

# VALENTINO

## VALENTINO GROUP SUSTAINABILITY REPORT 2022





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# LETTER TO STAKEHOLDERS



*“I’ve always felt that this is the one and only Italian Maison de Couture. I think that these two words, Maison and Couture have lots of semantic values also reflected in our strategy. Maison means intimacy, uniqueness, and inclusivity all at the same time, and Couture refers to the obsessive attention to detail, care, craftsmanship, enhancement of creativity and the intimate relation between the premier and the client. Maison and Couture define the world of values that establishes and permeates Valentino’s Company culture.”*

*Jacopo Venturini, CEO Valentino*

*“My job is to deliver my idea of beauty related to the time we’re living in. We want to lead positive changes through the power of beauty. Fashion is a language, a powerful one, and with such a power also comes a big responsibility because what we do with our work is a reflection of our values and a manifesto of our will.”*

*Pierpaolo Piccioli, CD Valentino*



As a Maison de Couture, it is important for us to keep developing sustainably while building resiliency and maintaining repeatable, ethical, and responsible growth. At Valentino, we understand the urgency of taking action on sustainability, and we are committed to promoting a culture that embraces our environment and its Community. We have a duty and an opportunity to keep raising the bar with constant improvement.

To this end, we are proud to present the first-ever Sustainability Report of our Maison. This is an effort to measure our performance with an evidence-based and scientific approach and set ambitious targets. Our aim is to lead with purpose, making a positive impact both within the Company, with and for our Community, and everyone.

*Jacopo Venturini & Pierpaolo Piccioli*

LET  
THE  
BEAUTY  
PROSPER

1

# LET THE BEAUTY PROSPER

**In a world that is living in the moment, we believe in eternity.**

**Craftsmanship, passion for detail and  
excellence in execution are eternal.**

**Values are eternal.**

**Beauty is eternal.**

**And yet, they are constantly evolving.**

**They always have, mutating and transforming  
themselves through ages.**

## THERE IS NO BEAUTY WITHOUT RESPECT.

**We feel responsible for preserving the beauty surrounding us.**

**And this is why we commit to:**

- Ensuring couture excellence while promoting our values.
- Fostering the uniqueness of our community through creativity, giving-back, and transparency.
- Protecting our planet for future generations, reducing our impacts.

**THIS IS THE ONLY WAY WE KNOW:  
ACTING TO LET BEAUTY PROSPER.**



# HIGHLIGHTS 2022



PRODUCT

- 151 social and environmental audits conducted on suppliers
- 90% of raw materials, components, and manufacturing services supplied by Italian suppliers
- Launch of the Creating Shared Value section on [valentino.com](http://valentino.com)



PEOPLE

- 4,153 People, of which 66% women
- 89% of employees received regular performance and career development reviews
- Dedicated ethical and environmental giving-back activities



PLANET

- Group's 2021 and 2022 carbon footprint measurement with a limited assurance
- 90% of the electricity purchased for Italian headquarters, boutiques and manufacturing sites from renewable sources
- Launch of Valentino Sleeping Stock and Valentino Vintage



# 1.1 THE ITALIAN MAISON DE COUTURE

Founded in 1960 by Valentino Garavani and Giancarlo Giammetti, Maison Valentino has established itself as a landmark of Made in Italy on the international scene. With its signature DNA, it is the most established Italian Maison de Couture with collections in Couture, Prêt-à-porter, Bags, Shoes, and Accessories, as well as with licensed partners in Valentino Eyewear and Valentino Beauty.

**“COUTURE MEANS UNIQUENESS AND CARE,  
AND CARE IS ABOUT PEOPLE. COUTURE REFLECTS  
THE HUMANITY AND INDIVIDUALITY THAT RELY  
ON THE RELEVANCE OF THE HOUSE”**

*Pierpaolo Piccioli*

**VISION:**  
BE THE ITALIAN MAISON DE COUTURE

**MISSION:**  
PROVIDE UNIQUENESS, EXCELLENT SAVOIR-FAIRE AND HIGH CRAFTSMANSHIP TO OUR CLIENTS GLOBALLY THROUGH OUR VALUES OF CREATIVITY, INTIMACY AND CARE

Valentino is a client-centric and people-centric Company that puts its clients at the center. Intimacy, solid bonds, and exchanges of values are synonyms with the Brand, a concept that trickles down to the boutiques. The words Maison and Couture define the Company’s values and culture, an approach that also permeates Valentino’s DNA through a human-centric approach.

Creativity, human capital, and teamwork take center stage, acting as the main drivers of the Brand’s evolution. The Company’s culture and business model are becoming increasingly more mindful and tailored towards sustainability and ethical values. The Company is undergoing sustainable growth that is repeatable, ethical and responsible to current and future communities.

Investing in organic growth is crucial for achieving long-term success, allowing us to lead with purpose, positively impacting the Community, society, planet, and our employees.

Each Valentino colleague is essential in ensuring that all needs are met with mastery, creativity, uniqueness, and care. The Valentino ecosystem is indeed home to a diverse and exceptional pool of talents, with each colleague contributing with their unique attributes, nurturing a culture of inclusivity and equality. Inspiring a sense of belonging and passion, and engaging colleagues are the foundations of the Group’s culture.



PRESENT IN MORE THAN **120 COUNTRIES**  
 MORE THAN **1,300 POINT OF SALES**  
**218** DIRECTLY OPERATED STORES (DOS)

1960	1967	1970
BEGINNING	MEN'S	PRET-A-PORTER
1975	1999	2008
PARIS	ACCESSORIES	MARIA GRAZIA CHIURI & PIERPAOLO PICCIOLI
2015	2016	2020
MIRABILIA ROMAE	PIERPAOLO PICCIOLI	JACOPO VENTURINI

**VALENTINO'S PRODUCTION SITES**



Since 2012, Valentino S.p.A. is controlled by Mayhoola for Investments LLC. This acquisition has brought a rapid growth in the potential of the brand, that is now amongst the leaders of international fashion, developed through collections of Haute Couture (Valentino Haute Couture), Prêt-à-Porter (Valentino Ready To Wear items and Valentino Garavani Accessories) eyewear collection throughout the license agreement with Akoni and fragrances and make-up throughout the license agreement with L'Oréal.

In June 2020, Jacopo Venturini was appointed as Chief Executive Officer of Valentino S.p.A. He returned for the third time to the Maison, spurred by a strong passion for the Brand and longstanding relationship with Creative Director Pierpaolo Piccioli.

Leveraging on his multi-pronged expertise, sensitivity and global vision, Venturini has been appointed to lead the Maison in a new phase.

The creative direction of Valentino is entrusted to Pierpaolo Piccioli since 2016. After his first working experiences, he joined Valentino in 1999 to develop the emerging accessory line. It is the beginning of a challenge: to lead the great tradition of the Valentino Couture from dresses to objects, maintaining intact the tradition, the cure, and the creativity of its founder. The challenge is won and overachieved. In 2008, Pierpaolo Piccioli e Maria Grazia Chiuri are nominated successors of Mr. Valentino Garavani, becoming Valentino's Creative Directors for all lines: Haute Couture, Ready-to-wear and Accessories. In just a few years, Valentino became an international success case. In 2016, Pierpaolo Piccioli is nominated sole Creative Director of the Maison. It is the beginning of a new era, a further evolution for the Italian Brand.

Valentino's offer is articulated over three main collections:

- **Haute Couture** - the collection of unique garments, that in respect of the artisanal tradition of Couture, is entirely hand made by a team of about 70 specialized seamstresses, guided by five Premières within the historic headquarters of the Atelier of Palazzo Mignanelli in Rome.
- **Pret-à-porter** - the women's and men's lines denote the global aesthetics in the creations that interpret the personal style decisions towards an ideal of timeless beauty. Every collection expresses creativity, sophistication, and mastery; produced with industrial avant-garde techniques and an elevated content of artisanal handicraft.
- **Valentino Garavani Accessories** - bags, shoes, small leather goods, belts, bijoux for women and men encounter the essential characteristics of the Maison with an aesthetic and contemporary vision, conveying the handmade details, typical of Haute Couture and the elements of high craftsmanship.



## Trademarks

# VALENTINO

• **Valentino:** The Valentino trademark encompasses Haute Couture and ready-to-wear collections for women's clothing, as well as the men's collection. The Haute Couture collections for women represent the pinnacle of the range, featuring unique pieces of high fashion tailored on request in the Rome Atelier. The ready-to-wear line represents the highest tier of the market segment, offering quality and stylistic content just below Haute Couture. The evolution brought to the collections by the new Creative Direction aims to complement the Maison's traditional clientele with a younger and more contemporary aspirational clientele. The men's collection equally embodies the Maison's characteristics with meticulous material selection and manufacturing processes. To complete the offering, there are some complementary product lines (perfumes and eyewear) produced and distributed under license by prestigious manufacturers in each sector, reinforcing the Brand's high-standing image.



• **Valentino Garavani:** is the trademark dedicated to leather accessories, including bags, shoes, belts, and general small leather goods for both men and women. These are high-end accessories positioned in the ready-to-wear segment and characterized by a distinct and recognizable style, combined with deep attention to detail, shapes, and colors. The products are made in Italy and boast a high level of craftsmanship and the use of iconic Valentino motifs.



• **VLogo:** is the iconic trademark used since the creation of the Maison. It identifies the Maison, but also its iconic products, from Ready to Wear to Accessories.

Besides the above, Valentino S.p.A. also has two pivotal license agreement for the creation of Fragrances and Make-up (with L'Oréal) and Eyewear (with Akoni).

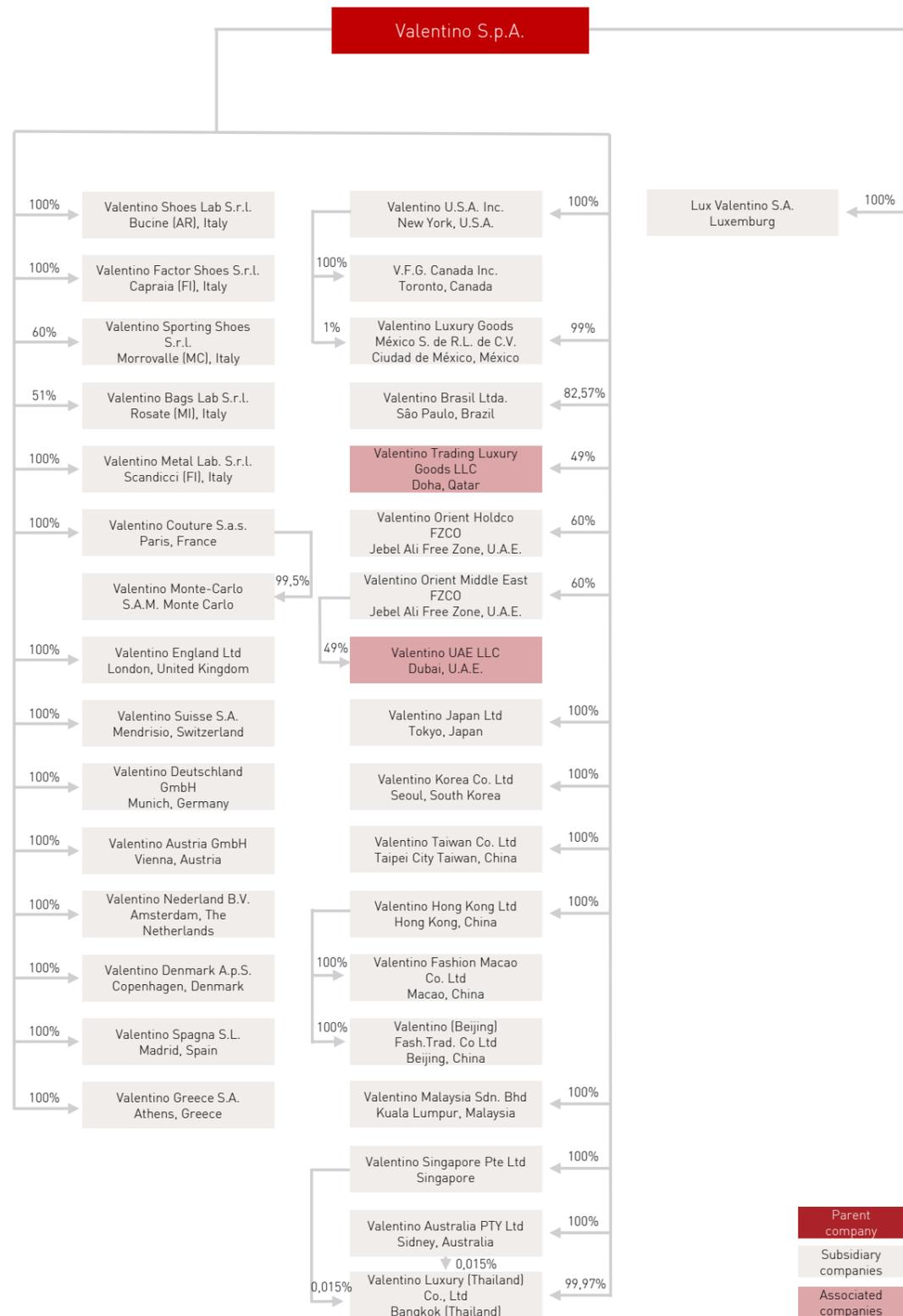
• **Valentino Beauty:** is felt as a natural evolution of Maison Valentino. The collaboration with the licensee L'Oréal is efficient and successful. The first Valentino makeup line was launched in September 2021, joining the fragrance collection, embracing inclusivity and the freedom that drive Pierpaolo Piccioli's community. The collection, designed for all genders, ages, and cultures, includes a complete range of products: foundation in 40 different shades, eye makeup palettes, and lipsticks in 50 different shades. The rich variety of textures and colors allows for daily experimentation with one's couture style preference.

• **Valentino Eyewear:** since July 2022 is effective the new agreement with Switzerland-based Akoni Group for the design, manufacture, and worldwide distribution of Valentino eyewear. Akoni Group shares the Valentino Brand's values as demonstrated by its passion for innovative design, impeccable craftsmanship, unrivaled quality, and social consciousness. The new eyewear embodies the Valentino Couture approach by utilizing the finest materials and a combination of time-honored and cutting-edge production techniques.



THE GROUP STRUCTURE (1)

# 1.2 BUSINESS ETHICS AND SUSTAINABILITY GOVERNANCE



Valentino Group has adopted a traditional governance structure model according to which the shareholders' meeting appoint:

- the Board of Directors
- the Board of Statutory Auditors

The first is the highest governing body in charge of corporate management, the second is called upon to supervise, among other, law compliance and the effectiveness of the internal control.

Board of Directors Composition at December 31, 2022					
Member	Role	Gender	Age	Executive / Non-executive	In charge from
Rashid Mohamed R. Hussein	Chairman	M	→50	Executive	28.05.2018
Umberto Nicodano	Vice-chairman	M	→50	Executive	20.09.2007
Jacopo Venturini	Chief Executive Officer	M	→50	Executive	29.05.2020
Fabio Buttignon	Director	M	→50	Non-executive	06.11.2012
Emanuela Prandelli	Director	F	→50	Non-executive	29.05.2020
Adriano Regondi	Director	M	→50	Non-executive	06.11.2012
Ali Mohamed Ali Faramawy	Director	M	→50	Non-executive	16.05.2022

The Board of Directors defines the Company's strategies, including sustainability, and identifies possible investment opportunities, consistent with the principle of pursuing sustainable success, and monitors their implementation.

The Board of Directors approves the annual Sustainability Report and has ultimate responsibility for its contents, including the materiality analysis. The reporting is prepared in draft by the Sustainability Department which manages the process of collecting information from the data owners within the various Company functions.

The shareholders' meeting has, by law, in addition to the power of appointing the directors and the auditors, the power to approve the financial statements and to decide the dividend policy.

Within the Board of Directors, an Audit Committee was established with the task of supporting the Board in fulfilling their oversight responsibilities in respect of the integrity of risk management and internal control arrangements.

(1) Group Structure chart as of December 31st, 2022

### VALENTINO SUSTAINABILITY GOVERNANCE

Maison Valentino has defined a clear high-level governance to build a shared and common vision on sustainability priorities.

In this structure, the main governmental body is the Sustainability Board, composed by the CEO and the heads of relevant functions. The Board is in charge of approving the Group's sustainability strategy, allocating budget and resources and monitoring its implementation, in line with the business needs.

Within this framework, the Sustainability Department plays a central role by developing a Sustainability Strategy proposal - integrating the business owners' inputs -, defining processes, guidelines, standards, and KPIs, promoting the Company's sustainability culture, and reporting on sustainability performance both internally and externally.

Moreover, aligned with the corporate value of human capital and teamwork, and with the aim of spreading the sustainability culture and enhancing the collaboration, since April 2022, the Valentino Ethics & Sustainability Committee has been established. This is an inter-functional working group which has the task of promoting sustainability initiatives in the various Company areas and sites. The members of the Committee, as sustainability champions, become ambassadors of sustainability, and collaborate and support in the implementation of Valentino's sustainability strategy.



### CODE OF ETHICS

The Group has a clearly defined values which are recognised, accepted, and shared both internally and externally. These can be found in the Valentino Code of Ethics, which defines a set of principles and rules whose observance by the recipients is essential for the proper functioning, reliability, and reputation of the Group.

The Code requires that all the Group's activities are carried out in compliance with the law, within a framework of fair competition, with honesty, integrity, correctness, and good faith, respecting the legitimate interests of clients, employees, commercial and financial partners, and communities in which the Group is present with its activities. The key messages of the Code have been reinforced during 2022 in several sessions in person dedicated to more than 200 Italian people leaders and the Regional CEOs, with the aim of spreading the ethical vision of Maison Valentino, in a dialogue with the Leadership Model and the Strategic Plan.

The Group carefully monitors the compliance with the Code of Ethics, focusing on prevention and control tools, and ensuring the transparency of operations and behaviours, intervening, if necessary, with corrective actions and sanctions.

Two channels for reporting potential violations are indicated within the Code of Ethics, one by mail and one by e-mail; complaints are examined by the Group Ethics Committee. In addition to these channels, for Italian companies, there are mailboxes dedicated to communication with the Supervisory Bodies (Organismi di Vigilanza). To ensure timely alignment between the two bodies, each Supervisory Board has a member of the Ethics Committee from among its members. Moreover, end of 2022 a whistleblowing platform has been launched.

