



BRUNELLO CUCINELLI

ENVIRONMENTAL SUSTAINABILITY POLICY

"WE ALWAYS ACT AS LOYAL GUARDIANS OF CREATION"



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FOREWORD

We like to think of sustainability as inclusive of both material and spiritual values, a concrete place where the environment, economy, technology, culture, spirit and morals coexist. We are convinced that this will enable sustainable and complete action, because despite technology, we live immersed in nature, and as Leibniz believed, nature "makes no leaps", meaning the relationships between things are of continuity and not of diversity.

1. OUR COMMITMENT: "WE ALWAYS ACT AS LOYAL GUARDIANS OF CREATION"

Environmental Sustainability

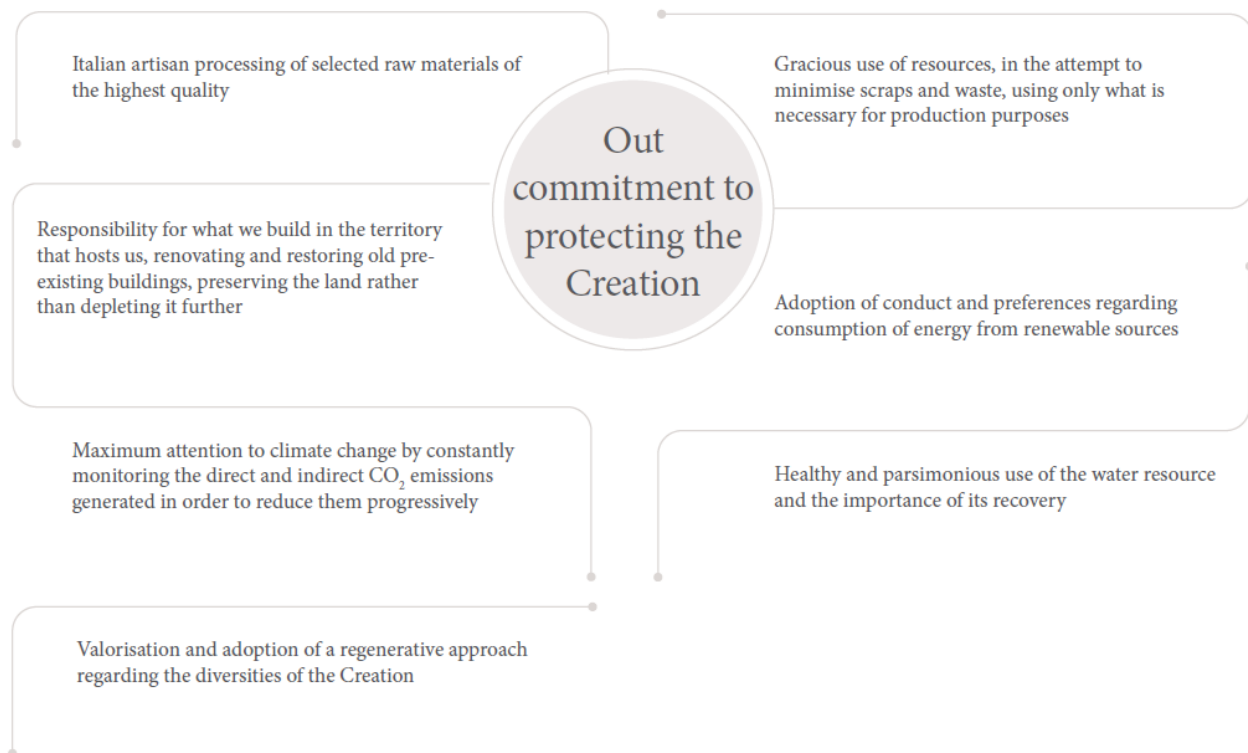
*«Every day, on my way to work, I drive through the scent of the fields, the smell of wood burning in the fireplaces, accompanied by the song of nightingales and the water flowing quietly in the Caina river. This serenity, this **moderation**, this providence of rural life appears to my soul as a lovely symbol of environmental sustainability. I sometimes think that all we are doing today for a better environment, to **limit global warming**, focusing attention on the **composition of materials**, on the **elimination of harmful ones**, on **landfills** and on **controlling polluting emissions**, is in some way the ideal departure point towards a world where **we can return to regenerating, reusing, repairing and recovering**, in other words **to using the gifts of Mother Earth according to the natural rule**, and this is something within everyone's reach, a conviction that has perhaps been influenced by the first part of my blissful life, spent in the countryside»¹.*

