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Letter to stakeholders

Dear stakeholders,

in 2022, our Group recorded another year of positive growth as regards its economic performance and, as we will set forth in this second edition of the sustainability report, we achieved new positive results in our social and environmental performance.

This was not to be taken for granted: while on the one hand our gradual emergence from the COVID-19 health emergency was a positive factor, on the other we have had to deal with the uncertainties and tensions caused by the Russian invasion of Ukraine, a war that quickly resulted in exorbitant increases in energy and raw materials. However, it is in times of difficulty that a team truly proves its mettle: in such a context, growth is a doubly difficult challenge, and it is thanks to the commitment and professionalism of all the people who work at Diadora that we have succeeded.

As I like to remind myself, sustainability is the most important marathon to undertake. That is why measuring our results is of strategic importance and lays the foundation for the continuous improvement that every athlete strives for.

In the pages that follow, you will discover how in 2022 we have managed to make Diadora an even better place to work, to increase our audits of our suppliers and keep our direct CO2 emissions low. These positive elements are driving us to further invest in sustainability, making it a “normal” part of all our activities and processes on the one hand, and an essential incentive in our research and development processes on the other. This edition of the Sustainability Report also extends the scope of reporting to the entire Diadora Group, with the aim of maximising transparency and the opportunities we can seize from a comprehensive analysis of our sustainability profile.

Our sportsmanship drives us to courageously step up to the challenge of creating a sustainable and inclusive future. As we often hear the younger generation ask, it is crucial that we start running, now.

The President
Enrico Moretti Polegato

Highlights

Diadora in numbers	€192 million (+13% v. 2021) of economic value generated
	€184 million (+10% v. 2021) of economic value distributed
	6.4 million pieces produced (+10% v. 2021)
	13,000 pieces produced in the factory of our headquarters
Our team	274 people in the team from 16 countries
	55% women
	96% with permanent contracts
	83% with full-time contracts
Environmental focus ¹	3,595 hours of training provided
	ISO 14001 – Environmental Management System
	100% of electricity from renewable sources for Diadora S.p.A.
	99% FSC®-certified packaging paper
Product quality and safety	50% footwear production waste and 82% clothing production waste recovered
	Standards and certifications: Global Recycled Standard (GRS), Recycled Claim Standard (RCS), Global Organic Textile Standard (GOTS), and Organic Content Standard (OCS)
	ISO 9001 – Quality Management System
	649 laboratory tests (+38% v. 2021)
Supply chain	78% positive outcomes to complaints (end and non-end customers)
	96% positive assessments in e-commerce channel surveys
	148 suppliers (62 Italian)
	28% of production in Europe
	86 suppliers assessed for their environmental and social impacts
	77 suppliers audited both with document and on-site controls (+70% v. 2021)

[1] Energy and emissions data refer to Diadora S.p.A. and to Diadora Retail.

Methodological note GRI 2-1, 2-2, 2-3, 2-4, 2-5

In serving athletes, we seek to reduce our environmental impacts and maximise the benefits for people and communities, and we measure this in our sustainability report.

This document is the second Sustainability Report from the Diadora Group (hereafter also “Report” or “Document”) which supplements and updates the information reported last year in the first Report. The purpose of the Document is to highlight, assess and monitor the actions, impacts and results achieved by the Group in the economic, environmental and social spheres, as well as Governance.

The 2022 Sustainability Report refers to the period between 1 January-31 December 2022 and features two many differences compared to last year: the expansion and consolidation of the reporting perimeter and adaptation to the new GRI Standard 2021 according to the In Accordance with option, with the subsequent revision of the methodology for Materiality Analysis (GRI 3: Material Topics 2021).

In fact, the 2021 Report was limited to Diadora S.p.A. Alone, while from this year, on the other hand, qualitative and quantitative data and information will refer to the entire Diadora Group (hereinafter also referred to as “Diadora” or the “Group”) composed of the parent company Diadora S.p.A. and the subsidiaries Diadora Retail S.r.l., Diadora US Inc. and the Hong Kong holding company Forked Badge Device Ltd, which in turn wholly controls the Chinese-registered company Jinjiang FBD Sports Co. Ltd. The aim is to provide a holistic overview of the Group and align sustainability reporting with financial reporting. Diadora’s headquarters are located in Italy, in Caerano di San Marco (TV) to be precise. Any limitations to this perimeter have been appropri-

ately indicated within the Document.

All content that refers to the GRI Standards is indicated in the GRI Content Index, which summarises information on the various areas covered and enables the tracking of indicators and other quantitative and qualitative information. In the event some information is not available, the GRI Content Index specifies the reasons for omission.

The performance indicators selected are those envisaged by the reporting standards adopted, which are representative of the specific areas of sustainability analysed and consistent with the activity carried out by the Diadora Group and the impacts it produces. These indicators were selected on the basis of a materiality analysis of the indicators, as described in the Materiality Analysis section.

The possible use of estimates for the quantitative information presented is highlighted in the various sections of the document. The present information was collected through special forms and interviews with department contact persons, in line with non-financial reporting best practices.

In order to allow for comparability, where necessary, data for 2020 and 2021 have been retained with the Diadora S.p.A. perimeter and 2022 data have been included both for Diadora S.p.A. and for the Diadora Group. The Sustainability Report was approved by the Diadora SpA Board of Directors on 1 May 2023 and underwent assurance by an independent auditor.

The Sustainability Report is published on the company’s corporate website, in the Sustainability section. For more information or clarification regarding the contents of the 2022 Sustainability Report, you can contact us at: sustainability@diadora.com

1 The Diadora Group GRI 2-6

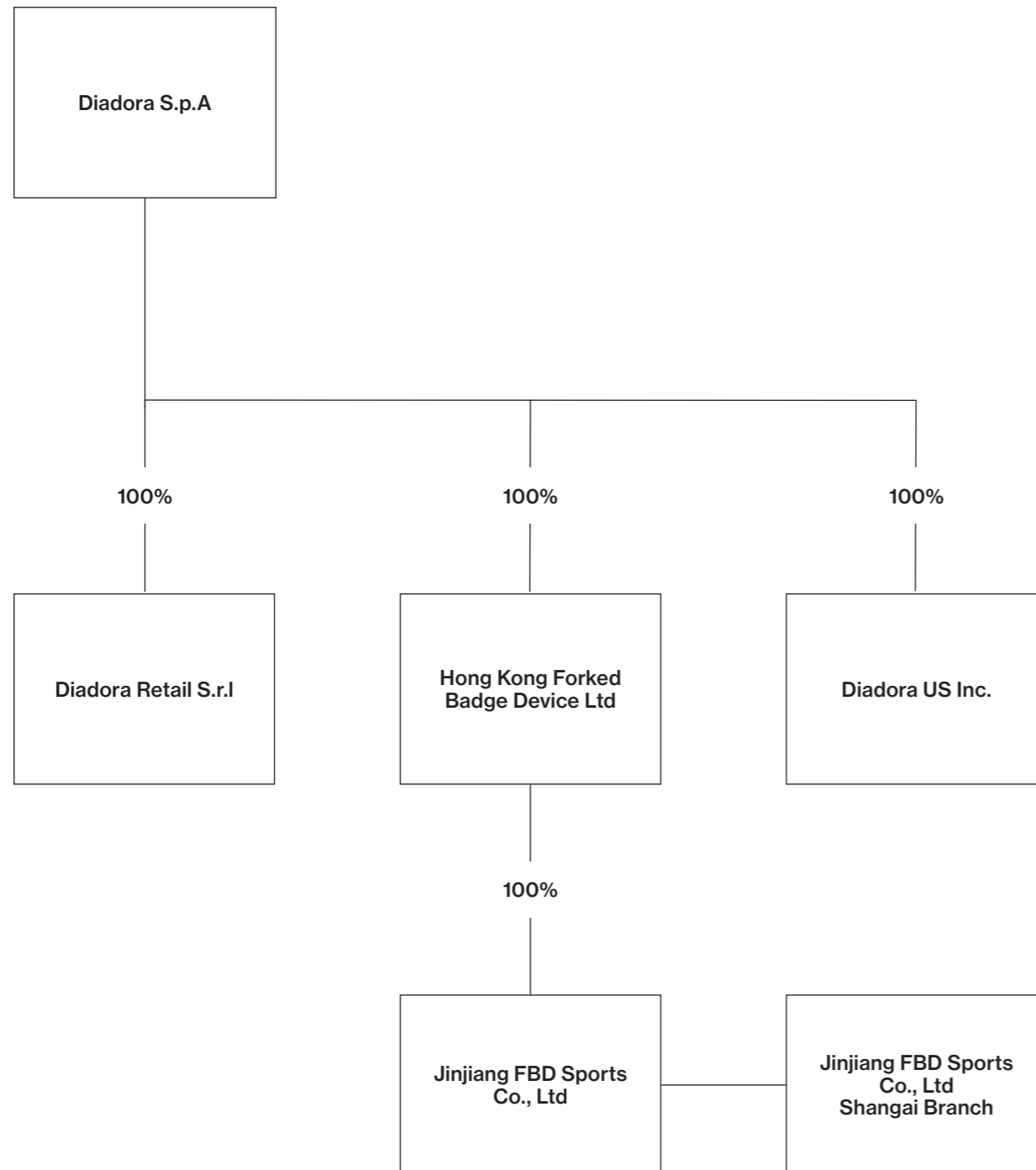
1.1 Group Profile

One of Diadora's main goals has always been to ensure high quality, great attention to detail and the use of innovative materials. The quest for product and process quality is a fundamental aspect for us, all the more so today, given the high standards required by the "Utility" and "Sport" sectors. At Diadora we coordinate the manufacture and sale to retailers and end-consumers of sports footwear, clothing and items under the "Diadora" brand, lifestyle items under the "Diadora Heritage" brand and safety items under the "Utility" brand. Further more, we also grant distribution and/or use of the brand to third parties (licensees) in markets and product categories where the Group have chosen not to have a direct presence. Licensees are in charge of production and marketing on the basis of licence agreements with the recognition of royalties.

1.2 Group Structure

The Diadora Group is comprised of the parent company Diadora S.p.A., a company incorporated under Italian law on 4 June 2009 and wholly owned by LIR S.r.l., and by:

- the retail subsidiary Diadora Retail S.r.l., which sells to the end customer through ten proprietary sales outlets;;
- the US trading subsidiary Diadora US Inc., incorporated under US law and wholly-owned by Diadora S.p.A., incorporated with a view to developing Diadora in the United States;
- the Hong Kong holding company Forked Badge Device Ltd, which in turn wholly controls;
- the company incorporated under Chinese law, Jinjiang FBD Sports Co., which handles supply chain services through its Shanghai branch.



1.3 Our history and values

Diadora was founded in Caerano di San Marco, in the heart of the sports footwear district in Montebelluna, in the province of Treviso, in 1948. Since its foundation, the company has become synonymous with innovation and quality in the world of sports shoes. In the beginning, Diadora only produced mountain boots that were hand made with the best fabrics and leathers. In the 1960s, the company became a symbol of excellence thanks to its patented technologies and industrial production, which allowed it to spread the brand throughout Italy. Today Diadora is one of the world's leading sports brands, distributed in over 60 countries.

1948	Diadora was created as a workshop where hiking boots were made by hand. The company's products soon established themselves as the best hiking and work boots on the market.
1960s	Diadora converts production to the world of sport, distinguishing itself through high quality and avant-garde products. Diadora becomes the first Italian company to hire champions with lots of appeal as brand testimonials. The products on offer range from competitive sports to leisurewear.
1980s	Diadora becomes the undisputed star of international competitions thanks to its partnerships with world-class champions. The Diadora Research Centre is established, made up of an innovative team: footwear technicians, experts from the Milan Polytechnic's Bioengineering Centre and doctors specialising in orthopaedics.
1998	Bolstered by the experience it had garnered in sports, Diadora returns to its origins by reviving its work footwear: Diadora Utility was created.
2000s	The Heritage line is created, destined to become a fashion phenomenon and the first experiment in the fusion of sportswear and fashion.
2009	Lir S.r.l., the holding company of the Moretti Polegato family, the major shareholder in Geox, signs an agreement to purchase Diadora, with the aim of enhancing the brand's enormous potential.
Since 2010	The process to innovate begins: style and sports performance are the key words for growth. Music joins sports in the upper echelons of style and our collaborations remain firmly straddling two worlds.
2015	Diadora begins to make its proprietary line of handmade footwear again at its headquarters in Caerano di San Marco (TV). The factory, which was re-stored after almost 15 years of inactivity, retrieving and updating the original machinery, is intended to produce the high-end models of the Active, Lifestyle and Utility lines.
2018	Diadora re-enters the world of tennis with a relaunch plan for the category that includes a complete collection of clothing, footwear and accessories and the return of the classic logo.
2019	Diadora's 70th anniversary is celebrated in Florence with an important exhibition revolving around the concept of speed applied to art. The exhibition involves a number of artists, experts in different expressive languages such as design, photography, music, moving images and sculpture.
2021	Diadora celebrates 2021 by introducing the Equipe Atomo – the first technical running shoe to be Made in Italy in 30 years. With Equipe Atomo, Diadora brings back production to Italy with a focus on performance, as lies at the core of the brand: craftsmanship and research with Italian style.
2022	Diadora promotes the 2030 agenda, thanks to which our iconic Diadora silhouettes are being made with the use of certified recycled materials. Furthermore, in 2022 the first Diadora Sustainability Report is published.

1.4 Vision and mission

Diadora's is committed to serving athletes, from Olympic gold medallists to everyday runners. From the sport icons of the past to the legends of the future. We team up with them to make products that offer the best performance standards. In doing so, we strive to use increasingly sustainable materials and processes. Our sustainability strategy focuses on the concept of "proximity", i.e., the constant pursuit to establish caring relationships with our stakeholders: From our customers and their communities, to the factories and the people who work there, to the environment around us. We are a company guided by the values of sport, which is why our every strategic and operational choice places people at the centre and is inspired by the principles of integrity, respect and commitment to continuous improvement.

2 Business model and value chain GRI 2-6, 2-7, 2-8

We are a leader in the Italian footwear and sportswear market and can count on a widespread coverage of the territory through multi-brand outlets.

The Group's core business is the coordination of the production and sale of footwear and clothing through both B2B and B2C channels.

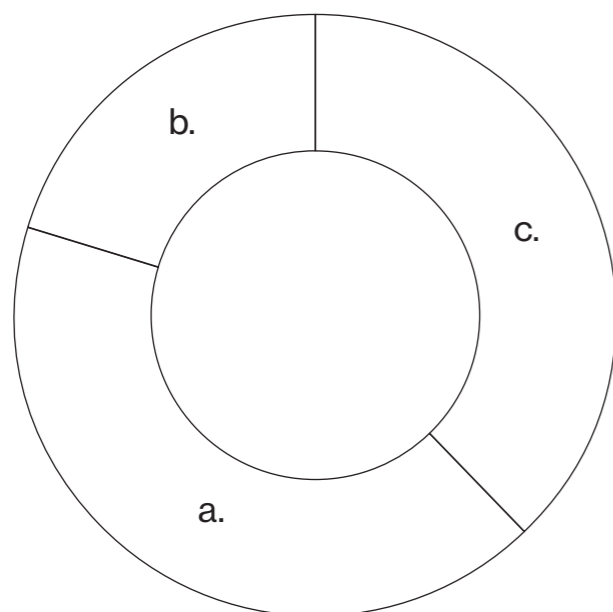
The sectors in which Diadora operates play a key role in the transition towards a sustainable economy and, for our Group, a decisive factor in achieving the challenging goals of the 2030 Agenda is our strategy of reshoring production within Europe and Italy, also by taking advantage of our in-house factory.

Taking footwear, clothing and accessories into consideration, at Diadora, through our suppliers, we reached a total production of around 6.4 million pieces by 2022 and we constantly strive to bring Italian excellence to the world; that is why we have always invested the utmost attention in manufacturing, implementing a strategy aimed at maintaining and consolidating the key factors of Italian craftsmanship and expertise that the Montebelluna district is famous for.

2.1 Our production system

We directly control and coordinate all stages of our production system, which is organised to ensure that high quality standards are maintained, flexibility and *time to market* are continuously improved, productivity is increased and costs are contained.

Finished product purchases are consolidated at the Group's distribution centres in Italy for Europe, in Shanghai for China, in Hong Kong for the rest of Asia and in New Jersey and Los Angeles for the North American market.



2.2 The supply chain

The proactive management of our supply chain is fundamental to the creation of a high-quality product that reflects the brand's values.

As far as production geography is concerned, we have been diversifying our production lines for some time now and, for the next few years, we plan to further diversify our sourcing with partnerships on the American continent, in order to guarantee significant production volumes in this particular geographical area.

Similarly, as far as clothing is concerned, we have initiated alternative or complementary collaborations to our historical ones, with the dual purpose of diversifying and benefiting from the specialisation of new suppliers, with an advantage in terms of cost containment. Compared to last year, we've increased our overall number of suppliers from 138 to 148. This year, out of all our suppliers, 42% operate in Italy, 20% in Europe (excluding Italy) and the remaining 38% in non-EU countries.

2022 no. suppliers by geographical area

a.	62	IT Suppliers
b.	30	EU suppliers (excluding Italian suppliers)
c.	56	Outside-EU suppliers

148 total

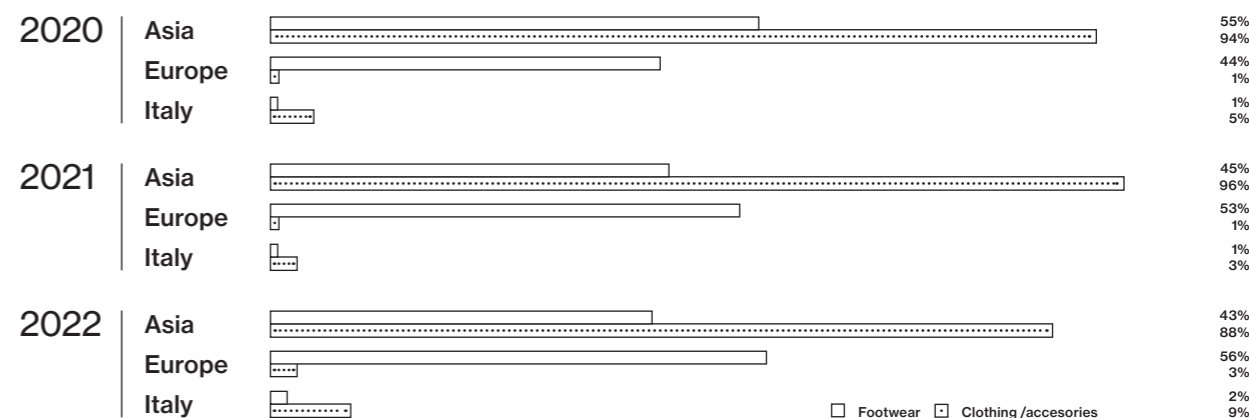
d.	72%	Core
e.	28%	Non core

Our suppliers can be categorised between *core*, product-related, and *non-core*, service-related. In 2022, there were 107 *core* suppliers (compared to the total of 148) and can be divided into four levels:

- TIER 1: suppliers of finished products
- TIER 2: suppliers of semi-finished products/components
- TIER 3: suppliers of materials
- TIER 4: suppliers of raw materials

Production by geographical area and product category (% by purchase value)

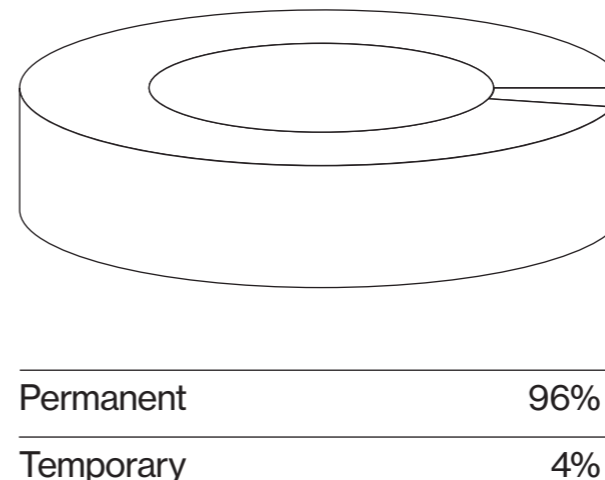
By analysing production by product category and by region, in 2022 the production of Footwear and Clothing/Accessories increased in Europe and Italy.



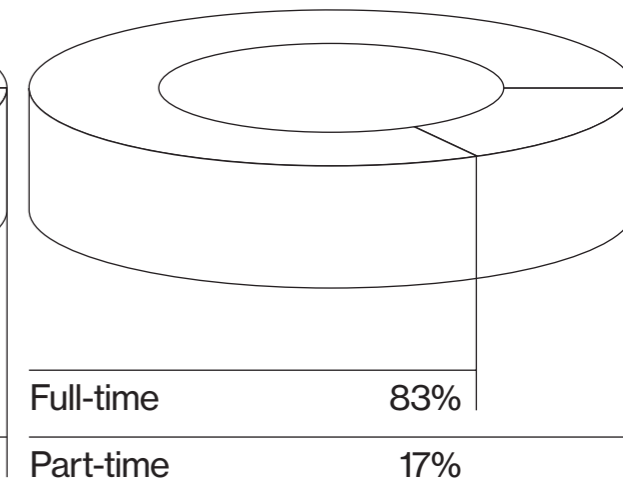
2.3 Human capital

In 2022, the total number of employees in our Group was 274, of which 96% hired on permanent contracts and 83% on a full-time basis; Almost 90% of our part-time employees are women.

% of employees per contract Diadora Group 2022



% of employees per contract type Diadora Group 2022



Considering the employees of Diadora S.p.A., we can see that their number has remained virtually the same as in 2021 (2022: 196 v. 2021: 194).