Pursuant to the Code of Ethics, directors and employees must avoid situations and/or activities that could lead to conflicts of interest with those of the Group or that could interfere with their ability to make impartial decisions. Should a situation of conflict with the interests of the Group, even if potential, occur among directors and employees, it is necessary for the interested party to immediately communicate it to his superior and, in cases of greater importance, to the Supervisory Body, and refrain from any activity connected to the situation causing the conflict. In relations with third parties, the Group requires to act according to ethical and legal standards, with an explicit prohibition on resorting to illegitimate favoritisms, collusive practices, corruption, or the solicitation of personal advantages. As stated in the Group Code of Ethics, it is mandatory to promptly report any information that could lead to the presumption or foreshadowing of a situation of potential conflict of interest with the Group. In the event of a conflict of interest, the Board should be informed.

In 2022, no cases related to antitrust and corruption were recorded globally, and no significant non-compliance cases that led to fines or non-pecuniary penalties were recorded.

Furthermore, to strengthen the ethical approach of the Company, an assessment has been performed with a leading law firm in order to carry out a gap analysis that will lead to the drafting of an antitrust compliance model to enclose all relevant procedures.

### ORGANIZATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/01

Valentino has adopted an Organizational Model pursuant to the Italian Legislative Decree no. 231/01. Its last update has been approved by the Board of Directors in 2021.

In the second part of 2020, the Company reviewed the Organization and Control Model in light of the new predicate offences envisaged, and to reflect the new internal organizational structure. Consequently, disclosure activities were started: communication with employees and stakeholders, publication on the Company's website and on the corporate Intranet, and trainings.

The Board of Directors of Valentino S.p.A. has appointed a Supervisory Body (Organismo di Vigilanza) composed of three members, comprising two external members (one of which is appointed as the Chairperson) and one internal member, who fulfills the role for three years. The Supervisory Body, which is self-regulated, is charged with overseeing the compliance to the Organizational Model, its distribution and effectiveness.



### WHISTLEBLOWING

In addition to the principles and values that guide the Group's operations, Valentino has put in place a whistleblowing system, which allows Company representatives, employees, and collaborators, to report to the Ethics Committee any unlawful conduct or conduct having to do with the violation of the Code of Ethics or the Organizational Model. Since November 2022, an additional channel for collecting reports has been activated: the Integrity Helpline. This channel is globally accessible through [www.valentino.com](http://www.valentino.com) and allows the whistleblower to report issues, either via the web or by phone, providing the option of reporting anonymously. It is planned that during 2023, the new channel will replace the Code of Ethics mailboxes, and the possibility of requesting a direct interview with one of the Ethics Committee members will be formalized. Furthermore, an ad hoc policy regulating the entire whistleblowing process at Group level will be published in early 2023, with training activities in all regions of the Group to promote the use of this tool.

Each report is analyzed by the Ethics Committee, composed of the Chief Human Resources Officer, the General Counsel and Chief Audit Officer. The Committee is responsible for reviewing the reports received and promoting the appropriate investigations and actions. The conclusions of the activities are then communicated to the reporter. There is a communication flow of reports received, which are presented to the Audit Committee, and, when deemed necessary, to the Board of Directors.

The Group is committed to provide forms of protection to whistleblowers, as explicated in the Code of Ethics, establishing the prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower for reasons related, directly or indirectly, to the report. In any case, any retaliatory or discriminatory measures and dismissal taken against the reporter for reasons directly or indirectly related to the report shall be null and void.

During 2022, 10 reports were received and only 2, both closed in early 2023, required additional investigation by the Audit Committee and none of these, considering their severity and significance, required discussion with the Board of Directors.

### PRIVACY MANAGEMENT

The Valentino Group undertakes to respect the data protection legislation in force, through compliance with the Master Policy, intending to protect the security, integrity and confidentiality of data relating to individuals, as well as guaranteeing compliance with the principles of privacy by design and by default, thus allowing the Group to comply with the European Regulation on the protection of personal data.

Still, on the topic of privacy/data protection, Valentino has launched various initiatives to strengthen awareness of this issue within the Group, including carrying out training activities on specific privacy and raising awareness among the Company population, as well as privacy activities by design and by default.

To manage and monitor any risks related to privacy, there are numerous remediation and risk mitigation tools, including the implementation of a structured and integrated organizational Privacy Governance System, aimed at managing any issue relating to the processing of personal data, spreading responsibility and accountability throughout the Company on privacy and data protection issues.

Furthermore, inspections and security audits are carried out regularly to verify the effectiveness and efficiency of the Company systems used for the processing of personal data.

In 2022, there were no substantiated complaints regarding violations of customer privacy and no leaks, thefts or losses of customer data were detected.

## TAXATION APPROACH

The Valentino Group believes that responsible corporate management involves adopting collaborative behaviors that enhance the process of creating common values.

This approach is also reflected within the tax area, particularly in the recent Tax Strategy of the parent Company, Valentino S.p.A., which is based on risk prevention and “tax certainty”. Both are pursued through a proactive and transparent approach to tax matters, as well as through a virtuous interaction with both Italian and foreign tax administrations. This strategy aims to mitigate tax risks, ensure compliance with rules and regulations in all jurisdictions where the Group operates, and emphasize the importance of involving the tax function in all business operations and processes.

Under the responsibility of the Chief Financial Officer, Valentino’s Tax Office is tasked with implementing, monitoring, and ensuring tax management, which primarily includes:

- Monitoring the evolution of tax legislation.
- Overseeing the main corporate tax compliance obligations of all Group-controlled companies.
- Monitoring the Group’s transfer pricing policy.
- Providing support to Local Financial Directors/Managers on key transactions and tax results analysis.
- Collaborating with other departments and/or affiliates by offering valuable tax advice on various transactions, including mergers and acquisitions and restructuring.
- Providing direct and proactive support in local tax audits.
- Engaging with stakeholders and managing tax-related issues, all in accordance with the values outlined in the Code of Ethics.

Additionally, considering the recent adoption of its Tax Strategy, the Company will support the determination of Group Tax Guidelines and Governance.

The recently defined tax strategy, which will be periodically updated by the Board of Directors, is managed, and monitored by the Company’s Tax Office. This office is composed of a team of qualified professionals supported by industry-recognized experts with the necessary training and skills to manage risks related to both Italian and international taxation. The Office not only has internal processes in place to ensure that all tax compliance obligations and reporting undergo a rigorous and transparent review, but it also has the responsibility, in coordination with other corporate functions, to ensure that policies and procedures supporting the strategy are consistently implemented and managed. To effectively implement its tax strategy, Valentino is in the process of adopting a Tax Control Framework (TCF), which outlines, among other things, tools for identifying, evaluating, managing, and controlling tax risk according to periodically shared international standards with the Italian tax authorities. The TCF is integrated within the internal control system. The suitability of this management system will also be subject to verification by the Italian Revenue Agency in the coming years; considering that the Company will submit an advance ruling on new investments in July 2023, the admission to the Collaborative Compliance Regime (as provided by Legislative Decree no. 128/2015), should be in force by 2024. Under this regime, the parent company has intensified systematic and ongoing communication with the Italian tax administration, based on mutual transparency and trust, with the aim of minimizing the level of uncertainty regarding potentially risky situations. Constant and proactive dialogue with tax authorities is already ensured also through other communication tools such as Advance Pricing Agreements (APA and BAPA), which involve sharing, in advance, the tax treatment of intercompany transactions related to transfer pricing regulations with various tax administrations on particularly controversial regulatory and practical aspects. The verification of tax-relevant processes is also ensured through the internal control system (Internal Audit) and will be further integrated with audits conducted by second-level control functions.

The Mayhoola for Investments Group, of which the Valentino Group is part, annually submits the “Country by Country Report”, which can be viewed within the Performance Indicators section, by the relevant tax authorities. This report provides a jurisdiction-by-jurisdiction account of key economic and managerial indicators in order to fulfill mandatory automatic exchange of information obligations in the tax field among different countries. Moreover, the necessary measures have been implemented to verify the reporting obligations to the competent tax authorities for any cross-border transactions characterized by specific distinctive elements required by EU Directive 2018/822 (DAC 6).

Finally, Valentino S.p.A. holds the status of Authorized Economic Operator (AEO) in Italy, which represents the highest level of reliability. This recognition, issued by the Customs Agency, is granted to companies that demonstrate competence and integrity in managing their business processes while adhering to both customs and cargo security requirements.

## ECONOMIC PERFORMANCE

The global luxury market consolidated in 2022 growth and post-pandemic Covid-19 recovery that began in 2021, despite very uncertain economic and consumer conditions. Even in the current broader macroeconomic environment of tension, the industry remains well-positioned and is projected to register further expansion.

The main trends (2) on the luxury goods market include the central role of the European and US markets, sustained by a solid local demand and by the boost of American and Middle Eastern tourists’ purchases, and the central role of retail, which remains the main distributing channel, while the online channel growth has been stabilized. Moreover, the customer base is expanding, thanks to more informed and selective consumers, and all categories of luxury goods recovered, and in some cases went further, compared to 2019 levels. Another main trend registered is that high end luxury is converging with art, transcending from its original form, rooted in craftsmanship and functional excellence, towards wider meanings, enhanced by imagination and symbolic power, to build handmade creations. The economic value generated by the Group increased by 14% (1,419,330) compared to 2021 (1,249,775). At the same time, the economic value distributed also increased by 14% compared to 2021. This increase is due to higher Value distributed to suppliers and Value distributed to staff by 16% and 13% respectively compared to 2021. Economic value retained also increased compared to 2021, registering a 12% increase over 2021.

Direct economic value generated and distributed [000€] (3)		
	2022	2021
Economic value generated	1,419,330	1,249,775
Economic value distributed	1,132,320	993,256
Value distributed to suppliers	773,322	668,299
Value distributed to staff	291,336	256,993
Value distributed to capital providers	47,233	36,274
Value distributed to shareholders	-	-
Value distributed to the public administration	19,625	30,593
Value distributed to the community	804	1,097
Economic value retained	287,010	256,519

(2) Source: Luxury Goods Worldwide Market Monitor by Bain & Company and Fondazione Altagamma.

(3) It should be noted that for FYs 2022 and 2021 the data have been appropriately reclassified to have the GRI 201 Economic Performance indicator requirements met.

# 1.3 A SUSTAINABLE APPROACH

**“INTEGRATING AND IMPLEMENTING SUSTAINABILITY ACROSS THE BOARD IS A HEARTFELT STRATEGIC PILLAR AT VALENTINO. A CONSCIOUS-DRIVEN MINDSET AND A GIVING-BACK APPROACH EMBEDDED INTO THE DNA OF VALENTINO.”**

*Jacopo Venturini*

Maison Valentino is fully committed to upholding its corporate culture and prioritizing the safety of its people and the environment. The brand’s identity and its heritage are continuously evolving through innovative and sustainable dialogues, experiencing a natural process of constant growth as it seeks alternative solutions to generate positive change. The Maison is constantly engaged in a conscious-oriented path, which is rooted in its DNA and is continuously expanding to have a positive impact on the environment, globally and locally, and on its communities. Moreover, Valentino’s brand values underscore the importance of giving-back to local communities through a harmonious exchange, promoting the protection and safeguarding of territory, supporting art, culture, and the training of tomorrow’s talents. This continuous dialogue is integral to Valentino’s DNA, and the Maison continues intertwining projects, events, and initiatives to achieve its goals. Maison Valentino recognize the urgency of acting on sustainability and is evolving on the matter, identifying the key stakeholders, a proper set of topics and KPIs, defining specific targets and engaging with all the relevant departments in the Company.

In accordance with the reporting principles established by the Global Reporting Initiative (GRI), during the year 2022, the Valentino Group initiated a screening process to identify the key stakeholders.



This preliminary step was undertaken to select key stakeholders with whom the Company maintains active relationships, with the aim of gradually involving them in the Company’s sustainability decision-making processes. Starting in 2023, the Valentino Group will initiate a stakeholder engagement process in order to be able to define with an inclusive approach the priority aspects in the field of sustainability.

In terms of sustainability reporting, the economic, social, and environmental issues that have the potential to generate positive or negative impacts and that could significantly influence the assessments and decisions of stakeholders are considered material, i.e., relevant.

In 2022, the Valentino Group initiated a process aimed at identifying significant issues, material in the Company’s and stakeholder’s’ perspective. This process involved the Sustainability Board and the V Ethics & Sustainability Committee through a workshop, intending to recognize and evaluate the current and potential impacts, both positive and negative, that the Company generates on the economy, the environment, and people within the context of its activities and business relationships. After an analysis of the current context, a comparison has been made with other companies in the sector, considering the guidelines of international organizations and authoritative publications. The assessment of the significance of these impacts was initially conducted considering the Company’s perspective and that of stakeholders based on their specific knowledge, as part of this initial exercise. Subsequently, the impacts were grouped into relevant categories (i.e., material topic).

Material topic	Impacts	Nature
Responsible sourcing	Negative impacts related to the sourcing of goods from suppliers, in particular the impacts generated by them on environmental aspects	Negative Actual
	Negative impacts related to the sourcing of goods from suppliers, in particular the impacts generated by them on social aspects	Negative Potential
	Violation of human rights along the value chain (e.g., child labor, forced or compulsory labor)	Negative Potential
Traceability	Traceability of key raw materials throughout the value chain	Positive Potential
Climate change	Generation of direct and indirect GHG energy emissions (Scope 1 and 2)	Negative Actual
	Generation of indirect GHG emissions (Scope 3)	Negative Actual
Business ethics & Transparency	Compliance with applicable laws, regulations, internal and external standards with indirect economic impacts on employees, customers, and suppliers	Positive Actual
	Negative impacts on people and economic systems generated by unethical business conduct (e.g., corruption)	Negative Potential
Inclusivity & Equality	Positive impact on employee satisfaction and motivation through I&E initiatives (e.g., related to gender, age, ethnicity, etc.) or other inclusive practices	Positive Actual
	Equal remuneration between men and women	Positive Potential
	Diversity in governing bodies and among employees with positive impacts towards the achievement of equality	Positive Actual
Responsible use of resources	Negative impact on water availability caused by water withdrawal and contamination within the production process	Negative Potential
	Energy consumption from renewable and non-renewable sources	Negative Actual
Occupational Health & Safety	Accidents or other incidents in the workplace with negative consequences for the health of direct employees or external collaborators	Negative Potential
	Promotion of the highest standards of safety, prevention, hygiene, and health in the workplace, even beyond compliance with regulatory requirements	Positive Actual



Sustainable Materials	Negative impacts generated by the raw materials and packaging used by Valentino throughout the entire life cycle (from the cradle, extraction, and processing of raw materials to the post-use end of life)	Negative Actual
	Introduction of materials with improved sustainability performance	Positive Potential
Circularity	Environmental impacts related to the production of hazardous and non-hazardous waste along the entire value chain	Negative Actual
	Creation of positive impacts through the adoption of Circular Economy approaches linked to the end-of-life of products sold (e.g., closed-loop, remanufacturing, etc.)	Positive Potential
Community / Giving-back	Recruitment of workers from the local communities where the Group operates, with positive impacts on local economies	Positive Actual
	Support for local development through contributions and donations to associations where the Group is most present	Positive Actual
	Profitable relations with local stakeholders, NGOs, schools through support activities	Positive Actual
Talent and development	Promotion of a positive working environment through the development of HR policies for the attraction and enhancement of employees	Positive Actual
	Improvement of workers' skills through training and professional development activities, also linked to personalised growth and evaluation objectives	Positive Actual
Animal welfare	Lack of animal welfare along the animal-based materials value chains	Negative Potential
Economic performance	Positive economic impacts generated on different stakeholders	Positive Potential
Heritage and craftsmanship	Promotion of Made in Italy creativity and craftsmanship, with direct and indirect impacts on the Italian industry and the textile sector worldwide	Positive Actual
	Promotion of craftsmanship and sartorial branding, transferring know-how to new generations, with positive effects on the preservation of traditions	Positive Actual
Employees wellbeing	Promotion of employee satisfaction and well-being through the implementation of dedicated well-being activities and benefits	Positive Actual
	Improvement of employees' skills through training and professional development activities, also linked to personalized growth and assessment objectives	Positive Actual
	Promotion of welfare programs to support the balance between employees' professional and personal lives	Positive Actual
Client experience	Inadequate complaint and customer relationship management, with negative consequences on their ability to meet the needs of end users	Negative Potential
	Full client satisfaction in terms of the quality of the product and service provided	Positive Actual
	Promotion of a positive dialogue with the company clients ensuring a good brand experience by providing all relevant information both on-line and in stores	Positive Actual
Social development	Support for social development through contributions and donations to various associations that operates globally	Positive Actual
	Implementation of initiatives or programs aimed at improving social and economic conditions in communities unrelated to the areas in which the company operates	Positive Actual
Biodiversity	Damage to biodiversity resulting from the group's activities in areas adjacent to production facilities	Negative Potential
	Degradation processes that limit or inhibit soil ecosystem functionality	Negative Potential
Data protection and cyber security	Violation of legislation and failure to apply procedures for optimal cyber security management to the detriment of business continuity and stakeholder privacy	Negative Potential
Responsible marketing	Negative impacts on customers and end-users caused by misleading communications and incorrect labelling claims	Negative Potential

In the table, it is evident that the issues of greatest importance to the Valentino Group include Responsible Sourcing, Traceability, Climate Change, and Business Ethics & Transparency. This analysis will undergo periodic updates through a process that will be progressively refined and detailed year by year. This will ensure direct and ongoing dialogue with the stakeholders of the Valentino Group, enabling the collection of their primary contributions and the management of their proposals and concerns. The strategies, policies, and tools associated with each of these material issues are presented in detail within this document.



## THE SUSTAINABLE DEVELOPMENT GOALS

Within this first Sustainability document, the Valentino Group deemed it appropriate to align the SDGs (Sustainable Development Goals) with sustainability material topic.

### FOCUS: SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) were defined by the United Nations in 2015 and incorporated into the “Sustainable Development Agenda”. These goals, consisting of 169 targets, encompass guidelines that engage governments and international economic entities in the pursuit of specific targets in the environmental, social, and economic domains by 2030.



For this circumstance, the Valentino Group conducted a comparison analysis between the 17 Sustainable Development Goals (SDGs) and their corresponding 169 targets with the material topic, the impacts generated by the Group, and the characteristics of the Group’s activities and services, using a document provided by GRI titled “Integrating SDGs into sustainability reporting.” Based on this analysis, 13 sustainable development goals were identified.

