

GEOX



Non-Financial Consolidated Statement 2019

pursuant to (Italian) Legislative Decree no. 254/2016

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Chairman's message to stakeholders

The name GEOX was created with GEO - the Earth - in mind, thinking also about how to use innovation to make people feel good, hence the "X" in our name.

Geox's objective is to improve the daily lives of its customers through innovative products that guarantee breathability. The "shoe that breathes" is a notion, an idea and a promise that, from the moment it was created, has become the keystone of Geox's mission, aimed at well-being and total comfort.

Here at Geox, we're convinced that it is essential to apply ethical standards and principles focusing on fairness and respect, solidarity, the protection of individuals, sustainability and environmental protection in order for our company, and indeed the world, to achieve long-lasting development.

Human activity is undermining environmental harmony and does not always guarantee the best quality of life for people: that's why we believe it is of crucial importance for every company to evolve and put the well-being of the planet and society at the top of their list of priorities.

This conviction is what led Geox to join the Fashion Pact, a global coalition of leading companies in the fashion industry that are committed to achieving a set of goals in three key areas: stopping global warming, restoring biodiversity and protecting the oceans.

Over the years, our strong belief that even a simple pair of shoes can improve the well-being of the world and the people in it, has led us to continuously search for new and better ways to create our collections, paying more and more attention to quality and the environment.

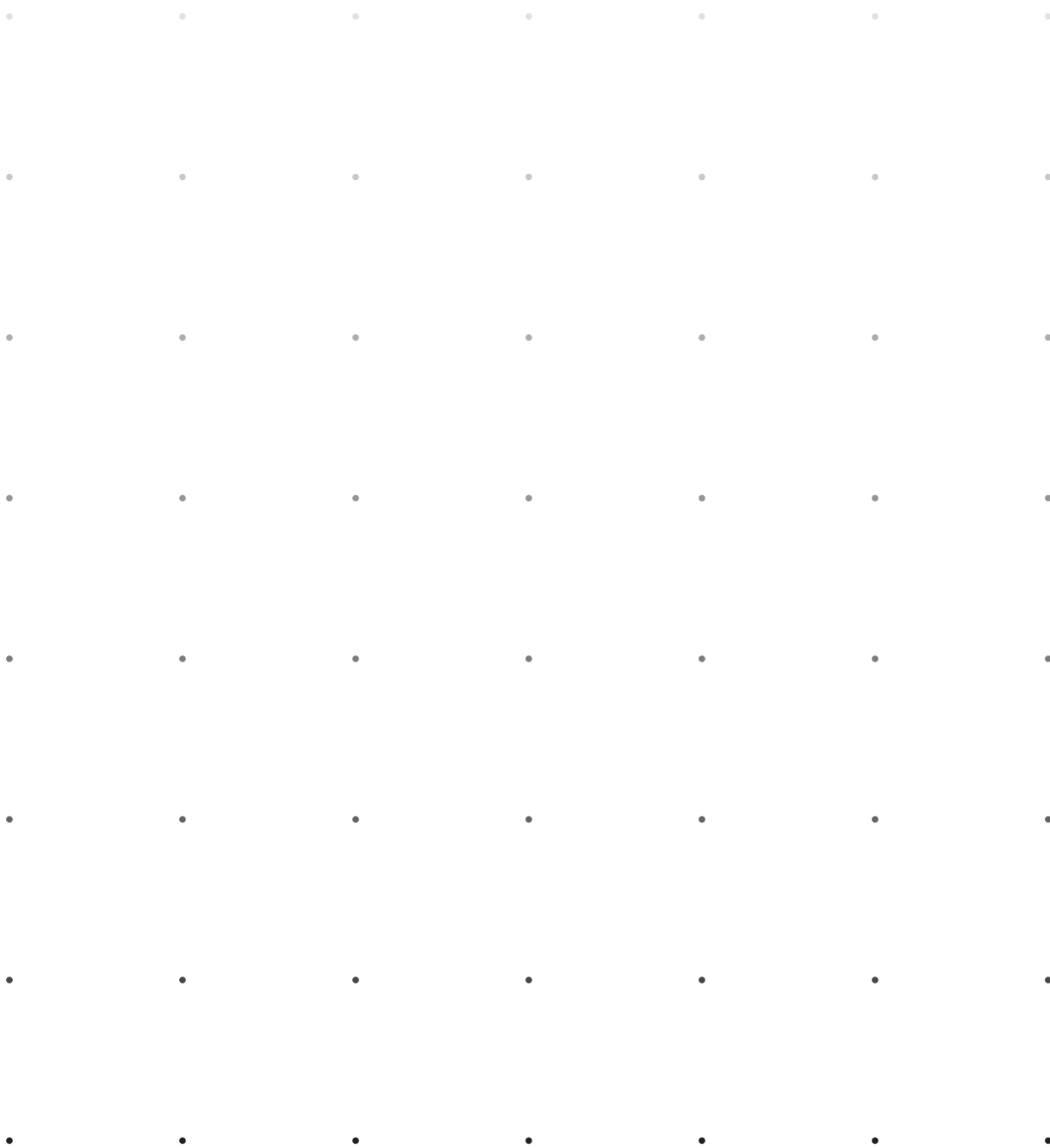
This led us to come up with products made from sustainable materials, such as our Nebula™ and Aerantis™ shoes, using also recycled padding and recycled down in our apparel range.

The path that we've taken to define a sustainable business model is reflected in our Non-Financial Consolidated Statement, telling the story of the concrete measures that we have implemented with a view to ensuring total transparency for all of our stakeholders.

Mario Moretti Polegato



Geox Group



History

It was almost 25 years ago when Mario Moretti Polegato, founder and chairman of Geox, came up with the revolutionary idea of piercing the rubber soles of his shoes, allowing his feet to breathe during a trip under the hot sun of Reno, in Nevada. So, why not create a product that's as flexible and strong as a normal rubber sole, at the same time as guaranteeing extraordinary performance in terms of breathability and water resistance?

When he got back to Italy, Moretti Polegato decided to develop his idea in a small footwear company belonging to his family, creating a new technology for rubber soles: that's how the first "shoe that breathes" was born, which he immediately patented.

After pitching his invention to well-established footwear companies without success, and, having passed a market test with a range of kids' shoes, Moretti Polegato began manufacturing his Geox shoes independently. He improved and perfected the initial patent and went on to extend the range of products to include not just children's shoes, but men's and women's too.

That's how everyday design encountered avant-garde technology, a project whose very name symbolises its close link with nature and real life. In fact, the word Geox is made up of Geo - the Greek for "Earth" - and X, the symbol for the most advanced technology, developed in Italian laboratories and exclusively patented throughout the world. This name captures all the commitment and energy of our drive and know-how, our care and attention, using research to support quality and everyday elegance.

"BREATHES" stands for innovation, research and continuous experimentation: a philosophy that unites creativity and performance, style and technology, respect for the environment and for people.

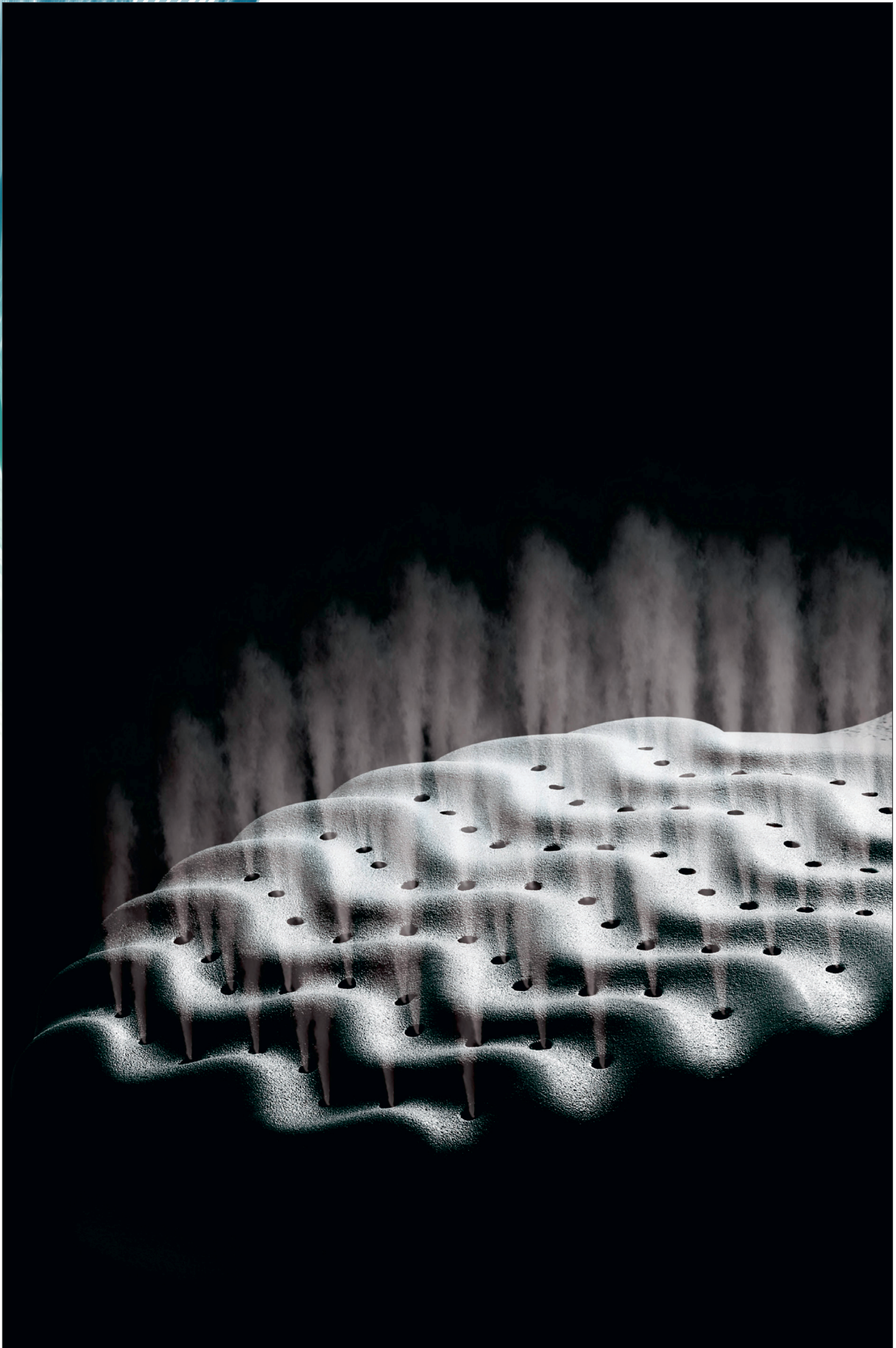
Innovation at the forefront

Geox's mission is to develop technology that breathes.

The company constantly invests in research in order to continuously improve its products: innovative shoes and jackets able to provide maximum breathability, comfort and performance at the same time as offering modern Italian design. Geox's technology is protected by some 40 patents and 25 recent patent applications. The initial "shoe that breathes" patent, with the rubber sole integrated with a special membrane that allows vapour to pass through but not water, was extended to shoes with a leather sole, which are also able to repel and disperse water and humidity. Geox's

new generation of wind and rain proof products reached the peak of breathability and heat-regulation technology with Amphibiox, a range of products offering outstanding levels of insulation and protection, reflecting the excellence of the brand.

And that's not all. The main concept of well-being you can wear has been studied, developed and perfected, permeating all of the brand's creations. This concept has been transferred from shoes to clothing collections, allowing outerwear to benefit from the fundamental quality of breathability.



Amphibiox®

The waterproof & breathable shoe

Geox's technological systems for water resistance and total breathability, suitable for all weather conditions

Amphibiox® is the breathable and waterproof solution to suit all requirements in terms of comfort. This waterproof shoe is perfect for any situation: suitable for all types of weather and environments and whatever level of water immersion you may need, as well as providing your desired grade of heat insulation. A special breathable and waterproof membrane protects both the sole and the upper, preventing water from entering the shoe at the same time as guaranteeing Geox's extraordinary levels of breathability. The inside of the shoe therefore maintains an ideal microclimate for your feet, which stay warm, dry and are free to breathe naturally.



Geox Amphibiox®
SS2020

Nebula™

3D breathing engineering

Nebula™ is made using revolutionary technology, providing excellent performance in terms of breathability and comfort. Bursting with innovation, this shoe is ideal for frequent travellers who want to get around with style and character, without compromising on comfort.

Geox Nebula™
SS2020



Nebula™ S

Nebula™ X

The best and most comfortable shoe for city living

Geox has further developed the Nebula concept with its Nebula™S and Nebula™X ranges. These products have different design and performance characteristics, but share two key features: their soles, featuring large holes and the ultra-breathable Net Breathing System technology™, and their iconic 3D performance unit system, ensuring flexibility, cushioning, stability and grip.



Geox NebulaX™
SS2020

Nexside™

The next breathing side

Nexside is Geox's new shoe with a Side Transpiration System, ensuring superior breathability through additional perforations along the sides of the sole.

Side Transpiration System

Grooves have been inserted between the midsole and the outsole to create air pockets that are connected to the outside through perforations along the edge of the outsole as well as underneath. As you walk, the air continuously circulates in these spacers, allowing the membrane to expel hot and humid air from inside the shoe much quicker.

Geox Nexside™
SS2020



Aerantis™

Dynamic Breathing System

The Aerantis™ shoe combines different Geox technologies: the Net Breathing System™ breaks down barriers with the outside, thanks to the large, perforated and breathable surface of the sole; the Ventilation System maximises air circulation inside the shoe; the Inner Breathing System allows for breathability around the foot.



Geox Aerantis™
SS2020

The jacket that breathes

Geox's garments allow the humid area created by the evaporation of sweat to escape through breathing tape, which stretches from one shoulder to the other, a 3D spacer and a special breathable and waterproof membrane inserted inside, which has the dual function of allowing sweat to escape at the same time as preventing water from entering.

Thanks to Geox's patented system, the garment stays drier and perceived humidity is reduced.



Sandford Abx
SS2020

Geox worldwide

Geox was established in Italy, but has a strong international presence: 72% of sales are generated abroad, across more than 114 countries.



A high-visibility brand

The Group implements a diversified distribution strategy across the individual markets in order to ensure brand promotion is coherent for the end consumers. In 2019, Geox was present in more than 10,000 wholesale selling points and 974 mono-brand stores.



Everyday collection

In addition to their innovative solutions guaranteeing water resistance and breathability, Geox collections also stand out for their levels of comfort and modern, versatile style, perfect for everyday wear. The company's in-house design centre analyses new consumer trends, explores materials and ideas, and develops a wide range of footwear and apparel for men, women and children.





Group profile

With an extensive distribution network, which includes both wholesale and mono-brand stores, directly operated and franchised, Geox boasts a global leadership position.

Technology, breathability, well-being, Italian style and sustainability are the essence of Geox products.

We believe it is of crucial importance for every company to evolve and put the well-being of the planet and society at the top of their list of priorities.

Geox for WWF capsule collection

€ 2 from the sale of each pair of shoes will go towards the **conservation of endangered species across the world.**

Taking the values of sustainability and innovation to the race track

The **Geox Dragon** team competes in the **Formula E** World Championship.

Launch of **sustainable product lines: NEBULA** with an upper made from recycled polyester and **E-WARM** padding made from **recycled material.**

Plastic free

Carbon-neutral water bottles given to all employees of the Group's companies in Italy, also allowing for **15 taps** to be installed to bring water into the homes of the Dikes village in **Senegal.**

Packaging

80% of total consumption made up of recycled material

Geox On Hand App

New Relationship Model
developed and app launched
to improve the level of
service offered to customers
in-store

Store manager in training

Programme to train
future store managers
of Geox Shops

e-Learning courses for suppliers on social, ethical and environmental issues

65 people involved, 9
training courses, 441 training
modules completed

**New AERANTIS™
collection, “down”**
made from thermo-
adaptive wadding
produced with feathers
recycled from post-
consumer “waste”
padding, in accordance
with **GRS** standards.

**€ 840 million of
economic value
generated, with
over 90% of this
value distributed**

Fashion Pact

Geox is a signatory of this
global coalition of companies
in the fashion and textile
industry, all committed to
stopping global warming,
restoring biodiversity and
protecting the oceans.

Introduction

Geox Group creates, produces and distributes footwear and apparel, whose main feature is the use of innovative and technological solutions that can guarantee breathability and water resistance.

The success that the group has achieved right from the word go is thanks to the technological characteristics of “Geox” shoes and apparel. Thanks to technology that is protected by some 40 patents and 25 more recent patent applications, Geox products offer technical performance able to improve foot and body comfort in a way that consumers are able to appreciate immediately.

Geox’s innovation, the result of constant investments in Research and Development, is based, with regard to footwear, on the creation and development of special sole structures: thanks to a special membrane that allows vapour to pass through but not water, rubber soles are able to breathe and leather ones remain

waterproof. The innovation introduced to the apparel sector, on the other hand, allows for the body’s heat to escape naturally, thanks to a spacer between the shoulders, guaranteeing maximum breathability for the body.

Geox is leader in Italy in its market segment and is one of the leading global brands in the International Branded Casual Footwear Market (Source: Shoe Intelligence, 2019).

As of 31 December 2019, Geox has over 10,000 wholesale sales points and 974 mono-brand “Geox Shops”, 454 of which are Directly Operated Stores (“DOS”) and 520 are franchises.



974 Geox Shops

272 Italy

270 Europe (*)

37 North America

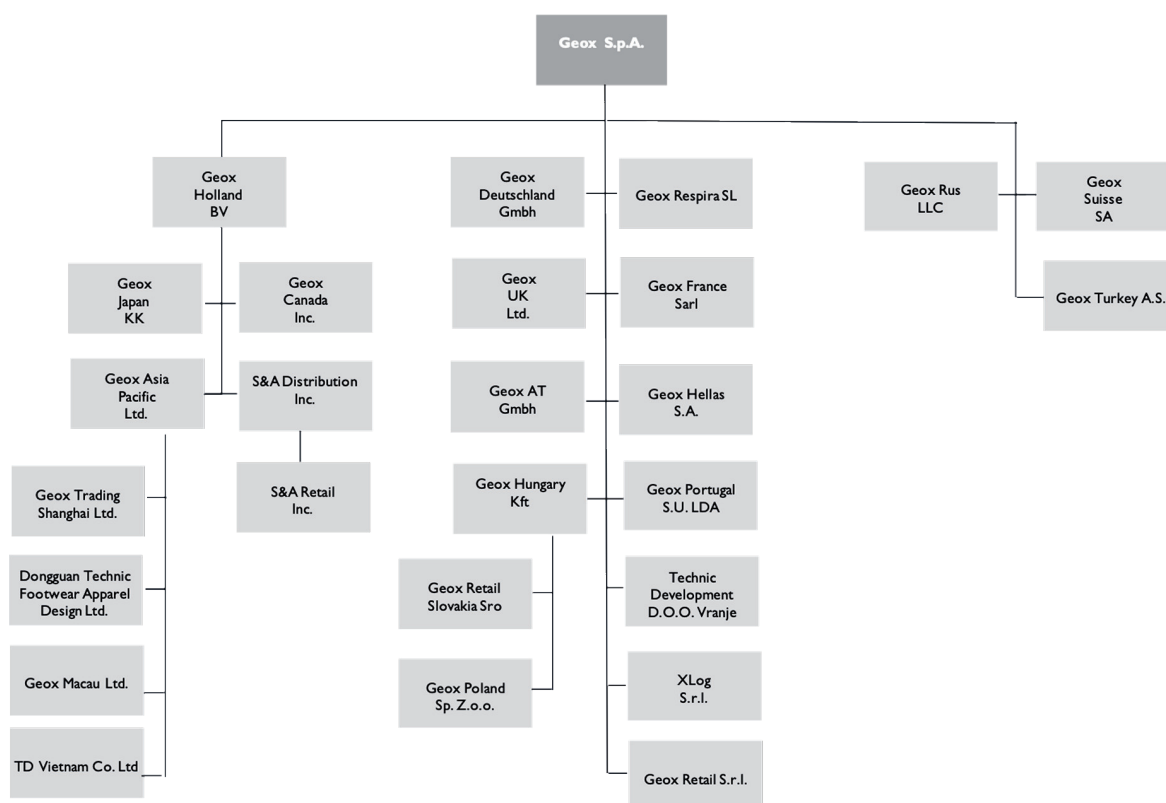
395 Other Countries

(*) Europe includes: Austria, Benelux, France, Germany, Great Britain, Iberian Peninsula, Scandinavia, Switzerland.

The Group, controlled by the operating holding company Geox S.p.A., is structured across three macro groups of companies:

- *non-EU trading companies*, whose role is to develop and oversee the business in the various markets. They operate through licence or distribution agreements stipulated with the Parent Company;
- *EU companies*, whose initial role was to provide commercial customer services and coordinate the sales network on behalf of the Parent Company, which directly distributes the products on a wholesale basis. They then started to manage and develop the Group's network of mono-brand stores, again on behalf of the Parent Company;

- *European trading companies*, whose role is to develop and oversee their specific area in order to provide better customer service, increasing the direct presence of the Group through localized sales forces and investments in showrooms closer to the market. The trading companies in Switzerland, Russia and Turkey are also responsible for fulfilling the purchasing requirements of a product that can be sold immediately in their country, having already complied with customs procedures.



Mission

**GEOX WAS CREATED
FROM AN INNOVATIVE
IDEA TO OFFER
PRODUCTS
THAT “BREATHE”,
GUARANTEEING
MAXIMUM WELL-
BEING FOR
CONSUMERS**





Geox's values

INNOVATION

Always open to change and improvement. We use research to identify the most advanced technologies and cutting-edge trends to be incorporated into our unique products.

SUSTAINABILITY

Always taking great care of and fully respecting the people and the environment that surround us. Ethical conduct, equality, diversity, trust.

PASSION

We put our very best into everything we do. We always uphold our values.

WELL-BEING

We love everything to do with well-being and we apply this to everything we do.

EXCELLENCE

Quality, safety and reliability. The utmost attention is paid to every single detail.

CUSTOMER CENTRICITY

Our customers are our guide and our reason for being. Customer satisfaction is our objective.

ITALIAN DNA

We're proud to be Italian. We convey the identity of our roots in every single one of our products.



Geox's distinctive features

TECHNOLOGY AND INNOVATION

Constant focus on the product with innovative and technological solutions developed by Geox and protected by patents.

FOCUS ON CUSTOMERS

Constant focus on product quality and customer satisfaction, offering a wide range of products for men, women and children, representing affordable and “democratic” luxury.

HIGH LEVELS OF BRAND RECOGNITION

High levels of recognition of the brand and its distinctive features.

EXTENSIVE DISTRIBUTION NETWORK

Around 1,000 mono-brand stores and a widespread network of wholesale clients throughout the world.

FLEXIBLE SUPPLY CHAIN

A business model mainly based on flexible outsourcing, with a fast lane being guaranteed by the company's own production facilities in Serbia. The critical phases of the value chain are constantly overseen in Italy.

Philosophy

**GEOX WAS BORN IN ITALY,
INSPIRED BY AN IDEA THAT
HAS LED THE COMPANY
TO BECOME A LEADING
SHOE MANUFACTURER,
DEVELOPING TECHNOLOGY
AND MODERN PRODUCTS
AIMED AT IMPROVING PEOPLE'S
WELL-BEING. FOLLOWING
THIS INSPIRATION, GEOX
HAS EMBARKED ON A PATH
TOWARDS SUSTAINABLE
INNOVATION, WHICH TODAY
REPRESENTS ONE OF THE
FUNDAMENTAL VALUES OF THE
COMPANY'S PHILOSOPHY**

*Mario Moretti Polegato
Chairman of Geox S.p.A.*



2019-2021 strategic business plan

AN OMNICHANNEL APPROACH AND RETAIL EXCELLENCE

In-depth organisational review in order to make our range of products and customer services increasingly rapid and accurate, across all points of contact.

CUSTOMER FOCUS

New customer relationship model with more advanced use of modern engagement, CRM and clienteling techniques.

DISTRIBUTION NETWORK

Converting the entire mono-brand store network to the new concept by the end of the plan and focusing on the quality of the wholesale channel, both online and offline, strengthening the most important strategic partnerships.

COMMUNICATIONS

Accelerating the evolution of communications strategies, with a greater focus on digital media and the role of social media, to attract target customers who, as of today, are not yet loyal to the brand.

PRODUCT RANGE

Redesigning the range, with collections made up of “core” products that are continuously reviewed and updated, combined with more frequent releases of innovative capsule collections.

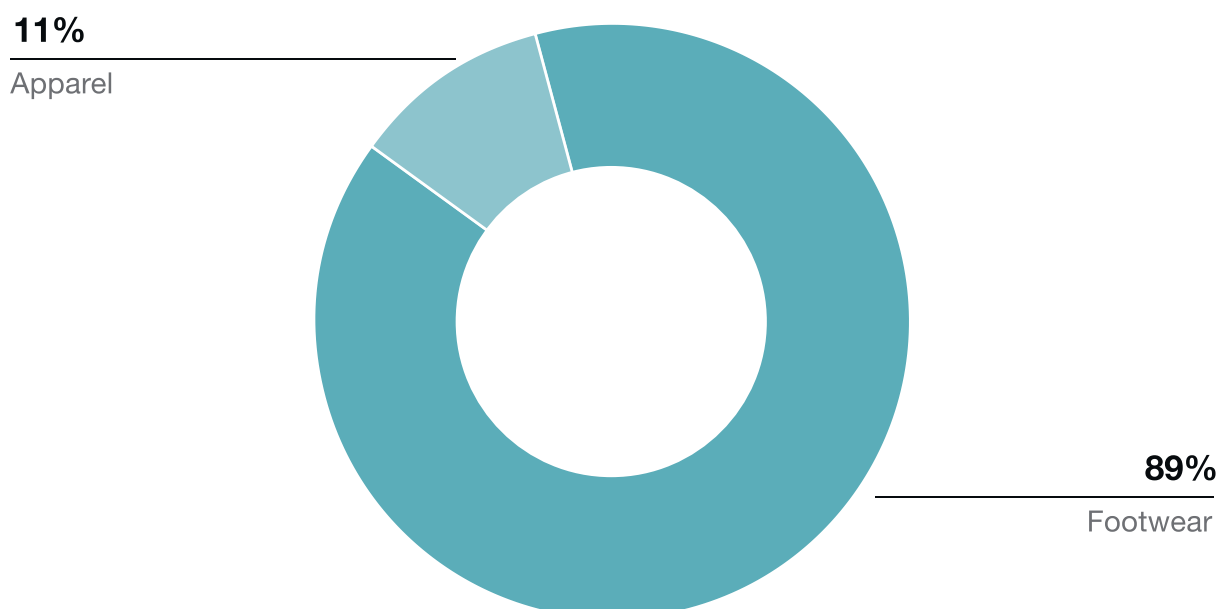
EFFICIENCY AND SUSTAINABILITY

Continuation and acceleration, with a lean approach, of all plans to reduce operating costs, and a strong focus on business sustainability, as part of the Group’s DNA, with responsible initiatives regarding products and processes.

Economic performance: creating value for stakeholders

Consolidated sales in 2019 amounted to Euro 805.9 million, down 2.6% compared with the previous year (-3.3% at constant forex) and down 9.8% compared with 2017.

Footwear sales represented 89.4% of consolidated sales, amounting to Euro 720.8 million, down 3.1% compared with 2018 (-3.8% at constant forex). Apparel sales represented 10.6% of consolidated sales, amounting to Euro 85.1 million compared with Euro 83.2 million in 2018 (+2.3% at current forex, +1.8% at constant forex). Apparel in directly operated stores performed particularly well (+11%).

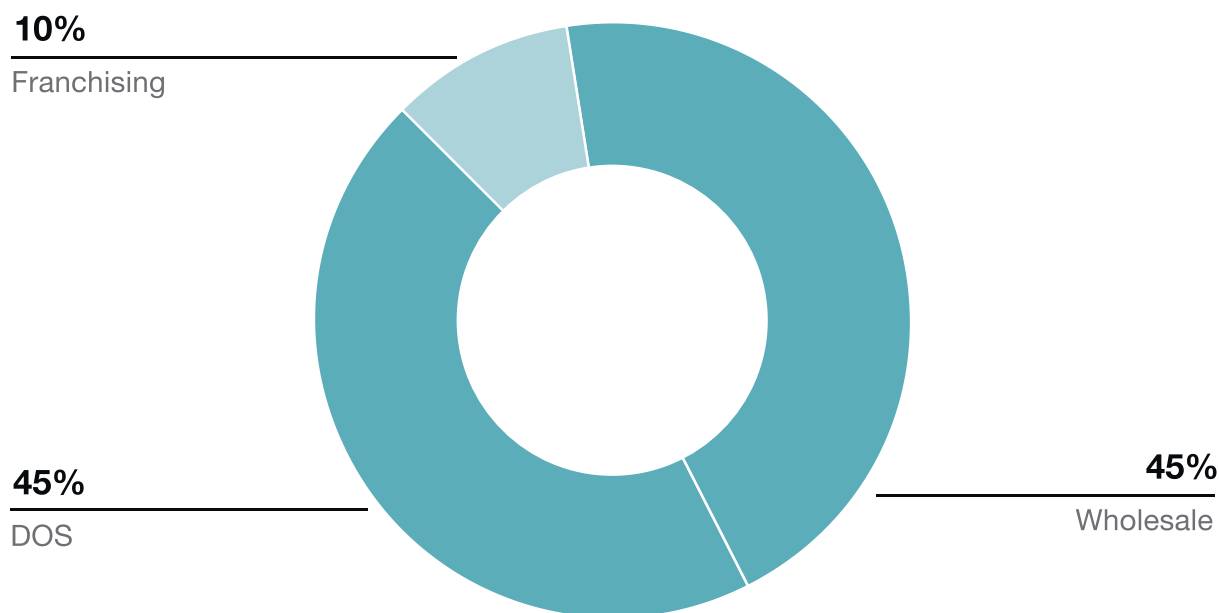


Sales generated by wholesale stores, representing 44.7% of Group revenues (44.7% in 2018 and 45% in 2017), amounted to Euro 360.4 million (-2.6% at current forex, -3.4% at constant forex). This trend was mainly due to the combination of the following factors: (i) the reduction in small, independent players who are more affected by the increase in the digital channel; (ii) the fact that certain chains, both in Italy and in various European markets, are continuing to face significant financial difficulties, often leading them to merge, with a resulting rationalisation in terms of the total number of stores; (iii) the re-emergence of geopolitical and social tensions which have, in fact, led to consistent reductions in orders from markets such as Hong Kong, Lebanon, Chile, Tunisia and the Middle East; (iv) the agreed and expected reduction in orders from the Chinese distributor in view of the relative contract expiring at the end of 2020. In this context, positive factors such as the performance of stock replenishment during the season, higher sales of goods from previous seasons (linked to the increase in inventories at the end of 2018), the good sales performance recorded in Russia, the UK and Eastern Europe and the strong growth in sales to e-commerce players, nonetheless allowed for significantly improved performance compared with the indications given by initial order collection, albeit not to a great enough extent to be able to compensate for the gap with the previous year.

Sales generated by the franchising channel, which account for 10.5% of Group revenues, amounted to Euro 84.3 million, reporting a decline of 14.3% (-14.3% at constant forex). Performance in the franchising channel was affected by like-for-like sales performance, which was slightly worse than that of directly operated stores, and by the reduction in the network in Italy, France and Spain (by approximately -10% overall). This spontaneous network rationalisation, brought about by financial difficulties, was caused by the general reduction in footfall recorded by the sector and, above all, by the positioning of stores in smaller towns or secondary shopping centres which have been more seriously affected by the growth in e-commerce sales and the changes to consumers' buying behaviour. In this context, Geox decided to mitigate the business risk and only convert a number of specific and selected stores into directly operated stores, i.e. those showing satisfactory levels of profitability in terms of their overall margin.

Sales generated by directly operated stores (DOS), representing 44.8% of Group revenues, increased slightly to Euro 361.1 million (+0.6% at current forex, -0.2% at constant forex), due to slightly negative like-for-like sales performance (-2.4%) being more than compensated for by a positive network effect thanks to new openings and selected conversions of franchised stores. The like-for-like sales trend was mainly affected by performance in the months of April and May, characterised by particularly unusual weather conditions in the main markets, and by weak performance recorded by the summer sales. Sales in the last quarter, relating to the 2019 Fall-Winter collection, were, on the other hand, in line with the previous year. Lastly, the direct e-commerce channel continued to grow considerably (+29% compared with 2018).

Sales by channel



Sales generated in Italy, representing 28.3% of Group revenues (29.0% in 2018), amounted to Euro 228.5 million, compared with Euro 239.8 million in 2018 (-4.7%). This trend was mainly due to the performance in the wholesale and franchising channels, which were affected by the rationalisation and distribution optimisation process, as described previously. Like-for-like sales in directly operated stores were down slightly, but substantially in line with the Group figure. With regard to the network, there were 14 net closures in 2019.

Sales generated in Europe, representing 42.7% of Group revenues (42.9% in 2018), amounted to Euro 344.3 million, compared to Euro 354.7 million in 2018, recording a decrease of -2.9%, mainly due to the effects of the rationalisation of the wholesale and franchising channel, as was the case in Italy. The like-for-like sales trend for

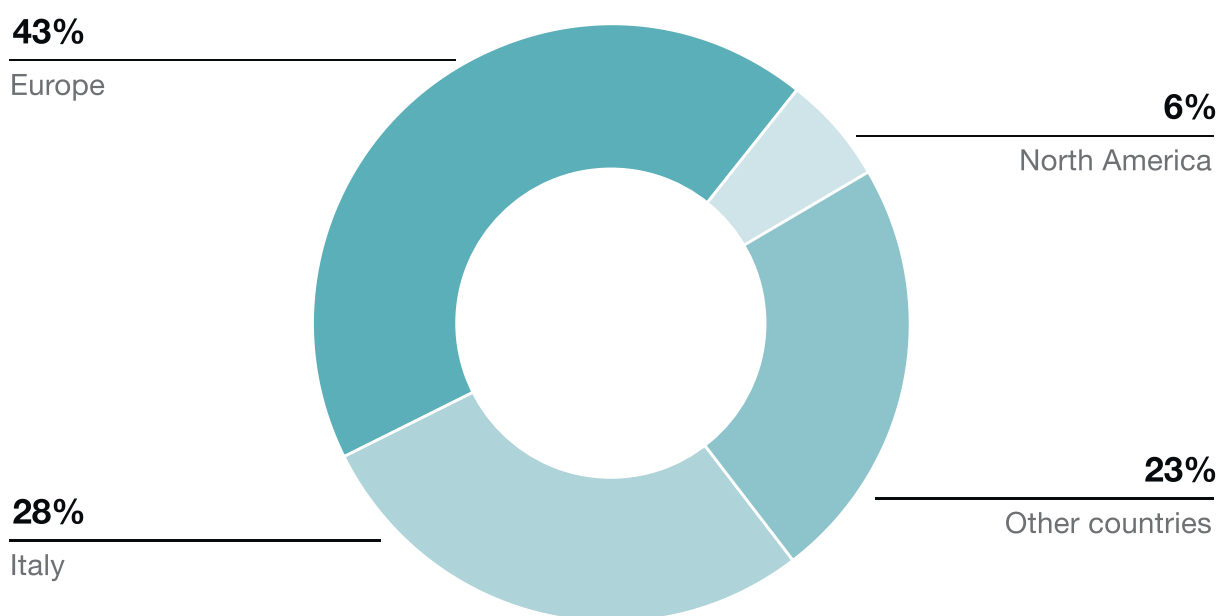
directly operated stores remained substantially stable, supported by the positive performance of the e-commerce channel (+35%). The total store network was reduced by 15 stores during the year.

North America recorded a turnover equal to Euro 46.2 million, reporting a decrease of 8.6% (-11.9% at constant forex) mainly due to the negative performance of the wholesale channel, which has been subject of a careful review and selection process for partners, with a focus on players more in line with the Group's planned strategy to improve brand perception. Like-for-like sales performance for directly operated stores recorded a decline that was greater than the Group's average performance. The number of stores in the network remained unchanged compared with the end of 2018.

In June 2019, the direct e-commerce channel was successfully insourced. The e-commerce channel also recorded very sustained growth in North America (+34% compared with 2018).

A 2.6% increase in sales was recorded in the Rest of the World compared with 2018 (+0.6% at constant forex), with double-digit growth in sales for directly operated stores and the wholesale channel in Eastern Europe. With regard to the Asia Pacific region, the reduction of the wholesale channel is mainly linked to the reduction in orders from a number of distributors who need to get rid of temporary excess inventory, and the agreed slowdown in purchases made by the Chinese distributor, in view of the relative contract expiring towards the end of 2020. Directly operated stores recorded negative performance, also being affected by the protests in Hong Kong and by the reorganisation of the direct e-commerce channel in China.

Sales by geographic area



EBITDA amounted to Euro 30.9 million, equal to 3.8% of sales, compared with Euro 38.3 million in 2018 (equal to 4.6% of sales).

Including the effects of applying the IFRS 16 standard and restructuring costs, EBITDA amounted to Euro 96.3 million.

The Group's balance sheet shows a positive financial position of Euro 6.6 million, improving from the Euro 2.3 million in 2018 and the Euro -5.4 million recorded at 31 December 2017, after fair value adjustment of derivatives, which had a positive effect for Euro 1.2 million (Euro + 9.1 million at 31 December 2018 and Euro -20.5 million at 31 December 2017).

Over the course of the year, investments equal to Euro 33.4 million were made, down by approximately Euro 3.9 million compared with the previous year. The investments mainly regarded new openings and revamps of Geox Shops (Euro 17.5 million), industrial machinery and equipment (Euro 2.9 million), the logistics plant in Signoressa (TV) (Euro 2.3 million) and IT (Euro 8.2 million).

The economic value generated and distributed represents the company's potential to create wealth and share it among its stakeholders. In 2019, Geox Group generated an economic value equal to approximately Euro 839,796 thousand. The economic value distributed by the Group was equal to Euro 759,060 thousand. Over 90% of the economic value generated by the Group was distributed to stakeholders, both internal and external.

For further information on the Group's economic performance, balance sheet and financial position, please refer to the Consolidated Financial Statements for the Group.

Economic value generated and distributed (euro/000)

	2017	2018	2019
Economic value generated by the Group	932,172	862,622	839,796
Sales	884,529	827,220	805,858
Other income	42,922	33,917	32,539
Financial income	7,374	3,920	4,199
Value adjustments to financial assets	-	-	-
Write-down of receivables	-2,402	-2,211	-2,575
Exchange rate differences	-253	-224	-226
Income/expenses from the sale of tangible and intangible assets	-	-	-
Value adjustments to tangible and intangible assets	-	-	-
Economic value generated by the Group	888,127	850,481	759,060
Operating expenses	713,770	670,646	588,874
Remuneration for collaborators	146,881	149,526	150,250
Remuneration for lenders	10,514	8,489	12,581
Remuneration for investors	5,184	15,552	6,480
Remuneration for public administration ¹	11,367	5,858	429
Community (*)	410	410	446
Economic value kept within the Group	28,662	17,432	105,495
Amortisation and Depreciation	-33,846	-32,984	-111,975
Other reserves (dividends)	5,184	15,552	6,480
Reserves	15,383	-5,291	-24,759

(*) The item Community also includes contributions relating to the management of the childcare centre.

1. Remuneration for public administration also includes deferred taxes.







Responsible governance



**€ 840 MLN OF ECONOMIC VALUE
GENERATED**

**OVER 90% OF VALUE
DISTRIBUTED**

**FASHION PACT: GEOX IS A
SIGNATORY OF THIS GLOBAL
COALITION OF COMPANIES IN
THE FASHION AND TEXTILE
INDUSTRY, ALL COMMITTED TO
STOPPING GLOBAL WARMING,
RESTORING BIODIVERSITY AND
PROTECTING THE OCEANS**

**ANTI-BRIBERY MANAGEMENT
SYSTEMS: GEOX HAS
TAKEN THE NECESSARY
STEPS TO OBTAIN ISO 37001
CERTIFICATION.**

Group Governance

Since 2004, Geox S.p.A. has had listed shares on a regulated market managed by Borsa Italiana (*Italian Stock Exchange*).

Geox S.p.A. is controlled by LIR S.r.l. which has a shareholding of 71.10%. LIR S.r.l., with registered office in Montebelluna (TV), Italy, is an investment holding company that belongs entirely to Mario Moretti Polegato and Enrico Moretti Polegato (who respectively own 85% and 15% of the share capital). The share capital of Geox amounts to Euro 25.9 million and is made up of 259,207,331 ordinary shares, each with a par value of Euro 0.10. The Company holds 3,996,250 treasury shares.

Geox has implemented a corporate governance system that aims to ensure the correct general functioning of the Company and the Group, as well as further boosting the reliability of its products and, as a result, of the brand, on a global scale. The governance system adopted by the Group complies with the principles set forth in the latest version of the Corporate Governance Code issued by Borsa Italiana (July 2018)² which Geox endorses.

