



SUSTAINABILITY REPORT
2018

*“We are committed to the challenge
of enhancing our footprint
together with you”*

CONTENTS

LETTER TO STAKEHOLDERS _____	04
THE PROCESS OF DRAWING UP OUR FIRST SUSTAINABILITY REPORT _____	05
1 WE ARE COMMITTED TO THE CHALLENGE	
1.1 Our history _____	10
1.2 Our organisation _____	12
1.3 Our DNA and our commitment _____	15
2 OF ENHANCING OUR FOOTPRINT	
2.1 Through the choice of materials _____	18
2.2 by contributing to the fight against climate change _____	26
2.3 along our supply chain _____	29
3 TOGETHER WITH YOU	
3.1 Our people _____	33
3.2 Our customers _____	36
3.3 Our partners _____	38
METHODOLOGICAL NOTE _____	41
CONTENT INDEX _____	43



LETTER TO STAKEHOLDERS

Dear readers,

I am pleased to unveil the first Sustainability Report of Save The Duck. We aim to diligently and transparently share with you the objectives and milestones achieved by our organisation and the challenges that lie ahead.

As you know, or as you will discover in the following pages, our company philosophy is based on our responsibility and our intention to create a unique enterprise, whose guiding principle is respect for animals and for the environment and which makes people proud to wear our garments. These values are undeniably linked to the ambitious challenge of sustainability, which we have taken on and which we are committed to every day, as it has been an integral part of the Company right from the beginning. It is no coincidence that the importance we place on protecting wildlife led to our choice of name for the company, our first calling card.

Nevertheless, we are aware that sustainability is a complex objective, with different facets, and which can at times be contradictory. Sustainability affects every single aspect of a company business, from selecting suppliers to product innovation, from the choice of rawmaterials to

the safety of our garments, from the wellbeing of our people to supporting the communities in which we operate, and much more. In this respect, as part of an ecosystem, we believe we have a responsibility to **enhancing our footprint**, today and tomorrow, by deliberating each company decision with a view to maximising positive factors and minimising negative ones. We pursue this objective mainly through our products, which reflect our principles and our commitment. Just a few years from the Company establishment, we launched our first collection, made entirely from 100% recycled materials, and in 2019, with great enthusiasm, we launched our first collection of 100% recyclable garments.

We are equally aware that **“together”** we can achieve ambitious milestones and travel along unexplored avenues. This is why, today, with an eye on the future, every day we seek to convey our enthusiasm and our values to our customers, to our partners and to everyone we come into contact with, aiming at cooperating to the achievement of a shared objective: safeguarding our planet. A commitment which has taken us far, actually **“up”**: in 2018 and 2019, together with mountaineer Kuntal A. Joisher, we have conquered the highest summits in the world.

To make our commitment even more real, we have become a Benefit Corporation, which means putting social and environment performance on a par with economic-financial ones: a real change of paradigm with respect to traditional business models that are only focused on profit. In 2019, we have already taken a step in this direction by obtaining the B Corp certification, which is awarded to organisations that voluntarily comply with the highest standards of responsibility and transparency in the social and environmental sphere.

As you will have understood, the ambitions of Save The Duck go far beyond being the first brand of 100% animal-free puffer jackets. Follow us and there will be no lack of surprises!

CEO
Nicolas Bargi



THE PROCESS OF DRAWING UP OUR FIRST SUSTAINABILITY REPORT

With a view to ensuring increasingly transparent communication with its stakeholders, Save The Duck (hereinafter also “the Company”¹) decided to produce its first Sustainability Report (hereinafter also “Report”), which provides key information relating to environmental, social and economic aspects that characterise the Company business.

The process of drawing up the Sustainability Report, coordinated by an internal working group, involved top management and the various company departments, which actively contributed to defining the relevant topics, the document layout and to gathering the data and information needed to draw up the Report.

The Sustainability Report of Save The Duck has been drawn up according to GRI (Global Reporting Initiative) Global Reporting Standards, the most widely-known and applied standard for sustainability reporting. In line with the requirements of this standard, the initial stages for the preparation of the Sustainability Report are the identification and prioritisation of the Company stakeholders and the analysis of the materiality of each topic for the Company (materiality analysis), illustrated below in more details.

OUR STAKEHOLDERS

Identifying and prioritising the Company stakeholders are fundamental steps for the subsequent selection of the most relevant sustainability aspects to include in the Sustainability Report.

Based on the analysis of the company structure, of its business activities, of the value chain and of the Company network of relationships, the different stakeholders of Save The Duck were mapped. With the help of the Company management, they were then classified on the basis of the following criteria:

Influence on Save The Duck: ability of the stakeholder to influence the strategic or operating decisions of the Company;

Reliance on Save The Duck: level of reliance of the stakeholder on the choices, products and activities of the organisation.

¹ The 2018 Sustainability Report of Save The Duck refers to Save The Duck S.p.A.. The Company was first established as Forest S.r.l., changing its name to Save The Duck S.r.l. in 2018 and then, in 2019 became a joint-stock company.



THE PROCESS OF DRAWING UP OUR FIRST SUSTAINABILITY REPORT



This analysis enabled a priority level to be allocated to the different categories of stakeholders, with whom, as part of its business activities, Save The Duck promotes a number of communication and dialogue initiatives, with a view to strengthen mutual trust and continuous discussion.

The following table shows the main channels adopted in 2018 to communicate with the most important categories of stakeholders and the main areas in which dialogue has been established with the Company.

STAKEHOLDERS	TOPICS/EXPECTATIONS INDICATED BY STAKEHOLDERS	TYPE OF INVOLVEMENT
<p>Employees</p> <hr/>	<p>The topics, that employees are mostly interested in, relate to the care and management of their working relationships and to brand development.</p>	<p>Employee's involvement is constantly guaranteed by sharing information about the Company performance, by instilling continuous dialogue and by holding meetings and consultations with the various Company departments.</p>
<p>Media</p> <hr/>	<p>The areas of interest are mainly related to the Company approach to sustainability trends in the industry and to measuring the environmental impacts of the entire production process.</p>	<p>Relations with the media are maintained through periodic discussions and press releases in which the Company illustrates its sustainable solutions, the use of innovative materials and information relating to the production of 100% animal-free garments.</p>
<p>Final customers</p> <hr/>	<p>The topics that final customers are interested in knowing more about are mainly linked to the use and impact of microfibers and the innovative features of Save The Duck collections (e.g. recycled materials).</p>	<p>The involvement of end customers is mainly achieved through customer services activities on the main social networks (i.e. Facebook, Instagram).</p>
<p>Online community / Influencer</p> <hr/>	<p>---</p>	<p>Periodic communications.</p>

THE PROCESS OF DRAWING UP OUR FIRST SUSTAINABILITY REPORT



STAKEHOLDERS	TOPICS/EXPECTATIONS INDICATED BY STAKEHOLDERS	TYPE OF INVOLVEMENT
Control entities and legislator	The expectations stated refer mainly to the compliance of Save The Duck business activities with current legislation and industry regulations.	With a view to transparency, the Company has instilled continuous channels for dialogue and the exchange of information with the control entities and the legislator, to be able to constantly adapt its practices to the law in force, adopting the applicable best practices.
Shareholders	The expectations of shareholders regard the governance structure and the management of the Company, as well as financial results.	In addition to institutional channels and written communications, the Company organises occasions for discussion and the exchange of information on the management and the performance of the Company with its shareholders.
Investors	The most relevant topics for investors are the financial management of the Company and its profitability.	The Company has set channels in place to ensure continuous dialogue and to exchange information with its investors, such as organising meetings and the distribution of periodic reports, to provide them with updates on the financial situation and on the economic trends of the industry and of the Company.
Equity providers	The most relevant topic for equity providers is the financial management of the Company.	The Company has set up channels to ensure continuous dialogue and to exchange information with its equity providers, such as organising meetings and the distribution of periodic reports, to provide them with updates on the financial situation and on the economic trends of the industry and of the Company.

THE PROCESS OF DRAWING UP OUR FIRST SUSTAINABILITY REPORT

MATERIAL TOPICS

Identifying the material sustainability topics that reporting should focus on is a fundamental step in drawing up the Sustainability Report according to the “Global Reporting Initiative Sustainability Reporting Standards” (“GRI Standards” for short).

For this reason, Save The Duck started by mapping the sustainability topics that are potentially relevant to the Company on the basis of a series of preliminary activities (benchmarking, media analyses, sector trend analyses), the contributions received from various company divisions and the topics proposed by the GRI Standards. Subsequently, to identify which of the potentially relevant topics should be considered **material topics**, the Company conducted a materiality analysis, namely it evaluated the different sustainability topics according to the relevance these have for the Company and its stakeholders, as envisaged by the reporting standard in question.

More specifically, a workshop was organised with top management during which the participants were asked to rank the sustainability topics on the basis of their **relevance for Save The Duck**, considering not only their personal perceptions,

but the formal commitment made by the Company as regards the topics analysed, the company priorities and the main areas of environmental, economic and social impact of the organisation.

To determine the relevance of the sustainability topics from the stakeholders’ perspective, instead, the results of the preliminary analyses were taken into consideration, in particular:

- the **benchmark** analysis of comparable Italian and international companies operating in the clothing industry, which enabled us to understand which sustainability topics are most often included in documents that they publish;;
- the analysis of the **relevance of media and public opinion** on sustainability topics, by identifying the main news on Save The Duck, considering both local and international newspaper articles;
- the analysis of **global sustainability trends**, by mapping the sustainability topics most often considered by the major stock exchange, sustainability rating agencies (DJSI, MSCI, etc.), international organisations (GRI, World Economic Forum, etc.) and governmental institutions (EU, UN, etc.);
- the analysis of the **sustainability pressures on the textile and clothing industry**, by identifying the topics most often included in the publications of the main industry and

trade associations (The Ellen MacArthur Foundation, European Clothing Action Plan, National Chamber of Italian Fashion, etc.) and of several international organisations (RobecoSam, SASB, etc.).

The results of these analyses are represented in the Materiality Matrix.