The analysis is presented in the table below, in which material topics that are not directly linked to the GRI Standards do not figure (i.e. Animal welfare and Heritage & Craftsmanship). Indeed, the connection between material topics and Sustainable Development Goals can be considered in a broader way, given that the impacts of material topics can have a wider effect than the one identified with the GRI Standards. As an example, the topic of “Sustainable Materials” can be linked to several SDGs given the environmental and social impacts intertwined with this topic.

MATERIAL TOPIC	SDGS																
	3	4	5	6	7	8	9	10	12	13	14	15	16	17	17	17	17
Responsible Sourcing			✓			✓									✓		
Climate Change	✓								✓	✓							
Business ethics & Transparency								✓									✓
Inclusivity & Equality			✓			✓	✓										
Responsible use of resources				✓	✓					✓							
Occupational Health & Safety	✓					✓									✓		
Sustainable Materials									✓								
Circularity	✓								✓				✓				
Community / Giving back			✓			✓	✓										
Talent and development		✓	✓			✓	✓										
Economic performance						✓											
Employees wellbeing		✓	✓			✓	✓										
Client experience																	✓
Social development						✓											
Biodiversity				✓							✓	✓					
Data protection & cyber security																	✓
Responsible marketing																	✓

# 1.4 THE SUSTAINABILITY STRATEGY

In conjunction with the first materiality analysis conducted, the Valentino Group used these results to draw up the first Group Sustainability Strategy, a clear proof that the Maison is considering sustainability aspects, impacts and associated risks as an integral part of the Group. Indeed, Valentino's Sustainability Strategy aims to structure the Group's effort to its sustainability journey and it is inspired by the Company guiding values:

1. We act as a Unique Community & Company
2. We CREATE Customer emotion and desire
3. We act with Integrity & Respect
4. We demonstrate Couture manners & Empathy
5. We value Inclusivity and Equality
6. We focus on Agility and Flexibility
7. We care about Social Responsibility and Sustainability



Therefore, Valentino has structured its strategy starting from three main commitments in order to address all relevant sustainability issues:

- **Ensuring couture excellence while promoting our values**
- **Fostering the uniqueness of our community through creativity, giving-back and transparency**
- **Protecting our planet for future generations, reducing our impacts**

The connection between such commitments is unavoidable and essential for creating an overall positive impact.

## LET THE BEAUTY PROSPER



A set of KPIs and targets have been identified in order to make the strategy come to life, with the final definition of 14 specific targets and KPIs, linked to the three commitments, and explicitly stated in the table that follows. Valentino Sustainability Strategy has been approved by the Sustainability Board, which is responsible for supervising its implementation within the Group. Valentino recognizes that these Sustainability topics are in continuous evolution and therefore commits to periodically update the targets to make sure they are in line with the future challenges.

## LET THE BEAUTY PROSPER: OPERATIONAL PLAN

 <b>ENSURING COUTURE EXCELLENCE WHILE PROMOTING OUR VALUES</b>	 <b>FOSTERING THE UNIQUENESS OF OUR COMMUNITY THROUGH CREATIVITY, GIVING-BACK, AND TRANSPARENCY</b>	 <b>PROTECTING OUR PLANET FOR FUTURE GENERATIONS, REDUCING OUR IMPACTS</b>
<p>100% OF KEY RAW MATERIALS TRACEABLE BY 2030</p>	<p>PUBLICATION OF A GROUP SUSTAINABILITY REPORT WITH GRI STANDARDS BY 2024</p>	<p>ADOPTION OF EMISSIONS REDUCTION TARGETS IN LINE WITH SCIENCE-BASED TARGETS METHODOLOGY BY 2024</p>
<p>AT LEAST 70% OF KEY RAW MATERIALS AND PACKAGING ARE SOURCED ACCORDING TO THE V. PREFERRED MATERIALS GUIDELINES BY 2030</p>	<p>80% OF EMPLOYEES TRAINED ON THE V. SUSTAINABILITY STRATEGY BY 2026</p>	<p>90% OF RENEWABLE ENERGY IN VALENTINO GROUP BY 2030</p>
<p>PUBLICATION OF THE V. SUPPLIER CODE OF CONDUCT BY 2024</p>	<p>ADOPTION OF GROUP INCLUSIVITY AND EQUALITY POLICY AND PRACTICES BY 2026</p>	<p>100% OF SUPPLIERS ALIGNED WITH VALENTINO CHEMICAL POLICY BY 2030</p>
<p>100% OF STRATEGIC/HIGH RISK SUPPLIERS ASSESSED ON SOCIAL AND ENVIRONMENTAL ASPECTS IN THE PREVIOUS 3 YEARS BY 2030</p>	<p>100% OF EMPLOYEES IN OPERATIONS/HQ COVERED BY AN HEALTH &amp; SAFETY MANAGEMENT SYSTEM BY 2030</p>	<p>100% OF NEW FREE STANDING STORES LEED CERTIFIED FROM 2022</p>
	<p>PROMOTION OF CRAFTSMANSHIP HERITAGE THROUGH "BOTTEGA DELL'ARTE" AND THE HISTORICALARCHIVE BY 2024</p> <p>ADOPTION OF A GROUP GIVING-BACK PROGRAM BY 2024</p>	

**ENSURING  
COUTURE  
EXCELLENCE  
WHILE  
PROMOTING  
OUR VALUES**

**2**

## 2.1 RESPONSIBLE SOURCING & TRACEABILITY

Excellence, uniqueness, and creativity have always been fundamental values of the Maison. In line with its values, Valentino has always selected and used top quality materials.

The entire value chain is crucial to the success of the Brand and in ensuring that clients receive responsibly crafted, top-quality products. It also plays a pivotal role in achieving the Group's strategic sustainability commitments related to climate change, traceability, and materials sustainability.

### MATERIALS

The research and selection of more sustainable materials is considered a strategic lever for Valentino and a central part of Valentino's Sustainability Strategy.

Quality of materials has always been at the core of Valentino products as a distinctive excellence value. However, the quality of materials is strictly linked with their sustainability. A new conception of quality is emerging, which is no more based only on the compliance to regulations, technical requirements, standards but also on the respect of unavoidable social and environmental criteria that are today crucial for the Planet and its inhabitants.

Valentino is aware that raw material sourcing account for the most part of its social and environmental impacts linked to its value chain and contribute for the most part of the total Green House Gases emissions generated by the Maison (4). This is why the adoption of more sustainable materials is among the key priorities of Valentino Sustainability Strategy. In this perspective, Valentino has identified the list of key raw materials that are most widely used in its collections and that are outlined below.



### VALENTINO'S KEY RAW MATERIALS

- Leather
- Down
- Cotton
- Wool
- Mohair
- Cashmere
- Silk
- Man-made cellulose
- Synthetic Fibers
- Paper



Considering its key raw materials, Valentino has assessed the main sustainability standards, best practices, and solutions available on the market by analyzing well recognized sources such as Textile Exchange, competitors' strategies, clients' requests.

In line with its sustainability strategy, Valentino has planned to launch in 2023 the V. Preferred Materials Workgroup, a committee composed of relevant representatives of Company functions and key players from the Style, R&D, Compliance and Sustainability departments. The workgroup will analyze and evaluate the sustainability attributes of Valentino key raw materials, define the Company's progress and roadmap towards sustainable sourcing and assess the main sustainability standards, innovations, and trends of the markets.

Because of the complexity and dynamism that characterize the rapidly changing context of innovations, developments and results of sustainable materials, Valentino engages in valuable collaborations that extend beyond Company boundaries. Starting January 2023, the Company will participate in the Textile Exchange, a non-profit organization operating in the fashion and textile industry. Textile Exchange promotes a better understanding of raw materials to encourage the adoption of more responsible production methods and materials. As a member of the organization, Valentino will thus be able to develop greater competence when it comes to responsible materials and advanced solutions.

(4) The overall list of materials, divided into renewable and non-renewable, used by the Group to produce and package the products is reported in the tables shown in the final part of this document – within the chapter "Performance Indicators".

## NEW GENERATION PACKAGING

Since November 2021, the Maison has taken a radical stance, introducing the new Brand identity packaging, and a profound commitment to a new, conscious-driven business model. In terms of numbers, the shopping bags are made of 55% recycled paper, while stationery and greeting cards are composed of 75% bamboo and 25% cotton linters. An all-around approach includes gift boxes for accessories made of 100% recycled cardboard and 55% recycled paper, while ribbons are 100% recycled, moreover, accessories dust bags are in 100% recycled cotton.

A transition between old and new, ensuring that previous stock will be recuperated and reused for internal activities.



## VALENTINO GARAVANI OPEN FOR A CHANGE SNEAKERS

Created from the Maison's desire to explore innovative materials and techniques for the future, the Brand launched Valentino Garavani Open for a Change sneakers. The iconic Valentino Garavani Open and Rockstud Untitled versions involve for the first time also recycled and bio-based materials. The canvas and the studs are partially made from recycled nylon, while the upper in polyurethane is sourced from corn-derived polyols. Presented as a part of Spring/Summer 2022 collection, the shoes are a prime example of the Brand's continuous research and increasingly responsible production, and act as a bridge between the timeless aesthetic of the Maison and a need for a more conscious approach to safeguard the environment.

This commitment is also maintained through the Brand identity packaging made from recycled paper, as well as the dust bag made from completely recycled cotton. A graduate transformative process serving as a compass for future iterations of Valentino Garavani Open for a Change – first presented with a temporary installation at the Parisian boutique Space Rombaut in October 2021, and launched in January 2022.



## TRACEABILITY

Essential to responsible sourcing is also Traceability, a topic which has been identified among the key priorities of Valentino Sustainability Strategy.

Traceability is the process by which companies are able to identify the origin, history, application and distribution of different materials and products.

Traceability can be seen as a precondition for a sustainable way of doing business, a key mechanism to identify and map the relevant actors composing the supply chain. It also provides visibility over social and environmental risks throughout the entire value chain allowing the Company to evaluate its overall impact.

To ensure an effective approach it is therefore required to gather adequate information on the origin and location of each actor contributing to the material production in the upstream supply chain and adequate knowledge on the related impacts on people and the planet.

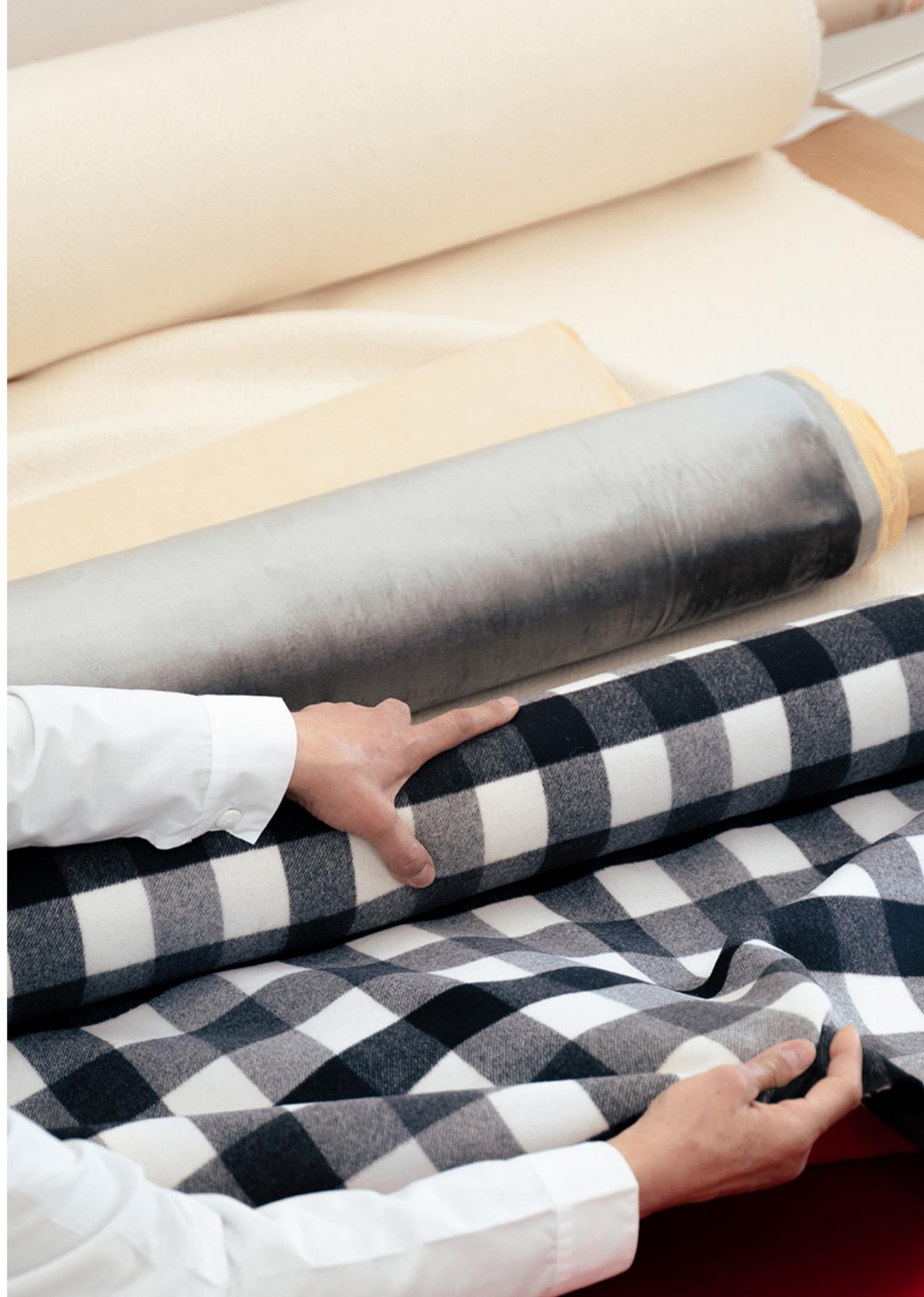
Valentino is implementing a traceability system focusing on the key raw materials identified and with the aim of collecting the higher level of visibility on its upstream supply chain.

Each material, with its supply chain, has both a different structure in terms of actors involved and diverse maturity, in terms of traceability. Therefore, it is essential to set the desired level of traceability for each material considered key.

To ensure the highest level of traceability of its products, Valentino has defined the V. Traceability Matrix, which outlines the level of traceability required for each material and actor in the supply chain. According to this matrix, the origin of raw materials is mapped by collecting all the required information through supplier declarations. Through these analyses, Valentino is also able to set some traceability KPIs for each material in each supply chain and to monitor performance trends.

### ANIMAL WELFARE

Attention to the animal welfare principles along the supply chain is a fundamental element within Valentino's vision. Among Valentino key raw materials there are animal-based fibers that not only provides excellence and an iconic style, but also, if properly managed, represent a sustainable source which reflects the beauty of nature while ensuring durability and quality. Valentino is aware that the responsible use of such materials requires specific attention on the topic of animal welfare. For this circumstance, Valentino's suppliers of all articles containing materials of animal origin, and in particular leather, feathers, down and hair, are required to sign an Animal Welfare Declaration, in order to guarantee that such materials have been obtained without cruel breeding or harvesting practices. This Declaration aims to guarantee adequate animal welfare standards with appropriate actions on the supply chain and it ensures that such materials have not been obtained through cruel ranching or collection practices, maltreatment, and other harmful activities in accordance with the 5 Freedom and to the Terrestrial Code defined by the World Organisation for Animal Health. Evidence supporting the declaration is also required from suppliers, who need to indicate the origin of collection of the materials of animal origin supplied. In line with the commitment to promote animal welfare and adopt a conscious approach in the selection of raw materials, but always having as priorities the quality of design and preservation of artisanal expertise, Valentino has declared a ban on the use of fur since May 2021. This vision is also reflected in the Group decision to discontinue the use of alpaca fiber and angora starting 2022.



## 2.2 SUPPLY CHAIN RESPONSIBILITY

Valentino production processes are largely vertically integrated in order to ensure highest level of control and excellence. Thanks to the integration with its affiliates companies and to long-term partnership with key strategic suppliers, Valentino is able to provide top quality articles.

The operating model used by the Group ensures high flexibility and efficiency in the production and logistics cycle. Valentino's top-quality articles are realized thanks to the excellence of Italian manufacturers and their unique craftsmanship, and therefore more than 90% of the raw materials, components and manufacturing services are provided by Italian suppliers.

Concerning the production carried out, the Group directly deals with the product development and industrialization phase and carries out quality control on 100% of the finished products, both during the production process and downstream.

### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Valentino Group has defined a set of values and responsibilities that are assumed both inside and outside of the organization.

These principles are described within Valentino Code of Ethics, which is addressed not only to employees, but also to external stakeholders, including suppliers. Adherence and compliance with the Code of Ethics is an essential requirement for starting and maintaining a relationship of collaboration with the Group.

Specifically, in addition to the respect of the Code of Ethics, respect for Valentino's values is also reflected in the contractual agreements with suppliers, who are required to observe strict rules regarding quality and compliance with current laws on health and safety in the workplace, respect of human rights and generally compliance with labor laws. In addition, suppliers of raw materials and components must observe and comply with Valentino's Technical Specification which outlines specific requirements on technical characteristics of the materials/articles supplied and on chemical safety following the Valentino PRSL (Product Restricted Substances List) and the applicable national chemical regulations on a case-by-case basis.

Given the nature of Valentino's business, suppliers represent an essential component of its activities. The origin of suppliers is predominantly Italian, in which the laws in force require the protection of human rights and provide for substantial sanctions in the event of their violation. In addition to the acceptance of the Code of Ethics by suppliers, Valentino also carries out audits on its supply chain aimed at verifying not only the compliance with the Code of Ethics but also aspects related to health and safety, working conditions, social and environmental standards, in order to ensure proper social and environmental monitoring along the supply chain.

Since 2015, Valentino has implemented a verification activity of social and environmental aspects on its suppliers. Every year Valentino identifies a list of its main direct suppliers and subcontractors that contribute to the realization of its articles. From this mapping, verification activities are planned to take into consideration the relevance of each supplier, the risk of production processes carried out and the outcomes of previous verification activities. These activities are carried out by a qualified partner of Valentino based on a verification checklist, which assess suppliers' performances on several social and environmental requirements inspired to the most recognized standards (such as SMETA, SA8000) and international principles (e.g., ILO). The areas subject of verification concern:

- Compliance with international standards and safety in the workplace including child labor, forced labor, employment contracts, hours, remuneration, health and safety.
- Environmental protection including waste management, use of hazardous chemicals.
- Transparency including correct communication of the code of ethics.
- Supply chain management including correct management of sub-suppliers.

