



2021

Sustainability Report



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Letter to stakeholders



The year 2021 started amidst continuing uncertainties due to the pandemic, and the hope of a return to normality, or at least a new normality, in the following months.

The reopenings over the year allowed trade and sales to gradually recover, through the e-commerce channel and in shops that still play a major role in Diadora's turnover.

We embraced new challenges due to continuous disruptions in the supply chain and increasing cost pressures, both for raw materials and logistics.

Inevitably, this turbulence also affected the path towards sustainability: Diadora considers sustainability as an integral part of its business. As such it must prove – as it has already done – its resilience and adaptability, which have rewarded the Company over the past years.

“

We know that this is the most important marathon we will run in the coming years: to continue on the road of development Diadora has successfully embarked on in recent years and overcome our limitations and dreams.

Some steps may naturally change along the way, but the ultimate goal of moving our business towards an increasingly sustainable model has not.

As lovers of sport and its rules, we know the importance of performance and this is the purpose of the first corporate sustainability report: measuring our performance to get to

development Diadora has successfully embarked on in recent years and overcome our limitations and dreams, for a sporty, winning and sustainable Diadora.

know ourselves better and boost the competitive spirit to continuously improve.

As sportsmen and women, we know that this is the most important marathon we will run in the coming years: to continue on the road of

The chairman
Enrico Moretti Polegato

Methodological note

This year we are publishing our Sustainability Report (hereafter also “**Report**” or “**Document**”) for the first time. It is a tool through which we wish to fully and transparently inform our stakeholders about our economic, social and environmental activities and projects, and anticipate some of the goals we seek to achieve in the future.

The 2021 Sustainability Report refers to the period from 1 January to 31 December 2021. The reporting scope only covers Diadora S.p.A. (hereafter also “**Diadora**” or “**Company**”).

The Document was prepared in accordance with the Global Reporting Initiative Standards (hereafter “**GRI Standards**”) according to the Core option.

All the content that refers to the GRI Standards is specified in the GRI Content Index, at the end of the document. We began the reporting process by conducting a detailed context analysis. Management was then directly involved to **map the key stakeholders and conduct an initial materiality analysis** aimed at identifying the most relevant environmental,

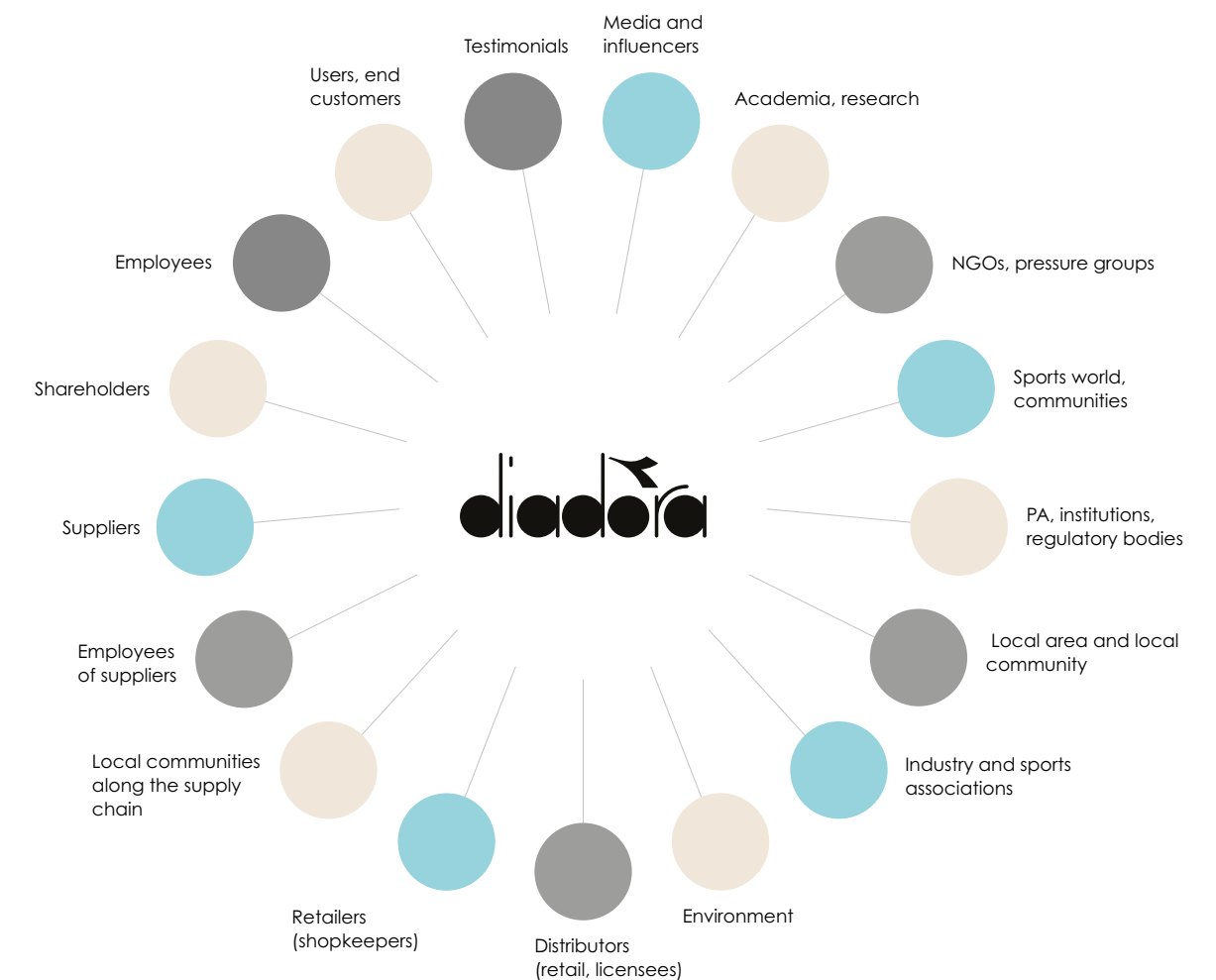
social and economic topics. The information provided in the document was collected through special forms and interviews with Department contact persons, consistent with the best practices in non-financial reporting. To ensure data comparability and show the progress of our sustainability performance, we have also included 2020 and 2019 data where possible. For information and clarification on the contents of the 2021 Sustainability Report, please use the following address: sustainability@diadora.com

Our stakeholders

Stakeholders are all those individuals, entities or institutions that have some sort of interest in our business and that at the same time have an influence

on our work. A stakeholder identification activity was conducted by internal management and led to the accurate **mapping of the**

relevant stakeholder categories with which we dialogue and liaise during our daily business operations.



Materiality analysis and material topics

One of the key steps in preparing our Sustainability Report was to identify the environmental, social and economic topics considered most relevant to us, our industry and our stakeholders.

These topics were initially mapped in 2018. Only internal management was involved and was first asked to select, from a long list of 37 sustainability topics, those that were actually applicable to our business. Afterwards, each member of the working group was asked to assess the importance of the selected topics (which were narrowed down to a total of 18) from both an internal and external perspective, also taking into account the relevance for our previously identified stakeholders. Specific questions were associated with each topic in order to develop a coherent and comprehensive analysis. This allowed each member of management to assess both the potential impact of the topics on our business, as well as the attention and importance of informing our stakeholders with respect to the identified topics. Carried out on a scale of 1 to 10 and duplicated for the two perspectives mentioned above, the assessment made

it possible to convert the results into graphical form. This first version of the materiality matrix showed the different levels of priority assigned to the topics: in ascending order, the horizontal axis shows the significance of the topics for Diadora, while again in ascending order, the vertical axis shows the rating given by our stakeholders.

The analysis was improved the following year by directly involving a specific category of stakeholders - our strategic customers - whose evaluations allowed us to update the external perspective.

At the same time, we endeavoured to make the external assessment more comprehensive and detailed, asking the people involved in the assessment to:

- give an overall assessment of the topic's relevance (from 1 to 5);
- identify whether the Company's handling of the issue had had an impact



on them - and what kind of impact;

- express the degree of stakeholder interest - and the type (qualitative, quantitative, by objectives or a combination of approaches) - on the management of issues by Diadora.

The scores obtained in relation to these three macro-questions were averaged with

appropriate weights. Then they were compared with the assessments provided by Company management, relating to the internal perspective.

Diadora's objective is to define a multi-year stakeholder engagement plan aimed at acknowledging, through direct dialogue with increasing stakeholder categories, their expectations in the field of

sustainability. This will allow us to increasingly fine-tune the assessment of the relevance of the topics to be reported.

The graph below shows the most recent updates to the materiality matrix:





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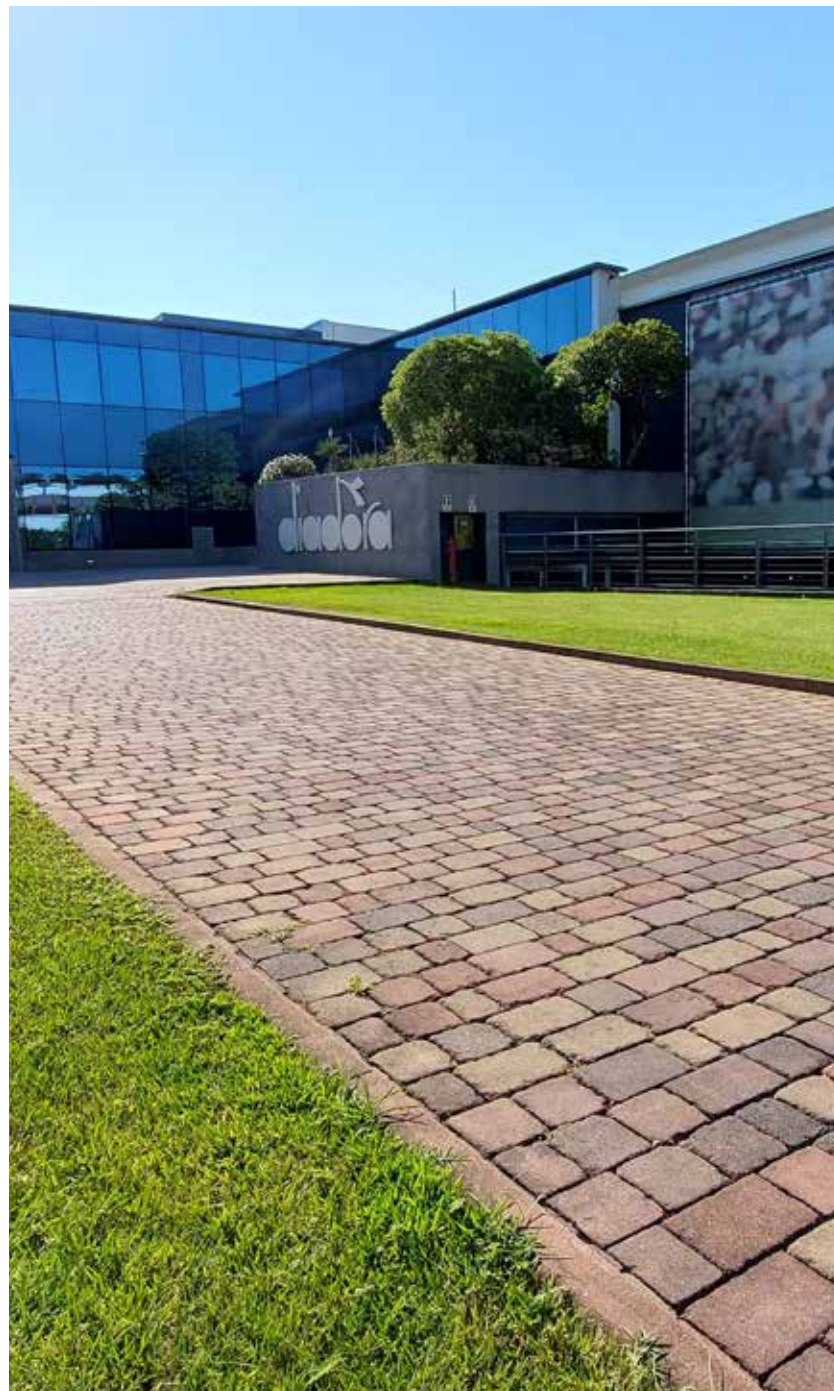
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Diadora was founded in 1948 in Caerano di San Marco, in the heart of the sports footwear district in Montebelluna (province of Treviso). Ever since its foundation, the Company has been synonymous with innovation and quality in the world of sports shoes.

Initially, Diadora only made hiking boots, hand-crafted from the finest fabrics and leathers. In the 1960s, the Company became a symbol of excellence thanks to its patented technologies and collaborations with the most iconic sportsmen and sportswomen, allowing the brand to spread throughout Italy. Today Diadora is one of the world's leading sports brands, distributed in over 60 countries.



Our steps

1948

Diadora was founded as an artisan workshop for making hiking boots. Its products soon established themselves as the best mountain and work boots on the market.

1960s

Diadora shifted its production to the world of sport, standing out for its high-quality and avant-garde solutions. Diadora was the first Italian Company to hire highly appealing champions as brand testimonials. The product offering ranged from competitive to leisure activities.

1980s

Diadora became the undisputed star of international competitions, thanks to partnerships with world-class champions. The Diadora Research Centre was created, made up of an innovative team: footwear technicians, experts from Milan Polytechnic's Bioengineering Centre and doctors specialising in orthopaedics.

1998

Drawing on the experience it had gained in the sports market, Diadora returned to its origins by recovering the production of work shoes: the Diadora Utility was created.

2000s

The Heritage line was created, going on to become a fashion phenomenon and the first true experiment in blending sportswear and fashion.

2009

LIR S.r.L., the holding company of the Moretti Polegato family, a major shareholder of Geox, signed an agreement to purchase Diadora, with the aim of exploiting the brand's huge potential.

Since 2010

The path to renew Diadora has begun, with style and sports performance being the key words for growth. Music has joined sports in the Olympus of style and collaborations have firmly straddled the two worlds.

2015

Diadora reopened its hand-crafted production line at its headquarters in Caerano di San Marco (TV). The Manovia, or historic conveyor system was brought back to light after almost 15 years of inactivity. After restoring and upgrading the original machinery, it started to be used for producing the high-end models of the Active, Lifestyle and Utility lines.

2018

Diadora returned to the world of tennis with a relaunch plan including a complete collection of apparel, footwear and accessories and the return of the classic 5-ball logo.

2019

Diadora's 70th anniversary was celebrated in Florence with a major exhibition revolving around the concept of speed applied to art. The exhibition involved a number of artists: experts in different expressive languages such as design, photography, music, moving images and sculpture.

2021

Diadora celebrated 2021 by presenting Equipe Atomo, the first totally Made in Italy technical running shoe in thirty years. With Equipe Atomo, Diadora brought production back to Italy with a focus on performance, as the brand's true essence: craftsmanship and research with Italian style.

Our activities and our products

At Diadora we focus on the production and sale of Diadora-branded sports footwear and apparel (running, tennis, football, lifestyle), and Utility-branded safety clothing.

We also grant distribution and/or use of the brand name to third parties in markets where we have chosen not to have a direct presence. The licensees deal with production and marketing on the basis of licence agreements, with the recognition of royalties.

We are committed to high quality, great attention to detail and the use of innovative materials. Pursuing product and process quality is a key aspect for us, particularly now, given the high standards required from the Utility and Sport sectors.

To prove how important this is to us, we have set up a **Quality Management System** (QMS) in compliance with ISO 9001, 9004 and 19011 standards. Driven by the same desire to pursue and adopt ever higher quality standards, in recent years we have also implemented the **Environmental** (ISO 14001) and **Health and Safety** (ISO 45001) **Management** Systems.

Our production system

We directly control and coordinate all the stages of our production system, which is organised to make sure that high-quality standards are maintained and flexibility and time to market are continually improved, and to ensure increased productivity and cost containment.

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

Our distribution system

We sell our products through a network of wholesalers in the markets where we operate directly: in addition to Italy, these include the United States, Germany and Benelux. We handle direct sales to consumers through our e-commerce platform and outlet network. Diadora is present in other markets through distributors or licensees. Some brand extensions are also managed through licences.



Purpose, vision and mission

Our strategic choices and operational decisions are inspired by Diadora's principles: the centrality of individuals and relationships, fairness and transparency, efficient management.

The main values that are at the core of our actions include:



INTEGRITY

We demand the highest standards of integrity from ourselves and our stakeholders in full compliance with all applicable regulations.



RESPECT

We respect the commitments we have made and take economic, social and environmental responsibility for our actions, first and foremost the safety of our workers at all levels.



COMMITMENT

We always expect the highest level of commitment in all activities and strive towards continuous improvement. Commitment is a key strategic goal of our sustainability policy.

We have focused our concept of business on the Company's vision and mission statements defined below. The statements

detail where we want to go and what we aspire to do while remaining true to our ethics and values.



Vision

We want to be by everybody's side every step of the way, making sport and active life key components of each individual's philosophy of life.

Mission

We design and manufacture Italian-made sports footwear and apparel, designed to make every step of the person wearing them count. We do this responsibly, respecting people and the environment, and putting care, passion, creativity and inventiveness - hallmarks that make us Italian - into each product. We are committed to making what we do increasingly sustainable every day.

Our governance structure



Corporate governance and compliance

The Diadora Group consists of the parent company Diadora S.p.A., the retail subsidiary Diadora Retail S.r.l., the US trading subsidiary Diadora US Inc. and the Hong Kong holding company Forked Badge Device Ltd, which in turn wholly

controls the Chinese-registered company Jinjiang FBD Sports Co., Ltd. Diadora S.p.A. is a Company incorporated under Italian law on 4 June 2009 and is wholly owned by LIR S.r.l.

