdown. Inside the make-believe city of Animal Crossing, **Benetton Island is a special, inclusive and colorful place that pays attention to sustainability.**

Azalina, a streamer and a key figure in the Animal Crossing community, co-created the island with Benetton. The brand's core values inspired Azalina to design the architecture of the island, namely colors, knitwear and sustainability.

There are many things to see: from the rugby field to the Photo Booth and from the Green house to the multicolor showroom. The island also features the iconic Benetton patterns, along with elements that draw

attention to sustainability, including wind turbines and photovoltaic panels.

As one of the Animal Crossing gamers' favorite activities is choosing the outfits for their character, United Colors of Benetton created a digital collection of ten outfits featuring some of the brand's iconic items. Thanks to this extension, developed in collaboration with Azalina, users can wear their looks in the game and parade through the rainbow showroom with the possibility of posting everything on their social accounts.

The brand's iconic pieces in digital format were also made physically available to all gamer brand lovers on United Colors of Benetton's e-commerce platform and in a selection of UCB stores.

4 *Nintendo influencers engaged*

1.5 mln *users reached through social media*

1k *accesses to the Benetton Island*

30k *views on the landing page*

UNITED COLORS OF GHALI.



UNITED COLORS OF BENETTON.

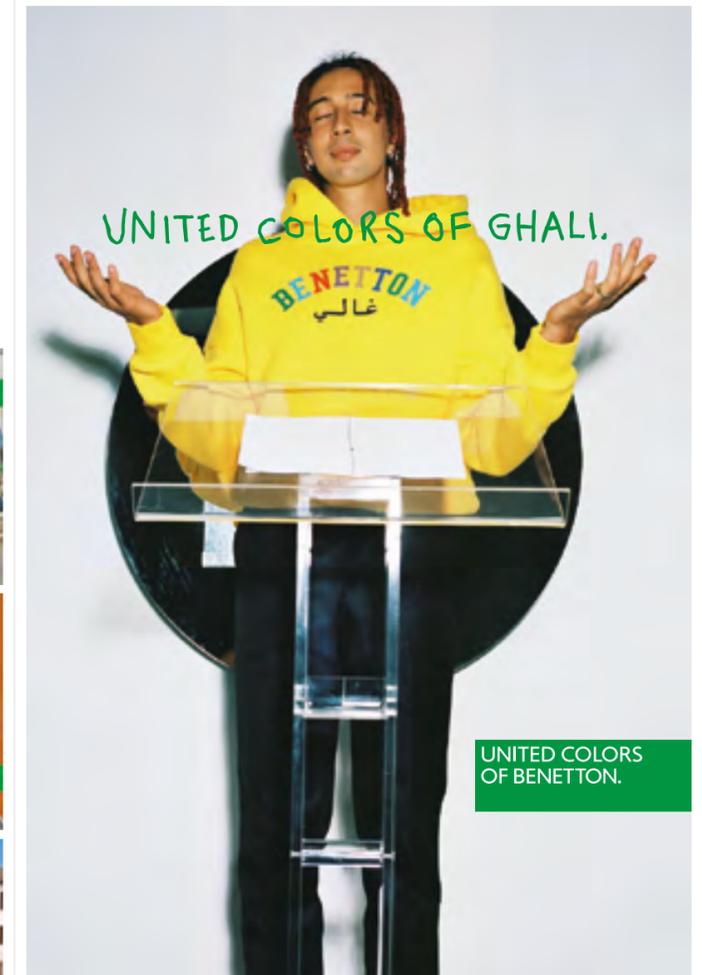
ADV

Non-stop campaigns on all touchpoints

In 2021, our brands embraced a non-stop campaign philosophy to convey the products and the brand values across Benetton and Sisley's physical and digital touchpoints, differentiating based on the seasons and specific needs.

GHALI BRAND AMBASSADOR

The rapper Ghali was United Colors of Benetton's brand ambassador for 2021. Born in Italy of Tunisian parents and raised in the suburbs of Milan, Ghali perfectly embodies Benetton's values of dialogue and integration. The collaboration took the form of a series of activities that - starting with two capsule collections created by the artist - aimed to strengthen the connection between the brand and Generation Z. The capsule collection was presented on the occasion of the opening of the Milan Fashion Week last September, with a press conference and a party scheduled on the official event calendar of the Italian Fashion Chamber. The event attracted celebrities, international guests and fashion media. Ghali personally took his capsule around Italian cities and suburbs, on an airstream tour with media buzz at each stop.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	



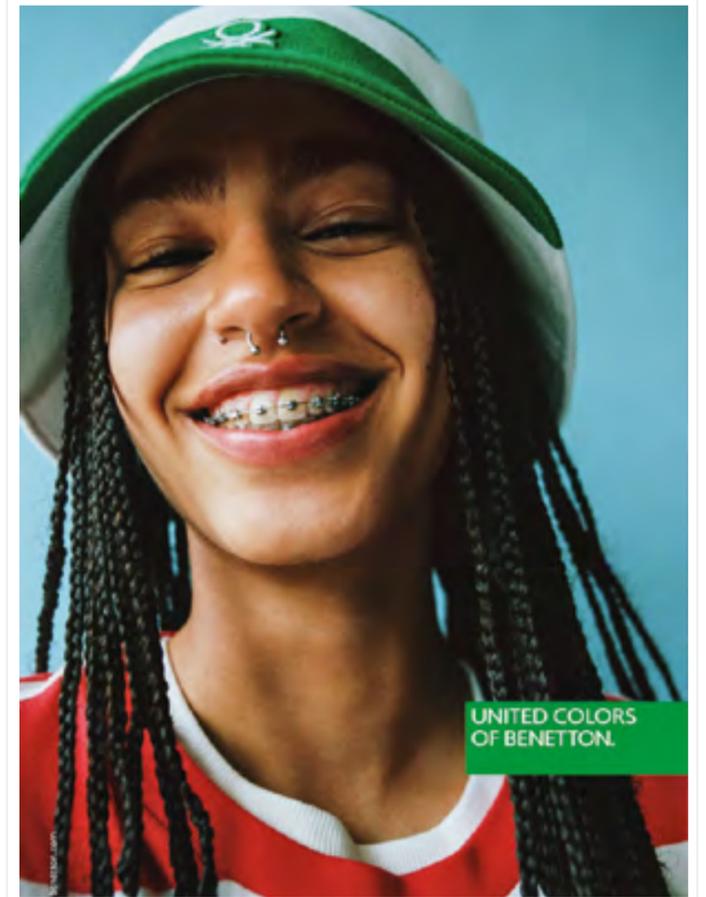
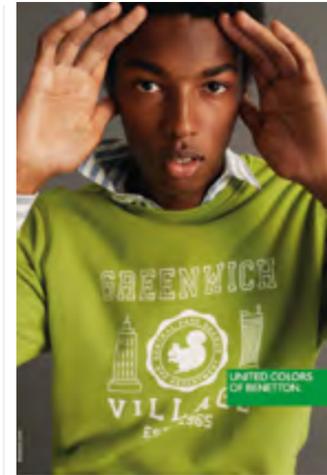
BENETTON AND DEPOP

At the end of May, Benetton Group launched a collaboration with Depop, the fashion marketplace with over 27 million users in 147 countries. United Colors of Benetton created a collection of selected garments from UK and US retailers specialised in second-hand apparel, then launched it on the platform through four members of the Depop community: @YouthClubStore is committed to raising awareness among consumers of fashion products; @ArchiveSix told her story of empowerment as a Black businesswoman; the dancer @Ayo talked about the importance of knowing how to accept and love yourself, and @Hadiyahh promoted realistic representations of the female body in the media. The entire initiative was promoted through a targeted advertising campaign created by Depop.



SEASONAL CAMPAIGNS

Photographer Matteo Montanari shot two seasonal campaigns to promote the United Colors of Benetton Spring/Summer and Fall/Winter 2021 collections. The videos and images, shot in the studio or outdoors with people who represent the brand's joy and the variety of the collections, were used for outdoor advertising and on the brand's digital channels.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



THE HOPE PROJECT

Last spring, United Colors of Benetton set out in search of projects and ordinary people around the world who dream of a better future and strive daily to build it. Starting from Spring Summer 2021, a pool of photographers shot the basic wardrobe of our collections worn by ordinary people in the world's most interesting cities. The images of the people and their comments were published on our digital channels, feeding a global database of hope.

UNITED BY CAUSE

On Republic Day, the 26th of January, Benetton India launched a video inviting the population to follow the health protocols issued by the government and be responsible. This was another installment of the #UnitedByCause campaign, and the video was visualised by 2.4 million people on social media.



2022
In 2022, Benetton's Hope project will continue to tell new stories of hope from different parts of the world.



UNITED COLORS OF BENETTON.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



PRINT AND SOCIAL MEDIA

Visibility beyond traditional channels

Our brands' looks and initiatives achieved great visibility in Italy and abroad, both in print and social media, thanks to collaborations with influencers and celebrities who agreed to promote or spontaneously posted our products on their social profiles. Here are some examples.

› US actress and comedian Kate McKinnon wore a UCB rugby polo shirt during the 9 May, 2021, episode of legendary American television show, "Saturday Night Live", watched by over seven million viewers.



› British actress and model Millie Bobby Brown (481 million followers), a celeb among the very young for her style, coolness and for playing the character Eleven in the Netflix series "Stranger Things", instagrammed a photo and video in which she was wearing our iconic rugby polo shirt.



› American actress, model and media celebrity Hailey Rhode Baldwin Bieber (42 million followers) posted a video and photo on her Instagram channel in which she was wearing a vintage Benetton Formula 1 jacket.



› A large group of influencer moms from across Europe dressed their children with United Colors of Benetton items. The group included model Georgina Rodriguez, Cristiano Ronaldo's wife, who boasts over 36.4 million followers, and actress Paula Echevarria in Spain (3.6 million followers).



SUSTAINABILITY

A manifesto for the future of our brands



Once again, in 2021, sustainability was confirmed as one of the pillars of Benetton Group's strategy. In the area of communication, this choice involved the creation of specific tools and projects aimed at increasing and narrating respect for the environment and people, both inside and outside the Company.



GREEN B

On the occasion of Earth Day on 22 April, Benetton Group launched GREEN B, the project that brings together all the sustainability initiatives of the Group's brands. The name and logo recall some essential elements of the corporate identity such as green - the color of the Benetton logo - and "B", the initial letter of the brand name. The sound "B" recalls the English infinitive "to be" as well as the word "bee", the name of a small, industrious and collaborative insect indispensable for the entire ecosystem.



DEDICATED CAMPAIGNS

The opening of the GREEN B store in Florence was advertised on all the brand's digital channels by means of displays, native and social campaigns, newsletters and dedicated editorial content. Moreover, a landing page was created on benetton.com focusing on sustainability with a view to presenting sustainable products, reinterpreting the brand's heritage according to a contemporary visual language and offering an increasingly demanding consumer more details and information about the materials and the processes used.



DIGITAL TALKS

CEO Massimo Renon participated in a digital talk on sustainability in the fashion industry together with top speakers from the world of business and institutions on the occasion of the opening of the GREEN B store in Florence. The guests included Carlo Capasa (President of Italian Chamber of Fashion and founder of Green Carpet), Cecilia del Re (Councilor of the City of Florence for environment, tourism, trade shows and congresses), and Marco Armellino (President of aworld.org). The digital talk was livestreamed on the homepages of the Italian news sites Green&Blue, Repubblica.it and lastampa.it. A special virtual round table was also organised in India, with opinion leaders from various walks of life, to raise awareness on sustainability in the fashion industry and beyond.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT		
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX		🔍

Fashion is in everywhere

We've been in this industry since 1965.

For us, it's about more than making trendy clothes. We care about the people who will wear them and the environment that surrounds us.

We care about what's in your clothes.

Our collections employ 80% natural fibres and some of our products are made out of recycled and regenerated materials. We aim to be using only sustainable cotton by 2025.

We care about where your clothes come from.

That's why we ask our suppliers in Europe and around the world to agree to a Code of Conduct. It ensures they respect human rights and protect the planet.

We care about how your clothes are made.

We actively strive to reduce our environmental impact throughout our production process, by avoiding toxic chemicals.

We care about how your clothes reach you.

