

2024 Sustainability Report

Santoni

2024
Sustainability Report

Santoni S.p.A

“As inhabitants of the planet, we are all called to act responsibly.”

GIUSEPPE SANTONI

INDEX

Letter to the Stakeholder 5

Methodological Note 8

Highlights of the 2024 Sustainability Report 10

1. Identity

1.1 Company Details 13
1.2 About Us 14
1.3 Our Story 15
1.4 Mission and Vision 17
1.5 The Santoni Products 18
1.6 Structure of the Santoni Group 22
1.7 The Owner and Corporate Bodies 23
1.8 The Organisation Structure 25

2. Strategy and Sustainability

2.1 The Reference Market 27
2.2 Regulations and Standards 29
2.3 The Business Model and Value Chain 31
2.4 The Strategy
2.4.1 Strategic Initiatives 35
2.4.2 The Sustainability Strategy 40
2.5 The Stakeholders 44
2.6 Commitment to Sustainable Development Goals (SDGs) 46

3. Materiality Analysis 50

4. Tradition and Innovation: The Value of the Santoni Group

4.1 Creating Shared Value
4.1.1 Economic Value Produced and Distributed 61
4.1.2. Process Innovation, Digitalisation and AI 66

5. Responsibility for the Environment (E)

5.1 Climate Change and Pollution
- 5.1.1 Energy Consumption and Emissions 70
- 5.1.2 Pollution 73

5.2 Water and Marine Resources
- 5.2.1 Use of Water 74

5.3 Use of Resources and the Circular Economy
- 5.3.1 Management of Materials and the Circular Economy 75
- 5.3.2 Sustainable Management of Waste 77

6. Social Responsibility (S)

- 6.1. Santoni Group: An Overview of the Employees 82
- 6.1.2 Respect for Human Rights and Equal Opportunities 89
- 6.1.3 Training and Well-Being of Human Resources 93
- 6.1.4 Workplace Health and Safety 99

6.2 Customer Relations
- 6.2.1 Marketing and Brand Value 102
- 6.2.2 Customer Satisfaction and Safety of Customers 103

6.3 Relations with Suppliers
- 6.3.1 The Choice of Suppliers and Materials 106
- 6.3.2 The Supply Chain 108

6.4 The Local Community and Territory
- 6.4.1 Initiatives in the Territory 109

7. Responsible Business Management (G)

7.1 Business Ethics and Anti-Corruption
- 7.1.1 Code of Ethics and Anti-Corruption Initiatives 113

7.2 Management of Cybersecurity and Risks
- 7.2.1 Management of Risks 114
- 7.2.2 Cybersecurity 116

2025 ESG Goals **121**

VSMEs Index **123**

Letter to our stakeholder

We are pleased to present our 2024 Sustainability Report, that reflects not only the concrete results achieved over the past year but also our commitment to a business model based on responsibility, excellence, and a long-term vision. In 2024, we continued our path of global growth, while strengthening our strong connection with Italian craftsmanship and the communities in which we operate.

Throughout this year, we continued to focus on our artisan heritage through our project "Journey Through Colour", which offered the public immersive experiences together with our artisans. Participation in the international Homo Faber exhibition in Venice also ensured to the Group great visibility allowing us to share the values that have always guided us: excellence, care, authenticity. We also continued our project, the Academy of Excellence, whose purpose is to attract, train, and develop talented young workers. This programme combines theoretical and intensive practical training at our Corridonia facility, in order to pass on artisan know-how to the new generations and ensure the continuity and innovation of our expertise.

In the environmental field, we have achieved important results: CO_2 emissions as a whole decreased by 5% with respect to 2023, thanks to more efficient management of our production processes and energy consumption. There was also a 14% reduction of the hazardous waste produced, which is now just 4% of the total, confirming our commitment to increasingly sustainable management of resources.

During the year, we also confirmed and strengthened our social initiatives, continuing the programmes already introduced on well-being, continuous training, and inclusion. People are in any case always the core of our corporate vision: we believe in their potential and invest in their development as a lever for competitiveness and internal cohesion.

In terms of corporate governance and compliance, in 2024 we strengthened our

organisation and compliance structures: we obtained ISO 9001:2015 certification, confirming our commitment to quality and continuous improvement, and introduced the Organisation, Management and Control Model in compliance with Legislative Decree no. 231/2001, strengthening the ethics, integrity, and transparency standards within the company.

In line with the latest European regulatory requirements, we have continued to align our standards with the European Sustainability Reporting Standards (ESRS), and this will be completed in the coming financial years. This transition is an opportunity to further develop our reporting system and offer an increasingly complete and measurable view of our environmental, social and governance impact.

We are aware that the path to sustainability requires ongoing commitment, a strategic vision, and shared responsibility. Looking to the future, we will continue to invest in quality, people, and the territory, strengthening our contribution to a responsible and innovative supply chain, where every choice reflects Santoni's values and our respect for the future generations.

Giuseppe Santoni
Chairman and CEO



Methodological Note

[VSME Bl. 24a, 24b, 24c, 24d; C2.49]

The 2024 Sustainability Report of "Santoni Group," which consists of the parent company Santoni S.p.A and its subsidiaries, was voluntarily drawn up by Santoni S.p.A. in order to present to its stakeholders the Group's management model and the sustainability policies; the report describes the most important results achieved in the reporting year, in order to "provide an account" of the company's activities, its performance, results, and economic, social, and environmental impacts, and how these are managed.

This reporting period goes from 1 January to 31 December 2024, which corresponds to the financial year. The scope of the Sustainability Report is the same as that of 2024 consolidated financial statements, meaning that for the financial reporting it includes data relating to the Parent Company (Santoni S.p.A.) and the fully consolidated companies, with some possible exceptions in the case of certain indicators, as will be further specified hereunder.

This document was drawn up by introducing **the EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME)**, published in December 2024, and subject to EU Recommendation 2025/1710 of 30 July 2025. The VSME addresses the same sustainability issues as the European Sustainability Reporting Standards (ESRS), adapting them in a way that is proportionate to the characteristics and needs of companies that are not currently required to prepare sustainability reports. All sections of the report clearly indicate the references to the disclosures and paragraphs of the relevant VSME standard. Where additional content was included beyond that required by the standard, the fact that this was done voluntarily, was indicated. The report was drawn up in compliance with the reporting principles provided by paragraphs 8–20 of the VSME.

Reporting options provided by paragraph 24 – VSME B1

a) The Group decided to report the disclosures required by the **Basic Module and Comprehensive Module (OPTION B)**, selecting the most comprehensive option with respect to those provided by the standard, in order to guarantee a more comprehensive and more structured level of reporting.

(b) No disclosure was omitted for reasons of confidentiality or classification of information pursuant to paragraph 19 of the VSME. All the information requested by the forms selected were disclosed to the public, unless this was not applicable to the company's specific situation.

(c) The Sustainability Report was drawn up on a consolidated basis, including data relating to the Parent Company (Santoni S.p.A.) and the consolidated companies.

(d) The scope of this Sustainability Report includes: Santoni Asia LTD, Santoni Shanghai Trading CO.LTD, Santoni France SARL, Santoni Netherlands B.V., Santoni Swiss GMBH, 762 Madison INC, Santoni North America LCC, Santoni Direct LCC, 625 Madison LCC, 355 Woodbury LCC, 420 Bal Harbour LCC, 1104 Cabazon LCC, 743 Santoni Madison LCC, Corium LTD.

A**VSME table of contents** was drawn up at the end of the document, in order to easily identify where the disclosures required by the VSME standard can be found in the Sustainability Report.

The 2024 Sustainability Report was not independently audited or subject to assurance. The Group reserves the right to evaluate whether assurance activities should be introduced in the future on the basis of evolving regulatory frameworks and stakeholder expectations.

This document was drawn up with the collaboration of the Board of Directors and managers of the different Santoni departments. The report was drawn up with the assistance of the **Department of Management of Marche University**.

This document is available on Santoni's official website on the following address: **www.santonishoes.com**

For further information, please contact the Company on the following email address: **csr@santonishoesit.com**

Highlights of The 2024 Economic-Financial Sustainability

REPORT

Production and Revenues: Revenues increased by 3% with respect to 2023, reaching a total of 117 million Euro, with 50% of sales obtained on non-EU markets.

Economic Value Distributed: An amount of €112 million of the economic value was distributed to key stakeholders for an amount of €112 million, which represents more than 93% of the economic value produced.

Growth of the Product Line: Significant increases for the Classic Men's line (+19%) and Men's and Women's Leather Goods (+17%) lines, which consolidated the brand's positioning on the luxury and lifestyle sectors.

THE ENVIRONMENT (E)

Reducing emissions: The total CO_2 emissions were reduced by 5% with respect to 2023, thanks to a process of optimising consumption.

The Circular Economy and Waste Management: The hazardous waste produced was reduced by 14% with respect to 2023, which represents only 4% of the total hazardous waste produced.

SOCIAL (S)

Well-being and training for shared growth: the canteen and meal vouchers were extended for a period of five years, the "Conciliamo" call for proposals for work-life balance was renewed, and the dedicated psychological support was introduced: all these are concrete actions that strengthen the centrality of people in the corporate culture.

Education, culture, and solidarity: strengthening ties with Marche region through educational projects, donations, collaboration projects with schools, universities, and local associations, and over 3 months of training courses for artisans and team leaders: a concrete contribution to the social and cultural development of the region.

Inclusion and equal opportunities: greater commitment to inclusion with 27 employees in protected categories, ensuring a gender balance (52.9% men, 47.1% women), and a female predominance among white collar workers (55.7%): these data confirm the concrete professional equality.

GOVERNANCE (G)

Cybersecurity and data management: digital defences have been improved with EDR protection, continuous monitoring via the "Certigo" SIEM platform, and an advanced firewall against unauthorised access.

Model 231: introduction of the Organization, Management and Control Model in compliance with Legislative Decree. 231/2001.



1. Identity

1.1 Company details

[VSME B1. 24e]

COMPANY NAME	TOTAL ASSETS
Santoni Società per Azioni	120.719.888€
ID CODE	**TOTAL TURNOVER**
01806460430	117.251.398€
LEGAL FORM	**COLLABORATORS**
Società per Azioni	694
REGISTERED OFFICE	**% EXPORT**
Milano (MI) Via Monte Napoleone 9 CAP 20121	78%
SUSTAINABILITY REPORT	**SECTOR**
1975	Manufacture and sale of footwear
FOUNDER	
Andrea Santoni	
ID CODE	
15.20.10 - Shoes manufacturing, excluding leather parts for footwear	
ID CODE	
15.20 - Shoes manufacturing	
COMPANIES INCLUDED IN THE REPORTING SCOPE	
Santoni Asia LTD (100%) Santoni Shanghai Trading CO.LTD (100%) Santoni France SARL (100%) Santoni Netherlands B.V. (100%) Santoni Swiss GMBH (100%) 762 Madison INC (100%) Santoni North America LCC (100%) Santoni Direct LCC (100%) 625 Madison LCC (100% 355 Woodbury LCC (100%) 420 Bal Harbour LCC (100%)	1104 Cabazon LCC (100%) 743 Santoni Madison LCC (100%) Corium LTD (100%)

1.2 About us

[Disclosure Volontaria; VSME Bl. 24e]

Founded in 1975 in Corridonia, in the heart of the **Marche region**, the Santoni Group has become a symbol of Italian craftsmanship in the luxury footwear sector. Born from the vision of Andrea Santoni, the company's artisan workshop has preserved the precious traditional knowledge, passed down from generation to generation, integrating it with innovation and creativity.

The Santoni Group, a historic family business, is today a global and innovative brand that has maintained its roots in the region and the vision of the company as a family: "**business, ars et familia**" are the three words that eloquently reflect his identity and his commitment.

Since its founding, the company's strategy has been to **create beauty through the unique mastery of its artisan-artists** whose knowledge has been passed down from generation to generation. The most experienced craftsmen train newcomers, ensuring that the house's unique techniques and knowledge continue to be an integral part of production. This process of transmitting knowledge represents the essence of "Made in Santoni". In this way, in each creation one can perceive the value of the artisanal techniques that have been handed down over time, ensuring the protection of this unique knowledge.

At the heart of the Group's success are its **people**: expert craftsmen, designers, and collaborators who share a passion for quality and excellence. Santoni creates not only products, but also values, committing to promoting a corporate culture based on **integrity, transparency and respect for the environment**. This commitment is reflected in every aspect of our work, from production processes to relationships with partners and customers.

1.3 Our story

[Disclosure Volontaria]

In Italy, the bond between business, art, and family is as deep and inseparable one: cultural and territorial roots are not a limiting factor, but a springboard for innovation. Santoni expresses this unique balance, where doing business becomes a creative act, capable of enhancing local heritage and transforming it into a distinctive product. The company, whose root are in Marche region, draws on the local spirit to create products of beauty and quality.

The history of Santoni Group began in 1975 in **Corridonia**, thanks to the vision of **Andrea Santoni**. The goal was ambitious: to industrialise the artisan process without sacrificing the quality of the design, the selection of fine materials, and the attention to detail that have always distinguished the brand. The Group's identity is also reflected in the choice of its signature colour, a vibrant orange inspired by Marche Region's landscapes and the works of local artist Tullio Pericoli, that evoke nature as a palette of emotions.

Today, **Giuseppe Santoni** who heads the Group, inherited his father's passion and dedication, transforming the company into a global group and brand while remaining faithful to its origins. Under his leadership, Santoni Group has taken a leap into the future: it has renovated its head offices, moving to a modern building designed to meet the challenges of the modern market, while remaining faithful to the fundamental principle of craftsmanship. Giuseppe is assisted in the management of the Group by his wife **Alessia** and his son **Gabrio**, bearing witness to a history and heritage of values that has been handed down over the years.

In **2024**, Santoni Group expanded its international presence with new luxury boutiques in the Middle East, confirming its global expansion. At the same time, it strengthened its connection with Italian craftsmanship through the project "**A Journey Through Colour**" and its participation in the international Homo Faber exhibition in Venice. While developing its business worldwide, Santoni has kept its core production in Italy, a custodian of tradition, quality, and uniqueness.



1.4 Mission e vision

[Disclosure Volontaria]

Mission e vision

“To spread the culture of beauty and excellence by offering high quality footwear made with quality materials.” This is the goal of Santoni Group. A goal that Santoni intends to attain through innovative processes, while respecting tradition and the environment.

The Group recognises the importance of ethical and social responsibility in doing business and in its corporate activities and, therefore, intends to pursue its goals by ensuring the best balance of all the interests involved.

Santoni Group’s business activities are conducted with full awareness of the moral and social responsibility the Company has towards its shareholders, employees, consultants, commercial partners and, more generally, all those that collaborate in any way with the Group. We believe that in attaining the organisation’s goals it is necessary to ensure compliance not only with specific corporate values but also with current regulations and more generally with applicable ethical and professional values.

Santoni Is

Santoni Group is characterised by a strong sense of humanism, reflecting the brand’s profoundly Italian nature. The value of people is one of the cornerstones of the Group as a whole. Santoni is a large family, consisting of almost 700 persons, including employees, artisans and external collaborators, who have very close relationships. This family structure is the basis of authenticity on which the pursuit of Beauty is based, and is shared with customers to improve the quality of daily life. In Italy, business, art, and family are inextricably linked, and Santoni embodies this unique approach which is rooted in the territory. Local roots are the starting point for creating beauty, fuelled by the genius loci, which not only enhances tradition but also innovation.

Santoni Group has strong connections with the **local territory**, which represents its origins and source of inspiration. Tradition is the basis of innovation, and this is what inspires our artisans to create products that unite the past and the future, tradition and innovation.

The hands of Santoni's artisans are at the heart of the creative process: through their know-how which is passed down from one generation to the next, each product takes shape, acquiring an unmistakable identity that lasts in time. **Beauty** is not only the result, but also the process, a way of doing things that makes Santoni a manufacturer where the art of craftsmanship meets modern design.

Santoni Group is characterised by a strong sense of humanism, reflecting the brand's profoundly Italian nature.

1.5 Santoni's Products

[VSME Cl. 47a]

Santoni Group produces men's and women's footwear characterised by high quality, customisable options, and a recognisable, elegant style.

Santoni's Men Shoes: These are classic, timeless shoes. Santoni Men's collection highlights the values of the House, where tradition inspires innovation. Craftsmanship, pursuit of elegance, a style that transcends fashion, and colours that speak through materials: the Santoni Men's collection represents an icon of the formal wardrobe. The characteristic Velatura (coating), an artistic technique for hand-colouring each shoe, gives each product a deep, nuanced and unique colour. The double buckle is the brand's signature and a recurring feature in all its creative interpretations.

The **models in this line** include: double buckles, moccasins, lace-ups, ankle boots.

Santoni's Women Shoes: These shoes represent the quintessence of Italian elegance and femininity, with an innate sense of elegance and beauty. Santoni's Women's collection celebrates women in the many expressions of elegance, far from any written rule or cliché: modern, self-confident, global. The brand encourages an idea of conscious and inclusive femininity. The art of craftsmanship, attention to detail, unique use of colour, and the choice of fine materials translate into sensual and sophisticated creations, designed to combine different moments and occasions with a sense of coherence, elegance, and an idea of authentic beauty.

The **models in this line** are divided into: double buckles, moccasins, lace-ups, ankle boots.



Santoni's Men Shoes



Santoni's Women Shoes

Santoni's Casual Shoes: Santoni sneakers embody the brand's style and tradition, combining craftsmanship and innovation. Crafted from premium materials, bold colours, and hand-finished details, they offer a sophisticated design that complements advanced soles and modern volumes. In 2024, Santoni expanded its sneaker segment, responding to market changes and evolving consumer tastes while maintaining the Group's distinctive identity.

The **models in this line** are subdivided by: double buckles, moccasins, lace-ups,



Santoni's Casual Shoes

ankle boots.

Accessories: Elegant, functional, and designed to accompany every moment of the day, Santoni accessories represent the perfect balance between



Accessories

style and sustainability. **Small leather goods, belts, bags and backpacks** are born from the encounter between refined leathers and artisan workmanship, with constant attention to quality and the impact on the environment.

Customisation

Handmade to measure: this makes it possible to create a truly unique object that reflects the owner's individual style.
Santoni Made to Order: allows customers to play an active role in the creative design process, offering the option to choose the ideal shape, premium leather, and finish.
#MySantoniColours: customise the brand's iconic double buckle. The palette consists of 16 shades with more than 500 possible combinations.
Initials: possibility of adding initials to make products unique and customised.

LIFE'S SHORT, TRY

In 2024 Santoni launched **EASY**, a shoe which is entirely handmade, designed to redefine the concept of formal shoes. With its ultra-light rubber sole and a record weight of just **295 grams** – lighter than even the lightest sneakers on the market – EASY combines a classic appearance with superb functionality and comfort.
The result of advanced technological research and craftsmanship, the project best interprets Santoni's identity: **tradition and innovation at the service of style**. Designed for American business, where elegant shoes are central but often lacking in quality and structure, EASY represents an exceptional entry price, that immediately responds to the needs of the contemporary consumer.



Easy

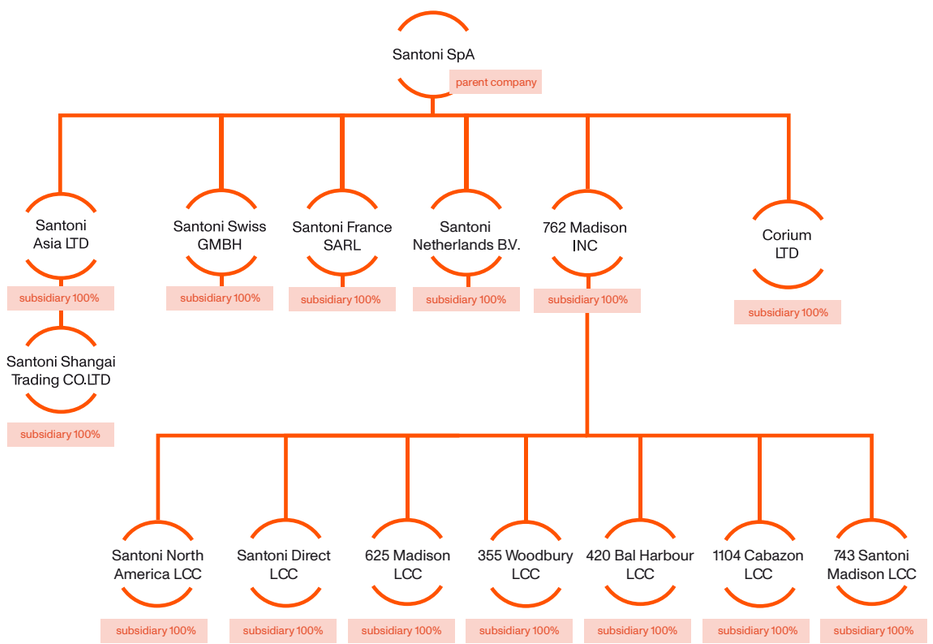
1.6 Structure of the Santoni Group

[Disclosure Volontaria]

The head of the **Santoni** Groups is **Santoni S.p.A.**

This company is controlled by the **SAGI S.a.p.a.** a company, attributable to Giuseppe Santoni. It should be noted that, although this control relationship exists, Santoni S.p.A. is not subject to the management and coordination of other companies pursuant to articles 2497 et sequitur of the Italian Civil Code.