Brunello Cucinelli S.p.A. (hereinafter also referred to as the "Casa di Moda" or "Company"), in full awareness that "harmonious is sustainable", acts daily guided by the desire to do no harm to Creation, or at least to try to do as little as possible.

Care for the environment and surrounding area is a cornerstone of the company's philosophy which, faithful to the values of **Humanistic Capitalism** and **Human Sustainability**, considers man as the "faithful and harmonious custodian of Creation" called to face nature and its resources in a respectful and responsible manner, paying the **utmost attention to the balance between giving and taking in relations with Creation**. Only in this way is it possible to **ensure that new generations can live in a world that can provide better possibilities than those of today**.

¹ Words of Chairman Brunello Cucinelli. Corporate site
<https://www.brunellocucinelli.com/it/humanisticcapitalism.html>

Within our activities, the protection of Creation and the ideal of custodianship are expressed in the following points of attention which must constitute **essential elements of evaluation** before every present and future choice made by the Casa di Moda.



Through the formalization of the Environmental Sustainability Policy "We always act as loyal guardians of Creation", the Casa di Moda further commits to ensuring that the protection of Creation is always recognized as a fundamental principle underlying the performance of company activities, whether they have a direct character (i.e. directly operated by Brunello Cucinelli S.p.A. or its subsidiaries) or indirect (carried out along the entire value chain).

The Policy finds its foundation in the precepts of the "Our Mother Earth" Decalogue (see Annex) and is also expressed in the principles and commitments contained in the Human Sustainability Policy "In Harmony with Creation".

The contents of the Policy also refer to the values and rules of conduct set out in the Organizational and Management Model pursuant to Legislative Decree 231/2001 and are also aligned with the pillars and commitments defined within the Sustainability Plan "In Harmony with Creation".

The treatment of the contents is finally aimed at ensuring alignment with current legislation and the principles established by international organizations on the matter, with particular reference to the United Nations Rio Declaration on Environment and Development (1992)², the Ten Principles of the United Nations Global Compact - with particular reference to Principles VII, VIII and IX -, the United Nations 2030 Agenda for Responsible Development and the related Sustainable

² Also known as United Nations Convention on Climate Change (UNFCCC).

Development Goals (SDGs) - in particular, SDGs #7 - *Affordable and Clean Energy*, #12 - *Responsible Consumption and Production*, #13 - *Climate Action* and #15 - *Life on Land* -, the 2015 Paris Agreement and the ambitious *carbon neutrality targets* set at European level, and the OECD Guidelines for Multinational Enterprises for Responsible Business Conduct (2023).

The involvement of every stakeholder with whom the Casa di Moda has a professional - first and foremost the human resources - and commercial - in particular, raw material suppliers and small artisan enterprises - is fundamental for the definition and realization of the commitments made. To this end, also through the sharing of this Policy, we undertake to ensure the dissemination of a broad awareness of environmental issues from which the implementation of correct and proactive behavior can be derived in the direction of constant, concrete protection of Creation.

In the same way, this commitment has been expressed in the Framework Agreement and the Code of Ethics of the Casa di Moda, both shared with raw material suppliers and artisan workshops, within which the principles of **environmental protection** and **responsibility towards the community and support for the local area** are expressed.

