

BIODIVERSITY MANIFESTO

Salvatore Ferragamo



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1. INTRODUCTION

The Salvatore Ferragamo Group has always paid particular attention to the topic of sustainability in its development policies. Within this framework, the safeguard and the promotion of biodiversity are two essential conditions for sustainability and for economic and social development as well as characterizing elements of the approach towards environmental responsibility and promotion of “Made in Italy” that has always characterized us.

The attention towards biodiversity is part of a wider commitment already undertaken for a positive contribution to the safeguard and protection of the environment through the development of strategies and initiatives aimed at minimizing the environmental impact along our value chain, fulfilling the needs of all the stakeholders. The following document has been drafted to formalize the Group’s commitment to the safeguard and promotion of biodiversity, highlighting the principles that guide our activities within the scope of the Group’s policies regarding the environment.

2. 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, particular responsibility for the adoption, diffusion, and implementation of the Manifesto is assigned to the management involved in the day to day implementation of the topics covered by the Manifesto.

The Group promotes the adoption of the Manifesto’s principles by any party who stands in relationship with the Group, with particular attention to the contexts that reveal the greatest risks in the area of biodiversity conservation.

Any person operating in the name and on behalf of any company of the Group is encouraged to adopt the instruments for the protection and improvement of biodiversity.

3. 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 well-being depend on the good state of natural capital; thus, including the ecosystems providing essential goods and services.

¹ Refer to the Glossary for more information.

Unfortunately, our natural capital is in serious danger, and so is our well-being and the stability and prosperity of socio-economic activities, globally. 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 observed². 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 labor market at global level for significant sectors such as agriculture, aquaculture, fisheries and tourism³.

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.

²IPBES (2019): Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. S. Díaz, J. Settele, E. S. Brondízio E.S., H. T. Ngo, M. Guèze, J. Agard, A. Arneeth, 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. Razzaque, B. Reyers, R. Roy Chowdhury, Y. J. Shin, I. J.

³Science-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.

4. OUR COMMITMENT

The Group is committed to the safeguard and promotion of biodiversity and ecosystem services. These pledges are undertaken and encouraged with the aim of developing methods of analysis and actions for a Group sustainability strategy increasingly integrated with the conservation and promotion of biodiversity, starting from the daily actions of all our collaborators.

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 2030⁶ 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;
- Promote the conservation of biodiversity in the ecosystems, also through the cooperation with stakeholders to broaden the knowledge of biodiversity and develop shared solutions;
- Share information to advance the development of analyses and methodologies for the promotion and protection of biodiversity;
- Support the development of the Science-based Target Network through the collaboration and discussion within the achievement of Fashion Pact's targets on biodiversity;
- Monitor actions taken to protect and promote 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.

Moreover, the Group recognizes the value and relevance of biodiversity conservation within the achievement of the CO₂ emission reduction targets recognized by the Science-based Target initiative (SBTi).

This pledge is part of the Group's wider commitment towards environmental sustainability 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.

As evidence of how the protection of the environment is a concrete commitment and a value placed at the basis of Salvatore Ferragamo's activities and strategies, the Group has developed many initiatives over the years, such as:

- Definition and approval of Science-based Target⁷ for the reduction of greenhouses gas emissions in line with the level required to meet the Paris Agreement;

⁶Refer to the Glossary for more information.

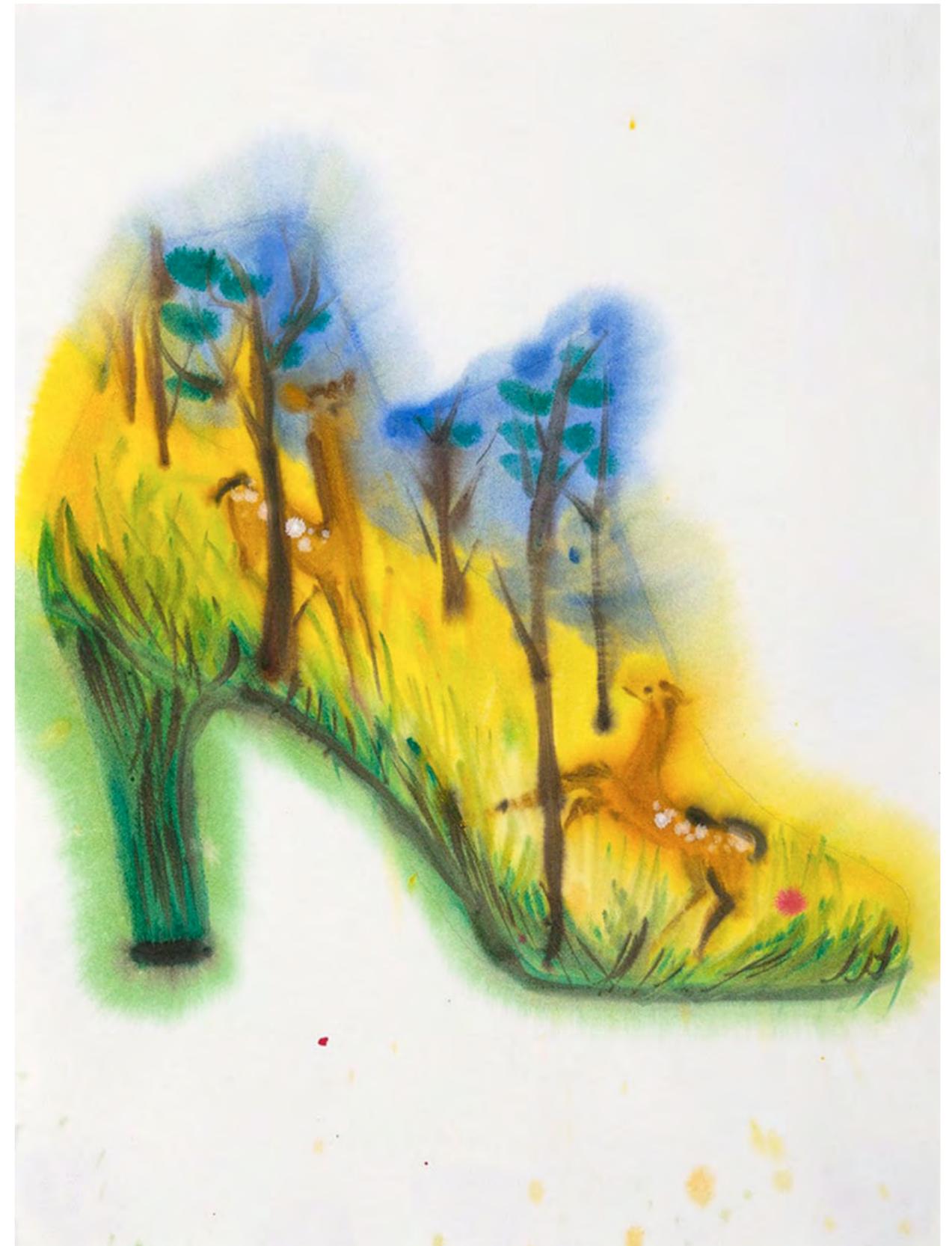
⁷Refer to the Glossary for more information.

- 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.

⁸ Refer to the Glossary for more information.
⁹ Refer to the Glossary for more information.
¹⁰ Refer to the Glossary for more information.





5. 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-Nature-Initial-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-Nature-Initial-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://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/eu-biodiversity-strategy-2030_en