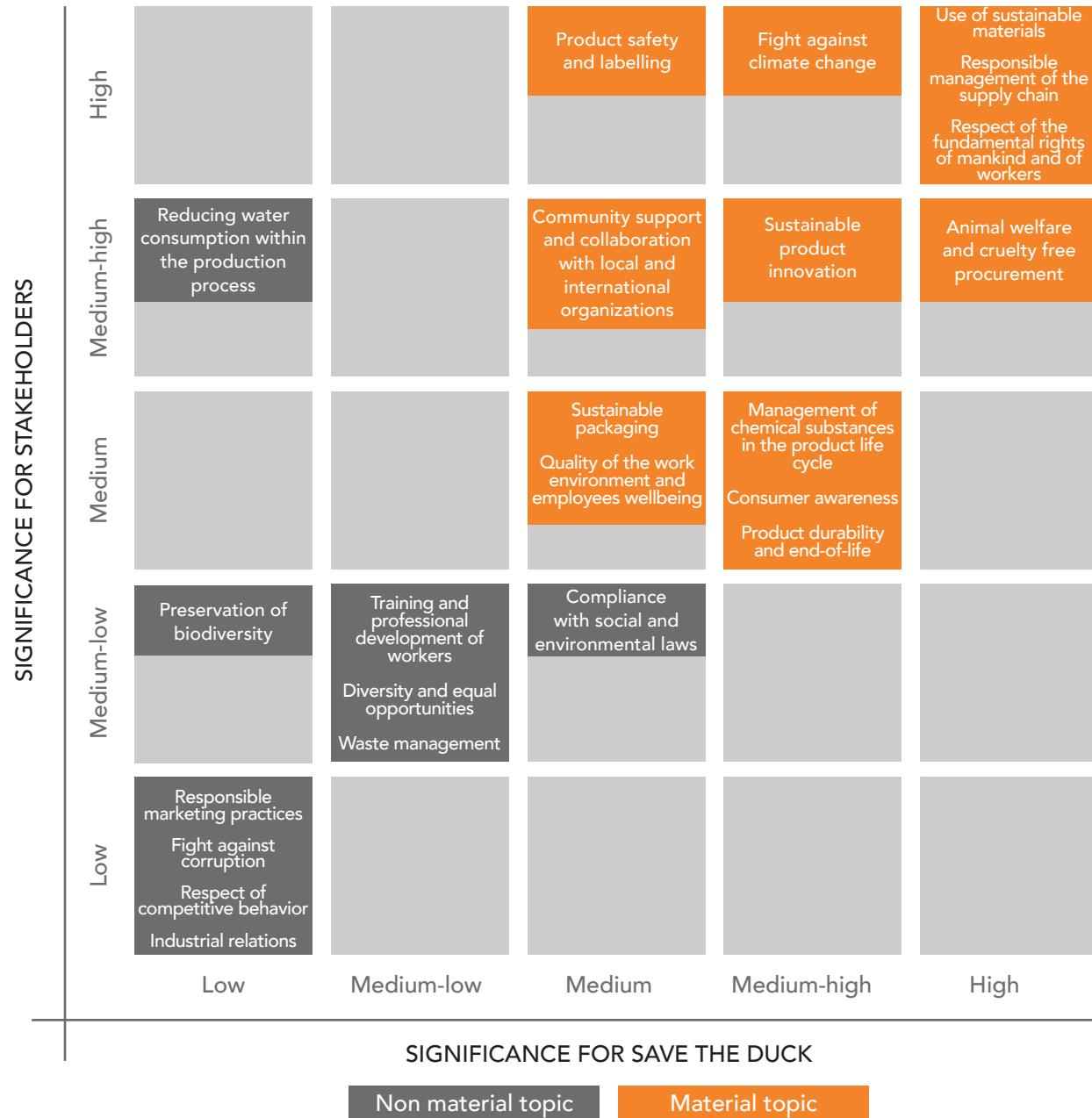


THE PROCESS OF DRAWING UP OUR FIRST SUSTAINABILITY REPORT

THE MATERIALITY MATRIX

As shown in the diagram, the material aspects that the Sustainability Report will focus on, namely the topics that are relevant for both Save The Duck and its stakeholders, are:

- the **environmental topics** associated with production processes, as well as products and their use: sustainable product innovation; use of sustainable materials; animal welfare and cruelty free procurement; management of chemical substances in the product life cycle; product durability and end-of-life; sustainable packaging; fight against climate change;
- the topics that are most closely related to **customers and final consumers**: consumer awareness; product safety and labelling;
- the topics relating to Save The Duck relations with its **workforce** and with the **community**: community support and collaboration with local and international organisations; quality of the work environment and employees wellbeing;
- the topics related to the **supply chain** of Save The Duck and to the **respect of human rights and worker's rights**: responsible management of the supply chain; respect of the fundamental rights of mankind and of workers.



I . WE ARE COMMITTED TO THE CHALLENGE

1.1 OUR HISTORY

THE ORIGINS



1914: the entrepreneurial spirit of Foresto Bargi leads to the establishment in Pisa of Forest, a small laboratory making garments with a special water-repellent fabric. In the following years, the Company became one of the largest Italian clothing manufacturers.

The 60's: a new branch called "Forest Mec" is established by his son Cirano, who sought to reflect the new collective mood, proposing sweaters, jeans and jackets inspired by the clothes worn by American workers.

End of the 90's: Forest S.r.l. opened an office in China, a strategic decision for the management and control of its suppliers.

I . WE ARE COMMITTED TO THE CHALLENGE

1.1 OUR HISTORY

MORE RECENT YEARS



2010: Nicolas Bargi takes over the helm of the Company and creates the Ganesh brand.

2012: the Company registers Save The Duck brand, which establishes itself as a high quality brand able to offer a wide range of 100% animal-free outerwear, and commits to improving the brand sustainability performances every day, fully respecting animals, the environment they inhabit and the people that live in it.

2014: the Company registers PLUMTECH® brand and distributes the first jackets with this type of padding.

2014: Alchimia Group acquires shares of Forest S.r.l., leading it to a stronger Company from an administrative, financial and logistic standpoint.

2014: Save The Duck wins the VEGAN FASHION AWARD presented by PETA Deutschland (People for Ethical Treatment of Animals), a non-profit organisation that supports animal rights.

2015: Save The Duck joins the LAV (Lega Anti Vivisezione - Anti Vivisection League) and obtains the “Animal Free Fashion” certification.

2016: Save The Duck starts to use certified recycled raw materials in compliance with GRS (Global Recycled Standard) criteria and launches the first collection made from 100% recycled polyester, produced using recycled plastic bottles (RECYCLED PLUMTECH®).

2016: Save The Duck receives the “PETA Innovator for Animals” award thanks to its special PLUMTECH® technology.

2017: Save The Duck introduces BLUESIGN® and OEKO-TEX® certified raw materials into its collections.

2017: Save The Duck wins the Mario Unnia – Talento & Impresa award, promoted by BDO Italia, in the «Sustainable innovation» category, dedicated to companies that invest in product or service development that seek to reduce environmental impact

and to improve efficiency in the use of natural resources.

December 2017: Save The Duck receives an award from the non-profit organisation PETA UK for the “Recycle” collection by Christopher Raeburn, the luxury 2017-2018 Fall/Winter capsule signed by the British designer.

March 2018: Progressio SGR acquires the majority shareholding of Forest S.r.l., while Alchimia Group relinquishes its stake.

June 2018: Save The Duck, with the mountaineer Kuntal A. Joisher, conquers the Mount Lhotse, the fourth-highest summit in the world (8,516 metres a.s.l.).

September 2018: Save The Duck opens its first flagship store in Milan, in Via Solferino 12, made primarily by innovative and sustainable materials, and launches its plan to open more stores in the years to come.

November 2018: Forest S.r.l. changes

its name to Save The Duck S.r.l..

May 2019: Save The Duck S.r.l. becomes Save The Duck S.p.A. and Società Benefit.

May 2019: almost one year after climbing Mount Lhotse, Save The Duck conquers Mount Everest, namely the highest summit in the world at 8,848 metres a.s.l..

July 2019: Save The Duck launches the first collection of 100% polyamide recyclable garments.

July 2019: Save The Duck obtains B Corp certification with a score of 95 points.

August/September 2019: the Company opens two new flagship stores in Venice and Hong Kong.

September 2019: Save The Duck is rewarded with a special mention in the Growth and Sustainability category at the Enterprise Excellence Awards (GEA).

I . WE ARE COMMITTED TO THE CHALLENGE

1.2 OUR ORGANISATION

Today Save The Duck, with revenues exceeding € 30 million and a production of over 600,000 garments with Save The Duck and Ganesh brands, is recognised as a high-quality brand able to offer a wide range of garments known globally as being entirely produced without any material of animal origin.

Save The Duck is an ethical and smart company, with an eye on the future, not only to understand new market trends and to transform them into cutting-edge collections, but above all to make progress towards achieving the shared objective of **“living in a completely animal cruelty free world”**. Its daily commitment is to improve the Company sustainability, while fully respecting animals, the environment they inhabit and the people that live in it. In this regard, the Company continues to improve and develop new eco-sustainable technologies and solutions to create a production process with a minimal impact on the planet.

Each collection is carefully developed to guarantee the creation of garments that respect the environment and animals: in fact, Save The Duck brand products are 100% animal-free, namely they are made without using any material coming from

animals; goose feathers are replaced by the technologically evolved PLUMTECH®, which is a synthetic padding made of polyester fibre (see paragraph §2.1 through the choice of materials, for further information). More specifically, thanks to the decision of not using materials of animal origin, from 2015 to date, Save The Duck has managed to avoid using the feathers of over 17 million ducks. With regard to the production process, Save The Duck has also structured its business model by entrusting this process

to a very restricted group of suppliers, who undergo very strict quality controls and are assessed according to social responsibility criteria.

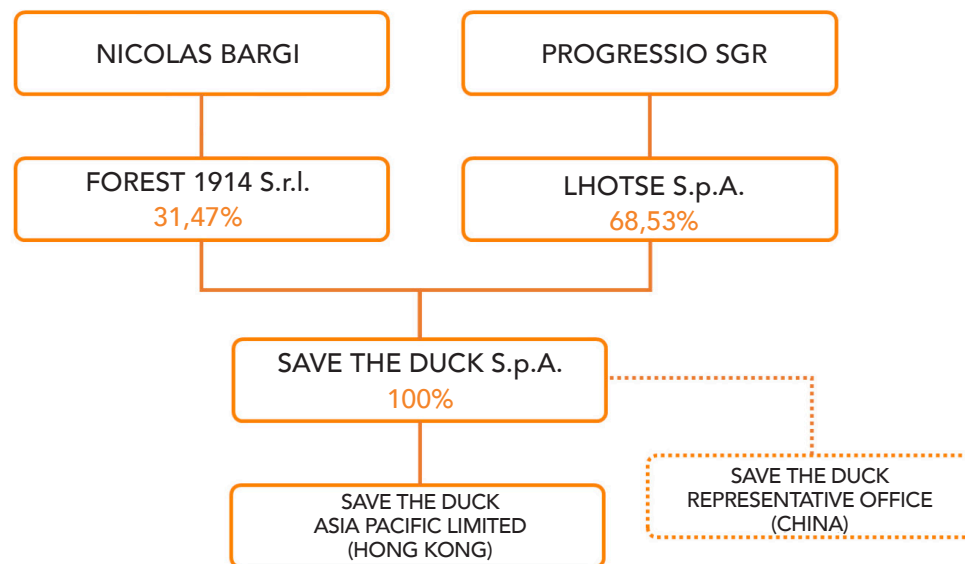
In terms of geographic expansion, with a share of exports that has reached 50% of sales and a selected network of wholesale stores, Save The Duck has a presence in 30 countries worldwide: the main markets served, in addition to Italy, are United States, Germany, Benelux and Scandinavia. What’s more, in September

2018, the first Save The Duck flagship store, made mainly with innovative and sustainable materials, was inaugurated in the centre of Milan. It will be joined by flagship stores in other geographic areas in the next few months.

At organisational level, 31.47% of Save The Duck S.p.A. is held by Forest 1914 S.r.l., in turn wholly owned by Nicolas Bargi, while 68.53% is held by Lhotse S.p.A., which is part of Progressio SGR S.p.A..

The Company registered and operational office is in Milan, in Via Arcivescovo Calabiana, 6, and it also has a strategic representative office in China, the point of contact between the Company and its local suppliers, able to ensure the production of its garments, guaranteeing the compliance with the European production standards.

As at 31 December 2018, Save The Duck has 41 employees, 76% of which work in Italy at the head office and in the Milan store, while the other are located in China.



THE ORGANISATIONAL CHART IS UPDATED TO SEPTEMBER 2019

I . WE ARE COMMITTED TO THE CHALLENGE

GOVERNANCE AND INTERNAL CONTROL

Save The Duck adopted the first edition of the Organisation, Management and Control Model in accordance with Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter also Model 231) by a resolution of the Board of Directors approved on 20 December 2018. The purpose of adopting Model 231 is to make everyone that works in the name and on behalf of the Company - with specific reference to those that operate in the so-called "sensitive areas" - aware that unlawful conduct is forcefully condemned by the organization. Furthermore, it enables the Company to intervene promptly to prevent or counteract the commission of offences or at least to significantly reduce the damage caused by the same and to improve corporate governance and the Company image.

Reporting any infringements of Model 231 or behaviour that infringes the rules of conduct adopted by the Company is made through the legislative provisions envisaged for whistleblowing. Reports can be sent both by physical mail or by e-mail, addressed to the Supervisory Body of Save The Duck.