The Policy must be brought to the attention of all stakeholders, including all employees of each Group Company, through appropriate communication channels, including publication on the company website and intranet, and translated into the relevant languages to ensure effective dissemination. Once duly informed, all stakeholders are required to comply with the principles contained therein.

2. PRIORITY AREAS OF INTERVENTION

In full awareness that our operations can generate direct and indirect environmental impacts, the governance of the Casa di Moda provides for their clear and timely identification as a starting point for supervising their monitoring and intervening, where necessary, with improvement actions.

Paying particular attention to the key concept of impact³, it is specified that the identification of priority areas of impact is guided by the identification of relevant risks and opportunities with reference to the significant environmental matrices for the Casa di Moda, according to an approach that aims at an analysis of the entire value chain.

The impacts generated directly through our activities (so-called "**direct environmental impacts**") are embodied in:

- i. energy consumption resulting from the operation of offices, production departments and warehouses;
- ii. energy consumption associated with the operation of the logistics and distribution centers, as well as the activity of the *boutiques* managed by the Company;
- iii. fuel consumption for owned vehicles used for the travel necessary for business travel;
- iv. water withdrawals and discharges associated with the activities of corporate sites;
- v. waste directly generated by the Company's activities.

With reference to the activities controlled by the Casa di Moda but carried out by third parties along the value chain (so-called "**indirect environmental impacts**"), the following elements that we consider most significant are noted:

- i. impacts related to the purchase of raw materials, including the production phase of raw materials and transport;
- ii. energy, water and raw material consumption related to the processing carried out by external artisan workshops, including their waste generation;
- iii. energy consumption of *franchising* and multi-brand customers;
- iv. impacts related to *outbound* logistics and distribution phases.

The environmental risks generated directly through our activities and generated by third parties along the value chain are embodied as follows:

- i. physical and transition risks related to climate change;
- ii. risks related to the availability of renewable and non-renewable raw materials for the collections;
- iii. risks arising from regulations, regulatory or financial developments relating to environmental issues;

³ "Impact" refers to the effect an organization has on the economy, environment and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

- iv. reputational risks arising from environmental factors.

The related opportunities translate primarily in terms of reputational benefits and greater attractiveness to customers and investors by virtue of the positive externalities generated in the reference territories and the demonstrated attention to the reduction of environmental impacts along the life cycle.

On the basis of the direct and indirect impacts identified, the main areas of intervention that constantly animate our commitment are: "**Combating climate change**", "**Sourcing and management of raw materials**" and "**Regenerative approach**".

2.1. Combating climate change

The definition, monitoring and management of atmospheric emissions are central aspects in the Casa di Moda's commitment to combating climate change, especially in terms of climate change mitigation and adaptation.

In this sense, our commitment concerns the reduction, quantification and monitoring of emissions, the identification and management of risks and opportunities related to climate change, and the efficiency of energy consumption.

We therefore undertake to reduce direct and indirect *Greenhouse Gas (GHG) emissions*, in line with the climate targets defined by the 2015 Paris Agreement and aimed at limiting the rise in global temperature to 1.5°. With the desire to contribute to this fundamental goal, the Casa di Moda has developed its own **Climate Strategy**, with GHG emission reduction targets validated by the *Science Based Targets Initiative (SBTi)*, following approval by the Council for Human Sustainability and for Humanistic Capitalism.

We thus commit to achieving the **net zero goal by 2050**, passing as a first milestone the following reduction targets by 2028⁴:

- **70% reduction in Scope 1 and 2 GHG emissions** by 2028 compared to 2019;
- **22.5% reduction in Scope 3 GHG emissions** by 2028 compared to 2019;
- **90% reduction in Scope 1, 2 and 3 GHG emissions** by 2050 compared to 2019;
- **achievement of net-zero by 2050**, according to the Science Based Targets initiative (SBTi) Net-Zero Standard by taking part in the Business Ambition for 1.5°C and net-zero UNFCCC Race To Zero Campaign initiatives.

