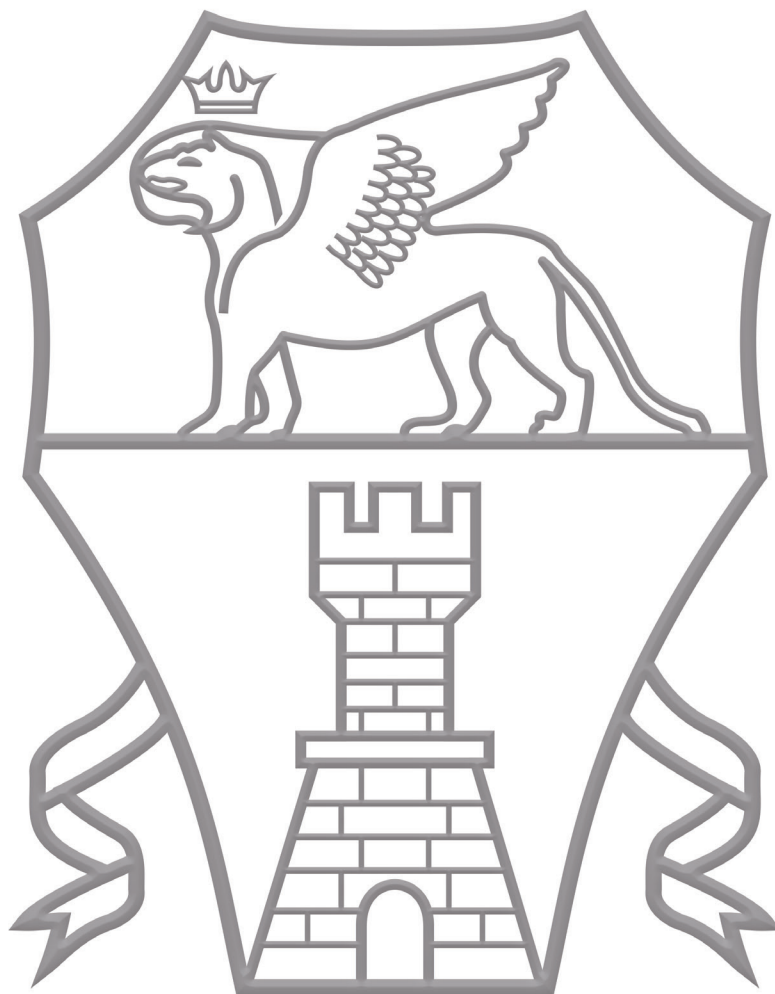




BRUNELLO CUCINELLI



2023 CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLES 3 AND 4
OF ITALIAN LEGISLATIVE DECREE NO. 254 OF 2016

Approved by the Board of Directors of the Company Brunello Cucinelli S.p.A. on 14 March 2024.

«I dreamed of a company that would be profitable while upholding ethics and dignity, without causing any harm to people or offence to Creation, or at least, as little as possible.

I liked imagining slightly more beautiful workplaces, where workers could feel better while admiring the landscape and I wanted people to earn slightly higher than average wages, because we are all 'thinking souls' and because we can no longer turn our backs on poverty.»

Brunello Cucinelli



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LETTER FROM THE CHAIRMAN

We report the heartfelt words that Chairman Brunello Cucinelli published at the end of November as a reflection on artificial intelligence.

Fruitful and harmonious: artificial intelligence by our side

For almost a year now, many have been experimenting with the best-known tools of generative artificial intelligence. In the beginning, perhaps, it was more out of curiosity than anything else; then, in the light of the first results, the imagination began to fly, in search of the most suitable use in private life and work.

Nowadays, time and again we receive e-mails written in a very refined, polished manner, from people, partners, or contacts who for years had written to us very simple, sometimes straightforward, and not always memorable messages, without any charming words. These recent letters, however, read artificial, untrue, and we can tell that they have not been written by human hand and soul, but rather by artificial intelligence. And disappointment arises out of those apparently so human comments, thanks, compliments and statements that had initially opened our hearts and brought us spiritually closer to the sender: it is not our friend's or colleague's hand that has written such winged and moving words, but that of a technological product, generated by a very rich linguistic model, which is very powerful and extraordinary, but emotionless and unaware of why and to whom it is writing.

To guess what is happening and what may happen is not so easy, and to refrain from hasty judgement is perhaps unrealistic. What we do know is that we believe in human inventiveness and in the innovations that have accompanied the evolution of our societies. However, as is always the case when we are faced with such disruptive inventions that could potentially change the way human relationships are born, established and pursued, we start to reflect on what is more or less right to do, that is, how to use such innovations in line with our features of social, creative and free human beings, of people who could never conceive of replacing human beings with machines.

Generative artificial intelligence is a contemporary invention that most likely has a period of great development and deployment ahead of it. As in other areas of technology, we will find ourselves using it more and more frequently in carrying out our daily business, perhaps making repetitive tasks less burdensome and using the time saved for what is closest to our ancient humanity, namely creativity, fun, and – why not? – that little bit of madness that comes from our dreams.

It is a fact that generative artificial intelligence makes it easier to process, summarise and analyse complex or extensive data, and that it makes their understanding easier, thus better directing our future actions. We will be able to translate, correct, receive suggestions and even complete charts, writings, work. It will be very useful for drafting formal communications, business letters, administrative comments, statistical analyses, and the kind of communications that we might call "not driven by sentiment". However, it is difficult to think that a tool like this, a sort of robot that we will never see crying or moved before a sunset, a personal assistant always available and capable, can replace us for what comes from our heart: it is feeling, emotion, intimacy, friendship that guides our pen.



Balance is everything. The frieze of the Apollo temple at Delphi reads: "Nothing in excess". It is one of the most extraordinary ethical virtues of the great people that were the ancient Greeks. And Hegel thought that quantity determines quality, as if to say that when we go beyond the harmony of things, their very useful nature changes: if we know how to use artificial intelligence with the balance it deserves, we will have unimaginable benefits, but we should not overdo it.

I am reminded of language, for example. According to a research by the distinguished linguist Tullio De Mauro, in 1976 grammar school children had a vocabulary of 1,500 words; according to the same survey, repeated twenty years later, that vocabulary had dwindled to 640, and today, perhaps, when thinking of mobile phones and short messages, it has decreased even further. And what might happen if we entrust AI with the task of choosing words? Perhaps, with a weakened ability to generate words, the act of thinking itself might suffer, a cornerstone of humanity.

Going back to the topic, when drafting a letter using AI, it would appear perhaps amiable to add something like "written together with artificial intelligence", some sort of elegant and sincere statement showing respect for our recipients and the ethics of our actions, a humane way of giving due value to our work and thought. One of our writings could, for example, end like this:

"... May Creation always light our path.

Yours,

Brunello

Written together with AI"

Brunello Cucinelli
Chairman of the Board of Directors



FOREWORD

This document is the **seventh edition of the Consolidated Non-Financial Statement**¹ (hereinafter also “NFS”) of the company Brunello Cucinelli S.p.A. (hereinafter also “Company”, “Issuer”, “Business”, “Casa di Moda”).

The NFS is drawn up in accordance with the provisions of Articles 3 and 4 of Italian Legislative Decree no. 254/2016 (hereinafter “Decree”) implementing Directive 2014/95/EU (so-called “Barnier Directive”), as amended, which regulates the reporting of non-financial information by large and public interest organisations in order to ensure a transparent and comprehensive understanding of the company’s activities, performance, results, the main risks generated or suffered (and the resulting management methods and opportunities), and the impact produced thereby with respect to environmental, social and personnel issues, respect for human rights and the fight against active and passive corruption, considered relevant in view of the company’s operations and characteristics.

The content of the NFS relates to the period between **1 January 2023 and 31 December 2023**. A comparison with data from the previous two-year period (2021-2022) is also provided. Specific indications are included in the text if it is not possible to ensure sufficient comparability of certain data with previous years.

Pursuant to Article 2, paragraph 2 of the Decree, in the case of public interest entities that are parent companies of a large group, such as the group headed by the Company (hereinafter also the “Brunello Cucinelli Group” or the “Group”), the NFS must be prepared on a consolidated basis. Further information regarding the reporting scope of this NFS is provided in the *Addendum* (see *Methodological note* section).

According to the provisions of article 5(3) of the Decree, although this NFS is distinct from the “Management Report” and the Issuer’s Financial Statement Documentation as of 31 December 2023, it is to be supplementary to these documents.

The NFS has been drawn up in accordance with the **GRI Standards** of the Global Reporting Initiative and is aligned with the most recent version available to date²: Option “In accordance with”. Further details regarding the specific information reported on environmental, social, economic and governance matters are provided in the *Addendum* (see *Methodological note* section).

The document also shows the direct and indirect contribution made by the Group to the achievement of the **UN’s Agenda 2030 for Sustainable Development and the related Sustainable Development Goals (SDGs)**³, through its activities, the establishment of short, medium and long term objectives and the implementation of initiatives and actions to support them. The priority SDGs for the Group have been identified based on the strategy and projects of

1 The Consolidated Non-Financial Statement is published in the section: Archive - “Non-Financial Disclosure” of the Issuer’s website at: <http://investor.brunello-cucinelli.com/en>.

2 GRI Universal Standards 2021 and GRI Topic Specific Standards 2016 and subsequent versions.

3 On 25 September 2015, the 193 Member States of the United Nations unanimously approved the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), divided into 169 targets to be achieved by 2030. Italy played a pivotal role in the negotiations and made concrete commitments to pursue international objectives. Given the scale of the challenge, every actor – public and private – is called upon to act within their own sphere of influence and action.



Brunello Cucinelli, as well as the **SDG Industry Matrix**⁴ (“Consumer Goods” sector) and GRI Standards⁵, which are covered within the NFS.

In accordance with GRI Standard 1 – Foundation, in terms of its content and quality, the NFS has been drawn up by taking into account the **key concepts** of **impact**, **material topics**, **due diligence** and **stakeholder interest**. The report is also guided by the following **fundamental principles**, detailed below in the *Methodological note* (see *Addendum*):

- *accuracy*;
- *balance*;
- *clarity*;
- *comparability*;
- *completeness*;
- *sustainability context*;
- *timeliness*;
- *verifiability*.

It is also specified that, with reference to the materiality analysis process, this document confirms the results of the impact materiality analysis with an analysis of the potential so-called “financial materiality”⁶ implications (see *The topics that drive our commitment* and *Addendum*).

This NFS has undergone a limited examination, according to the *International Standard on Assurance Engagement* (ISAE 3000 Revised), carried out by the independent auditors PricewaterhouseCoopers S.p.A.

Finally, the 2023 NFS reports the findings of the analysis conducted by the Company with respect to Article 8 of Regulation EU 2020/852 of 18 June 2020 (EU Taxonomy) and Delegated Regulations 2021/2178 and 2021/2139. The outcome is reported in the *Addendum*, together with a description of the methodological definition process.

In accordance with the regulatory interpretations in force, the limited assurance does not cover the information and data relating to the EU Taxonomy or the requirement of article 8 of EU Regulation 2020/852.

Guide to reading the document

The document has been drawn up, based on the same organisational structure as the 2022 NFS, to ensure maximum consistency with the Group's philosophical and value-based approach.

In fact, the contents page of the document is intended to give an immediate demonstration of the importance the Casa di Moda gives to sustainability, explaining the forms in which Human Sustainability is ensured.

4 The SDG Index Matrix was developed by the UN Global Compact in collaboration with KPMG.

5 The analysis was carried out on the basis of the document entitled “*Linking the SDGs and the GRI Standards*” (2022 edition), published by the United Nations Global Compact, in order to accurately relate the SDGs, and the related targets, to the selected GRI Standards for NFS reporting purposes.

6 The limited examination carried out by the independent auditors of the text of the 2023 Non-Financial Statement refers to Legislative Decree 254/16 and the GRI standard and the related conclusions do not extend to any information derived from the so-called “financial materiality”.



The title of **each of the six chapters is takes up one of the precepts expressed in the Decalogue “Our Enduring Ideals of Life and Work”⁷**, which inspires the management of all the Company's activities on a daily basis.

Each chapter **represents a connection between the individual Human Sustainability concept, the precepts of the Decalogue and the material themes** assigned to it.

In particular, the introductory chapter *Humanistic Capitalism and Human Sustainability* delves into the foundations and key principles underlying the Brunello Cucinelli business model, giving the reader a key to understanding the detailed strategic choices and activities of the Group reported in the subsequent sections.

This is followed by **six chapters dedicated to reporting on the Group's performance** with reference to the material topics covered by the report, each attributable to one of the forms of Human Sustainability.

This dimension of the document is further highlighted by the inclusion of the following works of art at the beginning of each chapter:

- **Environmental sustainability** - *Stories of St. Francis: the sermon to the birds*, Giotto, 1266-1336, Assisi, Scala Archives;
- **Economic sustainability** - *The Allegory of Good Government - detail (Prudence)*, Ambrogio Lorenzetti, c. 1285-1348, Siena, Scala Archives;
- **Cultural sustainability** - *Man Holding a Book*, Parmigianino, c. 1529, Vienna, Alamy Stock Photo;
- **Spiritual sustainability** - *Dante and Beatrice hover beside the Heaven of the Sun*, Giovanni di Paolo (attributed), mid-15th century, CC BY;
- **Moral sustainability** - *Payment of the tribute money - detail (group of Christ with the apostles)*, Masaccio, 1401-1428, Florence, Scala Archives.
- **Technological sustainability** - Leonardo da Vinci, James Passelwhite, 1835.

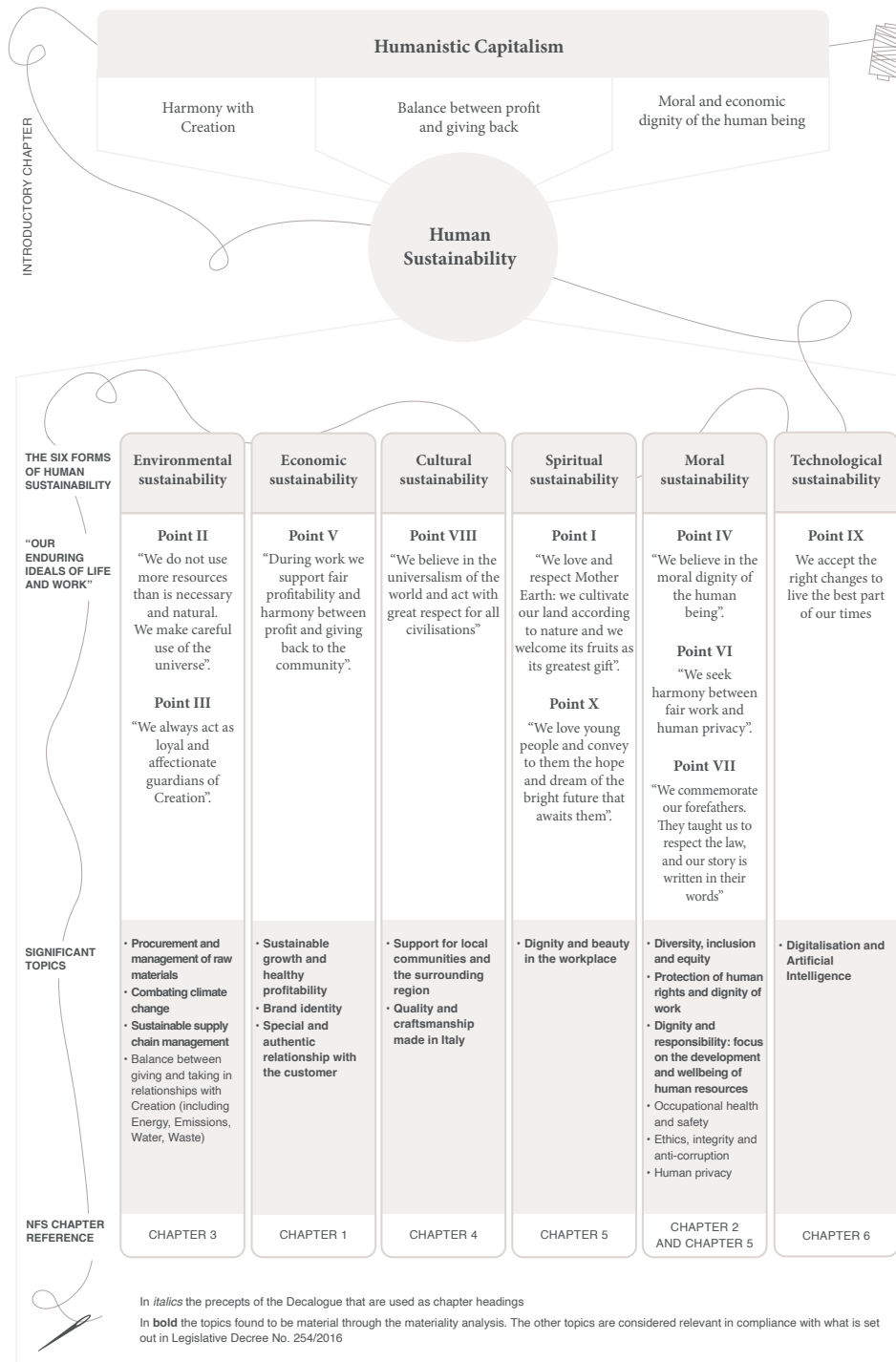
Also included at the beginning of the chapter is a reference to the GRI Standards covered, and where relevant to the SDGs the Group may contribute directly or indirectly to.

Finally, the link to the Ten Principles of the UN Global Compact is also included.

The structure of the document is summarised in the figure below.

⁷ In Figure 1, this aspect is indicated in italics.

Figure 1 - Document structure





INTRODUCTION. HUMANISTIC CAPITALISM AND HUMAN SUSTAINABILITY



GRI Content Index in the appendix

2-23

2-24

3-1

3-2

OUR IDEA OF HUMANISTIC CAPITALISM AND HUMAN SUSTAINABILITY

What we mean by **Humanistic Capitalism** and **Human Sustainability** is the idea that company must, yes, make a profit, but must also operate with **ethics, dignity and morality**. These ideals are in fact founded in the concept of a **fair profit balanced with giving back to the community** and in prioritising **respect for people** and their moral and economic dignity, **and for Creation**, with which we constantly strive to live in harmony. Only in this way can profit, giving back, guardianship and dignity of the human being create **mutual enrichment**.

For our Casa di Moda, Human Sustainability is a real place where the environment, economy, culture and spirit can coexist. This is the only way, as stated by Chairman Brunello Cucinelli, *«that we can act fully and sustainably, because, despite technology, we live immersed in nature, and as Leibniz believed, nature “does not make leaps”, that is, the relationships between things are in continuity, not diversity»*.



There are therefore six forms of Human Sustainability: **environmental sustainability, economic sustainability, cultural sustainability, spiritual sustainability, moral sustainability** and **technological sustainability**.

The six forms of Human Sustainability

We are constantly working on the great project of achieving “*Universal working conditions for human beings and our idea of a beautiful factory*” – at the centre of which is the scrupulous attention paid to the workplace and working conditions (see *Universal working conditions for the human being*) –, within our vision of Humanistic Capitalism and Human Sustainability, expressed in six forms: environmental, economic, cultural, spiritual, moral and technological.

A description, in Chairman Brunello Cucinelli’s own words, of the six forms of Human Sustainability and of the key concepts based on which they are implemented in the Group’s day-to-day business, is provided below.



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».



Economic sustainability



*«In our Company, thinking about those who work for us, we do this: **we don't clock in** but we all strictly observe the working hours; **we don't want people to stay connected after the end of the working day and at the weekend**; we want **salaries to be slightly higher**; we believe that lunch breaks should be as pleasant as lunch eaten with the family; we surround **workplaces** with gardens and landscape, which are there for everyone to see thanks to large windows that make everything visible and present.*

*Thinking about the business, we like **gracious and constant development**, and this too is a lesson learned from rural life, where great speed and big harvests cannot become the rule because doing so would damage the great harmony of nature; nature itself teaches us to never be too afraid of painful events, which often teach us something, as Saint Augustine said, and to follow the regular pace of our action. A hail storm will never affect the whole countryside, but only part of it; a financial crisis cannot last that long, whatever its causes. And just like Ulysses said, it is enough to keep the rudder steady until the storm is over, beyond which there is always sunshine”».*

Cultural sustainability



«Philosophy, that great part of human thought that has persisted for all time, offers a scenario often crowded with very different ideas, and there are few things on which there is substantial agreement: one of these is the **strong link between culture and the health of the soul**. In Solomeo we make sure that **culture is within everyone's reach**. It is our way of contributing to that physical and spiritual connection without which culture would remain an unexplored and useless island, and we don't like that. Solomeo boasts a Theatre, an Academy, a School of Contemporary High Craftsmanship and Arts and a Universal Library, currently under restoration, all of which are freely open to everyone, precisely to encourage that positive close encounter that ignites the spark which makes culture bear fruit to sustain the human soul».

Spiritual sustainability

«Almost every day, as I gaze upon the spectacle that is the Project for Beauty in the Solomeo valley, I am as astonished and moved as I was the first time, and I immediately sense the **spiritual benefit** of such an experience. I like to think that there **is** a sustainability of matter and a **sustainability of spirit**. The former is the one we keep most under scrutiny, and rightly so, because to lack control of material things is not acceptable. But at the same time I believe that spiritual values, while sometimes appearing less immediately to the senses, are no less compelling or important for the health of the human person, and for this reason I consider their sustainability as vital as that of matter.

When I'm at work and from a window I see in the distance the beauty of an olive grove gracefully designed in the line of many arches chasing each other, or admire a hillock outlined by cypresses regularly placed at the right distance, or contemplate the gentle curves of the vineyard following an artistic idea, I think admiringly of music, which soars on the mathematical rule, and my mind goes to my esteemed Pythagoras, in whose opinion «number rules the universe». How many artists, men of letters and philosophers over time have not emphasised this point? From the time of Plato, through all the medieval scholastic philosophy, and then in the Enlightenment, up to idealism, positivism, existentialism and finally to the present day, the usefulness of contact with something beautiful, be it a painting, a book, or a landscape, is the seed from which the tree of **wisdom** grows, that wisdom that the human being cannot do without for their best life, just like my life, my soul and, I am sure, everyone's soul, improves when we are treated with **respect and benevolence**».



Moral sustainability



«I think of that wonderful book from the 15th century entitled Praise to the honourable merchant by Benedetto Cotrugli, one of those universal spirits whom I have always looked up to as a mentor; a small manuscript of vital importance where he states that everything should be bought and sold at the right price. Cotrugli was certainly a humanist merchant, perhaps the first one, strictly speaking, and in this sense, with respect to history, almost a pacifist revolutionary who, for this very reason, still has a lot to say to the present day, especially regarding business ethics, and who asserted “the willingness and desire to purchase things with honour and without offending the Lord and thy neighbour”. His clear intent not to harm God or other people in any way seems touching and beautiful to me, and I’ve humbly tried to embrace this tenet in my daily business and in the care for Creation.

Even today, if we can be his moral heirs, we will know that **production must have the right price and the right profit**. Not too many years ago, evading taxes might have been considered a smart move by some, and it sometimes sparked a desire for imitation. This no longer happens, things appear very different now. **Paying taxes is a value, a duty and at the same time an act of respect towards the society** we are part of, towards our neighbours. Just like profit, which must be harmonious and commensurate. How can excessive profit be justified? I crave none of it, and every single day I try to **pay the utmost attention to ensuring that earnings are in line with the morality of my entrepreneurial business and with the high quality of my product**. I am convinced that such a vision of the world is true to any human being and especially to **young people**, to whom we owe a lot and in whom we place our hope for a brighter future ahead of us. Today, with **technology**, everyone can know everything about everyone, and knowing that a company generates the right profit and distributes such benefit in a way that strikes the balance between profit and giving back creates an overall atmosphere of trust, esteem and serenity».

Technological sustainability



«I went back in time, and I thought about when, starting from Humanism, but also much earlier, in the gardens of sixteenth-century nobles or in the palaces of oriental sovereigns, automatons of lions, birds, people were created, activated by water or some other internal mechanisms, automatons that could perform actions similar to their living models. In all of this, the Renaissance was able to combine the wisdom of Plato with that of Archimedes, because the humanity of the former always suggested which paths the technique of the latter would follow to improve people's lives: who can forget Leonardo da Vinci, Galileo? It was from their ideas that the steam engine came into existence centuries later. People in the 19th century may have been disconcerted when they saw the horse-drawn carriage that had accompanied them for as long as they could remember disappear, but they knew how to understand and use the new inventions appropriately.

Today, where contemporary technological products are so extraordinary that they even astonish those who created them, I think that, as was the case in the past, our humanity will chose every suitable thing that new science presents to improve the life of the Creation in all of its aspects and govern technological innovation to ensure it does not rob us of the soul we have received as a gift. Two great minds of the past, Montaigne during the Renaissance and Jacob Burckhardt during the 19th century, basically thought in the same way that science is useless without the guidance of the mind».



ENDURING IDEALS OF LIFE AND WORK – OUR DECALOGUES

The six forms of Human Sustainability are associated with **enduring ideals of life and work**, expressing the values contained in five decalogues and based on which we have built our idea of Humanistic Capitalism and Human Sustainability, which guide our daily lives and actions.

The Decalogues speak openly to all our key stakeholders; specifically to Mother Earth, our human resources and our esteemed partners.

The fifth Decalogue represents the goals that we would like our company to pursue, the philosophical guidelines according to which we would like our human and entrepreneurial action to be conducted.

Our Enduring Ideals of 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 is necessary and 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 the human being.*
- 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 the universalism of the world and act with great respect for all civilisations.*
- IX. We accept the right changes to live the best part of our times.*
- X. We love young people and convey to them the hope and dream of the bright future that awaits them.*

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 centre of our life and work project. The same applies to other resources, as we utilise them with moderation and by paying utmost attention to climate change.*



- V. *Ancient civilisations 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 fibres 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**».*

To Our Gracious Co-Workers



- I. We have always made sure that our **workplaces** are **well-maintained** and **welcoming** places where you can always raise your eyes and look at the sky.*
- II. We **all** work **fair hours** and **share the same working hours**; but nobody is connected on Saturdays and Sundays.*
- III. We have always made sure that **wages** are a little **higher** for everyone, without any **difference**.*
- IV. In our Company we want everyone to have **equal opportunities**, as we are constantly aware of the value of their knowledge.*
- V. We have paid **utmost attention** to **promoting healthy relationships** based on **respect and trust** between workers, whom we consider to be **thinking souls**.*
- VI. We believe in the great **value of culture** as a factor of human improvement. That is why we kindly promote it.*
- VII. We are aware that passing on knowledge fosters creativity and talent. For this reason in Solomeo we have established the **School of Arts and Crafts**.*
- VIII. If our Company lasts for centuries, as we hope, it will also be thanks to the **generational change** that we have always nurtured over time.*
- IX. It is our habit to **meet regularly throughout the year** and **talk to each other**, so that everyone can learn about how the company is evolving.*
- X. We never stop looking for the **genius** in others and, when we find it, we endeavour to **make the most of it**.*



To Our Esteemed Partners

- I. *We would like your **workplaces** to be **welcoming and friendly**.*
- II. *It would be nice if your **relationship with your employees** continued to be **genuine and harmonious**.*
- III. *We believe in the primary value of **fair wages, without exception**.*
- IV. *We would like your employees to work **fair hours** when they work for our Company.*
- V. *It would be lovely if, a bit like we do here, you too ensured a **constant generational turnover**.*
- VI. *We believe it would be lovely if in all your activities you always **respected and considered the development of the local area**.*
- VII. *We fervently wish our **attitude towards you** to remain **loyal and true**.*
- VIII. *We feel it is lovely that, as we do, you **work closely with one other, while being aware of each other's complete and mutual independence**.*
- IX. *We would be happy to continue to **support the planet together**, using the resources of Creation according to the ancient rules of nature.*
- X. *We would like **stay true to our traditional annual meetings**, where we can discuss the future and our plans, thus renewing the friendly relationship that has long bound us together.*



Longevity of the Company

- I. Greed does not benefit men because it violates the rules of nature.*
- II. Arrogance is not profitable because it is short-lived.*
- III. We act in the knowledge that we are eternal: so we build solidly and assiduously guard what we have built.*
- IV. We cultivate talent because its fruits nourish creativity.*
- V. The ambition to train and educate is the only one that transcends individual limits, because every decision must be made together rather than alone.*
- VI. An international business belongs to world-class owners.*
- VII. A company's CEO must be replaced every 12-15 years.*
- VIII. If we know how to change, we will know how to reinvent ourselves, just as nature reinvents itself.*
- IX. For a company, sufficient liquidity is like sour dough stored in a cupboard.*
- X. Every ten years or so there is a crisis and after every crisis there is regrowth: this is what history teaches us.*



RELATIONS WITH CREATION AND AMONG PEOPLE

Our idea of Human Sustainability has been defined and strengthened over the years through the numerous initiatives carried out with the ultimate aim of generating value not only for the Casa di Moda but also for the plurality of stakeholders we interact with.

All the initiatives carried out over time are inspired by our understanding of Human Sustainability from the point of view of its various facets, and therefore aimed at ensuring:

- care for Creation and respect for our Mother Earth;
- the promotion and dissemination of access to culture and the promotion of local artistic and cultural beauty and traditions;
- the redevelopment of our community and surrounding areas according to the ideal of the “pleasant peripheries”;
- the structuring of a system of corporate governance oriented towards compliance with the law, responsible conduct and the definition of the necessary attention to ensure that Human Sustainability is not only the value foundation of the Company but also a strategic framework in the short, medium and long term.

Figure 2: Our commitment to Human Sustainability over time

* Activity carried out with the support of the Brunello and Federica Cucinelli Foundation

The details of the initiatives carried out over the past year and illustrated in this NFS are discussed in more detail in the section *Human Sustainability: key activities for 2023*.



The topics that drive our commitment

For us, thinking about priority sustainability issues for the Casa di Moda means first and foremost taking into account its internal founding elements, as well as the developments in the reference context, including demands from our stakeholders.

We therefore decided to update the materiality analysis again in 2023, continuing along the path started in 2022 in terms of:

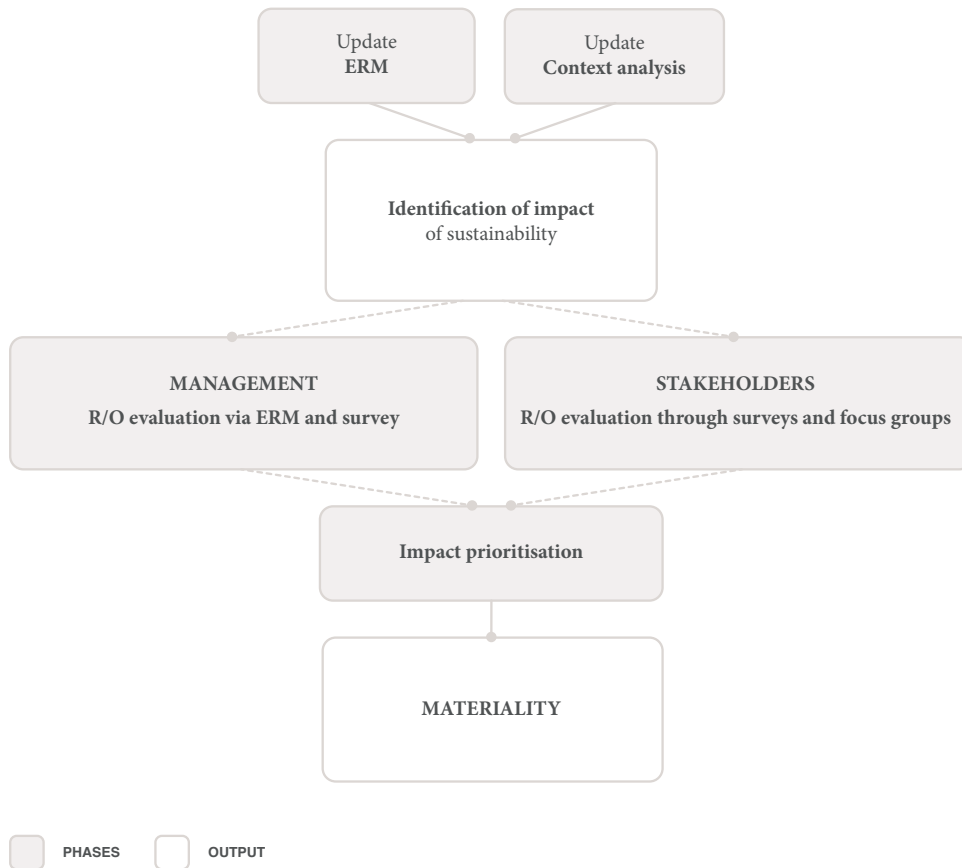
- **Ensuring the direct involvement of a group of priority stakeholders**, including human resources, wholesale customers and suppliers (see *Human relations: relations with stakeholders* section), for the purpose of assessing the strategic relevance of sustainability impacts. The selection was made in accordance with the Human Relations Policy (see *The Human Relations Policy* section);
- Performance of a “**financial materiality**”⁸ analysis in order to determine the relevance in terms of possible effects on current and future cash flows and in a broader sense on the value of the Casa di Moda;
- **Table showing the results of the analysis.**

The steps involved in the materiality analysis and the tools used are summarised in the figure below (Figure 3).