The Company's governance structure, based on the traditional management and control system, is made up of the following company bodies: the Shareholders' Meeting, the Board of Directors, the Executive Committee, the Audit, Risk and Sustainability Committee, the Appointment and Remuneration Committee, the Board of Statutory Auditors and the Supervisory Board. The Committees represent an internal structure of the Board of Directors and have been established to improve the functioning and strategic guidance capability of the Board, in line with the recommendations of the Corporate Governance Code issued by the Corporate Governance Committee of Borsa Italiana S.p.A..

An Ethics and Sustainable Development Committee has also been created with the aim of guiding and promoting the company's commitment and ethical conduct.

- The **Shareholders' Meeting** expresses the will of the company by passing resolutions in ordinary and extraordinary sessions. The Shareholders' Meeting is

responsible for approving the matters required by law and by the Articles of Association, including: appointing and removing members of the Board of Directors and Board of Statutory Auditors and their relative remuneration, approving the financial statements and appointing the independent auditor;

- The **Board of Directors** was made up of ten members as of 31 December 2019, all of whom were appointed on the basis of lists presented by the Shareholders (one presented by the majority shareholder, LIR S.r.l., owning 71.1004% of the subscribed and paid-in share capital, and a minority one presented by a group of asset management companies and institutional investors, whose total shareholding is equal to 2.65% of the subscribed and paid-in share capital). Since the Board of Directors was last appointed, on 16 April 2019, its composition most recently changed following the resignation of Matteo Carlo Maria Mascazzini on 16 January 2020, with the director Livio Libralesso being appointed Chief Executive Officer on the same date. For further details, please refer to the Corporate Governance report, available on the Company's website www.geox.biz.

The Board of Directors has sole responsibility for managing the company and carries out all activities necessary for the implementation and achievement of the company's goals. The only aspects that do not fall under the responsibility of the Board of Directors are those assigned peremptorily to the Shareholders' Meeting by law and by the Articles of Association.

Geox's Articles of Association put the Board of Directors in charge of decisions on acts concerning, for any reason and of any type, trademarks, patents and other intellectual property rights. The Board of Directors also has sole responsibility for all decisions, based on the proposals put forward by the Chairman of the Board of Directors, regarding the definition of strategic development guidelines and the direction of company management, also on a long-term basis, as well as decisions regarding the annual business and economic-financial plan and long-term forecast plans along with the related investment plans. Said decisions cannot be delegated.

²Please note that the Corporate Governance Committee approved the new Corporate Governance Code in January 2020, which will come into force for the 2021 financial year.

As Geox has adopted the Corporate Governance Code for listed companies, it is under the obligation to carry out an assessment of the Board of Directors, taking into consideration its size and composition, the professional characteristics, experience and category of its members and how long they have been in office.



Geox Levita
SS2020

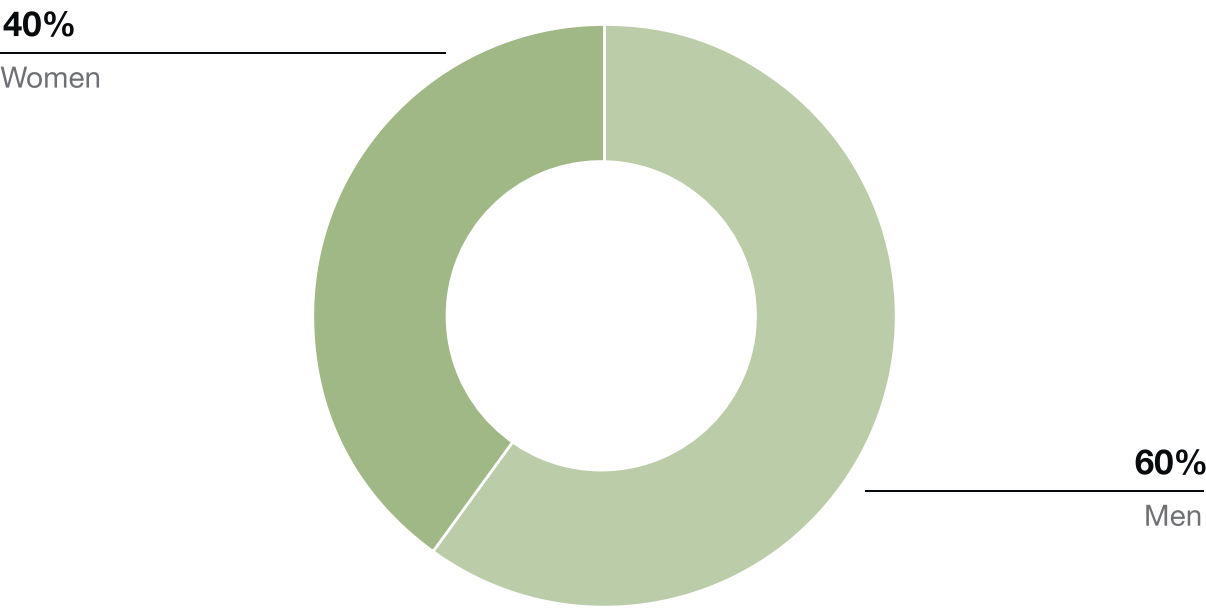
Board of Directors as of 31.12.2019

Mario Moretti Polegato	Not independent	Chairman, Executive director
Enrico Moretti Polegato	Not independent	Vice Chairman, Executive director
Matteo Carlo Maria Mascazzini³	Not independent	Chief Executive Officer, Executive director
Claudia Baggio	Not independent	Non-executive director
Alessandro Antonio Giusti	Not independent	Non-executive director
Livio Libralesso	Not independent	Non-executive director
Lara Livolsi	Independent	Non-executive director
Francesca Meneghel	Independent	Non-executive director
Alessandra Pavolini	Independent	Non-executive director
Ernesto Albanese	Independent	Non-executive director

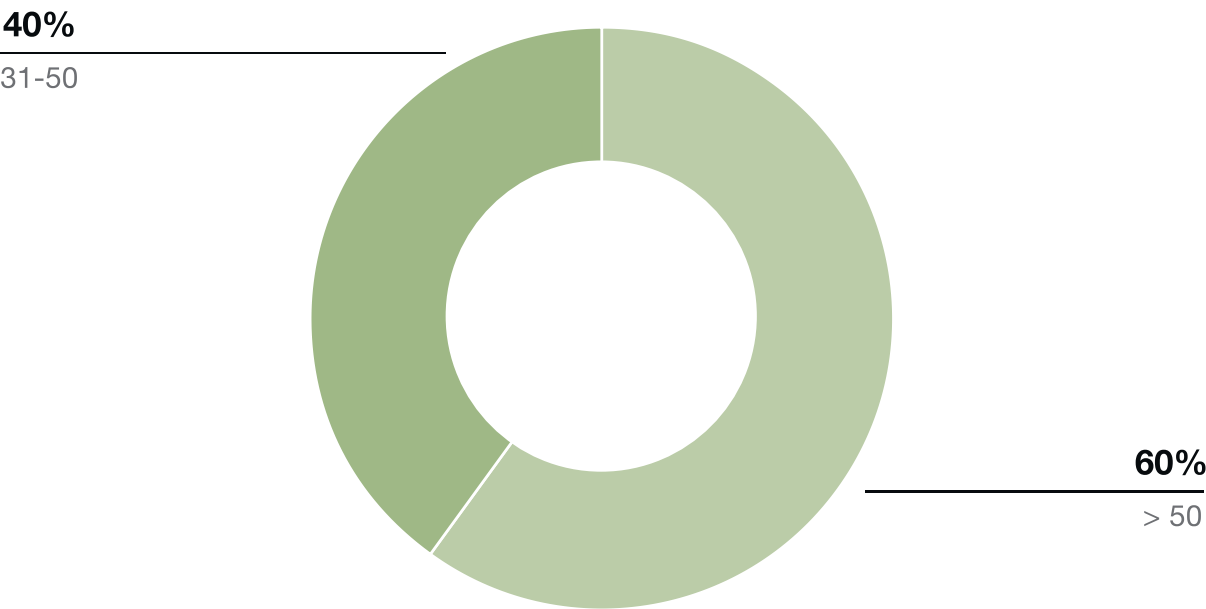
3. On 16 January 2020, the Board of Directors of Geox S.p.A. accepted the resignation of Matteo Carlo Maria Mascazzini as Chief Executive Officer, with immediate effect. On the same date, the Geox S.p.A. Board of Directors appointed director Livio Libralesso as Chief Executive Officer.



BoD composition by gender



BoD composition by age



The **Executive Committee** is made up of three members and has the powers for the ordinary and extraordinary running of the Company, with the exception of specific matters reserved for the Board of Directors.

Mario Moretti Polegato (Chair)

Enrico Moretti Polegato

Matteo Carlo Maria Mascazzini ⁴

The **Audit, Risk and Sustainability Committee** is made up of three members, and more specifically of three non-executive directors, the majority of whom are independent. The role of this committee is to support the assessments and decisions made by the Board of Directors regarding the Internal Audit and Risk Management System, in accordance with article 7.C.1 and 7.C.2 of the Corporate Governance Code. Following the resolution passed by the Board of Directors on 18 January 2018 and in accordance with the recommendations made by the Corporate Governance Code, this Committee has also been assigned the specific task of supervising issues regarding sustainability.

Francesca Meneghel (Chair) *

Alessandro Antonio Giusti

Ernesto Albanese *

* Independent Directors

The **Appointment and Remuneration Committee** is made up of three members, and more specifically of three non-executive directors, the majority of whom are independent. The role of this committee is to express its opinions and put forward proposals to the Board of Directors regarding the size and composition of the Board of Directors itself, as well as to regularly assess whether the remuneration policy for directors and executives with strategic responsibilities is appropriate and correctly applied.

Lara Livolsi (Chair) *

Alessandro Antonio Giusti

Alessandra Pavolini *

* Independent Directors

4. On 16 January 2020, the Board of Directors of Geox S.p.A. accepted the resignation of Matteo Carlo Maria Mascazzini as Chief Executive Officer, with immediate effect. On the same date, the Geox S.p.A. Board of Directors appointed director Livio Libralesso as Chief Executive Officer and member of the Executive Committee.



Geox Pontoise
SS2020

The **Board of Statutory Auditors** is made up of three standing auditors and two substitute auditors. The role of this Board is to ensure that the law and the Articles of Association are duly followed, that the principles of sound administration are respected, and that the Company has an adequate organisational structure, for those aspects falling under its responsibility, and an adequate internal audit system and administrative and accounting system in place. The Board of Statutory Auditors also checks the reliability of said administrative and accounting system to correctly represent operations. It is also the role of the Board of Statutory Auditors to ensure that the Company issues appropriate instructions to its controlled companies. The Board of Statutory Auditors must also oversee compliance with the provisions of Italian Legislative Decree no. 254/2016 and makes reference to this in its annual report to the Shareholders' Meeting. Statutory auditors are appointed, ensuring gender equality within the Board and the independence of each member, based on lists presented by the Shareholders.

Name	Role
Sonia Ferrero	Chair of the Board of Statutory Auditors
Francesco Gianni	Statutory Auditor
Fabrizio Colombo	Statutory Auditor
Giulia Massari	Substitute Statutory Auditor
Fabio Buttignon	Substitute Statutory Auditor

The **Supervisory Board** is made up of three members and is responsible for overseeing the application of control procedures provided for by the Organisational and Management Model pursuant to Italian Legislative Decree no. 231/2001, updated in 2018 and approved by the Board of Directors on 17 April 2018.

Name	Role
Marco Dell'Antonia **	Chair
Renato Alberini **	Member
Fabrizio Colombo	Member / Statutory Auditor

** Members not belonging to the Board of Directors/Board of Statutory Auditors

The **Ethics and Sustainable Development Committee** is made up of three members. The Company created an Ethics Committee, which was renamed the "Ethics and Sustainable Development Committee" in 2016. The aforementioned Committee is currently made up of Dott. Mario Moretti Polegato, Ing. Umberto Paolucci and Avv. Renato Alberini. The aim of this Committee is to guide and promote the company's commitment and ethical conduct.

Name	Role
Mario Moretti Polegato	Chair
Umberto Paolucci ***	Member
Renato Alberini ***	Member

*** Members not belonging to the Board of Directors

For further details on Corporate Governance, please refer to the Report on Corporate Governance and Ownership Set-Ups, available on the Company's website www.geox.biz.

The Geox diversity policy

In 2017, Geox adopted the **Diversity policy for members of administrative, management and supervisory bodies**, the aim of which is to guarantee the smooth functioning of company bodies by regulating their composition and making sure that their members meet the personal and professional requirements to grant the highest level of diversity and expertise possible. This Policy promotes corporate social responsibility insofar as inclusion, integration and non-discrimination, with the aim of appreciating diversity, can help to remove the economic and social obstacles that otherwise limit individual freedoms. This policy applies the principle of substantive equality and respects the dignity of individual people.

Diversity is seen as a strength as it allows an administrative or supervisory body to include a range of different values, points of view, skills and ideas. These differences aid and enrich debate and reduce the risk of non-differentiated collective thinking. Geox takes the following aspects of diversity into account with regard to the composition of its board of directors and supervisory board:

- gender diversity, meaning a balanced representation of men and women;
- professional diversity, meaning diversified contributions from different professionals. This guarantees the contribution of financial expertise, expertise regarding sectors that are relevant for the Company, international experience, leadership, risk management, and the planning and implementation of corporate strategies;
- geographical diversity, meaning the different places that the members of the board of directors and supervisory board come from. This allows for better knowledge of the specific characteristics of the different markets in which the Company operates.

The **Appointment and Remuneration Committee** ensures that Geox correctly complies with the Policy. In particular, this Committee has the task of:

- carrying out an annual assessment of the activities completed by the board of directors in order to identify any requirements in terms of the balance of skills and expertise, and the protection and enhancement of diversity;
- flagging up any critical issues that arise from the aforementioned assessment;
- expressing an opinion on the candidates for the role of director, specifying whether the lists comply with the aforementioned recommendations.

Candidates are selected by taking into consideration diversity in terms of gender, professional experience and place of origin.

For further details on Corporate Governance, please refer to the Report on Corporate Governance and Ownership Set-Ups, available on the Company's website www.geox.biz.

Internal Audit and Risk Management System

The Internal Audit and Risk Management System (hereinafter also “IA-RMS”) is a process put in place by the Board of Directors, the management team and other professionals working within the Geox corporate structure. This is made up of a collection of rules, procedures and organisational structures to allow for the identification, measurement, management and monitoring of the main risks. This process also helps the business to be run in a way that is coherent with the company’s goals and helps to safeguard company assets, the efficiency and effectiveness of business processes, the reliability, precision, trustworthiness and timeliness of financial information and compliance with laws and regulations, as well as with the articles of association and internal procedures.

Geox has adopted an **integrated company risk management model**, which involves the various governance bodies, each contributing their own area of expertise. The main objective is to ensure that the risks faced by the company are properly **identified, measured, managed and monitored**.

The integrated company risk management model takes into consideration all types of risk which may jeopardise strategic objectives being met, compromise the value of corporate assets, or of the brand, etc. The model is integrated into strategic decisions and significant decision-making processes. The risks identified may be in-house or outside of the Company. In particular, the latter may be linked to the industry and market environment, as well as to how all stakeholders perceive the work carried out by Geox.

Enterprise Risk Management

During 2019, in line with international best practices and in order to efficiently oversee the management of risks that may threaten the objectives of the Strategic Business Plan, the Audit, Risk and Sustainability Committee helped to launch a process to update the Company’s Enterprise Risk Management (hereinafter also “ERM”), aimed at encouraging a more structured approach to monitoring and assessing the risks faced by the Company.

In accordance with the provisions of the latest version of the Corporate Governance Code, issued by Borsa Italiana on 17 July 2018, the Company launched a specific process to identify the main risks it faces, also by assessing the current level of maturity of the risk management processes implemented by Geox Group.

This project involved four different stages, as described below:

- analysing the level of maturity of Risk Management processes compared with a reference holistic model, created based on leading market practices;
- creating a “Risk Model” to ensure the company’s risks are managed in a uniform way;
- completing a “Risk Self Assessment” with the aim of identifying and assessing the main risks faced by the company and the ways in which they are dealt with, based on the methodological approach of the ERM model. This involved analysing the main development factors of the 2019-2021 Strategic Business Plan and the associated risks and then analysing and assessing the relative “Top Risks”;
- drawing up a specific Action Plan with the aim of proposing how to develop the risk management process, based on “as is” status, risk assessment requirements and management’s expectations.

Non-financial risks

As part of the steps taken to adapt to specific regulations (e.g. Italian Legislative Decree no. 231/01), adopting a risk-based approach, the Group has identified specific risks and the relative control measures that refer to non-financial areas (regarding the environment, social issues, HR, respect for human rights and diversity, the fight against corruption), pursuant to Italian Legislative Decree no. 254/2016. These include: risks relating to active and passive corruption, environmental risks, human rights risks, etc.. During 2020, the non-financial risks identified and

the relative ways to manage them will be integrated, developing a structured approach to the management of Environmental, Social and Governance (ESG) risks.

For further information, please also refer to the subsequent sections of this document, which take a more detailed look at some of the more significant risks, such as those relating to workers' health and safety, the supply chain, customers' health and safety and product safety.

Financial reporting and key players in the IA-RMS

Since Italian Law no. 262/2005 came into force, the Company has implemented a number of procedures aimed at increasing the transparency of company information and making its internal audit system more efficient, especially in relation to financial information.

In accordance with the operating principles of the Internal Audit and Risk Management System for the financial reporting process, the Chief Executive Officer and the Financial Reporting manager prudently and scrupulously identify the main risks involved on an annual basis (so-called 'scoping' activities). The risk identification process involves identifying the Group companies and operating flows that are susceptible to material errors or fraud, with reference to the economic data included in the statutory financial statements of Geox S.p.A. and/or in the consolidated financial statements. Quantitative analysis and qualitative analysis are used to identify the companies and processes that are considered significant with reference to the financial reporting process. Risks are identified by classifying them based on the main risk sources which are periodically identified by the Director in Charge of the Internal Audit and Risk Management System. Audit activities mainly consist of the policies and procedures that guarantee to management that risk response measures are being implemented correctly. Audit activities are implemented throughout the company's organisation, at all hierarchical and functional levels. The audit activities are assessed by analysing whether they have been designed correctly and whether they are effectively and efficiently implemented over time. In relation to the financial reporting process, audit activities are assessed in two semi-annual sessions, with follow-up phases should any critical issues be identified.

To sum up, the key players in the Internal Audit and Risk Management System in relation to the financial reporting process are as follows:

- the Financial Reporting Manager pursuant

to art. 154-bis of the 'TUF' (Italian Consolidated Law on Financial Intermediation), who is responsible for defining and assessing the effective implementation of specific audit procedures that protect against the risks involved with the preparation of accounting documents;

- the Internal Audit department, which remains objective and independent and provides advice concerning the methods for checking the suitability and effective implementation of the audit procedures defined by the Financial Reporting Manager. As part of the broader assessment activities of the Internal Audit and Risk Management System, the Internal Audit department also flags up any significant facts/circumstances of which it becomes aware to the Audit, Risk and Sustainability Committee as well as to the Financial Reporting Manager should the issue in question refer to the financial reporting process;

- the Director in charge of supervising the Internal Audit and Risk Management System, being a key player in the initiatives to assess and manage company risks;

- the Audit, Risk and Sustainability Committee, which analyses the results of the audit activities regarding the Internal Audit and Risk Management System and regularly reports to the BoD on any action to be taken;

- the Supervisory Board pursuant to Italian Legislative Decree no. 231/01, which intervenes as part of its duties regarding the corporate offences provided for by Italian Legislative Decree no. 231/01, identifying risk scenarios and personally checking compliance with control measures. The Supervisory Board also monitors compliance with and implementation of the Group's Code of Ethics.

Some time ago, the Group adopted its own organisation, management and control model pursuant to Italian Legislative Decree no. 231/01 which it has constantly updated with new types of offences to be considered relevant for the purposes of Italian Legislative Decree no. 231/01, with the last update completed on 17 April 2018. In particular, financial reporting is overseen by specific audit activities regarding the company processes that contribute to the recording of financial statement values. These activities refer to both the more business-related departments (sales processes, purchasing, warehouse management, etc.) and the departments that support accounting management (processes to close the financial statements, IT system management, etc.). The aforementioned audit procedures are defined by the Financial Reporting Manager, who also regularly checks that they are being effectively implemented. The

results of the assessments carried out by the Financial Reporting Manager are reported in the certification referred to by paragraph 5 and paragraph 5-bis of art. 154-bis of the 'TUF'.

The Board of Directors of Geox S.p.A. also approved the "Global Compliance Program" in 2018, a document addressed to the Group's foreign companies. This is a governance tool aimed at strengthening the Company's ethical and professional commitment and preventing offences from being committed abroad (such as offences against the public administration, fraudulent accounting, money laundering, offences committed in violation of workplace health and safety regulations, environmental crimes), which may otherwise lead to criminal liability for the company and subsequent reputational risks.

The "Global Compliance Program" was drawn up in accordance with the main and most authoritative international regulations in this field (i.e. the main international conventions on combating corruption, UK Bribery Act 2010, Good Practice Guidance on Internal Controls, Ethics and Compliance 2010, etc.), also taking into account the Group's current organisational structure and the specific reference legislation applicable in the legal systems in which Group companies operate.

Lastly, it should be noted that, in compliance with Italian Law no. 179/2017 regarding *"Provisions to protect individuals who report offences or irregularities*

of which they become aware as part of their public or private work" (the so-called "Whistle-blowing Law"), the Company has implemented a suitable global Whistle-blowing system that is integrated at group level. The aim of this system is to verify and promptly manage any unlawful conduct and/or violations regarding suspicious behaviour and breaches of the Company's Code of Ethics.

The internal whistle-blowing process has been structured through a dedicated channel, run by a third-party specialist, which includes an online platform and a multilingual helpline able to ensure that the whistle-blower remains anonymous.

For further information regarding the Internal Audit and Risk Management System, please refer to the Report on Corporate Governance and Ownership Set-Ups pursuant to article 123-bis of the TUF, and to the Directors' Report included in the Geox Group Consolidated Financial Statements.



Geox Aerantis™
SS2020

Sustainability policies and commitments

In 2005, Geox Group implemented its own **Code of Ethics** to guide and promote the Group's commitment and ethical conduct in all its daily activities. This Code of Ethics contains the principles that all addressees must abide by, namely the company bodies and their members, employees, temporary workers, consultants, collaborators of any kind, agents, lawyers and anyone who comes into contact with the Geox company. The Code was last reviewed and updated in 2017 and was approved by the Board of Directors on 23 February 2018. To further strengthen this approach, and in relation to the fact that responsible supply chain supervision is of great importance to the Group, Geox adopted the **Suppliers' Code of Conduct** in 2014, the most recent version of which was also approved by the Board of Directors on 23 February 2018.

The Code of Ethics and the Suppliers' Code of Conduct are structured according to three main areas:

- **human capital:** in this regard, the Codes explicitly formalise the principles of protecting workers and human rights, such as the ban on under-age employment, forced labour and any form of employee discrimination. They state that it is strictly forbidden to resort to any practice which involves humiliation or debasement of individuals, such as mobbing, exploitation, abuse, intimidation, harassment or threats. They also guarantee workers' freedom of association and their right to join trade unions, order the payment of a minimum wage as defined by the law of the country of reference or by applicable collective bargaining agreements, and impose the respect of the maximum working hours permitted by law, including overtime. The Codes also require rules to be implemented to better protect minors, such as the ban on carrying out dangerous tasks and overtime;

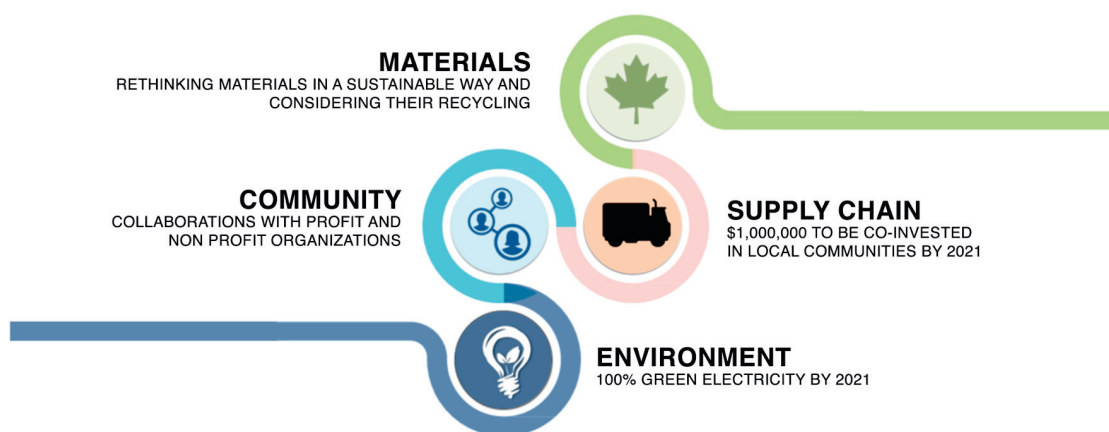
- **health, safety and the environment:** in this regard, the Codes require the definition of specific plans to protect employees' health and safety, emergency plans for fires and other disasters, first aid plans and measures to check the appropriateness of buildings, implementing work hours and procedures that do not compromise individuals' private lives or their ability to meet their basic needs. The Codes also state the need to respect applicable environmental legislation by promoting processes and activities that are safe

and respectful of the environment, using energy from renewable sources, implementing initiatives aimed at making structures more energy efficient, constructing environmentally sustainable buildings, assessing the environmental impact of all company processes and activities, working together with stakeholders to optimize the management of environmental issues, using logistics services with a low environmental impact, reducing the amount of waste produced and using responsible waste disposal procedures, and implementing suitable management and monitoring systems;

- **business conduct:** the Codes also regulate the Group's relations with the various stakeholders, including suppliers, sub-suppliers and subcontractors, customers, the financial market, competitors and the community. Said relations must be based on compliance with legal provisions and applicable regulations, including those relating to the confidentiality and protection of personal data, anti-money laundering, anti-corruption, antitrust, and management of privileged information. To ensure that stakeholders adhere to Geox's values, the Group requires all suppliers with whom it works continuously to sign both Codes.

The Code of Ethics and the Suppliers' Code of Conduct are adopted by all Group companies, with regard to the management and coordination activities carried out by the Parent Company. Please refer to the subsequent sections of this document for more information on the commitments, policies and approaches contained in the Code of Ethics.

In addition to the aforementioned Codes, Geox Group is also working towards achieving ISO 45001 certification at corporate level. Compliance with this standard ensures that requirements for Workplace Health and Safety Management Systems are met, allowing the organisation to control risks in this field and improve its performance.



The sustainability of the business is one of Geox's main development guidelines, as indicated in the **2019-2021 Strategic Business Plan**⁵, involving a number of responsible initiatives regarding products, processes, communications and charity work. In particular, four macro areas have been identified: **environment, materials, supply chain and community**.

With regard to the **environment**, the goal has been set to use 100% green energy by 2021 also by increasing the use of solar panels. A number of initiatives involving customers have also been planned, such as "Walk for the Environment", aimed at encouraging consumers to walk with Geox shoes, thereby helping to reduce their environmental impact.

Another focus is on the environmental impact of the **materials** used. In this context, Life Cycle Assessment studies and certifications (FSC, etc.) play a particularly important role. With regard to materials, various recycling and/or material recovery initiatives and programmes will also be implemented, also through partnerships and capsule collections. In particular, recycled materials will be studied for uppers, soles, linings and paddings, with the aim of transforming waste into a secondary raw material, thereby avoiding the need to use materials of animal origin. In this regard, 2019 saw: **NEBULA™** and **AERANTIS™** footwear lines featuring an upper made from fibres taken from recycled polyester; and, shoes in the **Geox for WWF** collection, distributed during the 2019 autumn-winter season, featuring recycled cotton fibre and leather from audited and certified LWG suppliers ("Leather Working Group"), with the soles being made from 20% recycled rubber. The boxes for these shoes are made from FSC-certified cardboard, as is the hang tag, the tissue paper used in the packaging is made from pure cellulose and 100% recycled paper is used for the stuffing inside the shoes. With regard to apparel, environmentally friendly padding has been designed for Geox's range of outerwear: **E-WARM** is a padding made with recycled polyester wadding and **X-DOWN** is a

padding made with recycled down. Both will be available in the 2020 collections.

With regard to **supplier relations**, Geox Group will give a new impulse to the supplier pre-selection and audit process in accordance with social and environmental criteria, providing the supply chain with ad hoc training to improve social-environmental performance. The aim of this is to develop side-by-side, in turn helping Geox suppliers to become a "driver" for social and economic development in their local area. More specifically, in 2019, a structured programme was introduced to monitor the corrective actions defined by the social-ethical audits carried out, involving training being provided to 65 people, in the form of nine **e-Learning courses** and 441 training modules.

Lastly, with regard to the **community**, partnerships will be launched with non-profit organisations in order to support social initiatives to help the community. In particular, during the reporting period, Geox Group entered into a partnership with **WAMI** for a joint social responsibility project. This partnership has allowed Geox, through the simple everyday act of drinking water, to help less fortunate people who live in some of the world's poorest areas. It's incredibly difficult for these people to get access to a resource as vital as drinking water, and this partnership means Geox can help to improve their health, the availability of food, education and their local economy. Furthermore, as part of its partnership with **WWF**, € 2 from every pair of shoes sold will go towards the conservation of endangered species across the world.

5. The 2019-2021 Strategic Business Plan was approved by the Geox S.p.A. Board of Directors on 13 November 2018.

Business integrity and anti-corruption measures

Geox is actively committed to preventing and combating corruption through control measures that form an integral part of the Internal Audit and Risk Management System and the Group's corporate governance framework. Legality, honesty, integrity, correctness and transparency are some of the general principles expressed in the Group's Code of Ethics, inspiring how company activities are run.

Up until 2017, Geox Group's approach to preventing and combating corruption was based on the implementation of three main tools: i) the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (which includes the Group's Code of Ethics); ii) the guidelines for the management of conflicts of interest; and iii) staff training. In order to strengthen its commitment to preventing and combating corruption, Geox introduced an additional ad hoc document in 2018, defining specific principles and guidelines also for the Group's foreign companies: the "Global Compliance Program", which was approved by the Geox S.p.A. Board of Directors on 13 November 2018. As a further example of its commitment in this regard, Geox also drew up an Anti-Corruption Policy in 2018.

In 2019, Geox took further concrete action in this field by taking the necessary steps to obtain ISO 37001 certification (Anti-bribery management systems).

More specifically, the company's significant processes/activities are currently being assessed, in order to identify any gaps compared with the requirements of the standard, in order for certification to be awarded.

These actions have involved and shall continue to involve, inter alia, appropriate inspections of direct and indirect suppliers aimed at identifying and attributing a risk rating based on one of three risk indicators: low, medium or high.

A due diligence will also be carried out into employees, directors, statutory auditors and third parties (e.g. suppliers, franchisees, distributors, etc.) aimed at assessing the risk of corruption. In order to ensure that people are well aware of anti-corruption measures, Geox Group shall also provide compulsory, ad hoc training for the various business divisions.

The ISO 37001 certification process is expected to be completed by the end of 2020.

The first measure to mitigate the risk of corruption, with regard to both the public administration and private individuals, is represented by the **Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001** (hereafter "Model 231"), adopted with reference to specific documents by the Italian companies belonging to Geox Group in order to ensure, as far as possible, that the crimes provided for by said Decree are prevented.

One of the main tools used to implement the Organisational Model and the Internal Audit and Risk Management System is the **Code of Ethics**. Geox uses the Group's Code of Ethics to formalise its commitment to **combating all forms of corruption in all the countries in which it operates**. For this reason, within the sphere of relations with third parties, whether public or private, individuals working with Geox Group are expected to abstain from offering, even indirectly, money or other benefits to the subjects involved, their family members or persons connected to them in any way, and they must not seek or establish relations with the aim of directly or indirectly influencing choices and activities. It should also be noted that all those operating in the name and on behalf of Geox Group are forbidden from receiving gifts or favourable treatment, unless they fall within the limits of normal business courtesy and have a modest value, even in those countries where it is customary to offer high value gifts.

A **Supervisory Board** is responsible for overseeing the suitability of the Model 231, and for making sure that it is followed and that it functions correctly. With the support of the Group's Internal Audit department, this Board constantly checks compliance with the control measures provided for by the Model in relation to the potential crimes that the Company is exposed to. The Supervisory Board is also responsible for monitoring whether the Group's Code of Ethics is respected and correctly applied, as well as receiving any information requests and/or notifications of breaches of the Model 231 or of the Code of Ethics.

The "**Global Compliance Program**" is a governance tool aimed at strengthening the Group's ethical and professional commitment and preventing offences from

being committed abroad, including also the offence of corruption. In fact, for Geox, preventing corruption is more than a legal obligation - it is also, and above all, one of the key principles that underpins how the Group operates.

Based on these principles, during 2018, Geox defined its **Anti-Corruption Policy**, organically integrating the existing rules on preventing and combating corruption. The aim of this policy is to further raise awareness of the rules and conduct that must be respected, and is the result of a targeted risk assessment process together with legal recognition of corruption offences in the countries in which the Group operates. The areas that are theoretically at risk of corruption were identified - such as relations with the Public Administration, with suppliers and with external consultants, the management of donations, sponsorships, gifts and presents - and controls were introduced to mitigate the risk of corruption in said areas, identified as being particularly susceptible.

In order to monitor and prevent the risk of corruption, Geox Group has also adopted specific procedures and control measures, including a system to delegate authority and powers of attorney, which the Supervisory Body may also inspect. This set of procedures includes the particularly important **Guidelines for the management of conflicts of interest**, aimed at promptly managing any potential situations of conflict between the personal interests of any individual with whom Geox comes into contact as part of its activities, and the interests of the Company. In particular, this document requires that the conduct of said individuals must protect and promote the best interests of the Group and they should behave with the utmost honesty when managing relations with both Group employees and third parties. In this context, there is also the requirement for any situation presenting even only a potential conflict of interest to be promptly flagged up to the Head of Internal Audit, the Head of Legal and Corporate Affairs and the Head of Human Resources, Organisation & Corporate Services.

Geox's commitment to preventing and combating corruption can also be seen through its work to identify specific **training courses** aimed at raising awareness among the Group's members of staff. In fact, training is an important way to make employees more aware and to develop their ability to recognise and manage any suspected cases of corruption.

The Code of Ethics and the Model 231 provide for the possibility to report any situation of potential conflict with the principles of business integrity and corruption through the channels and methods set forth by the operating procedures published on the Company's website www.geox.biz.

In addition to these reporting channels, Geox also began implementing a global **whistle-blowing system**

in 2018 that is integrated at Group level. The aim of this system is to promptly and scrupulously manage any unlawful conduct and/or violations regarding suspicious behaviour and breaches of the Group's Code of Ethics.

The Code represents a cornerstone of the whistle-blowing system, but this must be read and interpreted together with the other documents that are considered of fundamental importance for the development and circulation of Geox's core values, i.e.: the Organisation, Management and Control Model, the Suppliers' Code of Conduct and all policies, procedures, guidelines and, more in general, legislation applicable to the Company.

In accordance also with recent Italian legislation in this regard, the internal whistle-blowing process has been structured using a dedicated channel, run by a third-party specialist, which includes an online platform and a multilingual helpline.

Reports can be made anonymously or the person in question may indicate their details. In any case, the confidentiality of the person making the report will be guaranteed as will the confidentiality of any information received.

All reports are received and managed by the Group's Internal Audit department, which then assesses and examines their legitimacy together with the Geox S.p.A. Whistle-blowing Committee. This Committee is specifically appointed for this purpose and is made up of the Head of Internal Audit, the General Counsel and the Head of HR.

Geox Group pays a great deal of attention towards the individuals involved in this process, which is why any form of retaliation against those making reports, or referred to by reports, is not tolerated in any way. For this reason, as a further protection measure, an ad hoc "Non-Retaliation Policy" has also been drawn up.

Further, detailed information can be found on the Company's website www.geox.biz.

Please note that no reports were received through any of the available channels during the reporting period. Please also note that, between 2017 and 2019, no cases of corruption were recorded within the Group.

**IN 2019, GEOX JOINED THE
FASHION PACT, UNDERTAKING
TO COMBAT CLIMATE
CHANGE THROUGH A MORE
SUSTAINABLE MANAGEMENT OF
THE PRODUCTION PROCESS**



#GEOXSUSTAINABILITY

GEOX was born from an inspiration to develop patents and products to improve personal well-being. This purpose led GEOX to sustainable innovation: one of the key values of our new company philosophy.



TOGETHER,
TAKING A STEP
FOR WILDLIFE

GEOX
RESPIRA

Geox is supporting WWF's efforts through a new collection of shoes made with sustainable materials.



TOGETHER,
TAKING
A STEP FOR
WILDLIFE



The roadmap towards sustainability

Geox launched its roadmap towards sustainability and innovation many years ago, involving different areas of the company: materials, products, environment and supply chain.

In order to ensure that sustainability issues were managed properly, Geox established an Ethics Committee on 9 December 2005, which was subsequently renamed in 2016, becoming the **Ethics and Sustainable Development Committee**. The role of this committee is to manage and promote the Group's commitment to running the business based on principles of professional ethics and integrity.

With regard to sustainability management, the **Audit, Risk and Sustainability Committee** also plays an important role, as it has been tasked with overseeing the sustainability issues linked with company activities, as per the resolution passed by the Board of Directors on 18 January 2018. This committee is also responsible for analysing and assessing the present Non-Financial Consolidated Statement before it is submitted to the Board of Directors for approval.

The Head of the Group's **Internal Audit** department has been put in charge of overseeing and ensuring that the Non-Financial Consolidated Statement is drawn up in accordance with the legislation regarding non-financial information (Italian Legislative Decree no. 254/2016).

The Internal Audit department manages and coordinates the areas of Corporate Social Responsibility, together with the other Group structures involved, for whatever reason, in the various activities.

In 2018, Geox Group formalised its non-financial reporting process in an ad hoc procedure, identifying the company structures involved and the activities carried out in order to draw up the Non-Financial Consolidated Statement, including the checks into the data and qualitative information collected for this purpose.

Furthermore, training was provided in January 2019 to raise awareness among the various company employees involved in the non-financial reporting process, regarding the importance of CSR issues and the accuracy of the data and information contained in the statement. In particular, training was provided with reference to Corporate Social Responsibility issues and on the GRI Standards (the guidelines adopted by the Group to report on its social-environmental performance).

As further confirmation of Geox's focus on sustainability, in 2019, the Group decided to join the **Fashion Pact**. This pact is a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury), including their suppliers and distributors, all committed to a common core of key environmental goals in three areas: stopping global warming, restoring biodiversity and protecting the oceans.

This coalition is currently made up of 56 signatories, representing a total of 250 brands.

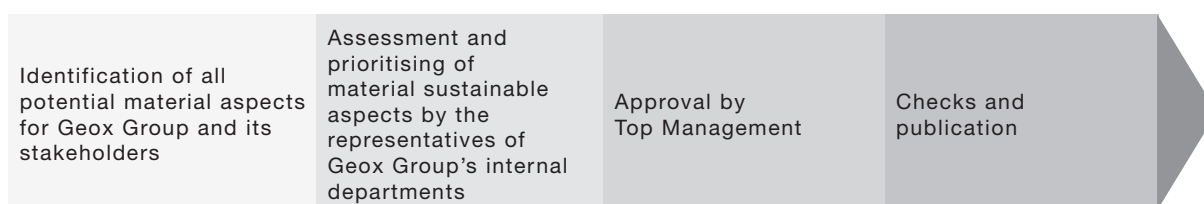
Geox's sustainability priorities

In 2017, Geox launched a process of materiality analysis in order to identify the most significant non-financial issues for the Group and its stakeholders. The purpose of this was to be able to understand the issues that require particular attention and a constant focus, as well as to be able to define the contents of the present document in line with GRI Standards.

This process was used to define a materiality matrix which identifies the issues that are most likely to have an economic, social and environmental impact, and which

represent priorities in terms of social and environmental management and reporting as they have an influence over stakeholders' expectations, decisions, judgement and actions.

This analysis was coordinated by the Internal Audit department with the support of a specialist company, using a structured assessment process involving the members of the Group's management team responsible for potentially significant non-financial issues. The materiality analysis involved four different stages:



During the **identification phase**, potential material issues were selected by analysing various sources. The main sources used were:

- the GRI Standards (guidelines for sustainability reporting), and the provisions of Non-Financial Information legislation (Italian Legislative Decree no. 254/2016 which implements EU Directive 2014/95/EU, guidance for the communication of non-financial information provided by the European Commission);
- company documents such as the Code of Ethics, the Suppliers' Code of Conduct and the public commitments undertaken;
- international multi-stakeholder standards/initiatives, such as the Global Compact;
- external documents, such as the change analysis report by a number of organisations including

the World Economic Forum, the Sustainability manifesto for Italian fashion, international reports and studies on sustainability topics and trends in the fashion industry, evaluation questionnaires by rating agencies for admission to responsible investment indexes;

- benchmarking analysis carried out on the main competitors;
- media research activities.