In its relationships with suppliers, Valentino prioritizes respect for workers' rights, equal treatment, non-discrimination, and workplace safety. Valentino is allowed from its contractor relationship with its suppliers to visit production sites and conduct inspections on social and environmental aspects. The Company's commitment to ethical practices completely extends to its suppliers, where non-compliance may lead to the termination of contracts.

In 2022, 151 audits were conducted, of which 94% were carried out in Italy, 5% in India and 1% in Bulgaria. These activities strongly increased compared to 2021, as in the previous year the number of audits carried out on suppliers was strongly affected by the pandemic situation that made it difficult to conduct this process. Since these 151 audits have been carried out, 136 suppliers subject to significant social and/or environmental risks have been identified, of which 96% of them have agreed with improvements following the assessment with 4% of them having had their relationships discontinued following the assessment.

In addition to the supplier assessment, Valentino will implement in 2023 a Vendor Rating process to evaluate suppliers based on their performance against various dimensions, including quality, cost, delivery time, research and development, sustainability, and product compliance. This initiative, developed in the frame of the revision of the supplier qualification and development process, will allow to reinforce Valentino commitment and ability to monitor and screen suppliers on key topics including their sustainability performance.

Moreover, in order to protect the respect of fundamental rights in its supply chain, Valentino has made a public commitment against modern slavery, outlining the measures to prevent trafficking, slavery, child labor, and other exploitative practices within its business and supply chain. Valentino conducts specific audits to ensure compliance with these standards and maintains a strong focus on human rights and ethical principles. The statement released by Valentino is in accordance with the UK Modern Slavery Act 2015, the California Transparency in Supply Chains Act of 2010, and the Australia Modern Slavery Bill 2018.

## 2.3 CRAFTSMANSHIP & HERITAGE

Valentino's couture is rooted in a distinctive aesthetic, contemporary vision, and crafting excellence that puts the human touch at the center. The Maison highly values the exchange between younger and older generations, which is part of its DNA and is evident in the talented seamstresses and young students who form a Community, sharing the same values and passion for excellence. Valentino is a Maison de Couture, a concept that has always represented the highest expression of craftsmanship, experimentation, and innovation in the fashion world. The vision, products, and spaces reflect the same values, from one-of-a-kind haute couture creations to ready-to-wear. The dedication to craftsmanship and personalization, two defining characteristics of Couture, also impact the ready-to-wear (Pret-à-Porter) garments and accessories, giving them a soul and an identity deeply reflective of the elegance and artisanal perfection that define the world of Couture.

### TRANSMISSION OF HERITAGE

The Maison is committed to providing practical training and career opportunities to young talents, in order to enhance their skills and prepare them for the highly complex artisanal roles that Valentino is known for. The Maison's internal academy, Bottega dell' Arte, was established in 2015 as a ten-month craftsmanship training program aimed at forming specific profiles for haute couture and training them to become couturiers. During the program, students can deepen their knowledge of the history and heritage of Maison Valentino, learn tailoring techniques, and study fabrics, materials, and models by working closely with former Haute Couture Premières and seamstresses. Students are also offered immersive experiences within the Maison's Atelier, located in the Piazza Mignangelli headquarters. At the end of the program, standout talents are given the chance to grow within the Company, which is set on preserving its heritage while creating opportunities for the new generations.

The Maison keeps the purpose of preserving the heritage and the desire to give back to the new generations at the core of its projects and initiatives.



**“RESIGNIFYING THE CODES OF VALENTINO IS RESPECTING THE MEMORY OF THE MAISON WITHOUT NOSTALGIA BUT RATHER THROUGH THE UNCONSCIOUS KNOWLEDGE OF OUR HERITAGE. THE CODES REMAIN THE SAME, I JUST WANT TO MAKE THEM CONTEMPORARY. A VALORISATION OF THE PAST THAT IMPLIES A RELATION WITH A MEMORY OF A DOCUMENTED EXPERIENCE. IT IS A VITAL APPROPRIATION, A PERSONAL WAY TO REINTERPRET AND TO ELABORATE”**

*Pierpaolo Piccioli*



PIERPAOLO PICCIOLI WINS THE DESIGNER OF THE YEAR AWARD  
AT THE BRITISH FASHION AWARDS 2022

**“TONIGHT I AM FEELING GRATEFUL  
BECAUSE AS I WIN, MY TEAM WINS,  
MY COMPANY WINS,  
CREATIVITY WINS, OUR VALUES WIN”**

*Pierpaolo Piccoli*

On Monday 5th of December 2022, Pierpaolo Piccoli has won the Designer of the Year at the British Fashion Awards 2022 in London.

This award recognises an international designer whose innovative collections have made a notable impact on the industry, defining the shape of global fashion.

The Fashion Awards recognise and celebrate creativity and innovation in fashion.

The event celebrates the role of fashion in self-expression, optimism, and its positioning at the intersection of culture.

Over 1,000 key members of the international fashion industry were called upon to vote for this year’s global accolades, defining the final nominees, winners, and Leaders of Change.



**VALENTINO HISTORICAL ARCHIVE  
AND “FOREVER VALENTINO” EXHIBITION**

The Valentino historical archive, located in Palazzo Mignanelli, the Company headquarter in the city center of Rome, was born to preserve and transmit the heritage of the Maison.

The Archive contains materials collected since the beginning of Mr. Valentino’s career, documented, and organized by categories – clothes, accessories, press reviews, photos, videos, drawings, fabrics, laces, and paper patterns. Some of the materials are dated back to Mr. Valentino first show in 1959 and are perfectly documented and available for consultation. Whenever new material arrives, they are viewed, cataloged – if necessary restored – documented, and stored using the most appropriate care. Furthermore, new materials are catalogued on the digital archive, which contains all the available information relating to the Company’s historical assets.

In October 2022, on the occasion of the year-round national cultural movement Qatar Creates, Qatar Museums and Maison Valentino have presented “Forever Valentino”, a major perspective exhibition that paid homage to its founder Valentino Garavani and its still-unfolding heritage of Haute Couture excellence. “Forever Valentino” was an exploration of the Haute Couture codes of the Maison and a voyage through Rome, Valentino’s home, the place where everything started and where its identity belongs to.

“Forever Valentino” built a dream-like image of the city of Rome, guiding viewers in and out of palazzos, squares, and courtyards, while simultaneously allowing exclusive access to secluded, intimate spaces such as the celebrated Valentino Ateliers, and the historic archives of the Maison in the fabled headquarters of Piazza Mignanelli. The exhibition depicted an instant city constructed as a collage of environments and experiences in which Valentino’s creations are displayed in dialogue with many of the sources of inspiration that have stirred up the creativity of both the founder Valentino Garavani and his successor Pierpaolo Piccoli.

Featuring over 200 Valentino Haute Couture pieces and pret-à-porter outfits – presented on mannequins by La Rosa – accompanied by accessories and fashion objects displayed in an immersive scenography, “Forever Valentino” weaved a richly textured image of the city of Rome inlaid with private memories and precious discoveries from the Maison’s six decades-long history, including rarely seen ensembles designed for the likes of Elizabeth Taylor, Jacqueline Kennedy and, more recently, Zendaya, along with stunning creations and virtuosistic examples of Valentino’s legendary cult of excellence.

“Forever Valentino” has been curated by Massimiliano Gioni, Artistic Director of the New Museum New York, and fashion critic and author Alexander Fury, working closely with Valentino Creative Director, Pierpaolo Piccoli.

*Forever*  
VALENTINO

## 2.4 CLIENT EXPERIENCE

### CLIENT-CENTRICITY

The Group has always been committed to ensuring the highest quality and safety of its products, protecting the privacy of its customers, and guaranteeing the authenticity of each item. Day after day, Valentino is dedicated to improving its customer experience to meet the needs and aspirations of its clients. The Company's history as a Maison de Couture is clearly reflected in how Valentino values its clients. Valentino's mission is to provide a highly personalized experience, a distinctive feature of haute couture, in all its boutiques worldwide. The corporate culture is built on the idea of putting people at the center, which is reflected in the practice of "Couture Clienteling." This approach places the clients at the heart of every aspect of the service, embracing a customer-centric approach. The Couture Clienteling is also available online, on valentino.com, combining the digital world with a human touch to provide a tailored client journey.

**“VALENTINO HAS SOMETHING MAGICAL INSIDE BEING THE MOST ESTABLISHED ITALIAN MAISON DE COUTURE, EVERYTHING RESIDES IN ATTENTION TO DETAIL, EXCELLENT SAVOIR-FAIRE, HIGH CRAFTSMANSHIP, AND PERSONAL RELATIONSHIPS BETWEEN PREMIER AND CLIENTS.”**

*Jacopo Venturini*



### PRODUCT SAFETY

Product safety and quality of services offered have always been a priority for Valentino. For this reason, the Company has specific policies on such topics that must be respected along the supply chain, including:

- Environmental Control Guidelines: environmental assessments of key suppliers performing wet processes that include wastewater sampling and testing.
- Valentino Detox Solution Commitment: Valentino is committed to gradually phasing out all hazardous chemicals from the whole lifecycle and production procedures that are associated with the manufacturing of all its products.

To guarantee product safety, Valentino requires the various subjects who operate within its supply chain to respect the limits reported in its Product Restricted Substances List (PRSL) and Manufacturing Restricted Substances List (MRSL). The RSLs are lists of substances that may be used in production processes (the MRSL) and found in the finished articles (the PRSL) that have to be carefully monitored in order to ensure clients' and workers safety and environmental protection. The Valentino RSLs ensures compliance with applicable regulations and, in order to drive the industry towards a progressive removal of hazardous chemicals, adopt even more stringent requirements than the legislative ones.

Furthermore, Testing Programs are also constantly carried out on raw materials and finished products, according to the logic of statistical sampling which takes into consideration various elements including sales, countries of distribution, composition, group of goods, hierarchies of raw material and finished product, color variants, presence of previous tests. Blocking procedures are also implemented in order to ensure that critical products are released only once all tests have been completed.

As in 2021 and 2022, around 60% of Valentino's materials that are in contact with the skin have been subjected to an assessment.

This evaluation takes place through tests carried out on raw materials which assess the compliance to legal / voluntary requirements established by Company commitments.

### VALENTINO DETOX SOLUTION COMMITMENT

Since 2013, Valentino has participated in the Detox Solution Commitment, which calls for the progressive removal of various chemicals from the supply chain and finished products. Detox Commitment represents a project and, at the same time, a process to achieve the path towards zero discharge of dangerous chemical substances. This project involves all phases of the process, from the conception of the product to the selection of raw materials, up to production.

Valentino collaborates with globally recognized testing and certification bodies, associations, and organizations. Various activities are carried out to monitor the achievement of this objective, including environmental and chemical management audits, assessments, wastewater testing, chemical formulation testing, research, product/item testing, corrective actions, follow-up, awareness, and training. In this way, Valentino has developed a holistic approach to chemical management which ensure a better assessment and control of the risks in terms of workers and consumer health and environmental externalities linked to the manufacturing processes of its articles.



### THE LABELING OF VALENTINO PRODUCTS

Clients and end users need accurate and adequate information on the impacts that may be generated by products and services. This includes information about product usage, product disposal, or the procurement of related components. Valentino is committed to ensuring that all clients have access to adequate information to allow for informed choices during their purchases.

At this regard, Valentino products information including authenticity proves, are made available to the clients thanks to a bar code on products' label. This verification tool represents a fundamental element of connection between the consumer and the Brand to provide the final consumer with all the necessary information on the product.

In 2022 no sanction was received regarding labeling of products while one case of non-compliance with self-regulatory and/or voluntary codes has been recorded. Additionally, during 2022, no incidents of violations regarding regulations and/or voluntary codes regarding marketing communications, including advertising, promotion, and sponsorships has been recorded.

### TAGS AND COUNTERFEITING

The luxury goods market is notoriously characterized by counterfeiting of Brands and products. The rapid growth recorded by the Group in recent years and the ever-increasing appreciation of the collections by the consumer public have increased the attractiveness of the Brand and led to an increase in these problems, especially in accessories. To reduce this risk, the Group on one hand makes important investments in innovative technologies for product traceability and on the other adopts strategies to contrast counterfeiting at an international level both on the territory and online by cooperating with the competent police and customs authorities as well as developing specific programs for the protection and defense of his portfolio of Brands, designs, and intellectual property rights in general.

Within the RFID field, an app called "ImTrue" has been developed, and used in the Company for anti-counterfeiting and gray market purposes. The App is used via smartphone with the aid of a device for reading the RFID tags present in Valentino's products. The app queries the tag and displays a series of information relating to the product, thus certifying its authenticity. Other than Valentino stores, some inspectors, and warehouses, and 5 Italian customs are equipped with the app.

### CREATING SHARED VALUE

Launching on May 31st, 2022, Creating Shared Value is an internal section integrated within the Brand's website, which tells the stories behind the Maison's daily operations, increasingly committed to a responsible transition through dedicated projects in the social and environmental fields.

The section is an updated window in which the user is invited to immerse themselves in an interactive universe, where the Maison's values are recounted in three sections: People, Planet, Product.

The storytelling represents a cohesive and natural path where the key principles of the Company's modus operandi are projected into the outside world, with whom the Brand is building dialogue intending to give back. The section of the website is linked to the sending of newsletters communicating the latest activities.

From the analyses conducted between June 2022 and February 2023, a high user interest in the contents available on creating shared value has emerged.

The time spent on the page is continuously increasing compared to the project launch (+28.5%).



**FOSTERING THE  
UNIQUENESS OF  
OUR COMMUNITY  
THROUGH  
CREATIVITY,  
GIVING-BACK, AND  
TRANSPARENCY**

**3**

# 3.1 THE PEOPLE OF THE VALENTINO GROUP

In a Company characterized by creativity and innovation, human resource management proves to be a crucial strategic lever for achieving success. The dedication and professionalism of employees are indeed pivotal values for the Company.

**“CREATIVITY, HUMAN CAPITAL AND TEAMWORK ARE KEY PILLARS OF OUR COMPANY CULTURE. WE ARE GUIDED BY A PEOPLE-CENTRIC APPROACH, THAT ENCOMPASSES CLIENT-CENTRICITY AND COLLEAGUE-CENTRICITY.”**

*Jacopo Venturini*

In this regard, Valentino places people development at the core of its strategies, firmly believing in the importance of human capital. The Group is committed to creating a work environment oriented towards the growth and well-being of employees, to develop and expand everyone’s knowledge and skills and promote personal fulfillment.

As of 31st December 2022, the number of employees contributing to the growth of the Valentino Group was 4,153, up 7% compared to 2021 (3,894 people). 86% of employees (3,569 people) have a permanent contract and 94% (3,908 people) have a full-time contract. These data underline the importance of creating stable and long-lasting working relationships, which allow Valentino to retain its people and create an inclusive working environment.

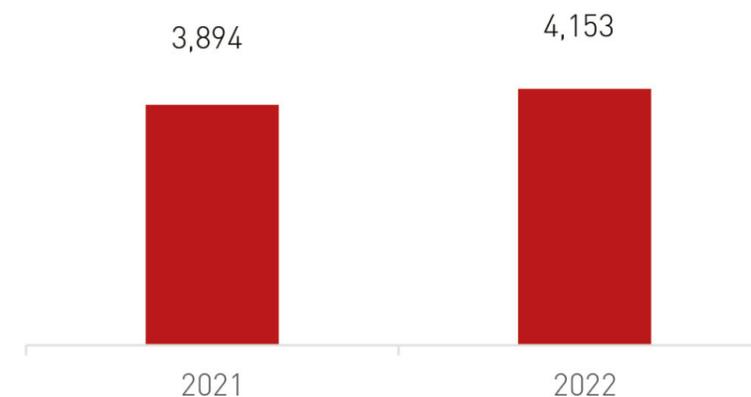
Employees by type of contract and gender										
Type of contract	Full time			Part time			At non-guaranteed hours			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
2022										
Permanent	1,190	2,157	3	22	197	-	-	-	-	3,569
Fixed-term	187	371	-	5	21	-	-	-	-	584
<b>Total</b>	<b>1,377</b>	<b>2,528</b>	<b>3</b>	<b>27</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,153</b>
2021										
Permanent	1,100	2,059	2	24	191	-	-	-	-	3,376
Fixed-term	154	339	-	5	20	-	-	-	-	518
<b>Total</b>	<b>1,254</b>	<b>2,398</b>	<b>2</b>	<b>29</b>	<b>211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,894</b>

Specifically, Women represent the majority (66%) of Valentino employees, up 5% compared to the previous year. As for generational diversity of employees, 19% are aged under 30, 63% between 30 and 50 years old, and 18% above 50.

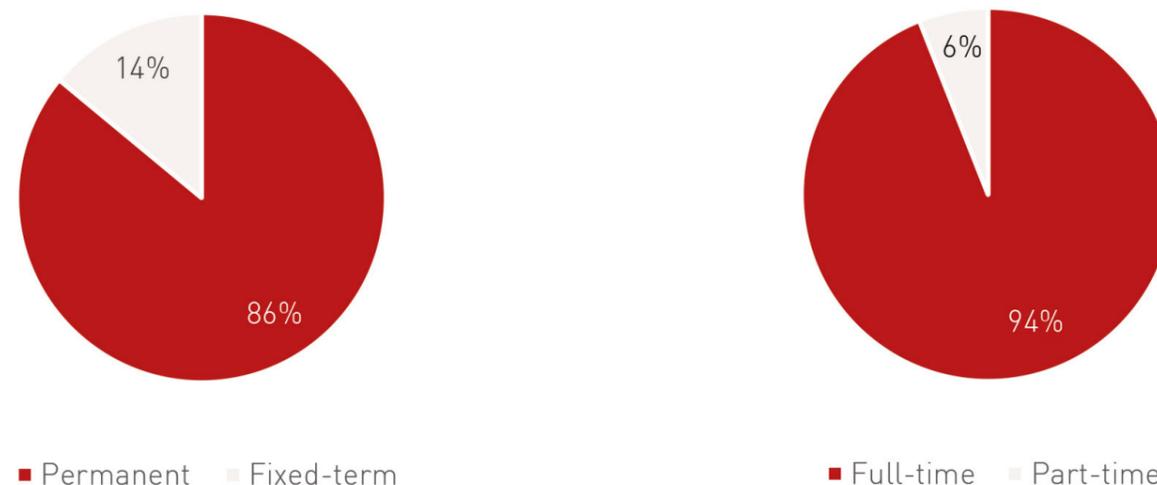
The year 2022 also presents an increasing of personnel, thanks to the effects combined due to business growth and the stabilization of the Covid-19 emergency. The recruitment rate, in fact, stands at 36%, which increased compared to 26% in 2021 (5).

