

SALVATORE FERRAGAMO S.p.A.  
SUSTAINABILITY REPORT 2015

# LETTER FROM THE CHAIRMAN



The inspiration that drives the Salvatore Ferragamo Group stems from the passion for world-class craftsmanship, in accordance with the values inherent in the Brand's DNA. One of these values has always been sustainability, in the sense of a behavioral model to pursue without making any compromises.

Fostering transparency throughout the production chain, celebrating the people that work for the Company, promoting the local community, and protecting the environment have always been high on the agenda of Salvatore Ferragamo right from the start.

The Group's commitment is reflected in a culture of respect that is also part of the Made in Italy tradition, which we carry on with pride.

My father was one of the first to believe in the importance of hand-crafting and the attention to details, which still characterize our products today. Combined with transparency and sustainability at all stages of the production chain, they provide our customers with a unique product and purchase experience.

The attention to world-class craftsmanship is accompanied by our investments in innovative and environmentally sustainable materials, so as to offer our customers a fascinating and state-of-the-art product. The Salvatore Ferragamo Group makes significant investments in creative and stylistic innovation, which involves also researching and developing materials with a low environmental impact. The search for ingenious solutions has always been a defining characteristic of the Company since the beginning: during the years of autarky, Salvatore Ferragamo used innovative and original raw materials to create its shoes. This approach continues to underpin our creative process to this day.

Over the years, corporate social responsibility not only has become an integral part of the Company's goals, but also a key tool in planning for the future, seeking to create sustainable value for years to come for the benefit of future generations.

The Sustainability Report testifies to our motivation and intention to communicate transparently about

our operations. It documents and presents the corporate social responsibility initiatives carried out in 2015 concerning economic, social, and environmental aspects, and constitutes another important step for Salvatore Ferragamo on its journey towards sustainability.

# MESSAGE FROM THE CEO



The extremely volatile economic scenario, the currency market, the international geopolitical situation, and the multi-speed global economy are putting pressure on businesses and compelling us to tackle new challenges in order to create medium- and long-term value.

To do so, we must react and adapt effectively to change and the new demands from the market, while engaging openly with all stakeholders.

To respond to current trends with a structured approach, we decided to embark on a journey towards long-term sustainability, which will become increasingly embedded in our core business. Together with our values and our Company philosophy, this strategy is intended to combine the need to boost efficiency - which has always been driving the Salvatore Ferragamo Group since the beginning - with economic profitability.

The corporate social responsibility reporting process is one of the many facets of this journey towards sustainability. The aim is to communicate our approach - based on transparency, integrity,

and professionalism - in order to align stakeholders with our economic, social, and environmental goals.

With over 4,000 employees and a presence in about ninety countries across the globe, we are a robust and structured entity in terms of technology, professional skills, and human capital. Our Group stands out for its unique history and heritage, and has turned tradition and the Made in Italy concept into the pillars of its identity. Salvatore Ferragamo, our founder, featured as a pioneer in the process that eventually gave rise to the Made in Italy concept, which is based on quality, innovation, and integrity.

We have a long history of championing initiatives that concern sustainability: we have maintained our production in Italy, focusing on corporate social responsibility throughout the supply chain; we promote and preserve the know-how that makes our products unique and authentic; we support the local community, and always place special emphasis on protecting the environment.

With this Sustainability Report, we want to shine a light on the goals

the Group has set for itself, and what it has accomplished. Our commitment fosters an innovation of the business model allowing to consolidate our competitive advantage and reduce the risks of negatively impacting our stakeholders. This will make us even more reliable and proud of our values in the future.

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# METHODOLOGY

For Salvatore Ferragamo S.p.A. (hereinafter also referred to as “Salvatore Ferragamo”), this Sustainability Report represents the evolution towards a transparent and structured sustainability reporting process, developed together with, and for the benefit of, its stakeholders. It is a crucial way to show what the Company has done concerning sustainability during 2015, complementing operating and financial data with non-financial information by providing qualitative and quantitative indicators.

This Report, prepared annually, was drafted in accordance with the “Sustainability Reporting Guidelines - G4 version” issued in 2013 by the GRI - Global Reporting Initiative, taking into consideration the information deemed relevant to stakeholders and drawing from the principles set out in the Guidelines. The matters discussed in the Sustainability Report, and the breadth and quality of the relevant reporting, reflect the results of the materiality analysis.

The reporting process and the preparation of this document involved all Salvatore Ferragamo's functions, which co-operated under the central coordination of the working group called “Green Team”. This consists of people from several corporate

functions and focuses on promoting and developing sustainability-related initiatives.

The reported information and data, which are collected annually, refer to 2015 (from 1 January 2015 to 31 December 2015), and in particular only to the activities Salvatore Ferragamo S.p.A. carried out throughout the year, unless otherwise noted. The operating and financial data refer instead to the Ferragamo Group and were taken from the Annual Report as at 31 December 2015. The data referring to previous years is presented for comparative purposes only, so as to allow assessing the evolution of the Company's operations over a longer period of time. Where the data comes from estimates, it is flagged accordingly.

## Contacts:

For more information about Salvatore Ferragamo's corporate social responsibility policies and the information included in this Sustainability Report, you can send an e-mail to the following address specifically dedicated to corporate social responsibility: [csr@ferragamo.com](mailto:csr@ferragamo.com)

We wish to thank the entire internal Working Group and all the employees involved, who allowed to develop and prepare this Sustainability Report with their contribution.

**Sustainable development** is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Source: Report of the World Commission on Environment and Development: Our Common Future, also known as the Brundtland Report

The **GRI envisions** a sustainable global economy in which organizations responsibly manage and transparently communicate their economic, environmental, social, and governance performance and impacts.

The **Sustainability Report** helps organizations set goals, measure performance, and manage change in order to make their activities more sustainable. A Sustainability Report provides information about the impacts of an organization - whether positive or negative - on the environment, society, and the economy.





“If vision is key to designing the company's strategy  
and so is *execution* to day-to-day operations,  
in both cases the sense of responsibility is crucial.”

General Manager of Administration, Finance,  
Control and Information Systems





# SALVATORE FERRAGAMO



Salvatore Ferragamo is one of the most important and internationally recognized Made in Italy luxury brands. Consolidated artisan skills and a tradition of creativity are the Brand's distinguishing features: over the years, they have remained intact - actually, they have evolved in ways consistent with their roots, constantly ensuring world-class results. Quality, contemporary elegance, and innovation are the hallmarks of every Salvatore Ferragamo product. Combined with the Company's artisan tradition, they bring value and a universally recognized sense of authenticity to this Brand. Salvatore Ferragamo is so much more than a Brand - it is the culmination of joint efforts and a shared passion, which allowed the Company to become what it is today. The Founder, a headstrong and decisive man, never lost sight of his goal: he loved his work, and turned it into a vocation. By experimenting and using his creativity, he managed to give life to real works of art: the shank as a metal support for the arch of the foot, the cork wedge and the high-heeled décolleté shoes have revolutionized the fashion world. Today, Sal-

vatore Ferragamo S.p.A. is a well-established Company that has gradually expanded its offerings as well as their distribution over the years, achieving outstanding results. The memory and the work of the Founder have been the cornerstone of the entire Company. After almost 90 years, its culture of teamwork still makes Salvatore Ferragamo's name resonate widely as a byword for class and excellence.

### THE HISTORY: FROM THE ORIGINS TO WORLD-CLASS MADE IN ITALY PRODUCTS

The driving force of the Founder Salvatore Ferragamo's journey was his burning determination, which led a migrant from a little town in Campania to become the "shoemaker for the stars". His story shows that with passion, the love for work, and the determination to make dreams come true, it is possible to overcome any hurdle and achieve the impossible.

**THE ORIGINS** Salvatore Ferragamo was born in 1898 in Bonito, a small town one hundred kilometers from Naples. He was the 11th of 14 children. When he was not yet in his

teens, he developed a strong interest in the world of footwear: at 11, he started working as an apprentice to a shoemaker in Naples, and at 13 he opened his own shop in Bonito. Salvatore knew what he wanted: to bring respect and dignity to what was considered to be a lowly profession, turning it into an expression of world-class craftsmanship through the search for functional and aesthetic perfection.

**THE AMERICAN ADVENTURE** At 15, Salvatore had a turning point in his life, when he went to live with one of his brothers in America, who worked at a large shoe factory in Boston.

What brought him there were the modern machines and production processes, with which Salvatore was literally fascinated - even though he could see their limits in terms of quality. In the early 1920s, he moved in with another brother in Santa Barbara, California, and opened a shoe repair shop. It is then that his career began to take off.

### THE COMPANY'S PILLARS







**THE ENCOUNTER WITH THE MOVIE INDUSTRY** In those years, California was the amazing place where the fledgling movie industry was developing fast. Salvatore began making cowboy boots for western movies as well as Roman and Egyptian sandals for high-budget historical dramas from famous directors and producers. It did not take long for the actors and actresses to notice the beauty and comfort of those products: eventually, they started ordering them also for themselves. Meanwhile Salvatore, in his relentless quest for “perfectly fitting shoes”, was studying human anatomy, and especially the arch of the foot.

**SUCCESS AND CONSECRATION** When the movie industry moved to Hollywood, Salvatore Ferragamo went there too. In 1923, he opened the “Hollywood Boot Shop”, which marked the beginning of his career as the “shoemaker for the stars”, as the local press used to call him. Among his loyal customers were some very famous names, such as Mary Pickford, Rodolfo Valentino, John Barrymore jr, Douglas Fairbanks, and Gloria Swanson, who contributed to the popularity of Salvatore Ferragamo. Salvatore was ahead of his time and completely revolutionized the fashion world: he opened up ladies' shoes, which until then had always been laced up and closed-in, making them more elegant and comfortable and created the first sandals. He met with so much success that he struggled to keep up with the orders.

**THE CHOICE OF FLORENCE** The tie that binds Salvatore Ferragamo to his homeland and the local artisan tradition brought him back to Italy, and specifically to Florence, which had always been home to many skilled artisans. From his Florentine workshop, where he adapted the assembly line concept to the specialized handwork of his workers, he began steadily exporting its products to the United States.

**THE SUPPORT OF THE DOMESTIC MARKET** Alas, the devastating 1929 crisis caused the relationship with the US market to end abruptly, pushing the Company into bankruptcy. But Salvatore Ferragamo did not lose heart and decided to focus on the domestic market. After just a few years, the business was going so well that in 1936 he rented two workshops and a store in Palazzo Spini Feroni, in Via Tornabuoni. In those days, Mussolini's Italy was under economic sanctions: it is then that Salvatore Ferragamo came out with some of his most popular and imitated creations, such as the cork wedge sandals, which were robust and light. Cork, wood, metal threads, raffia, felt, and synthetic resins similar to glass - these were the innovative materials that Salvatore creatively used to replace the leather and steel that he could not procure because of the regime's autarky, achieving outstanding results. Thanks to his success, in 1938 Salvatore Ferragamo can pay the first installment on the purchase of the entire Palazzo Spini Feroni, which since then has been the Company's headquarters.

**RENEWED INTERNATIONAL SUCCESS** After the war, the world saw Salvatore Ferragamo's shoes as a symbol that Italy was once again eager to live, create, and produce. Those were years of memorable inventions: the “invisible” sandal featuring an upper made of transparent nylon thread, the gold sandals and the steel-reinforced stilettos made famous by Marilyn Monroe. In 1950, the Company had 700 employees and produced a few hundred shoes a day by hand. Salvatore Ferragamo once again enjoyed international success: the store in via Tornabuoni was a popular destination for celebrities such as Greta Garbo, Sofia Loren, Anna Magnani, the Dukes of Windsor, and Audrey Hepburn, who traveled to Florence specifically to get custom-tailored shoes.

**THE CONTINUITY OF IDEALS** When Salvatore died in 1960, his legacy was carried on by his wife, Wanda Miletti Ferragamo, who suddenly found herself at the head of the Company, with six children (Fiamma, Giovanna, Ferruccio, Fulvia, Leonardo, and Massimo) between 17 and 3 years old. At first by herself, and then with the help of her children, Wanda Ferragamo successfully continued the legacy of his husband, maximizing the Brand's value. Under their guidance, the Company went from manufacturing exclusively ladies' footwear to expanding into other product categories. Meanwhile, it established a global distribution network through mono-brand stores as well as relationships with some of the leading and largest multi-brand customers.

**THE INTERNATIONAL EXPANSION** Wanda and her children led the Company to international recognition, establishing a widespread global presence thanks to the fast-growing distribution network and an effective product diversification strategy. They managed all this without compromising on the values of the Founder and the style of the Brand, based on quality, craftsmanship and creativity—the hallmarks of the Made in Italy concept. In the late 1990s, the Company started hiring new managers to support its growth. This phase culminated in 2006 with the appointment of Michele Norsa as Managing Director, while Ferruccio Ferragamo and Wanda Ferragamo became Chair and Honorary Chair, respectively. Under the new organization, the heirs of Salvatore Ferragamo have become the guardians of the Brand, also through their position on the Board of Directors.

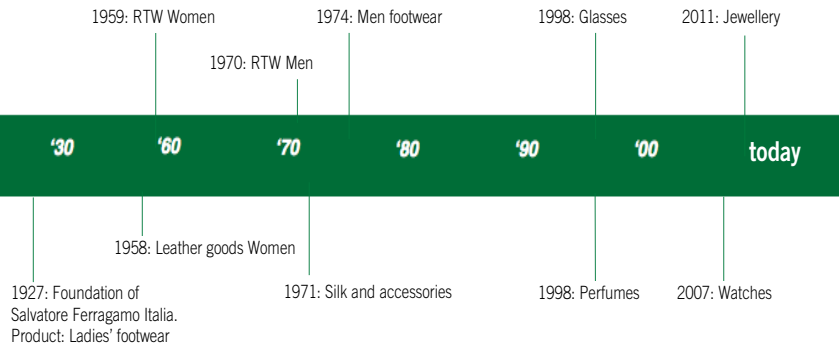
**THE PUBLIC LISTING** One of the key dates in Salvatore Ferragamo S.p.A.'s history was 29 June 2011, when the Company listed on the Mercato Telematico Azionario (the Italian equity market) organized and managed by Borsa Italiana S.p.A.

### THE PRODUCTS: STYLE AND UNIQUENESS

Before his death, Salvatore Ferragamo managed to fulfill his greatest ambition: designing and producing the most beautiful shoes in the world, providing the perfect fit for the foot. His family had the responsibility of going further and realizing the idea that had been intriguing Salvatore in the last few years of his life: turning the Company Salvatore Ferragamo into a major fashion house. Until the 1960s, the Company's flagship product was top-quality ladies' footwear. Since then, Salvatore Ferragamo has been gradually expanding its product offering, which can now be considered comprehensive

and consolidated - even though it remains based on the values and competencies that characterize the Brand, knowing that protecting and carrying on the legacy of the past is key for the Company's future. Today, Salvatore Ferragamo designs, produces and sells footwear, leather goods, RTW, silk products and other accessories, perfumes, jewellery, eyewear, and watches (the last two are offered through licence agreements with leading manufacturers).

### HISTORY OF SALVATORE FERRAGAMO'S PRODUCTS



### BEST INTERNATIONAL DESIGNER ELLE STYLE AWARDS - NOVEMBER 2015

The magazine Elle - Serbia named Salvatore Ferragamo's Creative Director, Massimiliano Giornetti, as Best International Designer. This is the Balkans' most important fashion award and was presented during a Gala dinner at the Hyatt Regency hotel in Belgrade on 9 November 2015.

The creative process for each product category is handled in-house by a team of highly-skilled stylists, materials experts, and designers. Consistently with the artistic legacy of its Founder, Salvatore Ferragamo upholds creativity as one of its core values, implementing it throughout the development of its products. Production is entrusted mostly to selected external workshops in Italy the Company has been working with for years. They are thoroughly vetted and provided with the raw materials and the various components necessary to make the products.



## FOOTWEAR

Shoes can be considered to be the historic product of the Salvatore Ferragamo Brand. They stand out for their originality, perfect fit, and the extremely high quality of the materials.

The craftsmanship and painstaking attention to details and quality, combined with creativity and an instantly recognizable design, make Salvatore Ferragamo shoes the preferred choice of the most demanding customers across the world.

## LEATHER GOODS

Salvatore Ferragamo's leather goods include handbags, suitcases, belts, wallets, and other small leather accessories for both men and ladies.

The products stand out for their exclusive details made by hand and the use of special handcrafting techniques, such as perforation, embroidery, patchwork, and plaiting, as well as the use of metal accessories (e.g. buckles, fastenings and ornaments). A key feature is the "Gancino" clasp, originally designed for handbags and that over the years has become one of the Company's stylistic hallmarks.

## READY-TO-WEAR

Salvatore Ferragamo offers a "total look" collection for both men and ladies, ranging from knitwear to leather goods and fabric garments, with the purpose of communicating the brand image in a comprehensive manner and consistently with the range of matching accessories, providing customers with a "complete brand experience".

## ACCESSORIES

This category includes Salvatore Ferragamo's iconic silk accessories (ties, foulards, scarves, etc.) as well as shawls, gloves and hats, home accessories (plaid throws, cushions, and beach towels), and costume jewellery.

The silks and accessories are made in Italy using high-quality materials.

## EYEWEAR AND WATCHES

Salvatore Ferragamo offers eyewear and watches made by leading contract manufacturers. The eyewear line includes a comprehensive range of sunglasses and prescription glasses for both men and ladies. The watch collection comprises both men's and ladies' timepieces made of high-quality materials (titanium and ceramic for men, gold, steel and sometimes diamonds for women).

## JEWELLERY

In 2011, Salvatore Ferragamo introduced its first jewellery collection. The jewels draw on the Brand's most famous symbols and icons, reinterpreting them in a contemporary way to explore new graphic forms and reinforce the Maison's identity.

## PERFUMES

The Salvatore Ferragamo Group operates in the perfume industry through Ferragamo Parfums S.p.A., which develops and distributes perfumes under the Salvatore Ferragamo and Emanuel Ungaro brands.

The whole product range is made in Italy and includes both fragrances and body care products.

## THE FERRAGAMO GROUP TODAY

Salvatore Ferragamo S.p.A. is the Parent Company of the Salvatore Ferragamo Group, one of the main players in the luxury industry and whose origins date back to 1927.

The Salvatore Ferragamo Group mainly creates, produces and sells footwear, leather goods, apparel, jewellery, silk products, and other accessories. The product range also includes eyewear and watches, which are manufactured by licencees, including abroad, to tap into local expertise.

With approximately 4,000 employees and a widespread network of more than 660 mono-brand stores, the Ferragamo Group operates in Italy and across the world through companies that give it a presence in European, American, and Asian markets.

## THE FERRAGAMO GROUP BY NUMBERS

≈90/ COUNTRIES WHERE THE GROUP IS PRESENT

≈4,000/ EMPLOYEES

1,430/ MILLION EUROS IN TOTAL REVENUES

≈660/ MONO-BRAND STORES



## THE MILESTONES OF THE GROUP'S GLOBAL EXPANSION

**1938** opening of the first Directly Operated Stores (DOS) in Italy (Florence and Rome) and the UK (London);

**1948** opening of the first DOS in the United States (New York);

**1986** opening of the first DOS in Asia (Hong Kong);

**1991** opening of the first DOS in Japan (Nagoya);

**1994** opening of the first DOS in China (Shanghai);

**1995** opening of the first DOS in South Korea (Seoul);

**1999** opening of the first DOS in Latin America (Mexico City);

**2006** opening of the first DOS in India (Mumbai);

**2009** opening of the first flagship store in the Middle East (Dubai) and launch of the e-commerce channel;

**2010** opening of the first mono-brand store in Turkey (Istanbul), Qatar (Doha), Egypt (Cairo), and South Africa (Johannesburg).