The main organisation and internal control

systems adopted by the Company are illustrated below:

- the **Statute**, which establish various provisions on corporate governance, aimed at ensuring proper management of the same;
- the **Organisational system**, which consists in the organisational structures/positions and areas of responsibility;
- the **Code of Ethics**, represented by a set of rules of conduct and general principles, which all internal and external parties, who have direct or indirect relations with Save The Duck, must comply with;
- the **Code of Conduct for the Supply Chain**, which establishes the minimum requirements that each Supplier must meet in terms of environmental sustainability, social sustainability and workers' rights, protection of health and safety in the workplace, compliance with business laws and ethics.

Lastly, Save The Duck has adopted a traditional organisational structure, which is comprised by:

- The **Board of Directors**: with 7 members, which plays a central role in the corporate governance system; it resolves on transactions that are considered to have significant strategic, economic or financial relevance. Chairman and Chief Executive Officer are appointed from the

members of the Board of Directors. The Board is awarded the widest powers for ordinary and extraordinary management, and has the power to take all action that it retains necessary to implement and achieve the corporate purposes, excluding only those that the law or the articles of association deem mandatorily reserved to the Shareholders' Meeting;

- The **Board of Statutory Auditors**: whose task is to supervise the compliance with the law and with the articles of association, the respect of the principles of correct administration and the adequacy of the Company organisational structure, of the internal control system and of the administrative accounting system, it has 3 standing members and 2 alternate ones.
- The **Supervisory Body (SB)**: which currently has two external members and one internal member, who are committed to meeting professionalism, continuity of action, autonomy and independence requirements, whose task is that of supervision, as envisaged by Italian Legislative Decree 231/2001.



I . WE ARE COMMITTED TO THE CHALLENGE

HEADQUARTER MILAN



I . WE ARE COMMITTED TO THE CHALLENGE

1.3 OUR DNA AND OUR COMMITMENT

Inspired by the *"think global, act local"* concept, Save The Duck has taken on the challenge of contributing to solving global problems through its business, by choosing to produce high quality garments without using materials of animal origin and at the same time, committing to develop products that are as sustainable as possible.

The challenge started with the intention of *"saving the ducks"*, and today has widened and developed into a daily commitment to promote the values of sustainability and of respect for the environment and the planet, for people that live in it, and for the ecosystems it is comprised of. Save The Duck is aware that sustainability is a complex concept, with different aspects and contradictions. This is why the decision not to use materials of animal origin cannot disregard a series of social and environmental considerations and evaluations on the production of garments using alternative materials to animal ones.

By adopting an ethical and innovative approach, with an eye on the future and on achieving the shared objective of *"living in a completely animal cruelty free world"*, Save The Duck strategy is therefore based on the following fundamental aspects:



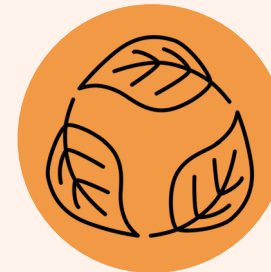
WE RESPECT ANIMALS

Save The Duck is committed to making cruelty-free products (that therefore do not exploit animals), thanks to cutting-edge technologies that enable sustainable materials to be created.



WE COMMIT FOR FUTURE

The growth of Save The Duck business is the way to achieve a bigger objective: to create a positive impact for its people and for the environment in which the company works. The ethical principles guide Save The Duck to creating long-term value.



WE LOVE & PROTECT NATURE

Save The Duck mission is respect for the environment. Our objective is to provide our customers with a range of products made according to the principles of *"circularity"*, preserving natural resources and using recycled raw materials from qualified sources.



WE CARE FOR PEOPLE

As a fashion brand, Save The Duck has a responsibility to safeguard human rights and to guarantee the health, safety and fair treatment of all people that are part of the value chain, from manufacturers to employees, and up to customers.

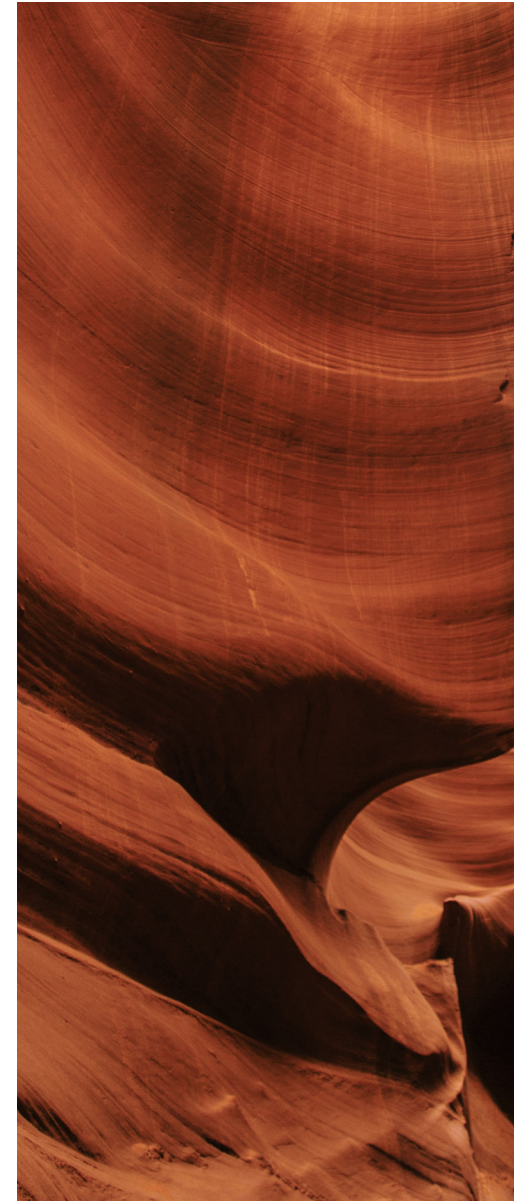
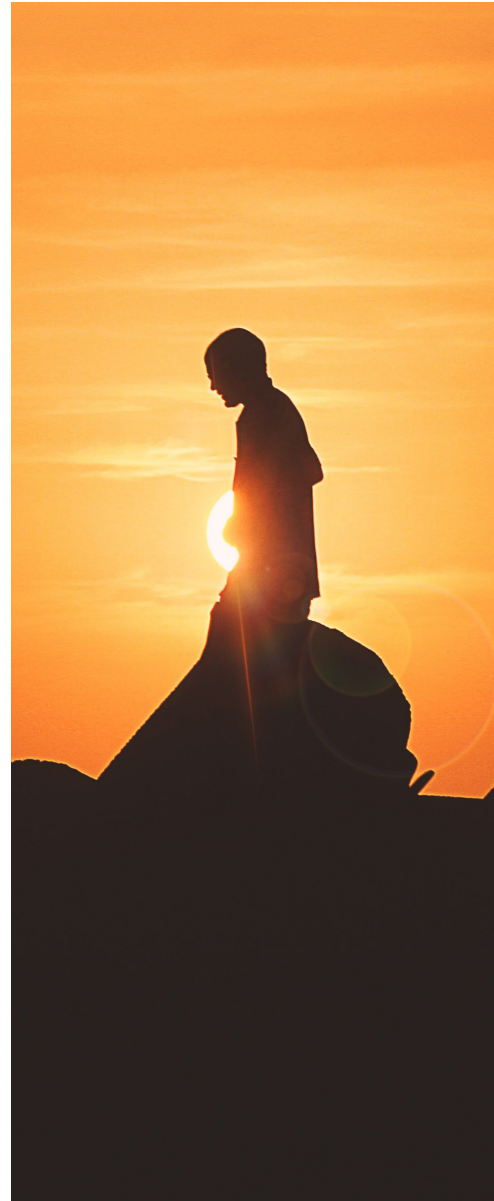
I . WE ARE COMMITTED TO THE CHALLENGE

Based on this reflection, Save The Duck has started the process to integrate sustainability into the environmental and social aspects of its business model, which is formed on the basis of the following guidelines:

- applying principles and practices of sustainability and circular economy, designing fully recyclable products, recycling materials and components from suitable sources, with a low environmental impact and that respect social and ethical aspects;
- consolidating a responsible and supportive business model, where all the parties involved in the supply chain make their contribution and reap the benefits of the economic results;
- creating animal-free products with a virtuous lifecycle from an environmental and social perspective, that meet the customers' expectations;
- reducing greenhouse gas emissions along the entire product lifecycle, to achieve the objective of zero emissions in the future;
- reducing the use of natural resources through, for example, the use of energy from renewable sources, the reduction of energy consumption and the environmental impact of the waste water generated by the production cycle;
- promoting and extending supply chain that respects the rights and the wellbeing of workers, guaranteeing virtuous production workplace in which every human being can achieve job satisfaction.

In this regard, Save The Duck continues to improve and develop new eco-sustainable technologies and solutions to create a production process that does not harm the environment, by continually rethinking the product manufacturing process from a circular perspective and by finding innovative solutions to meet the challenges of the market. It is an actual cultural trend, but it is also a way to meet a real demand of more caring consumers, who want to make conscious and responsible consumption choices, and to transform it into cutting-edge collections, in a truly "glocal" context.

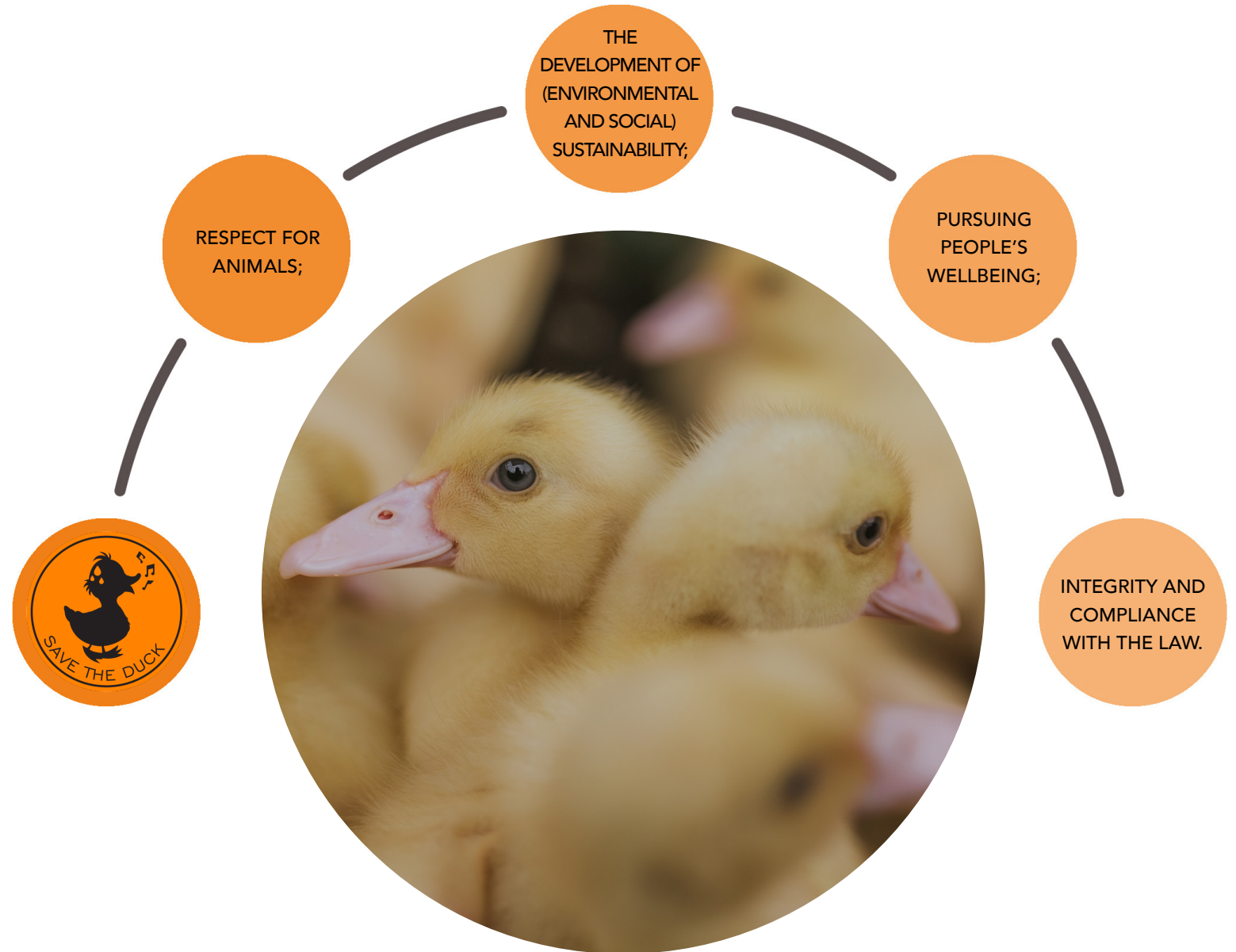
Furthermore, to deeply integrate its values into its business strategy and operations, Save The Duck has drawn up a three-year Sustainability Plan, which seeks to honour its commitment to deliver sustainable products through responsible business. The plan identifies specific objectives and enables the progress of ongoing projects to be monitored and the Company objectives to be updated, thus guaranteeing a continuous and constant process of improvement.