Specifically, following a two-stage analysis of the context for the purposes of identifying potentially relevant impacts, the materiality analysis involved **representatives** of the Group's management and a sample of **selected stakeholders** (see the *Methodological note* section for further details).

8 See note 6.

Figure 3 - The process followed for the materiality analysis



The positive and negative impacts were identified following an analysis of the internal and external context and subjected to evaluation by management and stakeholders. The impacts were then traced back to the corresponding sustainability themes, which were in turn grouped within the six forms of Human Sustainability.

The topics that emerged as potentially relevant are almost totally consistent with those identified in 2022, except for the “*Digitalisation and Artificial Intelligence*” topic which emerged for the first time, identifying the impacts of the new form of Technological Sustainability.

The impacts were therefore prioritised based on the level of relevance assigned by management and stakeholders, thus identifying those that were material.

The risks and opportunities subject to evaluation by management and stakeholders were identified by the Company based on a specific context analysis and the annual Enterprise Risk Management (ERM) process. A more in-depth description of the process of identifying the impacts connected with Human Sustainability can be found in the *Methodological note* (see *Addendum*).

Figure 4 – Materiality Analysis 2023

Forms of sustainability	Sustainability issues
ENVIRONMENTAL SUSTAINABILITY	Procurement and management of raw materials
	Combating climate change
	Sustainable supply chain management
	Balance between giving and taking in relationships with Creation
ECONOMIC SUSTAINABILITY	Sustainable growth and healthy profitability
	Brand identity
	Special and authentic relationship with the customer
CULTURAL SUSTAINABILITY	Support for local communities and the surrounding region
	Quality and craftsmanship made in Italy
SPIRITUAL SUSTAINABILITY	Dignity and beauty in the workplace
TECHNOLOGICAL SUSTAINABILITY	Digitalisation and Artificial Intelligence
MORAL SUSTAINABILITY	Diversity, Inclusion and Equity
	Protection of human rights and dignity of work
	Dignity and responsibility: focus on the development and wellbeing of human resources
	Human privacy
	Ethics, integrity and anti-corruption
	Occupational health and safety

NON-MATERIAL TOPICS BUT TO BE DEALT WITH IN COMPLIANCE WITH LEGISLATIVE DECREE NO. 254/2016

THEME DID NOT EMERGE AS MATERIAL FROM THE ANALYSIS BUT WAS IDENTIFIED AS SUCH BY THE CEO

MATERIAL TOPICS



Figure 4 lists the topics that were found to be material: decisive insights emerged when the results of the materiality analysis were shared with the company management, specifically with the Company's CEOs, who, after having validated them, made the decision to also consider as material the topics of *“Procurement and management of raw materials”*, *“Combating climate change”*, *“Sustainable growth and healthy profitability”*, *“Diversity, Inclusion and Equity”* and *“Dignity and responsibility: attention to the development and wellbeing of human resources”*, which, despite not having scored at or above the materiality threshold, are of strategic importance to the Group.

We also deem it appropriate to address within this NFS, in accordance with the provisions of Legislative Decree 254/2016, the following additional topics: *“Balance between giving and taking in relationships with Creation”* (including aspects pertaining to the environmental matrixes of energy, emissions, water and waste); *“Ethics, integrity and anti-corruption”*; *“Occupational health and safety”*.

“Dignity and beauty in the workplace” is the theme that received the significantly higher rating, making Spiritual Sustainability the one perceived as most relevant, specifically in relation to positive impacts. For Moral Sustainability, one theme related to both positive and negative impacts, *“Protection of human rights and dignity of work”*, joined by *“Dignity and responsibility: focus on the development and wellbeing of human resources”* and *“Diversity, Inclusion and Equity”*. *“Digitalisation and Artificial Intelligence”* was a theme assessed for the first time by the Casa di Moda and it emerged as being material. *“Brand identity”* emerges as material for Economic Sustainability in relation to positive and negative impacts, while *“Special and authentic relationship with the customer”* with particular reference to positive impacts. For Environmental Sustainability *“Sustainable supply chain management”* is significant for its negative impacts. Finally, *“Made in Italy quality and craftsmanship”* emerges as material for its potential to enhance the brand through increased employment and local development.

Shown below is the connection between the material topics and the opportunity for the Group to contribute to the achievement of the SDGs either **directly**, i.e. those SDGs to which the Group contributes through the actions it implements or supports, or **indirectly** through collaboration with other players in its value chain or as secondary effects generated by its own activities and initiatives.



Figure 5 - Material topics and contribution to the SDGs

		3	4	5	8	10	11	12	13	15	16
		GOOD HEALTH AND WELL-BEING	QUALITY EDUCATION	GENDER EQUALITY	DECENT WORK AND ECONOMIC GROWTH	REDUCED INEQUALITIES	INDUSTRIAL INNOVATION AND INFRASTRUCTURE	CIRCULAR ECONOMY	CLIMATE ACTION	TERRESTRIAL ECOSYSTEMS	PEACE, JUSTICE AND STRONG INSTITUTIONS
		DIRECT INCIDENCE	INDIRECT INCIDENCE								
ENVIRONMENTAL SUSTAINABILITY	Procurement and management of raw materials							⊙	⊙	⊙	
	Combating climate change								⊙	⊙	
	Sustainable supply chain management			⊙				⊙	⊙	⊙	⊙
ECONOMIC SUSTAINABILITY	Sustainable growth and healthy profitability			⊙							
	Brand identity			⊙							
	Special and authentic relationship with the customer						⊙				
CULTURAL SUSTAINABILITY	Support for local communities and the surrounding region			⊙		⊙				⊙	
	Quality and craftsmanship made in Italy			⊙			⊙				⊙
SPIRITUAL SUSTAINABILITY	Dignity and beauty in the workplace	⊙			⊙	⊙					
MORAL SUSTAINABILITY	Diversity and Inclusion		⊙	⊙	⊙	⊙					
	Protection of human rights and dignity of work		⊙	⊙	⊙	⊙					
	Human privacy										⊙
	Dignity and responsibility: focus on the development and wellbeing of human resources	⊙	⊙	⊙	⊙	⊙					⊙
TECHNOLOGICAL SUSTAINABILITY	Digitalisation and Artificial Intelligence	⊙	⊙	⊙	⊙	⊙					⊙



The 2022-2028 Sustainability Plan, “In Harmony with Creation”



In March 2021, the Company’s Board of Directors approved the Group’s first Strategic Sustainability Plan, entitled “The New Time”, containing objectives of a qualitative nature in alignment with and in support of the 10-year 2019-2028 Business Plan.

The Plan has made it possible to formulate and formalise the Group’s environmental, social, economic and governance sustainability goals, employing themes such as **harmony with Creation, balance between profit and giving back** and the **moral and economic dignity of the human being**, consistently with the pillars of the “In Harmony with Creation” Human Sustainability Policy (see *Governance of sustainability* section).

During the 2022 financial year, the strategic Sustainability Plan was updated through the Casa di Moda’s **new 2022-2028 Sustainability Plan**, entitled “In Harmony with Creation”, approved by the Board of Directors at the meeting held on 6 December 2022 together with the Company’s business plan. This second edition allowed us to move from a purely qualitative Plan to a Strategic Sustainability Plan **built on the basis of short-, medium- and long-term qualitative and quantitative objectives and targets**.

The purpose of the “In Harmony with Creation” Plan is to continue defining the **strategic objectives in the field of Human Sustainability**, taking into account the context in which the Casa di Moda operates, the demands of the main stakeholders, the projects already under way in the various fields of Human Sustainability and the framework defined by the **United Nations 2030 Agenda** and the related **SDGs**.

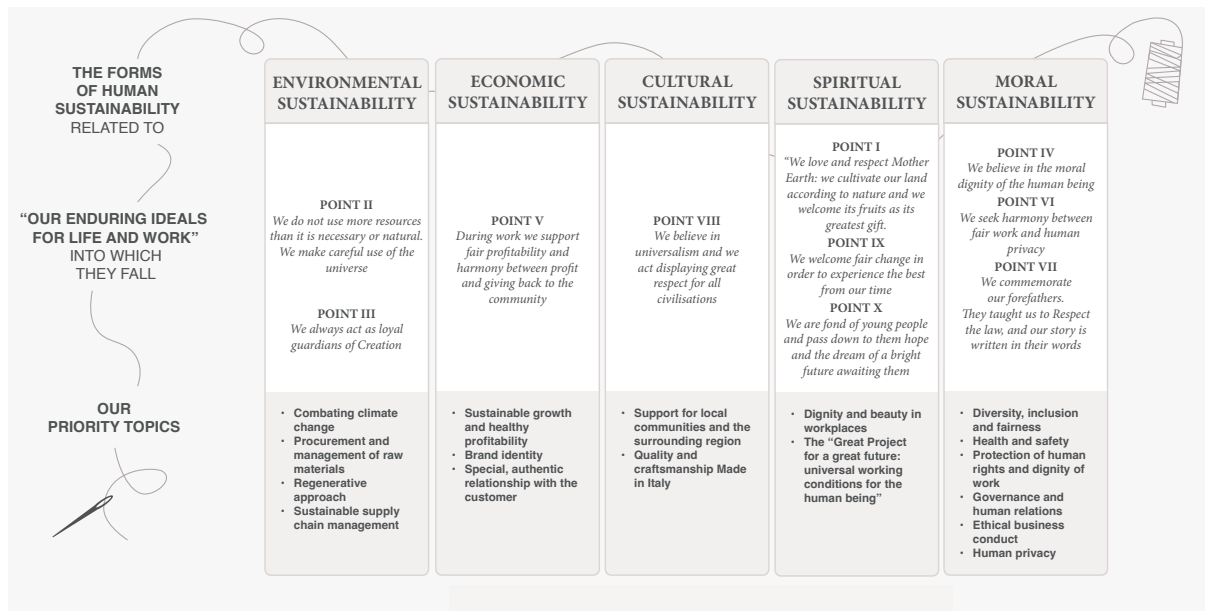
The “**In Harmony with Creation**” 2022-2028 Sustainability Plan is organised into **five pillars** (see Figure 6) representing the five elements of Human Sustainability⁹ – environmental, economic, spiritual, cultural and moral –, highlighting the **natural synergy between them**.

⁹ The form of Technological Sustainability was formalised in 2023 and is not therefore included in the Sustainability Plan approved in 2022.

Each is linked to **one or more precepts of the Decalogue “Our Enduring Ideals of Life and Work”** which define the ultimate goal that the Group sets itself with respect to each pillar and that we like to consider as the *«beacon that lights our way»* in achieving the qualitative and quantitative objectives and targets defined in the short, medium and long term.

Consistent with the Decalogue of “Our Enduring Ideals of Life and Work” we have identified the **priority issues** through which we intend to respond to the main challenges that characterise the fashion and luxury sector today. The aim is to transform potential risks into new opportunities for our business, society and planet.

Figure 6 - The 2022-2028 Sustainability Plan, “In Harmony with Creation”¹⁰



Each pillar is accompanied by the SDGs we prioritise, in respect of which we feel we can make a – direct or indirect – significant contribution. Specifically:

- Environmental sustainability: SDGs 8, 12, 13, 15 and 16
- Economic sustainability: SDGs 8 and 12
- Cultural sustainability: SDGs 8, 11, 12, 15 and 16
- Spiritual sustainability: SDGs 3, 8 and 10
- Moral sustainability: SDGs 3, 4, 5, 8, 10 and 16

¹⁰ As per previous note.



Achieving the goals of the Sustainability Plan will be the result of a **shared commitment** within the Group – by the corporate governing bodies for the definition of strategic guidelines and at the functional level for the implementation of the actions necessary to achieve the goals set – but also through constant interaction and collaboration with our main stakeholders.

Some of the main short-, medium- and long-term commitments are shown below (see Figure 7).

Figure 7 - Some of the commitments made in the new Sustainability Plan¹¹

THE 5 ELEMENTS OF HUMAN SUSTAINABILITY	THE MAIN COMMITMENTS MADE
Environmental sustainability	Implementation of the multi-year plan for the reduction of direct (Scope 1) and indirect (Scope 2 and 3) CO ₂ emissions, in accordance with the principles of the Science Based Targets Initiative (SBTi), envisaged in the Group's emission strategy
	Progressive replacement of the company car fleet with full-electric and hybrid vehicles
	Mapping of the environmental impact of raw material suppliers using primary data
	Construction of the new production plant near Solomeo according to the principles and guidelines of LEED® certification
Economic sustainability	Management training on product and raw material-related sustainability issues
Cultural sustainability	Increase in the number of courses and participants at the School of Contemporary High Craftsmanship and Arts
Spiritual sustainability	Development of the third-party manufacturer “Beautification of workplaces project”
Moral sustainability	Management training for young talent in the main areas of the company as part of the “Generational Pact”
	Extension of direct stakeholder engagement to all Group stakeholders
	Extension of non-compulsory ergonomics and physiotherapy training to all functions considered potentially at risk

¹¹ As per previous note.



The Sustainability Plan is subject to **annual monitoring**, the outcomes of which are presented and discussed at the meeting of the Company's Board of Directors, after being evaluated by the Council for Human Sustainability and Humanistic Capitalism (see the *Governance of sustainability* section). We consider it crucial to share feedback both internally and externally in dialogue with our priority stakeholders. Therefore, the monitoring of the progress of the Plan will also be supported by the collection of input from the normal dialogue between the functions and their relevant stakeholders and the engagement days that will be organised.

On the other hand, the **update** of the Plan, in terms of the redefinition of relevant objectives and targets, will take place **every two years**, in alignment with the business plan.

The progress achieved in fulfilling the objectives of the Sustainability Plan is summarised below:

- Launch of the environmental impact mapping project of raw material suppliers;
- Completion of the evaluation of the impact of the Casa di Moda's implementation of initiatives to support the local area and communities, applying the Social Return on Investment (SROI) methodology;
- Launch of the "Beautifying workplaces" project for small craft enterprises;
- Continuation of non-mandatory training in ergonomics and physiotherapy for functions involved in potentially risky activities;
- Management training for young talents from the main company areas as part of the "Generation Pact";
- Study and definition of the internal training and awareness activity dedicated to all human resources in respect of Human Sustainability;
- Completion of audits/assessments in the foreign regions of China, America and part of Europe;
- Extension of the stakeholder engagement activity to a second cluster of priority stakeholders.

Human Sustainability: key activities in 2023

2023 was a year during which we were able to seize multiple opportunities in the different areas of Human Sustainability, turning them into projects and initiatives aimed at continuously improving our impact on the planet and people.

Environmental sustainability



- **Approval of emission reduction targets envisaged by the Group's Carbon Strategy** by the Science Based Targets Initiative (SBTi);
- Compilation for 2022 and 2023 of the **Greenhouse Gas (GHG) inventory for the Group**, subjected to third-party Limited Assurance, in order to measure direct and indirect CO₂ eq emissions – Scope 1, 2 and 3;
- Completion of the **CDP (Carbon Disclosure Project) Climate Change 2023 Questionnaire**, improving the score to **A- “Leadership”** and, for the first time, the **CDP Water Security 2023 Questionnaire**, achieving a score of **B- “Management”**;
- Strengthening of the engagement with **small craft enterprises** to refine the **annual collection of the related energy consumption and associated CO₂ emissions**;
- **Continuation of the project to replace the car fleet** with lower environmental impact vehicles (full electric and hybrid);
- Support for the **“Himalaya Regenerative Fashion Living Lab”** project, in the Fashion Task Force of the Sustainable Markets Initiative founded by King Charles III;
- Progress of construction work on the **new production plant near Solomeo**, in alignment with the principles and guidelines of LEED® certification;
- Start of construction work on the **new production plant in Penne, Abruzzo**, in alignment with the principles and guidelines of LEED® certification;

- Implementation of “**Warehouse Management System**” (WMS) and “**Transportation Management System**” (TMS) software to further improve logistics and distribution processes;
- Achievement of **100% recycling of cardboard** used for packaging “**hung clothing**” for shipment, continuing with the process started in 2022;
- Launch of the “**Direct management of production waste disposal**”, in collaboration with the artisan workshops involved in the cutting and complete cycle stages;
- Launch of the “**Supply Chain/Digital ID Mapping**” project aimed at evaluating and measuring the real impacts of the production chain through qualitative and quantitative assessments;
- **Approval of the Environmental Policy.**

Economic sustainability



- **3,439 items repaired** (+6% compared to 2022) as part of the garment repair service offered to our customers.

Cultural sustainability



- **Consolidation of the courses offered by the School of Contemporary High Craftsmanship and Arts in Solomeo;**
- **Continuation of the project to measure the social impact of the activities carried out to support the local area using the Social Return on Investment (SROI) assessment framework;**
- **Restoration of Perugia's medieval aqueduct;**
- **Recovery of the hamlet of Castelluccio di Norcia.**



Spiritual sustainability



- Launch of the **“Beautifying Workplaces” Project** for the workshops of small craft enterprises.

Moral sustainability



- **Renewal of the Board of Directors** in compliance with the recommendations of the Italian Stock Exchange;
- Carrying out **direct engagement activities** with a second cluster of priority stakeholders (raw material suppliers; wholesale customers; human resources) as part of the Group's stakeholder engagement plan and continuing with the activities launched last year;
- Performance of the Group's internal “**financial materiality**” exercise¹²;
- **Extension of the ERM Framework** to the Chinese subsidiary and consolidation of the methodology for the integrated analysis of ESG risks;
- **Sanity check of strategic risks for 2024**;
- Updating of the **Whistleblowing Procedure**;
- Continuation of the Group “**Compliance Data Protection**” project;
- **Development of the “Incident rapid response”** project relating to the management of personal data breaches at global level;
- **Training on Diversity and Inclusion (D&I)**, via the Sympo platform and through in-person workshops;;
- Continuation of **non-mandatory training** in the field of **occupational health and safety**, carried out *ad hoc* for specific functions involved in potentially risky activities.

¹² See note 6.



Technological sustainability



- Launch of the **NFTaste project**, aimed at turning the product into a tool to communicate with customers on the style and world of Brunello Cucinelli;
- Start of work to develop the “**Digital Beehive**” programme intended to transform company processes and information systems;
- **Partnership** with Styleit: digital accelerator for identifying and selecting digital manufacturing start-ups.

CHAPTER 1. ECONOMIC SUSTAINABILITY

DURING WORK WE SUPPORT FAIR PROFITABILITY AND HARMONY BETWEEN PROFIT AND GIVING BACK TO THE COMMUNITY



Economic sustainability - *The Allegory of Good Government - detail (Prudence)*, Ambrogio Lorenzetti, c. 1285-1348, Siena, Scala Archives

GRI Content Index in the appendix

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THE BUSINESS MODEL AND THE VALUE CHAIN

Excellence, craftsmanship and expertise Made in Italy, exclusivity, lifestyle, contemporaneity and constant creative research are the pillars of the Company's identity and of our Casa di Moda.

From sourcing the highest quality raw materials to continuously seeking a balance between artisanal tradition and innovation, we develop our *prêt-à-porter* line, symbol of an authentic Made in Italy product and appreciated by our customers as the expression of a form of “contemporary lifestyle”.

The **dignity of profit, the promotion of tradition and the identity of the local region, the project for respectful, constant development and growth** are the values that distinguish the brand and inspire the production process of the products at every stage.

The clear and distinctive taste for which we are renowned and the values of high craftsmanship and dignity of manual labour, stemming from Italian genius and the values of Humanistic Capitalism and Human Sustainability that have characterised our Casa di Moda since its origins, were rewarded in 2023 by two prestigious prizes the “**Neiman Marcus Fashion Award for Distinguished Service in the field of Fashion**”¹³, which honours people in the world who have most influenced Fashion, and the “**Designer of the Year**”, awarded by the Chinese edition of the famous men's fashion magazine GQ China.

Prestigious awards received during the year



In the splendid setting of the Girafe restaurant on Place du Trocadero, our Chairman received the prestigious international “Neiman Marcus Award for Distinguished Service in the Field of Fashion 2023”. It is a great honour for our Company to be recognised as a company deeply **rooted in the values of Italian production and excellence**, which can inspire others with the concepts of **Humanistic Capitalist and Human Sustainability**.

Here are the Chairman's heartfelt words: “*I am immensely grateful to my highly esteemed Geoffroy van Raemdonck and Lana Todorovich, who at this particular point in time have the honour of representing Neiman Marcus, one of the highest expressions of fashion and luxury in the world, but also an icon of lifestyle and elegance. I would also like to thank everyone at Neiman, who I have admired during our 20 years of collaboration as people of great humanity, as well as appreciating them as truly special professionals. I feel particularly honoured and I like to think of this award as a high recognition that gives credit to the people of Solomeo, to the creative hands of the best Italian craftsmen who – with their daily dedication – have built 'The Dream of Solomeo' together with my family and all my employees. In our work, as in life, we have always tried to be inspired by the values of Humanistic Capitalism, linked to Human Sustainability, with respect for all human beings and in harmony with the whole of Creation. Thank you very much*”.

A further accolade received in 2023 was the prestigious “**Designer of the Year 2023**” award from the renowned men's fashion magazine GQ China.

Brunello Cucinelli was honoured by the famous Chinese model He Cong and Roger Lynch, Global Managing Director of Condé Nast, for “standing out as a trendsetter in fashion and lifestyle”.



13 Established in 1938 by Carrie Marcus Neiman and Stanley Marcus.



This is another very important recognition of the values of high craftsmanship and dignity of manual labour stemming from Italian genius and the principles of Humanistic Capitalism and Human Sustainability which distinguish our Casa di Moda.

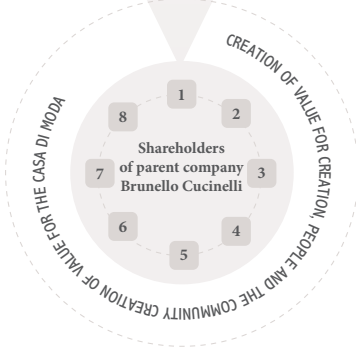
Brunello Cucinelli commented as follows:

“I warmly thank the entire GQ team, starting with Roger Lynch, Will Welch, Gill Zhou and Rocco Liu. The past two years have been very special for the life of our Casa di Moda, years that were illuminated by touching events, such as the invitation to speak to the world leaders during the G20 dedicated to climate issues, and by illustrious awards such as the one received in London by British GQ in 2021 and the Neiman Marcus Fashion Award received in Paris this past March; but the great emotion is the one that touches my heart today for the formidable award from the GQ China magazine, which I feel honoured by both due to the motivation of “creator of fashion and lifestyle trends” and because it came from a country I deeply respect. I dedicate this award to all the young people of humanity, to whom I say: remember, you are the guardians of the creation! Do not turn your backs on poverty, find a fair balance between private life and work, between the mind, body and soul. Create a moderate relationship with the right hours of connection, because it can rob you of the soul the creator gave to you. It is like my father told me for a long time, I urge you to be good people, creating a harmonic balance between profit and giving back. Live life with a smile! When your soul is heavy, when something does not work out, when someone humiliates you, go outside and look up at the sky and the stars and everything will balance itself out. There is an ancient Chinese proverb from 2500 years ago that says: “if you are planning for a year, sow rice; if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people”. I have always followed these words”.

The development of Brunello Cucinelli branded clothing, accessories and lifestyle product collections involves multiple people both inside and outside of the Casa di Moda that contribute to the creation of the value deriving from the implementation of our business model, depicted below (see Figure 8).



Figure 8 - Our business model



- Environmental sustainability
- Economic sustainability
- Cultural sustainability
- Spiritual sustainability
- Moral sustainability
- Technological sustainability



The development of the collections begins with the **creativity** phase (1)¹⁴, which begins with market analyses and research into new trends carried out by the staff of the Style and Design Office – a creative team of over 60 people working on a daily basis with more than 100 tailors for the men’s, women’s and children’s collections. The creative process involves defining the style of collections, designing the products and choosing the materials in accordance with quality and sustainability standards.

Once approved by the Style and Design Office, the styles are sent to the in-house Prototype Department staffed by 100 highly specialised masters and technicians, highly specialised people who preserve and pass on knowledge, striving to combine innovation, creativity and manual skills. The presence of this department allows for a very high number of prototypes to be produced in-house. Note that, with regard to accessories, the development of prototypes is carried out by third-party artisan companies (small craft enterprises) to which the Company assigns the styles approved by it, in the case of leather accessories (shoes and bags) together with the leather samples and the colours to be used.

The validated prototypes constitute the basis for the **development of the sample collections** (2), presented both internally and at **trade events** (3), such as Pitti Uomo in Florence and Milan Fashion Week.

The presentation of the collections is followed by the **taking or orders** (3) in our showrooms around the world and **the sourcing of raw materials** (4) with the aim of offering refined apparel while respecting the environmental and social conditions of the region the materials are sourced from. The quality of the raw materials is verified by performing careful checks in collaboration with suppliers, mainly Italian (see Chapter 3).

This is followed by **production of the finished items** (5), involving a significant amount of manual labour, estimated at around 52%, carried out exclusively in Italy – primary in Umbria and in selected production districts – in the workshops of small, highly specialised craft enterprises of proven reliability, even in single processes (see Chapter 4).

The entire production process involves **repeated, rigorous quality checks** (5) performed directly by the Company, the purpose of which is to guarantee the quality of the semi-finished product during its progress and up to its transformation into the finished product.

In the specific case of knitwear, there is also a “*fulling*” treatment, an extremely important and delicate step of the production process because it affects the final quality of the product and consists of washing the garments followed by checking their softness and consistency. In fact, this step is performed exclusively in-house by the Casa di Moda.

Market presence (6), both in the physical and online world, is achieved through exclusive distribution via the retail, wholesale and multibrand channels, concentrated in the high streets of major cities and resorts, consistent with the brand's positioning in the highest luxury segment and its refined, simple taste.

¹⁴ The numbers in brackets refer to the elements represented in Figure 8.



We always seek a **special relationship with the end customer** (7), centred on the brand experience and sharing of the Company's values (see the *Special, authentic relationship with the customer* section).

The relationship with customers, who we consider “**friends of the brand**”, does not end with the purchase through our single brand, multibrand and online channels, but continues over time, with view to creating a “special” and authentic relationship. We attach great importance to the durability of the garments themselves, including by offering a **garment repair** service (8), available worldwide and intended to convey the value and charm of looking after and reusing your garments (see the *Special, authentic relationship with the customer* section).

BRAND IDENTITY AND DISTINCTIVE TASTE

The history of our Casa di Moda portrays our constant evolution over the years: from the **processing of cashmere** – which remains the most iconic raw material in our collections – to expanding into **total looks for women, men and children** and, more recently, into the **new born 0-4 years, eyewear and perfumes** sectors, to portray the whole world of Brunello Cucinelli and become a truly **exclusive lifestyle** reference.

In our relationship with the customer, and in our broader communications, we always prioritise the concept of “**protecting**” the brand identity, its uniqueness, authenticity and *allure*, over “promoting” it, and the idea of “attracting” customers rather than “pushing” them towards Brand.

In fact, from the beginning we chose not to link the identity of the product strictly with the logo – which is almost imperceptible on the product – but rather to a **distinctive taste** that represents a form of modern and contemporary elegance. We therefore seek our identity through combinations of materials, colours and shapes that can immediately recall the strong inspiration we take from our territory.

The brand is recognised throughout the world for its distinctive connotation of being the **maximum expression of Made in Italy**, in which artisan tradition and innovation, creativity and style, quality of raw materials and product excellence are widely perceived and appreciated elements.

The brand's success is thus founded on the elements that distinguish its identity, to which the brand has always remained faithful: **superior craftsmanship and manual skills, exclusivity of product and positioning, and refined taste**. The fusion of these identities defines the appeal of the brand: artefacts that hold within them personal and special stories to be experienced, treasured and protected for the future.

The brand's identity took shape in the Ready-to-Wear segment, a category that we believe has great strength in defining its own style, and we continue to believe that the positioning of the brand should always remain true to one of **absolute luxury** with **exclusivity** as our sole vocation.

We would therefore like the gradual growth of new categories, such as **eyewear and fragrances** to be primarily intended to strengthen our idea of lifestyle.

With regard to eyewear, 2023 was the year of the launch of the important ten-year agreement with EssilorLuxottica.



Together for the next decade

Since 1 January 2023, Brunello Cucinelli and EssilorLuxottica have united by an exclusive “Contemporary Licence” agreement for the design, production and distribution of “Brunello Cucinelli” eyeglasses and sunglasses. Born from a **common inspiration derived from culture and beauty** and a shared passion for **superior quality**, the **highest craftsmanship, refined aesthetics** and a **simple approach to luxury**, this ten-year agreement is based on essential shared values.

The first collection will be released in Q3 2024.

We believe that the contemporaneity of this licence begins with the **development of the collections**, with our creative team working together, step by step, on the style and creation of the prototypes, directly followed, together with EssilorLuxottica, by all the **production** stages, which will take place exclusively in Italy at the “beautiful factory” in Agordo, as Cavalier Leonardo Del Vecchio loved to define it.

Finally, a key aspect of this “Contemporary License” is the close and vital collaboration regarding **distribution**, where we will work together to identify the most exclusive spaces within which to present the eyewear collections, exclusively in our single-brand boutiques, the most prestigious EssilorLuxottica outlets, and the leading independent opticians.

With regard to fragrances, during the first part of the year the **two perfumes** born of the creativity of our Casa di Moda: “**Brunello Cucinelli pour Femme**” and “**Brunello Cucinelli pour Homme**”, were presented in Milan. Developed in collaboration with the Lombard company EuroItalia, the two fragrances are intended to become sophisticated ambassadors of the culture of beauty and the artisanal values of the Casa di Moda; contributing to enrich men's and women's ready-to-wear collections, and in general enhance the interpretation of the lifestyle our brand represents, adding another element to clearly define our distinctive taste, which is always based on materials of the finest quality, handcrafted creativity and the pursuit of a balanced, timeless style. Both creations were inspired by the beloved region of Umbria and were born from synergistic and extremely accurate work that began in 2019.

The key values of the brand and the idea of lifestyle contained within it are further promoted by the Company's communication, which has always been focused on the **transmission of values** based on quality of life and the close relationship with the beauty of art and nature.

Therefore, even our **visual merchandising** – involving a dynamic display, cyclically renewed and attentive to the evolutions of the contemporary world –, whether it relates to the single brand, multibrand or digital boutiques, is designed to emphasise the characteristic harmony of the Brunello Cucinelli offer, constantly fuelled by the innovation of our creative office staff and characterised by the concept of a consistent look that transcends genres and generations. This allows us to showcase both the women's and men's collections, as the look of the collections is consistent and harmonious.

Our boutiques aspire to be perceived as places that are first and foremost hospitable and welcoming, where the store managers present themselves as true brand ambassadors, paying attention to the details that contribute to a familiar, warm atmosphere. Even in the smallest boutiques, a space equipped with a bar and coffee service is always available to customers as a symbol of the attention dedicated to the relationship created over time with friends of the brand, and at the same time as an expression of a distinctly Italian lifestyle that celebrates the pleasure of spending time together with the offer of a coffee or a small refreshment as a sign of friendship. During 2023,

we perceived a growing desire from friends of the brand to commune with us by warmly returning to our boutiques and showing an increased desire to participate in meetings with the Casa di Moda in person, fully enjoying the experience of touching our garments and feeling an integral part of our world.



The concepts of **hospitality** and **familiarity**, which also characterise the brand's identity, are replicated within the “**Casa Cucinelli**” spaces in Solomeo, Milan, Paris, London, New York and Tokyo, joined in 2023 by Hong Kong and soon to include Rome and Los Angeles. These lovely spaces are designed to welcome and meet friends of the brand, including customers, partners and journalists, as well as investors and financial analysts, fully expressing our characteristic concept of lifestyle. These spaces are **entirely harmonious with the context and natural elements of the places in which they exist**, so as to create an **authentic and balanced continuum between ethics and aesthetics, tradition and innovation, Italian style and local values**. This type of space is called “Casa” or “Home” because it is intended to recreating the **sense of warmth and familiarity** of a real home where the **value of time** and feelings of **friendship** and **kindness** permeate the atmosphere, recalling the experience of our lifestyle in Solomeo: **harmony of time, wellbeing of the spirit, pleasure of spending time together**. Inside one finds a **library** with texts in different languages, a **kitchen** where traditional

Italian flavours are blended, the large social **lounge** and the cosy **study** area: all the rooms in Casa Cucinelli are **places of the soul**. The furnishings are made with great care, seeking the rarest and most valuable materials of the Italian tradition and the harmonious distribution of space.

The story of the Casa di Moda and its intrinsic values

Our **advertising campaigns** are designed to have an evocative rather than simply commercial value, focusing on cultural and philosophical themes, as also shown by the “**Be your Change**” **project** – where the initials of the words “Be” and “Change” recall those of our brand.

The project consists of a **series of video stories** featuring well-known brand sponsors who are internationally renowned for their art and their skills. People with whom we share not only an aesthetic taste or the same predisposition towards our lifestyle, but also the **values behind our brand identity**.