We study the best solutions to ship them around the world, so that you can receive them in one of our energy-efficient stores or directly at home, wrapped in sustainable packaging.

We care about how long your clothes last.

We are committed to uncompromising quality and show you how to repair your garments and extend their life cycle. Half of them are monofibre, making them easy to recycle.

It's not empty talk. It's a commitment

confirmed by some of the world's most prestigious organisations in the sustainability field. For example, according to Greenpeace, we are one of the global leaders in Detox fashion. And, according to the Fashion Transparency Index, one of the top ten brands globally for transparency.

It's not marketing. It's part of our history.

We pioneered a collection service for second-hand garments, for instance, and were among the first brands to join the conversation around fossil fuels and climate change.

It is a long journey, but we are sure that we are on the right track.

Thanks to people like you, who keep us going down the path to sustainability.

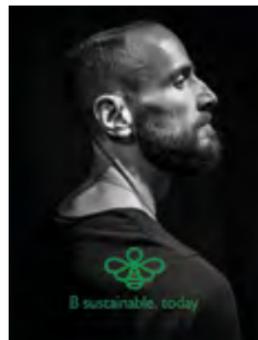
PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	



GREEN B Talks - the panel with Massimiliano Ventimiglia



GREEN B Talks - the panel with Marco Lorente



GREEN B Talks - the panel with Joerg Zuber



GREEN B Talks - the panel with Susan Bhaktul



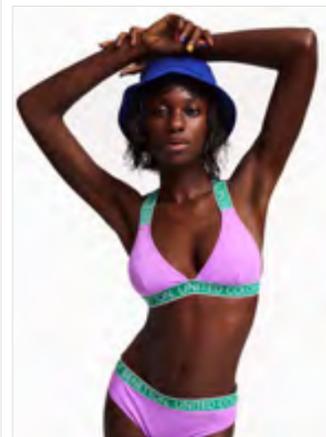
GREEN B Talks - the panel with Sara Sozzani Maino



GREEN B Talks - the panel with Massimiliano Locatelli

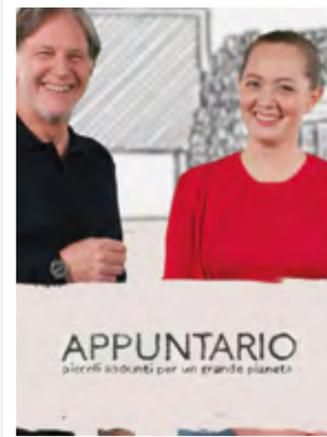
ECONYL® ACTIVATION

To support Undercolors Econyl® beachwear collection, talent profiles were activated in Italy, Spain, Portugal, Greece and Germany. These are mostly personalities from the world of water sports, who consistently express the specificity of the product and respect for the environment. Among them, the diver Tania Cagnotto (400 thousand followers), the Spanish surfer Lucia Martino (95 thousand followers) and the Greek actress Tania Sotiropoulou (188 thousand followers).



APPUNTARIO

Appuntario, a series of video tutorials promoted by United Colors of Benetton in collaboration with MUBA, the children's museum in Milan, was launched to raise awareness about sustainability among children. Architect Mao Fusina and actress-educator Veronica Franzosi introduced the children to the major themes of sustainability, inviting them to play by downloading a notebook from the Benetton website and carry out a series of especially designed creative activities.



PLAY CYCLE

Play Cycle is an art project launched in Portugal and created to teach children to reuse paper, plastic and other materials. Developed in collaboration with the Centro Cultural de Belém, the project consists of four videos by two Portuguese artists: Rui Tomás, an internationally renowned designer, and Ana Pêgo, known for her commitment to ocean protection. The initiative was published on United Colors of Benetton's main digital channels and disseminated through a network of local influencers.

ARCHIVE

A thread stitching together past, present and future

In 2021, as a member of Museimpresa (the Italian association of company archives and museums, promoted by Assolombarda and Confindustria) and International Council on Archives (ICA), Benetton's Archives promoted a series of communication initiatives.

BUSINESS ITINERARIES

Organised in collaboration with Touring Club Italiano, the "Itinerari d'impresa" project identifies special itineraries in Italy featuring some of the archives and museums in the Museimpresa network. The Benetton Archives was included in the itinerary "Il triangolo della moda veneta: Padova, Venezia, Treviso" (The Veneto Fashion Triangle: Padua, Venice and Treviso) along with the Footwear Museum of Villa Foscari and the Rubelli Company Archives.

CORPORATE CULTURE WEEK

The Corporate Culture Week included a series of events organised in Italy to disseminate the cultural heritage of company archives and museums. This year's theme was "Il Grand Tour tra i valori dell'Italia intraprendente" (A Grand Tour through the values of an Enterprising Italy). The Benetton Archives reopened to the public on this occasion, after the totally virtual tour experience in 2020. The 120 event participants visited the Benetton Studios and the Benetton Archives on 27 November 2021.

NEL TEMPO DI UNA STORIA

"Nel tempo di una storia" (In the Time of a Story) is a social project developed in collaboration with What Italy Is, a blog curated by photographer Simone Bramante. The project included the creation of posts and Instagram stories dedicated to each of the members of Museimpresa and published on the association's account, as well as on What Italy Is.

BENETTON GENERATION

In 2021, the Archives participated in the Night of the Archives (sponsored by ANAI - Associazione Nazionale Archivistica Italiana) which is part of Festival Archivissima, the Italian festival for the promotion and enhancement of historical archives, scheduled for 4-6 June 2021. The 2021 edition was dedicated to the topic of the #generations. Different participation options were offered and the Archives opted for the Benetton Generation initiative, a video posted on YouTube and the event website summarising six decades of the brand's advertising communication.



CORPORATE VALUES

In August, Benetton Archives was invited to participate in the "Valori d'Impresa" (Company Values) Award, organised by Assindustria Veneto-Imprenditori Padova Treviso, with a view to increasing the visibility of the Company's history and culture, which are important tools of communication and corporate reputation. The Archives participated in the "Visioni d'Impresa" (Company Vision) section, dedicated to corporate communication in the Veneto region, with an edited version of the virtual tour of the Archives developed in 2020.



WORKSHOP: FASHION ARCHIVES

In March, the Archives department was invited by the Department of Human Sciences of the University of Udine to participate in an online inter-university workshop on fashion company archives organised in collaboration with the University of Cagliari. The lecture was structured in two parts, one dedicated to technical filing aspects and one presenting the virtual tour of the Archives.

DIGITISATION OF SISLEY CAMPAIGNS

In 2021, the Benetton Archives digitised and made available to the public more than 35 years of Sisley campaigns, including catalogues, videos and images spanning from the travel diaries of the 1990s to the provocative images shot by photographer Terry Richardson and the most recent collaborations with celebrities like singer Skin and artist Vanessa Beecroft.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

FABRICA

Creativity takes shape

Founded in 1994, Fabrica is a research center housed in a magical building. Inspired by the Renaissance and adopting a “learning by doing” philosophy, Fabrica welcomes creative talents under 25 from all over the world, who experiment with contemporary communication through constant cross-pollination of different disciplines, such as photography, video making, graphics, design, music and digital technology.



CREATIVE RESIDENCY

Fabrica’s residency model for creative talents under 25 includes two sessions per year of about 15 participants each (September-February and March-July). The program features, among other things, participation in a series of international competitions such as the “Future Lions” or Rossana Orlandi’s “Plastic is not the Enemy”. It also includes team building activities, production of content for Fabrica’s social media accounts - like the weekly “Fabrica Library” column and materials related to the international days celebrated by the UN - thesis work involving a final exhibition on a topic of social interest and participation in a busy schedule of creative meetings and workshops - both online and in-person - with experts and professionals.



MEETINGS

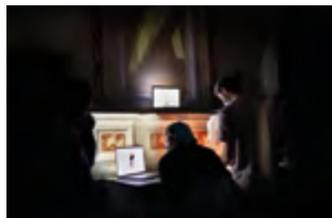
In 2021, Fabrica residents met Umberto Basso, manager director of AKQA; Stefano Mizzella, Business & Innovation Designer; Marco Massarotto, digital communication expert; Carlo Muttoni, strategic director at NOW; Hanna Schrage, digital artist and designer; Agnieszka Ziemiszewska, graphic designer and art curator; Hila Mor, designer and artist; Valentina Tanni, art historian and curator; Matteo Loglio, designer; Patrick Waterhouse, multimedia artist; Carlos Casas, visual artist and filmmaker; Piero Martinello, photographer; James Mollison, photographer; Parasite 2. 0, designers; Thom Kubli, artist and composer; and Agnes Cameron, technology expert.



Workshop with Carlos Casas



Workshop with Agnes Cameron



Workshop with Matteo Loglio

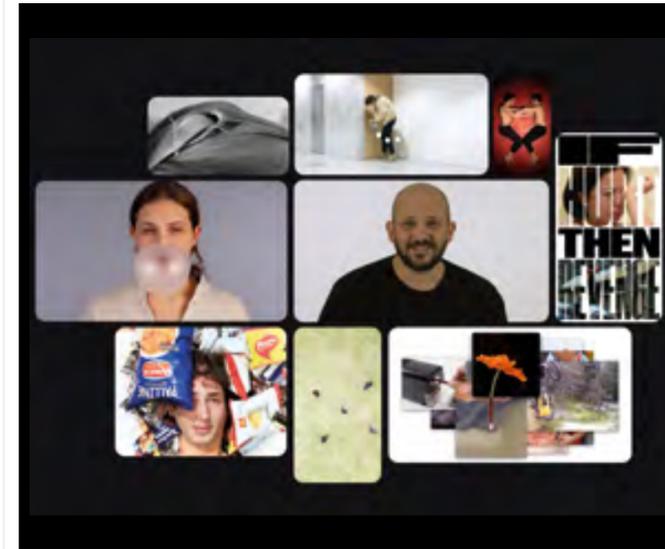
FABRICA FOR CAMPARI

Fabrica was chosen by Campari Group to create a collection of merchandising products aimed at interpreting the iconic Campari Soda brand, the famous aperitif launched in 1932 in Milan, characterised by the unforgettable bottle designed by futurist artist Fortunato Depero. An international team of young designers selected by Fabrica from within its network of Alumni curated the design, prototyping and production of the collection, which will be presented as a world premiere at the 2022 edition of the Salone Internazionale del Mobile in Milan.



DESIGN IN PRACTICE

Fabrica participated with some video installations in the exhibition “Design in pratica / Pratiche di design virtuoso” (Design in Practice / Virtuous Design Practices) by JoeVelluto Studio, presented at the Galleria Civica Cavour in Padua from 18 September to 1 November 2021. Curated by philosopher and writer Leonardo Caffo, the exhibition reflected the ability and power of design to inspire the mind and orient habits. The starting point for the exhibition is the Eightfold Path of Buddhist practice, i.e. eight points for a more responsible and conscious life that have been reinterpreted by Fabrica’s creative talents in eight video installations.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

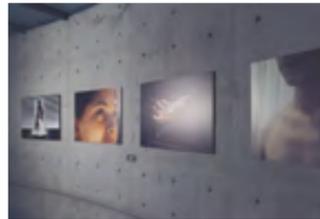
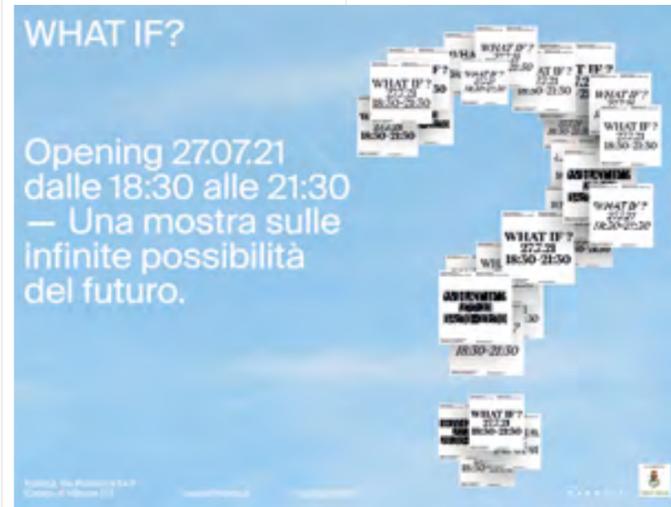
ANDRÀ TUTTO BENE?

