

FERRAGAMO

BIODIVERSITY MANIFESTO

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INTRODUCTION

Safeguarding and promoting biodiversity are essential actions for sustainability, economic, and social development. These efforts are also key elements of the Salvatore Ferragamo Group's approach to environmental responsibility and the promotion of "Made in Italy," which has always defined our identity. In alignment with these principles, the Group is committed to collecting materials traceability, and managing social and environmental issues related to biodiversity and ecosystems. The Group also addresses topics such as responsible land use and the protection of marine and ocean ecosystems.

Attention to biodiversity is part of our broader commitment to positively contribute to environmental protection through the development of strategies and initiatives aimed at minimizing the environmental impact along our value chain, addressing the needs of all stakeholders. This document formalizes the Group's dedication to safeguarding and promoting biodiversity, outlining the principles that guide our activities in accordance with the Group's environmental policies.

ADDRESSEES AND SCOPE

The "Biodiversity Manifesto", henceforth also "the Manifesto", has been adopted by Salvatore Ferragamo S.p.A. (the "Company") and its subsidiaries (the "Group" or "Ferragamo Group"). In this context, all employees are being asked to safeguard and promote biodiversity in accordance with the principles included in this document while conducting their professional activities. Moreover, the Sustainability Function is responsible for overseeing the policy and coordinating sustainability projects.

The Group promotes the adoption of the Manifesto's principles throughout its own operations and value chain, including the main stakeholders of the Group, including Employees, Suppliers, Contract Manufacturers, Shareholders, Investors, and Distributors as internal stakeholders, and Final Customers, Trade Associations, Media and Influencers, NGOs, Local Communities, Regulatory and Governmental bodies, Public Administration, Schools, and Universities as external stakeholders.

BIODIVERSITY

Biodiversity, or biological diversity, as cited in Article 2 of the Convention on Biological Diversity (CBD) , is defined as the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part. This includes diversity within species, among species and among ecosystems.

Biological diversity and the interactions among the various components of biodiversity make the planet habitable for all the species, including human beings, supporting the provision of ecosystem services, i.e. all those benefits that ecosystems provide to human beings, allowing them to prosper. Some examples of important ecosystem services underlying the benefits for humankind: food supply, raw materials supply, purification of air and water, decomposition of waste, stabilization and moderation of the climate, generation and renewal of soil fertility, and plant pollination.

Our economic prosperity, the prosperity of business activities and our wellbeing depend on the good state of natural capital; thus, including the ecosystems providing essential goods and services. Unfortunately, our natural capital is in serious danger, and so is our well-being and the stability and prosperity of socio-economic activities, globally.

¹Refer to the Glossary for more information.

Indeed, a progressive and widespread decline of the condition and the dimension of ecosystems as well as an increase in species extinction rates have been observed , linked to direct and indirect *human action*.

The local and global pressures on nature are diminishing the ability of ecosystems to function and, accordingly, their ability to contribute to the well-being of human and non-human life. The decline in biological diversity, combined with the increase in the severity and frequency of extreme climate events, may lead to increasingly serious economic consequences and insecurity in the labour market at global level for significant sectors such as agriculture, aquaculture, fisheries and tourism .

This decline in the state of ecosystems and of the contributions provided to people is mainly related to the five following criticalities⁴:

Habitat loss and degradation: this is the largest single source of pressure on biodiversity worldwide. Habitat loss is the direct conversion, degradation, alteration or direct fragmentation of natural habitats for human uses.

Overexploitation of biological resources: is the unsustainable harvesting of wild population of animals, plants, fungi and microorganisms for human use. For terrestrial ecosystems, overexploitation is largely reflected in unsustainable harvest of wildlife. For marine ecosystems, overexploitation is largely accounted for by unsustainable commercial fisheries.

Pollution: is the presence in or introduction into the environment of a substance which has harmful or poisonous effects. Sources of pollution include modern industrial processes, with major ones being chemically intensive agricultural practices (nitrogen and phosphorous from fertilizers in particular) and the burning of fossil fuels (e.g. nitrogen).

Climate change: is a change of climate which is attributed directly or indirectly to human activity and alters the composition of the global atmosphere in addition to natural climate variability observed over comparable time periods. Climate change is already having an impact on biodiversity under current levels of temperature change, which is projected to become progressively more significant in the coming decades⁵.

Invasive alien species: are defined as plants, animals, pathogens and other organisms that are non-native to an ecosystem, and which may cause economic or environmental harm and/or adversely affect human health. In particular, invasive species impact upon biodiversity adversely by, inter alia, causing the decline or extirpation (local extinction) of native species and disrupting local ecosystem integrity and function.