In carrying out its business, on December 31st, 2022, Valentino makes use of the work of 605 external workers (agency workers, interns and other such as VAT), up 20% compared to 2021 (503).

VALENTINO GROUP EMPLOYEES



2022 VALENTINO GROUP EMPLOYEES BY TYPE OF CONTRACT



(5) This information can be seen within the “Performance Indicators” paragraph.

## 3.2 INCLUSIVITY & EQUALITY

**“EACH PERSONAL STORY IS UNIQUE IN ITS EMOTIONS, DREAMS IN SPITE OF ROLES AND GENDERS. IT IS A CELEBRATION OF HUMANITY. I THINK THIS IS THE APPROACH THAT FASHION SHOULD HAVE TODAY.”**

*Pierpaolo Piccioli*

Inclusivity and equality are at the core of the Group’s values and drive the relations with all the stakeholders.

- **Inclusivity:** creating a sense of belonging where every single Colleague is valued, listened to, and respected, while actively recognizing and appreciating the diverse perspectives and contributions of individuals and ensuring that everyone has equal opportunities to succeed. The aim is to create a workplace that is free from discrimination, harassment, and bias, where all Colleagues are treated with fairness, dignity, and respect.
- **Equality:** creating an environment where all Colleagues are treated equitably, where different backgrounds and experiences promote valued perspectives and where diversity is a driver of innovation, creativity, and business success.

Valentino is defining a structured pathway that involves initiatives to engage the global population. It will dedicate significant resources to raising awareness and educating teams about promoting understanding, respect, and empathy throughout the Valentino Community. The success of this approach is constantly monitored through various measurement tools, primarily through the annual Colleague Experience survey, which includes a specific section devoted to this fundamental theme. To further strengthen the commitment of the Group on this topic, a dedicated team will be established in 2023 to work on various projects on Inclusivity and Equality. This team will also continue to evolve and cement this culture within the ecosystem, ensuring that this vision is the focal point of every initiative, both internally and externally. An Inclusivity & Equality Policy will be developed to define the set of values that the Group recognizes clearly, accepts, and shares, as well as the responsibilities that the Group assumes internally and externally. The Policy will encompass a set of principles and rules that all colleagues must comply with, which is of fundamental importance for the proper functioning, reliability, and reputation of the Group. The distinctive values of the Company are also visible in the Valentino Code of Ethics, where cooperation and mutual respect are fundamental, and any kind of discriminatory or harmful behavior is not allowed. Indeed, there were no cases of discrimination in the year 2022.



## COMPENSATION

Valentino poses great importance on equal compensation based on merit. The Company aims to award individuality and recognize unique strengths and qualities of employees. In the pursuit of excellence, the Group’s approach fosters a culture of fairness, equal pay for equal work and the promotion of an environment where everyone’s distinctive talents are not only valued but actively encouraged.

The Board of the Group (6) operates a Compensation Committee (7) that oversees compensation policies. Moreover, the Human Resources Department defines salary increase percentages for each Group Company using specific surveys and benchmark analyses developed by market-leading providers, to ensure competitiveness concerning market practices, and attractiveness and retention of talents. Since 2021, the Group put in place a benchmarking and position weighting system based on the Grade Hay Group methodology, which allows it to accurately determine the relative value of each position based on factors such as responsibilities, skills, impact on business strategy, and complexity of the role. The results are used to determine each employee’s salary position through continuous comparison with similar roles in the target market. The same applies to the Corporate Compensation & Benefits Department, which constantly keeps track of pay market trends and uses certified data to compare competitiveness and alignment of internal equity with benchmark market practices. Valentino’s compensation policy is based on the principle of rewarding individual performance. To this end, a ‘Merit Matrix’ has been defined in which the salary increases ranges applicable to each employee are defined based on the previous year’s performance evaluation.

## EMPLOYEES WELLBEING

The Maison recognizes the importance of promoting its employees’ wellbeing and carries out several initiatives in this direction.

To its full-time employees, the Group provides insurance, work life balance benefits, including smart-working, parental leave and paid leave, Valentino’s employee discount and corporate conventions, ticket restaurants, company cars, flexible benefits, and allowance for clothing, transportation, school, and housing.

In addition, with the primary goal of ensuring maximum flexibility and balance between Company productivity goals and personal needs, the new smartworking model was introduced in Italy as of September 2022.

Thanks to the new model, employees who carry out activities compatible with agile work have been given the opportunity to continue working even in places other than their normal place of work, in agreement with their supervisor, up to a maximum of 10 days per month, with the possibility of agreeing on even greater use in case of special needs.

With the aim of developing a sense of corporate belonging through the homogenization of the benefits applied to all Italian Valentino employees, and to introduce improved conditions, a Supplementary Corporate Contract was signed during 2022 for all Group Companies falling under the CCNL Industry Agreement with the National, Territorial trade unions and the RSUs of each Site. The Supplementary Agreement will come into effect on January 1, 2023.

This important agreement is the fruit of the fruitful and structured dialogue between Valentino and all union representatives and represents a further and fundamental step forward in the direction of Colleague Centricity.

The cornerstones of the new agreement consist of the introduction of smart-working, welfare, work-life balance, parenting and income support initiatives and tools, as well as important commitments on training, health and safety and combating any possible situation of harassment or violence in the workplace.

(6) The legal information required in the financial report is provided for transactions with related parties. The Company is not required, by law or provisions of self-regulatory codes to which it may adhere, to self-assessment of performance processes. To date, the Board has not carried out such self-assessments.

(7) The Board monitors and evaluates the general performance of the management, including any situations of conflict of interest, taking into consideration, in particular, the information received from the director, the Remuneration Committee, the Internal Control Committee (Audit Committee) and the Supervisory body



Great attention has been paid to welfare and work-life balance, with the extension of institutes provided for in national contracts and the introduction of new tools designed to offer support and backing in some difficult moments and to meet the needs of work-life balance. In particular:

- The possibility of accepting part-time requests even beyond the limits provided for in national collective agreements.
- The possibility of requesting advance payment of severance pay on better terms than those provided by law.
- The recognition of paid leave for specialized medical examinations and to manage the placement of children in daycare and preschool.
- The introduction of 1 additional day of paid leave for serious family reasons.
- The 100% pay supplement for up to six months of continuous sick leave.
- The recognition of 100% of pay for the first 30 days of optional parental leave.
- The integration of the share to be paid by the Company to supplementary pension funds.

The agreement also provides numerous income support tools. In particular:

- The extension, as of January 1, 2023, of the value of the meal voucher for all Colleagues that will also be paid on smartworking days.
- The introduction of the additional 14th monthly salary that will be paid in July each year.
- The recognition of special allowances and additional bonuses aimed at recognizing the efforts of Colleagues on weekends and holidays.
- The increase in the wage increment in case of use of the flexibility institution to cope with changes in the intensity of the Company's work activity.

Lastly, the agreement provides for the strengthening of industrial relations with the establishment of a High Representation Committee that will have jurisdiction over matters of national importance and a National Trade Union Coordination that will have jurisdiction over all matters delegated to second-level bargaining and for the negotiation and signing of supplementary Company contracts.

An important agreement was also reached regarding the performance bonus, which provides for the extension of the current discipline of the bonus for 2022 as well as a shared commitment to achieve the structural introduction of the bonus for all Colleagues.

Finally, 77% of Valentino's employees are covered by the collective bargaining agreement<sup>(8)</sup> in force in the countries in which the Group operates. During 2022, 4% of the Group employees took a parental leave (174 people, up 19% compared to 2021) of whom 87% were women and 13% were men.



(8) Second Level Bargaining.

## 3.3 COMMITMENT TO THE DEVELOPMENT OF EMPLOYEES

Valentino is committed to ensuring the development of appropriate capabilities and skills for each employee. The Group offers all employees equal opportunities for professional growth, ensuring fair treatment, growth based on merit.

In 2022, the Company extended the Valentino Performance Management Process (V-PMP) system to the entire worldwide population, to evaluate performance, provide feedbacks, set objectives, and track progresses of employees, with the aim of enhancing their sense of belonging and driving their professional growth.

In particular, the process is divided in five phases:

- Time to set goals: it starts off with the definition of specific objectives and key areas of actions.
- Time to talk: a period to evaluate performance, clearly identify areas of improvement and, if necessary, review and align set goals.
- Time to assess: a time to evaluate annual overall performance and next steps and subsequent phases of development.
- Time to calibrate: a crucial phase where HR and Business Leaders meet to harmonize evaluations with the expected performance distribution curve.
- Time to provide feedback: a structured conversation to discuss progress, opportunities and rewarding.

Employees receiving regular performance and career development by gender	
Percentage	2022
Men	89%
Women	90%
Prefer not to say	100%
Total	89%
Employees receiving regular performance and career development by professional category	
Percentage	2022
Executives	93%
Managers	92%
White collars	87%
Blue collars	95%
Total	89%

Valentino is dedicated to investing in education and skill development for its employees as part of the Company's commitment to excellence. Equipping employees with the knowledge, expertise, and tools needed to succeed, empowers personal and professional growth and elevates the collective performance of the organization. Employee training is not just an asset but a foundation for success.

In 2022, training hours offered to all employees increased by more than 60% compared to 2021. This increase is linked both to the growth recorded by staff within the Company and to the worldwide provision of new and more specific training courses to improve the capabilities of its employees. Indeed, training and development continued in areas such as management, professional training, language courses, specific training on the Code of Ethics, travel risk management and GDPR. During 2022, Valentino provided 40,499 hours of training globally with an average of about 9.75 hours of training per employee (6.22 hours per employee in 2021). Moreover, the Group provided 3,172 training hours on health and safety on the workplace in 2022.

Valentino offers various training courses, which are delivered through various online and offline channels, including the Training App and Valentino Accademia. Moreover, Bottega dell'Arte is Valentino's internal school, created to offer concrete training and career opportunities to young talents. Attendees are offered the opportunity to learn Italian tailoring and design techniques distinctive of the Company's heritage.

Average hours of training by gender and professional category (9)								
Average	2022				2021			
	Men	Women	Prefer not to say	Total	Men	Women	Prefer not to say	Total
Executives	12.22	14.35	-	13.25	7.85	5.45	-	6.65
Managers	13.74	16.25	-	15.34	9.82	10.07	-	9.98
White collars	10.50	10.72	14.00	10.66	8.26	6.63	-	7.08
Blue collars	0.64	0.50	-	0.56	0.18	0.33	-	0.26
Total	8.96	10.15	14.00	9.75	6.46	6.11	-	6.22
Total (including H&S trainings)	-	-	-	10.52	-	-	-	7.66

### VALENTINO ACCADEMIA

Accademia Valentino was founded in 2013 to promote excellence, strengthen the Company culture and support and inspire people in their professional growth and development. It provides a retail and product path dedicated to in-store experience, a managerial path to support managers on their potential development, alongside special initiatives to empower people and broaden their knowledge. Accademia believes in classroom training to share learning experiences, and working closely with a human touch, but is always connected with Valentino people within the organization through digital learning projects and distinctive experiences. Partnerships with the most prestigious international business schools are established to build programs that enhance talents. Accademia Valentino is also responsible for the Valentino Journey induction training: an institutional tool to convey the Company's vision to new hires through the narrative of the Maison's pillars. During this induction, milestones, creative direction, product lines, Company organization, business model and the culture of Couture are explored.

(9) The training average hours do not include training hours on Health and Safety (3,172 hours in 2022 and 5,608 hours in 2021) as the information divided by gender and professional category were not available. On the job training is excluded.



## VALENTINO SUSTAINABILITY AWARDS 2022

Sustainability is taking an increasingly important role within the Company, signifying the commitment to a more responsible business conduct. To integrate sustainability into the organizational culture, Valentino is placing an emphasis on educating teams about sustainable practices by recognizing and rewarding sustainability-related projects.

In this context, the Group is inspiring action and actively engaging every employee, to drive positive change throughout the organization. This is why, in 2022, the Valentino Sustainability Awards were introduced, designed to recognize the most innovative and impactful sustainability projects, and promote further initiatives within the Company. At the ceremony, seven scalable and innovative initiatives were awarded, and winners received a prize in clothing value.

On the occasion Valentino's CEO, Jacopo Venturini, and Creative Director, Pierpaolo Piccioli, personally presented the employees with the awards.

### VALENTINO VOICES

Valentino Voices was born in 2021 as an internal space for sharing, cultivate, implement and strengthen the sense of Community among Valentino employees around the world by bringing to their attention key brand moments from week to week.

The goal is to inform, create new synergies and connections. The topics are varied: significant moments involving the CEO & Creative Director, fashion shows and events, new global brand ambassadors, new ADV campaigns, special projects, business moments and activities in the fields of ethics and sustainability.

With an average of two communications per week, the project involves in parallel several colleagues and teams within the Company.

The Valentino community is engaged through:

- Animated gifs, emoji and dedicated graphic banners to secure a more engaging communication.
- Geolocalized send-out from November 2022 to reach a wider audience and allow each colleague to read the communications during the working hours.

Since its launch, the project obtained an increasing success and in 2022 the average openings of the Voices registered an increase of 20% from the first to the second half of the year.

## 3.4 HEALTH AND SAFETY IN THE WORKPLACE

For Valentino, protecting its people is a shared value and an essential requirement. The vision is to foster a proactive culture that guarantees the health and safety of everyone associated with the business: workers, partners, on site contractors, visitors, and clients.

For this reason, the Group is committed to promote an appropriate culture of safety, developing an awareness of risks and promoting responsible behavior by everyone strictly related to the different roles in the Company (managers, supervisors, workers).

The Group's activities are carried out in compliance with mandatory regulations on prevention and protection: each venue responds to local regulations and a risk assessment is carried out in the different locations to determine the hazards and risks of various activities.

To prevent potential risks that arise from the assessments performed, corrective actions are taken, including internal policies and procedures, appropriate signage, training, and updates. In general, action plans are drawn up to mitigate the risks mapped on a technical, organizational, and procedural level (i.e.: operating procedures, safety systems on machinery and work equipment, use of hearing protectors where necessary, personal protective equipment like i.e., safety shoes).

### PANDEMIC REACTION

During the pandemic of Covid-19, the Group took special care to protect its community worldwide, including clients, defining detailed protocols to limit the spread of the virus and ensure that the carrying out of business operations continued in compliance with legislations. Proper emergency teams with different competences (occupational physicians, safety specialists, human resources, managers, workers' representatives) were created to define, adjust, and implement measures of control and preventions (social distancing, protective masks, training, informative and engaging initiatives, temperature checks at the entrance, work at home rules, sanitization devices, free of charge tests campaigns, ...) with reference to the evolution of the pandemic and the different legislations. Workspaces have been redesigned in order to guarantee safe distancing, healthy leisure spaces, and appropriate sanitization devices. Furthermore, large usage of work at home flexibility permitted to limit crowding.

Particular attention has been given to the management of the situation during events and Fashion Shows held in Italy and in Paris during 2022: specific protocols have been developed in line with the recommendation of the local authorities, the Fédération de la Haute Couture et de la Mode and international standard, with the goal to permit a safe and proficient executions of events.

Throughout 2022 the restrictions have been eased, but the essential prevention rules remain operational, and Valentino is still in action to manage the health of its people.

### OCCUPATIONAL ACCIDENTS

In 2022, a total of 25 cases of injuries at work by employees occurred, down 17% compared to the previous year, with an increase of both the number of hours worked (+5%) and the number of employees (+7%). Consequently, the rate of recordable work-related injuries in the reporting year (3.46) decreased of 21% compared to 2021 (4.37).



Work-related injuries – Group Employees		
Number of injuries (10)	2022	2021
Total of deaths due to work-related injury	-	-
Total of serious work-related injuries (excluding deaths) (11)	2	1
Total of recordable work-related injuries	23	29
<b>Total</b>	<b>25</b>	<b>30</b>
Total hours worked (12)	7,225,164	6,857,803
Injuries rates (13)		
Rate of deaths due to work-related injury	-	-
Rate of serious work-related injuries (excluding deaths)	0.28	0.15
Rate of recordable work-related injuries	3.46	4.37

Work-related injuries – External Workers (14)		
Number of injuries	2022	2021
Total of deaths due to work-related injury	-	-
Total of serious work-related injuries (excluding deaths) (11)	-	-
Total of recordable work-related injuries	3	1
<b>Total</b>	<b>3</b>	<b>1</b>
Total hours worked (15)	721,252	452,472
Injuries rates (13)		
Rate of deaths due to work-related injury	-	-
Rate of serious work-related injuries (excluding deaths)	-	-
Rate of recordable work-related injuries	4.16	2.21

(10) The main types of work-related injuries are bruises, wounds and trauma.

(11) Workplace accidents that lead to an impairment which the worker cannot heal from, does not heal from, or cannot realistically be anticipated to fully heal from by regaining their pre-accident health within 6 months.

(12) The total number of hours worked by employees has been estimated for Valentino Brasil Ltda., Valentino Couture S.a.s., Valentino Monte-Carlo S.A.M., Valentino Japan Ltd, Valentino Korea Co. Ltd, Valentino (Beijing) Fash.Trad. Co Ltd, Valentino Malaysia Sdn. Bhd, Valentino Singapore Pte Ltd, Valentino Luxury (Thailand) Co. Ltd, Valentino Australia PTY Ltd, Valentino UAE LLC, Valentino Orient Middle East FZCO, V.F.G. Canada Inc., Valentino Luxury Goods México S. de R.L. de C.V., Valentino U.S.A. Inc..

(13) The accident rate was calculated as the ratio of the total number of accidents to total hours worked, using a multiplication factor of 1,000,000.

(14) Health and Safety data for non-employee workers include only the categories of agency workers, self-employed workers, interns, and employees of the main external contractors working at Group sites and/or under the Group's control.