On 12 June 2021, at the Arena Milano Est in Milan, L'Albero della Vita Onlus presented the national premiere of "Andrà tutto bene? (Will it be all right?) The voice of poverty in the pandemic", a documentary made by Fabrica to reflect the stories of needy families living in poverty in the Milan area, testifying to the fact that poverty is no longer a prerogative of certain geographical regions, social situations or ethnic groups. The Fabrica documentary reveals the fears, uncertainties and hardships of these families, but also their great resilience, courage and confidence.



WHAT IF?

"What If?" is a project about the infinite possibilities of the future. 12 works - installations, photographs, posters, videos and digital explorations - designed by Fabrica creative talents at the end of their artistic residency. The project was inaugurated on 27 July 2021 as part of an event open to the public that also saw the participation of Beercock, an Anglo-Italian artist, singer, musician, poet and theater performer. Using his two main instruments, Body and Voice, Beercock gave a powerful performance mixing dance, song and electronic music.



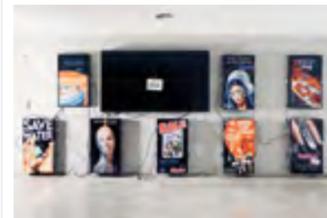
Gianluca Urdiroz



Lara Lussheimer



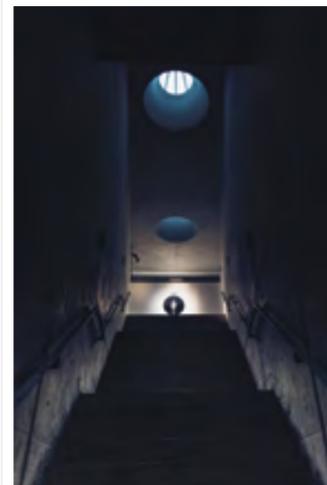
Zhang Zhan



Anna Hynowska



Olfa Farhat



Alessandro Niro

FABRICA FRAME

"Fabrica Frame" is a collaboration between Fabrica and Seditio, a global platform for selling and collecting art in digital format, for the creation of a collection of 10 digital works created by Fabrica residents. The collaboration presents the work of Fabrica artists to a global audience, creates connections between them and the collectors and promotes discussion about digital media.



FABRICA CREATIVE LABS

"Fabrica Creative Labs" is a free series of online lectures and conferences with some of the most important international figures in the world of art, culture and communication, often from the Fabrica network. In 2021, the program, followed by hundreds of people around the world, saw the participation of Arianna Rinaldo, photography curator (Italy); Daniel Ferreira, filmmaker (Brazil); B.C. Manjunath, musician (India); Sasha Huber and Petri Saarikko, artists (Finland); Gabriele Schiavon and Gerard Sanmarti, designers (Spain); Bradley Hasse, filmmaker (USA); Andy P. Smith, writer (USA); Deborah Latouche, fashion designer (UK); Carlos Casas, artist and filmmaker (Spain); Meric Kara, designer (Turkey); Davide Balliano, artist (Italy); and Barbara Soalheiro, entrepreneur (Brazil).



FABRICA ABOUT FUTURE

"Fabrica About Future" is a program of online meetings with Italian startups and companies, entrepreneurs and professionals from different sectors - spanning from fashion to design, tourism to food, automotive to finance and culture to entertainment - that presents the ideas and projects they have adopted to navigate today's complex landscape. In 2021, the guests included Matteo Sarzana, General Manager Italy of Deliveroo Italy; Mirko Lalli, founder and CEO of The Data Appeal Company; Emma Taveri, CEO and founder of Destination Makers; Martina Capriotti and Ciro Di Lanno, co-founders of Mirta; Luca Bazzoli, Ecosystem Manager of Ashoka Italia; Francesco Inguscio, Founder and CEO of Rainmakers; Eugenio Sabora, country manager Italy of Too Good To Go and Francesca Pievani, co-founder of Fili Pari.



MERRY FABRICA

More than 2,000 people attended the 2021 edition of Merry Fabrica, a day dedicated to shopping, workshops, children's entertainment, exhibitions, music, street food and creativity. The event, organised at Fabrica on 18 December 2021, saw the participation of 35 selected creative talents - artisans, designers, artists - focusing on the responsible use of materials. During the day, a performance was organised for the children with Il Trabiccolo dei Sogni, an illustration workshop with Lucio Schiavon and a live concert by Charlie Rizzo and his band.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT	🔍
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX	

MOBILE FILM FESTIVAL

Fabrica is among the winners of the 17th edition of the Mobile Film Festival with the videos "Color of the Year" by Alessandra Mazzaro (Italy) and "The Day You Were Born" by Anna Jarosz (Portugal), which won the Prix Spécial du Jury and the Prix Visuel, respectively. The Festival, whose theme in 2021 was "Making Peace With Nature," received 700 films from 92 countries.



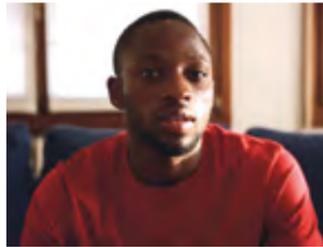
MANTOVA LOVERS INTERNATIONAL SHORT FILM FESTIVAL

Fabrica was invited for the third time by the Mantova Lovers International Short Film Festival, a short-film love-inspired festival, to evaluate - together with other jury panelists - the shortlist of 10 finalists selected from over 1,500 short films received from all over the world. The winner was Giulio Mastromauro (Italian) with "Inverno". The director will have an opportunity to participate in one of the events on the Fabrica calendar.



REFUGEES WELCOME SHORT FILM FESTIVAL

The "Kaba" documentary, telling the story of an Ivorian boy who crossed the Mediterranean Sea to start a new life in Italy, produced by Fabrica and directed by Alexandra Vogel, was made in collaboration with the Refugees Welcome Italia association and was nominated among the finalists of the Refugees Welcome Short Film Festival in Berlin.



EXTERNAL TRAINING

In 2019, Fabrica organised and developed training activities in the context of DGR 341 pertaining to Axis III-Work-Study Internships in collaboration with CIM&FORM, Confindustria's Verona training company. In May 2019, Fabrica participated as a corporate partner in the "Flipped Classroom-La didattica rovesciata" project, targeting students and teachers of secondary schools. The course was completed in June 2021. Fabrica also took part in the Youth Guarantee-Work Experience for specialist training - in collaboration with T2i. The SEGNO & STILE course provided training to seven students, including 176 hours of theoretical lessons to prepare them for the world of work, and offered them a three-month internship in Benetton Group's communication and design departments in 2020. The course was completed in September 2021.

ACTIVITIES OF SOCIAL RELEVANCE

The collaboration between Fabrica and Modern Contemporary Art (MoCa) - founder of the Arte Laguna Award, one of the most interesting competitions promoting creative talents and offering an opportunity to join a network of partnerships around the world, will continue in 2022. Fabrica offers a six-month art residency to the winner selected from among the candidates for this special award.

In the first part of the year, Fabrica participated as a technical member of the jury in the competition "Disegna la segnaletica anti-Covid della tua scuola" (Design Your School's Anti-Covid Signs) organised by the Max Planck Technical High School in Lancenigo (TV) for its students. The Municipality of Villorba invited Fabrica to participate in a popular project on Artificial Intelligence, designed by the same municipality with the Province of Treviso. The project included a series of conferences with the participation of various speakers on the applicability of AI in various areas of everyday life. Fabrica was asked to think of illustrious speakers who could bring their contribution to the program. The activities started in October 2021 and will continue throughout 2022.



2022
In 2022, Fabrica plans to create new Garanzia Giovani (Youth Guarantee) paths in synergy with other training entities in the area offering orientation and training with and in secondary schools, work/study alternation initiatives and university curricular internships.



Interview with Guilherme Vieira
Art Director, Fabrica

Where are you from and what do you do at Benetton?

I'm from the South of Brazil. At Benetton I am Art Director for a number of projects. I shoot video campaigns and sometimes stills.

How long have you been working for Fabrica? What did you do before?

I joined Fabrica in January 2019. My last job before coming to Fabrica was a TV series shot in Brazil which reflected on the concept of family. Prior to that, I worked in an advertising agency as a creative director.

When and how did you first hear about Fabrica and Benetton?

I first learned about Fabrica through a Wanted Creativity ad, which I found in a back issue of Colors Magazine that a friend of mine had brought me from Buenos Aires. I was 18 years old and I was fascinated by the idea that there was a place like Fabrica, with a residency option for creative talents.

What's the best project you've done since you've been at Fabrica?

I've contributed to several interesting projects. If I had to pick just one, I would say the Hope project that I shot with James Mollison in a skatepark in Stockholm. It was great to talk to the kids, learn their stories and skate with them. The coolest thing was that as a teen I had pictures of James attached on the wall of my bedroom - and spending time with him working on a project for Benetton was just incredible!

Is there a difference between working for Benetton and Sisley? What are the characteristics of each brand in terms of creative process and result?

United Colors of Benetton is big and complex, and sometimes it is difficult to make my voice heard. The fact that Sisley is going through a period of relaunch makes it easier for my ideas to be presented and be realised just as I have conceived them. Sisley team communication is very transparent and this allows me to follow the creative direction on the brand or the art direction of a project from start to finish.

Tell us about a project you dream of doing at Fabrica for one of the two brands.

I have a number of projects in the pipeline. One is a research study on the queer community in Brazil, a kind of documentary where my friends can tell their stories and show how beautiful, different and creative they are. Another one is a branded content platform for Benetton: a place to publish all our projects, where people, artists and musicians can connect with the brand and share their stories.

Was it difficult to integrate into Benetton Group? What could be done to attract more international talents?

Yes, the beginning was difficult. Although Portuguese and Italian are similar, I had to make a huge effort to understand what was being said in meetings. Then I learned Italian. I know many international people who would like to work for Benetton. The first thing to do is to scout them. Benetton would have to invest more in Fabrica, which has always served as a gateway to get in touch with outsiders. This would make the Company much more diverse.

What is your relationship with fashion? Is it just an industry or something more?

My family has always worked in the textile industry. When I was little, my dad would drive me to school, and I remember that I was used to sitting on top of rolls of fabric. My mom worked as a print pattern designer: she was the one who inspired me to go into the fashion industry. Although I've been working in fashion since I was 16, my real passion has always been video making, like National Geographic documentaries. Last but not least, I think that fashion has enabled me to find a way to focus on storytelling.

How do you think creativity can bring value to a company like Benetton Group?

I believe that creativity is the foundation of everything. Benetton was built on creativity. Investing in creativity, art and culture is the only way for Benetton to remain relevant in the competitive fashion arena.

What are your dreams and goals for the future?

My main goal is to be happy. I dream of giving other people in my community the same opportunity that I was given when I joined Fabrica. Enabling other young queer individuals in a small town to live in a safe and nurturing environment with the options, tools and space they need to explore their creativity.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT		
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX		🔍



UNITED COLORS
OF BENETTON.

PEOPLE

The people of the company of the future

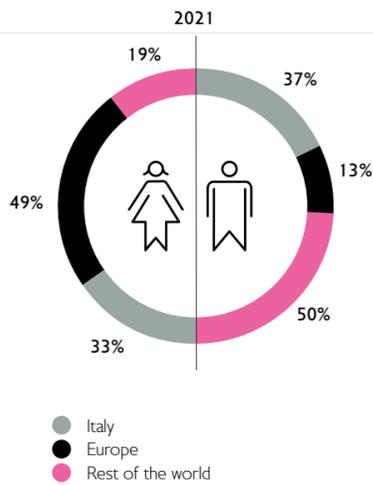
For Benetton Group, every program and action centers on people. This is not just a slogan, but a clear guideline demonstrated by facts. In 2021, the Company underwrote the new Company supplementary agreement, considered one of the most innovative on a national level.

Benetton is the first company in the area to have implemented regulated remote working options with a strong emphasis on training. This process was disruptive, because financial results took a back seat to employees' personal and professional development.