⁴ The objectives and targets defined in the Casa di Moda Climate Strategy may be subject to changes and evolutions consequent to changes in the conditions underlying their definition.

As a guarantee of our commitment:

- *We promote a progressive transition towards electrification and the procurement of electricity from renewable sources;*
- *We promote the adoption of energy efficiency behaviors and practices in all Casa di Moda locations, so as to ensure a transversal alignment with the defined objectives and targets;*
- *We support the small artisan enterprises with which we collaborate in the transition towards electrification and the use of renewable energy sources, and more generally in energy efficiency paths;*
- *We will define possible GHG emission reduction activities for raw material suppliers, promoting a more timely data collection in order to share a virtuous path also in terms of environmental impact.*

2.2. Sourcing and management of raw materials

In respect of an attitude aimed at the protection of Creation, the **careful selection of raw materials** intended for the production of garments and accessories and packaging material is a direct responsibility of the Casa di Moda, guaranteed by collaboration with the best suppliers.

We therefore undertake to select with high accuracy and care the **responsible sources for the procurement of yarns** - with particular reference to **cashmere** as the Casa di Moda's raw material of excellence -, **fabrics** and **leathers** so as to give rise to noble raw materials, also having regard for animals from which they originate. Indeed, for the production of the products that make up our Collections we mainly use natural fibers, from cashmere to wool, from cotton to linen. We undertake to pay a high degree of attention in the continuous proposals of **solutions with a lower environmental impact** regarding packaging (both for internal logistics and for sale), also through the use of materials with certified origin and/or recycled, and in the constant monitoring of the use of **chemical substances**, operating, where necessary, with a view to the gradual *phase out* of those considered potentially dangerous, in collaboration with our raw material suppliers. We work to achieve increasing traceability of textile products, with the aim of providing customers with information on the design, manufacture and production of the products collected through the contribution of the fashion industry value chain.

We undertake to reduce land consumption as much as possible and to ensure that all our building interventions are carried out according to the principle of respect for the land we occupy and the enhancement of the surrounding outskirts according to the ideal of "**pleasant periphery**".

In fact, the real estate choices made by the Company are always careful and oriented towards the **reclamation of land and the recovery of pre-existing buildings** in total respect of the local natural

and urban area, creating building solutions that can reflect the *genius loci* and that are not impacting also from an aesthetic point of view.

We also recognize the importance of **responsible and parsimonious water consumption**, as it is a primary resource essential to life. Although the direct impacts on the water matrix are limited to the operation of the laundry at the Solomeo headquarters and to civil use for all other locations as well, we undertake to operate in constant attention to the ever more efficient management of these consumptions.

In particular, with regard to **water withdrawals linked to the laundry activity** located at the Solomeo main site, water is drawn from wells owned by the Company and recovered at the end of use through specific treatment systems.

We also undertake to map the water consumption of our main raw material suppliers and *façonisti*.

As a guarantee of our commitment:

- *We operate in full compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);*
- *We monitor the environmental impact of certain selected raw materials, with ever greater involvement of our esteemed suppliers;*
- *We periodically update our Restricted Substances List (RSL) defined and shared with raw material suppliers starting from 2020;*
- *We will continue with the research of useful solutions to define an increasingly efficient logistics system in terms of environmental impact, also through savings in the volumes of shipped parcels and a reduction in the use of packaging;*
- *We act in alignment with the regulations governing the use of chemicals in the textile industry: the European Union REACH Regulation (2007), the California Proposition 65 law, the Chinese GB Standards and Directive 2001/95/EC known as the "General Product Safety Directive".*

2.3. Regenerative Approach

In order to preserve that common good of inestimable value that our planet represents, we undertake to maintain a **humanly sustainable environment**, through the preservation and continuous renewal of the wealth of its **biodiversity**, with particular attention to the **maximum possible respect for resources** and **natural cycles**, and the responsible use of the amiable fruits that come from our Mother Earth.