Through their voices, we touch upon important themes such as **hope, courage, the future and change**.

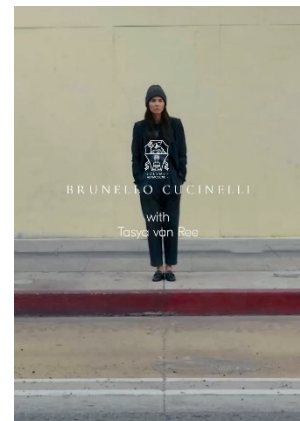
The episodes are also published in podcast form, through the “**Voice**” project, available in our online boutique and on major music platforms. The decision to use this new communication channel is based on the desire to recount and convey even more about the brand's essence and the values it represents.

The video stories have also been used as content for our *Tik Tok* social media account.

“Be your Change”

In 2023 we had the opportunity to involve Tasya Van Ree, a painter, photographer and well-known artist.

In Tasya's words, we perceive how change is synonymous with evolution, present in every aspect that surrounds us, we must not fear it but welcome it. Art is a powerful medium for the painter and photographer, it allows her to come into contact with herself on the one hand, and explore the universe on the other, reflecting her interior being and connection with human beings.



Furthermore, in the “Timeless Dream” campaign, Brunello Cucinelli’s collections are presented as a dream featuring **garments that transcend time and seasons**, garments **to be handed down to future generations** not only intact, but full of new personal meanings, thus also recalling the important concept of **repair**.

Finally, the approach pursued on the web – both the Corporate website (dedicated to the philosophy and history of the brand) and the Online Boutique, which together received over 13.5 million visits in 2023 – is reflected in the work created by the “Humanist Artisans of the Web”. They are entrusted with the task of transposing the same level of care, quality and courtesy that has always characterised the Company based in Solomeo in the special relationship cultivated each day with its customers to the digital dimension, as a demonstration of a continuous, active sharing of its values. In fact, the online shopping experience has been designed and calibrated to achieve the same objectives that nurture the direct relationship between customers and advisers in the brick-and-mortar boutiques: humanity, attention and confidentiality are the same keywords underlying the interpersonal relationship created with the friends of the brand. For these reasons, the Online Boutique’s digital platform is constantly updated with new functions and new value, text and product content, in order to offer a browsing, sharing and, ultimately, buying experience that is always fresh, detailed, immediate and engaging.



SPECIAL AND AUTHENTIC RELATIONSHIP WITH THE CUSTOMER

The relationship created over time with our customers, who we like to call “**friends of the brand**”, is based on them sharing the **human values** of the Company's philosophy.

A relationship we like to define as authentic and special, human and harmonious, centred on an **approach that is aware of the uniqueness of every individual** and characterised by **care, respect and integrity**.

In customer relations, the **Customer Relationship Management (CRM)** Department is responsible for managing the relationship and dialogue with customers, and in general everything related to the customer experience, both in physical shops worldwide and in the online boutique.

The CRM department reports directly to the CEO and works consistently with other company departments and officers, further reinforcing the idea of a customer focus. Particularly with regard to digital channels, collaboration with the Digital/E-commerce function is essential to ensure that today's technologies are used gracefully at all times of interaction. A Data Protection Officer (DPO) is also essential to ensure the privacy and protection of customers' personal data.

The use of a dedicated management system allows the boutiques, CRM and Customer Care to have a unified vision of the customer and ensure prompt global support.

The **Customer Care** service, which is entirely internal to the company, is available in 8 different languages and operates from the Solomeo, New York and Shanghai offices. This allows us to guarantee a service that is aligned with the needs of customers in different time zones and geographical areas, guaranteeing the same functionality from the different offices and above all the same approach and the same “tone of voice” in our contacts with end customers all over the world.

In addition to the traditional channels of e-mail and telephone, in recent years new communication channels have been activated that allow immediate dialogue between Customer Care and the customer, including the live chat within our online boutique and **instant messaging** channels WhatsApp and WeChat. Furthermore, in 2023 we provided each client adviser with an app that allows them to create personalised digital content, such as suggested looks, even when the client is not in the store. Despite the recognised usefulness of technologies, for us the individual remains pivotal to the relationship with our customers and we are also pleased to see a growing preference among our customers for tools that promote **human connection**. In fact, our customers increasingly choose to go to boutiques and interact with Customer Care through synchronous communication channels, such as telephone, chat and messaging systems. Our customers only chose a less direct and asynchronous channel such as email as a secondary option.



Dialogue at the heart of the “omnipersonal client experience”

The **importance we attribute to people as a Company** is naturally reflected in our relationship with the customer, with whom the interaction is not reduced to the mere moment of purchase, but lasts over time thanks to the polite and discreet use of communication channels in line with our concept of “omnipersonal client experience”, intended to attract customers rather than push them towards the brand. Our communication aims to speak to the hearts and minds of the people who encounter it.

All the means that convey the brand’s image in the world – be they media, digital channels or boutiques – are evolving, tracing the new paths through which the Group communicates its philosophy and corporate values and life in the hamlet of Solomeo, the beating heart of the Casa di Moda.

While keeping pace with the development of technologies, the Company continues to prefer a **polite, measured and non-invasive communication approach**. This choice is intended to protect everyone's human privacy and to seek the right balance to support human resources in their work, without invading or delegating it completely to technology.

The customer’s discovery of the brand is further enriched in our **sales areas in prime locations**, where “friendly advisers” (i.e. the boutique staff) convey the brand’s values and philosophy with a polite and respectful attitude. The people who work in our boutiques are in fact carefully trained to handle the different stages of the relationship with customers, focusing on listening to the individual and enhancing their identity.

A natural emotional connection is thus created, which allows the focus to be transferred from the product offered to that **unique and special** experience that each customer enjoys during the interaction with the brand and the Casa di Moda.

During experiences in the boutique, as well as during all other opportunities for us to meet the customer, we treat friends of the brand with **warm hospitality** and a **genuine welcome**. This is particularly true of the “**Casa Cucinelli**” spaces in Solomeo and in different parts of the world.

It is precisely because of the special bond we have created and cultivated over the years that we feel the **sense of belonging to the brand**, and **trust in the Group’s work** is growing ever stronger, as is the **desire to be part of the brand itself**.



Solomeo experience

The role that the **Umbrian region** and **traditions** play in the brand's identity is directly expressed in the relationship with customers.

Experiencing the brand in the hamlet of Solomeo and in Umbria, for example through organised visits, allows us to **share our everyday life with friends of the brand**, conveying the **culture** and **values** we hold dear, and showing the way in which the artisanal creative process is carefully carried out. Indeed, by recounting what they are made of and how they are made, the garments take on a new light in the eyes of the visitors.

Living in Solomeo allows customers to fully grasp the value, taste and very essence of Brunello Cucinelli products.

There were numerous **opportunities to meet our customers** all over the world during the year: from the dinners organised in our Casa Cucinelli centres to the “Wine Symposium”, an event organised in our Solomeo cellar and attended by around 400 people to discover, in a friendly atmosphere, the 2018 vintage “Castello di Solomeo” wine, a tribute to Mother Earth and the result of a many months of care and stewardship.

In May, a **gala dinner** was hosted at the National Gallery in London, attended by friends of the brand, to celebrate the opening of the “Saint Francis of Assisi” exhibition which explores the life and legacy of Saint Francis of Assisi, one of the most emblematic and revered spiritual figures in history.

During the summer we toured the resort locations where have our boutiques, arranging events and meeting friends of the brand directly in their holiday destinations.

Our golf tournaments held in May and October at the Royal Park I Roveri in Turin established new ties and strengthened friendships, transforming the events into authentic “Friendship Days”.

Confirming our commitment to youth sports, in October we hosted the presentation evening for the finalists of the European Golden Boy 2023 competition in the Cucinelli Theatre in Solomeo.



The Wine Symposium – 2023

In China, as part of the activities for the **celebration of the year of Italian and Chinese culture and tourism**, some friends of the brand took part in the initiative launched in 2022 to spread knowledge of Italian art and culture through a collaboration between the **Bund One Art Museum in Shanghai** and the **Uffizi Gallery in Florence**.

The Uffizi Gallery in Shanghai



During the celebrations of the Year of Italian and Chinese Culture and Tourism, the Uffizi Gallery in Florence and the Bund One Art Museum in Shanghai entered into a collaboration, bringing the art collections held by the Italian gallery to China for the first time.

The first two shows “*Masterpieces of Self Portraits*” and “*100 Years of Modern Art*” – on display in Shanghai between September 2022 and February 2023 – celebrated the masterpieces of the Renaissance period, including Raphael's Self-Portrait, and the works of art – oil painting, sculpture and other art forms – created between the 16th and 21st centuries, for a total of 50 and 57 works respectively exhibited in the two exhibitions.

We then organised guided tours for some customers, accompanying the invitations with an introductory message about the project from Brunello Cucinelli.

In May 2023, an event entitled “Museum Night with Botticelli & Renaissance” was organised behind closed doors. The event involved 50 friends of the Brand and was hosted by an expert art researcher who entertained the guests with a dissertation on Sino-Italian art and culture. This was followed by a private tour of the works on display.

The “Botticelli and the Renaissance” exhibition was attended by friends of the brand who were accompanied by their trusted client advisers on private visits between April and October 2023.

The friends of the brand who took part appreciated not only the desire of the Casa di Moda to spread the culture and values underlying the brand, but also the **commitment to spreading humanistic knowledge, Italian culture and art appreciation.**



The art of repair

Brunello Cucinelli garments are presented to customers as “**timeless items**” thanks to the intrinsic quality of the materials and the work that goes into making them, which means that the product can be handed down from generation to generation. Modern inspirations from which unique creations come to life, which contain personal and special stories to live, cherish and protect for the future.

In order to facilitate all this, we make available to all customers an **exclusive and free repair service**, offered worldwide and without any time constraints, with the aim of **ensuring the longevity of Brunello Cucinelli garments** and passing on to friends of the brand the **value and charm of looking after garments and reusing them**, which have always been the basis of the corporate philosophy of the Solomeo company.

For our Casa di Moda repairing is an ethical action: *«In the human value and dignity of all those who have lived to give us the goods we use is concentrated the high meaning of repairs. Repairing is an action, but it is also a symbol»*. Repair is part of human life and represents acting “according to nature», i.e., as far as possible, *«using natural means, resorting to mechanical or technological means wisely and prudently and following the right needs»*.

In the same way, this art allows a link to be established with tradition, preserving it and at the same time learning from progress. So, in the words of Chairman Brunello Cucinelli, *«imagine a place where conservation and change come together harmoniously, which can be the way to healthy, balanced and sustainable progress»*.

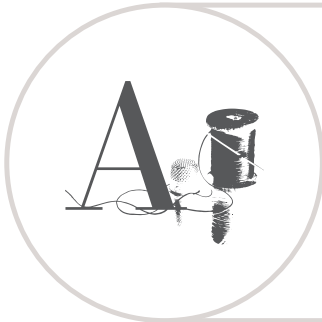
Repair, which in our value chain represents the last stage in the management of the handcrafted product, is therefore identified for us by the concept of care (see Figure 9).

Figure 9 – Repairing is caring



C as in creations

Because for us, repairing is an art with profound meaning. Taking care of our creations is a gesture of love and gratitude towards all the artisans who made them.



A as in artisanal

Because we have always made handcrafted products with high-quality materials and workmanship with the desire to create something beautiful that can be handed down and find new life.



R as in repair

As a service with which we can remain at the customer's side at all times, taking care of our creations over time.



E as in experience

Because our technicians use their knowledge and passion to perform a careful assessment of the garments.



We invite our customers to bring us their favourite items in need of refurbishment or reconditioning so that we can personally take care of them and give them a new life.

A total of **3,439 garments** were repaired during the year, an increase of 6% compared to 2022.

SUSTAINABLE GROWTH AND HEALTHY PROFITABILITY

One of the foundations of Humanistic Capitalism is the idea of a human dignity that is also economic dignity: a **respectful** and **humanly sustainable profit**, starting from its being naturally and harmoniously **commensurate with giving**.

By their nature, our hand crafted products are expensive but we trust that our customers, especially the younger ones, like to inquire about our Company's profits before buying a garment.

The ideal of gracious growth is thus expressed in **long-term development**, which can benefit all those who – in various capacities and with a variety of tasks – contribute as stakeholders to our long-term and very long-term project.

In this sense, economic growth and annual results are achieved in accordance with the Company's values, based on which the Group continues to plan future growth. In a business reality where **people are at the centre of the enterprise** and **work is a direct expression of human value**, profit thus becomes a means through which to achieve the higher end of true good and **to improve the lives of those who work**. The natural vocation for growth never ignores **loyalty to the principles and values that inspire us every day**.

We feel extremely grateful for the **great results** achieved in 2023, with **net revenues of 1,139.4 million** and growth of 23.9%.

We would like to focus on some aspects that we believe played a central role throughout 2023:

- **exclusivity**, which in our opinion represents a fundamental factor in absolute luxury, with the demand for rare and very high-quality products;
- the focus on positioning in the highest end of the luxury sector, with an offering characterised by the very **high-quality craftsmanship of the products**;
- the recognition of Brunello Cucinelli as a **lifestyle brand**, with a solid foundation in Ready to Wear, an expression of a recognisable taste that is at once understated and elegant;
- the prestigious international awards received (see "*The business model and the value chain*" section);
- the **balance** between the different sales channels and the various geographical areas where we maintain a presence worldwide.



Strategic choices and results in 2023

2023 was a **very positive** year for our Casa di Moda and saw some very significant results achieved, thanks to the very high perception of lifestyle and allure that our brand expresses.

There are many elements that contribute to these results, especially the high level of craftsmanship incorporated in the product, an industrial dimension capable of creating unique handiwork, a planning and organisation that allows for punctual, efficient deliveries, the positioning in absolute luxury, and the continuous effort to strengthen the perception of our brand's exclusivity.

We are strongly recognised as a lifestyle brand, with a solid foundation in Ready to Wear, a clear and distinctive taste, a unique positioning and an excellent level of craftsmanship. We believe that customers also choose us because of their appreciation for the creativity of our Collections, the quality of our craftsmanship and the wearability of our products. which are created according to **ethical criteria** as well as being **designed to last**.

In 2023, we again saw a strong demand for our products and the recognition of Brunello Cucinelli as a lifestyle brand, with a solid foundation in Ready to Wear, an expression of a recognisable taste that is at once understated and elegant.

The taste we always try to express incorporates a return to fundamental concepts: the search for great craftsmanship, luxurious, beautiful, fine and easily recognisable clothing. This definition certainly underlines the concept of "silent luxury", but labelling our work as "silent" is reductive. In fact, we are known for our way of doing business and lifestyle.

As in previous years, the **strengthening of our network of direct boutiques and wholesale partnerships** was decisive in 2023. At the same time, the complementarity between the two channels allowed us to consider many countries in the world as "domestic" and to "meet" demand both in large cities and in provincial towns and resorts.

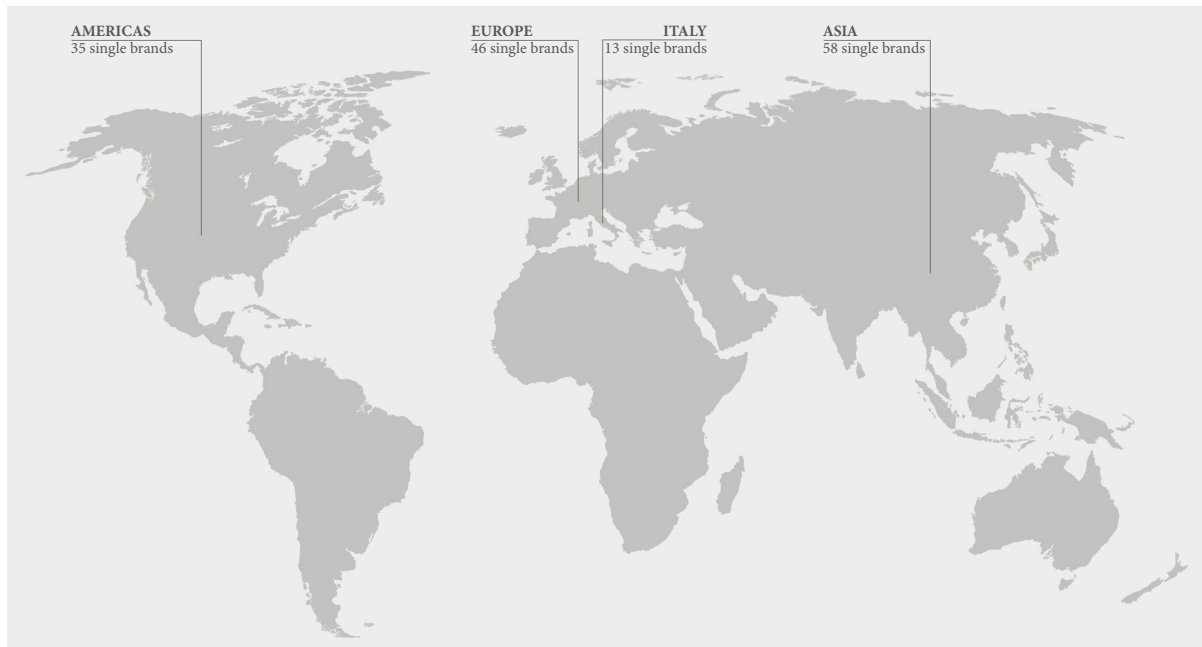
The **retail** network in particular is the distribution channel through which the Group sells to the end customer through directly operated stores, the so-called DOSs (Directly Operated Stores) and hard shops, i.e. spaces located inside Department Stores and managed under the Group's responsibility.

There were **152 retail boutiques** as of 31 December 2023, compared to 119 boutiques the previous year.

There are **49 hard shops** operated directly within Department Stores, compared to 42 in 2022.

We also believe that our **network of Boutiques** has been further strengthened by openings in 2023 at: **Via Condotti, Rome; Mall of Emirates, Dubai; and World Tower, Hong Kong.**

Figure 10 - Retail and wholesale boutiques around the world



The **wholesale** network is the distribution channel through which the Group sells to independent partners: this channel includes both single-brand shops managed by third parties with commercial distribution agreements (**single-brand wholesale**) and independent multi-brand shops and dedicated shop-in-shop spaces in Department Stores (**multibrand wholesale**).

As of 31 December 2023 there were **27 single-brand wholesale boutiques**, compared to 30 in 2022. The wholesale channel, which experienced significant growth in turnover in 2023 and which we remain very confident in, thus continues to represent a healthy, valuable channel as well as a guarantee of the future of our brand, able to offer a significant contribution in keeping our collections fresh, modern and contemporary.

As far as **large luxury Department Stores** are concerned, we remain convinced that these spaces are still the preferred destination of millions of customers around the world, and we are very focused on execution in the individual spaces assigned to us. For example, in October 2023, Saks Fifth Avenue in New York inaugurated a special showcase to celebrate 25 years of collaboration with the Brunello Cucinelli brand. To symbolise the profound sharing between the two, the “Solomeo Express” was set up: a train set against the backdrop of Manhattan skyscrapers, representing the ideal link between Solomeo and New York.

We consider **Speciality Stores**, i.e. the boutiques dedicated to the brand within Department Stores, to be brand ambassadors that allow us to get in touch with new customers in environments of high value on a daily basis. Through these shops we are able to offer our products in many communities, thus protecting the brand's exclusivity.



Finally, the **digital channel**, always very important for the brand's image, continued its sustained growth at a more "harmonious" pace, complementary to the beauty of meeting people face-to-face.

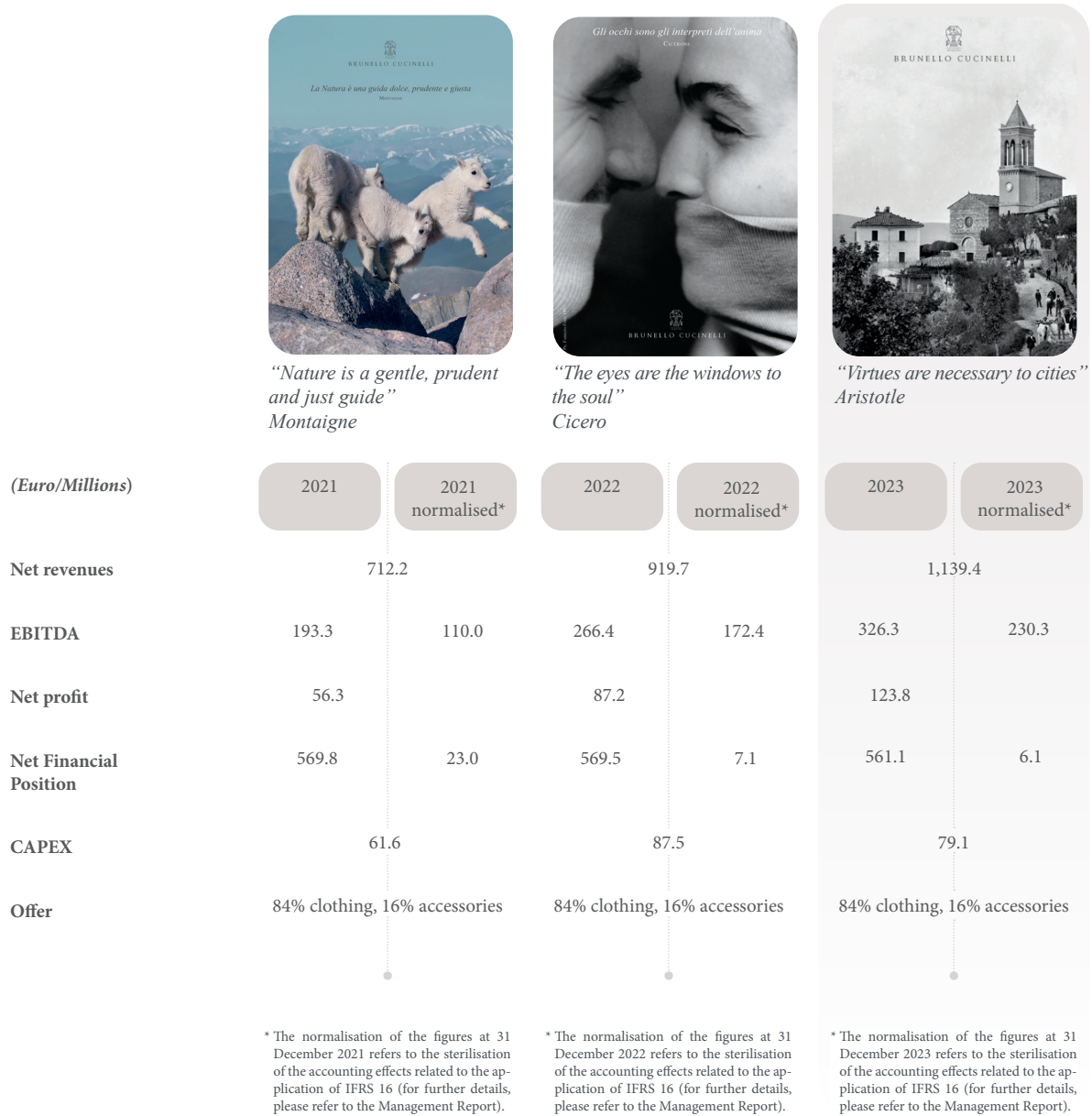
With regard to the **investments** made over the past year, our project to maintain the brand's superior image and desirability continued, striving to make sure that our Casa di Moda and "beautiful factory" can always remain modern.

Furthermore, in 2022 the Casa di Moda acquired a **43%** share in the prestigious Lanificio Cariaggi, which has always been one of the most important suppliers of cashmere yarn. In May 2023, the Casa di Moda reached an agreement with Chanel and the Cariaggi family **to sell a share in the capital of the Lanificio Cariaggi to Chanel**. As a result of the sales transactions, the share capital of the company Cariaggi Lanificio S.p.A. is held 51% by the Cariaggi family, and **24.5% each by Brunello Cucinelli and Chanel**. The agreement stipulates that the control and management of the company will remain in the hands of the Cariaggi family.

We report the heartfelt words of Chairman Brunello Cucinelli on the matter: *«I am particularly happy on this day of truly historic importance. The agreement we have reached represents a splendid diadem that will enhance the value of the entire Italian supply chain, enormously pleased by the fact that a Maison of absolute excellence in global fashion like Chanel has chosen to invest in Made in Italy by sharing with us the beautiful "Cariaggi woollen mill project". I therefore consider it a joyful day of celebration, which we believe will be followed by years full of great achievements by virtue of this very, very special collaboration. After all, with Chanel we are in the presence of a true international icon of style, elegance and beauty, and I am immensely honoured that they have decided to work with us. This agreement, I am certain, will constitute for all of us the best possible leaven for magnificent growth as humans, not just professionals, over the coming decades».*

In the reporting year, revenues exceeded **EUR 1.1 billion**. The following figure (see Figure 11) shows the financial details.

Figure 11 – Summary data



The creation of a fair profit goes hand in hand with the commitment to **adequately remunerate Company stakeholders**, making sure they share in the results achieved. The table below shows the economic value generated by the Casa di Moda over the last three years, with evidence of the components distributed to stakeholders and retained internally to guarantee and support the Company’s evolution and growth.

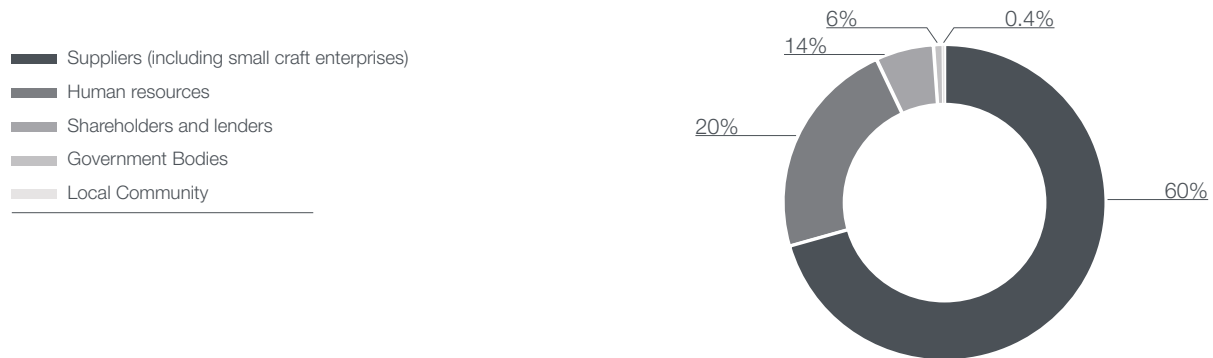
**Table 1 – Economic value generated and distributed to stakeholders**

<i>(€/000)</i>	2021	2022	2023
Net revenues	712,179	919,708	1,139,420
Other operating income	10,054	1,947	2,369
Financial income	21,898	70,472	63,461
Other operating costs (Losses on receivables)	120	72	45
Economic value generated	744,251	992,199	1,205,295
Costs of raw materials and consumables	113,610	95,537	114,343
Costs for services	271,084	372,224	475,769
Economic value distributed to suppliers	384,694	467,761	590,112
Payroll costs	132,948	164,713	194,969
Economic value distributed to human resources	132,948	164,713	194,969
Dividends paid	28,560	44,200 ¹⁵	61,880
Financial expenses	34,908	80,917	77,526
Economic value distributed to shareholders and lenders	63,468	125,117	139,406
Income taxes	7,731	36,762	49,532
Other operating costs (Taxes and duties)	4,478	5,397	6,709
Economic value distributed to the Government Bodies	12,209	42,159	56,241
Investments for land and communities ¹⁶	1,144	1,683	3,658
Economic value distributed to the local community	1,144	1,683	3,658
Economic value distributed	594,463	801,433	984,386
Economic value retained (economic value generated – economic value distributed)	149,788	190,766	220,909
<i>GRI 201-1 Direct economic value generated and distributed</i>			

¹⁵ The dividend figure for 2022 was confirmed from the previous year, as the proposed value corresponds to the value actually paid out.

¹⁶ This does not include investments made by the Foundation.

Figure 12 - Distribution of the economic value generated in 2023 among the Group's stakeholders



The **economic value generated** in 2023 is approximately **€1.2 billion** (+21% compared to 2022): **82%** of the value created **was distributed to the Group's stakeholders** in the breakdown shown in Figure 12. The largest share was distributed to suppliers and other small craft enterprises (approximately €590 million, as an expense item for the procurement of raw materials and consumables and costs for services) and to human resources (personnel costs of approximately €195 million). Compared to the previous year, there was an increase in the economic value distributed by the Group to all stakeholders.

Instead, the remaining value generated (18%) was retained internally and dedicated to sustainable future growth.

The excellent results of 2023 are greatly satisfying, a sentiment accompanied by a melancholic mood with respect to the ongoing international tensions, which we could never have imagined in contemporary times. As always, in keeping with the spirit that drives the work and life of Solomeo, each day we try to cultivate the hope that a new era of peace and dialogue between peoples will soon come. We call upon the greats of the earth to shed light on the darkness of war, and find the path to peace.

Despite the increase in micro- and macro-economic problems related to the Russian-Ukrainian conflict, we would like to mention the following in particular, which have enabled us to limit the impact on our activities:

- we do not purchase raw materials in Ukraine or Russia, and even in cases where raw materials originally come from abroad (like cashmere), the supply chain does not at any time pass through the territories affected by the conflict and therefore the supply network has not slowed;
- production is carried out entirely in Italy.

The development of the conflict is in any case carefully and continuously monitored in order to promptly identify the consequences on the Group's current and future situation.

During the period related to the Covid-19 pandemic, the number of **meetings with the financial community** was increased in order to constantly share information on business trends at such a complex time. Subsequently, the number of meetings was maintained in order to ensure a constant and continuous dialogue with the financial community, which is essential to share the dynamics that characterise the macro-economic context and the luxury sector to which we belong.

CHAPTER 2. MORAL SUSTAINABILITY
WE COMMEMORATE OUR FOREFATHERS. THEY TAUGHT US TO RESPECT THE
LAW, AND OUR STORY IS WRITTEN IN THEIR WORDS



Moral sustainability - Payment of the tribute money - detail (group of Christ with the apostles), Masaccio, 1401-1428, Florence, Scala Archives

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Ten UNGC principles
Principle I
Principle X

CORPORATE GOVERNANCE

As at 31 December 2023, the Brunello Cucinelli Group¹⁷ consists of 28 companies. For more than ten years, the Parent Company has been listed on the electronic stock market (Euronext Milan) organised and managed by Borsa Italiana S.p.A. and it complies with the Code of Corporate Governance for listed companies.

¹⁷ The Brunello Cucinelli Group’s corporate organisation chart is reproduced in the 2023 Consolidated Financial Statements, available in the “Archive” section of the website <http://investor.brunellocucinelli.com/en>.

Ten years since listing

Just over 10 years after its listing on the Italian Stock Exchange, 18 December 2023 marks the **entry of Brunello Cucinelli stock into the FTSE MIB**, the main index of Piazza Affari. This is a very important and prestigious achievement for the company that makes us very proud, especially for the way we believe we have attained it. Along this path, we have always tried to keep faith with the principles that characterise the ethical basis of our company, from the values of Humanistic Capitalism and Human Sustainability to the enhancement of craftsmanship in all its forms, to the search for harmony with Creation and a healthy and sustainable growth.

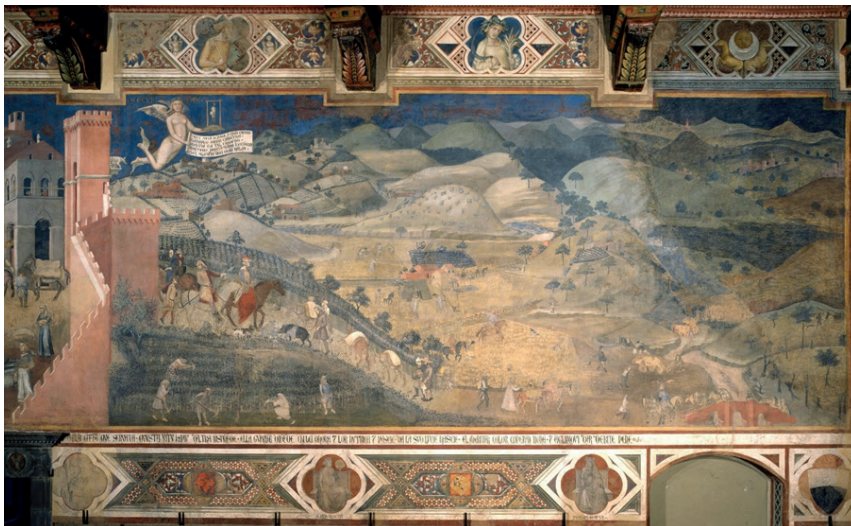
The role of Corporate Governance is fundamental for the proper and responsible performance of the Company's activities and for ensuring the creation of sustainable and shared value over the long term.

Indeed, the corporate governance system¹⁸ defines the operating environment within which to pursue gracious, long-term growth objectives.

