



BRUNELLO CUCINELLI

Press Release

Casa di Moda Brunello Cucinelli: Its idea of Humanistic Capitalism and Human Sustainability

After Brunello Cucinelli's extraordinary participation as a speaker at the G20 meeting in Rome on the 31st October 2021, this is the **big** and **challenging** topic discussed today at the usual year-end Board meeting, this year in particular with the objective of setting the emissions target for the decades to come.

Our Casa di Moda is also strongly committed to helping to improve the climate change issue on our planet, our type of products with high manual skills and craftsmanship considers low emissions, however, we also try with great responsibility and dedication to convey this **serious** commitment to all our partners.

In this regard, the Casa di Moda has set targets to reduce its greenhouse gas emissions by 60% over the period of the 10-year plan 2019 - 2028.

Brunello Cucinelli, Executive Chairman and Creative Director of the Casa di Moda, commented:

*"A **beautiful** 2021 that we define as the year of the **rebalancing**, with a growth in turnover close to 30% that allowed us to totally recover the loss we had of 10% in the year 2020, so as to resume our solid and serene path towards the objectives of the plan 2019 - 2028".*

"After my exciting participation as a speaker at the G20 in Rome last October, where our esteemed Chairman Draghi asked me to give my testimony on our idea of life and work and in all that we call Humanistic Capitalism and Human Sustainability, I wanted to share these great human reflections with the entire Board of Directors as well as with the financial community through a dedicated pre-Christmas call and also to definitively set the targets for the reduction of greenhouse gas emissions by 2028, the year of the end of the 10-year plan".



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Solomeo, 14 December 2021 - The Board of Directors of Brunello Cucinelli S.p.A. – “Casa di Moda” operating in the luxury goods sector, listed on the Italian Stock Exchange - today discussed the topic of "Humanistic Capitalism and Human Sustainability", following Brunello Cucinelli's extraordinary participation as a speaker at the G20 in Rome on the 31st October 2021. The important Project for Humanity of the Brunello and Federica Cucinelli Foundation "The Universal Library of Solomeo" was also discussed, and the beautiful result expected for 2021 was confirmed, with an estimated growth in turnover close to 30% compared to 2020.

Humanistic Capitalism and Human Sustainability

The ideas of **Humanistic Capitalism and Human Sustainability** represent the guides and foundations of the company, where profit, giving back, custody, and the dignity of the human being live in mutual enrichment.

For us this means "**working and living in harmony with Creation**", dedicating particular attention to the **care of the human being**, the **relationship with the earth and animals**, the **climate and emissions**, as we have highlighted in the decalogue of "**Our ideals for life and work**".

- I. We love and respect Mother Earth: we cultivate our land according to nature and we welcome its fruits as its greatest gift.
- II. We do not use more resources than it is necessary or natural. We make careful use of the universe.
- III. We always act as loyal and affectionate guardians of creation.
- IV. We believe in the moral and economic dignity of human beings.
- V. During work we support fair profitability and harmony between profit and giving back to the community.
- VI. We seek harmony between fair work and human privacy.
- VII. We commemorate our forefathers. They taught us to respect the law, and our story is written in their words.
- VIII. We believe in universalism and we act displaying great respect for all civilisations.
- IX. We welcome fair change in order to experience the best from our time.
- X. We are fond of young people and pass down to them hope and the dream of a bright future awaiting them.

The healthy and sustainable balance between profit and giving back, the way to reconcile work and human privacy, the desire to repair and reuse, are core values of our Casa di Moda and we have always tried to direct our activity following these high and noble principles.

For these very reasons, it was a great honour for us when President Draghi invited Brunello Cucinelli to deliver a speech on his idea of "**Human Sustainability and Humanistic Capitalism**" in front of the "great of the earth", who met last **October** at the **G20 in Rome** to discuss the important issues of the global environmental and the climate emergency.

Below are the words used by Brunello Cucinelli to address the heads of state and governments of the world's twenty largest economies.



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"I am honoured to be here among you, the distinguished leaders of our wonderful Earth. I will try with some emotion to express to you my idea of Human Sustainability and what I mean by Humanistic Capitalism.

I spent the first part of my life in the country, we were farmers, we did not have electricity, we worked the land with animals, we collected rainwater, we had a great respect for the earth. The Greek philosopher and poet Xenophanes stated: 'Everything comes from the earth', and we lived in harmony with Creation. The first bale of grain we harvested went to the community at my grandfather's behest. From there I learned the great theme of life: the balance between profit and giving back; that period of my life is still a gift to my soul.