No. of Diadora SpA employees



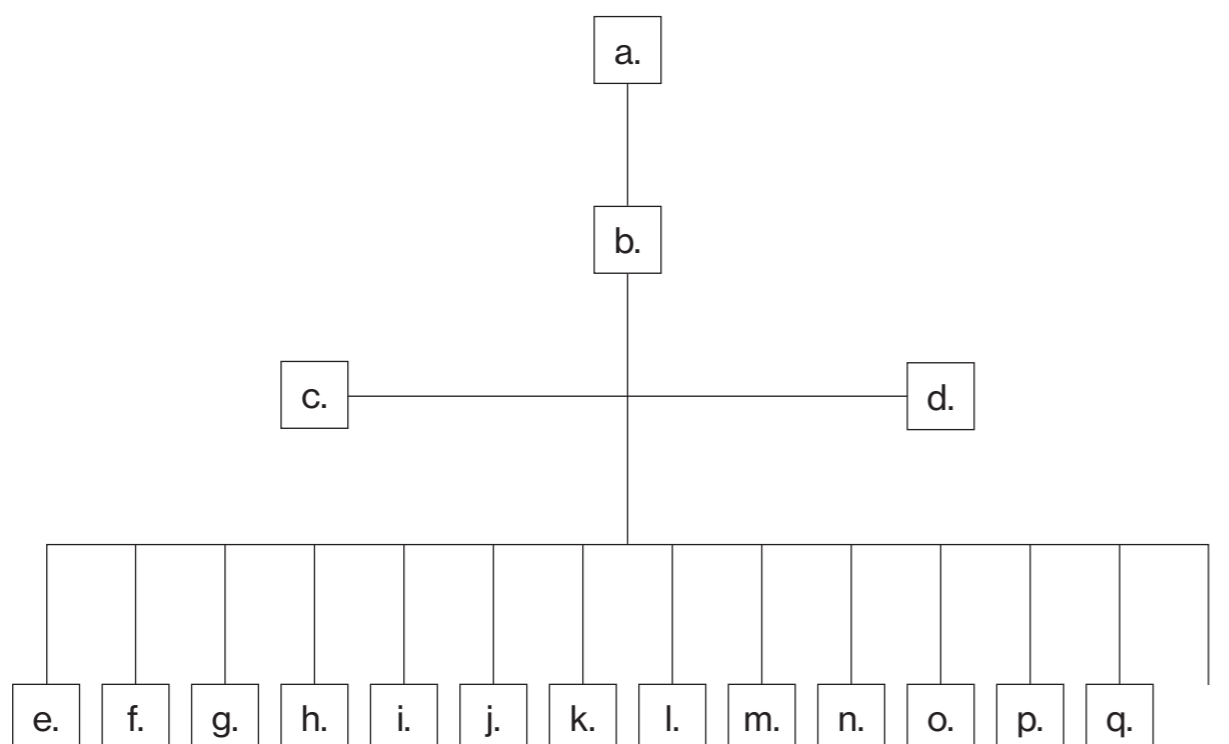
2.4 Distribution System

We sell our products through distributors, licensees and a dense network of domestic and foreign retailers. Furthermore, we directly manage nine mono-brand stores through our subsidiary Diadora Retail. Some brand extensions are also managed through licences. Our e-commerce plays a strategic role, which is crucial both in terms of direct and continuous control of the digital channel and in order to increase turnover and margins.

3 Our Governance

3.1 Corporate Governance GRI 2-9, 2-10, 2-11

Below you can find a graphic representation of the Group's functional organisational chart:



a.	President	j.	Chief Operating Officer
b.	CEO	k.	Global Sales Director
c.	Security Officer	l.	Chief Marketing officer
d.	Executive Assistant	m.	Mkt. & Comm. Director Utility
e.	Global Product Creation Director	n.	Merch Manager Utility
f.	Dir. of Legal, Corporate & General Affairs	o.	Sport Mkt. & Cat. Leader Sport
g.	CFO	p.	Merch Dir. Sport, Per. & Lifestyle
h.	HR Director	q.	IT Director
i.	R&D and Quality Manager	r.	CEO of Diadora U.S.

The administrative body appointed at the Shareholders Meeting is a Board of Directors consisting of three members who are vested with the powers for the ordinary and extraordinary management of the Company, except for what is reserved by law or by the articles of association to the shareholders meeting. The corporate control bodies also include the Board of Statutory Auditors, which is entrusted with the powers set forth in Article 2403 of the Italian Civil Code, the Auditing Company, which is entrusted with auditing the accounts, and the Supervisory Body, which oversees and monitors the application of the Organisational Model. The current Board of Directors was selected and appointed by the Shareholders Meeting on 15 June 2021. It will remain in office until the approval of the Report at 31.12.2023. The diversity criteria are already met in the current composition of the board. Therefore, to date, the Group has not found it necessary to adopt a specific Diversity Policy. The average age as of 31 December 2022 is 47 years with the following age breakdown: two Board members are between 40 and 50 years old and one Board member is between 50 and 60 years old. The Chairman Enrico Moretti Polegato is a lawyer and has held this position since 18.6.2012 through a non-subordinate employment relationship

3.2 The delegation process GRI 2-13

The Board of Directors has not formally delegated the management and monitoring of impacts; however, they are monitored by the individual company departments. During 2022, the Board of Directors attended three meetings together with the management in order to discuss sustainability policies, analysing the path taken, the activities carried out and the results achieved. During the two meetings, held on 17 March 2022 and 3 August 2022, the Chief Executive Officer and the Sustainability Director reported to the Board on their activities during the six-month period. During the third meeting held on 27 January 2022, the same contact persons presented their sustainability projects for the next three years to the Board.

3.3 Sustainability Governance GRI 2-12, 2-14, 2,17

Sustainability is an integral part of our business. The company organisational chart, updated at the beginning of 2023, includes a special branch dedicated to sustainability, which reports directly to the Chief Marketing Officer. This department creates and defines the sustainability strategy and identifies its objectives, ensuring its integration within the corporate business plan. Furthermore, there is a Steering Committee on Sustainability & Intangibles, consisting of members of the Board of Directors and the head of the Sustainability & Intangibles department. This Committee is responsible for the strategic orientation and supervision of the company's projects in the field of Sustainability & Intangibles, as well as for scrutinising specific topics. As far as sustainable development is concerned, the updating of the expertise of the highest governing body is facilitated by the participation of Chairman Enrico Moretti Polegato in think tanks, such as the Aspen Institute (in Italy and the United States) and global fora including the Forbes Asia Next Tycoon Forum and the Economic Forum (Poland). He is also a guest lecturer at numerous Italian universities on topics related to corporate culture and in particular on Corporate Social Responsibility.

3.4 Communication processes GRI 2-15, 2-16

The Diadora group has identified the following safeguards aimed at preventing conflict of interest:

1. "Organisation, Management and Control Model" pursuant to Italian Legislative Decree 231/2001, of which the Code of Ethics is an integral part;
2. Supervisory Board, which verifies that the Company's full independence (through management or senior persons) from suppliers, providers of works or services, customers or partners is maintained.

All persons who enter into significant business relationships are required to report possible conflicts of interest by filling out a standard form. Conflict of interest situations are brought to the attention of the Supervisory Board and the management bodies so that the appropriate precautions can be taken. Transactions with related parties are disclosed in the notes to the Financial Statements, which report on transactions with related parties during the reporting period. At the meeting on 3 August 2022, the Board of Directors resolved to continue on the path of quality and improved ethical and compliance performance by obtaining ISO 37001 certification. The ISO 37001 "Anti-Bribery Management System" is the first international standard for management systems created with the aim of reducing the risks and costs associated with possible corruption, based on international best practices. The ISO 37001 helps to prevent, detect and manage situations of (active or passive) corruption on the part of the organisation, its staff and business associates, by promoting a series of measures and controls and providing supporting guidance for their implementation. The standard sets forth a number of requirements concerning the following

aspects: (i) Analysis of the (internal and external) business environment and stakeholder requirements; (ii) Risk assessment: identification of corruption risks, determination of levels and their impact, and verification of the effectiveness of the measures taken; (iii) Definition of anti-bribery policy and objectives; (iv) Implementation of appropriate financial and non-financial controls and due diligence; (v) Training and communication; (vi) Whistleblowing system, (vii) Reporting, monitoring, analysis and review (viii) Continuous improvement actions.

In addition to guaranteeing respect for the best compliance standards and reducing the risk of corrupt offences being committed, ISO 37001 certification will distinguish the Company within the market, also in the eyes of its customers and all its stakeholders, and represents a possible additional requirement in the context of tenders and supplier qualifications. The company CONSULENZA A.S.Q. SRL based in Montebelluna (TV), Italy was tasked with assisting the company in drafting the anti-bribery manual and coordinating it with the Organisation and Management Model adopted by the Company in compliance with the provisions of Decree 231 of 2001. With regard to the reporting of critical issues, the Chief Executive Officer shall promptly report to the Board on problems and critical issues that have arisen in the performance of his activities or of which he has otherwise become aware, so that the Board may take the appropriate initiatives. In 2022, there were no critical issues that required specific reporting to the Board of Directors or the supervisory bodies regarding these issues.

3.5 Remuneration policies GRI 2-19, 2-20

The remuneration of the Board of Directors is defined by the Shareholders Meeting and is fixed. There is no remuneration linked to the achievement of objectives. The remuneration policy for managerial roles is defined by the Chief Executive Officer in collaboration with the Human Resources Department in order to attract and retain talent. The criteria for awarding MBOs and the architecture of the company bonus system were the subject of a resolution by the Board of Directors on 17 March 2022.

4 Strategy – Policy and process management

4.1 Responsible business conduct GRI 2-23, 2-24, 2-25, 2-26, 2,27, 205-1, 205-2

Diadora's values are set forth in its Code of Ethics and guide all corporate decisions and consequently also governance and compliance strategies. They form the basis for ethical self-regulation with the intention of complying with current regulations. In this regard, the implementation of a structured compliance programme is a natural consequence of our ethical values and is compatible with the objective of enhancing corporate

integrity. The adoption of the principles contained within our Code – Integrity, Respect and Commitment – helps us achieve evident positive impacts:

- fosters the technical and structural organisation of the company, enabling it to achieve its objectives ethically and increasing internal process effectiveness;

- promotes organisational integrity, avoiding reputational risks;
- fosters the creation of virtuous behaviour by managers, employees and collaborators;
- allows for the early detection of possible health and safety risks at work, resulting in a reduction of workplace accidents;
- allows for the perception of the quality of Diadora's products to be more widely disseminated within the market;
- ensures the creation of continuous and constant dialogue between top management and employees.

The voluntary adoption of the "Organisation, Management and Control Model" pursuant to Italian Legislative Decree 231/2001, by Diadora S.p.A., is the logical consequence of what we believe in and represents the Company's desire to tangibly express its integrity. The benefits brought by the Model are many and have allowed us to increase the organisational excellence that Diadora has always sought to achieve and to foster the technical and structural organisation of the Company, thereby enabling the ethical achievement of corporate objectives and increasing the effectiveness and efficiency of processes by facilitating the identification of activities at greater risk and the consequent preparation of procedures able to prevent the commission of offences. Training and information on the adopted Model is provided periodically to employees; in addition, 95% of our business partners were made aware of it at the contract definition phase.

17 activities (36% of the total) were assessed for bribery-related risks; in addition to those that involve direct contact with the Public Administration and, therefore, naturally expose the Company to the risk of an offence being committed (e.g. the offence of bribing inspection officers to avoid the imposition of sanctions), the processes of business development, procurement, sponsorships, human resources and related administrative processes can also be considered as being exposed to the risk of corrupt acts being committed. We manage corporate compliance through a clear definition of responsibilities, control areas, and shared processes and flows, which were formalised in a specific policy prepared over the past year, as well as through adequate staff training. The Model is periodically audited to verify it is being applied correctly. During 2023, the Model will be reviewed and updated, as will the Code of Ethics. Through our compliance programme and sustainability policy, we are committed to promoting business practices that help to systematically and consciously manage the environmental and social impacts of our production and products, as well as the impacts on our human resources and their health and safety. In 2021, an agreement was signed with a market-leading provider in this field to use a *whistleblowing* platform to report cases of discrimination, harassment and incidents relating to the protection of company assets, with a view to widespread surveillance with guarantees of confidentiality, anonymity and integrity. In 2022, the platform was launched and fine-tuned. Training and the start of the procedure are planned for 2023.

4.2 Management systems and certifications GRI 2-23, 2-24

Out of our desire to pursue and adopt ever higher quality standards, we at Diadora have implemented Environmental (ISO 14001) and Health and Safety (ISO 45001) management systems. In addition, for the Utility line, we have a Quality Management System ("QMS") that is compliant with ISO 9001, 9004 and 19011 standards. In 2022, as mentioned, we started the process of obtaining ISO 37001 certification for the anti-bribery management system.

ISO 14001	The most recognised international standard for environmental management systems, it provides a framework through which an organisation can deliver improved environmental performance in line with its environmental policy commitments. It specifies requirements for an organisation to proactively identify and understand the environmental aspects of its activities, products and services and the associated environmental impacts..
ISO 45001	The international standard designed to identify responsibilities, procedures, processes and resources for the implementation of the corporate prevention policy within the corporate organisational structure. It provides the right guidance to formalise and structure risk management, legislative compliance management, the dissemination of safer working practices and the evaluation of workers' health and safety performance.
ISO 9001	This certifies the conformity of the company's operational processes with international quality management standards. It aims to ensure the continuous improvement of company performance and customer satisfaction via a quality management system and related protocols that are appropriate for the activities, products and services. Within the 'Product Design and Circularity' section, the certifications obtained by Diadora with reference to procurement practices, such as the Global Recycled Standard (GRS), the Recycled Claim Standard (RCS), the Global Organic Textile Standard (GOTS), the Organic Content Standard (OCS) and FSC, will be explored.

4.3 Membership GRI 2-28

The main industry organisations Diadora is a member of, are:

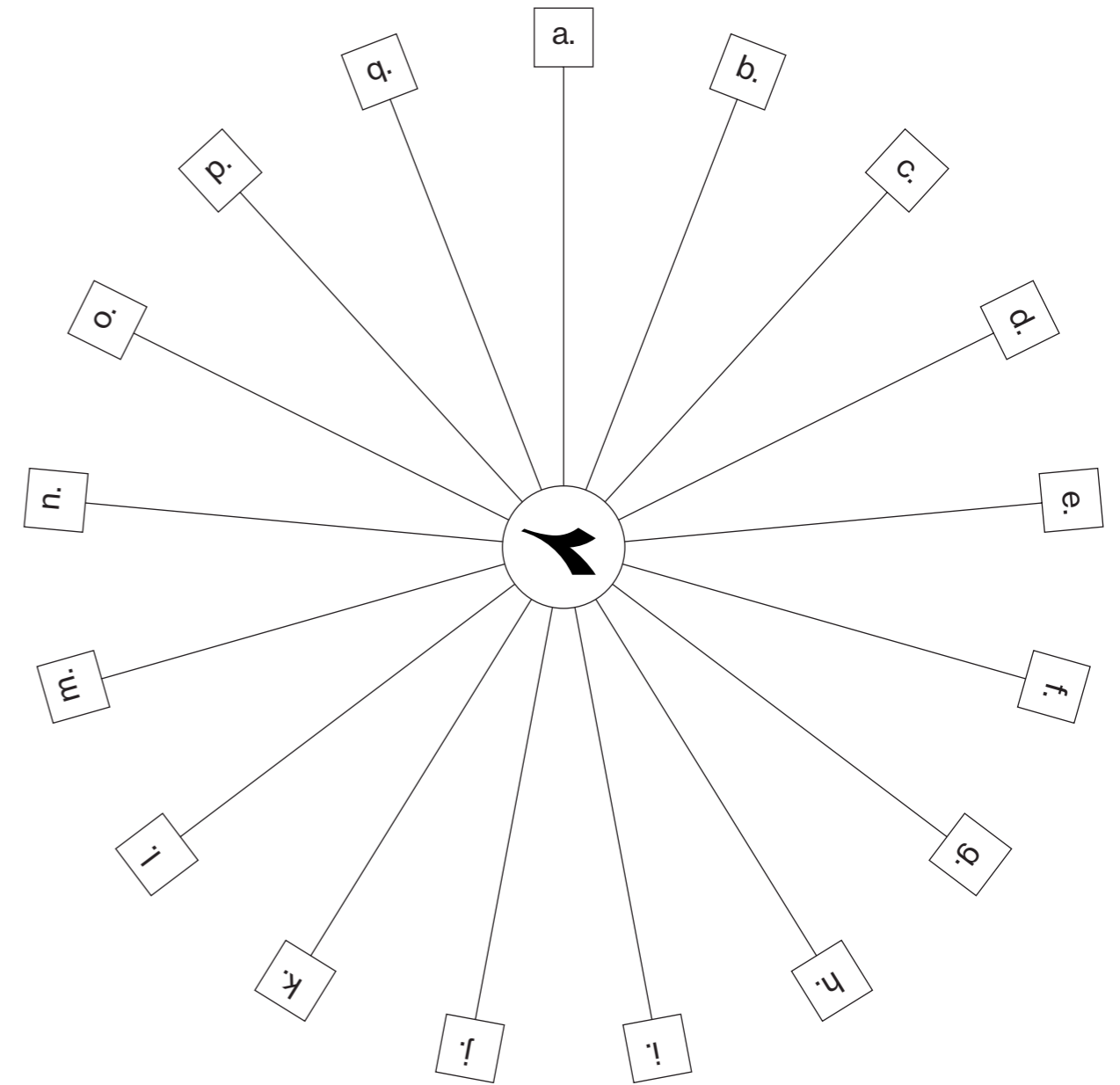
Confindustria Veneto East	In terms of size, it is the second largest territorial association of the Confindustria system in which manufacturing, services and construction companies participate. The aim of this large and innovative association project is to help support the local territorial system.
Assosport	Associazione Nazionale fra i Produttori di Articoli Sportivi (National Association among Sporting Goods Manufacturers) is the association that represents, protects and promotes, both nationally and internationally, companies that produce and/or distribute sportswear, footwear and equipment in Italy.
Assosistema	This represents protective equipment manufacturers and distributors. It aims to protect, disseminate and improve the sector's activities, as well as protect and coordinate the demands and interests of members)

Ecopolietilene The consortium for the recycling of polyethylene waste, made up of manufacturers, distributors and recyclers of polyethylene goods, which grew out of the waste management professionalism and expertise gained by the Ecolight System.

5

Our stakeholders GRI 2-29

Starting with an internal discussion with Diadora's management, we defined the map of the organisations affected by our activity and which, in turn, influence it.



a.	Industrial and sports associations	j.	Users, end customers
b.	Surroundings	k.	Testimonials
c.	Distributors (retail, licensees)	l.	Media and influencer
d.	Retailers (vendors)	m.	Academia, research
e.	Local communities along the supply chain	n.	NGO, pressure groups
f.	Supplier employees	o.	Sports, communities
g.	Suppliers	p.	PA, institutions, regulatory bodies
h.	Shareholders	q.	Local area and community
i.	Employees		

6 Materiality analysis GRI 3-1, 3-2

6.1 Impacts and material issues

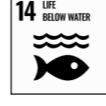
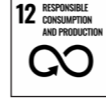
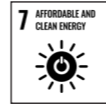
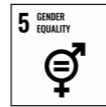
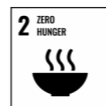
The EU Directive 2022/2464 (CSRD - Corporate Sustainability Reporting Directive), which was approved by the European Parliament in November 2022 and will come into force with the 2024 financial report, supplemented the definition of material issues by introducing the concept of dual materiality. According to this approach, material issues are a) governance, environmental and social areas and issues that the company has a significant impact on through its activities (*Impact Materiality*); b) aspects that may have significant impacts on the development, performance and, consequently, the financial value of a company (*Financial Materiality*). It should be noted that since EU Directive 2022/2464 has not yet come into force, this document is drafted in accordance with the GRI Standards, adopting the definition of material issues as the reference framework.

6.2 The process of identifying, evaluating and prioritising issues

The process of analysing, identifying, evaluating and subsequently prioritising material impacts and issues, for the purposes of this Report, is the first approach to the evolution of legislation. The initial phase concerned understanding the context of the organisation and, in particular, the Diadora Group's scenario and frame of reference, business model, business activities and relations, as well as its sustainability context and stakeholder analysis, reported within the document. Actual and potential impacts on the economy, the environment and people, including human rights impacts, within Diadora's business activities and relationships involved internal due diligence, the analysis of external and internal sources and benchmarking with key industry peers (for a total of 10 competitors and comparables). First and foremost, the work carried out made it possible to review the Group's material issues as follows: In order to assess the impacts, the evaluations already provided by internal management regarding

2022 Material Issues	2021 Material Issues	Purpose of the update
→ Product design and circularity	Raw materials Product innovation	Emphasise how the issues of raw materials and product innovation are also considered in terms of design and circularity
→ Sustainable packaging	Sustainable packaging	-
→ Chemicals	Chemicals	-
→ Energy and emissions Waste	Diadora offices impacts	Highlighting the relevant impacts for Diadora offices
→ Employee health and safety	Employee health and safety	-
→ Human rights and workers' conditions along the supply chain	Supply chain human rights	Also to distinguish the rights related to working conditions along the supply chain
→ Diversity, inclusion and non-discrimination	Non-discrimination	Also including diversity and inclusion issues
→ Managing and empowering employees	Employee management Employee training	Emphasise that training is essential for the proper management and development of employees
→ Impact on local communities	-	New issue that emerged through the context and benchmark analysis
→ Product quality and safety	Product safety Customer satisfaction	Brings together the two closely related issues
→ Ethics and transparency in business	Business Ethics Corporate Identity	Enhances ethics and transparency as part of the Group's identity
→ Economic performance	Economic performance	-
→ Short and sustainable supply chain	Short supply chain Supplier evaluation Environmental impact supply chain	Brings together supply chain issues and the enhancement of the short supply chain as a strategic guideline

the importance of the issues identified were considered from both an *internal* and an *external* perspective, the latter of which was refined during the course of 2019 by involving the category of our strategic clients. The assessment involved associating specific questions with each issue, which allowed each member of the management team to assess both the potential impact of the issues on our business, and that related to the attention and information urgency of our stakeholders with respect to the identified issues. Subsequently, with the aim of making the activity itself more in-depth and detailed, a number of strategic customers were asked not only to give a general evaluation (from 1 to 5) on the relevance of the issue, but also to identify, respectively, whether Diadora's handling of the issue had led to an impact on them and



the type of impact itself, as well as to express the degree and type of interest (qualitative, quantitative, by objectives or a mix of approaches) of the stakeholders on the management of the issue. The rankings obtained from this were averaged with appropriate weights and made comparable with the internal perspective assessments provided by the company's management. In order to assess the impact, an average of the internal and external assessments received for the different material issues was then calculated; for the reasons given above, in cases where the latter were aggregated the assessments of all the issues were taken into account.