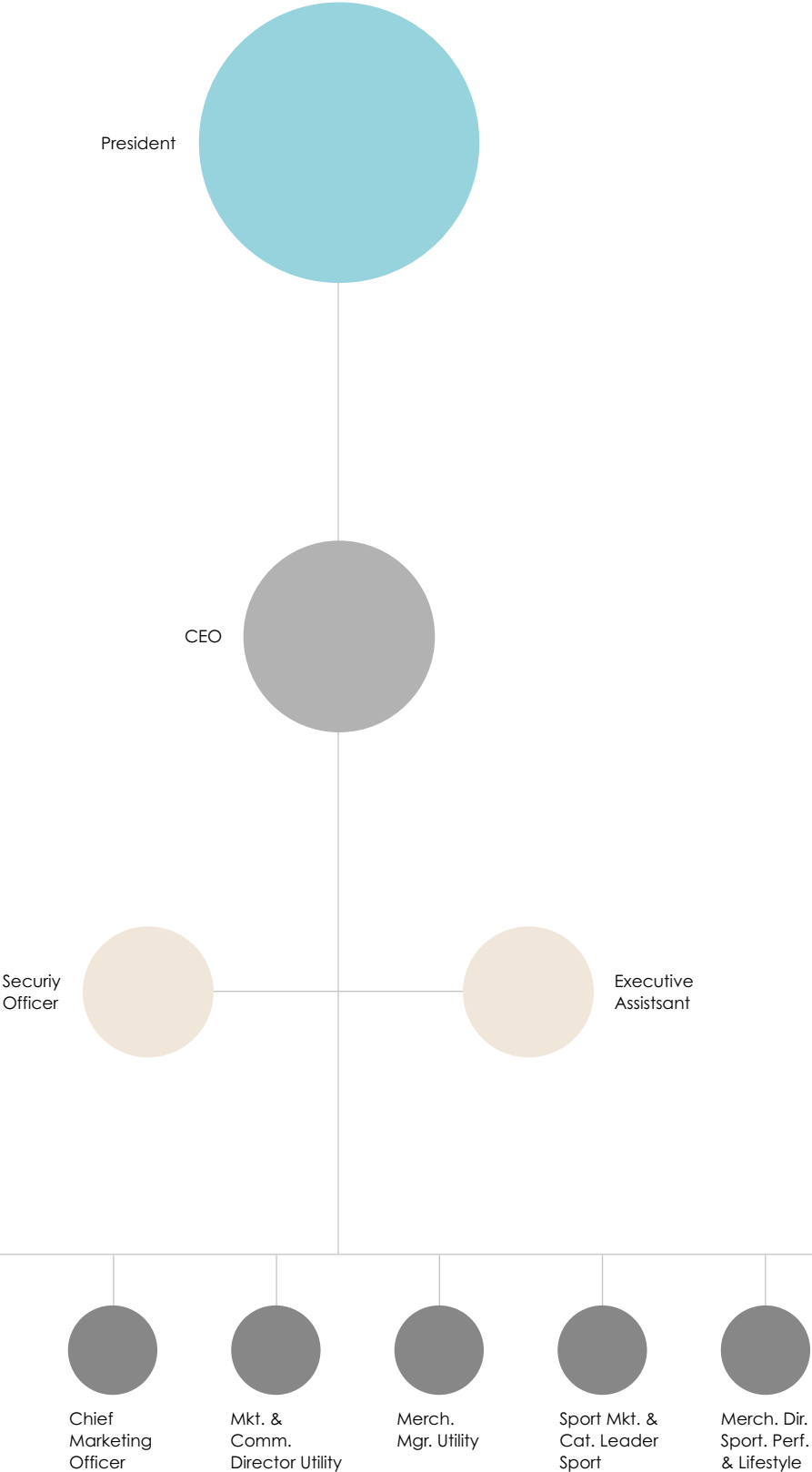
Diadora Retail S.r.l. is the Group company that deals with sales to the end customer through nine proprietary stores.

Diadora US Inc. was incorporated on 9 February 2016. It is a wholly-owned subsidiary of Diadora S.p.A. under US law and was established with a view to

Diadora's development in the United States.

Jinjiang FBD Sports Co., Ltd is a Chinese-registered company that was established in 2016 and that provides services related to supply chain, quality control and commercial distribution through its Shanghai branch established in April 2018.

The graph below illustrates the Group's functional organisation chart:





The governing body appointed by the Shareholders' Meeting is a Board of Directors. The Board is made up of three members and is vested with powers for the ordinary and extraordinary management of the Company, except for those matters which by Law or by the Articles of Association are reserved to the Shareholders' Meeting. The Company's control bodies include the Board of Statutory Auditors, which is entrusted with the powers referred to in Article 2403 of the Italian Civil Code, the Independent Auditors who are entrusted with accounting control and the Supervisory Board which supervises and monitors the application of the Organisation Model.

The values linked to our identity and set out in the **Code of Ethics** steer all our decisions, including our compliance and governance strategies, and form the basis for ethical self-regulation aimed at compliance with current legislation.

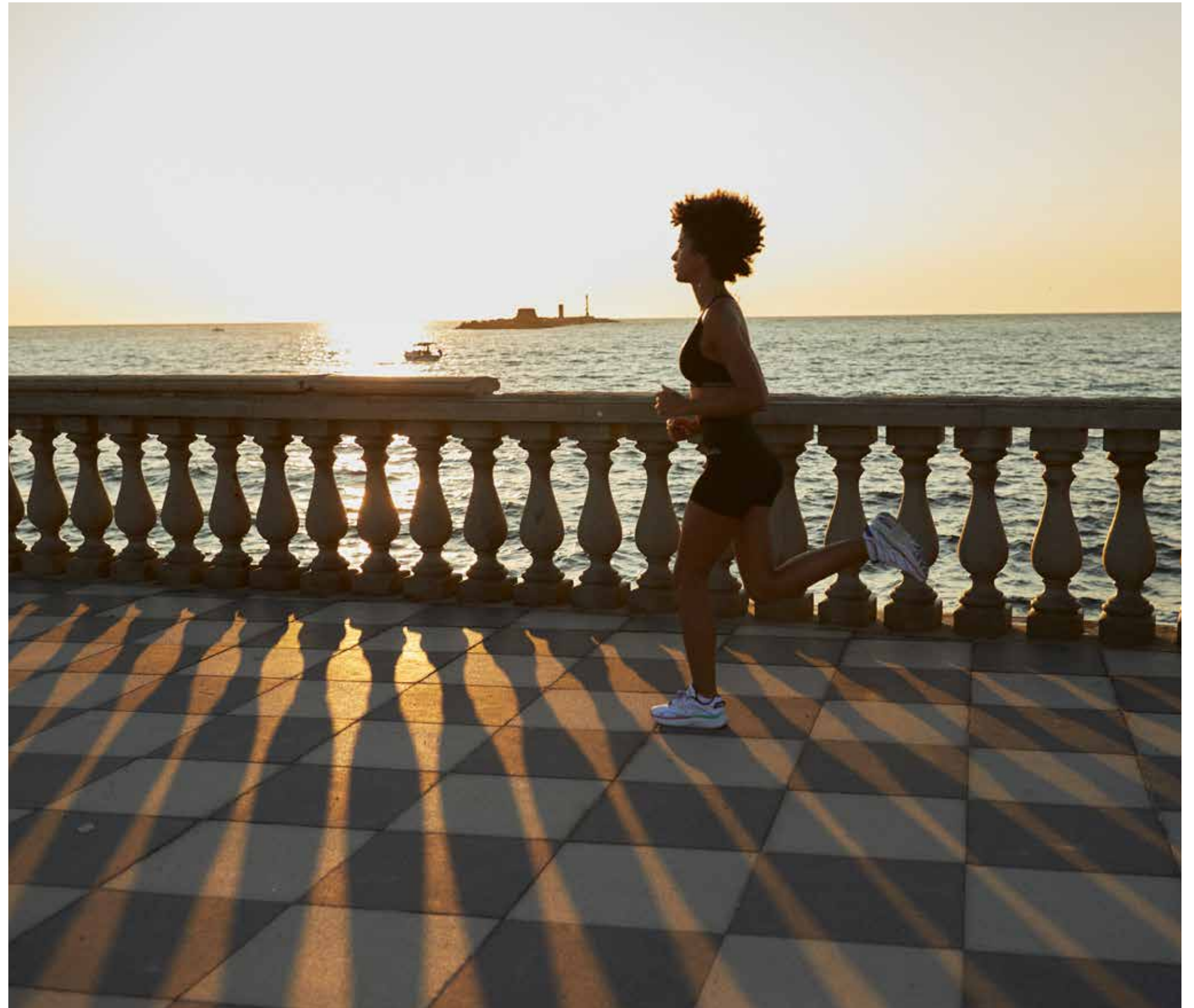
Our voluntary adoption of the **"Organisational, Management and Control Modelo"** pursuant to Italian Legislative Decree no. 231/2001 is the logical consequence of what we believe in and embodies the Company's wish to give tangible evidence of its integrity. The Model has brought many benefits, making it possible to strengthen the organisational excellence which Diadora has always set itself and to foster the Company's technical-structural organisation, allowing us to achieve the corporate objectives ethically and increase process effectiveness and efficiency. Adopting the model has also made it easier

to identify high-risk activities and implement appropriate procedures to prevent the commission of offences. When dealing with corporate compliance, we clearly define responsibilities, control areas, shared processes and workflows (set out in a specific policy last year) and appropriately train our staff. The Model is periodically audited to make sure it is correctly applied.

Thanks to our compliance programme and Sustainability policy, we strive to promote business practices that help to manage, in an orderly and informed manner, the environmental and social impacts of production and our products, as well as the impacts on our human resources and their health and safety.

Lastly, over the past year we have signed an agreement with a market-leading provider in this field for the use of a whistleblowing platform to report cases of discrimination, harassment and incidents relating to the protection of corporate assets. The platform ensures widespread monitoring, while guaranteeing confidentiality, anonymity and integrity.

The goals identified for 2022 include implementing the whistleblowing tool, obtaining ISO 37001 anti-bribery management system certification and starting the process to apply for the legality rating.





Sustainability Governance

Sustainability is an integral part of our business model. The Company's organisational chart includes a special **Sustainability & Intangibles** Department that reports directly to the CEO and submits regular reports to the Board of Directors and Board of Statutory Auditors on the development of its activities and future strategies. The Department creates and defines the sustainability strategy and identifies the relevant goals, ensuring they are integrated in the Company's business plan. An internal Sustainability & Intangibles Steering Committee has also been set up, consisting of members of the Board of Directors and the head of the Sustainability & Intangibles

Department. This Committee is responsible for the strategic orientation and supervision of the Company's projects in the field of Sustainability & Intangibles, as well as for investigating specific topics.

Over the past year, we continued to implement our sustainability strategy through new projects and activities, and by further involving various corporate offices.

The **Diadora Sustainability Manifesto 2021- 2025** has been approved: incorporated in the business plan, it conveys the roadmap for implementing the renewed sustainability strategy. The Manifesto is based on **four pillars: People, Planet, Product and Governance**.

We have defined specific projects within each pillar which will be implemented within the time frame set. The Sustainability Report is the first step in the Governance pillar. It is a fundamental tool for steering business decisions, while taking their economic, social and environmental impact into account.

Our sustainability journey stands out for our commitment to achieve ever-higher standards in choosing materials, checking production chains and gradually improving environmental and social impacts.



Platinum Medal

We were recently awarded the EcoVadis "Platinum Medal" for sustainability performance, placing us in the top 1% of sustainability performers among over 75,000 companies evaluated by EcoVadis in more than 160 countries and 200 sectors. This is further recognition of our commitment to sustainability and follows the two gold medals previously awarded.



In addition, we were assessed using the **Higg Index BRM** (Brand Retail Module) tool for the first time. Developed by the Sustainable Apparel Coalition for the textile, clothing and footwear sectors, the Higg Index measures the social and environmental impacts of organisations.

Diadora and the contribution to the UN 2030 Agenda

The 2030 Agenda for Sustainable Development defined by the United Nations in 2015 expresses the global action plan for sustainable development. It strives to combat problems of global

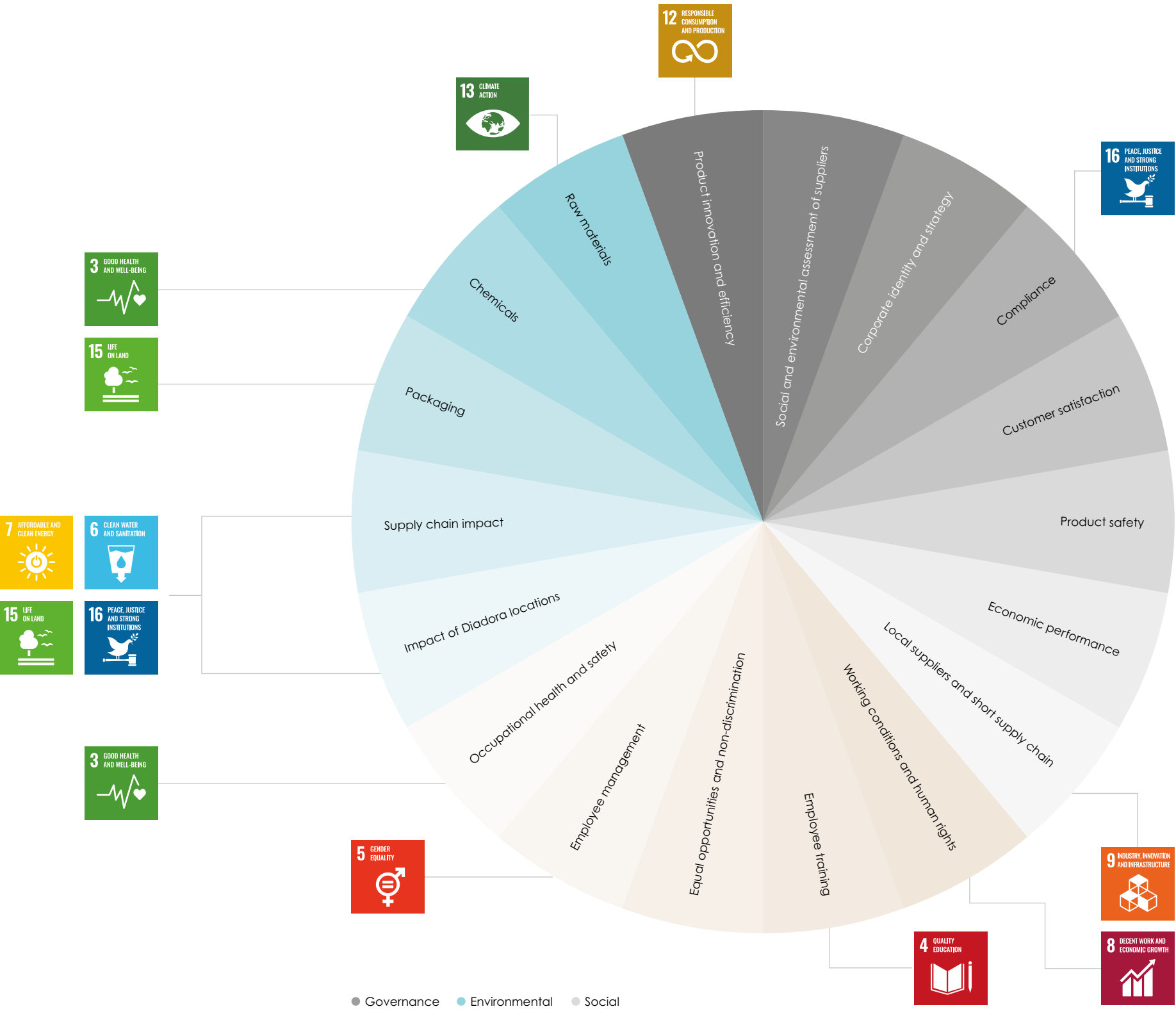
concern such as poverty, hunger, lack of education, climate change, gender inequality, lack of access to clean water and energy.

The 17 Sustainable Development Goals (SDGs) of the Agenda have been broken down into 169 targets to be achieved by 2030.



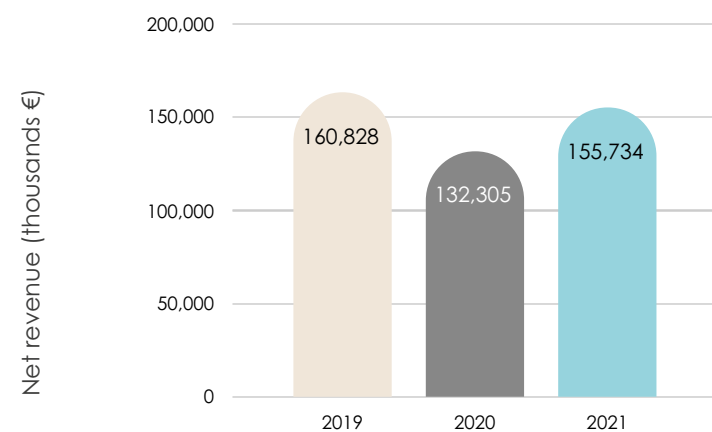
We have decided to support the initiative promoted by the United Nations and contribute to the 2030 Agenda and the achievement of the SDGs through our activities and projects.

The following chart shows the SDGs to which we wish to contribute through the positive impacts of our business, linked to the material topics previously identified.



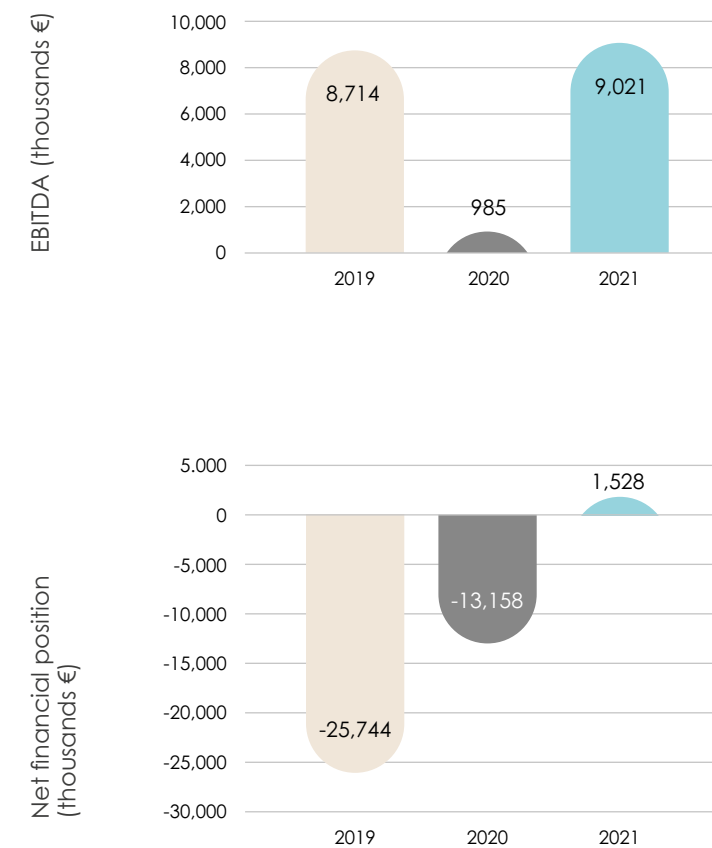
Our economic performance

Diadora's focus on economic sustainability is crucial, as careful and responsible management allows stakeholders to expand and strengthen their trust in the Company.