As a boy, I saw my teary-eyed father, as he was subject to humiliation and offense at work, and even today I do not understand why he should be humiliated and belittled; however, inspired by the pain I read in those eyes, I decided that the dream of my life would be to live and work for the moral and economic dignity of the human being. I wanted a company that made healthy profits, but did so with ethics, dignity and morals; we are listed on the stock exchange, I wanted a company that had a balanced and gracious growth. I wanted human beings to work in slightly better places, earn a little more in wages and feel like thinking souls at work. Let us try not to turn our backs on poverty.

I wanted a small part of the company's profits to go to beautify all of humanity and I wanted people to work a fair amount of hours and be online the right amount of time, so that Technology and Humanism could be harmonised and a healthy balance between mind, soul and body could be restored, because the soul and body also need nourishment every day.

We try to respect the laws of every State, and thanks to my esteemed President Draghi, our Italy has regained its credibility.

Our business is located in Solomeo, a small 14th century medieval village near Assisi. We work in old factories built in the past century, some have been restored and embellished to make them modern, others have been demolished and the land has been reclaimed for agriculture, especially vineyards, olive groves, orchards and wheat, so finally we can say that we have not consumed our beloved land. We have restored the village by listening to the wise word of our masters and we have built a theatre that we consider to be a secular temple of art, then a monument to the Dignity of Man and an immense park called "Project for Beauty".

And now we are going to build a universal library; for this idea we were inspired by the great Ptolemy I of Alexandria and the Emperor Hadrian when he stated: "Books showed me the way of life; when I grew up, life made me understand the content of books. Whoever builds libraries will have built public granaries for future generations".

Within such a panorama of harmony with nature and all beings, our Casa di Moda has always been very careful to cultivate a **deep respect for the environment**.

The commitment to contribute to the **improvement of our planet's climate** has always been part of our culture, where we have adopted a unique and indispensable production **model on high craftsmanship and low emissions**.

Nevertheless, we are constantly striving to reduce our externalities by seizing all the opportunities that scientific development offers us, and we try with great responsibility to transfer this very serious commitment to all our partners and along the entire supply and production chain.

In this regard, the Board of Directors has approved the plan for **reducing greenhouse gas emissions**, consistent with the principles of the **Science Based Targets Initiative (SBTi)**, to which we will submit our targets by the end of the year.



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As part of this, our commitment will be, over the 2019 - 2028 10-year plan period, to **reduce greenhouse gas emissions by 60%** in terms of economic intensity, and in absolute terms by 70% for scope 1 and 2 emissions and by 22.5% for scope 3.

The Universal Library of Solomeo

In October, in the prestigious setting of Milan's Teatro Piccolo, the Brunello and Federica Cucinelli Foundation's major project was presented: the "**Universal Library of Solomeo**".

The Universal Library will open its doors in 2024, and will be housed in the noble eighteenth-century Villa with its large park located in Solomeo, adjacent to the Church and the Theatre; the goal is to collect a large quantity of publications from all over the world, in a limited number of disciplines including philosophy, architecture, literature and crafts.

It will also include books in various languages, and is designed to offer readers the pleasure of finding themselves as if in a secular temple of culture and being able to choose from the works of philosophers, writers, artists, architects and other great authors.

Brunello Cucinelli stated: *"Hadrian the Emperor argued that books showed him the way of life and that 'founding libraries is like building public granaries'. Inspired by this genius and admiring the idea of the great Ptolemy I to create the Great Library of Alexandria, I imagined founding a public library, a sort of secular temple of culture where it is possible to interact with the greatest minds of history, starting with the classics, the amiable companions of the deepest moral and cultural growth of the human being"*.

Our beautiful 2021 and our expectations

It was with great pleasure that in **September we welcomed** the "**DESIGNER OF THE YEAR 2021**" award conferred on **Brunello Cucinelli** in London by the prestigious British men's fashion magazine GQ. We believe that this award gives the brand a clear connotation of its taste and identity, which finds its foundations in the company's culture and philosophy, as Brunello Cucinelli expressed during the award ceremony.

"I would like to dedicate my award to the minds and hearts of women and men of every epoch and from every corner of the world and to my teachers whose enlightened words taught me a universal vision of Creation and that humanistic capitalism which is so kindly and widely attributed to me. Precisely thanks to humanistic capitalism, in our work we have discovered and nurtured the moral and economic dignity of humans, gentle economic growth, harmony between profit and generosity, and respect for Creation, a small part of which I feel I have been called upon to be a faithful and caring guardian. Finally, I'd like to dedicate this prestigious award to my father, who is nearly one hundred years old and still reminds me every day to be a good person. Thank you to everyone."