¹IPBES (2019): Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental SciencePolicy Platform on Biodiversity and Ecosystem Services. S. Díaz, J. Settele, E. S. Brondizio E.S., H. T. Ngo, M. Guèze, J. Agard, A. Arneth, P. Balvanera, K. A. Brauman, S. H. M. Butchart, K. M. A. Chan, L. A. Garibaldi, K. Ichii, J. Liu, S. M. Subramanian, G. F. Midgley, P. Miloslavich, Z. Molnár, D. Obura, A. Pfaff, S. Polasky, A. Purvis, J. Razaque, B. Reyers, R. Roy Chowdhury, Y. J. Shin, I. J..

²Science-based Targets for Nature. Initial guide for business (2020).

⁴International Union for Conservation of Nature (IUCN) (2015). Biodiversity Risks and Opportunities in the Apparel Sector.

⁵Intergovernmental Panel on Climate Change (IPCC). 2014a. Climate Change 2014; Chapter 11: Agriculture, Forestry and Other Land Use (AFOLU). Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, New York.

OUR COMMITMENT

The Group is committed to the safeguard and promotion of biodiversity and ecosystem services through a sustainability strategy, beginning with the daily actions of our collaborators. This commitment includes strengthening the traceability of materials, with a specific focus on the main leathers purchased, in order to reconstruct the supply chain down to the farming stage, while also addressing the prevention of water and soil pollution, including through monitoring in line with the ZDHC standard, in coherence with the broader environmental objectives of the Group as outlined in the Annual Report.

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GUIDING PRINCIPLES

The Ferragamo Group's biodiversity policy is structured around three core principles:

Promotion of collaboration and Innovation

Recognizing that the challenges of biodiversity loss require collective action, the Group fosters innovation and collaboration by:

- Engaging with stakeholders, NGOs, and industry peers to advance biodiversity protection;
- Supporting research and innovation to develop sustainable materials, production processes, and technologies that minimize the fashion industry's environmental footprint.
- Sharing knowledge and best practices through open innovation models.

This commitment reflects the attention the Group devotes to the environment through:

- The signing of the [Fashion Pact](#) and the implementation of the relevant recommendations on the definition of a collective agenda to achieve the objectives and commitments undertaken;
- The adoption of a [Group Sustainability Plan](#) aimed at defining the sustainability goals starting from the analysis of the United Nations' Sustainable Development Goals (SDGs) and translating them into concrete actions to be developed in-house.

After signing the Fashion Pact, the Group reinforced its commitment in the field of environmental protection by integrating three additional UN Sustainable Development Goals (SDGs) into the Sustainability Plan: Climate action, Life below water and Life on land.

⁶ Refer to the Glossary for more information.

Continuous Improvement in Operations and Sourcing

The Group is committed to promoting the most sustainable practices possible across the entire value chain. This includes:

- Promoting the traceability of key raw materials in order to reconstruct the supply chain;
- Developing due diligence and assessment processes to identify and mitigate biodiversity-related risks;
- Engaging suppliers in responsible sourcing practices, transitioning to preferred materials with lower environmental impacts⁷.

As evidence that environmental protection is a value guiding Salvatore Ferragamo's activities and strategies, the Group has developed over the years numerous initiatives, such as:

- Definition and approval of Science-based Target for the reduction of greenhouses gas emissions in line with the level required to meet the Paris Agreement;
- Adoption of the Group [Supplier Code of Conduct](#), which include "Respect of ecosystems" among the principles and rules of conduct, and implementation of ad hoc training;
- Adoption of a Group Animal Welfare Policy, implementation of ad hoc training and redefinition of animal origin materials procurement;
- Obtaining of the ISO 50001:2011 energy management system certification for the Osmannoro site, our main production plant and warehouse;
- Obtaining of the ISO 14001:2015 environmental management system certification for all offices and stores in Italy;
- Obtaining of the ISO 14064:2012 certification on monitoring of greenhouse gas emissions for all Italian stores;
- Participation since 2017 in the CDP Climate Change questionnaire, the largest system to measure, detect, manage and share globally information on climate change.