(15) The total number of hours worked by external workers has been estimated for Valentino Brasil Ltda, Valentino Japan Ltd, Valentino Korea Co. Ltd, Valentino (Beijing) Fash.Trad. Co Ltd, Valentino UAE LLC, Valentino Orient Middle East FZCO, Valentino U.S.A. Inc. Valentino Couture S.a.s., Valentino Monte-Carlo S.A.M.



## 3.5 CREATION OF VALUE FOR OUR STAKEHOLDERS

Valentino places a great emphasis on its relationship with the Community, which is at the heart of its social sustainability agenda. It does this by engaging in a collective dialogue and by giving-back to the local communities through value and opportunities. Valentino's approach to giving-back is in line with its values, creating a harmonious and natural exchange with the local communities while supporting the protection and preservation of local territories, as well as promoting the arts, culture, and the enhancement of future talents. Further evidence of Valentino's commitment to respecting the Give-Back approach is the various initiatives promoted in 2022 that address relevant themes of social and environmental impact. As a Company with deep roots in Italy, Valentino is also a member of major industrial associations such as Assolombarda and Confindustria Roma.

### VALENTINO DES ATELIERS HC FW 21/22: CULTURAL GIVING-BACK / BIENNALE VENEZIA

Valentino was the main sponsor of the Italian Pavilion at the 59th International Art Exhibition of the Venice Biennale in April 2022, returning to the City after the successful Haute Couture Fashion Show called *Valentino Des Atelier* and held in July 2021. The Brand has a longstanding deep connection with Venice, a pulsating crossroad for cultural exchanges and visions between different worlds, including fashion, architecture, theatre, and art. The 59th International Art Exhibition - La Biennale di Venezia - represented a renewed opportunity for dialogue with the Tese delle Vergini of The Arsenal, a beloved location for Valentino. Promoted by the Directorate-General for Contemporary Creativity of the Ministry of Culture, the exhibition was sponsored by Valentino and hosted the work of Gian Maria Tosatti proposed by curator Eugenio Viola. The artist's "Storia della Notte e Destino delle Comete" ("History of Night and Destiny of Comets") is an artwork that explores different languages and the relationship between humanity and nature, sustainable development and respect for the territory. The piece reflects on the past and looks confidently to the future, perfectly in line with the daily actions of the Maison.

### INVOLVEMENT OF STUDENTS IN FASHION SHOWS

In July 2022, Valentino hosted in Rome its Haute Couture fashion show "*Valentino The Beginning*" and invited students from various Roman art and fashion schools to attend the live event, highlighting the brand's focus on artistic exchange and creative dialogue with young talents. In October of the same year, Valentino hosted students from various French fashion and art schools for the *Unboxing Valentino* fashion show at Le Carreau du Temple. More specifically, the Maison partnered with École Duperré to provide dedicated backstage areas at the show and additional resources to enable students to bring their creativity to life.



### VALENTINO'S RETURN TO ROME

Valentino embarked on a path to conserve by restoring and growing the right tree in the right environment for the right reason. Through urban reforestation projects, the Company aims to give back by preserving and restoring ecosystems in areas where it operates and is present with its Community. For the Roman Haute Couture Fall/Winter 2022/23 show entitled *Valentino The Beginning*, the Maison has taken a step further to reinforce its legacy with the capital city while implementing its giving-back approach. The Company supported the planting of two palm trees in Piazza di Spagna, in line with its conscious-driven vision, that respects the longstanding landscape tradition of the storied Roman square. The previous two palms were affected by the red palm weevil, requiring replacement. This initiative symbolically and physically strengthens the strong bond between the Maison and Rome, a landmark locus in the Brand's narrative since its inception.

### VALENTINO THE NARRATIVES

In 2022, Valentino introduced a new campaign called Valentino the Narratives II dedicated to the world of literature and the promotion of Arts and Culture. The campaign not only reaffirmed the Brand's connection to literature but also actively contributed to the community as the Group also supported selected independent bookstores to promote cultural events and encourage open dialogue within the community. Emphasizing authenticity and individuality, this ground-breaking campaign featured 17 internationally acclaimed authors invited to write about the central theme of "LOVE" in all its forms, with colorful and expressive layouts.

### VALENTINO DONATIONS OF FABRIC

In line with its giving-back and conscious mindset, Valentino also supports numerous associations, Schools and Universities on the territory by donating fabrics and leftover leather that are no longer used for production. In 2022, Valentino supplied raw materials to Istituto Marangoni, NABA Nuova Accademia di Belle Arti, IED (Istituto Europeo del Design) and Istituto Tecnico Superiore (ITS) MITA.

### FASHION FOR A PEACE

Maison Valentino has joined the Camera Nazionale della Moda Italiana to support UNHCR through a donation of 500,000 euros. This solidarity initiative aims to provide basic necessities such as blankets, mattresses, water, tents, solar lamps, medicines, and hygiene products, as well as economic support on-site, to those still affected by military conflict in Ukraine, Moldova, and Romania. The donation was announced in March 2022, reflecting the Company's emphasis on community, which is a key value of its culture and a founding pillar for a healthy, ethical society that focuses on the well-being of all its members.



**PROTECTING  
OUR PLANET  
FOR FUTURE  
GENERATIONS,  
REDUCING  
OUR IMPACTS**

**4**

# 4.1 VALENTINO'S JOURNEY TO REDUCE ITS CARBON FOOTPRINT

Respect for the environment is a key value for the Maison, which is fully committed to protecting the planet for future generations by progressively reducing its environmental footprint. With a holistic approach, the Maison aims to minimize direct and indirect effects throughout the entire value chain, from the raw materials to product distribution.

**“IN A WORLD WHERE THE HUMAN CAPITAL IS AT THE EPICENTER OF ALL THE MAISON’S ACTIVITIES, MY RESPONSIBILITY IS TO CREATE A MORE CATERED AND MINDFUL BUSINESS MODEL WITH A COMPANY CULTURE BASED ON SUSTAINABILITY AND ETHICAL VALUES.”**

*Jacopo Venturini*

At this regard, having in mind such commitment, Valentino has measured its Carbon Footprint in order to assess its overall carbon emissions. The measurement was conducted for the first time in 2023 measuring 2021 and 2022 scope 1,2 and 3 emissions and obtaining a related limited assurance.

Regarding climate-altering emissions generated by the Group in 2022:

- Scope 1 direct emissions - deriving from the direct consumption of fuels - natural gas for production and heating, diesel, LPG and petrol from the vehicle fleet and F-gas - are equal to 2,352 tCO<sub>2</sub>e, with a 19% decrease compared to the 2021 value of 2,915 tCO<sub>2</sub>e.
- Indirect Scope 2 emissions – Location-based which are linked to electricity consumption, are equal to 7,884 tCO<sub>2</sub>e with a slight increase compared to the previous year (7,465 tCO<sub>2</sub>e in 2021).
- Indirect Scope 2 emissions – Market-based are equal to 5,596 tCO<sub>2</sub>e with a slight increase compared to the previous year (5,069 tCO<sub>2</sub>e in 2021).
- Scope 3 emissions’ value in 2022 is equal to 246,980 tCO<sub>2</sub>e, reflecting a slight decrease compared to the previous year (255,104 tCO<sub>2</sub>e). The majority of scope 3 emissions are linked to the purchase of goods and services, highlighting the relevance of responsible sourcing practice and collaboration with the supply chain to reduce this impact.



Valentino 2021 and 2022 Carbon Footprint			
Scope	Unit of measurement	2022	2021
Scope 1	tCO <sub>2</sub> e	2,352	2,915
Scope 2 – location based	tCO <sub>2</sub> e	7,884	7,465
Scope 2 – market based	tCO <sub>2</sub> e	5,596	5,069
Scope 3	tCO <sub>2</sub> e	246,980	255,104
Total emissions – location based	tCO <sub>2</sub> e	257,215	265,485
Total emissions – market based	tCO <sub>2</sub> e	254,928	263,088

Scope 3 emissions - details				
Scope 3 indirect GHG emissions		Unit of measurement	2022	2021
From Upstream	1. Purchased goods and services (16)	tCO <sub>2</sub> e	188,723	203,323
	2. Capital goods	tCO <sub>2</sub> e	11,485	8,579
	3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO <sub>2</sub> e	2,265	2,214
	4. Upstream transportation and distribution	tCO <sub>2</sub> e	7,761	9,066
	5. Waste generated in operations (17) (18)	tCO <sub>2</sub> e	21	23
	6. Business travel	tCO <sub>2</sub> e	4,956	2,995
	7. Employee commuting (19)	tCO <sub>2</sub> e	3,732	3,697
	8. Upstream leased assets	tCO <sub>2</sub> e	4,692	3,692
From Downstream	9. Downstream transportation and distribution	tCO <sub>2</sub> e	22,540	20,616
	10. Processing of sold products	tCO <sub>2</sub> e	N/A	N/A
	11. Use of sold products	tCO <sub>2</sub> e	N/A	N/A
	12. End-of-life treatment of sold products	tCO <sub>2</sub> e	N/A	N/A
	13. Downstream leased assets	tCO <sub>2</sub> e	N/A	N/A
	14. Franchises	tCO <sub>2</sub> e	691	784
	15. Investments (20)	tCO <sub>2</sub> e	114	115

Valentino is committed to reducing its impact on climate change along the entire value chain. Indeed, the objective is to establish and adopt emission reduction targets by 2024, following SBTi methodology as a guide for the decarbonization path. The emission reduction targets will include direct and indirect emissions related to Valentino (Scope 1, 2 and 3 of the GHG protocol).

(16) In the absence of data regarding the type of product purchased or the weight of the individual item purchased, estimates had to be made, based on reported weights for similar products or products with related characteristics.

(17) In quantifying the emissions generated by the disposal of industrial-type waste, the loading and unloading records, MUDs and FIRs prepared by the individual Subsidiaries were considered.

(18) The production of industrial-type waste was recorded only for the Subsidiaries of the Italian Perimeter.

(19) In quantifying emissions in the Employee commuting category, the days on which office employees worked in smart working during the year were considered. Specifically, the following were considered an average of 24 weeks per year of smart working. Furthermore, for employees working at boutiques, actual days worked (per individual Region), home-work distances, and type of transportation were considered.

(20) In quantifying the emissions in the Investments category, Scope 1 and 2 emissions of the individual Associated Companies’ share were considered.



## 4.2 GROUP'S ENERGY CONSUMPTIONS

The total energy consumption at a Group level recorded in 2022 equals 121,032 GJ, which corresponds to a 5% decrease compared to the 127,481 GJ in 2021. This energy consumption is divided approximately in 70% electricity, 20% natural gas and 10% other nonrenewable fuel. Moreover, around 90% of the electricity purchased for Italian headquarters, boutiques and manufacturing sites comes from renewable sources, representing around 44% of the energy purchased by the Group on a global scale. In this regard, Valentino Group commits to reaching 90% of energy needs supplied by renewable sources by 2030.

The value of energy intensity (21) in 2022 is 0.09 GJ/euros, representing a reduction of 16% compared to the year 2021.

The latter decrement resulted from both a reduction in energy consumption and an increase in revenues from the Group in 2022.

### THE PHOTOVOLTAICS

The Valdagno headquarter is a virtuous example of the perseverance and commitment with which the Group addresses energy-saving and reduction in energy consumption. Since 2011, in fact, it has been the protagonist of numerous optimization and improvement projects, such as the requalification of 8,100 square meters of roofs (4 buildings).

This project has interested the installation of 3,312 polycrystalline photovoltaic panels with a power output of 235Wp for a total of 778.32KWp. In 2013, an additional 1,460 panels with a power output of 240Wp each were added, bringing the total power to 348.48KWp. In 2022, the photovoltaic system covered around 35% of the energy consumption of the Valdagno headquarter.

In 2015, at the Settimo Torinese site, following the renovation of the entire building, a photovoltaic system has been built with the installation of 762 polycrystalline panels with a power output of 260KWp each, totaling 198.12KWp. The system covered around 40% of the site energy need in 2022.

Energy consumption from non-renewable and renewable sources (22)

Fuel type	Unit of measurement	2022		2021	
		Total	Total in GJ	Total	Total in GJ
Natural Gas for production/heating	m <sup>3</sup>	655,494	23,163	910,104	32,109
Fuel consumption	l	343,222	12,257	350,442	12,541
Diesel	l	305,696	11,053	331,564	11,941
Gasoline	l	37,318	1,199	18,543	592
LPG	l	209	5	334	8
F-gas	kg	80	-	96	-
Total purchased electricity	kWh	22,912,483	82,485	21,905,152	78,859
of which not renewable	kWh	12,828,694	46,183	11,554,457	41,596
of which from renewable sources	kWh	10,083,788	36,302	10,350,696	37,263
Total electricity self-produced	kWh	1,475,943	5,313	1,662,037	5,983
of which electricity self-produced and consumed from renewable sources	kWh	868,685	3,127	1,103,350	3,972
Of which electricity self-produced and sold from renewable sources	kWh	607,258	2,186	558,687	2,011
Total energy consumed within the organization	-	-	121,032	-	127,481

(21) The parameter relating to the energy intensity index considers, in the numerator, the total energy consumption within the organization (electricity consumed and fuel used) and in the denominator the Maison revenues in euros.

(22) Only Legal Entities in the Italian perimeter purchase GO-certified electricity (about 92%).

## 4.3 ENVIRONMENTAL AWARENESS

Awareness of the impacts generated is a fundamental starting point for improving one's environmental performance. This vision has given rise to numerous projects that, over the course of 2022, have contributed to reduce energy consumption and CO2 emissions generated directly and indirectly by the Group's activities.

### VALENTINO LIGHTS OFF CAMPAIGN

Turn off the lights, to shine the spotlight on environmental awareness. Starting from October 6th, 2022, all lights in Valentino's boutiques globally are turned off every day after 10 p.m. Logos, lightings, windows, sales areas and lightbox structures are involved in this initiative, which applies to 95 boutiques around the world (except for stores inside malls that are open past 10 p.m.) providing a daily decrease in energy consumption of over 800 kWh, equal to the hourly consumption of over 13,000 traditional light bulbs. This is a concrete action aimed at improving consumption efficiency, in line with Valentino's corporate culture and fundamental values.



### PARTNERSHIP WITH KARMA METRIX ENERGY EFFICIENT WEBSITE

A further initiative promoted by Valentino to reduce its environmental impact concerns the improvement in terms of energy efficiency of its website.

In September 2022, Valentino announced its collaboration with Karma Metrix Energy Efficient Website, an Italian search marketing and AI Company that combines attention to the environment with digital to help quantify the energy performance of websites. Valentino has been the first Luxury Brand to measure and reduce its CO2e emission of its website, recognizing in this way its digital environmental impact.

This two-part endeavour allowed the Group to analyse, monitor and improve its performance in the digital area. The partnership involved a specific innovative algorithm that quantified CO2e emissions by analysing dozens of energy efficiency factors of web pages to define a path of sustainability and energy saving. The algorithm analysed a panel of over 11 million Valentino.com's pageviews through various factors including: numbers and types of Javascript files, image size, chromatic choices, and simplicity of the html code.

After ad hoc analyses and an internalization process in the first months of 2022, the first results, showed a decrease of 4.4% of CO2e emissions.

The next phases of this project will focus on identifying and pursuing optimizations to further reduce emissions of the Group's websites.

The environmental impact of the digital world, although not "top of mind", is significant, and Valentino is taking action in this new digital territory with pioneer thinking and commitment by investing on sustainable technology, embracing a thoughtful principle: it is possible to use the web more consciously with digital transformation that safeguards the planet.



**LEED-CERTIFIED STORES**

The Leadership in Energy and Environmental Design (LEED) is a voluntary certification program that analyses the entire life cycle of buildings, from design to construction. Since 2021 Valentino has initiated the process of LEED certification “Interior Design And Construction: Retail” for all the new openings of Free Standing stores. Promoting a sustainability-oriented approach, the Group aims for every new free-standing store to achieve LEED certifications, at least platinum or gold, within 6/12 months from the opening, ensuring a better environmental sustainability of its new locations.

**VALENTINO’S INVESTMENT IN SUSTAINABLE AVIATION FUELS**

In April 2022, Maison Valentino announced an agreement supporting the Corporate SAF programme by Air France and KLM, an airline project reserved for corporate clients - such as Valentino - that allows companies to estimate the CO2 emissions tied to their trips and determine an annual contribution to donate to the programme. Air France and KLM invest all gathered contributions to finance the supply and use of sustainable aviation fuel. Today, they use waste oils, forestal residues and waste materials to reduce CO2 emissions up to 80% compared to fossil fuels.

In 2022 Valentino supported the Air France KLM Corporate SAF program, thanks to which it was possible to procure a sustainable volume of aviation fuel equal to 26 metric tons (mT). This sustainable fuel reduced carbon emissions by 88.7% over the entire life cycle of the product, compared to regular fossil kerosene. Valentino has therefore reduced his carbon footprint (Scope 3) by 92 CO2e mT.



# 4.4 RESPONSIBLE MANAGEMENT OF NATURAL RESOURCES AND ECOSYSTEMS

The Company is engaged both in the responsible management of water resources, undertaking the commitment to analyze and disclose water withdrawal, water discharge and water consumption, and to the protection of biodiversity.

In 2022, the Group recorded a 26% reduction in water consumption, due to an increase in water discharge in sewer, groundwater, and surface water. Moreover, only 4% of the Company’s global withdrawals and discharges happen within water stress areas, according to a World Resources Institute’s Aqueduct tool analysis.

Water consumption (23) (24)							
Water consumption	UoM	2022			2021		
		Non-water-stressed areas	Water-stressed areas	Total	Non-water-stressed areas	Water-stressed areas	Total
Total water consumption	cu m	8,477	528	9,005	12,229	-	12,229

Specifically, the Group’s water withdrawals are mainly destined for employee sanitation, air conditioning, and industrial activities. In 2022, withdrawals amounted to 136,917 cu m, of which most of the water (76%) was taken from surface water. Furthermore, as for water discharges, the latter amounted to 127,912 cu m of which 81% derived from surface water.