Specifically, it conforms to the so-called “traditional model” and its composition is divided into the following bodies, detailed below in figure 13:

- Shareholders' Meeting;
- BoD;
- Board of Statutory Auditors;
- External Auditors;

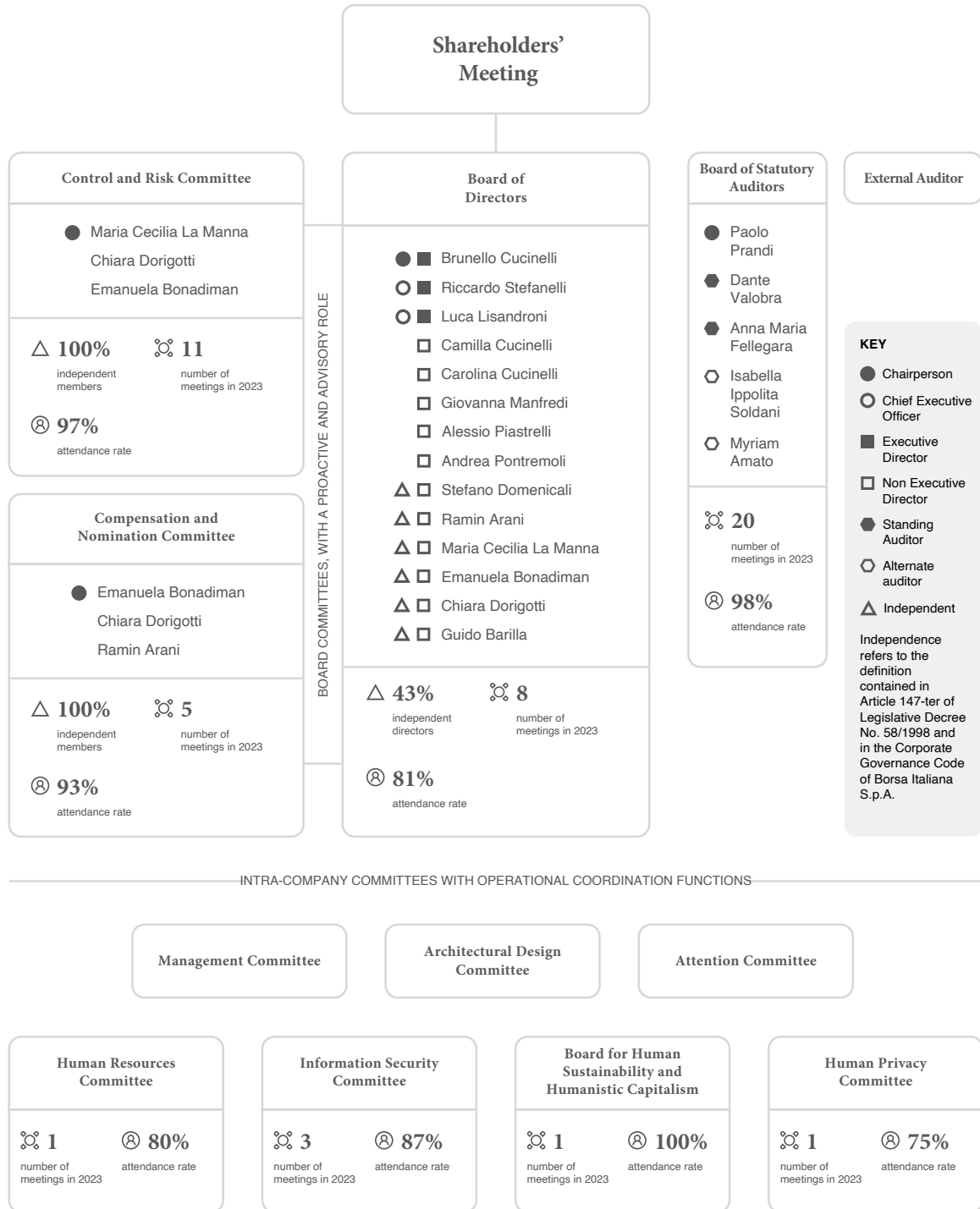
In addition to these bodies, there is the Supervisory Board pursuant to Legislative Decree 231/2001 (SB).



¹⁸ For further details on Corporate Governance, please see the Report on Corporate Governance and Ownership Structure for the year 2023, available at the following link: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.



Figure 13 - The corporate governance structure





The management of the company is entrusted to the Board of Directors, which currently consists of 14 members whose term of office began with their appointment by the Shareholders' Meeting on 27 April 2023. The BoD will remain in office until the approval of the Company's financial statements as at 31 December 2025. Also appointed at the same time were the members of the Supervisory Board, who will remain in office until the same effective date of the BoD. Furthermore, in accordance with the recommendations of the Corporate Governance Code, the members of the Control and Risk Committee and those of the Appointments and Remuneration Committee were appointed; these committees have an advisory and investigative function in relation to the matters that fall under their responsibility and competence, in accordance with the Corporate Governance Code. For a review of the functions and activities falling under the responsibility of the two committees, please refer to the Corporate Governance Report for the financial year 2023, published in March 2024.

The Shareholders' Meeting of Brunello Cucinelli on 27 April 2023 introduced the discipline of **increased voting rights**.

Directors are appointed according to the principles of **gender balance, competence** – managerial and professional, including of an international nature and ensuring a fair distribution of different ages and seniorities – and **independence**.

Stakeholders are involved in the process of appointing and selecting the members of the Board of Directors by inviting them to present slates of candidates to be submitted to the Shareholders' Meeting.

The following tables summarise the composition and characteristics of the Board as at 31 December 2023¹⁹.

Table 2 – Composition of the Board of Directors as at 31 December 2023

BoD Members	14
<30 years	0
of which men	0
of which women	0
30 ≤ x ≤ 50 years	5
of which men	3
of which women	2
>50 years	9
of which men	5
of which women	4
GRI 405-1 Diversity of governance bodies	

¹⁹ For any other information on the characteristics of the members of the Board of Directors, including the number of other offices held, please see the 2023 Corporate Governance and Ownership Structure Report.

**Table 3 – Changes in Board characteristics over the last two terms of office**

	2022 ²⁰ (end of previous term of office)	2023
Total BoD members	11	14
Percentage of female directors	45%	43%
Average age	46	53
Nationalities represented	2	2
Independence rate	45%	43%
Renewal rate	58%	79%

Table 4 – Offices held by the Directors

Board Members	Offices held
Brunello Cucinelli	Executive Chairman and Creative Director
Riccardo Stefanelli	CEO
Luca Lisandrone	CEO
Camilla Cucinelli	Co-head of the Women's Style Office
Carolina Cucinelli	Co-Chair and Co-Creative Director
Giovanna Manfredi	Creative Director Women's Style Office
Stefano Domenicali	Board Member
Andrea Pontremoli	Board Member
Ramin Arani	Member of the Remuneration and Appointments Committee
Maria Cecilia La Manna	Chairwoman of the Control and Risk Committee
Emanuela Bonadiman	Chairwoman of the Remuneration and Appointments Committee
Alessio Piastrelli	Head of Men's Style Department focusing on accessories (including glasses and fragrances)
Chiara Dorigotti	Member of the Remuneration and Appointments Committee Member of the Control and Risk Committee
Guido Barilla	Board Member

GRI 2-9 Governance structure and composition

Among other things, the Board's role is to define and pursue the strategic objectives of the Company and its subsidiaries, including the objectives of Human Sustainability and Harmony with Creation.

The Entrepreneur Brunello Cucinelli holds the role of **Executive Chairman** of the Company, as well as Creative Director, who has strategic supervision functions with management and representation powers, aimed at the realisation of the coordination, supervision and strategic direction of the Company and the Group. The Chairman is joined by Director Carolina Cucinelli, who serves as **Co-Chair** and **Co-Creative Director** as of 31 December 2023.

²⁰ The figures in the table refer to the composition of the Board of Directors as at 31 December 2022. Taking into consideration the composition of the Board of Directors at the date of appointment, the independence rate and the percentage of female Directors would be 50%.

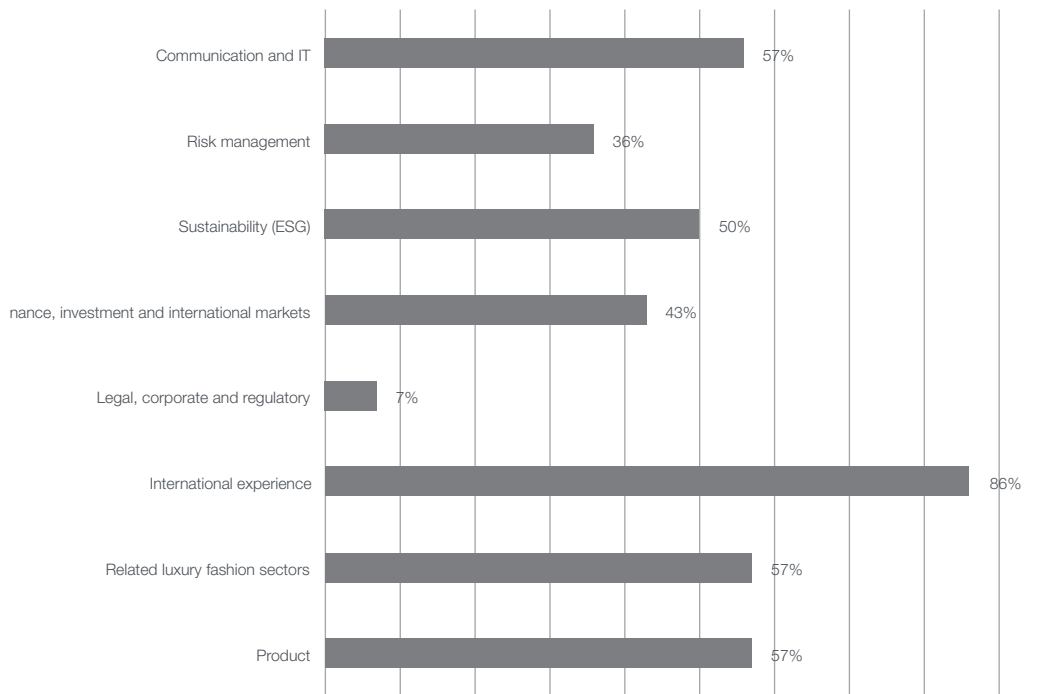


As of 2020 there are two people who hold the position of Chief Executive Officer of the Company, Riccardo Stefanelli and Luca Lisandrone. The two Chief Executive Officers have different duties and responsibilities: Riccardo Stefanelli is in charge of activities in the production and operations area, including production, logistics, quality control, property management and research and development, while Luca Lisandrone is in charge of markets and therefore presides over the distribution network (both retail and wholesale), e-commerce and marketing activities.

The members of the Board of Directors currently include managers of the Company and Independent Directors with many years of experience and expertise in the fashion and luxury sector or in listed companies.

The chart below summarises in aggregate the areas of responsibility of the Company's Directors²¹.

Figure 14 - Areas of responsibility of the Board members



In carrying out its functions, the Board of Directors is assisted by two **Board committees** that provide advice and make proposals.

²¹ For further details on the technical and specific skills of each member, please refer to the CVs published on the Company's Investor Relations website, at the following link: <http://investor.brunellocucinelli.com/en/governance/board-of-directors>.



Specifically, through preliminary analysis, the **Control and Risk Committee (CRC)** supports the assessments and decisions of the BoD concerning the Internal Control and Risk Management System (ICRMS).

At least on the occasion of the BoD's approval of the annual and semi-annual financial reports, the Committee must report to the Board on its activities, and specifically its opinion on the adequacy of the ICRMS²².

Moreover, together with the Financial Reporting Officer, it assists the BoD in preparing and approving the company's accounting documents, notably assessing the correct application of the accounting principles.

The CRC also operates as the related party transactions committee.

The **Remuneration and Appointments Committee**²³ is a body that offers advice and makes proposals with the main task of assisting the Board in drawing up the remuneration policy.

More specifically, the Remuneration and Appointments Committee performs the following tasks:

- Periodic assessment of the adequacy, overall consistency and practical application – for which it is responsible, together with the BoD – of the policy for the remuneration of the Directors and Top Management, with particular reference to the effective achievement of the performance objectives, and formulation of proposals to the BoD in this regard.
- Submission of proposals or opinions to the BoD on the remuneration of Executive Directors and other Directors holding special offices.
- Advising the BoD on the optimal composition of the Board and its Committees.

²² For more information on the functions assigned to the Control and Risk Committee, see the Report on Corporate Governance and Ownership Structure for the year 2023, available at the following link: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.

²³ More detailed information on the functions assigned to the Remuneration and Appointments Committee can be found in the Report on Corporate Governance and Ownership Structure for the year 2023, available at the following link: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>. For the sake of completeness, it should be noted that, with a resolution of the Board of Directors dated 14 March 2024, a new version of the Remuneration Policy was approved.



The Remuneration Policy²⁴

The remuneration policy for the Company's Directors, Top Management and Statutory Auditors is approved by the Shareholders' Meeting, on a proposal from the Board of Directors assisted by the Remuneration Committee, in accordance with the recommendations of the Italian Stock Exchange Corporate Governance Code.

At its meeting of 27 April 2022, the Shareholders' Meeting approved the remuneration policy applicable to the financial years 2022, 2023 and 2024.

At its meeting of 14 March 2024, the Company's Board of Directors resolved to propose to the Shareholders' Meeting to be held on 23 April 2024 the adoption of a new remuneration policy for the financial year 2024.

The new remuneration policy does not differ from the previous one in terms of its guiding principles. The proposal that will be examined by the Shareholders' Meeting of 23 April 2024 contemplates new elements such as the establishment of waivers and the option of making corrections to variable compensation in extraordinary cases, the possibility of exceptional bonuses, greater clarity regarding the link between remuneration and company performance; the proposal stems from the need to be able to count on a more functional instrument to guarantee the necessary flexibility of the remuneration policy that the historical, social and economic context requires in order to pursue, including through the remuneration of top management, the objectives and mission of the Company and the Group.

The principle underlying both the remuneration policy valid for the financial year 2023 and the proposed remuneration policy for the financial year 2024 is that of **fair remuneration**, commensurate with the commitment required of directors, executives with strategic responsibilities and members of the Board of Statutory Auditors.

The aim of the Company's remuneration policy is to attract, retain and motivate people with specific skills and professional qualities, allowing for the Company's successful management and long-term competitiveness.

The remuneration policy provides for the payment of a **fixed remuneration** and a **variable remuneration**. For the Chairman of the Board of Directors, non-executive Directors and Statutory Auditors, the remuneration provided is exclusively fixed. For Chief Executive Officers and executives with strategic responsibilities, there is also the possibility of paying variable remuneration in addition to fixed remuneration, within parameters and limits set from time to time by the remuneration policy approved by the Shareholders' Meeting.

For the definition of the **variable components** envisaged for the CEOs, the remuneration policy distinguishes between short-term variable components (generally targets with an annual horizon) linked to the achievement of short-term performance objectives, including of a non-economic nature (i.e. ESGs), and consisting (predominantly) of a cash remuneration, and medium- to long-term components linked to the achievement of medium- to long-term performance targets (at least 24 months), consisting "also" of (equity-based) financial instruments.

²⁴ No independent expert was involved in the preparation of the Issuer's Remuneration Policy.



The short-term variable remuneration envisaged for CEOs is associated 50% with economic performance (turnover) and 50% with **Human Sustainability goals**, in accordance with the “*In Harmony with Creation*” Sustainability Plan (see the *Relations with Creation and among people* section)²⁵.

For the 2023 financial year, in accordance with the provisions of the remuneration policy approved on 27 April 2022, objectives of a qualitative and quantitative nature linked to the areas of Human Sustainability concerned, in particular, the conduct of the GHG Inventory 2022, the preparation of the CDP 2022 Questionnaire, the implementation of the Stakeholder Engagement activity with the involvement of a second cluster of priority stakeholders, the implementation of the “Sustainable Supply Chain” project with the involvement of raw material suppliers representing 70% of the annual value for the Group and the verification of data shared by 50 suppliers, the implementation of the “Production Waste Management” project with the involvement of 50 workshops with small craft enterprises and the extension of the SROI measurement to further projects.

The remuneration policy also contemplates, as a further remuneration tool, a compensation plan based on the allocation, free of charge, of Brunello Cucinelli S.p.A. ordinary shares to the Chief Executive Officers and the additional beneficiaries identified in the same plan, subject to verification of the achievement of certain performance objectives. For information on the Stock Grant Plan 2022-2024 currently in force, and the proposed new Stock Grant Plan 2024-2026, please refer to the Remuneration Report and the illustrative reports of the directors published on the Company's investor website²⁶.

Information on the remuneration policies envisaged for the Group's human resources can be found in Chapter 5 (see the *Training and development* section).

The Company has also voluntarily set up a number of inter-company committees mainly with operational coordination functions.

The **Management Committee** consists of executive directors and executives responsible for the Company's production, sales, communications and marketing, digital, financial and legal functions. Its task is to support the governing body in managing the company and implementing business and strategic plans.

The **Attention Committee**, established for the first time in March 2020 during the COVID-19 emergency, is made up of the managers of various departments and meets to manage extraordinary or unprecedented situations. Its main task is to develop mitigation strategies and contingency plans to deal with threats or significant changes in the external environment that could negatively impact the company. In the case of COVID-19, for example, the Attention Committee determined the actions to be taken to mitigate the risks to the health of employees and the negative impact of the health emergency on company operations. The committee coordinates actions between different departments, ensuring that the entire organisation is aligned and ready to respond effectively. Furthermore, it supports top management in decisions, monitors the evolution of the situation and adapts strategies based on new information, contributing to the company's resilience and adaptability in times of crisis.

25 For further information on remuneration policies, please refer to the Remuneration Report approved annually by the Board of Directors of Brunello Cucinelli S.p.A. and submitted to the Shareholders' Meeting. The report can be found at the following link: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.

26 In particular, with regard to the 2022-2024 Stock Grant Plan, see the information document prepared pursuant to Article 84-bis of Consob resolution No. 11971/99 and the further documentation made available at <http://investor.brunellocucinelli.com/en>, in the section dedicated to the 2022 Shareholders' Meeting. For information on the 2024-2026 Stock Grant Plan, see the information document prepared pursuant to Article 84-bis of Consob resolution No. 11971/99 and the further documentation made available by the Company at <http://investor.brunellocucinelli.com/en>, in the section dedicated to the 2024 Shareholders' Meeting.



The **Human Resources Committee** is made up of Company executives and is responsible for establishing guidelines for the management and professional development of Human Resources, with particular reference to listening to the requests collected by the Human Resources Department, to ensure continuous improvement of the wellbeing of the people employed by the group.

The **Architectural Design Committee** is responsible for defining the concept of single-brand shops and exhibition spaces (e.g. showrooms) and the architectural design of the Company's premises.

The **Information Security Committee** - consisting of employees from various departments (IT, information security, risk management, finance, privacy and legal department) is responsible for assessing and mitigating the risks associated with the use of the Company's information systems. In particular, it is responsible for identifying cyber threats to which the company is exposed and assessing the likelihood and potential impact of such risks; developing strategic plans to protect the company from cyber threats (by defining security standards, protocols and procedures); promoting cyber security training and awareness among employees to reduce the risk of incidents caused by human error; and establishing procedures for managing and responding to cyber security incidents.

The **Human Privacy Committee** – consisting of the executives and heads of department mainly involved in the processing of personal data, including Human Resources, CRM, Legal, IT Security – is responsible for personal data protection. With respect to the aforementioned Committee, as in general in the company's organisation, the DPO represents an advisory and control body with respect to the Data Controller, reporting directly to the CEOs. This committee meets periodically to address issues and projects with data protection implications and whenever a decision-making intervention in the area of data protection and privacy is required.

The **Council for Human Sustainability and Humanistic Capitalism**, set up with the aim of integrating the sustainability of business operations in the definition of strategies, including based on an analysis of the materiality of the factors that may affect the generation of value in the long term, has investigative functions of a propositional and advisory nature in the evaluation and decision-making processes concerning sustainability issues (see the *Governance of sustainability* paragraph).

The **Board of Statutory Auditors** is responsible for supervising compliance with the law and the articles of association and compliance with the principles of proper administration. The current Board of Statutory Auditors was appointed by the Shareholders' Meeting of 27 April 2023; its term of office will end with the approval of the Company's financial statements as at 31 December 2025.

Governance of sustainability

The establishment of the **Council for Human Sustainability and Humanistic Capitalism** in 2020 was a further milestone in formalising the management of sustainability in the Group.

The Council takes the form of a **steering committee with a mixed composition** of 11 members: 8 Directors, including the CEOs, and 3 employees/managers of the Company - and is chaired by the Chairman of the Company, Brunello Cucinelli.

**Table 5 – Composition of the Council for Human Sustainability and Humanistic Capitalism**

Members of the Council for Human Sustainability and Humanistic Capitalism, by age group and gender in 2023	
<30 years	0
of which men	0
of which women	0
30 ≤ x ≤ 50 years	6
of which men	4
of which women	2
>50 years	5
of which men	4
of which women	1
Total	11

GRI 2-9 Governance structure and composition

Table 6 – Members of the Council for Human Sustainability and Humanistic Capitalism

Members of the Council for Human Sustainability and Humanistic Capitalism	
Brunello Cucinelli	Council Chairman, Executive Chairman
Riccardo Stefanelli	Council Member, Executive Director
Luca Lisandrini	Council Member, Executive Director
Camilla Cucinelli	Council Member, Non-Executive Director
Carolina Cucinelli	Council Member, Non-Executive Director
Alessio Piastrelli	Council Member, Non-Executive Director
Giovanna Manfredi	Council Member, Non-Executive Director
Andrea Pontremoli	Council Member, Non-Executive Director
Dario Pipitone	Council Member, CFO and Financial Reporting Officer
Michele Baiocco	Council Member, Company Executive/Manager
Giuseppe Labianca	Council Member, Company's General Counsel

Its task is to support the Board of Directors in coordinating activities and disseminating the culture of Human Sustainability and Humanistic Capitalism within the Group.

Specifically, the Council is responsible for bringing to the attention of the Board of Directors and the Board Committees policies based on principles of Human Sustainability and sustainable success that take into account, in particular, ethics, protection of human rights, care and protection of the environment and a balanced relationship with Creation for the protection and promotion of its diversity.

It is also directly responsible for implementing, coordinating, monitoring and updating the contents of the Human Sustainability Policy, as well as for implementing the Sustainability Plan.

The Council promotes the continuous integration of national and international best practices into the Company's sustainability governance and environmental, social and governance factors into corporate strategies, monitoring the Group's positioning with respect to the financial markets on sustainability issues and initiatives aimed at local communities and stakeholders.



In particular, over the last two years, the Council has been actively involved in the definition of the Group Climate Strategy, the targets of which were submitted to SBTi and approved by it in 2023 (see the *Combating climate change* section).

On an operational level, the Council is supported by the cross-functional working team on sustainability – the **Human Sustainability Team** – which also plays a proactive and advisory role in this area for the Council and the BoD.

The Human Sustainability Team, also in collaboration with the heads of the relevant functions, supports the Board in identifying areas for improvement, as well as possible concrete actions to be implemented to foster the continuous achievement of the Group's performance in the field of Human Sustainability. The team is also responsible for the process of gathering the qualitative and quantitative environmental, social, economic and governance sustainability information needed to prepare the NFS.

Within the scope of the implementation of the Sustainability Plan, it coordinates and monitors the progress of the objectives and targets set by the Plan, in consultation with the corporate functions directly involved and reporting to the Chief Executive Officers (CEOs).

The ultimate responsibility for strategic decisions and sustainability initiatives lies with the BoD. Indeed, the BoD plays a role in **defining and guiding the strategic guidelines**, which are then spelled out in the Sustainability Plan, as well as in formally approving the objectives and targets contained therein. This also concerns the Group's climate priorities and the supervision of the defined targets: both CEOs actively participate in the working groups set up internally with the aim of defining the specific actions of the Climate Strategy, collaborating in the definition of initiatives to reduce direct and indirect CO2 emissions.

The two CEOs are also directly involved in supervising and updating the Human Sustainability Policy in order to ensure the correct application of the principles enshrined therein.

Finally, with regard to sustainability reporting, the Board of Directors is responsible for verifying and approving the contents of the NFS and the underlying analyses, with particular regard to the materiality analysis.

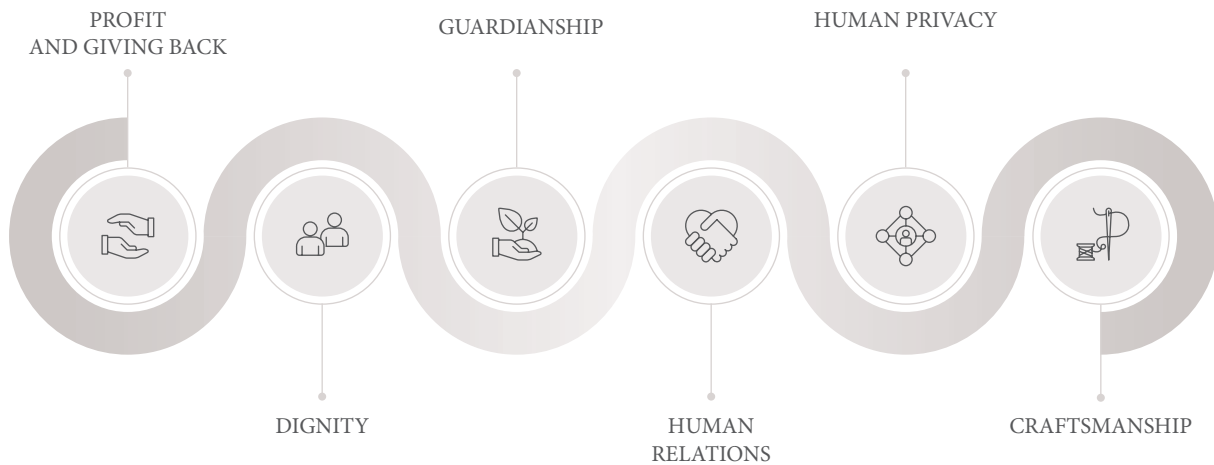
The “In Harmony with Creation” Human Sustainability Policy

We see Human Sustainability as an attitude of care and guardianship that does not end in the development and promotion of a culture of human dignity, but extends to every aspect of living in harmony with Creation, trying not to harm it or at least committing to do the least possible damage.

Our sustainability path is based on the ideals of life and work, which are the expression of the values formalised in the “Four Decalogues” underlying our idea of Humanistic Capitalism, and which, within the “In Harmony with Creation” Policy of Human Sustainability – adopted by the Board of Directors on 11 March 2021 – are translated into commitments described according to a structure with **six “pillars”**²⁷.

27 For more information on the “In Harmony with Creation” Human Sustainability Policy, see the 2020 edition of the NFS, which can be found in the “General Archive” section of the Investor Relations website.

Figure 15 - The pillars of the “In Harmony with Creation” Human Sustainability Policy



By adopting the Policy, the Company intended to incorporate the distinctive principles of the philosophy that inspires the entire Group and to give formal structure to the practices already in use in the Company.

Through the dissemination of the Policy, both internally and externally in the relationship with our partners, we hope to share the culture and values cultivated therein and that support our way of doing business.

HUMAN RELATIONS: DIALOGUE WITH STAKEHOLDERS

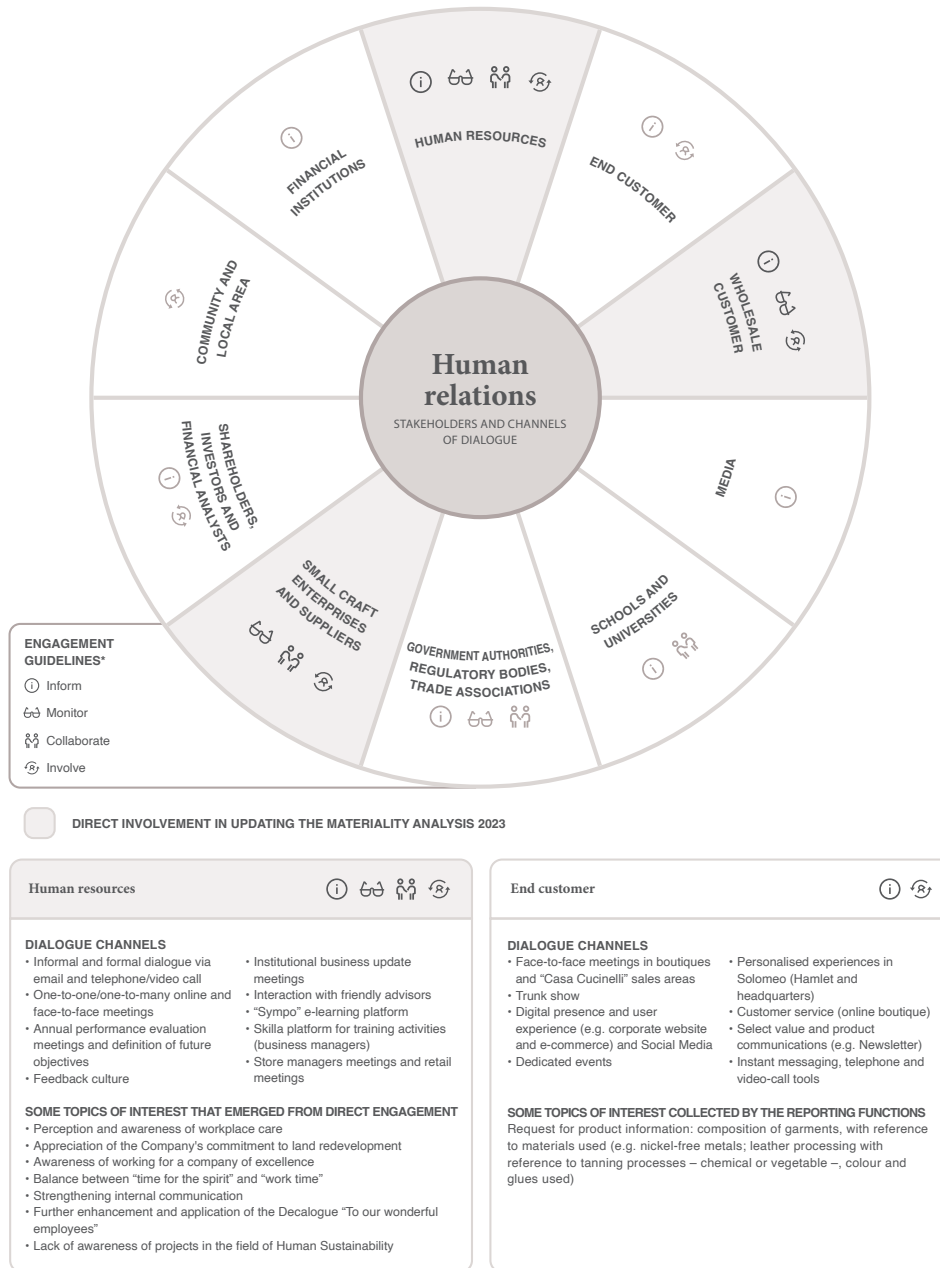
In managing our relationship with our stakeholders, we want them to be kept **up to date on the Group’s commitment, strategy and human sustainability activities**, in order also **to gather their feedback** in an increasingly conscious and ambitious manner.

This objective lies at the heart of the Human Relations Policy, approved by the Board of Directors in March 2021 and published on the Investor Relations website²⁸, as well as the engagement activities launched over the past year in accordance with the Stakeholder Engagement Plan, the natural operational continuation of the principles enshrined in the Policy.

The wide variety of stakeholder categories (see Figure 16) that we interact with requires us to use tools and channels of dialogue that take into account the specificities and interests of each type. Stakeholder communication and involvement has always taken place mainly through informal channels of dialogue, which are expressed in a direct relationship between the relevant corporate function and the specific stakeholder. The frequency of dialogue varies according to the type of stakeholder and the channel, ranging from once a year at annual events to relationships that result in continuous discussions, even on a daily basis.

















²⁸ The Policy is available in the “Documents” section of the “Corporate Governance” page of the Company’s Investor Relations website, at the following link: <http://investor.brunellocucinelli.com/en/services/archive/governance/documents>.