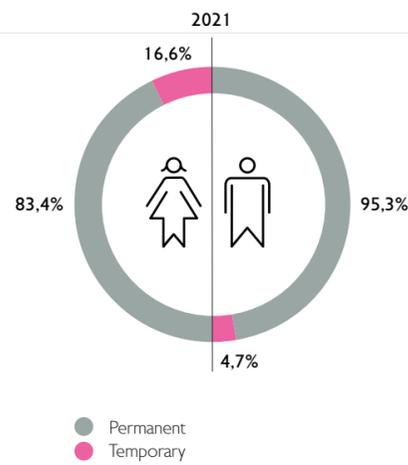
This is why training is at the center of the actions envisaged for next year, along with the renewal of processes and company organisation. The company of the future must rely on the intangible asset of knowledge and, consequently, its people.

BENETTON GROUP: EMPLOYEE BREAKDOWN IN 2021

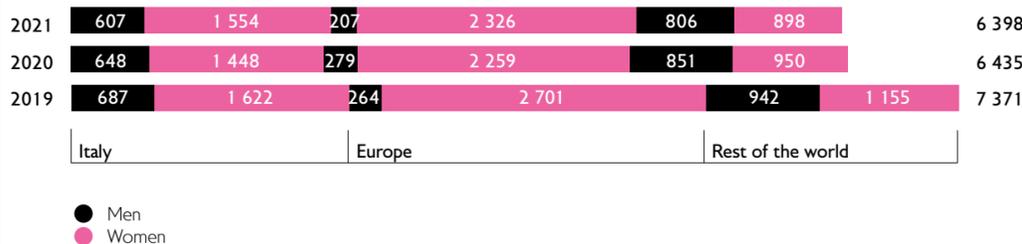
• by geographic area



• by type of contract

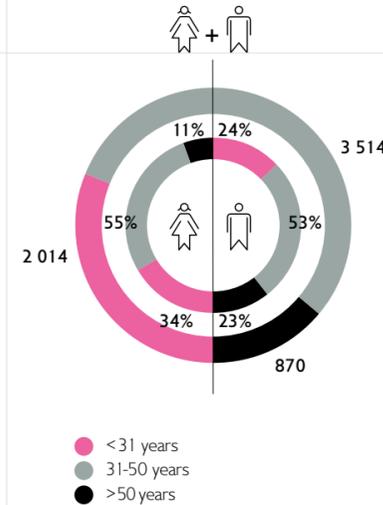


EMPLOYEES BY GEOGRAPHIC AREA

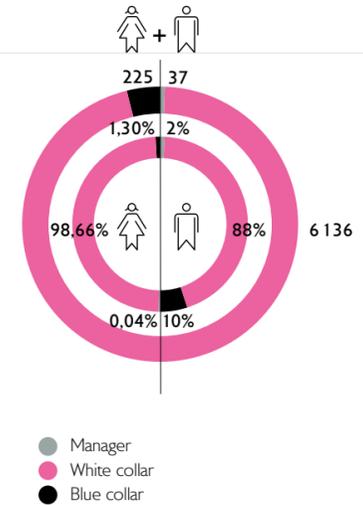


GRI 102-8 Employees by									
	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Type of contract									
Permanent	1 770	4 229	5 999	1 682	4 009	5 691	1 544	3 983	5 527
Temporary	123	1 249	1 372	96	648	744	76	795	871
Other	-	-	-	-	-	-	-	-	-
Total	1 893	5 478	7 371	1 778	4 657	6 435	1 620	4 778	6 398
Employment type									
Full Time	1 627	3 093	4 720	1 540	2 858	4 398	1 452	2 842	4 294
Part Time	266	2 385	2 651	238	1 799	2 037	168	1 936	2 104
Other	-	-	-	-	-	-	-	-	-
Total	1 893	5 478	7 371	1 778	4 657	6 435	1 620	4 778	6 398

• by age

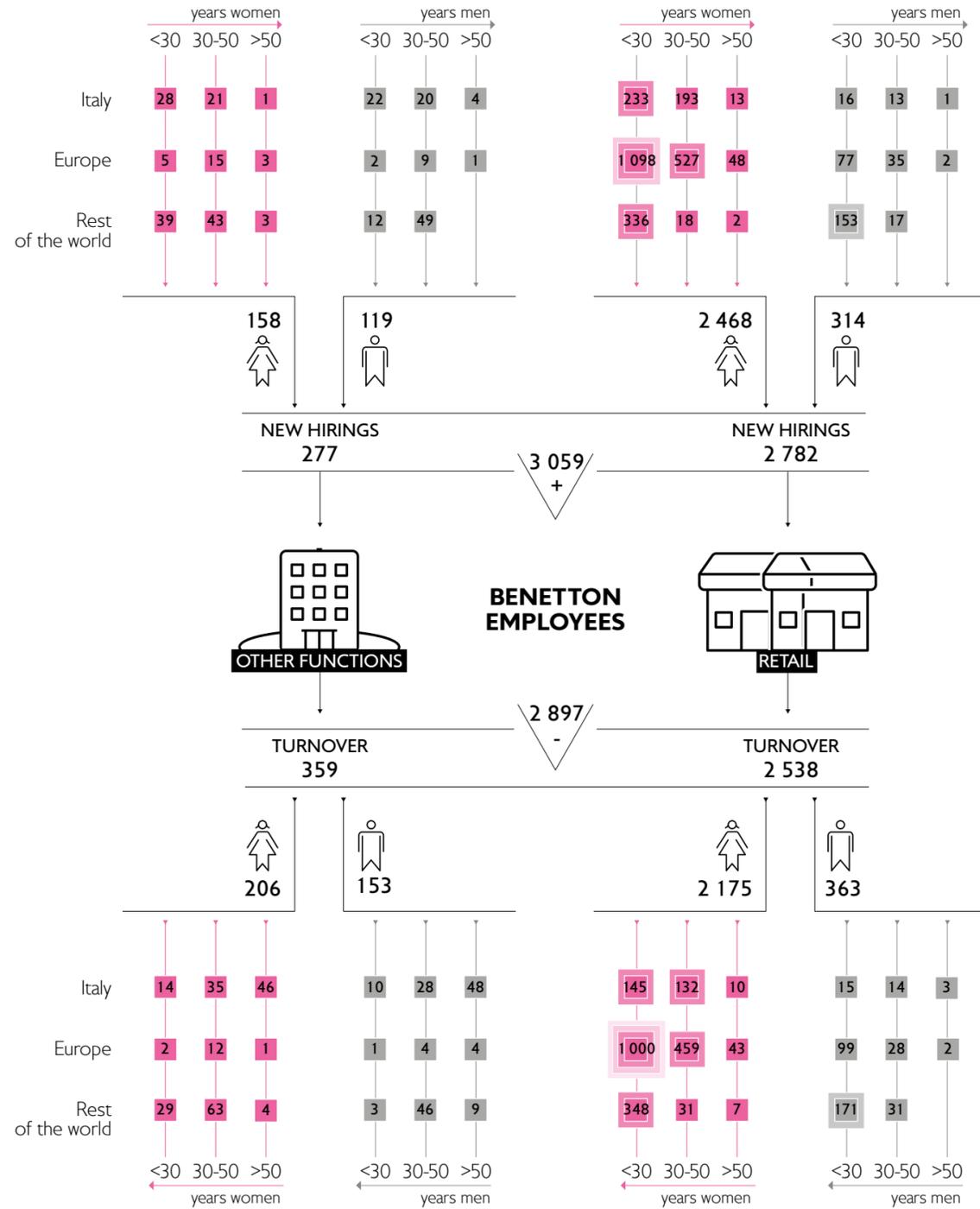


• by qualification



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	< 31 years	-	-	-	-
	31-50 years	8	1	3	12
	> 50 years	17	3	3	23
Total men		25	4	6	35
Women	< 31 years	-	-	-	-
	31-50 years	1	1	-	2
	> 50 years	-	-	-	-
Total women		1	1	-	2
Total		26	5	6	37
White Collar					
Men	< 31 years	47	67	265	379
	31-50 years	232	97	459	788
	> 50 years	202	27	26	255
Total men		481	191	750	1 422
Women	< 31 years	298	861	447	1 606
	31-50 years	936	1 284	408	2 628
	> 50 years	293	147	40	480
Total women		1 527	2 292	895	4 714
Total		2 008	2 483	1 645	6 136
Blue Collar					
Men	< 31 years	4	6	-	10
	31-50 years	29	5	30	64
	> 50 years	68	1	20	89
Total men		101	12	50	163
Women	< 30 years	1	18	-	19
	31-50 years	6	13	1	20
	> 50 years	19	2	2	23
Total women		26	33	3	62
Total		127	45	53	225
TOTAL		2 161	2 533	1 704	6 398

GRI 401-1 NEW HIRINGS AND TURNOVER IN 2021



UNITED COLORS OF BENETTON.

INDUSTRIAL RELATIONS

Work changes

Another key element to ensure the growth and success of Benetton Group's human resources is dialogue, through which it is possible to explore innovative solutions aimed at employee well-being. In 2021, a very difficult year because of the health restrictions, the national collective bargaining agreement (CCNL) of the textile-clothing-fashion industry (SMI) was renewed. This was a key event and a goal achieved after long negotiations with the trade unions.

RE-ORGANISATION

In step with the previous year, in 2021 further actions targeting re-organisation were implemented in numerous Company areas. The outcomes of these actions were very positive, both in terms of productivity and rationalisation of processes and costs, with a specific focus on the Sales, Product and Logistics areas. Very similar actions were implemented in the points of sale in Italy and abroad.

The Company extended its proven track record in recognising the value of collective bargaining as a privileged tool for determining contractual conditions and regulating relations between Company management and trade unions, and confirms full compliance with all the national collective labor agreements (SMI Textile, Trade, Executives, etc.), also with regard to the notice periods associated with important organisational changes. In the absence of National Collective Bargaining Agreements at the foreign subsidiaries, employment relations are managed in compliance with national laws, with some exceptions benefiting the workers.

THE AGREEMENT

ON INNOVATION AND DEVELOPMENT

The new contract balances work and family, establishes regulations for the implementation of remote working by protecting disconnection time and allows for part-time work for up to 20% of the workforce. This is Benetton Group's new course. In September 2021, the Group signed the new Company Supplementary Agreement with Femca, Filctem

and Uiltec unions. The document - entitled the Agreement for Innovation and Development - covers over 1 200 employees and aims to return Benetton Group to a position of leadership among Made in Italy fashion brands.

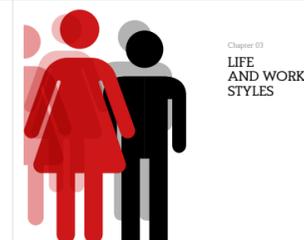
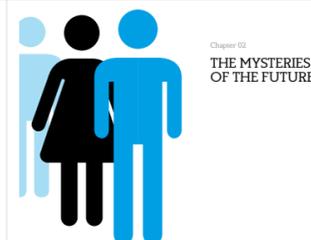
The first chapter is dedicated to changing work: the key word is flexibility, and the guiding thread

is the need to achieve better work-life balance. Short Fridays have therefore been introduced, and remote working criteria have been established, recognising employees' right to stay offline and extending part time work.

Another almost unprecedented change in the national arena is the linking of the annual individual welfare bonus to the acquisition of competencies through the training hours provided by the Colors Academy digital platform, abandoning traditional link with economic and financial objectives. The renewal of skills is identified as one of the main pillars of the Company's future, together with generational turnover and new jobs in business support services.

Initiatives aimed at people's wellbeing include those reserved for parents of school-age children, such as the possibility of speaking with teachers remotely during office hours, flexible working hours, gift vouchers for new babies and a coaching program to support reintegration for mothers returning from maternity leave, as well as scholarships for employees' children.

The agreement has also been edited, printed and distributed in a small volume to all employees. In addition, in-depth plenary sessions were organised.



PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



BENETTON FOR YOU

Welfare according to Benetton

Benetton for You is the People Care program launched in 2015 to promote the well-being of Benetton Group employees in Italy, regardless of seniority or type of contract.

The program covers four areas: work-life balance, health, family and savings, with each area including several annual and multi-year projects.

After the slowdown in welfare initiatives in 2020, in 2021 the Group introduced great news in the People Care area, thanks to the collaboration with trade union representatives and the signing of the new Company supplementary agreement.