Water withdrawal by source (25) (26)							
Source of withdrawal	UoM	2022			2021		
		Non-water-stressed areas	Water-stressed areas	Total	Non-water-stressed areas	Water-stressed areas	Total
Total water withdrawal	cu m	131,214	5,703	136,917	124,047	7,020	131,067
of which third party water (i.e., aqueduct)	cu m	26,469	5,703	32,172	37,936	7,020	44,957
of which groundwater (i.e., water that is being held in an underground formation)	cu m	505	-	505	441	-	441
of which surface water (i.e., lakes, rivers, and streams)	cu m	104,240	-	104,240	85,670	-	85,670

(23) For offices and warehouses, water consumption was estimated through the creation of an average consumption index sq m water/sq m building. Specifically, data were estimated for: USA, Canada, VSPA Rome, France, Holland, and Monte Carlo.

(24) The water consumption data reported are related to production sites, offices and warehouses for Italian sites and the offices and warehouses for global sites. In the coming years, the Group is committed to expand the reporting perimeter and refining the data related to global stores as well.

(25) For offices and warehouses, water withdrawal was estimated through the creation of an average water withdrawal index sq m water/sq m building. Specifically, data were estimated for: USA, Canada, VSPA Rome, France, Holland, and Monte Carlo.

(26) The water withdrawal data reported are related to production sites, offices and warehouses for Italian sites and the offices and warehouses for global sites. In the coming years, the Group is committed to expand the reporting perimeter and refining the data related to global stores as well.

Water discharge by types of destination (27) (28)							
Types of destination	UoM	2022			2021		
		Non-water-stressed areas	Water-stressed areas	Total	Non-water-stressed areas	Water-stressed areas	Total
Total water discharge	cu m	122,737	5,175	127,912	111,818	7,020	118,838
of which to sewer	cu m	17,992	5,175	23,167	25,707	7,020	32,728
of which to groundwater	cu m	505	-	505	441	-	441
of which to surface water (e.g., lakes, rivers, streams)	cu m	104,240	-	104,240	85,670	-	85,670

In addition, in accordance with its Detox requirements, the Group actively engage its suppliers in the elimination of hazardous chemicals from the manufacturing processes which may affect the natural environment through wastewater, sludges, or air emissions. Suppliers are required to respect the limits reported in its Manufacturing Restricted Substances List (MRSL), by adopting a clean factory approach, and to allow audit and water testing, when needed.

Valentino examined whether production activities within the Italian perimeter were located in areas of Network Viewer 2000. This assessment verified the presence of sites pertaining to the categories of Bird Directive Sites (SPA), Habitat Directive Sites (pSCI, SCI and SAC) and more generally to the Natura 2000 (29). This analysis confirmed that none of Valentino’s production sites were within or adjacent to areas of high biodiversity value.

## 4.4 CIRCULAR CREATIVITY

**“CREATIVITY HAS ALWAYS BEEN THE KEY TO CREATE NEW DIMENSIONS AND CREATE HOPE.”**

*Pierpaolo Piccioli*

Valentino is committed to exploring the recycling, reusing, and restoring of its materials. The Company believes in using circular thinking and creativity to turn waste into resources, creating a system where products and materials retain their value for as long as possible while minimizing waste. In 2022 the group produced 878.31 tons of waste, mostly non-hazardous waste (98%) with only a small portion (2%) classified as hazardous waste, which is strictly managed under relevant legal provisions. Additionally, only 4% of waste is destined for landfill while the remaining 96% is recovered.

Valentino is taking concrete steps to implement circularity principles, extend the life of its materials and products, and promote their reuse and repurpose.

WASTE GENERATED IN 2022



(27) For offices and warehouses, water discharge was estimated through the creation of an average consumption index sq m water/sq m building. Specifically, data were estimated for: USA, Canada, VSPA Rome, France, Holland, and Monte Carlo.

(28) The water discharge data reported are related to production sites, offices and warehouses for Italian sites and the offices and warehouses for global sites. In the coming years, the Group is committed to expand the reporting perimeter and refining the data related to global stores as well.

(29) Natura 2000 represents a network that includes essential breeding and stopover sites for rare and endangered species, as well as some unique natural habitats that enjoy independent protection. This network, which includes all 27 member states of the European Union, extends its coverage both on land and at sea. Its overall goal is to safeguard the enduring existence of Europe’s most valuable and threatened species, along with habitats recognized and protected by both the Birds and Habitats Directives.

### VALENTINO VINTAGE

Valentino places great importance on the themes of quality and durability of its products designed to be used and treasured over time. Valentino Vintage was launched with an online and physical space where people could exchange their Valentino garments giving them a second life and celebrating a creative, transformative, and authentic individuality. The project invited the public into a new circular system in which the past Valentino pieces embarked on a new journey by moving from hand to hand. In 2022 physical takeovers took place in four vintage stores worldwide: Milan, Tokyo, New York, and Los Angeles.

In 2023, Valentino Vintage will launch its second edition and a creative partnership with 1 Granary, a leading global fashion education platform, incubator and creative network, to explore archival fashion as a tool for future creativity and inviting the next generation of creative talent into the multidimensional world of Valentino Vintage. Moreover, 3 other locations will be added: London, Paris and Seoul.

Valentino Vintage revealed the Maison's historical constellation of design icons, bringing the past into the future.



### VALENTINO SLEEPING STOCK

In December 2022, Maison Valentino in collaboration with French reseller Tissu Market, launched the Valentino Sleeping Stock project, aimed at the creative upcycling and responsible reuse of its stock of dormant fabrics. A real textile treasure, synonymous with artisan craftsmanship, which comes from the Haute Couture and Prêt-à-porter collections, Women's and Men's.

The partnership, already started in September 2021, fits perfectly within the conscious driven approach of the Maison and its mindset of giving-back with attention to the territory, and identified in the French reseller, founded in 2010 by Franck Lellouche, the ideal partner, due to his experience and care to the added value that fabrics can give, his attention to responsible creativity, and his close connection to people who belong to the world of art, cinema, opera, theatre and fashion schools.

Thus, chiffons, taffetà, dévoré satins, crêpes de chînes with floral prints, silk georgettes and guipure lace used in the Maison's collections, preserved in the archives, and otherwise destined to no longer be used, find a new life. A practically natural operation for a Maison that has long been committed to restoring beauty and value to the community to which it belongs.

In the idea of circular economy and synergy, the ultimate goal is to make a difference, carrying forward the values and the Brand heritage while building, one step at a time, a new path of continuous evolution also in the search for alternative solutions to generate a positive change, giving life to creativity and reusing fabrics born for different projects in new creations and visions.

A disruptive act in the industry as Maison Valentino became the first Maison de Couture to communicate openly and transparently about the upcycling of its dormant stock of fabrics through a business-to-consumer reseller, making it accessible to private individuals who can use it for their own creativity.

In terms of virtuous regeneration, the proceeds from the sales of the fabrics to Tissu Market are entirely donated to Valentino's Bottega dell'Arte, a ten-month training program born in 2015 with the aim of training professionals for the Atelier and transmitting the Maison's sartorial savoir-faire to future generations.

Born out of the Maison's deep respect and constant commitment towards the new generations, the initiative naturally fits within the Brand DNA, aimed at creating opportunities for growth and development, stimulating creativity, and giving tools to young talents at the beginning of their careers.

The partnership has unfurled more than 23,000 meters of Haute Couture and Prêt-à-porter fabrics, with the consequence of:

- Avoidance of about 265t of CO<sub>2</sub>e that would have been generated to produce new fabrics, correspondent to the removal of CO<sub>2</sub>e performed by 5 hectares of forest in one year.
- Saving deriving from the absence of production of new fabrics of approximately 1.105.645 m<sup>3</sup> of water has been estimated, equal to the volume of 442 Olympic swimming pools.



# METHODOLOGICAL 5 NOTE

## METHODOLOGICAL NOTE

The document herein pertains first Sustainability Report of the Valentino Group. It provides details on key achievements and actions taken in the field of sustainability in 2022. Specifically, it covers the period from January 1st to December 31st.

Valentino has reported the information contained in this Report in accordance with the GRI Standards. Data for 2021 have been reported for comparative purposes.

Reference to estimates, when applied, are appropriately indicated, and based on the most reliable methodologies available. The GRI Content Index, detailing content reported, can be found in the appendix of the document.

Under the requirements of the GRI Standards, the Valentino Group has adhered to the principles of materiality, stakeholder inclusiveness, completeness, and sustainability context. Regarding the quality of information reported, the principles of accuracy, balance, clarity, comparability, timeliness, and verifiability have been followed. The contents included in the Report have been prepared based on a materiality analysis, which identified the most significant direct, positive, and negative, current, and potential impacts. The results of this materiality analysis are presented in Section 1.3 “Sustainability Approach.” All information in this document includes data from all companies fully consolidated by the Valentino Group. For the sake of the understanding the information contained herein, please note that the following terms are used in the document:

- “the Group” refers to the Valentino Group (“Group” means the Parent Company Valentino S.p.A. and the subsidiaries).
- “The Parent Company” refers to Valentino S.p.A..
- “Valentino”, “Maison”, “Company” and “Brand” refer generally to Valentino.

Any scope limitations for the single issues or indicators are explicitly specified in the text. The Sustainability Report has been approved by the Board of Directors of the Valentino Group and is not subject to external assurance. The periodicity of the publication of the Sustainability Report is set according to an annual frequency. Any information regarding the Sustainability Report can be referred to the email address: [sustainability@valentino.com](mailto:sustainability@valentino.com). The Sustainability Report is also available on the Group’s website [valentino.com](http://valentino.com).



# APPENDIX

# 6

# PERFORMANCE INDICATORS

## HUMAN RESOURCES

### Employees entering by gender and age group

Age Group	2022				2021			
	Men	Women	Prefer not to say	Total	Men	Women	Prefer not to say	Total
←30	208	402	1	611	135	288	-	423
30-50	324	498	-	822	206	345	-	551
→50	22	38	-	60	19	35	-	54
Total	554	938	1	1,493	360	668	-	1,028

### Employees leaving by gender and age group

Age Group	2022				2021			
	Men	Women	Prefer not to say	Total	Men	Women	Prefer not to say	Total
←30	99	182	-	281	112	167	-	279
30-50	280	524	-	804	210	390	-	600
→50	54	95	-	149	34	70	-	104
Total	433	801	-	1,234	356	627	-	983

### Rate of employees hires

Age Group	2022				2021			
	Men	Women	Prefer not to say	Total	Men	Women	Prefer not to say	Total
←30	73.5%	78.5%	33.3%	76.6%	48.7%	65.5%	-	59.0%
30-50	36.4%	29.1%	-	31.6%	26.3%	20.9%	-	22.6%
→50	9.5%	7.2%	-	7.9%	8.6%	6.8%	-	7.3%
Total	39.5%	34.2%	33.3%	36.0%	28.1%	25.6%	-	26.4%

### Rate of employees turnover

Age Group	2022				2021			
	Men	Women	Prefer not to say	Total	Men	Women	Prefer not to say	Total
←30	35.0%	35.6%	-	35.2%	40.4%	38.0%	-	38.9%
30-50	31.5%	30.7%	-	30.9%	26.8%	23.6%	-	24.6%
→50	23.4%	18.1%	-	19.7%	15.3%	13.5%	-	14.0%
Total	30.8%	29.2%	-	29.7%	27.8%	24.0%	-	25.2%

### Percentage of employees by professional category and gender

Professional category	2022				2021			
	Men	Women	Prefer not to say	Total	Men	Women	Prefer not to say	Total
Executives	51.5%	48.5%	-	2.4%	50.0%	50.0%	-	2.4%
Managers	36.1%	63.9%	-	15.2%	36.9%	63.1%	-	13.4%
White collars	30.1%	69.8%	0.1%	65.8%	28.1%	71.8%	0.1%	66.0%
Blue collars	43.8%	56.2%	-	16.6%	45.3%	54.7%	-	18.1%
Total	33.8%	66.1%	0.1%	100.0%	32.9%	67.0%	0.1%	100.0%

### Percentage of employees by professional category and age group

Professional category	2022				2021			
	←30	30-50	→50	Total	←30	30-50	→50	Total
Executives	0.0%	67.7%	32.3%	2.4%	0.0%	64.9%	35.1%	2.4%
Managers	2.5%	83.5%	13.9%	15.2%	2.3%	82.6%	15.1%	13.4%
White collars	26.2%	61.4%	12.4%	65.8%	24.0%	62.9%	13.1%	66.0%
Blue collars	9.6%	47.5%	43.0%	16.6%	12.3%	46.3%	41.4%	18.1%
Total	19.2%	62.6%	18.2%	100.0%	18.4%	62.6%	19.0%	100.0%

### Ratio of the basic salary of women to men by professional category (where 100% represents salary equality) (30)

Professional category	2022	2021
Executives	94%	83%
Managers	91%	93%
White collars	95%	93%
Blue collars	89%	91%
Total	93%	87%

### Ratio of the average remuneration of women to men by professional category (where 100% represents salary equality) (31)

Professional category	2022	2021
Executives	94%	77%
Managers	90%	94%
White collars	95%	92%
Blue collars	91%	91%
Total	93%	83%

(30) The average basic salary is considered to be the minimum fixed amount paid to an employee for the performance of his duties. This does not include any additional types of compensation, such as overtime payments or bonuses. The fixed gross annual amount must therefore be considered, paid to the employee on the basis of his/her job or for specific tasks. The information does not include the CEO and the Creative Director.

(31) The average overall remuneration is to be understood as the basic salary inclusive of additional amounts such as those based on years of service, including monetary and equity bonuses (stocks and shares), payment of benefits, overtime, time owed, any additional quotas (such as transport, living and childcare allowances) and all additional elements to the salary of a non-extemporaneous nature. The information does not include the CEO and the Creative Director.

Americas - Employees by type of contract and gender - 2022							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	124	243	-	-	2	-	369
Fixed-term	4	3	-	-	-	-	7
Total	128	246	-	-	2	-	376

Americas - Employees by type of contract and gender - 2021							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	88	216	1	1	1	-	307
Fixed-term	2	4	-	-	-	-	6
Total	90	220	1	1	1	-	313

Europe - Employees by type of contract and gender - 2022							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	839	1,325	2	19	159	-	2,344
Fixed-term	60	117	-	3	13	-	193
Total	899	1,442	2	22	172	-	2,537

Europe - Employees by type of contract and gender - 2021							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	799	1,267	1	17	159	-	2,243
Fixed-term	57	101	-	5	13	-	176
Total	856	1,368	1	22	172	-	2,419

Middle East - Employees by type of contract and gender - 2022							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	71	105	-	-	-	-	176
Fixed-term	-	-	-	-	-	-	-
Total	71	105	-	-	-	-	176

Middle East - Employees by type of contract and gender - 2021							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	59	83	-	-	-	-	142
Fixed-term	-	-	-	-	-	-	-
Total	59	83	-	-	-	-	142

Asia Pacific - Employees by type of contract and gender - 2022							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	102	335	-	3	20	-	460
Fixed-term	123	244	-	2	5	-	374
Total	225	579	-	5	25	-	834

Asia Pacific - Employees by type of contract and gender - 2021							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	102	335	-	5	14	-	456
Fixed-term	95	229	-	-	4	-	328
Total	197	564	-	5	18	-	784

Japan - Employees by type of contract and gender - 2022							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	54	149	1	-	16	-	220
Fixed-term	-	7	-	-	3	-	10
Total	54	156	1	-	19	-	230

Japan - Employees by type of contract and gender - 2021							
Type of contract	Full-time			Part-time			Total
	Men	Women	Prefer not to say	Men	Women	Prefer not to say	
Permanent	52	158	-	1	17	-	228
Fixed-term	-	5	-	-	3	-	8
Total	52	163	-	1	20	-	236

## GOVERNANCE

Board of Directors Composition at December 31, 2022 (32)					
Member	Role	Gender	Age	Executive / Non-executive	In charge from
Rashid Mohamed R. Hussein	Chairman	M	→50	Executive	28.05.2018
Umberto Nicodano	Vice-chairman	M	→50	Executive	20.09.2007
Jacopo Venturini	Chief Executive Officer	M	→50	Executive	29.05.2020
Fabio Buttignon	Director	M	→50	Non-executive	06.11.2012
Emanuela Prandelli	Director	F	→50	Non-executive	29.05.2020
Adriano Regondi	Director	M	→50	Non-executive	06.11.2012
Ali Mohamed Ali Faramawy	Director	M	→50	Non-executive	16.05.2022

(32) In the event of a conflict of interest, the director concerned declares to the Board the presence of the circumstances and abstains from voting on the resolution in question.

The Board of Directors consists of 86% men and 100% people over 50 years old.

Valentino S.p.A. not being listed on any regulated market is not required to measure the independence of the members of the Board of Directors.



## ENVIRONMENT

Materials used by non-renewable and renewable materials (33)					
Type of materials	Unit of measurement	2022		2021	
		Non-renewable	Renewable	Non-renewable	Renewable
Materials used for production					
Paper	ton	-	3,846	-	4,657
Synthetic fibers	ton	2,469	-	1,084	-
Leather	ton	-	1,296	-	1,407
Metal	ton	884	-	478	-
Cotton	ton	-	684	-	468
Wool, Cashmere and Mohair	ton	-	108	-	157
Man-made Cellulosic	ton	-	41	-	39
Silk	ton	-	48	-	38
Total	ton	3,353	6,023	1,563	6,766

Energy conversion factors					
Energy source type	Unit of measurement	2022		2021	
		Factor	Source	Factor	Source
Electricity	GJ/kWh	0.00360	Constant	0.00360	Constant
Natural gas	GJ/sm3	0.03534	Min. ambiente '22	0.03528	ISPRA 21
Natural gas - density	kg/m3	0.79400	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	0.79600	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)
Diesel (average biofuel blend)	GJ/ton	42.87300	ISPRA 22 - Diesel- transport diesel	42.87300	ISPRA 21 - Diesel-transport diesel
Diesel - density	kg/l	0.843328	ISPRA 22 - Diesel- transport diesel	0.84000	ISPRA 21 - Diesel-transport diesel
Petrol (average biofuel blend)	GJ/ton	43.12800	ISPRA 22 - Gasoline	43.12800	ISPRA 21 - Gasoline
Petrol - density	kg/l	0.74000	ISPRA 21 - Gasoline	0.74000	ISPRA 21 - Gasoline
LPG	GJ/ton	45.94400	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	45.94400	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)
LPG - density	l/ton	1,887.84300	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	1,887.68500	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)

(33) This data is representative of the total weight of the main materials used by Valentino.