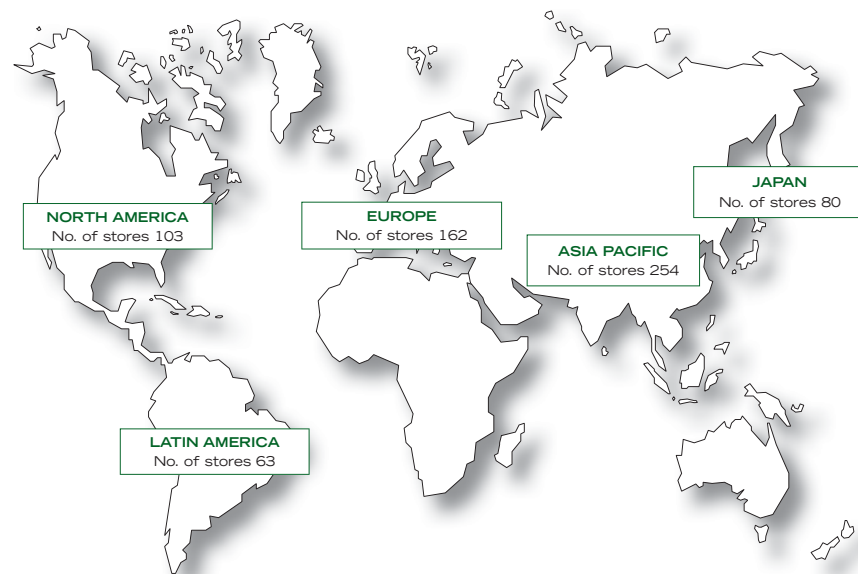
**2011** opening of new stores in Mexico (Monterrey), China (Guangzhou); Taiwan (Taipei), and Australia (Sydney).

**2013** Salvatore Ferragamo has 95 stores in Greater China;

**2014** opening of new stores in China (Chengdu), the United States (Washington), France (Paris), and Brazil (Rio de Janeiro).

**2015** opening of new stores in China (Shanghai, Zhengzhou, Xiamen, Shenyang, Taiyuan), the United States (New York, Paramus), Denmark (Copenhagen), Germany (Berlin), Macao (Macao), Mexico (Mexico City), Japan (Kokura Izutsuya), and Australia (Melbourne).

## GLOBAL PRESENCE



Considering the whole distribution structure, the Ferragamo Group is present in over 90 countries across the world.

Specifically, the Ferragamo Group operates in 28 countries through a network of directly operated stores (DOS) Salvatore Ferragamo mono-brand stores, which numbered 391 as at 31 December 2015. The Group also sells its products in 60 countries through customized third-party operated mono-brand stores and spaces, totaling 271 as at 31 December 2015. In addition, the Group has a significant presents in major Department Stores and high-end multi-brand Specialty Stores (which, together, represent the wholesale channel), as well as the fast-growing travel retail network.

## SHE'S LIKE A RAINBOW - SHANGHAI

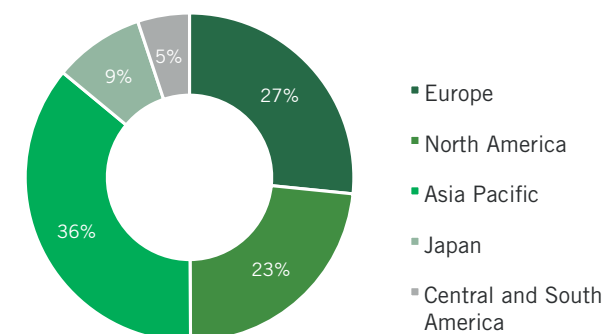
In November, Salvatore Ferragamo celebrated twenty years of operations in China with the reopening of Shanghai's flagship store, followed by the presentation of "She's Like a Rainbow", a kaleidoscopic exhibition that explored the Italian Brand's long history with the movie industry. The exhibition paid homage to five of Salvatore Ferragamo's most charming muses and customers - Audrey Hepburn, Judy Garland, Sophia Loren, Marilyn Monroe, and Brigitte Bardot - with five original models designed by Salvatore Ferragamo that these women wore during their lifetime.

## THE FERRAGAMO GROUP'S OPERATING AND FINANCIAL PERFORMANCE

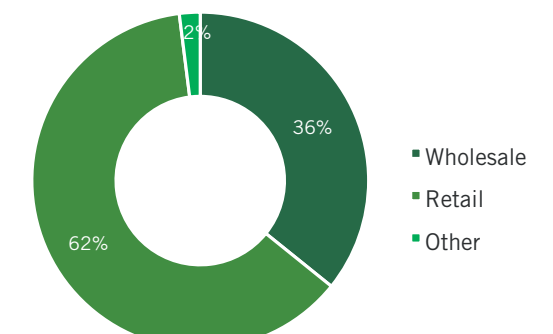
In 2015, the Company significantly increased both revenues and profits, registering a significant operating net cash generation compared to 2014. The Group reported total revenues of 1,430 million Euros, up by 7.4% compared to the previous year. Net profit for the period ended 31 December 2015 amounted to 174 million Euros, rising 7% from 2014. These positive results help support ever-increasing revenues and confirm the extraordinary strength of the Ferragamo Brand.

The world-class quality of its product range, based on Made in Italy excellence, together with the extensive distribution network also in countries with the highest sales growth rates in the luxury sector (China and South Eastern Asia), contributed to achieve these outstanding results. The breakdown of revenues by product category shows the positive trend in footwear (+5.7%) and leather goods (+12.1%).

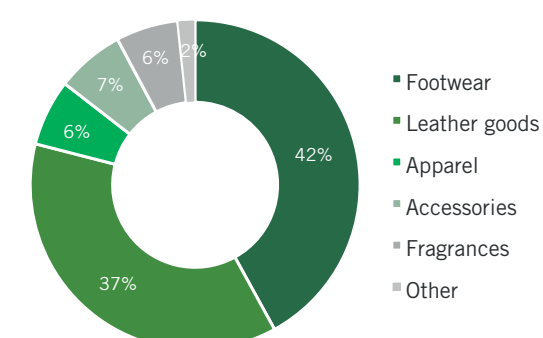
## REVENUES BY GEOGRAPHIC AREA - 2015



## REVENUES BY DISTRIBUTION CHANNEL - 2015



## REVENUES BY PRODUCT CATEGORY - 2015





### RESPONSIBLE MANAGEMENT

Salvatore Ferragamo's Corporate Governance system<sup>1</sup> complies with the principles of the new Corporate Governance Code for listed Companies issued by Borsa Italiana S.p.A. The main corporate governance body is the Board of Directors, which has the primary responsibility for determining and pursuing the strategic objectives of

the Company and of the Group. The current Board of Directors was appointed by the Shareholders' Meeting of 24 April 2015 based on the single list submitted by the majority shareholder Ferragamo Finanziaria S.p.A.

The internal control system of Salvatore Ferragamo S.p.A. is structured through a process aimed at

identifying and managing the main risks<sup>2</sup> and helps to ensure the efficiency and effectiveness of corporate operations, the reliability of financial information, and compliance with the laws and regulations in force, for the purposes of achieving the Company's objectives.

### CORPORATE GOVERNANCE

2015

BoD members (no.)	13
Executive directors (no.)	2
Independent directors (no.)	4

<sup>1/2</sup>. For more details, see the "Governance" section on the Group's corporate website. <http://group.ferragamo.com/en/governance/corporate-governance/>



Since the very beginning, ethics has always been among Salvatore Ferragamo's guiding principles - a set of behavioral rules to abide by, making no compromises or exceptions, fully aware that this is the only way to proudly honor the heritage that characterizes the Company's history. Carrying on the legacy of its Founder, creativity, innovation, and world-class craftsmanship have always been the core values of Salvatore Ferragamo S.p.A. right from the start, guiding the design and production of its creations.

Understanding and respecting these values translate into ethically correct behaviors both inside and outside the Company, supporting it in terms of economic growth and credibility. To protect these values, Salvatore Ferragamo established a set of ethical and behavioral rules and principles that guide the relations with employees and third parties, and, more generally, characterize the Company's operations. The ethical and behavioral principles are set out in Salvatore Ferragamo's Code of Ethics (approved in 2008), which is currently undergoing a revision.

On the one hand, the Company encourages everyone to spontaneously share, comply with, and disseminate the Code of Ethics; on the other hand, it requires everyone operating on behalf of Salvatore Ferragamo or making contact with the Company to abide by and apply the Code.

THE APPROACH TO SUSTAINABILITY  
COMMITMENT TO THE SUSTAINABILITY OF  
SALVATORE FERRAGAMO

“CREATIVITY, INNOVATION AND EXCELLENT CRAFTSMANSHIP HAVE BEEN THE CORE VALUES OF THE SALVATORE FERRAGAMO BRAND SINCE IT BEGAN, AND ARE TANGIBLE ELEMENTS IN THE DESIGN AND PRODUCTION OF EACH AND EVERY ONE OF ITS CREATIONS. THE BRAND’S DEEP TIES TO THE LOCAL AREA, ITS CULTURE AND COMMUNITY HAVE INSTILLED IN SALVATORE FERRAGAMO AN EVER GREATER AWARENESS OF THE NEED FOR A SINCERE AND SIGNIFICANT COMMITMENT TO PROTECTING THE PLACES WHERE IT OPERATES AND THE PEOPLE WHO WORK FOR IT, A COMMITMENT THAT GOES BEYOND MERE COMPLIANCE WITH THE PROVISIONS OF NATIONAL AND INTERNATIONAL LAWS, STANDARDS AND REGULATIONS”.

Building on these solid foundations, Salvatore Ferragamo S.p.A. decided to embark on its journey towards corporate responsibility by adopting a strategy that puts this concept at the center of the decision-making progress, seeking to grow the business while considering the positive and negative impact of its operations on society and the environment.

To this end, Salvatore Ferragamo S.p.A. set for itself the following goals:



FOR EMPLOYEES

Promoting their welfare, health, and professional growth.



FOR THE ENVIRONMENT

Reducing its environmental impact.



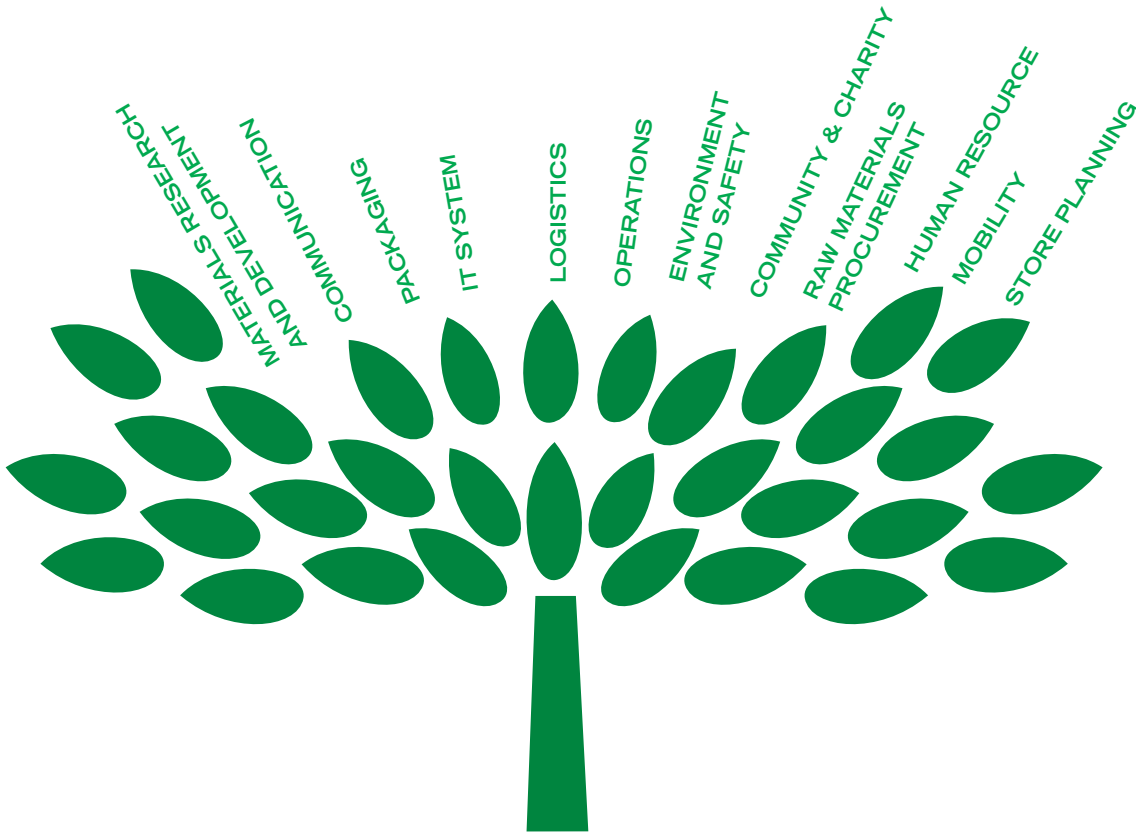
FOR THE LOCAL CULTURE

Supporting the artisan culture and excellence.



A **socially responsible** company is one that, when it comes to defining its own strategy, designing its policies, and conducting day-to-day operations, considers the interest of all stakeholders as well as the economic, social and environmental impact it may have. Being socially responsible means not only complying with all applicable legal requirements, but also going above and beyond, investing in human capital, the environment, and the relations with other stakeholders.

THE GREEN TEAM'S AREAS OF OPERATIONS



In order to take a structured approach to managing sustainability-related topics, in 2014 the Company set up a cross-functional working group called Green Team, dedicated to designing and promoting corporate responsibility initiatives. The team consists of people from several corporate departments, allowing to bring together cross-functional skills in order to promote all-around sustainability. The Green Team reports directly to the Chairman Ferruccio Ferragamo, and its main responsibility is improving the quality of the

workplace and the internal and external impact of the Company's operations, as well as facilitating a direct relationship with the local community in all its environmental and human facets. Based on an action plan, which it submits every year to the Board of Directors, the Green Team organizes all the corporate social responsibility activities carried out inside and outside Salvatore Ferragamo.

ARETÉ AWARD

On its journey towards corporate social responsibility, in 2014 the Company made a further step in this direction by preparing its first Sustainability Report. As this was the first edition, the Company decided to limit its distribution. Salvatore Ferragamo S.p.A.'s 2014 Sustainability Report won the Areté Corporate Social Responsibility Report award in the "large companies" category. The contest saw the participation of 12 major domestic and international players that have started on the path to sustainability by preparing the Corporate Social Responsibility Report. The award was presented by Biblioteca del Bilancio Sociale at the office of the FAI (Fondo Ambiente Italiano) in Milan.



Sustainability is a core value and a priority for Salvatore Ferragamo. This is why the Company decided to translate its commitment in this area into corporate social responsibility objectives. These are set out in the Sustainability Plan, prepared by the Green Team and approved by the Board of Directors, whose macro objectives concern:



During 2015, in accordance with the established macro-objectives, the Company carried out a number of important activities which are presented in this Sustainability Report, such as:

- PROMOTING VOLUNTEERING OPPORTUNITIES AMONG EMPLOYEES;
- EXPANDING THE FLEXIBLE BENEFIT SYSTEM TO EMPLOYEES AND THEIR FAMILIES;
- SUSTAINABLE MOBILITY INITIATIVES;
- ADOPTING GREEN BUILDING STANDARDS;
- COLLABORATING WITH CHARITIES AND HOSTING CHARITY EVENTS;
- PROMOTING THE ACTIVITIES OF THE SALVATORE FERRAGAMO MUSEM AND THE FERRAGAMO FOUNDATION;
- STUDYING THE PROJECT TO INTRODUCE POST-CONSUMER FSC CERTIFIED PAPER FOR CORPORATE PACKAGING;
- PREPARING THE 2014 SUSTAINABILITY REPORT;
- COMMUNICATING CSR ACTIVITIES INSIDE THE COMPANY.

# STAKEHOLDERS AND MATERIALITY MATRIX

When it comes to defining its own strategy, designing its policies, and conducting day-to-day operations, a socially responsible company shall consider the interests of all stakeholders as well as the impact it may have not only on the economy, but also on society and the environment.

The **stakeholders** are individuals or groups that influence or are influenced by an organization and its operations.

## SALVATORE FERRAGAMO'S STAKEHOLDER MAP



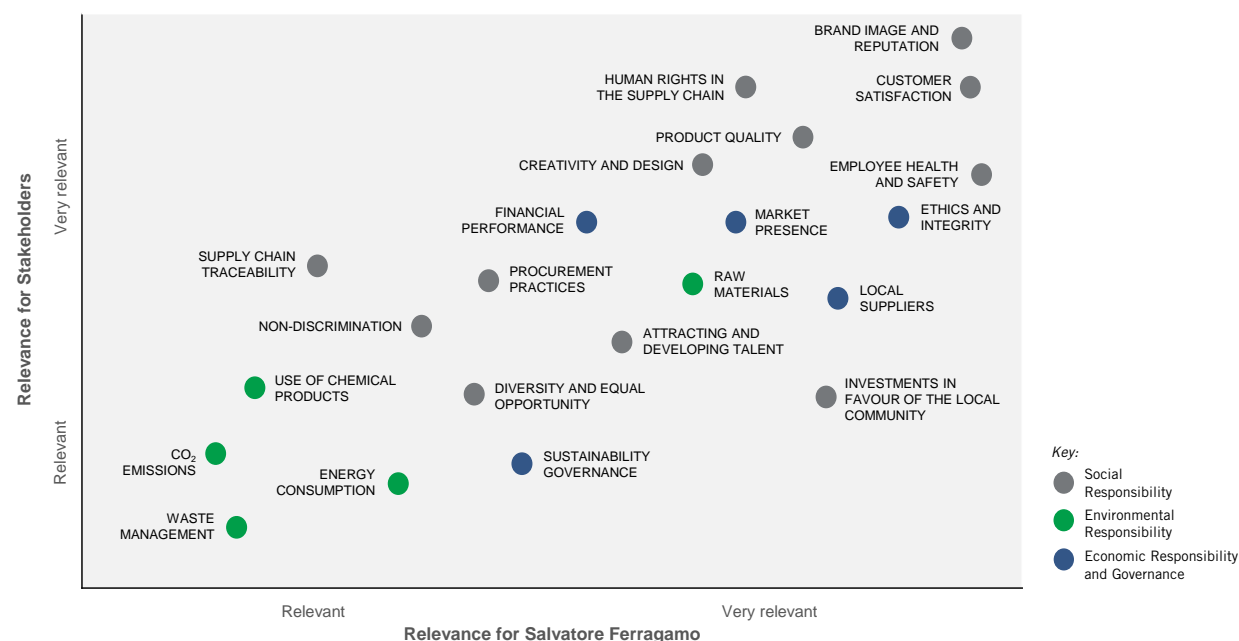
Salvatore Ferragamo has identified and selected its stakeholders based on the awareness of its social role and deep connection with the local community, which is necessarily related to the conduction of its operations, for the purposes of understanding their expectations and translating them into actionable objectives. The Company identified the contents to report through a materiality analysis conducted in 2014 with the support of the Green Team. This allowed identifying the most significant economic, environmental, and social aspects, which would substantively influence the assessments and decisions of stakeholders.

The materiality analysis was carried out based on the Guidelines AA1000 Stakeholder Engagement Standard for the phases concerning the identification, mapping and definition of stakeholders' expectations, as well as the processing of the relevant results and their prioritization. The Company carried out the materiality analysis and identified the material topics in accordance with the Global Reporting Initiative (GRI-G4) Guidelines.

After identifying the topics that are material to the Company, those were submitted to the Top Management and the members of the Green Team, who assessed

their materiality to Salvatore Ferragamo as well as the stakeholders. The process resulted in the identification of 22 material topics.

The outcome is reflected in the materiality matrix, which, on the x-axis, represents the materiality of the topics to the Company, and on the y-axis, their materiality to stakeholders. The picture emerging from the materiality analysis served as another tool for developing and defining Salvatore Ferragamo's sustainability-related priorities.



In order to make its sustainability strategy increasingly responsive to the needs of its stakeholders, in 2015 Salvatore Ferragamo organized a stakeholder engagement event, which was coordinated by SDA Bocconi School of Management.