With the aim of contributing to and consolidating the future availability of resources and the resilience of the supply chain, the Casa di Moda addresses the potential impacts arising from the

procurement of raw materials from the design phase, based on the principles of conservation of ecosystem biodiversity, promotion of environmental improvement, monitoring and mitigation of impacts, growth of awareness and knowledge about biodiversity and finally collaboration with local associations and communities, at national and international level.

Finally, Brunello Cucinelli garments are intended as "**timeless items**" thanks to the intrinsic quality of the materials used and the artisanal work lavished for their creation, characterized by a very high component of manual labor that we have estimated to be on average 52%, which ensure that the product can be ideally handed down from generation to generation. Our garments are designed on the basis of the "longevity by design" concept; in fact, the Brunello Cucinelli collections are created through garments that transcend time and seasons, made to last as long as possible and be passed on to future generations, thus also recalling the important value and charm of custody, reuse and repair that have always been at the basis of our Casa di Moda's philosophy.

With the aim of preserving and increasing their longevity, the Casa di Moda undertakes to act as an anticipator and driving force in the sector with reference to the principles and logic of the **circular economy**, which contemplates the repair and recovery of garments, as well as waste management that prioritizes the recovery of material and energy, including along the value chain, over disposal practices.

As a guarantee of our commitment:

- *We will ensure that all Casa di Moda expansions are increasingly oriented towards welcoming construction directed towards sustainability principles;*
- *We continue to implement regenerative agriculture practices;*
- *We are committed to developing projects aimed at fostering a transition towards a circular economy.*

3. IMPLEMENTATION, MANAGEMENT AND PROMOTION OF THE ENVIRONMENTAL POLICY

The correct application and promotion of the contents of this Policy has the purpose of guaranteeing an organization and governance of company activities that can be considered positive from the point of view of environmental impacts, both in terms of prevention and, where necessary, correction activities.

The protection of Creation is to be understood according to its dual nature of responsibility and opportunity for the Casa di Moda.

In the company organization, the management of environmental aspects concerning the operating sites is the responsibility of the **Facility Management Team** appointed to ensure a correct acquisition/lease, management, maintenance and reorganization of the Company's real estate assets, supervising in particular the environmental aspects, i.e. the impacts that can be generated from company activities.

The **Council for Human Sustainability** and for **Humanistic Capitalism** is identified as the direct responsible for the implementation, coordination, monitoring and updating of the contents of this Policy.

It is our care to promote and ensure the maximum dissemination of the culture of Human Sustainability and consequently of this Policy, periodically dialoguing with the stakeholders of the Casa di Moda regarding its implementation and any changes made to it.

In particular, with reference to the supply chain, the Casa di Moda undertakes to monitor the alignment of partners with the provisions of the Policy. Where possible, direct suppliers are required to implement the same checks with regard to their own suppliers. Therefore, in a logic of impact along the entire value chain, the Casa di Moda invites its supply chain to identify, analyze and prioritize environmental risks in order to adopt the necessary measures to prevent them and/or reduce their expected impact in a timely manner.

All recipients of the Policy also have the possibility to inquire about its contents and interpretation, to discuss its implementation and to report any criticalities related to its application through the e-mail channel dedicated to the sustainability projects of the Casa di Moda:

humansustainability@brunellocucinelli.it.

3.1. Recipients and scope of application

In order to allow the most extensive awareness and knowledge of the principles underlying the Casa di Moda's commitment to the protection of Creation, as well as of the priority areas of impact with respect to which we undertake to reduce, until eliminating it, the generation of negative externalities, this Policy identifies as its direct recipients all those who operate in the name and/or on behalf of the Casa di Moda or in its interest. We thus address the values, principles and

commitments set out here to the universality of our stakeholders - internal and external - among whom are included, in a non-exhaustive manner: corporate bodies and their members, human resources and other collaborators, raw material suppliers and small artisan enterprises, consultants and all our other partners.