I . WE ARE COMMITTED TO THE CHALLENGE

SAVE THE DUCK'S CODE OF ETHICS

To support the company philosophy, in 2018 Save The Duck defined and approved its own Code of Ethics, which states its general ethical values and the principles of conduct in business, which have constantly inspired and continue to inspire the Company business activities. Save The Duck Code of Ethics outlines the rights, duties and responsibilities of the Company as regards its stakeholders, in the economic, social and environmental spheres, and lays out a set of rules of conduct that all parties working in the name and on behalf of it undertake to comply with. More specifically, the key values underlying the Code of Ethics are:



2. OF ENHANCING OUR FOOTPRINT

2.1 THROUGH THE CHOICE OF MATERIALS

Year after year, Save The Duck restates its objective to develop products able to meet the requirements of increasing demanding customers. In fact, the Company has committed to researching exclusive creations, the result of the perfect symbiosis between the use of innovative materials and stylistic research. The wealth of knowhow and the professionalism of employees and collaborators make it possible to create highly attractive and technically advanced products, thanks to which the Company has been able to establish its brand in the clothing industry over time. Thanks to investments of equity and knowledge and to the worth collaboration with its suppliers, the Company is constantly seeking innovative product solutions (such as design, colours, functions and materials) and process solutions (such as new automation technologies), which enable it to offer original high-quality products comparing to the reference market.

The new product development process always starts from a survey and an analysis of the needs and requests of the market or of specific customers in terms of style and aesthetics. The

information and the requirements gathered in the field are used to define a commercial strategy, which will guide decisions in production. This stage is entrusted to designers and technicians, who often work in close contact, on one hand, with company management, which boasts extensive experience in the clothing industry, and on the other hand, with the sales office, which represents the interface with the customers and plays a key role in measuring the level of satisfaction of the collection.

Once the guidelines of the collection has been established, a sketch needs to be developed, which represents the input to give the green light to the process of creating a prototype. It is made by choosing and procuring the fabric and the padding materials, creating a pattern from the sketch and defining the transformation process. These steps lead to the production of garments and to the consequent presentation and distribution of samples to customers. Lastly, the process concludes with the reengineering of the aesthetic solutions following the requests and the feedback received from the market. Once the new collection has been produced, it is presented to the public during the year at dedicated trade fairs. The research and development activities

that Save The Duck concentrated on during 2018 were related to the industrial research for innovative aesthetic and stylistic solutions, the development of garment designs and subsequent prototyping, the creation of representative samples and any reengineering of the solutions proposed.



2. OF ENHANCING OUR FOOTPRINT

PLUMTECH®

PLUMTECH® is a padding that stems from the need to recreate the fluffiness of real down, while preserving the benefits of technological thermal padding. This material is obtained by processing polyester filament to imitate the structure of real down padding. All PLUMTECH® padding is BLUESIGN® certified, a system that proves that all parties involved in a raw material supply chain commit to achieving the highest sustainability standards. Originally produced from virgin polyester, PLUMTECH® is now also available in 100% recycled polyester from used PET bottles (RECYCLED PLUMTECH®) and bears the Global Recycled Standard (GRS) certification mark, which certifies and promotes products obtained from recycled materials, respecting environmental and social criteria extended to all of the stages of the supply chain.

The high density of its fibres enables a large quantity of air (the best thermal insulator) to be trapped in its structure, maintaining the body's natural temperature and guaranteeing optimal comfort. The performance of PLUMTECH® in terms of filling power, an indicator of the capacity of a

material to trap air expressed as weight/volume ratio of the padding, is around 500-550, therefore comparable to the average capacity of the real down. Compared to real down padding, which loses its ability to provide thermal insulation when wet, this material is able to absorb high levels of humidity and to maintain its insulating properties, as well as drying very quickly.

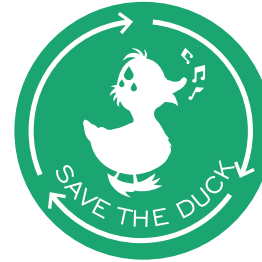


2. OF ENHANCING OUR FOOTPRINT



The different product lines sold are the main vehicle through which the Company conveys its vision and values: the coloured badges applied on the garments indicate the main features of the product and the message that the Company wants to communicate.

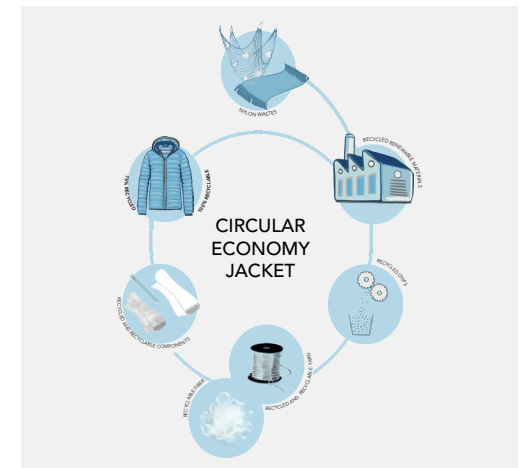
WE RESPECT ANIMALS – The Orange Badge collection identifies Save The Duck garments produced without the use of materials of animal origin and with the use of synthetic PLUMTECH® padding. The Orange Badge collection enables Save The Duck to offer customers a way to express their personalities and to share a sense of belonging to a community that respects animals and the planet.



WE RECYCLE – Launched on the market in 2018, the Green Badge collection is produced with recycled raw materials from recycled used bottles, TEXTILE EXCHANGE® GRS certified. Between 2017 and today, over 1.5 million plastic bottles have been recycled. This collection confirms the Company strong commitment to minimising the environmental impact of its products and to reduce the consumption of raw materials.



WE CLEAN THE OCEAN – The innovative Ocean Is My Home collection is created with fabrics made from recovered and recycled fishing nets. The garments of Ocean Is My Home collection are made with a special fabric made from 100% Econyl® nylon by Aquafil®. Econyl® yarn is a fibre obtained from regenerated fishing nets recovered from seas and oceans and from recycled post-consumer nylon.



2. OF ENHANCING OUR FOOTPRINT

In addition to its products, Save The Duck also shares and communicates its values by forging partnerships with other organisations or private individuals that are representative of Company philosophy. For example, in June 2018, the mountaineer Kuntal A. Joisher conquered Mount Lhotse, the fourth-highest summit in the world (8,516 metres a.s.l.), wearing Save The Duck garments. A jacket without duck down padding never reached such heights. Another record in the history of technical-sports clothing



was achieved when, one year later, the mountaineer also conquered Mount Everest, the highest summit in the world at 8,848 metres a.s.l.. It was actually the mountaineer Kuntal A. Joisher that asked Save The Duck to make a climbing suit for him consistent with his ethical beliefs. Save The Duck research team took on the challenge, demonstrating that PLUMTECH® technology combined with the performing technology of external Gore-Tex® fabric are able to protect even from the most extreme conditions.

Another example of product innovation is the partnership with Christopher Raeburn, who designed a capsule collection, made of polyester with 30% of vegetable origin content, obtained from the polymerization of sugar cane molasses. In 2018, Save The Duck also worked with fashion designer Christopher Bevans, which led to the creation of capsules of garments distinguished by a "OVER" and "A-gender" (unisex) fit, again made with PLUMTECH® padding, partly using polyester recycled from plastic bottles and partly using highly performing technical fabrics.



2. OF ENHANCING OUR FOOTPRINT

The majority of the materials used for the Save The Duck garments are certified according to specific standards (for further information on these certifications, please see paragraph §3.2 Our customers) specifically:

- 24% of garments are made with OEKO-TEX® Standard 100 materials, tested to verify the presence of hazardous substances along the whole supply chain;

- 48% of garments are made with BLUESIGN® certified materials, a certification that guarantees the highest levels of safety for the final consumers, the responsible use of resources, and the lowest impact on people and on the environment along production processes;

- 6% of garments envisage the use of materials certified according to the GRS (Global Recycle Standards), namely recycled materials produced using processes that respect the environment, people and consumer safety. For example, a fabric called GRIN is made of 100% polyester recycled from post-consumer plastic bottles. More than 76 thousand metres of recycled and GRS certified fabrics were used in 2017 for the 2018 spring-summer and autumn-winter collections. Around 43 thousand metres of recycled fabrics from were used in

2018 for the 2019 spring-summer and autumn-winter collections. With regard to the materials and the semi-finished products used to make garments, Save The Duck mostly procures:

- Synthetic fibres, such as polyamide and polyester, for linings and external fabrics;

- Padding (PLUMTECH®), mainly made in polyester;

- Plastic zippers;

- Accessories such as buttons and badges applied to the garments;

- Cotton, used for a small number of garments (polos and t-shirts) in natural fibre, launched in 2018.

To make the 2019 collections produced in 2018, Save The Duck used over 1.6 million metres of synthetic fibres, around 5% of these was made from recycled materials. Instead, with regard to the insulating materials, the Company used almost 141 thousand kg of synthetic down, of which approximately 4% was made from recycled materials, and more than 29 thousand metres of panel padding, mainly made from recycled materials (around 92%).



2. OF ENHANCING OUR FOOTPRINT

The materials used for the iconic basic puffer jackets for man and woman

To disclose the materials used for its products, we carried out a measurement exercise on the most representative jackets of the Save The Duck collections: the two iconic and timeless basic jackets for man and woman made of GIGA fabric. To produce around 44,400 basic puffer jackets for the 2019 collections, in 2018 the Company used 11.7 tonnes of PLUMTECH® for the padding and 149.5 thousand metres of fabric for the linings and the external parts.



2. OF ENHANCING OUR FOOTPRINT

The emphasis on using sustainable materials is not limited to garments, it also includes the materials used to package the product. In fact, to distribute the garments to the final customers, the central warehouse packs the products in *Forest Stewardship Council* (FSC) certified cardboard boxes.

In 2018, Save The Duck used 81 tonnes of cardboard to pack products to be sent all over the world, thereof 58 tonnes (FSC certified) to ship garments to customers and 23 tonnes to send products to Save The Duck logistics hub, using Tier 1 suppliers.

With regard to the packaging used for products sold through the e-commerce platform, in 2019 the Company has set itself the task of redesigning the packaging to increase its eco-sustainability. Furthermore, for the 2019 collection, Save The Duck products will be packed individually in compostable bioplastic bags or in 90% recycled plastic bags, if the garments have to be reworked before they are sent to the final customer.



MATERIALS ²		UNIT OF MEASUREMENT	2019 COLLECTIONS PRODUCED IN 2018	% RECYCLED MATERIALS
Synthetic fibres		m	1,696,135	5%
Thermal insulators	Panel padding	m	29,893	92%
	Synthetic down	kg	140,834	4%

² The information reported does not include the activities relating to the Ganesh brand, which represents around 6% of Save The Duck S.p.A. revenues.