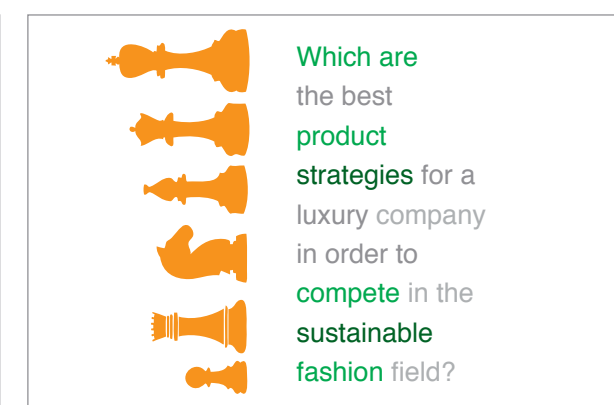
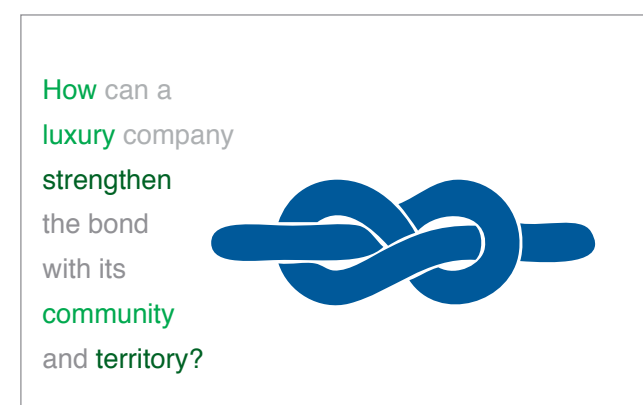
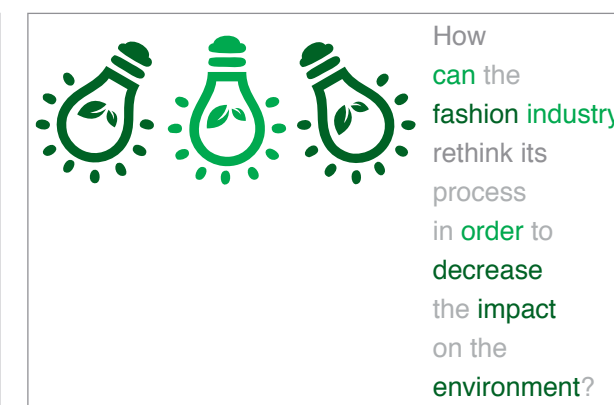
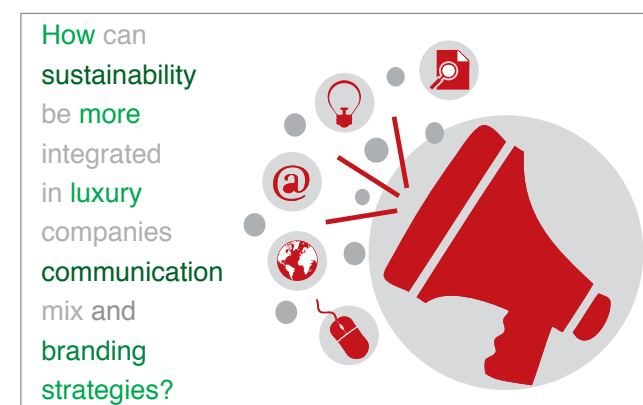
The students, who came from different countries, at first attended a brief presentation on the concept of sustainability and how Salvatore Ferragamo perceives it and puts it into practice. Then, they actively participated in two activities, helping to define the Company's sustainability strategy and providing advice on potential solutions to be pursued.

At first, after hearing about the materiality analysis carried out by Salvatore Ferragamo, the students were asked to answer a survey in order to identify the five topics they considered to be the most material to the Company. They indicated the following: product quality; respecting human rights throughout the value chain; waste management; sustainability strategy; and creativity and design.

Then, the students were divided into four working groups and openly discussed Salvatore Ferragamo's sustainability strategy, based on the topic for discussion assigned to them from the four listed below:

- INTEGRATING SUSTAINABILITY IN THE COMPANY'S COMMUNICATION STRATEGY;
- REDUCING THE ENVIRONMENTAL IMPACT RELATED TO THE COMPANY'S OPERATIONS;
- PRODUCT STRATEGIES CONCERNING SUSTAINABILITY;
- INITIATIVES TO STRENGTHEN THE RELATIONSHIP BETWEEN THE COMPANY AND THE LOCAL COMMUNITY.

The students were asked to present the ideas and suggestions emerging from the discussion, and Salvatore Ferragamo is now carefully considering them in terms of feasibility and value added, with the intention of identifying a project to focus on in 2016.





“The strength of a Brand is the result of its history, its symbols,  
its products, and, most importantly, the people behind it.  
They carry on the values of the Company  
protecting its know-how while contributing  
to developing and innovating it. ”

Deputy General Manager  
*Head of Product Area, Human Resources & Organization*





# A SHARED HISTORY

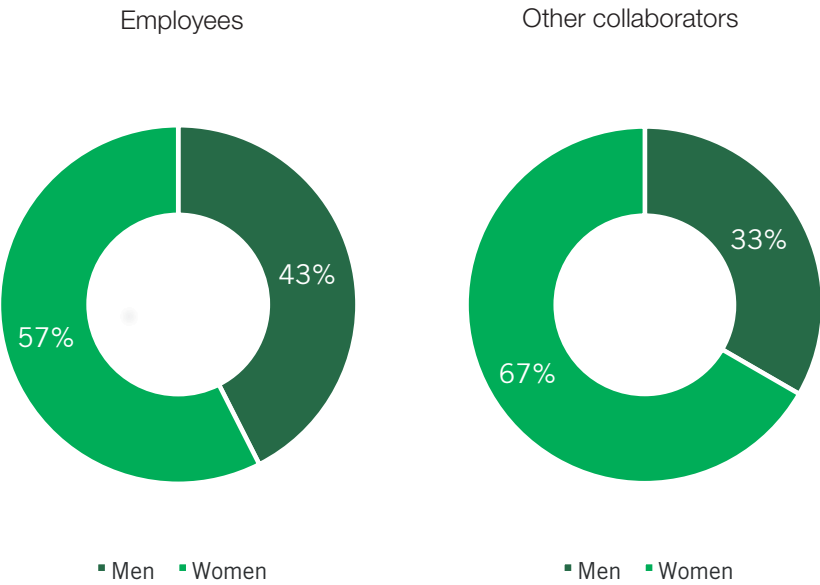
## A COMPANY OF PEOPLE

The history of Salvatore Ferragamo, like that of several other Italian businesses, is the history of the men and women who, with their choices and projects, have contributed to its growth: from the Founder to the members of the Ferragamo family, and from the artisans to the managers. Salvatore Ferragamo is made up of highly-skilled people that show their love and dedication to their work, continuing to contribute every day to the Brand's international success. It is above all thanks to the passion and commitment of all its people that Salvatore Ferragamo has become a leading global Brand.

As at 31 December 2015, Salvatore Ferragamo S.p.A. had 896 employees, up 1.8% from the previous year. There were also other 60 individuals<sup>1</sup> working at the Company in various capacities. Most employees are between 30 and 50 years old (67% of the total).

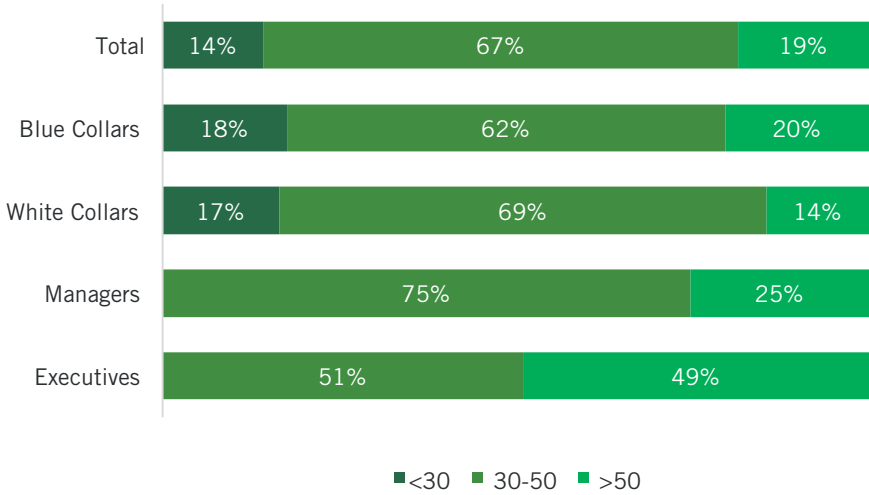


SALVATORE FERRAGAMO'S PEOPLE  
31 DECEMBER 2015



<sup>1</sup> Includes 35 interns, 3 temporary agency workers, and 22 consultants.

BREAKDOWN BY EMPLOYEE CATEGORY AND AGE GROUP  
31 DECEMBER 2015





BREAKDOWN BY EMPLOYEE CATEGORY AND GENDER  
31 DECEMBER 2015

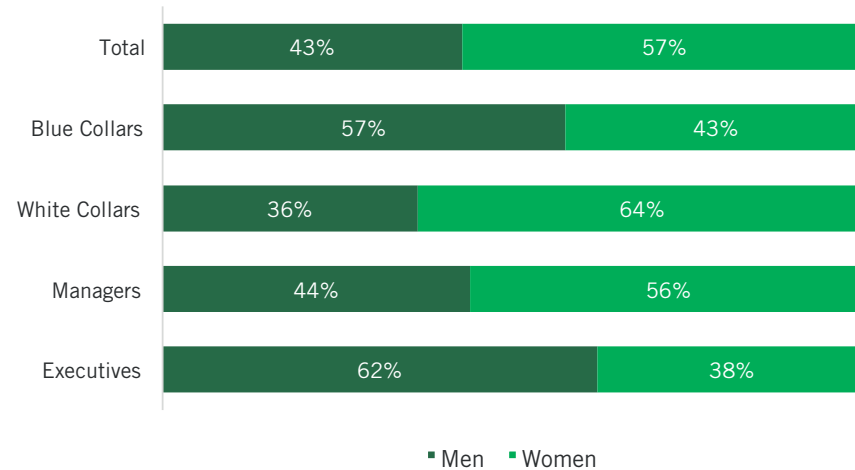
#### INDUCTION PROGRAM FOR NEW HIRES

In order to communicate the Brand's values to its employees right from the start and create a strong sense of loyalty to the Company, Salvatore Ferragamo has developed an Induction program for new hires.

The "Classic Induction" course, which consists in three meetings and is divided into three sessions throughout 2015, consists of the following units:

- Brand presentation
- Presentation about life at the Company
- Visit to the Salvatore Ferragamo Museum and Archives
- Visit to Manovia
- Visit to the Warehouse

The "Customized Induction", reserved for managers and executives, is tailored according to the profiles of participant.



During 2015, Salvatore Ferragamo S.p.A. recruited 162 new employees, while 146 individuals left the Company, resulting in a 16.3% rate of new employee hires and an 18.1% rate of employee turnover.

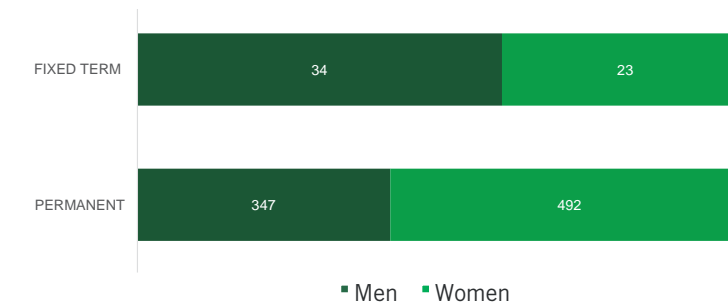
NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY GENDER AND AGE GROUP - 2015

No. of incoming employees					
	<30	30-50	>50	Total	Turnover
Men	50	32	3	85	22.3%
Women	45	25	7	77	15.0%
<b>Total</b>	<b>95</b>	<b>57</b>	<b>10</b>	<b>162</b>	<b>18.1%</b>

No. of outgoing employees					
	<30	30-50	>50	Total	Turnover
Men	39	25	6	70	18.4%
Women	39	26	11	76	14.8%
<b>Total</b>	<b>78</b>	<b>51</b>	<b>17</b>	<b>146</b>	<b>16.3%</b>

Salvatore Ferragamo S.p.A. considers offering a stable and long-lasting employment relationship as necessary to foster the Company's growth, as well as an important motivational factor. The Company's commitment to establishing an ongoing and long-term relationship with its people is reflected in the high proportion of employees on permanent contracts, representing nearly 94% of the total in 2015.

BREAKDOWN BY EMPLOYMENT CONTRACT AND GENDER (NO. OF PEOPLE)  
31 DECEMBER 2015



#### DIVERSITY AND EQUAL OPPORTUNITY

Salvatore Ferragamo manages and develops its human capital by integrating and respecting diversity. Employee relationships are based on the protection of personal rights and liberties as well as the fundamental principles preventing any discrimination based on age, race, ethnicity, nationality, political views, trade union membership, religious beliefs, sexual orientation, gender identity, physical and mental disabilities, and any other personal characteristics that are of no consequence in the workplace.

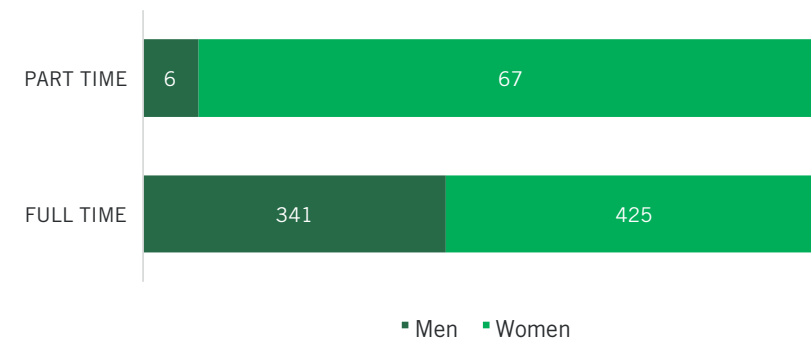
The Company provides equal opportunities to employees of both genders, promoting also initiatives to help them cope with work-life balance, such as introducing employment contracts other than full-time ones. As at 31 December 2015, among the employees on permanent contracts, 73 had chosen to work part-time, including 6 men and 67 women.

Women play a crucial role at every level of Salvatore Ferragamo's organization, and this is reflected in the data for the year 2015:

they accounted for over 57% of all employees, and 50% of senior staff (38% of executives and 56% of managers). In addition, pursuant to the law, 30% of Board of Directors members are women.



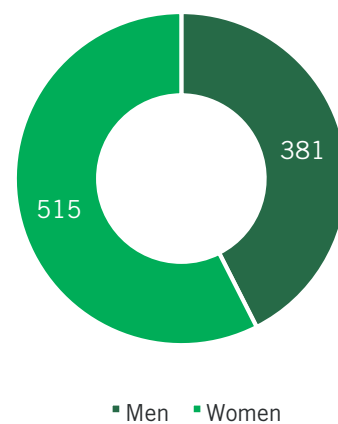
BREAKDOWN BY EMPLOYMENT TYPE AND GENDER OF EMPLOYEES ON  
PERMANENT CONTRACTS  
31 DECEMBER 2015



As for remuneration policies, Salvatore Ferragamo S.p.A. has been implementing for many years now a system that distinguishes between different corporate categories/positions. Besides remuneration, it includes also incentive systems connected to both individual and corporate objectives, thus encouraging team spirit and a sense of belonging.

The remuneration policies seek to attract and retain talented people with the skills required to achieve the Company's goals, as well as motivating management to increasingly improve performance - all this while respecting Salvatore Ferragamo's culture and historic values. These policies are designed to reward people for their contribution based on principles of competitiveness, fairness, and merit.

FEMALE EMPLOYEES  
31 DECEMBER 2015



PROMOTING HUMAN CAPITAL



ATTRACTING TALENT

The Company places great importance on its people, and therefore commits to fostering and promoting their professional development by offering equal opportunities to everyone and encouraging personal initiative, in order to create the best conditions for managerial or technical development - all in accordance with its historic values. Salvatore Ferragamo considers recruiting new hires key to the Company's growth and development. To attract the best talent, it works with several Italian universities, hosting presentations, career days and field projects in order to promote creative thinking and reward talented youths by introducing them to the world of work.

During 2015, the Company held 13 Employer Branding sessions, which involved several universities, job placement networks and institutions. It met approximately 670 students, 21 of which subsequently started working with Salvatore Ferragamo. In addition, for a few years now Salvatore Ferragamo has been the official partner of SDA Bocconi School of Management's Master in Fashion, Experience & Design Management (MAFED), an international program for those who want a managerial career in the fashion, luxury and design industries. Finally, in 2015 the Company entered into a partnership agreement with Bocconi University in order to search for new hires.

LINKEDIN

Salvatore Ferragamo actively uses LinkedIn to recruit and engage with talent. In 2015, the Company was one of the "20 Most InDemand Employers", a ranking of the firms that attract the best talent available online.



## DEVELOPMENT AND GROWTH POLICIES

Salvatore Ferragamo considers training a priority, as it is necessary to ensure the professional growth of employees and the development of the key competencies lying at the basis of the Company's success. Professional skills and know-how represent the foundation as well as the only true guarantee of the consistency and quality of the Company's results.

In 2015, Salvatore Ferragamo provided more than 7,500 hours of training to employees, up 120% from 2014. It offered basic, specialist, and managerial training.

Just as important for Salvatore Ferragamo is realizing the full potential of its resources. To this end, the Company has implemented a Talent Management System, so as to identify deserving employees and help them in their career progression.

The new Ferragamo Excellence model has identified 9 key competencies to focus on.

The initial Development Assessment phase started in January 2016 and concerned two different categories of employees, i.e. High Potential employees and Senior Leaders.

Finally, to promote the growth of its people, in 2015 the Company developed a new Performance Appraisal System, designed to be not only a monetary incentive system but also an instrument to foster professional development. The performance appraisal is based on the role profile and technical skills.

## TRAINING CATALOGUE

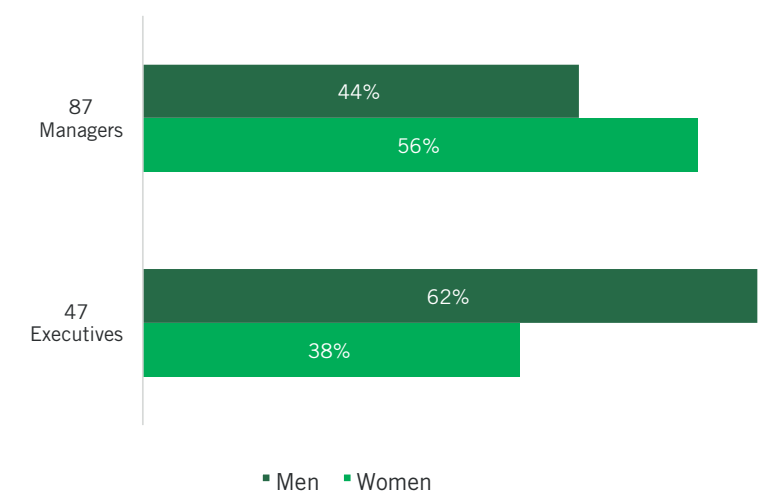


## EXCELLENCE MODEL



## BREAKDOWN BY GENDER OF EXECUTIVES AND MANAGERS WHO RECEIVED PERFORMANCE APPRAISALS - 2015

The Company regularly appraises the performance of its employees to foster and promote Salvatore Ferragamo's growth and success. Specifically, in 2015 all managers and executives received performance appraisals.



**Flexible benefit** is a form of remuneration allowing employees to replace or complement part of their variable pay with benefits in the form of services, usually purchased from external providers, to address personal and family needs (e.g. nurseries, scholarships for family members, and other services).