Figure 16 - Our stakeholders and channels of dialogue



* The engagement guidelines were defined on the basis of the analysis carried out with the involvement of Group management



<p>Wholesale customer   </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • Values and training meetings • Pitti Uomo • Milan Fashion Week • Order collection and feedback sharing • "Sympto" e-learning platform • Visits to Solomeo to share philosophy and values • (Digital) roadshows with multi-brand owners and their managers • Telephone/e-mail/video-conference <p>SOME TOPICS OF INTEREST THAT EMERGED FROM DIRECT ENGAGEMENT</p> <ul style="list-style-type: none"> • Increasing involvement of suppliers • Ongoing external communication of corporate excellence 	<p>Media (local, national and international) </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • Dialogue by phone/email • Informal talks • Formal talks • Press releases <p>SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS</p> <ul style="list-style-type: none"> • Supporting requests for quantitative verifications; updating on business developments and initiatives realised/planned (e.g. presentation of the Universal Library of Solomeo project) • Interest in community and local area initiatives and in the framework of the Sustainable Markets Initiative (SMI)
<p>Government Authorities, Regulatory Bodies, Trade Associations   </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • Meetings with local government representatives • Company visits • Telephone/e-mail • Meetings with representatives of trade associations • Partnerships to support the local area and communities <p>SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS</p> <p>Business-related authorisations/supervision</p>	<p>Schools and universities  </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • School of Arts and Crafts • Internships and company visits • Collaboration with "Sistemi Formativi Confindustria Umbria" • Open days at universities • Talks and testimonials at Schools and Universities • Telephone/e-mail <p>SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS</p> <p>Organisation of internships; career days; already active training programmes; development of new training or job placement projects</p>
<p>Community and local area </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • Planning and carrying out interventions in the local area to preserve the beauty of the territory and give it value over time • Activities of the Brunello and Federica Cucinelli Foundation • Organisation of events to bring art to local areas and allow the public to experience it in a direct and engaging way • Meetings with representatives of associations <p>SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS</p> <ul style="list-style-type: none"> • Reliance on the role of Casa di Moda in the local area • Extension of the perimeter of suburban redevelopment • Social inclusion • Creation of more frequent moments of confrontation between the different local actors 	<p>Small craft enterprises and suppliers   </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • Constant support with a dedicated team • Company visits • Annual meeting to share results and expectations • Individual or group meetings • Supply Chain Programme • Biannual telephone interview for annual performance evaluation and small craft enterprises satisfaction analysis <p>SOME TOPICS OF INTEREST THAT EMERGED FROM DIRECT ENGAGEMENT</p> <p>Small craft enterprises:</p> <ul style="list-style-type: none"> • Workplace care and the pursuit of beauty • Transparency, dialogue and respect for the human relationship with Casa di Moda • Maximum collaboration on sustainability issues with the entire supply chain • Demand for the Company to be a driving force in the digital and technological evolution
<p>Financial Community (shareholders, investors and financial analysts)  </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • Dialogue by phone/e-mail and video call • Visits to Solomeo • Shareholders' Meeting • Institutional website and Investor Relations • Interviews • Press releases of results and conference calls (increased in 2023) • Price-sensitive communications and information • Roadshow • Fashion Week (Milan) and Pitti (Florence) • Group meeting • Dedicated events • Store visits (also Casa Cucinelli) • Gratitude dinners <p>SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS</p> <ul style="list-style-type: none"> • Greater involvement of the supply chain in the Human Sustainability journey of Casa di Moda • Human Resources Management Methods • Circular economy and reuse of raw materials • Transparency and traceability of manufactured goods 	<p>Financial institutions </p> <p>DIALOGUE CHANNELS</p> <ul style="list-style-type: none"> • Press releases • In-person meeting with management, on a quarterly basis, with the participation of specialists on various topics • Collegial meeting in Solomeo (organised for 30 years) in November with all bank managements • One-to-one meetings Hub <p>SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS</p> <p>Strategic and relationship aspects; banking operations (management of current accounts, bank terms and conditions, credit facilities, financing and day-to-day operations); WellMakers platform; Welfare Hub platform</p>



The Human Relations Policy

The Human Relations Policy was drafted with the aim of sharing internally the principles and values that must guide our dialogue with all stakeholders, direct the methods of involving them – diversified according to the categories of stakeholders involved – and identify the internal functions responsible for the engagement process and related reporting.

Based on a strategic and disciplined approach to the relationship with each stakeholder category, the Policy calls upon the functions responsible for dialogue to ensure that the interactions with the relevant stakeholders and the channels put in place or yet to be implemented guarantee an increasing coverage of Human Sustainability issues.

Specifically, the principles that we believe must guide the interactions with all our stakeholders are as follows:

- **Provide complete, timely and accurate information to stakeholders** on the Group's activities, decisions, projects and initiatives through the most transparent communication possible.
- **Work together to generate long-term value**, with the aim of creating the right conditions to maximise the contribution of each individual stakeholder;
- **Seek out the feedback and points of view of stakeholders**. Indeed we consider it essential to develop a cultural feedback, both internally and externally, in terms of open discussion on topics considered relevant in the environmental, social and economic/governance dimensions and return of results from engagement;
- **Increase satisfaction and trust in the Group**, as the effectiveness of the interaction is strongly related to the perception that stakeholders develop of the brand identity and corporate reputation.

The Stakeholder Engagement Plan and dialogue channels

In order to make the Human Relations Policy fully operational, we formalised a Stakeholder Engagement Plan, defined on the basis of the criteria of **influence** and **dependence** of the stakeholders on and by the Company.

The Plan has the following objectives:

- Promote **strategic, continuous stakeholder engagement**;
- Identify possible **areas for improvement** of the engagement initiatives already carried out by the relevant functions;
- Plan the best solutions in terms of **engagement initiatives**, that are **aligned and responsive to the particular characteristics of each stakeholder category** and the underlying objectives of the individual activity;
- Provide a mechanism for **evaluating the opportunities for engagement** that have arisen.



The analysis performed for the development of the Plan – a detailed assessment had been made in 2021 in order to better understand the existing stakeholder engagement activities within our Group, involving the relevant managers – allowed us to classify our stakeholders according to **four strategic relevance guidelines** based on the assessment of the influence and dependence criteria outlined by management for each stakeholder.

Each vector is identified by a line of interaction across dialogue channels that are used to strengthen the dialogue between the Group and its stakeholders, depending on the willingness, availability and level of maturity of the stakeholder to receive/give information and be involved in the activities of the Casa di Moda.

Consequently, we have developed tools to support the monitoring of stakeholder engagement by each function, with the aim of mapping the activities carried out, the results achieved, and assessing the effectiveness of the engagement by each function on a semi-annual basis. The results of this half-yearly summary are then shared in aggregate with the Council for Human Sustainability and Humanistic Capitalism in order to inform top management of the main requests expressed by stakeholders, of the occasions on which the dialogue focused on topics related to the six forms of Human Sustainability, and of any critical issues reported by the stakeholders engaged.

Stakeholders' involvement

In keeping with the provisions of the Human Relations Policy and the strategic assessment performed from the point of view of stakeholder dependence and influence dimensions, the Company decided to continue with the **direct engagement activities** with its stakeholders, involving the following categories: **wholesale clients, suppliers, human resources** (further details in the *Methodological note* section).

The involvement of wholesale customers and suppliers took place by means of a **questionnaire**. For human resources, **ad hoc days were organised** and carried out according to the *LEGO Serious Play*® facilitation method: a tool based on “serious play” through which it is possible to foster the development of creative thinking and increase the sense of collaboration by engaging participants in an interactive, fun and reflective manner.

Figure 17 – Some examples of the outputs of the engagement days with human resources using the LEGO Serious Play® facilitation method, aimed at eliciting creative thinking and active discussion among participants



Diversity and inclusion:
meeting of diversities



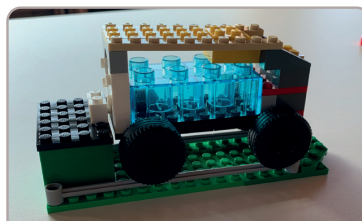
Transparent redevelopment and enhancement of local places such as the restoration of the hamlet of Solomeo and the reconstruction of Norcia



Himalaya Project



Transparent communication
(Lego characters separated by a piece of transparent Lego)
diversity, inclusion and the traceability of raw materials
(represented by the goat)



Care of company greenery and the local area;
emission reduction initiatives (e.g. use of electric vans)



The spaces inside and outside the Company, the School of Contemporary High Craftsmanship and Arts



Epson PaperLab machine



The objectives underpinning the engagement activities organised at the beginning of September 2023 were first and foremost consistent with the principles enshrined in the Human Relations Policy as a source of inspiration for dialogue with stakeholders. In particular, the engagement was intended to:

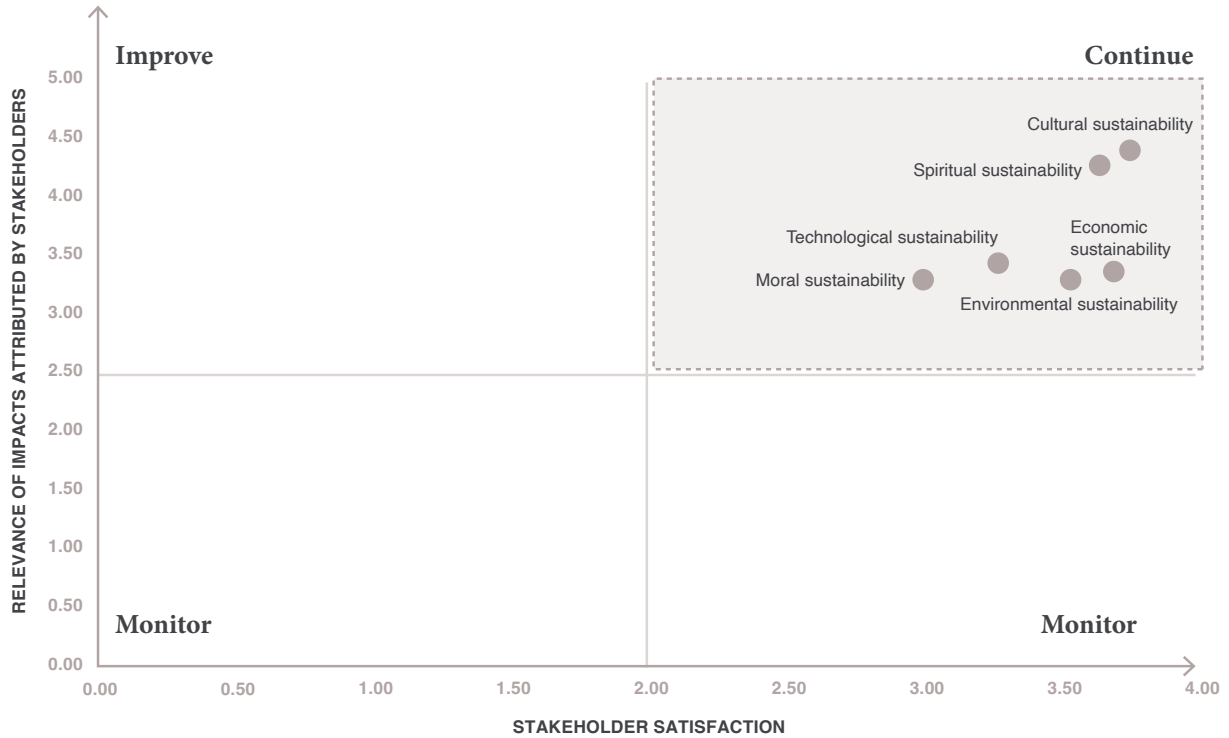
- Continuously **strengthen dialogue** and the **relationship** established over time with stakeholders;
- **Actively listen to stakeholders' expectations, demands and suggestions** regarding the Group's actions carried out in relation to the six forms of Human Sustainability;
- **Involve stakeholders directly** in updating the **materiality analysis** for the purpose of the Group's 2023 NFS (see *Addendum, Methodological note* section, for more technical details).

Specifically, the stakeholders involved were asked to express their opinion on their level of satisfaction with the initiatives, actions and projects that the Group has implemented or is developing with respect to the six forms of Human Sustainability, also offering points for reflection and improvement.

Determining the relevance and level of satisfaction with the forms of sustainability by the cluster of stakeholders examined: human resources, wholesale customers and suppliers, resulted in a stakeholder relevance-satisfaction matrix which over time will help us define the ways in which we can strengthen our commitment and meet the expectations of our priority stakeholders. According to the matrix (see Figure 18) the **highest rating was associated with Cultural Sustainability**, followed by Spiritual Sustainability. The aggregate ratings expressed by stakeholders place the perception of the Group's commitment to the six forms of Human Sustainability within the top right quadrant, which expresses the highest level of satisfaction and priority attributed by our stakeholders.

While spotlighting **a few aspects for improvement** – with particular regard to Moral Sustainability –, the stakeholders thus indicated that we should **continue along the current path** in the various areas of Human Sustainability.

Figure 18 - The stakeholder relevance-satisfaction matrix



Overall, the engagement activities organised for human resources showed very active participation and a strong consistency of perception and satisfaction on the part of the participants. Furthermore, various inputs were also collected from the return of questionnaires from wholesale customers and suppliers regarding new potential positive and negative impacts of the Casa di Moda relating to the product life cycle and education and awareness initiatives for consumers raw material suppliers.

Our goal for the coming year is to continue to strengthen the sharing and communication with all stakeholders of the ways in which our commitment to Human Sustainability is defined and the actions we take to reduce negative impacts and increase the benefit we can bring to Creation, people and the community.



RISKS AND OPPORTUNITIES: IDENTIFICATION, ASSESSMENT AND MANAGEMENT ALONG THE VALUE CHAIN

The **prevention** and **management of risks** that could jeopardise the achievement of the Group's objectives and business continuity and the clear **identification of opportunities** that can contribute to our project of respectful, healthy growth are a **strategic priority** for us.

Therefore, the Company has implemented an **ERM model** within its Internal Control and Risk Management System (“**ICRMS**”). The ERM model was developed taking into account the overall impact of the identified risks (so-called enterprise-wide risk assessment). From 2022, the scope of the assessment was extended to the Group's North American subsidiaries. This extension continued in 2023 to include the Chinese subsidiary.

The objective of the model is to define the key elements underpinning the identification, understanding, prevention and management of risks relevant to the organisation, with particular regard also to those related to Human Sustainability issues.

Precisely with reference to this, in the 2023 financial year the methodological structure of the ERM model was changed to take into account the main elements of the recent CSRD directive; as better specified in the *Methodological note* (see *Addendum*).

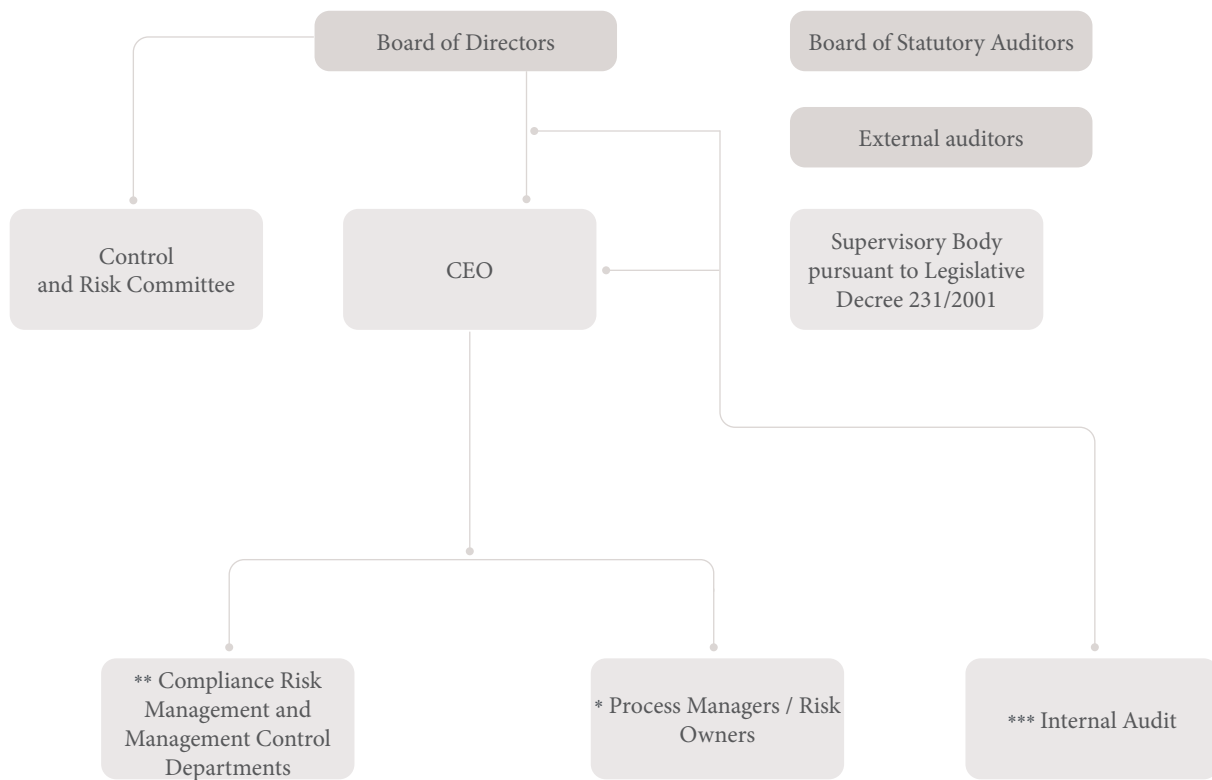
The ERM model adopted is based on the following principles:

- **Supporting decision-making processes** with the aim of integrating risk-based logic with opportunity assessment;
- Dissemination of a **risk culture** within the various organisational levels aimed at identifying risks, proactive and consistent with the value system of the Casa di Moda, with particular reference to the Four Decalogues. Special attention was paid to risks with possible implications for Human Sustainability issues;
- **Identification, prioritisation and management of main risks** (“Top Risks”);
- **Alignment with best practices** in risk assessment and management;
- **Adaptability of the model** to the evolution of the internal and external context.

The “**ERM Guidelines**” – approved by the Board of Directors in December 2021 among other things define responsibilities concerning the identification, analysis, assessment, management and monitoring of risks.

In fact, the ICRMS envisages the oversight and interaction of various corporate bodies and subjects, as summarised below, in alignment with the latest updates to Borsa Italiana’s Corporate Governance Code, which incorporate the new “three lines”²⁹ model underlying the ICRMS’s governance.

Figure 19 - The corporate bodies and functions involved in the Internal Control and Risk Management System (ICRMS)



Key

- * First line
- ** Second line
- *** Third line

More specifically, the BoD defines the guidelines of the system, periodically assessing its adequacy and effectiveness, and approves the work plan prepared by the Internal Audit (IA) manager. The Board defines the nature and level of risk compatible with the Company’s strategic objectives, including in its assessments all elements that may be relevant for sustainable success. The BoD also approves the ERM Guidelines, the Audit Plan and, on at

29 “Three Lines Model” instead of the previous “Three Lines of Defence”.



least a half-yearly basis, receives information on risks and the results of the IA Function's activities. It also gives its assessment of the ICRMS at least once a year, after consulting the CRC.

The Company's CEOs are responsible for identifying the main corporate risks and implementing the guidelines defined by the BoD. This also takes place through the implementation of the ERM model and Audit Plan.

In-depth analysis of the strategic risks of the Casa di Moda

In the 2023 financial year, as part of the ERM activities, a qualitative and quantitative analysis was conducted on the strategic risks of the Casa di Moda, in order to evaluate compliance with the risk appetite defined in relation to the strategic initiatives planned for the 2024 financial year. This in-depth analysis was conducted by the Internal Audit function, with the support of risk advisers, through a discussion with the CEOs on the analysis of the macroeconomic and sector variables likely to influence the plan assumptions relating to the prospects of respectful growth in 2024 and, in particular, the KPIs of the brick-and-mortar operations envisaged therein.

The discussion did not reveal any elements likely to compromise compliance with the risk appetite defined for the strategic initiatives examined.

Cyber Risk Management

During the year, with the support of a specialized consultancy firm, the ERM & Internal Audit and Technology departments refined a methodology for assessing the "Compromising Data Confidentiality, Integrity and Reliability" technological risk, mapped in the Enterprise Risk Management.

The objective is to increase the frequency of assessment of this risk, from annual to quarterly, in order to increase the Group's capacity to respond.

Implementation of this project was underway at the end of the financial year 2023.

The CRC supports the BoD's assessments and decisions regarding the ICRMS, as recommended by the Corporate Governance Code, which the Company has adopted. Specifically, the CRC:

- may express opinions on specific aspects related to the corporate risk assessment process;
- may examine periodic non-financial reports for the purposes of the ICRMS, as well as those prepared by the IA function;
- is responsible for monitoring the independence, adequacy, effectiveness and efficiency of the IA function;
- may request the aforementioned function to perform checks on specific operational areas of the Company, simultaneously notifying other entities of the ICRMS.

The Head of the IA function is hierarchically under the BoD and reports to the CEOs, the CRC, the BoD and the Board of Statutory Auditors.

The Board of Statutory Auditors has an internal supervisory power over the effectiveness of the system, which is flanked by the **Supervisory Body**, whose task is to oversee the operation of and compliance with the "Organisation, Management and Control Model" adopted by the Company pursuant to Italian Legislative Decree no. 231/2001 ("231 Model") and to ensure that it is updated.

The methodology underlying the ERM is based on allows us to obtain a complete representation of risk exposures and their prioritisation. Risks are first of all assessed at the “inherent” level by the function point persons involved for their area of interest (i.e. without taking into account the adoption of prevention and correction measures), based on probability and impact. Then, the “residual” risk assessment is calculated through the application of a risk reduction factor derived from the evaluation of existing control measures.

These assessments are conducted using metrics in which quantitative (e.g. economic-financial) and qualitative parameters have been calculated with the aim of facilitating the assessment of the various types of risk, including risks with ESG implications. Furthermore, the CEOs have the opportunity to incorporate a top-down view of identified risks.

The risks identified and assessed are then compared with the “risk appetite” and “risk tolerance” levels predetermined by the Board of Directors, with the support of the CEOs and the CCR, for each risk category and subcategory considered in the risk model defined within the ERM (see Figure 20). It is understood that all elements of the model are subject to periodic updating to incorporate changes in the internal and external context.

Figure 20 - Risk categories in the risk model

Strategic risks	Financial risks	Compliance risks	Operating risks		External risks
Business model: customers, channels, small craft enterprises 	Capital structure 	Compliance with external regulations 	Business continuity (related to internal factors/ small craft enterprises/raw materials)	Wholesale: single-brand and multi-brand 	Natural events/ climate changes
Strategic initiatives 	Market	Legal 	Retail 	Health and safety 	Competition
Governance 	Liquidity	Compliance with internal regulations 	People 	Environment 	Regulatory developments
Brand/ reputation 	Credit		ICT Systems 	Product quality (related to internal factors/ small craft enterprises/raw materials) 	Macroeconomic and socio-political changes
			Processes and procedures		External unlawful acts

ESG dimensions: Environmental Social Governance



In particular, during 2023, work was done to update the risk assessment campaign for the Parent Company and the North American companies (continuing with the work done the previous year) and the **first risk assessment was carried out for China**. For this latter purpose, a training workshop was organised to provide the managers of the Chinese subsidiary with all the methodological elements needed to identify and assess the risks correctly.

Overall, 31 risk owners were involved in identifying and assessing the risk scenarios and mitigation measures in place for each of the organisational units concerned.

The analysis carried out in 2023 revealed a total of **198 risks** (155 in 2022). The risks assessed and prioritised are shown in the Heat Map³⁰. Thanks to the existing controls, most of these risks are low in terms of residual risk. Moreover, seven risks were identified that were not aligned with the risk appetite defined by the BoD, albeit within tolerance limits.

Around 47% of the risks identified have environmental, social and governance implications, with a total of **93 ESG risks identified** (61 in 2022).

Confirming the integration of the multiple internal processes, the inherent risks that emerged from the 2023 ERM update, where related to ESG issues and considered material (see the *Materiality analysis* section), were used to define the negative impacts (risks) associated with potentially relevant issues to be submitted as part of the **materiality analysis** both to stakeholders and the management. These risks were further expanded by adding other elements of risk arising from what was mapped and reported in the previous NFS and the updated context analysis performed in 2023³¹. These same sources were also used to identify opportunities to bring to the attention of stakeholders involved in engagement activities and the Group's management for the assessment of positive impacts related to potentially relevant issues.

Below (see Table 7) are the results that emerged – in terms of negative and positive impacts – related to Human Sustainability. The table also includes the risks and opportunities identified in the context of the preliminary exercise carried out in respect of “financial materiality”³².

30 The Heat Map is a tool that allows us to obtain a two-dimensional representation of the identified risks (inherent risk and residual risk), within which the values are identified through the use of colours.

31 These latter sources of risk were also assessed by the Group's management, with specific reference to those who had already been previously identified as Risk Owners under ERM 2023. For the inherent risks that emerged from the ERM 2023 analysis, on the other hand, the assessments made by the Risk Owners when updating the risk assessment were taken into account.

32 See note 6.



Table 7 - Results of the 2023 materiality analysis

Material topics	Impact materiality (inside-out perspective)	Financial materiality ³³ (outside-in perspective)
Environmental sustainability		
Procurement and management of raw materials	Positive: Implementation of mechanisms that promote design changes in favour of circularity and the reduction of the environmental impact, with particular reference to the longevity of the garments	Opportunity: Development and placement on the market of substitute materials that are able to ensure the same quality for the final product, which makes it possible for the Casa di Moda to diversify the raw materials
	Positive: Reduction in the environmental impact generated along the Group’s value chain through the use of replacement materials, seeking out alternatives during garment design	
	Negative: Selection of materials for the Collections that do not reflect the principles of environmental sustainability	Risk: Reduced availability of raw materials compared to business needs as a result of climate change
	Negative: Reduced level of technological innovation of the creative phase of the Men’s/ Women’s Collections, also from the point of view of improvements in efficiency/sustainability	Risk: The development of norms or standards limiting animal exploitation for the production of raw materials or the imposition of import/export limits
Combating climate change	Positive: Reduction in the impact of emissions through the progressive adoption of production technologies with reduced emissions impact (e.g. energy efficiency initiatives)	Opportunity: Increase in competitiveness and reputation thanks to actions for reducing the environmental footprint that were started to contribute to the mitigation of climate change
	Negative: Environmental impact linked to business operations higher than the prefixed limits (even if within the legal limits)	Risk: Unavailability/malfunctions of ICT systems/data networks/applications due to natural/accidental events Risk: Legislative or regulatory developments in climate change and lack of corporate climate governance/strategy
Sustainable supply chain management	Positive: Development and sharing with raw material suppliers of responsible conduct, together with the adoption of control and verification tools, so as to actively contribute to the maintenance of a business model that operates in “harmony with Creation”	
	Negative: Suppliers/small craft enterprises not complying with the Group’s value system, with respect to environmental sustainability	

33 See note 6.



Material topics	Impact materiality (inside-out perspective)	Financial materiality ³³ (outside-in perspective)
Balance between giving and taking in relationships with Creation	Positive: Reduction or elimination of the use of hazardous chemicals in production processes through increased collaboration with raw material suppliers, together with the adoption of control and verification tools	
	Negative: Water pollution due to inadequate management of laundry discharges	Risk: Disruption of business continuity (e.g. warehouse operations/business support activities) due to extreme natural events
	Negative: Soil/water pollution linked to inadequate waste management	
	Negative: Loss of biodiversity resulting from an unregulated use of soil and deforestation carried out for the purposes of corporate construction	Risk: Perception by external stakeholders that the principles of environmental sustainability were not or were not sufficiently distributed within the Group
	Negative: Strategic initiative (e.g. new line/product) perceived as not in line with the principles of environmental sustainability	
Economic sustainability		
Sustainable growth and healthy profitability	Positive: Implementation of sustainable investments, using the role of finance to implement innovative solutions	Opportunity: Potential economic-financial benefits for the Casa di Moda deriving from sustainable finance policies (e.g. SFDR) Opportunity: Possible increase in sales resulting from the ability to intercept customer's increasing orientation towards more sustainable products
		Risk: Counterfeiting (eyewear line)
	Negative: Violation of the Intellectual Property regulations (e.g. trademarks, drawings, patents)	Risk: Disputes by the tax authorities concerning ordinary transactions (e.g. VAT/tax credit offsetting/transfer pricing) or concerning extraordinary transactions (e.g. purchase of a business, mergers, demergers)
	Negative: Offence of abuse of privileged information (e.g. insider trading)	Risk: Dissemination of strategic information by suppliers/small craft enterprises Risk: Presence of BC garments in unauthorised stores (i.e. parallel sales)
	Negative: Compromise of the brand reputation with impacts on the share price due to internal factors	Risk: Misappropriation of funds by external parties (e.g. fake president fraud) Risk: Misappropriation of finished goods from the warehouse
	Negative: Non-fulfilments with reference to requirements of disclosure (e.g. periodic and continuous information) to the market and Consob	Risk: External fraud schemes within the scope of e-commerce Risk: Worsening of financing conditions due to internal factors



Material topics	Impact materiality (inside-out perspective)	Financial materiality ³³ (outside-in perspective)
Brand identity	Positive: Exclusivity and brand allure as an opportunity to develop/promote local quality and craftsmanship	Opportunity: External perception of the brand as a positive example of adoption of key sustainability principles and consequent value generation for the Casa di Moda
		Risk: Infringement of the Group's intellectual property by third parties (e.g. trademarks, drawings, patents)
		Risk: Harm to the Group's reputation due to external factors
		Risk: Compromise of the uniqueness/sophistication of the collection for reasons attributed to suppliers
	Negative: Products and fragrances (e.g. products/lifestyle line) that do not comply with the Brunello Cucinelli quality standards (potentially harmful for the end customer)	Risk: Compromise of the brand reputation with impacts on the share price due to external factors
		Risk: Reduced protection of the Brunello Cucinelli trademark online
Special and authentic relationship with the customer	Positive: Ability to recognise the needs and trends and respond effectively	
	Positive: Constant, continuous strengthening of the relationship of trust with the customer over time	
	Negative: Accidents involving customers in shops	Risk: Litigation with customers/associations (i.e. class action)
	Negative: Partial accessibility of contents of the e-commerce channel to users with disabilities (e.g. low vision and visual disturbances, epilepsy, motor limitations, etc.)	
	Negative: Partial accessibility to shops by people with motor disabilities	
	Negative: Failure to update the business model to changes in customer purchasing preferences/behaviour (Men's style and Women's style)	



Material topics	Impact materiality (inside-out perspective)	Financial materiality ³³ (outside-in perspective)
Cultural sustainability		
Support for local communities and the surrounding region	Positive: Support for the redevelopment of the region and the promotion of the local artistic and cultural heritage	Opportunity: Development of partnerships with local actors resulting in the generation of value for the Casa di Moda Risk: Perception by external stakeholders of a lack of/incomplete support by the Group for local communities
	Positive: Promotion of the moral and economic dignity of local communities	
Quality and craftsmanship Made in Italy	Positive: Job creation and development of the local economy, promoting the local heritage and artisan skills	Opportunity: Enhancement of the brand thanks to higher employment and local development Risk: Unavailability in the market of the artisan skills necessary for business requirements
	Positive: Promotion of the Made in Italy model	
Spiritual sustainability		
Dignity and beauty in the workplace	Positive: Development of the art and beauty of the Casa di Moda workplaces to offer workers better conditions from the point of view of personal wellbeing and promote greater creativity	Opportunity: Increase of talent acquisition and retention thanks to offering high quality work locations and conditions
	Positive: Development of the art and beauty of the workplaces of craft enterprises to offer workers better conditions from the point of view of personal wellbeing and attract young artisans	
Technological sustainability		
Digitalisation and Artificial Intelligence	Positive: Use of technology and the “right” artificial intelligence that is open and available to everyone and is able to generate positive impacts to the service of humanity and the Creation	Opportunity: Increase in business competitiveness thanks to the mature and thoughtful use of technology, including Artificial Intelligence Risk: Unavailability/malfunctioning of social profiles /websites (i.e. Instagram, Pinterest, WeChat, TikTok, YouTube, Spotify) due to a logical attack Risk: Unavailability/malfunctioning of the e-commerce site due to a logical attack
	Positive: Digitalisation of processes as a lever for increasing efficiency and flexibility along the entire value chain (small craft enterprises, suppliers)	



Material topics	Impact materiality (inside-out perspective)	Financial materiality ³³ (outside-in perspective)
Moral sustainability		
Diversity, Inclusion and Equity	Positive: Promotion of diversity at Brunello Cucinelli	Opportunity: Improvement in the internal and external perception as a result of a respectful and inclusive corporate climate of diversity
	<p>Negative: The perception by the human resources that the values of diversity and inclusion were not or were not sufficiently distributed within the Casa di Moda</p> <p>Negative: Communications campaign not in line with the needs/characteristics of the markets the Group operates in</p>	Risk: Perception by external stakeholders that the values of diversity and inclusion were not or were not sufficiently distributed within the Group
Protection of human rights and dignity of work	<p>Positive: Strengthening of the protection of fundamental human and labour rights through an increased focus on personnel aspects in the supply chain, in keeping with the principles underlying the Group's philosophy</p> <p>Positive: Promotion of a business culture that protects the work-life balance of employees, their satisfaction and whose final aim is the good of the person</p>	Opportunity: Increasing competitive advantage and reputational impact thanks to the Casa di Moda overseeing the protection of human rights in advance of increasing legislative requirements (e.g. Corporate Sustainability Due Diligence Directive)
	Negative: Suppliers/small craft enterprises not complying with the Group's value system, with reference to social and moral sustainability, with particular reference to aspects such as forced labour and child labour	Risk: Selection of wholesale partners that do not comply with the Group's value system
Dignity and responsibility: focus on the development and wellbeing of human resources	Positive: Strengthening of the Group's capacity to support, train and develop its existing human resources	Opportunity: Increase in the reputation and business competitiveness resulting from the ability to recognise the training needs of human resources
	Negative: Insufficient promotion of human resources at the Casa di Moda in professional and personal terms	Risk: Difficulties in finding specific resources and/or skills in the market or attracting them, mainly related to the increasing market demand for flexibility
	Negative: Internal level of skills/knowledge lower than what is needed for the career path of human resources as a result of an insufficient training offer dedicated to them	Risk: Difficulties in finding specific resources and/or skills in the market or attracting them, with reference to sales personnel
	<p>Negative: Harm to the psychological-physical wellbeing of employees (e.g. balance between work and private life, risk of burnout)</p> <p>Negative: Reduction in the moral of human resources and/or increase in the rate of resignations due to the post-pandemic situation</p>	Risk: Labour law disputes



Material topics	Impact materiality (inside-out perspective)	Financial materiality ³³ (outside-in perspective)
Human Privacy	<p>Positive: Harmonisation of the sensitive data management model within the Group, taking the highest legal standards in force to date as a reference</p>	
	<p>Negative: Risk of inability by the Group to meet requests from data subjects or failure to meet legal deadlines (e.g. deletion, access to data, rectification of data, withdrawal of consent)</p>	
	<p>Negative: Compromise of the confidentiality/availability/integrity of customer and human resource data due to internal factors (i.e. non-conformity of procedures, governance, applications in terms of privacy) and/or external factors (e.g. suppliers responsible for processing data for which the Casa di Moda is the data controller)</p>	<p>Risk: Compromise of the confidentiality of strategic business data/price sensitive data due to a logical attack</p>
Ethics, integrity and anti-corruption	<p>Positive: Raising employees' awareness of proper conduct and developing an ethical corporate culture based on the values of legality, fairness and honesty</p>	
	<p>Negative: Harm to the reputation of the Casa di Moda due to internal factors</p>	
	<p>Negative: Internal fraud in the management of cash outflows</p>	
	<p>Negative: Misappropriation of garments by store employees</p>	
	<p>Negative: Failure to disclose relevant information to the market (governance changes, for example).</p>	
Occupational health and safety	<p>Negative: Selection of suppliers / small craft enterprises without assessing the professionalism, reliability, level of quality, integrity and economic convenience of the counterparty</p>	
	<p>Negative: Outbreak of occupational diseases related to the activities carried out by the human resources of the Casa di Moda</p>	
	<p>Negative: Risks associated with short or medium-term international mobility with possible harm to the safety/ security of personnel</p>	
	<p>Negative: Spread of infective diseases/epidemiological emergencies with an impact on the health and safety of employees</p>	
	<p>Negative: Risk of accident when performing work activities and/or related to interference (specific risks of the location), both in reference to the human resources of the Casa di Moda as well as to collaborators of suppliers and craft enterprises</p>	



Table 8 below offers a focus on risks and opportunities related to climate change, with evidence of how these impacts – actual and potential – have a capacity to influence the Company’s business strategy and financial cash flows.