Sustainable economic and financial performance leads to a positive impact on the local area, in turn generating value in the production and social ecosystem which the Company is a part of.

When monitoring economic performance, we carry out periodic reports to control net revenue, cost containment and net working capital trends. In addition, the Board uses special procedures to decide which investments to approve in order to ensure the Company's financial sustainability. Top Management is updated every month on financial planning and possible currency developments, to allow it to correctly hedge against exchange rate risks. Management is also attentive to debt collection and, in this respect, the Company takes out appropriate insurance coverage to safeguard cash flow generation.



Adequate procedures are also in place to monitor tax deadlines. Regular dialogue with our tax advisors ensures that tax compliance obligations are fully implemented.

The Finance Department is constantly aligned with the other Company departments, allowing projects to be developed on time, according to budget and in compliance with regulations.



We also pursue digital development projects at Diadora to ensure more We We also pursue digital development projects at Diadora to ensure more timely monitoring of results and achieve better periodic economic/financial planning. The finance team is also proactive in seeking funding to pursue its sustainability goals.

As we all know, since February 2020 the national and international scenario has been deeply affected by the spread of the Covid-19 pandemic and by the restrictive measures put in place by the public authorities of various countries to contain it. These circumstances have had an impact on economic activities and created a climate of general uncertainty

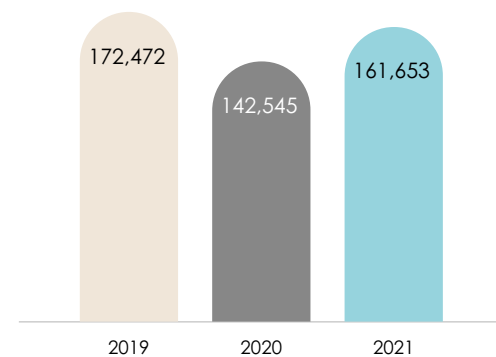
that continued into the first part of 2021. Thanks to the actions taken by the Directors, the widespread rollout of vaccination campaigns and the support from the NRPs put in place by EU countries, the situation gradually returned to normal during the year, leading to appreciable economic and financial results for the Company.

We continued to take strong action to reduce costs and implemented measures to ensure that adequate financial resources were available to operate and meet our commitments. In particular, these actions focused on streamlining collection management, disposing of a part of surplus inventory

and on prudent purchasing management. The use of social shock absorbers (redundancy funds) also continued.

Where possible, the Company used tax credit for sanitisation expenses and the purchase of protective equipment. Finally, the Company adhered to the scheme for realignment between the statutory and fiscal value of the brand, as approved by the Shareholders' Meeting of 15 September 2021 and governed by Article 110 of Italian Decree-Law No. 104 of 14 August 2020, converted, with amendments, by Italian Law No. 126 of 13 October 2020 (so-called August Decree).

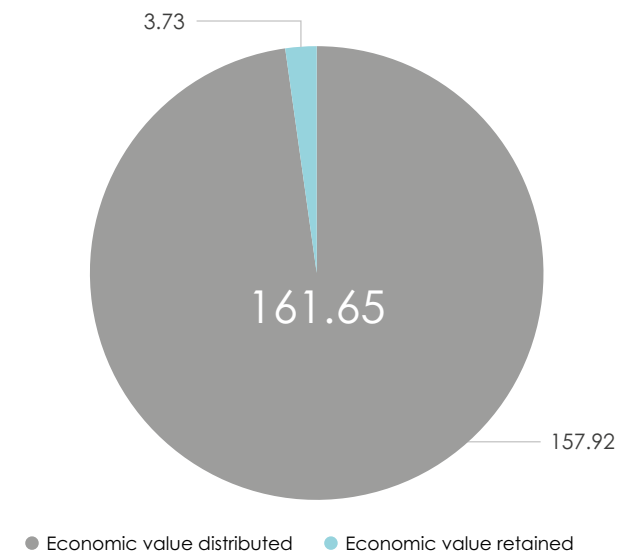
Directly generated economic value (thousands €)



Added value generated and distributed

The economic value directly generated by Diadora, determined in accordance with the requirements of GRI Reporting Standard 201-1, dropped from 172 million euros in 2019 to 143 million euros in 2020 as a direct consequence of the Covid-19 pandemic, and rose to 162 million euros in 2021.

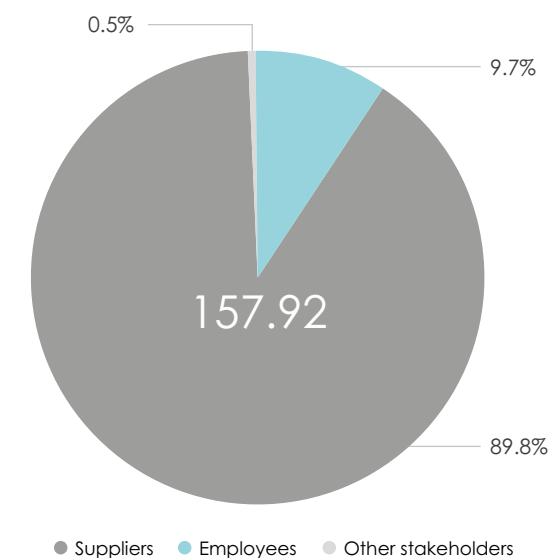
Generated economic value (thousands €)



The economic value directly generated by the Company's ordinary operations is distributed among the main stakeholders (e.g., suppliers, employees, shareholders, central administration).

Of the economic value generated in 2021, 98% was distributed to stakeholders.

Distributed economic value (thousands €)



The statement determining the Economic Value directly generated by Diadora was prepared by reclassifying the income statement as required by the GRI Standards.



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Diadora and life in the Company

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Social impact



Our team

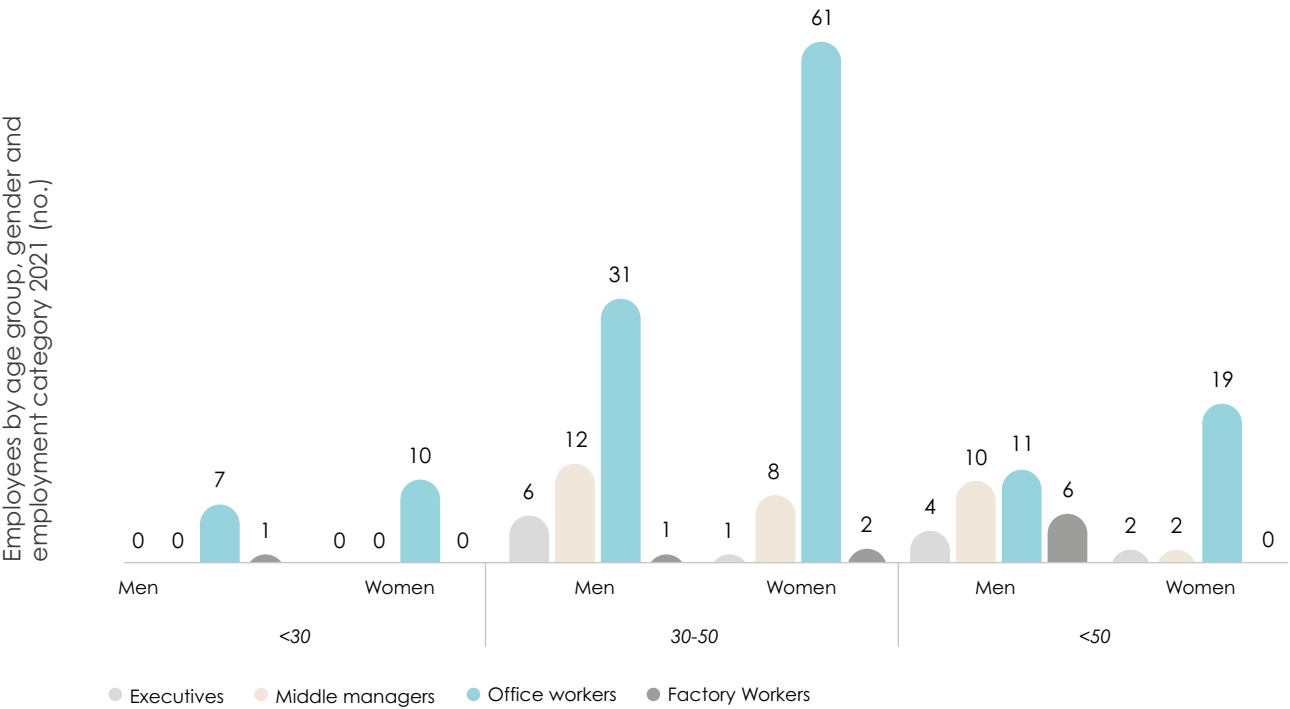
Our success is not only the result of talent, innovation and authenticity, but is primarily built on our Human Resources, who

work side by side and strive every day to achieve the goals we have set.

We recognise the central role and strategic importance of our people from both a professional and human point of view. That is why we respect and value our employees by protecting their physical and moral integrity and

promoting the development of their technical and professional skills.

In 2021, our workforce consisted of **194 employees**. 96% were employed with a permanent contract and 72% were under 50 years of age.



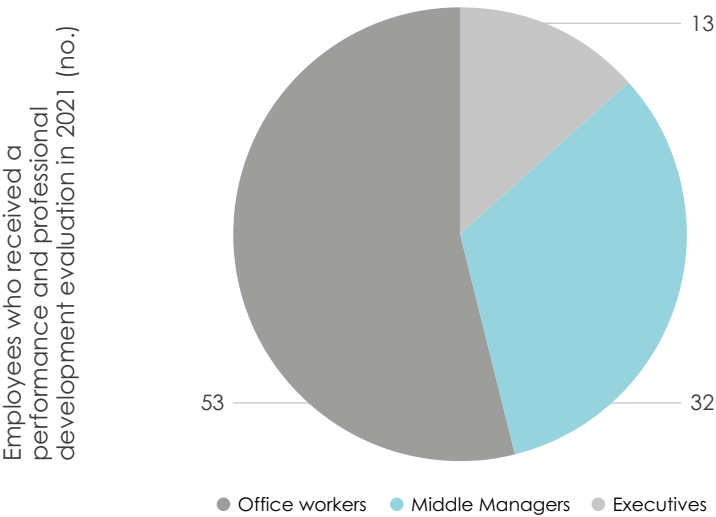
There was a slight reduction in staff in 2021 compared to the previous year, with a related increase in outgoing turnover (for more information please refer to the table in the appendix).

The work of our staff is the most important asset for our Company. Our ambitious goal is to create a working environment with its own distinctive **social value** and with a relaxed and rational relationship between Top Management and the rest of Company staff, with a view to moving from simply “human

resources management” to more significant “strategic and human people management” activities.



In order to achieve this, we act on **three** fundamental pillars:



the sales channel or to the rest of the corporate workforce. The criterion used to assign objectives is based on quantitative and qualitative targets, which also include cross-cutting Key Performance Indicators (KPIs) linked to sustainability projects managed by Department heads and the CEO. The Indicators are identified and measured depending on the characteristics of the projects to be implemented, making it possible to always align the performance management system with the latest corporate sustainability objectives.

In cases where the MBO system is not linked to a reward system, the aim is to set a clear path in writing to achieve goals and so increase engagement levels.

In 2021, 51% of employees received a performance and professional development evaluation.

1. ECONOMICS

An annual salary review is conducted involving all employees: each Line Manager proposes and shares appropriate actions with the HR Department, such as salary and/or level increases and one-off bonuses.

We also introduced a short-term variable incentive system in 2015 that is based on a **Management by Objectives** (MBO) mechanism, with different targets depending on whether the staff belong to

2. LEARNING & DEVELOPMENT

We strongly believe that continuous learning is a key element in the growth and development of our employees at Diadora, both as representatives of the Company and as individuals. Therefore, we aim to increase the integration of this issue within the levers of our business. For further details, please refer to the section "Training our team".

3. SUSTAINABLE HR MANAGEMENT

We have implemented human resources management practices and processes that promote well-being and meet the needs and expectations of those who work in the Company.



HEALTH WELFARE

In 2019 we introduced supplementary health insurance - a customised solution for Diadora - to allow access to affiliated healthcare facilities.



FLEXIBLE HOURS

Introduced in 2018, employees record their attendance and can begin their workday between 8 am and 9 am. Lunch breaks (maximum two hours) are self-managed without the need to clock in or out again. The workday ends from 5 pm onwards depending on when the employee began working and how long his/her lunch break was.



COMPANY CRÈCHE

Employees who are parents have had the option of enrolling their children in an affiliated crèche since 2011.



CORPORATE GYM

Employees have been able to use the Sport Village gym from Monday to Friday since 2012. Diadora employees have reduced membership fees. They can take part in all gym classes and use the 750 m2 equipment room.



CANTEEN PROGRAMME

This programme was introduced in 2017 to engage employees and offer them a service in line with their needs. Following a canteen service evaluation questionnaire and a dietary needs survey handed out to employees, we joined a programme to supply seasonal fruit and vegetables and pasta made with certified domestic wheat. We also have a take-away service for dinner.



FURTHER AGREEMENTS

Active since 2014, we offer fee-based laundry and car wash services. Employees can also benefit from exclusive discounts for the purchase of Diadora products and partner company products.



AGREEMENT WITH GRAN TEATRO GEOX

in Padua and with personal care and wellness service centres.



CORPORATE BUTLER

This service was introduced in 2014. It allows packages and personal correspondence to be sent and delivered to the Company, and bills can be paid using postal slips.



Occupational health and safety

We are aware that promoting and ensuring the highest level of physical, mental and social well-being in all our employees is a key priority.

One of the main goals of occupational health and safety management is the implementation of preventive and protective measures to make workplaces safe and healthy for all. This helps to avoid or reduce the exposure of workers – as well as customers and visitors – to any related risks. We pursue this goal by ensuring that existing conditions constantly comply with regulations and by promptly providing training and health surveillance to employees.

In fact, all our employees are covered by the ISO 45001: 2018 certified Occupational Health and Safety Management System (OHSMS).

At Diadora we update the Specific Risk Assessment Document every year. The Document defines the criteria and methods for identifying hazards and assessing direct and indirect risks related to activities, products, services and equipment provided both by the Company and third parties. The most significant risks are listed below:

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

During the year, we updated the work-related stress assessment: we tested homogeneous groups validated by the company doctor and the employer.

Identifying hazards starts with involving the profiles required by current legislation (Employer, Occupational Health and Safety Manager, Workers' Health and Safety Representative and Company doctor) and ensuring consultation and participation of workers at all levels. To avoid risks, we carry out health surveillance to assess whether workers are suitable for their job and we deliver PPE to manage residual risks.

Workers exposed to risks and dangers are regularly trained and updated according to the guidelines of **Italian Legislative Decree 81/08** and receive Safe Working Instructions, allowing them to perform tasks safely.

No occupational injuries or accidents were recorded in 2021. This is evidence of the increasing attention we pay to the safety of our employees. For this reason, the rate was not calculated.

The employer defines the goals for the year. A specific form gives details on these goals and specifies who the internal contact person is. The health and safety goals we have set ourselves for the coming years are listed below:

- in the medium term, repeat the risk assessment using the OCRA (Occupational Repetitive Action)¹ method in order to have more precise and detailed data;
- update the chemical assessment;
- conduct a fire assessment;
- update the video terminal (vdt) risk assessment with



additional information on new hires and/or workstation changes;

- guarantee and improve occupational health and safety.

¹ The OCRA (Occupational Repetitive Action) protocol is a method for assessing the risk of biomechanical overload caused by performing repetitive movements of the upper limbs.

The management of Covid-19

In the early months of 2020, Italy and much of the world were hit by the Covid-19 epidemic (so-called Coronavirus). To tackle the emergency, we drew up a Covid-19 protocol according to the Prime Ministerial Decree with which we implemented additional anti-contagion prevention and protection measures such as:

- daily disinfection of all working environments;
- strict obligation for all employees to use FFP2 masks;
- rotating access to the Company canteen, protective screens applied to tables and distanced seating at tables to maintain safety distance between diners;
- monthly screening (rapid swab tests) for all staff on a voluntary basis;
- adoption of agile remote work formula;
- policy on travel and on the entry of persons from outside the organisation;
- task force especially created to deal with the emergency.

In accordance with regulatory developments, the protocol was updated in October and December 2021 to include provisions for mandatory green pass certification.

During the pre-emergency phase (February 2020), we gave the parents of school-aged children already affected by school closures the option to work from home. Then, with the March 2020 lockdown, we provided most of the remaining staff with the tools they needed to work from home.

As soon as the situation and the government allowed it, we took whatever measure necessary to let the majority of staff return safely to their offices and partly go back to the routine that had been disrupted by a new way of living. At the same time, employees with family responsibilities were allowed to continue to work from home, making it easier to handle their family commitments. The same option was granted to fragile employees who were potentially more at risk. In this regard, in 2021 we carried out a feasibility study on the introduction of Remote Working as a potential regular tool used for everyday work and no longer strictly for emergency situations. In 2022, a policy on this matter will be adopted, subject to any further measures issued specifically by the government.



Training our team

For us, it is crucial to identify the real needs of resources in order to deliver training that is increasingly focused on the personal growth needs of each individual in line with business requirements.

All staff are involved in privacy, occupational safety and sustainability training. Further training initiatives are also provided to develop language and certain personal skills.

In the field of health and safety, training is provided based on Articles 36/37 of Italian Legislative Decree 81/08.

The following staff training was delivered in 2021:

- general and specific course for new hires;
- specific training refresher course pursuant to State-Regions Agreement - office workers;
- supervisor refresher training;
- supervisor training;
- executive training;
- executive refresher training;
- first aid refresher training;
- fire-fighting refresher training;
- Workers' Health and Safety Representative refresher training.

The training courses and the persons to involve are selected on the basis of the needs reported by the various Department managers to the Human Resources Department.