## COMPANY WELFARE

With a view to planning specific initiatives to improve employees' well-being and their working environment, over the years Salvatore Ferragamo S.p.A. has been developing several corporate welfare initiatives.

### FLEXIBLE BENEFIT

The Company, which has always been committed to the welfare and quality of life of its employees, has introduced a Flexible Benefit Plan seeking to support employees and their families with the social and cultural activities, the educational development and school expenses of their children.

The Plan is not limited to families, but caters to the needs of everyone, from junior to senior employees.

Salvatore Ferragamo S.p.A.'s Flexible Benefit Plan allows employees to select their benefit from a vast basket of options, including reimbursements for expenses concerning education, sports, culture and recreation, and travels, up to a maximum annual amount. In 2015, the Company expanded this basket with a new category of benefits concerning occupational pension schemes.

### SUBSIDIES

In addition to the Flexible Benefit Plan, Salvatore Ferragamo S.p.A. provides also a series of exclusive subsidies to its employees through agreements with companies operating in other sectors, such as health and wellness, banking, insurance, tourism, and sports.

### SAFETY & ENGINEERING COURSES

In March 2015, the Safety & Engineering function, as part of the Company's Corporate Social Responsibility initiatives, administered an online survey to employees to assess their interest in, and familiarity with, Safety & Environmental topics.

The data was collected anonymously and allowed to identify employees' expectations as well as the topics they are most interested in, so as to improve the relevant informational workshops.

Based on the results of the survey, the Company decided to host workshops focusing on the following:

- **Food education**

Nutrition and well-being: pursuing a balanced diet.

- **First aid**

How to deal with foreign bodies in children and adults.

Managing domestic health emergencies and how to behave.

- **Health and Wellness**

Introduction to self-defense.

Relaxation techniques.

## COMPANY CAFETERIA

Starting from January 2014, the site in Osmannoro features a new cafeteria that is at the forefront in terms of technological innovation, energy efficiency, and environmental sustainability. The Building Management System (BMS) regulates the microclimate and lighting based on the amount of natural light from outside.

To offer the utmost flexibility and convenience to employees, the Company cafeteria serves the following types of meals:

- Quick Lunch, a cold meal for those who cannot take a regular lunch break; employees can reserve it by mail and pick it up at the bar during lunch time;

- Take away, the meal to go that employees can choose from a specific menu; they can also reserve their take-away dinner by mail;

- Vitality meal, designed to cater to the different needs of the Company's employees. It is based on a specific menu listing the nutritional information for all food served.

**BMS (Building Management System)** is a computer-based management system installed in buildings allowing to control and monitor mechanical and electrical equipment such as ventilation, lighting, power systems, and fire and security systems.





## OCCUPATIONAL HEALTH AND SAFETY

Salvatore Ferragamo S.p.A. pays special attention to the health and safety of employees through constantly improving and evolving management and monitoring systems, as well as by fostering a culture of health and safety, with the purpose of preventing and handling effectively the professional risks related to the Company's operations. The goal is promoting activities that increasingly take account of safety, prevention, and welfare, both inside and outside the workplace.

Against this backdrop, the Company has placed special emphasis on the ongoing and constant training of employees concerning health and safety: during 2015, it provided such training to about 360 employees. In 2015, there were 14 injuries (down 12.5% from 2014) concerning 6 men and 8 women, resulting in an injury rate of 1.9.

## INTERNAL COMMUNICATION

Salvatore Ferragamo considers internal communication crucial: it not only allows to enhance people's sense of loyalty to the Company, but also serves as a critical tool for communicating in a timely and ongoing manner with all staff concerning its operations, shared values, projects, strategic guidelines, corporate policies, results achieved, and future ambitions. Communication is considered key to a workplace that is positive, proactive, and motivated to achieve shared goals. In addition, it brings employees closer into line with the Company's strategy, fostering transparent relationships based on mutual trust. To encourage internal communication, in 2015 Salvatore Ferragamo S.p.A held several events concerning internal initiatives that saw the participation of employees.

In April, the Salvatore Ferragamo Museum held a special presentation about the exhibition "A Palace and the City" at the Company cafeteria, and then took employees and their families on a guided tour of the Museum. In May 2015, the Company hosted a conference about CSR issues, during which it presented the 2014 Sustainability Report. The addition of a section dedicated to Corporate Social Responsibility on the Company's intranet, and the creation of an e-mail address specifically for this purpose, allowed to communicate about the sustainability-related initiatives promoted by Salvatore Ferragamo more effectively.

In addition, the internal circulation of Internos, the Company's magazine, allowed to keep all functions up to date with the news concerning Salvatore Ferragamo, fostering engagement and stimulating the interest of employees also through activities leading them to learn more about the Company.

In April 2015, Salvatore Ferragamo S.p.A. completed the pre-audit for the **OHSAS 18001 certification**, which certifies that the Company has voluntarily implemented a system allowing to properly monitor the Health and Safety of Employees.

Salvatore Ferragamo Newsletter

A DISTRIBUZIONE ESCLUSIVAMENTE INTERNA DEL SALVATORE FERRAGAMO S.p.A. - WEDNESDAY, 11 NOVEMBRE 2015

FOR INTERNAL DISTRIBUTION ONLY FOR SALVATORE FERRAGAMO EMPLOYEES

WEDNESDAY, 11 NOVEMBER 2015

ANNO 14, N. 51, OTTOBRE 2014

YEAR 14, N. 51, OCTOBER 2014

inter  
nos51

**Lusso e artigianalità sperimentale dominano le collezioni Primavera-Estate 2015**

*Luxury and experimental craftsmanship for the Spring-Summer 2015 Collections*

Per la Primavera Estate uomo 2015, che ha debuttato a Milano lo scorso 22 giugno, Massimiliano Geronzi ha ideato il mondo come collettivo sartoriale. A lui i capi materiali del quotidiano - gli abiti quotidiani, giacche, cappotti, camicie e tute - sono stati trasformati in abiti di lusso, con tagli precisi e volumi nuovi e originali. In tal senso, il punto di vista di Massimiliano Geronzi è stato quello di un artigiano che si è dedicato a creare abiti di lusso, con tagli precisi e volumi nuovi e originali. In tal senso, il punto di vista di Massimiliano Geronzi è stato quello di un artigiano che si è dedicato a creare abiti di lusso, con tagli precisi e volumi nuovi e originali.

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ANNO 14, N. 54, OTTOBRE 2015

YEAR 14, N. 54, OCTOBER 2015

inter  
nos54

**Sfila a Milano la collezione uomo Primavera/Estate 2016**

*The Spring/Summer 2016 Men's Collection shows in Milan*

Con la collezione Salvatore Ferragamo Primavera Estate 2016, Massimiliano Geronzi presenta una serie di abiti in cotone, lino e seta, con tagli precisi e volumi nuovi e originali. In tal senso, il punto di vista di Massimiliano Geronzi è stato quello di un artigiano che si è dedicato a creare abiti di lusso, con tagli precisi e volumi nuovi e originali.

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ANNO 14, N. 52, OTTOBRE 2015

YEAR 14, N. 52, OCTOBER 2015

inter  
nos53

**Cultura sartoriale, eleganza tattile, creatività e savoir-faire artigianale nelle collezioni Autunno-Inverno 2015/16 di Salvatore Ferragamo**

*A heritage of tailoring, tactile elegance, creativity and craftsmanship in the Salvatore Ferragamo Fall Winter 2015/16 collections*

Presentata sulle passerelle di Milano a gennaio, la collezione donna AW 2015/16 di Massimiliano Geronzi è stata ideata da lui stesso. Il punto di vista di Massimiliano Geronzi è stato quello di un artigiano che si è dedicato a creare abiti di lusso, con tagli precisi e volumi nuovi e originali. In tal senso, il punto di vista di Massimiliano Geronzi è stato quello di un artigiano che si è dedicato a creare abiti di lusso, con tagli precisi e volumi nuovi e originali.

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ANNO 14, N. 53, OTTOBRE 2015

YEAR 14, N. 53, OTTOBRE 2015

inter  
nos55

**L'essenza della vera eleganza: la collezione Salvatore Ferragamo donna Primavera/Estate 2016**

*The essence of true elegance: the Salvatore Ferragamo Spring/Summer 2016 women's collection*

Per la collezione donna PE 2016, Massimiliano Geronzi presenta una serie di abiti in cotone, lino e seta, con tagli precisi e volumi nuovi e originali. In tal senso, il punto di vista di Massimiliano Geronzi è stato quello di un artigiano che si è dedicato a creare abiti di lusso, con tagli precisi e volumi nuovi e originali.

“The Italian identity is not just associated  
with the idea of beauty, creativity,  
and the use of top-quality materials, it is,  
above all, an expression of our way of life.  
Our craftsmanship, the ability to work  
“by hand”, is the pride of our culture.”

Design Team





# RESPONSIBLE PASSION



## MADE IN ITALY: A LONG-STANDING TRADITION

Salvatore Ferragamo S.p.A. is proud of being an Italian Company, carrying on the values that have made the success of the Made in Italy label and of its Founder. Over time, the Brand has evolved, but the quality, craftsmanship, and creativity that characterize Made in Italy products have remained intact, representing the basis for Company and allowing it to gain international recognition. Salvatore Ferragamo brings together world-class craftsmanship and the robust creative tradition of Made in Italy manufacturers. Over the years, these factors have evolved in ways consistent with their root.

Made in Italy is a way of life and of being - it is the expression of a taste that has developed over decades.

Salvatore Ferragamo featured as a pioneer in the process that eventually gave rise to the Made in Italy concept. For instance, in the 1920s, he decided to bring back production from the United States to Italy, and specifically Florence: at the time, the world, and especially English-speaking countries, saw the city as the symbol of a historical continuity with Italy's traditional artisan workshops as well as artistic beauty and heritage.

Salvatore Ferragamo S.p.A. has an unwavering commitment to protecting this DNA, including amid the shift to industrial manufacturing processes. It believes in sharing and developing a culture of craftsmanship, which refers not only to manual skills - it is, above all, a mental process in which the passion for work, the desire to re-

lentlessly push forward, the painstaking attention to quality, the ongoing research into materials and technologies, and a consolidated expertise based on strong Italian cultural roots represent the drive and dynamism that are not just a thing of the past, but that today, more than ever before, distinguish us from the rest and are crucial for tackling the future.



## RESEARCH AND DEVELOPMENT



Salvatore Ferragamo's work has always stood out for the original design of its shoes and the relentless search for new models, constructions and materials, either placing him ahead of his time or allowing him to capture the zeitgeist of his era. Salvatore Ferragamo has turned shoes into works of art. It represents not only the (flawless) result of quality craftsmanship, but also a space for searching for new forms, materials, and colors.

Each product interprets in a contemporary way the creative codes of the heritage: innovation and experiments with materials and colors, advanced artisan techniques, and dialog with the world of art, culture, and cinema. The patents filed by Salvatore Ferragamo, from the shell-shaped sole to the orthopedic wedge heel, from the sculpted heel to the invisible upper, from the cage heel to the metal sole, show the sheer amount of ideas and creative

energy he put into his inventions. This world of ideas and inventions was unearthed in the early 2000s, when over 350 patents and trademarks were found at Italy's Central Archive in Rome.

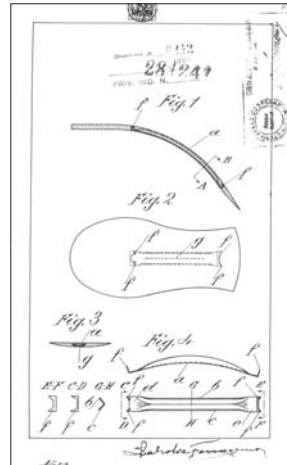
This repository is a technical-scientific library of incalculable value and importance. It not only allows to retrace the creativity and technical expertise of Salvatore Ferragamo, but is also a source of ideas and inspiration for new creations and production processes.

The goal is declining in always new ways the concept of contemporary elegance as seen through a personal perspective and based on unique and inimitable elements. Functionality always combines with the search for evocative atmospheres and the unique value of a product that becomes a collectible.

The selection of world-class materials and attention to quality, creativity - in the sense of constant innovation - and the relentless pursuit of unusual and original constructions and materials breathe life into Salvatore Ferragamo accessories and "Ready-to-Wear" collections.

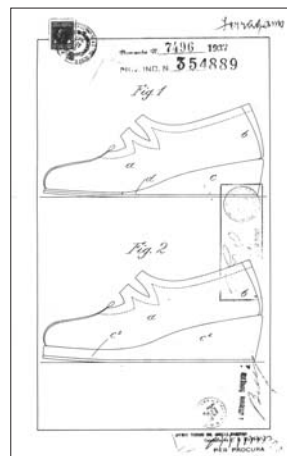


## IDEAS, MODELS, AND INVENTIONS



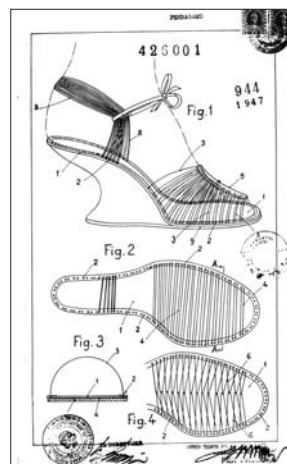
### 1931 - SHANK

One of the most important patents was the shank created in 1931, a metal support for the arch of the foot that was both light and effective.



### 1937 - WEDGE

The cork wedge is one of Ferragamo's most iconic inventions and, over the years, has inspired many new styles. It was created during the autarky in Italy out of necessity, to replace the steel shank inserted in his shoes - an arch support system that Ferragamo had patented in the Twenties.



### 1947 - INVISIBLE

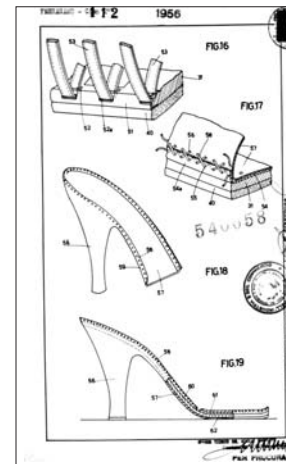
In 1947, Salvatore Ferragamo designed an upper made of one continuous thread, a transparent strand of nylon with a wedge or F-shaped heel. With this shoe, Salvatore Ferragamo won the Neiman Marcus Award, the Oscar of Fashion.



### 1952 - GLOVED ARCH

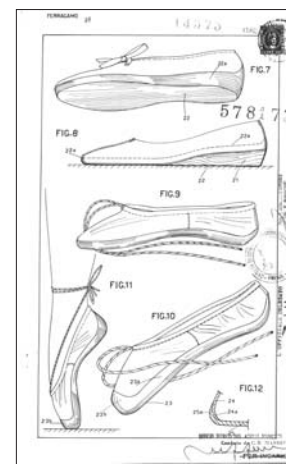
In 1952, Salvatore Ferragamo designed a high heel shoe, in which the arch of the foot was lined with the same leather as the upper, limiting the sole to the front and heel.

The shoe was strong, yet flexible, like a glove, and was called the 'gloved arch'.



### 1955 - 1956 METAL HEELS AND SOLES

In popular culture, feminine seduction is often represented by high, preferably metallic, heels. Ferragamo began designing steel or brass heels in the Twenties, but they reached the height of fashion in the Fifties.



### 1958 - SHELL-SHAPED SOLE

In 1958, Salvatore Ferragamo was awarded an important patent for the shell-shaped sole, which found its way into a series of successful models, such as slippers, ankle boots, pump shoes, and even ballet shoes.

Inspired by, and innovating on, the Native American opanke moccasins, in which the sole wraps around the heel and becomes the upper, the shell-shaped sole contains the foot and follows its line with its curved and embracing shape.



## RESPONSIBILITY AND ATTENTION TO CUSTOMERS

### THE FERRAGAMO EXPERIENCE AT THE SERVICE OF THE CUSTOMER

The Company has always put its customers at the center. The relationship with them is based on absolute respect, which translates into the attention to the 'value for money': the customer is offered a luxury product, or rather a concept, of substantial quality, which is inherent in the product's design and manufacturing.

Delighting the customer has always been Salvatore Ferragamo's main goal since the very beginning - so much so, in fact, that it underpins each activity of the Company. From conceiving the product to delivering it in the hands of the buyer, each process is designed to meet the customers' needs, catering to and anticipating their desires and providing them with a gratifying and truly pleasing experience.

The care the Company puts into the manufacturing process - which is reflected in the procurement of top-quality materials, the two levels of control on raw materials, and the checks performed during production as well as at the warehouse - seeks to create the perfect product. There is also another equally important step that is crucial for the customer's satisfaction: the purchase experience at the Brand's boutiques.

Packaging is key, as it enhances the quality and exclusivity of Salvatore Ferragamo products. The distinctive red packaging is designed to be easily recognizable and associated with the Brand and the emotions and sensations it inspires, coming across as elegant, beautiful, and iconic.

In 2015, in order to further improve its customers' purchase experience, Salvatore Ferragamo developed **new customization services** for its ties as well as one of its most iconic moccasins. The service is available in the main markets where the Brand operates and complements the several existing tailoring programs for different product categories. Customers can access it through dedicated displays at its stores and, in the case of the moccasins, even place a customized order online.



### THE SALE CEREMONY: THE VALUE OF TRAINING

To offer a unique purchase experience, Salvatore Ferragamo S.p.A. places special emphasis on training the sales staff, raising awareness about the Company's strong and distinctive traditions and values. The sales staff has access to an extensive training offering that aims to pass on the Brand's important and solid values.

The training provided to the sales staff in 2015 focused on strengthening their sales skills, with a focus on greeting customers and finding out about their needs to propose products that match their tastes and preferences. The Company pays particular attention also to developing its sales staff's ability to create a total look that, in keeping with the vision of the Founder Salvatore Ferragamo, can dress customers \*from head to toe".

Retail training activities involved approximately 280 sales assistants, for a total of more than 3,600 hours of training. In addition, during 2015 the Corporate Retail Training function updated the training material, adding videos, booklets, and training kits. Finally, in order to bring all Group companies into line with training programs, Salvatore Ferragamo also supported and cooperated with the foreign associates to train the local trainers.

In 2015, the Company prepared a **digital training program focusing on seasonal collections** for PCs and tablets. The goal is providing its sales staff with a tool allowing to learn more about the collection on sale in the stores. The training program was developed in 8 languages and distributed to all sales assistants at every store, including those not directly operated by the Company.



### SALES STAFF TRAINING TOPICS - 2015

SALES STRATEGY

MATERIALS

PRESENTING FASHION SHOWS

THE ART OF SERVING  
THE CUSTOMER

TECHNICAL TRAINING

OPERATING AND  
MANAGERIAL SKILLS

INTERCULTURAL  
AWARENESS

TRAINING FOR  
TRAINERS

### THE DIGITAL EXPERIENCE FOR THE SALVATORE FERRAGAMO CUSTOMER

Integrating the digital channel in communication strategies makes the brand experience for Salvatore Ferragamo's customers complete, offering them an effective and hands-on opportunity to learn more about the Brand. Social media allow engaging with customers, providing them with a comprehensive Salvatore Ferragamo brand experience. The Company's strategy is connecting the online and offline worlds to keep customers engaged with Ferragamo and strengthen their loyalty to the Brand.

To commemorate the 100th anniversary of Salvatore Ferragamo's arrival in the United States, the Company reopened the Rodeo Drive Store in Beverly Hills, California. It also made available new contents on the platform icons.ferragamo.com, presenting the

parallel stories of Ferragamo and Hollywood, exclusive events, movies, and partnerships. All products are available for purchase on the Brand's e-commerce website.