6.3 Material issues and impacts

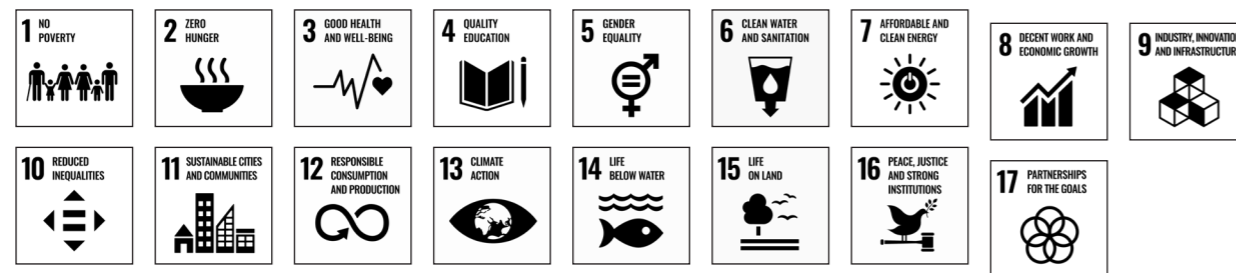
The table below summarises the outcome of the analysis and enhances the dimensions relating to the type of impact (negative/positive), the level of materiality (the severity of its negative effects or the magnitude of its benefits) and the link to Sustainable Development Goals (SDGs):

a. Material Issues	b. Main impact generated (potential / current)	c. Type of impact	d. Materiality level of impact (Severity / Magnitude)	e. Main SDGs of reference
Product design and circularity	Reduction of pollution through the use of raw materials with less environmental impact and/or recycled and/or renewable materials	Positive	■■■	9, 12, 13
Chemicals	Contribution to the development and dissemination of new eco-design solutions in the textile/footwear sector through investment in R&D	Positive		
Energy and emissions	Environmental pollution and harm to humans due to improper handling and disposal of chemicals (e.g. glues and adhesives, crosslinkers and cleaners)	Negative	■■■	3
Waste	Contribution to combating climate change through the implementation of actions to reduce emissions and energy consumption	Positive	■■■	12, 13
Sustainable packaging	Reduction in emissions through energy efficiency and use of renewable sources	Positive		
Human rights and workers' conditions along the supply chain	Environmental pollution due to inadequate waste disposal	Negative	■■■	12
Employee health and safety	Reduction of environmental impact through optimisation, recycling and waste reuse	Positive		
Managing and empowering employees	Reduction in the negative environmental impact through the use of more sustainable primary and secondary packaging solutions	Positive	■■■	15
Diversity, inclusion and non-discrimination	Exploitation of workers along the supply chain via, for example, working hours, wages, inadequate working conditions and violations of freedom of association	Negative	■■■	8, 10
Impact on local communities	Contribution to improving the quality of life of supplier employees through responsible and fair business relationships	Positive		
Short and sustainable supply chain	Increase in the number of accidents linked to inadequate management of occupational safety aspects	Negative	■■■	3, 8
Economic performance	Improvement of employee welfare, through welfare solutions, better work/life balance, development of a positive work culture and strengthening of internal communication	Positive	■■■	4
Short and sustainable supply chain	Enhancement of employees through structured planning and management of training initiatives and career paths	Positive		
Short and sustainable supply chain	Lack of respect for diversity and equality due to differential treatment influenced by factors, such as gender, sexual orientation, religion, ethnicity, language	Negative	■■■	5, 10
Short and sustainable supply chain	Promotion and enhancement of a work culture based on understanding, respect and appreciation of differences	Positive		
Short and sustainable supply chain	Contribution to the social and economic development of the communities in which the company operates	Positive	■■■	10, 8
Short and sustainable supply chain	Reduction of negative environmental impacts (less air, water and land pollution and preservation of biodiversity) generated by the supply chain through the careful selection of suppliers and the development of a transparent and traceable supply chain	Positive	■■■	8, 9, 12

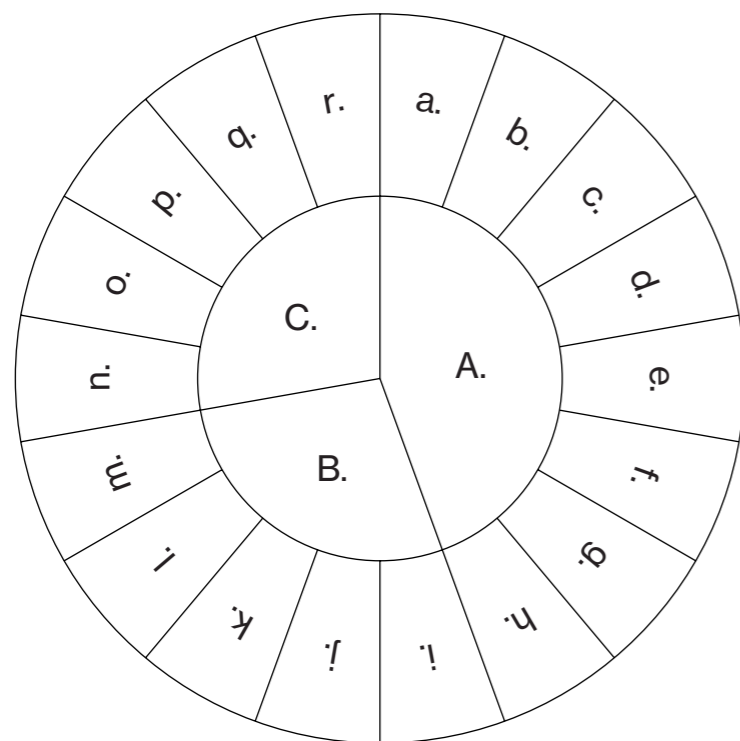
	Reduction of negative environmental impacts generated by the supply chain by reducing production steps and the physical distance between the actors involved, thus strengthening the local economy	Positive		
Economic Performance	Economic contribution to the local area and stakeholders through the distribution of the economic value generated.	Positive	■■■□	8
Quality and safety	Increased customer satisfaction through improved product quality and/or effective management of customer needs	Positive	■■■□	12
	Deterioration in the level of product safety and quality, due to limited monitoring of these aspects	Negative		
Ethics and transparency	Damage to the socio-economic environment and market inefficiencies due to corruption, inadequate compliance with environmental and tax regulations and unethical business practices	Negative	■■■□	16

6.4 Diadora and its contribution to the UN 2030 Agenda

The 2030 Agenda for Sustainable Development defined by the United Nations in 2015 sets forth the global plan of action for sustainable development, through combating problems of universal importance, such as poverty, hunger, lack of education, climate change, gender inequality, lack of access to clean water and energy. The Agen-



da's 17 Sustainable Development Goals (SDGs) have been broken down into 169 targets to be achieved by 2030. We decided to support the initiative promoted by the United Nations and do our part by bringing our activities and projects into line with the 2030 Agenda and the achievement of the SDGs. In particular, in the following image, you can see the SDGs we want to contribute to through the positive impacts of our business, linked to the material issues we have previously identified.



Material Issues	SDGs
a. Product innovation and efficiency	12
b. Supplier social and environmental evaluation	
c. Corporate identity and strategy	
d. Compliance	16
e. Customer satisfaction	
f. Product safety	
g. Economic performance	
h. Local suppliers and short supply chain	9
i. Working conditions and human rights	8
j. Employee training	4
k. Equal opportunities and non-discrimination	
l. Employee management	5
m. Health and safety at work	3
n. Diadora offices impact	7, 6,
o. Supply chain impact	15, 16
p. Packaging	15
q. Chemicals	3
r. Raw materials	13

A. Governance B. Social C. Environmental

7

Value creation and generation GRI 201-1

Diadora's focus on economic sustainability is crucial as, through careful and responsible management, stakeholders' trust in the Group can be spread and consolidated. Sustainable economic and financial performance also has a consequent positive impact on the local area, which, in turn, helps to generate value in the productive and social ecosystem of which the Company is an integral part. The involvement of the Administration, Finance and Control department in any commercial, strategic and procurement decisions remains crucial in order to maintain sustainable group economic performance. The general optimism at the beginning of 2022 resulting from the imminent and gradual exit of the various countries from the COVID-19 state of emergency was

stalled by the indirect economic consequences of the sudden acceleration of tensions between Russia and Ukraine, which resulted in the invasion of the Ukrainian territory by the Russian army at the end of February 2022. The economic repercussions faced by the Group were manifested in the increases in fuel and energy prices, as well as strong market instability and a weakening of the euro against the dollar. The Group is not directly exposed to the warring countries and the sanctioned entities in terms of sales and trade receivables, as well as in terms of the procurement of raw materials and finished products. In spite of the complexity just described, our Group saw an increase of 10% in both net revenue and EBITDA in 2022.

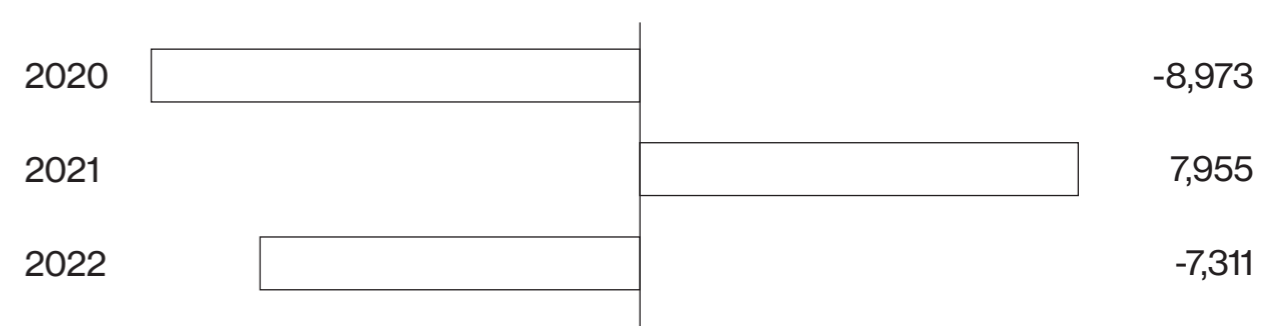
Diadora Group / Net revenue (thousands of euro)



Diadora Group / EBITDA (thousands of euro)

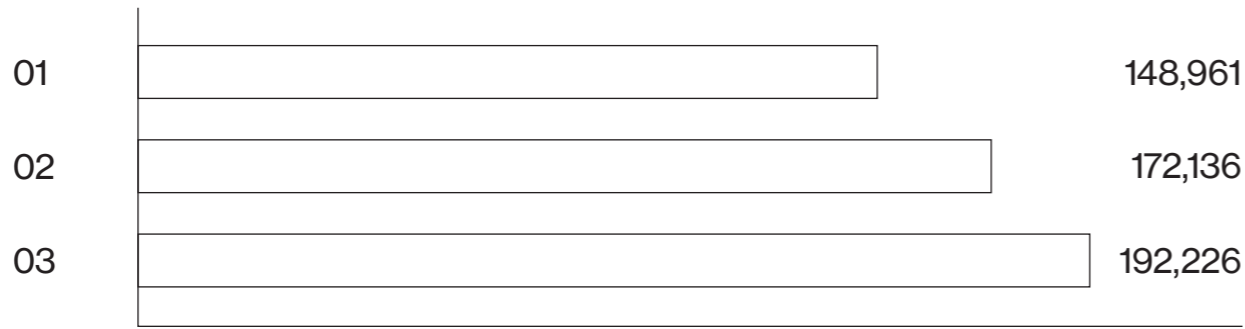


Diadora Group / Net financial position (thousands of euro)



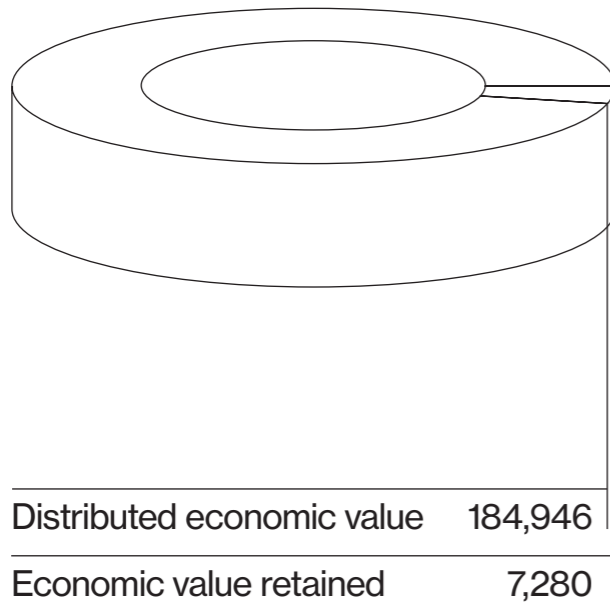
The economic value directly generated by the Group, determined in accordance with the requirements of the GRI Reporting Standard 201-1, continues to grow as per the trend of recent years, rising from 172 million euro in 2021 to 192 million euro in 2022 (149 million euro in 2020). 96% of the economic value generated by the Group was distributed to internal and external stakeholders with whom Diadora promotes active listening, considering them as being fundamental in the pursuit of the company's economic success.

Diadora Group / Direct economic value generated (thousands of euro)

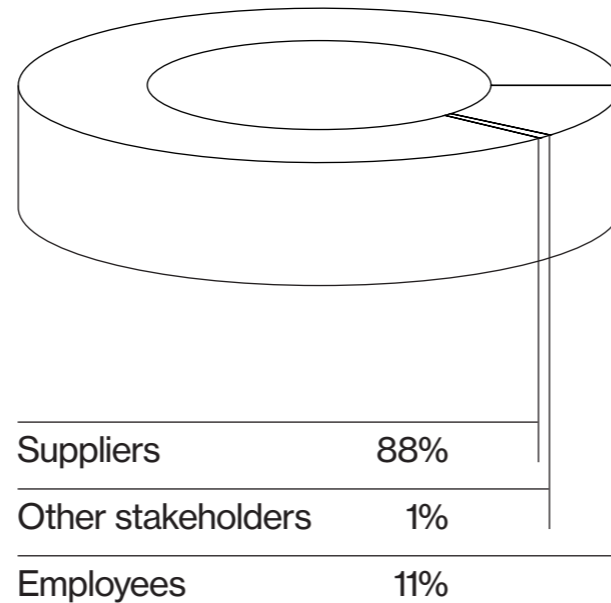


The economic value retained in 2022 stands at 4% of the economic value directly generated by the Group, an increase on the 2021 figure of 3%. The Shareholder is an integral part of sharing the forecast and final results, as well as the strategic choices of the group. The Shareholder's decision to reinvest the year's profit in the company's management was repeated in 2022.

Diadora Group Economic value generated 2022 (millions of euro)



Diadora Group Economic value distributed 2022 (millions of euro)



As part of the monitoring of economic performance, first and foremost, the Group draws up an annual budget, which makes it possible to assess the effects in advance and consistency of the actions planned by the various company departments. In addition, the Group performs regular interim reviews to check the performance of the various economic-financial items in relation to budget targets and final figures of the previous reporting period, such as net revenue, cost containment and net working capital. Furthermore, the administrative body decides through special procedures which investments to approve in order to ensure the financial sustainability of the company.

On a monthly basis, top management is updated on financial planning and possible currency developments, so that the correct hedging against exchange rate risks can be structured. The administrative body also focuses on the recovery of receivables and takes out appropriate insurance coverage to safeguard cash flow generation.

There are also adequate procedures for monitoring tax deadlines with ongoing discussions with our own tax advisors in order to implement tax compliance obligations.

The finance team is constantly aligned with the other departments in order to receive projects within the appropriate timeframe and to comply with all corporate compliances; it is also proactive in raising finance in a way that enables the pursuit of economically and financially sustainable objectives.

The Group intends to pursue digital development projects to enable increasingly timely monitoring of results and to enable better periodic economic/financial planning.

The strategy of our Group includes the following macro-objectives:

- consolidation of commercial leadership in Italy and abroad with a focus on product quality and technicality;
- product innovation: this is one of Diadora's core values. Our aim is to research and market technological solutions that support our consumers' continuous quest for better performance in sports, work and everyday life.

8



product and supply chain:

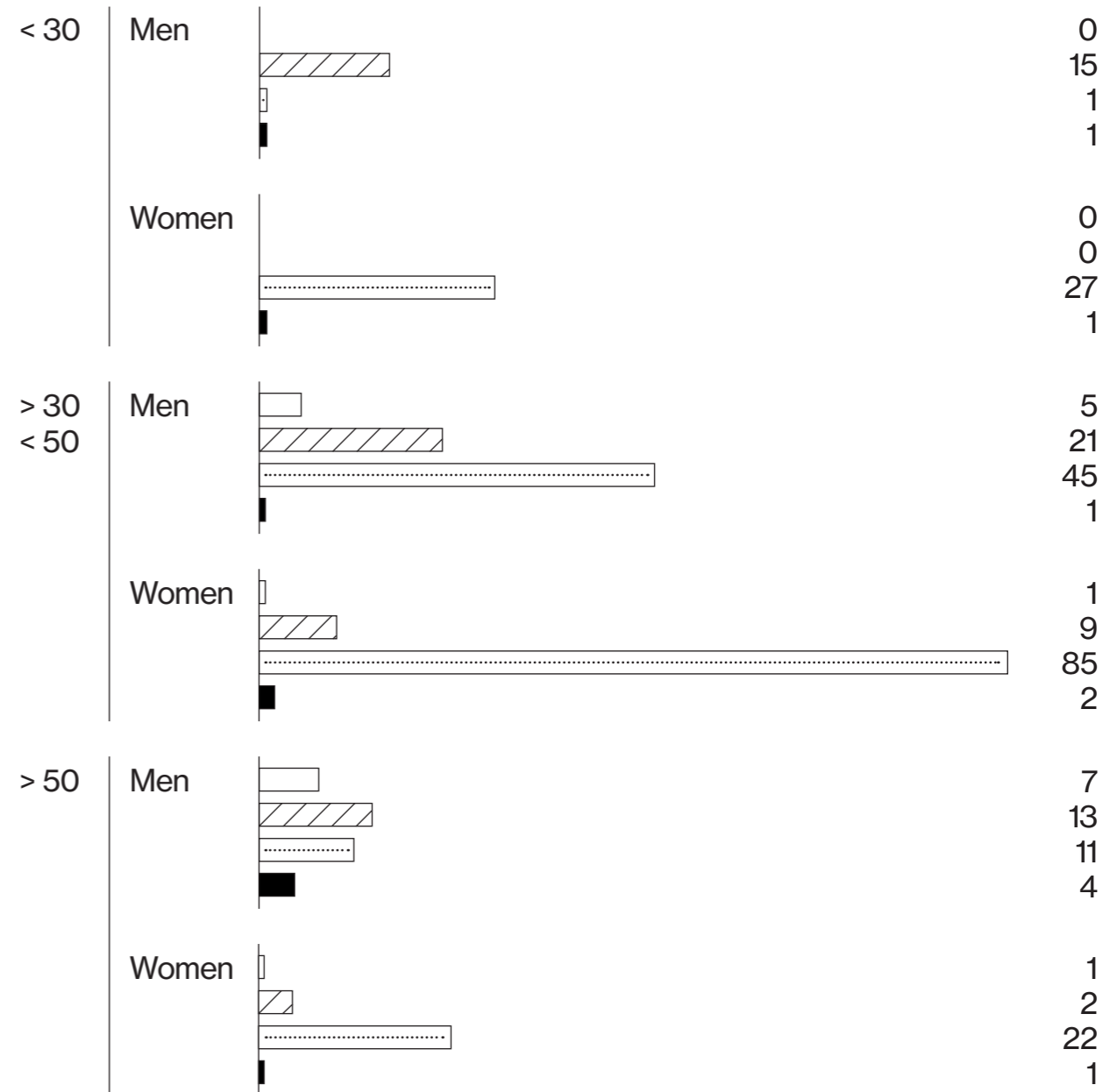
- the control of processes and different production stages, with the improvement of delivery times and quality;
- sourcing diversification to mitigate the risks of exogenous changes in international scenarios;
- the implementation of projects aimed at greater supply chain efficiency;
- the improvement of business processes in order to reduce structural costs and increase profitability.

Diadora and company life GRI 401-1, 401-2, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1

8.1 Our Team

Our success is not only the result of talent, innovation and authenticity, but it is mainly founded on our Human Resources, who work side by side and are committed to achieving our goals every day. We recognise the centrality and strategic importance of our people, not only from a professional perspective, but also from a human one. That is why we respect and value our employees through the protection of their physical and moral integrity and the continuous enhancement of their technical and professional skills. In 2022, the Group's workforce consisted of 274 employees, 16% of whom were under 30 years old, 62% between 30 and 50 years old, and 22% over 50 years old.

No. of employees by age group, gender and employment category Diadora Group 2022

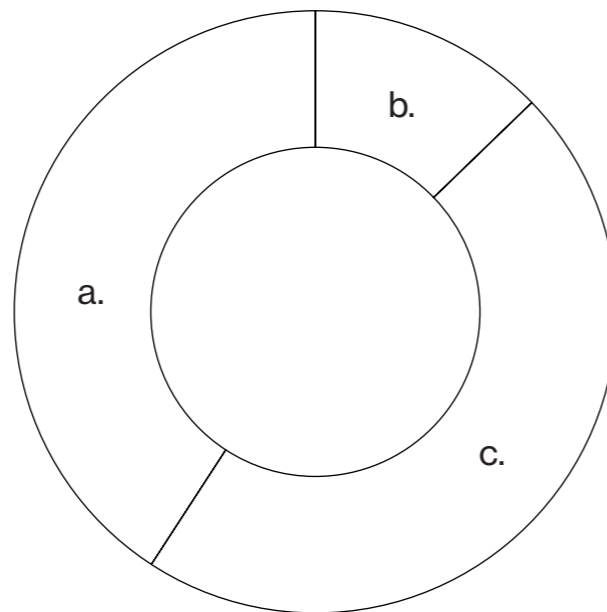


□ Executives ▨ Employees ▩ Managers ■ Workers

The turnover rate is around 21%, with a higher percentage, around 32%, for those under 30. Since the work our people do is the most important asset for our company, we have the ambitious goal of creating a working environment with its own distinctive social value, in which the relationship between top management and the rest of the company's population is serene and rational, with the aim of moving from mere "human resources management" to the more significant "strategic and human management of people". In order to achieve this, we are working on three fundamental pillars:

1. Economics An annual salary review for all employees is carried out. At this time, each Line Manager proposes and shares the appropriate actions, such as salary and/or level increases and one-off bonuses, with the HR department. Since 2015, we have also introduced a short-term variable incentive system, based on a Management by Objectives (MBO) mechanism, with different targets depending on whether the personnel are from the sales channel or the rest of the company population. The criterion used for the assignment of objectives is based on quantitative and qualitative targets, which also include transversal Key Performance Indicators (KPIs) linked to sustainability projects for some roles, which are decided by the heads of departments and the CEO. The identification and quantification of these indicators is determined by the characteristics of the projects to be implemented, thus allowing the Performance Management system to always be aligned with the latest corporate objectives in the field of sustainability. In cases where the MBO system is not linked to a reward system, the aim is to put in writing a course for goal achievement, aimed at increasing the level of engagement. In 2022, 37% of the Group's employees received an evaluation of their performance and professional development.

% of employees by job category who receive a regular review Diadora Group 2022



a.	47%	Employees
b.	13%	Executives
c.	41%	Managers

2. Learning & Development At Diadora, we strongly believe that continuous learning is a key element in the growth and development of our employees, both as representatives of the company and as individuals. Therefore, we aim to increase the integration of this issue within the levers of our business. For further details, please refer to the "The training of our team" section.