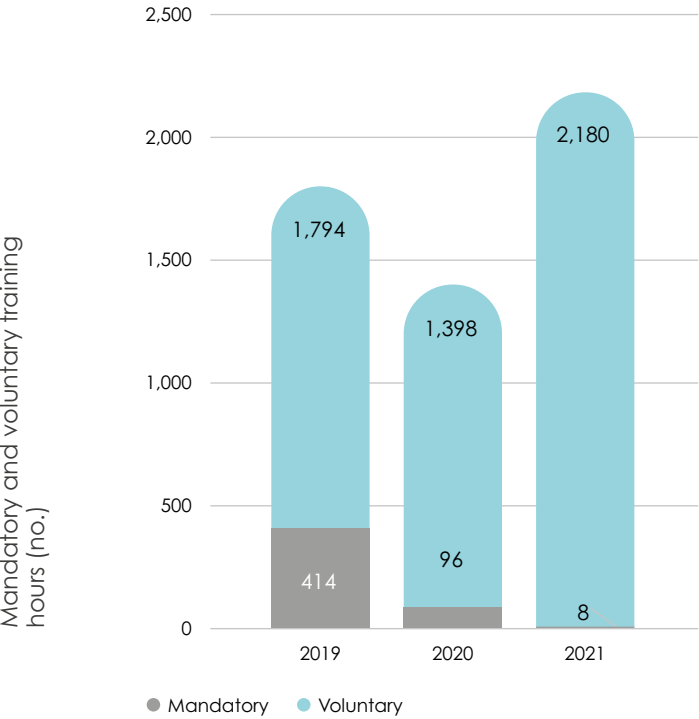
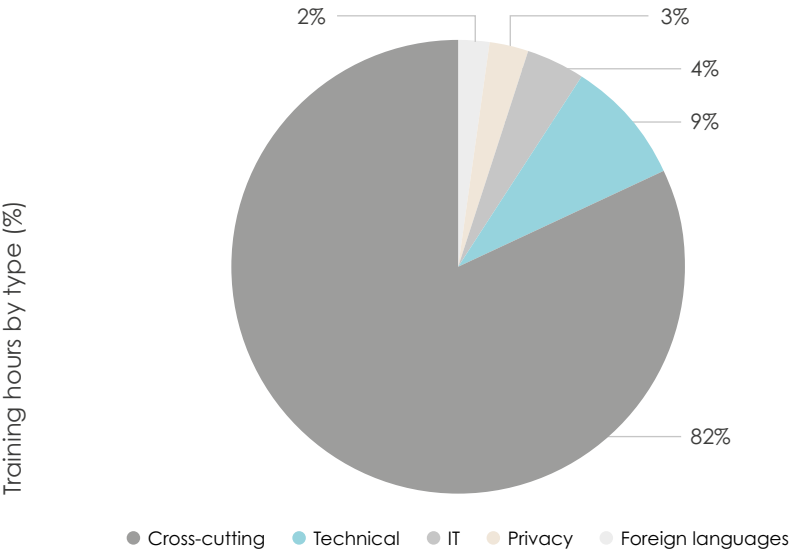
The courses combine the Company's business needs with the training and development of human resources, in line with the Company's strategic choices and culture.

In 2021, we delivered **overall 2,188 training hours** (+46% compared to 2020), totalling 11.3 hours per capita, of which almost 100% voluntary. The training provided was mainly aimed at developing cross-cutting skills, with a focus on technical and IT skills.

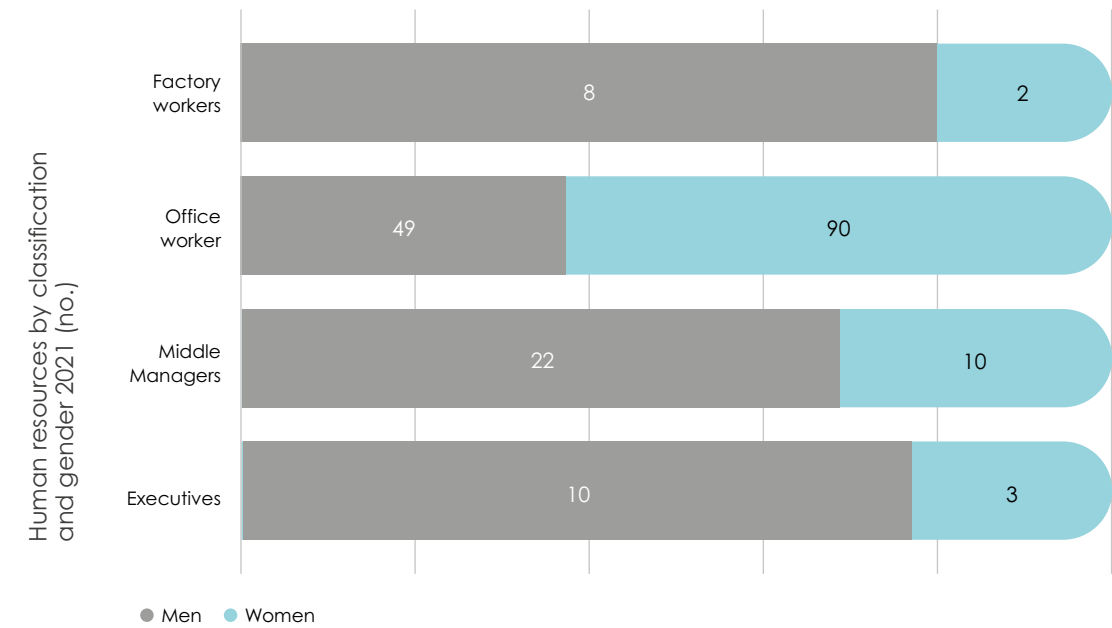
The pandemic and agile work have led to a more widespread use of remote training. Starting in 2021, an **online training platform** called "GoodHabitZ" was introduced in the Company.

It is a system based on a streaming course delivery model, making it easier to reach the entire Company workforce who are also encouraged to attend the courses through competitions for prizes. The courses are available in several languages and are mainly aimed at developing soft and hard skills (such as foreign languages and the basic use of Office tools).

In addition, we organised a number of voluntary, cross-cutting training events for the whole Company called "The Learning Breaks". The most significant meetings organised during the past year include those with Max Calderan, the Walter Longo Foundation and the Mind Performance Association.



Our goal for 2022 is to enhance the Company's technical and IT training offerings. One remaining priority is to improve the English language skills of our resources.



We make way for different cultures and nationalities in our Company. We believe that an international working environment is an added value and brings forward new ideas and perspectives: this is why **our employees come from 15 different countries**.



Ensuring equal opportunities and non-discrimination at Diadora

We firmly believe that diversity in all its forms - gender, ethnic or social origin, age, nationality, culture, religious beliefs (or none), sexual orientation and disabilities - enriches the working environment. This is why we strive to create an inclusive work group where everyone can contribute feeling perfectly comfortable whilst doing so. Building on our sports DNA, we stimulate and support an environment focusing

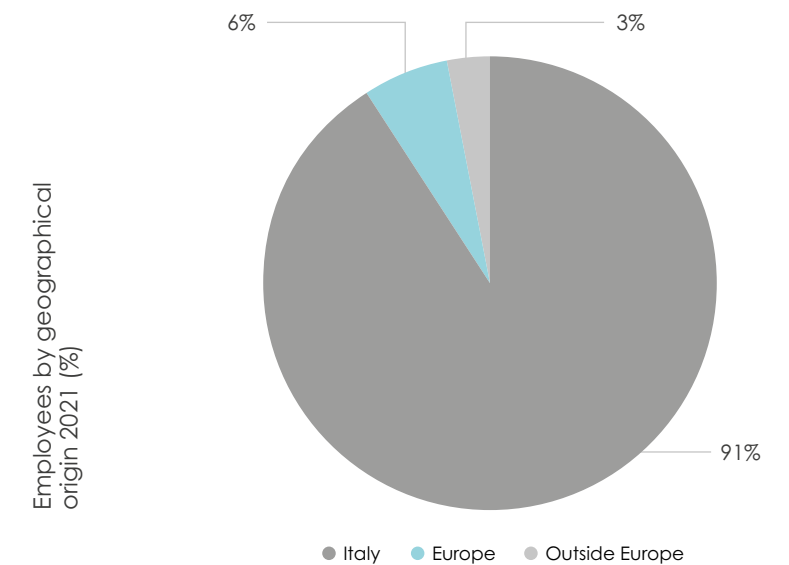
on cooperation, where the contribution of the individual is essential for achieving the common goal.

With regard to protected categories, we comply with the percentage obligation of Italian Law 68/1999: in order to comply with it – and inspired by the "Hiring Chain" project – we signed an agreement with the Province of Treviso for the targeted placement of disabled youth within the Manovia and Diadora shops.

The number of women in our Company has steadily increased in recent years. In 2021, we recorded an **equal presence of male and female staff**. We are also trying to include more women at the top of our organisation.

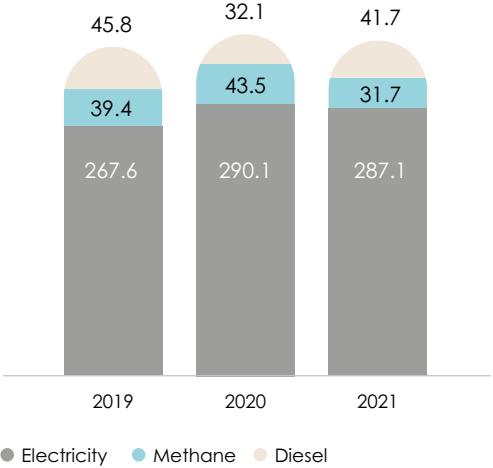
To do so, we voluntarily comply with legislative principles on gender representation in corporate bodies (Board of Directors and Board of Statutory Auditors), although not specifically applicable to Diadora as it is an unlisted Company.

Furthermore, we collaborated with the Iside Cooperative during the year to raise awareness of the **International Day against Violence against Women** and we are considering setting up with Iside volunteer programmes to support abused women.

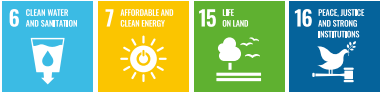
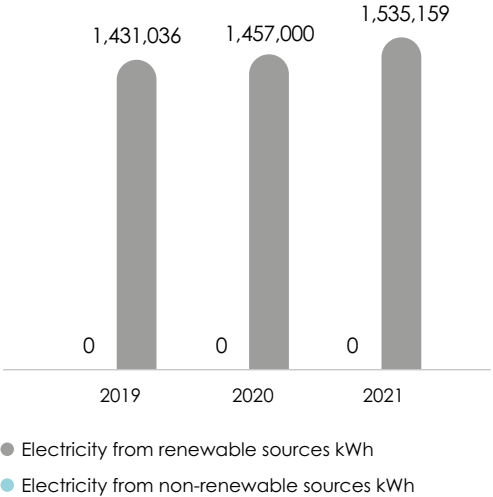


Environmental impact

Energy consumption (TOE)



Electricity consumed (kWh)

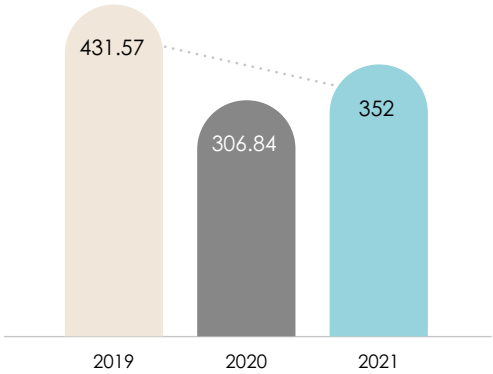


Our headquarters

We regard our focus on sustainability and environmental protection as a commitment and a mission, which develop into a strategy that is pursued on a daily basis.

In 2014, with the adoption of an ISO 14001-certified Environmental Management System, we implemented a series of tools to monitor - and potentially reduce - our environmental impact and the pollution that our activities produce. We check the consumption of oil and gas used for heating the premises and for hot water on a weekly basis. In addition, we periodically monitor electricity consumption. We use equipment capable of measuring electricity consumption and calculating the amount of CO₂ produced in real time. Thanks to the adoption of the management system and the continuous monitoring of consumption.

Direct emissions (tCO₂e)



Our production of electricity from photovoltaic sources currently totals 644 kWh. This was achieved through the gradual installation of panels on the roofs of our factories and capable of meeting 42% of the Company's energy needs. In 2021, the energy sold to Enel amounted to 142,000 kWh. Since 2019, the remainder of electricity comes exclusively from renewable sources (in 2021, we purchased more than 900 kWh), particularly from hydroelectric power plants in South Tyrol.

In 2020 we replaced the lighting fixtures in some warehouses and offices with LED lamps, reducing electricity consumption by approximately 24,000 kWh. For the upcoming year, we plan to implement new efficiency measures, especially in the headquarter warehouses and offices.

The Company's direct CO₂ emissions fleet come mainly from the oil used for heating and the consumption of gas in plants, as well as from the

Company's of 45 vehicles. Twenty-six of these vehicles are powered by traditional fuels, 2 are electric, 4 hybrid and 13 plug-in. When selecting cars, we pay particular attention to the CO₂ emissions declared in the vehicle registration documents. We will continue the process of replacing diesel cars in the Company fleet with low-impact cars in 2022.

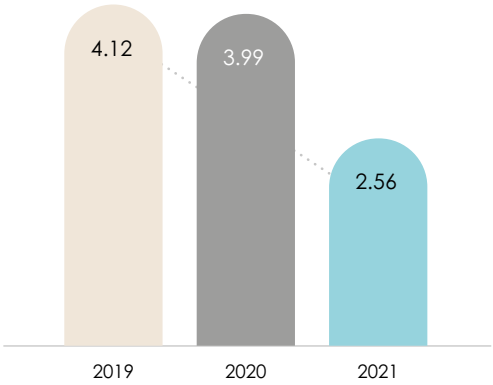
To support the introduction of electric and plug-in cars, we installed eight charging stations in the Company car park.

Our environmental sustainability targets for 2022 include the calculation of all of Diadora's annual climate-changing emissions and the associated multi-year reduction plan, according to the parameters of the Science Based Target Initiative (SBTi).²



² The Science Based Target (SBTi) initiative aims to promote private sector climate action through science-based emission reduction targets, i.e., in line with the decarbonisation level needed to keep the global temperature increase below 1.5°C compared to pre-industrial temperatures.

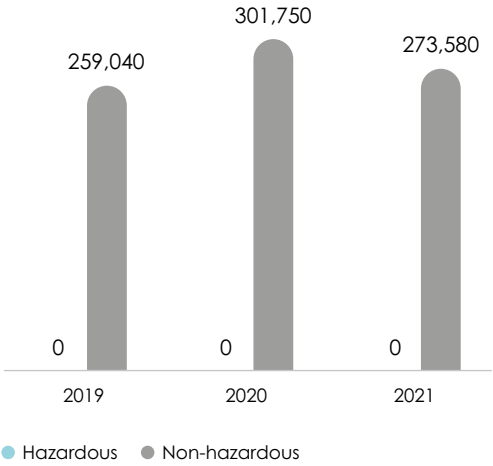
Water consumption (Ml)



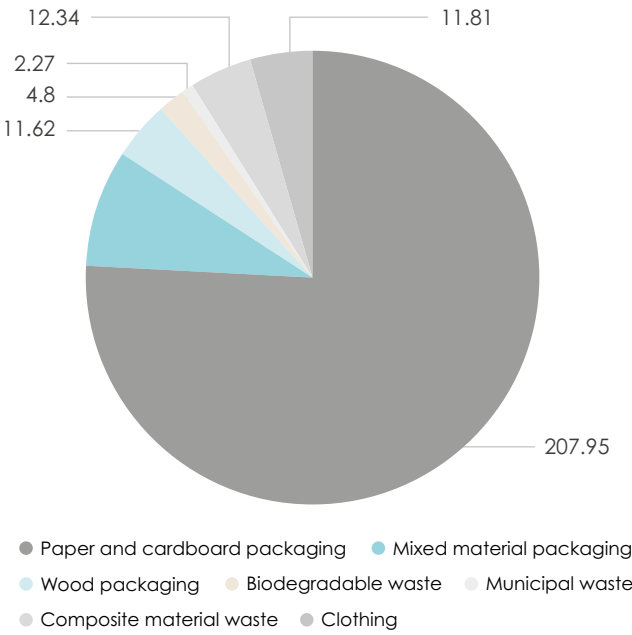
In terms of water consumption, our supply comes exclusively from the municipal aqueduct. We do not use drinking water for the production cycle, but only for the toilets and canteen facilities. In 2021, there was a roughly 36% drop in water consumption compared to 2020.



Waste (t)



Waste composition (t)



Due to the nature of our business, we do not produce hazardous waste in our ordinary operations. Much of the waste we generate – paper and cardboard, wooden pallets, and others – consist of the packaging of incoming products and are sent for recycling. In 2019, we replaced plastic cups, stirrers and bottles with biodegradable ones and installed cold and hot water dispensers, also providing our employees with aluminium water bottles and ceramic cups.





3

Supply chain

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Governance impact

Proactive supply chain management is key to creating a high-quality product that embodies our brand values.

The supply-chain governance system at Diadora includes the **Code of Ethics** – our set of values – the **Code of Conduct** – the minimum social, environmental and ethical requirements expected from suppliers – and the **Restricted Substances List (RSL)** – for handling the chemicals in the materials and production processes along the supply chain. These tools play an essential part in our purchasing and production policies, which is the reason why we require first-level (Tier 1) suppliers to sign and implement them within their organisation and in their supply chain.

They are also formalised in the **"Manufacturing Agreement"**.

In general, despite the problems created by the persistence of the pandemic

in 2021, our supply network has demonstrated its resilience and ability to adapt, keeping firm its foundational approach and adopting corrective measures in response to changing risk, uncertainties and opportunities. All our suppliers have a proven track record and robust and flexible business operations. Consequently, the strict restrictions imposed in 2020 and 2021 by the global lockdowns did not significantly affect our usual service levels.

In addition, for Sports & Sportswear footwear, the project to geographically diversify production began with the launch of production in Vietnam for the Spring-Summer 2022 season. Over the next few years, we plan to further diversify procurement with other partnerships and secure

significant production volumes in other geographical areas.

As regards apparel, we also started collaborations that are alternative or complementary to our traditional ones. The two-fold purpose is to diversify and benefit from new, specialised suppliers, with an advantage in terms of cost containment. These collaborations will be implemented during the Autumn-Winter 2022 season.

In mid-2021, we also developed a new tool to collect data from our suppliers in a simple and orderly fashion. The tool makes it possible to compare the materials we use and the quantities of product we purchase and use by type and different geographical areas.