The main risks identified are those arising from environmental damage attributable to the organisation’s operations and/or from inefficient resource management or risks arising from the occurrence of natural events (such as earthquakes and floods) and/or related to climate change, both in terms of **physical risks**, that is more frequent extreme weather events or gradual climate change, and in terms of **transition risks**, that is related to the transition to a low-carbon economy and the resulting government policies.

The Group’s current exposure to the consequences of climate change is limited.

Table 8 - Risks, opportunities and financial implications connected to climate change

Risk	Type of risk	Potential financial/strategic implications	Management method
Disruption of business continuity (e.g. warehouse operations/ business support activities) due to extreme natural events	Physical	Costs and lost revenues resulting from the inoperability of the Solomeo warehouses (potentially subject to floods). Resulting costs due to recovering the activities. The economic-financial impact of this risk, even if present, is considered insignificant based on ERM metrics.	<ul style="list-style-type: none"> • Installation of a bulkhead system in case of flooding and training of personnel to make them capable of coping with such an eventuality. • Continuous factory presence. • Organisation of products in the warehouse in order to prevent damage in the event of flooding. • Preparation of written procedures for emergency actions.
Reduced availability of raw materials compared to business needs as a result of climate change	Physical Regulatory	Increased direct costs for the purchase of raw materials as a result of sourcing more sustainable materials to replace virgin raw materials (e.g. packaging materials such as virgin plastic). Capital expenditures are also set to rise, as large investments may also be needed to implement a system for recovering and reusing scrap.	Orientation of purchases of virgin raw materials towards recycled materials (plastic and cardboard substitution initiatives already implemented) and evaluation of the opportunity to develop recovery/re-use initiatives of production scraps with the aim of reintroducing scrap into the production cycle (limited to packaging) as recycled materials, in full compliance with the principles of circularity.
Unavailability/ malfunctions of ICT systems/data networks due to natural/accidental events	Physical	The occurrence of natural events – the probability of which is amplified by climate change – can lead to damage to the Group’s operational structures and also to problems in terms of unavailability and/or malfunctioning of ICT systems or data networks. This could therefore have a direct negative impact on the Group’s business continuity.	<ul style="list-style-type: none"> • Physical protection measures (e.g. alarms, fire and flood protection systems, smoke detection system, etc.). • Consolidation of business continuity in ICT. • Definition of disaster recovery plans by ICT Management. • The development of a disaster recovery manual is currently in progress. • Architecture on premises included in Business Continuity in 2017, updated and improved in terms of performance • UPS room • Data backup • IBM disaster recovery site in Milan



Risk	Type of risk	Potential financial/strategic implications	Management method
Legislative or regulatory developments in climate change and lack of corporate climate governance/strategy	Regulatory	<p>In the current scenario, the European Green Deal aims to transform the European Union into a resource-efficient and competitive economy where economic growth is not directly proportional to resource use.</p> <p>In this sense, the European Green Deal and the approach of new climate laws could profoundly influence future day-to-day operations. For example, from an operational point of view, new electrical installations may be needed to replace natural gas consumption for both heating and production.</p> <p>Furthermore, the financial community is increasingly interested in understanding the sustainability performance of companies (with a focus on climate change). As a result, requests to disclose and improve sustainability performance are steadily increasing. Therefore, in the event of non-disclosure, the Company may suffer a negative impact in terms of reputation and access to investments.</p> <p>The same effect would occur if the Group did not achieve the publicly declared targets set out in the Sustainability plan, with particular reference to its climate strategy.</p> <p>At the same time, non-alignment with current and future climate laws could lead to an increase in indirect costs, as well as a possible emergence of sanction risks.</p>	<ul style="list-style-type: none">• Replacement of natural gas used for production and heating with electricity where possible.• Definition of the Group's emission trajectory up to 2028.



Risk	Type of risk	Potential financial/strategic implications	Management method
Opportunity	Type of opportunity	Potential financial/strategic implications	Management approach/investments made
Reduction in the impact of emissions through the progressive adoption of production technologies with reduced emissions impact (e.g. energy efficiency initiatives)	Other		Progressive adoption of production technologies with reduced emissions impact (e.g. energy efficiency initiatives)

GRI 201-2 Financial implications and other risks and opportunities due to climate change

ETHICAL BUSINESS MANAGEMENT

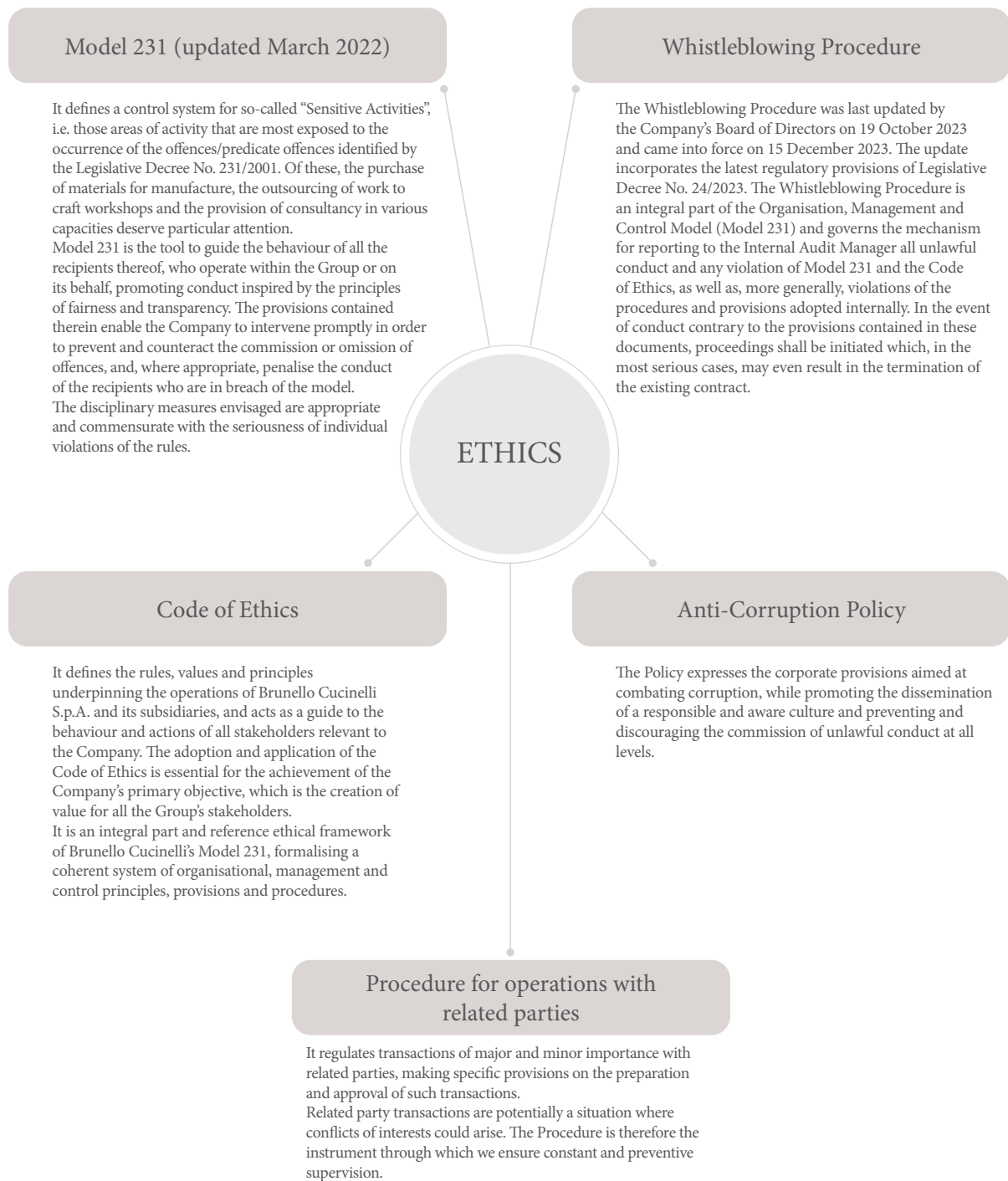
Compliance with the law, honesty, transparency, propriety and good faith guide all our actions, as well as the definition of our objectives to contribute to the creation of sustainable development.

In order to ensure the correct application of these principles and ethical business management, over time the Group has equipped itself with various tools, including the 231 Model, the Code of Ethics, the Anti-Corruption Policy, the Whistleblowing Procedure (pursuant to Italian Law no. 24/2023), the Procedure for Transactions with Related Parties, the Internal Dealing Procedure³⁴ and the Procedure for the Management of Inside Information³⁵ (see Figure 21).

³⁴ Last revision made in 2017.

³⁵ Last revision made in 2017.

Figure 21 - The tools supporting ethical business management





The Supervisory Body³⁶ – pursuant to Legislative Decree 231/2001 – is responsible for monitoring the operation of and compliance with Model 231 and ensure its update.

The Whistleblowing Procedure details the processes that guarantees the possibility for everyone, physical and legal persons who have or have had contractual relationships with the company, to report any complaints about improper conduct conflicting with the principles and provisions contained in these documents.

Reports may be made anonymously or by name, the latter being recommended in order to allow a more effective and efficient investigation where necessary, always ensuring the complete protection of the whistleblower or of anyone cooperating with the investigation against any acts of retaliation. During 2023, the whistleblowing procedure was reviewed pursuant to Legislative Decree 24/2023 and, in this context, the Internal Audit Manager was assigned, in replacement of the Supervisory Board, as the person assigned to receive the reports and manage them. The Internal Audit Manager therefore is obligated to involve the Supervisory Board when their expertise is identified and, furthermore, if the Internal Audit Manager is one of the persons involved in the report, the platform makes it possible to forward the reports directly to the Board of Statutory Auditors.

The channels made available for reporting are as follows:

- **e-mail** to the address internal.audit@brunellocucinelli.it;
- **printed letter**, send to the address “Brunello Cucinelli S.p.A. – Viale Parco dell’Industria n. 5, Solomeo – 06073 Corciano (PG) – Italy”. The letter must be addresses exclusively to the attention of the Internal audit department and marked as “STRETTAMENTE CONFIDENZIALE / STRICTLY CONFIDENTIAL”;
- **reporting channels** that protect, also by using encryption tools, the confidentiality of the identity of the informant, of the person involved and the person mentioned in any case in the report, as well as the content of the report and the relative documentation during the phases of managing the report, pursuant to and within the limits of art. 4 of the Whistleblowing decree;
- **registered letter**, sent in a closed envelope to the registered office of Unione Fiduciaria (to the attention of the Bank Consulting and Financial Intermediaries Area), which will manage the identity of the informant pursuant to the provisions of the Whistleblowing Decree. The letter must have the following text on the envelope: “WHISTLEBLOWING BRUNELLO CUCINELLI – STRETTAMENTE CONFIDENZIALE / STRICTLY CONFIDENTIAL”;
- in oral or written form, through the application “**Comunica Whistleblowing**” (Communicate Whistleblowing) which can be accessed from the section “Corporate governance / Whistleblowing” of the Group’s investor website at <http://investor.brunellocucinelli.com>, following the related instructions. This application is managed by a third party and guarantees, with IT methods, the confidentiality of the identity of the informer, of the involved person and the person mentioned in the report, as well as the content of the report and the relative documentation.
- **ANAC web portal** (IT platform provided by the National Anti-Corruption Authority) only in the cases provided for by the procedure.

The party responsible for receiving and examining these reports is the Internal Audit Manager, who s required to perform a prompt, thorough investigation in compliance with applicable law and the principles of fairness, impartiality and confidentiality vis-à-vis all the parties involved. The report management model adopted by the Company is extended to all the subsidiaries that have adopted a whistleblowing procedure pursuant to the applicable regulations.

³⁶ The Supervisory Board currently in office was appointed on 27 April 2023 by the Shareholders’ Meeting of Brunello Cucinelli S.p.A. and will remain appointed until 31 December 2025.



The BoD receives reports regarding all those actions and/or facts that can be abstractly qualified as relevant, through:

- Information flows from the Supervisory Body pursuant to Legislative Decree 231/2001 to the BoD (which did not report relevant critical issues in 2023 pursuant to Legislative Decree 231/2001);
- Information flows from the IA Function to the Control and Risk Committee, the Board of Statutory Auditors and the BoD.

Further critical issues may be communicated to the highest governing body by the CEOs (competent for the establishment and maintenance of the ICRMS, as per the Corporate Governance Code), as well as through other information flows coming, directly or indirectly from other corporate functions (e.g. Workshop and Supplier Information Function, Financial Reporting Officer, DPO, functional delegates of employers).

Within the Group, in order to promote virtuous conduct by human resources so as to ensure the dignity of everyone's work according to a fair and honest working method, the Company ensures accurate disclosure of the contents and principles expressed in the aforementioned instruments.

In particular, the communication and training activities related to Model 231 were adapted according to the recipients and implemented according to the principles of completeness, clarity, accessibility and continuity to permit full awareness of the company's provisions that must be observed as well as of the ethical rules that must inspire the conduct of everyone. In 2023 as in previous years, all members of the BoD as well as all employees of the Group were the recipients of communications on the subject through the distribution of relevant documents.

Training takes place through periodic meetings organised by the Supervisory Board with the Company's employees who could potentially commit the type of predicate offence under consideration. These occasions also allow for an in-depth examination of the impact of the relevant regulations on the company's business.

All employees have been informed about the adoption of the Anti-Corruption Policy. Furthermore, the procedures pursuant to Art. 154 bis of the Consolidated Law on Finance (TUF), also referenced in Model 231, were published on the company intranet and are available to all Group employees. Specific training has not yet been provided on the Anti-Corruption Policy. There has instead been "*on the job*" training regarding some specific procedures pursuant to Law 262/2005 and Legislative Decree 231/2001. Contracts with the main suppliers and external collaborators (including small craft enterprises) also mention the adoption of the Anti-Corruption Policy by Brunello Cucinelli S.p.A. (and in some cases the contact includes the consequences in the case the conduct of the contractual counterparty breaches this policy).

The Company's objective is to also communicate the contents and principles of the Model to those who, while not bound by employment relationships, contribute – even only occasionally – toward achieving the objectives of the Casa di Moda by virtue of other contractual relationships.

For example, in the case of small craft enterprises, the Company is committed also to an activity of "moral suasion", emphasizing, when necessary, the importance of the principles and values at the foundation of the Group's business, which therefore must be an inspiration to the conduct and actions of the Company's strategic partners.

In 2023 a verification was carried out concerning a whistleblowing case reported regarding some managers in China. The investigation performed, also with the aid of an external party, did not identify responsibility of the managers indicated in the report.



The Group's approach to taxation

Paying taxes is a value, a duty and at the same time an act of respect towards the society we are part of, towards our neighbours. The same is true for profit, which must be harmoniously commensurate.

The following box provides an in-depth look at the Group's taxation and tax strategy.

Sustainability, legality and transparency: our approach to taxation

In the context of moral sustainability, we consider it fundamental to respect the laws, including the fair payment of taxes in our country, which is a source of economic value creation and social development for the nation.

Legality, transparency, correctness and honesty – the core values at the basis of the company's philosophy, which are also referenced in the Code of Ethics – inspire and are reference points when managing the tax assets by the Brunello Cucinelli Group.

Legality, by means of conduct oriented towards observance of the tax regulations applicable in the countries where the Group operates.

Transparency, by means of a relationship with tax authorities based on dialogue and maximum collaboration.

Correctness and honesty, by means of a business decision that is always aimed at not using so-called “instrumental tax planning” schemes created only for reasons of tax benefits. Consistent with and in application of these values, which are shared by all entities belonging to the Group, our approach to taxation aims to:

- Ensure the correct and timely determination and payment of taxes due by law and compliance with related obligations;
- Mitigate tax risk, understood as the risk of violating tax laws or abusing the principles and purposes of the tax system. Top management is informed about the tax impacts of all strategic and operational business operations, both planned and to be implemented, thus ensuring that any decision taken in the tax area is consistent with the Group's tax strategy.

The Chief Financial Officer (CFO) and Financial Reporting Officer are responsible for the Group's tax activities. Among other things, the CFO is responsible for managing and supervising all Italian and foreign activities aimed at guaranteeing the timely fulfilment of tax obligations and managing any tax assessments and related disputes.

The CFO is supported by the Co-CFO, as well as by an internal “Tax Team” dedicated to the proper management of the taxation of the Group's Italian and foreign companies, made up of top-level figures (Executives and Managers).

The organisation also relies on the advice of external professionals, including:

- Tax consultant for Italy, with whom the Group has worked for over 15 years;
- International tax consultant, specialised in Transfer Pricing for many years;
- Specific tax consultants in the various countries the Group operates in.



The Group is committed to applying the tax laws of the countries in which it operates, ensuring that the spirit and purpose that the regulations, or more generally the legal systems, envisage for the specific tax matter being interpreted are respected. In managing tax matters, the Group is guided by principles and approaches of prudence, simplicity and linearity. The Group adopts a reasonable and responsible interpretation of the regulations in force, and, in consideration of the significance of the case, it may seek the support of external professionals, trade associations and the external auditors appointed to certify the financial statements.

Group companies can benefit in a legitimate, transparent manner from incentives and tax breaks envisaged by the current laws in the various countries. Intragroup relationships are regulated, for tax purposes, based on the *arm's length principle*, as defined by OCSE, with the purpose of aligning the transfer conditions and prices with the effective locations of the creation of value within the Group. The method applied by Group for the sale of finished products is the **Transactional Net Margin Method (TNMM)**. To limit the tax risks and seek prior certainty, the Group has a positive view of the stipulation of the ruling (*Advance Pricing Agreements – APA*) with local tax authorities regarding the definition of methods for determining transfer pricing.

For this reason, on 26 February 2021 Brunello Cucinelli USA Inc, following a similar application presented by Brunello Cucinelli S.p.A. on 29 December 2020, forwarded the request for a bilateral *Advance Pricing Agreement* between Italy and the United States of America to regulate the commercial transactions related to the Group's most important foreign market, for the purpose of transfer pricing.

During September 2023, the company and the United States subsidiary concluded with the respective tax authorities (*Agenzia delle Entrate* and the Internal Revenue Service, respectively) a bilateral agreement that applies, also reactively, to the five-year period 2020-2024.

The above-mentioned methods for managing the tax risk were assessed in the risk assessment activities carried out within the ERM framework, in terms of the ability to reduce its probability and/or the identified impacts. The residual tax risk thus assessed was in line with the appetite defined by the Company.

The Brunello Cucinelli Group is aware that by developing its business, it has the opportunity to contribute to the tax revenues of the countries it operates in, thus supporting the economic and social development of the various regions. It is also aware of the importance that these financial flows have for collective wellbeing, and therefore conducts itself in a manner consistent with the principles mentioned above.

Specific reporting information for 2021-2023 is provided below for homogeneous geographical areas³⁷.

(€/000)	Italy			Europe			Americas			Asia			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Tangible assets other than liquid assets ³⁸	83,635	96,303	130,984	20,373	24,304	23,230	44,666	51,506	49,318	23,952	23,803	19,577	172,626	195,915	223,109
Revenues from intra-group transactions	243,465	374,871	436,803	1,462	2,155	2,880	3,302	3,316	3,783	8,638	10,966	17,624	256,867	391,308	461,090
Income tax paid	3,607	26,867	76,287	648	233	342	2,690	2,568	6,241	835	1,606	806	7,781	31,275	83,676
Employees (FTE)	1,138.20	1,224.80	1,415.3	282.5	282.4	288.5	287	332.3	400.9	452.5	468.9	518.6	2,160.20	2,308.40	2,623.3

GRI 207-4 Country-by-country reporting

³⁷ For further information, refer to the Report on Operations of the Board of Directors.

³⁸ The value was adjusted for the three-year period following a change to the calculation method.



Safeguarding of the universal human rights

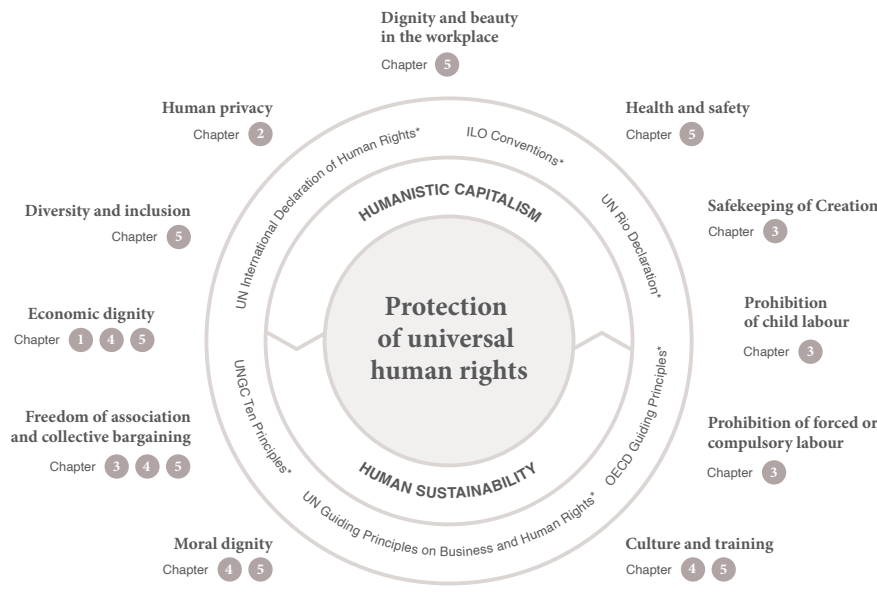
The protection of and respect for human rights inspires the Casa di Moda’s entire value chain, from the management of human resources to the organisation of the production process, the attention to human relations with small craft enterprises, and even the unique relationship we share with our friends of the brand.

We view universal human rights according to a **holistic and inclusive approach** that therefore is targeted towards including all the rights set out by the **United Nations’ Universal Declaration of Human Rights** of 1948, by the **Conventions of the International Labour Organisation**, in particular Convention no. 111 on discrimination, and by the **1992 Rio Declaration** with specific reference to the right of human beings to a healthy and productive life in harmony with nature.

We act in accordance with the United Nations Guiding Principles on Business and Human Rights, the OECD Guiding Principles and the Ten Principles of the United Nations Global Compact (UNGC), with particular regard to the six principles related to the protection of human rights.

The following infographic highlights the controls implemented by the Group with reference to the safeguarding of universal human rights, for which we are committed to guaranteeing just and increasingly attentive protection and promotion, also as a part of our large project called “*The universal working conditions for human being and our idea of a beautiful factory*”.

Figure 22 - Our safeguarding of universal human rights



* International sources that the Company has referred to for an overall analysis of its impact on human rights (with regard to the Ten Principles of the United Nations Global Compact, the six Principles relating to human rights were given particular consideration)



HUMAN PRIVACY

We consider human privacy as the **genuine and discrete approach to communication and use of personal data**, at the basis of all moments of interaction both with our human resources as well as with customers. Our intention is in fact to create a relationship of respect and trust whose foundations are not based on the quantity of the data and information collected and transferred, rather more on the quality, from the collection of customer data in the boutiques, on the website or during events, when making a purchase at a boutique or online, used for communication, until post-sales support;

In compliance with European legislation on the protection of personal data, the Company has taken appropriate measures to minimise exposure to risks arising from any non-compliance with laws or deriving from the compromising of such data as a result of loss, theft, destruction and alteration of the information collected.

In particular, the DPO (*Data Protection Officer*) was appointed internally at Brunello Cucinelli S.p.A. in order to monitor the observance of current applicable regulations and provide support and consultancy when assessing and minimising the risks related to the processing of personal data in light of the nature, area of application, context and purposes of this processing. The DPO was also entrusted with the central coordination of privacy-related activities carried out by the various Group companies.

The creation of the **Human Privacy Committee** made it possible to optimise the Company's organisational structure on a privacy level, defining the role of the DPO and the relationships with the CEOs and other company functions, distinguishing this figure with respect to other functions and with respect to decision-making activities, also in order to guarantee greater involvement of offices with decision-making powers regarding issues inherent to privacy and data protection. With regard the Human Privacy Committee, the DPO has a listening and advisory role regarding specific agenda items.

The Company only requests and processes the data necessary for the performance of its activities, in accordance with the principles of **necessity, lawfulness, propriety, transparency, minimisation, accuracy, integrity and confidentiality**.

The same approach is adopted for the processing of the personal data (also "special") of human resources in observance of current regulations and in compliance with GDPR and the provisions and recommendations of the Antitrust Authority for the protection of personal data, guaranteeing the respect of inviolable human rights, such as the **right to confidentiality and the right to non-discrimination**.

The Company's **Privacy Policy**, pursuant to articles 13 and 14 GDPR, has been made known by means of publication on the company's website, on the e-commerce site and is contained in the digital customer card, as well as in other company disclosures (e.g. disclosures to suppliers and third parties). In particular, customers use the **digital customer card** to freely express their informed consent regarding the sharing of personal information and its processing for the specific purposes expressed by the Company. The digitisation of the data collection and management process, carried out through a cloud-based system by means of a special IT management system, permits the company to guarantee its customers better management of their data, and consequently greater protection.

Thanks to the controls in place, we can state that in 2023, as in previous years, the Company received no complaints from its customers about violations of current regulations.



Moreover, with specific regard to the relations between the Company and its suppliers, where necessary the Company shares its privacy management model with these partners, providing them with its own instructions and checklists if they process personal data on its behalf.

The Company's intention to extend monitoring also to other regions in which it operates was put into practice starting in 2021 with the development of the “**Compliance Data Protection Worldwide**” project, finalised for the implementation of a plan for adaptation to GDPR and the relative local regulations of Group companies, which started in 2022. This will help achieve a Group privacy compliance standard substantially aligned with the GDPR model, the most advanced at an international level to date.

More specifically, the adaptation project has three levels of action:

- **Adaptation**: in October 2022 an audit/assessment of the Group companies was started by local specialised consultants, who were mainly coordinated centrally by the external Italian consultant with the support of the DPO. The gap analysis that was performed provided the Company with detailed reports on the individual entities that were analysed; specific remediation plans were defined based on this analysis;
- **Awareness**: through the performing of e-learning training activities – on the “Sympto” platform – on the “legal design” model, which aims to involve boutique collaborators all over the world and the staff functions who work in close contact with them with operational training customised for the operational situation of the boutiques. This training, with compulsory attendance, was delivered in 9 languages, thus ensuring full participation;
- **Localisation of the Brunello Cucinelli S.p.A. privacy management model**: through the extension, with suitable adaptations, of the Company's privacy management model that was adapted to the GDPR standard as well as the various situations of the EU and extra-EU territories.

The implementation of the assessment phase was carried out with the use of checklists prepared by the external consultant and managed centrally by that same consultant with the support of the DPO. The related activities were carried out in the field by the external consultant's local correspondents with the involvement of local point persons in the various regions (including Regional Managers, Area Managers and Functional Managers), since there were no dedicated data protection resources at the local level.

In continuity with 2022, the year when assessments were carried out in Germany, Belgium, Spain, Austria, Switzerland, China, the United States, Canada, Greece and the United Kingdom, the assessment dedicated to France was carried out in 2023. The second step was started for these countries, with the development of a “*remediation plan*” that includes the creation of a privacy model comprised of a set of policy, procedure, informative and instruction documents to be implemented at Group subsidiaries. The second step of this process is currently in progress and is comprised of a case study of reference to be used for the assessments that will be started by the end of 2024 in the remaining areas, including Japan, Russia, Macao, Taiwan, Singapore, Hong Kong and Dubai.

The “*Incident rapid response*” project related to the management of personal data breaches on a worldwide level was developed during 2023 on an international level and with the help of external consultants. Therefore an external operations team was created comprised of resources part of the structure of the same consultant in charge of the on-going “*Compliance Data Protection Worldwide*” project, which is available 24/7, and accessible by means of a telephone number and a dedicated email, as a point of contact for the single local point persons identified for each subsidiary. This initiative aims to optimise the times for resolving reports in the case of incidents (also only “suspected”) that can involve personal data. The task of the operations team is to examine the report received from local point persons and interface with them to collect information or elements that can be useful for analysing the reported event as well as to provide precise instructions for managing the event in light of specific local regulations



of reference, thereby reducing the barrier of time differences and language differences. This ensures specialised and expert legal assistance regarding the specific local regulations; this service will be activated during 2024.

With regard to the second prong dedicated to training, note that the provision of compulsory GDPR training for the Retail area continued in 2023. Furthermore, a new module of GDPR training course was implemented in December (translated into 9 languages) specifically dedicated to data breaches.

Also the organisation of induction meetings were continued with new CRM resources as well as with boutique staff (Store Managers, Client advisors) and one-to-one talks were conducted with the corporate offices (CRM, Customer Care, Digital Marketing, E-commerce, IT, Human Resources and Personnel Administration) considered strategic in terms of processing the personal data of customers and employees.

In compliance with GDPR, before starting new projects and/or changing the processing activities that could have relevant impacts on the rights and freedoms of the data subjects, the company is required to perform **privacy impact assessments** (*Data Protection Impact Assessment - DPIA*), with which it can create a balance between the benefits obtained from processing of the personal data of the data subjects – customers, suppliers, human resources – and the possible risks associated with the processing.

The Company also carries out auditing activities with the support of the DPO and the external legal consultant in order to perform a periodic assessment from the point of data protection compliance.

Furthermore, a **Data Loss Prevention solution - “ItsMine”** was developed during the year, which is fully operational since September 2023, which makes it possible to previously track the localisation of data and, if necessary, activate a corrective measure that blocks its access.

From the point of view of cyber security, company devices are protected by *Endpoint Detection and Response* (EDR) and *Network Detection and Response* (NDR) software and specific solutions are also planned for the mobile security area. Furthermore, the logs of all server systems, security appliances and networking devices are collected in a SIEM system that is continuously monitored (without interruptions) by a Security Operation Center (SOC) external of the company.

HUMAN PRIVACY





The use of personal devices at the company is already regulated by the specific procedure “*Bring Your Own Device*” (BYOD). A “**Cyber Security Awareness**” (available in Italian, English, French, Chinese and Japanese) is available on the corporate e-learning platform (Sympo), which all human resources are required to complete.

Furthermore, in order to combine safety and network management aspects in a single cloud solution, the project “**Secure Access Service Edge**” was started during the year.

A new Group IT security policy was issued to the first countries of the Group in January 2023.

During the year subject to reporting, the company did not notify the Antitrust Authority of **any data breaches** as no events occurred that were subject to notification pursuant to current legislation.