3. Sustainable HR Management Diadora has implemented a way of managing human resources through the use of processes and practices capable of supporting and promoting the "well-being" of those who work in the company. It entails designing work systems and HR processes to meet employee needs and expectations. There are a range of possible initiatives in this area and the selection criterion is to foster employees' well-being and encourage work/life balance. In this regard, here at Diadora we have adopted the following initiatives:

- i. **HEALTH WELFARE** – Since 2019, we have introduced supplementary health insurance – a bespoke solution for Diadora – to permit access to affiliated healthcare facilities.
- ii. **FLEXIBLE HOURS** – As of 2018, all employees have the option of starting and finishing their work at the company at different times thanks to flexible working hours.
- iii. **REMOTE WORKING** – We have regulated remote working by making it a tool that is available to employees for five days per month, which rose to eight in 2023.
- iv. **COMPANY NURSERY** – Since 2011, employees who are parents have the option of enrolling their children in an affiliated nursery, half of the fees for which are paid by Diadora.
- v. **COMPANY GYM** – Since 2012, the company gym has been available to Diadora employees at subsidised prices, where they can choose from a variety of courses and activities.
- vi. **CANTEEN COMMITTEE** - Introduced in 2017 to involve and ensure a service in line with the needs of users. Following a questionnaire evaluating the canteen service and a dietary needs survey for employees, we joined a programme supplying

- vii. **CONVENTION WITH THE GRANTEATRO GEOX** in Padua and with personal care and wellness centres.
- viii. **ADDITIONAL CONVENTIONS** – "Laundry" service, where employees only have to leave their clothes and the amount to be paid at reception, and then collect everything on Friday; car wash service; employee discounts, thanks to which employees can buy Diadora products at a reduced price, as well as received discounts at partner companies (e.g. Ducati).
- ix. **CORPORATE CONCIERGE** – This is a service that was introduced in 2014, which allows people to send and have parcels and personal correspondence delivered to the company and have personal postal slips be paid.
- x. **FUEL VOUCHERS** – In December 2022, petrol vouchers were issued to all employees, with the exception of those who had been issued a company car.
- xi. **DISCOUNTS ON DIADORA PRODUCTS** – All employees benefit from special discounts on Diadora products. In particular, they can purchase Diadora products at 50% off up to a maximum of 2,500 euro and then take advantage of a 30% discount.
- xii. **RENTED APARTMENTS** – To encourage the attraction of talent, Diadora makes apartments available free of charge for interns, and sometimes for certain categories of employees hired on a temporary basis, in order to contribute to the well-being of people.
- xiii. **PART-TIME FOR NEW PARENTS** – We have introduced part-time work on request for new parents until the child reaches the age of eleven and in any case no later than when the child starts middle school, granted to all employees regardless of gender.
- xiv. **WELCOME KIT AND €50 VOUCHER**: new employees are given a welcome kit, as well as a voucher to spend in the Caerano di San Marco store.



8.2 The training of our team

For us, it is crucial that we identify the real needs of our staff in order to be able to deliver training that is increasingly focused on the personal growth needs of individuals, commensurate with business requirements. All staff are involved in training activities related to privacy, workplace safety and sustainability. There are also additional training initiatives in the area of language and the development of certain personal skills. In the field of health and safety, training is provided according to Art. 36/37 of Legislative Decree 81/08. In 2022, staff training was carried out through:

- general and specific courses for new hires;
- fire safety update;
- ESR update;
- basic and advanced excel course;
- language courses.

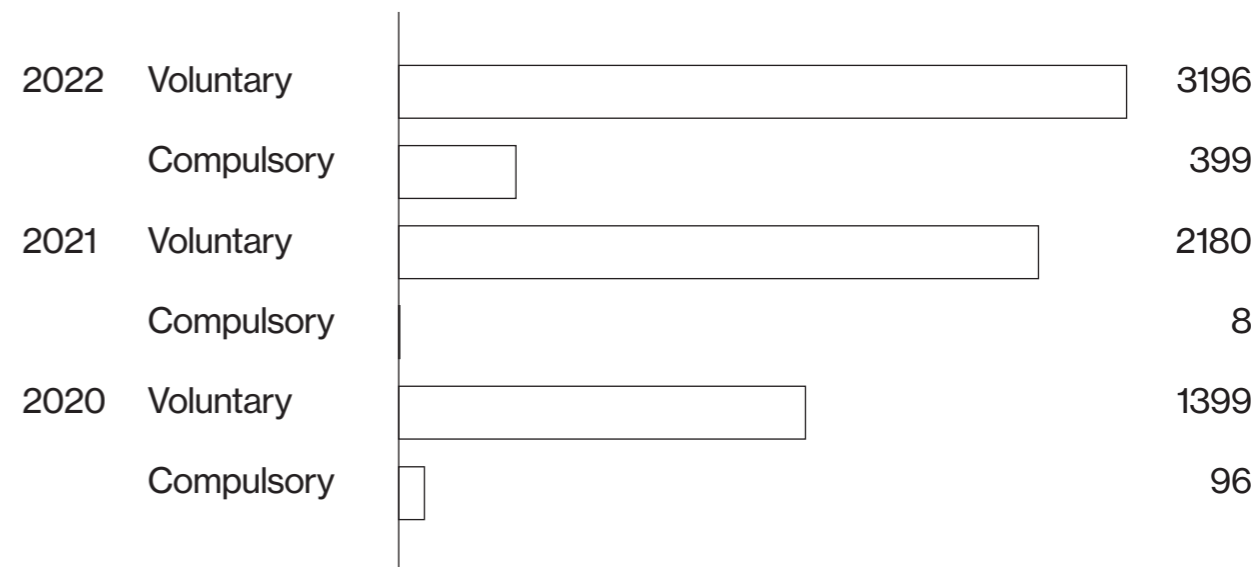
The training courses and the individuals to be involved are selected on the basis of the needs reported by the various department managers to the Human Resources Department, combining the company's business

needs with the training and development of human resources, in line with the company's strategic choices and culture.

In 2022, we provided a total of 3,595 hours of training (+64% compared to 2021), totalling 13.1 hours per capita, of which almost 90% was voluntary. The training provided was mainly aimed at developing soft skills, with a particular focus on technical and IT skills. In this regard, an Excel course was promoted, which involved about 100 people. In addition, we continued with "The learning breaks" initiative, which focused on the topic of emotional intelligence. This seven-month initiative was structured together with the consulting company 300grammi.

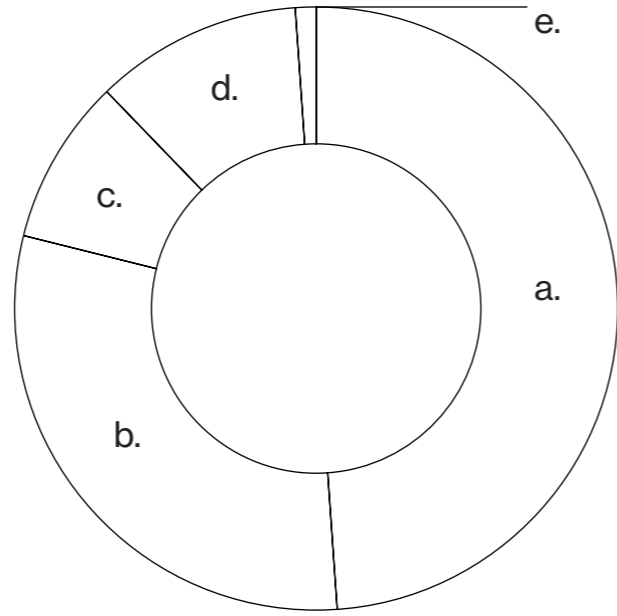
Starting in 2021, as a result of the pandemic and agile working, an online training platform called "GoodHabitz" was introduced within the company. It is a system based on a streaming course delivery model in order to reach the entire corporate population more easily. Besides being available in several languages, the courses are mainly aimed at developing soft and hard skills (such as languages and the basic use of Office tools).

Hours of compulsory and voluntary training



Training hours by type (%)

a.	49%	Soft Skills
b.	30%	IT
c.	11%	Security
d.	9%	Technology
e.	1%	Foreign Languages



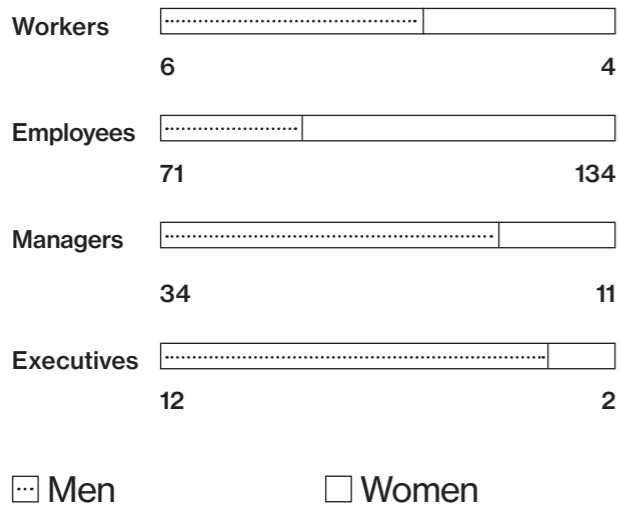
8.3 The guarantee of equal opportunities, respect for diversity and non-discrimination

Diversity in all its forms – gender, skin colour, ethnic or social origin, age, nationality, culture, religious beliefs or lack thereof, sexual orientation and disability – enriches the working environment. This is why we strive to build an inclusive working group, in which everyone can contribute with complete peace of mind. Building on our sporting DNA, we encourage and support a cooperative environment, where the contribution of the individual is crucial to achieve the common goal. In the area of protected categories, we comply with the percentage restriction of Law 68/1999: in order to comply with it, inspired by the *Hiring Chain* project, we have signed an agreement with the Province of Treviso concerning the targeted placement of young people with Down Syndrome within our historic factory and Diadora stores. In 2022, in a desire to implement this initiative even further, we extended the job opportunities to people with mental disabilities: one person was placed on an internship at the Caerano di San Marco store, while a second person was hired in our historic factory. The inclusion of people with Down syndrome/mental disabilities includes the involvement of a member of

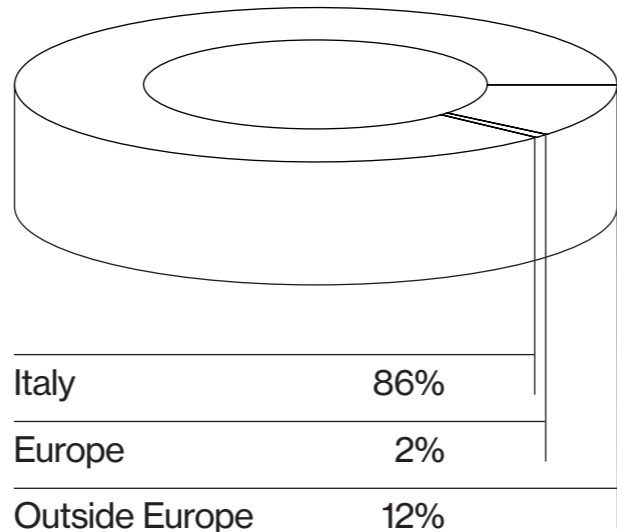
the Treviso Local Social Health Unit to regularly monitor the progress of the resource within the company, combined with a company tutor who checks on the state of the art every day. Diadora's goal is to be an example for diversity, inclusiveness and non-discrimination, a place where people can feel welcome and at ease; as proof of this, within our company, there have never been any established cases and/or reports of discrimination. It is not only a matter of compliance with current legislation, but also of raising awareness of increasingly important issues. In fact, as of 2019, we have launched a partnership with Cooperativa Iside aimed at raising awareness of the issue of violence against women. We promote a culture of gender equality, striving to keep the percentage of women constant, which was 55% of the total in 2022. We are also striving to include more women within the top management of our organisation by voluntarily complying with the legislative principles on gender representation in corporate bodies (Board of Directors and Board of Statutory Auditors), although they do not apply specifically to Diadora as it is an unlisted company.



No. of employees by position and gender. Diadora Group 2022



% employees by region of origin Diadora Group 2022



[2] The OCRA (Occupational Repetitive Action) protocol is a method of assessing the risk of biomechanical overload caused by performing repetitive movements of the upper limbs

The category in which the female gender is most represented is white-collar workers (65%) followed by blue-collar workers (40%); 14% of executives, on the other hand, are women. In our company, we make room for different cultures and nationalities, as we believe that an international working environment is an added value and a source of new ideas and perspectives; in fact, our employees come from 16 different countries.

8.4 Employee health and safety GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

We are aware of the importance of promoting and ensuring the highest level of physical, mental and social well-being for all our employees. The primary, though not sole, objective of occupational health and safety management is the implementation of preventive and protective measures to make workplaces safe and healthy, so as to avoid or reduce the exposure of workers (but also of customers and visitors) to related risks. We pursue this aim by constantly adapting our existing conditions to legislation and through the training and health monitoring duly provided to employees. The main aspects related to occupational health and safety are reported below.

Hazard identification, risk assessment and accident investigation

All Diadora employees are covered by the ISO 45001-certified Occupational Health and Safety Management System (OHSMS): 2018; furthermore, in complying with the requirements of Italian Legislative Decree 81/2008 on workplace safety, we scrupulously adopt all necessary or useful measures to reduce risks to the health and safety of our employees, thereby protecting them from possible accidents. We have appointed the Prevention and Protection Service Officer (PPSO) and the company doctor, figures in charge of protecting the safety of workers, and we regularly update the risk assessment document (RAD) present within the organisation with the aim of identifying and adopting the appropriate prevention and protection measures. Below are the most significant risks identified within Diadora:

- equipment risk
- chemical risk;
- noise and vibration risk;
- risk of Manual Handling of Loads (MHL);
- work-related stress.

During 2022, we updated the work-related stress assessment for both Diadora S.p.A. and Diadora Retail, through tests on homogeneous groups validated by the company doctor and the Employer, from which no situations requiring special attention emerged; we also replaced the inverter compressor and checked the fire management system.

Occupational health services

Our workers regularly undergo health monitoring examinations to ascertain their state of health in relation to the working environment and occupational risk factors associated with their work. Health monitoring is carried out by the company doctor in the cases provided for by current legislation, European directives and the indications provided by the Advisory Commission referred to in Article 6.

Worker participation and consultation and communication on occupational health and safety

I lavoratori di Diadora hanno provveduto alla nomina del Diadora workers have appointed a health and safety officer (HSO), for whom specific training is provided. This figure is consulted every time the RAD is updated and involved in the annual safety meeting. Through the company intranet, all employees can access the Environment & Safety area and view all documents

related to the ISO 45001 management system, as well as ISO 14001. In addition, there are two company notice boards where all notices concerning occupational health and safety issues are displayed.

Health and safety training

All our employees receive general and job-specific training as stipulated in the Risk Assessment Document (RAD). From our employees, the individuals responsible for monitoring and activating safety procedures in the event of serious and immediate danger have been identified and appointed, with the assignment of specific tasks. During 2022, 399 hours of mandatory safety training were provided.

Also for Diadora Retail, the Director General establishes the employee training needs, in agreement with the heads of the main company departments. The planning and recording of training courses is managed via a schedule in an Excel spreadsheet.

Diadora's employee health services and programmes

Every Diadora employee has access to supplementary health insurance (AON or Mba Cassa). In addition, as already mentioned, a balanced menu and a vegan menu have been introduced to the company canteen, aimed at promoting a healthy and long-lived lifestyle, as well as the service of an osteopath.

Process and equipment management

Diadora S.p.A. workers are provided with personal protective equipment (EN 149 FFP2SL face respirator, split leather gloves for mechanical risk, nitrile gloves for chemical risk, EN 166 optical-class 1 lens protection F goggles, S1 safety footwear) as required, as well as instructions for their use and storage. Inside our historic factory, we have also installed vacuum benches, which absorb substances and reduce the risk for our workers.

In 2022 there were two workplace accidents and eight near misses, which were monitored and entered in the appropriate forms.

For 2023, our health and safety targets are:

- to repeat the risk assessment with the OCRA (Occupational Repetitive Action) methodology² INDEX to get more precise and detailed data;
- to update the display screen risk assessment with the integration of new employees and/or change of workstation;
- to update the electrocution risk assessment;
- to ensure and improve health and safety in the workplace;
- implementation of the fume control system in the warehouse, raw materials and historic factor areas;
- to record the exact times, over several working days, of non-repetitive work (e.g. compiling a logbook for each workstation) and to record the risk level (the times of each worker's Manual Handling of Loads (MHL) activities will be reviewed);
- to update road surface markings;
- to update the chemical RAD;
- to install a new air-conditioning system and heat pump in the office area.

9 The Environment

9.1 Product design and circularity **GRI 301-1, 301-2, 301-3**

The identification and selection of the most appropriate materials and components with reduced environmental impact is of increasing importance in Diadora's strategy; during 2022, a dialogue was initiated with various developers and manufacturers of materials with a low ecological footprint – with a reduced weight, recycled content, easily recyclable, derived from readily renewable, biodegradable and compostable resources – to be used in subsequent collections.

Suppliers are actively involved in adhering to independent certification schemes – the Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) for the sourcing and use of certified recycled materials, Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS) for the sourcing and use of certified organically grown materials – and in adopting protocols for managing the chemicals allowed in their products through the establishment of a Restricted Substances List (RSL). Our supplier selection process favours manufacturers and distributors that can demonstrate that they have implemented initiatives focused on reducing resource consumption.

<p>The Global Recycled Standards (GRS)</p>	<p>Is recognised as the most important international standard for the sustainable production of garments and textile products made from recycled materials. The Standard recognises the importance of recycling in the development of sustainable production and consumption, with the aim of promoting the reduced consumption of resources (virgin materials, water and energy) and improving the quality of products made with recycled materials. The GRS enables us to verify and trace the recycled materials used, from raw material to end product. GRS-certified products (Global Recycled Standard) contain recycled materials that are independently verified at every stage of the supply chain. In addition, throughout the entire supply chain – from the first stage of reprocessing to the packaging and selling of the finished product – certified organisations meet stringent social, environmental and chemical requirements.</p>
<p>The Recycled Claim Standards (RCS)</p>	<p>allows recycled material to be verified and tracked through the supply chain, from raw material to finished product. RCS-certified products (Recycled Claim Standard) contain recycled materials that are independently verified at every stage of the supply chain.</p>
<p>The Global Organic Textile Standard (GOTS)</p>	<p>is a certification for organic textile products that ensures the use of natural fibres (cotton, linen, hemp, silk, wool) cultivated according to organic farming principles, i.e. without the use of synthetic chemical pesticides or Genetically Modified Organisms (GMOs).</p>
<p>The Organic Content Standard (OCS)</p>	<p>enables us to verify and trace organic content from the organic fibre content from the raw material to finished product. OCS-certified products (Organic Content Standard) contain certified natural organic fibres that are independently verified at every stage of the supply chain.</p>

In 2022, we introduced a specialised resource to expand and intensify the scouting of material and technology solutions with reduced environmental impact.

The decision to work with nominated suppliers and follow specific protocols ensures uniformity of performance and quality in the materials and components used. In particular, with regard to the various footwear model groups, for which cross-cutting elements such as linings, padding, soles, upper materials, laces and others can be identified, Diadora is actively working to progressively increase the number of items partially or entirely made from recycled raw materials.

We have set voluntary targets to extend the adoption of materials with reduced environmental impact to more and more items in our product lines:

- regarding clothing, starting from the Spring/Summer 24 season, we have introduced sweatshirts and jerseys preferably made from recycled-content cotton for new collections also;
- regarding footwear, starting from the Autumn/Winter 24 season, significantly increase the volume of recycled content through choices of materials and cross-cutting components for product groups.



[4] The EPD is an independent, third-party verified document providing accurate, transparent and comparable information on the life cycle environmental impacts of a product.

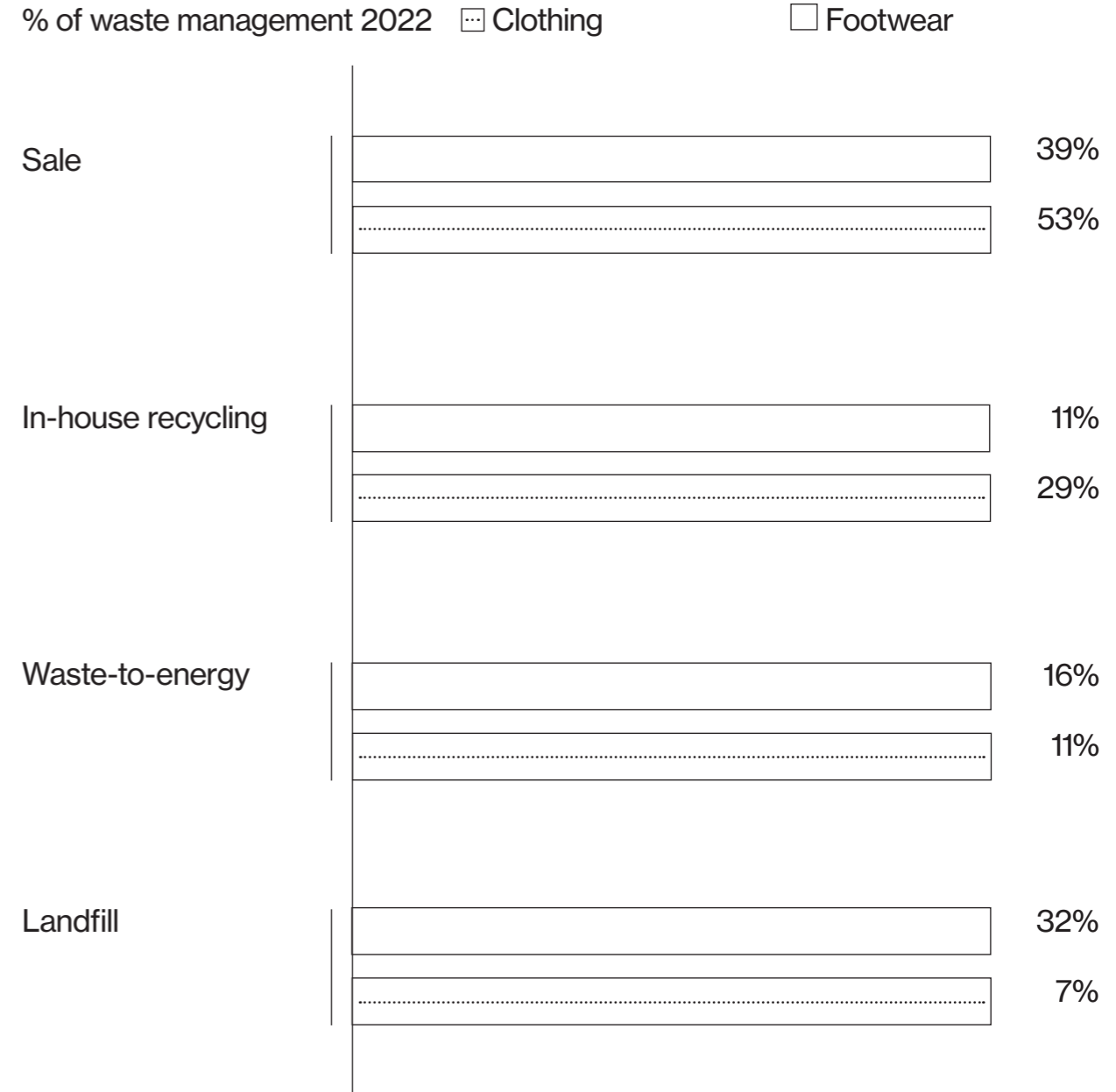
9.1.1 Our commitment for more sustainable materials

The amount of fully or partially recycled materials used to make our footwear and clothing is gradually increasing and has seen the direct involvement of suppliers who, at Diadora's request, have obtained company and product certifications in order to guarantee the traceability of recycled content.