Finally, the digital campaign "100 Years 100 Days" culminated in the interactive live event "Gancio Studios" in New York, focusing on Ferragamo's relationship with cinema. This link stems from the success the Founder achieved in the United States since the 1920s, when he moved to Los Angeles and started producing shoes for the movie industry. Salvatore Ferragamo, who was known as the "shoemaker for the stars", designed models for celebrities such as Mary Pickford, Rodolfo Valentino, John Barrymore Jr, Douglas Fairbanks, and Gloria Swanson. Participants at the "Gancio Studios" event had the opportunity to

share pictures and their emotions through a live feed on the platform icons.ferragamo.com. This "virtual" celebration of Salvatore Ferragamo's history caused the Brand's Instagram followers to increase by 2.5%.



### PARTNERSHIP WITH FILM FESTIVAL

To celebrate the historic tie between Salvatore Ferragamo and the world of cinema, the Company collaborates with the Film Festivals held every year in Florence, between November and December, such as France Odeon – the French Film Festival, Festival dei Popoli – the International Documentary Film Festival, the Indian Film Festival; and the Korean Film Festival. This partnership consists in tickets providing entrance film reductions for both the film festivals and the Salvatore Ferragamo Museum, as well as the organization of special tours of the Museum for guests, actors and directors, honoring Salvatore Ferragamo's long-standing relationship with the movie industry.

### SALVATORE FERRAGAMO ON SOCIAL MEDIA Growth in followers (January-December 2015)

Instagram	+188%
Facebook	+2%
Youtube views	+1,200%
WeChat (Cina)	+314%
Weibo (Cina)	+6%

In October 2009, the Ferragamo Group launched its online store. The website, which has undergone extensive changes over the years, provides an innovative user experience through simple and intuitive navigation, allowing visitors to appreciate the craftsmanship and world-class quality of Ferragamo products. By exploring the various sections, customers can learn more about the Brand's new releases and iconic products, but also its values and history. The Company's effort to build its web presence is reflected also in the site dedicated to the Salvatore Ferragamo Museum, which was created to promote the Company's historical and cultural heritage also on the Internet.

In order to bolster its online retail platform, in October 2015 the Company launched the **Click & Collect** service for some European stores, allowing customers to buy the Brand's products on the website through the e-commerce channel and then pick them up at the nearest store.





## TECHNOLOGY AND TRACEABILITY TO PROTECT AUTHENTICITY



The “Authenticity Tag” system protects the consumer when he or she purchases a genuine and Made in Italy Salvatore Ferragamo product. It prevents and curbs counterfeiting, as each product has a unique identifier allowing to trace its origin.

In 2011, this commitment led to an innovative traceability project, consisting in the implementation and adoption of an NFC (Near Field Communication) solution, to uniquely identify Salvatore Ferragamo products.

NFC is a radio-frequency technology based on a chip, which stores the data, and an antenna that sends signals using radio waves. The combination of chip and antenna is the so-called Tag. A device known as reader is able to decode the radio signals emitted by the RFID (Radio Frequency Identification) Tag. The NFC Tag is embedded into the product at the end of the manufacturing process and activated following a quality control check. It cannot be counterfeited, as it is based on a unique identifier certified and assigned by a manufacturer. It has no expiry date and allows to encrypt or protect the data on it with a password as well as read it from a distance of only a few centimeters using modern smartphones.

Industry insiders can also access an application that reads some of the data stored in the Tag, such as the serial number, the manufacturer number, and the collection the product is part of.

The scope of the project was expanded during 2015, and now the Tag is embedded into all men's and ladies' footwear, the shoes of the Creations line, belts, men's and ladies' SLG (Small Leather Goods), suitcases, and handbags - with the exception of only a few models. A certificate included with the product signals the presence of an NFC Tag. The Tag does not allow to trace the customer, but only the manufacturer, nor to collect personal data. Finally, it poses no harm to human health.

### DIGITAL INNOVATION AWARD

At the second edition of Toscana Technologica, hosted by the Regional Government of Tuscany in partnership with SMAU, Salvatore Ferragamo S.p.A. received Smau Firenze 2015's Digital Innovation Award in the Open Innovation category. The Company won the award by presenting the RFID project.

## BRAND PROTECTION AND ANTI-COUNTERFEITING

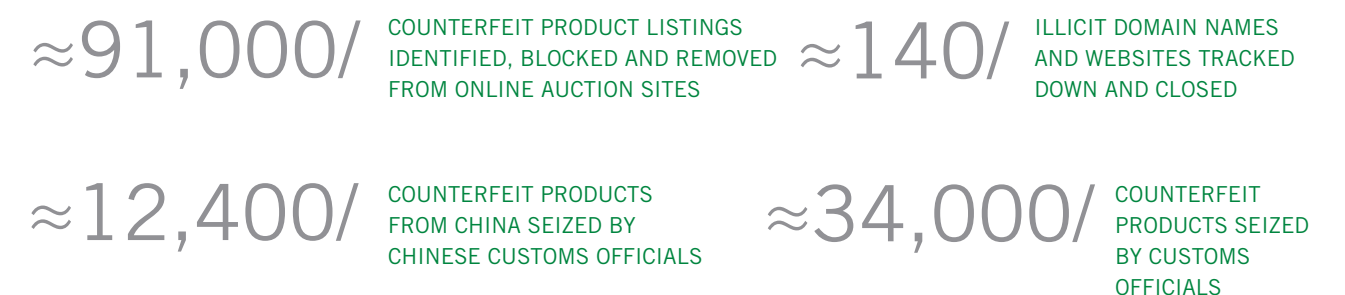
For several years now, counterfeiting has been plaguing the world's leading luxury brands. Salvatore Ferragamo S.p.A. has been fiercely combating it across the globe, and with increasing success, also thanks to national and international laws that are gradually becoming more sensitive to the seriousness of this threat and are changing to adapt with the times, activating instruments to defend the rights of the victims of pirates and copycats. Specifically, in 2015 Salvatore Ferragamo carried on its anti-counterfeiting efforts by

focusing especially on China and the online channel, achieving significant results.

The Company further increased the number of e-commerce platforms it monitors and, as for the delicate situation in China, continued closely watching offline operations, especially those concerning trade fairs and resellers. It was with great satisfaction that Salvatore Ferragamo received the coveted “well-known” trademark status in China, an enforcement tool allowing for time and cost savings.

Salvatore Ferragamo will continue combating counterfeiting in 2016 to protect both its intellectual property rights and consumers by lodging new civil lawsuits, tightening online and offline checks, monitoring social networks, and enhancing cooperation with customs authorities.

### SALVATORE FERRAGAMO ANTI-COUNTERFEITING EFFORTS BY NUMBERS - 2015



“Our amazing Company archive, our invaluable heritage,  
the city of Florence, the constant traveling, and the world of art  
serve as inspiration for our creative process.”

Head of Footwear and Leather Goods Division





# SUPPLIERS AND CONTRACT MANUFACTURERS: SHARED VALUES



## SUPPLY CHAIN SUSTAINABILITY

Salvatore Ferragamo products are closely associated with the Made in Italy label and the concepts of quality, style and elegance, which have always characterized this Brand. Consistently with these values, the Company shows responsibility towards the local community by constantly looking for products and services from local suppliers, thus contributing also to Italy's economic growth.

Salvatore Ferragamo S.p.A.'s organizational model addresses the need of monitoring the production chain in order to ensure the quality of the product as well as of making manufacturing and distribution processes efficient and flexible.

Besides the materials, the attention and world-class craftsmanship put into the manufacturing processes are key. Salvatore Ferragamo relies on an extensive network of contract manufacturers, all of which are rigorously Italian, thoroughly selected and vetted, and often develop an ongoing partnership with the Company. Salvatore Ferragamo still keeps the most critical stages of the supply chain in-house.

This strong integration between Salvatore Ferragamo S.p.A. and the network of suppliers and contract manufacturers has allowed to thoroughly monitor the critical stages of the supply chain during the production process. As for production, the Company directly manages the product development and industrialization stages as well as performs quality and safety controls, both during and at the end of the manufacturing process, on 100% of the finished products.

The last few years have seen a surge in attention to the chemical safety of fashion products, i.e. the requirements that raw materials, production processes, and

finished goods must meet to protect the health of workers and consumers as well as reduce the environmental impact from manufacturing and throughout the product's life cycle.

Therefore, manufacturers must produce and sell products that comply with increasingly detailed and strict chemical safety regulations across the world. The European chemical safety framework is based on Regulation (EU) No. 1907/2006 (REACH Regulation), which bans the use of hazardous substances in manufacturing processes, although it does not set specific limits for their residues in the final products.

Salvatore Ferragamo S.p.A. conducts environmental and toxicity tests on several components and finished products such as accessories, footwear structures, leather, textiles, leather goods, ready to wear, PVC shoes, and rubber soles. In addition, it relies exclusively on certified materials suppliers.

In further evidence that Salvatore Ferragamo S.p.A. is especially sensitive to the issue of chemicals in its products, the Company is preparing an internal RSL (Restricted Substance List).

## VETTING OF SUPPLIERS AND CONTRACT MANUFACTURERS OF RAW MATERIALS AND FINISHED PRODUCT

To provide its customers with the highest standards of quality as part of responsible business practices, Salvatore Ferragamo S.p.A. vets suppliers and contract manufacturers to assess whether the potential new partners meet the technical, quality, operating and financial requirements as well as have all required documents and certifications to start working with the Company.

The technical and quality assessment involves testing raw materials and semi-finished and finished products, acquiring all documentation concerning the supplier's manufacturing facilities, and visiting said facilities, if required. The operating and financial assessment consists in an analysis of the information concerning the financial position and performance of potential suppliers and contract manufacturers. Finally, the new potential partners must fill out specific forms for the purposes of the Register of Suppliers and Contract Manufacturers of Raw Materials or Finished Product, accept the Code of Ethics, consent to the processing of personal data, submit a certification of compliance with social security, welfare, and occupational safety regulations, a self-certification concerning occupational health and safety, the acceptance of the policy allowing for just one level of subcontracting, the acceptance of the trademark protection agreement, and the REACH self-certification.

The **REACH** (Registration, Evaluation, Authorization of Chemicals) **Regulation** - also known as Regulation (EU) no. 1907/2006 - requires to register all chemicals manufactured or imported into the European Union in excess of one ton per year. After their registration, chemicals undergo an evaluation, authorization, or restriction process. The European Commission estimates that this regulation applies to nearly 30,000 chemicals on the market.

The **RSL (Restricted Substance List)** is a document in which Companies may voluntarily disclose the chemicals they commit to gradually eliminate from the supply chain and their products.



SALVATORE FERRAGAMO AND QUALITY CONTROL

The Company performs quality control checks on almost all materials, and especially leather. As for silk, the printers check its quality themselves. If no pre-production testing is performed, the quality control check is conducted during the processing phase, delegating it to contract manufacturers and relying on inspectors of the finished product.

SUSTAINABLE PROCUREMENT OF RAW MATERIALS

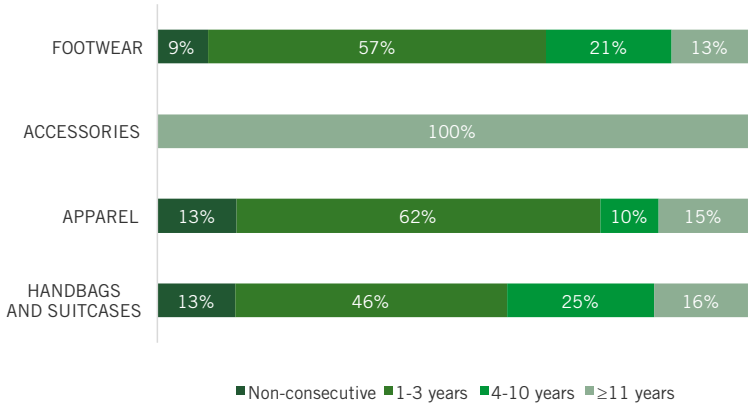
The procurement of the raw materials that Salvatore Ferragamo S.p.A. uses for its main product categories (leather goods, accessories and apparel) is one of the most crucial stages in the manufacturing cycle: the quality of the Brand's products depends on it. Therefore, the Company thoroughly selects the suppliers of raw materials and components in accordance with local laws concerning the individual materials purchased for manufacturing purposes. In addition, it entrusts production operations exclusively to suppliers that have a high standing. Besides relying on a procurement structure with extensive

technical expertise, Salvatore Ferragamo S.p.A. works with long-standing businesses with which it has established an ongoing relationship, often dating back to the 1970s or 1980s.

In addition, considering the geographical distribution by company name of only the suppliers involved in production operations, Italian entities account for 99,6% of supplier revenue.



YEARS OF PARTNERSHIP CONTINUITY WITH SUPPLIERS<sup>1</sup> BY SECTOR - 2015



RAW MATERIALS SUPPLIERS<sup>2</sup> BY NUMBERS (% OF SUPPLIER REVENUE) - 2015

99.7%

OF LEATHER HIDES  
PURCHASED FROM ITALIAN  
TANNERIES

98.9%

OF TEXTILES PURCHASED  
FROM ITALIAN SUPPLIERS

100%

OF ACCESSORIES  
PURCHASED FROM ITALIAN  
SUPPLIERS

100%

OF OTHER RAW  
MATERIALS PURCHASED  
FROM ITALIAN SUPPLIERS

<sup>1</sup>If a supplier is also a contract manufacturer, it is accounted for only in the "contract manufacturer" category.

<sup>2</sup>If a supplier operates in multiple sectors, only the one where it generated the most revenue was considered.



## LEATHER PROCUREMENT

As for the Leather Product division (men's and ladies' footwear and leather goods), Salvatore Ferragamo S.p.A. relies on three macro supply chains: leather/textile raw materials, metal accessories, and complementary materials for footwear (stretchers, heels, insoles and soles).

The main suppliers are long-standing businesses that are leaders in their value chain and with which Salvatore Ferragamo S.p.A. has often been working for several years: specifically, the Company purchases most raw materials from the best tanneries in the global luxury industry. Aided by Salvatore Ferragamo's technical staff, these firms develop innovative products for the new collections.

As for metal accessories, on average the structure is more diverse, as the Company cooperates with both medium/large-sized manufacturers as well as smaller suppliers to produce accessories made entirely by hand. Finally, the supply chain for complementary materials consists of leading suppliers of stretchers and, in the case of heels, insoles and soles, largely medium and small-sized entities. These businesses create exceptional products, working closely with Ferragamo shoe factories and preserving the Brand's distinctive stylistic creativity.

The process of selecting and purchasing leather hides involves having technical experts visit the tanneries to assess the quality of the product and certify it with a quality stamp on each piece of leather approved. As for metal accessories, which are received already packaged, the Company inspects each one of them before using them in production.

## ACCESSORIES PROCUREMENT

The Accessories and Apparel division (foulards, men's and ladies' scarves, ties, gifts for men and ladies, men's and ladies' costume jewellery, men's and ladies' hats and gloves) relies largely on two macro supply chains: the Como district, for all silk products - both raw materials (silk for ties) and finished products (foulards, scarves, shawls, etc.) - and the Florence district, for all metal products - including both raw materials and finished products (costume jewellery and gifts).

These businesses are Italian leaders in the global luxury industry. Working together with the Company's designers, they play a crucial role in the conception and creation of the product, as they are responsible for prototyping and making samples.

The firms in the Silk district are mostly large in size and ensure both constant technical innovation and world-class craftsmanship, making their products unique and of extremely high quality.

As for the companies in the Costume Jewellery and Gifts sector, for both metal finished products and accessories, Salvatore Ferragamo S.p.A. works with entities of varying sizes, including very small firms and artisan workshops.

## APPAREL PROCUREMENT

The Apparel division's procurement process is often based on ongoing relationships with leading Italian textile companies. Salvatore Ferragamo selects suppliers based on an analysis of factors such as whether they meet certain technical parameters, deliver on time, and guarantee acceptable levels of quality and reliability. The Company considers the selection of suppliers crucial. Thus, it has entered into partnerships with firms from the Biella and Como districts that are recognized as leaders by the industry's most important brands.



## RETENTION OF CONTRACT MANUFACTURERS AND RESPONSIBLE PRODUCTION

Salvatore Ferragamo works exclusively with highly specialized manufacturers that meet the most demanding quality standards. Virtually all of them are located in Italy. The selection and retention of contract manufacturers is key to the Company, mainly for the purposes of maintaining the world-class quality standards of its products as well as protecting Ferragamo's extensive know-how developed over the years.

The retention of external workshops has been traditionally guaranteed by ongoing partnerships, the frequent exchange of information and skills between Salvatore Ferragamo and the contract manufacturers, and the highly specialized products and production processes involved.

This integration is supported by an IT system that connects the vast majority of workshops with the Company. This allows both parties to track the progress of production and logistic processes, check whether raw materials are

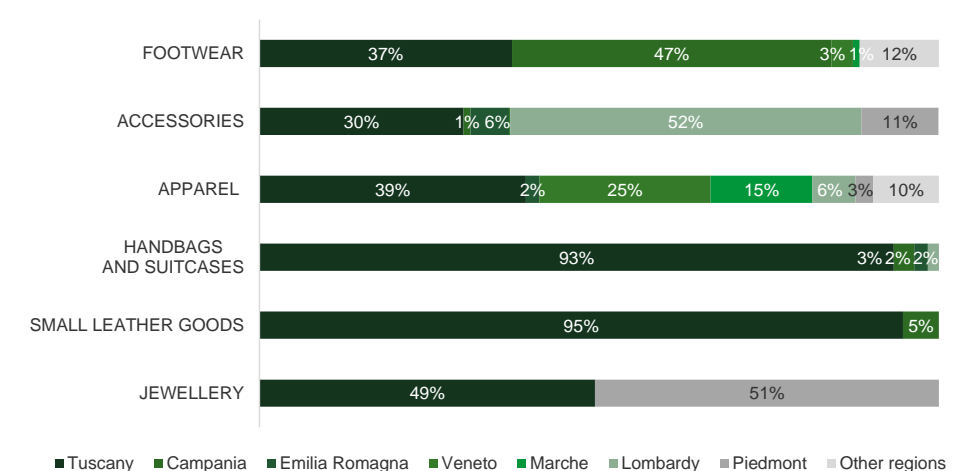
in stock, and, most importantly, effectively plan the production stages as well as for the procurement of raw materials and components. The Company entrusts also the production of silk products (ties and foulards) and other accessories to a network of select external workshops. Ties are made under "tolling agreements": the Company purchases the raw materials and sends them to the contract manufacturers, which produce the ties by following specific instructions. All other accessories are made on a "finished product" basis: Salvatore Ferragamo S.p.A. directly creates the product, oversees the prototyping at the contract manufacturer's facility, and defines the specifications and quality standards for both the materials and the product, but it does not handle the procurement of raw materials or the processing stages. In this case, the contract manufacturer provides Salvatore Ferragamo S.p.A. with a finished product, which then undergoes quality control checks at the Company.

The **contract manufacturers** are highly specialized artisans and manufacturers working at external workshops. Salvatore Ferragamo entrusts them with the entire production process, except for the most critical stages in the supply chain.

### THE CONTROL OVER EXTERNAL WORKSHOPS

By entering into trademark protection agreements, Salvatore Ferragamo prevents external workshops from selling the Brand's products to third parties. In addition, contract manufacturers are required to disclose whether they use any subcontractors, to which they may outsource only one manufacturing process. Furthermore, Salvatore Ferragamo has technical and production staff constantly monitoring both external workshops and subcontractors, and performs audits concerning intellectual property rights throughout the production chain, either at random or based on specific complaints.

## GEOGRAPHICAL BREAKDOWN OF ITALIAN CONTRACT MANUFACTURERS<sup>4</sup> BY SECTOR (% OF CONTRACT MANUFACTURER REVENUE) - 2015



<sup>4</sup>If a contract manufacturer operates in multiple sectors, only the one where it generated the most revenue was considered.

To be socially responsible towards the production chain, since 2014 Salvatore Ferragamo S.p.A. has been asking an independent specialist to implement a multi-year audit plan in order to ensure contract manufacturers and subcontractors comply with applicable laws concerning occupational health, safety, and hygiene. The audit process involves administering a pre-assessment survey to the contract manufacturers and an on-site audit, interviewing both employees and management.