2. OF ENHANCING OUR FOOTPRINT

THE FIRST SAVE THE DUCK STORE: A CONCEPT BASED ON ECO- SUSTAINABLE CRITERIA

When designing and fitting out its flagship stores, including the first in Milan, in Via Solferino, Save The Duck applied its philosophy of respecting natural resources and sustainability principles as far as possible. With regard to the materials used, the Company selected natural or recycled and recyclable materials, such as, for example, hangers and hooks in recycled plastic or wood. In terms of energy saving, reduced energy content technologies were used, such as LED lights.

Save The Duck objectives for future years is to redesign several aspects of its stores, increasing the application of sustainable materials. For example, by reducing the use of plastic, by replacing plastic hangers with wooden ones and using mannequins made from cardboard or papier-mâché, a more sustainable alternative to fibreglass ones.

The design of the new stores that will open in Hong King, Barcelona and Venice in 2019 is based on the lessons learnt from the experience of the first Italian store and envisages the application of a concept based on eco-sustainability

criteria. A characteristic that makes Save The Duck stores the perfect place to convey the Company ideals and spirit.



2. OF ENHANCING OUR FOOTPRINT

2.2 BY CONTRIBUTING TO THE FIGHT AGAINST CLIMATE CHANGE

Save The Duck believes that the growth of its business is a means to achieve the greater goal: to create a positive impact for its people and for the environment in which it works. In line with its philosophy, the Company seeks to promote virtuous behaviours that contributes to sustainable development and to safeguarding the environment. To achieve the sustainable growth of its business, Save The Duck plans its activities, guaranteeing the best possible balance between economic initiatives and environmental protection. In keeping with this commitment, the Company believes that contributing to the fights against climate change is fundamentally important.

At global level, 195 countries adopted the first universal and legally-binding agreement on climate at the Paris climate conference (COP21) in December 2015. The agreement establishes a global action plan to limit the average rise of global warming below 2°C compared to pre-industrial levels, with the challenging goal to limit this rise to 1.5°C. This would significantly reduced risks and impacts caused by climatic change. In line with the action plan established by the Paris agreement, in 2018, the Intergovernmental Panel on Climate

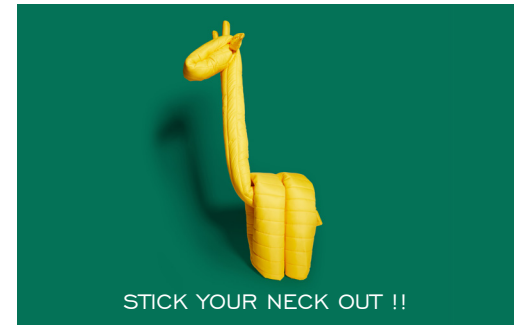
Change (IPCC)³ published a “Special Report on the impacts of Global Warming of 1.5°C”, which contains information on the increase in global warming of 1°C compared to pre-industrial levels, with visible effects such as the intensification of extreme climate events, the sea levels rising, the decrease of biodiversity and the shrinking of glaciers. Everyone’s commitment to reducing the global CO₂ emissions produced by human activity is fundamental.

Aware of the global scenario and with a strong conviction that today each and every one of us must contribute to solving global problems, Save The Duck made a decision to monitor its energy consumption and greenhouse gas emissions (GHG), to identify and enable all possible opportunities to reduce climate-changing gas emissions. Impacts generated along its supply chain are so relevant that Save The Duck set the task of extending this monitoring also to the GHG (greenhouse gas) emissions resulting from the production process and distribution products.

In 2018, the consumption of diesel of Save The Duck company fleet was around 202 GJ, slightly higher than 2017 (+2%). In 2018, the Company recorded electricity consumption for its offices

and the new store in Milan of around 241 GJ, up against 2017 (+40%). Note that the Company business activities do not involve the consumption of natural gas.

³ The Intergovernmental Panel on Climate Change (IPCC) is an entity of the United Nations that assesses climate change and its impacts.



2. OF ENHANCING OUR FOOTPRINT

Part of the impact in terms of the GHG emissions generated by the Company business activities originates from the energy consumption, reported above. Climate-changing emissions may be categorised into different types, based on the nature of the source that generates them:

- **Direct emission of GHG - Scope 1:** emission of GHG from sources owned or controlled by the organisation;
- **Indirect emission of GHG from energy consumption - Scope 2:** emission of GHG originating from the production of electricity, heat or steam imported and consumed by the organisation;
- **Other indirect emission of GHG - Scope 3:** emission of GHG, other than indirect emissions of GHG from energy consumption, that is a consequence of the organisation activity, but originated from greenhouse gas sources owned or controlled by other organisations.

Indirect energy emissions (Scope 2) may be calculated using two different methods: Market Based and Location Based. Under the Location Based approach, Scope 2 emissions are calculated by using the average emission factor associated to the national energy

mix. Instead, the Market Based approach considers electricity procurement, taking into account any RECS (Renewable Energy Certificate System) certificates purchased by the Company, which certify that the Company procures electricity from renewable sources - and therefore does not entail emissions. If an organisation does not fully cover its electricity requirement with these certificates, an emission factor associated to the production of energy by power plants is used for the rest.

In 2018, the direct emissions of CO₂ only relate to the diesel consumption of the company fleet (26.3 tonnes of CO₂). In the reference period, no leaks of refrigerant gas from the air-conditioning system were recorded. The emissions of CO₂ corresponding to electricity consumption, namely Scope 2 emissions, were 25.4 tonnes of CO₂, up by 31% against 2017. With regard to the emissions indirectly generated by its business activities, Save The Duck monitors those relating to the distribution of products from China to the central warehouse in Italy and to final customers. This transport generated around 754 tonnes of CO₂, which represents almost all of Save The Duck emissions.



ENERGY CONSUMPTION	UNIT OF MEASUREMENT	2017	2018
FUEL (DIESEL) USED FOR THE COMPANY FLEET*	GJ	197.7	202.1
ELECTRICITY	GJ	172.2	241.5
OFFICES	GJ	172.2	209.6
STORES**	GJ	-	31.9
TOTAL ENERGY CONSUMPTION	GJ	370.0	443.6

* the Company fleet of Save The Duck is comprised by two owned vehicles and two leased ones.

** The Milan store was opened in September 2018.

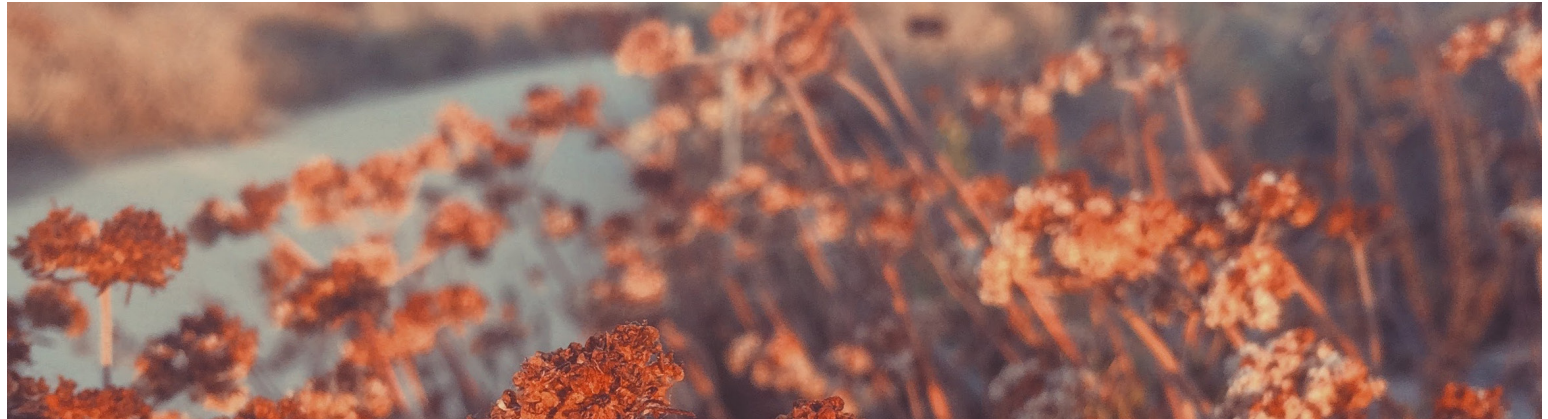
2. OF ENHANCING OUR FOOTPRINT

CO ₂ EMISSIONS	UNIT OF MEASUREMENT	2017	2018
Direct emissions (Scope 1)	tonnes CO _{2eq}	26.7	26.3
- emissions related to the consumption of diesel for company cars	tonnes CO _{2eq}	26.7	26.3
- emissions related to leaks of refrigerant gas from the air-conditioning system	tonnes CO _{2eq}	0	0
Indirect energy emissions (Scope 2) - Location based	tonnes CO ₂	19.3	25.4
- emissions related to the purchase of electricity from the national grid	tonnes CO ₂	19.3	25.4
Indirect energy emissions (Scope 2) - Market based	tonnes CO ₂	23.7	33.3
- emissions related to the purchase of electricity from the national grid	tonnes CO ₂	23.7	33.3
Other indirect emissions (Scope 3)	tonnes CO _{2eq}	n.a.	753.60
- emissions related to the ground transport of products	tonnes CO _{2eq}	n.a.	112.8
- emissions related to the sea transport of products	tonnes CO _{2eq}	n.a.	68.3
- emissions related to the air transport of products	tonnes CO _{2eq}	n.a.	572.4
Total emissions	tonnes CO_{2eq}	46.0	805.2

2. OF ENHANCING OUR FOOTPRINT

2.3 ALONG OUR SUPPLY CHAIN

Save The Duck has structured its business by allocating the production of its garments to external suppliers (*Tier 1*), which in turn independently procure components, semi-finished goods and materials from around 20 suppliers (*Tier 2*), the majority of which are selected and appointed by Save The Duck. Over time, with a view to obtaining increasing control over the Tier 1 of its supply chain, Save The Duck limited procurement to a restricted group of suppliers (13 in 2018), mainly located in the area of Hangzhou in the Zhejiang region of China.



Once the garments have been made, the majority (around 67%) are sent to a logistics hub in Italy (Treviso), from where they are then distributed by local couriers to the European stores. The remaining products (around 33%) are sent directly to other stores in China, United States and Canada. The inbound shipment of products is mostly made by sea (around 90%), while the remainder travels by air.



2. OF ENHANCING OUR FOOTPRINT

To share its values and to create a supply chain where the rules of conduct are respected and where ethical, liberal and collaborative behaviours are promoted, in 2018 the Company established a “Code of Conduct for the Supply Chain” (hereinafter also “Code of Conduct”), which establishes the minimum requirements that each supplier must meet in terms of environmental sustainability, social sustainability and workers’ rights, protection of health and safety in the workplace, compliance with business laws and ethics. The Code of Conduct has been integrated into contracts with Tier 1 suppliers, who are required to sign it, as well as into contracts with Tier 2 suppliers (appointed), which entails respecting the principles contained therein.

Considering the specific characteristics of the supply chain established by Save The Duck, in addition to the supplier selection process based on economic and quality criteria, Tier 1 suppliers are also assessed on the basis of social criteria. Since 2017 the Company has been a member of Amfori BSCI (Business Social Compliance Initiative). BSCI is a leading worldwide association that helps companies in developing open and sustainable trade. Over 2,000 retailers, importers, brands and associations from over 40 countries, brought together under

the slogan “TRADE WITH PURPOSE”.

Save The Duck uses the online Amfori BSCI platform to assess its Tier 1 suppliers: through the platform the Company commits to promoting and guaranteeing respect of social accountability principles as regards its suppliers and organises third party annual audits based on the BSCI Code of Conduct (see the insert entitled “*The principles of Amfori BSCI*” for details). The Amfori BSCI audits are designed to evaluate the social performance of suppliers based on the values and principles of the Amfori BSCI Code of Conduct, which are expound into thirteen interrelated areas of performance:



Social management system and cascade effect

Workers involvement and protection

The Right of freedom of association and the Right of collective bargaining

No discrimination

Fair remuneration

Decent working hours

Occupational health and safety

No child labour

Special protection for young workers

No precarious employment

No bonded labour

Protection of the environment and ethical business behaviour

2. OF ENHANCING OUR FOOTPRINT

Depending on the outcome of the audits, the Company proposes and supports the implementation of improvement plans for its suppliers, to resolve the most problematic situations in terms of social responsibility.