Santoni S.p.A. controls the following commercial companies that operate in different markets. For each company, directly or indirectly controlled, Santoni S.p.A.



The Structure of Santoni Group

1.7 The owner and corporate bodies

[Disclosure Volontaria; VSME C9.65]

As of 31 December 2024, the share capital of Santoni S.p.A. amounted to Euro 1,800,000.00, divided into shares with a nominal value of Euro 1.00 each.

Partner	No. of Shares	Value (€)	%
SAGI Sapa	1.116.000	1.116.000	62%
Santoni Holding S.r.l.	684.000	684.000	38%
Total	**1.800.000**	**1.800.000**	**100%**

Santoni's Ownership Structure

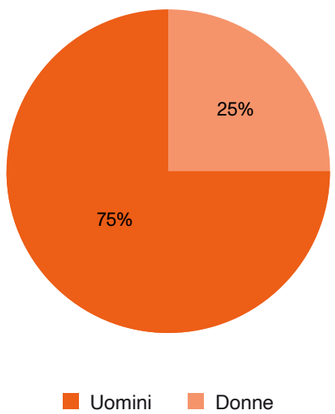
Santoni's governance is based on a traditional administration and control model with the following **corporate bodies**:

- **the Shareholders' Meeting**, that decides on matters provided by law and the Articles of Association;
- the **Board of Directors**, that is responsible for managing the Company;
- the **Board of Directors**, that is responsible for managing the Company;

As to 31/12/2024, the composition of the Board of Directors was that indicated below.

Chairman of the Board of Directors and Legal Representative	Santoni Giuseppe
Chief Executive Officer	Antinori Alessia
Director	Tanoni Paolo
Director	Rinallo Fausto
Director	Pianesi Riccardo

The Board of Directors



Gender Diversity in the Governing Body

As to 31 December 2024, the composition of the Board of Auditors was that indicated below.

Chairman	Valentini Piero
Auditor	Capecci Daniele
Auditor	Stizza Paolo
Substitute Statutory Auditor	Bruni Francesco
Substitute Statutory Auditor	Ciarmatori Dario

Composition of the Board of Statutory Auditors

The statutory audit was entrusted to EY S.p.A.

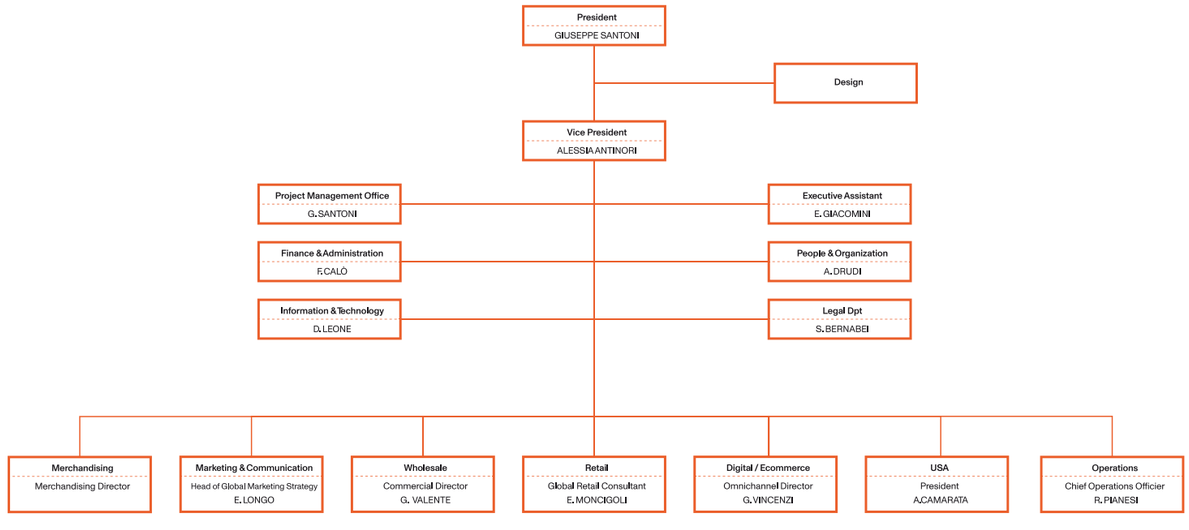
1.8 Organisation structure

[Disclosure Volontaria]

The Santoni Group's organisation structure establishes the system of functions, powers, delegations, decision-making processes, and company procedures, ensuring a clear assignment of tasks and responsibilities.

The functional **organisation structure** is designed to work in synergy with the operating mechanisms, in order to support governance and ensure the distribution and introduction of corporate principles at all levels. This approach facilitates process management and ensures an efficient and effective use of resources.

Reorganisation measures were introduced in 2024, particularly in the areas of corporate governance and the creative structure, in order to effectively respond to the Group's new strategic needs and strengthen its long-term sustainability.



The Organisation Structure of Santoni Group



2. Strategy and sustainability

2.1 The reference market

[VSME Cl. 47b]

The Group operates in the Italian footwear industry, one of the historic excellences of the Italian manufacturing system. This is a sector that combines artisan tradition, specialised expertise and stylistic innovation, and represents a pillar of the country's economy. The supply chain is large and complex, with approximately 4,500 active companies and over 75,000 employees throughout the territory. The sector is characterised by a strong international vocation, with exports representing a very significant share of the turnover. The supply chain is however also exposed to complex global dynamics, including the high incidence of imports, production delocalisation, and outsourcing strategies that affect approximately 20% of production.

According to the 2024 World Footwear Yearbook, Asia continues to be the leading footwear consumption market with a 54.7% share, followed by Europe (13.9%) and the United States (13%). The above data confirm the strategic importance of non-European markets and the need to strengthen internationalisation strategies.

2024 was a particularly challenging year for the footwear industry as a whole. After the stability of 2023, the industry experienced a significant slowdown, triggered by macroeconomic and geopolitical factors that have fuelled a climate of uncertainty over the supply chain1 as a whole. According to ISTAT data, production as a whole dropped by 18.9%, while the turnover was 13.2 billion Euro, showing a 9.7% decrease with respect to the previous year. Exports, a traditional driver of growth, also decreased by 9.2% in the first nine months of 2024.

Together with the leather goods industry, the leather goods industry - which includes bags, small leather goods, luggage, and travel items - was affected to a slightly lesser extent by the reduction in domestic consumption. This is also due to international tourism, which fuels tourist shopping in Italy, and the growing atten-

[1] Rapporto Calzature, Pelletteria e Concia – MIMIT.
[2] 2024 Footwear Associations Report.

tion towards Asian markets, where manufacturing is strengthened through factories and licensing agreements. The leather goods industry includes approximately 4,550 companies and 32,800 employees, with a predominantly small structure and strong exports, that account for approximately 80% of the total turnover. Here again, there is significant dependence on imports (China, Tunisia, India, Vietnam, Slovenia) and on the phenomenon of re-exportation after the finishing processes. In terms of distribution, single-brand stores are becoming increasingly important, now accounting for 40% of distribution in Italy. These stores are located primarily on shopping streets, airports, and major travel hubs. This trend has encouraged the development of travel retail, an increasingly strategic channel for luxury brands.

2024 also ended as a year of contraction for the luxury sector, which showed a global reduction of 2%, bringing total sales to 363 billion Euro. This is the most significant slowdown since the 2008 crisis and pandemic.

Despite the current challenges, the Italian footwear and leather goods industry continues to represent international excellence, thanks to the quality of its materials, its artisan tradition, and its ability to innovate in design and production processes.

The outlook for 2025 points to a moderate recovery, with global growth estimated at around +3%, but this will however depend on the trends of macroeconomic factors and the stabilisation of geopolitical tensions. In the medium and long term, the priority will be to support the sector's revitalisation through targeted investments in environmental sustainability, research, and digital transformation, leveraging consolidated expertise to address the challenges of an increasingly global and competitive market.

[3] Rapporto Fondazione Altagamma 2024.

2.2 Regulations and standards

[Disclosure Volontaria]

The regulatory context applicable to sustainability reporting is constantly evolving, and reflects the growing importance of transparency and social and environmental responsibility for businesses. Of the most important regulations that are shaping new European sustainability reporting, are the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

Taxonomy UE

EU Taxonomy, which came into force in 2022, establishes the criteria that determine whether a business may be considered environmentally sustainable. The regulation, which was initially addressed to large listed companies and financial institutions, has had a knock-on effect along supply chains, encouraging the introduction of sustainable practices by SMEs and subcontractors. Its main goal is to direct financial flows towards activities in line with the European Union's climate and environmental goals.

The Corporate Sustainability Reporting Directive (CSRD)

The Corporate Sustainability Reporting Directive, which came into force in 2024, updates the previous Non-Financial Reporting Directive and extends the sustainability reporting requirement to a wider range of companies, including large public-interest companies and listed SMEs. The CSRD requires companies to prepare complete reports on their ESG performance, covering topics such as climate change, diversity, human rights, and corporate governance. Following the revision proposal contained in Omnibus Package 1 published by the European Commission in February 2025, the application of the ESRS sector and listed SME standards, initially expected for 2024–2026, has been postponed. At the same time, the so-called "Stop the Clock Directive" introduced a deferral for certain categories of companies to introduce the European Sustainability Reporting Standards (ESRS), postponing the actual application of some of the requirements. These measures intend to give businesses more time to prepare, while reducing short-term administrative obligations. Despite this, large public interest companies have in any case already been required to submit the report according to the CSRD since 2025 (for the 2024 financial year), confirming the need to introduce strong, cross-functional

information systems that ensure comprehensive and integrated ESG reporting.

The Corporate Sustainability Due Diligence Directive (CSDDD)

The Corporate Sustainability Due Diligence Directive is yet a further step forward in sustainability regulation, and requires large companies to conduct a human rights and environmental due diligence throughout their supply chain. Companies are required to identify, prevent, and mitigate the negative impacts of their activities, extending these practices to their suppliers and business partners. This Directive will come into force in 2028 and is addressed to large companies in order to increase transparency and risk management along production chains, ensuring compliance with environmental and social standards.

The Santoni Group will be required to comply with the reporting obligations of the CSRD as from 2027, following the postponement introduced by the "Stop the Clock Directive," which postponed the entry into force of the obligations for certain categories of companies. Consequently, as from 2027 the Group will also have to comply with the criteria of the EU Taxonomy, systematically integrating information relating to its performance in environmental, social and governance matters. Despite this delay, Santoni has decided to adopt a proactive approach, and has already started introducing initiatives in order to gradually align itself with the new European sustainability directives. Bringing forward these initiatives allows us to strengthen the transparency and traceability of our activities, improving our ability to manage ESG risks and preparing the Group for a seamless transition to future regulatory requirements.

This voluntary strategy will not only help to ensure full compliance with regulatory requirements when they become binding, but will also help to consolidate Santoni's competitive position on the market, creating long-term sustainable value for all stakeholders and encouraging increasingly responsible practices along the entire value chain.

2.3 The business model and value chain

[VSME Cl. 47c]

Santoni Group produces high quality footwear that are a mix of artisan expertise, innovation and sustainability, offering customisable products of excellence.

Santoni Group's business model is based on the synergy between craftsmanship, innovation, and sustainability, transforming fine leathers into high-end footwear and accessories through integrated processes that focus on Italian know-how.

The cornerstones of the Group's business are the availability of the highest-quality and exclusive raw materials, that guarantee the excellent aesthetics and performance of the products, as well as human resources who know the artisan methods and techniques required to transform the materials into unique and customised products, expressions of timeless elegance.

Research and Development, design, engineering and production are the heart of the Group's business model. These activities are carried out entirely in Italy, in the heart of the Macerata-Fermo footwear district, under the guidance of the Santoni family and experienced managers. Their goal is to design and produce footwear and accessories shoe roots are in tradition and Marche region, while taking into account market trends and the global market.

The outputs of the business model are the product-services introduced by Santoni Group consisting of footwear, accessories, and after-sales repair and regeneration services that extend the life of products and reduce waste.

The impacts generated (outcomes) go beyond the strictly operational dimension. The company's business offers a significant contribution to maintaining and promoting Italian know-how, in order to ensure responsible supply chains and consolidate an authentic and sustainable luxury model at an international level.

On this basis, the company's value chain can be described as upstream, own and downstream activities.

Upstream actvities

The Group selects qualified suppliers based on strict criteria of quality and reliability. Raw materials such as leather, fabrics and components are sourced primarily from European suppliers, above all, Italian suppliers. The leathers used are obtained exclusively from the food supply chain, avoiding the slaughter of animals for production and encouraging responsible management of resources. The tanneries used are mostly certified in accordance with Leather Working Group (LWG) standards, which guarantee a lower environmental impact. Some raw materials are processed directly in Italy to ensure quality and traceability, in a context where supply chain control is of increasingly strategic importance. Supplier diversification reduces the risk of supply chain disruptions and ensures consistent product quality.

Direct Operations (own operations)

The Group's core activities are developed over an integrated process which includes Research and Development (R&D), designing the collections, engineering and production.

R&D represents a strategic lever for the development of products, in order to identify innovative solutions which ensure that materials and production processes are increasingly sustainable. The design of the collections focuses on excellence and is known for its ability to anticipate luxury market trends while maintaining strong artisan characteristics. Product engineering is a key step to optimising design, functionality and the production processes, and ensures a balance between creativity and technology. Santoni's Production, which is entirely carried out at the Corridonia facility, is based on flexible lines that are a combination of artisan craftsmanship and advanced industrial processes, allowing a high level of customisation and the ability to respond promptly to specific customer requirements. The use of NFC technology on footwear lines moreover makes it possible to track each and every stage of the production cycle, from the transformation of the raw material to delivery of the finished product, ensuring efficient management of internal flows while meeting the certification requirements of the most demanding international markets.

Downstream Activities

Downstream activities include logistics and distribution, sales, marketing and after-sales services, as well as product regeneration and end-of-life management.

Logistics is organised in such a way as to ensure prompt deliveries while maintaining high quality standards. Distribution is made through various channels: single-brand stores, multi-brand stores, e-commerce sites, and seasonal "resort" boutiques located in luxury locations like Capri, which offer limited-edition products. Customers are distributors, retailers and consumers in the luxury sector. Marketing plays a strategic role as it represents the company's value identity and competitive positioning, and ensures purchasing experiences. Communications are also fundamental: these are not limited to presenting the product, but also communicate the artisan know-how and values of the company and those of the Santoni family. The Santoni brand is an essential asset that not only ensures the substantiality of corporate statements and behaviours but also differentiates the company's products and services from those of competitors. The Group supports a circular economy model through after-sales footwear repair and regeneration services, available both physically and online. These services have also been extended to sneakers, thus extending the life of products and reducing the need for new products, with a consequent reduction of waste and use of resources.



Santoni's Value Chain

2.4 The strategy

2.4.1 Initiatives in the territory

[VSME C1.47]

Expansion into Strategic Markets and Enhancement of Made in Italy Products

Santoni Group intends to further strengthen its direct relationship with end customers, focusing on select retail channels and a network of strategic single-brand boutiques. In 2024, Santoni focused above all on the Middle East, a key market for the brand, while Japan is a priority for the future, to which the Group is allocating resources and strategies to strengthen its presence. At the same time, the American market continues to drive revenues, confirming that it is central to Santoni's global growth. This strategy allows Santoni Group to strongly communicate the values of Made in Italy products, while strengthening the perception of Santoni as a symbol of craftsmanship and contemporary luxury. Boutiques in exclusive locations also allow the Group to offer customised collections and details designed for local customers, interpreting the traditions and aesthetics of individual markets with great sensitively.

The Academy of Excellence: Protecting and Passing down the Know-How of Artisans

The Academy was introduced in 2023 and further developed in 2024, and represents a strategic cornerstone for the Santoni Group. The Academy was founded to protect and innovate the heritage of artisan skills, and is intended to be an educational hub for attracting and developing talented young people, while ensuring the continuity and development of Italian savoir-faire with respect to future challenges. The four-week programme includes one week of theoretical training with three weeks of intensive practice at the company's Corridonia facility, for groups of 15-18 persons a year. 80% of the participants are taken on by Santoni, meaning that the Academy strengthens the Group's ability to maintain high quality standards and meet the growing demand for authentically Made in Italy luxury products, ensuring that the Group's heritage of artisan expertise continues to be a strategic cornerstone.

Developing the Luxury Segment

To consolidate its position on the luxury market, Santoni Group has started collaborations and developed exclusive lines specifically based on the expectations of high-profile consumers. Through the Academy of Excellence, the Group maintains and enhances its artisan know-how, making investments to train talented young people in order to ensure updated expertise and that Italian craftsmanship reaches new markets. Santoni also intends to strengthen its position in the luxury segment by increasing the number of single-brand boutiques by 2026, ensuring a consistent, high-quality experience globally.

Expansion of the Digital Channel and the Omnichannel

Santoni Group's strategy includes strong integration between its physical and digital channels, with the introduction of an order management system that allows physical stores to meet e-commerce orders according to the customer's location. This omnichannel approach aims at improving the customer's shopping experience while quickly responding to global market demands, maintaining the consistency of the products offered and minimising delivery times. The growth of e-commerce also means improved accessibility to Santoni's luxury products globally.

Strengthening Brand Identity through Collaborations and Experiential Marketing Initiatives

In 2024, Santoni Group strengthened its position in the luxury sector through specifically targeted collaborations and high-impact experiential initiatives. The partnership with BMW Italy brought together shared values – excellence, design, and craftsmanship – with the made-to-order online launch of the CARTER model in five colour versions inspired by BMW's M5 Touring. In Milan, two pop-ups in front of the boutique in Via Monte Napoleone offered immersive experiences with artisans working on the project "A Journey Through Colour". In September, Santoni was the only brand present at Homo Faber in Venice, an international event which celebrates luxury craftsmanship. These initiatives, together with its collaboration with the Academy of Fine Arts in Macerata, are part of a clear strategy: that of strengthening the brand's exclusivity, creating cultural and experiential connections with communities, and projecting Italian craftsmanship into the future.







2.4.2 The sustainability strategy

[VSME B2. 26a, 26b, 26c, 26d, 27, 28; C1. 47d; C2. 48; C3.54]

Development of Innovative and Non-Animal Materials

Sustainability is at the heart of the Santoni Group's strategic vision, which actively works to develop new sustainable materials. Its collaboration with Camerino University has led to the development of innovative materials, using waste proteins such as casein and natural fibres such as cotton and linen. This makes it possible to meet the demands of an increasingly environmentally conscious clientele, while maintaining high standards of quality and design. The collections developed include non-animal uppers, with leather soles, offering a balance between sustainability and artisan luxury. With this in mind, Santoni Group is developing its own synthetic leather with aesthetic and technical characteristics that are similar to those of traditional leather, but which ensure a lower environmental impact. This project, which is in line with the principles of the circular economy, makes it possible to create high-quality alternatives, without compromising the performance and longevity of the product. The goal is to use this material in footwear and accessories, helping to reduce dependence on animal-derived materials and meeting the strictest environmental regulations on global markets.

Regeneration and Recycling of Products to encourage Responsible Consumption

Santoni Group has expanded its footwear regeneration programme, so that customers may now have their shoes repaired and regenerated, including sneakers. This approach extends the life of products, reducing the need for new products and minimises the environmental impact. The service responds to the growing demand for sustainability from customers, who appreciate solutions that extend the life cycle of luxury footwear.