Evaluation of our suppliers

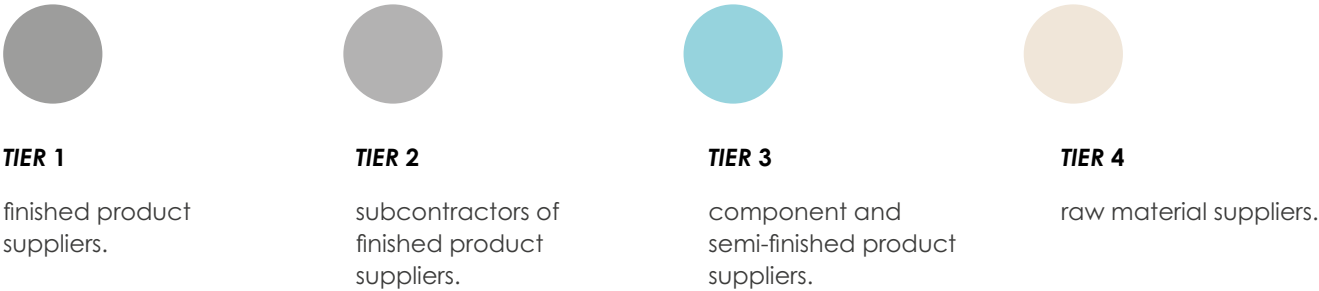
In 2018, we launched a structured supply-chain evaluation, management and development programme focused on sustainability which included suppliers, subcontractors and licensees. We have a specific procedure in place for this purpose, along with two internal cross-functional teams that regularly evaluate direct and indirect suppliers from a financial, legal, technical, product quality and safety and sustainability perspective.

The sustainability criteria adopted comply with the most relevant and widespread international standards and conventions (such as the International Labour Organisation (ILO) Conventions, the Global Compact principles and the Global Reporting Initiative guidelines).

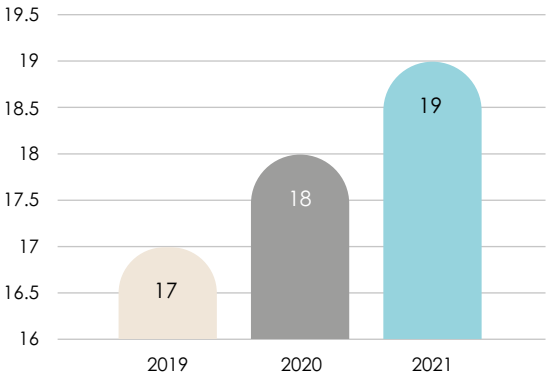


The programme includes a double document and on-site auditing system. Unannounced audits have been carried out since 2019 to verify suppliers' compliance with our standards and identify areas for improvement. These areas are formalised in improvement plans or Corrective Action Plans (CAP) and their implementation is subject to further verification or sometimes further on-site auditing.

The actors in our supply chain are divided into four levels:



New suppliers subject to document and on-site audits (no.)

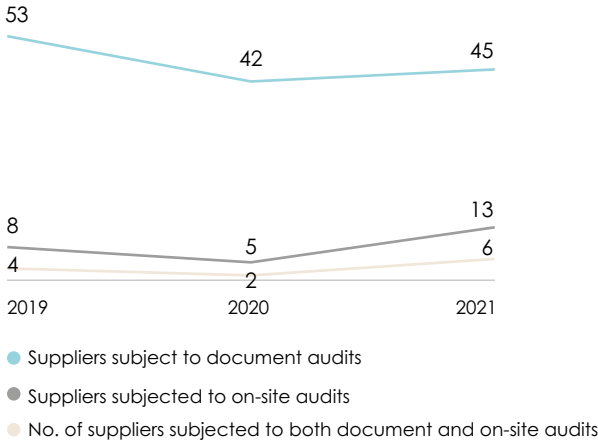


In 2021, we worked with 138 direct suppliers³.

The document audits are carried out annually and involve several Tiers of our supply chain. We are working to increase the type of suppliers included in our audit system and extensively monitor the sustainability performance of direct suppliers (Tier 1) and of subcontractors and of component and semi-finished product suppliers (Tier 2 and Tier 3).

³ In the case of suppliers controlling several production sites, the total includes both trading by the head of the group and all the underlying factories that manufacture Diadora apparel or that are in any way related to the Company in general.

Trend of audits (no.)



In 2020 and 2021, due to the Covid-19 emergency that affected the entire Diadora supply chain, the original auditing (on-site and document) schedule was modified. Document audits were resumed last year, with two campaigns launched in March and December. A total number of **45 document audits** were conducted, scoring an average of 48 out of 100.





Commitment to a short supply chain

In recent years, we have relocated part of our production to Europe and Italy where possible, not only to shorten lead times, but also to enhance the skills of local suppliers.

We responded very swiftly to some logistical risks highlighted by the pandemic situation and continued with our near-shoring project, mainly in countries of the Mediterranean basin and Eastern Europe.

We launched a production reshoring project in 2015 that has increased the volume of production made in Europe. We reopened the internal conveyor system, Manovia, at our headquarters in Caerano di San Marco, involving the upgrading,

recovery and enhancement of most of the machinery that represent a founding part of the Company's history. Compared to 2019,

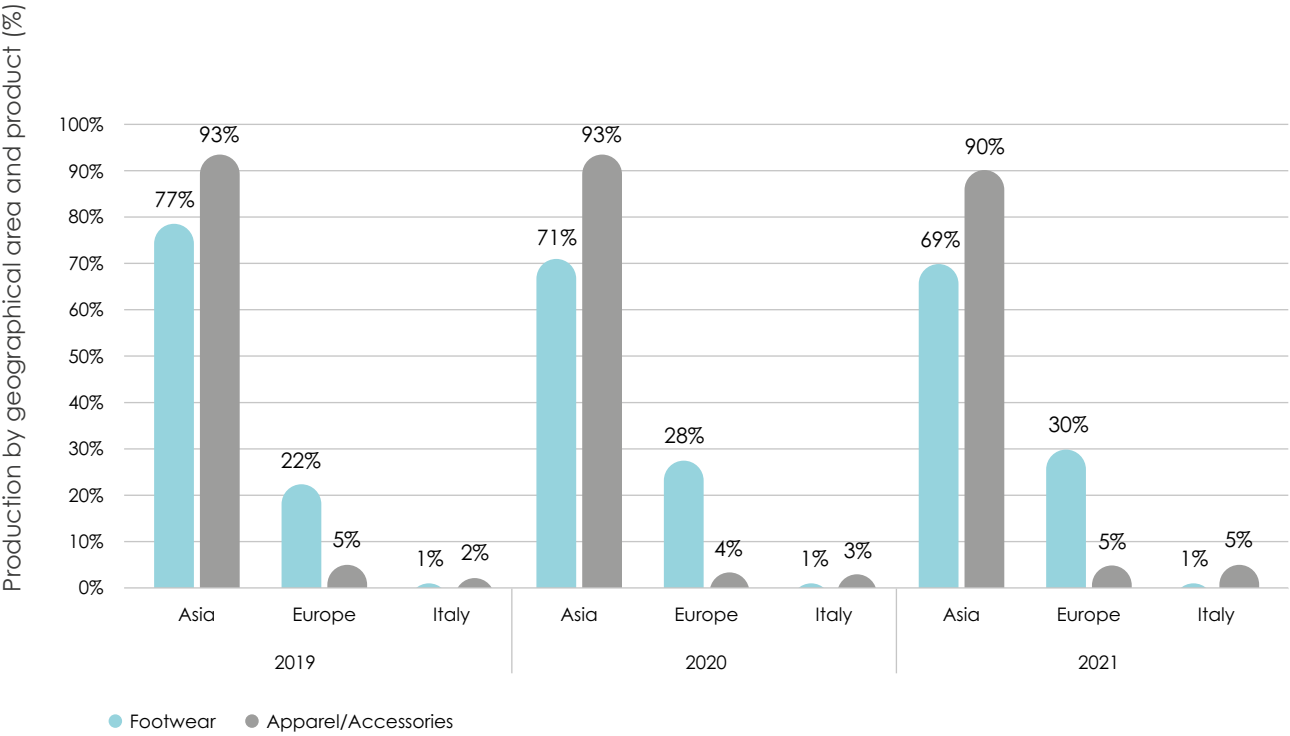
the volume of footwear produced in Europe increased by 8% and the volume of apparel and accessories produced in Italy increased by 3%.

The historic conveyor system, or Manovia, is used for producing Lifestyle (Collabo), Heritage and Utility footwear. It not only allows us to maintain our footwear production know-how, but also enables us to immediately test new product and process solutions that we can then propose to other suppliers. In 2021, footwear production at the historic conveyor system, or Manovia, totalled 18,000 pairs, up from 2020 (17,000).

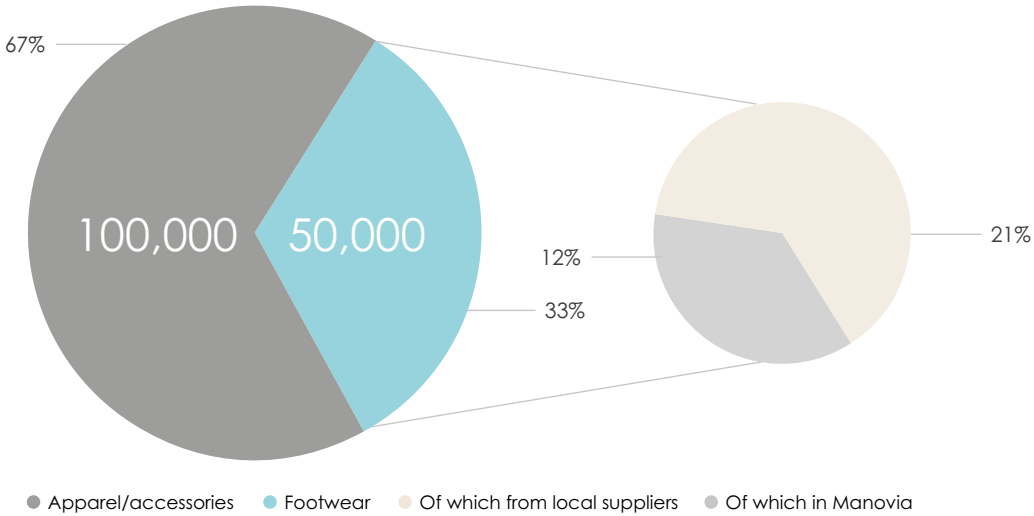
We made tangible progress towards the Company's programme to increase the development of projects and production in Italy in 2021 by launching "Equipe Atomo": the first performance running shoe made in Italy after more than thirty years, with a production of 18,000 pairs. The product was positively received by the market not only for its high quality, but also for the very fact that an Italian company had chosen to focus on the short supply chain.

We also presented part of our Made in Italy apparel collection, achieving good results in terms of 'on-time delivery', an indicator that measures the percentage of orders delivered within the time frame agreed with the customer.

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



Production volume in Italy 2021 (%)



Environmental impact



The environmental impact of our supply chain

The nature of our supply chain brings us to interact directly with our suppliers and so handle environmental risks with a proactive approach. First and foremost, the textile and footwear sector features complex global supply chains. This makes it difficult to have a complete view of all the actors involved and to monitor

their environmental impacts. Secondly, the complexity of our products means that multiple productions require different types of materials and components.

Following the document and on-site auditing of our suppliers, we have identified the following types of environmental impacts along our supply chain: energy consumption and the production of climate-changing gases, water management, respect for biodiversity, type of materials produced, their use and end-of-life, chemicals used and waste produced.

We always try to **monitor the environmental performance of our suppliers**. We ask them to indicate the percentage of materials purchased from recycled sources, the percentage of waste reuse and how different materials are recycled.

In the document audits conducted over the years and managed on the Ecovadis platform, there has been a 12% improvement in the environmental performance of the suppliers we have evaluated, compared to our requirements.



Social impact



Working conditions and respect for human rights along our supply chain

The textile and footwear sector presents specific risks related to the social sphere and the rights of workers involved in the supply chain (human and related to health and safety).

The document and on-site audits (the latter managed by Intertek⁴) provided us with a greater insight into the conditions of our staff and suppliers. The approach used with suppliers is collaborative: following the audit results, dialogue with them is aimed at improving performance and raising awareness on sustainability issues, thus

indirectly contributing to the economic development of our partners' local communities and businesses.

This philosophy allows us to build relationships from which both parties can benefit in terms of guarantees, medium-term stability, loyalty and flexibility.

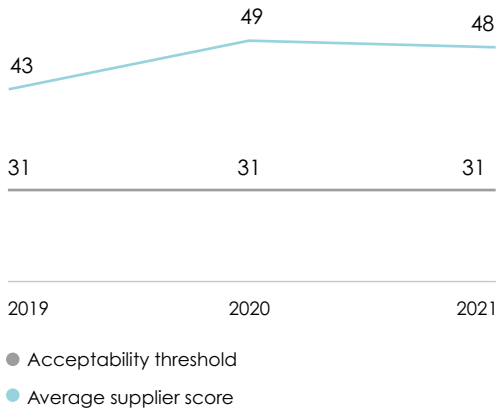
Pursuing positive results in terms of social performance is also an opportunity to increase the overall competitiveness of our supply chain: at a time when stakeholders are becoming hugely more aware and sensitive to these issues, our approach can be a mainstay for creating a more resilient supply chain and help mitigate risk.

As regards local community development, better living conditions in the countries where our production activities are located allows the level of local manufacturing skills and

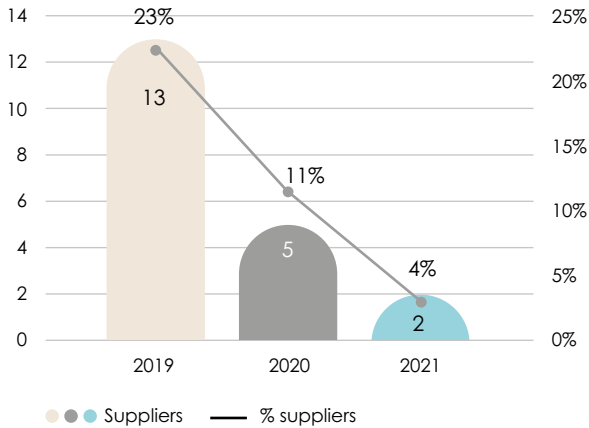
abilities to be raised in the long term and promotes better mutual business opportunities. At the same time, the risk of human rights violations, discrimination and gender violence can be reduced and the health and safety conditions for workers can improve. We joined the **Better Cotton** (BC) initiative in 2021. The mission of Better Cotton is to help communities whose main activity is cotton cultivation and to improve their living conditions by adopting more sustainable farming principles and at the same time protecting and restoring the environment.

⁴ International leader in production site inspection, operating in more than 100 countries worldwide. The audits are carried out according to the standards of the Working Conditions Assessment (WCA).

Document audits
(scores out of 100)



Suppliers with results below the
acceptance threshold in the
“human rights and workers’ rights”
section (no.)



Ever since the creation of our supply chain management programme in 2018, our collaborative approach has been clearly bringing results: between 2018 and 2021 the average document audit score obtained by suppliers on their respect for human rights and workers' rights has increased by almost 10 points. Furthermore, the percentage of results below Diadora's acceptance threshold in relation to human rights and workers' rights has significantly dropped: in 2020, 11% (i.e., 5) of the evaluated suppliers reported this type of critical issue, compared to 4% (2 suppliers) in 2021.

Although the negative results are mainly due to errors or misunderstandings of the evaluation procedure by first-time suppliers, we will continue our efforts to eliminate this percentage entirely.

Towards the end of 2020, international attention was focused on the Chinese region of Xinjiang due to the growing suspicion of the use of forced labour practices in “re-education centres” and the subsequent blockade of imports of cotton goods produced in the region, announced by the United States.

To make sure that the cotton used in our collections does not come from Xinjiang, we applied a checking mechanism that covers the entire supply chain of conventional cotton products (not certified according to the Global Organic Textile Standard GOTS⁵). Certified cotton was not included in this audit because the certification guarantees the traceability of the entire supply chain and the compliance with strict social and environmental criteria. The survey covered 56% of cotton clothing purchased by Diadora (the remaining 44% is made with GOTS-certified cotton) and did not identify any risks regarding the use of cotton from the Chinese region of Xinjiang.



⁵ The Global Organic Textile Standard (GOTS) is the most important International Standard for the sustainable production of clothing and textile products made from natural, organically grown fibres. The GOTS Standard verifies and tracks these fibres from cultivation of the raw material through to the finished product. Global Organic Textile Standard (GOTS) certified products contain natural fibres from organic farming, independently verified at every stage of the supply chain. Furthermore, throughout the supply chain - from the cultivation of the raw material to the packaging and marketing of the finished product - certified organisations comply with strict social, environmental and chemical requirements.





Our partnerships for the community and the environment

In recent years we have established important partnerships, both in the social

and environmental fields. In the social sphere, on the occasion of the 8 March 2020 and 2021, we set up the **Diadora scholarship** to support young care leavers⁶ in their pursuit of professional fulfilment.



Agevolando

Together with Agevolando – an association set up to support children experiencing hardships – we established the **Diadora scholarship** in 2020. The scholarship is awarded to a young care leaver: young girls who, due to serious family situations, have lived until reaching legal age in residential communities and, once they come of age and can no longer receive state aid, are forced to abandon their dreams and future plans. Thanks to the scholarship, two girls have currently begun university courses which will help them build a better future.



Peres Center for peace and innovation

One of the most important social initiatives is the **Twinned Peace Sports School** project promoted in partnership with the Peres Center for Peace and Innovation, an NGO founded in Israel by Nobel Peace Prize winner Shimon Peres. The aim of the project is to make **sport an instrument of peace**, offering a group of Palestinian and Israeli girls the opportunity to play football in mixed teams and have fun on the pitch while experiencing peaceful coexistence and **acceptance of each other**.

⁶ Term used to refer to individuals who have lost family ties and have spent part of their childhood or adolescence in foster care or in a community.



In the environmental sphere, we joined the We Forest project for the preservation of Brazil's Atlantic Forest in 2021. The project is connected with the sale of "*Glove-Eco*", the first Utility footwear made of recycled materials certified in accordance with the GRS standard, and launched on the market on World Earth Day.

Furthermore, in 2020 we donated part of the proceeds of the Heritage line to support the Parco Natura Viva in Bussolengo (VR). Natura Viva is an organisation that develops educational projects promoting respect and conservation of the environment and certain animal species.



Parco natura viva

With its Animal Pack capsule, Diadora supports the nature workshop project of Parco Natura Viva, a large zoological garden in the province of Verona. The aim is to raise awareness of **environmental protection** and **the preservation of animal species**.



4

The choice of materials

Environmental impact	66
Social impact	71
The impact of governance	74

We have begun a transition towards using more sustainable materials within our collections by integrating relevant environmental, social and economic assessments into our decision-making processes.

Integrating sustainability into the criteria for evaluating the materials we use has a very specific meaning to us: to help meet the needs and requirements of future generations by contributing towards a more sustainable

production of materials, reducing the use of virgin raw materials or those derived from non-renewable resources, while at the same time limiting the production and use of potentially harmful chemical substances and compounds.