CHAPTER 3. ENVIRONMENTAL SUSTAINABILITY – WE ALWAYS ACT AS LOYAL GUARDIANS OF CREATION



Environmental sustainability - The history of San Francis: the sermon to the birds, Giotto, 1266-1336, Assisi, Scala Archives

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Ten UNGC principles

- Principle I
- Principle II
- Principle III
- Principle IV
- Principle V
- Principle VII
- Principle VIII
- Principle IX



With full awareness that “harmonious is sustainable”, we act every day guided by the **intention of causing no harm to the Creation**, or of causing as little as possible.

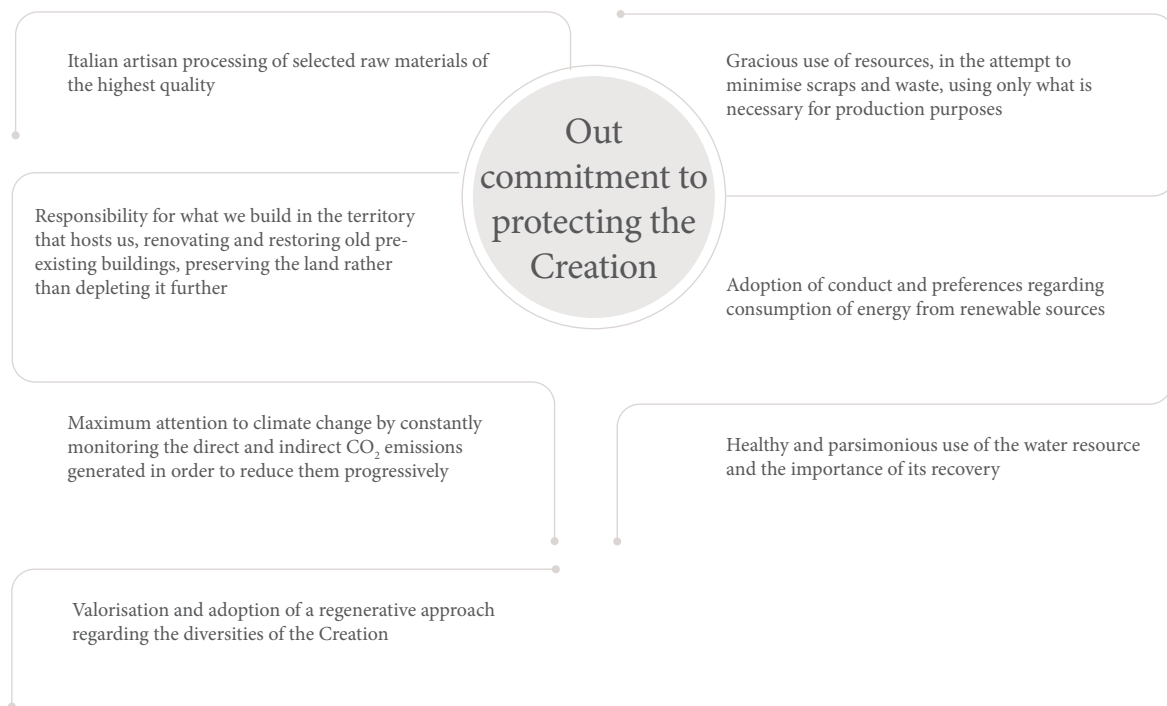
Care for and custody of the environment and the surrounding region is a key element in our Company’s philosophy, which considers man as the “faithful and harmonious custodian of Creation”, called upon to deal with nature in a respectful and responsible manner, paying close attention to the balance between giving and taking in the relationship between us and Creation.

Only in this way can we **guarantee that future generations can live in a world that is better than today’s world**.

We are trying, in fact, to use a **proactive, preventive and prudential approach** in alignment with the principles of precaution specified in principle 15 of the United Nations Rio Declaration on the environment (1992), with the 2015 Paris Agreement and with the ambitious objectives of *carbon neutrality* established on a European level.

The Company operates in compliance with national and international environmental regulations, including violations of environmental regulations among the alleged offences envisaged by the Group’s 231 Model. With reference to this latter point, we prepare protocols and controls aimed at regulating the processes that could generate situations of environmental non-compliance.

Figure 23 - The elements at the basis of our commitment to protecting the Creation





In order to guarantee full observance of the above values, we have defined our **Environmental Sustainability Policy “We always act as loyal guardians of Creation”**, adopted by the Bod on 29 August 2023.

The content of the policy refers to the values and rules of conduct set out in the Organisational and Management Model pursuant to Legislative decree 231/2001 (refer to section “*Ethical business management*”) and is aligned with the pillars and commitments defined in the Sustainability Plan “In harmony with the Creation” (2022-2028) (refer to section “*The Sustainability Plan “In harmony with the Creation” (2022-2028)*”). In the same way, these environmental commitments are expressed in the Framework Agreement and the Code of Ethics of the Casa di Moda. (refer to section “*Sustainable management of supplier relations*”).

Dealing with these issues guarantees alignment with current legislation and the principles set out by the relevant international organisations, with particular reference to the **UN Rio Declaration on Environment and Development (1992)**³⁹, the **Ten Principles of the UN Global Compact** – with particular reference to Principles VII, VIII and IX –, to the **UN Agenda 2030 for Sustainable Development** and the correlated **Sustainable Development Goals (SDGs)** – in particular SDGs #7 – *Clean and accessible energy*, #12 – *Responsible consumption and production*, #13 – *Climate action* and #15 – *Life on land* –, the **2015 Paris Agreement** and the ambitious **objectives of carbon neutrality** defined on a European level, and the **OCSE Guidelines for Multinational Enterprises on Responsible Business Conduct (2023)**.

Specifically, the Policy is structured into three priority areas of focus: **Combating climate change, Procurement and management of raw materials and Regenerative approach**; the concrete commitments taken on by the Casa di Moda are expressed for each of them. Referring to the Decalogue “Our Mother Earth” (refer to section “*Long-lived ideals for life and work – our Decalogues*”), this Policy points out in detail how protecting the Creation represents in fact an essential element of assessment to be performed before the Casa di Moda makes any choice.

As instead concerns the company organisation, the management of the environmental aspects concerning the operational facilities is the responsibility of the **Facility Management Office**, which is in charge of ensuring the correct purchase/lease, management, maintenance and cleaning of the company's real estate, supervising in particular the environmental aspects, that is the impacts that can be generated due to company actions.

We are aware of the impacts we can have directly (through our direct actions) and those we can contribute to indirectly (along the entire value chain).

This concerns first of all from the point of view of the **direct environmental impacts** (through our direct actions):

- Energy consumption from the operation of offices, production departments, including product quality control, and receiving and storage warehouses;
- Energy consumption associated with the operation of depots, the shipment of finished products, as well as the activity of the boutiques managed by the Company with regard to distribution and storage at the shops;
- The consumption of fuel by Group-owned vehicles used for the travel necessary to transport the garments between the workshops of the craft enterprises and the Company;
- Water withdrawals and discharges of the laundry department located at the Solomeo headquarters;
- Waste directly generated by the Company's operations.

³⁹ Also known as the United Nations Convention on Climate Change (UNFCCC).



The following **indirect environmental impacts** are detected (along the entire value chain):

- The impacts associated with the raw materials procurement phase;
- Energy and water consumption related to the work done by external production facilities;
- Scrap produced by the small craft enterprises;
- Energy consumption of franchises and multibrand customers;
- Impacts related to logistics and distribution (outbound);
- The use of the products by wholesale and end customers.

The very model and nature of the Casa di Moda business means that much of the Group's environmental impacts are indirect in nature. For this reason, we are committed to increasing the awareness of all our main stakeholders, with whom we share the fundamental values in which we believe.

Our way of understanding environmental sustainability is expressed first of all in the **conscious protection of that common good with the inestimable value represented by our planet**, with all the richness of its **biodiversity**, and also with particular attention to the **maximum possible respect for resources** and the **natural cycles**.

For this reason, we are committed to reducing the consumption of the soil as much as possible and to do so, our building projects are carried out according to the principle of **respect for the land we occupy** and the **valorisation of the surrounding peripheries** according to the ideal of "**pleasant peripheries**".

In fact, the real estate choices made by the company are always careful and oriented towards **land clearance and recovery of preexisting buildings** with full respect for the local natural and urban territory by implementing building solutions that can reflect the *genius loci* and do not have an impact, also from an aesthetic point of view.

Based on this logic, we have established that all future company expansions – whether in Solomeo or in other parts of the world – will aim to recover factories that are no longer in use.

Specifically, with regard to the construction in progress for the new company building (production plant) near Solomeo in a built-up and abandoned area, our goal is to remove spaces from the risk of landscape degradation, thus proposing an important redevelopment of the surrounding area. (refer to section "*Our focus on preserving the diversity of Creation*")

This chapter therefore presents the current and potential significant direct and indirect environmental impacts along the Group's value chain.



COMBATING CLIMATE CHANGE

We have adopted a particular and essential **production model with a high degree of manual skills and craftsmanship**, which involves, inherently, **low emissions**.

The awareness of current environmental trends and the commitment to combat climate change puts the aspect of monitoring, managing and defining emissions reducing objectives in a central position, orienting the strategic choices and actions that will be implemented over the upcoming years according to an “**emissions approach**” and no longer a “consumption approach”.

The **definition** of our **Carbon Strategy** made it possible for us to identify – in observance of the scientific standards defined by the **Science Based Target Initiative (SBTi)** – which are specific and virtuous targets for reducing the direct emissions (Scope 1) and indirect emissions (Scope 2 and 3) generated by the Group.

In 2023, we welcomed the validation by the Science Based Targets initiative (SBTi) of our short- and long-term greenhouse gas emission reduction targets, which were found to be consistent with the actions needed to achieve the 1.5° climate warming limit as defined in the Paris Agreement. In particular, the targets validated and presented by Casa di Moda:

- 70% reduction in GHG Scopes 1 and 2 emissions by 2028 compared to 2019;
- reduction of GHG Scope 3 emissions by 22.5% by 2028 compared to 2019;
- reduction of GHG Scopes 1, 2 and 3 emissions by 90% by 2050 compared to 2019;
- achieving net-zero by 2050, as outlined in the SBTi net-zero Standard, by taking part in the Business Ambition for 1.5°C and net-zero UNFCCC Race to Zero Campaign initiatives. In terms of economic intensity⁴⁰, this will result in a 60% reduction in GHG emissions by 2028.

Furthermore, we performed a “*Business As Usual*” scenario analysis that allowed us to study our emission trajectory, assuming growth without emission reducing actions and assuming growth that instead considers the reduction actions identified in order to reduce the defined targets.

As regards the **direct emissions (Scope 1)** this mainly concerns:

- The trips made by company staff using company vehicles to transport the garments between the local craft enterprises workshops and the Solomeo site for quality inspections;
- The consumption of natural gas for production and heating;
- Refrigerant gas refills (F-GAS) used for air conditioning systems in offices and other properties (in Italy). In 2023 two recharges of R410A were made.

The **indirect emissions (Scope 2)** derive instead from the company's consumption of electricity, with reference to the operating facilities and the boutiques owned by the company.

⁴⁰ The gross margin is used as a calculation parameter, assuming a constant margin.



OUR FOCUS ON PRESERVING THE DIVERSITY OF CREATION

Our way of understanding environmental sustainability is expressed first of all in the **conscious protection of that common good with the inestimable value represented by our planet**, with all the richness of its **biodiversity**, and also with particular attention to the **maximum possible respect for resources** and the **natural cycles**, as well as the responsible use of the wonderful fruits coming from Mother Earth.

For this reason, we are committed to reducing the consumption of the soil as much as possible and to do so, our building projects are carried out according to the principle of **respect for the land we occupy** and the **valorisation of the surrounding peripheries** according to the ideal of “**pleasant peripheries**”.

In fact, the real estate choices made by the company are always careful and oriented towards **land clearance and recovery of preexisting buildings** with full respect for the local natural and urban territory by implementing building solutions that can reflect the *genius loci* and do not have an impact, also from an aesthetic point of view.

Based on this logic, we have established that all future company expansions – whether in Solomeo or in other parts of the world – will aim to recover factories that are no longer in use.

Specifically, with regard to the construction of the new company building (production plant) near Solomeo in a built-up and abandoned area, our goal is to remove spaces from the risk of landscape degradation, thus proposing an important redevelopment not only of the building but also of the surrounding area.

The study carried out in 2021, based on the assumption the new building was constructed on undeveloped land, made it possible for us to **quantify the benefit of our choice in terms of preserving the CO₂ absorption capacity**, over a period of 20 years. In fact, if we had used land that was 50% cultivated and the remaining 50% forested (total 80,000 m²), the lost absorption capacity would have been about 4,311 tCO₂eq, whereas if we had used land that was 100% forested (total 80,000 m²) the lost absorption capacity would have been about 5,915 tCO₂eq.



The large area on the outskirts of Solomeo for the development of our factory

In H1 2022 the Company finalised the purchase of a large 8-hectare area in the immediate vicinity of Solomeo where the new production hub of the Casa di Moda will be built: the building conversion plan envisages a construction area of up to about 40,000 square metres (plus related services and outdoor spaces).

Through this project ample space will be made available for our Casa di Moda, in a location that is extraordinarily close to the Solomeo factory, in order to allow for the company's growth in the years to come, as needed, "for the next 50 years".

The clearance activities in the area were completed during 2022, and, also during the year, works included the perimeter fencing of the area, the shaping of the embankments, the installation of drainage culverts for Fosso Rigo and the filling in of the entire site lot.

The works continued also during 2023, and included specifically:

- The creation of foundations and the vertical load-bearing structure of the prefabricated building with partial completion of the roofing;
- The completion of the perimeter fencing and planting of hedges;
- The completion of work for the shaping of the perimeter embankments with the planting of surrounding green areas;
- The creation of the perimeter pavement along the road.

The company's new production hub will also be created according to the criteria necessary for obtaining the **LEED® certification - Leadership in Energy and Environmental Design**⁴¹, by paying particular attention to the adoption of an approach that pays attention to the **utilised materials**, the **use of renewable energy** (photovoltaic), the **wellbeing of people**, the **quality of internal working conditions** in the building and the **environmental and landscaping redevelopment of the territory**.

Works are expected to be completed in 2025.

41 LEED® is a voluntary certification programme that can be applied to any type of building (both commercial and residential) and concerns the application of construction methodologies oriented towards sustainability, so that the building's performance over its entire life cycle, from design to construction, can be based on efficiency indicators both from an environmental point of view and in terms of the wellbeing of the people living/working inside.



The new “beautiful factory” in Penne (Abruzzo)

The important **project for the construction of a new “beautiful factory”** was started in 2023 in Penne (Abruzzo), which will be used for producing men’s clothing and made-to-measure garments.

The work carried out up until now include:

- The creation of foundations and the vertical load-bearing structure of the prefabricated building with partial completion of the roofing and the structure to be used for the company restaurant;
- The construction of an illuminated external parking area reserved to employees;
- The maintenance of the road connecting the parking area and the existing industrial building with road surfacing and new lighting.

The new factory will see the light of day in spring 2025 and will occupy an area of 4500 square metres, employing around 350 skilled craftsmen.

The construction of the company's new production hub follows the criteria necessary for obtaining the **LEED® certification-Leadership in Energy and Environmental Design**.

In line with the ideals that have always inspired the Solomeo-based company, the project has the ambition of **enhancing the local area** by virtue of a long-term business vision in terms of both employment and the environment.

While waiting for the new plant to be completed, production activities started in 2023 in the town in Abruzzo in a rented factory.

The Chairman, Brunello Cucinelli, commented as follows: *“Penne represents a special place, where the tradition of the finest Italian art and craftsmanship is best expressed in the production and manufacture of men’s clothing; this is why I like to think of being able to contribute significantly to a generation of a bright future for this lovely tradition, combining the artisan skills of Abruzzo and Umbria. As a result, we have thought about a new “beautiful factory” and are trying to create all the best conditions so that our specialised workers and those that we will train can renew the most fascinating Italian sartorial creativity that is so greatly admired all over the world”*.

Furthermore, the parks inside and near our Solomeo site contribute towards the **preservation** and the **continuous renewal of the local biodiversity**.

The **“Replanting” project** has been under way since 2010 and is still in progress, involving the replanting and progressive replacement of different types of trees and plants on an ongoing basis in the region surrounding the Solomeo area (currently there are more than 230 thousand plants, up from 2022 due to the intense planting carried out at the new production hub on the outskirts of Solomeo).

None of the surveyed plants was considered exposed to a high degree of vulnerability thanks to the analysis performed using the database of the *Red List of the International Union for Conservation of Nature (IUCN)*: **all of the plants are among the species “of low concern” according to IUCN**.

Finally, as regards the **Sustainable Markets Initiative - Fashion Task Force** (ref. *Chapter 4*), the Brunello Cucinelli Casa di Moda is committed to actively contributing towards the ambitious project **“Himalayan Regenerative Fashion Living Lab”**, aimed at restoring degraded landscapes and recovering traditional artisan skills in some



areas of the Western and Eastern Himalayas, facing the global challenges related to climate change and the loss of biodiversity, in order to support the local cashmere, cotton and silk economies.

Himalayan Regenerative Fashion Living Lab

During March 2022 the Casa di Moda joined, and made an economic commitment to support, the project “**Himalayan Regenerative Fashion Landscapes**” which was developed as a result of a partnership between the Fashion Task Force of the Sustainable Markets Initiative (SMI) and the Circular Bioeconomy Alliance (CBA).

It continued in 2023 with the support for the project by Casa di Moda.

The partnership aims to develop a new programme for the creation of regenerative fashion living lab, to demonstrate the potential of this industry in the transition to an inclusive, climate-friendly and nature-positive pathway, while creating sustainable value chains.

At the centre of all of this, there is again the fundamental value of a **humanely sustainable environment** in an attempt to help the small local communities in some areas of the Himalayas prosper by preserving the nature through the protection of biodiversity.

With this goal in mind, the project will address the regeneration of degraded landscapes and encourage the recovery of traditional artisan and textile skills in the target areas, thus having a positive impact on local economies and addressing global challenges related to climate change and biodiversity loss.

This project is a perfect fit for the Casa di Moda, first of all because there is the desire to **revive**, in a contemporary manner, the **traditional artisan knowledge** that is rooted in one of the most noble and beautiful lands such as the Himalayas and also because this type of project will also be to the benefit of **future generations**.

Specifically, the “**Himalayan Regenerative Fashion Landscape**” contributes towards the redevelopment of degraded landscapes in two different areas of India:

- the first project takes place in the Eastern Himalayas, in the **province of Assam**, and consists in replenishing forests with multiple species of endemic trees planted in deforested areas to regenerate the soil and the forest cover that populated them only a few decades ago and in developing agroforestry, training local farmers to include trees as an integral component of their agriculture through the creation of agroforestry systems. The goal of planting 1 million trees was reached in 2022, 300,000 of which were financed by the Casa di Moda;
- The second project is taking place in the Western Himalayas, in the **region of Ladakh**, and aims to develop the cashmere value chain. It focuses on Kharnak in Hemis National Park, where it seeks to engage local communities to sustainably improve local production and help them address the consequences of climate change in their daily farming practices. In 2023, the first phase was completed for the pilot project targeted towards cultivation through the implementation of a regenerative agro-sylvo-pastoral system, fruit and vegetable plants to be used to satisfy the food needs of the local community, as well as forage and medicinal herbs to be used for grazing.

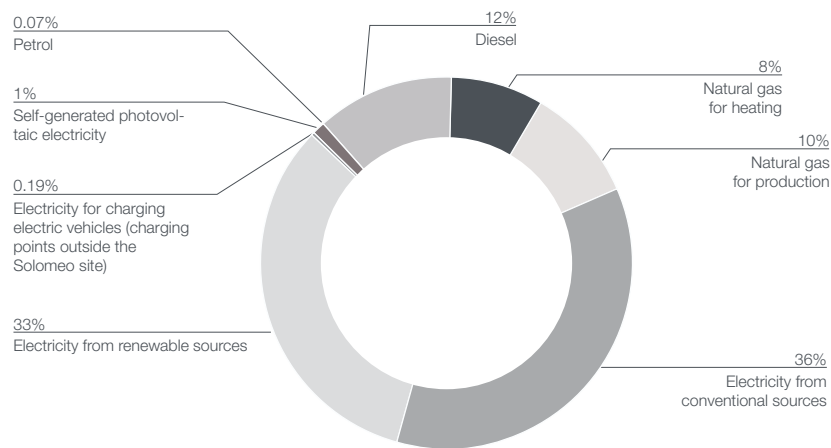
These projects are implemented according to CBA’s Living Labs concept, which uses a landscape restoration project as a starting point to catalyse the development of circular bio-economy value chains while restoring local biodiversity and livelihoods. They are the beginning of a journey towards more resilient communities and landscapes.

BALANCE BETWEEN GIVING AND TAKING IN RELATIONSHIPS WITH CREATION

Energy

In recent years, the Group has been working towards the progressive electrification of its consumption. The structure of the **worldwide energy mix** is shown below.

Figure 24: The Group's 2023 energy mix



Detailed key

Natural gas for heating

Used only if electricity is not available as Italy is concerned, for the boutiques in Russia, where it is still complex to imagine the replacement of gas with electricity, and the boutiques in the USA, Canada (approximate 59% reduction in 2022 in North America compared to 2021) and in Japan.

Natural gas for production

Used for production purposes but not for heating in the laundry department in Solomeo and at the artisan factory Pinturicchio S.r.l. Currently the transition to renewable energy sources is complex in this area, as some machines used in the production processes (specifically for the production of steam) can only be powered with natural gas and its replacement is complex.

Electricity from conventional sources

Used for lighting and the air conditioning the rooms in the various offices and boutiques in Europe and outside of Europe where supply contracts from renewable sources, are not active.

Electricity from renewable sources (in Italy and, partially, in Europe)

Used for the operation of the company structures, the lighting and air conditioning of the rooms in the various offices and boutiques, as well as the operation of the charging columns in Solomeo for full electric company vehicles.

Electricity for charging full electric company vehicles

Using external charging points.

Electricity self-generated by the photovoltaic systems installed at the Solomeo site

The plant power is 160 KW; the generated electricity is fed to the station and then consumed by the company. In 2022, 0.01% of the volumes of electricity generated in this manner was fed to the grid.

Fuel (petrol)

For use, in Italy, in company owned vehicles that were not yet replaced with vehicles powered by full electric engines.

Fuel (diesel)

For use, in Italy, in vehicles in the company fleet that were not yet replaced with vehicles powered by full electric engines.

The table below summarises the energy consumption for the last three years, highlighting the different energy sources used.

Table 9 – Energy consumption (GJ)

Energy source	2021 ⁴²	2022	2023
Natural gas	18,148	19,053	15,777
Electricity⁴³	43,271	48,867	54,863
Of which from renewable sources	21,654	24,241	25,961
Electrical energy self-generated from renewable sources (photovoltaic plant in Solomeo)	537⁴⁴	576	466
Of which self-consumed	536.52	575.71	465.85
Of which sold/injected to the grid	0.13	0.04	0.00
Company vehicle fleet with combustion engine⁴⁵	7,264	7,289	9,893
Petrol	0	16	53
Diesel	7,264	7,273	9,840
Methane	0	0	0
Total energy consumption	69,220	75,785	80,999
Energy intensity⁴⁶ (GJ/€)	0.10	0.08	0.07
GRI 302-1 Energy consumption within the organisation			
GRI 302-3 Energy intensity			

The Group's energy consumption in the year increased by 7% compared to the previous year, a very moderate increase compared to the growth of the company's business (+24% revenue from sales and production). Energy intensity consequently decreased to 0.07 (0.08 in 2022). The increase in energy consumption is mainly due to the positive changes in fuel consumption (+31% compared to 2022), caused by an increase in the company's vehicle fleet (+43% compared to the previous year). There was also an increase in electricity consumption (+12% compared to 2022) – also as a result of the decision to prefer the use of this energy source also for heating.

42 Note that the figures for electricity, the consumption of fuel (diesel) and the consumption of natural gas related to 2021 have been restated following an adjustment made in the calculation methods that had previously included some inaccuracies.

43 The figure for 2022 includes the value of electricity consumption for the recharging of electric company vehicles, both through the recharging stations at the Solomeo site and through external recharging points.

44 In 2022, it was possible to collect data on self-generated electricity from renewable sources (photovoltaic plant operating at the Solomeo site since January 2021), specifying the portion consumed by the company and the component fed back into the grid, information that was previously unavailable. As a result of this updated information, the total value of energy consumption in 2021 also changed.

45 Note that the figures do not include company cars for both personal and company use. The figures refer to 74 diesel-powered vehicles (72 of Brunello Cucinelli S.p.A., 1 of Max Vannucci S.r.l., 1 of Pinturicchio S.r.l.) and 1 petrol-powered vehicle.

46 Energy intensity is calculated as the ratio of total energy consumption to the value of revenues from sales and production for the year (Euro/000). Note that starting in 2021, for the sake of greater clarity the item "Other revenues" in the Income Statement was classified within the "Total operating costs" section instead of being recorded in the "Revenues from sales and services" section.



We are aware that the reaching of the targets of our climate strategy is directly correlated to the **implementation of initiatives that reduce direct and indirect environmental impacts, with particular reference to energy consumption.**

The Group has in fact started a **program for the progressive transition towards the provisioning of electricity from renewable energy sources**, which was substantially completed in Italy starting in 2021. Also in Italy, in some buildings – offices, boutiques and showrooms – it was possible to adopt the latest generation of LED lighting in order to make their consumption even more efficient.

We are also committed to improving energy efficiency in the other regions where the Group has operations.

In the **European** region we have started down a path for the progressive replacement of the previous supplies of electricity, with supply contracts from renewable sources.

With reference to the **non-European** region, there are some specific aspects that make the path of energy transition more complex: this includes China, where the presence of the state monopoly of the electric supply allows limited options, Japan, where the supply is mainly nuclear energy, and finally Russia where heating is almost exclusively based on the use of natural gas.

The initiatives implemented during the year have made it possible to obtain a **percentage of renewable electricity consumption, as compared to total electricity consumed worldwide, that equals 47%**⁴⁷.

We are also working with **small craft enterprises** to help them **improve their energy mix**, supporting them if they decide to proceed towards the transition to renewable energy sources.

We have also reinforced collaboration with our **franchising and multi-brand customers** in order to perform, also in this case, the **detailed mapping of their energy consumptions**, from conventional sources and from certified renewable sources (for more information see paragraph *Emissions*).

With reference to the company's vehicle fleet, the Casa di Moda has planned the following activities:

- Progressive replacement of company vehicles with electric and hybrid vehicles;
- Study and analysis of new solutions aimed at the use of biofuels;
- Design and commissioning of an on-site charging infrastructure;
- Integration of planning and budgeting systems using company software;
- Training of staff in the use of electric vehicles and navigation software.

As regards the replacement of the company's vehicle fleet (Solomeo), in 2023, out of a total of 106 vehicles (of which 38 automobiles part of the civil fleet and 68 lorries of the industrial fleet), 32% of company vehicles are full electric and 18% are hybrid.

⁴⁷ Also the share of self-generated and self-consumed photovoltaic energy is included in the calculation of the percentage.



In 2023, the phase started for the internal study and analysis targeted towards the use of biofuels with a lower emissions impact for vehicles that are part of our company fleet. Specifically, it is currently being evaluated if it will be possible to use HVO⁴⁸ biodiesel starting from the first months of 2024.

This is a new type of synthetic fuel produced using waste raw materials and can be used for diesel vehicles, according to the specific technical characteristics of the vehicle in terms of compatibility, in replacement of or together with traditional diesel. An initial analysis has shown that, net of the full electric vehicles, more than 80% of the vehicles in our company fleet (civil and industrial) are compatible with the use of HVO. This includes all hybrid vehicles.

22 electric columns are installed at the Solomeo site, which covers 99% of the energy needs of the electric vehicles (including employee automobiles). Electricity consumption associated with the recharging of vehicles at the recharging points installed in Solomeo is included in the total electricity consumed at Solomeo.

As of today, all vehicles that cover short distances are electric; it will however be necessary to carry out assessments for the future as concerns vehicles that drive long distances, as the charging at the company does not permit travel in complete autonomy for the entire round trip.

Furthermore, to improve the efficiency of the full electric vehicles, “*Power Cruise Control*” navigation software is used that is able to make vehicle routes more efficient based on parameters such as charging time, the travel route and battery life.

As part of this activity, training of all company personnel with access to electric vehicles was essential. Specifically, training includes the use of navigation software at various levels:

- At the route planning stage, thanks to integration with the company’s management information systems.
- During the operational phase of the trip, thanks to real-time control of the energy available compared to the initial trip forecast, including the various scheduled stops.

Emissions

The table below shows the trend in direct (Scope 1) and indirect (Scope 2) emissions generated by the Group over the 2021-2023 three-year period. With regard to 2023, an increase can be seen in both emission categories as a result of the higher energy consumption in the year: total direct and indirect (Scope 2 location based) emissions were 7,100 tCO₂eq (6,328 tonCO₂eq in 2022).

However, the emission intensity reduces 17% in the case of direct emissions (Scope 1) and remains constant with reference to Scope 2 location based and Scope 2 market based emissions.

⁴⁸ HVO, an acronym for Hydrotreated Vegetable Oil, is a type of fuel derived mainly from agricultural waste and scraps, from exhausted vegetable oils and animal fats subjected to a hydro-treatment process.

**Table 10 – Direct (Scope 1) and indirect (Scope 2) GHG emissions (tonCO₂eq)**

Type of emissions	2021 ⁴⁹	2022	2023
Direct emissions (Scope 1)	1,595⁵⁰	1,639⁵¹	1,682⁵²
Direct emission intensity⁵³ Scope 1	0.002	0.002	0.001
Indirect emissions (Scope 2)			
Location-based	4,106	4,688	5,418
Indirect emission intensity (Scope 2) location-based	0.006	0.005	0.005
Market-based	2,552	2,955	3,696
Indirect emission intensity (Scope 2) market-based	0.004	0.003	0.003
Total Scope 1 and Scope 2 emissions (location-based)	5,701	6,328	7,100
Intensity of Scope 1 and Scope 2 emissions (location-based)⁵⁴	0.008	0.007	0.006
Total Scope 1 and Scope 2 emissions (market-based)	4,147	4,595	5,378
Intensity of Scope 1 and Scope 2 emissions (market-based)	0.006	0.005	0.005
GRI 305-1 Direct (Scope 1) GHG emissions			
GRI 305-2 Energy indirect (Scope 2) GHG emissions			
GRI 305-4 GHG emissions intensity			

In 2023, with reference to 2022, we continued the activity for inventorying the emissions of GHG – **subjected to Limited Assurance by a third party** – generated indirectly by company actions (**Scope 3**), which, overall, equal **84,641 tonCO₂eq**, are the most significant for the Group (equal to 95% of total Group GHG emissions).

In the same way, for the first time this year we prepared the **inventory of GHG emissions – subjected to Limited Assurance by a third party** – generated indirectly by company actions (**Scope 3**) also for **2023**. Total Group emissions during that year is **93,522 tonCO₂eq** (+10% at 2022).

49 Note that the 2021 data was restated due to adjustments to the calculation methods that previously presented imprecisions.

50 The figure includes 38.25 tonCO₂eq of refrigerant gases.

51 This figure includes 24.01 tonCO₂eq of refrigerant gases (R410A).

52 This figure includes 102.312 tonCO₂eq of refrigerant gases (R410A).

53 Emission intensity is calculated as the ratio of emissions (direct, indirect location-based, indirect market-based and their sum) to the value of revenues from sales and production for the year (Euro/000). Note that starting in 2021, for the sake of greater clarity the item “Other revenues” in the Income Statement was classified within the “Total operating costs” section instead of being recorded in the “Revenues from sales and services” section.