During the **assessment and prioritization** phase, representatives from company departments verified, analysed and gave importance and priority to every single issue. In order to complete Geox Group's first materiality analysis, these representatives, providing a global vision of Geox Group's processes and activities, assessed each issue from the point of view of both the company and the stakeholders. All aspects were assessed, from both of these points of view, on the

basis of a range of criteria: alignment with the company strategy, economic and environmental impact, risks and impacts on company reputation, coherence with company policies, commitments undertaken and the Code of Ethics.

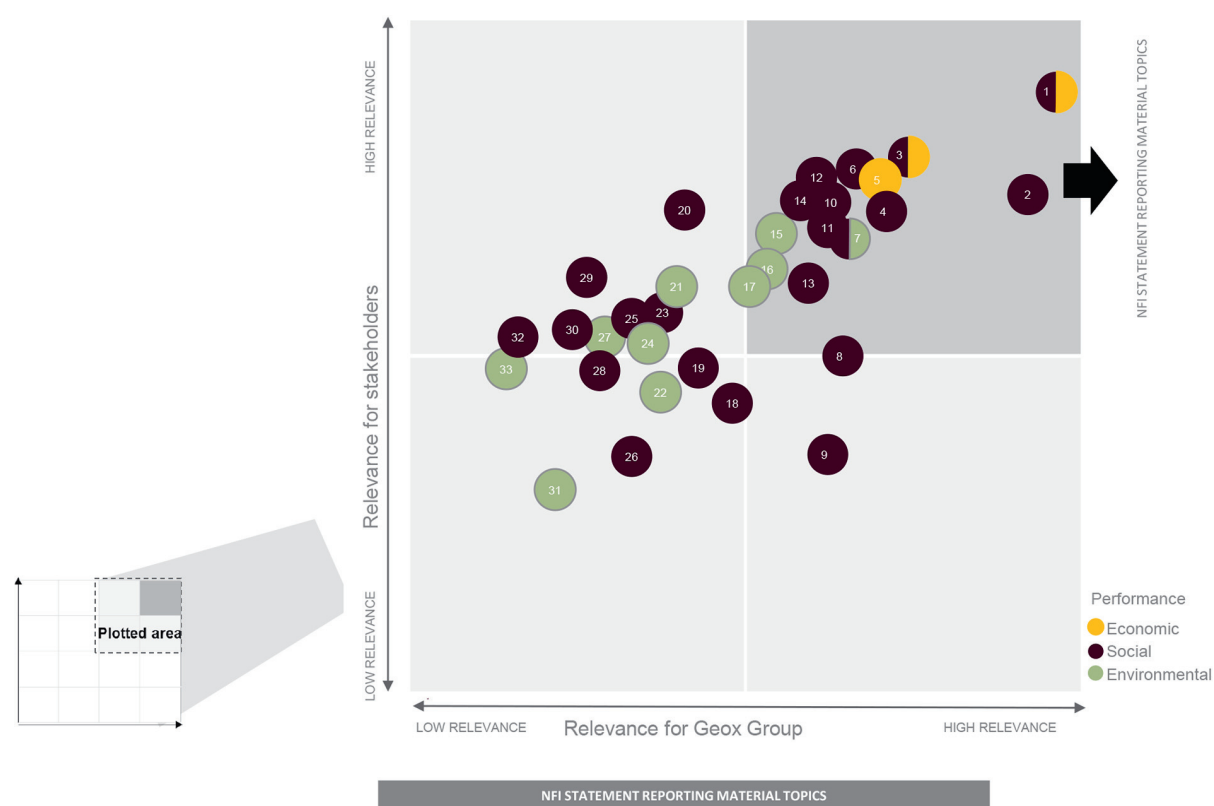
In 2018, the Group launched an initiative to directly gather the main stakeholders' opinions on the relevance of the various sustainability issues. For further information, please refer to the "Stakeholder engagement" section.

During 2019, the Internal Audit department - appointed to manage sustainability issues and oversee the non-financial reporting process - coordinated and liaised with the other company departments on an ongoing basis and found that no priorities had emerged that would otherwise require the materiality analysis to be updated. In consideration of the above, during 2020, the Group will continue with its approach, the results of which will allow it to identify any priorities in terms of sustainability.

This process of analysis and assessment flagged up 33 issues, 16 of which are considered to have the greatest significance. These issues were presented in a materiality matrix, identifying three pre-conditions that form the basis of the sustainability model:

- creating sustainable economic value over time;
- adopting an efficient and transparent governance system to support the business;
- a constant focus on compliance with applicable legislation and regulations.

This matrix was validated by top management and presented to the Audit, Risk and Sustainability Committee.



The table below presents the most significant issues for Geox Group and its stakeholders, which are reported on in this Statement. With reference to the other issues included in the matrix, the present Statement also provides brief descriptions of the

approaches adopted by the Group, in consideration of their level of significance and social value.

1	Focus on technology and product innovation
2	Combating corruption
3	Product quality and safety
4	Data security and protection
5	Protecting and strengthening brand reputation
6	Protecting workers' health and safety
7	Selecting and supervising suppliers/third party companies regarding their ability to protect and deal with human rights, workers' health and safety and correct environmental management
8	Fight against counterfeiting
9	Creating and protecting employment
10	Respecting human rights and workers' rights
11	Building stable commercial relationships and equal pay for suppliers
12	Involving, listening to and satisfying customers and providing an excellent service
13	Involvement and dialogue with suppliers, transfer of competencies and supplier training
14	Traceability, product information and labelling
15	Reducing energy consumption and greenhouse gas emissions
16	Reducing the amount of waste produced and using responsible disposal procedures
17	Eco-design of stores
18	Using and valorising local suppliers
19	Remuneration, incentive schemes and benefits
20	Well-being and work-life balance
21	Responsible procurement and use of materials (using recycled paper or paper from responsibly-managed forests)
22	Focus on the product life cycle
23	Helping the community to develop
24	Animal welfare
25	Clear, transparent and effective internal communications
26	Protecting and valorising craftsmanship
27	Sustainable products and processes
28	Attracting and developing talent
29	Satisfying employees
30	Skills training and development
31	Reducing water consumption and monitoring waste water
32	Diversity, equal opportunities and inclusion
33	Promoting sustainable consumption, changes to consumption habits and consumer education

(the issues that matter most to Geox Group and its stakeholders, which will therefore be reported on, are highlighted in green)

Stakeholder engagement

Geox Group's responsible approach to its social setting can be seen through the relationship it has with its stakeholders, a relationship based on constant dialogue and active involvement. The Group pays a lot of attention to its relationship with stakeholders, both inside and outside the company, endeavouring to understand their different points of view, their expectations and their needs in order to adapt its service model accordingly. This can be seen in the company's proactive approach to the many stakeholders with whom it interacts on a daily basis through the various points of contact.

In fact, Geox Group is fully aware that these moments of dialogue and involvement, representing opportunities for mutual growth and development, are essential in order to create value in the long term.

For Geox, promoting awareness of and compliance with the Code of Ethics and the principles of sustainability within the company represents a fundamental corporate governance initiative, as does the promotion of specific training and communication activities aimed at circulating the principles stated by the Code of Ethics and ensuring they are respected on a day-to-day basis.

This commitment also extends to external stakeholders, with training and awareness-raising initiatives. In accordance with the strategic business plan presented to the financial community in November 2018, Geox will continue to monitor its stakeholders with a view to ensuring constant dialogue and attention towards sustainability issues. In this context, Geox Group updated its stakeholder map, based on its own analysis and benchmarks, in order to take into consideration all the natural and legal persons who are

most influenced by company activities.

During the first three years of preparing the Non-Financial Consolidated Statement, a list of the Group's main stakeholders was identified. An initiative was also launched to allow the Group to directly gather the main stakeholders' opinions on the relevance of the various sustainability issues. In particular, the Group identified a number of dedicated communication channels, such as market analysis with reference to consumers and internal communication initiatives.

The industry benchmark analysis was updated during approval of the 2019-2021 Strategic Business Plan, and an internal assessment was also carried out to define the priority areas for Geox Group, also in terms of sustainability. At the same time, the Group has also continued taking steps towards fighting corruption: in fact, it is in the process of obtaining ISO 37001 certification.

In order to consolidate the aforementioned approach, the Group will plan and implement various engagement initiatives for its stakeholders (e.g. employees, customers, suppliers, etc.), by planning and carrying out workshops and/or surveys to gather their opinions on the most relevant material topics. Geox Group bases its approach on leading market practices which involve regularly updating stakeholder engagement activities.

Please find below a summary of the main channels and tools used to interact with the main stakeholders identified:

People

- Ongoing dialogue and feedback with the HR, Organisation & Corporate Services management team
- Geox Labs
- General analysis of resource requirements and training needs
- Development of a structured training system (Geox Learning System)
- Regular 'Performance & Behaviour Evaluation' meetings to discuss professional growth paths, set targets and assess personal performance
- Company welfare initiatives
- Company intranet
- Internal newsletter

Trade unions, employee representatives

- Regular meetings with trade union representatives

End customers and wholesale clients

- Interaction with sales staff in stores and online
- Benefeet loyalty scheme
- Customer service department
- Company website, social media, e-mails, post and dedicated freephone number
- Informative newsletters

Suppliers, laboratories and business partners

- Continuous dialogue and sharing good practices and expertise
- "Geox Procurement" portal
- Seasonal visits and sharing the results of social audits (co-evolution programme)
- Supplier assessment and ranking
- Sustainability analysis of materials and co-planning of multi-functional innovation workshops to identify the best technological solutions

Investors and analysts

- Shareholders' Meeting
- Conference Calls
- Daily dialogue
- Company website
- Seminars, meetings and industry conferences

Media

- Interviews with top management
- Press conferences
- Events
- Company website

- Dedicated appointments

Authorities and Institutions (local authorities, public administration, regulators, trade associations)

- Meetings with representatives from local institutions, both public and private

Community and Future Generations (local communities and NGOs, schools and universities)

- Meetings with representatives from local associations and non-profit organisations
- Supporting social initiatives ("Live without Barriers")
- Relations with academia and schools
- Company visits

Geox Group endorses and takes part in many **round tables and organisations at both national and international level**. The Group takes part in the following organisations/associations:

- *Confindustria*: the main association representing manufacturing and service companies in Italy, whose aim is to represent companies and their values before institutions at all levels in order to contribute to social well-being and progress. Geox's Chairman is a member of the Advisory Board of this association.

- *Assocalzaturifici*: national association representing industrial shoemakers in Italy, acting as an ambassador for the excellence of Italian footwear.

- *Assindustria Venetocentro*: an association that represents industrial companies, formed by the merger between Confindustria Padova and Unindustria Treviso.

- *University Cardenal Herrera*: a private university in Valencia forming part of the CEU Foundation, where Geox's Chairman is a member of the "Global University of the Future Advisory Board".

- *European Patent Office*: part of the European Patent Organisation, this office is responsible for issuing European patents.

- *Aspen Institute*: international non-profit organisation, established in 1950. One of its goals is to encourage enlightened leadership, ideas and timeless values, and discussion on modern-day problems.

- *World Economic Forum*: non-profit foundation established in 1971 thanks to the initiative of the economist and academic Klaus Schwab. This foundation regularly organises meetings between leading international experts in politics and economics, intellectuals and selected journalists in order to discuss the most urgent issues faced by the world today, also with reference to sustainability.





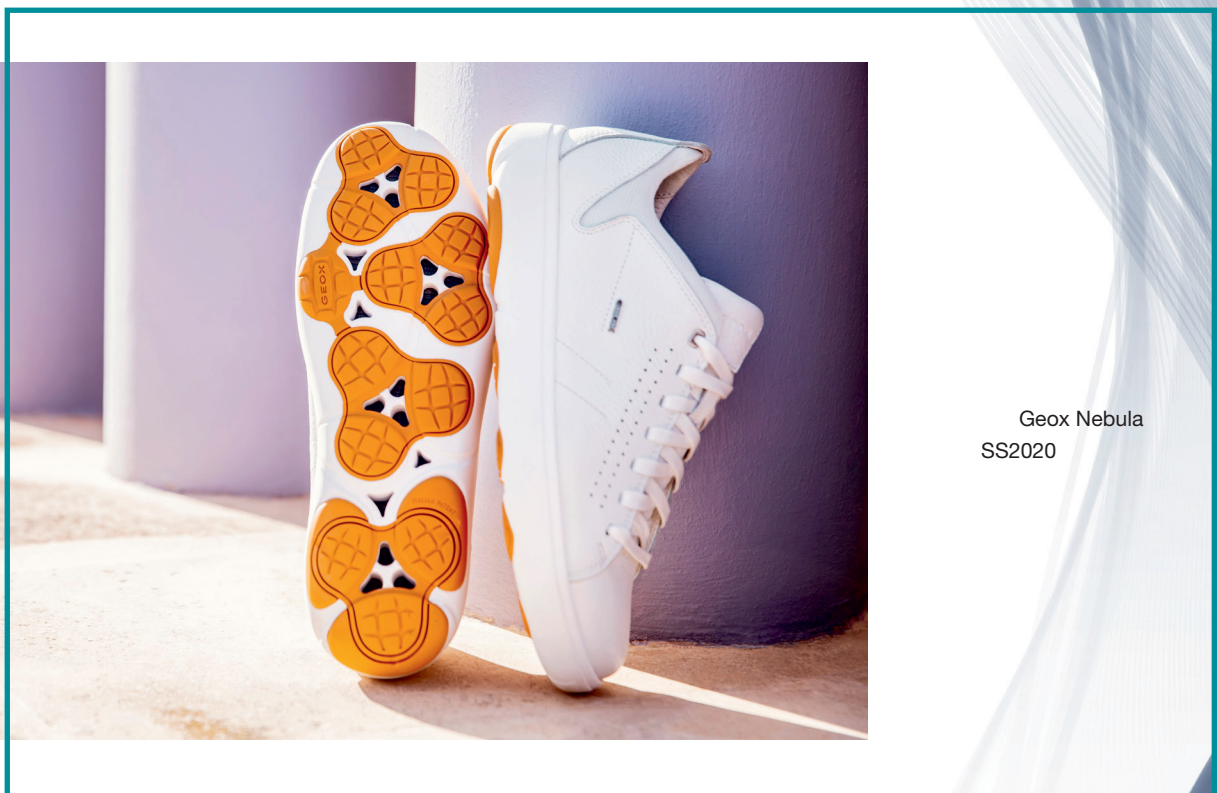
Products

IN 2019: 40 PATENTS AND 25 PATENT APPLICATIONS

- Investments in chemical-physical tests: over \$ 2.3 million.
- **100%** of finished footwear products for adults and children passed chemical safety tests, in compliance with legal requirements.
- “**GEOX PLAYKIX™**” smartphone app developed, which children can use to interact with their shoes, thanks to a device inserted in the heel of the footwear.
- **XLED™ JACKET**, a “WEARABLE TECHNOLOGY by GEOX” solution applied to outerwear, allowing customers to safely get around the city by bike, kick scooter or on foot.
- Outerwear featuring a **WATERLESS** membrane (dyed without using water).
- New polo shirt made from **GOTS-certified organic cotton**.
- New AERANTIS™ collection “down” made from thermo-adaptive wadding produced with feathers recycled from post-consumer “waste” padding, in accordance with **GRS** standards.

Focus on technology and product innovation

Geox's mission is to develop **technology that breathes**, improving the daily lives of its customers through innovative products that guarantee breathability. The company constantly invests in innovation, research and development in order to continuously improve its products and achieve high standards of quality: innovative shoes and jackets able to provide maximum breathability, comfort and performance at the same time as offering modern Italian style. For Geox, innovation not only represents a fundamental aspect of its business strategy, but also underpins the Group's Code of Ethics. In fact, this document promotes an approach that is based on constantly developing innovative ideas through study and experimentation, which must be oriented towards continuously improving performance in terms of sustainability and product excellence.



Geox Nebula
SS2020

Geox wants to achieve **responsible innovation**, ensuring that the innovative solutions of today don't create problems for tomorrow. In particular, when designing new solutions to cater for the requirements of end consumers, research and innovation activities are focused on creating products that not only meet the required standards of quality, but also comply with new product and process development paths, which often merge together. The goal is to guarantee technological improvements and progress and an excellent level of service, generating not just economic benefits but also a positive impact on the environment (e.g. greater project sustainability in relation to carbon footprint⁶ and water footprint⁷) and society too.

Research, continually coming up with new ideas and implementing innovative solutions play a significant role in the Group's strategy. This is because product innovation is key in order to consolidate Geox's competitive advantage. As proof of this, Geox's technological innovations are protected by 40 patents and 25 patent applications. In particular, six patent applications for inventions were filed in 2019.

Over recent years, new application solutions have been developed for footwear, characterised by a high level of flexibility, breathability, lightness and cushioning. The innovative project strategy supports the product departments, updating materials and processes for the old and new technologies belonging to Geox.

The high level of innovative technology used can be seen in the NEBULA™ range, a shoe that boasts 3D breathability thanks to the combined effect of the Net Breathing System and the Inner Breathing System, as well as the 3D Performance Unit system used for the sole. Today, the NEBULA™ product platform continues to grow, further developing the concept of comfort, lightness, stability and grip - the key characteristics that make this footwear so comfortable and easy to use, like no other shoe before it.

The NEBULA™ range now includes a number of new projects: NEXSIDE™ (benefiting from the side transpiration system), AERANTIS™, which exploits the dynamic ventilation concept (launched in 2019) and LEVITA™ technology that allows for greater cushioning and better air circulation (available from the 2020 Spring-Summer season).

The technological innovations used for the AMPHIBIOX™ range are another example: a breathable yet waterproof membrane is also present in the upper part of the shoe, making it water resistant and breathable all over.

Considering the important role played by innovation within the Group, starting from 1 September 2019, Geox reorganised its innovation activities in line with the strategy presented in the 2019-2021 Business Plan: **Footwear Innovation** is now part of the Footwear Management division, **Apparel Innovation** is now part of the Apparel Management division and, in order to ensure that technological innovations are included in the collection in compliance with the Merchandising Footwear (FTW) and Ready-to-wear (RTW) schedule, the **Research & Development** team is now also part of the Footwear Management division, providing support also to the Apparel Management division. The aforementioned teams work together with the heads of the various business units based on an annual innovation schedule, put forward by the **Merchandising** department.

Periodic meetings are held between those involved with innovation activities in order to discuss market requirements, the time frames needed to satisfy them and the definition of price levels. Following coordination meetings between these departments, a presentation meeting is organised with the Chairman and/or CEO, and subsequently, before the beginning of each season, with the Marketing department and Retail and Wholesale department, in order to define the implementation plan. For each season, the Merchandising department also provides a merchandising plan which lists both the new and ongoing lines, as well as the main focus points for development. In order to meet retail requirements, a "Fast Lane" process has also been developed, with the aim of reducing the amount of time that passes between coming up with the creative idea and the product being launched on the market (in-store delivery), thereby ensuring an efficient response, especially for Geox's most popular products on the market.

The **Research & Development** team supports the Footwear Innovation department and Apparel Innovation department in defining the innovation guidelines included in the 2019-2021 Strategic Business Plan, by researching advanced technological solutions that can be applied to footwear and apparel products and accessories. This team's objective is to ensure:

- the continuous development and implementation of breathability systems (Respira™) in all their product applications. In particular, researching, selecting and characterising waterproof and breathable membranes for possible applications (e.g. sole, upper, outerwear) and defining procedures to inspect their compliance, carrying out acceptance controls;
- research and validation of new technologies

6. Carbon footprint: indicator of greenhouse gas emissions directly or indirectly attributable to the organisation, expressed in CO₂ equivalent.

7. Water footprint: indicator of how much fresh water the organisation consumes, expressed in terms of water volumes consumed and contaminated per unit of time.

and new materials applicable to both footwear and apparel products, objectively identifying levels of performance in terms of breathability, well-being and comfort, thermoregulation, ergonomics and sustainability, checking technical compatibility with the Geox sole and outerwear system;

- that Geox maintains its technical expertise by working with the Product department, Technical Department and Production/Sourcing department to define the standards, specifications and procedures required to develop and control products and processes;

- support for the work carried out by the Footwear Innovation, Apparel Innovation, Product, Technical, Production/Sourcing and Marketing departments, applying the know-how and skills of the company's laboratory for the physical tests regarding research into materials for footwear, apparel and accessories, conformity tests for the most innovative projects and breathability tests for footwear (e.g. Amphibiox™, WaterFriendly, Lights, Nebula™, Aerantis™, XLED™, Levita™ and Nexside™);

- support for the definition of assembly and sealing structures and procedures for the footwear sole-membrane system, working with the Soles and Moulds department, Technical department and Production department and checking implementation in the manufacturing process, by visiting the Group's suppliers and production plants and through laboratory assessments;

- support for the Product, Footwear Innovation and Apparel Innovation departments to identify the state of the art relating to new products for their patentability or freedom of execution;

- collaboration with the Legal and Corporate Affairs department, and in particular with the Intellectual Property team, to draw up, review and obtain patents and defend Geox's industrial and intellectual property.



**RESEARCH INTO
TECHNOLOGIES THAT CAN BE
APPLIED TO THE SOLE AND
TO OUTERWEAR, BASED ON
THE CHARACTERISTICS OF
BREATHABILITY,
WELL-BEING AND COMFORT,
THERMOREGULATION,
ERGONOMICS AND
SUSTAINABILITY**

The **Footwear Innovation** and **Apparel Innovation** departments work on specific, highly innovative projects (Engineering and Industrial manufacturing), in line with the objectives of the 2019-2021 Strategic Business Plan and based on consumer-centric design. By researching advanced technological solutions that can be applied to footwear and apparel products and accessories, the role of these teams is to continuously improve products and processes in order to satisfy the explicit needs of the business units (men's, women's and children's footwear and apparel) and anticipate the latest needs of the company or the market, through new solutions and technologies which may be patentable.

With regard to **footwear**, for the 2020 Autumn-Winter collection (hereafter "A/W"), the "zero shock pads" system has been applied and tested, which absorbs any impacts and stress from the ground and ensures greater comfort thanks to a system of shock pads built into the sole.

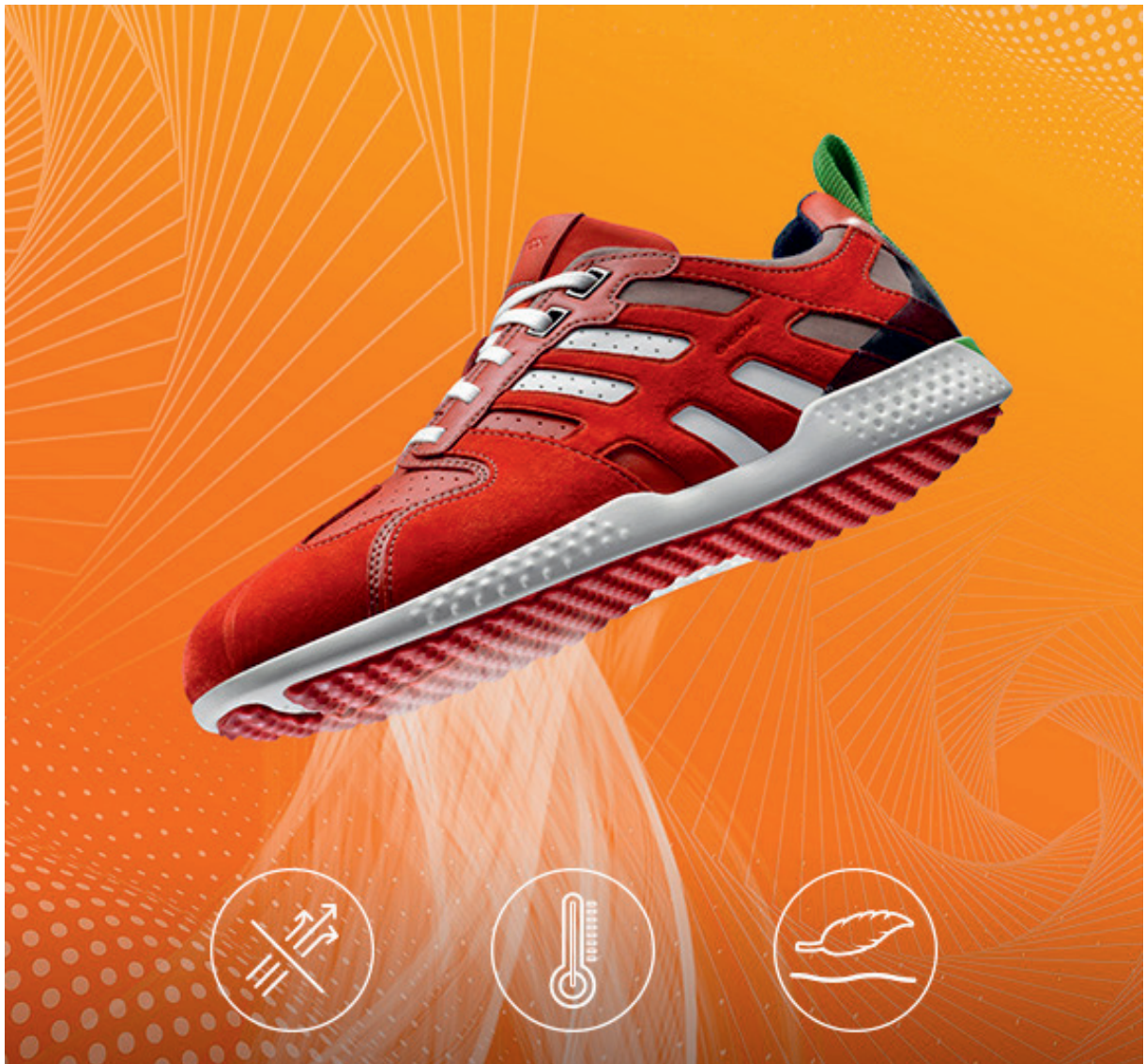
For insoles, the "ventilated cushioning system" ensures superior comfort and well-being thanks to a system that channels the air.

The new "**MODUAL**" footwear concept, featuring a modular design, has also been applied and tested for the 2020 S/S and A/W collections. MODUAL's main characteristic is the waterproof and breathable element inside the shoe that can be easily removed, making this shoe incredibly versatile. The result is a highly breathable sneaker, with a water-repellent upper to be worn during nice weather, that can be transformed into a completely waterproof shoe on rainy days.

LEVITA™ is Geox's first shoe that actually makes its waterproof and breathable membrane visible. Thanks

to an innovative 3D mesh insert inside the sole, this shoe boasts cushioning, ventilation and lightness as well as breathability, while its revolutionary fastening allows for a customised fit. **LEVITA 4x4 AMPHIBIOX** is an evolution of LEVITA™: waterproof and breathable boots designed to combine the benefits of LEVITA™ with the water-resistance of AMPHIBIOX™ technology.

Building on the concept behind XLED™ children's shoes, which feature an electronic device that allows for personalised messages and drawings to be created on a 180-LED screen around the sole, an electronic device has been developed that allows children to play around with their **GEOX PLAYKIX™** shoes, through a wireless connection to a smartphone. The GEOX PLAYKIX™ app, available from Play Store and Apple Store, can be downloaded for free. The electronic device is inserted in the heel underneath the insole and interprets the movement of the feet, interacting with the smartphone: the GEOX PLAYKIX™ app receives these signals and allows the child to play the game. The device can easily be removed from the shoe and can be disposed of as WEEE (electronic waste), separately from the rest of the shoe.



With regard to **apparel**, 2019 saw numerous innovation projects continue to be developed. Please find below the projects that have already been included in upcoming collections.

In order to encourage a more sustainable way of life, Geox has developed and launched its **XLED™ JACKET** for the 2020 S/S and A/W seasons. This is the first “WEARABLE TECHNOLOGY by GEOX” solution to be applied to outerwear, allowing customers to safely get around the city by bike, kick scooter or on foot. The

XLED™ JACKET innovatively integrates an LED lighting system and optical fibres with a special translucent membrane, which is also waterproof and breathable, thereby providing protection against external agents. The lighting circuit has been developed in collaboration with OSRAM GmbH, a leading manufacturer of lighting devices. Special LED lights are inserted around the chest area on the front of the jacket and around the bottom on the back, and the person wearing it can choose whether to light them up continuously or intermittently; a USB port inside the jacket allows you to



charge the lights using a compatible power bank. This jacket represents a versatile solution for urban mobility and, at the same time, an innovative design for today's commuters.

As part of the **AERANTIS™** range, the line of products featuring "VENTILATION SYSTEM" technology has been extended and further strengthened, in particular:

- for the 2020 S/S collection, the AERANTIS™ range will include a new system of side perforations

down the main material used for the jacket. These perforations draw in air which then allows for better heat exchange, thanks to the ribbed lining with a 3D structure and the use of a material with high levels of thermal conductivity. The result is greater dissipation of body heat;

- for the 2020 A/W collection, the AERANTIS™ outerwear range will feature thermo-adaptive wadding made from recycled down alongside the wadding made from recycled synthetic material. This

revolutionary thermo-adaptive wadding allows for personalised thermoregulation as it is sensitive to changes in temperature/humidity, amplifying the natural thermoregulation qualities of natural feathers without the need for a down insert in the position of the 3D lining.

In collaboration with the **GEOX DRAGON** team, items of clothing have also been developed, featuring new solutions that will be launched on the market as part of the upcoming collections. These solutions will be tested by the Geox Dragon team and the drivers themselves during season 6 of the championship (2019/2020).

However, the main innovation that involves the entire 2020 A/W collection refers to the evolution of the original **outerwear breathability** patent, which dates back to 1999, with a number of changes being introduced. The original solution exploits the physical principle of convection, whereby hot air tends to rise. With the evolution of the original patent, the humid air created by the evaporation of sweat escapes through the exclusive, NEW 3D SPACER and NEW BREATHING TAPE, a special breathable and waterproof membrane, which has the dual function of allowing sweat to escape at the same time as preventing water from entering. This new breathing tape will be made from the same material as the jacket. In particular, with product sustainability in mind, the laminated membrane in this case is also WATERLESS, meaning it is dyed without using any water.

Building on the actions taken in previous years, the Group also continued work on various **process innovation** activities, with the aim of improving its ability to acknowledge market requirements through innovative solutions that use virtuous materials and technologies. The in-house technology used for Geox's products is continuously redesigned in order to improve it further and meet ever changing market requirements in terms of lightness, wearability and comfort..

Furthermore, Geox's **awareness of sustainability** issues has led the company to increasingly focus on lowering the environmental impact of its products and designing more streamlined processes that therefore use less energy. In this context, streamlining the process to create the collections and increased awareness of market requirements are leading to an improved focus on prototype development, potentially leading to a reduction in energy consumption, the results of which may be seen in 2020.

As part of the process to implement an increasingly responsible approach to product development, 2019 saw a consolidated use of more sustainable

components to make shoes (linings, tips, heel cap, 3D mesh for insole assembly, leather from LWG-certified tanneries) and, at the same time, new materials were also introduced with recycled elements (extractable insoles, materials used to make uppers, the shank for formal shoes), replacing those currently used.

More specifically, with regard to materials, in order to reduce the use of PTFE, the R&D team is continuing to research new and more sustainable materials to create waterproof and breathable membranes.

In 2019, 3% of the collections delivered to stores, represented by the Amphibiox capsule collection, contained materials with specific sustainability characteristics, in this case a padding made from recycled plastic bottles.

In 2020, building on the initiative launched in 2019, there will be greater use of recycled materials with a low environmental impact, to include also 100% recycled padding deriving from plastic bottles and the recycled *E-Warm* wadding. The new *X-Down* (recycled down) will also be used. As part of the AERANTIS™ "down" initiative, the 2020 A/W collection will see thermo-adaptive wadding technology being introduced, which uses down recycled from post-consumer "waste" padding. This down is washed and sterilised and then used again in a sustainable way that respects nature, in compliance with the **GRS ("Global Recycled Standard")**. Starting from the 2020 A/W season, the use of recycled down will mean the number of items in the collection featuring sustainable padding will increase from 35% to 74%.

A new polo shirt has also been developed, made from **organic cotton** with a low environmental impact. This product is made using only **GOTS-certified** cotton ("**Global Organic Textile Standard**"). This standard states that the fibres must come from certified organic farms, meaning significant savings in terms of water consumption: in fact, it is estimated that around 200 litres of water are required to produce one tonne of organic cotton, compared with 2,000 litres for traditional cotton.

Research is also ongoing into recycled linings and outer materials, working towards the creation of garments that are almost completely sustainable.

**QUALITY, FUNCTIONALITY,
STYLE AND SAFETY ARE
THE KEY ELEMENTS OF GEOX
PRODUCTS**

Product quality and safety

A key element of Geox's strategy is its strong commitment to ensuring the quality and safety of its products. Quality is essential in order to offer end consumers a product that guarantees style, functionality and safety.

Geox aims to offer its customers products that can also provide them with responsible quality. In fact, in line with industry trends, the goal is increasingly to build harmonious relationships with both the environment and people, aiming to eliminate toxic substances from products and the production chain at the same time as introducing sustainable and/or recycled products, as well as improving employee and consumer

health and safety. Following these principles has an influence over customer satisfaction and protects brand reputation. To mitigate any potentially negative social and environmental impacts, Geox has focused on the search for new, highly technological materials, products with reduced CO₂e emissions and less use of natural resources. The choice of materials has the greatest influence on the overall impact of the product. That's why Geox directly involves its suppliers in its sustainability analysis of the various materials, and works with them to plan multi-functional innovation workshops in order to identify the best solutions.



In order to guarantee that its products meet all applicable safety requirements and its own technical specifications, Geox carefully selects its suppliers, regardless of where the products are produced. In fact, responsibility for the quality and compliance of materials is delegated, first and foremost, to the suppliers who are required to manufacture products in accordance with the applicable laws and regulations in the countries of reference, with certifications being requested as confirmation. Geox's production philosophy can nonetheless be defined as "controlled selling", as the majority of production activities,

despite not being directly carried out by Geox itself, are constantly supervised by the Group's team of technicians and Quality Department. In this context, the Quality Department not only supports and works with the other company departments, but also interacts and cooperates with players both upstream (suppliers) and downstream (customers).

Geox's Quality Department carries out the following activities as standard procedure for both its S/S and A/W collections.

1. **Collecting Confirmation samples for production fabrics (CFSF)⁸:** suppliers send a sample of fabric that acts as a reference for the quality of all items produced to the Geox headquarters. Once this sample has been checked, it is approved and archived by the certification office within the Quality department. The process of receiving and inspecting CFSFs is monitored and flagged up for any checks that may become necessary during the entire production season.

2. **Collecting Confirmation samples for finished items (CFS):** a reference sample to check the quality of all items produced is approved by Geox technicians. This reference sample is then inspected once again before being archived by the Quality Department in Italy. The process of receiving and inspecting CFS is monitored throughout the production season.

3. **Managing checks on the final product, Pre-Delivery and Inbound:** product inspections are carried out at the end of the production line by Geox personnel, in accordance with the Quality Control Manual, both in Italy and on the premises of final product suppliers. Apparel items are statistically checked when they arrive to the inspection centre and, after a final checking phase including ironing, packaging and storage, they are then sent to Geox's central warehouse in Signoressa (TV); footwear is inspected statistically, directly in Geox's central warehouse, in an area dedicated entirely to quality control. If non-conformities are found as a result of this inspection, the batch may be blocked and then appropriate corrective actions may be taken; if, on the other hand, the inspection is successful, then the products can be sent to customers. The Quality Department is also constantly called upon to define the standards of acceptability and tolerance for the product, as well as to provide technical support to solve process issues.

4. **Directly checking the fit of the shoes:** a representative selection of new models from the collection is taken, which are then directly inspected in terms of sizing and fit in Italy, before production begins. Any findings or issues in terms of quality and/or wearability are reported to the factory and the other company departments in charge, in order to implement improvements before production can begin.

5. **Analysis of returned goods and technical support for the Customer Service department and Stores:** the analysis carried out on returns allows the Quality Control team, working together with the Customer Service department, to understand more about market response, check results in order to implement improvement measures, and focus future

corrective actions on further improving both product quality and the level of customer service. For this reason, since 2016, any faulty goods returned have been collected at Geox's headquarters, in order to allow for Quality Control technicians to analyse them directly. Should any quality issues be found linked to the fabrics and/or materials or the style and/or wearability of the products, these technicians inform the Material Research and Product teams and the Technical Department in order for them to take the necessary corrective actions. The aim of this approach is to try and prevent the issue(s) from happening again and to ensure that quality improvements are increasingly visible.

In order to further improve the level of customer service, with regard to the e-commerce channel, the Quality Control department provides technical support for the return of faulty products, directly liaising with the first-level Customer Service team.

6. **Certification of footwear materials:** with a view to continuous improvement, during 2019, the activities involved with the certification of materials were placed under the responsibility of the Quality department, thereby unifying product quality management.

In particular, this department checks chemical conformity and the quality of raw materials and of the finished product, from both a physical-mechanical and a chemical point of view, based on Geox's requirements stated in the Manufacturing Agreement.

Geox's challenge of constantly respecting its commitment to product **quality and safety** has increased over time, as the Group has had to expand its supply chain and the number of companies supplying materials and finished products, in order to satisfy customer requirements. As part of this expansion, suppliers are only chosen if they can provide the necessary guarantees to allow Geox to sell products that comply with applicable legislation.

These dynamics have meant that Geox has had to implement increasingly strict quality control and supervision systems in order to ensure that all products meet the applicable safety requirements, thereby avoiding the main risks regarding its customers which relate to safety issues, i.e. not managing to guarantee safety for the end consumer when using the product, including also children.

Other impacts that may have short or long-term effects on health are those due to prolonged exposure to harmful toxic substances. The latter may represent

8. This phase of the quality control procedure is only carried out with reference to the testing process for apparel items.

a potential risk factor for consumers, workers and, last but not least, for the environment, with direct and indirect consequences.

The aforementioned negative impacts may harm the Group's image and reputation, causing a reduction or even a ban on sales due to media coverage, legal consequences and/or warnings on official websites (RAPEX, CPSIA, etc.) issued by the competent health and safety authorities.

In order to prevent these negative impacts, consumer health and safety issues are monitored and guaranteed through the various Quality control processes. It is in Geox's interest to maintain high standards of quality, aimed at safeguarding the comfort and performance of its shoes and apparel, so much so that the Manufacturing Agreement includes both Attachment L (version 6.0 was drawn up in 2019, regarding chemical-physical requirements for shoes, valid from the 2020 A/W season) and the Quality Control Manual. The requirements imposed by the Manufacturing Agreement include, for example, slip resistance and the resistance of small parts for products for children aged up to 36 months. With reference to the latter, starting from the 2019 A/W season, specific testing began on the detachment of small parts for certain items from the Baby and Junior collections. The purpose of this testing is to build up a database that can act as a tool for the departments involved with design and production, in order to minimise risks for consumers.

Through the Manufacturing Agreement and the relative attachments, Geox requires its production partners to operate in full compliance with applicable international legislation regarding dangerous or potentially dangerous chemical substances, including the European REACH regulation. Documents have been drawn up containing the RSL (*Restricted Substances List*) and physical-mechanical requirements for raw materials and finished shoes, apparel and accessories, as they have an impact during the material research and manufacturing stages. In particular, chemical testing is carried out for all references, in accordance with Geox's RSL. This process involves 5 groups of substances being tested for adults and 17 groups of substances being tested for children. Goods must pass this chemical testing phase in order to be able to leave the premises.

Chemical-physical tests on raw production materials and chemical tests on finished footwear products and

on fabrics, linings and down for Apparel products are managed by the **Quality Control** department. The purpose of this is:

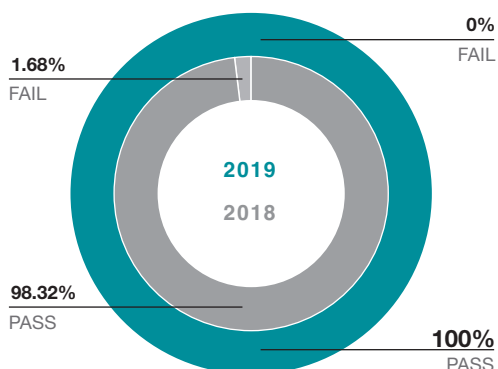
- to work closely with suppliers of raw materials and finished products and with external certification laboratories;
- to collect and assess the chemical-physical tests carried out by suppliers on raw materials;
- to manage the chemical-physical tests on raw materials (i.e. Random Pick-Up - *RPU* - procedures) and the chemical tests on finished products, for inspection and control purposes, carried out by Geox;
- to work closely with the Production department to manage the non-conformity procedures linked to the inspection activities described above.

Chemical safety tests increase customer confidence in the safety of Geox products, thereby strengthening the company's competitive position.

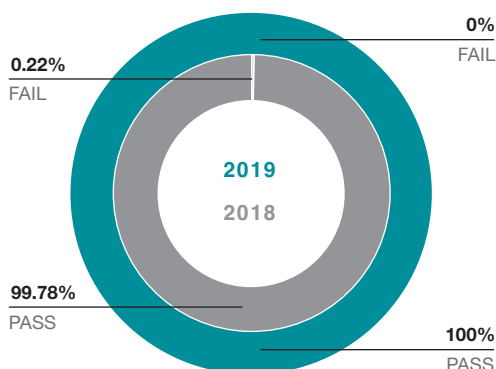
If a non-conformity (FAIL) is found, the appropriate corrective actions are implemented based on the stage

of production reached, with the incriminated material being replaced or the finished product being destroyed; subsequently, the product is tested again in order to validate its conformity.