It is our care to disseminate the maximum knowledge of the Policy to all its recipients, through processes of awareness raising and periodic and transparent communication.

We also ask all recipients to observe and, as far as their competence is concerned, to enforce the principles and respect the values contained within the Human Sustainability Policy "In Harmony with Creation" and to support us in achieving our commitments.

3.2. Monitoring and Reporting

The achievement of the commitments declared within the Policy requires constant monitoring of the Casa di Moda's performance with reference to the environmental matrices and priority areas of impact identified in this document.

The monitoring of the impacts of the Casa di Moda's direct and indirect activities is the subject of specific reporting within the Sustainability Report (SR). The SR reports the risks and opportunities identified as most relevant with respect to Environmental Sustainability issues, as well as quantitative data and comments on the related growth or decrease trends and the description of the management methods and initiatives implemented in order to reduce the impacts and act in the direction of ever greater protection of Creation.

In order to ensure maximum transparency of information on the subject, we also undertake to expand the processes for collecting information on the environmental performance of the supply chain, raising awareness and collaborating with raw material suppliers and artisan workshops.

3.3. Validity and Updates of the Policy

This Policy comes into force on the date of its approval by the Company's Board of Directors (BoD).

The Policy applies to the Company, its subsidiaries and all human resources, as well as in relations with third parties maintained by those who legitimately operate in the name and on behalf of the Company.

The Policy may be amended to ensure its proper effectiveness over time, contemporaneity and alignment with regulatory developments on the subject as well as international best practices.

ANNEX

The "Our Mother Earth" Decalogue

Our Mother Earth

- I. *We have always sought a fair profit obtained with ethics, dignity and morality, creating highly crafted products that cause no harm to Creation, or as little harm as possible.*
- II. *We feel strongly responsible for the things we build on this planet that hosts us. That is why we always design our factories by respecting the spirit of the place, renovating and restoring old pre-existing industrial facilities and preserving rather than further depleting the land.*
- III. *Every renovation plan of our factories always includes a landscape plan, an architectural plan, a long-term maintenance plan and a plan for their sustainability over time. No human action is acceptable unless it is compatible with land regeneration.*
- IV. *It is a moral imperative to use the resources of Creation according to the ancient rules of nature. That is why responsible water use and reuse are at the center of our life and work project. The same applies to other resources, as we utilize them with moderation and by paying utmost attention to climate change.*
- V. *Ancient civilizations worldwide worshipped Mother Earth as a primordial deity, each according to their own tradition. Its meaning and importance have not diminished over the centuries, and that is why our crops, oil, wine, wheat, fruit, are cultivated naturally, and their fruits are used naturally to prepare the food that is served in the restaurant of our corporate dining hall.*
- VI. *Since day one, we have imagined our cashmere items as products that would be exclusively made in our beautiful country that is Italy, and that could somehow represent a legacy to be passed on. We wanted them to be carefully hand crafted using only raw materials of the highest quality.*
- VII. *From our mothers we learned that the art of repair is a sign of the value of things. John Ruskin used to say that we must necessarily accept the end of all things and that we must do our best to make them last longer. In this concept lies the gift of repairing, and the reason why we have an entire department dedicated to this activity.*
- VIII. *From tradition also stems our primary choice - which goes back to our Company's origins - of only using natural fibers for our products and of employing them naturally. This choice of ours, along with that of quality, enables us to do our share in preserving Creation.*
- IX. *We like to do our best to support raw material producers, in order to ensure their fair moral and economic dignity, and we make it a point to let our customers know that we constantly*

strive to make our products based on respect for all those who have contributed to their creation.

- X. *Just like Pericles in Athens, we have also been taught to «respect the magistrates and to respect the law, and never forget that we must protect those who receive offence». We have also been taught to «respect those unwritten laws that reside in the universal feeling of what is right and what is common sense».*