Reducing the Environmental Footprint along the Supply Chain

In 2024, Santoni Group continued and strengthened the sustainability programme started in previous years, extending the environmental certification process to its suppliers and consolidating partnerships with organisations that meet strict standards, such as the Leather Working Group. This strategy helps to reduce the environmental impact and ensures that materials such as leather are obtained from traceable and responsible supply chains. At the same time, the Group continued to diversify its sole supply sources, improving the resilience of its supply chain and optimising logistics to limit emissions related to the transportation of materials.

Corporate Welfare Programmes for the Well-Being of Employees

In 2024, Santoni Group confirmed its commitment to providing a positive and inclusive working environment, continuing with the "Conciliamo" programmes, which provides vouchers for healthcare, daycare, and school books. The programme also includes psychological support for all employees who return to work after long absences, whether this is due to maternity or paternity leave, illness, or other personal reasons. This focus on corporate welfare reflects the Group's strategy of ensuring the well-being of people, improving their quality of life, and strengthening their sense of belonging, confirming that Santoni is a company that cares about its employees.

Strengthening the Transparency and Risk Management Policies

In order to ensure high standards of integrity and responsibility at all times, Santoni has introduced advanced risk management measures, focusing on Cybersecurity and protecting the sensitive data of customers and stakeholders. The management of Cybersecurity is supported by modern systems and strict protocols, that protect company information. The introduction of an improved Code of Ethics and anti-corruption initiatives moreover renew its commitment to responsible governance, which responds to the growing expectations of global markets.

Theme	Future Sustainability Practices, Policies and Initiatives	Target
Climate change	Policies to reduce the Group's environmental impact and GHG emissions	A higher percentage of energy from renewable sources
Pollution	Monitoring and improving the production processes of the filtering systems that limit dust emission into the atmosphere	Gradual reduction of dust in the atmosphere
Water and marine resources	Policies to reduce water consumption and waste	Audit and awareness campaign addressed to strategic partners in the upstream supply chain
Biodiversity	Projects that involve the replacement of traditional materials (such as animal leathers) with sustainable alternatives that ensure a lower impact	Increased use of alternative materials
Use of resources and the circular economy	Calzare 4.0 Project - Revitalisation and development of new eco-sustainable footwear through circular processes	Extension of the project to other types of footwear
Own workforce	Production expansion project	Higher number of training hours for personnel
Workers in the Value Chain	Protecting workplace health and safety and respecting the rights of workers	Audit and awareness campaign addressed to strategic partners in the upstream supply chain
The Communities Involved	Improving ties with the territory	Gradual increase of initiatives to support and develop the local economy of the territory
Consumers and End Users	Transparent and responsible communications to the consumer	Introduction of ethical communication practices and awareness campaigns on responsible purchasing
The Conduct of Companies	Introduction of ESG Criteria in Corporate Management	Budget allocation and induction courses for ESG committee members, selection of suppliers according to ESG criteria, training for the organisation on sustainability issues, and improving the compliance processes.

Future Sustainability Practices, Policies and Initiatives

Future Sustainability Practices, Policies and Initiatives

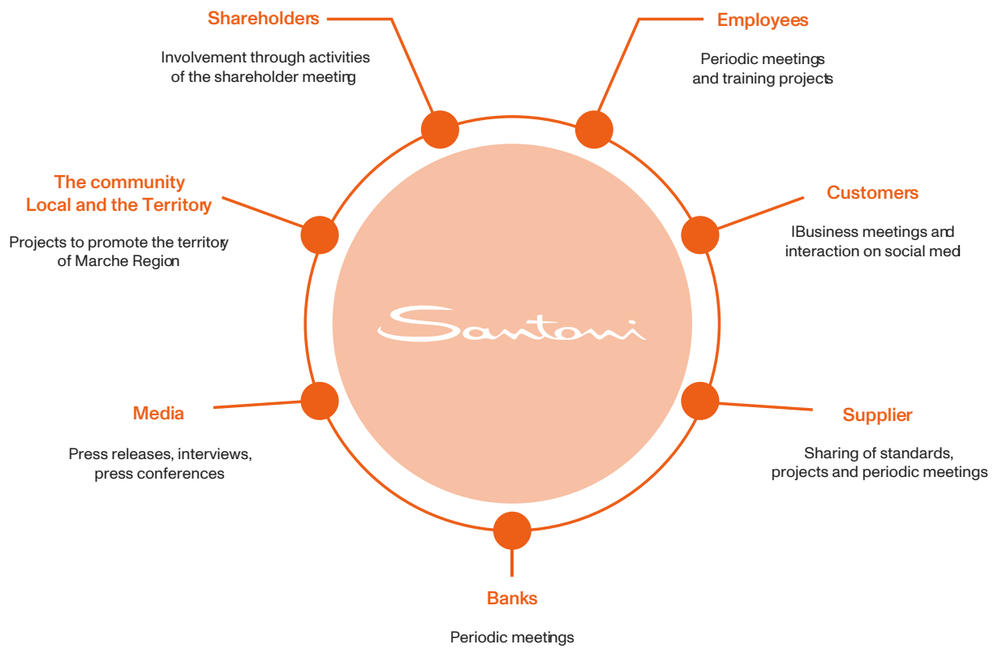
2.5 Gli stakeholder

[Disclosure Volontaria]

The **Stakeholders** are all persons or organisations who are actively affected by a company, whose interests are negatively or positively affected by the result, performance or trends of its activities, and whose actions or reactions, in turn, affect the stages or completion of a project or the fate of the organisation.

Stakeholder engagement is intended as the systematic involvement of an organisation's key stakeholders and represents the main lever for monitoring and managing the quality of relationships; it is an important factor in developing organisation policies and strategies.

Santoni's system of relations with its stakeholders includes tools and channels of dialogue, which are described below, differentiated by the category of stakeholders.



Santoni's Stakeholders

Categories of Stakeholders	Engagement Activity (Projects – Initiatives – Relationships)
The Shareholders	– The Shareholders' Meeting – The Website
The Employees	– Ongoing Dialogue with the Human Resources Management – Informal / corporate meetings – Training meetings – Salary policies – Employer branding – Corporate welfare initiatives – Corporate DEM for internal communications
Customers	– Interaction through business meetings / workshops and presentations – Project meetings – Social network – Website and other dedicated communication channels – Newsletters
Suppliers	– Sales meetings – Establishing and sharing standards – Project partnerships (products and innovation)
Credit Institutes	– Shareholders meeting – Website – Periodic meeting
The Media	– Interviews – Press conferences – Informal / corporate meetings – Press conferences
The Local Community and Territory	– Meetings with representatives of local communities – Collaboration in open innovation projects – Training and social responsibility

The Main Stakeholders and Engagement Methods

2.6 Commitment to Sustainable Development Goals (SDGs)

[Disclosure Volontaria]

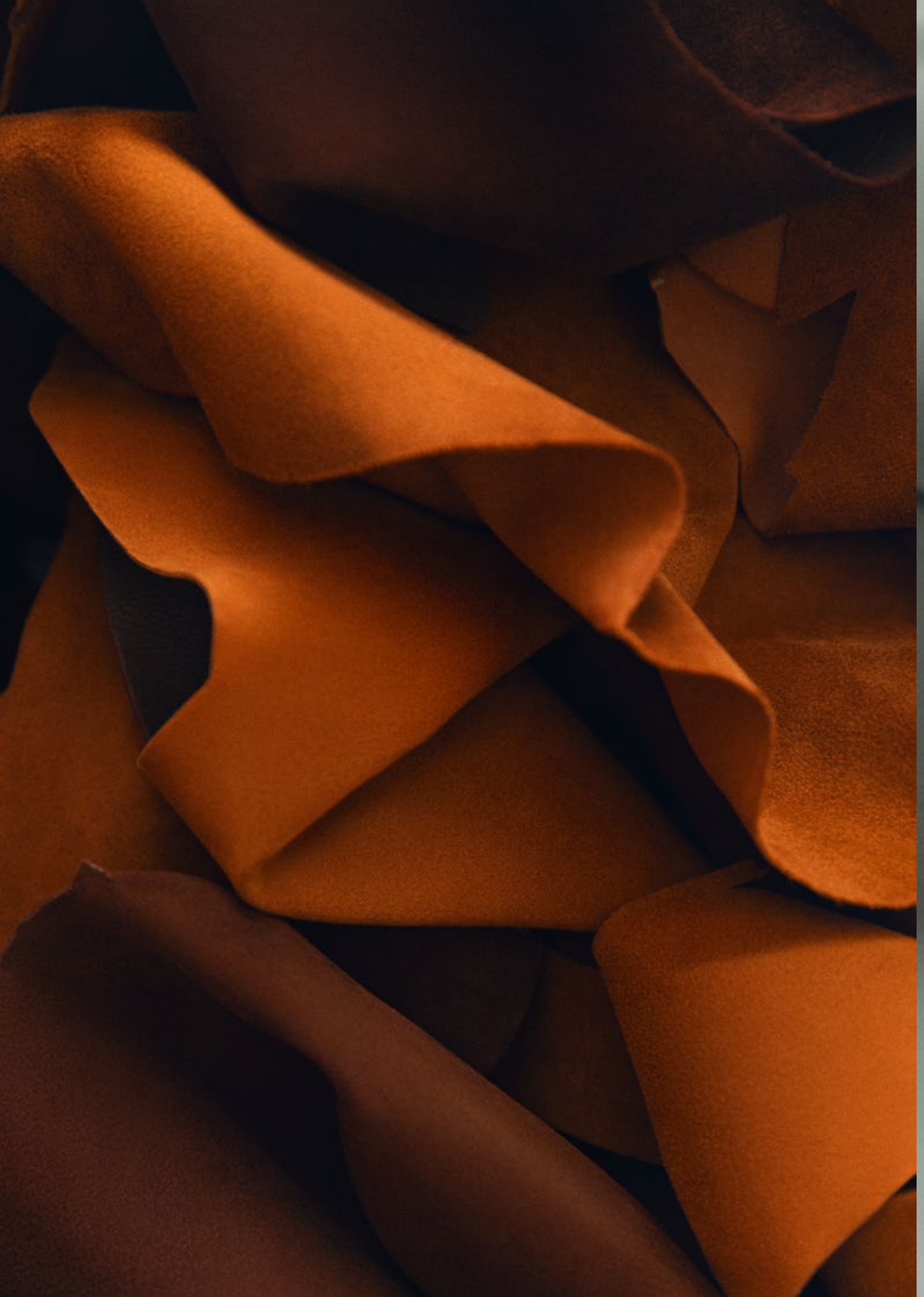
The Santoni Group has introduced and shares a sustainable development model. For this reason, it is committed to the gradual inclusion of the Sustainable Development Goals (SDGs) into its business model and strategy.

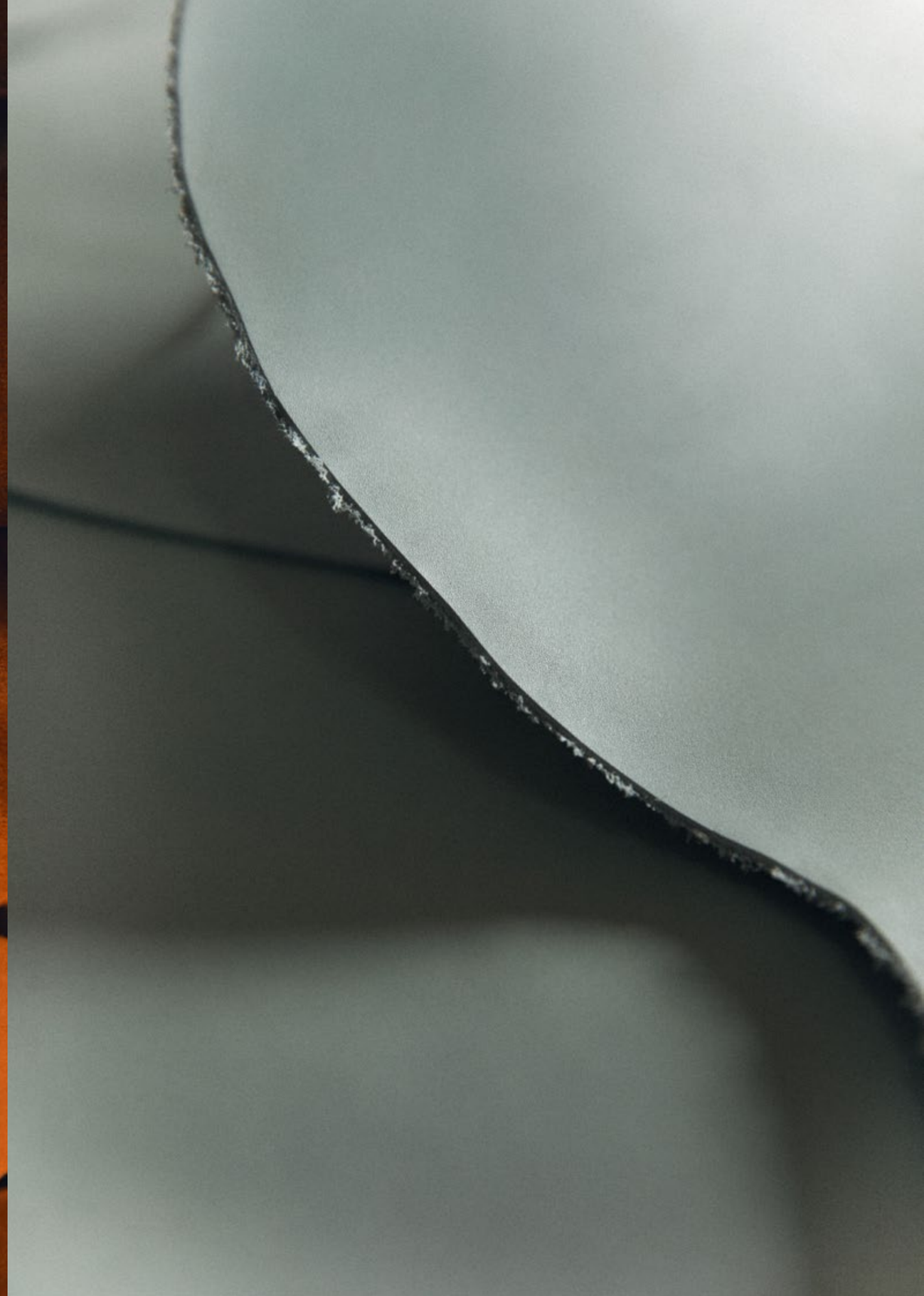
The SDGs are the core of the 2030 United Nations Agenda, and represent 17 interconnected objectives, defined by the UN as a strategy "to obtain a better and more sustainable future for all". The Sustainable Development Goals intend to address a wide range of issues relating to economic, social and environmental development. The 17 goals are a set of 169 targets, which in turn are linked to pillars, which help to understanding the goals, turn them into concrete actions and monitor them.

The following table shows the SDGs to which Santoni Group actively contributes, indicating for each the target audience and actions introduced by the Company to achieve them.

SDG	Target	Actions introduced
8 DECENT WORK AND ECONOMIC GROWTH	8.2 Achieve higher levels of productivity through diversification, technological upgrading, and innovation, above all by focusing on high added value and labour-intensive sectors.	– 4.0 Industry projects for technological advancement in production (SOLE and CARL projects). – Corporate Welfare Programmes for the Well-Being of Employees.
9 INDUSTRY INNOVATION AND INFRASTRUCTURE	9.5 Increase scientific research and the technological capabilities of industrial sectors, even by increasing the number of R&D personnel and public and private spending in this area.	- Collaborations with public (e.g., the Ministry of Economic Development, Marche Region, Marche Region Polytechnic University) and private (e.g., BMW Italy) partners to develop technological innovation in order to improve product quality and a more efficient use of resources.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 By 2030, significantly reduce the waste produced through prevention, reduction, recycling and reuse.	– A strong focus on product quality ensures durability in time. – The Group offers a repair and regeneration service for used shoes (CALZARE 4.0) which helps extend the life of the shoes.

Santoni Group's Commitment to the SDGs





3. Materiality analysis

[Disclosure Volontaria]

Materiality is the guiding principle used to identify issues that, in the relationship between the company and its stakeholders, may have a significant impact on the company's ability to create value in the short, medium and long term. The materiality analysis therefore plays a central role in determining priority issues for both Santoni Group's business model and the expectations of stakeholders, providing a structured basis for strategic choices, establishing goals and reporting. With the introduction of the Corporate Sustainability Reporting Directive (CSRD) and the new European Sustainability Reporting Standards (ESRS), the concept of materiality evolves within the framework of dual materiality, subdivided by two complementary dimensions:

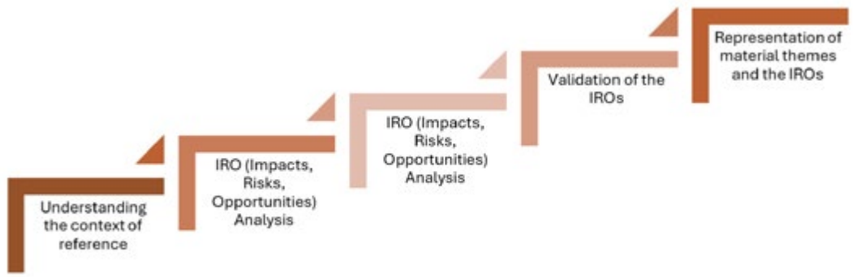
— **Impact materiality**, which takes into account the effects, whether positive or negative, produced by the organisation's activities on people and the environment throughout the reference timeline;

— **Financial materiality**, which assesses the risks and opportunities that have a potentially significant impact – whether current or perspective – on the company's development, its economic and financial situation, cash flows, its ability to access capital, or the cost of financing.

This integrated approach ensures more complete and transparent reporting, which meets the information needs of stakeholders who are increasingly attentive to sustainability issues.

In 2024, Santoni Group's materiality analysis process was significantly improved, both in terms of methodology and operationally. The impact materiality assessment, which is updated to ensure full compliance with new regulatory requirements, has been used for the first time with a structured financial materiality assessment. Although Santoni is not yet required to develop the materiality analysis according to the VSMEs standards, which are adopted as a reference for the preparation of this Sustainability Report, Santoni Group opted to voluntarily adhere to this process, recognising its strategic, managerial and communications importance. To support the dual materiality analysis, a procedure based on the principles contained in ESRS 1 and ESRS 2 standards, as well as the "Implementation Guidance EFRAG IG1 – Materiality Assessment" guidelines, published by EFRAG in May 2024, was introduced. These guidelines have not been fully applied, since this is the first financial year the dual materiality has been applied; the guidelines will be gradually aligned with these standards in future reporting cycles.

The process was carried out in the following phases:



Understanding the reference context

In the initial phase of the process, a comprehensive analysis of Santoni Group's business, commercial relationships, and operating environment was developed, focusing above all on the value chain, both upstream (suppliers and technology partners) and downstream (customers and target markets). This preliminary analysis formed an essential knowledge base to initiate an in-depth analysis of the Group's most important sustainability issues, forming the basis to identify the impacts, risks and opportunities (IRO). At the same time, Santoni Group conducted a **structured mapping** of its ecosystem of operations and relationships, identifying the key players and most important external dynamics. Priority stakeholders were also identified and classified, key industry peers were analysed, and benchmarks for the high-end footwear and leather goods sector were examined.

In order to identify **the current or potential positive and negative impacts** of San-

toni Group's activities in the environmental, social and governance fields, the Group carried out sector analyses, including detailed analyses of the relevant regulatory context and comparative assessments of the practices used by other organisations in similar contexts. At the same time, the dynamics affecting the value chain were carefully monitored, in order to ensure an integrated and updated overview of the most important factors for the company's sustainability.

Validation of the IROs

Identifying potential sustainability issues was an essential initial step in order to decide the information to include in reporting. The process was developed in a logical sequence, starting with an analysis of the current and potential impacts, both positive and negative, produced by Santoni Group's activities on the environment, people, and the economy over the entire value chain.

The process was conducted through a combination of **internal and external analyses**. Internally, the company's documentation was carefully reviewed, involving key operational and management representatives in order to obtain precise information about the impacts relating to the production, logistics, and distribution processes, as well as the commercial and service activities. Externally, the analysis focused on monitoring the emerging regulatory environment, the main international reference frameworks, and the most advanced practices used by comparable companies in the high-end footwear industry. More specifically, sector benchmarking made it possible to identify trends, critical issues, and best practices to confirm and develop the internal perspective.