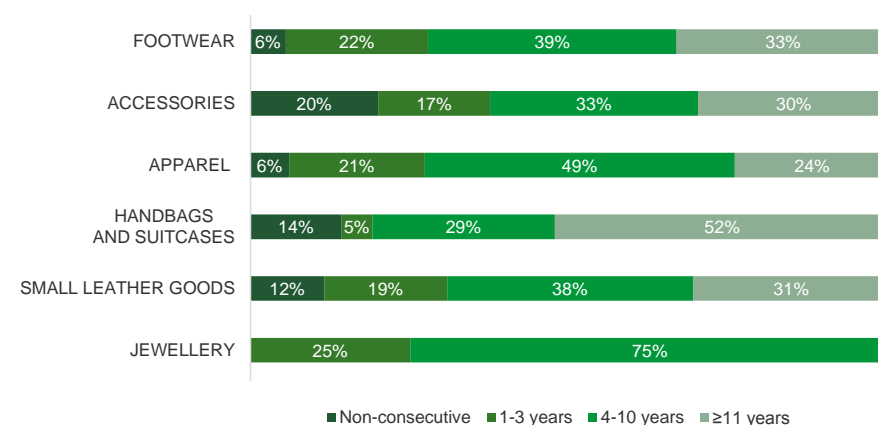
Based on the audit findings, the Company, if necessary, prepares an improvement plan with the contract manufacturers to prevent, mitigate, or remedy non-compliance.

The plan requires implementing specific actions in a given time-frame agreed to by the parties, as well as clearly identifying the person responsible for this process at the supplier. Through an independent specialist, Salvatore

Ferragamo monitors the contract manufacturer's progress on the improvement plan, constantly providing support through follow-ups to achieve the goals set in the post-audit phase.



## YEARS OF PARTNERSHIP CONTINUITY WITH CONTRACT MANUFACTURERS<sup>3</sup> BY SECTOR - 2015



<sup>3</sup>If a supplier is also a contract manufacturer, it is accounted for only in the "contract manufacturer" category.



## MANOVIA



Concerning exclusively footwear production operations, the Company relies on a small prototyping and manufacturing unit comprising materials cutters, stitchers and fitters: the “Manovia” division. Established in 1967, Manovia mainly creates samples and prototypes as well as fine-tunes the structures (stretchers, heels, insoles, and soles) for the new models. It consists of approximately 20 people, mostly young, who produce 30 to 40 pairs of shoes a day. This little wonder of craftsmanship is key for preserving the Company's know-how - the legacy of the Brand's Founder, which today is upheld by skilled artisans. These are the only ones that can hand down the secrets of producing Salvatore Ferragamo footwear from one generation to another.

In addition, the Manovia division manufactures limited edition models that are part of the Ferragamo's Creations collection. Launched in 2006, the Ferragamo's Creations line consists of new editions of original shoes included in the historical archive and in the Ferragamo Museum. The models are manufactured in limited quantities and numbered. They are made entirely by hand using the techniques, materials, and finishing details of the Maison's Founder. All Ferragamo's Creations shoes feature the Brand's historic logo, designed by Lucio Venna in 1930, and provide the opportunity to explore Salvatore Ferragamo's creative tradition, celebrating his pioneering vision and know-how.

### ELEGANCE OF A LIFETIME - PITTI UOMO

During the January 2015 edition of Pitti Immagine Uomo, the Company held the event “Elegance of a lifetime: the story of a bygone gentleman” at Palazzo Spini Feroni, launching the new Ferragamo's Creations Uomo collection and celebrating the men's shoes made by the Founder for his personal use and a select group of customers and friends.

The event featured the actor Giancarlo Giannini, the singer Peppe Servillo, and the Solis String Quartet.

### CLIMATE AND SUSTAINABILITY FOUNDATION SCHOLARSHIP

In 2015, Salvatore Ferragamo entered into an agreement with the Climate and Sustainability Foundation for a 12-month scholarship for research into natural fibers, new materials, and the preservation of artisan traditions typical of the Italian culture, promoting an environmentally and socially sustainable supply chain for the fashion industry. Under the agreement, the Ferragamo Foundation will offer its know-how in traditional manufacturing processes and the materials used by Salvatore Ferragamo and the Company, as well as promote tours of, and research into, Salvatore Ferragamo S.p.A.'s extensive archive to guide and help the recipient in his or her work.

### MILAN EXPO

As part of its commitment to researching innovative and environmentally sustainable materials, in 2015 Salvatore Ferragamo celebrated EXPO with a special and eco-friendly version of two of its most iconic products: the Sofia handbag and the Rainbow wedge.

In addition, between May and August 2015, during the Milan Expo, Salvatore Ferragamo and 10 Corso Como presented a selection of Ferragamo's Creations models together with the relevant patents at the Carla Sozzani Gallery.

The opening of the exhibition was celebrated with the event “Fashion and music: Authentic Italian handcraftsmanship”, held at 10 Corso Como.

## MATERIALS RESEARCH AND DEVELOPMENT

The attention to, and love for, materials have been a hallmark of Salvatore Ferragamo's work since the very beginning. Many of his most famous creations are the result of economic and manufacturing shifts occurred in Italy during the 20th century. In the 1930s, as the autarky prevented steel imports from entering the country, Salvatore Ferragamo had the brilliant idea of using cork for the soles of his shoes: he thus created the wedge, one of the most popular and long-lasting inventions of the fashion world. This is also the reason why Salvatore Ferragamo has always carefully selected and continued experimenting with not only traditional premium leather hides, but also humbler and more unusual materials. The classic Tavarnelle needle lace made near Florence, paper, bark, raffia, hemp, fish skin, and cellophane replaced the conventional kidskin and calfskin or other exotic kinds of leather during World War I and II. In the post-war period, Salvatore Ferragamo used recent innovations such as nylon, synthetic raffia, rhinestone embroidery, and glass beads to create unique and inimitable uppers.

After the death of the Founder, the Company carried on his tradition of experimenting with sustainable and alternative materials. In order to stay abreast of the latest innovations and trends in materials and their application, it created a dedicated function for the purposes of systematically updating the materials it uses - with a special emphasis on environmentally sustainable ones - working together with suppliers and contract manufacturers, and creating special materials.

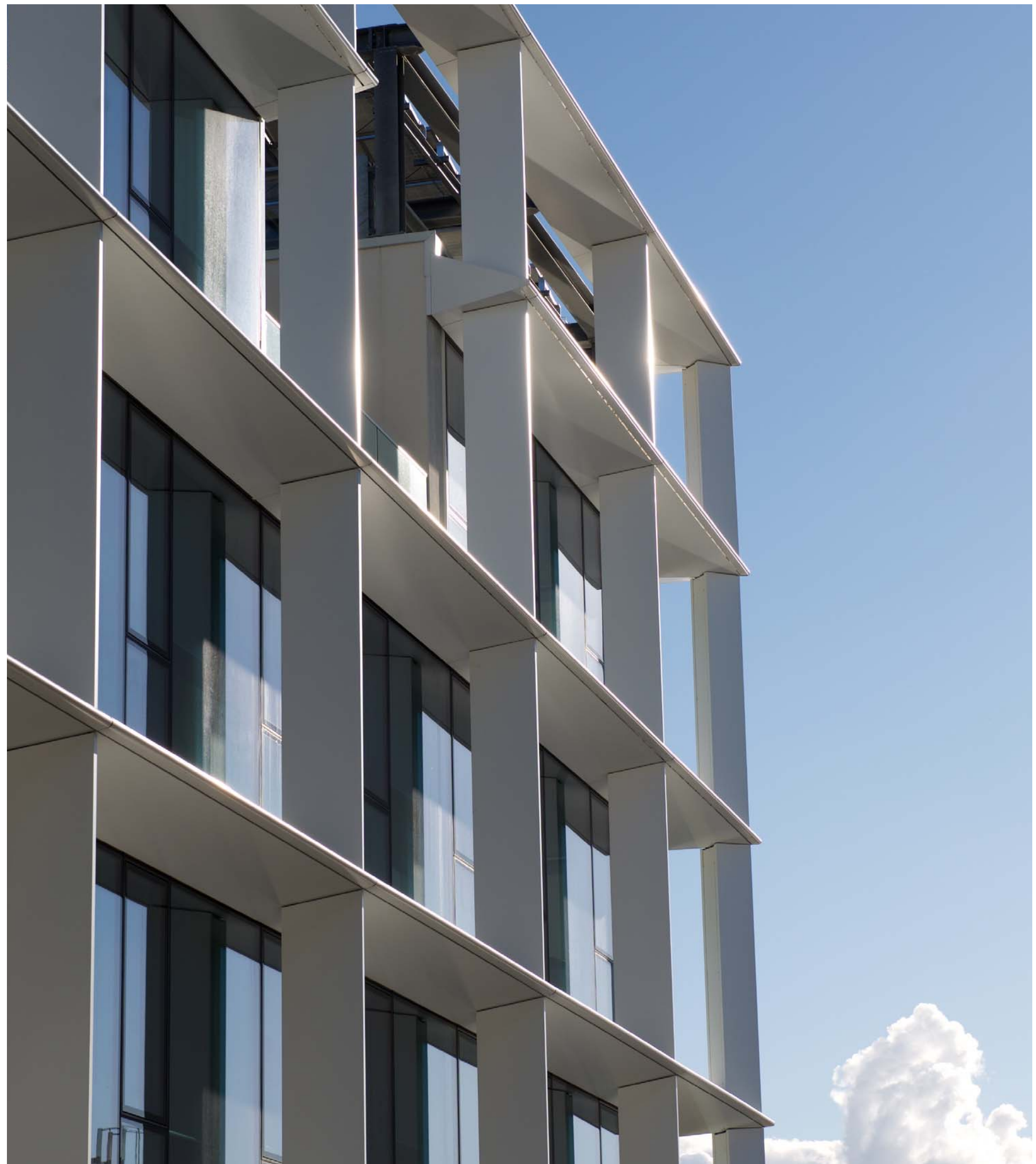
The Company has always been engaging with bodies and institutions investing in innovative research and experiments, acting as a partner and supporter by providing guidance and advice to address specific needs throughout the various design and production stages. In 2015, the Company actively participated in several conferences, including the round table on environmental materials hosted by Federmoda (the Italian fashion industry association), the Climate and Sustainability Foundation Conference, the presentation of environmentally friendly materials at an event of the So-roptimist organization, and ITMA (International Textile Machinery Exhibition).





“Nature is life and joy: there is no life without nature.  
We shall respect and protect it through  
both extraordinary and everyday acts.”

Deputy General Manager  
*Head of Markets and Supply Chain*





# OPERATING EFFICIENTLY



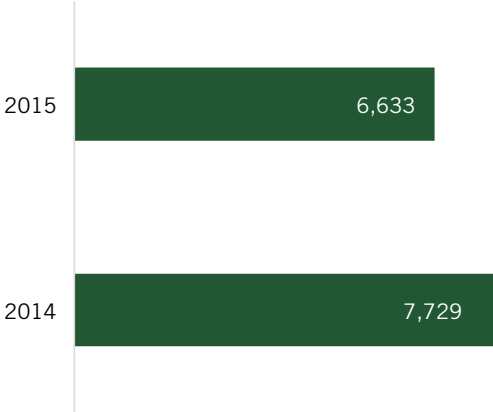
Salvatore Ferragamo has always put environmental sustainability at the heart of its development policies. To protect the environment, the Company aims to positively contribute to safeguarding it through strategies and initiatives aimed at reducing the environmental impact of its operations. Therefore, Salvatore Ferragamo is constantly looking for the best possible solutions to make a responsible use of resources, reduce energy consumption, and better handle the emissions released into the atmosphere<sup>1</sup>.

### ENERGY CONSUMPTION

Salvatore Ferragamo's environmental responsibility strategy focuses on reducing greenhouse gas emissions released into the atmosphere by constantly increasing energy efficiency and the use of renewable energy sources. The Company's commitment in this area translates into identifying and implementing actions to curb energy consumption as well as pursuing the highest environmental efficiency standards.

Specifically, in 2015 the Company consumed 6,633 GJ<sup>2</sup> of natural gas, down 14% from 2014 thanks to the optimization of the internal gas grid and the decline in energy consumption attributable to the new Q building at Osmannoro.

NATURAL GAS CONSUMPTION (GJ)



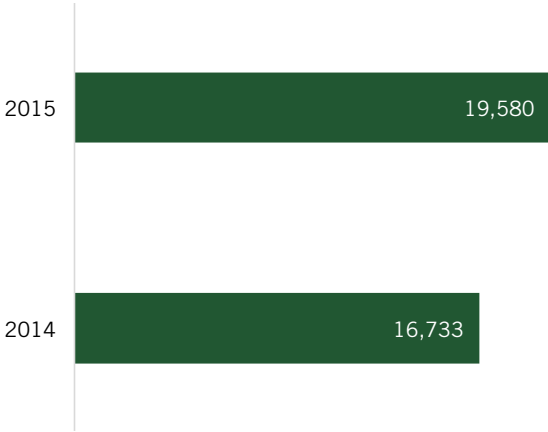
<sup>1</sup> The data concerning natural gas, power and water consumption as well as waste generation refers to the site in Osmannoro, the office in Palazzo Spini Feroni, and the offices in via Borgospesso and Corso Matteotti in Milan, unless otherwise noted. The data concerning the retail area is not included in the data presented in the following paragraphs

<sup>2</sup> For natural gas 1 m<sup>3</sup> = 0.03901 GJ.



As for power consumption, in 2015 the Company consumed 19,580 GJ<sup>3</sup>, rising slightly from 2014 (+17%) because of the construction and commissioning of the new Q building.

POWER CONSUMPTION (GJ)



<sup>3</sup> For power 1kWh (Kilowatt-hour) = 0.0036 GJ.



In order to monitor energy efficiency, in 2015 the Company decided to conduct an energy audit to identify its energy structure as well as the most and least efficient functional areas, with the goal of reducing energy consumption. The audit concerned the site in Osmannoro, the office in Palazzo Spini Feroni in Florence, the offices in Via Borgospesso and Corso Matteotti in Milan, and a number of the Brand's stores. The audit identified a number of potential areas for intervention in order to boost

energy efficiency, such as replacing conventional light fixtures with Smart Lighting LED systems. Ferragamo is already preparing to implement this action.

During 2015, Salvatore Ferragamo S.p.A. appointed an **Energy Manager** to exert a tighter control on energy consumption by analyzing, monitoring and optimizing it.

## WATER CONSUMPTION

Salvatore Ferragamo S.p.A. promotes a sensible and responsible use of the water for production facilities and hygiene-sanitary purposes. In 2015, the Company consumed 21,561m<sup>3</sup> <sup>4</sup> of water. The increase compared to 2014 was mainly attributable to the construction of the new Q building at Osmannoro.

WATER CONSUMPTION (m<sup>3</sup>)



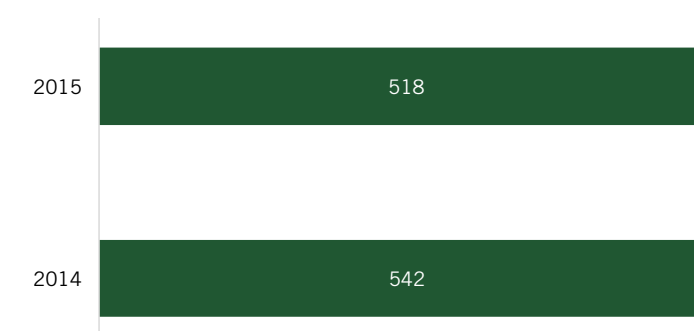
## WASTE MANAGEMENT

Salvatore Ferragamo's commitment to protecting the environment and making a responsible use of resources is reflected also in its efforts to curb the amount of waste generated from its operations. The Company strives to, and raises awareness among its employees about, properly managing and disposing of garbage, encouraging to reuse and recy-

cle materials as well as minimize waste. In 2015, the Company generated 518 tons of waste (of which 98.6% was non-hazardous, and 1.4% hazardous), down by more than 4% from 2014. This was made possible by sorting the waste from construction sites.

In addition, since 2014 the Company has been providing containers for paper, plastic, aluminum, tetra pak, glass, and organic waste on its premises. These containers are Made in Italy from 100% recycled material and encourage employees to responsibly sort waste.

WASTE <sup>5</sup> GENERATED (t)



<sup>4</sup> Includes 20,987 m<sup>3</sup> of water from the public water main and 574 m<sup>3</sup> of groundwater.

<sup>5</sup> The data concerning waste refers exclusively to the site in Osmannoro.



MATERIALS CONSUMPTION

Salvatore Ferragamo considers reducing the consumption of materials such as paper and plastic crucial in order to do business responsibly. As for retail paper packaging, Salvatore Ferragamo prefers FSC paper. The shopping bags are Made in Italy and postconsumer, i.e. consist for up to 45% of recycled fibers, and for the rest of virgin pulp derived from environmentally-friendly processes. They are 100% recyclable and biodegradable. By 2016, the Company will start using this type of paper also for corporate packaging. In addition, the dust bags for shoes, handbags, and accessories are 100% unbleached Made in Italy cotton. In selecting its packaging suppliers, Salvatore Ferragamo S.p.A. ensures that they not only are based locally, which is the main guarantee of Made in Italy quality, but also have certifications such as ISO 9001: 2008, ISO 14001:2004, and OHSAS 18001:2007.

In addition, for the shipping of some e-commerce orders, the Company uses bubble wrap made from renewable plant sources that can disposed of as organic waste together with animal and vegetable food scraps, since it is compostable and biodegradable. Finally, as for non-packaging materials such as catalogs, invitations, leaflets, and, in general, printed materials, the Company is placing increasing emphasis on ensuring that they are made with FSC certified paper and inks using processes that do not negatively impact the environment.

The FSC (Forest Stewardship Council) is an internationally recognized forest certification system. The certification promotes the proper management of forests and the traceability of the products derived from them. The FSC logo guarantees that the product is made of raw materials harvested from forests managed according to sustainable principles.

MATERIALS CONSUMPTION (kg)

	2014	2015
A3 Paper	6,651	2,800
A4 Paper	41,944	30,188
Cardboard boxes	436,681	553,967
Packaging cardboard	489,233	466,360

EMISSIONS MONITORING

Curbing greenhouse gas emissions and calculating the Company's carbon footprint play a crucial role in Salvatore Ferragamo's strategy to reduce its environmental impact. During 2015, the Company made further progress in defining its carbon footprint: the following table shows the amount of greenhouse gas emissions generated in 2015.

The Carbon footprint represents the emissions of climate-altering gases (CO<sub>2</sub>, CH<sub>4</sub>, Nitrous oxide - N<sub>2</sub>O, Hydrofluorocarbons HFCs, Perfluorocarbons PFCs and Sulfur Hexafluoride SF<sub>6</sub>) attributable to a product, organization, or individual.

CARBON FOOTPRINT (kg CO<sub>2</sub>eq) - 2015

SCOPE 1 - DIRECT GHG EMISSIONS	465,513
SCOPE 2 - ENERGY INDIRECT GHG EMISSIONS	2,186,470
SCOPE 3 - INDIRECT GHG EMISSIONS NOT ATTRIBUTABLE TO THE PRODUCT AND, SPECIFICALLY, RELATED TO BUSINESS TRAVEL AND EMPLOYEE COMMUTING	962,273
TOTAL CARBON FOOTPRINT	3,614,256

Thanks to its partnership with DHL, a leader in logistics as well as a long-standing partner of the Company, Salvatore Ferragamo S.p.A. has taken action to curb emissions throughout the supply chain. Salvatore Ferragamo's carbon footprint related to the shipments processed through DHL in 2015 amounted to 10,589 tons of CO<sub>2</sub>eq, according to a study conducted by DHL.

To offset these emissions, once again in 2015 Salvatore Ferragamo has been participating in DHL's GoGreen Project, which seeks to reduce CO<sub>2</sub> emissions and compensate for them by supporting internationally recognized and Climate Neutral certified carbon offset projects to protect the environment. Specifically, the Company decided to offset the 2015 emissions from the Florence

- Shanghai and Florence - Tokyo flights, compensating for 6,315 tons of CO<sub>2</sub>.