The new agreement contains new and existing welfare initiatives to be implemented in the period 2021-2023, such as the strengthening of the Banca Etica (Ethical Hour Bank, an employee solidarity program) in the work-life balance area and Flexible Benefits in the savings area, as well as providing for an expansion of territorial welfare and the organisation of workshops dedicated to the promotion of financial education for all employees, with particular attention to the younger employee generations.

In the family sphere, the Baby Gift vouchers for new parents and their newborns were confirmed, along with the Welcome Back Mom project and the activities dedicated directly to the children of employees. The Nice to Meet You initiative - dedicated to providing orientation in the world of work for recent graduates or undergraduates - was confirmed, giving them an opportunity to learn more about the world of work.

Scholarships were granted to the children of employees who distinguished themselves in their studies, and courses and workshops on digital security were provided to promote a positive use of digital technology, but also to prevent, recognise, respond and manage any situations of conflict. In the health area, targeted initiatives were launched, including campaigns for the promotion of physical exercise, medical campaigns and nutritional education campaigns, while anonymous psychological support was provided and extended to family members as well. A number of local People Care initiatives have been activated abroad in response to the specific needs of individual countries.

FLEXIBLE BENEFITS

In 2021, employees covered by the National Collective Labor Agreement applied to the Textile industry could access the Welfare Credit plan, introduced by the Company's supplementary agreement, which includes an array of goods and services made available through the Benetton for You digital platform.

Over 76% of the bonus was used by employees, mainly for purchase vouchers, fuel vouchers and

shopping vouchers. The residual unspent credits at 30 November 2021 were allocated to the Banca Ore Etica, an employee solidarity programs.

BANCA ORE ETICA

Launched in 2018, the Banca Ore Etica was again supported generously in 2021, with voluntary donations of holiday days and permits by employees in favour of colleagues in need. The Company also participated in the collection by matching the number of hours of each individual donation. Some colleagues could therefore benefit from solidarity hours to meet special needs related to their health or the health of their family members. The new Company Supplementary Agreement increased the range of beneficiaries in order to support employees in a more effective and efficient way.

SMART WORKING OR AGILE WORKING

After the acceleration experienced in 2020, remote working was also used steadily in 2021, ensuring business continuity in a still challenging and unpredictable environment. At the headquarters, more than 1 000 people were given an opportunity to work remotely, for a total of more than 57 000 remote working days. This also had a significant impact in terms of environmental sustainability, in terms of environmental sustainability. Overall commuting distances were reduced by more than 2 600 000 km - 64 times the circumference of the Earth - which helped keep 630 tons of CO₂ emissions from getting into the atmosphere and saved employees some 85 500 hours spent in

traffic, leaving them more time available to.

SCHOLARSHIPS

Supporting young people and their success means investing in the future. Rewarding commitment and passion is an opportunity to promote a culture of excellence, contributing to training the people who will become key in the future development of our country. The new Company Supplementary Agreement includes a scholarship to be awarded to the children of employees who obtain a score of 100/100 on their high school final exam and who intend to attend university the following year. The scholarships will be activated for the children of employees who will graduate from high school in the 2021/2022, 2022/2023 and 2023/2024 school years.

BABY GIFT

The Baby Gift initiative was also renewed. 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 value of the voucher was increased to Euro 150 for parents and Euro 50 for grandparents.

WELCOME BACK MOM

The initiative dedicated to new mothers to accompany them when they return to work, support them in rebuilding their work-life balance and help enhance the skills acquired during motherhood through group meetings conducted by a professional life-coach has been reconfirmed.



SAKHI IN INDIA

Sakhi means "friend" in Hindi and is a program that Benetton India launched in 2016 to foster the empowerment of a group of its female employees from disadvantaged classes with a low level of education. The program provides these women with access to health screenings, weekly English language classes and craft workshops. Through October 2021, the participants produced a series of products in the handicraft workshops using production scraps, including bed linens, tablecloths, pillowcases and handbags, which were later sold at the Company's premises. The revenue was distributed to the participants.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX



GRI 401-3 Return to work and retention rates of employees who took parental leave	2020				2021			
	Italy	Europe	Rest of the world	Total	Italy	Europe	Rest of the world	Total
Employees entitled to:								
Maternity leave	46	97	37	180	54	105	36	195
Paternity leave	9	2	9	20	10	3	8	21
Total	55	99	46	200	64	108	44	216
Employees who took parental leave:								
Maternity leave	46	97	37	180	54	105	36	195
Paternity leave	9	2	9	20	10	3	8	21
Total	55	99	46	200	64	108	44	216
Employees returned after parental leave:								
Maternity leave	50	59	13	122	43	78	18	139
Paternity leave	9	2	8	19	10	2	9	21
Total	59	61	21	141	53	80	27	160
Maternity leave	109%	61%	35%	68%	80%	74%	50%	71%
Paternity leave	100%	100%	89%	95%	100%	67%	113%	100%
Total	107%	62%	46%	70.5%	83%	74%	61%	74%
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	55	46	14	115	41	67	12	120
Paternity leave	17	1	5	23	9	1	6	16
Total	72	47	19	138	50	68	18	136
Maternity leave	79%	58%	47%	64%	82%	114%	92%	98%
Paternity leave	100%	33%	56%	79%	100%	50%	75%	84%
Total retention rate	83%	57%	56%	66%	85%	111%	86%	96%

Some 2020 figures were adjusted as a result of better data collection criteria.



Interview with Silvia Ravagnin
HR Business Partner

How long have you been with Benetton Group and what is your role in the Company?

I started in 2005 in Sales and in 2013 I moved to HR, and currently I am HR Business Partner.

You are a veteran in the Benetton Group. What changes have you seen since you joined the Company?

Benetton is a fantastic company, full of history and always at the forefront in terms of style and innovation. It is undoubtedly true that change has been in the air recently. From the business model to brand repositioning, from the strong drive to digitalisation to the rationalisation of some processes, without forgetting sustainability.

What do you like most about working at Benetton Group?

The Company always manages to surprise me, every day is different. You have a chance to work on exciting, innovative projects alongside people with great skills and competencies. The Company has a heritage and promotes important values.

What exactly is the role of an HR Business Partner?

An HR Business Partner collaborates with the various Company functions, sharing business objectives and focusing on the achievement of quantitative (labor costs, organisational efficiency and productivity, staffing levels, etc.) and qualitative (employee and team skills and performance) goals for the HR function. The function is also responsible for aligning HR policies with business strategies and requirements, translating everything into concrete, effective and specifically designed actions that facilitate and contribute to achieving the desired business results.

What goals did you set for yourself as a Benetton Group HR Business Partner?

First of all, learning all about every aspect of the Company and building a relationship of trust with the people. I believe that being present, listening and a good dose of empathy are very important for an HR Business Partner. In addition, obviously, to being a point of reference in terms of problem solving.

What are the main characteristics of the people who work at Benetton Group?

They are passionate, they believe in the Company values and very often they identify with the brands. Many of them say their blood is green.

What is the most frequent request you receive from employees?

Especially after this very special period, people ask to be heard, to exchange opinions, points of view or simply ask for advice on how to deal with a new situation.

What is the project you have worked on that you are most proud of?

There is no single HR project, but it makes me so happy when I see young talents embark on a path of professional growth at Benetton or when I understand that a job rotation proved particularly effective on both sides, for the Company and for our people.

You've been working in Human Resources at Benetton Group for a number of years now, can you share the characteristics of a typical Benetton employee? Who is s/he?

Actually, there are no typical characteristics, but a few must-haves, like good interpersonal and analytical skills, knowledge of languages and a desire to continue learning. Transparency and teamwork complete the profile.

What are your projects and dreams for the future?

We are working to ensure that the Company will soon regain the spirit, boldness, determination and positioning in the market that have always distinguished it. I hope I can contribute to this change in favor of all that is new and digital and that concerns the new generations, enhancing all the potential inherent in Benetton Group's heritage.

ZERO INJURY OBJECTIVE

Safety in the workplace during the pandemic

It is essential that workers, at every level, enjoy suitable and safe workplaces. This is why Benetton Group has always been committed to implementing improvement actions and prevention measures to manage aspects relating to the health and safety of workers.

The Prevention and Protection Service constantly updates its risk assessment and the corresponding improvement plans and works in synergy with outside companies engaged in the setting up, servicing and maintenance of activities designed to manage interference risks. The culture of prevention is disseminated at all levels with basic

training and upgrade courses. Training provided in e-learning or on-the-job mode was coordinated by the Prevention and Protection Service and included integrated and customised courses based on the role covered, previous training and updating requirements, knowledge and analysis. Every option includes an analysis of accidents and near misses, which

is very important in order to identify the prevention measures to implement. In 2021, the Prevention and Protection Service updated the specific procedures related to the Covid-19 health crisis, aligning them with the enforced restrictions and implementing the organisational changes needed to continue operations. To prevent the spread of the virus in workplaces and common areas, technical and organisational preventive



measures were adopted, as were other measures including continuous monitoring of compliance with shared protocols and periodic sanitisation of work areas. Raising employees' awareness on proper conduct to contain and manage the spread of the virus was fundamental, as were timely measures implemented by Company management.



GRI 403-9 Work-related injuries	2020					2021				
	m.u.	Italy	Europe	Rest of the world	Total	Italy	Europe	Rest of the world	Total	
Employees										
No. of hours worked	h.	2 203 610	2 127 590	3 332 158	7 663 358	2 938 207	3 318 151	2 550 163	8 806 521	
No. of recordable injuries	no.	18	49	48	115	8	43	4	55	
of which while traveling	no.	12	12	3	27	-	6	-	6	
of which with severe consequences	no.	2	-	-	2	-	-	1	1	
Rate of recordable injuries at work	-	817	2303	1441	1501	272	1296	157	625	
Rate of injuries at work with severe consequences	-	091	-	-	026	-	-	039	011	
External staff										
No. of hours worked	h.	114 957	-	85 300	200 257	168 410	3 973	633 188	805 571	
No. of recordable injuries	no.	5	-	-	5	2	-	28	30	
of which while traveling	no.	1	-	-	1	-	-	3	3	
of which with severe consequences	no.	-	-	-	-	-	-	-	-	
Rate of recordable injuries at work	-	43.49	-	-	2.497	1.188	-	44.22	37.24	
Rate of injuries at work with severe consequences	-	-	-	-	-	-	-	-	-	

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 organisation, internal transfers and the handling of goods.

The attention paid to safety in the workplace, the constructive contribution of all parties, the adoption of measures and correct behaviors - such

as information/training provided to all employees, agile or remote working options, distancing, the use of face masks and hand sanitiser -

have ensured that no one tested positive for Covid-19 in the workplace in 2021.

DIGITAL TRANSFORMATION

Thinking digital before acting digital

The theme of digital transformation is strategic for generational change and integration between old and new skills. Before adopting new tools, Benetton Group is committed to developing a digital mindset, a way of thinking and implementing digital technology that will really open up new horizons for further growth.

BE DIGITAL

The "Be Digital - Understanding the Digital World" program features online courses comprising virtual classes and webinars that are accessible for free to all employees. The main objective is updating the soft skills that have become so important today, namely the remote management of working relationships, the use of digital tools for learning, meeting management, etc., and the functional skills related to the digital tools used on a daily basis for business purposes (video calls, e-mail, multimedia content in presentations, etc.).

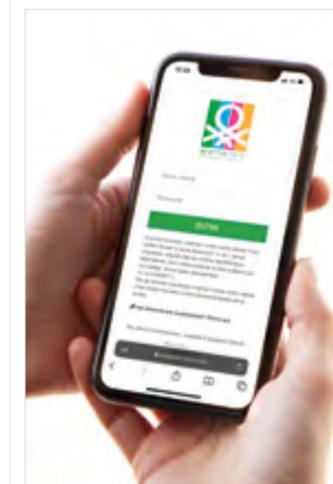
In 2021, the following courses were provided:

- › **STARTUP MENTALITY**, webinars, podcasts and micro-learning on flexibility, speed and agile working (8 sessions, 182 participants)
- › **DIGITAL WORKPLACE**, virtual classes dedicated to the use of business tools (4 sessions, 46 participants)
- › **DIGITAL TALKS 2021**, webinar on digital topics (7 sessions, 459 participants)

In 2022, the digitisation process will involve the entire corporate population at the headquarters, Retail and Country, marking a substantial change in the way we collaborate. Explore New Colors - Digital Mindset is a dedicated training plan that will facilitate the introduction of new IT tools that will improve collaboration between individuals, information sharing and cybersecurity.