At the same, **a preliminary identification of risks and opportunities (IRO)** was started, using the same integrated approach. The internal assessments were completed by external comparisons and an analysis of market dynamics, in order to identify the most important strategic factors for the management of sustainability.

The process made it possible to identify:

- The risks and opportunities directly linked to the environmental, social and economic impacts were identified;
- The risks and opportunities that are independent from impacts, but come from other forms of strategic or operational dependence, such as supply chain dynamics, regulatory changes, and evolving demand on international markets.

At the end of the process, **a long list of relevant IROs** was obtained, which is the basis for the priority assessment and reporting phases.

Validation of the IROs

At this stage of the process, the IROs identified were assessed systematically in order to establish whether or not they were relevant. The long list of IROs was analysed by the management of Santoni Group, whose knowledge of the organisation context and sustainability issues, provided an initial assessment which was useful for the subsequent analyses.

This preliminary assessment allowed the organisation to establish an **initial priority grid**; a quantitative analysis was also later completed that involved several stakeholder groups, in order to more fully understand how the significance of the different topics was perceived. The ultimate goal of this process was to identify the relevant IROs, i.e., those topics that, due to their severity, probability, or potential impact, require adequate disclosure and must be included in the scope of the Sustainability Report.

Each impact, risk, and opportunity was assessed on the basis of two main dimensions: magnitude and probability. The **magnitude**, involving impacts on one hand and risks and opportunities on the other, was determined through specific criteria. For the impacts, the extent or significance of the impact and whether they were potentially irremediable, were the aspects taken into account; for the risks and opportunities, on the other hand, the economic- financial dimension was taken into account, together with a descriptive analysis of the implications, and the potential impact on the company's reputation and image. The **probability** was estimated by taking into account the frequency with which the event occurred in the past, the probability that it might occur in the next three years and the estimated incidence with respect to the total number of observable cases.

Based on this assessment, each IRO was allocated a score on a scale of 1 to 5, where 1 is the minimal level of significance and 5 a very high level of significance. All the events for which a significant impact, risk, or opportunity was identified were considered to be material, with those having a score of 3 or higher being considered significant, in line with the evaluation method used.

This approach made it possible to create a structured and comparable framework, in order to establish strategic priorities and select the aspects to report in a transparent manner, consistently with the principles of dual materiality.

Validation of the IROs

Following the internal identification and assessment of the IROs, Santoni Group's materiality analysis process was confirmed through a detailed **desk analysis of sector dynamics** and **best practices** introduced by key peers. This approach allowed Santoni to take into account an external perspective based on consolidated benchmarks and references, aligning the corporate vision and emerging trends in the competitive context. This methodology allowed us to confirm and consolidate the themes mapped during the internal analysis, and identify any other areas of importance based on the results obtained from the comparison with the sector. In this way, the materiality analysis strengthened the consistency and solidity of the process, ensuring that reporting reflects the most significant priorities for the Group's strategic positioning, in a transparent and responsible manner.

Representation of the material topics and IROs

The results of the materiality analysis carried out by Santoni Group in 2024 are shown in the following table.

Topic: this is the macro-topic, in line with ESRS forecasts.

Sub-topic: this describes the more detailed scope within the topic in question.

IRO: indicates the impacts, risks and opportunities associated with the specific sub-topic.

Description: this provides a detailed explanation of the impacts, risks and opportunities identified.

Current/Potential: this explains the temporal nature of impacts, differentiating by current (A), potential (P) impacts or both.

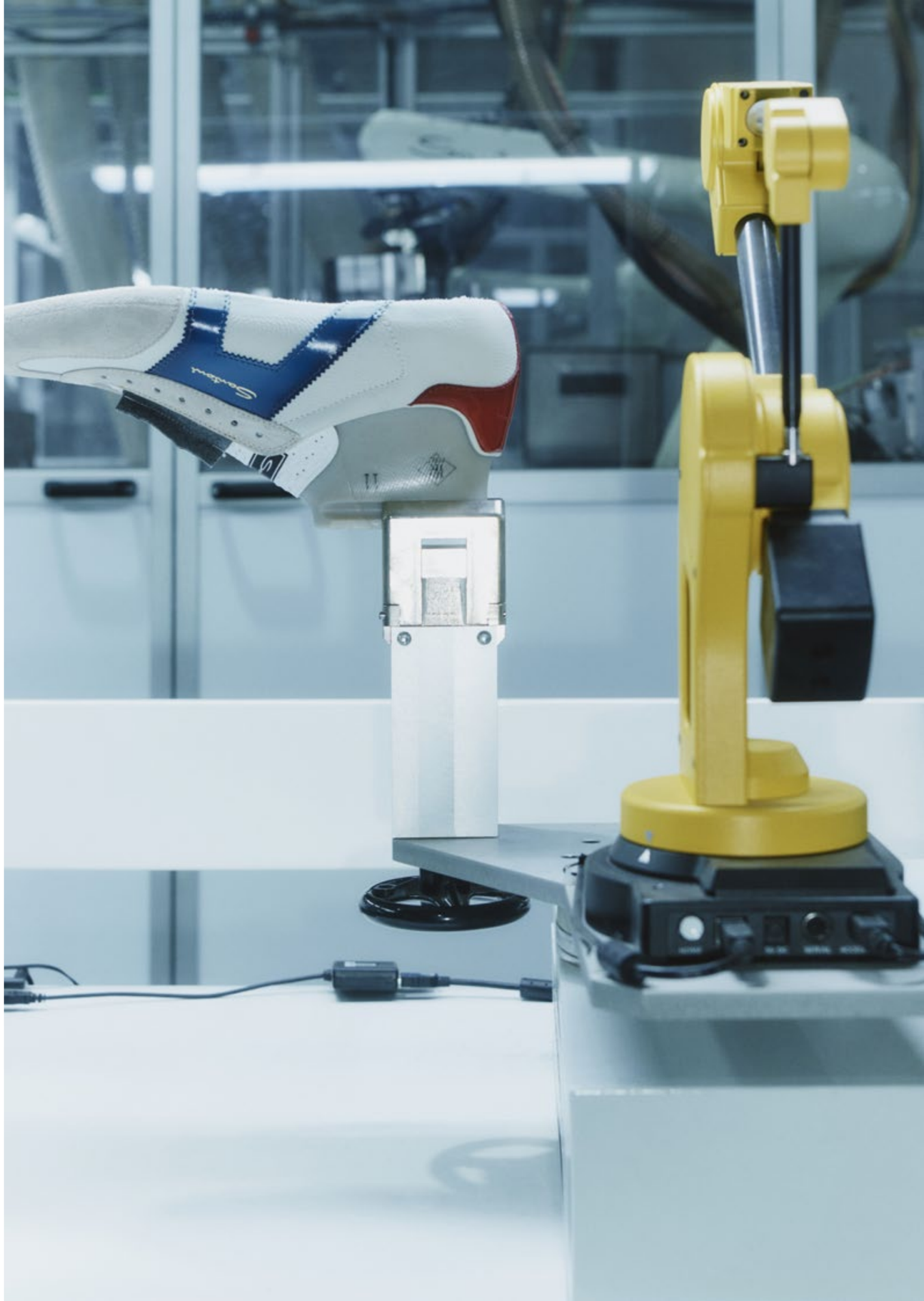
Position in the supply chain: this identifies where the IROs occur along the value chain: upstream (●○○), direct (own operations) (○●○) or downstream (○○●).

Topic	Subtopic	IRO	Description	Current/Potential Position in the supply chain
Climate Change	Energy and greenhouse gas emissions	Impact -	The Group uses energy from non-renewable sources, resulting in the production of direct and indirect greenhouse gas (GHG) emissions.	A ○●○
Climate Change	Energy and greenhouse gas emissions	Impact -	Santoni Holding, dispone di pannelli solari in grado di coprire più del 30% del fabbisogno elettrico della Santoni Spa.	A ○●○
Pollution	Air, water and soil pollution	Impact -	The Group has introduced more sustainable production processes: it uses filtering systems that limit dust emissions into the atmosphere and encourages the reuse of footwear with its CALZARE 4.0 project; the Group has started to replace traditional materials—such as animal leather—with sustainable, lower-impact alternatives through its SOLE project.	A ○●○ ○●○

Topic	Subtopic	IRO	Description	Current/Potential Position in the supply chain
Pollution	Air, water and soil pollution	Risk	Risk of environmental non-compliance in the procurement and production phases, associated with the use of hazardous chemicals (e.g. glues, solvents, dyes) or an ineffective management of industrial waste.	●○○ ○●○
Water and Marine Resources	Consumption, Use and Discharging of Water and Marine Resources	Impact -	Upstream activities related to the production chain require the use of a significant quantity of water The Group has introduced policies to reduce consumption and waste, encouraging sustainable water management.	A ●○○
Biodiversity	Loss of Biodiversity	Impact -	The production of some items requires the use of animal-derived leather, a choice that may have negative impacts on biodiversity and ecosystems. In order to reduce its impact, the Group purchases materials only from suppliers in the food supply chain, where no animals are slaughtered exclusively for the production of leather.	A ●○○ ○●○
Biodiversity	Loss of Biodiversity	Risk	Risk of impact on biodiversity and damage to the Group's reputation resulting from the use of raw materials of plant or animal origin from delicate ecosystems or protected species.	●○○ ○●○
Use of Resources and the Circular Economy	Sustainable management of waste, the circular economic and the choice of suppliers and materials	Impact +	The Group has introduced policies whose purpose is to extend the life cycle of products and encourage the use of recycled materials, both for the external packaging and the materials used inside the package, from the perspective of the circular economy and reducing the impact on the environment.	A ○●○
Use of Resources and the Circular Economy	Sustainable management of waste, the circular economic and the choice of suppliers and materials	Risk	The production of hazardous and non-hazardous waste, both by the Group and its supply chain, is a potentially significant environmental risk. Non-compliant or ineffective management of such waste might result in regulatory penalties, environmental damage, and repercussions on the Group's reputation.	●○○ ○●○ ○○●

Topic	Subtopic	IRO	Description	Current/Potential Position in the supply chain
Use of Resources and the Circular Economy	Gestione sostenibile dei rifiuti, economia circolare e scelta dei fornitori e dei materiali	Opportunities	Growing focus on circular economy regulations creates new opportunities for end-of-life product management.	○●○
Own workforce	Health and safety of own workforce, equality and equal opportunities, training and well-being of human resources	Impact +	The Group has improved its social commitment through a number of corporate welfare initiatives, whose purpose is to improve the psychological and physical well-being of employees.	A ○●○
Own workforce	Health and safety of own workforce, equality and equal opportunities, training and well-being of human resources	Risk	The risk of losing human capital and an increase of the turnover, associated to a lack of attractiveness for new talents and the difficulty in retaining qualified resources, without adequate investments in training, professional development, and internal growth programmes.	○●○
Workers in the Value Chain	Health and safety of workers in the value chain, equality and equal opportunities for workers in the value chain, serious negative incidents regarding human rights	Impact -	Social impact generated along the value chain, associated with unethical production practices and working conditions.	P ●○○
Workers in the Value Chain	Health and safety of workers in the value chain, equality and equal opportunities for workers in the value chain, serious negative incidents regarding human rights	Risk	Risk of damage to the Group's reputation resulting from unsustainable practices introduced along the value chain, with possible repercussions on trust, the brand image, and stakeholder relationships.	●○○
Workers in the Value Chain	Health and safety of workers in the value chain, equality and equal opportunities for workers in the value chain, serious negative incidents regarding human rights	Opportunities	The opportunity to improve the value chain by expanding the production capacity to include complementary products, encouraging greater control over production and the distribution processes.	○●○
The Communities Involved	Local initiatives, rights of the communities involved, local populations, serious human rights incidents	Impact +	The Group establishes systematic relationships with schools and training institutes in order to transfer skills and knowledge to new generations.	A ○●○
The Communities Involved	Local initiatives, rights of the communities involved, local populations, serious human rights incidents	Opportunities	The Group has the opportunity to strengthen its social role through training courses for young people in order to improve local skills and promote the identity values of the territory.	○●○

Topic	Subtopic	IRO	Description	Current/Potential Position in the supply chain
Consumers and End Users	Impacts on the information, personal safety and social inclusion of consumers and/or end users	Impact -	The collection and management of customer data can have an impact in terms of privacy breach, with potential consequences on the trust of customers, the corporate image, and compliance with applicable regulations.	P ○○●
Consumers and End Users	Impacts on the information, personal safety and social inclusion of consumers and/or end users	Risk	Risk of failing to adapt to market changes and trends, associated with the speed with which consumer tastes, sustainable consumption models, material innovations, and digital distribution channels evolve.	○○●
Consumers and End Users	Impacts on the information, personal safety and social inclusion of consumers and/or end users	Opportunities	The Group has the opportunity to strengthen relationships with end customers through specific investments in retail and e-commerce channels, including Customer Relationship Management (CRM) tools.	○○●
The Conduct of Companies	Corporate ethics and anti-corruption, risk management and cybersecurity, revenue from sensitive and/or controversial sectors, diversity of the governance body	Impact -	Managing sensitive third-party data implies a significant impact in terms of liability and IT security.	P ○●○ ○○●
The Conduct of Companies	Corporate ethics and anti-corruption, risk management and cybersecurity, revenue from sensitive and/or controversial sectors, diversity of the governance body	Risk	Risk of personal data breach due to cyberattacks, unauthorised access, or system breach, with possible legal consequences, fines, damage to the reputation of the Group, and loss of customer and stakeholder trust.	○●○ ○○●
Creating Shared Value	Process Innovation, Digitalisation and AI, Identity and Value of the Brand	Impact +	The Group continuously produces shared economic value, contributing to the development of local communities by creating employment opportunities, support for production, and investments in social projects, with a positive and lasting impact on the local area.	A ○●○
Creating Shared Value	Process Innovation, Digitalisation and AI, Identity and Value of the Brand	Opportunities	Growth opportunities by introducing sustainable products, expansion into new sectors, investments in digitalisation, and the development of an operating model towards a hybrid make-to-order/make-to-stock system in order to improve response and customer service.	○●○



4. Tradition and innovation: the value of Santoni Group

2024: Information about Santoni

MATERIAL THEMES	Creating Shared Value	Economic Value Distributed €112.121.167

Santoni Group is committed to creating and distributing economic value to its stakeholders, introducing a model that combines the excellence of its artisans with technological innovation. Investments in advanced technologies have Santoni to improve its operational efficiency, improve product quality, and respond quickly to market changes, while encouraging more a sustainable management of resources. At the same time, a process of digitalisation and integration of artificial intelligence-based systems into various company functions has been initiated. This successful combination of tradition and innovation strengthens the Group's competitiveness and improves its ability to address the dynamics of a constantly changing global context.

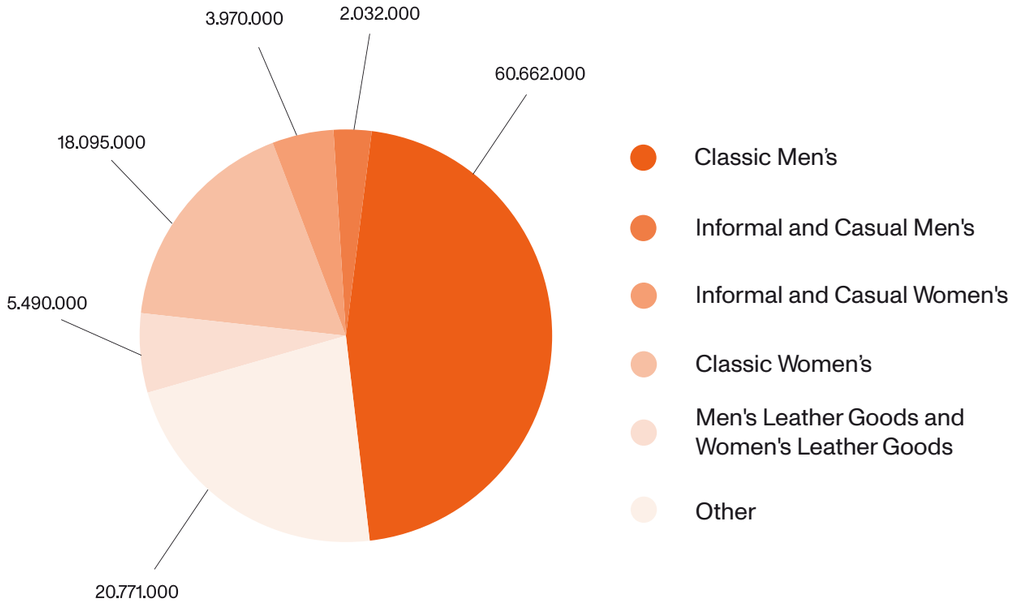
4.1 Creating shared value

4.1.1 Economic value produced and distributed

[Disclosure Volontaria]

In the 2024 financial year, Santoni Group attained revenues of €117,251,398, with respect to €113,656,416 in 2023, showing an increase of approximately 3%. This positive trend is attributable both to the brand's global recognition and to its continued commercial development and marketing strategies introduced in previous years.
In line with the previous two years, almost all of the Group's revenues come from the sale of goods, amounting to €117,251,398, and most of this is achieved in non-EU countries. More specifically, 50% of sales were obtained in non-EU countries, 28% in the European Union, and 22% in Italy.
As regards the breakdown of revenues by product line, Santoni's "Classic Men" line confirms its position as the line with the greatest impact on the turnover as a whole, followed by the "Informal and Casual Men" lines and the "Classic Women" line. More specifically:

— the Classic Men's line produced a total turnover of Euro 60,662,000, up by 19% with respect to the previous year;
— the Informal and Casual Men's lines showed a slight decrease of approximately 11% with respect to 2023, with a turnover of Euro 20,771,000;
— the Informal and Casual Women's lines showed a more marked decrease of approximately 11% with respect to 2023, with a turnover of Euro 5,490,000;
— the Classic Men's line produced a total turnover of Euro 18,095,000, and was down by 7% with respect to the previous year;
— the Men's and Women's Leather lines produced a total turnover of Euro 3,970,000, up by 17% with respect 2023;
— the turnover of other sales was Euro 2,032,000, and was also up by 44% with respect to 2023.



Breakdown by product line of Santoni's revenues

Regarding the main sales channels, Santoni S.p.A.'s turnover in the wholesale and franchising sectors, amounting to €91,064,000, recorded a 4.5% increase compared to the previous year. Thanks to the retail channel, the Group attained revenues equal to Euro 9,939,000 while the online channel produced a turnover Euro 6,136,000. With respect to 2023, the revenues produced by the retail channels increased by approximately 25% while the online channel decreased by 2%.

The following is a table showing the reclassified profit and loss account which shows the economic value produced and distributed by Santoni Group. The profit and loss account makes it possible to analyse the Group's ability to create wealth and distribute this wealth to its internal and external stakeholders.

	2022	2023	2024
Revenues	99.034.169	113.656.416	117.251.398
Other income	952.841	1.307.892	2.295.571
Financial risks	10.283	207.149	467.302
Total Economic Value Produced	**99.997.293**	**115.171.457**	**120.014.271**
Operating costs	64.422.370	68.330.107	74.020.900
Staff salaries	29.255.944	31.603.708	33.704.053
Fees to financial backers	219.671	960.968	1.393.835
Fees to investors	-	-	-
Fees of the Public Administration [4]	2.029.964	-1.749.184	2.982.799
External donations	92.175	12.790	19.580
Total Economic Value Distributed	**96.020.124**	**102.924.483**	**112.121.167**
Economic Value Held	**3.977.169**	**12.246.974**	**7.893.104**

Economic Value Produced and Distributed by Santoni Group

[4] The fees of the Public Administration also include deferred taxes..

In 2024, Santoni Group produced an economic value equal to more than 120 million Euro against the 115 million Euro attained in 2023, showing an increase of more than 4%. The economic value distributed also increased with respect to 2023, going from over 102 million Euro to more than 112 million Euro.