The Group, in line with the recommendations given by the Fashion Pact, is integrating biodiversity issues into decision-making processes. Hereafter some activities the Group commits to in order to achieve the shared targets:

- Development of a preliminary evaluation of the impact on biodiversity within the Group's value chain;
- Assessment and analysis of biodiversity risks within the Group's value chain;
- Materiality assessment of impacts and risks aimed at the prioritization of interventions;
- Development of measurable, attainable, time-bound targets, in line with Science-based Target for Nature⁸;
- Adoption of the Avoid, Reduce, Regenerate & Restore, Transform (AR3T)⁹ approach to define actions aimed at limiting any negative impacts on biodiversity;
- Development of nature-based interventions to protect, manage sustainably and restore natural ecosystems (Nature-based Solutions)¹⁰.

For further information, refer to the [Group's Annual Report](#).

⁷ More information regarding material guidelines is available in the Group's Responsible Sourcing Commitment.

⁸ Refer to the Glossary for more information.

⁹ Refer to the Glossary for more information.

¹⁰ Refer to the Glossary for more information.

Support for Ecosystem Protection and Resilience

The Group is dedicated to ecosystem protection, with a focus on:

- Supporting initiatives aimed at regenerating degraded ecosystems, such as forest and marine restoration projects;
- Promoting regenerative agricultural practices that enhance biodiversity;
- Prioritizing the protection of ecosystems critical to climate resilience, such as wetlands and forests.

In this context, in the light of the principles established by the Convention on Biological Diversity (CBD), the Post 2020 Global Biodiversity Framework, the EU Biodiversity strategy for 2030¹⁰ and in line with the agenda of the Fashion Pact, signed by the Group in 2019, Salvatore Ferragamo commits to:

- Further deepen the biodiversity strategy in line with the guidelines given by the [Science-based Target Network \(SBTN\)](#);
- Mitigate the impact on biodiversity caused by the Group's direct and indirect operations through responsible sourcing practices and the uptake of preferred materials;
- Promote the conservation of biodiversity in the ecosystems, also through the cooperation with stakeholders to broaden the knowledge of biodiversity and develop shared solutions, including projects with the local community;
- Support the development of the Science-based Target Network through the collaboration and discussion within the achievement of Fashion Pact's targets on biodiversity;
- Communicate transparently the Group's approach on the safeguard and promotion of biodiversity, the initiatives promoted and the state of progress of the objectives.

For further information, refer to the [Group's Annual Report](#).

GLOSSARY

Convention on Biological Diversity (CBD): multilateral Treaty adopted at the Earth Summit held in Rio de Janeiro in 1992. Considered as one of the main reference documents in relation to sustainable development and the protection and promotion of biodiversity, the Treaty identifies 3 main goals: conservation of biological diversity, sustainable use of the components of biological diversity, and fair and equitable sharing of the benefits of using genetic resources.

<https://www.cbd.int/>

Framework Avoid, Reduce, Regenerate&Restore, Transform (AR3T): precautionary approach to be maintained in the development of actions to limit possible negative impacts on biodiversity. It is based on a series of sequential steps: avoid negative impacts, minimize impacts that cannot be avoided, and regenerate the damaged ecosystems while promoting a systemic transformation towards more virtuous models in relation to protection and promotion of biodiversity.

<https://sciencebasedtargetsnetwork.org/wp-content/uploads/2020/11/Science-Based-Targets-for-NatureInitial-Guidance-for-Business.pdf>

Science-based Target for Climate: targets for the reduction of greenhouses gas emissions in line with the level required to limit global warming to 1.5 C with respect to pre-industrial level.

<https://sciencebasedtargets.org/>

Science-based Target for Nature: guidelines that suggest how companies can assess, prioritize, measure, address and keep track of their impacts and dependencies with ecosystems. The objective is to define targets that are measurable, achievable, time-bounded and science-based, allowing companies to be aligned with Earth's limits and sustainability goals.

<https://sciencebasedtargetsnetwork.org/wp-content/uploads/2020/11/Science-Based-Targets-for-NatureInitial-Guidance-for-Business.pdf>

Nature-based Solutions (NBS): nature-based solutions as defined by the IUCN are activities that protect, sustainably manage and restore natural ecosystems. The solutions refer to projects and investments that have positive results in terms of emissions reduction and biodiversity.

<https://www.iucn.org/theme/nature-based-solutions>

EU Biodiversity strategy for 2030: action plan that wants to put the European Union in a position of leadership in relation to the safeguard and promotion of biodiversity through the development of the following key aspects: creation of protected areas, restoration of degraded terrestrial and marine ecosystems, and mobilization of funds and funding of EUR 20 billion per year.

https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en

¹⁰ Refer to the Glossary for more information.