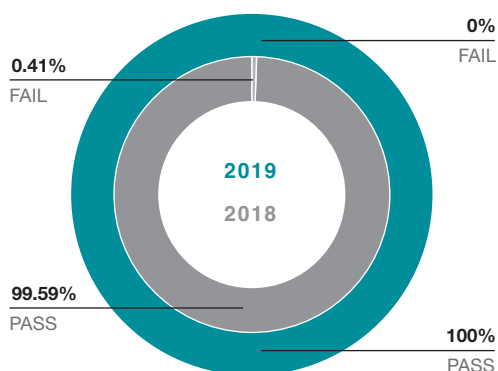
Children's footwear tests S/S '18-'19



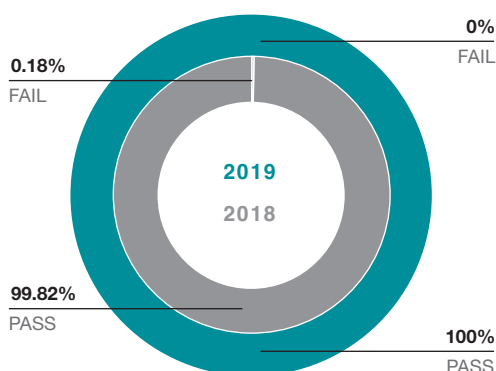
Adult footwear tests S/S '18-'19



Children's footwear tests A/W '18-'19



Adult footwear tests A/W '18-'19



For both the S/S and A/W collection, all products successfully passed the chemical tests, highlighting a very positive trend in terms of the chemical safety of finished products. In terms of numbers, a total of **4,052 tests** were carried out in 2019. More specifically, 2,066 tests were carried out for the S/S collection: 777 on children's shoes and 1,289 on adult shoes. For the A/W collection, a total of 1,986 tests were carried out: 794 on children's shoes and 1,192 on adult shoes.

In 2019, Geox invested over USD 2.3 million in chemical-physical testing of materials and chemical testing on finished products (footwear only), in terms of both direct and indirect costs.

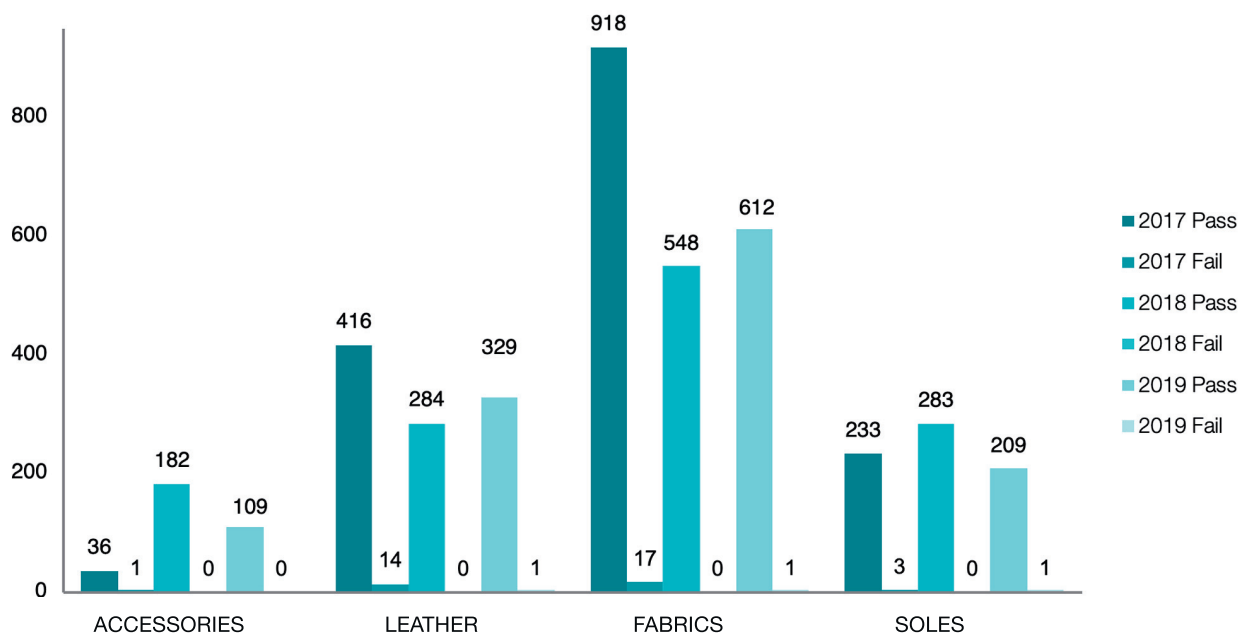
Furthermore, over 7,700 physical laboratory tests were carried out in-house, in addition to tests aimed at directly verifying the water resistance of over 900 pairs of

shoes and assessing the breathability of approximately 700 pairs (S/S19 and A/W19). Tests to measure the slip resistance of soles were carried out on approximately 120 models, with the aim of reporting back to the Soles and Moulds department on the performance of the treads and guaranteeing that products are safe to use for the end customers.

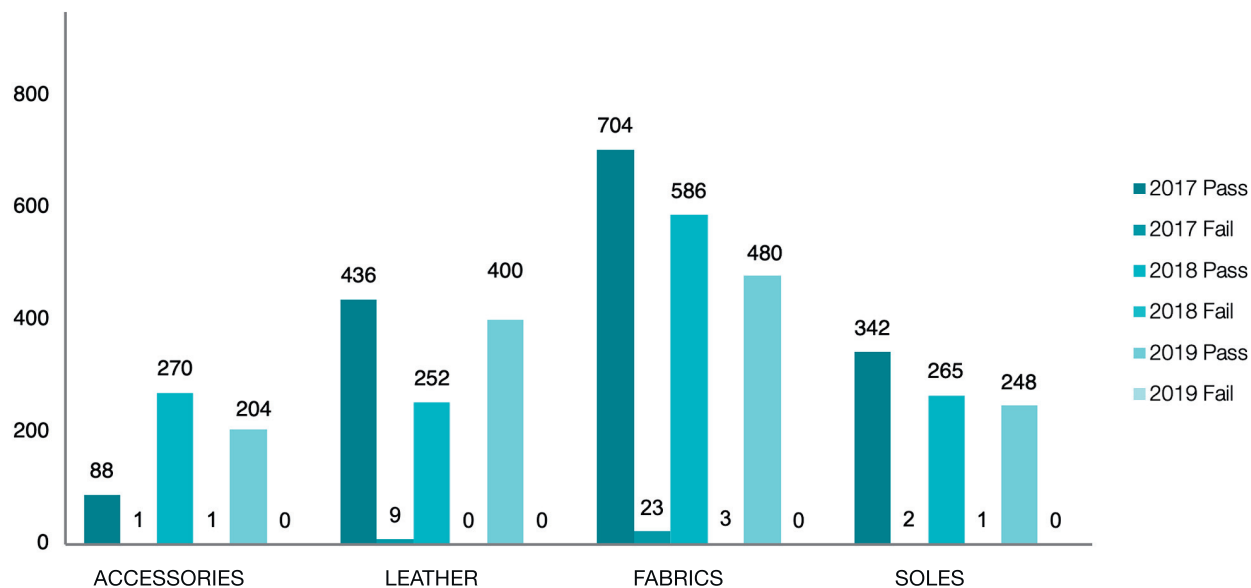
If a non-conformity (FAIL) is found, the appropriate corrective actions are implemented based on the stage of production reached, with the incriminated material being replaced or the finished product being destroyed; subsequently, the product is tested again in order to validate its conformity.

**TOTAL INVESTMENT IN
CHEMICAL AND PHYSICAL
TESTS FOR QUALITY AND
SAFETY: OVER \$ 2.3 MLN**

Material tests FTW S/S '17-'19

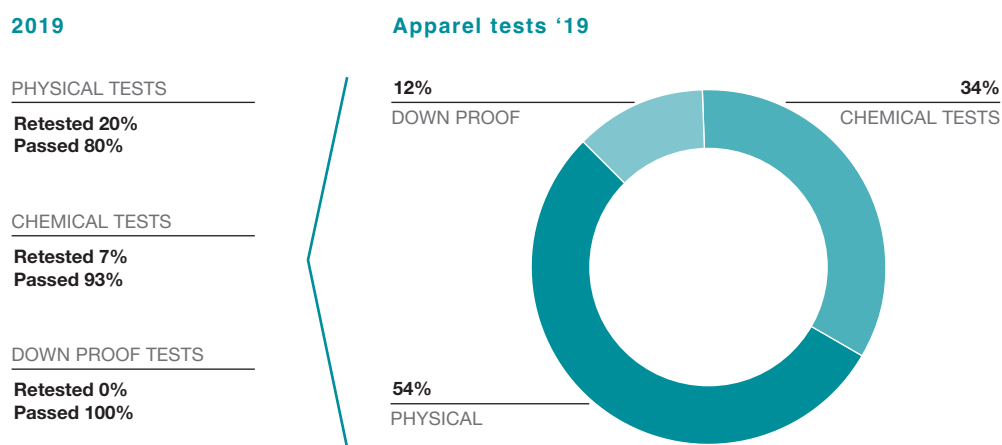


Material tests FTW A/W '17-'19



The tests carried out on footwear materials in 2019 reported positive and improving results, even compared with the already excellent results achieved in 2018. Overall, the total number of materials tested was slightly lower, from 2,675 in 2018 to 2,594 in 2019, but an improving trend was recorded in terms of the number of materials that did not pass the test, decreasing from 0.19% in 2018 to 0.12% in 2019, i.e. from 5 cases in 2018 to 3 cases in 2019.

With regard to **Apparel**, Geox, with the support of a third-party company, carried out a total of 415 physical tests, 257 chemical tests and 94 down proof tests in 2019. The below diagram shows the apparel tests carried out in 2019 broken down by type, with details of successful tests and retests.



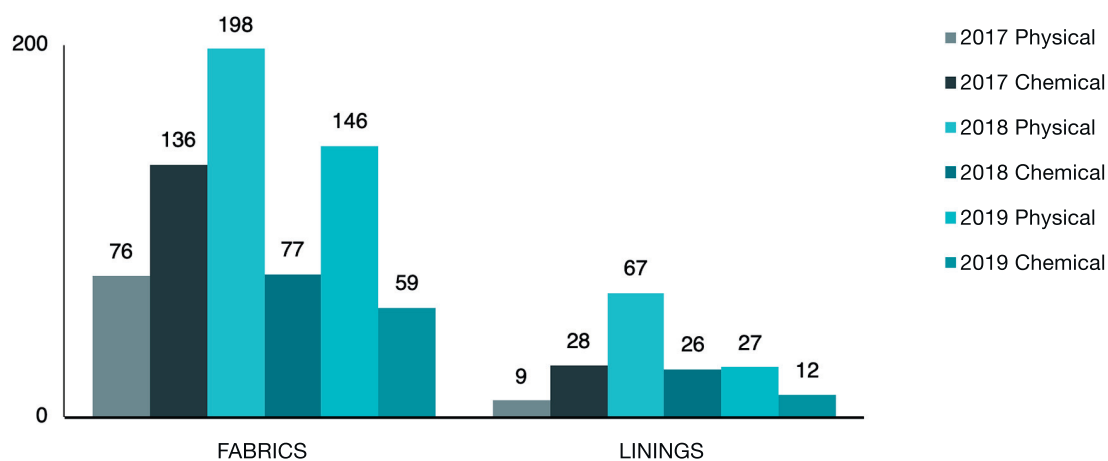
584 additional tests were also carried out directly by suppliers with the support of a third-party company, of which 264 were physical tests for the S/S19 collection and 320 were physical tests for the A/W19 collection (up by more than 23% compared with 2017 and up 11% compared with 2018).

In response to new market demands, the Group is also a member of the **Leather Working Group**, an association of manufacturers and distributors in the leather industry that promotes the adoption of sustainable and responsible practices. Geox also respects the international **Fur Free Alliance** standards, forbidding the use of any type of animal fur in products.

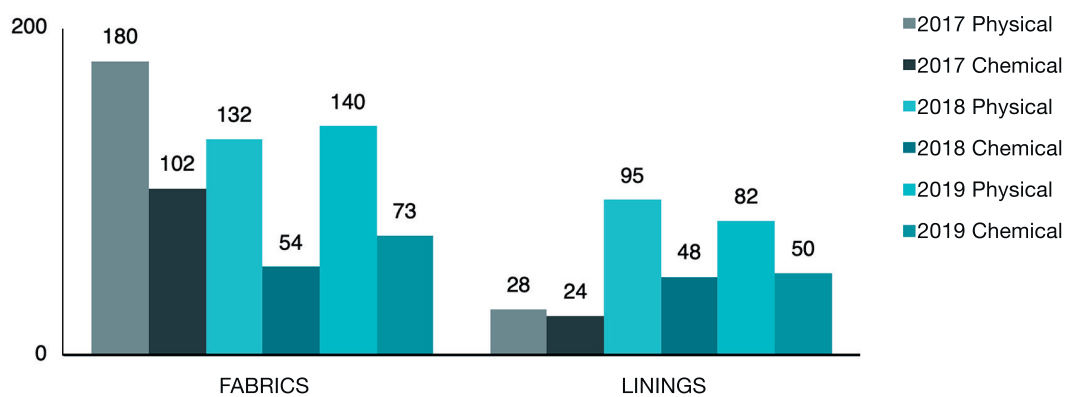
In the case of pure down, Geox condemns any practice involving live plucking and requires every supplier to provide certification that the feathers purchased originate from the “food industry”. In 2019, research continued into alternative materials to animal leather.

Geox’s ongoing commitment to health and safety is also confirmed by the fact that no cases of non-conformity with applicable product health and safety regulations were recorded during the three-year period 2017-2019. Furthermore, in relation to the aim of constantly improving customer satisfaction, a new monitoring system for returns and complaints has been used since 2018 based on reporting and indicators. This allows the company to identify which returns or complaints are directly linked to health and safety risks.

Material tests RTW S/S '17-'19



Material tests RTW A/W '17-'19









Supply chain



**+ 17% SOCIAL-ETHICAL-
ENVIRONMENTAL AUDITS
CARRIED OUT ON THE SUPPLY
CHAIN**

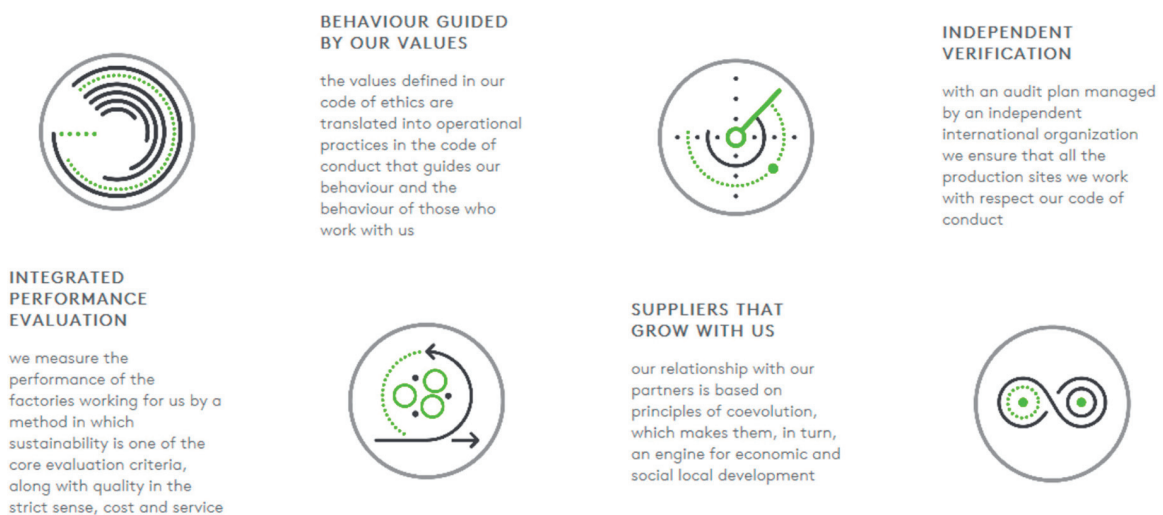
**E-LEARNING COURSES FOR
SUPPLIERS ON SOCIAL,
ETHICAL AND ENVIRONMENTAL
ISSUES: 65 PEOPLE INVOLVED,
9 TRAINING COURSES,
441 TRAINING MODULES
COMPLETED**

**NEW SUPPLIERS: 67% WERE
ASSESSED BASED ON SOCIAL-
ETHICAL-ENVIRONMENTAL
CRITERIA**

Supply chain profile

Geox undertakes to build and maintain its relationships with suppliers based on trust. The company is fully aware of the strategic importance of maintaining sound relationships with its suppliers, not only to create value for customers by offering them the best in terms of quality and style, but also to protect all those who work in the supply chain and the environment. That's

why relationships with suppliers go beyond the simple business sphere and are instead based on sharing the necessary elements to promote and pursue responsible and sustainable business development. With regard to the **management of supplier relationships**, Geox has defined an evolutionary model based on **4 pillars, reported below**.



Geox demands high performance from all of its suppliers, in terms of costs, quality, service levels and sustainability.

The Group's relationships with suppliers are underpinned by its Code of Ethics, which outlines **Geox's sustainable business approach**, and the Suppliers' Code of Conduct. These documents are shared with suppliers when they sign their contract and are available on the company's website, with the aim of sharing best practices and aligning suppliers' activities with the Group's ethical values and commitments. The purpose of these codes is to ensure that all the Group's suppliers respect the rules of conduct provided therein, in order to guarantee minimum requirements regarding legal compliance, ethics and integrity in business management, human rights and rights for employees, workers' health and safety, environmental protection and social impacts, for all structures in which these suppliers operate.

Geox's suppliers can be broken down into three macro categories:

- direct suppliers, meaning suppliers of finished products (shoes, apparel, bags and moulds) (so-called *Manufacturers*);
- indirect suppliers, meaning appointed suppliers of raw materials (leather, packaging, soles, accessories, fabrics/synthetic and membranes) (so-called *Authorised Vendors*);
- other suppliers (so-called *subcontractors*).

The Manufacturers use a chain of suppliers appointed by Geox (Authorised Vendors), for each category of materials. In fact, Geox selects the materials to be used in the production process by carefully selecting suppliers who guarantee quality, service levels, sustainability and competitive prices. The Group

is paying increasing attention to finding materials that are available where manufacturing takes place, thereby supporting the local community and also minimising the environmental impact involved with transporting the necessary raw materials. Furthermore, Geox also uses leather tanned without heavy metals (vegetable tanning, synthetic tanning), synthetic materials made with recycled components and packaging produced with recycled or recyclable paper, gradually reducing the weight of paper used.

With specific reference to the material used to produce soles, a strategic component for the performance of Geox footwear, if a supplier is not able to guarantee the quality of the materials produced in-house, due to a lack of skills or equipment, then Geox shall develop and certify producers of the material in order to supply the sole factories that it uses.

All materials selected by Authorised Vendors are tested by the TÜV SÜD certification body, guaranteeing the absence of toxic substances as required by the REACH regulation. During the production cycle, these raw materials are tested again through random checks carried out at the factories, as well as at the end of the production cycle through Stock Keeping Unit (SKU) tests on the finished products.

Geox's supply chain counts around 200 suppliers, of which 35% are direct and 65% are indirect. Roughly speaking, 95% of production volumes relate to the footwear division, with the remaining percentage referring to the production of apparel.

Indirect suppliers include the tanneries, sole factories, suppliers of fabrics and suppliers of packaging and metal accessories. In addition, there are also the 449 suppliers for the Serbian factory in Vranje, providing finished products, raw materials, processing, transport and portorage services and various materials.

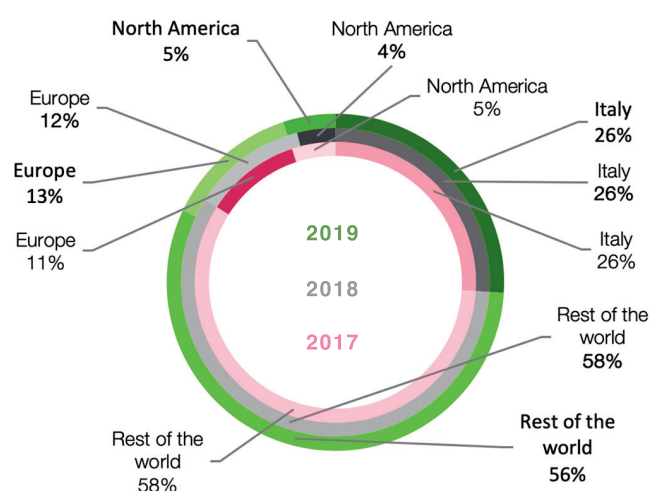
In 2019, **18.4 million shoes were produced** (S/S19 - A/W19) across 39 production sites (Manufacturers) and 2 sample rooms in 10 different countries. 90.1% were produced in Asia (Vietnam 27.1%, Cambodia 17.2%, Indonesia 12.5%, India 14.5%, Myanmar 18%, China 0.8%), and 9.9% in Europe/North Africa (Serbia 7.4%, Morocco 2%, Spain 0.5%).

For the S/S19 - A/W19 seasons, the supply chain used, as Authorised Vendors: 38 appointed tanneries, 33 fabric suppliers, 9 metal accessory suppliers, 10 packaging suppliers, 57 sole factories and 11 mould providers.

With regard to the apparel business unit, for the S/S19 - A/W19 seasons, **1 million Men's-Women's outerwear items** were produced across 15 production sites (Manufacturers) in 4 different countries. 99.3% were produced in Asia (24% in Vietnam, 2.7% in Indonesia, 72.6% in China) and 0.7% in Italy.

With regard to the distribution of purchases by geographic area⁹, which remained substantially in line with the previous two years, 5% was allocated to North America, 13% to Europe, 26% to Italy and 56% to the rest of the world.

Purchases by geographic area



9. For "significant locations of operation" exclusive reference is made to Italy.

Developing a responsible supply chain

The **evolutionary model** defined by Geox to develop a responsible and sustainable supply chain shows how the relationship with its suppliers goes beyond the simple business sphere, aiming instead at a constant sharing of good practices, which are formalised in the definition of a series of operating procedures based on the **Suppliers' Code of Conduct** and inspired by the values of the Group's **Code of Ethics**, which all partners are contractually obliged to respect. A supply chain that respects the standards imposed by both national and international laws is of fundamental importance, as is Geox's commitment to selecting suppliers who are also focused on promoting policies that respect **workers' rights, human rights, animal rights and the environment**. In order for Geox to evolve, all of the suppliers who have an influence over final product performance must also evolve.

In order to ensure that it works with responsible partners, Geox assesses the sustainability profile of its suppliers, both during the selection phase and throughout the partnership, also using an independent third party company. All suppliers must undergo an audit by a third-party firm and must take part in a continuous improvement programme, with dedicated action plans and planned re-audits.

Suppliers are selected based on the principles of objectivity, impartiality, expertise, competition and value for money, as well as the principles of transparency, correctness and excellence, fully respecting the highest quality, environmental and social standards. Each supplier relationship is bound by the need to respect the laws and regulations regarding employment, human rights, health and safety, the environment, anti-corruption, data protection and the health and well-being of animals that are applicable in the country of reference, and all members of the supply chain must apply the principles stated by the Code of Ethics, Suppliers' Code of Conduct and the ten principles of the Global Compact. Each supplier is also required to guarantee adequate working conditions and ensure respect for basic human rights and the principles of equal treatment and non-discrimination, as well as the prevention of child labour, rejection of forced labour and freedom of association.

With specific reference to the UK market, these values and principles are also confirmed by the **Modern Slavery Statement**, approved by the Board of Directors of Geox UK Limited on 29/07/2019. This statement describes the measures adopted by Geox Group to ensure, as required by UK legislation ("*Modern Slavery Act 2015 - Section 54*"), that there are no forms of "*modern slavery, forced labour and human trafficking*" within its structure nor along its supply chain.

**THE COMPANY HAS A STRONG
FOCUS ON COMPLIANCE
WITH LEGAL PROVISIONS,
AS DEMONSTRATED BY ITS
APPROVAL OF THE MODERN
SLAVERY STATEMENT**

**IN 2019, 77 ETHICAL-SOCIAL
AUDITS WERE CARRIED OUT**

**E-LEARNING TRAINING FOR
THE SUPPLY CHAIN**

To this end, Geox maintains and improves systems and procedures to prevent any form of human rights violation, which is why it has partnered with a number of parties, involved in various ways, such as suppliers and associations, in order to develop and implement specific programmes to prevent modern slavery and human trafficking.

All manufacturers are required to sign the “Manufacturing Agreement” which regulates all contractual terms and conditions (such as quality specifications, chemical-physical tests, compliance with the RSL, acceptance of the Code of Ethics and Suppliers’ Code of Conduct, acceptance of social audits, etc.).

Suppliers that are appointed in accordance with the “Authorised Vendor Agreement” are advised by Geox and provide raw materials to the Manufacturers. They are required to sign the Code of Ethics, the Suppliers’ Code of Conduct and the RSL.

Subcontractors, on the other hand, are selected directly by the factories producing the finished products, having obtained prior written consent from Geox to do so. In this case, it is up to the factories themselves to ensure that the Code of Ethics and Suppliers’ Code of Conduct are duly respected.

As part of the pre-selection process, Geox asks all new suppliers to sign up to “The ID Factory” portal, by filling in the relative Accreditation Form, which will ask them to provide general information about their company and information regarding social, economic and sustainability issues. In particular, during 2018, out of a total of four new Manufacturers in the Footwear business unit, 50% were assessed according to social-environmental criteria. In 2019, this percentage rose to 67%, out of a total of three new Manufacturers in the Footwear business unit.

Based on the results of the pre-selection and following a site visit, a rating is attributed to the supplier and it is decided whether or not they have the right characteristics to become a Geox supplier. After two seasons of production, the Manufacturer is assessed according to four assessment pillars (Sustainability, Quality, Service, Costs), using 20 KPIs. Based on their performance, they are classified according to five different categories: Platinum, Gold, Silver, Bronze and Iron. Performance is discussed with the supplier on a yearly basis and the “Best Factory Awards” are assigned.

Starting from 2018, the same four-pillar assessment (previously only for direct suppliers) also began to be applied to Authorised Vendors, thanks to the use of a

new online platform called “The ID Factory”. This allows for Authorised Vendors’ performance to be monitored vis-à-vis the Manufacturers. By using this portal, Manufacturers can place orders with the Authorised Vendors who then publish the delivery dates for the goods in question. This portal can also be used to open and negotiate any claims regarding the goods delivered.

Based on the performance levels recorded, a ranking is also assigned to the Authorised Vendors, with the winner receiving an award. This ranking was published for the first time in 2019.

The company intends to share production performance results with its suppliers on an annual basis, in order to improve levels of service and quality (Co-Evolution Programme). It shall also help suppliers to define dedicated Action Plans, also to improve their ranking scores and thereby boost the overall performance of the supply chain.

After accepting Geox’s Code of Ethics and Code of Conduct, suppliers must undergo a social-ethical-environmental audit, carried out by a third-party company appointed by Geox. More specifically, Geox’s suppliers are involved in a structured audit programme in order to identify any critical issues involving them, and to guide them towards the necessary corrective actions in order to be able to continue their partnership with the Group. If necessary, these corrective actions are then monitored through follow-up audits. This audit programme is carried out across three main areas:

- social impact;
- health and safety;
- environmental impact.

Most shoes are produced and most materials are supplied in developing countries, based on market performance, where there are high political and social risks and risks regarding eco-sustainability. The main social risks refer to the exploitation of workers in terms of minimum wages not being guaranteed, overtime not being paid, child labour, discrimination and safety in the workplace.

Geox has always worked towards managing and mitigating potential risks by continuously monitoring its supply chain, basing its activities on respect for human rights as this represents a fundamental value that underpins its business culture and strategy.

More specifically, Geox proactively assesses the ethical as well as the technical and financial reliability of its suppliers, also by collecting documentation and



certifications that guarantee their compliance with legal provisions, including being up to date with salary payments, pension and social security contributions, workplace health and safety requirements and respect for the environment and human rights.

Audit Topics



In addition, Geox spreads production across different countries, avoiding becoming dependant on one country in particular, in order to manage the different types of risk.

The first step in defining the procedure to assess whether local laws and the Suppliers' Code of Conduct are being respected was to draw up the operating framework: a **risk analysis** that takes a range of factors into consideration, including the economic value of the orders made, the type of good and/or service provided, the geographic location and other parameters. The main aims of the audit are therefore to:

- protect brand reputation;
- mitigate the country risk resulting from supply chain delocalization in countries with better costs but higher risks;
- independently check health and safety, environmental and working-social conditions;
- ensure that there are no "Zero Tolerance" issues within the supply chain;
- implement a continuous improvement process in order to identify and resolve any so-called "Major" issues.

This framework was updated and reviewed in 2018 after a new provider was appointed to carry out supply chain auditing. The aim was to customise the audit checklist in order to include a higher number of questions regarding health and safety and the environment and to automate the management of flows for corrective actions through a dedicated management software. Development of an ongoing training service has also been planned in the areas that are identified, on a case-by-case basis, as being the most critical for each supplier during the audit.

The audits are carried out by a global leader in auditing services regarding compliance in the fields of Health and Safety, the Environment and Social Responsibility, based on a pre-defined checklist. This checklist is drawn up in accordance with sustainability parameters based on the SA8000® standard, the social responsibility and workers' rights policy, the OSHAS 18001 standard regarding workers' health and safety, the ISO 14001 standard regarding the environment and Geox's Code of Ethics, in compliance with the Group's sustainability provisions signed by the suppliers themselves.

The checklist breaks down the aforementioned three macro-areas into 15 different sections, with H&S

in turn being represented by 9 subsections as this was highlighted in previous years as being the most critical area, for a total of 386 questions. The 15 sections making up the audit are on the previous page.

Audit activities are planned according to a "risk-based" logic, with priority being given to the type of supply (direct or indirect), brand protection, and the intrinsic level of environmental risk within the production process.

Audits may be fully announced, semi-announced or unannounced based on how well Geox knows the supplier and how long they have been a supplier for. Audits may form part of an annual timetable that follows periodic rotation, or may be requested after previous audits highlighted certain issues that required the definition and implementation of corrective actions.

Geox has launched a process to increase the accountability of its supply chain regarding the time required to implement corrective actions, introducing the possibility to charge suppliers for the cost of the audit should the agreed corrective actions not be implemented. Company procedures provide for the possibility to carry out more than one re-audit with a view to supporting the supplier in the process of continuous improvement. There is nonetheless the possibility to suspend relations with any supplier that underestimates the importance of social and environmental issues and health and safety in the workplace. In 2019, no critical issues were found that would otherwise lead to the termination of the supply arrangement.

Audit results therefore represent an important driver for selecting and keeping on suppliers.

Following audit activities, any non-conformities are reported using a corrective action plan. The implementation of corrective actions is checked by requesting documentation or through a re-audit (in the case of negative audit results), and as part of the three-year audit plan (in the case of positive audit results).

75 on-site social-ethical-environmental audits and 2 complementary inspections were carried out in 2019, involving 71 suppliers broken down between suppliers of footwear (13), apparel (3), tanning services (5), soles (19), insoles (5), synthetic materials (13), packaging (5), moulds (3), LED (2), accessories (2) and logistics services (1). 16% more audits were carried out in 2019 compared with the previous reporting period, when the figure was substantially in line with the audits carried out in 2017.

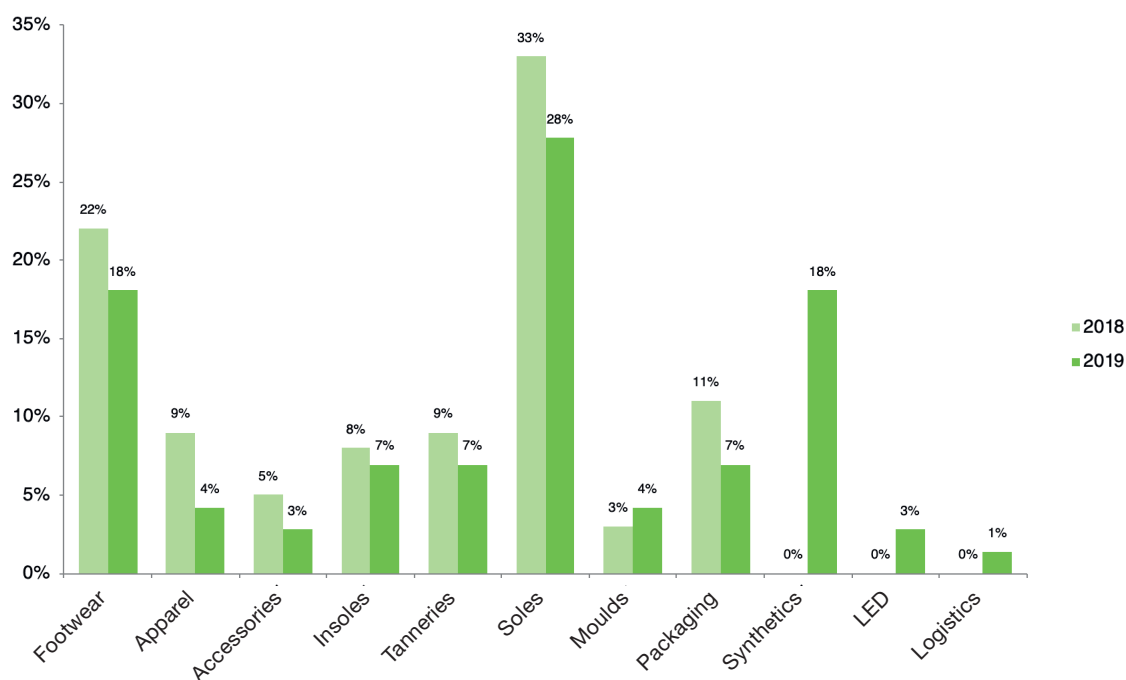
With regard to audit results, it should be highlighted that, in 2017, 78% of suppliers obtained a positive result, with room for improvement being identified in 22% of cases with regard to social-ethical-environmental issues; in 2018, on the other hand, room for improvement was identified in these areas for around 52% of the suppliers audited. This trend was due to the fact that more areas were audited and a different rating system was applied, and not to the findings being more severe.

In 2019, suppliers of synthetic materials were also subjected to an audit. Despite a new category of suppliers being introduced, which underwent the audit for the first time, 2019 nonetheless showed a trend of improvement. More specifically, 48% of suppliers showed room for improvement, down from the 52% recorded in 2018. None of the suppliers that underwent the audit reported any critical issues with regard to the environment.

Once again, the audit results flagged up workplace health and safety as being the area with the most non-conformities. In order to respond to this critical issue, specific training was provided in this field during

2019. A Suppliers' H&S manual also began to be drawn up, which will provide guidelines in line with the management system applied in the Company's factory in Serbia, which already has OHSAS 18001 certification.

Audit by type¹⁰



10. The percentages have been calculated on the total number of suppliers that underwent a social-ethical-environmental audit.

Having consolidated the relationship with the company appointed to carry out supplier audits, in 2019 a structured procedure was launched to monitor the corrective actions defined as part of the ethical-social audits. In addition to defining corrective actions, the process to validate them and the request for documentation to check correct implementation, this procedure also involves an **eLearning training course**. More specifically, the training activities completed in 2019 can be summed up as follows:

- 65 people involved;
- 9 training courses (assessments and adjustments, factory essentials, factory essentials demo, health and safety, working time, planning improvements, salaries and benefits, supply chain management, recruitment), each made up of between 4 and 7 different modules.

At the end of each training course, there's a quiz

and feedback session. As of 31 December 2019, 68% had been completed, corresponding to 441 modules being completed.

Since 2018, Geox has also been implementing a global whistle-blowing system, integrated at Group level. The aim of this system is to allow all stakeholders to report any unlawful conduct and/or violations regarding suspicious behaviour and breaches of the Group's Code of Ethics and to manage them in a prompt and scrupulous manner.

For 2020, the Group has set itself the objective of gaining full control over the entire supply chain, covering both direct suppliers (Manufacturers) and indirect suppliers (Authorised Vendors), in order to monitor and share their performance and develop improvement plans. Over the coming two years, Geox also intends to increase the number of social-ethical-environmental audits that it carries out, covering the entire supply chain.

Engaging and listening to suppliers and ensuring stable business relationships

Geox creates its products based on a “controlled selling” production philosophy, meaning that it is of fundamental importance to instigate and engage in **continuous dialogue and share good practices and expertise** with its suppliers.

The Manufacturers and the Headquarters begin to interact during the initial project development phase, when the Product Department communicates with the factories’ sample rooms in order to develop the first prototypes based on the technical specifications provided. The R&D department, supporting technicians, works directly with factories’ sample rooms in order to develop new technologies. In this regard, new manuals and requirements are promptly issued which are signed by the factories themselves in order to ensure that the latter have understood them and will keep them confidential.

Manufacturers then interact with the various Geox representatives, who vary depending on the various phases of product manufacturing. More specifically, the Manufacturers interact with:

- the Technical Department for product development and approval of samples;
- the Product Department to develop the collection;
- the Purchasing Department to define costs;
- the Production Department for technical support regarding the production lines;
- the Quality Department for pre-delivery checks on each consignment;
- the Logistics Department to plan deliveries;
- the R&D department for constant supervision of chemical, physical/mechanical and patent requirements;

- the Internal Audit department to organise social audits and to monitor corrective actions.

The “sole that breathes” concept is the essence of what makes Geox shoes so unique, which is why it is strategically important to correctly **manage relationships with the suppliers of forms, moulds and soles**. In this regard, the **Structures Department** within the Parent Company provides the high-calibre design for these components, organising the local sourcing necessary to guarantee quality footwear.

More specifically, Geox has selected and works together with **form** manufacturers who are able to offer constant growth in line with new sector studies, guaranteeing production engineering of the shoe support structure. This ensures high quality production at the same time as safeguarding the initial design.

The **moulds**, which are used to produce the soles, are made by external suppliers with whom Geox shares its patented know-how through on-site training. The purpose of this is to ensure that the soles meet the necessary requirements to create the Geox membrane “that breathes”. Any sensitive information provided to suppliers is managed through supplier and technical/ intellectual property confidentiality agreements, in line with the Code of Ethics and Suppliers’ Code of Conduct. An ongoing relationship is also established with Geox’s technical team through site visits, exchanging digital files containing design elements and regular visits, particularly when new sole projects are launched. Supplier loyalty is recognised as being of fundamental importance in order to have the guarantee that moulds will be delivered according to the company schedule. Wherever possible, mould providers are located in the areas where the soles and shoes are produced in order to optimise transport and create a local activity hub that can maximise the relative services.

The **soles** complete and enrich the shoes based on the choice of style and technical characteristics of the material. The Operations Department is in charge of choosing which material to use, in collaboration with

the Style Department, which weighs up the benefits of the final product, such as: lightness, cushioning, durability and cost. Appropriate laboratory tests are carried out to determine whether the materials used for the finished product comply with physical, mechanical and chemical parameters. As a sign of the importance that Geox attributes to each new sole product, after carrying out all the necessary technical assessments, together with the various bodies involved, it certifies mass production after issuing a “sole identity card”.

Also with regard to **apparel** products, Geox is in daily contact with its suppliers, with constant visits by technicians and individuals in charge of quality control who are local, speak the local language and are employed by Geox. Suppliers are provided with the material and technical support necessary to guarantee suitable performance for the garment. Wherever possible, Geox turns to its trusted suppliers, also for new developments, applications and production requirements.

To remain fully informed and to ensure appropriate management of relations with its suppliers, Geox has mapped out its supply chain. Constantly monitoring social audit results and sharing the relative improvement measures with a view to achieve continuous improvements, means that Geox continuously interacts with all its production chain on a daily basis for operations issues. This guarantees maximum technical

support and provides the know-how necessary to prevent any kind of qualitative problem.

Furthermore, meetings with Production and Operations managers are organised every six months in order to agree upon the sourcing strategy. These meetings provide an opportunity to share Vendor performance (with regard to finished products and raw materials), issue Vendor Rankings, discuss future business possibilities and negotiate new production sites in order meet the objectives set by the Board.

In this regard, Geox has been measuring the results achieved by its production partners since 2015, and sharing the results with them during specific seasonal visits. More specifically, Geox analyses, together with each supplier, the results achieved in the various areas covered by the social audits, using the inspections carried out in previous seasons as points of reference. This analysis allows the focus areas of improvement measures to be identified, thereby defining a plan of action that is specific for each season. In this way, the Group endeavours to encourage the identification of mutual areas of improvement in order to foster the co-evolution programme. The co-evolution programme aims at transforming Geox's suppliers into “drivers” for social development and the local economy.