COLORS ACADEMY

The activities of the Colors Academy, the Digital Learning Platform launched in 2020 to innovate training methods, were continued: always accessible, engaging and constantly updated. Colors Academy is the reference point for the Company's training offer, a tool containing a constantly updated training syllabus.



2022 *The goal for 2022 is to transform the Colors Academy into an evolving information platform, rich in engaging, useful digital content that can be accessed anywhere by everyone in the Company.*

2022 *Cybersecurity takes "front seat" in 2022. The Security Journey on digital security will involve all Italian employees (HQ and Retail) with 12 monthly training sessions.*

2022 *In 2022, Benetton Group will migrate to a platform that integrates work chat, video conferencing, content sharing and app integration.*

EMPLOYER BRANDING

Attracting young talents

In recent years the world of work has experienced a paradigm shift. In the past, companies selected the most talented young people: today talents choose the companies they intend to work with. Benetton Group is committed to becoming top-of-mind among talented young people. For this reason, it has strengthened its collaboration with institutions, universities, foundations and schools, experimenting with new ways of engaging and sharing Company values with candidates and the job market.

INSTITUTIONS AND UNIVERSITIES

2021 marked continuity in the partnerships established by Benetton Group with institutions and universities, such as the University of Padua, the Milan Fashion Institute and the Istituto Marangoni.

CAREER TOUR RADAR ACADEMY

In March 2021, Benetton Group took part in a stage of the Career Tour organised by the Radar Academy School of Management, dedicated to students of the Masters Courses in Digital & Social Media Recruiting but also open to young graduates from all over Italy. During the Career Tour, which took place online in webinar mode, Benetton Group presented the company to approximately 450 participants, focusing on growth and career paths.

BORSA DEL PLACEMENT

Borsa del Placement was developed to stimulate collaboration between higher education institutions and companies, with a view to creating a bridge between academics and the world of work. In 2021, Benetton Group participated in three events organised by the Fondazione Emblema: Virtual Fair, an online career day for the targeted recruitment of candidates

in Italy: Recruiting Day, a company presentation event dedicated to undergraduates and recent graduates during which Benetton Group presented itself and explained its focus on sustainability; and Forum, an event designed to create direct contact between companies and representatives of the main Italian universities.



TECNICAMENTE

TecnicaMente brings together companies and high school students through the presentation, by the students, of self-made projects illustrated in the form of a physical model or through presentation slides. The project - carried out in collaboration with Adecco - has allowed Benetton Group to meet the students of two technical institutes in the province of Treviso, the Istituto Superiore Statale Giorgi-Fermi and the Scuola di Formazione Professionale Turazza.

DIGITAL RECRUITING

In 2021, the Benetton Group website's Careers page received more than 135 000 visits to its Italian and English-language

versions. More than 30 000 people visited the Life and Work sections of our LinkedIn page. Also in 2021, recruiting processes were almost entirely completed remotely, through online interviews. A restyling of the Work with Us page is underway, to include updates in terms of content and language and align more closely with young people's demands and ambitions.



Francesca Gorniero

PEOPLE DEVELOPMENT

Sparking people's curiosity

People are an intangible asset of the Company, bearing knowledge and driving change. This is why Benetton Group targets a generational change that is not purely based on seniority, but a change in the mindset, generating curiosity, an ability to learn and change, curiosity and enthusiasm at all levels and across all ages - also thanks to continuous training. In 2021, training was also subject to progressive digitisation, making it increasingly hybrid or entirely digital.

HUMAN CAPITAL DEVELOPMENT

In 2021, Benetton Group accelerated organisational transformation. The People Development function supported this key moment by working on:

- › the consolidation of the succession planning process in line with the organisational changes underway and with a focus on key positions;
- › mapping of key people and talents and support in their professional growth;
- › the introduction of a program dedicated to young people with potential;
- › the consolidation of the managerial training plan dedicated to People Leaders steering behaviors towards excellence.

PEOPLE LEADERS

The People Development function involved People Leaders in its processes, as they are key players in guaranteeing the achievement of business objectives, encouraging generational change and personal development. The processes implemented were:

- › mapping of individual

performance, with a focus on skills across the professional categories present. The process included a moment of comparison and sharing of the aggregate vision of the teams between the function manager and the front line, followed by a moment of one-to-one feedback between the People Leader and the individual person (HQ and Retail):

- › mapping of key positions and key people through objective benchmarks shared with line managers, in order to ensure control of strategic positions and retain key people to achieve results;
- › structured succession planning, created as a map of the "risk exposure" to vacancies. The Delineated career paths (Succession Folders) favored the growth of internal resources occupying key or critical positions and guaranteed business continuity.

Generally speaking, growth plans were created starting from the expectations of the role and characterised by moments of

coaching, dedicated training (managerial, coaching...) and periodic meetings with People Leaders and Human Resources.

RETAIL GROWTH PATHS - MY STORE AND MY FLOOR

A training and development path dedicated to people growing in the roles of Store Manager and Store Department Manager, to prepare them for their new responsibilities and support them in acquiring greater awareness of themselves and their potential. People are identified downstream of the performance management process and validated by the Retail Growing Up Committee. The path includes access to a development center to help each program participant gain awareness of their own personal characteristics so as to develop personalised career plans. The plans are supported by a training program divided into eight modules, with online and offline classes targeting the development of the key skills typical of the role and offering a simple and easy-to-use toolbox (Microstrategy, Operations, People Management, Sales).

2022
In 2022, Benetton Group plans to give continuity to the BYG program, envisaging a second edition that will also involve European subsidiaries.

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

BENETTON FOR YOUNG GENERATIONS



BYG_Benetton for Young Generations is the program dedicated to a group of young talents under 35. The program is intended to increase the visibility of the contribution of younger generations, while increasing their skill set and orienting their professional path towards building the future of our Company. The 9-month program includes at least 140 hours of training and is based on three pillars:

- › **#Explore:** learn about yourself, identify the skills you need to develop and explore possible professional scenarios.
- › **#Experience:** build a professional path through field experience (warehouse, e-commerce, point of sale), on-the-job know-how and a privileged relationship with management.
- › **#Excellence:** expand managerial competencies through an exclusive training program in partnership with CUOA Business School and a training program for monitoring psycho-physical performance in partnership with Biotekna. In this latter program, under 35 talents are given the opportunity to meet and exchange ideas with management.

UNITED PROGRAM

United Program is a management training program dedicated to about 270 People Leaders, targeting the development of the skills necessary for the future while ensuring the excellence of know-how and quality of performance. It was delivered both in-person and digitally (webinars, virtual classes), for a total of more than 800 hours. In 2021, the main topics were:

ECONOMICS AREA

- › The *MY FINANCE MINDSET* course, divided into hybrid modules (virtual classes + microlearning), focused on the fundamental knowledge needed to predict, interpret and manage the economic and financial effects of the decisions made, while strengthening the systemic vision required from today's managers. A dedicated course was provided for District Managers and Store Managers. Four courses were provided, for a total of 165 hours and 61 employees.
- › *TAKE A BREAK WITH...* Elmar Vareschi: an inspirational speech to analyse the successful experience of a young company and understand why numbers are always a good guide for making business decisions. 55 employees participated in the webinar.

EXECUTION AREA

- › *TAKE A BREAK WITH... H-Farm College_AGILE APPROACH*: an inspirational talk that introduces the Agile methodology in project management using case studies. 50 employees participated in the webinar.

PEOPLE AREA

- › *People management a colori* is the training course dedicated to employees who have assumed responsibility for a team for less than a year. The course includes virtual classes and group coaching meetings for a total of 135 hours. 19 people were involved.
- › *Grazie del feedback* aims to strengthen the culture of dialogue within the team, with an emphasis on continuous feedback. The webinars and feedback coaching addressed all phases of feedback, from how to prepare to how to manage and close this key moment. 167 people were involved for a total of about two hours.
- › Two tracks dedicated to managing people and collaborative team building were delivered for UTM & Planning functions and Logistics shift leaders. 37 people were involved for a total of 33 hours.

INDIVIDUAL COACHING

In parallel with the training initiatives, individual coaching courses were developed for employees holding key positions and increased responsibilities. A total of 24 hours of coaching were provided.

All contents were made available on the Colors Academy platform, with a view to creating a real Digital Library on managerial issues.

ONGOING TRAINING

Training has undergone a profound change, both in terms of access modalities and employee expectations. Physical classes are increasingly alternating with online sessions (virtual classes, webinars), and employees now enjoy easy access to training contents. The Colors Academy digital platform contains content that is always accessible, including videos, e-learning courses, training materials and insights for further analysis.

Below are some examples:

- › **BE UP!** Competencies and Virtual Wellbeing classroom to reflect on the new competencies and needs identified in the workplace: how do we approach our daily activities? How do we take care of our wellbeing at work?
- › **RE&UP Skilling:** the evolution of our skills.
- › **Wellbeing in front of the screen:** taking care of ourselves in the workplace.
- › **Wellbeing practices when dealing with hyper-connection.** 103 people were involved.

TECHNICAL-SPECIALIST TRAINING

Technical-specialist training responds to the needs of the professional present in the Company. The aim is to augment and align the skills typical of any function to emerging needs and seize the opportunity to acquire and improve key professional skills in today's business context. Specifically, a course dedicated to Men's Outerwear Pattern Making and an in-depth analysis of the Q-lik tool were provided. 38 people were involved for 590

hours of training.

In addition, a series of short video pills was developed with the collaboration of in-house specialists. *MY FINANCE MINDSET_learning pills* provides a simple and concise overview of the elements useful to understand the Company from a financial perspective.

OFFICE

Office-Excel training was a substantial part of the 2021 training offering. After an assessment of starting levels, 17 group courses were offered for each level (basic, intermediate and advanced) with the aim of making people competent and autonomous. Office training courses involved a total of 140 colleagues for 2 034 hours of training.

ENGLISH

Language training also characterised 2021, with individual and collective Core English courses involving 23 employees for 282 hours of training.

UNITED COLORS OF LOGISTICS (ENGAGEMENT)

The United Colors of Logistics engagement project was launched in 2021 with the aim of making Benetton's logistics spaces more attractive, creating engagement and a sense of belonging within the Company and boosting employee commitment and retention. The initiatives covered three macro-areas: *UTILITIES*, *RECYCLING* and *PEOPLE CARE*. In 2021, the spaces were completely redesigned, with the creation of dedicated break and office areas; in 2022, other

2022

The goal for 2022 is to train the entire DOS and FOS sales network in Italy and a series of pilot stores abroad on how to implement the new Selling Ceremony.

initiatives will be implemented, including logo uniforms, music in break areas and expanded snack and beverage offerings.

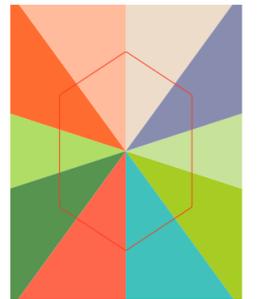


TRAINING FOR STORES

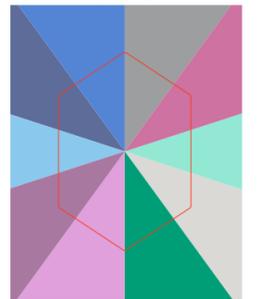
Training initiatives for store personnel are fundamental, as they represent the point of contact between the Company and the end customer.

NEW SELLING CEREMONY UCB

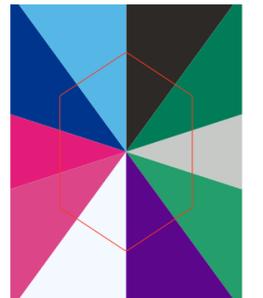
In 2021, the new UCB Selling Ceremony was developed, based on *COLOR* as the founding element of the new consumer shopping experience. The main novelty of the new Selling Ceremony is the introduction of the in-store armochrome experience. Training for a pilot of nine DOS and FOS stores started in October 2021 and was delivered through in-person sessions, in-store coaching, digital courses and virtual meetings, for a total of 106 people involved and 927 hours of training delivered.