Total GHG emissions (34)			
Scope	Unit of measurement	2022	2021
Scope 1	tCO <sub>2</sub> e	2,352	2,915
Scope 2 Location-based	tCO <sub>2</sub> e	7,884	7,465
Scope 2 Market-based	tCO <sub>2</sub> e	5,596	5,069
Scope 3	tCO <sub>2</sub> e	246,980	255,104
Total emission (Location-based)	tCO <sub>2</sub> e	257,215	265,485
Total emission (Market-based)	tCO <sub>2</sub> e	254,928	263,088

Emission factors					
Energy source type	Unit of measurement	2022		2021	
		Factor	Source	Factor	Source
Natural gas	kgCO <sub>2</sub> e/m <sup>3</sup>	2.01574	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	2.021	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)
	kgCO <sub>2</sub> /m <sup>3</sup>	2.01193		2.018	
	kgCH <sub>4</sub> /m <sup>3</sup>	0.00274		0.00274	
	kgN <sub>2</sub> O/m <sup>3</sup>	0.00107		0.00107	
Diesel (average biofuel blend)	kgCO <sub>2</sub> e/l	2.55784	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	2.512	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)
	kgCO <sub>2</sub> /l	2.52058		2.475	
	kgCH <sub>4</sub> /l	0.00026		0.00026	
	kgN <sub>2</sub> O/l	0.037		0.03700	
Petrol (average biofuel blend)	kgCO <sub>2</sub> e/l	2.16185	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	2.194	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)
	kgCO <sub>2</sub> /l	2.14805		2.180	
	kgCH <sub>4</sub> /l	0.0072		0.0072	
	kgN <sub>2</sub> O/l	0.0066		0.0066	
LPG	kgCO <sub>2</sub> e/l	1.56	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	1.56	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)
	kgCO <sub>2</sub> /l	1.55491		1.55491	
	kgCH <sub>4</sub> /l	0.00121		0.00121	
	kgN <sub>2</sub> O/l	0.00097		0.00097	
R410/A	kgCO <sub>2</sub> e/kg	2,088.00000	2022 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)	2,088.00000	2021 UK Government GHG Conversion Factors for Company Reporting (DEFRA & BEIS)

(34) The reporting standard used provides two different approaches for calculating Scope 2 emissions: "Location-based" and "Market-based". The "Location-based" approach involves the use of average emission factors for the specific national energy mix of electricity generation. The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual agreements between the Organization and the electricity supplier (e.g., purchase of guarantees of origin), the emission factor for the national "residual mix" was used for the "Market-based" approach.



Emission factors – Electricity (gCO <sub>2</sub> /kWh)						
Country	2022			2021		
	Market based	Location based	Source	Market based	Location based	Source
ITALY	457	260.5	AIB 2022 (rmix21) - ISPRA 2021 (as of 2021)	457	259.8	TERNA 2019
BRAZIL	139	139	TERNA 2019	139	139	AIB 2022 (rmix21) - TERNA 2019
SPAIN	296	210	AIB 2022 (rmix21) - TERNA 2019	296	210	AIB 2022 (rmix21) - TERNA 2019
FRANCE	49	56	AIB 2022 (rmix21) - TERNA 2019	49	56	AIB 2022 (rmix21) - ISPRA 2021 (as of 2020)
MONTE CARLO SAM	457	260.5	AIB 2022 (rmix21) - ISPRA 2021 (as of 2020)	457	259.8	AIB 2022 (rmix21) - TERNA 2019
SUISSE	19	32	AIB 2022 (rmix21) - TERNA 2019	19	32	AIB 2022 (rmix21) - TERNA 2019
NETHERLANDS	451	416	AIB 2022 (rmix21) - TERNA 2019	451	416	AIB 2022 (rmix21) - TERNA 2019
ENGLAND	351	261	AIB 2022 (rmix21) - TERNA 2019	351	261	AIB 2022 (rmix21) - TERNA 2019
GERMANY	618	393	AIB 2022 (rmix21) - TERNA 2019	618	393	AIB 2022 (rmix21) - TERNA 2019
DENMARK	529	292	AIB 2022 (rmix21) - TERNA 2019	529	292	AIB 2022 (rmix21) - TERNA 2019
AUSTRIA	0	159	AIB 2022 (rmix21) - TERNA 2019	0	159	TERNA 2019
CHINA	609	609	TERNA 2019	609	609	TERNA 2019
JAPAN	478	478	TERNA 2019	478	478	TERNA 2019
KOREA	576	576	TERNA 2019	576	576	TERNA 2019
UNITED ARAB EMIRATES	359	359	TERNA 2019	359	359	TERNA 2019
SINGAPORE	576	576	TERNA 2019	576	576	TERNA 2019
THAILAND	576	576	TERNA 2019	576	576	TERNA 2019
AUSTRALIA	625	625	TERNA 2019	625	625	TERNA 2019
MALAYSIA	576	576	TERNA 2019	576	576	TERNA 2019
MEXICO	377	377	TERNA 2019	377	377	TERNA 2019
CANADA	122	122	TERNA 2019	122	122	TERNA 2019
USA	374	374	TERNA 2019	374	374	TERNA 2019
GREECE	445	428	AIB 2022 (rmix21) - TERNA 2019	-	-	-

Total waste generated (35) (36)			
Type of waste	Unit of measurement	2022	2021
Hazardous	ton	19.97	26.39
Non-hazardous	ton	858.33	1,055.39
Total	ton	878.31	1,081.78
% Hazardous		2%	2%
% Non-Hazardous waste		98%	98%

35) To quantify waste, loading and unloading records, and shipping documents collected by subsidiary companies were considered. Industrial-type waste generation was recorded only for subsidiary companies in the Italy perimeter.

36) The waste primarily belongs to the following categories: commercial and industrial waste, plastics, clothing, wood, electronic components and metals.



## SUPPLY CHAIN

Proportion of spending on local suppliers		
Percentage	2022	2021
Italy	90%	92%
India	4%	2%
Spain	1%	1%
France	1%	1%
Other	4%	4%
Total	100%	100%

Percentage of suppliers that were assessed for environmental impacts		
	2022	2021
Number of suppliers assessed for environmental impacts	151	48
Number of suppliers identified as having significant actual and potential negative environmental impacts	136	46
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	96%	93%
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment	4%	7%

Percentage of suppliers that were assessed for social impacts		
	2022	2021
Number of suppliers assessed for social impacts	151	48
Number of suppliers identified as having significant actual and potential negative social impacts	136	46
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	96%	93%
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	4%	7%

## TAX

Europe [37]		
	2022	2021
Number of employees - average workforce	2,537	2,419
Tax data (in euros)	2022	2021
Revenues from third parties	665,123,790	609,501,156
Revenues from intra-group transactions	564,956,480	495,652,293
Pre-tax profit/loss	95,793,574	68,967,360
Tangible assets other than cash and cash equivalents	343,694,074	1,211,457,059
Income tax paid in the year	-11,095,776	-8,270,066
Corporate income taxes accrued on profits/losses	-32,828,220	59,668,940

America [38]		
	2022	2021
Number of employees - average workforce	376	313
Tax data (in euros)	2022	2021
Revenues from third parties	378,875,772	270,364,696
Revenues from intra-group transactions	1,265,515	627,937
Pre-tax profit/loss	24,608,899	44,916,848
Tangible assets other than cash and cash equivalents	105,567,144	302,864,265
Income tax paid in the year	-2,130,318	-10,764,054
Corporate income taxes accrued on profits/losses	-5,864,474	-7,567,054

Middle East (United Arab Emirates) [39]		
	2022	2021
Number of employees - average workforce	176	142
Tax data (in euros)	2022	2021
Revenues from third parties	87,497,790	74,950,316
Revenues from intra-group transactions	51,998,894	44,848,708
Pre-tax profit/loss	16,450,576	15,359,796
Tangible assets other than cash and cash equivalents	32,619,929	454,296,397
Income tax paid in the year	-752,001	-52,410
Corporate income taxes accrued on profits/losses	-110,238	-326,122

(37) The entities included are Valentino S.p.A., Valentino Shoes Lab. S.r.l., Valentino Bags Lab. S.r.l., Valentino Factor Shoes S.r.l., Valentino Metal Lab S.r.l., Valentino Sporting Shoes S.r.l., Valentino Nederland B.V., Valentino Denmark A.p.S, Valentino Spagna S.L., Valentino Deutschland GmbH, Valentino Austria GmbH, Valentino Suisse S.A., Valentino England Ltd, Valentino Couture S.a.s., Valentino Monte-Carlo S.A.M., Valentino Greece S.A., Lux Valentino S.A. The main activities carried out are retailer and contract manufacturer.

(38) The entities included are Valentino U.S.A. Inc., V.F.G. Canada Inc., Valentino Luxury Goods Mexico S. de R.L. de C.V., Valentino Brasil Ltda. The main activities carried out are wholesaler and retailer.

(39) The entities included are Valentino Trading Luxury Goods LLC, Valentino Orient Holdco FZCO, Valentino Orient Middle East FZCO, Valentino UAE LLC. The main activities carried out are wholesaler and retailer.

Asia – Pacific (40)		
	2022	2021
Number of employees - average workforce	1,064	1,020
Tax data (in euros)		
Revenues from third parties	287,494,596	276,282,842
Revenues from intra-group transactions	25,762,962	19,582,502
Pre-tax profit/loss	-11,975,709	2,483,327
Tangible assets other than cash and cash equivalents	119,200,493	757,160,662
Income tax paid in the year	-4,075,829	-2,281,532
Corporate income taxes accrued on profits/losses	5,072,549	-3,626,425

### PRODUCT & LEGAL

Percentage of raw materials in contact with the skin assessed with chemical/physical tests		
	2022	2021
Percentage of significant product and service categories for which health and safety impacts are assessed, with the intent to improve them	59%	59%

Total number of cases of non-compliance on the health and safety of products and services		
	2022	2021
Total number of incidents of non-compliance with regulations and/or voluntary codes regarding the impacts on product health and safety	-	1
which entail a sanction/fine	-	1
that result in a recall	-	-
which involve cases of failure to comply with self-regulatory and/or voluntary codes	-	-

(40) The entities included are Valentino Japan Ltd, Valentino Singapore Pte Ltd, Valentino Malaysia Sdn Bhd, Valentino, Australia PTY Ltd, Valentino Luxury (Thailand) Co., Ltd, Valentino Taiwan Co. Ltd, Valentino Korea Co. Ltd, Valentino Hong Kong Ltd, Valentino Fashion Macao Co. Ltd, Valentino (Beijing) Fashion Trad. Co. Ltd. The main activity carried out is retailer.



Total number of cases of non-compliance regarding information and labeling of products and services		
	2022	2021
Total number of cases of non-compliance with regulations and/or voluntary codes regarding labeling and information on products and services	1	-
which entail a sanction/fine	-	-
that result in a recall	-	-
which involve cases of failure to comply with self-regulatory and/or voluntary codes	1	-

Total number of cases of non-compliance regarding marketing communications		
	2022	2021
Total number of cases of non-compliance with regulations and/or self-regulatory codes relating to marketing communications, including advertising, promotion and sponsorships	-	-
which entail a sanction/fine	-	-
that result in a recall	-	-
which involve cases of failure to comply with self-regulatory and/or voluntary codes	-	-

Substantiated complaints regarding breaches of customer privacy and loss of customer data		
	2022	2021
Total number of substantiated complaints received regarding violations of customer privacy	-	-
of which, complaints received from external parties and confirmed by the organization	-	-
Total number of customer data leaks, thefts, or losses detected	-	2



# BOUNDARY AND TYPE OF IMPACTS GENERATED

# 7

Material Topics Other Source	Reconciliation With Gri Standards	Scope Of The Impact	Role Of The Maison
Responsible sourcing	GRI 308: Supplier Environmental Assessment 2016	Valentino Partners Suppliers	Caused by Valentino and related to the Valentino through its business dealings
	GRI 408: Child Labor 2016		
	GRI 409: Forced or Compulsory Labor 2016		
	GRI 414: Supplier Social Assessment 2016		
Traceability	GRI 3: Material Topics 2021	Valentino	Caused by Valentino
Climate Change	GRI 305: Emissions 2016	Valentino Energy Suppliers Partners	Caused by Valentino and related to the Valentino through its business dealings
Business ethics & Transparency	GRI 205: Anti-corruption 2016	Valentino	Caused by Valentino
	GRI 206: Anti-competitive Behavior 2016		
	GRI 207: Tax 2019		
Inclusivity & Equality	GRI 405: Diversity and Equal Opportunity 2016	Valentino employees Suppliers	Caused by Valentino and related to the Valentino through its business dealings
	GRI 406: Non-discrimination 2016		
Responsible use of resources	GRI 302: Energy 2016	Valentino Energy Suppliers	Caused by Valentino and related to the Valentino through its business dealings
	GRI 303: Water and Effluents 2018	Valentino	Caused by Valentino
Occupational Health & Safety	GRI 403: Occupational Health and Safety 2018	Valentino employees External associates	Caused by Valentino
Sustainable Materials	GRI 301: Materials 2016	Valentino	Caused by Valentino
Circularity	GRI 306: Waste 2020	Valentino	Caused by Valentino
Community / Giving-back	GRI 204: Procurement Practices 2016	Valentino Partners Suppliers	Caused by Valentino and related to the Valentino through its business dealings
Talent and development	GRI 404: Training and Education 2016	Valentino employees	Caused by Valentino
Animal welfare	GRI 3: Material Topics 2021	Valentino	Caused by Valentino
Economic performance	GRI 201: Economic Performance 2016	Valentino	Caused by Valentino
Heritage and craftmanship	GRI 3: Material Topics 2021	Valentino	Caused by Valentino

Employees wellbeing	GRI 401: Employment 2016	Valentino employees	Caused by Valentino
	GRI 402: Labor/Management Relations 2016	Valentino employees	Caused by Valentino
Client experience	GRI 416: Customer Health and Safety 2016	Valentino	Caused by Valentino
Social development	GRI 3: Material Topics 2021	Valentino	Caused by Valentino
Biodiversity	GRI 304: Biodiversity 2016	Valentino	Caused by Valentino
Data protection and cyber security	GRI 418: Customer Privacy 2016	Valentino	Caused by Valentino
Responsible marketing	GRI 417: Marketing and Labeling 2016	Valentino	Caused by Valentino

# GRI CONTENT INDEX

8

## GRI CONTENT INDEX

Statement of use	Valentino S.p.A. has reported in accordance with the GRI Standards for the period 01.01.2022 – 31.12.2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational Details	14; 18-19; 92			
	2-2 Entities included in the organization's sustainability reporting	18; 92			
	2-3 Reporting period, frequency and contact point	92			
	2-4 Restatements of information	92			
	2-5 External assurance	92			
	2-6 Activities, value chain and other business relationships	12; 14-18; 71-73			
	2-7 Employees	58-59; 96-99			
	2-8 Workers who are not employees	59			
	2-9 Governance structure and composition	15; 19-20; 26-27; 100			
	2-10 Nomination and selection of the highest governance body	15; 19-20; 26-27; 100			
	2-11 Chair of the highest governance body	19; 100			
	2-12 Role of the highest governance body in overseeing the management of impacts	19-20; 26-27; 100			
	2-13 Delegation of responsibility for managing impacts	20; 26-27			
	2-14 Role of the highest governance body in sustainability reporting	19; 92			
	2-15 Conflicts of interests	21; 61; 100			
	2-16 Communication of critical concerns	23			
	2-17 Collective knowledge of the highest governance body	19-20; 100			

	2-18 Evaluation of the performance of the highest governance body	19-20; 61		
	2-19 Remuneration policies	61		
	2-20 Process to determine remuneration	61		
	2-21 Annual total compensation ratio		x	Confidentiality constraints
	2-22 statement on sustainable development strategy	6-7		
	2-23 Policy commitments	20; 33-35		
	2-24 Embedding policy commitments	20; 33-35		
	2-25 Processes to remediate negative impacts	20; 26-27; 33-35		
	2-26 Mechanisms for seeking advice and raising concerns	23		
	2-27 Compliance with laws and regulations	22; 106-107		
	2-28 Membership associations	71-73		
	2-29 Approach to stakeholder engagement	26-27		
	2-30 Collective bargaining agreements	62		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26-29		
	3-2 List of material topics	27-29; 109-111		
Responsible Sourcing				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 38-45; 110		
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	45; 104		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	44		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	44		
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	45; 104		
Traceability				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 41-42; 110		

Climate Change				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 76-77; 110		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	76-77; 101-102		
	305-2 Energy indirect (Scope 2) GHG emissions	76-77; 101-103		
	305-3 Other indirect (Scope 3) GHG emissions	77; 102		
Business Ethics & Transparency				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 21-25; 110		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	22		
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	22		
GRI 207: Tax 2019	207-1 Approach to tax	24-25		
	207-2 Tax governance, control, and risk management	24-25		
	207-3 Stakeholder engagement and management of concerns related to tax	24-25		
	207-4 Country-by-country reporting	105-106		
Inclusivity & Equality				
GRI 3: Material Topics 2021	3-3 Management of material topics	23; 26-29; 60-62; 110		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	19; 97-100		
	405-2 Ratio of basic salary and remuneration of women to men	61; 97		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	60		
Responsible use of resources				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 78-84; 110		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	78; 101		
	302-3 Energy intensity	78		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	83-84		
	303-2 Management of water discharge-related impacts	83-84		

	303-3 Water withdrawal	83		
	303-4 Water discharge	84		
	303-5 Water consumption	83		
Occupational Health & Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 68-69; 110		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	22; 68		
	403-2 Hazard identification, risk assessment, and incident investigation	68		
	403-3 Occupational health services	68		
	403-4 Worker participation, consultation, and communication on occupational health and safety	68		
	403-5 Worker training on occupational health and safety	64-65; 68		
	403-6 Promotion of worker health	61-62; 68		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68		
	403-9 Work-related injuries	69		
	Sustainable Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 38-42; 110		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	101		
Circularity				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 85-88; 110		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	85-88		
	306-2 Management of significant waste-related impacts	85-88		
	306-3 Waste generated	85-88; 103		
Community / Giving-back				
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	44; 104			
<b>Talent and development</b>					
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	65			
	404-3 Percentage of employees receiving regular performance and career development reviews	64			
<b>Animal Welfare</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 42; 110			
<b>Economic Performance</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	25-29; 110			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	25			
<b>Heritage and craftsmanship</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 46-51; 110			
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	58-59; 96			
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GRI 3: Material Topics 2021	3-3 Management of material topics	26-29; 84; 111			
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<b>Data protection and cyber security</b>					
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