People

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**TRAINING: + 28% HOURS
OF TRAINING PROVIDED
COMPARED WITH 2018**

AVERAGE AGE: 37 YEARS OLD

**NEW PROJECTS: NUMEROUS
INITIATIVES LAUNCHED AS A
RESULT OF IDEAS COMING
FROM GEOX LAB SESSIONS
(MULTI-DISCIPLINARY
WORKSHOPS FOR EMPLOYEE
ENGAGEMENT)**

**“STORE MANAGER IN
TRAINING”: PROGRAMME
TO TRAIN FUTURE STORE
MANAGERS OF GEOX SHOPS**

MANAGEMENT TRAINING: “LEAD TO EXCELLENCE – THE MODERN GEOX LEADER”, A TRAINING COURSE PROVIDED TO A GROUP OF GEOX MANAGERS IN ORDER TO ALSO DEVELOP THEIR LEADERSHIP SKILLS

PLASTIC FREE: DISTRIBUTION OF CUSTOMISED GEOX WATER BOTTLES IN COLLABORATION WITH WAMI, CONTRIBUTING TO SOLIDARITY PROJECTS

Human Resources

Geox Group recognises the central role played by human resources, firmly believing that the main success factor of any organisation lies in the professional, human and creative contribution made by the people who work there. In particular, Geox is fully aware that growth is driven by the contribution made by each and every person, in the work that they do every day. That's why it recognises the value and the dignity of people as being a fundamental requisite for the healthy running of the business. Geox respects and valorises People, and their diversity, by respecting their basic human rights, by protecting their physical, cultural and moral integrity and by continually developing their technical and professional skills.

As of 31 December 2019, Geox Group counted a total of 5,170 employees, down compared with the figure at 31 December 2018 (around - 1.5%) and compared with the figure at 31 December 2017 (around -3.4%). More generally, Geox Group's total workforce, including not only employees but also interns and temporary workers, amounts to 5,230 (-1.2% compared with 2018).

In 2019, the most represented professional category refers to store employees (56% of the total), followed by factory workers (24% of the total), office staff (17% of the total), *Middle managers*¹¹ (2% of the total) and senior managers (1% of the total).

Number of employees by professional category and by gender¹²

	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior managers	39	3	42	40	5	45	36	7	43
Middle managers ¹³	118	102	220	82	48	130	71	38	109
Office staff	237	404	641	295	504	799	293	534	827
Store employees	572	1,997	2,569	509	1,975	2,484	492	2,040	2,532
Factory workers	419	936	1,355	343	891	1,234	334	927	1,261
Total	1,385	3,442	4,827	1,269	3,423	4,692	1,226	3,546	4,772

Percentage employees by professional category and by gender¹²

	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Senior managers	93%	7%	89%	11%	84%	16%
Middle managers ¹³	54%	46%	63%	37%	65%	35%
Office staff	37%	63%	37%	63%	35%	65%
Store employees	22%	78%	20%	80%	19%	81%
Factory workers	31%	69%	28%	72%	26%	74%

With regard to the geographical breakdown of Group employees, 31% are employed in Italy, 23% in the rest of Europe, 8% in North America and the remaining 38% in the rest of the world.

Number of employees by geographic area and by gender

	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	440	1,120	1,560	425	1,172	1,597	442	1,164	1,606
Europe	364	941	1,305	319	860	1,179	292	918	1,210
North America	ND	ND	518	ND	ND	554	ND	ND	398
Rest of the world	581	1,381	1,962	525	1,391	1,926	492	1,464	1,956
Total	1,385	3,442	4,827	1,269	3,423	4,692	1,226	3,546	4,772

The majority of Geox employees (61%) are aged between 30 and 50, with the average age at Group level being 37 for both men and women, representing a 2% increase in average age compared with the previous year.

Employees by age group¹⁴

	2017	2018	2019
<30	34%	30%	27%
30-50	57%	60%	61%
>50	9%	10%	12%

Percentage employees by professional category and by age group¹⁴

	2017			2018			2019		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior managers	0%	52%	48%	0%	62%	38%	0%	51%	49%
Middle managers ¹³	6%	70%	24%	2%	78%	20%	0%	74%	26%
Office staff	13%	76%	11%	14%	72%	14%	15%	68%	17%
Store employees	47%	48%	6%	40%	53%	7%	38%	54%	8%
Factory workers	26%	65%	9%	22%	66%	12%	17%	68%	15%

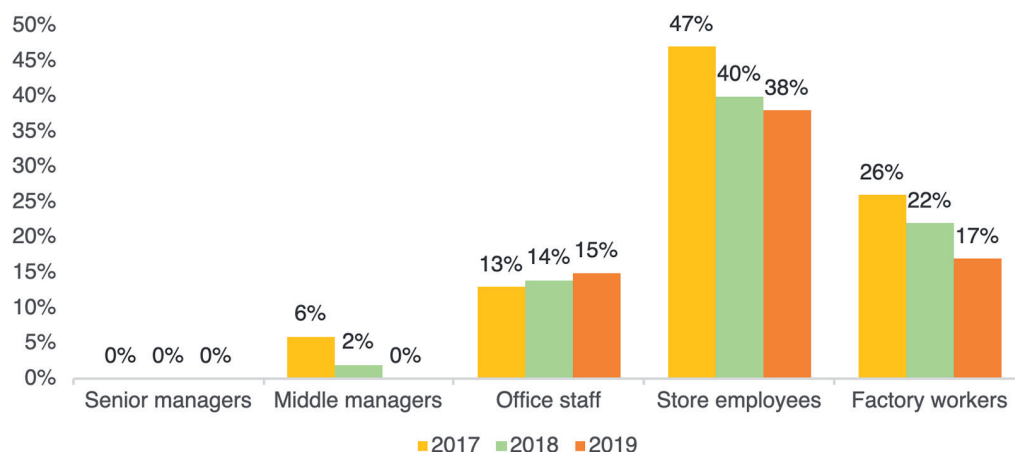
11. The middle manager category includes those who report directly to senior management.

12. The figures included in the breakdown of personnel by gender and by age refer to Geox Group employees excluding employees of North America (518 in 2017, 554 in 2018 and 398 in 2019). Said figures are not available for the categories in question, in accordance with local practices

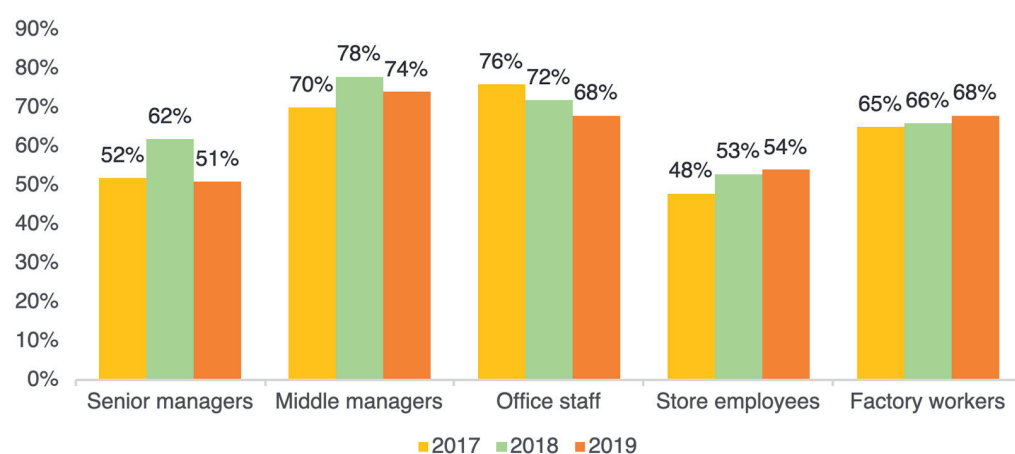
13. The fewer number of middle managers compared with 2017 is due to the in-house classification of employees being updated.

14. Excluding employees in North America (561 in 2017, 604 in 2018 and 398 in 2019).

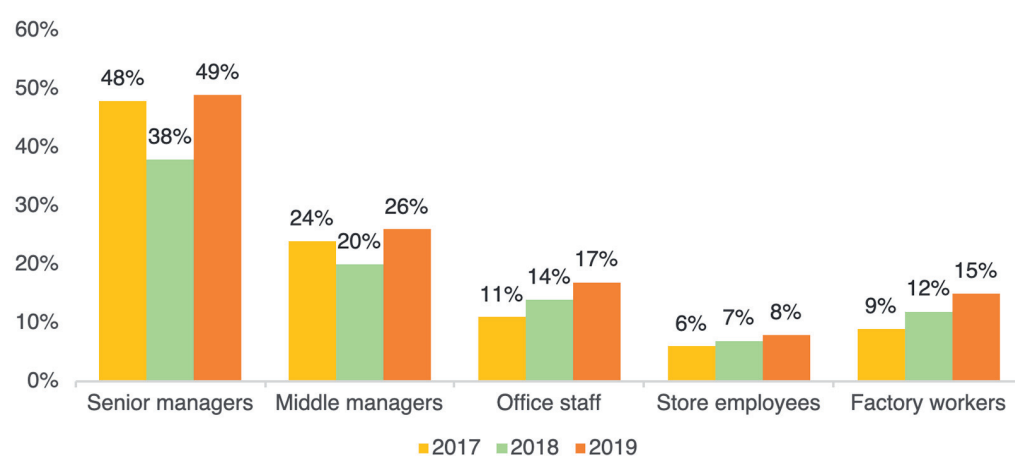
Employees aged under 30 ¹⁵



Employees aged between 30 and 50 ¹⁵



Employees aged over 50 ¹⁵



15. Excluding employees in North America (561 in 2017, 604 in 2018 and 398 in 2019).

The Company is committed to building **stable and lasting relationships**, which is confirmed by the percentage of employees hired with a permanent contract (over 82% of the total) and their length of service. In fact, 19% of all employees have been with

the company for “between 6 and 10 years”. Use of interns and temporary workers is limited. In 2019, Geox Group used 8 interns and 52 temporary workers.

Number of workers with other types of contract

	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Intern	1	5	6	4	7	11	2	6	8
Temporary work	11	27	38	12	26	38	9	43	52
Total	12	32	44	16	33	49	11	49	60

In 2019, 2,300 people were hired, with 62% aged under 30

During 2019, **over 2,300 people were hired**¹⁶, mainly women (59% of the total¹⁷). With regard to the breakdown by age group¹⁷, 62% of new recruits are

aged under 30: this confirms Geox’s commitment and investment in the younger generations. 32% of new recruits are aged between 30 and 50. With regard to the geographic breakdown: 14% of new recruits were hired in Italy, 49% in Europe, 19% in North America and the remaining 17% in the rest of the world.

Percentage turnover by gender and by age group 2019¹⁸

	Gender			Age		
	M	W	Tot	<30	30-50	>50
Rate of recruitment	40.95	38.69	44.93	89.85	20.99	16.87
Rate of employees leaving	42.58	34.12	42.24	79.78	20.82	15.83

Percentage turnover by geographic area 2019

	Italy	France	Spain	Germany	UK	Rest of the world
Rate of recruitment	20.80	105.63	131.41	53.44	128.08	39.77
Rate of employees leaving	19.49	99.72	126.7	46.96	116.44	37.68

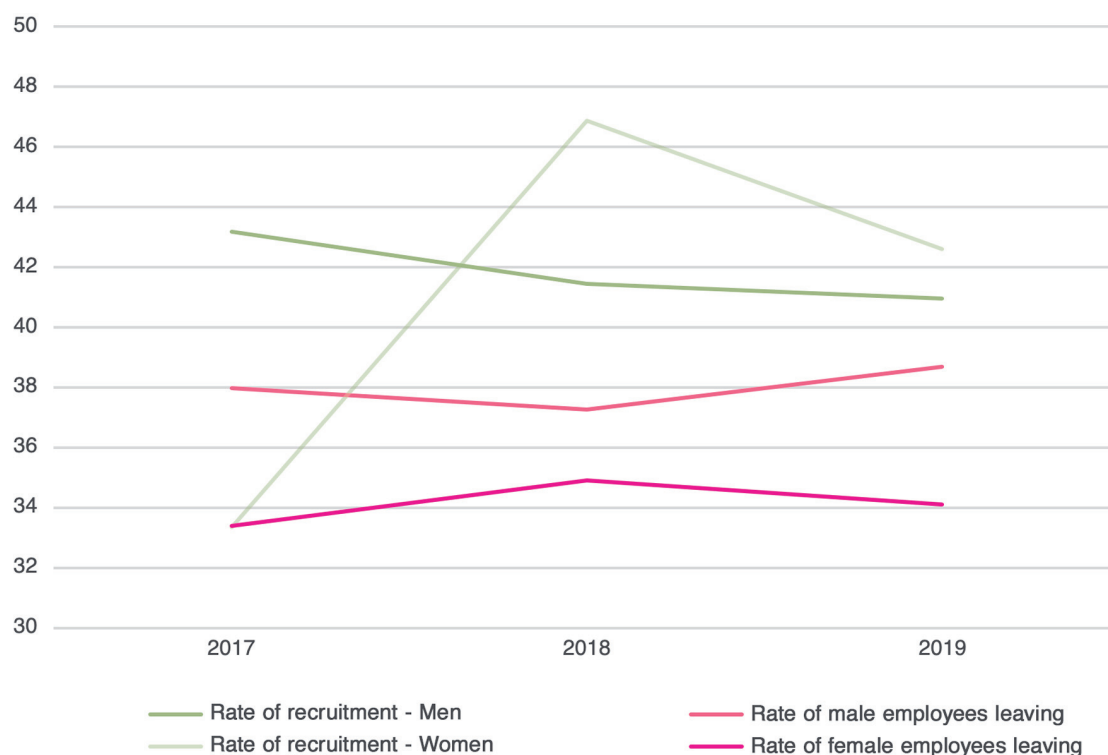
16. Employees who had more than one contract during the year in question have only been counted once.

17. Excluding employees in North America (561 in 2017, 604 in 2018 and 398 in 2019).

18. The turnover rates by gender and by age group do not include employees in North America. The number of employees in North America who were hired and who left the Group (561 in 2017, 604 in 2018 and 449 in 2019 with regard to new recruits; 533 in 2017, 533 in 2018 and 452 in 2019 with regard to employees leaving) are included in the total turnover rates.

19. The turnover rates by gender and by age group do not include employees in North America. The number of employees in North America who were hired and who left the Group (561 in 2017, 604 in 2018 and 449 in 2019 with regard to new recruits; 533 in 2017, 533 in 2018 and 452 in 2019 with regard to employees leaving) are included in the total turnover rates.

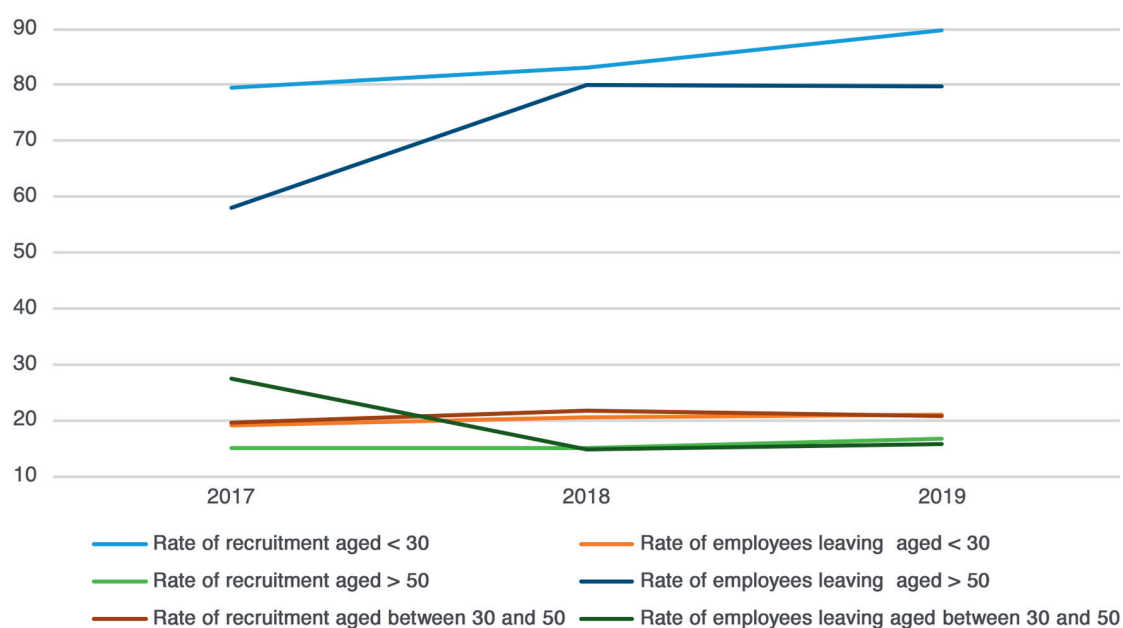
Turnover rates by gender¹⁸



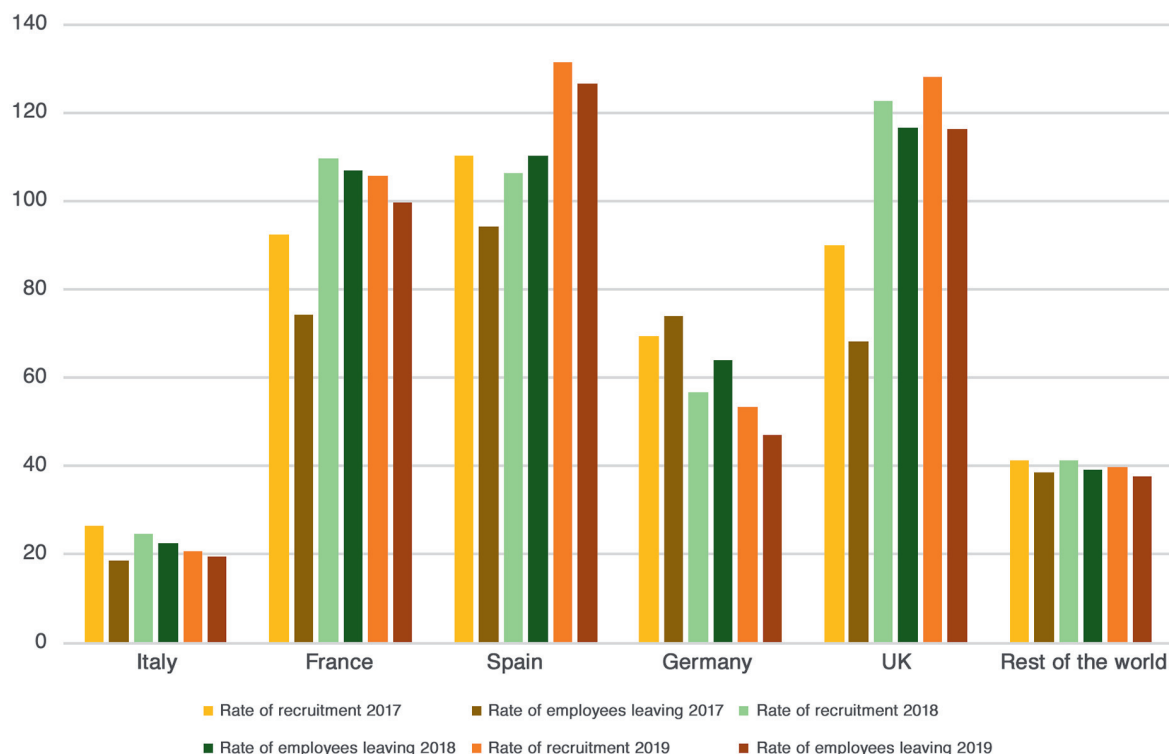
Analysis of these figures shows how Geox Group is dedicated to investment, expansion and renewal. This is demonstrated by the fact that the rate of recruitment during 2019 remained higher than the rate of employees leaving.

The figures recorded in Spain and Germany in 2019 also reflect a positive turnaround, with the rate of recruitment exceeding the rate of employees leaving, after the negative trend recorded in 2018. This change reflects the fact that Geox Group is becoming increasingly attractive on a global scale.

Turnover rates by age group¹⁹



Turnover rates by geographic area



In 2019, 2,184 resources left the company, mainly referring to retail staff, which is considered normal in the context of the industry's competitive dynamics. The majority of employees leaving the Group were aged under 30 (approximately 60% of the total). 35% of the total²⁰, on the other hand, were aged between 30 and 50. With regard to the geographic breakdown: 14% of employees leaving Geox were based in Italy, 49% in Europe, 21% in North America and the remaining 16% in the rest of the world.

With regard to the dynamics that affect its personnel, Geox has developed a **structured Recruitment, Selection and Hiring process** which falls under the responsibility of the HR, Organisation & Corporate Services Director. This process normally involves a general and widespread analysis covering all company departments, which is carried out during the last quarter

of the year. The purpose of this analysis is to understand the resources that are needed to implement company development plans over the course of the following year. The recruitment, selection and hiring of new staff may also arise following a careful review of development plans, projects and organisational structures carried out over the year. Staff are selected based on the professional profile of candidates, meaning: skills and experience, people skills, a favourable approach to the Company's culture and development potential.

Staff are hired in accordance with the delegation plan and, with regard to pay and benefits, the Group's remuneration policies are fully followed.

20. Excluding employees in North America (533 in 2017, 604 in 2018 and 398 in 2019).

Diversity, equal opportunities and protecting human rights and workers' rights

As specified in the Code of Ethics, Geox Group respects different ideas and points of view. In fact, the diversity of the Group's workforce enables it to fully understand different markets and customers, enrich skills and achieve goals in the best way possible. This is the reason why Geox does not tolerate any form of violence or discrimination, especially regarding gender, disability, health, sexual orientation, age, political opinions, religion, race, ethnic group or social and cultural conditions.

Geox encourages a team spirit and cooperation, and expects all members of staff to work together in order to maintain a climate of mutual respect. In particular, the Group endeavours to ensure that company policies allow people to work in environments that respect their dignity and that guarantee their safety, refusing any practices that may humiliate or degrade them or their role, including mobbing, exploitation, abuse, intimidation, harassment or threats.

The position of those who find themselves in a situation whereby they have limited ability to work (pregnancy, maternity leave, young age, accident, disability, etc.) is protected thanks to measures to maintain their physical and moral integrity, also in compliance with applicable legislation.

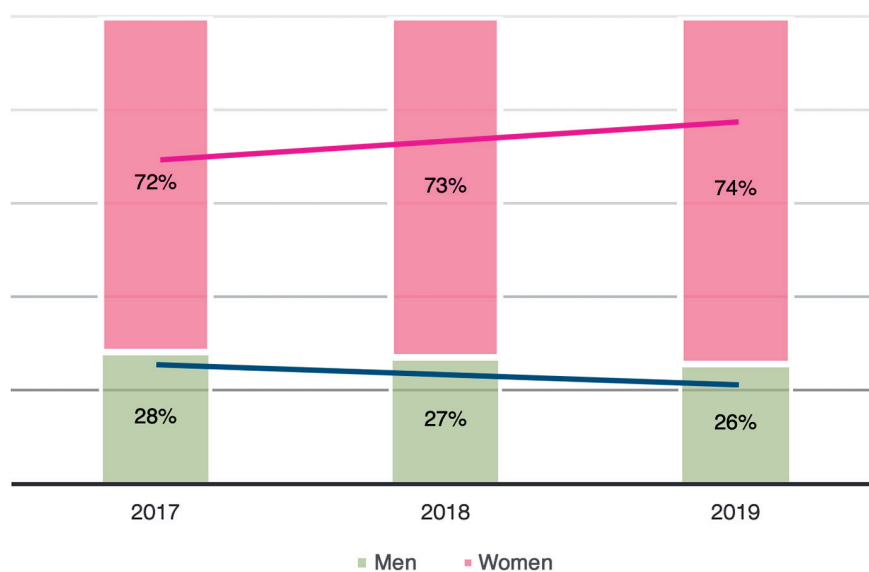
Furthermore, Geox strongly condemns any form of forced labour or exploitation, whether it be in the form of child labour, or the exploitation of people with disabilities or pregnant women, or anyone who has not given their consent. The use of underage workers is only permitted in the context of applicable legislation being correctly applied and in compliance with the UN Convention on the Rights of the Child. More generally, respecting human rights and the rights of workers is of fundamental importance for Geox Group. That's why, as part of its work, it takes inspiration from the International Labour Standards (ILS) covered by the fundamental International Labour Organisation (ILO) conventions.

Over the last three years, no cases of discrimination were recorded within the Group. Furthermore, no complaints were received relating to working practices and/or respect of human rights.

With regard to gender balance at Geox, **7 out of 10 resources are women**: the share of women within the workforce is in fact equal to approximately 74%. The percentage of female workers is high in all geographic areas and across all professional categories.

21. Excluding employees in North America (533 in 2017, 604 in 2018 and 398 in 2019).

Number of employees by gender²²



As of 31 December 2019, the Group counted 41 employees with disabilities, of which 30 women and 11 men.

22. Excluding employees in North America (518 in 2017, 604 in 2018 and 398 in 2019).

Remuneration, incentive schemes and benefits

In order to develop the skills and expertise of its workforce, Geox Group adopts objective, transparent and verifiable criteria based on merit, guaranteeing equal opportunities for all, without any form of discrimination. In particular, staff are recruited, hired and then assessed based on objective criteria which ensure that each candidate's professional profile, skills and performance respect company requirements, all in full respect of equal opportunities among individuals.

With these principles in mind, Geox has developed an efficient and effective performance management process aimed at attracting new talent and retaining employees. More specifically, in order to value its employees, Geox began implementing a Performance & Behaviour Evaluation system a number of years ago. This system allows the company to compare the level of results achieved with the objectives assigned, closely observe skills and organisational behaviour, identify the company departments that show excellent or improving performance and thereby encourage new development measures, training and remuneration policies based on merit. This process is made up of an initial stage which allows for the assessment of the skills and experience that the employee has developed as part of their role. This is followed by a careful feedback process in order to encourage free discussion between the employee and their supervisor. Continuing along the path followed in previous years, once again in 2019, this system allowed the company to identify a number of Key People within the various departments and define specific development plans for them (in terms of training and their career paths).

**DEVELOPMENT OF AN
EFFICIENT AND EFFECTIVE
PERFORMANCE MANAGEMENT
PROCESS AIMED AT
ATTRACTING NEW TALENT AND
RETAINING EMPLOYEES**

Geox gives each worker the right to fair and regular pay and suitable compensation for any overtime. The salaries and benefits received by Geox Group employees respect the legal requirements in each country of reference.

With a view to **attracting new talent** and **retaining its employees**, Geox Group has defined the starting salaries and the Company Pay Package in full respect of the minimum amounts provided for by law or national collective bargaining agreements, considering remuneration to be a strategic factor in managing and developing its personnel. The Head of the Human Resources, Organisation & Corporate Services Department and the Chief Executive Officer are responsible for ensuring that the employee remuneration process is correctly and appropriately managed.

As Geox is a listed company, it has defined a Remuneration Policy for board members and executives with strategic responsibilities, in compliance with the recommendations provided by the Corporate Governance Code issued by Borsa Italiana (Italian Stock Exchange). This policy is developed by the Company's Human Resources, Organisation & Corporate Services Department, Appointment and Remuneration Committee, Chief Executive Officer, Board of Directors and the Shareholders' Meeting (for further details, please refer to the Remuneration Report available on the website www.geox.biz, under the section "Governance").

On an annual basis, Geox rewards its best-performing resources and those who have contributed to achieving company results, in terms of internal development and according to merit-based criteria taking into consideration the skills and conduct required of the role held.

In particular, there is a short and medium/long-term, variable **incentive scheme** in place for the management team. The short-term variable incentive scheme is based on an MBO reward system, which differs based on the type of employee, divided into "structure" and "retail".

For "structure" personnel, the variable annual incentive is based on quantitative and qualitative objectives, linked to individual performance and Group results. This scheme is designed for managers and resources who are considered to be of strategic importance to reach the company's objectives. In 2019, approximately 35% of "structure" employees were involved with an incentive scheme.

For all retail personnel, an MBO reward system is in

place which is defined by quantitative, individual and collective objectives, differing based on the role and the type of sales point managed.

The medium-long term incentive process, on the other hand, involves rights and consequently ordinary shares being granted to top management and a number of key figures (stock grant plan). Monetary incentive schemes are also provided, albeit to a lesser extent.

In 2019, a Memorandum of Agreement was signed between the Group's Italian companies and the Trade Union Organisations, with the aim of achieving the predefined sustainable and profitable growth objectives, significantly involving employees in business processes. As part of this agreement, the most suitable tool for achieving these objectives was identified as being the **Results Bonus**. This bonus is subject to the company reaching a profitability objective and may be paid in the form of money or other goods, services and benefits (so-called "corporate welfare"). In 2019, Geox unilaterally granted factory workers and office staff an amount in the form of goods and services (so-called "corporate welfare") by assigning "rights" (shopping vouchers/fuel vouchers/reimbursement of school fees/reimbursement of transport costs), used through a dedicated online platform.

Benefits for the employees working at Geox Group's main headquarters include:

- **Eating Geox Restaurant:** the company restaurant has been built using state-of-the-art techniques and materials in full compliance with sustainability principles in order to have a limited impact on the environment. A great deal of attention is paid to the ingredients selected, how dishes are prepared and to the reduction of waste. The in-house Eating Geox Restaurant is a large communal area dedicated to employees in the heart of Geox Group, offering them information and everything they need for a healthy diet, thereby improving their well-being.

- **"Mondo Piccino" company nursery:** the "Mondo Piccino" nursery was created in February 2008 to support the needs of many parents working for the Company. Geox makes a monetary contribution and supports families by providing an educational service for their children that "fosters well-balanced and harmonious psychological-physical development", in accordance with the principles of respect, a warm welcome and solidarity. Each year, the nursery caters for around 50 children aged between 0 and 3, and its aim is to meet all of their needs and those of their parents in the best way possible.

- **Sport Village and Gran Teatro Geox:**

employees get a range of discounts with organisations that are able to create benefits for their health and well-being, such as the courses offered by the Sport Village gym.

There is also a partnership in place with the Gran Teatro Geox arena, meaning that employees can purchase tickets for all scheduled events and shows at a reduced price. Furthermore, four tickets for every show are up for grabs through a company competition.

Other discounts are available with a range of local companies, guaranteeing reduced prices for the purchase of certain goods and services. Special promotions are also available for the purchase of Geox footwear and apparel.

Eating Geox
Restaurant



Work-life balance

In its Code of Ethics, Geox confirms its commitment to ensuring that company policies allow people to work in environments that respect their dignity and guarantee their safety, with working hours and procedures that do not compromise their private lives or their ability to satisfy their basic needs. In fact, the value and dignity of people represent fundamental requirements to run a healthy business.

In order to ensure its employees have a good work-life balance and maintain their professional commitment, in line with organisational requirements, Geox Group offers the possibility to use part-time contracts. Approximately 33% of company personnel are hired under a **part-time work contract**. 30% of staff hired with this kind of contract work part-time 50% of the time; 46% work part-time 50-75% of the time; and 24% work part-time >75% of the time, calculated based on traditional full-time hours.

In order to allow employees to balance their family and professional responsibilities, the company also grants a maximum of 2.5 flexible hours per day, regarding the time of arrival and departure.

Number of employees by type of employment²³

	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	1,084	2,242	3,326	1,011	2,272	3,283	975	2,344	3,319
Part-time	301	1,200	1,501	258	1,151	1,409	251	1,202	1,453
Total	1,385	3,442	4,827	1,269	3,423	4,692	1,226	3,546	4,772

23. Excluding employees in North America (518 in 2017, 604 in 2018 and 398 in 2019).

Staff training and development

Promoting culture and training as a key strategic success factor

Geox believes that training is an **essential and strategic tool** for personal development and, as such, promotes a culture of ongoing learning with a view to innovation, also through the use of new learning environments.

Geox Group manages, trains and helps its employees to develop, supporting them with their professional growth and constantly updating their managerial and technical skills. This allows each employee to carry out their role in the best way possible, with a view to achieving the company's goals. To this end, Geox clearly defines roles, responsibilities and objectives for each employee, based on their position and level within the organisation chart. This avoids situations of stress caused by ambiguity and conflict between role and responsibility, and also helps with merit-based development.

The structure of Geox's training system, called the **Geox Learning System**, is based on the types of courses and skills to be developed, as well as the relative addressees. Training schemes and activities are defined following careful analysis of training needs together with business requirements. The aim is to develop and perfect employees' technical and managerial skills in order to fill gaps in knowledge, improve performance and invest in the professional growth of co-workers.

The Geox Learning System involves external consultants and instructors, as well as in-house experts, who all contribute to the professional growth of employees by sharing their specialist know-how.

In 2019, the main training initiatives focused on the following areas: Induction training for new recruits, Management Training, Technical-Specialist Training and Health & Safety Training.

In addition to the specific and individual induction training provided to new recruits, linked to their role, headquarters staff who have recently joined Geox Group also receive training that allows them to learn

more about the Company's history, values, philosophy and how it organises its workers.

Management training, on the other hand, takes a closer look at the development of soft skills, such as public speaking, project management, change management, team work and leadership.

More specifically, with a view to raising employees' awareness of change, a number of *"Exploring Change"* workshops were held, providing plenty of opportunities for reflection, allowing participants to better understand the importance of the concept of "change" and making them more aware that they belong to a unique company that's continuously evolving.

Some colleagues also had the chance to participate in the "Team Cooking Lab" training initiative, which uses a cooking workshop to cover topics such as co-operation, mutual understanding and team work, all with a view to improving professional and personal relationships within the Company.

The management training programme *"Lead to Excellence - The Modern Geox Leader"* also played a crucial role. More specifically, "Geox Leaders" are those who represent the Company's values, promote evolution and change and guide people by endeavouring to achieve business objectives through managerial tools. This course, attended by a group of company managers, was aimed at consolidating and integrating leadership skills (which are particularly important to guide change and guide people) and managerial skills, all in line with the Geox Leadership Model.

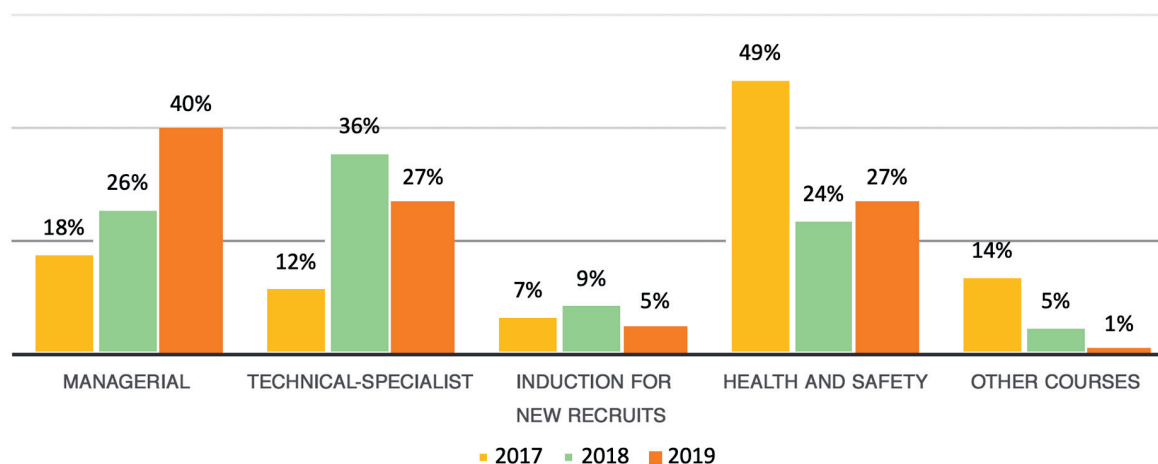
Technical-specialist training was also provided, aimed at developing technical skills depending on employees' roles and areas of expertise (e.g. linked to the use of technical tools and computer equipment).

During 2019, the **retail training** programme also continued, providing both managerial and technical-specialist training. The aim of this programme is to take an in-depth look at issues relating to the development of skills regarding footwear and apparel products, sales, relationships with customers and team management.

The new “SMIT” (*Store Manager In Training*) course was also launched for retail, to develop “future store managers” by alternating classroom sessions with in-store mentoring. The aim of this project is to enhance talented individuals by accompanying them towards their future role as store managers of Geox Shops, in Italy and/or abroad.

Geox Group has also always played an active role in promoting a **culture of health and safety** within the work environment, providing training courses for all categories of workers. Geox is committed not only to respecting legal requirements, but also to significantly raising employee awareness of this issue.

Hours of training by type of course provided (%)



In 2019, a total of 27,255 hours of training were provided (+28% compared with 2018 and +19% compared with 2017), equal to an average of approximately 5 hours of training per employee.

Hours of training by professional category and by gender ²⁴

	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior managers	707	59	766	271	48	319	802	339	1,140
Middle managers	1,656	1,703	3,359	851	439	1,290	1,123	808	1,930
Office staff	1,155	3,174	4,328	2,070	2,839	4,908	2,779	3,836	6,615
Store employees	2,629	6,970	9,598	2,793	8,480	11,273	3,838	12,621	16,459
Factory workers	2,261	1,598	3,859	549	1,022	1,571	425	563	988
Total	8,407	13,503	21,910	6,533	12,828	19,361	8,966	18,167	27,133

Average hours of training by professional category²⁴

	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior managers	18.1	19.7	17.9	6.8	9.6	6.8	22.3	48.4	25.6
Middle managers	14.0	16.7	14.9	10.4	9.1	9.5	15.8	21.3	17.4
Office staff	4.87	7.86	6.42	7	5.6	6.0	9.5	7.2	7.7
Store employees	4.60	3.49	3.16	5.5	4.3	3.8	7.8	6.2	5.7
Factory workers	5.40	1.71	2.85	1.6	1.1	1.3	1.3	0.61	0.8

Over the course of the year, activities carried out as part of the **“Geox Lab”** project were particularly significant. With a view to engaging employees more and encouraging them to play a more direct role in improving company life, just like last year, Geox organised three additional technical workshops in January 2019. These gave people the opportunity to work together to gather useful tips and share new ideas and projects on how to improve the organisation.

Following the Geox Lab initiative, a plan was defined to implement the ideas that came up during these workshops. Some of the first initiatives from the plan to be implemented in the company were *“Lunch for Us”* and *“Contamination Meetings”*.

“Lunch for Us” refer to a series of structured meetings that give colleagues from different departments the

chance to spend time together, thereby promoting mutual understanding and the sharing of information and providing an opportunity to take a closer look at issues both inside and outside of work.

“Contamination Meetings”, on the other hand, are meetings designed to boost and enrich knowledge in relation to a number of company areas that are of interest to everybody. These are brief conferences organised on specific key topics regarding company life and aspects of the business and are held by in-house colleagues whose role in the company deals specifically with the topic being discussed.

Another initiative taken from the ideas that emerged as part of the Geox Labs is the *“Geox Dragon Contest”*. After taking part in this contest, six employees each won a ticket to go to the World Formula E Championship

24. Excluding the hours of training provided to employees in North America (126 hours in 2017, 137 in 2018 and 122 in 2019).

race in Rome. These colleagues enjoyed a day full of sport, fun and team spirit - an experience outside of the workplace linked to the topics of sustainability and technology.

The Geox Labs were also behind the “*Be a Breathing Company*” project, representing a way of expressing Geox’s seven corporate values through conduct to be promoted within the company. In fact, Geox “breathes” through its values, keeping them alive every day through its activities, choices and, above all, its people.

As part of this project, the “Geox Portraits” initiative was launched in June: in line with the company’s value of “passion”, over a hundred photographs were submitted depicting smiling colleagues, which were then used for a number of internal communications activities.

Lastly, as part of its Christmas celebrations and in line with the value of “Sustainability”, Geox gave all employees from its headquarters the gift of a personalised water bottle, produced in collaboration with WAMI, supporting the Tengori project and donating drinking water to people who are most in need.

Geox supported solidarity initiatives by buying WAMI water bottles as a Christmas gift for its employees

The relationships developed with academia and schools continued in 2019. As in the past, Geox welcomed numerous visits from schools and universities, with the aim of giving young people the chance to get closer to the world of work in order to understand its main aspects. Over the course of the year, Geox also launched a project in collaboration with a number of students on the “Fashion design and multimedia arts” course run by the IUAV University of Venice, in order to design and come up with prototypes to create new uniforms for Geox stores. Also through this project, the company had the opportunity to enter into direct dialogue with university students, giving them an insight into the Geox brand and the company.



Protecting workers' health and safety

The Group Code of Ethics expresses Geox's commitment to providing a working environment able to guarantee workers' health and safety. In fact, the health and safety of employees is of fundamental importance for the Group as they represent the heart of the business. That's why an appropriate working environment, suitable equipment, employee training and anything else necessary to fulfil safety requirements, all have a crucial role to play.

In particular, Geox Group believes that workplace health and safety represents a basic right for its workers and a key element for the Group's sustainability performance, which is why it guarantees safe and healthy working environments in compliance with applicable workplace health, safety and hygiene legislation in every country where it operates. To this end, the company undertakes to promote and consolidate a culture of workplace health and safety by raising awareness of risks, providing adequate resources and training, and asking all staff, at all levels, to ensure they behave in a responsible way and follow the safety management system in place, including all the company procedures contained therein. More specifically, Geox Group is fully aware that safety is the result of the actions of the entire organisation, from the top management right down to each worker, each with their own level of responsibility. This awareness has led Geox Group to commit to continuously improving the health and safety of its workplaces, by involving the departments in charge and by defining and sharing development objectives and the relative plans being implemented.