In line with our approach, over the years we have obtained the following Company certifications:



GLOBAL RECYCLED STANDARD (GRS)⁷ and RECYCLED CLAIM STANDARD (RCS)⁸

for the procurement and use of certified recycled materials



GLOBAL ORGANIC TEXTILE STANDARD (GOTS) and ORGANIC CONTENT STANDARD (OCS)⁹

for the procurement and use of certified organic materials



BETTER COTTON¹⁰

for the procurement and use of cotton from more sustainable cultivation



In the field of leather, we decided to take a further step in the responsible selection of materials for our products. We were the first in Italy to accept the call of the #SaveKangaroos campaign of the LAV (Italian Anti-Vivisection League) in 2019, to improve the protection of these animals living in Australia: since the end of 2020, we have stopped buying and using kangaroo leather for all our products.

We have obtained a licence to use the FSC® label¹¹ for our packaging materials.



In the footwear sector, we completed **Project 2030**, which led to the production of iconic sportswear and Heritage models with more sustainable materials. In the clothing sector, we continued to use GOTS and Better Cotton sustainable cottons. We also developed the **Manifesto Palette** project focusing on the use of GOTS organic cotton, and the **Manifesto 2030** project involving the use of certified recycled materials.

⁷ The Global Recycled Standard (GRS) is the most important international standard for the sustainable production of materials and products made from recycled materials. The Standard recognises the importance of recycling for the growth of a sustainable production and consumption model. Its aim is to encourage the reduction of resource consumption (virgin raw materials, water and energy) and increase the quality of recycled products. The GRS Standard verifies and tracks recycling materials from the raw material through to the finished product. Global Recycled Standard (GRS) certified products contain recycled materials, verified independently at each stage of the supply chain. In addition, certified organisations must comply with strict social, environmental and chemical requirements throughout the supply chain - from the first re-processing stage to the packaging and marketing of the finished product.

⁸ The Recycled Claim Standard (RCS) verifies and tracks recycled content, from the raw material through to the finished product. Recycled Claim Standard (RCS) certified products contain materials obtained from recycling, verified independently at each stage of the supply chain.

⁹ The Organic Content Standard (OCS) verifies and tracks organic fibre content, from the raw material through to the finished product. Organic Content Standard (OCS) certified products contain organic fibres, verified independently at each stage of the supply chain.

¹⁰ BC is one of the world's most important cotton sustainability programmes. The organisation's mission is to help communities depending on cotton cultivation to survive and prosper, protecting and restoring the environment.

¹¹ The FSC® certification label ensures that the entire wood-paper supply chain originates from environmentally friendly, socially beneficial and economically sustainable forest management, certified according to the standards of the Forest Stewardship Council®, an international organisation that has been committed to promoting the responsible management of the world's forests for over 25 years.

Environmental impact



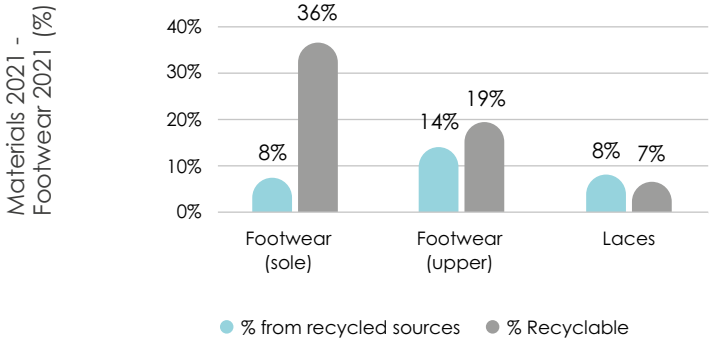
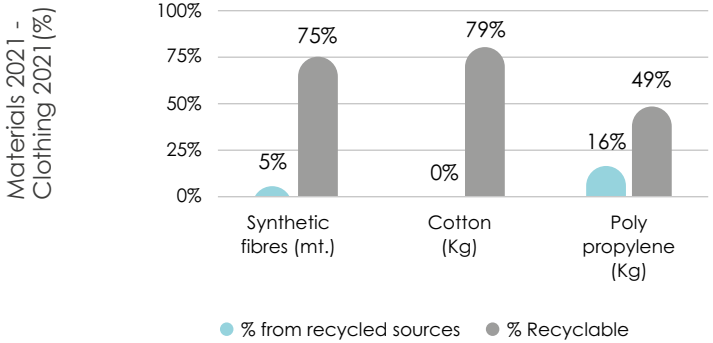
The raw materials we use

To reduce the potential environmental impact that our products can have during production, we select the suppliers we source from and the materials we purchase according to strict criteria.

We work side by side our suppliers and support them in adopting and improving transparency and sustainability practices in the processes and materials they use.

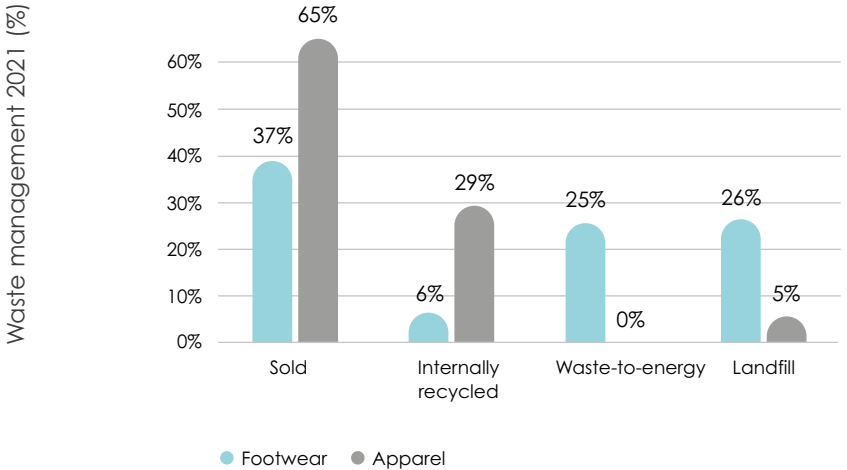
Material suppliers are given the chemical and physical specifications based on which purchase contracts are concluded, and they are encouraged to adopt protocols for handling the chemicals permitted in our products (RSL). For more information, please refer to the section "The responsible use of chemicals".

We are committed to selecting innovative and more sustainable materials through co-makerships with producers: together we seek outsolutions that meet certain



2021 was marked by strong tensions due to the cost and availability of raw materials, which made us reconsider our purchase strategy with a view to further limiting waste and reusing resources. Driven by this

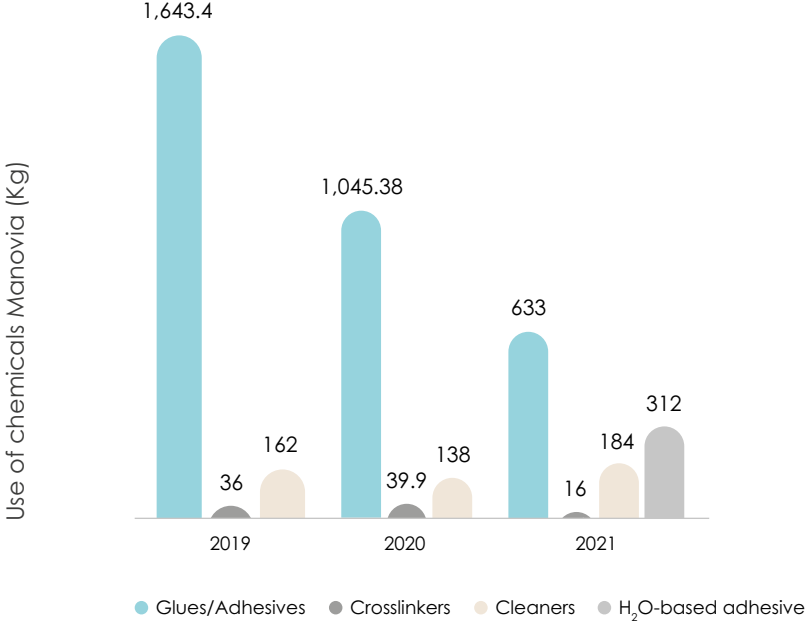
further motivation, we identified alternative solutions to enhance the unused materials we had in stock and with which we were able to offer a Utility product created specifically for a strategic customer.



technical and performance standards and have a reduced environmental impact. From the perspective of sustainable resource management, about 8% of the materials used for the production of soles comes from recycled sources and 36% can potentially be sent for recycling. About 14% of the raw materials used for the production of uppers come from recycled sources, while 19% are recyclable. Regarding the materials used for producing apparel, the use of synthetic fibres¹² stands out, which are up to 75% recycled. In 2021, 42.5% of apparel produced by Diadora was GOTS certified.

Creating more responsible processes also calls for reducing material waste during production and processing, consequently reducing the environmental impact of our production processes. When selecting suppliers, we give preference to those that have resource-efficiency strategies in place. Apparel manufacturing waste is mainly sold or recycled internally, while footwear manufacturing waste is sold, incinerated or sent to landfill.

¹² Acrylic, elastane, nylon, polyester, viscose.



The responsible use of chemicals

Creating products (footwear and apparel) that meet the highest technical performance standards requires the use of chemicals, both for the footwear we assemble in our historic conveyor system, or Manovia, and for the products we make together with our partners. This is why it is important to regularly monitor the use of chemical substances, so that they do not pose a threat to workers, end consumers and the environment.

Glues, adhesives, crosslinkers and cleaners are mainly used in our headquarters' historic conveyor system (or Manovia) for the production of some of our footwear collections. As a measure to limit staff exposure to the potential inhalation of these chemicals, in addition to providing suitable PPE, we have installed suction benches which absorb the substances and reduce risks for our workers.

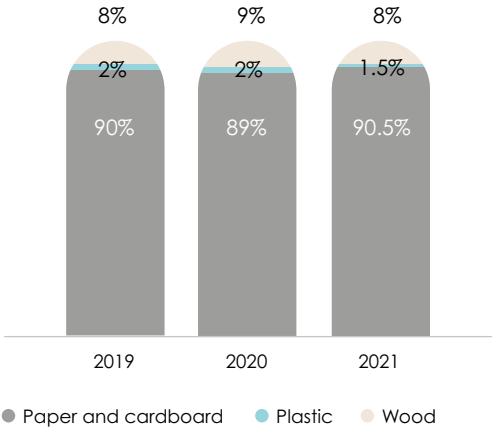


We ask our suppliers to sign the Diadora RSL (Restricted Substance List) to help improve the control of chemicals in the supply chain. The RSL is voluntary and is based on a scale of maximum values which are more restrictive than those required by current regulations.

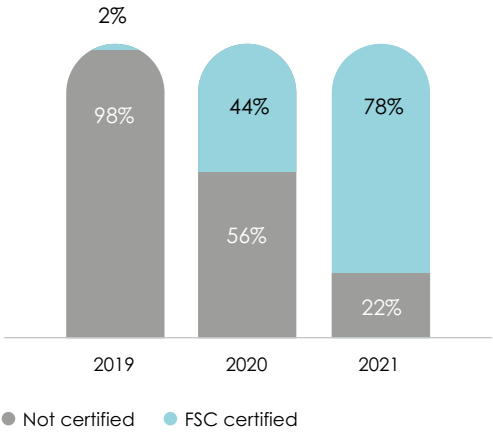
In addition to signing the Diadora RSL, we monitor and handle the chemicals used in our products through sample tests on a list of models to make sure that no banned chemicals have been used.

Over the last two years, the number of models that have undergone chemical testing¹³ has dropped due to a decrease in orders caused by the Covid-19 emergency and its effects on our supply chain.

Diadora packaging (%)



Paper (%)



Our product packaging

Analysing and seeking more sustainable packaging solutions is a core part of our strategy. When choosing packaging, we welcome several factors, such as material recyclability, biodegradability and low weight.

Packaging and cardboard suppliers are also subject to regular document auditing to collaboratively monitor and improve their sustainability performance. Whenever possible, we try to refer major apparel suppliers to our nominated vendors, i.e., suppliers we have already selected on a precautionary basis, so as to achieve greater security in terms of compliance with our sustainable packaging policies.

¹³ Data related to the models tested, not model/colour (sku) tested, compared to total sold in the calendar year.



Sustainable packaging

We have reduced the consumption of plastic in packaging, which already accounted for a very small share within total consumption. For the Sport & Sportswear lines, we have partly removed plastic bags (polybags), replacing them with bags made of certified paper and printed with water colours. The footwear boxes of the Heritage line are made of algae paper, obtained from excess algae from marine environments.

We use for this purpose materials that can be entirely recycled, favouring paper and cardboard for primary and secondary packaging, followed by paper or plastic bags (used to protect apparel during shipping), and finally wooden pallets.

In recent years, we have increased the use of paper from supply chains certified according to the Forest Stewardship Council (FSC®) standard, which has become so increasingly widespread now that it involves almost all Diadora packaging. While in

2020 FSC® paper use was at 44% of total consumption, by 2021 we will have reached 78% FSC® of total paper and cardboard consumption, both for primary and secondary packaging (outer boxes).

The commitment to sustainable packaging took on a new strategic focus in 2021 thanks to the launch of the in-house managed e-commerce channel. With the quality of our packaging, we are able to convey Diadora's sustainability message towards the end consumer.

In fact, all the packaging graphics have been updated with environmental disposal information as laid down in Italian and French regulations.

In the coming years, the aim is to further reduce the use of plastic in packaging by increasing the procurement of more sustainable materials, both in terms of components, semi-finished products and raw materials, and of packaging (primary and secondary).

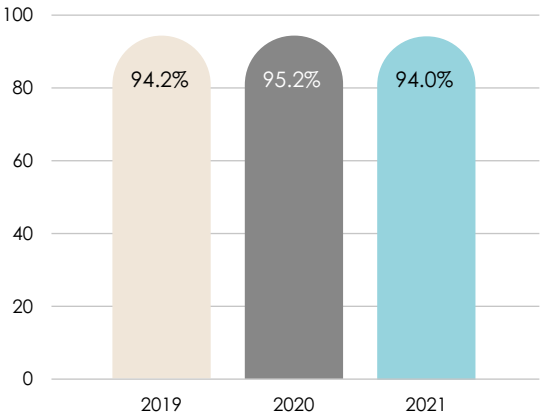
Social impact

Our customers' satisfaction

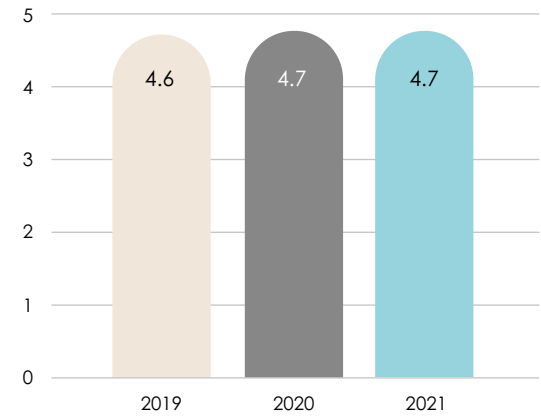
The Customer Service Department is in charge of first-level customers (non-end customers, wholesale, distributors and licensees). Together with the sales staff and agencies, it liaises with customers and handles orders, deliveries and any complaints. The office deals with both inline collections and special projects for limited and selected distribution. Our in-house team or relevant salesmen directly monitor satisfaction of this type of customer.



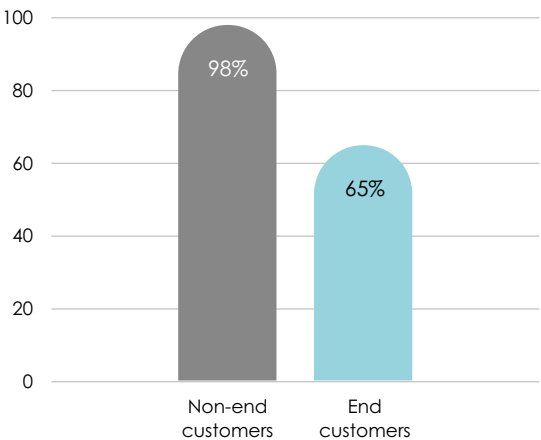
Positive opinion polls (%)



Reviews: average rating



Positive responses to complaints 2021 (%)



E-commerce sales on diadora.com were managed by an external company under our coordination until August 2021. Since September, all these activities have been transferred directly in-house through a project and strategy to internalise DTC (Direct To Consumer) sales and are managed by a specific e-commerce Department. We have also implemented a system that allows us to track all our communications with customers. We use dashboards structured by request type, language, number of open cases, resolution time, management owner and other specific KPIs to monitor all the different aspects of our relationship with end customers. E-commerce Customer Care has been assigned to a new external company specialising in Business Process Outsourcing. This company has also been managing external Customer Care since November 2021 through a special Salesforce Service Cloud platform. The platform manages and processes all the requests collected via the website, social media, infodiadora and infoutility e-mails and toll-free numbers from:

- B2B customers;
- B2C customers;
- other parties (suppliers, media, testimonials, various bodies).

Complaints are handled depending on where they come from: from B2B (business to business) customers via the internal Customer Service, with the introduction of a digitised approval process, accessible to all internal and external agents involved in the process; from B2C (business to consumer) customers through external Customer Care on CRM/ Salesforce Service Cloud.

The purchase evaluations made by end consumers have been tracked using surveys since 2018. The percentage

of positive evaluations (4 and 5 stars, on a scale of 1 to 5) in 2021 was 94%.

In 2021, the average rating stood at 4.7/5. The ratings given by consumers buying on our site and through other channels show the positive perception of the corporate image and brand.

Negative evaluations, on the other hand, are seen as a valuable help and an incentive to seek constant and timely improvement.

The contacts we receive via the website, social media, e-mail and toll-free numbers are also handled by a specialised company.

All product quality complaints are promptly catalogued based on a specific coding, allowing them to be analysed by the Product and Quality Control Department and then handled by Customer Service.





Governance impact



The innovation and efficiency of our products

Innovation is one of Diadora's core values. In 2020 we laid the foundations for the development of the **Diadora Research Centre (DRC)**: a scientific hub for the Company's sports activities featuring a multidisciplinary structure that brings together the expertise of doctors, bioengineers and athletes. The primary goal of the DRC is to increasingly strengthen knowledge of sports performance in order to offer athletes the most suitable means to fully express themselves: specialised footwear providing reliability, comfort and safety. We constantly seek technological solutions and apply them to the products we market so that our consumers can perform better in sport, at work and in their everyday lives. Innovation also goes hand in hand with creativity and imagination, the founding pillars of our business, which inspire the search for innovative materials and the development of state-of-the-art manufacturing technologies and processes. In keeping with

this commitment, we pursue consumer **well-being and safety** with products expressing Italian style and **quality**.