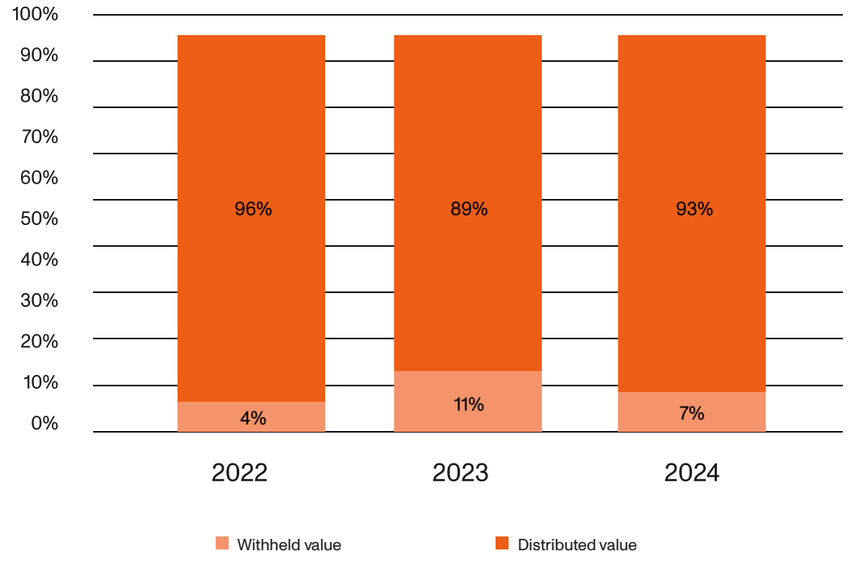
In line with the two-year period 2022-2023, the largest share of the economic value produced is distributed to its stakeholders (internal and external), while only a smaller part of the above value is held by the company.

The greatest share of the economic value distributed is used to cover operating costs, that exceed 112 million Euro, and were up by 8% with respect to the costs of 102 million Euro in 2023. This increases is above all due to the increase in purchases of raw materials, associated to the increase in sales and orders acquired for future seasons.

Staff salaries increased with respect to 2023, reaching € 33,704,053 in 2024. This includes all costs incurred by the Santoni Group for employees, also including category increases, seniority increases, accruals for unused vacations, bonuses for attaining goals, and anything else provided by the collective bargaining agreement. The cost as a whole increased in 2024, above all as a result of the increased workforce and payment of bonuses to employees and directors for company goals attained.

In 2024, the remuneration of financial backers amounted to € 1,393,835, showing a significant increase with respect to the previous year, which amounted to € 960,968. In line with the 2022-2023 two-year period, Santoni Group has provided any remuneration for investors.

Finally, in 2024 the economic value withheld amounted to Euro 7,893,104, namely approximately 7% of the total economic value produced by Santoni Group.



Economic Value Produced and Withheld by Santoni Group

In 2024, Santoni S.p.A. received a number of contributions and economic benefits from the Public Administration, as shown by the following table. The Company also received further aid from the Government, as shown in the RNA (National Register of Government Aid).

Contribution received	Reason
€ 3.709	**Tax credit for increased advertising investments in Italian newspapers**
€ 84.855	**IRAP: Marche Region aid (reduced rate for production activities)**
€ 128.753	**Non-repayable grant from the Marche Region CARL call for proposals for the project "Artisan-Robot for Polishing Leather Shoes".**

Financial Assistance Received from the Government [5]

[5] This data is applicable to the parent company Santoni S.p.A.

4.1.2 Digitalisation, AI and Process Innovation

[Disclosure Volontaria]

In a market where digital innovation and **omnichannel integration** are crucial to meeting the expectations of increasingly connected and demanding customers, Santoni Group has placed its priority on developing technological solutions that improve the efficiency and flexibility of the shopping experience.

In 2024, the Group continued to introduce a number of **digitalisation projects** in order to seamlessly integrate the il online channels. One of the main projects was the introduction of an Order Management **System** that allows physical stores to meet e-commerce orders, acting as a shipping hub, based on the customer's location, thus optimising delivery times and the management of the inventory. This system ensures an easy and transparent purchasing experience, reducing the environmental impact of logistics operations and helping to optimise resources.

As regards customer relationships, Santoni Group is introducing **Customer Relationship Management** (CRM) solutions in order to offer an integrated retail and online experience. Using algorithms, the Group is able to analyse purchasing behaviour in order to improve the customer's experience encouraging customers to complete the order. Payments may now also be made in instalments, making the products accessible to a wider audience.

In order to optimise management, Santoni Group has developed algorithms in its **ERP** (Enterprise Resource Planning) software that ensure more accurate planning of resources and sales strategies, and also identifies styles in which to focus investments, both in terms of sales campaigns and production.

Santoni Group has experimented with **virtual and augmented reality** technologies that are used to display the products, allowing customers view and customise footwear virtually. The use of these technologies has however been limited to specific experiences, such as the customisation of iconic products, and has not replaced the need to physically present the products.

In 2024, the Group continued a project whose purpose is to integrate Artificial Intelligence (AI) systems into its e-commerce platform. The purpose is to collect and analyse data relating to purchasing behaviour of users on the website, in order to offer personalised product suggestions based on their interactions with the platform. The Group also intends to extend this technology to retail stores so that sales assistants can offer personalised items to customers according to their behaviour on the website.

L'innovazione nel Gruppo Santoni

The Santoni Group consolidates its commitment to innovation and sustainability through a series of projects implemented in recent years that integrate advanced technologies, customer focus, and respect for the environment.

The "**Smart Shoes Manufacturing"** project simplifies and optimizes production processes by adopting innovative technological solutions and a customer-centered approach focused on efficiency and quality.

The **"CARL – Collaborazione Artigiano-Robot per la Lucidatura"** (Artisan-Robot Collaboration for Polishing) project introduces automated solutions for the finishing process of high-end leather footwear. Following the principles of Industry 4.0 and human-centered manufacturing, Santoni integrates craftsmanship and advanced robotics to improve precision, ergonomics, and product quality.

With **"CALZARE 4.0 – Calzaturacircolare 4.0"** the Group develops eco-sustainable footwear and promotes circularity in the product life cycle. The project allows customers to renew their shoes with sustainable components, reducing waste and enhancing aesthetics and functionality. In collaboration with the Polytechnic University of Marche and other SMEs, the Company adopts an approach that combines innovation, craftsmanship, and environmental responsibility. In particular, this project evolved during 2023, and additions were made to the products concerning the adoption of NFC (Near Field Communication) and RFID (Radio Frequency Identification) technologies, which are useful both for increasing internal productivity and improving the customer experience. In fact, the use of NFC tags allows real-time performance measurement within production departments, with updates every 30 minutes on dedicated monitors, thus facilitating the monitoring and optimization of productivity. Thanks to NFC tags, with a simple interaction from their smartphone, customers can access information about the model they have purchased, register it, and benefit from a one-year extension of the warranty offered by Santoni. This project, which leverages this technology, not only improves the shopping experience but also opens the door to a concept of product traceability that includes information on the production stages, materials, and environmental certifications relating to the purchased item, allowing the creation of a Digital Product Passport. To date, most of the footwear manufactured by the Group incorporates this technology.

5. Responsibility for the environment

2024: Information about Santoni

MATERIAL THEMES	**Climate Change and Pollution**	5% reduction of CO_2 emissions with respect to 2023
	Management of Materials, the Circular Economy and Biodiversity	Implementation of a New Project related to the Use of Bio-based Materials

Santoni Group recognises the environment as an essential asset to protect and is committed to ensuring a balance between economic growth and environmental protection, in order to protect the rights of future generations. The Group has accordingly introduced concrete measures to reduce the environmental impact of its activities by reducing emissions and improving energy efficiency. This commitment is also extended to responsible waste management, through recycling and waste reduction initiatives, whose purpose is to protect natural resources. This approach actively supports the transition to a circular economy and helps to prevent environmental risks, benefiting local communities and the ecosystem as a whole.

5.1 Climate change and pollution

5.1.1 Energy consumption and emissions

[VSME B3. 29, 30, 30a, 30b, 31; C4.57]

In 2024, Santoni S.p.A.'s total energy consumption4 amounted to **3,812,222** MWh, and was down by 5% with respect to 2023 and substantially in line with its 2022 consumption.

Energy consumption comes entirely from non-renewable sources and is related to electricity consumption, heating and, to a lesser extent, energy consumption of owned and leased vehicles. It should be noted that Santoni Holding has installed solar panels that cover more than 30% of Santoni S.p.a.'s electricity requirements.

		2022	2023	2024
Type of consumption (MWh)	**Non-renewable sources**			
Heating	Natural gas	853.611	726.111	718.889
Electricity	Electrical energy	2.599.167	2.471.111	2.632.500
Owned vehicles	Diesel	323.611	308.889	289.722
	Petrol	43.611	79.444	93.333
Leased vehicles	Diesel	7.222	20.833	41.111
	Petrol		35.278	36.667
Total Energy Consumption (MWh)		**3.827.222**	**3.641.666**	**3.812.222**
Energy intensity (MWh/Dip)		**6.984**	**6.080**	**6.109**

Energy Consumption and Emissions in the Three-Year Period 2022-20245 [7]

In 2024, total emissions produced by Santoni S.p.A. amounted to 793 tonnes of CO_2 eq. to 1,430 tonnes of CO_2 eq., calculated using the Location-Based and Market-Based methods, respectively. More specifically, Scope 1 emissions from the consumption of natural gas and fuel of the company fleet were equal to 269 tonnes of CO_2 eq., which is in line with the emissions for the financial years 2023 and 2022. Carbon intensity, calculated as the ratio of tons of CO_2 eq. from Scope 1 emissions to the number of employees, decreased by 2% in 2024 with respect to 2023. This is because consumption remained essentially unchanged but the number of employees at Santoni S.p.A. increased by 25 persons, demonstrating greater efficiency in managing consumption and emissions.

In 2024, Scope 2 emissions, i.e. emissions related to the purchase of electricity, decreased with respect to 2023, going from 593 tonnes of CO_2 eq. to 524 tonnes of CO_2 eq . (calculated using the Location Based method) and from 1,237 tonnes of CO_2 eq. to 1,161 tonnes of CO_2 eq. (calculated using the Market Based method).

[6] Energy consumption data refer to Santoni S.p.A., as supplies for other Group companies are managed by the malls where the stores are located; it was therefore not possible to obtain this data.
[7] Moreover, the values for 2022 and 2023 have been converted from Gigajoules to Megawatt-hours.

		2022	2023	2024
Direct GHG emissions (tons of CO_2 eq) - Scope 1 [8]	Natural gas for heating	174	147	147
	Diesel for owned and leased vehicles	89	88	89
	Petrol for owned and leased vehicles	11	33	33
Total direct emissions - Scope 1		**274**	**268**	**269**
Carbon intensity (tons of CO_2 eq. (Dip)		**0,50**	**0,44**	**0,43**
Indirect GHG emissions (tons of CO_2 eq.) - Scope 2- Location Based [9]	Electricity obtained from non-renewable sources	761	593	524
Indirect GHG emissions (tons of CO_2 eq.) - Scope 2- Market Based [10]	Electrical energy obtained from non-renewable sources	1.188	1.237	1.161
Total emissions Scope 1 + Scope 2 (Location Based)		**1.035**	**861**	**793**
Total emissions Scope 1 + Scope 2 (Market Based)		**1.462**	**1.505**	**1.430**
Carbon intensity - Location Based (tons of CO_2 eq. (Dip)		**1,89**	**1,43**	**1,27**
Carbon intensity - Market Based (tons of CO_2 eq. /Dip)		**2,67**	**2,51**	**2,29**

GHG Emissions in the Three-Year Period 2022-2024

Finally, to ensure the responsible management of environmental and climate risks, Santoni S.p.A. has introduced “All Risks” insurance coverage to protect its assets and operations against events such as floods, inundation, storms, hail, landslides, and earthquakes.

[8] In this Sustainability Report, the conversion factors provided by DEFRA (Department for Environment, Food & Rural Affairs) were used to calculate the direct GHG emissions.

[9] To calculate the indirect GHG emissions (Scope 2) according to the “Location Based” method, the emission factors provided by ISPRA (Institute for Protection and Environmental Research) were applied.

[10] To calculate the indirect GHG emissions (Scope 2) according to the “Market Based” method, the emission factors please see the following: European Residual Mixes “AIB”.

5.1.2 Pollution

[VSME B4. 32]

To ensure greater transparency, Santoni S.p.A. has started to include in its reporting certain categories of air and water pollutants that were not previously monitored.

The data relating to non-methane volatile organic compounds (NMVOC) and total dust were obtained from analysis certificates, taking into account the maximum duration of emission authorised according to the Single Environmental Authorisation (AUA).

	Unit of measure	2024
Nitrogen oxides (NO_x)	kg / year	47,71 (< 50)
Non-methane volatile organic compounds (NMVOCs)	kg / year	13.643,76
Total other powders	kg / year	3.378,35

Emission of air pollutants into the air

Air transport consumption

In 2024, Santoni S.p.A. introduced the DHL GoGreen Plus service for air freight, based on the use of sustainable aviation fuel (SAF), in order to reduce the climate impact of logistics activities. Thanks to this choice, the total Well-to-Wheel (WtW) emissions associated with air transport were 69.23 tonnes CO2 eq., with respect to a reference value of 88.20 tons of CO2 eq. This was a 21.51% reduction of CO2 emissions equivalent to 18.97 CO2eq. The carbon intensity (WtW) was 610.70 grams CO2eq/tkm, with respect to a reference value of 778.05 grams CO2eq/tkm. The fuel used is produced by World Energy using the HEFA process from animal fats and waste oils and is certified according to the RSB CORSIA standard.

Santoni S.p.A. also monitors the main potentially polluting substances released into water, in order to ensure compliance with current environmental regulations and minimise the impact on aquatic ecosystems. The values shown in the following table were obtained from analysis certificates; in particular, as regards total phosphorus and surfactants, the estimates are based on the maximum annual authorised volume indicated in the Single Environmental Authorisation (AUA).

	Unit of measure	2024
Total nitrogen	kg / year	< quantification limit
Total phosphorous	kg / year	6
Total surfactants	kg / year	1,5

Emission of pollutants in water

Finally, as regards soil, there are no direct emissions while the total waterproofed area is equal to zero.

5.2 Water and marine resources

5.2.1 Use of water resources

[VSME B6. 35, 36]

The company's production cycle does not require the use of large quantities of water. Water is mainly used to clean parts of the processes and by employees for hygiene and sanitation purposes. During 2024, Santoni S.p.A.9 used **6,943 cubic** meters of water with respect to the 5,958 cubic meters used in 2023, with an increase of 17% mainly used by the company cafeteria.

Water discharges include substances that could potentially be hazardous (for example, chemical-based solvents or dyes), however, Santoni S.p.A. is required to issue a statement of its intensity of water use with respect to the quantities produced. To date, wastewater flows into the local purifier because production intensity with respect to water consumption is not high enough to require pre-treatment tools for wastewater before it reaches a purifier.

	2022	2023	2024
Water Consumption (Cubic Meters)	6.192	5.958	6.943

Water Consumption in the Three-Year Period 2022-2024

5.3 Use of resources and the circular economy

5.3.1 Management of materials, the circular economy and biodiversity

[VSME B5.33, 34; B7. 38c]

Santoni Group is actively committed to protecting and respecting the environment, which are core values that are expressly referred to in the company's Code of Ethics.
In this context, the Group has introduced a policy to **minimise the use of virgin materials**, in order to limit the consumption of non-renewable natural resources: more specifically, approximately 90% of the packaging and internal materials, such as paper, come from recycled sources, helping to ensure a more responsible and sustainable use of materials throughout the production cycle.
Over the last three financial years, Santoni S.p.A.10 has monitored the materials used to produce finished and semi-finished products. In particular, there was a positive trend for all the different types of materials used, attributable to an increase in production.

		2022	2023	2024
Type of material used for the production of finished/semi-finished products	**U.M.**			
Accessories	PZ/000	469.030	516.070	539.548
Other components	PZ/000	1.166.962	1.284.001	1.342.413
Other components	PZ/000	1.099.995	1.210.317	1.265.377
Funds	PZ/000	295.028	324.617	339.384
Leather	PZ/000	371.388	408.635	427.225

Type of Materials used in the Three-Year Period

[11] The water consumption data refer to Santoni S.p.A., given that supplies for other Group companies are managed by the malls where the stores are located; it was therefore not possible to obtain this data.
[12] The quantities of materials refer to Santoni S.p.A. as it is the Group's only production facility.

At the same time, the Group collaborated on a project funded by the Region, in a partnership with three other companies, to develop **innovative materials from manufacturing waste**. This project focuses on using recycled fabrics and waste proteins as a basis to produce new materials, in order to offer solutions applicable to the production of footwear. The Group has further investigated a number of assessments relating to the closure of the leather waste production cycle, which began in 2023. Potential collaborations have been explored with companies that specialise in transforming this waste into semi-finished products, which may be reused for the production of new footwear. A solution is being assessed that could allow the regeneration of leather cutting waste to produce reinforcement parts for uppers. Moreover, although the Santoni Group uses animal leather, a choice that may have a potential impact on biodiversity and ecosystems, the Group obtains supplies exclusively from suppliers in the food supply chain, so that no animals are slaughtered solely for the production of leather. Moreover, particular attention is paid to the origin of plant and animal raw materials, in order to prevent the risk of their being extracted from vulnerable ecosystems or protected species, which also reduces potential damage to the Group's reputation. The Group is not located near protected or biodiversity-sensitive areas, which helps to further limit the risk of direct impacts on natural habitats.

In 2024, Santoni Group developed the project "**SO'LE – ShOes Loving Earth**", which was presented in October 2023 as part of the call for proposals "Research and Development to Innovate Marche Region". The project focuses on innovating the production process for Santoni uppers, by studying, developing and using more sustainable and innovative materials and processes. Currently the focus is on creating bio-based materials of plant and animal origin, and promising results have been obtained in the synthesis of renewable monomers, the development of composite materials, and the definition of protocols for mechanical characterisation. The Group is actively involved in testing and validating these materials for footwear applications, helping above all optimise their physical-mechanical properties. The activities are carried out in collaboration with Camerino University and other partner companies whose scientific and technological expertise contribute to developing the project. The project is currently being monitored and managed, while application and industrial activities are planned for the second part of the project. This investment is in line with the Group's high level of technical expertise, which can count on qualified internal resources, permanently involved in R&D activities, in order to develop a sustainable model that meets consumer needs and strengthens the company's ability to innovate and automate its production processes. It is therefore of strategic importance in terms of maintaining and consolidating Santoni Group's competitive positioning in a national and international context characterised by the presence of important competitors.

In 2024, the Group continued to offer **footwear regeneration and repair services**, including the maintenance of traditional leather footwear as to well as sneakers in its offer, allowing customers the opportunity to extend the useful life of footwear.

These initiatives confirm Santoni Group's commitment to a circular and sustainable economy model, whose purpose is to exploit production waste in the supply chain and reduce the environmental impact associated with waste disposal, while encouraging efficiency and innovation in the footwear sector.

5.3.2 Sustainable management of waste

[VSME B7. 37, 38, 38a, 38b, 38c]

In 2024, Santoni S.p.A.[11] produced a total amount waste of **183,248** kg, with respect to 183,594 Kg in 2023, which is a slight improvement on quantity produced. The larger quantities waste produced come from production and are waste from packaging and finishing, plastic waste (moulds) and aluminium scrap. This waste is placed in special bins outside the company facilities and separated according to the Cert Codes. At a later stage, they are withdrawn by specialised companies that are required to draw up an accompanying document for the transport of waste, namely the Waste Identification Form (FIR).

[13] The quantities of waste are produced by Santoni S.p.A., given that the waste produced by other companies of the Group are managed by the malls where the stores are located; it was therefore not possible to obtain this data.

In line with the previous two-year period, mainly non-hazardous waste was produced, while waste classified as hazardous, in 2024, amounted to 8,060 kg, namely 4% of the total. More specifically, there was a 14% reduction of the quantity of hazardous waste produced with respect to 2023, due to the extraordinary cleaning of the antiquing department carried out last year. In particular, the hazardous waste produced consists primarily of dirty containers and left-over paint and varnish; non-hazardous waste consists primarily of waste from packaging and finishing operations, biodegradable waste from the cafeteria, scrap iron and steel, etc.

In 2024, over 90% of the non-hazardous waste produced was collected for recovery, confirming a consolidated sustainable waste management strategy. As regards the hazardous waste produced, there was a significant change with respect to 2022, when all of this waste was sent for disposal. This turnaround, which began in 2023, reflects the Group's growing commitment to encouraging the recovery of materials. In 2024, 62% of hazardous waste was sent for recovery, while only 38% was sent for disposal, confirming increased focus on reducing the environmental impact.