With regard to the main headquarters, the responsibility for ensuring that the working environment is safe and complies with applicable legislation, and therefore carrying out the activities involved with implementing Italian health and safety laws for the workplace, is assigned, first and foremost, to the Employer (Chief Executive Officer) and to all other figures involved in organising safety (Individual appointed by the Employer, Head of HR, Organisation & Corporate Services, Health and Safety Officer, Senior Managers and Appointed Employees). It is also the responsibility of the Employer, whether the Parent Company or

its subsidiaries, to regularly update the procedures following any new legislation or organisational changes.

Geox Group fully complies with the requirements of the specific local legislation applicable in the various countries in which it operates. In particular, for its operations outside of Italy, Geox Group is supported by a Health & Safety (H&S) consultant in order to carry out the activities necessary to comply with local legislation.

At group level, specific budgets have been set aside in order to ensure that the defined H&S programmes are implemented properly. Having said that, in consideration of the fact that Geox considers health and safety to be a priority issue for its operations, the company also allows for previously agreed budgets to be exceeded should the Employer believe that this is necessary to implement specific improvement measures.

Although the Group's international presence means that it is subject to many different sets of laws and regulations at local country level, the Parent Company has defined a number of guidelines containing specific rules of conduct. The purpose of these guidelines, approved by the Head of Retail, is to reduce and eliminate the likelihood of accidents and/or injuries occurring, and they have been shared all over the world, with each store in Europe and across the various Business Units.

The entire Geox Group follows the procedures provided for by the international standard BS OHSAS 18001. Geox Retail S.r.l. DOS Italy was already awarded this certification back in 2013. In 2019, the production plant in Serbia also maintained this certification. The procedures required for this standard are issued by the assigned departments, reviewed by Internal Auditors, and checked and approved by the Employer. Procedures are currently being followed to migrate to the new ISO 45001 standard, which will certify Geox Group at corporate level (Geox S.p.A., Geox Retail S.r.l. and Xlog S.r.l.).

The integrated Workplace Health and Safety Management System that goes along with this certification defines and regulates:

- hazard identification and risk assessment procedures and the definition of relative controls;
- the training, development and communication process;
- the control of documents, data and registrations;
- inspections and audits;
- the speed and ability to react to an emergency;
- the management of accidents, near misses, non-conformities and corrective and preventive actions;
- the management of service contracts;
- the definition of objectives and programmes, and the review by senior management;
- the procedure to coordinate and manage change and special activities.

It is of fundamental importance to Geox to reduce to a minimum the risk of possible accidents, occupational diseases and emergency situations, by implementing appropriate preventive measures. With specific reference to risks, it should be noted that Geox Group's workforce is mainly characterised by workers using display screen equipment, salespeople and, lastly, conveyor belt workers in the Serbian factory. More specifically, the main activity carried out at the Geox S.p.A. headquarters and its representative offices across the various Business Units and in Europe, is office work, implying the use of display screen equipment. It is therefore possible to conclude that the risk of the Group can be considered low. It is nonetheless necessary to consider that the Group has a significant number of employees who travel and live abroad: this may cause risks linked to road accidents or accidents involving other modes of transport, as well as possible risks deriving from terrorist attacks, violence or robberies given the current geopolitical situation. In order to address these risks, Geox has implemented a new system that tracks and monitors crisis and emergency situations in the various countries, allowing it to assess any necessary travel in an informed and responsible way, for the safety of those going abroad. With specific reference to the activities carried out at mono-brand stores, due to the service model in place, employees are constantly going into the warehouse and using portable step ladders, which statistically represent the biggest cause of accidents. There are, on the other hand, several potential risks deriving from the activities carried out on the shoe production lines in the Serbian factory. These include risks associated with the

use of machinery and the use of chemical substances.

In order to correctly manage these types of risks, Geox Group has defined a model based on preventive measures. In general, each worker is required not to expose themselves or other workers to hazards that may cause injuries or damage to themselves or others, implementing the preventive measures defined by the Group in order to protect health and safety. Specific company documents (e.g. guidelines, operating instructions), as well as training and information notices, are used to communicate said measures. In this regard, Geox regularly organises training courses and carries out preventive actions and periodic inspections in order to protect workers' health and safety.

Before opening a new place of work, whether an office or a point of sale, a careful health and safety risk assessment is always carried out. Internal audits are then carried out on a regular basis in order to check compliance in the workplace, the effectiveness of the procedures defined and the training activities carried out. These audits are based on document analysis and site visits (inspection of the work environments and work equipment). These regular inspections are currently carried out for Geox S.p.A., Xlog S.r.l., Geox Retail S.r.l., and TDV d.o.o. and one-off checks are also planned for a number of stores in Europe. In order to continuously improve the management of these issues, above all with reference to workplaces outside of Italy, follow-up audits are also carried out with the support of external consultants. The purpose of these is to check the correct implementation of any corrective actions identified following negative findings from previous audits.

In Italy, Geox organises an annual meeting on the topic of workplace health and safety, attended by the Employer, the officially appointed doctor, the Health and Safety Officer, the Chair of the Supervisory Board and the Workers' Health and Safety Representative. During this meeting, for which minutes are drawn up, the attendees share and discuss analyses and results regarding risk assessments, health inspections, accident statistics, personal protective equipment used and training and information provided to workers.

Special committees, made up of the Employer, workers' representatives and the HR manager, have been set up in a number of foreign countries, especially in Serbia. These committees meet regularly with the same purposes as stated above.

Also during 2019, workplaces were carefully managed and there were continuous communications and awareness raising activities aimed at prevention as well as monitoring the correct implementation of

improvement plans. These measures helped to limit the number of workplace injuries. In particular, 121 accidents were reported in 2019, of which 95 in the workplace and 26 during the commute to/from work. Any percentage increases and variations compared with the previous reporting period are due to the process to continuously improve the method used to collect data from the organisations²⁵.

Accident statistics are examined on an annual basis in order to monitor performance and to identify, implement and activate any necessary corrective actions to eliminate the root cause. All indicators relating to accident indices are also monitored and assessed.

During the 2017-2019 three-year period, no fatal accidents were reported. It should also be noted that, in 2017 and 2019, no cases were reported of occupational disease, whereas one such case was reported in Europe

in 2018, which had been caused by the previous job of the employee in question, held outside of Geox Group. As a result, the Group's overall occupational disease rate was equal to 0.02% for 2018.

Breakdown of the number of accidents by gender and geographic area in 2019

	Men	Women	Total
In the workplace	13	83	96
Italy	4	25	29
Europe	4	40	44
North America	2	9	11
Rest of the world	3	9	12
During the commute home	6	21	27
Italy	4	9	13
Europe	2	7	9
North America	-	-	-
Rest of the world	-	5	5
Total	19	104	123

25. Data relating to the previous reporting period are provided in the "Graphs and Tables" section

Accident indices and Absenteeism rate 2019

	Men	Women	Total
Severity index²⁶	0.14	0.56	0.43
Italy	0.07	0.85	0.59
Europe	0.10	1.09	0.57
North America	-	1.60	0.51
Rest of the world	0.06	0.09	0.08
Frequency index²⁷	8.2	21.66	17.28
Italy	10.79	22.16	18.45
Europe	8.39	71.34	38.59
North America	16.32	154.64	60.87
Rest of the world	4.06	5.49	5.17
Absenteeism rate²⁸	6.25	6.87	6.67
Italy	3.64	11.04	6.24
Europe	11.62	8.96	9.96
North America	1.45	1.01	1.17
Rest of the world	4.16	5.73	5.35

There are also specific health procedures that are developed based on the risk assessment findings which define the periodic health inspections that workers must undergo in relation to the general risks they are exposed to.

During 2019, with a view to disclosing an increasing amount of information, the following figures were collected, relating to accidents suffered by workers who were not working directly for the Group, i.e. workers belonging to a cooperative whose employees work in the logistics centre in Signoressa (TV):

Number of accidents involving workers who are not employees, broken down by gender (2019)

	Men	Women	Total
In the workplace	18	2	20²⁸
During the commute home	2	3	5

26. Severity index: (number of days lost due to injury at work/total number of hours worked) x 1,000. This index has been calculated pursuant to the UNI 7249:2007 standard "Statistics on Accidents at Work".

27. Frequency index: (number of injuries/total number of hours worked) x 1,000,000. This index has been calculated pursuant to the UNI 7249:2007 standard "Statistics on Accidents at Work".

28. Absenteeism rate: (total number of days of unplanned absence/total number of days worked) x 100. (Working days have been estimated based on the number of hours worked, dividing by 8 hours worked/day).

29. 20 accidents at work, including 2 men and 1 woman suffering an injury relapse

Frequency index for workers who are not employees (2019)

	Men	Women	Total
Frequency index²⁷	73.89	51.10	67.84³⁰

Lastly, staff training on workplace health and safety represents an integral part of the preventive measures implemented by Geox. The purpose of this training is to encourage each worker to change their behaviour, with a view to improving all employees' perception of risk. During 2019, the Company provided more than 7,341 hours of training dedicated to health and safety through courses involving all categories of workers (+36% compared with 2018 and -46% compared with 2017). The significant difference with the percentage stated in 2017 is due to the compulsory training involving all employees that was provided that year (this training had previously been provided in 2012 and had to be repeated by law).

30. Net of the injury relapses, the frequency index is equal to 59.69.

Dialogue and internal communications

Geox Group pays a great deal of attention to its co-workers and promotes a series of initiatives to make employees more involved within the company, thereby boosting their sense of belonging.

Communication is an effective tool to create a shared culture and a relaxed and positive environment within the Group.

In particular, during 2019, important meetings continued to be held to demonstrate to all employees of the Parent Company how the business is going and the main projects and initiatives undertaken, as well as the Group's strategic business plan.

The so-called “**Geox Labs**” also continued to represent a particularly important way to engage and listen to employees. These themed workshops gave people the chance to work together to share and gather fresh ideas and come up with project proposals, with a view to continuously improving the company's organisation.

During the reporting period, work began to update and enrich the **company's intranet**, in order to ensure that Group employees are kept constantly updated on the services made available by the company, as well as the company's results, organised events, advertising campaigns and new products. To this end, the **newsletter** initiative also continued in 2019, mainly addressed to the retail channel. The purpose of the newsletter is to share Geox's main news and initiatives and to give all those working within the Group a greater sense of belonging.

Industrial relations

In all countries where Geox Group operates, it has always endeavoured to build and maintain successful dialogue with trade unions in order to find the best solutions to balance the needs of single workers or specific categories of workers, with those of the company.

Geox Group guarantees the protection of workers' rights, including their freedom to join trade unions and take part in collective bargaining, in full compliance with the regulations imposed by applicable legislation, by national and local collective bargaining agreements

and, if present, by individual bargaining agreements. Workers' rights are also protected pursuant to the policies and general guidelines of reference issued by the Parent Company.

Should an employment relationship not be covered by a national bargaining agreement, then the individual's employment contract must be drawn up in such a way as to ensure the clear identification of all regulations protecting workers and the company's compliance with them, in terms of both personal rights and pay issues.

Employees covered by national collective bargaining agreements

	2017	2018	2019
Number of employees covered by a national collective bargaining agreement	2,746	2,640	2,678
Percentage of total employees	51 % ³¹	50 % ³¹	52 % ³¹

With a view to maintaining relationships based on mutual recognition, dialogue and collaboration, Geox organises regular meetings to discuss with trade union and company representatives.

With regard to the management of labour relations in the main countries where Geox operates, there were only a limited number of disputes recorded in 2019: these disputes mainly regarded appeals following lawful dismissals for misconduct. For employees who left in agreement with the company, trade union representatives were involved in order to define a fair solution for both the individual and the company through a process of conciliation.

The company also has a series of policies and regulations in place in order to protect clear and transparent labour relations. In particular, for Geox Retail, a set of regulations and policies has been introduced in all stores in order to regulate relationships with customers, fellow store employees and supervisors, and to ensure that company procedures are followed. In some countries (France and Belgium), company regulations have also been introduced to implement specific aspects of local legislation.

31. In certain countries where Geox Group operates, there are no national collective bargaining agreements in place

Production facilities in Serbia

Geox decided to invest in a socially disadvantaged and economically depressed area in southern Serbia, on the border with Kosovo, by building modern production facilities in the municipality of Vranje, in collaboration with a famous local architecture studio. This production plant employs over 1,300 people and covers a surface area of more than 20,000 square meters. The structure built allowed for a real urbanisation process to develop, which is still continuously evolving. The total investment was equal to approximately Euro 20 million, of which around Euro 11 million were provided by the Serbian government as funding for foreign settlements generating local jobs and subsequent development of the local community. This amount will be paid back through tax and social contributions. Unlike other local or foreign enterprises operating in Serbia, Geox Group does not benefit from privileged tax treatment.

In the past, Vranje had already been home to a shoe production plant. That's why Geox decided to invest in rebuilding this production sector, using some of the existing local know-how and generating positive knock-on effects by creating jobs in an area that had been affected by years of unemployment and social crisis. Geox's efforts have also focused on increasing the culture of quality shoe manufacturing, by using modern and sophisticated processing technologies. In particular, a Pilot Centre has been created at the Serbian production plant to develop and implement new technologies and to experiment with new materials. As of today, production in Serbia covers approximately 8% of the Group's requirements.

Thanks to the production facilities in Serbia, Geox Group can cover production peaks arising from sales of bestsellers, creating the advantage of being able to reduce initial order quantities, with the ultimate aim of reducing overall waste. The activities carried out in the Serbian production plant involve the entire production process, which is gradually evolving in accordance with the logic of lean production.

Human resources and salaries

As part of the agreement signed with the Serbian government, Geox Group has undertaken to make new investments of no less than approximately Euro 16 million and to reach a level of employment of at least 1,250 people with permanent contracts. These conditions were already met and exceeded during November 2016. Furthermore, Geox was asked to maintain a level of employment of at least 1,250 people for at least three years after completion of the project (November 2016), and a minimum wage for employees with a permanent contract that is 20% more than the legal minimum.

All employees at the Serbian production plant with a permanent contract (as of 31 December 2019, 1254 out of the 1283 working there), receive a salary that is 20% above the minimum wage provided for by Serbian law. Workers with fixed-term contracts are hired on a case-by-case basis to cover peaks in demand, which are inevitable given the seasonality of production activities. These workers are never paid below the legally required minimum wage.

In accordance with the law, overtime is paid at a rate that is 26% higher than the basic hourly wage and a maximum of 32 hours are permitted per month.

The company liaises with the on-site trade union on an ongoing basis, in order to ensure that the organisation is able to best understand the needs of its colleagues.

Following this positive result in terms of Geox fulfilling its commitments, the Serbian Government has given the go-ahead for the contributions necessary to finance the investment.

Health, safety and the environment

The main aim of the Management is to guarantee a safe and healthy working environment in order to ensure the Health and Safety of its workers. To this end, over the years, the Health and Safety Department has been reinforced with company resources and external consultants, in order to continuously improve the level of employee Health and Safety. Various initiatives have

also been taken to improve the working environment. These include the significant investment made to improve the existing air-conditioning system.

This approach has led the company to work towards achieving ISO 45001 certification. Compliance with this standard ensures that the requirements of the Workplace Health and Safety Management Systems are met, allowing the organisation to control risks in this field and improve its performance.

With a view to achieving sustainable development in the area in which it works, the Group is also committed to promoting responsible conduct and practices in order to reduce the direct and indirect impacts of its business activities. This is also achieved by working together with stakeholders, both inside and outside the company, with the aim of optimising the management of environmental issues. To this end, the company constantly monitors the environmental impacts of its activities, also for the production plant in Serbia. It does this, for example, by regularly analysing the company's microclimate, the fumes released by the chimneys and the waste disposed of. With specific reference to this last point, a recycling point has been installed next to the factory in order to facilitate waste collection and disposal, which allowed for a significant increase in the amount of waste that was sorted in 2019. An ad hoc professional role has also been included in the workforce to manage waste, and specific training has been planned to ensure that waste is managed correctly.

It also helps to develop the local community by using local suppliers. In fact, Geox Group recognises the high social value of building sound and long-lasting relationships with these suppliers: that's why over 50% of suppliers for the Serbian production plant come from the local community. This represents an excellent growth opportunity for the craftsmen and small-medium enterprises based near to the production facilities, also allowing the group to minimise the environmental impact involved with transporting the materials used. Furthermore, in accordance with the lean production logic adopted by the company, using local suppliers allows for direct contact with them, thereby ensuring a reduction in stock levels and a higher quality service, both upstream and downstream of the supply chain.

Community support

Geox Group plays an active role in the local community and contributes to its development

Geox Group presents itself as an active component of the local community and undertakes to contribute to social, economic and environmental development as well as to the well-being of the population. In particular, its commitment at the production plant in Serbia can be seen through its promotion and financing of a series of initiatives to the benefit of the local community and its employees, such as social support activities (e.g. contributing to initiatives for cultural, recreational and sports activities, etc.), setting up a first aid room (preparations are currently underway to enter into an agreement with the local health authority) and holding information seminars for employees to raise awareness about healthy living. Socialising between employees has also been encouraged, contributing to organising recreational and fun activities and events.





Customers



**LAUNCH OF SUSTAINABLE
PRODUCT LINES: NEBULA
WITH AN UPPER MADE FROM
RECYCLED POLYESTER AND
E-WARM WITH PADDING MADE
FROM RECYCLED MATERIAL**

**“GEOX ON HAND APP”:
DEVELOPMENT OF A NEW
RELATIONSHIP MODEL
AND LAUNCH OF THE APP
TO IMPROVE THE LEVEL
OF SERVICE OFFERED TO
CUSTOMERS IN-STORE**

**TRAINING PROGRAMMES
FOR ALL SALES ASSOCIATES
TO IMPROVE CUSTOMER
RELATIONSHIP MANAGEMENT
SKILLS**

**BENEFET LOYALTY SCHEME:
+ 400 THOUSAND PEOPLE
SIGNED UP IN 2019**

**8.77%: LEVEL OF INTEREST IN
THE COMPANY EXPRESSED ON
LINKEDIN**

Customer focus and excellent service

In order to achieve long-lasting development for the company, Geox's strategy is based on a constant focus on technology and product innovation to provide the well-being created by breathability - a basic requirement for the health of people and of the planet-, the quality of its products, made by workers who are treated fairly, sustainable and innovative production processes that respect the health and safety of workers and ecosystems, and the continuous **focus on its customers**.

That's why Geox has put its customers at the heart of its value chain, taking them into consideration as part of every action and decision taken. The goal is to proactively anticipate their needs and desires and to quickly respond to their requests and expectations. In particular, Geox's Code of Ethics states that one of the Group's main objectives is to fully satisfy the needs of its customers and to create a solid relationship with them based on the general values of correctness, honesty, integrity, efficiency, reliability, professionalism and transparency. The Code of Ethics also affirms the Group's commitment to providing its customers with products that stand out for their high quality, safety and excellent levels of service. In particular, Geox ensures that its products fulfil market expectations and requirements, also in terms of the safety of the materials and chemical substances used to make them. When carrying out its activities, Geox pursues high levels of quality and continuous improvements.

In this regard, **sales staff** play a crucial role, as does the customer's buying experience in general. Geox continuously invests in carefully planning moments of customer interaction through the various sales channels, whether physically in-store or online.

In particular, also during 2019, Geox Group worked on developing its digital channels, strengthening, with a view to inclusion, its social media presence, in order to communicate using the same language as its new target customer base (25+). In 2020, Geox is planning to build automated "Customer Journeys" which react by sending messages in line with the "customer personas" identified.

At the same time, in response to the question "*How*

to be relevant?", Geox Group continued to revamp its physical stores in line with a philosophy that sees them as being more than just places to shop, but also places to enjoy different experiences and emotions: customers are recognised as being unique people, respecting their individual habits and behaviour, the study of which has allowed for the service on offer to be customised as much as possible.

Geox stores now have new window displays in line with the **X-Store** concept, developed to offer customers an innovative buying experience, featuring minimalist walls and furnishings able to evoke a sense of lightness and airiness, in perfect Geox style. Window displays are now seen as marketing tools, and no longer only as mere "containers" for products. During 2019, Geox worked hard to revamp its store network, managing to increase the total number of X-Stores from approximately 100 in 2018 to 223.

The new Geox stores are designed as "Brand Media" and tools to engage customers. Digital content therefore also plays an incredibly important role at a time when the company, which currently enjoys strong brand awareness among 30 to 50 year olds, wants to attract younger consumers. In addition to the digital services already launched ("click and collect", "click and reserve" and "return in store"), the innovative "endless aisle" tool was also introduced in 2019, which provides store staff with all the potential of e-commerce, enabling them to offer customers a virtual, and potentially unlimited, stockroom.

With a view to implementing the values underpinning "customer-centricity", Geox's "**Service Model**" became the "**Relationship Model**" in 2019: this effort focused on providing sales associates with tools to improve their customer engagement skills. These tools mainly focus on providing these members of staff with ongoing, quality training.

The current model is based on four core elements:

- **GREET:** this is essential in order to make Geox customers feel "at home", thereby creating a welcoming atmosphere;

- **ENGAGE and INVESTIGATE:** although customers must be left alone for long enough to browse the in-store collections themselves, Geox personnel should also provide them with information on the products and the brand, sparking even more interest in the Group;

- **OFFER:** once they have understood the customer's needs, Geox personnel should propose at least 3 different models to help them pick the best shoe to meet their requirements.

- **TECHNOLOGY:** customers should always be told about Geox's unique patents. This reinforces their purchasing decision and reassures them of the benefits and comfort that they'll be getting from a pair of Geox shoes.

All sales personnel are also given specific instructions on how to display products inside the store.

The efficiency and functioning of the Relationship Model is monitored by each store supervisor on an ongoing basis, by providing continuous training courses to sales staff and by using survey tools such as the "Mystery Shopper". With regard to sales team training, a particularly important role is played by the store manager who, thanks to the "**Geox Retail Excellence**" programme, is regularly involved in training sessions aimed at ensuring that guidelines defining how to display and sell products are being correctly followed. All training course materials are loaded up onto a dedicated portal that can be accessed by store managers. They must then ensure that these materials are circulated among sales staff during their morning briefing. The "Geox On Hand App" was launched in 2019: an Android/iOS app that has the potential to be a platform to analyse performance, monitor stores and keep track of in-store activities.

During 2019, a survey was carried out to assess the quality of the Relationship Model. The **Mystery Shopper Survey**, involving approximately 400 stores in Italy, France, Germany, Spain, Austria, the UK, Belgium, Portugal, Poland, Luxembourg and Canada, was carried out through three store visits within a short period of time. This survey focused on assessing three key aspects: appearance (e.g. cleanliness, tidiness, etc.), the level of the relationship and the ability to create "brand ambassadors". The overall result was close to "pass" level (70%-80%). In consideration of this result, the company identified room for improvement in terms of the sales associates' readiness to find out about customers' real needs and suggest a coherent selection of products; these findings were partially mitigated by the exceptional results recorded in terms of store appearance.

As was the case in 2018, during 2019, the **Benefeet loyalty scheme** continued to represent one of the best ways to interact and share with customers and to gather information on them. This is a loyalty scheme whereby customers can collect points linked to how much they spend. The points that they collect during a given year can be spent in Geox Shops, participating Geox franchises, or online at www.geox.com.

For all those who sign up to the Benefeet scheme, Geox guarantees dedicated, multi-level customer service, available in Italy, Spain, France, Belux, Germany, Austria, Portugal and Great Britain. In particular, members of the Benefeet loyalty scheme can contact the Geox Customer Service team (using the contact details provided on the website www.geox.com under the "customer service" section, or the company's social media sites), or by visiting one of the participating Geox Shops in person, and ask for information on their Benefeet profile (to change or cancel the personal details provided upon registration, check the number of points collected as part of the Benefeet "Every step brings a benefit" initiative, ask about the benefits dedicated to them and any other information relating to the Benefeet loyalty scheme). Furthermore, for issues strictly relating to the processing of personal data, customers can also send an e-mail to privacy@geox.com (as indicated in the privacy information notice provided on geox.com and in Geox Shops).

Thanks to the **Benefeet loyalty scheme**, Geox is able to gather a range of information about customers and their purchasing behaviour, allowing it to create a substantial database. This allows the company to better understand its customers and thereby offer them a more suitable service. Based on the analysis carried out on this wealth of information, Geox Group has also defined a series of initiatives to communicate with customers: product and promotional newsletters, invitations to in-store events, etc. One such initiative involved sending over 54 million messages via SMS and e-mail to Benefeet members, with the aim of reaching customers who signed up to the programme on their mobile devices.

FOCUS ON CUSTOMERS: THE GROUP'S MAIN OBJECTIVE IS TO FULLY SATISFY THE NEEDS OF ITS CUSTOMERS, PROVIDING PRODUCTS WITH HIGH QUALITY AND SAFETY STANDARDS

MYSTERY SHOPPER SURVEY: 400 STORES INVOLVED ACROSS THE WORLD TO ASSESS THE QUALITY OF THE RELATIONSHIP MODEL WITH CUSTOMERS



“EVERY STEP BRINGS A BENEFIT”

In 2019, 400,000 more people signed up to the Benefeet Loyalty Scheme, compared with 2018

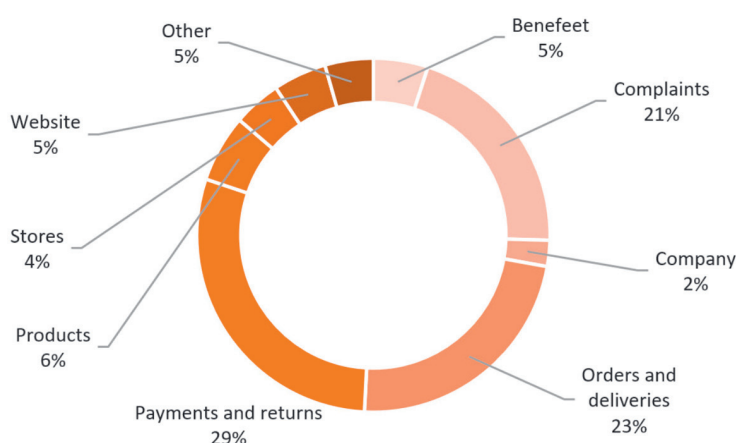
Geox is therefore able to use this scheme to remain in constant contact with millions of people. At the end of 2019, the scheme had reached **5.5 million registered customers**.

The fact that Geox has a customer-centric approach can also be seen in the fact that it has a **Customer Care** department to promptly manage any requests from consumers. With regard to product quality, Geox pays particular attention to satisfying its customers' needs, by not only complying with applicable legislation in every country in which it operates, but also assessing

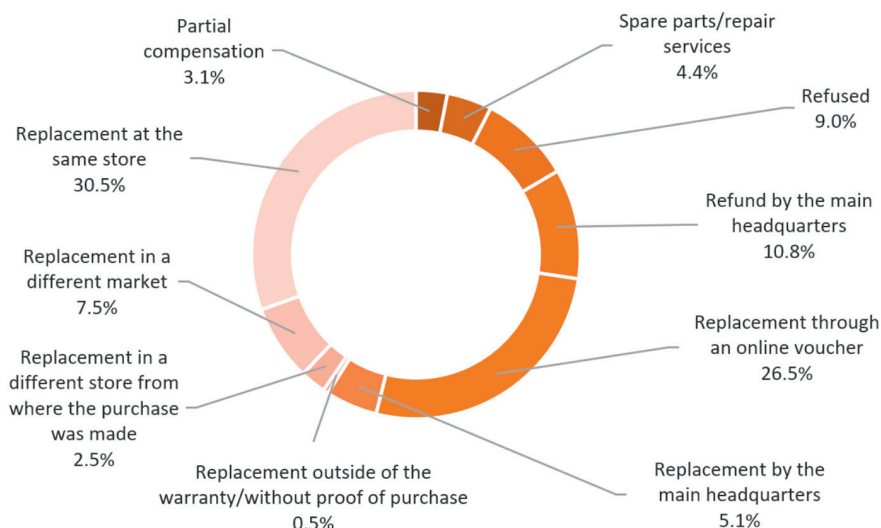
and taking into account the specific details of each case. Each customer also has the right to return products, in their original condition, within 15 or 30 days from the date of purchase, depending on the channel or market.

In particular, the Customer Care department managed 185,210 interactions in 2019, which arose after an initial contact with customers. Out of these, 18,562 referred to issues linked to product quality and included all correspondence with customers to agree upon a solution, leading to 6,673 conclusive actions (see graph “Conclusive actions 2019”). During the reporting period, 584 interactions dating back to 2018 were resolved. As at the date of drawing up this document, 33 cases referring to 2019 remain pending.

Contact areas 2019



Conclusive actions 2019



Data security and protection

In 2018, in order to implement European data protection regulation no. 679/2016 ("GDPR"), Geox Group, with the help of two external consultants, structured a mapping and gap analysis process regarding the personal data processing that it carries out. This process involved all departments and all Group companies.

From an organisational point of view, the Group appointed (duly notifying the data protection authority) a Data Protection Officer (DPO) and created a Privacy Committee in charge of providing support for data protection impact analysis and assessment (DPIA), supervising the security of data processing, providing instructions for the processes and activities carried out by the various departments involved, overseeing staff training and supporting the DPO to manage any data breaches.

The gap analysis did not flag up any specific critical issues, whereas the mapping suggested that procedures be updated in accordance with applicable data protection legislation, following a "by design and by default" approach. The Group is committed to implementing and optimising adequate technical and organisational measures, aimed at efficiently applying data protection principles and integrating the necessary guarantees into its data processing activities, in order to fulfil the requirements of the GDPR and protect the rights of data subjects.

Being well aware of the dramatic increase in global cyber attacks and the rapid development of ways to gain unlawful access and steal data from IT systems, Geox Group has implemented modern security systems to protect the personal data processed and sets itself the objective of optimising these systems, ensuring they are state of the art. The Group believes that the importance of the wealth of data acquired, also to support the growth strategies approved as part of the Business Plan presented on 14 November 2018, depends largely on strictly protecting the confidentiality of the data belonging to people who buy Geox products or who work with the Group.

Memorandum of understanding between the Italian State Police and Geox Group to prevent and combat cyber crime

Geox Group has also signed a memorandum of understanding with the Italian State Police (the Veneto region's Postal and Communications Police Department) to prevent and combat cyber crime on IT systems. The aim of this memorandum of understanding is to develop a partnership in order to share and analyse information that can help to prevent attacks or damage to Geox Group's IT system, to report any emergencies in terms of vulnerability, threats and incidents that may harm the normal functioning of telecommunications systems, and to identify the source of any attacks suffered by the technological infrastructure under management.

Considering the amount of attention that the company pays to protecting the personal data of its internal and external stakeholders, during 2019, Geox decided to undergo an external audit in order to confirm the procedures it has implemented to manage personal data with regard to B2C customers.

In 2019, the Benefeet loyalty scheme continued to represent the Group's database with the largest amount of personal information. This programme collects data from Geox's customers, both electronically and on paper, subject to specific consent for marketing and profiling activities being granted beforehand. This data is then stored, in full compliance with applicable legislation, on a database that has high security standards.

In order to ensure that customers' rights are fully respected, procedures to protect confidentiality have been implemented as part of the Benefeet programme, such as training in-store members of staff. In particular, as well as providing a manual explaining the loyalty scheme, sales staff receive a specific manual dealing only with data protection for customers. This guarantees that data is duly collected and processed in full compliance with the GDPR. During the first months of 2019, the privacy information notice on the processing of personal data was also reviewed in order to make it clearer, more complete and easier to read for customers. Together with the Legal & Corporate Affairs department, weekly alignment sessions were also organised to better manage any requests received from customers pursuant to articles 15 et seq. of the GDPR; documents and guidelines were also drawn up for external suppliers, appointed as external data processors pursuant to art. 28 of the GDPR, that process

personal data on behalf of Geox. A ticketing service was also implemented in order to monitor requests regarding data protection sent to the dedicated e-mail address privacy@geox.com.

Unlike 2018, when no reports were received, four reports were received from the various national data protection authorities in 2019. More specifically, three reports referred to requests to erase personal data or consent, whereas one report referred to a request for further information on a number of points in the information notice (e.g. list of individuals that process data, list of non-EU countries where consumers' data may be sent, etc.). All reports were managed by promptly replying to the requests received from the data protection authorities.

It should also be noted that, during the reporting period, there was one case of a consumer making a complaint about non-sensitive data being disclosed via e-mail to a limited number of people by mistake, but there were no cases of data being stolen and/or lost. As is always the case when any kind of report is received, Geox promptly replied to the sender and, at the same time, took appropriate mitigating actions as well as the necessary measures to ensure that such an error does not happen again in the future.

It should also be noted that, out of the 447,754 new registrations, 133,001³² requests were managed to update personal data, to erase personal data in order to be removed from the Benefect loyalty customer database and/or to erase data in order not to receive any further marketing notifications via e-mail/SMS.

32. The figure for 2018 (58,016 cancellations) cannot be compared with the 2019 figure, as the scope of reporting has been extended. In particular, 2019 figures include the requests for erasure received from Benefect customers in Europe as well as those from customers who have signed up to geox.com in Europe and North America (i.e. Canada and USA). Furthermore, in 2019, requests to modify personal data were also taken into consideration.

Brand protection and the fight against counterfeiting

Geox's success lies in both its technology, guaranteeing breathability and water resistance, and its constant product innovation

Geox owes the success of its brand to the constant focus on the product, characterised by the use of innovative and technological solutions able to guarantee breathability, water resistance and well-being. Its future growth strategies are also based on continuous **technological innovation** with regard to breathability and comfort.

Historically, the Geox brand has always represented innovation, reliability, practicality, pragmatism, quality, health and well-being for all the family. Over recent years, the brand strategy has evolved by developing aspects relating to social responsibility and sustainability, and considering concepts such as dynamism and the improvement of services, also in terms of comfort.

In this context, the **"Makes you feel good"** concept represents the essential component of Geox's brand strategy and underpins how consumers perceive the brand: marketing campaigns therefore express the benefit of the product through the "Geox breathes" slogan. Breathability and water resistance, guaranteed by Geox's innovative technology, help to improve the customer's daily well-being thanks to a reliable product, characterised by modern and versatile Italian style for a broad customer base.

Geox's technological innovation strategy, protected by some 40 patents and 25 patent applications, filed in Italy and extended internationally, makes it a priority for the Group to protect not only the brand but also the technology behind Geox's innovative products that are characterised by "breathability". That's why Geox Group has a continuous commitment to the fight against counterfeiting, in order to protect the **authenticity of its brand** and its image, as well as the rights of its end customers.

In this context, Geox has established an in-house **team specialising in Intellectual Property**, within the Legal and Corporate Affairs Department, which deals with the management of patents, trademarks, designs, know-how and work protected by copyright

and domain name rights. This work is of key importance for the protection and strengthening of the company's intangible assets.

The fight against counterfeiting comes in a number of forms. Geox protects its intellectual property rights primarily through the **targeted monitoring of specific channels and competitors**. In particular, each season, the Intellectual Property Department carries out constant checks into large-scale wholesale stores that sell shoes and websites that sell products of competitors, against whom Geox has exercised its intellectual property rights in the past.

Activities linked to protecting intellectual property are also boosted, on the one hand, by notifications received from various players involved with selling Geox-branded products or from third parties (e.g. armed forces personnel, departments in charge of checking for counterfeiting in various countries and customs officials), and, on the other hand, by dedicated online and offline investigations carried out directly by the Group's own Intellectual Property team.

If any issues are flagged up, the Intellectual Property team starts carrying out the necessary research and analysis of the case in question, deciding upon which strategy to follow. Normally, Geox opts for a conciliatory approach, aimed at settling any disputes out of court. This avoids having to deal with lengthy and costly legal proceedings. Should it not be possible to reach a settlement agreement, the Intellectual Property Department identifies an external professional who can support Geox through the legal proceedings, and then coordinates and supervises their work.

Geox Group's active role in the fight against counterfeiting

Geox not only fights counterfeiting to protect its own intangible assets, but also takes an **active role in the fight against counterfeiting of industrial property rights belonging to others (private individuals or legal entities)**. In fact, Geox Group's operations fully comply with the industrial and intellectual property rights belonging to the Company itself and to third parties, as well as with the laws, regulations and

national, EU and international conventions regarding the protection of said rights. In this context, Geox Group has imposed a general ban for all addressees of its Code of Ethics on any behaviour aimed, in general, at counterfeiting, altering, duplicating, copying or disseminating, in any form and without trademark rights, distinguishing marks and features, technical solutions, patents, designs, models and the work of others. Furthermore, it has defined a series of initiatives and company procedures aimed at avoiding, to the extent possible, any conduct by Geox that could be seen as interfering with the industrial property rights of third parties. More specifically, Geox has provided training courses for personnel working in the Product Department, and prior checks and controls are carried out on products destined for the new collections, on names, distinguishing marks and features and the labels used relating to the products, and, more in general, on all information and communications provided on packaging, promotional material and as part of marketing campaigns.

With regard to specific patent rights, the Intellectual Property team actively works together with the Research and Development department in order to ensure that the technology used in the various Geox products does not interfere with patents belonging to third parties.

As a sign of how important it is for Geox Group to protect intellectual property, it should be noted that the Chairman and founder, Mario Moretti Polegato, is on the panel of judges for the “International Awards” organised by the European Patent Office.

In the 2018-2019 two-year period, Geox was not involved in any legal proceedings in relation to violations of third-party intellectual property rights.

Recycled raw materials used to produce a number of product lines, both footwear and apparel

During 2019, a number of sustainable projects and products were launched, such as:

- the new **“Geox for WWF” collection** for children and families, launched during the 2019 Autumn-Winter season (hereafter also “A/W”), with some of the proceeds from sales going towards WWF’s wildlife conservation initiatives across the world. Geox Group will also take part in the “WWF Earth Hour” campaign in March 2020;
- the **new version of Nebula**, Geox’s iconic sneaker for men and women, launched in the A/W19 season: the upper is made from Jacquard fabric featuring 100% **recycled polyester** yarn deriving from used plastic bottles, entirely re-worked in Italy. To promote this product, a marketing campaign was also launched via e-mail to customers who had signed up to the Benefect loyalty scheme, to the newsletter and to the website geox.com;
- **E-WARM: padding** made from synthetic fibre deriving from recycled material, which ensures optimal wearability and guarantees adequate thermal insulation. This product was launched on the market with the campaign to promote the S/S 20 collection.

Marketing, communication and product information strategy

Marketing and communications also form an integral part of Geox's Sustainable Innovation programme, which puts the well-being of people and the planet at the heart of all its decisions, ensuring that not only Geox products, but also people and planet Earth, can breathe. The company's marketing and communication strategy takes its inspiration from this firm belief, and is implemented based on the principles of transparency, clarity and respect for people, above all its clients and end customers.

45% of the value of investments had "sustainable" content

In 2019, Geox Group spent around 45% of its total investments in "sustainable" content, published only online, for the launch of its campaigns.

Geox Group's **marketing and communication strategies** are defined with extreme care and awareness to ensure they are in line with company values and that they are simple, clear and complete, avoiding any misleading, elusive and/or incorrect content. Products and services offered to customers are guaranteed to correspond with the commitments and obligations undertaken by Geox, also through the aforementioned communications. In particular, the company's web platforms have been re-engineered to ensure maximum transparency, with a view to sharing data and information relating to the product.

Thanks to the expansion of its digital channels, it has been possible to develop a continuous dialogue with customers, making it even easier for them to contact Geox however they prefer: a dedicated freephone number, a specific e-mail address, the company website and social media. With specific reference to the new target customer base (25+), the Group is trying to further strengthen its digital communication channels (mobile first), by developing all-year-round content and advertising campaigns through high-impact images and messages based on story-telling. In 2019, in addition to the existing digital channels, (Facebook, Instagram and Twitter), Geox also launched a profile on Pinterest and LinkedIn.

The **omnichannel** approach allows the Group to collect data and information about its customers, also to guarantee better service levels and prompt turnaround times in response to their needs. This new approach has also allowed for the Benefeet loyalty scheme to be reviewed in order to better manage the customer base and increase the value of each individual shopper.

The "*True Omnichannel Approach*" was strengthened by expanding the range of products available online and by reviewing Customer Relationship Management (hereafter also, "CRM"), creating an innovative "unique customer view" that can be used by the different platforms: this allows for personalised relationships to be developed with customers through services and messages provided through both online and offline points of contact. In fact, by introducing digital platforms as points of contact, the omnichannel approach allows the Group to complete its existing range of traditional communication channels, combining both digital and physical worlds.

The website www.geox.com is continuously developed and updated in order to improve the customer experience on an ongoing basis. The website's strategic content has been developed to integrate the brand and products in a more efficient way, focusing on product presentation and providing accurate information. In addition, there is also the intention to develop integrated logistics based on a single storage warehouse, thereby guaranteeing a wider assortment for e-commerce and reducing "out of stock" issues.