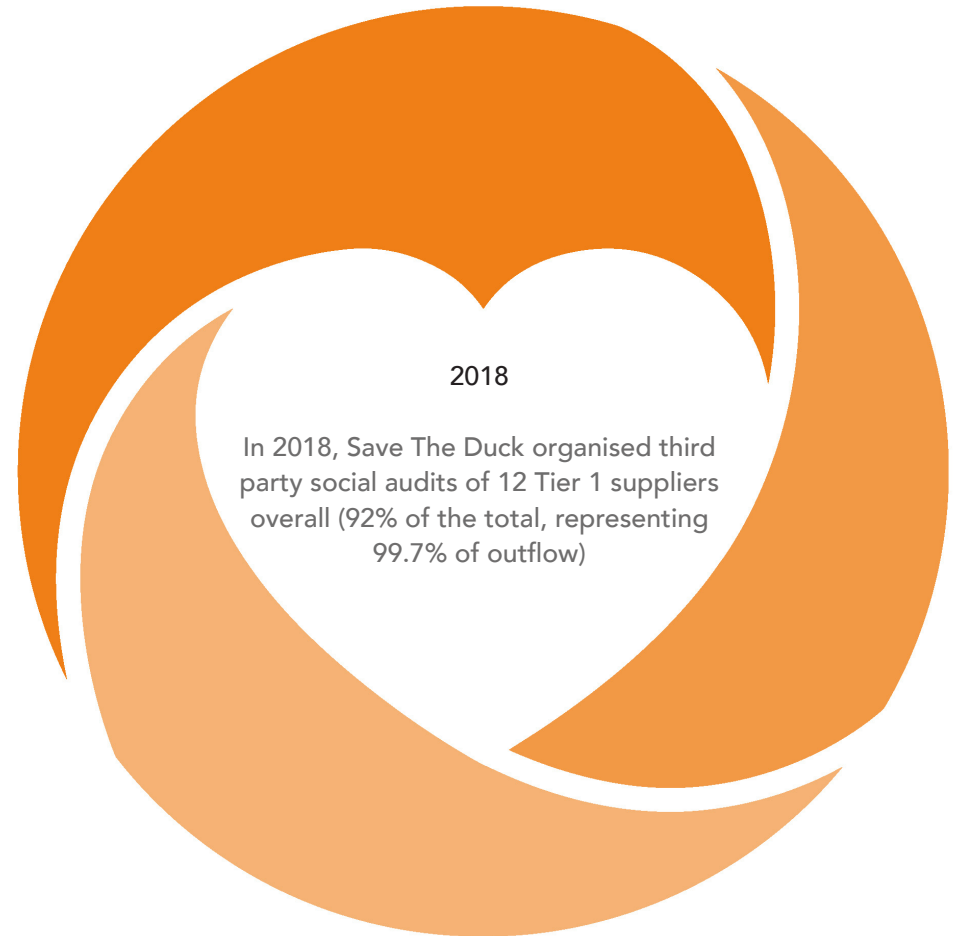
In 2018, Save The Duck organised third-party social audits⁴ of 12 Tier 1 suppliers overall (92% of the total, representing 99.7% of outflow), while in 2017, they regarded 7 Tier 1 suppliers (100% of outflow). In both 2018 and 2017, all suppliers that underwent audits were evaluated as having an “acceptable” level in the thirteen performance areas. Furthermore, during the audits, no problematic situations were met relating to workplace safety or bonded work and none of the audits identified “risky” suppliers. Overtime hours and absence of social insurance (in the event of injury, illness, invalidity, age and involuntary redundancy) are the most frequently inspected areas that need improvement.

In addition to third-party audits, Save The Duck periodically visits its suppliers, to encourage to collaborate and continuously improve their business practices. If third-party audits or periodic visits indicate relevant areas for improvement, the Company requires suppliers to

adopt a plan of corrective actions. As no critical situations were identified in 2018 and 2017, no relationships with the Company suppliers were terminated.

At present, the Company has not implemented any social or environmental assessment of Tier 2 suppliers. To guarantee the safety of their final products, Save The Duck conducts seasonal chemical tests on the materials used in production processes (for further details see paragraph §3.2 Our customers). The China office employees are responsible of conducting product quality controls and safety checks on garments along the supply chain.

⁴ One of the audits in 2018 was conducted according to the Sedex method. In addition, note that the single supplier that did not undergo a social audit was an Italian printing house. Lastly, note that the information reported does not include the activities relating to the Ganesh brand, which represents around 6% of Save The Duck S.p.A. revenues.



2. OF ENHANCING OUR FOOTPRINT

THE PRINCIPLES OF AMFORI BSCI

The Code of Conduct of Amfori BSCI established 11 "core labour rights", which the members and their business partners undertake to respect throughout their supply chains. These principles refer to the fundamental standards of workers' rights, including the Declarations and Conventions of the ILO (International Labour Organization), the "Guiding Principles on Business and Human Rights" of the United Nations and the guidelines for multinational enterprises of the OECD (Organisation for Economic Co-operation and Development).



The Rights of Freedom of Association and Collective Bargaining

Our enterprise respects the right of workers to form unions or other kinds of workers' associations and to engage in collective bargaining.



Fair remuneration

Our enterprise respects the right of workers to receive fair remuneration.



Occupational health and safety

Our enterprise ensures a healthy and safe working environment, assessing risk and taking all necessary measures to eliminate or reduce it.



Special protection for young workers

Our enterprise provides special protection to any workers that are not yet adults.



No bonded labour

Our enterprise does not engage in any form of forced servitude, trafficked or non-voluntary labour.



Ethical business behaviour

Our enterprise does not tolerate any acts of corruption, extortion, embezzlement or bribery.



No discrimination

Our enterprise provides equal opportunities and does not discriminate against workers.



Decent working hours

Our enterprise observes the law regarding hours of work.



No child labour

Our enterprise does not hire any worker below the legal minimum age.



No precarious employment

Our enterprise hires workers on the basis of documented contracts according to the law.



Protection of the environment

Our enterprise takes the necessary measures to avoid environmental degradation.

3. TOGETHER WITH YOU

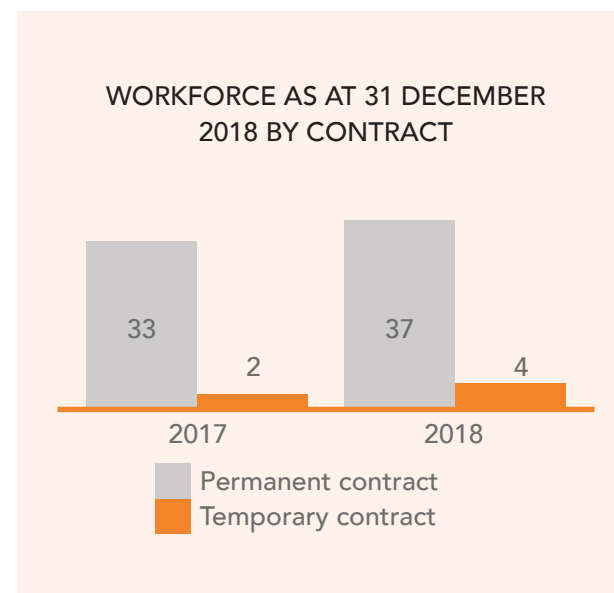
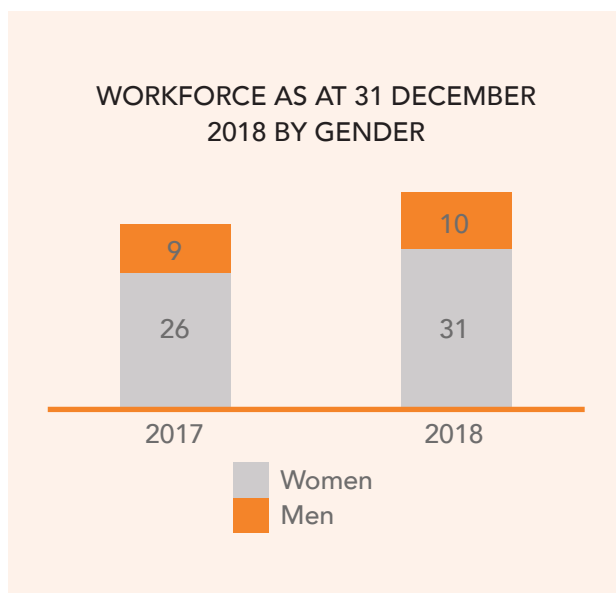
3.1 OUR PEOPLE

Save The Duck acknowledges the key importance of the human, professional and creative contribution of its people to its everyday business activities. Team spirit, transparency and mutual respect are considered at the basis of relations with all "Save The Duck" people. The management of internal and external working relationships seeks to develop the abilities and the knowhow of everyone, based on a merit policy that guarantees equal job opportunities and career advancement.

As at 31 December 2018, the Company has 41 employees (17% more than the previous year), 76% of which are women (+24% against 2017). In terms of employment contracts, 90% of the workforce have permanent contracts, confirming the Company commitment to invest in its resources on a long-term basis and to guarantee stability in its working relationships. Full-time employees represent 88% of the total (of which 75% are women); the remainder have part-time contracts (of which 80% are women).



3. TOGETHER WITH YOU



CONTRACT TYPE	GENDER	2017			2018		
		ITALY	CHINA	TOTAL	ITALY	CHINA	TOTAL
PERMANENT	MEN	17	8	25	19	8	27
	WOMEN	6	2	8	8	2	10
TEMPORARY	MEN	1	0	1	4	0	4
	WOMEN	1	0	1	0	0	0
TOTAL		25	10	35	31	10	41

3. TOGETHER WITH YOU

To create a working environment which guarantees a good work-life balance, develops skills and promotes a sense of belonging, in 2018 Save The Duck adopted a company welfare plan that includes initiatives to increase the wellbeing of its employees and their families. An online platform enables all Italian employees to access an extensive package of goods, services and conventions for health, education, culture, leisure time and other. In 2018, there were no differences in terms of the benefits enjoyed by employees with full-time contracts and those with part-time ones. Furthermore, to better understand the needs of its employees, in 2019, Save The Duck carried out its first ever survey on corporate climate, which involved all of its employees in both Italy and China. The questionnaire included evaluation elements such as growth opportunities in the company, working conditions and relationships of trust with their colleagues and managers.