Moreover, some categories of waste (such as, moulds, putty and other production waste) are managed separately from other waste as they are sold by the parent company. Therefore, in line with the three-year period 2022-2023, most of the waste produced by Santoni S.p.A. is recovered (90%).

	2022			2023			2024		
	Waste Generated (Kg)	Waste not sent for disposal (Kg)	Waste sent for disposal (Kg)	**Waste Produced (Kg)**	Waste not sent for disposal (Kg)	Waste sent for disposal (Kg)	**Waste Produced (Kg)**	Waste not sent for disposal (Kg)	Waste sent for disposal (Kg)
Hazardous Waste	2.640	-	2.640	9.420	3.140	6.280	8.060	5.020	3.040
Non-Hazardous Waste	201.095	201.095	-	174.174	174.174	-	175.188	160.428	14.760
Total of other waste	**203.735**	**201.095**	**2.640**	**183.594**	**177.314**	**6.280**	**183.248**	**165.448**	**17.800**

Waste Produced in the Three-Year Period 2022-2024



6. Social Responsibility (S)

2024: Information about Santoni

MATERIAL THEMES	**Human Resources**	Increase of the Training Courses Offered by the Academy of Excellence
	Relations with Customer	Continuous Monitoring of Product Quality
	Relations with Suppliers and the Value Chain	Strong National Roots of the Supply Chain: 78% of Suppliers are Italian, of which 35% are from Marche region
	The Local Community and Territory	Implementation of Training Projects in Schools and Universities to spread the culture of Made in Italy Craftsmanship

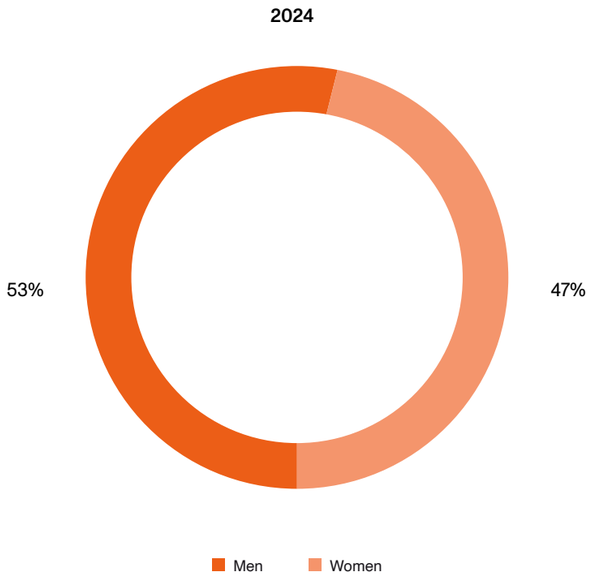
In 2024, Santoni Group confirmed its commitment to sustainable and responsible growth, placing key material issues such as the development of human resources, the quality of relationships with customers and suppliers, and its local roots at the centre of its operations. The increased number of training courses offered by the Academy of Excellence demonstrates the ongoing focus on the professional growth of employees and the transmission of the artisan know-how that characterises the brand. As regards its customers, the Group has improved the monitoring of product quality, ensuring an increasingly reliable purchasing experience

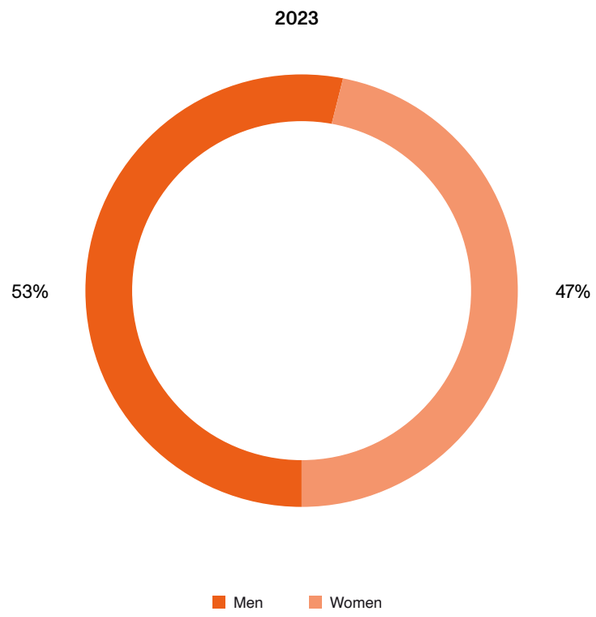
and in line with its core values. Even in supplier relations, Santoni has introduced a strategy that focuses on proximity and quality: 78% of suppliers are Italian and 35% of purchases are made from companies in Marche region, strengthening the local supply chain. Finally, its strong ties with the community has encouraged Santoni to develop training projects for schools and universities, in order to pass on the culture of Made in Italy craftsmanship to the new generations.

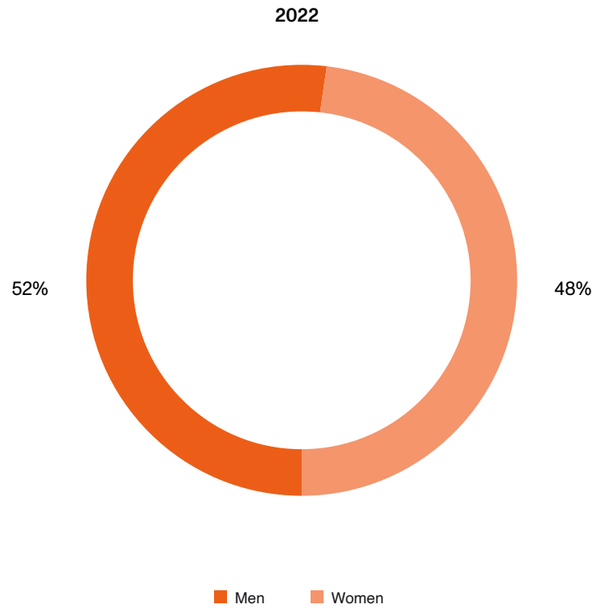
6.1 Santoni group: an overview of the employees

[VSME B8.39, 39a, 39b, 39c, 40; C5.60]

As of 31 December 2024, Santoni Group had 694 employees, equal to an **increase of 6.4%** with respect to 2023, when the workforce was 652 employees. This increase has been supported by new openings both at a national and international level, and is part of an expansion trend that suggests that there will be a **further increases in the number of employees** in the years ahead.







Number of employees by gender

In 2024, **90.49% of Santoni's workers** were employed in **Italy**, confirming the company's strong local roots, above all in **Marche Region**, where the parent company is based. The remaining staff is distributed in **France** (2.45%), the **United States** (5.91%) and the **rest of the world** (1.15%), with a **substantially stable geographical distribution** with respect to 2023 and 2022.

	31/12/2022			31/12/2023			31/12/2024		
	Wom	Men	Total	Wom	Men	Total	Wom	Men	Total
Italy [14]	262	286	548	285	314	599	297	331	628
France	2	5	7	5	9	14	7	10	17
U.S.A.	3	6	9	7	12	19	19	22	41
Rest of the world	12	6	18	8	12	20	3	5	8
Total	**279**	**303**	**582**	**305**	**347**	**652**	**326**	**368**	**694**

Number of employees by geographical area

Santoni Group employees are almost entirely hired on **permanent contracts**, confirming the company's commitment to ensuring **organizational stability**, continuity in the development of internal skills and, at the same time, **supporting the economic security** of its employees' families. In fact, as of December 31, 2024, **91.8% of workers** had permanent contracts, while only **8.2%** had fixed-term contracts.

In line with what was observed in the previous two years, the **majority of human resources work full time**, representing **94.1% of the total**. Only **5.9%** of employees have a part-time contract, a percentage that reflects the specificity of some positions and individual needs. Of these, **70.7% are female**, a figure that confirms how this option is made available flexibly to help reconcile work and life, with a view to well-being and inclusion.

[14] Of the 2024 Italian employees, there are 4 male resources at the Corium facility in Civitanova Marche.
[15] Per il biennio 2021-2022, non erano disponibili i dati relativi alla tipologia contrattuale del personale per le sedi: 625 Madison Inc. (USA), Santoni North America (USA), 335 Woodbury LLC (USA) e 420 (USA).

	2022			2023			2024		
	Wom	Men	Total	Wom	Men	Total	Wom	Men	Total
Indefinite period	229	278	507	278	323	601	296	341	637
Indefinite period	37	14	51	27	24	51	27	30	57
Total	**266**	**292**	**558**	**305**	**347**	**652**	**326**	**368**	**694**

Number of employees by type of use [15]

	2022			2023			2024		
	Wom	Men	Total	Wom	Men	Total	Wom	Men	Total
Full-time	249	303	552	275	340	615	297	356	653
Part-time	24	6	30	30	7	37	29	12	41
Total	**273**	**309**	**582**	**305**	**347**	**652**	**326**	**368**	**694**

Number of employees by type of use

As to 31 December 2024, Santoni Group had **29 collaborators under other types of contracts** (e.g. personnel employed, internships, etc.), which was slightly up with respect to the 26 in 2023, but well below the 44 in 2022. Of these, 23 are interns, and far more than the previous year (3 interns), confirming the Group's commitment to provide qualified training programmes, and the possibility of taking on young people, above all in collaboration projects with schools and professional projects. The use of personnel employed has decreased consistently with respect to previous years, going from 39 units in 2022 to just 5 in 2024, which confirms the company's strategy of stabilising the workforce. Finally, there was just one temporary worker provided by a third-party company, confirming that these types of contracts are residual and used exclusively to meet very specific operating requirements. As a whole, the limited use of non-standard work confirms the intention of the Group to **prefer stable and direct employment relationships**, ensuring to personnel employment stability and professional growth

	2022			2023			2024		
	Wom	Men	Total	Wom	Men	Total	Wom	Men	Total
Outsourced work	23	16	39	12	11	23	4	1	5
Traineeships	4	1	5	2	1	3	12	11	23
Temporary workers provided by companies, who mainly carry out work as employees	-	-	-	-	-	-	1	-	1
Total	**27**	**17**	**44**	**14**	**12**	**26**	**17**	**12**	**29**

Number of different collaborators by type of contract [15]

During 2024, Santoni Group recruited **139 new members of staff**, which was slightly down with respect to the 153 in 2023, but up with respect to 2022. The distribution by age of new resources confirms the Group's strategy to ensure the generational exchange and strengthen the internal skills by taking on young people.
The under 30 age bracket is that most represented, with 56 new members of staff taken on in this age bracket equal to 40.3% of the total, followed by the 30–50 year age bracket (62 persons taken on in this age bracket, equal to 44.6%). A small number of workers over the age of 50 were taken on (21 workers, 15.1%), confirming the Group's focus on engaging junior and middle age workers. More generally, in 2024 63 women and 76 men were taken on, with a relatively balance distribution in line with the composition as a whole of the personnel.
Over the three-year period taken into account, the Group has demonstrated a progressive **ability to attract** young and talented workers, above all focusing on the structured inclusion of new members of staff in production sectors and company teams, helping to strengthen the foundations for sustainable and inclusive growth in the long term.

	2023				2022				2021			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Women	25	35	26	47	26	37	5	68	32	23	8	63
Men	13	25	26	71	26	49	10	85	24	39	13	76
Total	**38**	**60**	**52**	**118**	**52**	**86**	**15**	**153**	**56**	**62**	**21**	**139**

Total number of new persons recruited by age group and gender

In 2024, employment relations with a total of **73 employees were terminated** in Santoni Group. 60% of the persons whose relationships were terminated were female workers, while the remaining 40% were male workers. From a demographic point of view, the most represented age group is between the ages of 30 and 50, which is approximately 52% of the total number of relationships terminations.

The relationships terminated during the year were attributable to resignations, resignations during the trial period, dismissal for just cause, dismissal for objectively justified reasons, dismissal for subjectively justified reasons, failure to pass the trial period, consensual termination and expiry of contracts. The Group constantly monitors these dynamics to strengthen its retention policies and make the most of its human capital in a long-term perspective.

	2023				2021				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Women	7	14	10	31	10	21	8	39	11	20	5	36
Men	9	23	13	45	10	29	13	52	8	18	11	29
Total	**16**	**37**	**23**	**76**	**20**	**50**	**21**	**91**	**19**	**38**	**16**	**73**

Total number of persons whose relationships were terminated by age group and gender

In the three-year period 2022–2024, Santani Group's **employee turnover** remained at physiological levels, consistent with the development of its organisational model. The turnover rate went from 11.40% in 2022 to 13.52% in 2023, before showing a significant reduction in 2024, at **10.85%**. This trend reflects the Group's growing ability to consolidate its internal resources, improving retention levels and improving its human capital through development, training and loyalty policies.

The 2024 figure, in particular, falls within a context of an increase of the workforce, with an increase as a whole in the number of employees, together with a contract stabilisation strategy and constant focus on the well-being and motivation of personnel.

	2022	2023	2024
Turnover	11,40%	13,52%	10,85%

Turnover rate for the three-year period 2022-2024

6.1.2 Respect for human rights and equal opportunities

[VSME B10. 42, 42a, 42b, 42c; C5.59; C6. 61a, 61b; C7.62c]

As stated in the Code of Ethics, Santoni Group firmly believes that differences and diversity represent added value in human relationships and categorically rejects any form of discrimination based on political or trade union opinions, ethnic or religious affiliation, gender or sexual orientation, marital status, physical or mental disability, nationality, language, or economic or social conditions.

With this in mind, the Group has introduced a practice based on inclusion and equal opportunities, ensuring that there is no form of discrimination against workers in terms of access to employment, tenure, or professional development opportunities.

As of 31 December 2024, Santoni Group employed 27 workers in protected categories, which was up with respect to the previous year, confirming the Group's commitment to social inclusion and integration. The gender composition as a whole continues to be balanced, reflecting a corporate culture based on equity and respect for diversity.

As part of the personnel recruitment and selection process pursuant to Law 68/99, the Group continues to actively collaborate with local Employment Centres, in order to identify candidates with disabilities or in protected categories. This approach aims to combine the company's organisational needs with available skills, encouraging professional integration in an inclusive and rewarding environment.

As of 31 December 2024, 52.9% of Santoni Group's workforce was male and 47.1% female, confirming a gender balance that reflects the Group's ongoing commitment to encouraging equality and inclusion.

More specifically, the female workers continues to be prevalent in the professional category of white-collar workers, where women represent approximately **55.7%** of the total 158 employees in this category.

	2022			2023			2024		
	Donne	Uomini	Totale	Donne	Uomini	Totale	Donne	Uomini	Totale
Managers	2	4	6	1	5	6	0	6	6
Middle Managers	6	22	28	6	23	29	8	31	39[16]
White Collar Workers	72	54	126	88	62	150	88	70	158[17]
Store personnel	8	18	26[18]	20	33	53[19]	28	33	61[20]
Workers	185	211	396	190	224	414	202	228	430
Totale	**273**	**309**	**582**	**305**	**347**	**652**	**326**	**368**	**694**

Number of employees by professional category and gender

As of 31 December 2024, Santoni Group's personnel consists mainly of **blue-collar** and white-collar workers, which represent **61.9%** (430 units) and **22.8%** (158 units) of the total workforce respectively. These are followed by **store personnel** (61 units), **managers** (39 units) and **executives** (6 units), which is substantially stable with respect to the previous year.

The above data confirms the **Group's strong manufacturing vocation**, with a large presence of qualified workers, in line with a production model characterised by experienced artisans. In this category, there is a good generation balance with 236 employees in the 30–50 age group, 133 over 50 and 61 under 30, confirming a gradual generation turnover strategy, whose purpose is to pass on skills and know-how. Even in the white-collar segment, the main workers are in the 30-50 age group (100 units), while there was a gradual increase of the number of managers (from 28 in 2022 to 39 in 2024), confirming a strengthening of Santoni's management structure. The presence of managers continues to be limited and constant (6 units), in line with the size of the organisation and decision-making structure of the Group. Finally, there was a constant increase of the number of store staff in the three-year period, supporting the expansion of the retail channel, above all in foreign countries.

	2022				2023				2024			
	<30	30-50	>50	Totale	<30	30-50	>50	Totale	<30	30-50	>50	Totale
Managers	-	4	2	6	-	5	1	6	1	4	1	6
Middle Managers	-	17	11	28	-	17	12	29	1	23	15	39
White Collar Workers	18	83	17	118	30	100	20	150	32	100	26	*158*
Store personnel	4	17	5	26	13	31	9	*53*	17	31	13	*61*
Blue Collar Workers	67	214	115	396	60	230	124	414	61	236	133	430
Total	**89**	**335**	**150**	**574**	**103**	**383**	**166**	**652**	**112**	**394**	**188**	**694**

Number of professional category and age group

As a whole, 2024 reflects an evolving corporate structure, which is well-balanced between artisan tradition, commercial presence, and organisational growth, with a distribution of employees that ensures continuity, expertise, and renewal.

Santoni Group guarantees wages in accordance with the minimum wages established by the applicable National Collective Labour Agreements (CCNL). In line with a fair and meritocratic remuneration policy, the Group pays to certain professional figures, **monthly super-minimum wages**, in order to encourage individual skills, responsibility and performance, thus improving the salary as a whole. Moreover, for managers and certain strategic roles, a reward system based on the MBO (Management by Objectives) model is applied, which links a variable part of salary to achieving corporate and individual goals, while encouraging alignment between performance of individuals and the Group's results.

In 2024, the average salary gap between men and women at Santoni Group in Italy was 22%, a figure primarily influenced by the different gender distribution in the different professional categories. The salary gap is small in operating positions (3%), while it is greater among white collar workers (32%) and managers (26%). This trend is mainly attributable to the different gender distribution in the professional levels and the greater average seniority associated with specific roles. The Group is strongly committed to achieving ever greater salary equality, encouraging women to access to career growth and positions of responsibility.

2024	
Professional framework	**Average salary gap between men and women (%)**
Managers	26%
Middle Managers	21%
White Collar Workers	32%
Store personnel	3%
Blue Collar Workers	16%
Total	22%

Average salary gap between men and women [21]

[16] In 2024, the manager is from the French headquarters.
[17] in 2024, 4 employees work at the French headquarters.
[18] NIn 2022, the 26 employees belonging to the professional category "store personnel" are distributed as follows: 1 unit Santoni Swiss GMBH, 9 units Santoni France SARL, 6 units 625 Madison Llc., 4 units 335 Woodbury Ll., 6 units 420 Bal Harbour Llc.
[19] In 2023, the 53 employees belonging to the "store personnel" category are distributed as follows: 1 unit Santoni Swiss GMBH, 14 units Santoni France SARL, 8 units 625 Madison LLC, 8 units Santoni North America, 7 units 335 Woodbury Ll., 8 units 420 Bal Harbour Llc, and 7 units 1104 – Cabazon
[20] In 2024, 61 employees belonging to the "store personnel" category are distributed as follows: 1 unit at Santoni Swiss GMBH, 12 units at Santoni France SARL, 9 units at the Madison LLC headquarters, 10 units at the 420 Bal Harbour LLC headquarters, 8 units at the Santoni North America headquarters, 9 units at the 335 Woodbury LLC headquarters, 5 units at the 1104 Cabazon headquarters, and 7 units at the Roermond headquarters.
[21] The available data relate to the parent company Santoni S.p.A.

6.1.3 Training and well-being of human resources

[VSME B10. 42d]

Santoni Group recognises the strategic value of human capital and places the well-being and growth of people at the heart of its corporate policies. Thanks to its belief that job satisfaction has a very significant impact both on individual performance and the organisation climate, the Company is committed to encouraging an inclusive, stimulating environment that is attentive to the needs of its human resources.

The parent company Santoni S.p.A. applies three National Collective Labour Agreements: the **Footwear – Industrial National Collective Labour Agreement** for industrial personnel, the **Commerce – Tertiary Sector Companies National Collective Labour Agreement** for retail employees, and the **Managers – Industrial Companies National Collective Labour Agreement** for executives. Each contract is associated with supplementary healthcare funds which are respectively: Sanimoda, Fondo EST and FASI. For employees of Group companies abroad, contracts that comply with local laws and regulations are applied. Considering that the majority of staff – particularly those in management and manufacturing – are employed by the parent company in Italy, almost all welfare and human resources development initiatives are aimed primarily at Italian employees.

In 2024, the Group reaffirmed its commitment to ensuring the well-being of people, continuing the measures launched in 2023 as part of the **"Conciliamo"** a public funding program whose aim is to supporting corporate policies that ensure a proper work-life balance. Individual vouchers have again been issued to supplement salaries for employees (excluding managers) with at least three months' seniority, in order to reduce daily and family expenses. Moreover, Santoni's collaboration with an occupational psychologist has continued, offering qualified support to employees who return from long periods of illness or maternity leave, as well as to those preparing to enter this phase.