When defining its communication campaigns, Geox pays particular attention to respecting people's dignity and safeguarding diversity, avoiding any form of discrimination. Particular attention is paid to communications regarding children's lines, which always fully and strictly comply with applicable child protection legislation in all countries in which the Group operates.

With regard to marketing and communication strategies, thanks to the digital evolution, Geox has also been able to focus on improving the efficiency of its

processes, aiming also at **reducing the environmental impact** of the activities involved. More specifically, the Group has strengthened its range of digital channels, setting itself the objective of using them for 60% of its communications, in order to reduce the amount of waste produced by printing advertising material. The number of printed catalogues has also been partially replaced with catalogues available online and via apps. This approach focused on content sharing has also allowed for an optimised use of digital material (photos, videos, etc.), using them for a range of different advertising campaigns.

With regard to responsible customer communications, **product labels** also play an important role in sharing clear, transparent and accurate information. Within its Code of Ethics, Geox Group affirms its commitment to providing its customers with accurate, true and comprehensive information regarding its products and services, allowing them to make well-informed decisions. It also states Geox's commitment to ensuring there are suitable methods in place to communicate with and listen to customers, and replying to suggestions and complaints in order to further strengthen this trust-based relationship in the long term. In this regard, Geox undertakes to guarantee product traceability and maximum transparency through the Stock Keeping Unit (SKU) code. Furthermore, Geox sells its products complete with a label that includes all information regarding where the product was made and its specific characteristics, including the materials used, for which a certificate of origin is required, and the processes used during the various production stages. The possibility of adding also the factory code to the information currently reported on labels is also being considered.

During 2019 and 2017, no non-conformities were recorded regarding product information and labelling. In 2018, on the other hand, two complaints regarding labelling were received in the Chinese market. One complaint referred to the fact that labels did not include the code identifying the style. This was remedied by introducing this code starting from the 2018 Spring-Summer collection. The second complaint referred to a non-conformity relating to a physical requirement of the relative GB Standard. GB standards are applied and can only be inspected by government laboratories in China. Geox Group now fully complies with the Chinese requirements and, to this end, it decided to hire an independent, external entity (TÜV SÜD) to help it carry out footwear testing in accordance with the GB standards.

During 2019, no formal warnings were received regarding breaches of advertising legislation, whereas one formal warning was received in 2018 and one in

2017. In 2018, the Advertising Standards Authority (ASA) in the UK sent a formal warning, with reference to the Geox Music promotion linked to a 2018 Autumn-Winter Geox Junior collection. In particular, in relation to this campaign that was also publicised on TV, the ASA asked Geox to publish the list of British cities where the multi-brand stores taking part in the promotion were located on the website geox.com (in addition to the list of mono-brand Geox Shops). In 2017, on the other hand, a formal complaint was received from an anonymous English consumer, relating to a TV advert and information on retailers participating in the initiative referred to by the advert. This issue was resolved in 2018 without any sanctions.



Digital world

Instagram

- Over **279** thousand followers, +46 thousand followers since June 2019 (+ 20%)
- More than **450** posts since June 2019
- Increase in IG stories for events, collection launches and consumer engagement
- Increase in the average number of likes per post: average of 2,600 likes per post
- Average interactions per post: 2,100 likes/post
- Total engagement rate: 1.17%
- 1.56 mln impressions per week, on average
- Average reach: 66.7 thousand people per post

Facebook

- **1.4 million** followers
- 380 posts published globally, in addition to “country-owned” posts (Russia / Hong Kong)
- 6 new pages created for local markets
- +24k followers since June 2019
- Weekly reach: 2.1 mln
- Average reach: 466 thousand people per post
- 2.4 mln impressions per week, on average
- 549.5 thousand impressions per post, on average
- in 80% of cases, Geox Group replied to messages from users on the same day that they were sent

LinkedIn – figures from 1 June 2019 to date

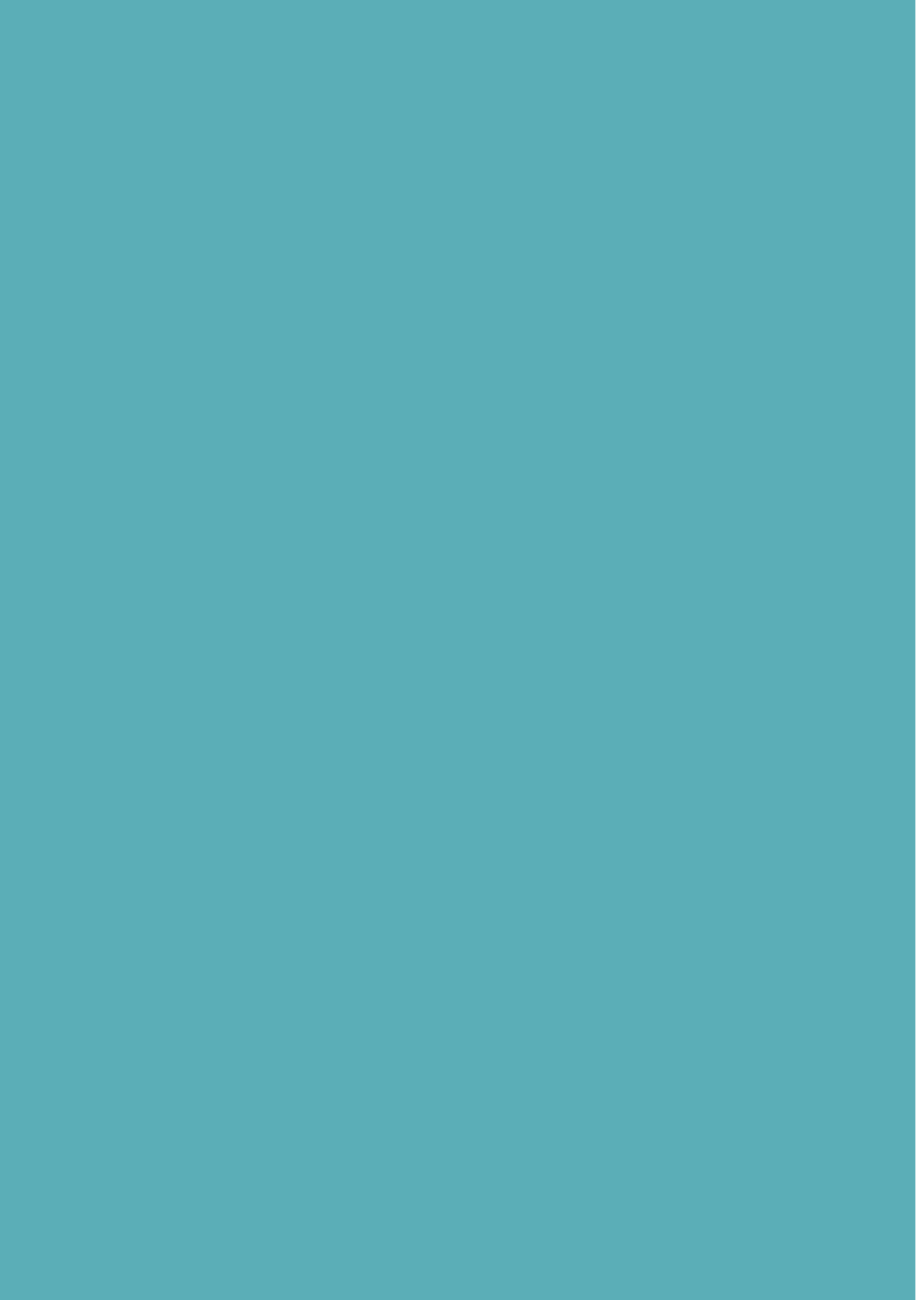
- Total views for the page: 51 thousand from 1 June 2019 until mid-February 2020
- Single visitors: 20 thousand from 1 June 2019 until mid-February 2020 (+30%)
- 630 total reactions, +103% in the last month
- 42 total comments (+121%) in the last month
- 40 total shares (+12%) in the last month
- 57,292 followers in total: 7,654 new followers in the last six months, 930 in the last month
- Percentage of interest: 8.77% (above average)

Pinterest – figures from mid-November 2019 until mid-February 2020

- Total views for the page: 512.92 thousand (+55%)
- Total Audience: 289.74 thousand (+77%)
- Engagements: 16.65 thousand (+61%)
- Engaged Audience: 11.71 thousand (+87%)







Environment



WAMI: ALL EMPLOYEES AT THE GROUP'S ITALIAN COMPANIES RECEIVED CARBON-NEUTRAL WATER BOTTLES THAT CAN BE FILLED AT THE FILTERED WATER DISPENSERS PROVIDED, FREE OF CHARGE.

ELECTRICITY FROM RENEWABLE SOURCES: 62% OF THE GROUP'S GLOBAL REQUIREMENTS IN 2019, RECORDING AN INCREASE COMPARED WITH 2018

**HYDROFLUOROCARBONS:
EMISSIONS REDUCED BY 53%
SINCE 2017**

PACKAGING: 80% OF TOTAL CONSUMPTION IS MADE UP OF RECYCLED MATERIAL

E-COMMERCE: NEW PACKAGING FORMATS AND NEW SHIPPING LOGICS FOR GOODS HAVE ALLOWED FOR THE AIR INSIDE PACKAGES TO BE REDUCED BY 26%

OFFICE PAPER: 100% FSC-CERTIFIED

DKV CLIMATE: A NEW FUEL CARD HAS BEEN INTRODUCED, ALLOWING FOR EMISSIONS CAUSED BY COMPANY VEHICLES TO BE OFFSET

Commitment to protecting the environment

In order to achieve sustainable business development, Geox Group is committed to planning its activities in such a way as to guarantee the best balance possible between economic initiatives and environmental protection, safeguarding the rights of both present and future generations, and in any case ensuring compliance with all applicable national and international legislation. In particular, Geox Group believes environmental protection to be of the utmost importance in order to achieve sustainable development in the areas in which it operates, taking into consideration also the rights of the local community and future generations. That's why the company is committed to promoting a culture of respect for the environment by encouraging responsible conduct and practices in order to reduce the direct and indirect impacts of its business activities. This is also achieved by working together with stakeholders, both inside and outside the company, with the aim of optimising the management of environmental issues.

Within its Code of Ethics, Geox Group affirms its responsibility for ensuring that its business activities or practices do not directly or indirectly lead to the irreversible alteration of natural ecosystems. In order to do this, the company seeks solutions that limit as much as possible the pollution of the air, water or soil, the accumulation of substances extracted from the subsoil or produced by the Company, and the waste of natural resources (water, plants, animals, minerals, etc.) and energy. Geox is committed to scrupulously respecting applicable legislation regarding environmental protection and to adopting, wherever possible, more stringent criteria than said legislation and, when opportune to do so, to following international guidelines.

Geox Group assess the environmental impacts of all company processes and activities, with a view to minimising environmental risks and with the aim of achieving high standards of environmental protection by implementing adequate management and monitoring systems. As a result, Geox pays particular attention to developing processes and activities that are as safe and as respectful of the environment as possible, by using advanced criteria and technology in the field of environmental protection, energy efficiency and the sustainable use of resources. In particular:

- it preferably uses **energy from renewable sources**, generated by its own production plants (**solar panels at the logistics centre in Signoressa - TV and at the headquarters in Biadene - TV**) and purchased from third parties;
- it implements initiatives aimed at making its buildings more energy efficient. In particular, a programme is in place to **continuously update older infrastructure** in order to **reduce energy consumption**, also by replacing traditional light fittings with LED technology;
- it plans **training courses** and **awareness-raising initiatives among personnel** in order to encourage everyone working within the Group to behave in a responsible way and reduce waste to a minimum;
- it has introduced biodegradable cups and palettes for coffee machines, made from organic corn and which are therefore compostable, also giving people the chance to use their own cups;
- it **reduces water consumption** through the installation of flow reducers on taps in sinks and washbasins, and the use of dual-flush toilets or toilets that require less water. Furthermore, plants with limited evapotranspiration have been chosen in order to reduce the amount of water needed to irrigate green areas;
- it has installed free filtered water dispensers to **reduce the consumption of disposable plastic bottles** and has provided all employees at the Group's Italian companies with **carbon-neutral water bottles**. These bottles also allowed Geox to contribute to a high-value social project, contributing to the **donation of 63 mln litres of water** to a village in Senegal;
- it has installed recycling points in its restaurant in order to encourage the **sorting of waste**;
- it has endeavoured to **reduce waste and recycle any rubbish**: as of today, the main headquarters and logistics hub recycle 100% of their rubbish thanks to a partnership with a company dedicated to collecting and sorting waste;
- it pays full attention to **reducing the amount of packaging used** and to **recycling**, as well as

to using recycled and recyclable materials. When selecting materials, those with higher recycled content are favoured, as are those coming from the local area;

- it has started to gradually replace the fleet of company cars with **hybrid cars**;

- it has launched a **company carpooling** scheme, reserving a number of parking spaces for employees who share their car with one or more colleagues. This has led to great environmental and economic advantages: on average, it saves 484 km per day, which, over a year, is the equivalent of replanting a small forest containing 1,500 trees ;

- it has promoted the **use of bicycles** to get to work, introducing dedicated bike park areas and making a changing room with shower available to employees.

Geox's commitment to protecting the environment can also be seen in its **Eating Geox Restaurant**, Italy's first restaurant to obtain **LEED certification** (Leadership in Energy and Environmental Design), which uses the most advanced solutions in terms of energy saving and system efficiency. The Eating Geox Restaurant was developed according to green building procedures, i.e. operational guidelines on how to integrate environmental and social sustainability principles into building techniques. As a result, less extracted raw materials and polluting substances are consumed, resources are used more efficiently and the well-being of the people in the building has been increased. The building itself, the meals on offer, the rooms inside and the use of the restaurant have all been designed to have a positive impact on people and a significantly reduced impact on the environment.

As further evidence of Geox Group's ongoing commitment and attention to environmental issues, during the 2017-2019 three-year period, no significant fines or non-monetary sanctions were imposed for failing to comply with environmental regulations and laws, and there were no complaints regarding environmental impacts that needed to be dealt with and resolved through formal complaint management mechanisms.

Energy consumption and emissions

Most of Geox Group's energy consumption is linked to the Main Headquarters in Biadene di Montebelluna (TV), the logistics hub in Signoressa (TV) and the network of Geox Shops. In particular, Geox Group mainly consumes energy for lighting, heating and cooling buildings, production activities, sales areas and goods warehouses.

The Group's approach to reducing environmental impacts is based on continual improvement, achieved thanks to careful planning of sequential activities and measures, such as:

- **relamping**, through the use of LED fixtures, reducing electrical energy consumption by 50% and guaranteeing a level of lighting that complies with IEC regulations, with subsequent improvement to working conditions. In particular, in 2019, the initiative to make lighting systems more efficient led to a total saving of 145 GJ of electricity, with a subsequent potential saving of over 14 tonnes of CO₂e emissions;

- improved **temperature control** in the IT systems department thanks to the installation of room sensors that allow for more precise and real-time recordings of the temperature and humidity in the rooms, thereby optimising how the air-conditioning systems work by avoiding any excess consumption of thermal energy;

- improving the efficiency of the central **heating/cooling system** in the main headquarters in Biadene (heating/cooling plant no. 2 and no. 3), in the Geox chairman's offices in Biadene and in the logistics hub in Signoressa, replacing the variable-speed electric pumps and thereby considerably reducing the consumption of electricity;

- improving the efficiency of the **electrical system** of the uninterruptible power sources (UPS) in building B of the logistics hub in Signoressa, introducing UPS with better performance, thereby reducing consumption of electricity and the time needed to recharge the batteries. The machine has a remote

management system that allows levels of consumption to be monitored and sends an e-mail in the case of any anomalies;

- increasing the nominal power of the photovoltaic system installed on the new gatehouse at the headquarters in Biadene di Montebelluna (TV), by 3 kWp;

- monthly monitoring of **electricity and gas meters** in order to check consumption and their correct functioning;

- installation of **automatic light switch timers** in certain areas of the company, which detect whether there are people present. These avoid lights staying on when there is no-one in the room.

In 2019, Geox Group's energy consumption, both direct and indirect, amounted to over 121 thousand GJ. 88% of energy directly consumed came from non-renewable sources, with the remaining 12% coming from renewable sources. 38% of energy indirectly consumed came from non-renewable sources, with the remaining 62% coming from renewable sources. More specifically, 100% of electricity purchased in Italy and Germany came from renewable sources. CO₂e emissions associated with total energy consumption (both direct and indirect) are equal to 10,200 tonnes of CO₂e, if calculated based on the average emissions factors for the distribution network used by the organisation for its electricity supply. To give an overview of energy consumption, Geox Group has calculated its own energy intensity index compared to the number of employees: this is equal to 23.58 GJ/employee and corresponds to emissions of approximately 1.98 t CO₂e/employee (market-based method). The increase in consumption and relative emissions recorded in the 2017-2018 two-year period was due to the fact that more data criteria were used and the calculation methods were refined.

33. This calculation was carried out using the Treedom calculator - lemon trees 50 kg / tree.

34. The saving in terms of emissions is potential as 100% of electricity used in Italy comes from renewable sources. The emissions factor used to calculate emissions was published by Terna in 2017.

Direct and indirect energy consumption and energy intensity (Gj)

	2017	2018	2019
Direct energy consumption ³⁵	29,152.25	31,372.21	30,253.58
From non-renewable sources:	25,600.72	27,896.15	26,680.05
Natural gas	18,136.66	19,039.77	19,267.10
LPG	ND	601.47	790.33
Diesel (including consumption by the fleet of company cars)	7,464.07	8,156.90	6,405.89
Petrol (including consumption by the fleet of company cars)	ND	98.01	216.73
From renewable sources:	3,551.52	3,476.06	3,573.53
Solar panels (self-generated)	3,551.52	3,476.06	3,573.53
Indirect energy consumption ³⁶	78,458.84	88,848.81	91,632.86
Electricity from non-renewable sources	31,786.22	37,299.27	34,754.62
Electricity from renewable sources	46,672.61	51,549.54	56,878.24
Total energy consumption	107,611.08	120,221.02	121,886.44

Direct and indirect emissions and carbon intensity (t CO₂e)

	2017	2018
Direct emissions (scope 1) ³⁷	1,436.25	1,576.51
From non-renewable sources:	1,436.25	1,576.51
Natural gas	927.81	972.94
LPG	-	35.83
Diesel (including consumption by the fleet of company cars)	508.44	561.47
Petrol (including consumption by the fleet of company cars)	-	6.27
From renewable sources:	-	-
Solar panels (self-generated)	-	-
Indirect emissions (scope 2) ³⁸	3,094.48	3,631.19
Electricity from non-renewable sources	3,094.48	3,631.19
Electricity from renewable sources	-	-
Total emissions ³⁹	4,530.73	5,207.70
Carbon intensity (tCO ₂ e/employee)	0.85	0.99

35 Includes electricity consumed by offices and stores for Italy and for the most significant foreign countries. After introducing more data criteria in the 2017-2018 two-year period, consumption figures now include LPG consumption in the Serbian production plant and the petrol used by the fleet of company cars. In 2017, these figures were not available (n.a.). With reference to the fleet of company cars, in 2019, 10 hybrid vehicles were also used which were included in the calculation, referring to their basic fuel consumption.

36 Includes electricity consumed by offices and stores for Italy and for the most significant foreign countries.

37 Includes electricity consumed by offices and stores for Italy and for the most significant foreign countries. After introducing more data criteria in the 2017-2018 two-year period, consumption figures now include LPG consumption in the Serbian production plant and the petrol used by the fleet of company cars. In 2017, these figures were not available (n.a.).

38 Includes electricity consumed by offices and stores for Italy and for the most significant foreign countries.

39 The conversion factors used to calculate emissions were published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) in 2018. For the emissions factor relating to electricity, please refer to DEFRA 2015

Direct emissions (scope 1)⁴⁰ and carbon intensity (t CO₂e)

	2019
Direct emissions ⁴⁰	1,429.21
From non-renewable sources:	1,429.21
Natural gas	983.98
LPG	47.08
Diesel (including consumption by the fleet of company cars)	386.97
Petrol (including consumption by the fleet of company cars)	11.18
From renewable sources:	-
Solar panels (self-generated)	-
Carbon intensity (tCO₂e/employee)	0.28

Indirect emissions (scope 2)⁴¹⁻⁴² and carbon intensity (t CO₂e)

	2019
MARKET-BASED indirect emissions ⁴¹	2,789.80
Electricity from non-renewable sources	2,789.80
Electricity from renewable sources	-
LOCATION-BASED indirect emissions⁴²	8,804.34
Electricity from non-renewable sources	2,631.94
Electricity from renewable sources	6,172.39
MARKET-BASED carbon intensity (tCO₂e/employee)	0.54
LOCATION-BASED carbon intensity (tCO₂e/employee)	1.70

40. The conversion factors used to calculate emissions were published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) in 2019. For the fleet of company cars, emissions have been calculated using the specific factors indicated by each car manufacturer. The reduction in emissions is also due to the fact that 10 hybrid vehicles have been introduced to the company's fleet.

41. The factors used to calculate emissions were published by the AIB in 2018. For countries where the AIB factor was not available, the same factors were used as those to calculate "location-based" emissions.

42. The factors used to calculate emissions were published by Terna in 2017.

Geox Group has also estimated the environmental impacts of employees travelling for work. CO₂e emissions generated by work-related travel amounted to approximately 800 tonnes in 2019. This reduction is partly due to the improvements in the method used to calculate emissions and partly due to the reduction in work-related travel, in line with the approach that the company has promoted over recent years.

In 2019, emissions of hydrofluorocarbons (HFCs) amounted to 53.9 kg. These emissions report a decrease of approximately 36% compared with the previous year and of approximately 53% compared with 2017.

Emissions resulting from employee travel (scope 3) (tonnes of CO₂e)

	2017	2018	2019
Emissions resulting from air travel	1,468	1,864	731
Short distance	14	15	13
Medium distance	227	254	148
Long distance	1,227	1,595	570
Emissions resulting from train travel	38	32	49
National railway lines	35	27	31
International railway lines	3	5	18
Emissions deriving from car rental	ND	26	16
Total emissions⁴³	1,506	1,922	796

⁴³ The conversion factors used to calculate emissions were published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) in 2018. For 2019, emissions figures have been provided directly by the transport service provider.

Sourcing materials

The main materials used by Geox Group are fabrics, leather and the material used to make footwear soles, the consumption of which has been analysed and processed starting from 2018, allowing for data also from the previous year to be reported, as can be seen in the table below. In this regard, Geox requires production processes to be structured in such a way as to optimise the use of materials, thereby avoiding waste.

With regard to footwear production, over the course of 2019, total consumption of fabrics amounted to 2,743,128 m², of which around 0.53% came from recycled material. The amount of leather used, on the other hand, was equal to 2,633,212 m². The materials used to produce soles amounted to 5,329 tonnes.

In addition to the raw materials used by the Footwear business unit, purchases made by the Apparel business unit must also be taken into consideration. In particular, during the reporting period, the following purchases were made overall to produce items of clothing: 97 different types of fabrics, of which approximately 1% coming from recycled material; 47 types of linings and 15 different categories of padding material, of which 33% coming from recycled material.

In addition to these raw materials, there are also the materials that are used daily in the offices, such as paper for printers, and those needed in the warehouse, such as the paper and cardboard used for product packaging. There are also the materials that are used to support sales, such as bags, which are subject to analysis and checks aimed at finding solutions to reduce consumption and/or make them more sustainable.

Overall consumption of paper and cardboard, including office paper, cardboard for packaging and other materials such as shopping bags, amounted to 10,956 tonnes. Out of this total, around 77% is made up of recycled material, with 4% being FSC-certified.

More specifically, total consumption of paper/cardboard for packaging purposes amounted to over

10,519 tonnes, 80% of which was made up of recycled material. The Group has set itself the objective of having 100% of its packaging made of recycled material.

Paper used for ordinary office work and store activities amounted to 437 tonnes overall, down by approximately 12% compared with the previous year; this figure also includes paper used for shopping bags (approximately 407 tonnes). Thanks to the Group's focus on minimising the environmental impact of its business activities, over 99% of the material used for these purposes refers to 100% FSC-certified paper.

Since 2019, recycled paper has been favoured over traditional paper for all photocopies and printouts, with the aim of using recycled paper to cover around 80% of the requirements of the Main Headquarters in Biadene di Montebelluna and the logistics hub in Signoressa by the end of 2020 (i.e. 7,500 reams). This change would enable the company to significantly reduce its environmental impact: it is estimated that approximately 80% less water would be used, 70% less electricity would be consumed and 50% less CO₂ emissions would be produced, compared with the purchase of virgin-fibre paper ⁴⁴.

44. Source: <https://www.stp.de/en/>

Materials used

	u.m	2017	2018	2019
Paper for offices/stores and shopping bags⁴⁵	t	49.7	488	437
of which FSC-certified (%)		-	96%	99.39%
Paper/cardboard for packaging⁴⁶	t	9,857	10,415	10,519
of which recycled (%)		62%	47%	80.01%
Fabrics for footwear⁴⁷	m2	2,113.254	2,908.685	2,743.128
of which recycled (%)		7.10%	0.50%	0.53%
Leather for footwear⁴⁸	m2	2,774.900	2,633.364⁴⁷	2,633.212
of which recycled (%)		-	-	-
Composite materials for soles⁴⁶	t	5,532	6,073⁴⁷	5,329
of which recycled (%)		10.00%	10.00%	10.00%

During 2019, electric hand dryers were also installed to replace 70 paper towel dispensers. This project will generate a saving of over 9,400 kg of CO₂⁴⁹.

Lastly, an additional initiative implemented in 2019 with regard to purchasing relates to the distribution of **“DKV Card Climate”** fuel cards. Thanks to this initiative, for every litre of fuel consumed/purchased by Geox, **€0.01 will go towards climate protection projects.**

45. Paper consumption includes consumption relating to offices and stores in Italy, Switzerland, Germany, Austria, Spain, Great Britain, Japan, Asia-Pacific, Indonesia, Vietnam e Shanghai. The increase in paper consumption recorded in 2018 is due to more criteria being used which, unlike 2017, also included the paper for shopping bags used in stores in Europe, North America and Hong Kong. In 2019, consumption includes paper used by offices and stores in Italy and the most significant foreign countries.

46. In 2017, the consumption of cardboard included consumption relating to deliveries of goods in Italy, Canada and the United States of America. Cardboard used for shoe boxes was not included. In the 2018-2019 two-year period, consumption figures include the paper used to produce the S/S and A/W collections each year and for delivery to Geox S.p.A. and its representative offices. The cardboard boxes for the Geox S.p.A. headquarters and the Signoressa warehouse were also included as was the cardboard used at the production site in Serbia.

47. Total consumption of fabrics, leather and materials used to make soles refer to Authorised Vendors for the S/S 17 - A/W 17 - S/S 18 - A/W 18 - S/S 19 - A/W 19 seasons.

48. The increase in the consumption of fabrics, leather and materials used to make soles compared with 2017 was due to approximately 2 million more pairs of shoes being produced (from 18.9 to 20.8), and more Authorised Vendors being used in the fabric sector.

49. Source: <https://www.dyson.it/asciugamani/calcolatrice/calculator-results.aspx>.

Waste

The waste generated by Geox Group mainly refers to packaging materials (paper/cardboard, plastic, wood), iron and steel, office waste and production scraps (fabrics). The main producers of waste within the Group are the Main Headquarters in Biadene di Montebelluna and the logistics hub in Signoressa.

Geox has the objectives of reducing the amount of waste generated and optimising recycling, also by using responsible waste disposal methods, as well as reducing the costs of waste disposal. To do this, it has defined a plan aimed at correctly separating and disposing of waste and reducing costs, by improving the disposal of recyclable waste and, above all, material used for store window displays (e.g. display units, mannequins, etc.), through a more careful analysis of its composition.

In order to make sure waste is managed properly, a number of awareness-raising initiatives are implemented, such as training courses to make sure that waste is managed and sorted correctly. In fact, all waste is separated according to the different EWC (European Waste Catalogue) codes. Rubbish that has already been sorted into the various categories is then returned to market according to the different methods available, promoting the reuse of materials and a subsequent reduction of waste. More specifically, all paper/cardboard, PVC film, iron and moulds and forms made from plastic-coated resin, are reused as these materials are all sold on. Glass, plastic bottles and cans are all sent for recycling. In any case, waste disposal is only handled by authorised suppliers.

Furthermore, in order to better manage and gain better control over the entire chain, Geox has entrusted an intermediary authorised by the Italian Environment Ministry to manage waste. This is a category 8A operator that works throughout Italy. This intermediary will also be appointed to audit all suppliers used by the Group, such as transporters, waste disposal centres, intermediate plants, etc. This company's contribution will also be aimed at ensuring that the right EWC codes are being assigned for the different types of waste and that documentation is being managed correctly, as well as identifying the waste processing plants that can guarantee that the Group can increase the amount of waste that is recycled, rather than being simply disposed of, also ensuring total traceability of

the flow. In particular, a management software was also implemented in 2019 to register and archive all the documentation required by applicable legislation (e.g. forms, "MUD" environmental declaration form, "AIA" integrated environmental authorisation, etc.). Geox S.p.A. is also part of the project run by the Treviso and Belluno Chamber of Commerce aimed at converting Certificates of Origin into electronic format, meaning that the document can be printed directly by the companies. This is only a first step as the process cannot be fully dematerialised at the moment because customs authorities still only accept paper documents.

In 2019, there was a reduction in the total amount of waste produced by Geox Group compared with 2017 (-5.9%) and compared with 2018 (-1.7%). In fact, this was equal to approximately 1,876 tonnes of waste, of which 12.11 tonnes can be classed as hazardous waste.

The increases recorded in hazardous waste and plastic waste refer to the extraordinary disposal of equipment no longer in use, clear outs and the revamp of store window displays completed during the reporting period.

With regard to disposal methods, 99.9% of waste produced was sent for recycling, with the remaining 0.1%, made up of septic tank sludge, going to a landfill after stabilisation.

Waste produced (t)⁵⁰

	2017	2018	2019
Hazardous waste	3.60	3.43	12.11
Electronic devices	0.55	0.86	2.64
Fluorescent tubes	0.64	-	0.34
Chemical laboratory products	0.32	-	-
Spray cans	0.48	1.03	0.42
Glues and sealants	1.14	-	-
Others ⁵¹	0.47	1.54	8.71
Non-hazardous waste	1,990.99	1,905.07	1,864.15
Paper / Cardboard	1,500.10	1,397.80	1,384.84
Plastic	3.10	7.32	22.61
Wood	111.54	222.36	227.74
Biowaste	102.16	82.2	137.88
Others ⁵²	274.09	195.39	91.09
Total	1,994.59	1,908.50	1,876.26

Disposal method (t)

	2017	2018	2019
Recycling	1,783.38	1,770.86	1874.20
Landfill	211.21	137.64	2.06
Total	1,994.59	1,908.50	1,876.26

50. Including the waste produced in Italy managed directly by Geox Group and not through municipal companies.

51. Hazardous waste mainly includes absorbent material, filtration material and fabrics contaminated by hazardous substances.

52. 'Other' non-hazardous waste includes toners as Geox Group uses toners classified as non-hazardous waste, electronic devices, iron and steel, slurry from septic tanks, biowaste, etc.

Water

Geox Group's water consumption is mainly linked to the use of drinking water at its offices, to run certain cooling systems in stores and for the production process.

Geox Group, and in particular Geox S.p.A. and Xlog S.r.l., promote a sustainable use of water resources, to satisfy today's needs without jeopardising the ability to satisfy the needs of future generations too. To this end, ongoing analysis is carried out into the systems that can be used to reduce the consumption of drinkable and non-drinkable water.

Geox S.p.A.'s commitment to the responsible use and recycling of water can be seen through the following initiatives:

- **monthly monitoring of meters** for drinking water in order to check consumption and their correct functioning, both for the headquarters and for Xlog S.r.l.;
- **rainwater harvesting** in underground tanks in the area of the company restaurant, to be used to water green areas. The rest of the water needed for this purpose is taken from the local "Consorzio di Bonifica" (land reclamation and drainage authority) irrigation channels;
- installation of **water flow reducers** on taps in the toilet facilities near the company restaurant and in the HR building.

In 2019, the Group consumed a total of⁵³ approximately 34.7 thousand cubic metres of water, 11.2 thousand cubic metres of which referred to water consumed due to a fault with the fire prevention system; this recorded an increase of approximately 63% compared with the previous year and of approximately 119% compared with 2017. The increase recorded during the three-year period is due to wider criteria being used.

In order to pursue the predefined objectives in terms of reducing the consumption of drinking water, in 2020, the installation of water flow reducers will be completed on taps in the toilet facilities of the Biadene headquarters and in the logistics hub in Signoressa.

53. In 2017, consumption figures only included Italy, excluding stores. 2018 consumption figures include: Italy (excluding stores), Spain, Austria, Great Britain, Serbia, Japan, Asia-Pacific and the United States. 2019 consumption figures include: Italy (excluding stores), Spain, Austria, Hungary, Great Britain, Serbia, Japan, Asia-Pacific and the United States.

Logistics

Transporting goods from production processes to every single point of sale has a significant impact on the environment, as well as being a strategic part of the business. That's why Geox focuses on and is committed to implementing, to the extent possible, logistical solutions able to ensure operating efficiency and reliable delivery times on the one hand, and environmental protection on the other. In particular, in the Group's Code of Ethics, Geox affirms its commitment to using logistics services with a low environmental impact, opting for providers who pay attention to the energy efficiency of their activities and offsetting atmospheric emissions.

In this regard, also in 2019, Xlog S.r.l., the Geox Group company providing transport and warehouse services in the logistics hub in Signoressa (TV), continued to integrate environmental and social issues into its strategic business decisions. Where possible, Xlog S.r.l. bases its activities on the procedures proposed by *Sustainable Development Goals*, as part of the various aspects that characterise transport and storage processes. This focus has led to innovation being used in the best way possible in business decisions: it is fair to say that the company has fully entered the "Industry 4.0" era, with industrial automation and new computerised procedures creating new ways of doing things, allowing for increases in storage volumes, productivity and production quality of plants, at the same time as reducing packaging and improving working conditions.

Choosing partners and monitoring emissions

Partners, in particular transport service providers, are selected following careful and constant analysis of the various factors that allow Xlog to minimise the environmental impact of transport activities, without compromising on operating efficiency and cost reduction. In this context, Geox Group favours providers that have more modern and technologically advanced fleets and, more in general, that have already adopted sustainable and certified management systems and procedures. In particular, Xlog prefers partners who:

- invest in using alternative fuels and vehicles with advanced technologies and who show that they

are geared towards increasingly environmentally-friendly solutions (e.g. vehicles fuelled by liquid natural gas, hybrid lorries, etc.);

- use software to support the driver to drive in such a way as to reduce emissions. In this context, Xlog promotes and supports transport providers who organise regular training and driving courses on how to drive in a "green" and safe way;
- use tools to optimise the planning of logistics flows and minimise travel, at both a central level (Xlog) and with regard to distribution providers;
- carefully select rest areas in order to favour exclusive, safe and well-equipped parking networks complete with connections to an electricity supply for overnight stays;
- record CO₂e emissions associated with transport activities, where possible;
- invest in the security of the goods entrusted to them.

These selection criteria have led to different providers being chosen compared with 2017, with the network of transporters being updated as a result, favouring more virtuous operators. In particular, a number of tests were carried out that led to new suppliers being appointed and/or existing suppliers being asked to provide more services, who are able to guarantee a lower environmental impact, better safety standards and higher quality customer service.

Thanks to the support of its logistics service providers, in 2017, Geox Group began to monitor the CO₂e emissions involved with the transportation of finished products. During 2018, more criteria were used to calculate emissions, also including those deriving from "export" logistics relating to returns, those regarding road transport and those deriving from sea and air freight. During 2019, with reference to emissions generated by "export" logistics, mapping and reporting was also extended to ex works goods with regard to road haulage and distribution with regard to air freight. The latter figure was also collected for 2018. Furthermore, starting from 2018, the method used to

calculate emissions was improved compared with the previous reporting period and a univocal emissions factor was identified that is more in line with the type of vehicles used by logistics partners. This means that figures for the 2017-2018 two-year period are not comparable.

In 2019, total emissions generated by logistics amounted to approximately 31.4 thousand tonnes of CO₂e. Net of the improvement to the method used to calculate emissions, in 2018, a significant increase in

emissions was recorded relating to the import of Geox goods by air. This was due to the higher inbound and outbound volumes in addition to a strong growth in air freight. During the 2018-2019 two-year period, there was a general decrease of around 4%, due to the type of transport and the volumes being transported.

Emissions from logistics (t CO₂e)

	2017	2018	2019
Emissions from "Export" logistics ⁵⁵	4,288.80	6,571.91	6,211.09
Road	4,288.80	3,211.24	3,315.77
Sea	ND	106.35	67.90
Air	ND	3,254.32 ⁵³	2,827.42
Emissions from "Import" logistics ⁵⁶	11,283.66	26,280.14	25,249.22
Road	490.55	237.54	221.87
Sea	2,086.00	2,342.60	2,117.35
Air	8,707.11	23,700.00	22,910.00
Total	15,572.46	32,852.05	31,460.32

Applications are currently being developed to record indirect emissions deriving from all transport operations that fall within the scope of reporting.

54. 2018 figures on emissions relating to distribution by air for "export" logistics have been integrated into the table. This explains the difference of 1,093.30 t CO₂e compared with the figures published in the 2018 Non-financial consolidated statement.

55. Export emissions refer to air, sea and road freight (excluding km from haulage relating to "mixed" transport, i.e. carried out with different modes of transport, for which it is impossible to distinguish the number of km completed by road and using other methods). CO₂e emissions relating to road freight have been estimated using the average emissions factor published by the BEIS (UK Department for Business, Energy & Industrial Strategy) or, if available, based on the certified reports provided by logistics partners (e.g. UPS). CO₂e emissions relating to sea freight have been estimated considering an average emissions factor equal to 450.5 kg of CO₂e per TEU. CO₂e emissions relating to air freight have been estimated considering an average emissions factor equal to 15.8 kg of CO₂e per kg of goods transported.

56. Import emissions relate to air, sea and road transport. CO₂e emissions relating to road freight have been estimated considering the average emissions factor published by the BEIS (UK Department for Business, Energy & Industrial Strategy). CO₂e emissions relating to sea freight have been estimated considering an average emissions factor equal to 450.5 kg of CO₂e per TEU. CO₂e emissions relating to air freight have been estimated considering an average emissions factor equal to 15.8 kg of CO₂e per kg of goods transported.



E-commerce

Following the important milestone reached in 2018 to insource management of e-commerce activities, the Signoressa Logistics Hub has successfully developed important projects with a view to increasing environmental efficiency. In particular, it has successfully optimised how goods are handled, both during the pick-up stage at the logistics hub and as part of deliveries to the end customers (the so-called “last mile”). With reference to transportation, in order to reduce the CO₂e emissions linked with handling e-commerce goods, the decision was made once again in 2019 to centralise these activities, opting for a single supplier. Said supplier guarantees high standards in terms of both optimising loads and monitoring emissions, also being one of the first in Italy to use electric vehicles for the so-called “last mile” in Italian cities.

With reference to packaging, it was decided to apply an addressee-based logic rather than a product-based logic, meaning that customers receive a single package for different types of product, rather than several packages for each product ordered.

Packaging

Over recent years, product quality and the efficiency of logistics services have begun to play an increasingly important role from a strategic point of view. In this regard, many measures have been implemented to improve the efficiency of logistics and the functionality of packaging, optimising loads and reducing the volumes handled.

In particular, with regard to e-commerce goods, as well as the choice to only use packaging made from cellulose coming from a sustainable supply chain, as mentioned above, the chosen formats to manage packages have also been updated. This change has optimised loads, reducing the volumes being handled and the overall quantity of packaging required. More specifically, in 2019, this alteration made it possible to reduce the amount of air inside the packs by an average of 26%. With a view to reducing waste, the e-commerce website also encourages customers to reuse the original packaging in case of returns.

Another objective achieved in 2019 was to improve the management of packages coming from the hub in Levada, where the apparel items come from that are destined for e-commerce flows. In fact, the standard packages previously used, which could only contain a few items and were not reusable, have now been replaced with packages of an optimal size, which not only contain more items and can be reused, but have

also allowed for a more efficient use of space during transport and storage.

Geox's commitment to using increasingly sustainable packaging has been recognised in the last two years, with the company being included in the list of brands that take environmental sustainability into consideration in their packaging, as part of the **“CONAI - the Italian Packaging Consortium - contest for prevention and packaging sustainability”**. Companies that wish to take part in the CONAI contest use a dedicated “eco tool” to assess the sustainability of their packaging, by comparing the environmental impact of packaging BEFORE and AFTER the actions taken. This tool uses a simplified LCA analysis (“from cradle to cradle”) to calculate the effects of the prevention measures implemented by companies on their own packaging. The result of this analysis is expressed in terms of reductions in energy consumption, water consumption and emissions, as can be seen in the figure below. Both CONAI's Eco Tool and the methods used to determine the list of award-winning companies were subject to the validation of DNV GL, a third-party certification body.