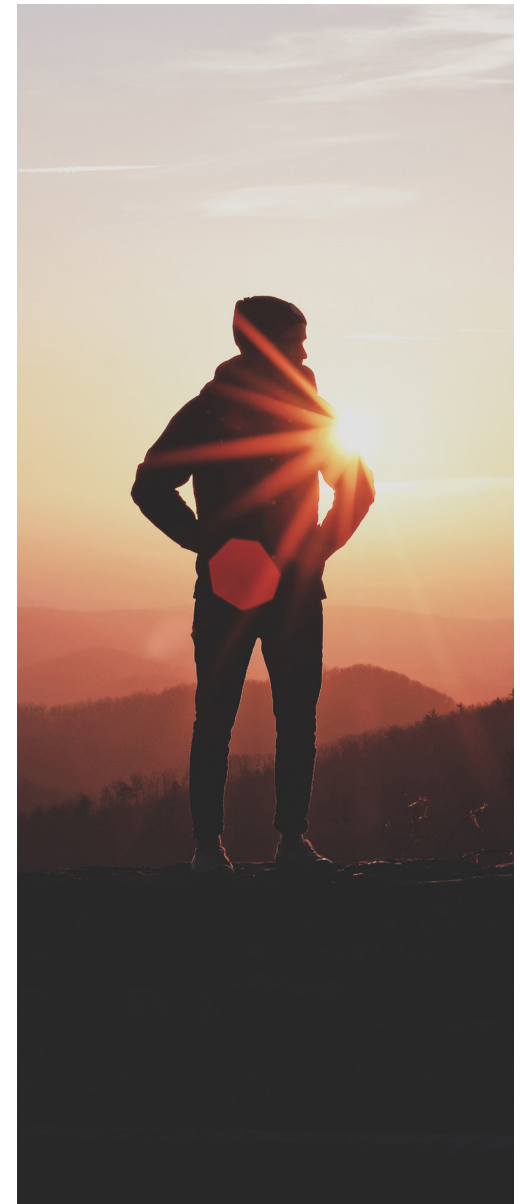
With a view to guiding employee performance to achieve company objectives and at the same time improve their performance, in 2019 Save The Duck will be introducing an annual appraisal process for all employees. More specifically, each employee will be assessed on the basis of their performance, namely

the achievement of planned personal objectives and their contribution to the Company performance, and on the basis of their skills and aptitude. The personnel appraisals will be carried out by the office manager to whom the employee reports, using an evaluation sheet.

Even though the Company operations do not entail a high level of risk to the health and safety of its employees, Save The Duck is committed to spreading and consolidating a company culture that seeks to guarantee the healthiness of the working environment, by developing risk awareness and promoting responsible behaviour, organising training courses and implementing preventive action and regular audits. The Company is constantly committed to respecting and applying national legislation regarding the management of issues in occupational health and safety. More specifically, in Italy, the Company complies with the provisions of Italian Legislative Decree no. 81 of 9 April 2008 (Consolidated Law on occupational health and safety) and later amendments and supplements, while in China, it complies with the applicable local legislation. As required by Italian legislation, the Company periodically conducts a risk assessment exercise relating to its business activities and the preventive and/or protective measures

implemented. Furthermore, the Company draws up a Risk Assessment Document, which is periodically reviewed and updated. In 2018, the Company recorded in Italy one accident in the workplace, due to a sprain, and an accident while travelling (with a frequency index of 15.6⁵); while in 2017 no accidents in the workplace were reported.

⁵ In 2018, Save The Duck employees worked 63,977 hours.



3. TOGETHER WITH YOU

3.2 OUR CUSTOMERS

Save The Duck attention to its customers is shown by the application of the strictest standards of product safety. The Company conducts chemical tests on the raw materials it uses on the basis of its Restricted Substances List (RSL), a document created by third party and relating to the markets where Save The Duck products are distributed. This document indicates restricted chemical substances and the limits to be respected depending on the target in question (e.g. adults, children). The list, drawn up by the Company and signed by manufacturers, regulates the use of specific substances throughout the supply chain. The control analyses are carried out when the materials are made available by suppliers and envisage chemical tests conducted according to the strictest limit required by the law in force in the reference markets. Conducting these tests guarantees that Save The Duck products can meet legislative standards such as the RoHS Directive and REACH Regulation, as well as the requirements requested by individual countries in which they are sold (for example the Californian Proposition 65). In addition to the tests on chemical parameters, several physical-mechanical parameters are also tested. Thanks to the attention and

to the solid control processes set in place by the Company, no cases of non-conformity relating to product safety have been recorded in the past two years.

The relationship with the consumer is not limited to merely respecting essential product safety parameters, but it is based on a reciprocal interest in production sustainability, the efficient use of resources and the tireless search for cutting-edge solutions related to selecting materials and managing the supply chain. Through the certifications of the materials its products are made of and the appropriate labelling of its garments, Save The Duck instils dialogue with its consumers to enable them to participate in the social and environmental choices that it makes. In this regard, the labels of Save The Duck garments provide information on the certifications relating to the materials used, as listed below.

BLUESIGN® APPROVED CERTIFICATION

The BLUESIGN® standard certifies the materials of textile products, taking the entire production process into consideration. Instead of concentrating on the finished product, the BLUESIGN® system verifies all incoming flows, from raw materials to chemical components,

water and energy resources. Each textile product component is therefore tested even before production starts, thus enabling any potentially harmful substances present in the entire production cycle to be identified.

The standard is based on several principles in terms of environmental and social sustainability, in particular as regards: the efficient use of resources; consumer safety; waste water; atmospheric emissions; occupational health and safety.

OEKO-TEX® Standard 100

OEKO-TEX® Standard 100, is a control and certification system applicable to the entire textile world, which seeks to guarantee that the materials of textile products and their accessories don't contain or release substances that may harm the environment or human health.

TEXTILE EXCHANGE® - GLOBAL RECYCLED STANDARD

Founded as the Organic Exchange in 2002, TEXTILE EXCHANGE® is a global non-profit organisation that works closely with all sectors of the textile supply network. TEXTILE EXCHANGE®. It identifies and shares best practices in farming, materials, processing,

traceability and product end-of-life in order to create a positive impact on water, soil, air, animals and human population on behalf of the textile industry. TEXTILE EXCHANGE® provides the knowledge and the tools needed by the industry to make significant improvements in three core areas: supply network, fibres and materials, integrity and standards. The Global Recycled Standard (GRS) is one of the numerous and important industry standards developed by TEXTILE EXCHANGE®. It certifies and supports products obtained from recycled materials, respecting environmental and social criteria extended to all of the stages of the supply chain.

3. TOGETHER WITH YOU

In addition to information on certifications, information on the product origin and composition is also included, which by law must be shown on the label, as well as information that represents the corporate values that the Company wishes to convey to its final consumers, such as animal and oceans protection and product recyclability.

The Company has been working with Certilogo for years on the matter of its garments being counterfeited. Certilogo currently represents one of the most effective, safe and simple systems to verify a product's authenticity. More specifically, a Certilogo Code (or CLG Code) is included inside each Save The Duck garment. By scanning the QR-Code supplied with each garment using a QR-Code reader or the Certilogo Authenticator application or by entering the code on www.certilogo.com, all customers that buy a Save The Duck product can authenticate their products.



3. TOGETHER WITH YOU

3.3 OUR PARTNERS

Over the years, Save The Duck has forged numerous partnerships with Italian and international organisations and associations that share the common objective of making everyone aware of animal rights, social and environmental topics.

In 2018 Save The Duck distributed the value generated by the Company (around € 33 million) as follow: around 70% to its suppliers, 6% to its employees and 4% to its equity providers. In addition, an amount corresponding to around 1% of revenues was donated (in the form of cash or in kind⁶) to numerous organisations and associations that the Company supports. No dividend was distributed to shareholders in 2018.

The paragraphs below illustrate the most important partnerships that the Company has entered into and maintained over time, with a view to reinforcing and pursuing the objectives expressed by the values and the principles represented by the brand:

PARTNERSHIPS FOR ANIMAL PROTECTION



PETA – Since 2014, with the sale of an exclusive collection of jackets, Save The Duck has committed to supporting People for the Ethical Treatment of Animals (PETA), the largest animal rights organisation in the world, with over 6.5 million members and sponsors. PETA directs its attention to the four areas in which a large number of animals suffer most intensely and for prolonged periods of time: in laboratories, in the food industry, in the clothing trade and in the entertainment industry.



LAV – Save The Duck joined the “Animal Free Fashion” project launched by Lav (Anti Vivisection League) in 2015, subscribing to the highest ethical rating envisaged, VVV+, namely undertaking not to use any material of animal origin in its collections.

LAV was established in 1977 and since then, every day, it fights to stop any forms of animal exploitation and to affirm their rights. Its mission is to practice and promote cultural change in relationships with other animals that leads to lifestyle and political choices based on respect and solidarity towards living beings, without distinction of species.



WWF[®] – In 2016, to celebrate the WWF[®] 50th anniversary, Save The Duck designed a limited edition collection for men, women and children of micro-quilted PLUMTECH[®] jackets, in a range of 50 colours for 50 animals in danger of extinction.

WWF[®] mission is to build a future in which people live in harmony with nature. The association strives to safeguard the natural world, help people live more sustainably and take action against climate change.

⁶ To calculate the economic value distributed, donations in kind were measured at pricelist cost net of production costs.

3. TOGETHER WITH YOU

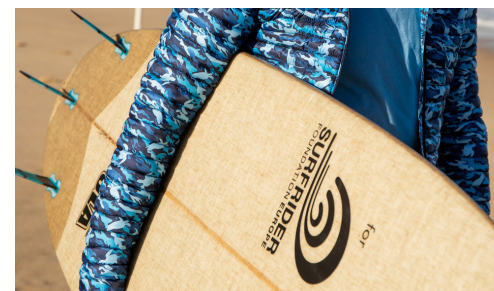
PARTNERSHIPS TO SAFEGUARD NATURAL RESOURCES AND THE PLANET



THE FIFTH ELEMENT AND ALEX BELLINI
– From 2019, Save The Duck is supporting the enterprise of the explorer Alex Bellini called “10 Rivers 1 Ocean”, the objective of which is to make the public aware of the serious consequences of environmental pollution and particularly of the effects of plastic waste on our rivers, seas and oceans. On board boats made from recycled materials, Alex Bellini will travel along the most plastic-polluted rivers of the world with a view to reaching and documenting the accumulation of plastic in the Great Pacific Garbage Patch.



SEA SHEPHERD ITALY – Established in 1977, Sea Shepherd is an international non-profit organisation whose mission is to stop the destruction of the natural habitat and the massacre of wild animals in the world’s oceans in order to preserve and protect the ecosystem and the different species. In 2019, in collaboration with Sea Shepherd Italy, Save The Duck designed a limited co-branded collection, which will be used by the organisation’s crews, as well as being sold to fund Sea Shepherd campaigns and projects worldwide.



SURFRIDER FOUNDATION EUROPE – Surfrider Foundation is a worldwide non-profit organisation dedicated to the protection and improvement of lakes, rivers, oceans and coastlines. Founded in 1990 by a group of surfers, it now has over 12,000 members throughout Europe and is represented in 9 countries thanks to local volunteers. For the 2019 collection produced in 2018, Save The Duck with the innovative the Ocean Is My Home range, created with fabrics made from recovered and recycled fishing nets, works with and supports Surfrider Foundation Europe. Save The Duck donates part of the proceeds from the sale of each Ocean Is My Home garment to the foundation, to help clean 300,000 m² of beaches, and to free the seas from 6,000 kg of rubbish.

3. TOGETHER WITH YOU

PARTNERSHIPS FOR HUMAN RIGHTS



SAVE THE CHILDREN – Save the Children operates in the field in 120 countries, working to help children through international programmes dedicated to the health, education, protection and rescue in cases of disaster.

Save The Duck chose to work with Save the Children to cooperate the project through which this NGO provides support to the Afghan children and their communities hit by the conflict.

Save The Duck sponsors this project through a donation, which guarantees access to school and basic education for the youngest children, in one of the Kabul districts most in need of help and support. In addition, the Company will produce 700 puffer jackets dedicated to the project: small blue jackets with red linings, made special by the centennial Save the Children logo placed on the back of and inside the garment. 500 garments will be sent to the children sponsored by Save the Children in Afghanistan, to keep them warm through the cold winter. Save The Duck has earmarked another 200 jackets to be sold in the flagship store in via Solferino, and online. The proceeds obtained will be entirely devolved to the project.

SUNSAR MAYA – In 2018, Save The Duck sponsored the mountaineer Kuntal A. Joisher in his conquest of Mount Lhotse, the fourth-highest summit in the world. In honour of the mountaineer's conquest, funds were donated to Sunsar Maya, an association that provides opportunities for education to better the lives of orphaned and vulnerable children in Nepal.

COMETA – COMETA is a non-profit organisation established by a group of families, dedicated to welcoming, educating and training children and supporting their families. Every day after school, around one hundred local children find a team of educators and teachers at COMETA, who by helping them with their studies, through expressive, recreational and sports activities, forge a daily educational relationship with these children. In June 2019, Save The Duck donated 412 jackets to COMETA children, with a value of around € 11 thousand.