Health agreements, which guarantee facilitated access to medical services, and initiatives that encourage a balanced diet also remain active: the employees of the Headquarters also receive a financial contribution for access to the **compa-**

ny cafeteria "Convivio", while for those who work in other facilities receive **meal vouchers**. Initially scheduled to last until September 2024, these measures have been extended for an additional five years, confirming the company's commitment to providing concrete, stable, and long-lasting support to its personnel.

In addition to these structural initiatives, in 2024 Santoni consolidated a number of **relational and experiential activities**, whose purpose is to strengthen internal cohesion and a sense of belonging. These include the following:

— **Christmas benefits**;

— The traditional company lunch with Michelin star chef **Moreno Cedroni**, a moment of sharing and recognition;

— The **corporate coaching** programme, for personal and professional development;

— The **company cafeteria**;

— And numerous opportunities for meetings, celebration and inter-generational dialogue.

Of particular note was the event organised in May at the **Lauro Rossi Theatre in Macerata**, during which the Group Chairman gave a speech to all employees, retracing the development of Santoni Group and reaffirming the central value of people, above all, artisans. The meeting, which was followed by a social event, was an important occasion to listen, gain inspiration, and share the company's vision.

Two symbolic events in company life were also repeated: the **summer party**, whose purpose is to strengthen ties between colleagues in an informal setting, and the **Christmas cocktail party**, which in 2024 also included symbolic recognition for employees and families who embody the spirit of the Group, such as the largest family currently employed by the company or collaborators who are close to retirement, who were received special thanks.

In addition, the possible introduction of **smart working methods** is still being explored, which will be assessed according to production and organisation needs, in order to ensure a better work-life balance.

In addition to encouraging the well-being of employees, Santoni Group continues to recognise training as a strategic tool for the growth of human capital and to strengthen corporate competitiveness, while recognising that developing skills has a direct impact on the quality of processes, products, and the organisational climate.

In 2024, all the training activities already started in 2023 were confirmed. For the master craftsmen, the Parent Company continued its collaboration with an external consultant, who was asked to organise training programmes for the team leaders of the different departments, with a focus on production efficiency and the application of Lean Production principles. At the same time, training programmes for managers, executives, and employees were continued, in order to update them on regulatory requirements related to their work. In the retail sector, the initiatives previously started were also continued, including the training programmes on the introduction of the "ship from store" model and training programmes for sales assistants on the use of digital tools for obtaining customer data. The specific number of training hours for employees will be specified hereunder.

At the same time, the Group renewed its commitment with respect to the **Academy of Excellence**, organising three 4-week editions, primarily for artisans. These programmes, which aim at transferring technical know-how and a culture of quality, were designed in line with the company's production activities and participation in important institutional and visibility events.

THE ACADEMY OF EXCELLENCE

Launched in 2023 and confirmed in 2024, the Academy of Excellence is the training project through which Santoni transmits to new generations the artisan skills that define and characterise the brand's identity and value. Part of the "Santoni Culture" programme, the Academy was created to ensure the generational change and ensure the continuation of Made in Italy excellence through structured, immersive programmes.
The course is held the Corridonia facility and lasts four weeks, and includes theoretical sessions and practical activities. The participants, young people who are keen to learn an authentic craft, are taught the distinctive techniques of Santoni's craftsmanship, from assembly to colouring, from sewing to finishing.

Three training cycles were organised in 2024, planned in line with the company's production activities and institutional events. At the end of the training programmes, participants were awarded the title of "Apprentice of Beauty" and the most promising candidates have the opportunity of continuing their professional career with the Group.

The Academy represents a concrete investment in passing on the culture of creating, in helping young talented people, and building a sustainable future for Italian craftsmanship.

In 2024, Santoni Group provided an average of **73 hours of training per employee** (for a total of 4,300 hours), showing a slight decrease from the peak of 78 hours in 2023, but a significant increase with respect to 2022 (44 hours). This trend reflects the Group's intention of ensuring high training standards, while providing training according to operational needs and the resources available.

In terms of distribution by professional category, in 2024 training courses were provided above all to middle managers and white-collar workers, both categories with an average of 26 hours, followed by blue collar workers with 8 hours. Managers averaged 13 hours, in line with the specific training approach typical of this professional category.

The attendance of men increased, with an average of 53 hours for men with respect to 20 hours for women, reflecting the gender composition of the categories most involved. This data however also points out the need to further improve training opportunities for female staff, in order to ensure greater equality and cross-disciplinary development of skills.

As a whole, the trend confirms the **Group's strong commitment to continuous training**, which is considered to be a strategic lever for personal growth, process innovation and obtaining the best from its internal craftsmanship.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Managers	-	1	1	14	37	51	-	13	13
Middle Managers	1	19	19	7	2	9	9	17	26
White Collar Workers	14	7	21	2	6	8	8	18	26
Blue Collar Workers	1	2	3	4	5	10	3	5	8
Total	**15**	**29**	**44**	**27**	**51**	**78**	**20**	**53**	**73**

Number of average hours of training provided to employees by professional category and gender

2024	
Obligatory hours of training	1.693
Non-obligatory hours of training	2.607
Non-obligatory hours of training	**4.300**
Of which (obligatory hours of training and non) on	
Health and Safety	1.693
Anti-corruption and anti-recycling	139
Other (3DZ Additive Tour)	4
Other (ACTIVE LEARNING TOOL)	60
Other (LCA ED Basic Course) 1 and 2)	570
Other (SHOE SHINER TRAINING)	140
Other (Training on Machinery Improvement)	14
Other (Management of collaborators)	1.600
Other (REACH Regulation and Safety Data Sheets)	4
Other (improvement of documentation)	36
Other (PRAGMA)	3
Other (Signature Gala Workbook)	25
Other (Unification of purchase methods)	12

Number of hours of training provided to employees by type

In 2024, Santoni Group provided a total of **4,300 hours of training** to its employees, including 1,693 hours of mandatory training (39%) and 2,607 hours of non-mandatory training (61%), confirming a strong commitment not only to ensuring regulatory compliance but also to voluntarily developing internal skills.

Most of the obligatory hours were dedicated to **workplace health and safety**, while non-mandatory activities included significant training programmes on strategic topics for the development of the company, such as employee management (1,600 hours), the basic LCA course (570 hours), anti-corruption and anti-money laundering (139 hours), and initiatives related to innovative projects and process improvement, such as the use of digital tools (Active Learning Tool), technical training (machinery, REACH, document improvement) and motivational courses (Shoe Shiner Training, Signature Gala).

The above data demonstrate an integrated approach to training, which aims at combining regulatory obligations, professional growth, corporate culture and innovation.

In 2024, a total of **234 Santoni Group employees** received periodic reviews on their performance and professional development, a decrease from the 331 employees evaluated in 2023. This data reflects a transitional phase of the evaluation system, currently being reviewed by the Group. The goal is to optimise the feedback process by introducing more advanced tools and more effective methodologies, that ensure accurate monitoring of individual and collective performance, in line with the company's strategic goals and professional growth programmes.

In the evaluation process, above all for senior positions, Santoni Group uses qualitative and quantitative indicators differentiated by professional category. For production, the evaluation criteria used mainly refer to efficiency (e.g., number of returns), while for sales staff the focus is on sales volume. Merchandisers are evaluated on financial performance, and administrative staff on meeting operational deadlines.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Managers	3	5	8	-	3	3	-	3	3
Middle Managers	3	13	16	32	30	62	28	17	45
White Collar Workers	77	52	129	127	120	247	86	84	170
Blue Collar Workers	180	136	316	5	14	19	4	12	16
Total	**263**	**206**	**469**	**164**	**167**	**331**	**118**	**116**	**234**

Employees who have received periodic performance and professional development reviews [22]

6.1.4 Workplace health and safety

[VSME B9. 41, 41a, 41b]

One of the fundamental priorities of Santoni Group, that is also indicated in the Code of Ethics, is the protection of workers' health and safety, considered to be an essential principle in the day-to-day management of company activities. The Group operates in full compliance with the regulations in force in the countries where it operates, ensuring safe working conditions and an environment suited to the well-being of its people.

In particular, the Parent Company has introduced a **management system which complies with Legislative Decree 81/08** and constantly applies its provisions and requirements, through a structured and preventive approach. A periodic safety meeting is also planned, and is attended by the Employer, the Occupational Health and Safety Officer (OHSO, who is external to the company), the Health & Safety Manager (HSM), the physician, and the Workers' Safety Representative (WSR). Three internal safety delegates have also been appointed, each with responsibilities in specific areas, including machinery maintenance and training.

To support prevention activities, the **OHSO** periodically holds meetings with Supervisors and Managers to address, among other things, the question of fire prevention. The medical team consists of three coordinated doctors, who conduct medical check-ups at the various locations.

In 2024, the Group confirmed its commitment to health and safety training and awareness, including employees in specific courses aimed at different professional categories. The courses covered general safety, the use of the defibrillator (BLSD), and the training of supervisors, Workers' Safety Representatives, and other key figures, in collaboration with accredited training bodies and qualified doctors. This integrated approach strengthens the culture of workplace health and safety and ensures more awareness in a more protected workplace.

In 2024, there were a total of 6 workplace accidents within the Group, including 2 direct injuries and 4 commuting injuries, which were the same as the number of events in 2023. Despite the numerical stability, the number of days related to injuries increased quite significantly, going from 304 in 2023 to 704 in 2024, consequently increasing the severity index from 0.32 to 0.69.

However, the positive data concerns the rate of recordable injuries, which has significantly reduced: from 6.26 in 2023 to 1.17 in 2024, a sign of a significant reduction in the frequency of events with respect to the hours worked, which in 2024 exceeded one million (1,023,215 hours). This result demonstrates the effectiveness of the prevention measures and awareness-raising programmes introduced by the Group.

The increase in the number of days of absence is attributable to individual cases that required longer recovery periods, but does not represent a systemic worsening of safety conditions. The Group's commitment to continuous monitoring and targeted training continues to be central to consolidating these results and further reducing the severity and incidence of injuries.

As in the previous two-year period, there were no deaths at the workplace in 2024.

[22] This data is applicable only to the parent company Santoni S.p.A.

	2022	2023 [23]	2024 [24]
Total number of workplace accidents [25]	8	6	6
Number of days of injury	171	304	704
Total hours worked	922.862	958.111	1.023.215
Recordable rate of workplace injuries [26]	8,67	6,26	1,17
Gravity index [27]	0,19	0,32	0,69

Number of accidents and rate of workplace injuries recorded for all employees

[23] This data refers only to Santoni S.p.A.
[24] This data refers only to Santoni S.p.A.
[25] Sul totale degli infortuni, si contano 3 casi in itinere nel 2022, 4 nel 2023 e 4 nel 2024.
[26] The rate of workplace accidents recorded was calculated as follows: (number of recordable workplace injuries / number of hours worked) * 1,000,000.
[27] The gravity index was calculated as follows: (number of workplace days lost due to injuries / number of hours worked) * 1,000.

6.2 Relations with Customers

6.2.1 Marketing and Brand Value

[Disclosure Volontaria]

In 2024, Santoni Group continued to consolidate its position as a global brand of excellence, founded on a balance between craftsmanship, innovation, and cultural identity. In line with the marketing strategy developed in previous years, the focus remained on celebrating Marche Region's know-how and, more generally, of Made in Italy products, in order to strengthen the brand's international visibility and affirm its value as a timeless brand.

Together with the network of single-brand boutiques, the 2024 strategy placed strong attention on expanding the multi-brand channel through a number of high-impact trade marketing activations, carried out on strategic markets such as **New York, Munich, Amsterdam, Milan and India**. Pop-up stores, immersive events, and visual merchandising initiatives showcased Santoni's collections in select spaces, consistently conveying the brand's visual narrative and identity. These initiatives, carefully planned down to the smallest detail, have strengthened the relationship with consumers and increased brand awareness globally.

2024 also represented an important year for **product innovation**, with the launch of the "**Easy**" model, a shoe that combines the aesthetic simplicity of the classic shoe with the lightness and performance typical of sneakers. Entirely hand-made, but featuring an ultra-light rubber sole, Easy weighs just **295 grammes**, and stands out as a revolutionary product on the formal footwear market. Its immediate success, especially in the United States, demonstrated the Group's ability to interpret the needs of contemporary consumers in a dynamic manner, combining craftsmanship, technological research, and aesthetic innovation.

This balance between heritage and modernity is the hallmark of Santoni's language, founded on the idea that artisan excellence can dialogue with innovation to produce lasting value.

At the same time, the Group has consolidated its commitment in the women's segment, continuing to expand the products offered with accessories and bags designed for a sophisticated, international clientele. Retail expansion in strategic

locations, which began in 2023, continued to support this development, strengthening the brand's presence in high-profile contexts.

On the partnership front, the collaboration with the Swiss watchmaker **IWC Schaffhausen** continued successfully for the creation of leather straps crafted using the artisanal Patina technique, demonstrating the shared commitment to manufacturing excellence and distinctive detail.

Finally, the Group's membership in the **Altagamma Foundation**, which represents companies that are ambassadors of Italian high-end products around the world, will be confirmed in 2024. This recognition underscores Santoni's ongoing commitment to promoting artisanal culture, protecting Italy's manufacturing heritage, and promoting the sustainable development of Made in Italy.

In summary, the Santoni Group continued its growth path in 2024, focusing on authenticity, strategic vision, and responsible innovation, with the aim of consolidating its role as a point of reference in the contemporary luxury sector.

6.2.2 Customer satisfaction and safety of customers

[Disclosure Volontaria]

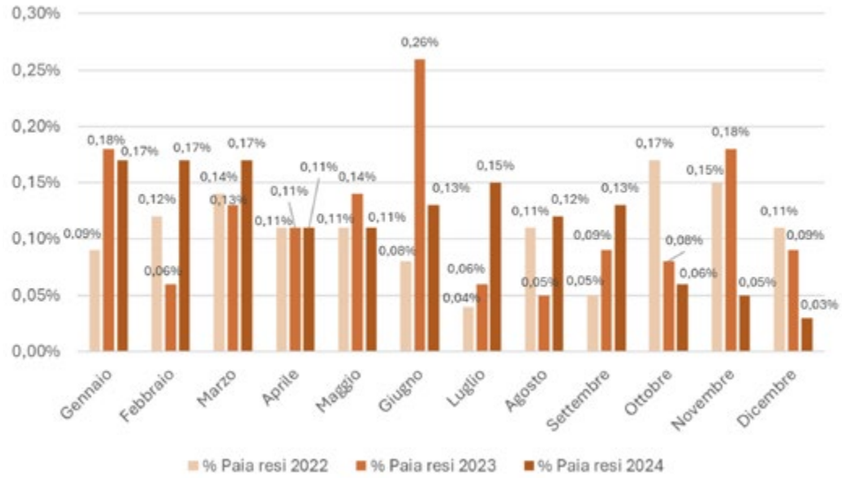
Santoni Group customers are considered "partners in achieving business success," which is why it is committed to listening to requests that can help improve the quality of its services and, at the same time, to safeguarding and protecting customers' personal data.

In line with the Santoni Group's commitment to product excellence and consumer protection, monitoring quality and customer satisfaction continues to be a strategic lever. To this end, the Group adopts a reporting system that includes, among its key indicators, the percentage of customer returns, useful for promptly identifying any critical issues along the supply chain.

The percentage of customer returns in the three-year period 2022-2024 remained virtually unchanged, confirming substantial stability in purchasing behaviour and overall satisfaction. In detail, the value stood at 0.11% in 2022 and 0.12% in both 2023 and 2024, without significant variations on the general trend.

The Group reaffirms its commitment to customer safety: in 2024, no cases of non-compliance with current regulations or voluntary codes regarding product health and safety were detected. This result is the fruit of constant attention to quality.

The graph below shows, in monthly detail, the percentage of returns made in the three-year period 2022-2024.



Turnover rate for the three-year period 2022-2024

The Group is also committed to ensuring that external information is truthful and transparent, paying particular attention to communication with the mass media regarding its products, in order to provide information consistent with the company's image and activities. Communications are made on the website and on the main social channels such as Instagram, Facebook, YouTube, Pinterest, Linkedin and TikTok. During 2024, the Group did not receive any fines or warnings for incidents of non-compliance with regulations and/or self-regulatory codes relating to marketing communications, including advertising, promotion and sponsorship.

As part of responsible communications, the Santoni Group ensures maximum information transparency through accurate footwear labelling. Each package is labelled in compliance with current regulations, including details such as the product description, item code, size, manufacturer's name, and country of origin. Each shoe is also accompanied by a pictogram specifying the materials used (leather, textiles, or other materials) for the main components: upper, inner lining, insole, and outsole.

Additionally, the Group has introduced a digital labelling system that allows customers to access additional product information, request after-sales assistance, and view the specific production path of their pair of shoes, tracking their "transit time" within the factory.

In 2024, there were no cases of non-compliance with product information and labelling.

6.3 Relations with suppliers

6.3.1 The choice of suppliers and materials

[Disclosure Volontaria]

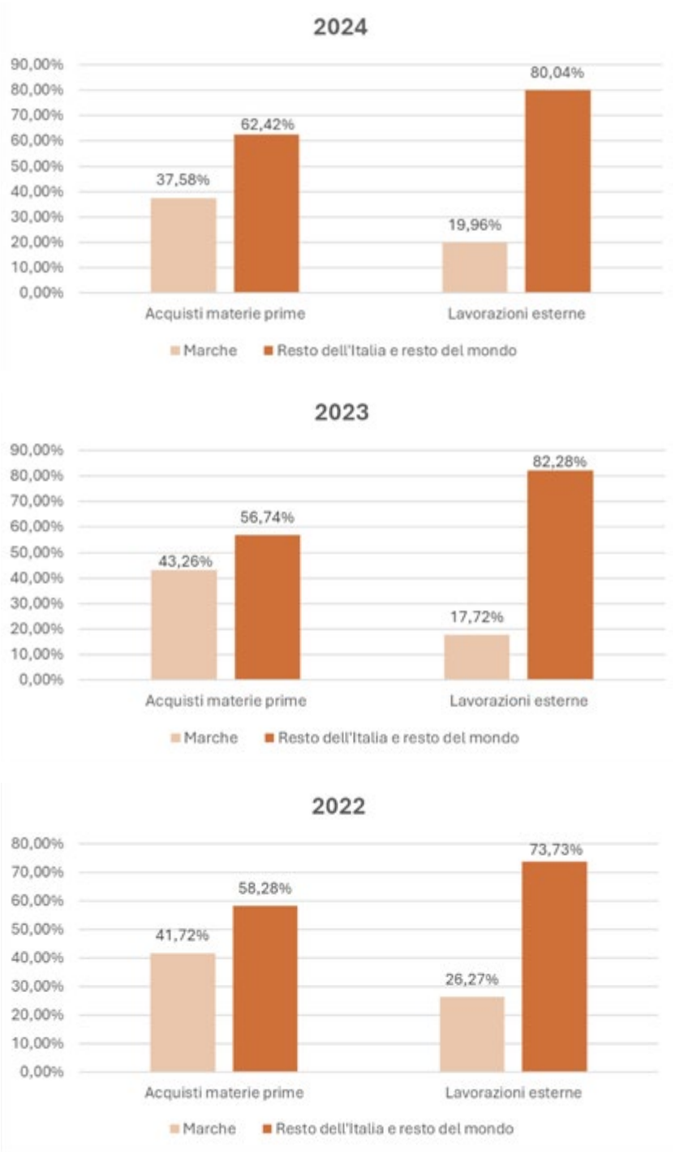
In 2024, the Santoni Group continued its commitment to a **transparent, responsible** and **locally rooted** supply chain, consolidating relationships with qualified suppliers and focusing on quality and sustainability criteria. Although exclusion criteria for suppliers without environmental certifications have not yet been introduced, the evaluation and selection process is being strengthened in line with the growing demand for traceable, responsible, and high-performance materials.

Even in 2024, purchases focused mainly on raw materials (especially leather), footwear components (linings, soles, uppers) and accessories. Cowhide remains the primary raw material, followed by premium leathers such as alligator, always adhering to the strictest ethical standards: in fact, the entire cowhide supply comes exclusively from food industry waste, reducing environmental impact and promoting a circular economy model.