As in 2014, the Company chose to support the "Water Purifiers" project in Cambodia, which seeks to reduce emissions by curbing the CO<sub>2</sub> dreleased from the wood burnt to boil water - a necessary step to kill E. Coli. Due to the limited availability of drinking water, most people in Cambodia must boil water before they can consume it.

Salvatore Ferragamo S.p.A.'s commitment to this cause allows to distribute Ceramic Water Purifiers kits manufactured in Cambodia that purify water through special filters, thus eliminating the need to boil it by burning wood to kill bacteria.

## LEED PLATINUM BUILDING

In 2015, the Company inaugurated the new Q building at the site in Osmannoro. At 4 stories in height, it boasts nearly 5,700 sq m in gross surface area for office use and an underground garage with 87 parking spaces.

The building has an energy rating above A+ thanks to its highly efficient facilities. It was built in accordance with all applicable laws, especially those concerning the sustainable and efficient use of energy sources.

It is equipped with an approximately 1,800 sq m photovoltaic system rated at 126 KWP, which provides 82% of the energy needs of the entire building, as well as solar thermal collectors for sanitary hot water. In addition, a geothermal heat pump supports the air conditioning system using the heat

stored underground, thus reducing energy demand. Thanks to the Building Management System for the automation of lighting and temperature control, the new Q building optimizes energy consumption and improves thermal-humidity and lighting comfort, allowing users to fine-tune it within a given range. Rainwater is collected for toilet flushing.

In addition, the building features biodynamic led lighting systems that adjust to the human biorhythm.

Finally, to reduce CO<sub>2</sub> emissions, there are approximately 1,800 sq m of plant-covered roofs as well as 4 charging stations for electric cars. Thanks to these characteristics, the new Q building is in the process of obtaining the LEED Platinum certification.

**LEED** (Leadership in Energy and Environmental Design) is the US system for rating the energy efficiency and ecological footprint of buildings. It provides a set of measurement standards to assess environmentally sustainable buildings. LEED buildings can be divided into four rating levels according to their environmental sustainability: certified, silver, gold, and platinum. LEED-certified buildings make for a healthier place to live and work, boosting productivity and improving the health and comfort of employees.

The **LED** or light emitting diode is a device that generates light. It stands out for its reliability, long life, high efficiency, and reduced consumption. This type of lighting technology is environmentally sustainable and has now become extremely popular.



## SUSTAINABLE MOBILITY

Searching for sustainable mobility solutions is an integral part of Salvatore Ferragamo's strategy to protect and safeguard the environment. The Company's Mobility Manager is responsible for optimizing employee trips and identifying actions and initiatives that allow to reduce environmental impacts. Based on the results of the survey administered to employees in 2014 concerning their commuting habits, Salvatore Ferragamo has implemented some of the solutions proposed to improve mobility.

To meet the demands of those employees that said they wanted to make their commuting more flexible, in May 2015 the Company entered into an agreement with Car2Go, a car sharing company. Under said agreement, a reserved parking area was set up near the site in Osmannoro, and employees were offered the opportunity to sign up to the service for free, collecting their membership card at the office. The main goal of this initiative was introducing a new low-emission mobility solution, as well as reducing the number of private cars in Osmannoro's industrial area.

In addition, in September 2015, based on the results of the mobility survey, the Company installed a shelter and lighting at the bus stop in Osmannoro, making public transport more convenient and safer for those traveling to Florence.

Finally, to support those that said they would gladly share their vehicle with their colleagues, in 2015 the Company entered into an agreement with JoJob, an innovative carpooling service consisting in a web platform and a mobile app. It allows to share a car with employees at Salvatore Ferragamo and other companies nearby. The service was activated in February 2016 and benefits the Company's employees in terms of reduced CO<sub>2</sub> emissions attributable to their home-work commute, cost savings, and comfort.

To encourage employees to **travel sustainably**, minimizing CO<sub>2</sub> emissions, Salvatore Ferragamo's travel policy promotes the use of public transport for business travel purposes when there are no particular reasons for avoiding it.



“Salvatore Ferragamo has chosen Florence as the home of the soul,  
where creativity combines with expertise.  
The city, and the whole region of Tuscany are part and  
parcel of the DNA of Ferragamo,  
a company that cares about the local community.”  
  
Director of the Salvatore Ferragamo Museum &  
Head of Cultural and Institutional Events





# CULTURE AND PARTICIPATION



## PROMOTING CULTURAL AND SOCIAL DEVELOPMENT

Salvatore Ferragamo was one of the first to realize that fashion, art and culture are intimately connected. Since the beginning of his career in America, the Company's Founder always looked for inspiration, ideas and collaborations with the leading artists of the day. Over the years, the Company has acted on its Founder's insight, dedicating considerable attention and resources to cultural initiatives in order to promote art in all its forms.

After redefining its Charity policy in 2014, during 2015 Salvatore Ferragamo made several donations to charity initiatives promoting Italy's culture across the world as well as the health of women and children.

In 2015, nearly 90% of Salvatore Ferragamo S.p.A.'s donations went to promote Italy's culture across the globe. Here below are the Company's main initiatives in this area.



### THE UFFIZI GALLERY

The 600,000 Euros Salvatore Ferragamo donated in 2014 allowed to restore and open eight rooms of Florence's Uffizi Gallery - the world-famous museum considered to be one of Italy's flagship art venues - to the public in September 2015. The renewed structure, equipped with cutting-edge systems to improve the conservation of the

artworks and the experience for visitors, features about fifty of the most valuable 15th-century Florentine artworks, including masterpieces by Domenico Ghirlandaio, Alessio Baldovinetti, Cosimo Rosselli, Jacopo del Sellaio, Filippino Lippi, Piero di Cosimo, Perugino, Lorenzo di Credi, and Luca Signorelli.

The donation is in keeping with the Company's tradition of artistic patronage and represents a token of appreciation to the city of Florence, as it is part and parcel of Salvatore Ferragamo's identity.



### BOTANIC GARDEN

In December 2015, Salvatore Ferragamo finalized an agreement with the University of Florence to restore six greenhouses in Florence's Botanic Garden, one of the oldest in the world. Created at the request of Cosimo dei Medici in 1545, it is an important symbol of Florence's culture and expertise. The greenhouses, which were damaged by weather in September 2014, host extremely rare plant species.

### WORLD FOOD PROGRAM

Following the earthquake that hit Nepal in April 2015, Salvatore Ferragamo made a donation to the World Food Program (WFP) of the United Nations Agency, which provides food aid. The Company's contribution helped the WFP distribute food across Nepal.

### ISTITUTO DEGLI INNOCENTI

The Company decided to donate the funds usually reserved for printing Christmas cards to Florence's Istituto degli Innocenti, which also houses the UNICEF - Innocenti Research Center, to restructure the shelters for mothers and children in need. Consistently with its Charity Policy, Salvatore Ferragamo decided to support Istituto degli Innocenti as a beacon of aid for children and solidarity in Florence. The partnership will continue in 2016 with a special project.

### "THE PLAGUE IN FLORENCE IN 1630"

In 2015, Salvatore Ferragamo's donation helped restoring the painting "The Plague in Florence in 1630", which is part of the Misericordia di Firenze's collection. The painting, which captures everyday life in 17th-century Florence, was once again put on display in the Sala di Compagnia at the Arciconfraternita.



## DYNAMO CAMP

Salvatore Ferragamo supports the Dynamo Camp Association, the only Italian therapeutic recreation center for children suffering from serious or chronic diseases during the post-hospitalization period and/or remission. At the Camp, children participate in games and sports, which gives them the opportunity to have fun and socialize in a natural and protected setting. In addition, the Association proposes therapeutic recreation programs for the entire family.

Salvatore Ferragamo specifically supports Dynamo Camp through the following initiatives:

On 23 and 24 May 2015, Salvatore Ferragamo participated for the second year in a row in the Dynamo Bike Challenge, a bike race organized by Dynamo Camp to raise funds for the Camp. Salvatore Ferragamo encouraged its employees to participate by providing logistic support, reimbursing transport and lodging costs, and offering them a sponsored race

outfit as well as training support thanks to the collaboration with Leonardo Giordani, a former world road cycling champion. Once again in 2015, the Salvatore Ferragamo team was awarded as the one that raised the most funds for the association.

During 2015, the Company hosted two corporate volunteer days at Dynamo Camp in which about 70 employees participated. They helped pitch the tents and prepare the part of the facility where children stay during the summer camps at the WWF Oasis.

On 13 and 14 October 2015, Salvatore Ferragamo S.p.A., in partnership with the Ferragamo Foundation, hosted the workshops "Discover the magical world of Foulards" at Dynamo Camp for the parents of those children suffering from such serious diseases that they could not take part in the activities. The initiative was intended to provide educational and creative entertainment to the

parents while their children were participating in therapies or other activities. The works made by the participants have been stored in the Salvatore Ferragamo Museum's archive.





CORRI LA VITA BEST PERFORMER AWARD

In the 2015 edition of Corri la Vita, Salvatore Ferragamo was awarded as Best Performer for bringing the highest number of participants (810) to the event and raising the most funds. The award was presented at the end of the marathon in front of Dario Nardella, the Mayor of Florence, and Bona Frescobaldi, the Chair of the association.

CORRI LA VITA

Once again in 2015, Salvatore Ferragamo was the main sponsor of the charity sports event “Corri la Vita”, which was held in Florence on Sunday, 27 September 2015. Corri la Vita's proceeds go to non-profit projects for national health facilities specializing in the treatment of breast cancer through psychological support, physical and social rehabilitation, prevention, training, and palliative care. The event offers the opportunity to contribute to its fundraising

activities all year round and from any city, and not just when it is taking place in Florence. To give visibility to the event, Salvatore Ferragamo made approximately 35,000 t-shirts for the participants, created a special window display at the store in Florence, and installed mini-panels at all the Brand's stores across Italy.



ROVIGO HALF MARATHON

In 2015, Salvatore Ferragamo contributed to the Rovigo Half Marathon. This charity sports event supports the Onlus Faedesfa association, which helps children suffering from a rare genetic disorder. The race was held on Sunday, 29 March 2015 and saw the participation of 16 employees. Salvatore Ferragamo provided them with logistic support and a sponsored outfit. The funds raised by the event went to the purchase of two walkers for assisted breathing for the Children's unit at Rovigo Hospital.



ASSOCIAZIONE BANCO ALIMENTARE ONLUS

To help the needy and reduce waste, starting from February 2014, when the Catering Company and Associazione Banco Alimentare ONLUS (the Italian food bank) entered into an agreement, Salvatore Ferragamo has chosen to donate the excess food from the company cafeteria to Florence's “CEIS - Centro di Solidarietà”, where a canteen serves both lunch and dinner. The Banco Alimentare ONLUS collects the food and checks its integrity and preservation.

During 2015, the Company donated the following servings:

FIRST COURSES 4,505 (no. pieces)	SECOND COURSES 6,916 (no. pieces)
SIDE DISHES 5,224 (no. pieces)	SUNDRY FOOD PRODUCTS - 663 (kg)

TRADE ASSOCIATIONS

Salvatore Ferragamo is a member of, among others, the following trade associations:

National Chamber of Italian Fashion

An association that promotes and co-ordinates the Italian Fashion industry and the training of young Italian stylists.  
(<http://www.cameramoda.it>)

Confindustria Firenze

Established in 1865, the association brings together the businesses based in Florence's province, representing the largest and most dynamic local economic industries - from manufacturing to services and tourism.  
(<http://www.confindustriafirenze.it>)

Altagamma Foundation

Since 1992, this association has been bringing together the companies that represent the best of Italy's cultural and creative industry, standing out for their level of innovation, quality, design, and service.  
(<http://www.altagamma.it>)

Assonime

The association of Italian joint stock companies.  
(<http://www.assonime.it/AssonimeWeb2>)

Confcommercio Firenze

An association representing companies from the Retail, Tourism, and Services industries, as well as Professions and Small and Medium sized Companies operating in Florence's province.  
(<http://www.confcommercio.firenze.it>)



“SALVATORE FERRAGAMO MUSEUM. OUR FIRST THIRTY YEARS”.

To celebrate the 30 years of activity since it hosted its first exhibition at Palazzo Strozzi, in 2015 the Museum published the book “Salvatore Ferragamo Museum. Our first thirty years”, edited by Stefania Ricci and with an essay by Antonio Paolucci. Published by Edifir, the book chronicles the main exhibitions held by the Salvatore Ferragamo Museum from 1985 to 2015.

GREEN MUSEUM

The Salvatore Ferragamo Museum will be Italy's first Green museum, as it will be part of the Museimpresa Green initiative promoted by Confindustria, Federturismo, and Museimpresa. The Museum has started reporting the CO<sub>2</sub> emissions generated by its activities, and the ultimate goal is obtaining the international standard ISO 14064. The Brand saw this project as an opportunity to set a good example for the international community, and signed up to it to promote an efficient use of energy sources and protect the environment.

SALVATORE FERRAGAMO MUSEUM

The strongest evidence of the commitment towards culture is the Salvatore Ferragamo Museum, established in 1995 inside the Company's historic headquarters by Mrs Wanda Miletti Ferragamo and her six children - chief among them Fiamma, who believed in the value of Ferragamo's history and considered culture key for designing and understanding the Company's strategy, giving importance to its past and preserving its products as symbols of durability and world-class craftsmanship. The Salvatore Ferragamo Museum is not a static place of remembrance dedicated to the Company, but rather a center to promote a cultural debate, connecting past and present. The Museum is seen as an open space where the Company and the outside world, business and the local community, come together.

In particular, the Salvatore Ferragamo Museum intends to:

- represent the Company by showcasing its most important and significant contents, projecting an image of solidity and consistency;
- hand down the Company's culture from one generation to the next. It is a dynamic place of remembrance, i.e. it gathers past creations to inspire new ideas, new prototypes, and new products - all while respecting the Brand's identity;
- create a sense of loyalty to the Company;
- shape and make the Company's culture part of its local community, offering conceptual and practical tools for passing on important stories and memories;
- engage with other institutions, not necessarily from the business world, as well as schools and universities.

THE MAIN PARTNERSHIPS IN 2015

In 2015, the Salvatore Ferragamo Museum continued working with institutions, schools and universities in the local community. Here below are the main initiatives in this area:

- partnership with the **Biennial Antiques Fair** at Palazzo Corsini, granting visitors benefits such as a discounted entry to the museum and special tours;
- partnership with the **Tornabuoni Class** association, which in September hosted a charity gala to raise funds for the restoration of green spaces and improving the quality of life at the prison in Sollicciano. The participants were offered special tours to the exhibition “A Palace and the City”;
- partnership with the **Giovanni Alberto Agnelli Piaggio Museum**: the Company participated in “**Creativity**”, an event dedicated to design, research, and training;

- partnership with **KEY - Knowledge Exchange Institute**, an international organization that offers study abroad programs;
- partnership with Museimpresa and participation in the **XIV Business Culture Week** (10-20 November 2015): the Museum offered special guided tours;
- thanks to the long-standing partnership with **SDA Bocconi School of Management's Brand Academy**, in 2015 the Company hosted the two-day event “Brand Authenticity - Bringing consumers back to the origins of the brand” at the Ferragamo Foundation. As part of the agreement, Salvatore Ferragamo also committed to sponsoring initiatives and activities promoted by SDA Bocconi School of Management and was offered the opportunity to participate in training programs organized by the Brand Academy.

THE SALVATORE FERRAGAMO MUSEUM'S PARTNER ASSOCIATIONS

Museimpresa

The Italian association of company museums and archives, sponsored by Assolombarda and Confindustria. The members of the association recount the story of Italian businesses and their protagonists by preserving and promoting documents, iconographic material, objects, products, and machines.

Europeana Fashion

A European digital library that includes books, movies, paintings, newspapers, sound archives, maps, manuscripts, and archives from EU member states. In late 2014, the Salvatore Ferragamo Museum gave Europeana Fashion 1,000 catalog cards of historical shoes.

Portal of the 20th Century Fashion Archives

A platform set up in November 2011 within Italy's National Archive in Rome to preserve the fashion industry's heritage.

THE MUSEUM BY NUMBERS

241/ EXHIBITIONS

200/ CONTACTS WITH UNIVERSITIES AND SCHOOLS

220/ CONTACTS WITH MUSEUMS AND INSTITUTIONS

271,565/ VISITORS (2006-2015)

41,483/ VISITORS IN 2015





## 2014-2015 EXHIBITION EQUILIBRIUM

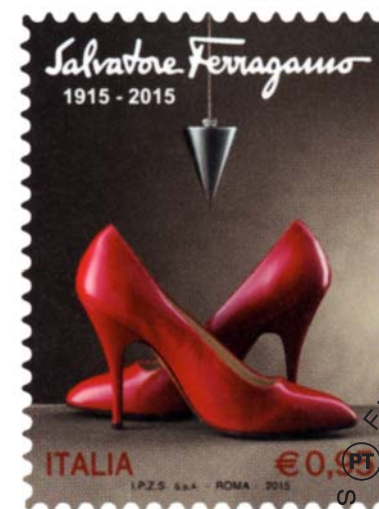
### EQUILIBRIUM - LEARNING PROJECT

During the “Equilibrium” exhibition, the Museum offered a program consisting in guided tours and learning activities for elementary and middle school students titled “In life you need...Equilibrium”. In addition, some bookshop items were created specifically for the event. For the entire duration of the exhibition, 5% of the proceeds from the sales of these products at 13 Ferragamo stores around the world went to the association “Un Cuore, Un Mondo” ONLUS, which is related to the Massa Heart Hospital and supports research into congenital heart defects in children.

23 April 2015 was the last day of the “Equilibrium” exhibition, which had opened in 2014. The exhibition focused on the importance of equilibrium in the life of everyone through Salvatore Ferragamo’s writings and studies on the arch of the foot and footwear as well as interviews with his wife, Wanda Miletti Ferragamo, a grandson, and a number of important personalities - including the mountaineer Reinhold Messner; the high-wire artist Pilippe Petit; the author Will Self; the architect, engineer and artist Cecil Balmond; and the ballet dancer Eleonora Abbagnato.

- 35,814 visitors from June 2014 to April 2015

## SALVATORE FERRAGAMO POSTAGE STAMP



To celebrate Salvatore Ferragamo's arrival in the United States in 1915, on 30 November 2015 Italy's Ministry for Economic Development formally announced the issue of a postage stamp dedicated to the Company as a recognition of its work. The image on the postage stamp was created by Istituto Poligrafico e Zecca dello Stato (Italy's state mint and polygraphic institute) and comes from the Salvatore Ferragamo Archive. It depicts the famous model created for Marilyn Monroe in 1958, as well as a pendulum on the arch of the foot: it symbolizes the Founder's studies on the anatomy of the foot, which played a crucial role in the design of his creations.

## 2015-2016 EXHIBITION A PALACE AND THE CITY



The exhibition “A Palace and the City” was held from 8 May 2015 to 3 April 2016 to celebrate the 150 years since Florence was made capital of Italy. It featured important artworks and documents from public and private museums and collections, recounting the intricate history of the Palace and its residents. The stage designer Maurizio Balò developed

the displays for the exhibition, which opened the door of one Florence's landmarks to the city, its residents, and tourists.

For the entire duration of the exhibition “A Palace and the City”, Salvatore Ferragamo S.p.A. offered guided tours to the Palace's piano nobile (“noble floor”, the main floor of a building), allowing participants

### LEARNING PROJECT - A PALACE AND THE CITY

During the “A Palace and the City” exhibition, the Ferragamo Foundation, in partnership with the Museum, created a new project for children involving guided tours of the exhibition and learning activities.

In addition, for the Italian Museum Family Day, on 4 October 2015 families had the opportunity to tour the exhibition following a special learning program created specifically for the occasion, named “The time travelers”.

to learn more about the changes occurred over the centuries and analyze the relationship between the City and the Palace.