With regard to CONAI reporting, it should also be noted that, in 2019, Xlog replaced its previous reporting system, involving a simplified declaration procedure, with a system that now entails an ordinary declaration procedure. This switch meant implementing a number of different management systems, involving different company bodies, as it requires diversification of paper and plastic, breaking down the total weight and type of packaging material released onto the national market.

In 2016, a scheme was launched to **digitalise transport documents**, which continues to guarantee consistent savings in terms of paper consumption.

External warehouses and the Signoressa logistics hub

During the three-year period in question, there have also been numerous initiatives regarding the logistics centre in Signoressa (TV). The main steps taken in 2019 were aimed at improving management efficiency with a view to “Industry 4.0”, defining highly sustainable logistics processes that are able to address the challenges of the future. In July 2019, the Board of Directors approved the “new-deal returns” project, whose main guidelines are: short journey times, ergonomic work stations, integration of the human-machine interface and improving the efficiency of resources and spaces.

In this context, following the steps taken to optimise the warehouses during previous reporting periods, the

actions taken in 2019 mainly referred to Warehouse F which, after these measures, has become an effective example of how intelligent automation and optimised warehouse processes can lead not only to improved economic performance, but also to positive results with regard to energy efficiency and sustainability.

In fact, the measures implemented in warehouse F have optimised the external chain of logistics processes and the volumes handled. This has increased stock replenishment capability by 38%, which may reach up to 85% in the future in the same amount of space. This increased capacity may be used to increase the volumes that can be managed in the same number of hours worked, with the same number of human resources. Furthermore, the handling unit has been standardised in the area dedicated to receiving goods and supplying the replenishment counters, introducing a crate that allows for the original packaging to be disposed of immediately, avoiding re-palletisation inside the warehouse and handling using pallets between replenishment stations.

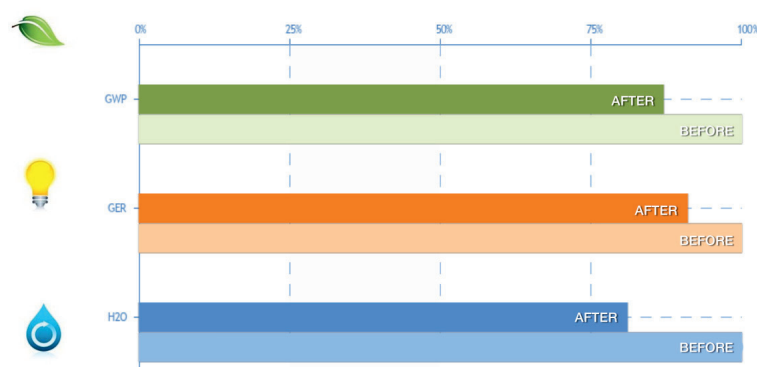
In terms of computerisation, a centralised and automated management of information has been introduced, allowing for paperwork to be eliminated from the process of receiving goods. The management and distribution of returns have also been automated.

In terms of energy efficiency, neon lights have been replaced with better performing LED lights throughout the warehouse and steps have been taken to improve the building's thermal efficiency as well as the heating and cooling system. As was the case in previous reporting periods, relamping has also been completed in other warehouses in the Logistics Hub.

The Logistics Hub also has a **photovoltaic system**, made up of 3,906 solar panels covering the roofs for a total surface area of 6,367 square metres, which has been in operation since 2012. In 2018, a water system was installed to wash the solar panels, in order to

improve their efficiency and, in 2019, an extension was planned that would increase the nominal power from 546 KWp to 1440 KWp.

A number of other initiatives have also been implemented in the Logistics Hub, which highlight the amount of attention that the organisation pays to its social and environmental impacts. In particular, activities were carried out to **raise awareness among personnel** in order to encourage every colleague to behave in a responsible way and reduce waste to a minimum. Waste sorting has also been encouraged, with the creation of refreshment points equipped with drinks dispensers for people to use with their own cup instead of disposable plastic cups, recycled paper has been purchased and additional activities are also planned for next year, such as the installation of electric hand dryers. Furthermore, thanks to the numerous initiatives taken and the hours of training provided to workers with regard to health and safety issues and the handling of dangerous goods, it should be noted that no accidents have been recorded in the workplace in the last five years.



Eco-design of stores

“Combining style and innovation, clearly conveying product technology, emphasising the value of “Made in Italy” quality and sustainability, and devoting plenty of space to digital content”.

That’s how Mario Moretti Polegato, chairman and founder of Geox, summed up the X-store concept. This concept, labelled “X”, has been developed to offer customers an innovative buying experience, featuring minimalist walls and furnishings able to evoke a sense of lightness and airiness, in perfect Geox style.

The architectural design of the stores brings to mind the concept of breathability and fully complements the surrounding building, especially if historical, in line with the principles of sustainability. In particular, the X-Store concept was created and has been developed in order to achieve high-performance in terms of the sustainable use of materials. In fact, the design of each store maintains and enhances any original architectural features such as windows, columns, ceilings and exposed bricks, integrating them into the new concept. To fully respect the environment, stores are built with wood, metal, tiles made from natural ceramic, plasterboard walls with a cement finish or rendered/painted and LED lighting, using recycled materials (rugs), FSC certification (wood) and Green Building certification (tiles, plasterboard panels).

Particular attention has also been paid to minimising the environmental impacts of the process to demolish old stores. The aim is to create stores that only use recycled and FSC-certified materials in order to obtain LEED certification for each “X-store”.

The exclusive finishes used reflect the quality and craftsmanship that only “Made in Italy” can offer. These include the finish on the main door, which features the typical holes of Geox brand soles, a symbol of breathability. In addition to these holes, the doors are also fitted with ventilators and air purification systems to guarantee a rewarding shopping experience characterised by a sense of well-being. The stores also feature rugs made using recycled fishing nets.

Starting from 2017, Geox stores began to be involved in a process of relamping, again with a view to improving sustainability performance. This “re-store” process for existing stores involved replacing lights with LED alternatives. This allowed for in-store temperature to be significantly reduced, thereby reducing consumption of air-conditioning systems. Energy consumption monitoring systems were also installed. The aim is to extend this restyling process throughout the entire network by 2021.

Digital content also plays an incredibly important role at a time when the company, which currently enjoys strong brand awareness among 30 to 50 year olds, wants to attract younger consumers. Functions available to customers also include the “click and collect” option, allowing them to pick up their online purchases in-store. X-Stores also offer free Wi-Fi, mobile phone charging points and fast pay services.







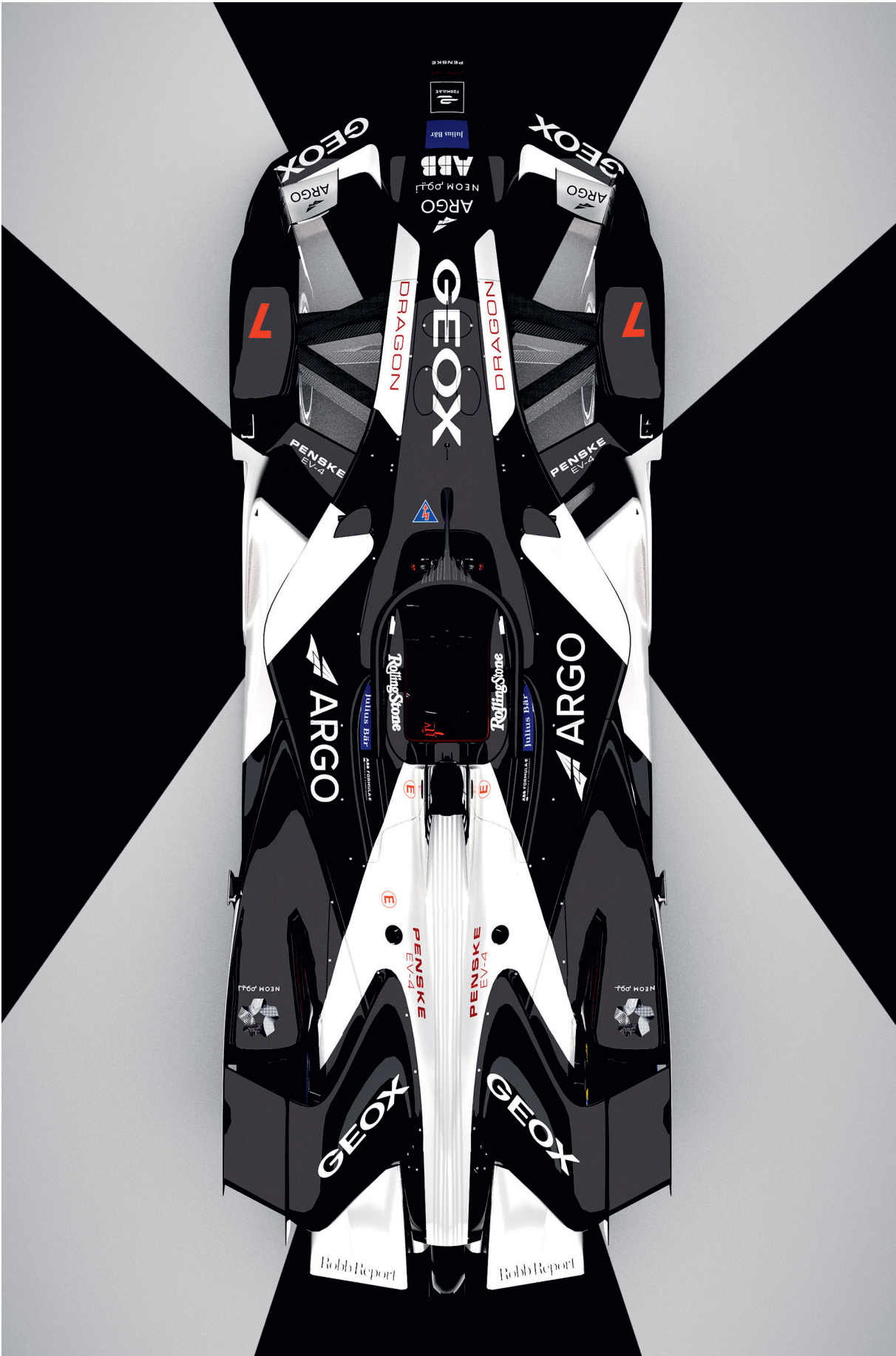
Community



**GEOX'S CAPSULE COLLECTION
FOR WWF: €2 FROM THE SALE OF
EACH PAIR OF SHOES WILL GO
TOWARDS THE CONSERVATION
OF ENDANGERED SPECIES
ACROSS THE WORLD.**

**TAKING THE VALUES OF
SUSTAINABILITY AND
INNOVATION TO THE RACE
TRACK: THE GEOX DRAGON TEAM
COMPETES IN THE FORMULA E
WORLD CHAMPIONSHIP**

**PARTNERSHIP WITH WAMI: THE
GEOX WATER BOTTLES LED TO
15 TAPS BEING INSTALLED TO
BRING WATER INTO THE HOMES
OF THE DIKES VILLAGE IN
SENEGAL**



Helping the community to develop

Geox Group is an active member of the local community and undertakes **to contribute to social, economic and environmental development as well as to the well-being of the population**. In particular, Geox replies positively to requests for sponsorships and donations, as long as they offer guarantees in terms of quality and reliability, are aimed at improving social and environmental issues, or if they are received from organisations promoting culture/social well-being. This commitment can be seen through its promotion of and financial contributions to initiatives and projects that are aimed at supporting national and international charity organisations and local communities.

This commitment takes the form of donations made to initiatives to benefit **social care** and **integration**, the **environment** and the **development of local communities** and **culture**. In 2019, Geox donated approximately **Euro 300 thousand** to supporting the community, compared with over Euro 239 thousand for the previous two-year period. During 2019, the Group also donated more than 100 pairs of shoes to charitable associations and organisations.

Once again in 2019, an important social and cultural initiative supported by Geox Group was the sponsoring of **Gran Teatro Geox, for a total of Euro 160 thousand** (this figure is substantially in line with the previous year). The Gran Teatro Geox arena is one of the most important theatres in Italy and in Europe. This arena was created to host various types of events, from famous musicals to rock concerts, from private events to classical music concerts, and is an innovative space that takes great care in its programming, offering a very high quality service.

Established as a place to entertain young people and families, the Gran Teatro Geox offers a “new live experience”, with incredibly varied programming to suit all tastes. A point of reference for the entertainment industry in north-east Italy, this arena offers a unique programme of events in Italy, in terms of how often events are held and how varied they are: from musicals to theatre plays, from ballets to classical music concerts, from rock bands to alternative music. This arena also stands out for its exceptional technical standards, the flexibility of its simple and elegant interiors, its logistics

and its professional staff, able to offer high-level support, from catering requirements to technological solutions, right through to the management of electronic equipment and audio-visual aids.

The reasons why Geox sponsors this arena can be found in the structure of the Theatre itself: it has been defined as being “the most innovative of its kind in Italy”, thanks to its advanced technology and special features designed to improve the welcome, comfort and well-being of the spectators, the real special guests at every event. **Innovation, Well-Being and a Cross-Market Positioning** are therefore the values that make Gran Teatro Geox stand out, as is the case for the Geox brand.

Since it was opened in 2009, Gran Teatro Geox has hosted some of the most famous artists from Italy and abroad, becoming Italy's no. 1 arena in terms of the number of events held each year and the average number of spectators, which is surprising when considering that it is not located in a major city.

In April 2014, the “**Live senza Barriere**” (“Live without Barriers”) project was also launched, which provides a simultaneous interpreting service for people with hearing difficulties, reserved car parking spaces and specially adapted seating to suit people with a range of disabilities, services dedicated to small children and parents (nursery area with baby changing facilities, bottle warmers and armchairs with footrests for breastfeeding mothers), as well as a catering service that is able to meet people's various needs and choices when it comes to food. “Live senza Barriere” is a unique project in Italy which aims at making all live performances more accessible to everyone. As such, it received a special Award from the President of the Italian Republic in recognition of the social value of the services provided.

During the A/W 19 season, a **new collection of children's shoes** was launched as part of a **two-year partnership between Geox and WWF**. The aim of this partnership is to support WWF's commitment to environmental conservation, raising consumers' awareness of the importance of protecting nature, other species and the uniqueness of our Planet. Geox intends

to use this collection to inspire the new generations to protect the environment. With the aim of contributing to the protection of endangered animal species, **Geox undertakes to donate € 2 to this charity for every pair of shoes sold from the “Geox for WWF” collection between 1 August 2019 and 30 September 2021, with a guaranteed annual contribution of Euro 200 thousand.**

The first “Geox for WWF” capsule collection, sold during the A/W 19 season, was made up of six baby models and six junior models - high and low cupsole sneakers, with laces or Velcro closing - whose animal designs and prints bring to mind pandas, tigers, polar bears and gorillas. **This collection is made using recycled cotton fibre and leather from audited and LWG-certified suppliers (Leather Working Group), with the soles being made from 20% recycled rubber.** Packaging, on the other hand, is made from FSC-certified cardboard, as is the hang tag, the tissue paper used in the packaging is made from pure cellulose and 100% recycled paper is used for the stuffing inside the shoes.

In order to raise customers’ awareness towards responsible consumption and encourage them to buy these shoes, the proceeds from which will support environmental projects, the “Geox for WWF” collection was mainly advertised through the following actions:

- **educational book** providing animal shapes to colour in and make, and information about the endangered species being protected by the WWF Wildlife campaign. Copies were handed out for free inside Geox’s mono-brand stores.

Specific steps were also taken to support advertising, including:

- **dedicated display** units and window displays for mono-brand and wholesale stores;

- dedicated **shopping bags** given out for free to anyone buying shoes from the “Geox for WWF” collection;

- **marketing campaigns**, using both traditional means and digital tools, influencers and ambassadors on social media and Geox’s website geox.com.

As part of this initiative, **Geox organised an event on 27 October 2019 in Chengdu (China)**, to mark the **third International Panda Day**, in order to promote the protection of giant pandas, the restoration of their natural habitat and harmonious coexistence between people and nature. In partnership with WWF, a huge installation was created, providing immersive

experiences into the panda’s natural environment, all virtually recreated. More than 11 thousand people visited this installation and a press conference was also held with Geox’s chairman, top managers from WWF International and local celebrities, attended by over 63 newspapers.

A new initiative was also launched to **raise money for One Planet, supporting biodiversity** by distributing bracelets made out of recycled materials.

In 2019, Geox also partnered with **WAMI** for a joint **social responsibility** project. This partnership has allowed Geox, through the simple everyday act of drinking water, to help less fortunate people who live in some of the world’s poorest areas. It’s incredibly difficult for these people to get access to a resource as vital as drinking water, and this partnership means Geox can help to improve their health, the availability of food, education and their local economy. In particular, the Group gave employees from its main headquarters a **special water bottle**, allowing it to contribute to the Tengori project whose goal is to install 15 taps to bring water to the village of Dikes, in the region of Ziguinchor in Senegal. Thanks to this partnership with Geox, the 165 inhabitants of the village have since gained access to a safe supply of drinking water for the next several decades, for as long as the aqueduct stands.

Following the two-year agreement signed at the end of 2018 with Dragon Racing, one of the most experienced Formula-E teams, Geox took part in the electric car racing world championship in 2019, as the **main partner for Geox Dragon**, taking the values of sustainability and innovation to the race track.

In particular, Geox shares the desire of the ABB FIA Formula-E Championship to actively promote electric mobility and renewable energy solutions in order to contribute to reducing atmospheric pollution and combating climate change throughout the world .

The extreme conditions and characteristics of Formula E car racing represent the perfect testing ground for Geox to experiment with new breathable technologies, aimed at improving performance and destined to become wellness products for everyday life.

In particular, Geox, the only Italian company among the teams taking part in the Formula E World Championship, provides drivers and the entire Geox Dragon team with breathable footwear and apparel to guarantee maximum comfort in all situations, both on and off the track, when travelling and during competitions. These will be suitable for the different weather conditions in the cities where the circuit races will be held, all over the world. The extreme conditions

**GEOX IS PARTNERING WITH WWF
TO CONVEY THE IMPORTANCE OF
RESPECTING THE ENVIRONMENT
TO YOUNGER GENERATIONS**

**FREE EDUCATIONAL BOOKS,
IN PARTNERSHIP WITH WWF,
AVAILABLE FROM GEOX STORES**

**PROMOTING ELECTRIC MOBILITY
TO COMBAT CLIMATE CHANGE**

“SUSTAINABILITY AND RESPECT FOR THE ENVIRONMENT ARE FUNDAMENTALLY IMPORTANT VALUES FOR GEOX, WHICH IS WHY IT WAS SUCH A NATURAL STEP FOR US TO ENTER THE WORLD OF FORMULA E - THIS CAN BE CONSIDERED THE FUTURE OF CAR RACING AS IT UNITES MAJOR COMPETITIONS, CUTTING-EDGE TECHNOLOGY AND A GLOBAL SUSTAINABLE APPROACH”

Mario Moretti Polegato Chairman of Geox S.p.A.

faced by Formula E drivers represent the best environment to test new technologies, to be applied to everyday products.

Racing, it will continue to do so also in 2020, promoting widespread use of electric vehicles as a solution to reduce pollution.

In 2019, the partnership with Dragon Racing was the focus of an intense marketing campaign which ran parallel with the Formula-E World Championship in order to raise the public's awareness about **sustainable mobility**. This campaign was run through:

- advertising on television channels and in newspapers to coincide with the E-Prix races;
- billboards around the circuit during the Rome E-Prix;
- launch of a dedicated Geox website and social media profiles (with an average of 10 posts per race);
- public relations, with over 300 editorials for a value of over Euro 5 million;
- dedicated window displays in the most important Geox Shops in Italy and all over the world;
- events held in Geox stores in Milan, Rome, Paris, Nice, Berlin and New York;
- competitions to win prizes in Italy, France and Germany;
- trade incentive activities during the E-Prix events and trade fairs (Platform - USA, Riva del Garda - Italy).

On 15 November 2019, in Mestre (Venice), during a **round table on sustainability** promoted by Geox and attended by PricewaterhouseCoopers, Cà Foscari University of Venice, the CEO of Formula-E, **and 100 journalists**, the new livery for the car was presented together with the two new drivers who'll be taking part in the sixth season of the Formula-E championship (2019/2020) and Geox's key products in terms of sustainability, such as:

- the NEBULA™ and AERANTIS™ footwear lines, with uppers in fibres made from recycled polyester;
- the "Geox for WWF" footwear collection;
- the environmentally friendly padding designed for Geox's range of outerwear: E-WARM is a padding made with recycled polyester wadding and X-DOWN is a padding made with recycled down.

Geox has been involved in projects aimed at reducing the environmental impact of its business for a long time and, thanks to the partnership with Dragon

56. Fonte: <https://www.fiaformulae.com>



TOGETHER,
TAKING A STEP
FOR WILDLIFE

GEOX
R E S P I R A

Graphs and Tables

Breakdown of the number of employees by type of contract and by gender

2017

	Permanent contracts (no.)			Temporary contracts (no.)			Total
	M	W	Tot	M	W	TOT	TOT
Italy	389	958	1,347	51	162	213	1,560
Europe	239	608	847	125	333	458	1,305
North America	ND	ND	515	ND	ND	3	518
Rest of the world	448	1,093	1,541	133	288	421	1,962
Total	1,076	2,659	4,250	309	783	1,095	5,345

2018

	Permanent contracts (no.)			Temporary contracts (no.)			Total
	M	W	Tot	M	W	TOT	TOT
Italy	385	1,019	1,404	40	153	193	1,597
Europe	251	591	842	68	269	337	1,179
North America	ND	ND	551	ND	ND	3	554
Rest of the world	464	1,100	1,564	61	291	352	1,916
Total	1,100	2,710	4,361	169	713	885	5,246

2019

	Permanent contracts (no.)			Temporary contracts (no.)			Total
	M	W	Tot	M	W	TOT	TOT
Italy	398	1,045	1,443	44	119	163	1,606
Europe	214	611	825	78	307	385	1,210
North America	ND	ND	396	ND	ND	2	398
Rest of the world	438	1,150	1,588	54	314	368	1,956
Total	1,050	2,806	4,252	176	740	918	5,170

Percentage turnover by gender and by age group 2017⁵⁸

	Gender			Age group		
	M	W	Tot	<30	30-50	>50
Rate of recruitment	43.18	37.97	46.14	79.56	19.20	15.11
Rate of employees leaving	33.36	33.41	40.13	58.04	19.56	27.58

Percentage turnover by gender and by age group 2018⁵⁸

	Gender			Age group		
	M	W	Tot	<30	30-50	>50
Rate of recruitment	41.45	37.28	45.86	83.06	20.59	15.05
Rate of employees leaving	46.89	34.91	44.28	79.98	21.71	14.85

Percentage turnover by geographic area 2017

	Italy	France	Spain	Germany	UK	Rest of the world
Rate of recruitment	26.36	92.32	110.31	69.49	89.93	41.43
Rate of employees leaving	18.66	74.22	94.33	73.90	68.35	38.72

Percentage turnover by geographic area 2018

	Italy	France	Spain	Germany	UK	Rest of the world
Rate of recruitment	24.55	109.58	106.45	56.61	122.73	41.26
Rate of employees leaving	22.48	107.04	110.22	64.05	116.67	39.14

58. The turnover rates by gender and by age group do not include employees in North America. The number of employees in North America who were hired and who left the Group (561 in 2017, 604 in 2018 and 449 in 2019 with regard to new recruits; 533 in 2017, 533 in 2018 and 452 in 2019 with regard to employees leaving) are included in the total turnover rates.

Breakdown of the number of accidents by gender and geographic area

	2017			2018		
	Men	Women	Total	Men	Women	Total
In the workplace	29	48	77	15	57	72
Italy	4	10	14	3	19	22
Europe	11	29	40	5	21	26
North America	1	0	1	5	10	15
Rest of the world	13	9	22	2	7	9
During the commute	5	21	26	6	14	20
Italy	5	6	11	5	7	12
Europe	-	9	9	1	3	4
North America	-	-	-	-	-	-
Rest of the world	-	6	6	-	4	4
Total	34	69	103	21	71	92

Accident indices and Absenteeism rate 2018

	Men	Women	Total
Severity index⁵⁹	0.09	0.10	0.10
Italy	0.03	0.23	0.16
Europe	-	0.12	0.03
North America	0.38	0.01	0.02
Rest of the world	0.02	0.08	0.06
Frequency index⁶⁰	7.67	9.41	8.95
Italy	11.04	17.95	15.65
Europe	6.93	84.55	26.09
North America	30.00	2.85	4.08
Rest of the world	2.04	4.78	3.96
Absenteeism rate⁶¹	2.68	2.29	2.37
Italy	2.22	3.78	3.26
Europe	0.34	4.84	1.45
North America	1.39	0.23	0.28
Rest of the world	3.33	4.18	3.93

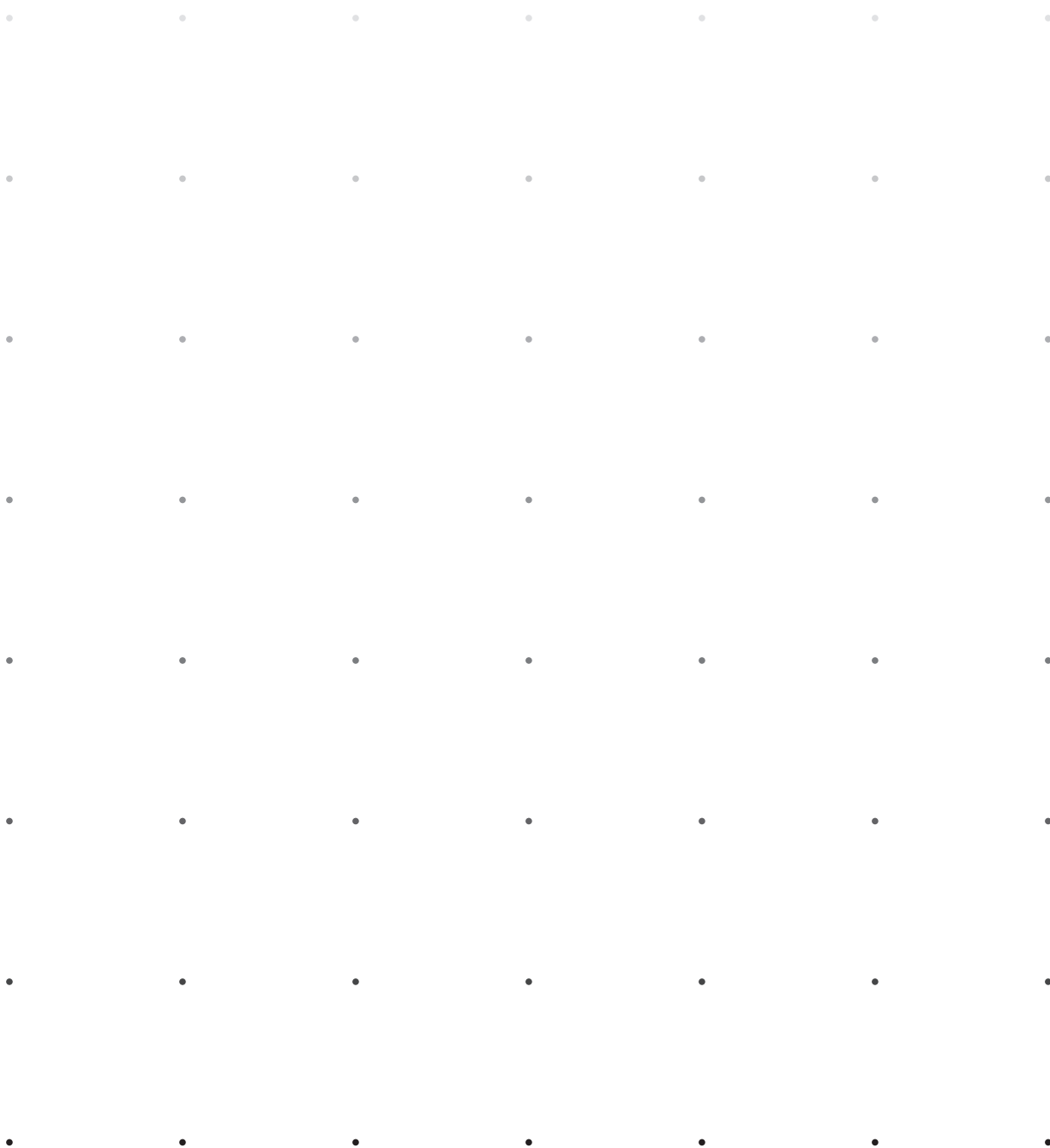
59. Severity index: (number of days lost due to injury at work/total number of hours worked) x 1,000. This index has been calculated pursuant to the UNI 7249:2007 standard "Statistics on Accidents at Work".

60. Frequency index: (number of injuries/total number of hours worked) x 1,000,000. This index has been calculated pursuant to the UNI 7249:2007.

61. Absenteeism rate: (total number of days of unplanned absence/total number of days worked) x 100 standard



Methodological Note



Reporting standards applied

Geox Group's Non-financial consolidated statement (hereafter also referred to as the "Statement"), written in compliance with articles 3 and 4 of Italian Legislative Decree no. 254/2016 (hereafter also "Decree"), contains information relating to environmental and social issues and issues relating to employees, the respect of human rights and the fight against corruption. This information is useful in order to better understand the activities carried out by the Group, its performance, its results and its impact.

This Statement, which will be issued once a year, is written pursuant to Italian Legislative Decree no. 254/2016 and in accordance with the GRI *Standards* ("Core option"), which have been used as a reference. These standards were published in 2016 by the *Global Reporting Initiative* and, as of today, represent the most widespread and well-known global standards for non-financial reporting. The GRI *Content Index* is included on pages 164-168 to make it easier for readers to track the information included in this document.

The non-financial reporting presented by the Statement reflects the principle of materiality or relevance, as provided for by the legislation of reference, which also characterises the GRI *Standards*: the topics covered by the Statement are those that, following the materiality analysis and assessment described on pages 57-60 of the present document, are considered to be the most relevant as they are able to best reflect the Group's social and environmental impacts or to influence the decisions of its stakeholders.

Scope of reporting

The qualitative and quantitative data and information contained in the Geox Group's Non-financial consolidated statement refer to the performance of Geox Group (hereafter also "the Group") during the financial year ending 31 December 2019. As provided for by art. 4 of Italian Legislative Decree no. 254/2016, this Non-financial consolidated statement includes the data of the parent company (Geox S.p.A.) and its subsidiaries, fully consolidated. For further details on the list of companies that are subject to consolidation, please refer to Geox Group's 2019 consolidated financial statements. Any restrictions on this scope of reporting have been duly indicated within the document. A comparison with the previous two financial years has also been provided. No restatements were made compared with the previous year, unless specifically stated otherwise.

Reporting process

Geox Group's Non-financial consolidated statement for 2019 has been drawn up based on a structured reporting process, as follows:

- All company structures/Departments in charge of the relevant areas and the relevant data and information included in the Group's non-financial reporting. These individuals were asked to help identify and assess the topics and the significant projects/initiatives to include in the document. They were also asked to help collect, analyse and consolidate the data, with the task of verifying and validating all information reported in the Statement, each dealing with their own area of expertise. In particular, the data and information included in the present Statement come from the company's administration and accounting computer system, and from a non-financial reporting system (data collection tables), implemented especially to satisfy the requirements of Italian Legislative Decree no. 254/2016 and the GRI Standards. Data was processed through careful extraction and accurate calculations and, where specifically stated, through estimates. Economic-financial figures were taken from the 2019 Financial Statements;

- After being assessed by the Internal Audit, Risk and Sustainability Committee, the Statement will be submitted to the Board of Directors for approval, during the meeting called to approve the 2019 Financial Statements;

- BDO Italia S.p.A. shall express its opinion on the compliance of the Statement by carrying out a limited examination;

- The Statement will be published on the corporate website in order to make it available to all stakeholders in a transparent way.

Reporting principles

The content of the Non-financial statement has been identified and reported on in consideration of the GRI principles of relevance, inclusiveness, context of sustainability and completeness. To define quality information criteria and the scope of reporting, the GRI principles of balance between positive and negative aspects, comparability, accuracy, timeliness, clearness and reliability have also been applied.

Table linking Geox material topics with the GRI Standards

MATERIAL TOPICS IDENTIFIED BY GEOX	TOPIC-SPECIFIC GRI STANDARDS OF REFERENCE	SCOPE OF THE IMPACTS	
		IMPACTS INSIDE THE GROUP	IMPACTS OUTSIDE THE GROUP
Focus on technology and product innovation(*)		The entire Group	End customers, Investors, Suppliers
Combating corruption	Anti-corruption (GRI 205)	The entire Group	Organisations and Institutions, Community, Suppliers
Product quality and safety	Customer health and safety (GRI 416)	The entire Group	End customers
Data security and protection	Customer privacy (GRI 418)	The entire Group	End customers
Protecting and strengthening the brand, also with reference to sustainability(*)		The entire Group	Investors
Protecting workers' health and safety	Occupational health and safety (GRI 403)	The entire Group	Trade union organisations, Suppliers
Selecting and supervising suppliers/third party companies regarding their ability to protect and deal with human rights, workers' health and safety and correct environmental management	Supplier environmental assessment (GRI 308) Child labour (GRI 408) Forced or compulsory labour (GRI 409) Supplier social assessment (GRI 414)	The entire Group	Suppliers, Investors
Fight against counterfeiting(*)		The entire Group	End customers, Investors
Respecting human rights and workers' rights	Non-discrimination (GRI 406) Child labour (GRI 408) Forced or compulsory labour (GRI 409)	The entire Group	End customers, Investors
Building stable commercial relationships and equal pay for suppliers(*)		The entire Group	Suppliers
Engaging, listening to and satisfying customers and providing an excellent service	General Disclosures (GRI 102-43)	The entire Group	End customers
Engagement and dialogue with suppliers, transfer of competencies and supplier training	General Disclosures (GRI 102-43)	The entire Group	Suppliers
Traceability, product information and labelling	Marketing and Labeling (GRI 417)	The entire Group	Suppliers, End customers,
Reducing energy consumption and greenhouse gas emissions	Energy (GRI 302) Emissions (GRI 305)	The entire Group	Suppliers
Reducing the amount of waste produced and using responsible disposal procedures	Effluents and Waste (GRI 306)	The entire Group	Suppliers
Eco-design of stores	Energy (GRI 302)	The entire Group	Suppliers

(*) With regard to the topic in question (not directly linked to a Topic-Specific GRI Standard), Geox reports on the management approach adopted and the relative indicators in the document.

GRI Content Index

Disclosure	Indicator description	Page number/Note	Omissions
GRI 102: GENERAL DISCLOSURES 2016			
ORGANISATION PROFILE			
102-1	Name of the organisation	Pag. 43-44	
102-2	Activities, main brands, products and/or services	Pag. 8-19	
102-3	Location of the organisation's general headquarters	Back cover	
102-4	Number of countries in which the organisation operates	Pag. 22-23	
102-5	Ownership structure and legal form	Pag. 43-44	
102-6	Markets served	Pag. 22-23	
102-7	Size of the organisation	Pag. 20-21	
102-8	Employees by type of contract, gender, origin, age, membership of "protected categories"	Pag. 196, 126	
102-9	Supply chain description	Pag. 95-106	
102-10	Significant changes during the reporting period regarding the Group's size, structure, ownership or supply chain	There were no significant changes.	
102-11	Method of applying the principle or a prudent approach	Pag. 50-52	
102-12	Adoption of codes and external standards with regard to economic, social and environmental performance	Pag. 59	
102-13	Membership to national or international associations and support organisations	Pag.65	
STRATEGY			
102-14	Message from the Chairman and Chief Executive Officer	Pag. 4	
ETHICS AND INTEGRITY			
102-16	The company's internal values, principles, standards and rules of conduct.	Pag. 27; 55-56	
102-17	Description of support mechanisms and ways to disclose ethical and legitimate conduct	Pag. 52, 56, 104	
GOVERNANCE			
102-18	Corporate governance structure	Pag. 43-48	
102-23	Indicate whether the Chairman also has an executive role	Pag. 45	
102-24	Processes and relative criteria to appoint and select members of the highest governance boards and committees	Pag. 49	
102-25	Description of the processes used to ensure that there are no conflicts of interest	Pag. 55-56	
STAKEHOLDER ENGAGEMENT			
102-40	List of engaged stakeholders	Pag. 63-65	

102-41	Percentage of employees covered by national bargaining agreements	Pag. 137
102-42	Process to identify and select the stakeholders to be engaged	Pag. 63
102-43	Approach to engaging stakeholders	Pag. 63
102-44	Key and critical aspects arising from stakeholder engagement and the relative actions taken	Pag. 63-65
REPORTING PRACTICES		
102-45	List of the companies included in the consolidated financial statements and indication of the companies not included in the report	Pag. 201
102-46	Process to define the contents of the report and the scope of each aspect	Pag. 60-62; 201
102-47	List of aspects identified as being material	Pag. 62
102-48	Explanation of the effects of any amendments to information included in previous statements and reasons for said amendments	Pag. 201
102-49	Significant changes compared to the previous reporting period	Pag. 201
102-50	Reporting period	Pag. 201
102-51	Release date of the most recent statement	Non-Financial Statement 2018
102-52	Frequency of reporting	Pag. 201
102-53	Contacts and useful addresses to request information on the non-financial statement and its contents	Pag. 213
102-54 / 102-55	GRI content index and selection of the “in accordance” option	Pag. and the present GRI Content Index
102-56	Third-party certification	Pag. 209-211
ECONOMIC PERFORMANCE: TOPIC SPECIFIC STANDARDS		
GRI 201: ECONOMIC PERFORMANCE 2016		
GRI 103	Management approach 2016	Pag. 33-36
201-1	Direct economic value generated and distributed	Pag. 35-36
GRI 204: PROCUREMENT PRACTICES 2016		
GRI 103	Management approach 2016	Pag. 95-96
204-1	Percentage of expenses focused on local suppliers with regard to the most significant operating headquarters	Pag. 96
GRI 205: ANTI-CORRUPTION 2016		
GRI 103	Management approach 2016	Pag. 55-56
205-3	Any cases of corruption identified and corrective actions implemented	Pag. 56
ENVIRONMENTAL PERFORMANCE: TOPIC SPECIFIC STANDARDS		
GRI 301: MATERIALS 2016		
GRI 103	Management approach 2016	Pag. 164-165; 169-170; 178
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Independent Auditors' Report

on the consolidated non-financial statement pursuant to article 3, paragraph 10 of Legislative Decree no. 254 of December 30, 2016 and of art. 5 of CONSOB Regulation n. 20267 of January 18, 2018

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 ("Decree") and to article 5 of the CONSOB Regulation n. 20267 of January 18, 2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of GEOX S.p.A. and subsidiaries (the "Group") as of December 31, 2018 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 5, 2020 (hereinafter the "NFS").

Directors' and Board of Statutory Auditors' responsibility on the Consolidated Non-Financial Statement

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative, "core" option, (hereinafter "GRI Standards"), identified as a reporting standard.

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

Moreover, the Directors are responsible for the identification of the content of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the Group's business and characteristics, to the extent necessary to ensure an understanding of the Group's business, performance, results and the related impacts.

Finally, the Directors are responsible to design a business management model for the organisation of the Group's activities, as well as, with reference to the topics identified and reported in the NFS, for the policies for the identification and management of the risks generated or undertaken by the Group.

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

Auditors' Independence and quality check

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control that includes directives and procedures concerning compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

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

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

Specifically, we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the process in place for the selection process in the light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance to the Decree.
3. If applicable: comparison of data and financial economic disclosures presented in the NFS with those included in the Group's consolidated financial statements.
4. Understanding of the following matters:
 - Business management model of the Group's activity, with reference to the management of the topics set out in article 3 of the Decree;
 - Policies adopted by the entity in connection with the topics set out in article 3 of the Decree, achieved results and related key performance indicators;
 - Main risks, generated and/or undertaken, in connection with the topics set out in article 3 of the Decree.

With reference to these matters, we compared them with the disclosures presented in the NFS and carried out the procedures described in point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of significant qualitative and quantitative information disclosed in the NFS.

Specifically, we carried out interviews and discussions with the management of GEOX S.p.A. and we also performed limited documentary verifications, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, with respect to significant information, taking into consideration the Group's business and characteristics:

- at parent company's:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business model, policies applied and main risks, we carried out interviews and gathered supporting documentation to check for consistency with

available evidence.

- b) with regards to quantitative information, we carried out both analytical and limited procedures to ensure, on a sample basis, the correct aggregation of data.
- for the following subsidiaries, divisions and sites, (GEOX S.p.A., XLog s.r.l., Geox Retail s.r.l), selected on the basis of their business, their contribution to the key performance indicators at consolidated level and location, we carried out site visits, to meet their management and gather supporting documentation with reference to the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of GEOX Group as of December 31, 2018 has not been prepared, in all material respects, in accordance with the requirements of article 3 and 4 of the Decree and the Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards").

Padova, March 30, 2020

Signed by
BDO Italia S.p.A.

Stefano Bianchi
Partner

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

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Company information

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Economic and Administrative Index (“REA”) no.: 265360

Tax code/Registration no. with the Treviso Companies Register: 03348440268

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#GeoxSustainability



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