The passion of our people is not only the key to developing a winning product but also our true competitive strength. Our engineers and designers create products and technologies designed to meet the needs of athletes and workers, guaranteeing high quality and maximum performance. The new knowledge and know-how developed are then adapted and transferred to the collections for all consumers.

Our products feature a powerful synergy between their end use (sports, technical or leisure) and the research into materials and, with regard to footwear, are based on a careful study of the anatomy of the foot, its movements and impact on the ground.

Product development and creation is divided into three departments: Footwear Development, Apparel Development and Innovation. The Footwear and Apparel Development Departments deal with the creation of the seasonal collections and work together with the Merchandising, Sales and Marketing Departments.

The Innovation Department works hand in hand with the Development Department, dealing with research, testing new materials and focusing on process innovation. The solutions identified through the synergy between the Departments are incorporated into the production process.

The Operations Department is not only responsible for turning the projects into products, but also supports the development and innovation process, experimenting and proposing new assembly ideas.

As a result of the continuous research and testing of innovative solutions, we have patented two new technologies for Diadora Utility footwear in recent years. The first solution, patented in 2019, is the Airbox technology, which provides increased breathability and comfort in combination with the Net Breathing System (a Geox breathability system). The second technology, patented in 2021, is Stable Impact, a new midsole cushioning system, technology, which provides increased breathability and comfort in combination with the Net Breathing System (a Geox breathability system). The second technology, patented in 2021, is Stable Impact, a new midsole cushioning system.



Safety and quality as our promise

At Diadora we make every effort to guarantee the quality and safety of our products and continuously improve our processes, as demonstrated by our ISO 9001-certified Quality Management System for the Diadora Utility line.

Following the expansion of our supply chain and the number of suppliers of materials and finished products, we have increased our quality and safety control activities to make sure that our customers are fully satisfied.

To achieve our "Responsible Quality" goal and eliminate toxic substances from our products and supply chain, we directly involve our suppliers in the tests we conduct on materials, in the product design phase and in the identification of ideal raw materials.



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



1. COLLECTION OF CONFIRMATION SAMPLES

We keep the certificate of approval of the production samples by our technicians as a quality benchmark for all our production.



2. FINISHED PRODUCT CONTROL MANAGEMENT

We carry out checks on finished products upon their arrival at our warehouses. If any non-compliance is found, we block the entire batch and take action to remedy the issue.



3. ANALYSIS OF RETURNS AND DIRECT TECHNICAL SUPPORT FOR CUSTOMER SERVICE AND SHOPS

We analyse product defect returns to gain greater awareness of market response, verify the results of improvement actions, and focus our future corrective actions.



4. RAW MATERIAL AND FINISHED PRODUCT ANALYSIS IN THE DIADORA LABORATORY

We test the products by conducting laboratory analyses and we carry out further tests to check their quality, such as washing tests on apparel to make sure there is no colour loss or size reduction. We have asked our suppliers to perform this type of test since 2020.

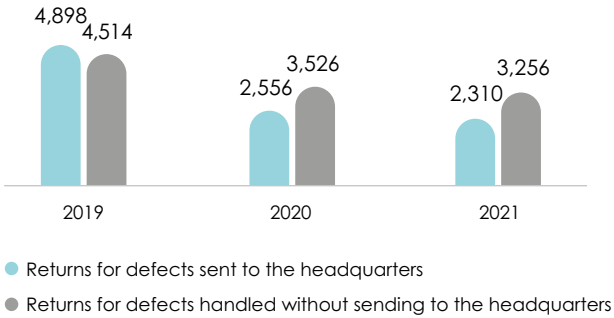


5. CERTIFICATION UTILITY AND SPORTS PPE PRODUCTS

With the support of leading European and international Notified Bodies, we verify compliance with industry standards.

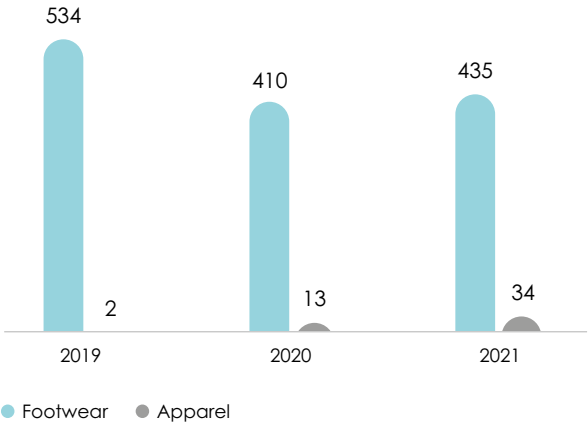


Returns (no.)

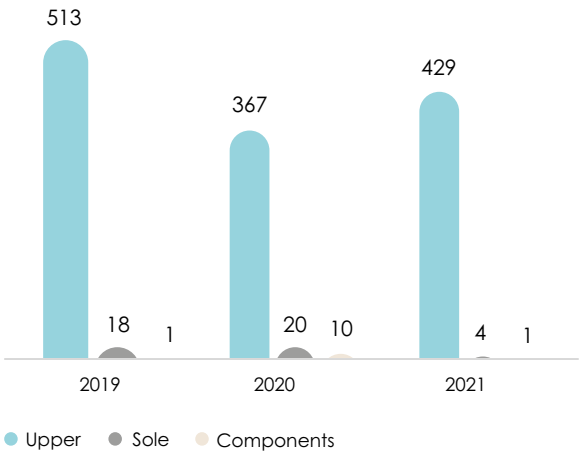


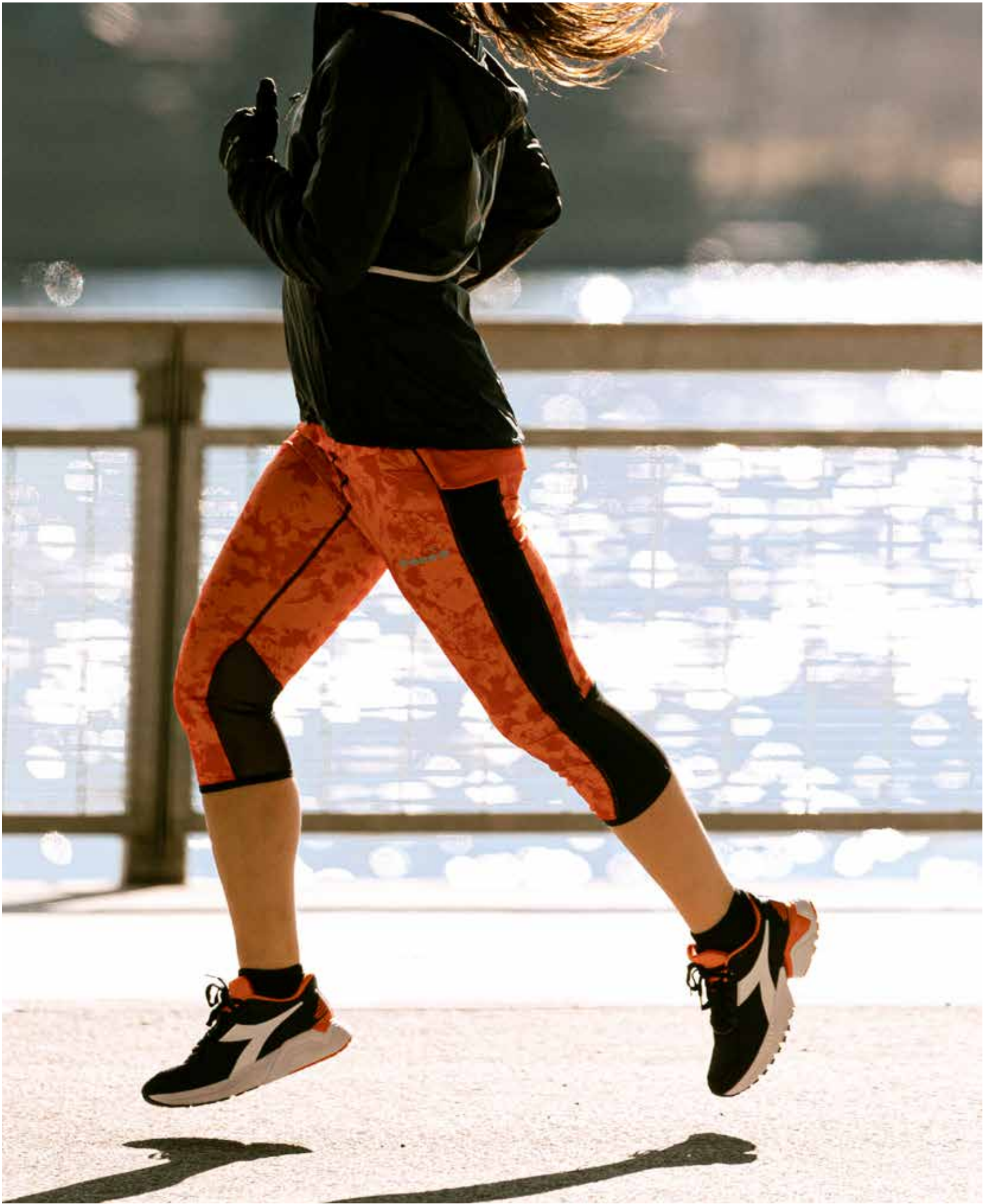
For 2022, we have set ourselves the goal of adopting stricter product compliance controls, thanks also to prompt process monitoring by our Quality Department which will allow us to improve the characteristics and quality of the service we provide. In particular, we plan on implementing new PLM (Product Lifecycle Management) and even more effective supply chain tracking to ensure product quality.

Laboratory tests (no.)



Laboratory test - Footwear (no.)





Appendix

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Headquarter Social Impact

Economic performance (GRI 201-1)

Reference year	2019	2020	2021
Directly generated economic value	172,472	142,545	161,653
Net sales	161,553	132,065	155,027
Income from Financial Investments	10,200	9,982	7,084
Revenues from the sale of goods	40	1	1
Exchange management	679	497	-457
Economic value distributed	- 161,948	- 135,924	- 157,923
Operating costs	- 144,165	- 121,304	- 141,825
Operating costs for goods and services	- 143,898	-121,065	- 141,600
Training costs	- 46	- 39	- 19
Remuneration of collaborators/freelance/ temporary workers	- 222	- 200	- 206
Remuneration and benefits	- 15,934	- 13,527	- 15,303
Employee remuneration	- 15,934	- 13,527	- 15,303
Employee benefits	-	-	-
Payments to capital suppliers	- 740	- 842	- 1,074
Payments to partners	-	-	-
Payments to banks and financial institutions	- 740	- 842	- 1,074
Payments to P.A.	- 1,090	- 223	282
Investments in the community	- 18	- 29	- 3
Economic value retained	10,525	6,621	3,730

The Diadora Team (GRI 102-8)

Type of employment contract	2019		2020		2021	
	M	F	M	F	M	F
Fixed-term employees	1	0	1	3	1	7
Permanent employees	99	104	99	104	88	98
Collaborators	0	0	0	0	0	0
Cooperative	4	4	1	3	1	2
Interns	2	3	2	2	1	0
Total by gender	106	111	103	112	91	107
Total	217		215		198	

No. of employees per employment contract ¹³	Italy		2019 Europe (excluding Italy)		Outside Europe		Total
	M	F	M	F	M	F	
Fixed-term employees	1	0	0	0	0	0	1
Permanent employees	91	92	5	9	3	3	203
Total	92	92	5	9	3	3	204

No. of employees per employment contract ¹³	Italy		2020 Europe (excluding Italy)		Outside Europe		Total
	M	F	M	F	M	F	
Fixed-term employees	1	2	0	0	0	1	4
Permanent employees	91	94	6	7	2	3	203
Total	92	96	6	7	2	4	207

No. of employees per employment contract ¹³	Italy		2021 Europe (excluding Italy)		Outside Europe		Total
	M	F	M	F	M	F	
Fixed-term employees	1	7	0	0	0	0	8
Permanent employees	86	87	1	7	1	4	186
Total	87	94	1	7	1	4	194

Part time/full time ¹⁴	2019		2020		2021	
	M	F	M	F	M	F
Full-time	100	91	100	93	89	95
Part-time	0	13	0	14	0	10
Total by gender	100	104	100	107	89	105
Total	204		207		194	

Classification, gender and age group	2019					
	<30		30-50		<50	
	M	F	M	F	M	F
Executives	0	0	10	0	1	1
Middle Managers	0	0	17	6	8	2
Office workers	11	16	30	62	11	14
Factory workers	2	0	3	2	7	1
Total by gender	13	16	60	70	27	18
Total by age	29		130		45	
Total employees	204					

Classification, gender and age group	2020					
	<30		30-50		<50	
	M	F	M	F	M	F
Executives	0	0	8	1	3	3
Middle Managers	0	0	16	8	10	2
Office workers	9	14	33	58	11	18
Factory workers	2	0	1	2	7	1
Total by gender	11	14	58	69	31	24
Total by age	25		127		55	
Total employees	207					

Classification, gender and age group	2021					
	<30		30-50		<50	
	M	F	M	F	M	F
Executives	0	0	6	1	4	2
Middle Managers	0	0	12	8	10	2
Office workers	7	10	31	61	11	19
Factory workers	1	0	1	2	6	0
Total by gender	8	10	50	72	31	23
Total by age	18		122		54	
Total employees	194					

¹⁴ The count excludes collaborations, cooperatives and internships.

Composition of governing bodies by gender and age group (GRI 405-1) ¹⁴						
Diadora S.p.A.	2019		2020		2021	
	M	F	M	F	M	F
<30	0	0	0	0	0	0
30-50	10	0	8	1	6	1
>50	1	1	3	3	4	2
Total by gender	11	1	11	4	10	3
Total employees	12		15		13	

Composition of governing bodies by gender and age group (GRI 405-1) ¹⁴						
Diadora S.p.A.	2019		2020		2021	
	M	F	M	F	M	F
<30	-	-	-	-	-	-
30-50	100%	0%	89%	11%	86%	14%
>50	50%	50%	50%	50%	67%	33%
Total by gender	92%	8%	73%	27%	77%	23%
Total employees	100%		100%		100%	

No. of new hire (GRI 401-1) ¹⁴	2019					
	Italy		Europe (excluding Italy)		Outside Europe	
	M	F	M	F	M	F
<30	2	3	0	0	0	0
30-50	5	8	0	0	0	0
>50	1	1	0	0	0	0
Total	8	12	0	0	0	0

No. of new hire (GRI 401-1) ¹⁴	2020					
	Italy		Europe (excluding Italy)		Outside Europe	
	M	F	M	F	M	F
<30	5	4	0	0	0	1
30-50	8	2	0	0	0	0
>50	2	1	0	1	0	0
Total	15	7	0	1	0	1

No. of new hire (GRI 401-1) ¹⁴	2021					
	Italy		Europe (excluding Italy)		Outside Europe	
	M	F	M	F	M	F
<30	5	3	0	0	0	0
30-50	7	10	0	0	0	0
>50	0	1	0	0	0	0
Total	12	14	0	0	0	0

¹⁴ The count excludes collaborations, cooperatives and internships.

Hiring rate (GRI 401-1) ¹⁵	2019		2020		2021	
	M	F	M	F	M	F
<30	15%	19%	45%	36%	63%	30%
30-50	8%	11%	14%	3%	14%	14%
>50	4%	6%	6%	8%	0%	4%
Total by gender	8%	12%	15%	8%	13%	13%
Total employees	10%		12%		13%	

No. of employees left (GRI 401-1) ¹⁵	Italy		2019 Europe (excluding Italy)		Outside Europe		Total
	M	F	M	F	M	F	
<30	3	4	0	0	0	0	7
30-50	14	4	1	0	1	0	20
>50	3	3	0	0	1	0	7
Total	20	11	1	0	2	0	34

No. of employees left (GRI 401-1) ¹⁵	Italy		2020 Europe (excluding Italy)		EOutside Europe		Total
	M	F	M	F	M	F	
<30	3	2	0	0	0	0	5
30-50	9	2	0	1	0	0	12
>50	3	0	0	1	0	0	4
Total	15	4	0	2	0	0	21

No. of employees left (GRI 401-1) ¹⁵	Italy		2021 Europe (excluding Italy)		Outside Europe		Total
	M	F	M	F	M	F	
<30	3	5	0	0	0	0	8
30-50	16	8	0	0	1	0	25
>50	2	3	0	0	1	0	6
Total	21	16	0	0	2	0	39

Turnover rate (GRI 401-1) ¹⁶	2019		2020		2021	
	M	F	M	F	M	F
<30	23%	25%	27%	14%	37%	50%
30-50	27%	6%	16%	4%	34%	11%
>50	15%	17%	10%	4%	10%	13%
Total employees	17%		10%		20%	

¹⁵ The figures reported refer to members of the Company's Top Management, in particular the Executives.
¹⁶ Numbers referring to the Italian headquarters only.

Occupational health and safety

Number of injuries and employee health and safety indicators (GRI 403-9)			
	2019	2020	2021
Work-related deaths	0	0	0
Injuries	0	0	0
Of which serious injuries	0	0	0
Of which while travelling to/from work	0	0	0
Total hours worked	360,672	369,288	346,096
Death rate	0	0	0
Injury rate	0	0	0
Serious injury rate	0	0	0

Human resources training

Average hours ¹⁷ of training provided to employees by gender and classification (GRI 404-1)						
	2019		2020		2021	
	M	F	M	F	M	F
Executives	62.50	56.00	2.73	7.50	5.90	7.67
Middle Managers	10.60	8.06	20.00	3.80	2.34	1.43
Office workers	4.63	3.60	7.64	5.24	3.26	1.68
Factory workers	7.04	1.67	0.00	0.00	0.94	2.25
All employees	2.32	2.33	0.00	0.00	8.85	8.85
Total by gender	15.10	6.72	9.55	5.04	11.97	10.69
Total employees	10.82		7.22		11.28	

¹⁷ The figures on average hours shown in the table exclusively to the training hours provided and by the Company per professional category (471h). For the remaining 1717h, it was impossible to make a distinction by professional category. Diadora is already improving the collection of data on this topic for the next Sustainability Report.