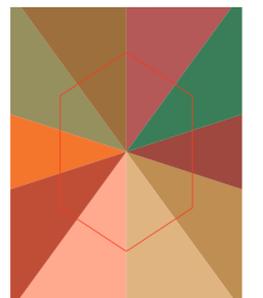
SPRING



SUMMER



WINTER



AUTUMN

PREMISE	COMPANY	STYLE	SPACES	PRODUCT
SUPPLY CHAIN	DIGITAL	COMMUNICATION	PEOPLE	APPENDIX

The colorLIFE application will be at the center of a development that will affect both the headquarters and international operations. The goal is to make it a shared and universal platform, a reference point for the corporate population.

OMNICHANNEL

The training plan is a key step for the implementation of the omnichannel strategy across the sales network. Starting in April 2021, the new training plan was launched for all existing stores (DOS and FOS, UCB and SISLEY) and all new DOS UCB stores to be included in the omnichannel perimeter.

The new training module, entirely digital, focused on four services and includes technical training (service function and management) and behavioral training dedicated to customer relationship management.

189 stores of both channels and brands participated in the training for a total of 594 people and 1 026 hours of training provided.

In September 2021, an in-person Train the Trainer session was also organised for all District Managers involved in the project, which focused on the management of the new omnichannel model in stores.

In June 2021, the project was also extended abroad, starting with the

DOS stores in Spain and Portugal. The Training department organised a Train the Trainer session targeted to country trainers to support them in the delivery of training to their stores.

2022
In 2022, the goal is to complete the roll-out of the omnichannel strategy for the UCB and Sisley FOS retail network in Italy.

SISLEY NEW CUSTOMER INTERACTION

In 2021, a training course dedicated to Sisley DOS stores was designed and delivered addressing the new behaviors to be adopted in a sales transaction with consumers, with a view to the reopening of stores after the restrictions caused by the health crisis. The aim was to teach store managers and sales assistants about ways to trigger consumers' emotions.

The training was delivered through various interactive virtual

appointments and accompanied by a schedule of contents published on the Workplace platform. 148 people participated in the training for a total of 1 541 hours.

BENETTON TRAINING JOURNEY - PRODUCT TRAINING

A project that aims to transfer content by triggering consumer's emotions, inviting them to put themselves to the test and interact actively with the collection.

The goal is to increase the sense of belonging to the brand and stimulate customer involvement through an emotional storytelling revolving around the product. Alternative look proposals, sections dedicated to the enhancement of body shape, exercises and examples related to the different selling techniques associated with the specific items of the collection. Colors Academy was the platform used in the first part of the year; in September the activity was transferred to colorLIFE.

GREEN B - SUSTAINABILITY

In 2021, the GREEN B project was launched, containing all the Company's sustainable projects. Luce is a cartoon avatar that speaks in a cheerful and engaging way about all the GREEN B projects, focusing, specifically, on sustainability. Each video is presented with supporting training material and is accessible from both the Colors Academy e-learning platform for HQ personnel and the colorLIFE app dedicated to the store network.

SUSTAINABLE STORE IN FLORENCE

In March, training dedicated to the new, highly sustainable store opened in Florence was provided to all store personnel (10 people for 20 hours of training). The video documenting the fitting out of the shop was then shared with the entire Company.

COLORLIFE - APP

In 2021, a new, totally responsive mobile training tool was implemented: colorLIFE is an app dedicated to the training of the retail network (FOS and DOS), enabling store personnel to access dedicated training content through their personal user accounts. The categories included are: Product and Collections, Special Projects, Sustainability and Omnichannel strategy.

In Italy, the increase in the number of training hours in 2021 was attributable to the prevalence of digital classes, thanks also to the access to training content provided by the Colors Academy.

GRI 404-1 Average number of hours of training provided by employee broken down by gender						
Hours of training	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Italy						
Total hours of training delivered	17 774		5 783		25 609	
By employee	8		3		11	
of which to:	8	8	2	3	7	13
Europe						
Total hours of training delivered	10 475		8 665		3 211	
By employee	4		3		1	
of which to:	3	4	2	3	1	1
Rest of the world						
Total hours of training delivered	11 288		12 603		5 455	
By employee	5		5		2	
of which to:	6	5	6	4	2	2
Benetton Group						
Total hours of training delivered	39 537		27 050		34 275	
By employee	5		3		5	
of which to:	6	5	4	3	4	5

REWARD

The remuneration policy in 2021

The complexity of 2021 significantly impacted the Group's reward initiatives, requiring a very focused and flexible approach to manage, motivate and retain existing resources. The labor market, slowed in 2020 due to the pandemic, accelerated briskly in 2021, re-igniting turnover. This called for the implementation of "Total Reward" actions aimed at salary growth and professional development, with a focus on work-life balance. Actions on the fixed and variable salary components regarded mainly young employees and strategic resources contributing to building the Company's future. Similarly, incentive plans were relaunched to encourage management alignment with the Group's economic and financial sustainability.

MANAGEMENT BY OBJECTIVES

In 2021, the short-term (MBO, Management by Objectives) 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 operative in 15 countries and involves over 120 managers, 30% of whom are abroad. The structure and mechanism of the plan include objectives linked to economic and financial performance at the Group or Country/Region/Brand level, as well as in terms of individual performance, in order to orient

behavior towards the effective achievement of business results.

A new three-year 2021-2023 incentive plan (LTIP - Long Term Incentive Plan) was also introduced, addressed to some "key" managerial positions operating both in Italy and abroad. The objective is to focus Top Management on the medium-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.

SALES INCENTIVE PLAN

Incentive plans for sales and store personnel represent one

of the most effective levers for driving people's engagement in the results they contribute to achieving. In 2021, incentive plans were launched and expanded to reinforce the most effective behaviors and best practices of sales roles operating in Italy and abroad across all sales channels, with a view to continuous improvement.

In particular, the plan dedicated to store personnel reconfirmed a structure that directs behavior towards both profitability and commercial objectives. In the second part of the year, the plan was revised in Italy to integrate an additional bonus relating to a specific objective linked to omnichannel, in line with the Company strategy that aims to strengthen and extend omnichannel distribution to all stores. The plans relating to the Franchising (FOS) and Wholesale (IOS) channels were also reconfirmed, and a new incentive plan dedicated to the e-commerce channel was introduced.

In 2021, the ratio of base salary and remuneration between men and women for the manager category was not reported because the number of women in the sample was not representative. In stores, the number of middle managers is rather low, and therefore it can vary significantly due to fluctuations in turnover.

GRI 405-2 Ratio of basic salary and remuneration for women and men - Italy						
	2019	2020	2021	2019	2020	2021
Offices	Salary ratio			Remuneration ratio		
Managers*	79%	82%	-	76%	81%	-
Middle managers	95%	94%	98%	92%	90%	96%
White collars	89%	89%	92%	89%	89%	92%
Blue collars	98%	99%	98%	97%	99%	98%
Stores	Salary ratio			Remuneration ratio		
Middle managers	87%	117%	117%	94%	120%	117%
White collars	87%	86%	87%	85%	85%	86%

(*) The Managers category refers only to senior managers



Appendix

UNITED COLORS
OF BENETTON.

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" defined in 2016 by the Global Reporting Initiative (GRI), adopting the Core option.

In line with the GRI standard indications, Benetton Group has mapped all of its stakeholders and conducted a rigorous materiality analysis to identify the aspects that have a significant impact on its ability to create value over time. The issues identified were also used as a key to guide the Group's sustainability strategy (see the chapter "Materiality matrix and relevant themes", page 21-23).

REPORTING PERIMETER AND SUSTAINABILITY CONTEXT

This is the sixth edition of Benetton Group's Integrated Report. It contains a description of initiatives and activities carried out during calendar year 2021 as well as performance trends during the three years from 2019 to 2021, 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. For Germany, details are available for the 2020-2021 period.

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).

The reporting does not include energy consumption figures of Fabbrica, the kindergarten and the winery as they are not considered headquarters or stores.

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 METHODS

Details of the methods used to calculate certain indicators reported in this document are provided below. The data referred

to 2021 are the best possible estimate with the information available at the time of the drafting of this Report.

RETURN TO WORK AND RETENTION RATES 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 recordable occupational injuries: number of recordable

injuries/hours worked x 1 000 000

- › Rate of work-related injuries with serious consequences: number of work-related injuries with serious consequences (excluding deaths)/hours worked x 1 000 000

Injuries with serious 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.

Since 2021, injuries resulting from commuting include also commuting directly managed by the organisation, while 2020 data did not include any distinction.

The rates for the 2020-2021 period have been calculated for permanent employees only and exclude interns and other staff on temporary contracts. Reporting also considers work-for-hire contracts.

Total hours worked exclude hours lost due to recordable injuries in accordance with GRI 403-9, hours lost due to injuries incurred during commuting not organised by the organisation, hours of illness and other staff absence.

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions were calculated using the principles indicated in the ISO 14064-1 international standard. In particular, the only gas considered was carbon dioxide (CO₂). The emission factors used to calculate the CO₂ emissions disclosed in

the Report were determined in the following way:

SCOPE 1 DIRECT EMISSIONS:

the emissions related to the total consumption of natural gas and diesel oil for the heating of the head offices and global direct stores and gasoline and diesel oil for the company vehicles were determined using the emission factor reported in the table of national standard parameters published by the Italian Ministry for the Environment for 2019, 2020 and 2021. Since 2019, 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 shown in the 2019, 2020 and 2021 Defra tables.

SCOPE 2 INDIRECT EMISSIONS:

indirect emissions relate to electricity use 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 the location-based emissions the emission factors reported in the tables published by Terna were used regarding the international comparisons available for 2019 (the most recent version) based on Enerdata statistics, used for the calculation of the indirect emissions in 2021. Conversely, the factors used to calculate indirect emissions regarding 2019-2020 energy consumption derive from previous Terna tables referred to

2017 and 2018, available at the time of reporting.

For the calculation of market-based emissions, the residual mixes reported in the "European Residual Mixes" document, published by ABI and available for the years 2019-2020, were used. The emissions linked to district heating were calculated using the emission factors reported in the Defra tables available for the 2019-2020-2021 three-year period. The Scope 2 Location-based and Market-based emissions for 2019 have been adjusted compared to the data presented in the previous editions of the integrated report as a result of an improved process of collection and calculation of the data related to electricity consumption in direct stores and head offices.

SCOPE 3 INDIRECT EMISSIONS:

for the calculation of CO₂ emissions generated by transportation for logistics purposes, a methodology developed by TK Blue, an international non-financial rating agency specialised in transport, was used.

Annexes

GRI Content Index

NEW HIRINGS

TURNOVER

	2020						2021					
	Stores		Offices		Total		Stores		Offices		Total	
	N.	%	N.	%	N.	%	N.	%	N.	%	N.	%
Italy												
Men	24	31%	24	4%	48	7%	30	39%	46	9%	76	13%
<30	17	142%	16	52%	33	77%	16	133%	22	56%	38	75%
31- 50	7	13%	7	3%	14	5%	13	23%	20	9%	33	12%
>50	-	-	1	-	1	-	1	11%	4	1%	5	2%
Women	225	35%	30	4%	255	18%	439	54%	50	7%	489	31%
<30	120	82%	24	30%	144	63%	233	104%	28	38%	261	87%
31- 50	97	23%	3	1%	100	11%	193	39%	21	5%	214	23%
>50	8	11%	3	1%	11	3%	13	16%	1	-	14	4%
Europe												
Men	121	59%	12	16%	133	48%	114	81%	12	18%	126	61%
<30	86	85%	-	-	86	78%	77	118%	2	25%	79	108%
31- 50	34	38%	8	17%	42	31%	35	56%	9	22%	44	43%
>50	1	7%	4	22%	5	15%	2	14%	1	6%	3	10%
Women	1317	64%	17	8%	1334	59%	1673	78%	23	13%	1696	73%
<30	874	105%	2	7%	876	102%	1098	129%	5	19%	1103	125%
31- 50	419	38%	13	8%	432	34%	527	45%	15	11%	542	42%
>50	24	22%	2	10%	26	20%	48	38%	3	14%	51	34%
Rest of the world												
Men	166	39%	50	12%	216	25%	170	46%	61	14%	231	29%
<30	115	42%	25	66%	140	45%	153	67%	12	34%	165	62%
31- 50	51	34%	22	6%	73	24%	17	12%	49	14%	66	13%
>50	-	-	3	6%	3	1%	-	-	-	-	-	-
Women	183	32%	84	22%	267	28%	356	68%	85	23%	441	49%
<30	148	40%	55	48%	203	42%	336	98%	39	38%	375	84%
31- 50	33	18%	29	12%	62	15%	18	11%	43	18%	61	15%
>50	2	12%	-	-	2	5%	2	15%	3	10%	5	12%
Total												
Men	311	44%	86	8%	397	22%	314	53%	119	12%	433	27%
<30	218	57%	41	53%	259	56%	246	80%	36	44%	282	72%
31- 50	92	31%	37	6%	129	14%	65	25%	78	13%	143	17%
>50	1	3%	8	2%	9	2%	3	12%	5	1%	8	2%
Women	1725	53%	131	9%	1856	40%	2468	71%	158	12%	2626	55%
<30	1142	85%	81	36%	1223	78%	1667	117%	72	35%	1739	107%
31- 50	549	32%	45	5%	594	23%	738	40%	79	10%	817	31%
>50	34	18%	5	2%	39	8%	63	28%	7	3%	70	14%

000 N. of employees hired (leaving) during the year (fixed-term + permanent)
 (000%) Turnover rate: total no. of employees hired (leaving) / no. of employees as 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.