In 2022, we introduced the denim fabric for Utility 239 jeans, for which an Environmental Footprint Declaration (EPD⁴) is available, which indicates that the entire production cycle of the fabric allows for a 94% reduction in water consumption.

Creating more responsible processes also involves reducing material waste during production and processing, thereby reducing the environmental impact of our production processes.

When selecting suppliers, we give preference to those who have resource-efficiency initiatives in place. If there is waste from footwear production, it is either sold (39%), sent to landfill (32%), incinerated (16%) or recycled internally (11%). Production waste for clothing, on the other hand, is mainly sold (53%) or recycled internally (29%).



9.1.2 Our products amidst innovation and efficiency

Innovation is one of Diadora's core values. Starting in 2020, the foundations were laid for the rebirth of the Diadora Research Centre (DRC), the scientific hub of the company's activities in the sports field with a multi-disciplinary structure that brings together the expertise of doctors, bioengineers and athletes. The main goal of the DRC is to increasingly improve the understanding of sports performance in order to offer athletes the most suitable means of expression: specialised footwear boasting reliability, comfort and safety. In this regard, we continue our search for technological solutions to be applied to the products we market so that our consumers can perform better in sports, work and everyday life. Innovation is also accompanied by creativity and imagination, which are the founding pillars of our manufacturing, inspiring our search for innovative materials and the development of cutting-edge manufacturing technologies and processes. Through this commitment, we pursue consumer well-being and safety with products distinguished by Italian style and quality.

The passion of our people is not only the key to developing a successful product, but also our true competitive strength. Our engineers and designers create products and technologies designed to meet the needs of athletes and workers, ensuring high quality and maximum performance. The new knowledge and expertise developed are then adapted and transferred to the collections for all consumers. Our products feature a profound synergy between their end use – sports, technical or leisure – and the research of materials and, as far as footwear is concerned, by the study of the anatomy of the foot, its movements and impacts on the ground. Product development and creation is divided into three departments: Footwear Development, Clothing Development and R&D. The Footwear and Apparel Development departments are responsible for creating the seasonal collections, in step with *merchandising*, sales and *marketing*. The Innovation department works in advance of and/or in parallel with the Development department, handling the research phases of materials, the testing of new materials and

devoting itself to the innovation of new technologies. The solutions identified by the synergy between the departments are included in the Game Plan Cycle, where the details of the production process are defined. The Operations Department is not only responsible for turning projects into products, but also supports the development and innovation process. Thanks to continuous research and testing of innovative solutions, we have patented two new technologies for Diadora Utility footwear in recent years. The first solution, patented in 2019, is *Airbox* technology, which provides greater breathability and comfort in combination with the Geox Net Breathing System. The second technology, patented in 2021, is *Stable Impact*, a new midsole cushioning system. In 2022, the innovatively-shaped footwear plate (with applications mainly in the world of running) was patented. The plate, which acts as a reactive plate, extends from the heel towards the sole and aims to improve roll efficiency and the accumulation and consequent return of energy during the thrust phase.

[5] The FSC® logo that guarantees that the entire supply chain for wood and paper is the result of environmentally friendly, socially beneficial and economically sustainable forest management, certified according to the standards of the Forest Stewardship Council®, an international organisation that has been committed to promoting the responsible management of the world's forests for more than 25 years

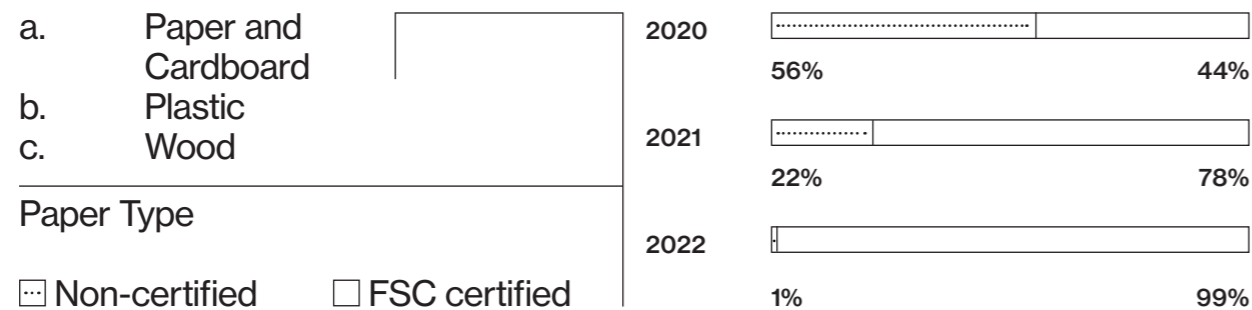
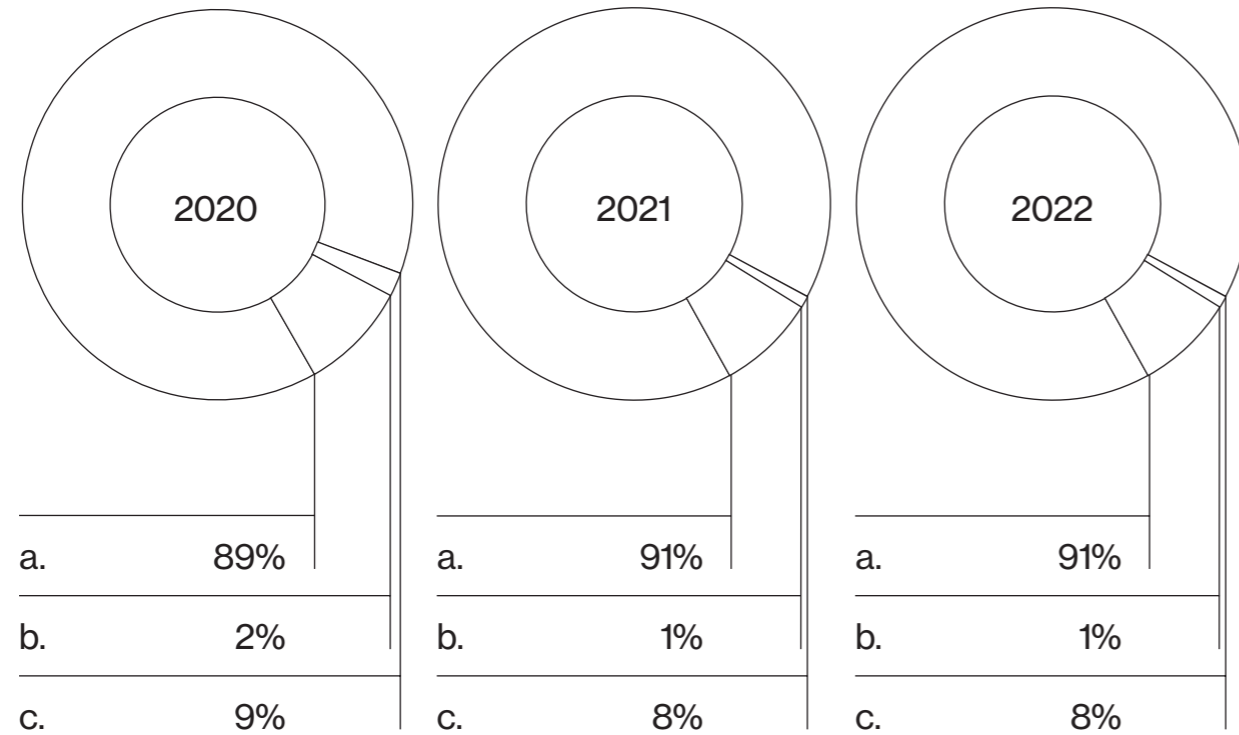
In addition, packaging and carton suppliers are also subject to regular document audits in order to collaboratively monitor and improve their sustainability performance. We try, whenever possible, to refer major apparel suppliers to our nominated vendors, in order to achieve greater security in terms of compliance with our sustainable packaging policies. In recent years, we've increased the use of paper from supply chains certified according to the Forest Stewardship Council® (FSC®) Standard⁵, which has now become increasingly widespread, so much so that it is used in almost all Diadora packaging. Indeed, while in 2021 our use of FSC® paper was 78% of total consumption, in 2022 we have reached 99% FSC® paper out of total paper and cardboard, for both our primary and secondary (external boxes) packaging. We have reduced plastic consumption in our packaging, which was already only present in very small quantities out of the total consumption. In fact, for the Sport & Sportswear lines, we have partially removed plastic bags (polybags), replacing them with certified paper bags printed with water colours. During 2021, our commitment to sustainable packaging took on a new strategic significance with the launch of our in-house managed e-commerce channel. The quality of our packaging conveys Diadora's sustainability message to the end consumer. In fact, all packaging graphics have been updated with the environmental disposal information as stipulated by Italian and French regulations.



9.2 Sustainable Packaging

The analysis and research to find more sustainable solutions for our primary and secondary packaging is an integral part of our strategy. Recyclability, renewability, biodegradability or compostability, with minimal use of materials with a low ecological footprint and reduced weight, are the key elements driving Diadora's future choices in this area.

Packaging (% kg)



Starting with the 2023/2024 production season, the aim is to replace all polybags in the Utility line clothing (the only remaining plastic packaging) with a more sustainable material.

9.3 Chemicals

The creation of products (footwear and garments) that meet the highest technical and performance requirements requires the use of chemicals, both for footwear assembled in the historic factor at our headquarters and for the products made in cooperation with our partners: this is why it is important to systematically monitor the use of these substances so that they do not prove to be a danger to the end consumer and the environment.

Use of chemicals at historic factory (Kg)



As the chart shows, in our historic factory, glues and adhesives, cleaners and crosslinkers are predominantly used in the production of some of our footwear collections. In order to limit staff exposure to potential inhalation of these substances, in addition to providing appropriate PPE, we have installed suction benches, which absorb the substances and reduce the risk to our workers. In order to improve the control of chemicals in the supply chain, we require our suppliers to adhere to the Diadora *RSL (Restricted Substance List)*, a list adopted voluntarily, which is based on a scale of maximum values that are more restrictive than those required by current regulations. The monitoring and management of the chemicals used in our products also includes a series of sample tests on a list of models, aimed at assessing the presence of banned chemicals. In 2023, we will start the process to be fully compliant with the European Commission's Regulation 2020/878 by eliminating isocyanates, and we will continue to work to substantially reduce the use of traditional solvents in favour of water-based ones.



[6] The Settimo Torinese store has a thermal energy supply of district heating, whose total consumption in 2022 was 3,006 KWh.

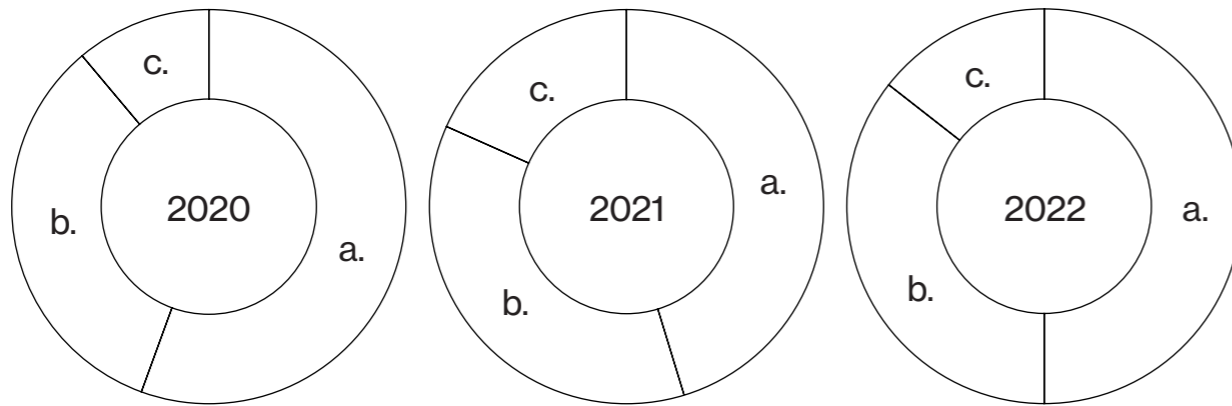
9.4 Energy and emissions GRI 302-1, 302-3, 305-1, 305-2

In the reporting of this issue, reference will be made exclusively to Diadora S.p.A with data in continuity with previous years and Diadora Retail for the year 2022. For this year it was not possible to quantify the energy consumption and emissions of the other companies, which in any case do not account for a significant proportion of the total.

The orientation towards sustainability and environmental protection is a commitment and mission for us, which translates into a strategy that is to be pursued on a daily basis.

Since 2014, with the adoption of an ISO 14001-certified Environmental Management System, we have implemented a number of tools to monitor – and potentially reduce – our environmental impact and the pollution generated by our business. On a weekly basis, we monitor the consumption of oil and gas used for heating the premises and producing hot water. In addition, we periodically monitor electricity consumption using equipment that can quantify electricity consumption and calculate the amount of CO2 produced in real time. The total energy consumption in 2022 of 14,090 GJoule is a higher figure than in 2021 because it also includes the gas and electricity consumption of the Group's retail network⁶.

Energy consumption (GJoule)

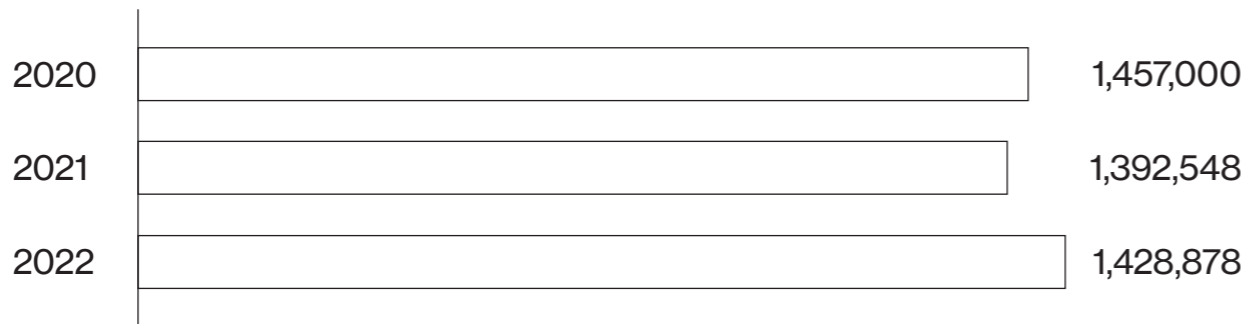


	2020	2021	2022
a.	5,245	5,013	6,592
b.	3,033	3,811	5,032
c.	1,496	2,196	2,455
d.	-	-	-

a.	Electricity	c.	Corporate car fleet
b.	Heating	d.	District heating

Diadora SpA

Electricity consumed (kWh) from renewable sources

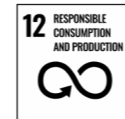


To date, we can count on a photovoltaic electricity production of 575,549 kWh, obtained thanks to the installation of panels on the roofs of our factories and capable of meeting 40% of the energy needs of Diadora S.p.A. In 2022, the energy sold to Enel amounted to 101,210 kWh.

Since 2019, the rest of Diadora S.p.A.'s electricity has come exclusively from renewable sources (in 2022 we purchased more than 954,539 kWh), in particular from hydroelectric power plants in South Tyrol. Starting from 2020, we have replaced the luminaires in some of our warehouses and offices with LED lights, thereby

[7] The energy intensity index is derived from the ratio of total energy consumption to the value of production (2022: 6,394,810 pieces) and multiplied by 1,000.

[8] UNI CEI EN ISO 50001:2018 is the new international standard for energy management. It is a voluntary standard and is easily integrated with other management systems, such as ISO 14001 (Environment) and ISO 9001 (Quality), thanks to the alignment to the HLS structure they share.



reducing electricity consumption.

Electricity purchased under standard supply contracts by Diadora Retail amounted to 402,279 kWh.

The car fleet was renewed with plug-in cars for executives; for commercial vehicles, on the other hand, we have reduced the engine capacity with low-emission models, the purchase of which we will end in 2023. We currently own 42 cars, 23 of which are powered by traditional fuels, 2 electric, 4 hybrid and 13 plug-ins. When selecting cars, we pay particular attention to the CO2 emissions declared in the vehicle registration document. To support the introduction of electric and plug-in cars, we have installed eight charging stations within the company car park.

The energy intensity⁷ of 2022, considering the energy consumption of the two companies and using production volume as a benchmark, is 2.20. Direct emissions (Scope 1) in 2022 amounted to 485 tonnes CO2eq and derived mainly from the use of heating oil, gas consumption in factories and store heating. Indirect emissions for energy consumption (Scope 2) amount to 184 tonnes CO2eq according to the market-based calculation methodology and 348 tonnes CO2eq according to the location-based calculation methodology.

The market-based method, unlike the location-based

method, accounts for the choice whether to buy renewable electricity certified through Guarantees of Origin. In our case, Scope 2 emissions are lower when calculated using the market-based method due to our commitment to purchasing electricity with guaranteed sourcing from renewable energy sources, as already mentioned.

The total value of emissions increased compared to last year due to the aggregation of Diadora Retail's emissions to those of Diadora S.p.A.

Our commitment to reducing our environmental impact and improving our energy efficiency is well represented by our new flagship store in Cortina, which was designed and built through the proximity principle; in fact, we chose suppliers and materials according to a rational of closeness to the local area, for example by opting for larch wood, typical of the area, recovering and reusing materials, structuring an LED lighting system, etc.

During the course of 2023, we will install a heat pump to replace gas heating in the office area due to the implementation of the photovoltaic system, which will enable us to produce more energy and meet about 80% of our energy needs.

Furthermore, we are starting the process to carry out energy diagnostics in order to obtain ISO 50001⁸ certification by 2025.

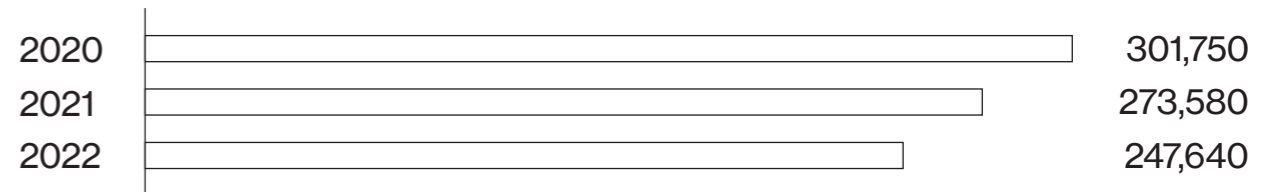
9.5 Waste GRI 306-1, 306-2, 306-3

The reporting of waste refers to Diadora S.p.A. only; as already expressed, from next year we will undertake to report this data for our subsidiaries, even though they have little significance on the total waste generated. Due to the nature of our business, we do not produce hazardous waste in our ordinary operations. A good part of the waste we generate – paper and cardboard, wooden pallets, and others – can be traced back to the packaging of incoming products and is sent for recycling. The packaging for shipping to customers is all certified and recyclable and has information on how to sort it.

Starting in 2019, we replaced plastic cups, coffee stirrers and bottles with biodegradable options and installed cold and hot water dispensers. We also gave our employees aluminium water bottles and ceramic cups, thanks to which we were able to eliminate paper cups from the canteen.

Waste (t) 2022

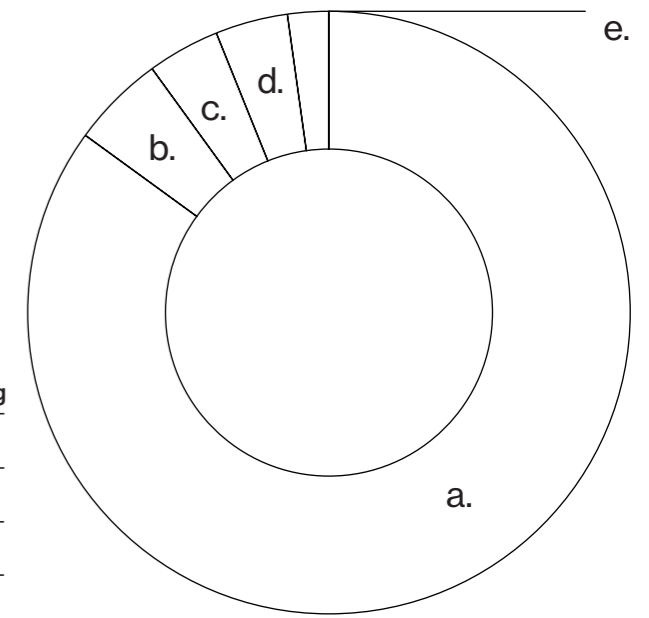
Diadora S.p.A



% Waste composition 2022

Diadora S.p.A.

a.	85%	Paper and cardboard packaging
b.	5%	Wooden packaging
c.	4%	Clothing
d.	4%	Mixed material packaging
e.	2%	Composite material waste



10 Product quality and safety GRI 416-1, 416-2



10.1 Quality and safety as our promise

At Diadora we are committed to the quality and safety of our products and the continuous improvement of our processes, as demonstrated by our ISO 9001-certified Quality Management System for the Diadora Utility line.

Also in 2022, we renewed our goal of “Responsible Quality” by managing toxic substances from the product and supply chain, thereby contributing to worker and consumer safety.

In order to continue to guarantee the satisfaction of our consumers, as we have expanded our supply chain and the number of suppliers of materials and finished products, we have increased our quality and safety control activities accordingly.

The main risks encountered are related to the safety aspects of product use that may affect health, with short- and long-term effects due to prolonged exposure to harmful toxic substances; exposure is a potential risk factor not only for consumers, but also for workers and the environment.

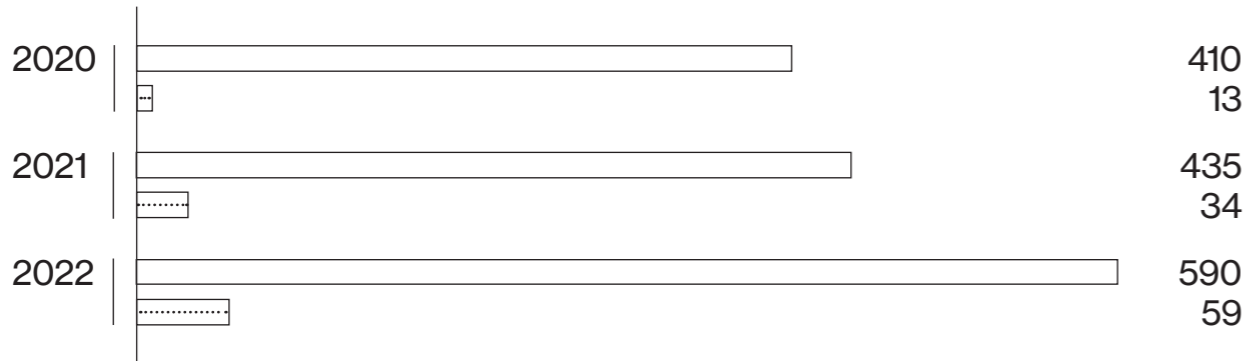
To achieve our goal of moving towards “Responsible Quality”, we directly involve our suppliers in the analysis of different materials, in the product design phase and in the identification of the ideal raw material.