Specifically, in 2024, the total value of raw material purchases stood at €25,701,987, a slight increase compared to the previous year (+4%), while outsourcing recorded a more significant increase, reaching €12,588,976, equal to +2% compared to 2023. These data confirm the Group's desire to strengthen its production capacity while maintaining a lean, specialized supply chain consistent with the values of artisanal excellence and sustainability that distinguish the brand.

In 2024, the distribution of Santoni Group suppliers highlights a balance between local roots and openness to domestic and foreign markets. Specifically, 37.58% of raw material purchases come from suppliers located in the Marche region, confirming the company's connection to the region and its commitment to supporting the local supply chain. The remaining 62.42% is sourced from partners in the rest of Italy and around the world, chosen to ensure quality and specialization. A similar picture emerges for outsourced work: 19.96% was carried out by companies from the Marche region, while 80.04% involved national and foreign companies, reflecting the need to integrate diversified skills and advanced technological solu-

tions. Overall, the data demonstrate a balanced approach that combines regional roots with an international vision, functional to the Group's competitiveness and innovation.



Number of employees by geographical area

6.3.2 The Supply Chain

[VSME C6. 61a, 61b, 61c; C7. 61a, 62b]

The Santoni Group considers respect for human rights and the protection of health and safety throughout the entire value chain to be an essential priority. In accordance with its Code of Ethics, the Group rejects all forms of discrimination, promotes gender equality, and protects the individual freedom, privacy, well-being, and integrity of its workers. Furthermore, respect for the individual, the centrality of the worker, and fairness in relationships constitute a solid foundation for preventing any potential abuse along the value chain.

The Group is not aware of any confirmed incidents involving workers in the value chain, a testament to the robustness of its supplier screening and selection processes. In a context where human rights violations can generate serious reputational and relational risks, the Santoni Group has chosen to act preventatively, promoting transparency, responsibility and the construction of ethical and sustainable production chains.

In line with these principles, the Group adopts responsible conduct towards its suppliers and partners, based on fairness, reliability and compliance with agreements. The commitment to honour payments within the agreed terms and to punctually respect contractual deadlines is considered not only a legal but an ethical duty, aimed at ensuring stability in commercial relationships and supporting the financial health of the entire supply chain.

[25] *This refers to purchased materials and not to those consumed.*

6.4 The local community and territory

6.4.1 Initiatives in the territory

[Disclosure Volontaria]

The Santoni Group recognizes the importance of its role in generating positive impacts on the community, contributing to the economic, social, and cultural development of the area. With this in mind, the Group is committed to conducting its investments responsibly and sustainably, respecting the environment and local communities, supporting initiatives that promote collective well-being, cultural identity, and dialogue with the local community.

Community focus is expressed through projects promoting the social and cultural development of the Marche region, with the aim of promoting the region's values internationally, in synergy with the brand's growth path. A prime example of this commitment is Santoni's participation in the "Adopt a School" project, promoted by Altagamma in collaboration with the Ministry of Education. Santoni has been active since 2023 alongside the IPSIA "F. Corridoni" technical and professional institute in Corridonia. The project, aimed at training new artisans through the direct transfer of skills from company masters, intends to protect and pass on the artisanal know-how typical of Made in Italy.

In 2024, this initiative was joined by the training project "The Culture of Know-How," conceived by Santoni in collaboration with the same institute. The course, lasting a total of 40 hours divided into 18 lessons, involved a third-year high school class, combining theory and practical workshops. The Group actively contributed to the project by providing technical equipment, processing kits, and a dedicated, specially trained instructor. The course, approved at ministerial level and by the school, has attracted strong interest from students and families and will continue in 2025, extending to the class already involved and to a new third year.

The Group also continues its participation in school-work alternation programs (PCTO) with several local schools, encouraging the placement of students in production departments, as well as in the Human Resources, Administration, Marketing, and Production Office departments. This approach allows young people to directly engage with the world of work and develop technical and transversal skills useful for their professional career.

Confirming his ties to the educational world, the Group's founder has also participated in numerous academic meetings at prestigious institutions such as the London Business School, LUISS University in Rome, Condé Nast College, and the Sotheby's Institute of Arts, contributing to the dissemination of Italian artisan culture and the Santoni production model, based on the integration of manufacturing tradition and industrial innovation.

Finally, the collaboration with the Polytechnic University of Marche continues, through joint initiatives such as Smart Shoes Manufacturing and CARL, aimed at promoting innovation in production processes.

At the same time, the Group also supports social and cultural initiatives in the area, with financial contributions to neighbouring municipalities and non-profit organizations, product donations, and support for educational, cultural, and healthcare projects. Among these, we highlight our participation in the "Pink Ribbon" campaign against female cancers, with 10% of the proceeds from the Milan boutique donated to an organization committed to prevention and treatment.

These activities demonstrate the Group's concrete commitment to strengthening its ties with its home region, the Marche, which represents not only the cradle of Santoni's artisanal tradition but also a constant source of inspiration for its sustainable development.

7. Responsible Business Management (G)

2024: Information about Santoni

MATERIAL THEMES	**Business Ethics and Anti-Corruption**	Introduction of the Organization, Management and Control Model in compliance with Legislative Decree
	Management of Risks and Cybersecurity	Strengthening of the digital defences with EDR, "Certigo" SIEM, and advanced firewall

The Santoni Group is committed to solid business ethics and the adoption of anti-corruption practices in its daily operations. In support of these principles, the Group has implemented a whistleblowing procedure that allows for the anonymous and secure reporting of any irregular conduct, strengthening transparency and accountability towards stakeholders. Risk management and cybersecurity are equally crucial: in 2024, the Group consolidated its digital defences by maintaining Endpoint Detection and Response (EDR) protection on all company devices. Remote monitoring of security events continued via the "Certigo" SIEM platform, which ensures continuous and timely control. To protect the network perimeter, the use of an advanced firewall was also confirmed, capable of detecting and blocking unauthorized access and suspicious activity in real time. These measures mark the beginning of a structured and proactive approach to data protection, based on collaboration with industry specialists and the adoption of advanced cybersecurity technologies.

7.1 Management of risks and cybersecurity

7.1.1 Code of ethics and anti-corruption initiatives
[VSME B11.43; C6. 61c; C8. 63,64]

The Santoni Group operates in full compliance with the Code of Ethics, the latest version of which was approved by the Board of Directors in 2021. The Code is divided into three sections:

— General Provisions, which include the Group's mission and ethical vision, the recipients and dissemination of the Code, and the general principles it comprises, such as the "Principle of Legality" and the principle of "Integrity, Honesty, and Fairness."
— Human Resources Management, which includes the prohibition of discrimination and reporting of candidates, the prohibition of discrimination or harassment, dress codes, and other guidelines relating to employment relationships.
— Application of the Code and Disciplinary Consequences, dedicated to the application principles, the sanctions system, and the final provisions.
applica esclusivamente a Santoni S.p.A.
Nel corso del 2024, non sono pervenute segnalazioni.

The Group recognizes compliance with the laws and regulations in force in all countries in which it operates as an essential principle, requiring its personnel and collaborators, as well as more generally all subjects linked by a collaborative relationship with it, to act in compliance with all applicable laws, the Code of Ethics and the regulations in force in all countries in which the Santoni Group operates. All activities carried out by the Group are conducted in compliance with the principles of fairness and loyalty, which imply respect for the rights of every individual, regardless of their work or professional activity. Moral integrity and honesty are constant duties of all those who work for the Company, and must characterize the behaviour of the entire corporate organization, being fundamental principles and essential elements of corporate management. The careful application of the provisions of the Code of Ethics has meant that, during the three-year period 2022-2024 No sanctions or fines were found for violations of laws on active and passive corruption, nor for infractions of environmental regulations.

Additionally, recognizing the importance of having an internal procedure that governs the reporting of unlawful conduct and in order to comply with the provisions

of Decree no. 24/2023, a whistleblowing procedure is adopted, which applies exclusively to Santoni Spa.
During 2024, no reports were received.

Model 2024: introduction of the Organization, Management and Control Model in compliance with Legislative Decree. 231/2001, thus starting the process of strengthening its corporate governance and compliance system.

The Group is not involved in controversial sectors such as the production of controversial weapons, tobacco cultivation and production, the fossil fuel sector, and the production of chemicals, pesticides, and other agrochemicals. In the same period, no revenues were generated from these activities. As a result, the Group is not among the companies excluded from the European Union benchmarks aligned with the objectives of the Paris Agreement.

7.2 Management of Risks and Cybersecurity

7.2.1 Management of risks

[Disclosure Volontaria; VSME B1. 25]

In a landscape characterized by increasing complexity and ever-evolving global challenges, the Santoni Group adopts a structured and integrated approach to risk management. The objective pursued is to identify, assess and mitigate risks that could affect the environmental, social and economic sustainability of its operations. Through resilient solutions, the Group aims not only to prevent negative impacts but also to seize opportunities for continuous improvement, developing a corporate culture that fosters innovation and proactivity.

The Financial Risks	The Santoni Group manages the main financial risks with targeted strategies. Credit risk is monitored specifically for wholesale sales, through credit insurance and recurring balance checks, while for the retail channel this risk is minimal. Liquidity risk is not a critical issue, as the structure of credit lines and current assets ensures coverage of financial commitments. Finally, market risk related to exchange rates is mitigated by hedging strategies, given the preponderance of USD transactions, while interest rate and commodity price risks are considered irrelevant.
Supply Chain Risks	The Santoni Group, aiming to reduce dependence on single suppliers, particularly for critical components such as soles, has diversified its supply chain. This choice is not only a response to quality and delivery issues encountered, but is part of a broader strategy of sustainability and reduction of environmental impact. Diversification allows us to maintain high standards and production continuity, even in the event of supplier difficulties.
Non-Financial Risks	The Group is broadening its focus on non-financial risks, including that related to the protection of personal data. Managing sensitive third-party information exposes the organization to potential cyber-attacks, unauthorized access, or security vulnerabilities. For this reason, the Group is strengthening its cybersecurity measures and data management protocols, in order to prevent breaches that could have legal impacts, regulatory sanctions, reputational damage and compromise the trust of customers and stakeholders.

Management of Financial and Non-Financial Risks

ISO 9001 Certification – Quality Management System

Quality is a value that has always characterised all the processes and corporate functions of the Santoni Group, as confirmed by the achievement of ISO 9001:2015 certification in June 2024. This is an international standard that governs Quality Management Systems, considered essential for the creation of a system that ensures customer and stakeholder satisfaction and, consequently, contributes to the improvement of the entire company organization. To this end, the Santoni Group has also adopted a Quality Policy, which reflects its commitment to pursuing qualitative excellence along the entire value chain. This Policy sets concrete objectives such as: meeting product requirements, ensuring continuous improvement, and monitoring supplier and internal performance. Management sets annual goals, oversees their implementation, and ensures that all staff are aligned with the standards through appropriate communication and training. This approach makes the Quality System sustainable and effective, also contributing to risk management through continuous performance monitoring and compliance with standards.

7.2.2 Cybersecurity

[Disclosure Volontaria]

The Group is constantly committed to ensuring the confidentiality of the information and data in its possession and compliance with personal data protection legislation: all information is treated with respect for the confidentiality and privacy of the interested parties.

The main data that are processed concern B2B customers (official resellers), end customers (divided into online and offline based on the sales channel), suppliers, associated companies, subjects with whom the Santoni Group collaborates for marketing activities and people linked to promotional campaigns.

Regarding sensitive customer data, this mainly concerns “Made-to-Measure” and “Made-to-Order” customers, as in these cases the Group, in order to create a personalized shoe for the customer, must obtain a series of biometric data related, for example, to the physical characteristics of the customer’s feet.

Since 2019, the Parent Company has undertaken a process of compliance with the European General Data Protection Regulation 679/2016 (GDPR). In compliance with the above regulation, an external firm specializing in privacy consulting has been appointed as Data Protection Officer (DPO). The data controller is the legal representative of Santoni S.p.A., Giuseppe Santoni. The DPO supports the Santoni Group in processing personal data and in preparing related documentation, such as the Register, which contains a list of all data processed by the company and the methods used to process them. Santoni S.p.A. has also set up a dedicated email address (privacy.santoni@legalmail.it) where anyone can submit questions and clarifications to the DPO regarding the processing of personal data.

In order to improve the reliability and security of the systems, during 2024, the Parent Company adapted the hardware infrastructure using a series of tools described in the following graph.

Cybersecurity in Santoni

In 2024, the migration to Office 365 was completed, improving IT security controls, particularly in access management, email, and document exchange. In support, Microsoft Defender has been activated to protect against phishing and malware. At the same time, a Security Operations Center (SOC) with 24/7 proactive monitoring, entrusted to a specialized external partner, was introduced to ensure a timely response to threats.
Throughout 2024, digital defences were strengthened by actively maintaining Endpoint Detection and Response (EDR) protection on corporate devices. Remote monitoring of security events continued via the “Certigo” SIEM platform, which ensures continuous and timely control. To protect the network perimeter, the use of an advanced firewall was also confirmed, capable of detecting and blocking unauthorized access and suspicious activity in real time.

To address future challenges and ensure an increasingly resilient, scalable, and secure technology infrastructure, the Santoni Group intends to undertake a series of strategic initiatives. Among these, in the future, it aims to move from a traditional point-to-point architecture to a microservices-based system, which allows the various business components to publish and receive events in a synchronized and seamless manner. This configuration increases operational agility while improving scalability and data security. When it comes to external access, adopting centralized API management as a single point of entry will ensure precise and secure control, preventing unauthorized data exposure and protecting the system from potential vulnerabilities. In parallel, the Group aims to adopt serverless solutions based on containers and virtualization (for example, via Docker), which reduce the need for physical servers and thus move business-critical solutions to private clouds. These modern technologies allow us to optimize the use of resources, contain costs, achieve high service levels and increase safety.

In 2025, attention to cybersecurity will grow significantly, with the adoption of more advanced tools and procedures to ensure comprehensive protection. An international SIEM and SOC will be implemented with 24/7 active monitoring and proactive incident mitigation capabilities. For the Office 365 suite, with a particular focus on email, a double layer of protection will be introduced, combining Microsoft Defender with the Kaspersky MS365 solution, thus significantly reducing the attack surface. At the same time, a control centre for company assets (PCs, laptops, Macs, smartphones) will be activated, ensuring continuous monitoring of all devices. A three-year continuing cybersecurity training program will also be launched for all users, strengthening internal awareness and skills. To protect the mobile component, Kaspersky MDM will be introduced, which allows you to monitor smartphones, locate them in case of loss and proceed with a complete wipe of company data in case of theft. Finally, a corporate IT policy is being defined that will consolidate and standardize the security practices adopted.

Regarding resilience and emergency preparedness, the Group aims to implement a disaster recovery project in the future, while it has already adopted mirroring of critical applications, such as ERP and logistics. This mirroring system is supported by two separate server rooms in different locations, and partially stores the data in an external data centre to ensure business continuity even in the event of a failure.

The Santoni Group also aims to implement an architectural audit to identify critical business processes at risk in the event of network outages and perform penetration tests to identify and mitigate vulnerabilities on systems outside the perimeter protected by Microsoft Azure.

Finally, it should be noted that this constant and rigorous attention to respecting the confidentiality and privacy of all data subjects, as well as the management of personal and/or sensitive data processed, has continued to produce positive results for the Group, which, again in 2024, did not record any data breaches or receive any complaints regarding alleged violations of its customers' privacy, demonstrating its ongoing commitment to ensuring the security and confidentiality of all stakeholders' information.



2025 ESG Objectives

E- ENVIRONMENT

the Classic Men's line produced a total turnover of Euro 18,095,000, and was down by 5% with respect to the previous year.

S- SOCIAL

Expand **training programs**, including a 5% increase in total hours provided.

Increase **employee involvement in local social and cultural initiatives** by encouraging participation in projects with schools, universities, and local associations.

G- GOVERNANCE

Implementation and updating of the **Legislative Decree 231/2001 Model** and revision of the **Code of Ethics**, with related staff training.

Disaster Recovery project, aimed at ensuring the protection and rapid recovery of the company infrastructure in the event of unforeseen events, ensuring operational continuity and data protection.



VSMEs Index

KEY

The “Disclosure” column indicates the corresponding disclosures in the VSME standard.

The “Par.” column indicates the corresponding paragraphs in the VSME standard.

The “Notes” column indicates any reasons why the disclosure is not applicable.

Disclosure	Par.	Section of the 2024 Sustainability Report	Pag.	Note
B1 - Basis for preparation	24 (a-d)	Methodological Note	8	
	24 (e)	1.1 Company Details 1.2 About Us	13-14	
	25	7.2.1 Risk Management		
B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	26 (a-d)	2.4.2 Sustainability strategy	27	
	27	2.4.2 Sustainability strategy	27	
	28	2.4.2 Sustainability strategy	27	
B3 – Energy and greenhouse gas emissions	29	5.1.1 Energy Consumption and Emissions	70	
	30 (a-b)	5.1.1 Energy Consumption and Emissions	70	
	31	5.1.1 Energy Consumption and Emissions	70	
B4 – Pollution of air, water and soil	32	5.1.2 Pollution	73	

B5 – Biodiversity	33	5.3.1 Management of Materials, the Circular Economy and Biodiversity	75	
	34	5.3.1 Management of Materials, the Circular Economy and Biodiversity	75	
B6 – Water	35	5.2.1 Use of Water Resources	74	
	36	5.2.1 Use of Water Resources	75	
B7 – Resource use, circular economy and waste management	37	5.3.2 Sustainable Management of Waste	77	
	38 (a-b)	5.3.2 Sustainable Management of Waste	77	
	38 (c)	5.3.1 Management of Materials, the Circular Economy and Biodiversity 5.3.2 Sustainable Management of Waste	75-77	
B8 – Workforce – General characteristics	39 (a-c)	6.1.1 Santoni Group: An Overview of the Employees	82	
	40	6.1.1 Santoni Group: An Overview of the Employees	82	
B9 – Workforce – Health and safety	41 (a-b)	6.1.4 Workplace Health and Safety	99	
B4 – Pollution of air, water and soil	42 (a-c)	6.1.2 Respect for Human Rights and Equal Opportunities	89	
	42 (d)	6.1.3 Training and Well-Being of Human Resources	93	
B11 – Convictions and fines for corruption and bribery	43	7.1.1 Code of Ethics and Anti-Corruption	113	
C1 – Strategy: Business Model and Sustainability – Related Initiatives	47 (a)	1.5 The Santoni Products	18	
	47 (b)	2.1 The Reference Market	27	
	47 (c)	2.3 Business Model and Value Chain	31	
	47 (d)	2.4.2 Sustainability strategy	40	
C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	48	2.4.2 Sustainability strategy	40	
	49	Methodological Note	8	
	50-53	Not accounted for		The Group does not currently have the information necessary to calculate and report Scope 3 GHG emissions.
C3 – GHG reduction targets and climate transition	54	2.4.2 Sustainability strategy	40	
	55	Not accounted for		The Group does not operate in sectors with a high climate impact and does not have a transition plan for climate change mitigation.
	56	Not accounted for		The Group does not operate in sectors with a high climate impact and does not have a transition plan for climate change mitigation.
C4 – Climate risks	57	5.1.1 Consumi energetici ed emissioni	70	
	58	Non rendicontato		A preliminary climate risk assessment has been developed for internal use, estimating the level of risk. The possibility of reporting this information in future financial years is being evaluated.
C5 – Additional (general) workforce characteristics	59	6.1.2 Respect for Human Rights and Equal Opportunities	89	
	60	6.1.1 Santoni Group: An Overview of the Employees	82	

C6 – Additional own workforce information - Human rights policies and processes	61 (a-b)	6.1.2 Respect for Human Rights and Equal Opportunities	89	
	61 (c)	7.1.1 Code of Ethics and Anti-Corruption Initiatives	113	
C7 – Severe negative human rights incidents	62 (a-b)	5.2.1 The Supply Chain	74	
	62 (c)	6.1.2 Respect for Human Rights and Equal Opportunities	89	
C8 – Revenues from certain sectors and exclusion from EU reference benchmarks	63	7.1.1 Code of Ethics and Anti-Corruption Initiatives	113	
	64	7.1.1 Code of Ethics and Anti-Corruption Initiatives	113	
C9 – Gender diversity ratio in the governance body	65	1.7 Owner and Corporate Bodies	23	




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