METHODOLOGICAL NOTE

The first Sustainability Report of Save The Duck relates to 2018 (1st January to 31st December) and contains, where available, the performance trends for the two-year period 2017-2018 for comparative purposes. On the date of publication of this Report, no significant events that took place in 2019 are reported, with the exception of those already illustrated. The Report was drawn up in compliance with GRI Sustainability Reporting Standards established in 2016 by the Global Reporting Initiative (GRI), according to the Core option, as envisaged by Standard 101: Foundation, paragraph 3. This Report illustrates the main environmental, social and economic aspects that characterise the Company. The reporting boundaries of the Report include Save The Duck, unless otherwise indicated. The Company registered and administrative offices are in Milan, in via Arcivescovo Calabiana, 6. The first Sustainability Report of Save The Duck was not audited by an independent third party.

MATERIAL TOPICS

In accordance with the content of the first paragraph, the topics discussed in the Report and their level of detail are based on the results of the materiality analysis conducted by the Company. The following table provides a list of the GRI material topics for Save The Duck and for its stakeholders, the

corresponding boundaries in terms of impact and any limitations to the scope due to the non-availability of data related to the entities outside the organization.

* The reporting boundary of this material topic does not include information relating to Ganesh brand, which represents around 6% of Save The Duck S.p.A. revenues.

GRI Material topics	Reporting scope of the material aspect		Reporting limitations of the scope	
	INTERNAL	EXTERNAL	INTERNAL	EXTERNAL
Materials	Save The Duck*	Suppliers of processing and raw materials	----	Reporting partially extended to suppliers of processing and raw materials
Energy	Save The Duck	Suppliers	----	Reporting not extended to suppliers
Emissions	Save The Duck	Suppliers	----	Reporting partially extended to suppliers
Water and effluents	----	Suppliers of processing and raw materials	----	Reporting not extended to suppliers of processing and raw materials
Supplier environment assessment	Save The Duck*	----	----	----
Supplier social assessment	Save The Duck*	----	----	----
Forced or compulsory labour	Save The Duck*	Suppliers of processing and raw materials	----	----
Occupational health and safety	Save The Duck	Suppliers of processing and raw materials	----	Reporting not extended to suppliers of processing and raw materials
Employment	Save The Duck	----	----	----
Marketing and labelling	Save The Duck*	----	----	----
Consumer health and safety	Save The Duck*	----	----	----
Economic performance	Save The Duck	----	----	----

METHODOLOGICAL NOTE

PRINCIPLES FOR DEFINING THE CONTENT AND GUARANTEEING THE QUALITY OF THE REPORT

In line with the provisions of the GRI Standards, the principles used to define the content of this Report are as follows:

- **Completeness:** the Report should cover the main social, economic and environmental topics, to enable stakeholders to make the most complete assessment possible of Save The Duck sustainability performance;
- **Sustainability context:** the Report should present the performance of Save The Duck business in the wider context of sustainability;
- **Stakeholder inclusiveness:** the introduction indicates the Company main stakeholders and the means of engagement implemented;
- **Materiality:** the content of the Report, as indicated above, is based on the concept of materiality and therefore includes the topics (as defined by GRI Standards) that are most relevant to the Company and to its stakeholders.

In line with the reporting standard, the following principles were also

applied to guarantee the quality of the content: accuracy, reliability, clarity, comparability, balance and timeliness.

THE REPORTING PROCESS AND CALCULATION METHODS

The social, environmental and economic-financial qualitative information contained in this first edition of the Sustainability Report has been gathered through direct interviews with the heads of various company departments, and by sending specific data collection forms, based on an annual reporting process. The main calculation methods and assumptions for the performance indicators reported are illustrated below, in addition to that already indicated in the Report.

_ To calculate the indicators relating to health and safety, accidents that have entailed at least one day of absence are included, while commuting accidents are not. More specifically, the accident frequency index was calculated as shown below:
Frequency index = number of days lost for accidents/hours worked x 1,000,000;

_ For environmental data, where not available, conservative estimates were environmental performance figures;

_ The calculation of greenhouse gas emissions was made using the following formula: activity data (kWh of electricity) multiplied by the respective emission factor;

_ The emission factors and the GWPs used to calculate GHG emissions are as follows:

- *To calculate direct greenhouse gas emissions (Scope 1), the kms travelled per year by the vehicles of the Company fleet were estimated adopting a conservative estimation approach and using the conversion factors taken from the "Defra - Department for Environment, Food and Rural Affairs" (2017-2018) database.*
- *To calculate indirect greenhouse gas emissions (Scope 2), the emission factors published by Terna Group in the document entitled "International Comparisons" (2015-2016) and by the Association of Issuing Bodies within the "European Residual Mixes" (2017-2018) were used.*
- *To calculate other indirect greenhouse gas emissions (Scope 3), where not directly provided by transportation companies the conversion factors taken from the "Defra - Department for Environment, Food and Rural Affairs" (2017-2018) database were used.*

For information and further details on this document, please contact: Save The Duck
info@savetheduck.com

CONTENT INDEX

GRI STANDARDS	DISCLOSURE	REFERENCES	OMISSIONS
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GENERAL DISCLOSURES

GRI 102: GENERAL DISCLOSURES 2016	ORGANIZATIONAL PROFILE		
	102-1 Name of the organization	5	
	102-2 Activities, brands, products, and services	12	
	102-3 Location of headquarters	12	
	102-4 Location of operations	12	
	102-5 Ownership and legal form	12	
	102-6 Markets served	12	
	102-7 Scale of the organization	12	
	102-8 Information on employees and other workers	12-34	
	102-9 Supply chain	29-31	
	102-10 Significant changes to the organization and its supply chain	41-42	
	102-11 Precautionary Principle or approach	41-42	
	102-12 External initiatives	38-40	
102-13 Membership of associations	30		

CONTENT INDEX

STRATEGY

102-14 Statement from senior decision-maker

4

ETHICS AND INTEGRITY

102-16 Values, principles, standards, and norms of behavior

15-17

GOVERNANCE

102-18 Governance structure

13

STAKEHOLDER ENGAGEMENT

102-40 List of stakeholder groups

5-7

102-41 Collective bargaining agreements

In 218 all the Italian employees are covered by the National collective bargaining agreement; in China the employment relationship is regulated by the Chinese law.

102-42 Identifying and selecting stakeholders

5-7

102-43 Approach to stakeholder engagement

5-7

CONTENT INDEX

102-44 Key topics and concerns raised

6-7

REPORTING PRACTICE

102-45 Entities included in the consolidated financial statements

41

102-46 Defining report content and topic Boundaries

8-9; 41

102-47 List of material topics

9; 41

102-48 Restatements of information

41-42

102-49 Changes in reporting

41-42

102-50 Reporting period

41

102-51 Date of most recent report

41

102-52 Reporting cycle

41

102-53 Contact point for questions regarding the report

42

102-54 Claims of reporting in accordance with the GRI Standards

41

102-55 GRI Content Index

43-54

102-56 External assurance

41

CONTENT INDEX

MATERIAL TOPICS

GRI 200 - ECONOMIC TOPICS

ECONOMIC PERFORMANCE

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 201: ECONOMIC PERFORMANCE 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>201-1 Direct economic value generated and distributed</p>	<p>8-9; 41</p> <p>38</p> <p>38</p> <p>38</p>	
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CONTENT INDEX

GRI 300 - ENVIRONMENTAL TOPICS

MATERIALS

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 301: MATERIALS 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>301-1 Materials used by weight or volume</p> <p>301-2 Recycled input materials used</p> <p>301-3 Reclaimed products and their packaging materials</p>	<p>8-9; 41</p> <p>18-25</p> <p>18-25</p> <p>22-24</p> <p>22-24</p> <p>During the last years, Save The Duck didn't activate any process of reclaiming of its products after use.</p>	
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ENERGY

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 302: ENERGY 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>302-1 Energy consumption within the organization</p>	<p>8-9; 41</p> <p>26</p> <p>26</p> <p>26-27</p>	
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CONTENT INDEX

WATER AND EFFLUENTS

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 303: WATER AND EFFLUENTS 2018, MANAGEMENT APPROACH</p> <p>GRI 303: WATER AND EFFLUENTS 2018</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>303-1 Interactions with water as a shared resource</p> <p>303-2 Management of water discharge-related impacts</p> <p>303-4 Water discharge</p>	<p>8-9; 41</p> <p>41-42</p> <p>41-42</p> <p>41-42</p> <p>41-42</p> <p>41-42</p> <p>41-42</p>	
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CONTENT INDEX

EMISSIONS

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 305: EMISSIONS 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>305-1 Direct (Scope 1) GHG emissions</p> <p>305-2 Energy indirect (Scope 2) GHG emissions</p>	<p>8-9; 41</p> <p>26-28</p> <p>26-28</p> <p>27-28</p> <p>27-28</p>	
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SUPPLIER ENVIRONMENTAL ASSESSMENT

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 308: SUPPLIER EN- VIRONMENTAL ASSESSMENT 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>308-2 Negative environmental impacts in the supply chain and actions taken</p>	<p>8-9; 41</p> <p>29-31</p> <p>29-31</p> <p>29-31</p>	
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CONTENT INDEX

GRI 400 – SOCIAL TOPICS

EMPLOYMENT

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 401: EMPLOYMENT 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</p>	<p>8-9; 41</p> <p>33-35</p> <p>33-35</p> <p>35</p>	
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CONTENT INDEX

GRI 400 – SOCIAL TOPICS

OCCUPATIONAL HEALTH AND SAFETY

<p>GRI 103: MANAGEMENT APPROACH 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p>	<p>8-9; 41</p> <p>35</p> <p>35</p>	
<p>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018, MANAGEMENT APPROACH</p>	<p>403-1 Occupational health and safety management system</p> <p>403-2 Hazard identification, risk assessment, and incident investigation</p> <p>403-3 Occupational health services</p> <p>403-4 Worker participation, consultation, and communication on occupational health and safety</p> <p>403-5 Worker training on occupational health and safety</p> <p>403-6 Promotion of worker health</p> <p>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</p>	<p>35</p> <p>35</p> <p>35</p> <p>35</p> <p>35</p> <p>35</p> <p>35</p>	
<p>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</p>	<p>403-9 Work-related injuries</p>	<p>35</p>	

CONTENT INDEX

FORCED OR COMPULSORY LABOR

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 409: FORCED OR COMPULSORY LABOR 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</p>	<p>8-9; 41</p> <p>29-32</p> <p>29-32</p> <p>31</p>	
--	--	--	--

SUPPLIER SOCIAL ASSESSMENT

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>414-2 Negative social impacts in the supply chain and actions taken</p>	<p>8-9; 41</p> <p>29-32</p> <p>29-32</p> <p>29-31</p>	
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CONTENT INDEX

CUSTOMER HEALTH AND SAFETY

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</p>	<p>8-9; 41</p> <p>36-37</p> <p>36-37</p> <p>36</p>	
--	---	--	--

MARKETING AND LABELING

<p>GRI 103: MANAGEMENT APPROACH 2016</p> <p>GRI 417: MARKETING AND LABELING 2016</p>	<p>103-1 Explanation of the material topic and its Boundary</p> <p>103-2 The management approach and its components</p> <p>103-3 Evaluation of the management approach</p> <p>417-1 Requirements for product and service information and labeling</p>	<p>8-9; 41</p> <p>36-37</p> <p>36-37</p> <p>36-37</p>	
--	---	---	--

CONTENT INDEX

TOPICS NOT COVERED BY GRI DISCLOSURE

SUSTAINABLE PRODUCT INNOVATION

GRI 103:
MANAGEMENT
APPROACH
2016

103-1 Explanation of the material topic
and its Boundary

8-9; 41

103-2 The management approach and its
components

18-24

103-3 Evaluation of the management
approach

18-24



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