Although our suppliers are primarily responsible for the quality and compliance of the product, we ourselves are constantly checking that our production methods comply with applicable laws and regulations. Our Quality Department closely monitors the materials and products we purchase from our suppliers through various activities by:

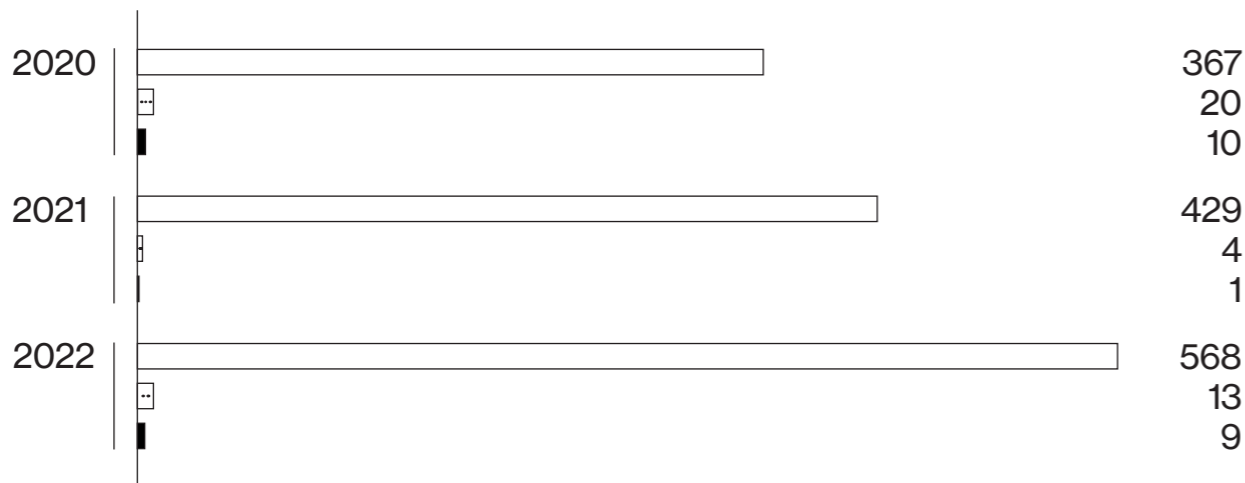
- defining acceptability and tolerance standards during production;
- carrying out “in-line” and “final inspections” at their premises;
- collecting Confirmation Samples – we keep the certificate of approval of the production samples by our technicians as a quality reference for all manufacturing;
- managing finished product controls – we carry out controls on finished products upon their arrival in our warehouses; in the event of non-compliance, blocking the entire batch and initiating remedial action;
- analysing returns and direct technical support to Customer Service and Stores – we analyse returns for product defects to gain greater insight into the market response, to verify the results of improvement actions and to focus our future corrective actions;
- verifying products through laboratory analysis and further tests to check their quality;
- certifying Utility and Sport PPE products – we verify, with the support of leading European and global Notified Bodies, compliance with the industry’s reference standards.

During 2022, we carried out 649 laboratory tests, an increase of 38% compared to last year (2022: 649; 2021: 469) with approximately 90% of the tests carried out for Footwear; in particular, in this category, the focus was on the materials from which the upper is made (96% of the category total).

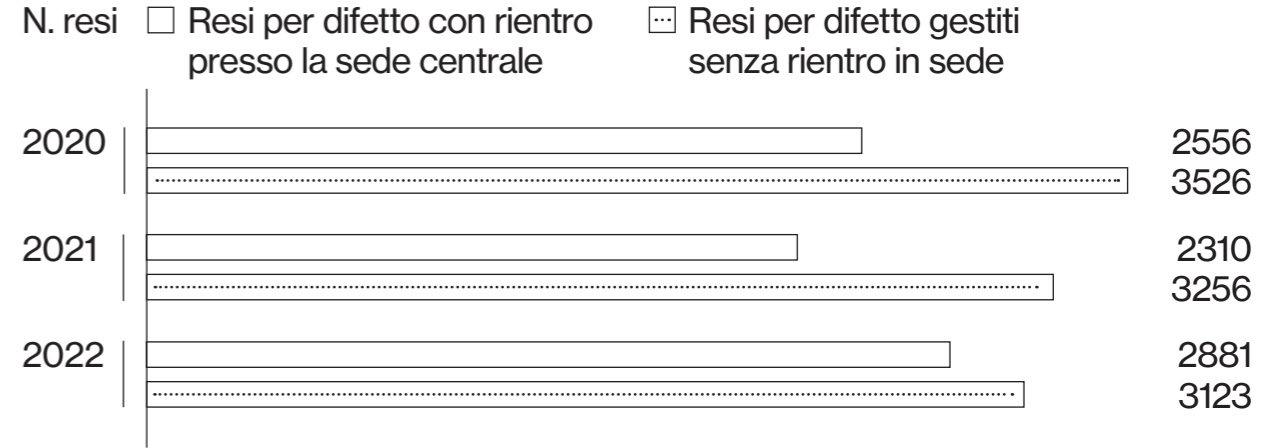
No. of laboratory tests □ Footwear ▤ Clothing



No. laboratory tests - Footwear □ Upper ▤ Sole ■ Components



By analysing the trend of returns, we have seen that their number increased by 8% compared to last year, from 5,566 in 2021 to 6,004 in 2022.



[9] The Higg Index is a measurement tool for the textile, clothing and footwear sectors developed by the Sustainable Apparel Coalition to measure social and environmental impacts. The Higg Brand and Retail Module measures the environmental and social impact of a brand's products, from materials to labour conditions and recyclability.

In 2022, we implemented the new *Product Lifecycle Management (PLM)* and started an analysis in order to achieve a more effective supply chain tracking for product quality; we also carried out six research projects, some completely new, others carried over from previous years. Two main partners for product and technology development and validation were also confirmed, the Biomechanical Institute of Valencia and the University of Washington School of Medicine (UW School of Medicine or UMW).

During 2021 at Diadora we underwent the Higg Index BRM⁹ (Brand and Retail Module) assessment, an analysis for the textile, apparel and footwear sectors developed by the Sustainable Apparel Coalition, aimed at measuring the social and environmental impacts of organisations. The score we obtained in the environmental section was 61.7%/100%, while in the social section it was 78.7%/100%. In the second half of 2023, we will have the new score for 2022 available.

10.2 Our customer's satisfaction

For us, consumer satisfaction is the primary goal of our business. The development of an ongoing, stable and lasting relationship with our customers through the pursuit of expectation satisfaction is the brand's guideline, both in terms of product and service offerings. Satisfaction is measured by positive and negative evaluations from B2B and B2C customers.

Our customer management methods reflect the Group's sales channel structure, which is divided into B2B channel (wholesale, distributors, licensees), e-commerce channel and retail.

Direct contact with the consumer, on the other hand, can take place via traditional channels (e.g., email or telephone) or social networks.

B2B We have a dedicated in-house multilingual Customer Service per area, which interfaces with B2B customers and ensures the optimal management of sales order, delivery and complaint flows. Synergy and collaboration with the sales area is crucial. B2B customer satisfaction is monitored directly or through the relevant business channels. With regard to complaint handling, the sales force handles the transfer of the complaint via a dedicated platform or email. Subsequently, following analysis by the internal contact person, the complaint may be accepted or rejected. B2B customers are supported not only by the internal customer service, but also by an external customer care company specialised in Business Process Outsourcing.

diadora.com Sales on diadora.com continue to be managed internally, with a dedicated e-Commerce department that is responsible for the constant monitoring of purchase flows and the coordination of customer care, again with the support of a specialised external company. In this channel, we collect consumer reviews via the Feeday platform. If necessary, it is the customer who sets in motion the product return and refund procedure, autonomously from their account and/or supported by our customer care service via email.

Retail In-store sales are an assisted service that is offered to the customer who is accompanied in choosing the product. The handling of any complaints involves on-site assistance by sales staff through a specific procedure that includes: an initial evaluation in the store, analysis by the quality department for confirmation or non-confirmation of the defect and possible replacement of the product. If the consumer does not have proof of purchase, the law does not provide for in-store replacement, but they can still contact our external customer care company, which will assess the request.

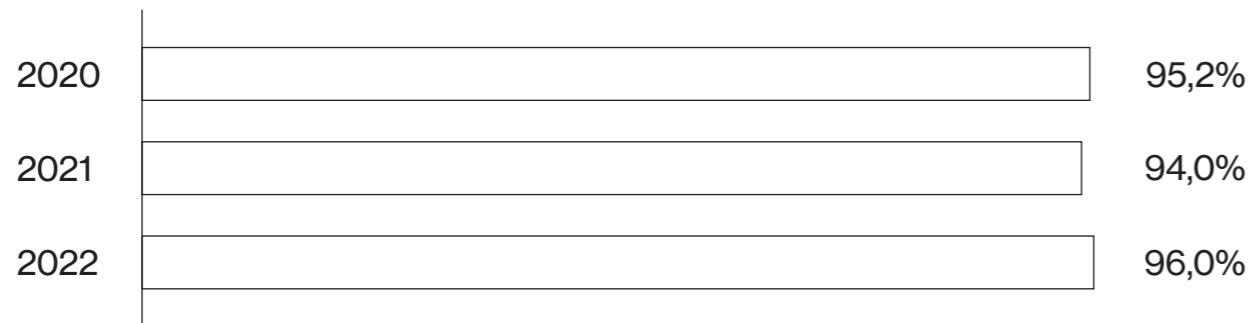
Social Our active social channels are Facebook and Instagram, where customers can relate with us asking information about prices or the products. Social media experts and the customer service team take care of answering the questions.

Traditional channels (direct contact)

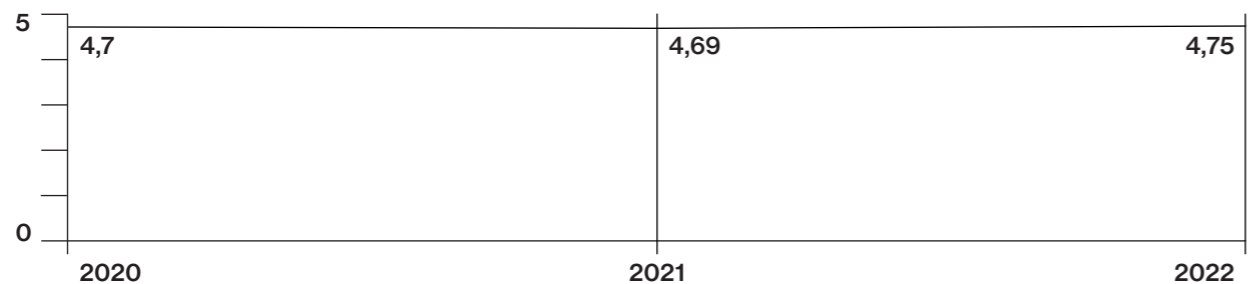
Consumers may decide to contact the company directly for a variety of reasons, ranging from quality complaints to specific product information, collaboration or charity requests, company presentations, confirmation of product authenticity and more. More traditional channels such as email, freephone or telephone are available. This type of direct contact with the consumer is handled by external customer care under the supervision of a dedicated internal person. All cases of product quality problems are collected, monitored, managed and classified with a specific code. In this case, external customer care handles the first-level support and informs the customer to contact the retailer if the requirements are met (proof of purchase and complaint within 24 months). In the event that the conditions for in-store handling are not met, due to lack of proof of purchase or a very outdated product, the case is transferred to the second level of service (internal customer service), and the consumer is informed accordingly. If a potential quality problem is assessed at this stage, it is transferred to the internal contact person for evaluation through photographic documentation.

In 2022, automatic reporting was implemented via the Salesforce CRM platform to track all cases of quality problems received from B2C customers, with an indication of any action taken by Diadora (replacement/coupon) or referral to the retailer or rejection. In addition, a series of preparatory activities were carried out for the inclusion of the store locator within the diadora.com and diadorautility.com websites. With respect to complaints received in 2022, the percentage of positive outcomes is in line with previous years with respect to non-end customers (98%), while decreasing with respect to end customers (57%). This figure stems from the fact that for direct (non-e-commerce) end customers, out of the total number of complaints received, only 44% relate to real quality problems; while for direct e-commerce customers, this figure was 69.60%. The average of these two values results in a positive outcome to complaints of 57% for this type of customer. Evaluations of purchases by e-commerce end consumers are tracked through surveys; reviews in 2022 are around 96% on ratings of 4 and 5 out of 5 stars as absolute figures, thus in line with the excellent results of previous years.

% Surveys with positive ratings (rating 4 – 5)



Reviews: average rating (scale from 1 to 5)



Below are the objectives we have set ourselves:

- during 2022, we started quantitative research on our brand perception with IPSOS in three countries; in 2023, we will continuously measure trends in consumer perception of the Diadora brand through quantitative and qualitative surveys;
- maintaining a high level in the reviews received from purchasers via the Diadora site, by consolidating the decrease in results equal to or lower than 2;
- improving our customer care service by monitoring feedback and suggestions from B2B channel customers from the sales force;
- developing a satisfaction survey project aimed at consumers interfacing with our customer care;
- completing the returns analysis section dedicated to Diadora Retail within the Salesforce platform; the objective is to track all retail returns through automated reporting;
- official go-live on the store locator on owned sites.

11

Sustainable supply chain management GRI 308-1, 308-2 414-1, 414-2

At Diadora we have fitted ourselves out with a supply chain governance system that includes our Code of Ethics – our values – our Code of Conduct, which indicates the minimum social, environmental and ethical requirements expected from our suppliers and the Restricted Substances List (RSL), for managing the chemicals in materials and production processes throughout the supply chain. These tools are a fundamental part of our purchasing and production policies and, therefore, we require direct suppliers to sign and implement them within their own organisation and supply chain. They are also formalised in the “Manufacturing Agreement”. By signing these documents, in fact, the supplier guarantees compliance with the laws, regulations and environmental standards provided for in the sector of activity in order to help minimise and reduce ordinary and extraordinary environmental impacts; in particular:

- emissions of climate-altering gases;
- the use of energy from non-renewable sources;
- excessive water consumption;
- the use of non-recycled natural resources;
- the use of chrome-tanned leathers;
- the use of hazardous chemicals;
- excessive production of waste and production waste.

All our suppliers have a proven track record and a robust and flexible operational organisation, also thanks to the various monitoring systems we operate. In fact, for several years now, we have been monitoring and tracking our suppliers through the use of:

- the Diadora Brand Protection Program;
- Customs monitoring programme;
- Direct and constant contact with suppliers.

The Diadora Brand Protection Program is a supply chain monitoring programme that requires each vendor previously registered in the company's systems and authorised to produce for the brand, to incorporate a particular type of label – ACF label – inside each Diadora article to guarantee the anti-counterfeiting of goods. An ACF label is a special type of holographic label that has a unique serial code by which the authenticity of the garment can be traced. In addition to the code, anti-counterfeiting is guaranteed by other technical aspects, developed especially to guarantee the originality of the goods. Specifically, Diadora uses two categories of ACF labels:

- “Fabric” labels that are applied inside the upper (for footwear) or inside the main seam (for clothing)
- “Sticker” labels that are applied directly onto the packaging of accessories

These labels are supplied by a single nominated vendor, that is a supplier selected by us in advance, in order to achieve greater security in terms of compliance with our sustainable packaging policies and to guarantee the originality of the goods produced. On the one hand, this programme makes it possible to constantly monitor the supply chain, and on the other hand, to cross-check the quantities of articles produced. The customs monitoring programme, on the other hand, helps to identify and monitor the exporters who have been authorised by the company to handle exports from China of all Diadora-branded goods. This monitoring is done through the inclusion of entities in the Chinese Customs White List, and the subsequent issuance of export authorisation. Finally, the direct and constant relationship with suppliers makes it possible to acquire all the documentation and information required to successfully complete the registration procedures within the company's systems and to continue with the relationship.

11.1 Evaluation of our suppliers

All strategic suppliers, both core and non-core, are included in the monitoring plan. They are asked to join the Ecovadis programme and complete the relevant questionnaire. As early as 2018, we created *Diadora's sustainability programme for supply chain management*. To this end, we have created a specific process and established two in-house cross-department teams tasked with evaluating our suppliers from a financial, legal, technical, product quality and safety, and sustainability perspective. The sustainability criteria adopted comply with the most relevant and widespread international standards (such as the International Labour Organisation (ILO) Conventions, Global Compact principles and the guidelines of the Global Reporting Initiative). The Procedure consists of 3 pillars:

	Suppliers are required to respect and adhere to:
1. Alignment	<ul style="list-style-type: none"> • The Diadora Code of Ethics; • The Diadora Code of Conduct; • The Restricted Substances List (RSL), which in many cases is more stringent than the limits set by law; • The Sustainability Standards related to specific issues (animal welfare, gender equality, etc.).
2. Monitoring	<p>The first necessary step in selecting suppliers is an inspection of their production sites by a Diadora-appointed inspection team, which verifies that production, quality and sustainability standards meet our expectations. After the first inspection, suppliers participate in the double-way auditing system aimed at monitoring ongoing compliance with Diadora's sustainability standards and identifying possible areas for improvement through:</p> <ul style="list-style-type: none"> • Unannounced on-site audits, managed by Intertek¹⁰; • EcoVadis Annual Document Audit¹¹
3. Improvement	<p>With a view to continuous improvement, suppliers are required to implement a Corrective Action Plan (CAP) after each inspection, whether documentary or on-site. In particular, for:</p>

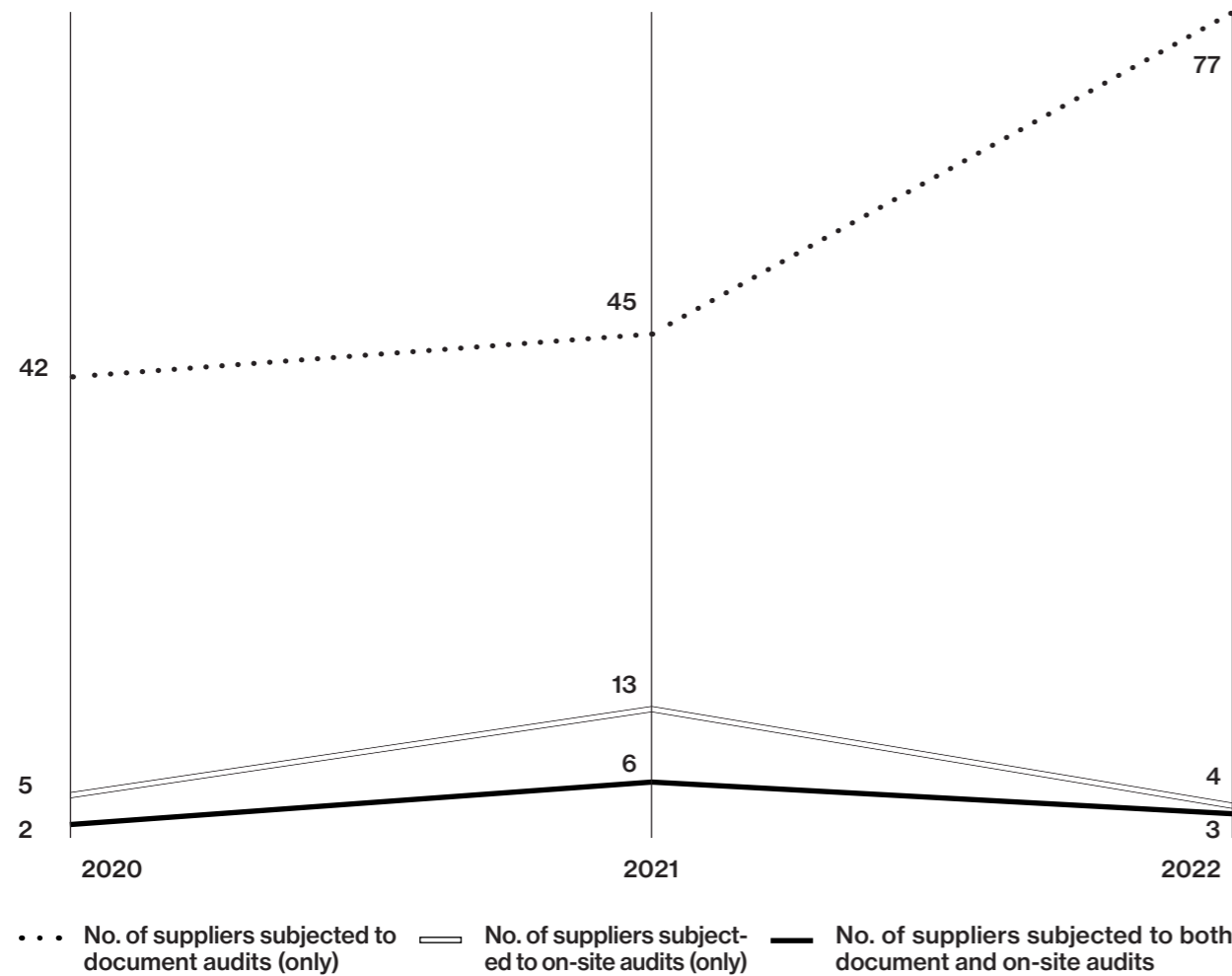
[10] An international leader in manufacturing site inspections, it operates in more than 100 countries worldwide. Audits are carried out following the Working Conditions Assessment (WCA) standards. WCA assesses, monitors and compares the conditions of production sites in five areas: work, wages and working hours, health and safety, management systems and the environment.

[11] EcoVadis is one of the most important international eco-sustainability rating platforms, and assigns a score that allows companies to monitor the sustainability performance of their suppliers in order to improve the companies' environmental and social practices. di Sostenibilità dei loro fornitori al fine di migliorare le pratiche ambientali e sociali delle aziende.

- CAPs based on EcoVadis audits:
 - identify non-conformities and areas for improvement on a priority basis;
 - are defined and implemented with the support of Diadora's Sustainability department, which provides suppliers with detailed feedback and specific guidelines.
- CAPs based on Intertek audits:
 - identify non-conformities on a priority basis;
 - are defined with Intertek inspectors.