- 39,358 visitors from May 2015 to April 2016





### FERRAGAMO FOUNDATION

The Ferragamo Family set up the Ferragamo Foundation on 15 March 2013 to promote craftsmanship and Made in Italy products as well as invest in the education and training of those seeking a career in the world of fashion, design, and the most elegant and artistic forms of Italian craft, in keeping with the values and

style of Salvatore Ferragamo's works. To achieve these goals, the Foundation intends to protect and promote Ferragamo's historical archive, sponsor and host fashion training courses, and provide scholarships and grants, in partnership with the Salvatore Ferragamo Museum.

The Foundation regularly holds conferences and events open to the residents of Florence and the general public, learning workshops for children, and various kinds of initiatives for the young - the main beneficiaries of an institution that considers handing down technical expertise and educating people to experiment one of its main goals.

In partnership with the project "Let's work Artisans! Junior", of Florence's Osservatorio dei Mestieri d'Arte, the Foundation organized a cycle of workshops held in English, titled "Circus Time! Shoes on Mobiles: the Endless Equilibrium". These were related to the "Equilibrium" exhibition.

The children had the opportunity to learn words and language structures associated with the topic of equilibrium and the magical world of the circus through a storytelling approach.

In 2015, the Foundation hosted several events for the children of Salvatore Ferragamo employees, allowing them to visit the place where their parents work and learn about the values that characterize the Company's history.

Finally, the Foundation helps developing the project "Musei da favola" ("Fabulous Museums"), which was launched in 2013 and offers tours in Italian and English allowing families to discover Florence's main cultural landmarks.

### THE KEYS OF THE CITY

Every year, the learning activities hosted by the Museum are included in the calendar of the project "The Keys of the City", coordinated by the Municipality of Florence and open to elementary and middle school students, as well as the Children's Festival, a three-day event for children.

### SECRET GARDEN

On 6 June 2015, the Ferragamo Foundation, in partnership with the Salvatore Ferragamo Museum, participated in Secret Garden, a charity event organized by the Noi per Voi association - which supports the Meyer Hospital - with the workshops "Artist's stretchers!" and "Discover the magical world of foulards". The funds raised at the event went to the "Homing" project, promoted in partnership with Trenta Ore per la Vita 2015 to provide psychological and psychosocial support at home for all families with children suffering from cancer being treated at the Meyer Hospital, as well as the purchase of "Brainlab", a high-performance portable surgery unit.

### THE FOUNDATION BY NUMBERS

1,510/	HIGH SCHOOL STUDENTS PARTICIPATING IN CONFERENCES (2013-2015)	989/	CHILDREN PARTICIPATING IN WORKSHOPS IN 2015*
2,828/	CHILDREN PARTICIPATING IN WORKSHOPS (2013-2015)*	774/	ADULTS PARTICIPATING IN WORKSHOPS IN 2015*

### LEARNING ACTIVITIES

The Ferragamo Foundation hosts "Workshops of ideas and creativity" for children, teenagers and adults dedicated to artisan skills, fashion, and design.

The workshops are divided in four categories:

- Make your own sandal
- Make your first bag
- Discover the magical world of foulards
- Artist's...stretchers

The last one is a new format launched in 2015 that uses the symbol of Salvatore Ferragamo's passion and work as the starting point for children to make imaginative creations by painting and decorating wooden shoe stretchers. In addition, to celebrate holidays or events concerning children, the Foundation organizes learning activities or guided tours for the whole family to make adults and children "work" together, such as:

- "The Befana's new shoes" on Three Kings' Day, 6 January 2015
- "Dad...in Equilibrium" on Father's Day, 19 March 2015
- "Murder at the Hotel d'Europe" on Halloween, 31 October 2015



\* In partnership with the Salvatore Ferragamo Museum.



PROTECTING, MANAGING AND PROMOTING SALVATORE FERRAGAMO'S HISTORICAL ARCHIVE

**SAMIRA** is a cataloging, information and communication software that meets the most diverse needs of institutions that manage archives and museums. It allows to share, process, organize, and publish information.

The Ferragamo Foundation is at the forefront of the preservation of archival materials, thanks to the "SAMIRA" cataloging software. The archive includes authentic and diverse materials, which are implemented every day and are not replicated.

- Shoes Archive: approximately 15,000 models
- Wooden Stretchers Archive: approximately 100 items
- Historical Leather Hides Archive: approximately 500 items
- Handbags Archive: approximately 1,100 models
- Apparel Archive: approximately 3,400 models
- Milan Silk Archive: approximately 4,300 models
- Costume Jewellery Archive: approximately 500 models
- Artworks Archive: approximately 200 items
- Objects Archive (products, work tools, memorabilia): approximately 500 items
- Media Library (video): approximately 10,000 items



The Archive allows to protect and promote Salvatore Ferragamo's historical-artistic heritage, which represents the memory of an entire industrial and social culture. It is a constant source for inspiration that is consistent with the Company's identity, as it preserves its history and influences the communication and work of the designers and marketers developing new products.

As a testament to its efficiency and functionality, this cataloging system was taken as a case history for the project of the Portal of the 20th Century Fashion Archives as well as the Europeana Fashion portal.

In 2015, following the success of the first edition of the Seminar for Fashion Company Archivists held by the Foundation, the A. M. Enriques Agnoletti School of Archival Studies, Paleography and Diplomacy of Florence's National Archive added the Foundation to the group of institutions authorized to host an evening archival inventorying workshop in the 2015-2017 period.

The participants in the seminar hosted by the Ferragamo Foundation will have the opportunity to work on organizing and analytically cataloging albums from the 19th and 20th century using the SAMIRA software. These albums contain samples of designs and decorative patterns that Salvatore Ferragamo S.p.A. has been using over the years as inspiration to produce its ties.





### BOUNDARIES OF THE ORGANIZATION'S MATERIAL ASPECTS

The following table presents the aspects set out in the GRI-G4 Guidelines that correspond to the material aspects identified for Salvatore Ferragamo S.p.A. through the materiality analysis, as well as the relevant boundaries, making reference to the impacts that each aspect may have within and outside the Company.

G4 MATERIAL ASPECTS	BOUNDARIES OF MATERIAL ASPECTS	
Categories	Internal	External
<b>Category: Economic</b>		
Economic Performance	Salvatore Ferragamo S.p.A.	-
Market Presence	Salvatore Ferragamo S.p.A.	-
Procurement Practices	Salvatore Ferragamo S.p.A.	-
<b>Category: Environmental</b>		
Energy	Salvatore Ferragamo S.p.A.	-
Emissions	Salvatore Ferragamo S.p.A.	-
Effluents and Waste	Salvatore Ferragamo S.p.A.	-
<b>Category: Social</b>		
<b>Sub-categories: labor practices and decent work</b>		
Occupational Health and Safety	Salvatore Ferragamo S.p.A.	-
Training and Education	Salvatore Ferragamo S.p.A.	-
Diversity and equal opportunity	Salvatore Ferragamo S.p.A.	-
<b>Sub-category: Human rights</b>		
Non-Discrimination	Salvatore Ferragamo S.p.A.	-
Supplier Human Rights Assessment	Salvatore Ferragamo S.p.A.	Suppliers
<b>Sub-category: Society</b>		
Local Communities	Salvatore Ferragamo S.p.A.	-
<b>Sub-category: Product responsibility</b>		
Customer Health and Safety	Salvatore Ferragamo S.p.A.	-
Product and Service Labeling	Salvatore Ferragamo S.p.A.	-

### GRI CONTENT INDEX

Here below is the GRI table prepared using the “In Accordance-core” option, pursuant to the GRI-G4 Guidelines of the Global Reporting Initiative. Any omissions are reported as notes to the individual indicators, if required.

CODE	INDICATOR	PAGE/NOTES
GENERAL STANDARD DISCLOSURES		
STRATEGY AND ANALYSIS		
G4 -1	Statement from the most senior decision-maker about the relevance of sustainability to the organization and the organization's strategy	Pagg. 3-4
G4 -2	Key impacts, risks, and opportunities	Pag. 20
ORGANIZATIONAL PROFILE		
G4 - 3	Name of the organization	Pag. 6
G4 - 4	Primary brands, products and/or services	Pagg. 14-16
G4 - 5	Headquarters	Pag. 13
G4 - 6	Number of countries where the organization operates	Pagg. 17-18
G4 - 7	Nature of ownership and legal form	Pag. 20 <a href="http://group.ferragamo.com/en/governance/corporate-governance">http://group.ferragamo.com/en/governance/corporate-governance</a>
G4 - 8	Markets served	Pagg. 17-19
G4 - 9	Scale of the organization	Pag. 17
G4 - 10	Characteristics of the work force	Pagg. 30-34
G4 -11	Percentage of total employees covered by collective bargaining agreements	All Salvatore Ferragamo S.p.A. employees are covered by the National Collective Bargaining Agreement.
G4 - 12	Description of the organization's supply chain	Pagg. 56-63
G4 - 13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There were no significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.
G4 - 14	Application of the precautionary approach to risk management	Pagg. 4;20
G4 - 15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Pag. 21
G4 - 16	Memberships of industry associations	Pag. 83

CODE	INDICATOR	PAGE/NOTES
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4 - 17	Entities included in the organization's consolidated financial statements and indication of any entities non covered by the report	Pag. 6
G4 - 18	Process for defining the Sustainability Report's content	Pagg. 25-26
G4 - 19	Identified material aspects	Pag. 26
G4 - 20	Material aspects within the organization	Pagg. 26;92
G4 - 21	Material aspects outside the organization	Pagg. 26;92
G4 - 22	Restatements of information provided in the previous Sustainability Report	There were no restatements of information provided in the previous Sustainability Report.
G4 - 23	Significant changes from the previous Sustainability Report in the scope and aspect boundaries	There were no significant changes from the previous Sustainability Report in the scope and aspect boundaries.
<b>STAKEHOLDER ENGAGEMENT</b>		
G4 - 24	Categories and groups of stakeholders engaged by the organization	Pag. 25
G4 - 25	Process for identifying stakeholders	Pag. 25
G4 - 26	Approach to stakeholder engagement, including frequency of engagement by type	Pagg. 26-27
G4 - 27	Key topics and concerns that have been raised through stakeholder engagement	Pagg. 26-27
<b>REPORT PROFILE</b>		
G4 - 28	Reporting period for the Sustainability Report	Pag. 6
G4 - 29	Date of most recent previous Sustainability Report	Pag. 6
G4 - 30	Reporting cycle	Pag. 6
G4 - 31	Contact point	Pag. 6
G4 - 32	GRI content index	Pagg. 93-98
G4 - 33	External assurance policies and practices	Pagg. 99-100
<b>GOVERNANCE</b>		
G4 - 34	Governance structure of the organization	Pag. 20 <a href="http://group.ferragamo.com/en/governance/corporate-governance">http://group.ferragamo.com/en/governance/corporate-governance</a>
<b>ETHICS</b>		
G4 - 56	Values, principles, standards and norms of behavior of the organization	Pag. 21

CODE	INDICATOR	PAGE/NOTES
<b>SPECIFIC STANDARD DISCLOSURE</b>		
<b>ECONOMIC INDICATORS</b>		
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>		
G4 - DMA	Disclosures on management approach	Pagg. 35-36; 49
G4 - EC4	Financial assistance received from governments	Pagg. 35-36; 49 During 2015, Salvatore Ferragamo S.p.A. received approximately 13,000 Euros in financial assistance from the Italian government, mainly for the training of employees and the sales staff.
<b>MATERIAL ASPECT: MARKET PRESENCE</b>		
G4 - DMA	Disclosures on management approach	Pag. 30
G4 - EC6	Procedures for hiring people from the local community at significant locations of operation and proportion of senior management hired from the local community	Pag. 32 More than 40% of the management comes from Florence.
<b>MATERIAL ASPECT: PROCUREMENT PRACTICES</b>		
G4 - DMA	Disclosures on management approach	Pagg. 56-60
G4 - EC9	Proportion of spending on local suppliers at significant locations of operations	Pag. 58
<b>ENVIRONMENTAL INDICATORS</b>		
<b>MATERIAL ASPECT: ENERGY</b>		
G4 - DMA	Disclosures on management approach	Pagg. 68-70
G4 - EN3	Energy consumption within the organization	Pagg. 68-69
<b>ASPECT: WATER</b>		
G4 - EN8	Water withdrawal	Pag. 71
G4 - EN9	Water sources significantly affected by withdrawal of water	Pag. 71
<b>MATERIAL ASPECT: EMISSIONS</b>		
G4 -DMA	Disclosures on management approach	Pag. 73
G4 -EN15	Direct greenhouse gas emissions (Scope 1)	Pag. 73
G4 -EN16	Energy indirect greenhouse gas emissions (Scope 2)	Pag. 73
G4 -EN17	Other indirect greenhouse gas emissions (Scope 3)	Pag. 73
G4 -EN20	Emissions of ozone-depleting substances	Considering the nature of its business, Salvatore Ferragamo S.p.A. does not generate other significant emissions of ozone-depleting substances.



CODE	INDICATOR	PAGE/NOTES
G4 -EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	Considering the nature of its business, Salvatore Ferragamo S.p.A. does not generate other significant emissions of NO <sub>x</sub> , SO <sub>x</sub> or other gases.
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>		
G4 - DMA	Disclosures on management approach	Pag. 71
G4 - EN24	Significant spills	In 2015, there were no significant spills.
G4 - EN25	Hazardous waste	Pag. 71
<b>ASPECT: COMPLIANCE</b>		
G4 - EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2015, there were no sanctions for non-compliance with environmental laws and regulations.
<b>ASPECT: TRANSPORT</b>		
G4 - EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Pagg. 73-75
<b>ENVIRONMENTAL GRIEVANCE MECHANISMS</b>		
G4 - EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	In 2015, there were no grievances about environmental impacts.
<b>SOCIAL INDICATORS</b>		
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>		
<b>ASPECT: EMPLOYMENT</b>		
G4 - LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Pag. 32
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>		
G4 - DMA	Disclosures on management approach	Pag. 40
G4 - LA6*	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Pag. 40

\* Omission: the Company will further develop the system for gathering data on the main injury rates starting from the next reporting period.

CODE	INDICATOR	PAGE/NOTES
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>		
G4 - DMA	Disclosures on management approach	Pagg. 35-37
G4 - LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Pag. 37
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>		
G4 - DMA	Disclosures on management approach	Pagg. 33-34
G4 - LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, and other indicators of diversity	As at 31 December 2015, Salvatore Ferragamo S.p.A. had 25 employees falling under protected categories.
<b>ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS</b>		
G4 - LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	In 2015, six grievances about labor practices were filed, and four of them were resolved before the end of the year.
<b>SUB-CATEGORY: HUMAN RIGHTS</b>		
<b>MATERIAL ASPECT: NON-DISCRIMINATION</b>		
G4 - DMA	Disclosures on management approach	Pag. 33
G4 - HR3	Total number of incidents of discrimination and corrective actions taken	In 2015, there were no incidents of discrimination.
<b>ASPECT: CHILD LABOR</b>		
G4 - HR5	Operations identified as having significant risk for incidents of child labor	Pagg. 21;33;56
<b>ASPECT: FORCED OR COMPULSORY LABOR</b>		
G4 - HR6	Operations identified as having significant risk for incidents of forced or compulsory labor	Pagg. 21;33;56
<b>MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>		
G4 - DMA	Disclosures on management approach	Pag. 56
G4 - HR10	Percentage of new suppliers screened using human rights criteria	Pag. 56
<b>ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS</b>		
G4 - HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	In 2015, there were no grievances about human rights impacts.

CODE	INDICATOR	PAGE/NOTES
<b>SUB-CATEGORY: SOCIETY</b>		
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>		
G4 - DMA	Disclosures on management approach	Pag. 78
G4 - SO1	Operations with implemented local community engagement, impact assessments, and development programs	Pagg. 78;84-85; 88-89
<b>ASPECT: COMPLIANCE</b>		
G4 - SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In 2015, there were no sanctions for non-compliance with laws and regulations.
<b>ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY</b>		
G4 - SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	In 2015, there were no grievances about impacts on society.
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>		
<b>MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY</b>		
G4 - DMA	Disclosures on management approach	Pag. 56
G4 - PR2	Incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle	In 2015, there were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle.
<b>MATERIAL ASPECT: PRODUCT AND SERVICE LABELING</b>		
G4 - DMA	Disclosures on management approach	Pagg. 44-45;48;52
G4 - PR3	Product and service information	Pagg. 44-45;52;56-60
G4 - PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	In 2015, there were no incidents of non-compliance with regulations concerning product and service information and labeling.
<b>ASPECT: MARKETING COMMUNICATIONS</b>		
G4 - PR7	Incidents of non-compliance with regulations concerning marketing communications	In 2015, there were no incidents of non-compliance with regulations concerning marketing communications.
G4 - PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the use of products and services	In 2015, there were no sanctions for non-compliance with laws and regulations concerning the use of products and services.

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## INDEPENDENT AUDITORS' REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of  
Salvatore Ferragamo S.p.A.

We have performed a limited assurance engagement on the Sustainability Report of the Salvatore Ferragamo S.p.A. (the “Company”) as of December 31, 2015.

### Directors’ responsibility on the Sustainability Report

The Directors are responsible for the preparation of the Sustainability Report in accordance with the “*G4 Sustainability Reporting Guidelines*” issued in 2013 by GRI - *Global Reporting Initiative*, as stated in the paragraph “Methodology” of the Sustainability Report, and for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to frauds or unintentional behaviours or events. The Directors are also responsible for defining the Salvatore Ferragamo S.p.A.’s objectives regarding the sustainability performance and the reporting of the achieved results, for the identification of the stakeholders and the significant aspects to report.

### Auditors’ responsibility

Our responsibility is to issue this report based on the procedures performed. We conducted our work in accordance with the criteria established in the “*International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information*” (“*ISAE 3000*”), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. The standard requires the compliance with ethical principles, including independence requirements, and that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement. These procedures included inquiries, primary with the Company personnel responsible for the preparation of the Sustainability Report, analysis of documents, recalculations and other evidence gathering procedures as appropriate.

The procedures performed on the Sustainability Report consisted in verifying its compliance with the principles for defining report content and quality set out in the “*G4 Sustainability Reporting Guidelines*”, and are summarized as follows:

- comparing the economic and financial data reported in the paragraph “The Ferragamo Group’s operating and financial performance” included in the Sustainability Report with those reported in the Salvatore Ferragamo Group Annual Report as of December 31, 2015, on which another auditor issued the auditors’ report (pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27 January, 2010), dated March 24, 2016;
- analysing, through interviews, the governance system and the management process of the matters related to sustainable development regarding the strategy and operations of the Company;
- analysing the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova  
Palermo Parma Roma Torino Treviso Verona

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Partita IVA: IT 03049560166



- analysing how the processes underlying the generation, collection and management of quantitative data of the Sustainability Report operate. In particular, we have performed:
  - interviews and discussions with the management of Salvatore Ferragamo S.p.A. to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;
  - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the Sustainability Report in relation to the guidelines identified in the paragraph “Directors’ responsibility on the Sustainability Report” of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the Chief Executive Officer of Salvatore Ferragamo S.p.A., on the compliance of the Sustainability Report with the guidelines identified in the paragraph “Directors’ responsibility on the Sustainability Report”, as well as the reliability and completeness of the data and information disclosed.

Data and information subject to our limited assurance are reported, as required by the “*G4 Sustainability Reporting Guidelines*”, in the “GRI Content Index” of the Sustainability Report.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

#### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Salvatore Ferragamo S.p.A. as of December 31, 2015 is not prepared, in all material respects, in accordance with the “*G4 Sustainability Reporting Guidelines*” issued in 2013 by GRI - *Global Reporting Initiative*, as stated in the paragraph “Methodology” of the Sustainability Report.

Milan, April 6, 2016

DELOITTE & TOUCHE S.p.A.

Franco Amelio  
Partner

*This report has been translated into the English language solely for the convenience of international readers.*