Employees by nationality				
Country	Category	2019	2020	2021
Australia	Outside the EU	1	1	0
Bolivia	Outside the EU	1	1	1
Bosnia and Herzegovina	Outside the EU	1	1	1
Canada	Outside the EU	1	1	1
France	EU	4	3	3
Great Britain	Outside the EU	1	1	0
Germany	EU	5	5	5
Italy	EU	184	187	176
Lithuania	EU	1	1	1
Morocco	Outside the EU	1	1	1
Pakistan	Outside the EU	0	0	0
Romania	EU	1	1	1
Switzerland	Outside the EU	1	1	1
Vietnam	Outside the EU	1	1	1
Spain	EU	1	1	1
Venezuela	Outside the EU	0	1	1
Total		204	207	194

Evaluation of respect for human rights

Suppliers evaluated by country (GRI 414-1)				
Country	Category	2019	2020	2021
Bangladesh	Outside the EU	2	2	3
China	Outside the EU	26	19	23
Italy	EU	24	17	21
Portugal	EU	1	1	1
Ukraine	Outside the EU	1	0	0
Bulgaria	EU	1	1	0
Poland	EU	1	0	1
United Kingdom	Outside the EU	1	0	2
Romania	EU	3	2	2
USA	Outside the EU	0	0	0
Taiwan	Outside the EU	0	0	0
Serbia	Outside the EU	1	2	0
Spain	EU	0	1	0
Holland	EU	0	1	0
Ireland	EU	0	1	1
Germany	EU	0	0	2
Indonesia	Outside the EU	0	0	1
Norway	Outside the EU	0	0	1
Total suppliers		61	47	58

Periodic evaluation

Number of employees receiving periodic performance and professional development evaluations (GRI 404-3)									
	2019			2020			2021		
	M	F	Total	M	F	Total	M	F	Total
Executives	11	1	12	11	4	15	10	3	13
Middle Managers	25	7	32	22	6	28	23	9	32
Office workers	20	35	55	15	29	44	23	30	53
Factory workers	1	0	1	1	0	1	0	0	0
Total	100			88			98		

Materials
Environmental impact

The raw materials we use (GRI 301-1)

Footwear						
Materials and components	Unit of measurement	2019	2020	2021	% Recycled	% Recyclable
Ethylene vinyl acetate (EVA)	kg		301,563	306,230	10%	13%
Thermoplastic rubber (TPR)	kg	1,556,100	316,514	257,974	3%	11%
Rubber	kg		532,754	854,848	7%	59%
Polyurethane (PU) soles	kg	778,812	380,166	463,078	2%	28%
Foams	kg		65,858	54,243	3%	11%
Heel counter	kg		109,766	142,237	10%	6%
Lasting insoles	kg		169,963	185,929	28%	52%
Total	kg	2,334,912	1,876,584	2,264,539	8%	36%
Leather	m²	610,377	400,071	468,530	20%	20%
Polyester mesh (PL)	m²		650,556	414,044	24%	16%
Cotton	m²		19,471	73,503	52%	61%
Coagulated and coated fabrics	m²	1,118,802	678,951	816,071	2%	17%
Total	m²	2,050,641	1,749,049	1,772,148	14%	19%
Laces in polyester, cotton, leather	kg		33,298	224,438	8%	7%

Clothing				
Materials and components	Unit of measurement	2021	% Recycled	% Recyclable
Acrylic	m	2,000	0%	0%
Elastane	m	5,304	0%	64%
Nylon	m	379,215	12%	95%
Polyester	m	258,192	9%	78%
Viscose	m	833	8%	88%
Total	Metres	1,394,321.00	0.05%	0.75%
Cotton	kg	754,081	0%	79%
Polypropylene	kg	3,865	16%	49%
Total	Kilograms	757,946	0%	71%

Responsible use of chemicals

Chemicals used at Manovia				
Chemicals	Unit of measurement	2019	2020	2021
Glues/Adhesives	kg	1 643.4	1 045.38	633
Crosslinkers	Kg	36	39.9	16
Cleaners	Kg	162	138	184
H ₂ O-based adhesive		-	-	312
Total	Kg	1 841.4	1 223.28	1 145

Our product packaging

Diadora product packaging				
	Unit of measurement	2019	2020	2021
Paper	Kg	2,471,450	1,839,289	1,993,320
Of which FSC	Kg	49,429	809,287	1,554,789.60
Plastic	Kg	66,576	34,323	31,573
Wood	Kg	213,044	191,082	180,193
Total	Kg	2,751,070	2,064,694	2,205,086

Emissions (GRI 305-1)

Scope 1 emissions from fossil fuel consumption (tCO ₂ eq)			
2019	2020	2021	
431.57	306.84	352.00	

Energy (GRI 302-1)

Direct energy consumption				
Energy type	Unit of measurement	2019	2020	2021
Electricity from non-renewable sources	kWh	0	0	0
Electricity from renewable sources	kWh	1,431,036	1,457,000	1,535,159
Total electricity	kWh	1,431,036	1,457,000	1,535,159
	GJ	5,152	5,585	5,527
Methane	m ³	52,783	38,378	56,211
	GJ	2080	1,512	2,215
Diesel	l	36,000	46,831	50,863
	TOE	32	42	46
Total	J	1,431	1,457	1,535

GRI Content Index

GRI Standard	Information	Chapter	Notes	Omission
GRI 102 - GENERAL DISCLOSURES 2016				
Organisational profile				
102-1	Name of the organisation	1. About us		
102-2	Activities, brands, products and services	1. About us		
102-3	Location of headquarters	1. About us	The registered office is in Caerano di San Marco, Via Montello 80	
102-4	Location of operations	1. About us		
102-5	Ownership and legal form	1. About us		
102-6	Markets served	1. About us		
102-7	Scale of the organisation	1. About us		
102-8	Information on employees and other workers	2. Diadora and life in the Company 5. Appendix		
102-9	Supply chain	3. Supply chain		
102-10	Significant changes to the organisation and its supply chain	3. Supply chain		
102-11	Precautionary Principle or approach	Letter to stakeholders		
102-12	External initiatives	3.3 Social Impact - Working conditions and respect for human rights along our supply chain	Diadora joined the Better Cotton Initiative in 2021.	
102-13	Membership of associations	1.4 Our governance structure		
Strategy				
102-14	Statement from senior decision-maker	Letter to stakeholders		
Ethics and integrity				
102-16	Values, principles, standards and norms of behaviour	1.3 Purpose, vision and mission	In addition to Diadora's vision and values, the Code of Ethics and Code of Conduct sets out Diadora's values and commitments to its stakeholders.	
Governance				
102-18	Governance structure	1.4 Our governance structure		



GRI Standard	Information	Chapter	Notes	Omission
102-20	Responsibility at executive level for economic, environmental and social issues	A special Sustainability & Intangibles Department dedicated to Corporate Responsibility has been identified, with the aim of overseeing existing corporate initiatives, planning targeted actions and interventions and periodically reporting to Management.		
Stakeholder engagement				
102-40	List of stakeholder groups	Our stakeholders		
102-41	Collective bargaining agreements	2.1 Social Impact	All Diadora S.p.A. employees are covered by a collective agreement (footwear industry) in accordance with the provisions of national employment legislation.	
102-42	Identifying and selecting stakeholders	Our stakeholders		
102-43	Approach to stakeholder engagement	Our stakeholders		
102-44	Key topics and concerns raised	Our stakeholders		
Reporting practices				
102-45	Entities included in the consolidated financial statements	Methodological note		
102-46	Definition of report content and topic boundaries	Methodological note		
102-47	List of material topics	Materiality analysis and material topics		
102-48	Restatements of information		First Report	
102-49	Changes in Reporting		First Report	
102-50	Reporting period		Year 2021	
102-51	Date of most recent report		First Report	
102-52	Reporting cycle		Annual	
102-53	Contact point for questions regarding the report	Methodological note		
102-54	Claims of reporting in accordance with the GRI Standards	Methodological note		
102-55	GRI Content Index	GRI Content Index		
102-56	External assurance	This Report is subject to assurance		

Reporting on specific standards

GRI Standard	Information	Chapter	Notes	Omission
Economic topics				
Economic performance				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	1.5 Our economic performance		
103-2	The management approach and its components	1.5 Our economic performance		
103-3	Evaluation of the management approach	1.5 Our economic performance		
GRI 201: Economic performance 2016				
201-1	Direct economic value generated and distributed	1.5 Our economic performance 5. Appendix		
Customer satisfaction				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	4.2 Social Impact - Our customers' satisfaction		
103-2	The management approach and its components	4.2 Social Impact - Our customers' satisfaction 5. Appendix		
103-3	Evaluation of the management approach	4.2 Social Impact - Our customers' satisfaction		
Compliance				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	1.4 Our governance structure - Governance and compliance		
103-2	The management approach and its components	1.4 Our governance structure - Governance and compliance		
103-3	Evaluation of the management approach	1.4 Our governance structure - Governance and compliance		
Corporate identity and strategy				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	1. About us		
103-2	The management approach and its components	1. About us		
103-3	Evaluation of the management approach	1. About us		



GRI Standard	Information	Chapter	Notes	Omission
Environmental topics				
Raw materials				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	4.1 Environmental impact - The raw materials we use		
103-2	The management approach and its components	4.1 Environmental impact - The raw materials we use		
103-3	Evaluation of the management approach	4.1 Environmental impact - The raw materials we use		
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	4.1 Environmental impact - The raw materials we use 5. Appendix		
Packaging				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	4.1 Environmental impact - Our product packaging		
103-2	The management approach and its components	4.1 Environmental impact - Our product packaging		
103-3	Evaluation of the management approach	4.1 Environmental impact - Our product packaging		
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	4.1 Environmental impact - Our product packaging 5. Appendix		
Chemicals				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	4.1 Environmental impact - Responsible use of chemicals		
103-2	The management approach and its components	4.1 Environmental impact - Responsible use of chemicals		
103-3	Evaluation of the management approach	4.1 Environmental impact - Responsible use of chemicals		
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	4.1 Environmental impact - Responsible use of chemicals 5. Appendix		

GRI Standard	Information	Chapter	Notes	Omission
Impact of locations				
GRI 103: Management approach 2016 (valid for all "Impact of locations" topics)				
103-1	Explanation of the material topic and its boundary	2.2 Environmental impact - Our headquarters		
103-2	The management approach and its components	2.2 Environmental impact - Our headquarters		
103-3	Evaluation of the management approach	2.2 Environmental impact - Our headquarters		
GRI 302: Energy 2016				
302-1	Energy consumption within the organisation	2.2 Environmental impact - Our headquarters 5. Appendix		
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	2.2 Environmental impact - Our headquarters		
306-2	Management of significant waste-related impacts	2.2 Environmental impact - Our headquarters		
306-3	Waste generated	2.2 Environmental impact - Our headquarters 5. Appendix		
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	2.2 Environmental impact - Our headquarters 5. Appendix		
Environmental impact of the supply chain				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	3.2 Environmental impact - Environmental impact of our supply chain		
103-2	The management approach and its components	3.2 Environmental impact - Environmental impact of our supply chain		
103-3	Evaluation of the management approach	3.2 Environmental impact - Environmental impact of our supply chain		
GRI 308: Supplier environmental assessment 2016				
308-1	New suppliers that were screened using environmental criteria	3.2 Environmental impact - Environmental impact of our supply chain 5. Appendix		
308-2	Negative environmental impacts in the supply chain and actions taken	3.2 Environmental impact - Environmental impact of our supply chain 5. Appendix		



GRI Standard	Information	Chapter	Notes	Omission
Social topics				
Employee management				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	2.1 Social impact - Our team		
103-2	The management approach and its components	2.1 Social impact - Our team		
103-3	Evaluation of the management approach	2.1 Social impact - Our team		
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	2.1 Social impact - Our team 5. Appendix		
401-2	Benefits provided for full-time employees, but not for part-time or fixed-term employees	2.1 Social impact - Our team		
Workers' health and safety				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	2.1 Social Impact - Occupational health and safety		
103-2	The management approach and its components	2.1 Social Impact - Occupational health and safety		
103-3	Evaluation of the management approach	2.1 Social Impact - Occupational health and safety		
GRI 403: Occupational health and safety 2018				
403-1	Occupational health and safety management system	2.1 Social Impact - Occupational health and safety		
403-2	Hazard identification, risk assessment and incident investigation	2.1 Social Impact - Occupational health and safety		
403-3	Occupational health services	2.1 Social Impact - Occupational health and safety		
403-4	Worker participation, consultation and communication on occupational health and safety	2.1 Social Impact - Occupational health and safety		
403-5	Worker training on occupational health and safety	2.1 Social Impact - Occupational health and safety		
403-6	Promotion of worker health	2.1 Social Impact - Occupational health and safety		

GRI Standard	Information	Chapter	Notes	Omission
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.1 Social Impact - Occupational health and safety		
403-8	Workers covered by an occupational health and safety management system	2.1 Social Impact - Occupational health and safety		
403-9	Work-related injuries	2.1 Social Impact - Occupational health and safety 5. Appendix		
Employee training				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	2.1 Social impact - Training our team		
103-2	The management approach and its components	2.1 Social impact - Training our team		
103-3	Evaluation of the management approach	2.1 Social impact - Training our team		
GRI 404: Training and education 2016				
404-1	Average hours of training per year per employee	2.1 Social impact - Training our team 5. Appendix		
Equal opportunities and non-discrimination				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	2.1 Social impact - The guarantee of equal opportunities and non-discrimination in Diadora		
103-2	The management approach and its components	2.1 Social impact - The guarantee of equal opportunities and non-discrimination in Diadora		
103-3	Evaluation of the management approach	2.1 Social impact - The guarantee of equal opportunities and non-discrimination in Diadora		
GRI 405: Diversity and equal opportunities 2016				
405-1	Diversity of governance bodies and employees	2.1 Social impact - The guarantee of equal opportunities and non-discrimination in Diadora		



GRI Standard	Information	Chapter	Notes	Omission
Working conditions and human rights in the supply chain				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	3.3 Social Impact - Working conditions and respect for human rights along our supply chain		
103-2	The management approach and its components	3.3 Social Impact - Working conditions and respect for human rights along our supply chain		
103-3	Evaluation of the management approach	3.3 Social Impact - Working conditions and respect for human rights along our supply chain		
GRI 412: Human rights assessment 2016				
414-1	New suppliers that were screened using social criteria	3.3 Social Impact - Working conditions and respect for human rights along our supply chain 5. Appendix		
Product safety				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	4.3 The impact of governance - Safety and quality as our promise		
103-2	The management approach and its components	4.3 The impact of governance - Safety and quality as our promise		
103-3	Evaluation of the management approach	4.3 The impact of governance - Safety and quality as our promise		
GRI 416: Customer health and safety 2016				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.3 The impact of governance - Our products, between innovation and efficiency	We have not been notified of any cases of non-compliance with regulations that resulted in a fine or sanction or non-compliance with self-regulatory codes in 2021, 2020 and 2019. In 2019, we received a non-compliance notification that resulted in a warning. Following this notification, we proceeded to publish the products on the Rapex website as required by the European Regulation (April 2020).	

GRI Standard	Information	Chapter	Notes	Omission
Local suppliers and short supply chain				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	3.1 The impact of governance - Commitment to a short supply chain		
103-2	The management approach and its components	3.1 The impact of governance - Commitment to a short supply chain		
103-3	Evaluation of the management approach	3.1 The impact of governance - Commitment to a short supply chain		
Product innovation and efficiency				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	4.3 The impact of governance - Our products, between innovation and efficiency		
103-2	The management approach and its components	4.3 The impact of governance - Our products, between innovation and efficiency		
103-3	Evaluation of the management approach	4.3 The impact of governance - Our products, between innovation and efficiency		

Independent auditors' report



Report of the independent auditing firm on the “Sustainability Report” - Financial Year 2021

To the Board of Directors of
Diadora SpA

We have been instructed to carry out a limited examination ("limited assurance engagement") of the "Sustainability Report - Financial Year 2021" (hereinafter the "Sustainability Report") of Diadora SpA (hereinafter also the company) relating to the year ended on December 31, 2021.

Responsibility of the Directors for the Sustainability Report

The Directors of Diadora SpA are responsible for preparing the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by the GRI - Global Reporting Initiative (hereinafter the "GRI Standards"), as described in the paragraph "Methodological note". The directors are also responsible for that part of internal control they deem necessary in order to allow the preparation of a Sustainability Report that does not contain significant errors due to fraud or unintentional behavior or events.

The directors are also responsible for defining the objectives of Diadora SpA in relation to sustainability performance, as well as for identifying the stakeholders and the significant aspects to be reported.

Independence of the auditor and quality control firm

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our auditing firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, consequently, maintains a quality control system that includes directives and document procedures on compliance with ethical principles, professional principles and legal provisions, and applicable regulations.

Responsibility of the auditing firm

It is our responsibility to express, on the basis of the procedures carried out, a conclusion regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work was carried out in accordance with the provisions of the "International Standard on Assurance Engagements ISAE 3000 (Revised)" - Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("hereinafter" ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and carrying out of procedures in order to acquire a limited level of security that the Sustainability Report does not contain significant errors.

Therefore our exam involved a work extension lower than that necessary for carrying out a complete exam according to ISAE 3000 Revised (reasonable assurance engagement) and, consequently, does not allow us



to have the certainty of having become aware of all the significant facts and circumstances that could be identified by carrying out this examination.

The procedures carried out on the Sustainability Report were based on our professional judgment and included interviews, mainly with the staff of the Company responsible for preparing the information presented in the Sustainability Report, as well as the analysis of documents, recalculations and other procedures aimed at acquisition of evidence deemed useful.

In particular, we have carried out the following procedures:

- Analysis of the process of defining the relevant issues reported in the Sustainability Report, with reference to the methods of identification in terms of their priorities for the various categories of stakeholders and the internal validation of the results of the process;
- Comparison between the data and information of an economic-financial nature reported in paragraph 1.5 and in the appendix to the Sustainability Report and the data and information included in the Company's financial statements at 31 December 2021;
- Understanding of the processes underlying the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have carried out interviews and discussions with the staff of Diadora SpA and we have carried out limited document checks, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the function responsible for preparing the Sustainability Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Company:

- at the Company level
 - with reference to the qualitative information contained in the Sustainability Report, we carried out interviews and acquired supporting documentation to verify its consistency with the available evidence;
 - with reference to quantitative information, we have carried out both analytical procedures and limited checks to ascertain on a sample basis the correct aggregation of the data.

Conclusions

On the basis of the work carried out, no elements have come to our attention that lead us to believe that the Sustainability Report of Diadora SpA for the year ended December 31, 2021 has not been drawn up, in all significant aspects, in compliance with the required by the GRI Standards as described in the paragraph "Methodological note" of the Sustainability Report.

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