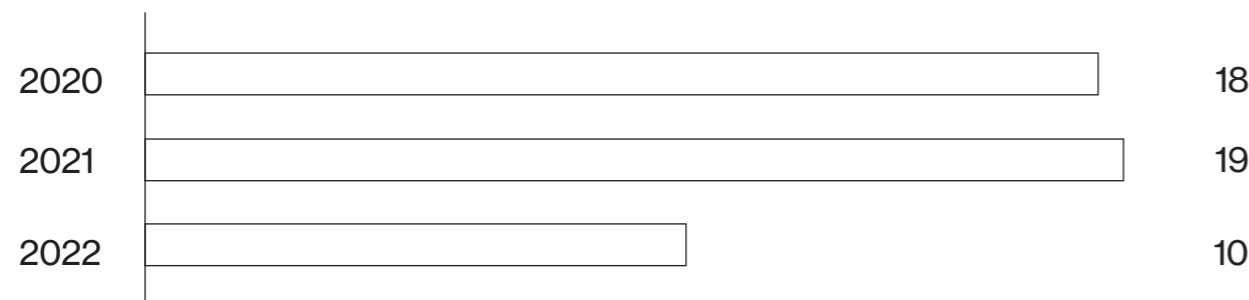
CAP results are verified in subsequent EcoVadis or Intertek evaluations. The graph below shows the trend from audits over the last three years; as can be seen, the number of suppliers who were subjected to at least one document audit in 2022 increased by +70% compared to the previous year, rising from 45 to 77 suppliers..

Audit trends



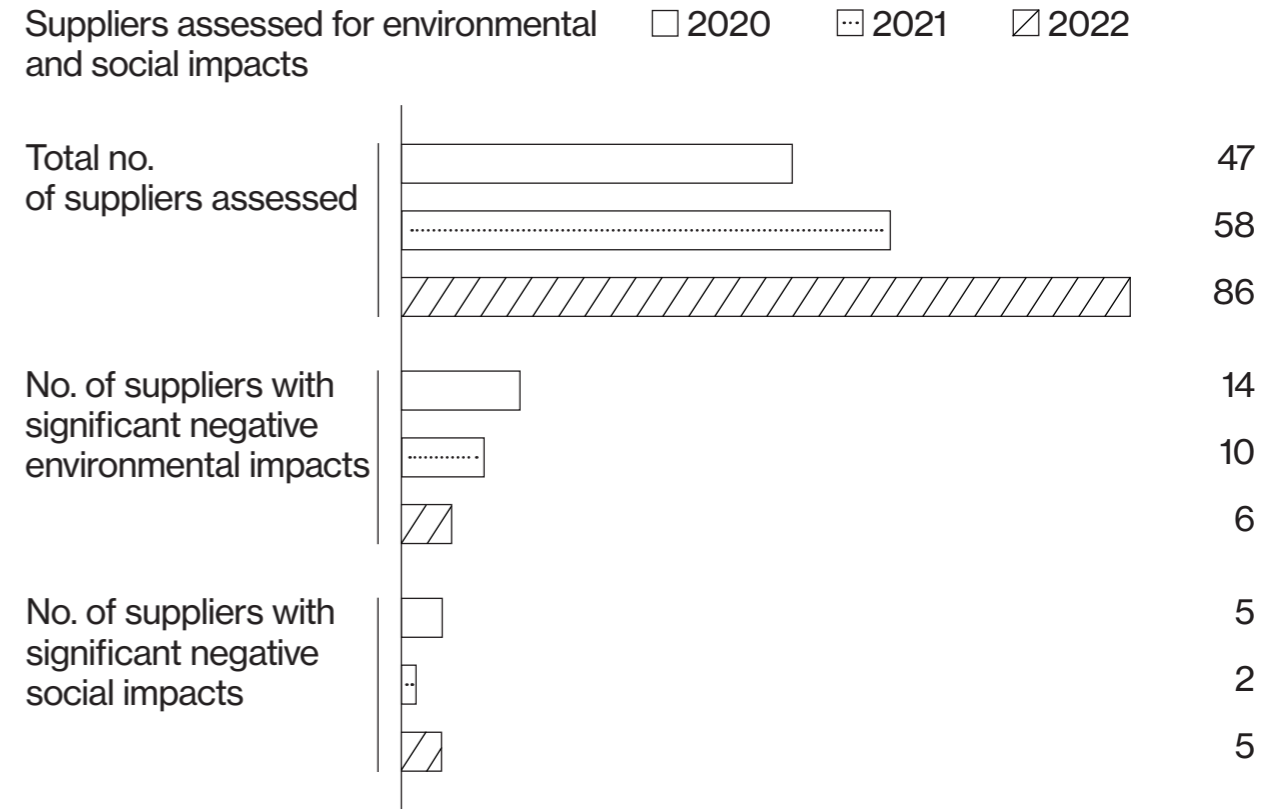
In 2022, for Diadora's 10 new suppliers, 60% were assessed against environmental and social criteria through document audits; in previous years, however, 100% of new suppliers, i.e., 18 in 2020 and 19 in 2021, had received an evaluation through both document and on-site audits. In early 2023, we increased our audit activity and nine unannounced audits have already been carried out.

No. new suppliers



Schema 2.2
La supply chain

Considering the total number of Diadora suppliers and analysing how many of them have been examined on the basis of environmental and social criteria, we can see that their number has increased over the years; whereas the number of suppliers with significant negative environmental impacts decreased significantly, while those with significant negative social impacts remained almost unchanged. From 2023 onwards we have decided to cease our relationship with 2 of the suppliers with both significant negative environmental and social impacts.



Through document and on-site audits of our suppliers, we have identified the main types of environmental impacts along our supply chain::

- energy consumption and the production of climate-changing gases;
- water resource management;
- respect for biodiversity;
- the type of materials produced, their use and end of life;
- the chemicals used;
- the waste produced.

With this in mind and aiming to increasingly reduce our impact on the environment, we try to monitor the environmental performance of our suppliers, asking them to indicate the percentage of materials purchased from recycled sources, the percentage of waste reuse and how different materials are recycled.

11.2 Commitment to a short and sustainable supply chain

Maintaining high quality standards and respecting economic, social and environmental production targets have always been the characteristics that allow us to take Italian excellence to the world. Promoting a supply chain that also consists of a short production structure also makes it possible to:

- establish stable, direct and long-lasting relationships with suppliers, in order to consolidate business relationships with them;
- maintain and convey expertise that has been acquired over time;
- guarantee high quality standards for all productions.

For *Italian-made* products in particular, we pay the utmost attention to the manufacturing area with a strategy aimed at maintaining and consolidating key success factors, such as technological innovation, craftsmanship in production and excellence in the materials used. Over the last few years, we have relocated part of our production to Europe and, where possible, in Italy, not

only to shorten lead times, but also to enhance the skills of local suppliers.

We reacted promptly to some logistical risks by continuing our near-shoring project, mainly in countries around the Mediterranean basin and in Eastern Europe. To this end, a project to diversify production geography was launched in 2022, with production in Vietnam for footwear and Turkey for clothing. The production reshoring project, which began in 2015, also continued, leading to an increase in production volumes in Europe and the reopening of our in-house historic factory at our Caerano di San Marco site, with the modernisation, recovery and enhancement of most of the machinery that is part of the company's history. The historic factory, which is dedicated to the manufacturing of our *Lifestyle (Collabo)*, *Heritage* and *Utility* footwear lines, has allowed us to maintain our shoe *manufacturing expertise*, while it has also enabled us to experiment immediately with new products and processes that we can later propose to other suppliers. In 2022, footwear production at our historic factory amounted to approximately 13,000 pairs.

Since 2021, we have tangibly followed up on the company’s programme to strengthen the development of projects and production in Italy, by launching the “*Equipe Atomo*”, the first running performance shoe ever to be produced in Italy after more than thirty years with a production of 18,000 pairs. The product was positively received by the market, not only because of its high quality, but also because an Italian company chose to focus on the short supply chain. Also as regards clothing, we have presented a part of the Made in Italy collection, achieving good results in terms of on-time delivery, an indicator that measures the percentage of orders delivered within the time agreed with the customer.

As far as long-term goals are concerned, we are working to centralise the production chain geographically in order to improve the impact of production by optimising the related logistics flows.

11.3 Human and labour rights along the supply chain

The textile and footwear sector presents specific social risks, both in terms of respect for human rights along the supply chain and in terms of respect for health and safety in the workplace.

Monitoring and improving working conditions and human rights in the supply chain plays a key role in ensuring the growth of a strong, sustainable and competitive supply chain.

In fact, starting down a path to improve supplier performance with regard to human rights allows us to build deeper relationships between our company and its supply chain from which both parties can benefit in terms of stability, trust and flexibility.

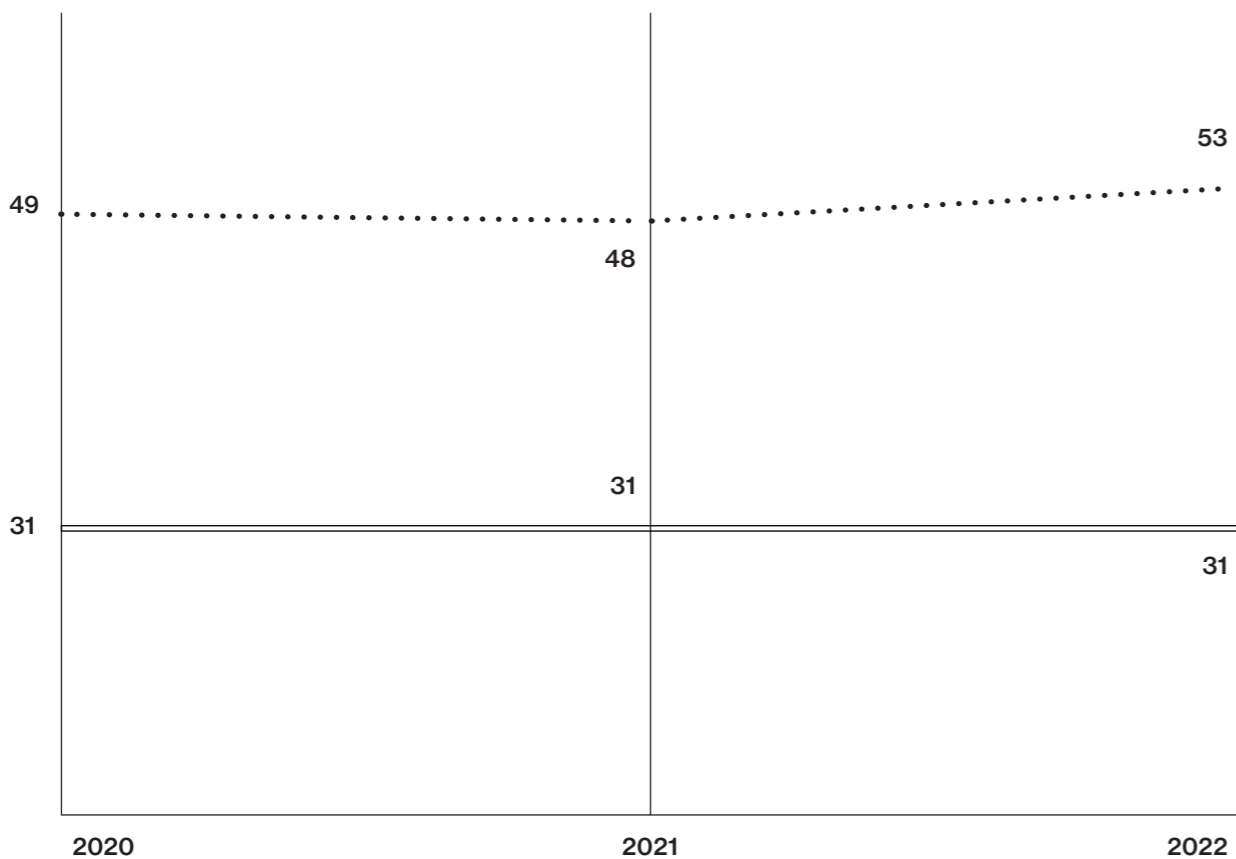
At Diadora, we pay particular attention to compliance with this issue, which is why we conduct several audits throughout the year.

Through document and on-site audits, managed by *Ecovadis* for the former and *Intertek*¹² for the latter,

we are able to get an overview of the conditions of our personnel and suppliers. The approach we take towards suppliers is collaborative: as a result of the results obtained during the audits, a dialogue is managed in order to improve performance and raise awareness on sustainability issues, indirectly contributing to the economic development of our partners’ communities and local realities. This philosophy allows us to build relationships from which both parties can benefit in terms of guarantees, medium-term stability, trust and flexibility. Pursuing positive results in terms of social performance is also an opportunity to increase the overall level of competitiveness of our supply chain: at a time when the awareness and sensitivity of all stakeholders around these issues is increasing considerably, our approach can be a building block in creating a more resilient supply chain, thereby contributing to brand risk mitigation.

[12] An international leader in manufacturing site inspections, it operates in more than 100 countries worldwide. Audits are carried out following the Working Conditions Assessment (WCA) standards.

Average score with respect to human and labour rights (score out of 100)



... Average supplier score

— Acceptability threshold

Over the years, our collaborative approach has borne fruit, as the graph shows. In fact, the average score of the documentary audits obtained from suppliers on compliance with human and labour rights has increased, reaching 53/100 this year.

12



Commitment to the local area and the community GRI 2-6

Over the years, we have introduced a number of initiatives aimed at supporting and further developing the communities in which we operate, as well as entering into some important partnerships in both the social and environmental spheres.

Twinned Peace Sports School



One of the most relevant initiatives in the social field is the Twinned Peace Sports School project, in partnership with the Peres Center for Peace and Innovation, an NGO founded in Israel by Nobel Peace Prize winner Shimon Peres. This initiative aims to make sport as a tool to promote peace, offering a group of Palestinian and Israeli girls the opportunity to play football in mixed teams and experience what it means to coexist peacefully and accept others.

Support to the Ukranian Communities

Lastly, during 2022, following the outbreak of war in Ukraine, we supported the war-ravaged communities with two large donations of clothing and footwear for both adults and children.

Charity

Diadora supports local and other charities by donating products. About eighty items were donated in 2022.

Donations to The Emporio della Solidarietà of Venice

At Christmas 2022, the gifts Diadora received from customers and suppliers were donated to the Emporio della Solidarietà in Venice.

Joining We Forest Project

As far as the environmental aspect is concerned, since 2021 we have been part of the We Forest project for the protection of Brazil’s Atlantic Forest, a project linked to the sale of the “Glove-Eco”, the first Utility footwear made from recycled materials certified in accordance with the GRS standard, launched on the market on World Earth Day.

More sustainable versions of the most popular silhouettes

In 2022, we also promoted our 2030 line, for which we created an even more sustainable version of some of the most popular silhouettes in our catalogue, including the Mi Basket Row Cut. For these shoes, we used new technologies and materials, such as the upper composed of a mix of recycled polyester and a plant-based material sourced from wine industry waste re-ennobled with a view to the circular economy; while the material for the interior padding comes from sugar cane processing waste.

Diadora x Stic

In 2022, we also launched new partnerships to promote healthy lifestyles. We created a special edition of our Atomo running performance shoe as part of the Stic x Diadora project. Through this, we were able to amplify the message that Khnum Ibomu – widely known as “Stic” from the revolutionary hip hop duo, Dead Prez – has used to inspired millions with his music and lifestyle for many years. At the end of the nineties, as his star was on the rise, Stic was indulging in self-destructive habits, which later led to a dangerous diagnosis. Since then, he has been constantly striving to promote physical, mental and spiritual fitness as fundamental levers for personal growth.

Diadora x Raekwon

Our collaboration with the world of hip hop has also seen a partnership with the famous rapper Raekwon develop, one of the members of the Wu Tang Clan, which whom we have created a series of special editions of our iconic footwear. Part of the proceeds went to support the “Community Linx”, which was set up to facilitate access to qualified training courses for young aspiring musicians.

Appendix

Economic performance GRI 201-1

↓ : continua nella pagina successiva

Diadora Group – Economic Performance			
Reporting period	2020	2021	2022
Directly generated economic value	148.961	172.136	192.226
— Net sales	138.433	165.439	182.080
— Revenue from Financial Investments	9.982	7.084	9.178
— Revenue from the sale of goods	1	1	1
— Foreign exchange management	545	-387	968
Distributed economic value	-141.063	-166.934	-184.946
Operating costs	-124.125	-147.383	-162.868
— Operating costs for goods and services ⁱ	-123.611	-146.990	-162.594
— Training costs	-40	-23	-43
— Employees/self-employed/temporary staff salaries	-474	-370	-230
Salaries and benefits	-15.746	-18.218	-20.011
— Employee salaries	-15.746	-18.218	-20.011
— Employee benefits	-	-	-
Payments to capital suppliers	-1.001	-1.185	-1.136
— Payments to shareholders	-	-	-
— Payments to shareholders	-1.001	-1.185	-1.136
Payments to the P.A.	-162	-145	-924
Investments in the community	-29	-3	-7
Economic value retained	7.898	5.202	7.280

Anti-bribery GRI 205-2

Diadora S.p.A. – Communication on anti-bribery policies and procedures		
Members of governing bodies	total no.	6
	%	100%
Executives	total no.	16
	%	100%
Employees	total no.	130
	%	91%
Workers	total no.	0
	%	-

Human Resources GRI 2-7, 2-8

Type of employment contract (GRI 2-7, 2-8)	Diadora S.p.A.					
	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Fixed-term employees	1	3	1	7	0	2
Permanent employees	99	104	88	98	92	102
Total employees by gender	100	107	89	105	92	104
Total employees	207		194		196	
Contractors	1	0	1	0	1	0
Temporary staff	1	3	1	2	0	2
Interns	2	2	1	0	3	3
Total other workers by gender	4	5	3	2	4	5
Total other workers	9		5		9	
Total employees by gender	104	112	92	107	96	109
Total employees	216		199		205	

[13] The count excludes collaborations, cooperatives and internships.

Type of employment contract (GRI 2-7, 2-8)	Diadora Group 2022	
	Men	Women
Fixed-term employees	6	5
Permanent employees	117	146
Total employees by gender	123	151
Total employees	274	
Contractors	1	0
Temporary staff	4	9
Interns	3	3
Total other workers by gender	8	12
Total other workers	20	
Total employees by gender	104	112
Total employees	294	

No. of employees by employment contract ¹³ (GRI 2-7)	Diadora S.p.A.						
	2020						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
Permanent	91	94	6	7	2	3	203
Fixed-term	1	2	0	0	0	1	4
Total	92	96	6	7	2	4	207

No. of employees by employment contract ¹⁶ (GRI 2-7)	Diadora S.p.A.						
	2021						
	Italy		Europe (No IT)		Extra Europe		Total
	M	W	M	W	M	W	
Permanent	86	87	1	7	1	4	186
Fixed-term	1	7	0	0	0	0	8
Total	87	94	1	7	1	4	194

No. of employees per employment contract ¹⁶ (GRI 2-7)	Diadora S.p.A.						
	2022						
	Italy		Europe (No IT)		Extra Europe		Total
	M	W	M	W	M	W	
Permanent	87	101	4	1	1	0	194
Fixed-term	1	2	0	0	0	0	2
Total	87	103	4	1	1	0	196

No. of employees by employment contract ¹⁶ (GRI 2-7)	Diadora Group 2022						
	Italy		Europe (No IT)		Extra Europe		Total
	M	W	M	W	M	W	
Permanent	97	133	4	1	16	12	263
Fixed-term	2	5	0	0	4	0	11
Total	99	138	4	1	20	12	274

Full-time / Part-time ¹³ (GRI 2-7)	Diadora S.p.A.					
	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Full-time	1	3	1	7	0	2
Part-time	99	104	88	98	92	102
Total by gender	100	107	89	105	92	104
Total employees	207		194		196	

Diadora Group 2022		
Full-time / Part-time ¹⁶ (GRI 2-7)	Men	Women
Full-time	118	110
Part-time	5	41
Total by gender	123	151
Total employees	274	

No. of employees per employment contract ¹⁶ (GRI 2-7)	Diadora S.p.A.						
	2020						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
Full-time	95	92	4	1	1	0	193
Part-time	0	14	0	0	0	1	14
Total	95	106	4	1	1	0	207

No. of employees per employment contract ¹⁶ (GRI 2-7)	Diadora S.p.A.						
	2021						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
Full-time	84	94	4	1	1	0	184
Part-time	0	10	0	0	0	0	10
Total	84	104	4	1	1	0	194

No. of employees per employment contract ¹⁶ (GRI 2-7)	Diadora S.p.A.						
	2022						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
Full-time	87	89	4	1	1	0	182
Part-time	0	14	0	0	0	0	14
Total	87	103	4	1	1	0	196

No. of employees per employment contract ¹⁶ (GRI 2-7)	Diadora Group 2022						
	Italy		Europe (No IT)		Extra Europe		Total
	M	W	M	W	M	W	
Full-time	94	97	4	1	20	12	228
Part-time	5	41	0	0	0	0	46
Total	99	138	4	1	20	12	274

Diversity within the Group GRI 405-1

Number of employees by position, gender and age group (GRI 405-1)	Diadora S.p.A.						
	2020						
	< 30		30 - 50		>50		
	Men	Women	Men	Women	Men	Women	
Executives	0	0	8	1	3	3	
Managers	0	0	16	8	10	2	
Employees	9	14	33	58	11	18	
Workers	2	0	1	2	7	1	
Total by gender	11	14	58	69	31	24	
Total per age group	25		127		55		
Total employees	207						

Number of employees by position, gender and age group (GRI 405-1)	Diadora S.p.A.					
	2021					
	< 30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	0	0	6	1	4	2
Managers	0	0	12	8	10	2
Employees	7	10	31	61	11	19
Workers	1	0	1	2	6	0
Total by gender	8	10	50	72	31	23
Total per age group	18		122		54	
Total employees	194					

Number of employees by position, gender and age group (GRI 405-1)	Diadora S.p.A.					
	2022					
	< 30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	0	0	4	1	7	1
Managers	0	0	16	9	12	2
Employees	9	14	26	59	9	18
Workers	1	0	1	2	5	1
Total by gender	10	14	49	71	33	22
Total per age group	21		120		55	
Total employees	196					

Number of employees by position, gender and age group (GRI 405-1)	Diadora Group					
	2022					
	< 30		30 - 50		>50	
	Men	Women	Men	Women	Men	Women
Executives	0	0	5	1	7	1
Managers	0	0	21	9	13	2
Employees	15	27	45	85	11	22
Workers	1	1	1	2	4	1
Total by gender	16	28	72	97	35	26
Total per age group	44		169		61	
Total employees	274					

Diversity in governing bodies GRI 405-1

Members of governing bodies (GRI 405-1) ¹⁴	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
<30	0	0	0	0	0	0
30-50	8	1	6	1	5	1
>50	3	3	4	2	7	1
Total by gender	11	4	10	3	12	2
Total members	15		13		14	

Members of governing bodies (GRI 405-1) ¹⁴	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
<30	-	-	-	-	-	-
30-50	89%	11%	86%	14%	83%	17%
>50	50%	50%	67%	33%	88%	12%
Total by gender	73%	27%	77%	23%	86%	14%

[14] There are no members of Diadora's governing body belonging to vulnerable groups