Unlike the countries, for data related to Italy, workers leaving on 31/12 are not considered among employees in force during the year but among outgoing personnel in the reporting year.

GRI Standard	Disclosure	Page number	Omission
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GRI 102: GENERAL DISCLOSURES 2016

Organisational profile			
102-1	Name of the organisation	138	
102-2	Primary brands, products, and/or services	33-44	
102-3	Location of the organisation's headquarters	138	
102-4	Countries in which the organisation operates	32	
102-5	Nature of ownership and legal form	14-15; 32; 138	
102-6	Markets served	35; 43; 47; 86	
102-7	Scale of the organisation	20; 47; 118-119	
102-8	Information on employees and other workers	118-119	
102-9	Description of the supply chain (number of suppliers, volumes and sourcing markets)	72-77	
102-10	Significant changes during the reporting period regarding the organisation's size, structure, ownership, and its supply chain	13	
102-11	Explanation of how the precautionary approach or principle is addressed by the organisation	The Company adopts a prudential approach in managing environmental, social and governance risks as illustrated on pages 30-31	
102-12	External initiatives	20-21; 25-29; 70; 73-81	
102-13	Memberships of national and/or international advocacy organisations	122-123	
Strategy			
102-14	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	5	
Ethics and integrity			
102-16	Mission, values, codes of conduct, principles relevant to economic, environmental and social performance, developed internally and state of progress in their implementation	12; 18-19; 25-29; 72-81	
Governance			
102-18	Governance structure of the organisation, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental and social impacts	14-17	
Stakeholder engagement			
102-40	List of stakeholder groups with which the organisation engages	23	
102-41	Percentage of total employees covered by collective bargaining agreements	122	
102-42	Basis for identification and selection of primary stakeholders with whom to engage	21-23	
102-43	Approach to stakeholder engagement	21-23	
102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	21-23	
Reporting practice			
102-45	Entities included in the consolidated financial statements and entities not included in the social responsibility report	138	
102-46	Defining Report content and topic boundaries	22-23; 138-139	
102-47	List of material topics	22-23; 138-139	
102-48	Restatement of information	138-139	
102-49	Changes in reporting	24; 138-139	

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GRI Standard	Disclosure	Page number	Omission
102-50	Reporting period to which the social responsibility report refers	138-139	
102-51	Date of most recent previous social responsibility report	138	
102-52	Reporting cycle	138	
102-53	Contact point for questions regarding the social responsibility report and its contents	152	
102-54	Claims of reporting in accordance with the GRI Standards	138	
102-55	GRI Content Index	141-147	
102-56	Policy and current practice with regard to seeking external assurance for the social responsibility report	149-151	

MATERIAL TOPICS

ECONOMIC PERFORMANCE INDICATORS

Economic performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31	
103-3	Evaluation of the management approach	18-19	
GRI 201: Economic performance 2016			
201-1	Economic value directly generated and distributed	20	
Procurement practices			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 72-74	
103-3	Evaluation of the management approach	72-74	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers at significant locations of operation	72	

ENVIRONMENTAL PERFORMANCE INDICATORS

Raw materials			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 60-70; 82-83	
103-3	Evaluation of the management approach	60-70; 82-83	
GRI 301: Raw materials 2016			
301-1	Materials used by weight or volume	65; 83	
Energy consumption by the organisation			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 57; 81	
103-3	Evaluation of the management approach	54-57; 81	

GRI Standard	Disclosure	Page number	Omission
Energy consumption by the organisation 2016			
302-1	Energy consumption by the organisation	57	
Water and effluents			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 80-81	
103-3	Evaluation of the management approach	54-57; 80-81	
GRI 303: Water and effluents 2018			
303-1	Interactions with water as a shared resource	80-81	Some information regarding this indicator is not currently available. Benetton undertakes, in the coming years, to gather the data needed to disclose this indicator
303-2	Management of water discharge-related impacts	80-81	
303-4	Water discharge	81	
Emissions			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 56-57; 82-83	
103-3	Evaluation of the management approach	56-57; 82-83	
GRI 305: Emissions 2016			
305-1	Direct greenhouse gas emissions (Scope 1)	57	
305-2	Indirect greenhouse gas emissions (Scope 2)	57	
305-3	Other indirect greenhouse gas emissions (Scope 3)	82	
305-4	GHG emissions intensity	82	
Environmental compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 80-81	
103-3	Evaluation of the management approach	80-81	
GRI 307: Environmental compliance 2016			
307-1	Value of the fines and number of significant sanctions for violations of environmental laws and regulations	In 2021 the Group did not receive significant fines or sanctions for non-compliance with laws and regulations concerning the environmental issues	
Supplier assessment based on environmental aspects			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 80-81	
103-3	Evaluation of the management approach	80-81	

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GRI Standard	Disclosure	Page number	Omission
GRI 308: Supplier Environmental Assessment 2016			
308-2	Negative environmental impacts in the supply chain and actions taken	80-81	Some information regarding this indicator is not currently available. Benetton undertakes, in the coming years, to gather the data needed to disclose this indicator
SOCIAL PERFORMANCE INDICATORS			
Employment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 122-135	
103-3	Evaluation of the management approach	122-135	
GRI 401: Employment 2016			
401-1	New hirings and turnover	120; 140	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	122-135	
401-3	Return to work and retention rates after parental leave (by gender)	126	
Industrial relations			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 122-123	
103-3	Evaluation of the management approach	122-123	
GRI 402: Industrial relations 2016			
402-1	Minimum notice periods regarding organisational changes	122-123	
Health and safety in the workplace			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 128	
103-3	Evaluation of the management approach	128	
GRI 403: Occupational health and safety 2018			
403-1	Occupational health and safety management system	128	
403-2	Hazard identification, risk assessment, and incident investigation	30-31; 128	
403-3	Occupational health services	128	
403-4	Worker participation, consultation, and communication on occupational health and safety	128	
403-5	Worker training on occupational health and safety	128	
403-6	Promotion of worker health	128	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	128	
403-9	Work-related injuries	128	

GRI Standard	Disclosure	Page number	Omission
Training and education			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 131-134	
103-3	Evaluation of the management approach	131-134	
GRI 404: Training and education 2016			
404-1	Average hours of training per year per employee, by gender and by employee category	134	
404-2	Programs for upgrading employee skills and transition assistance programs	134	
Diversity and equal opportunity			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	14-15; 30-31; 124-125; 135	
103-3	Evaluation of the management approach	14-15; 124-125; 135	
GRI 405: Diversity and equal opportunity 2016			
405-1	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership and other indicators of diversity	14-15; 119	
405-2	Ratio of basic salary and remuneration of women to men	135	
Non-discrimination			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 74-76; 119; 124	
103-3	Evaluation of the management approach	74-75; 119; 124	
GRI 406: Non-discrimination 2016			
406-1	Number of incidents of discrimination and corrective actions taken	74	
Freedom of association			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 72-77	
103-3	Evaluation of the management approach	72-77	
GRI 407: Freedom of association 2016			
407-1	Identification of operations and main suppliers in which the right to exercise freedom of association and collective bargaining may be at significant risk and measures taken to support these rights	73-75	
Child labor			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	24-25	
103-2	The management approach and its components	30-31; 72-77	
103-3	Evaluation of the management approach	72-77	
GRI 408: Child labor 2016			
408-1	Identification of operations and main suppliers having significant risk for incidents of child labor, and measures taken to contribute to its elimination	72-77	

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GRI Standard	Disclosure	Page number	Omission
Forced or compulsory labor			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 72-77	
103-3	Evaluation of the management approach	72-77	
GRI 409: Forced or compulsory labor 2016			
409-1	Operations having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to its elimination	72-77	
Assessment of human rights			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 72-77	
103-3	Evaluation of the management approach	72-77	
GRI 412: Human Rights Assessment 2016			
412-1	Total number and percentage of suppliers subject to human rights reviews or impact assessment by country	75	
Local communities			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	22-23; 70; 72-77	
103-3	Evaluation of the management approach	70; 72-77	
GRI 413: Local communities 2016			
413-1	Percentage of sites of operations in which local community engagement, impact assessments, and development programs have been implemented	76-77	
Supplier assessment for impact on society			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	22-23; 72-77	
103-3	Evaluation of the management approach	72-77	
GRI 414: Supplier assessment for impacts on society 2016			
414-1	New suppliers that were screened using social criteria	75	
414-2	Significant actual and potential negative impacts on society and actions taken	72-77	
Customer health and safety			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	22-23; 70	
103-3	Evaluation of the management approach	70	
GRI 416: Customer health and safety 2016			
416-2	Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	There have been no significant incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products in the three-year period 2019-2021	

GRI Standard	Disclosure	Page number	Omission
Marketing and labeling			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 105	
103-3	Evaluation of the management approach	105	
GRI 417: Marketing and labeling 2016			
417-1	Requirements for product and service information and labeling	All products marketed by the Group, regardless of product sector, report on their labels the information required by law in the country in which they are marketed. More specifically, information is provided on: country of origin, presence of toxic substances, and methods of disposal	
417-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	There have been no significant incidents of non-compliance with regulations and voluntary codes concerning product labeling in the three-year period 2019-2021	
417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	There have been no significant incidents of non-compliance regarding consumer protection that determined the payment of monetary fines by the Group in the three-year period 2019-2021	
Socio-economic compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	22-23; 70; 105	
103-3	Evaluation of the management approach	22-23; 70; 105	
GRI 419: Socio-economic compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	In 2021 the Group did not receive significant fines for non-compliance with laws and regulations concerning the economic and social areas	

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Material topics not reported by GRI

GRI Standard	Disclosure	Page number	Omission
Innovation			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 48-49; 62-63; 105; 123	
103-3	Evaluation of the management approach	48-49; 62-63; 105; 123	
Risk and change management			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31	
103-3	Evaluation of the management approach	30-31	
Digital transformation			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 85-93; 129	
103-3	Evaluation of the management approach	85-93; 129	
Consumer experience			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 85-93; 134	
103-3	Evaluation of the management approach	85-93; 134	
Multi-channel sales strategy (online & physical store)			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	46-47; 86-88	
103-3	Evaluation of the management approach	46-47; 86-88	
Circular economy			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 56; 70	
103-3	Evaluation of the management approach	56; 70	
Consumer privacy			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	17; 30-31	
103-3	Evaluation of the management approach	17	
Brand protection and enhancement			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	30-31; 33-44	
103-3	Evaluation of the management approach	33-44	
Continuity of the leadership and stability of corporate governance			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	22-23	
103-2	The management approach and its components	14-17; 30-31	
103-3	Evaluation of the management approach	14-17	



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Independent auditors' report on data and information included in the Integrated Report 2021 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 2021 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, 2021 (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 2021.

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

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