We believe that the important recognitions received have contributed to the **achievement of a beautiful result for 2021**.

Our enthusiasm reflects not only our **expectation** for 2021 **revenue** growth close to 30%, but also our full satisfaction with the "**quality**" of these results.



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In fact, we believe that the growth we expect in all **distribution channels**, both retail and wholesale, the sales trend in all **international markets**, Europe, the Americas and Asia, and the results in all **categories** of the offer, both for **men** and **women**, testify to the great health of the brand, further consolidating its positioning in **absolute luxury**.

Equally important have been the brand extensions built around the strong **Ready to Wear** identity, which have led us to grow into new categories such as **homewear** and, thanks to the collaboration with Oliver People and Luxottica, into **eyewear**, adding further appeal and allure to the brand, which is increasingly identified as a **lifestyle brand**.

In 2021 we have maintained a **very high level of investment**, in the belief that a contemporary image and the search for innovation are a decisive factor in keeping the company modern and sustainable in the long term.

Investments were made possible by the **company's solid structure**, mainly for the opening of new boutiques and the expansion of sales areas, as well as for further modernization of the company's digital image and production/logistics infrastructure.

Characteristic Net Financial Indebtedness¹ in 2021 is expected to be around €35 million, a strong improvement compared to €93.5 million as of December 31, 2020, thanks to the cash generation related to operating activities and the excellent results in the management of trade working capital.

We also have solid expectations for the next two years, where we confirm our expectations of a **nice, healthy and balanced** growth of **around 10% in both 2022 and 2023**.

Our expectations are based on the excellent order book for the Spring Summer 22 collections, which follows the very positive sales trend of the Fall Winter 21 collections, as well as on the **boutique network** development project, with a selected but very high quality number of new sales spaces and expansions of existing boutiques.

In 2021 we confirm our expectations of a clear improvement in margins compared to last year, which was strongly affected by the pandemic. In the two-year period 2022-2023 we expect to return to profitability levels prior to the start of the pandemic, which have always been based on the values that inspire us: the **right growth**, the right **profit** and the **right balance between profit and giving back**.

The manager responsible for preparing the company's financial reports, Moreno Ciarapica, declares, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58 of 1998, that the information contained in this press release corresponds to the document results, books and accounting records. Please note that the turnover figures in this press release have not been audited. The document may contain forward-looking statements regarding future events and the operating, economic and financial results of the Brunello Cucinelli Group. By their very nature, these forecasts are subject to risk and uncertainty, as they depend on the occurrence of future events and developments.

¹ Financial payables for leases are excluded; therefore, the figure reported has been determined without the application of IFRS 16.



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Brunello Cucinelli S.p.A. is an Italian fashion company - founded in 1978 by the homonymous designer and entrepreneur and listed on the Italian Stock Exchange - that operates in the **creation of luxury goods**. The company, which has always been **rooted in the medieval village of Solomeo**, is considered an authentic expression of the idea of "Humanistic Capitalism", capable of reconciling constant and solid growth with an entrepreneurial philosophy aimed at the great themes of **Harmony with Creation** and **Human Sustainability**.

A specialist in cashmere production, the **brand** is considered one **of the most exclusive of chic prêt-à-porter**, recognised worldwide as an expression of an everyday lifestyle. The combination of **modernity** and **craftsmanship, elegance** and **creativity, passion** and **human values** make Brunello Cucinelli one of the most exclusive and admired **testimonials** of **Italian taste** in the world, authentically interpreting those values of **tailoring** and high **craftsmanship** characteristic of **Made in Italy** and peculiar to the Umbrian territory, skilfully combined with attention to **innovation** and **contemporary style**.

Through a **path of healthy, balanced** and **sustainable growth**, **the** company's great objective is to try to make profits with **ethics and harmony**, in full respect of the moral and economic dignity of the more than 2,000 Human Resources who work directly for the company, and for all those who collaborate with it.

Contacts: **Investor Relations & Corporate Planning**

Pietro Arnaboldi
Brunello Cucinelli S.p.A.
Tel. 075/69.70.079

Media

Vittoria Mezzanotte
Brunello Cucinelli S.p.A.
Tel. 02/34.93.34.78

Corporate website: www.brunellocucinelli.com