Diadora S.p.A.				
Employees by Nationality				
Paese	Categoria	2020	2021	2022
Albania	Europe	0	0	0
Australia	Outside Europe	1	0	0
Bolivia	Outside Europe	1	1	1
Brazil	Outside Europe	0	0	0
Bosnia and Herzegovina	Europe	1	1	0
Canada	Outside Europe	1	1	1
China	Outside Europe	0	0	0
France	Europe	3	3	3
Great Britain	Europe	1	0	0
Germany	Europe	5	5	4
Italy	Italy	187	176	179
Lithuania	Europe	1	1	1
Macedonia	Europe	0	0	1
Morocco	Outside Europe	1	1	1
Romania	Outside Europe	1	1	1
Switzerland	Europe	1	1	1
Vietnam	Outside Europe	1	1	1
Spain	Europe	1	1	1
USA	Outside Europe	0	0	0
Venezuela	Outside Europe	1	1	1
Total		207	194	196

Diadora Group		
Employees by Nationality		
Paese	Categoria	2022
Albania	Europe	1
Australia	Outside Europe	0
Bolivia	Outside Europe	1
Brazil	Outside Europe	1
Bosnia and Herzegovina	Europe	0
Canada	Outside Europe	1
China	Outside Europe	16
France	Europe	3
Great Britain	Europe	0
Germany	Europe	4
Italy	Italy	223
Lithuania	Europe	1
Macedonia	Europe	1
Morocco	Outside Europe	1
Romania	Outside Europe	1
Switzerland	Europe	2
Vietnam	Outside Europe	1
Spain	Europe	1
USA	Outside Europe	15
Venezuela	Outside Europe	1
Total		274

New recruitments and turnover GRI 401-1

no. new hires (GRI 401-1)	Diadora S.p.A.						
	2020						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
< 30	5	4	0	0	0	1	10
30 - 50	8	2	0	0	0	0	10
> 50	2	1	0	1	0	0	4
Total	15	7	0	1	0	1	24

no. new hires (GRI 401-1)	Diadora S.p.A.						
	2021						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
< 30	5	3	0	0	0	1	8
30 - 50	7	10	0	0	0	0	17
> 50	0	1	0	0	0	0	1
Total	12	14	0	0	0	0	26

no. new hires (GRI 401-1)	Diadora S.p.A.						
	2022						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
< 30	5	5	0	0	0	1	10
30 - 50	13	11	1	0	0	0	25
> 50	2	1	1	0	0	0	4
Total	20	17	2	0	0	0	39

no. new hires (GRI 401-1)	Diadora Group						
	2022						
	Italy		Europe (no IT)		Extra Europe		Total
	M	W	M	W	M	W	
< 30	8	9	0	0	0	2	19
30 - 50	14	15	1	0	4	0	35
> 50	2	1	1	0	0	1	4
Total	24	25	2	0	4	3	58

Hiring rate (GRI 401-1)	Diadora S.p.A.					
	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
<30	45%	36%	63%	30%	50%	45%
30-50	14%	3%	14%	14%	29%	15%
>50	6%	8%	0%	4%	9%	5%
Total by gender	15%	8%	13%	13%	24%	16%
Total members	12%		13%		20%	

Hiring rate (GRI 401-1)	Diadora Group	
	2022	
	Men	Women
< 30	53%	39%
30 - 50	26%	16%

Hiring rate (GRI 401-1)	Diadora Group	
	2022	
	Men	Women
> 50	9%	4%
Total by gender	24%	19%
Total employees	21%	

no. of outgoing employees (GRI 401-1)	Diadora S.p.A.						
	2020						
	Italy		Europe (no IT)		Extra Europe		Total
M	W	M	W	M	W		
< 30	3	2	0	0	0	1	5
30 - 50	9	2	0	1	0	0	12
> 50	3	0	0	1	0	0	4
Total	15	4	0	2	0	1	21

no. of outgoing employees (GRI 401-1)	Diadora S.p.A.						
	2021						
	Italy		Europe (no IT)		Extra Europe		Total
M	W	M	W	M	W		
< 30	3	5	0	0	0	0	8
30 - 50	16	8	0	0	1	0	25
> 50	2	3	0	0	1	0	6
Total	21	16	0	0	2	0	39

no. of outgoing employees (GRI 401-1)	Diadora S.p.A.						
	2022						
	Italy		Europe (no IT)		Extra Europe		Total
M	W	M	W	M	W		
< 30	2	1	0	0	0	0	3
30 - 50	11	13	1	0	0	0	25
> 50	4	4	1	0	0	0	9
Total	17	18	2	0	0	0	37

no. of outgoing employees (GRI 401-1)	Diadora Group						
	2022						
	Italy		Europe (no IT)		Extra Europe		Total
M	W	M	W	M	W		
< 30	6	6	0	0	0	1	13
30 - 50	14	18	1	0	2	1	36
> 50	4	4	1	0	0	0	9
Total	24	28	2	0	2	2	58

Turnover rate (GRI 401-1)	Diadora S.p.A.					
	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
<30	27%	14%	38%	50%	20%	9%
30-50	16%	4%	34%	11%	24%	18%
>50	10%	4%	10%	13%	15%	18%
Total by gender	15%	6%	26%	15%	21%	17%
Total employees	10%		20%		19%	

Turnover rate (GRI 401-1)	Diadora Group	
	2022	
	Men	Women
< 30	40%	25%
30 - 50	23%	20%
> 50	14%	15%
Total by gender	23%	20%
Total employees	21%	

Parental leave GRI 401-3

No. of employees who took parental leave and return rate (GRI 401-3)	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
Employees on leave	0	7	7	0	10	10	0	13	13
Returning employees	0	6	6	0	6	6	0	11	11
Employees still employed 12 months later	0	6	6	0	5	5	0	9	9
Rate of return to work %	-	86%	86%	-	60%	60%	0	85%	85%

Training of resources GRI 404-1

Hours of training provided per employee (GRI 401-3) ¹⁷	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Executives	2,73	7,50	5,36	5,75	4,00	6
Managers	20,00	3,80	1,98	1,43	5,90	6,50
Employees	7,64	5,24	3,01	1,68	6,21	7,49
Workers	0,00	0,00	0,75	1,50	3,50	5,38
All employees	0,00	0,00	7,88	8,69	-	-
Total by gender	9,55	5,04	11,97	10,69	11,09	14,77
Total employees	7,22		11,28		13,12	

No. of training hours provided per topic and legal obligation (GRI 401-3) ¹⁷	2022		
	Course	Compulsory	Voluntary
IT	0	1.605	1.605
Foreign Languages	0	20	20
Privacy Policy	0	0	0
Security	399	0	399
Sustainability	0	4	4
Technology	0	331	331
Soft Skills	0	1.776	1.776
Total per category	399	3.196	3.595

Performance evaluation GRI 404-3

Employees receiving regular reviews	Diadora S.p.A.								
	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
Executives	11	4	15	10	3	13	10	2	12
Managers	22	6	28	23	9	32	27	10	37
Employees	15	29	44	23	30	53	13	22	35
Workers	1	0	1	0	0	0	0	0	0
Total	88			98			84		

Employees receiving regular reviews	Diadora Group		
	2022		
	Men	Women	Total
Executives	11	2	13
Managers	31	10	41
Employees	21	26	47
Workers	0	0	0
Total	101		

Ratio of average basic salary to average salary for women and men GRI 405-2

Minimum, fixed amount paid to an employee for performing their duties. The basic salary excludes any additional remuneration, such as overtime payments or bonuses.

Average basic salary ratio of women to men (GRI 405-2) ¹⁷	2020	2021	2022
Executives	72%	65%	60%
Managers	81%	80%	89%
Employees	80%	97%	84%
Workers	78%	77%	72%
Total	75%	73%	71%

Basic salary plus additional amounts paid to an employee.

Ratio of average pay for women to men (GRI 405-2) ¹⁷	2020	2021	2022
Executives	72%	65%	60%
Managers	81%	80%	89%
Employees	80%	97%	84%
Workers	78%	77%	72%
Total	75%	72%	70%

Health and safety at work GRI 403-9

Number of accidents and health and safety indicators (GRI 403-9) ¹⁷	2020	2021	2022
Deaths at work	0	0	0
Accidents	0	0	5
Of which serious injuries	0	0	0
Of which ongoing	0	0	3
Total hours worked	369,288	346,096	444,122
No. of working days lost due to accidents at work	0	0	35

Raw materials GRI 301-1

Materials and components (GRI 301-1)						
Footwear	UoM	Renewable / Non-renewable	2020	2021	2022	% Recycled
Ethylene vinyl acetate (EVA)	kg	Renewable	301.563	306.230	185.257	7%
Thermoplastic rubber (TPR)	kg	Non-renewable	316.514	257.974	219.067	1%
Rubber	kg	Non-renewable	532.754	854.848	701.091	8%
Polyurethane (PU) soles	kg	Non-renewable	380.166	463.078	304.953	1%
Foam	kg	Non-renewable	65.858	54.243	141.443	28%
Backstays	kg	Non-renewable	109.766	142.237	131.520	4%
Insoles	kg	Non-renewable	169.963	185.929	297.600	22%

99.5% - conventional figure as the packaging, free of metal/plastic elements, as well as inks and glues, would go in "PAPER" recycling

99.5% - conventional figure as all plastic elements would be recyclable in "PLASTIC" recycling without metal/plastic elements, as well as inks and glues

99.5% - conventional figure as pallets could be recycled in "WOOD" recycling without metal elements

Materials and components (GRI 301-1)						
Footwear	UoM	Renewable / Non-renewable	2020	2021	2022	% Recycled
Total	kg	Non-renewable	1.876.584	2.264.539	1.980.921	9%
Leather	m ²	Non-renewable	400.071	468.530	515.106	4%
Polyester mesh (PL)	m ²	Non-renewable	650.556	414.044	414.427	25%
Cotton	m ²	Renewable	19.471	73.503	64.961	10%
Coagulated and coated fabrics	m ²	Non-renewable	678.951	816.071	753.166	2%
Total	m²		1.749.049	1.772.148	1.747.660	8%
Lacci in poliestere, Cotton, leather	Pairs	Non-renewable	2.774.857	224.438	316.018	5%

Materials and components (GRI 301-1)						
Abbigliamento	UoM	Renewable / Non-renewable	2020	2021	2022	% Recycled
Acrylic	m	Non-renewable	760	2.000	570	0%
Elastane	m	Non-renewable	6.686	5.304	18.929	1%
Nylon	m	Non-renewable	109.970	379.215	61.338	0%
Poliestere	m	Non-renewable	183.911	258.192	115.045	9%
Viscose	m	Renewable	2.366	833	3.839	0%
Total	kg		303.693	645.544	199.721	5%
Cotton	kg	Renewable	635.666	754.081	582.139	1%
Polypropylene	kg	Non-renewable	3.067	3.865	3.940	12%
Total			638.733	757.946	586.079	1%

The responsible use of chemicals GRI 301-1

Chemicals used at historic factory (GRI 301-1)				
Chemicals	UoM	2020	2021	2022
Glues/Adhesives	kg	1.045	633	496
Crosslinkers	Kg	40	16	2
H2O based glue	Kg	138	184	100
Cleaners	kg	-	312	116
Total	Kg	1.223	1.145	609

Sustainable packaging GRI 301-1

Type of packaging (GRI 301-1)				
	UoM	2020	2021	2022
Paper	kg	1.839.289	1.993.320	2.369.973
of which FSC	Kg	809.287	1.554.790	2.346.273
Plastic	Kg	34.323	31.573	37.011
Wood	kg	191.082	180.193	216.132
Total	Kg	2.064.694	2.205.086	2.623.116

Recycled/recyclable packaging (GRI 301-2)						
Packaging type	2020		2021		2022	
	% Recycled	% Recyclable	% Recycled	% Recyclable	% Recycled	% Recyclable
Paper	99,5%	99,5%	99,5%	99,5%	99,5%	99,5%
Plastic		99,5%		99,5%		99,5%
Wood		99,5%		99,5%		99,5%

Energy consumption (GJ) GRI 302-1

The energy and consumption data for 2022 refer to Diadora S.p.A. and to Diadora Retail. The Joule is a unit of measurement of work and energy and is "equal to the work done by the force of 1 newton to move a 1-m body along its line of action; it is identified with the energy that is dissipated in 1 second in the form of heat" (Oxford Languages).

Conversion factor sources: ENEA electricity; Methane Ministry of Environment Italy - EU ETS National Parameters - Italy; News (mirambiente.it) Fuel and other emission sources - DEFRA UK - Greenhouse gas reporting: conversion factors 2021 - GOV.UK (www.gov.uk)/DEFRA.

Energy type (GJoule)	2020	2021	2022
Heating	3.033	3.811	5.032
of which natural gas	1.354	1.983	2.861
of which diesel	1.679	1.828	2.171
Purchased electricity	5.245	5,013	6,592
of which renewable sources	5.245	3.462	3.436
Self-generated electricity	-	2.064	2.072
of which renewable sources	-	2.064	2.072
Renewable electricity produced and sold/ released to the grid	-	(513)	(364)
District heating	-	-	11
Non-renewable fuel consumption of car fleet (diesel and petrol)	1.496	2.196	2.455
Total energy consumption	9.774	11.021	14.090

Emissions (tCO2eq) GRI 305-1

Emission factor sources: Methane Ministry of Environment Italy - EU ETS National Parameters - Italy; News (mirambiente.it) Fuel and other emission sources - DEFRA UK - Greenhouse gas reporting: conversion factors 2021 - GOV.UK (www.gov.uk)/DEFRA.

Emission factor sources ISPRRA 363/2022 - Indicators of efficiency and decarbonisation of the Italian energy system and electricity sector - (isprambiente.gov.it) Europe - AIB (aib-net.org) - European Residual Mix. For the market-based calculation of district heating, the conversion factor shared by the provider Engie (0,117 kg CO2/kWh) was used.conversione condivisa dal provider Engie (0,117 kg CO2 / kWh).

Emissions Scope 1 (tCO2eq)	2020	2021	2022
Total emissions Scope 1	302	392	485
Emissions Scope 2 (tCO2eq)	2020	2021	2022
Total emissions Scope 2 - Location based	367	246	348
Total emissions Scope 2 - Market based	-	-	184

- location-based, which accounts for emissions from electricity consumption by applying national average emission factors for the different countries where electricity is purchased;
- market-based, which is based on the CO2 emissions emitted by the energy suppliers from whom the organisation purchases, by contract, electricity, or on market-related factors.

Evaluation of respect for human rights GRI 414-1

Suppliers evaluated per country (GRI 414-1)	2020		2021		2022	
	N.	Total per paese	N.	Total per paese	N.	Total per paese
Bangladesh	2	4%	3	5%	5	7%
China	19	40%	23	40%	26	33%
Italy	17	36%	21	36%	37	47%
Portugal	1	2%	1	2%	1	1%
Ukraine	0	-	0	-	-	-
Bulgaria	1	2%	0	-	-	-
Poland	0	-	1	2%	1	1%
United Kingdom	0	-	2	3%	1	1%
Romania	2	4%	2	3%	2	3%
USA	0	-	0	-	-	-
Taiwan	0	-	0	-	1	1%
Serbia	2	4%	0	-	1	1%
Spain	1	2%	0	-	1	1%
Holland	1	2%	0	-	-	-
Irlanda	1	2%	1	2%	1	1%
Germany	0	-	2	3%	1	1%
Indonesia	0	-	1	2%	1	1%
Norway	0	-	1	2%	1	1%
Total	47		58		80	

GRI Content Index

GRI	Disclosure	Section	Note	Omissions
GRI 2 - GENERAL DISCLOSURES				
The organisation and its reporting practices				
2-1	Organisational details	Methodological note		
2-2	Entities included in the organisation's sustainability reporting	Methodological note		
2-3	Reporting period, frequency and contact point	Methodological note		
2-4	Restatements of information	Methodological note		
2-5	External Assurance	Methodological note	Thus Report is subject to Assurance	
Activities and workers				
2-6	Activities, value chain and other business relationships	The Diadora Group; commitment to the local area and the community		
2-7	Employees	Our business model and value chain; Appendix		
2-8	Workers who are not employees	Our business model and value chain; Appendix		
Governance				
2-9	Governance structure and composition	Corporate Governance		
2-10	Nomination and selection of highest governance body	Corporate Governance		
2-11	Chair of the highest governance body	Corporate Governance		
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance		
2-13	Delegation of responsibility for managing impacts	The delegation process		
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance		
2-15	Conflicts of interest	Communication processes		
2-16	Communication of critical concerns	Communication processes		
2-17	Collective knowledge of the highest governance body	Sustainability Governance		
2-18	Evaluation of the performance of the highest governance body			Confidential information
2-19	Remuneration policies	Remuneration policies		
2-20	Process to determine remuneration	Remuneration policies		
2-21	Annual total compensation ratio			Confidential information
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Responsible business conduct		
2-23	Policy commitments	Responsible business conduct; management systems and certifications		
2-24	Embedding policy commitments	Responsible business conduct; management systems and certifications		
2-25	Processes to remediate negative impacts	Responsible business conduct		
2-26	Mechanisms for seeking	Responsible business conduct		↓

GRI	Disclosure	Section	Note	Omissions
	advice and raising concerns	Responsible business conduct		
2-27	Compliance with laws and regulations	Compliance		
2-28	Membership associations	Membership	In 2022, there were no sanctions for non-compliance with laws and regulations	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Our Stakeholders		
2-30	Collective bargaining agreements		89% of our employees are covered by collective bargaining agreements (4% executives, 69% footwear industry and 16% commerce). For non-covered employees, the conditions of employment comply with local law.	
SPECIFIC STANDARDS				
GRI 3 Management of material topics (2021)				
3-1	Process to determine material topics	Materiality analysis		
3-2	List of material topics	Materiality analysis		
Material topic: Ethics and integrity in business				
GRI 3 Management of material topics				
3-3	Management of material topics	Strategy – policy and process management		
GRI 205 Anti-corruption				
205-1	Operations assessed for risks related to corruption to be included in ethics and transparency	Strategy – policy and process management; Appendix		
205-2	Communication and training about anti-corruption policies and procedures	Strategy – policy and process management; Appendix		
205-3	Confirmed incidents of corruption and actions taken	Strategy – policy and process management	No incidents have been ascertained	
Material topic: Economic performance				
GRI 3 Management of material topics				
3-3	Management of material topics	Value creation and generation		
GRI 201 Economic Performance (2016)				
201-1	Direct economic value generated and distributed	Value creation and generation; Appendix		
Material topic: Human capital enhancement and development				
GRI 3 Management of material topics				
3-3	Management of material topics	Diadora and company life		
GRI 401 Employment (2016)				
401-1	New recruitments and turnover	Diadora and company life; Appendix		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diadora and company life; Appendix		
401-3	Parental leave	Diadora and company life; Appendix		
GRI 404 Training and education (2016)				
404-1	Average hours of training per year per employee	Diadora and company life; Appendix		



GRI	Disclosure	Section	Note	Omissions
404-3	Percentage of employees receiving regular performance and career development reviews	Diadora and company life; Appendix		
Material topic: Diversity, inclusion and non-discrimination				
GRI 3 Management of material topics				
3-3	Management of material topics	Diadora and company life		
GRI 405 Diversity and Equal Opportunity (2016) + GRI 406 Non-discrimination (2016)				
405-1	Diversity of governance bodies and employees	Diadora and company life; Appendix		
405-2	Ratio of basic salary and remuneration of women to men	Diadora and company life; Appendix		
406-1	Episodi di discriminazione e misure correttive adottate	Diadora and company life; Appendix	No incidents of discrimination were recorded	
Material topic: Employee health and safety				
GRI 3 Management of material topics				
3-3	Management of material topics	Employee health and safety		
GRI 409 Occupational Health and Safety (2018)				
403-1	Occupational health and safety management system	Employee health and safety		
403-2	Hazard identification, risk assessment and accident investigation	Employee health and safety		
403-3	Occupational health services	Employee health and safety		
403-4	Worker participation and consultation and communication on occupational health and safety	Employee health and safety		
403-5	Worker training on occupational health and safety	Employee health and safety		
403-6	Promotion of worker health	Employee health and safety		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee health and safety		
403-8	Workers covered by an occupational health and safety management system	GRI Content Index	100% of Diadora employees are covered by an occupational health and safety management system certified according to ISO 45001:2018.	
403-9	Work-related injuries	Employee health and safety; Appendix		
Material topic: Product design and circularity				
GRI 3 Management of material topics				
3-3	Management of material topics	Product design and circularity		
GRI 301 Materials (2016)				
301-1	Materials used by weight or volume	Product design and circularity; Appendix		
301-2	Recycled input materials used	Product design and circularity; Appendix		
301-3	Reclaimed products and their packaging materials	Product design and circularity; Appendix		
Material topic: Sustainable packaging				
GRI 3 Management of material topics				
3-3	Management of material topics	Sustainable packaging		

GRI	Disclosure	Section	Note	Omissions
GRI 301 Materials (2016)				
301-1	Materials used by weight or volume	Sustainable packaging; Appendix		
301-2	Recycled input materials used	Sustainable packaging; Appendix		
Material topic: Use of chemicals				
GRI 3 Management of material topics				
3-3	Management of material topics	Chemicals		
GRI 301 Materials (2016)				
301-1	Materials used by weight or volume	Chemicals; Appendix		
Material topic: Energy and emissions				
GRI 3 Management of material topics				
3-3	Management of material topics	Energy and emissions		
GRI 302 Energy (2016)				
302-1	Energy consumption within the organization	Energy and emissions; Appendix		
302-3	Energy intensity	Energy and emissions		
GRI 305 Emissions (2016)				
305-1	Direct (Scope 1) GHG emissions	Energy and emissions; Appendix		
305-2	Energy indirect (Scope 2) GHG emissions	Energy and emissions; Appendix		
305-3	Other indirect (Scope 3) GHG emissions		To date, the Scope 3 emission figure is not available;	
Material topic: Waste				
GRI 3 Management of material topics				
3-3	Management of material topics	Waste		
GRI 306 Scarichi idrici e rifiuti				
306-1	Waste generation and significant waste-related impacts	Waste; Appendix		
306-2	Management of significant waste-related impacts	Waste; Appendix		
306-3	Waste generated	Waste; Appendix		
Material topic: Product quality and safety				
GRI 3 Management of material topics				
3-3	Management of material topics	Quality and safety as our promise		
Quality and safety as our promise				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		We did not receive notification of any cases of non-compliance with regulations that resulted in a fine or sanction or non-compliance with self-regulatory codes in 2022, 2021 and 2020.	
Material topic: Short and sustainable supply chain				
GRI 3 Management of material topics				
3-3	Management of material topics	Sustainable supply chain management		
GRI 308 Supplier environmental assessment				
308-1	New suppliers that were screened using environmental criteria	Sustainable supply chain management		
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable supply chain management		

Material topic: Human rights and workers' conditions along the supply chain				
GRI 3 Management of material topics				
3-3	Management of material topics	Sustainable supply chain management		
GRI 414 Supplier social evaluation (2016)				
414-1	Supplier social evaluation	Sustainable supply chain management		
414-2	Negative social impacts in the supply chain and actions taken	Sustainable supply chain management		
Material topic: Impact on local communities				
GRI 3 Management of material topics				
3-3	Management of material topics	Commitment to the local area and the community		
GRI 201 Economic performance				
201-1	Economic Performance	Commitment to the local area and the community		