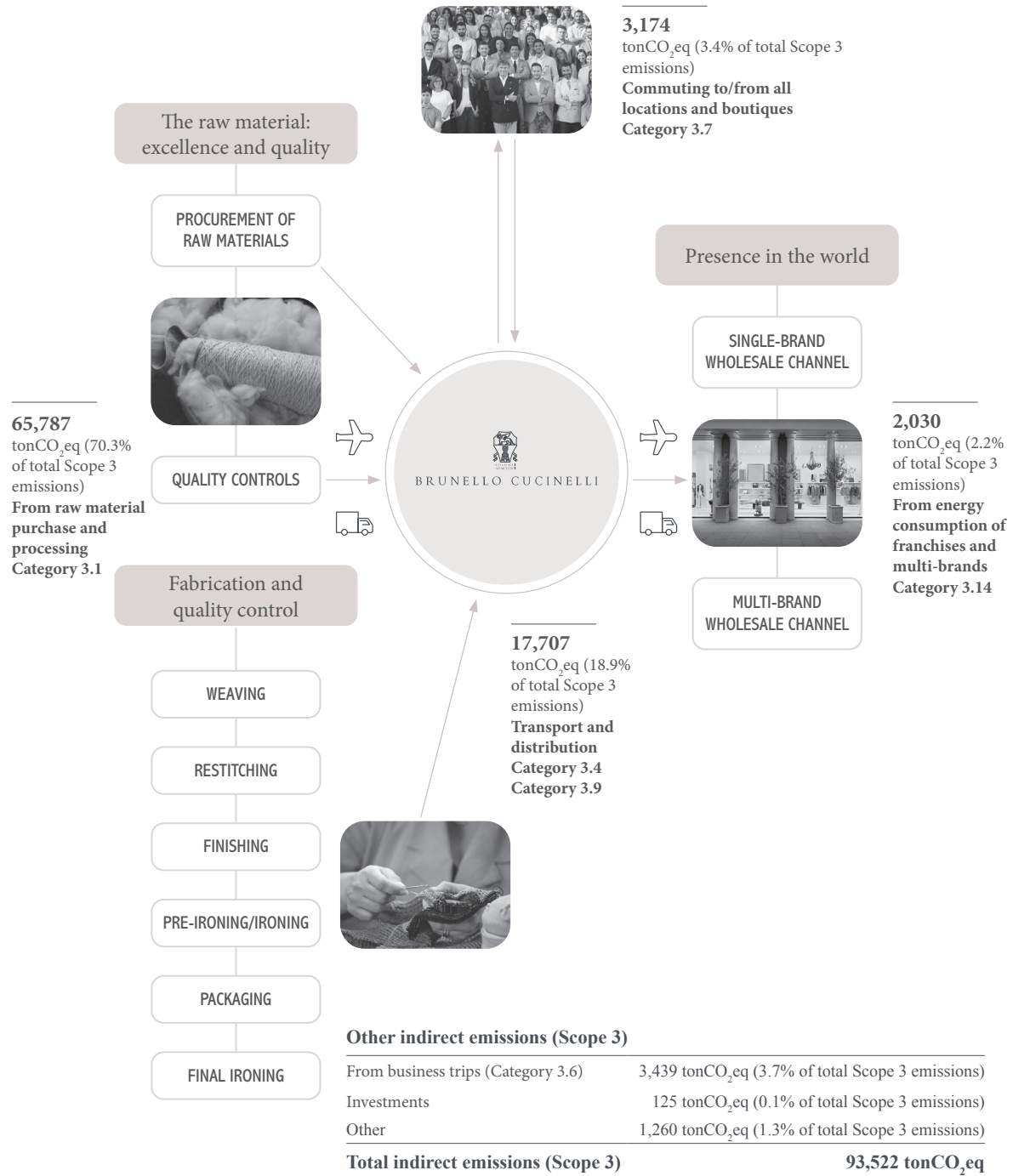
54 The unit of measurement is CO₂.



The emission sources analysed are as follows (see Figure 25):

- the **purchase and processing of raw materials** (equal to 70.3% of total 2023 Scope 3 emissions), which also includes the consumption of energy and gas by small craft enterprises. In 2023 the activity of collecting primary data continued with the direct involvement of these companies, for a total of **338 artisan laboratories who were involved through the sharing of a questionnaire** aimed at mapping the energy sources and the associated consumptions. The responses received amount to 77% of the sample analysed (78% in the previous initiative carried out in 2022) and equivalent to 93% of turnover.
- It was also possible to start the **mapping of the purpose of use of the gas** used by some of the laboratories.
- With reference instead to the **breeding** (for wool, cashmere, leather, etc.) and **cultivation processes** (cotton, for example) of the raw materials, in continuation of the previous year, the reference data was included according to a conservative approach based on SBTi recommendations that assign all the relative emissions to the company;
- The **transport and distribution operations** (upstream and downstream logistics), equal to 18.9% of total Scope 3 emissions;
- The **commuting of human resources to and from work**, which have a 3.4% impact on all generated Scope 3 emissions;
- The **energy consumption of franchising and multibrand stores** (2.2% of total Scope 3 emissions). This data was collected by **mapping the consumption of electricity** by these customers, with the explicit request to indicate whether they opted for a supply of renewable energy or if they have the intention to do so;
- **Business trips** (3.7% of total Scope 3 emissions);
- **Investments**, that is consumption related to shares held (0.1% of total Scope 3 emissions);
- **Other** (1.3% of total Scope 3 emissions), that is the remaining part of indirect emissions related to waste generated by production and energy generation.

Figure 25 - Measurement of indirect emissions of CO2 (Scope 3) pertaining to 2023





When performing the inventory of GHG **this did not include emissions generated from the end of life treatment of sold products**, as our business is focused on the production of extremely high-quality garments that last over time. In this sense, considering the possibility of extending the useful life of the product thanks to the handing down of the product from generation to generation and our garment repair service, it was assumed that the emissions associated with the disposal of the product are not significant.

Water resource

We recognise the importance of the **responsible and parsimonious consumption of water**, as a primary resource that is essential for life.

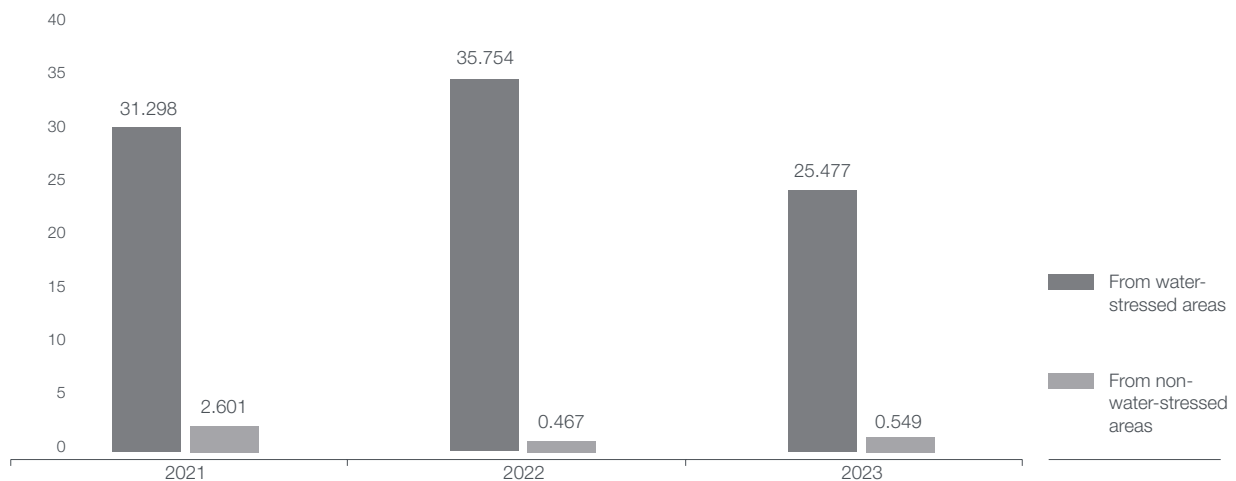
While the impacts on the water matrix are limited to the operation of the laundry at the Solomeo headquarters and to civil use, the Group is particularly attentive to the management of such consumption.

In particular, as concerns **water withdrawals** deriving from **laundry operations**, water is drawn from wells owned by the company, specifically for the recovery and storage of rain water.

The washing cycle includes multiple processes, which are essential for providing the garments with the correct consistency and softness: in the case of knitwear garments, washing takes place using **hydrocarbon dry-cleaning**, which is followed by fulling in water at a temperature no higher than 40°C and finally it is placed in the tumblers for final drying.

Water consumption for laundry activities includes **consumption for civil use** in the offices and shops. Specifically, with regard to Italy, the water withdrawn by the Solomeo site and by the remaining offices and shops in the country – 100% of it is withdrawn in water-stressed areas (99% in 2022) – comes from public waterworks.

Figure 26 - Water withdrawals in Italy (ML) by type of area (2021-2023)





As regards the European⁵⁵ and extra-European⁵⁶ regions – in both cases the withdrawn water comes from the public aqueduct – in 2023 respectively 69% and 43% of water withdrawals performed in areas considered as water-stressed.

The following table shows the Group's water withdrawal data.

Table 11 – Water withdrawals (ML)⁵⁷

Type of water withdrawal area and source	2021		2022 ⁵⁸		2023	
	Italy	Non-Italy	Italy	Non-Italy	Italy	Non-Italy
From non-water-stressed areas	2.601	13.363	0.467	3.790	0.549	4.474
Well	0	0	0	0	0	0
Public aqueduct	2.601	13.363	0.467	3.790	0.549	4.474
Intensity of water withdrawals⁵⁹(non-water-stressed areas)	0.000004	0	0.000001	0	0.0000005	0
From water-stressed areas	31.298	5.866	35.754	4.174	25.477	4.515
Well	13.09	0	13.818	0	6.888	0
Public aqueduct	18.208	5.866	21.936	4.174	18.589	4.515
Intensity of water withdrawals (water-stressed areas)	0.00004	0	0.00004	0	0.00002	0
Total	33.899	19.228	36.221	7.964	26.026	8.989
Total water withdrawal intensity	0.00005	0	0.00004	0	0.00002	0

GRI 303-3 Water withdrawal

Overall in Italy, there has been a 28% decrease in total water withdrawals in 2023 as compared to the previous year, in particular as concerns water-stressed areas (-50% from a well and -15% from the public aqueduct as compared to 2022). As concerns the European and non-European *regions*, there was an increase in total water withdrawals (+13% as compared to the previous year).

As concerns **industrial water discharges**, these take place only at the Solomeo site, where an internal purifier treats the company discharges before they enter a surface water body.

This discharge destination is dictated by the lack of a public sewer in part of the industrial area (building “A” and part of building “B”).

55 A few shops in Germany and France, most shops in Russia and all shops in the UK, Monte Carlo, Belgium, Spain and Greece are located in water-stressed areas.

56 Some shops in Japan, China (Mainland), the United States and Dubai are in water-stressed areas.

57 Water withdrawals consist entirely of freshwater ($\leq 1,000$ mg/L dissolved solids).

58 Water withdrawal data are estimated for most shops and commercial offices abroad and for the sites in Turin, Rome and Florence. Note that starting in 2022, in order to ensure a more truthful representation of water withdrawals in these locations, a consumption of 30 litres per person per day was considered. This estimate was 100 litres per person per day in 2021 and 2020.

59 The intensity of water withdrawals is calculated by comparing the value of water withdrawals, broken down by area, to the value of revenues from sales and services in the year in question (Euro/000). Note that starting in 2021, for the sake of greater clarity the item “Other revenues” in the Income Statement was classified within the “Total operating costs” section instead of being recorded in the “Revenues from sales and services” section. This indicator is reported with exclusive reference to the Italy Region, considering that the use of water for industrial purposes occurs only in Italy.



Note that the Solomeo site is subject to and in possession of **Single Environmental Authorisation (A.U.A.)**.

The company periodically performs chemical-biological sampling and analysis of the waste water in order to check its compliance with the legal limits required by Legislative Decree 152/06 (ref. Table 12).

Table 12 – Water quality

Discharged water quality parameter	2021	2022	2023
pH	7.52	7.34	7.2
Total Suspended Solids (TSS)	6.0	7.1	N/A
Ammoniacal nitrogen (as NH4)	14.0	10.2	9.8
Nitrous nitrogen	5.0	< 0.1	< 0.02
Nitric nitrogen	0.6	1.1	0.8
C.O.D (as O2)	14.0	26	21
B.O.D5 (as O2)	5.0	8	11
Lead	<0.03 mg/litre	<0.03 mg/litre	<0.03 mg/litre
Cadmium	<0.01 mg/litre	<0.01 mg/litre	<0.01 mg/litre
Nickel	<0.03 mg/litre	<0.03 mg/litre	<0.03 mg/litre
Copper	<0.03 mg/litre	<0.03 mg/litre	<0.03 mg/litre
Total chrome	<0.03 mg/litre	<0.03 mg/litre	<0.03 mg/litre
Manganese	<0.03 mg/litre	<0.03 mg/litre	N/A
Zinc	<0.03 mg/litre	<0.03 mg/litre	<0.03 mg/litre
Iron	<0.03 mg/litre	<0.03 mg/litre	N/A
Chrome VI	<0.03 mg/litre	<0.03 mg/litre	<0.03 mg/litre
Chlorides	140.2 mg/litre	52.9 mg/litre	N/A
Sulphates (as SO4)	147.8 mg/litre	83.1 mg/litre	N/A
Total phosphorus (as P)	2.8 mg/litre	2.4 mg/litre	0.2 mg/litre
Animal/plant fats and oils	N/A	< 1.0 mg/litre	< 1.0 mg/litre
Total hydrocarbons	<1.0 mg/litre	< 1.0 mg/litre	< 1.0 mg/litre
Anionic surfactants	0.20	0.11	0.34
Cationic surfactants	0.25	< 0.20	< 0.20
Non-ionic surfactants	0.10	< 0.20	0.33
Total surfactants	0.55	0.51	0.9
Selenium	<0.01	< 0.01	< 0.01
Phenols	0.1	< 0.1	< 0.1
Aromatic organic solvents	<0.1	< 0.1	< 0.1
Chlorinated solvents	<0.1	< 0.1	< 0.1
Total nitrogen (as N)	N/A	9.3	9.2
Electrical conductivity	N/A	N/A	N/A
Persistent mineral oils and hydrocarbons of petroleum origin	<1.0 mg/litre	<1.0 mg/litre	<1.0 mg/litre



The following table shows the total volume of industrial water discharges and their intensity. In 2023, there were no discharges associated with laundry operations as the totality of the latter flow into the public sewers.

Table 13 – Water discharges (ML)

Laundry water discharges – Solomeo (water-stressed area)	2021	2022	2023
In surface waters	21.623	25.1475	0.000
Intensity of water discharges⁶⁰	0.00003	0.00003	0.000
GRI 303-4 Water discharge			

Waste

It is our prerogative to ensure the use of available resources in the most efficient way possible, in order to avoid any waste. We strive to achieve this goal starting with the attentive management of raw materials and down to the promotion of our approach in communications with customers, based on the importance of the value, durability and contemporaneity of the garments over time. This makes it possible to work towards the **minimisation of the production of waste in each phase of the value chain**.

Specifically, with reference to the management and processing of raw materials, by means of **careful upstream planning** only the materials compliant with the stylistic choices and the canons of quality to which the company strives are sent to artisan laboratories, who redeliver excess materials to us to be returned to and recovered in the production process.

With regard to the production and storage phases, the waste generated is managed by separate collection and by means of a specialised company.

With reference to the scraps generated when processing the fabric, the “**Direct management of production scrap disposal**” project has been implemented in collaboration with the small craft enterprises involved in the cutting and complete cycle phases.

⁶⁰ The intensity of water discharges is calculated by comparing the value of water discharges to the value of revenues from sales and services in the year in question (Euro/000). Note that starting in 2021, for the sake of greater clarity the item “Other revenues” in the Income Statement was classified within the “Total operating costs” section instead of being recorded in the “Revenues from sales and services” section.



“Direct Management of Production Scrap Disposal” Project

The management of production waste has long been an element of care and attention for us. In fact, through the use of advanced technologies in the cutting phase we have always sought to minimise the amount of waste produced as much as possible. Since 2022 we have extended our efforts in this area by starting a study for recovering raw material scrap deriving from the phases of processing those materials, to prevent them from being transformed into waste destined for landfill disposal, promoting instead a **recovery process that give them a second life** through the production of new materials (yarn, fabric, paper) that can be used by the Company to create consumption materials and products that accompany our products, such as articles for packaging, with full respect for the principles of circularity.

The project was effectively started this year: approx. **50 artisan laboratories (cutting and complete cycle) were involved** and the collection of waste material deriving from their processing was prepared.

Following the initial tests carried out, starting from yarn samples and recycled fabric in 2022, today we are able to find a valid alternative to cotton that we can use to generate new fabric comprised 50% of processing scrap. We use this fabric to create packaging components (garment covers, shoe cover, hanger covers).

As regards other possible uses of cotton and other fibres of fabric collected, such as leather, we are continuing a careful study and analysis phase aimed at identifying and assessing every possible opportunity of use, especially for the production of consumable materials (e.g. paper).

With regard to dry cleaning, three different types of waste are generated: sludge, contact water and garment lint.

In particular, the operator checks the production levels of sludge and periodically activates automatic draining that conveys them into metal vats, which are then disposed of as hazardous waste by a specialised company.

In the specific case of Solomeo, the non-hazardous types of sludge (for example produced by the purification plant for the laundry) are sent to the external purifier.

The same process involves the contact waters.

Garment lint is instead accumulated in so-called “lint traps”, emptied by the operator into specific bins, which are in turn disposed of by a specialised company.

Finally, waste from office work is waste that can be classified as municipal solid waste and is therefore collected by the local municipal waste management company. With particular regard to the use of paper, since 2022 measures have been put in place for its conscious use and recovery.

In fact, a chip was installed in the printers in order to allow them to be used only by means of a special password, so that printing could be inhibited if the person concerned did not authorise it. This way we hope to limit the use of paper to only what is necessary.



In the same way, the optimal results obtained from the **Epson PaperLab machine** are continuing, the first installation in Europe, which is able to recycle the paper used: the machine's regeneration technique makes it possible to reuse a sheet of paper 6/7 times. In 2023 **there were 125,808 sheets of recycled paper**. In addition to mere collection, there is a strong sense of awareness in the Casa di Moda that urges collaborators to make moderate and thoughtful use of the printer.

Overall, **547.41 tons of waste** (478.6 tons in 2022) were produced, of which 99% non-hazardous. The approximate 14% increase in total volume of general waste registered for the year, compared to 2022, is mainly related to a production increase.

Table 14 – Waste generated, by type and disposal method (tonnes)

Waste related to the production process	2021		2022		2023	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Total waste	5.7	619	3.04	475.59	3.39	544.19
Of which sent for recovery (recycling)	0.02	444.17	2.34	470.76	1.21	507.39
Of which sent to the landfill	5.6	1.9	0.71	4.828	2.18	36.63
Other waste (Solomeo site)						
Of which for external purification ⁶¹	0	173	0	0	0	0
GRI 306-3 Waste generated						
GRI 306-4 Waste diverted from disposal						
GRI 306-5 Waste directed to disposal						

⁶¹ Note that starting in 2022, the management of sludge from septic tanks is no longer the responsibility of the producer but of the disposer. For this reason, the value of waste to send for treatment by an external purifier was zero in 2022 and 2023.



Table 15 – Waste generated in 2021-2023 (tonnes), by type, disposal method and activity from which it is generated

	2021			2022			2023	
	Diverted from disposal (recycling)	Directed to disposal	External purifier	Diverted from disposal (recycling)	Directed to disposal	External purifier	Diverted from disposal (recycling)	Directed to disposal
Non-hazardous	444.17	2.45	173.04	470.76	4.83	0	507.39	36.63
Purchased goods and services								
Output								
Iron and steel components	0.71	0	0	0	0	0	0	0
Wooden elements (furniture)	56.42	0	0	58.27	0	0	51.46	0
Bulky goods - Furniture	19.34	0	0	27.64	0	0	9.16	0
Waste generated during operations								
Output								
Alkaline batteries	0	0.075	0	0	0	0	0	0.09
Components removed from disused equipment	0.2609	0	0	0.19	0	0	0.298	0
Purifier screening residue	0	0.04	0	0	0.24	0	0	0.10
Purifier of saturated or exhausted ion exchange resins	0	1.462	0	0	0	0	0	0
Tank sludge	0	0	173.038	0	0	0	0	35.02
Dryer filters	0	0.24	0	0	0.23	0	0	0.32
Paper/cardboard packaging	223.639	0	0	233.84	0	0	277.75	0
Wooden packaging	34.62	0	0	23.90	0	0	37.52	0
Plastic packaging	47.36	0	0	42.76	0	0	36.03	0
Mixed materials	42.72	0	0	65.91	0	0	64.81	0
Spent printer cartridges	0	0.633	0	0.69	0.02	0	0.85	0
Textile residues	14.3	0	0	13.03	0	0	15.73	0
Waste from processed textile fibres	4.805	0	0	4.53	0	0	12.70	0
Absorbents, filter materials, rags and protective clothing (other than those mentioned under EWC 150202)	0	0	0	0	1.22	0	0	0
Aqueous liquid waste (other than those mentioned in EWC 161001)	0	0	0	0	3.12	0	0	1.10
Disused equipment (different from those specified in CER items from 16 02 09 to 16 02 13)	0	0	0	0	0	0	0.95	0
Inorganic waste	0	0	0	0	0	0	0.13	0



	2021			2022			2023	
	Diverted from disposal (recycling)	Directed to disposal	External purifier	Diverted from disposal (recycling)	Directed to disposal	External purifier	Diverted from disposal (recycling)	Directed to disposal
Hazardous	0.02	5.08	0	2.34	0.71	0	1.21	2.18
Purchased goods and services								
Output								
Discarded equipment containing chlorofluorocarbons, HCFCs, HFCs	0.02	0	0	0	0	0	0.15	0
Waste generated during operations								
Output								
Contact waters	0	1.88	0	0	0	0	0	0
Sludge or solid waste containing other solvents	0	2.6	0	2.22	0	0	0	1.50
Packaging containing residues of hazardous substances	0	0.269	0	0	0.49	0	0.93	0
Metal packaging containing hazardous solid porous matrices (e.g. spent spray cans)	0	0.017	0	0.017	0.003	0	0.035	0
Contaminated absorbent materials	0	0.25	0	0	0	0	0	0.40
Fluorescent tubes	0	0.067	0	0.10	0.0	0	0	0.031
Mineral motor oils	0	0	0	0	0.21	0	0	0.25
Inorganic waste containing hazardous substances							0.096	0
GRI 306-1 Waste generation and significant waste-related impacts								
GRI 306-3 Waste generated								
GRI 306-4 Waste diverted from disposal								
GRI 306-5 Waste directed to disposal								



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

For the **purchase of raw materials**, the Company works with companies with proven reliability, with whom an authentic multi-year partnership has been developed based on strong complementarity of knowledge and mutual respect.

As of today, we collaborate with **273 raw material suppliers** (255 in 2022) to support Brunello Cucinelli's collection, which in 2023 was represented 84% by clothing and 16% by accessories.

94.5% of our suppliers operate in Italian territory, and 4.8% are located in Europe – in particular Spain, Portugal and France – 0.7% in Japan, from where we receive the supply of denim.

As regards cashmere, our main supplier is Cariaggi Lanificio S.p.A. – located in Marche – with whom we have had a consolidated, human and trust-based relation for more than 30 years. This relationship was further strengthened in March 2022 with the Company's acquisition of 43% of the share capital of the prestigious wool factory and in 2023 this share was divided with Chanel. This is a transaction whose primary objective was to sustain an important Made in Italy excellence (see section *Sustainable growth and healthy profitability*).

The cashmere is also dyed on the supplier's premises in the colours defined by us after careful research and colour development.

Leather is mainly sourced from Italian tanneries, primarily located in Tuscany, Campania and Veneto. Some of the fine hides come from French tanneries and the Iberian Peninsula.

In 2023, expenditures for supplies amounted to approximately €155 million, of which approximately 97% from Italian suppliers⁶² (as in 2022). Expenditures for other items amounted to approximately €8 million (96% from Italian suppliers). Total procurement expenditures in 2023 increased by about 22% compared to the previous year.

62 100% of the Eyewear collection is also produced in Italy.

**Table 16 – Procurement expenditures in the three-year period 2021-2023 (in €/000), by geographical area**

	2021	2022	2023
Raw material expenses by geographical area			
Italy	84,429	123,880	149,887
<i>Of which Umbria</i>	10,994	13,856	20,518
Other EU countries	2,811	3,105	3,424
Non-EU countries	591	829	1,729
Total raw materials	87,831	127,814	155,040
Other expenses, by geographical area			
Italy	5,018	5,901	7,772
<i>Of which Umbria</i>	2,087	2,672	3,576
Other EU countries	33	86	209
Non-EU countries	345	71	110
Total other expenses	5,396	6,057	8,090
Total	93,227	133,871	163,130
GRI 204-1 Proportion of spending on local suppliers			

With reference instead to our external production structure, today there are **393 medium-small sized artisan companies** – all used in a continuous manner⁶³ –, selected on the basis of **skills and traditions of their territory** and of which more than half work exclusively for our Company. Overall, these laboratories have **approximately 7,100 employees**, each of which have approximately 18 employees.

Over the years, we have been able to admire both a dimensional growth of the laboratories with whom we collaborate as well as an increase in the share of work reserved to us by those artisan companies that work with multiple customers.

The large number of laboratories with which we work guarantees that we can **significantly diversity the assignment of the work**, so that there are always multiple highly qualified, specialised companies for every production phase.

We value a **short production chain** – as in the case of the supply of raw materials mainly purchased from Italian suppliers – located exclusively in Italy, with **approximately 76%** of the artisan companies located **in Umbria** (301 artisan companies in Umbria with whom we collaborate continuously), which is the cradle of artisan techniques, taught and passed down through families.

For the remaining 24% the Company works with some laboratories in **districts of excellence** for the specific types of processing: in Tuscany, Marche, Abruzzo, Lazio, Lombardy and Veneto. The greater distance of these companies does not jeopardise the **value-based and relational proximity** we try to establish constantly with each of them.

63 These also include the artisan factories of Pinturicchio S.r.l. (men's jackets) and Max Vannucci S.r.l. (knitwear).



Figure 27 - The distribution of small craft enterprises in the Italian territory



In 2023 expenditures related to the payment of external production amounted to approximately €193 million (+22% compared to 2022), as detailed in the table below.

Table 17 – Purchases from small craft enterprises (Euro/000)

Expenditures on external processing of finished products	2021	2022	2023
Italy	114,875	158,186	193,044
<i>Of which Umbria</i>	63,055	78,195	89,713
Other EU countries	0	0	0
Non-EU countries	0	0	0
Total	114,875	158,186	193,044

GRI 204-1 Proportion of spending on local suppliers

Procurement and management of raw materials

The high quality of Brunello Cucinelli's products is intrinsically connected to a **precise selection of the raw materials**, for which – as applies also for the purchase phase – we have a direct responsibility, guaranteed also by collaboration with the best Italian suppliers, and to the **very high level of care and attention given during the various phases of processing the garments**.

The materials used by the Group can be attributed mainly to **two macro-categories**:

- The raw materials used to make garments (yarns, fabrics, leathers) and accessories;
- Materials for packaging.

The search and selection for the **raw materials used to make our products** is done directly by the Style and Creativity Office in collaboration with the functions dedicated to the purchase and quality control of the selected raw materials.

With reference to the raw materials used for the Men's, Women's and Boys' and Girls' collections, the **yarns** include cashmere, some of the finest wools such as mohair and camel, lightweight wool, linen, silk and cotton.

There are also the **fabrics**, such as denim, and the **leathers**.

Since 2021, the Casa di Moda decided to **no longer use animal furs** for its collections.



The **localisation** of raw material suppliers reflects a **primarily national origin**. Exceptions include the suppliers of denim – purchased, as noted, directly in Japan – and of some leathers, located in Europe.

Cashmere is purchased from Italian suppliers, with main one being Cariaggi Lanificio S.p.A. This yarn is selected from among the most precious originating mainly from **farms in inner Mongolia** (China): the origin of cashmere dates back to antique pastoral communities of central Asia, where this precious resource was created as natural protection against the severe climate. Since then, the history of this excellent fibre, which we call “golden fleece”, has traversed the evolution of civilisations, linking East and West, traditional culture and contemporary creations.

For our Casa di Moda, the use of this noble raw material over the years is the means by which it has been possible to develop precious products, create jobs and showcase the craftsmanship of Italian tradition.

It is important for us to visit the farms and maintain the dialogue built up over the years with the local communities, aspects that are ensured above all by the visits made periodically by our main supplier, who is often accompanied by Chairman Brunello Cucinelli and members of his family, thus promoting a coexistence of distance and proximity.





As a result, **for the Group, cashmere has become the symbol of the beauty of Creation and fraternity among peoples.**

Fibre sourcing takes into account both the particular climatic conditions of the region and the welfare of the Hircus goats from which the yarn is obtained.

Specifically, the Hircus breed of goats develops a dense undercoat composed of thousands of fine fibres, hidden by the longer, coarser hair visible on the outside. The undercoat, which is also called *duvet*, acts as thermal insulation for animals and therefore the quality of the fibre depends essentially on the adverse climate of its location. The fibres are collected with extreme care: in Spring, when the climate is milder the pastors collect the undercoat from the goats using so-called “*combing*”, which is a process that in no way abuses the animals, and instead caresses them with a small comb only in the areas below their throat and stomach, where the fibres are most dense, compact and soft. A single Hircus goat can produce around 150-200 grammes of undercoat per year. The reason for the exclusive prestige of this wool is the very small quantity of the highest quality fibre.

Below is the quantity (up from 2022) of raw materials for collections used by the Group in the last three years.

Table 18 - Raw materials used to create our products

	Unit of measurement	2021	2022	2023
Fabrics	m	2,409,137	3,230,629	3,558,124
Of which CITES ⁶⁴	%	0	0.03%	0.05%
Yarn	kg	165,826	212,722	207,004
Of which cashmere	%	36%	35%	30%
Of which CITES	%	-	-	-
Leather	sq m	236,106	324,682	338,060
Of which CITES	%	0	0.06%	0.07%

GRI 301-1 Materials used by weight or volume

Looking instead at the materials used for the accessories/components, note that in some cases the purchase is delegated to the artisan workshops tasked with manufacturing the product.

Below is a quantitative breakdown of the accessories and components used in the last three years. The volume of materials purchased varies according to production requirements. In particular, in 2023, all the utilised materials recorded an increase as compared to the previous year, with the exception of the number of zips, which decreased slightly.

⁶⁴ The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement between governments, the purpose of which is to ensure that international trade in wild animals and plants does not threaten the survival of the relevant species. The Convention provides for the use of a licensing system for the authorisation of all imports, exports, re-exports and introductions from the sea of the species listed in the Appendices to the Convention.

**Table 19 – Accessories/components**

	Unit of measurement	2021	2022	2023
Chain	m	2,373,293	3,008,713	3,012,052
Zip	pc	457,213	721,276	714,126
Zip/metre	m	15,584	21,020	22,565
Buttons/Snaps	pc	4,688,410	8,041,916	8,674,271
Ribbons	m	502,885	782,904	831,900
Labels	pc	1,541,013	2,254,517	2,570,545
Clasps/rivets/metal	pc	636,348	719,509	1,166,665

GRI 301-1 Materials used by weight or volume

In addition to the attention dedicated to the selection and purchase of raw materials, another key element to their management is the implementation of **internal quality controls** performed when the material arrives at the company.

First of all, a visual check is done in order to carefully examine any imperfections worthy of note.

This is followed by more technical tests to check the feel, texture, heaviness, brightness, colour, elasticity, exposure of the fabric to shrinkage after washing.

Prototypes are then specially made for the “wear” test, whereby the material’s compliance with the Company’s high standards is verified by wearing the garment for a certain period of time. Therefore, for new materials included in the collections, a material can only be introduced into the production cycle if the garment meets the required quality standards.

Finally specific and continuous **spot checks are performed on the utilised materials** to map out and prevent risks in terms of suitability and insufficient checks of the raw materials.

It is also the Company’s intention to further expand the periodic and preventive checks of raw materials to ensure their compliance with product safety standards with respect to the use of chemicals considered potentially harmful and therefore specifically regulated.

The materials used by the Group also include packaging.

From an aesthetic point of view, the packaging – just like the garments – reflects the combination of simple elements and the search for great exclusivity, helping to communicate the brand’s identity and values.

In functional terms, it is our concern to always guarantee the necessary protection and care of the products, especially during the many trips required during production and quality controls between the Solomeo site and the artisan workshops, during distribution to the sales channels, and in terms of protecting the garments against UV exposure.



The main materials used are paper/cardboard, plastics of organic origin, wood and liquid wood for the hangers. Fabric (cotton) containers are also used for better storage of certain products, such as shoes, bags or accessories, which are also designed for later reuse by the retail customer.

In the name of sustainability, for gifts shipped via the e-commerce channel we opted for a box produced from FSC®-certified sources and an inner box designed to be kept and reused over time thanks also to the self-assembling structure, which allows it to be flattened and stored in very little space.

Furthermore, starting from last year, **all the bags used for packaging are no longer made of virgin plastic of fossil origin, but are obtained from biomass sources and are compostable.**

Below are details of the quantities (in tonnes) of material mainly used for packaging and distribution during the three-year period 2021-2023.

Table 20 – Materials used for packaging and distribution (tonnes)

	2021	2022	2023
Paper/Cardboard⁶⁵	747	803	1,060
Of which recycled	229	561	7
Of which FSC	386	141	991
Plastic	61.3	13.0	18.5
Biocompostable plastic material	47	94	99
Wood⁶⁶	92	95	94
Fabric⁶⁷	56	78⁶⁸	111
Of which recycled ⁶⁹	11.00	17.00	25.29
Hangers	125	172	158
Wood	5.81	31.49	54.79
Plastic	105.42	121.05	72.93
Metal	13.36	19.87	30.15

GRI 301-1 Materials used by weight or volume

The main materials used for packaging, in terms of quantities used, are paper and cardboard: 1,060 tons were used in 2023 (+32% compared to the previous year), of which 1% comes from recycled paper, 93% from an FSC certified component and 6% virgin, non-FSC certified.

65 The representation includes cardboard containers purchased directly by the company for subsequent shipment to the Group's single-brand boutiques around the world.

66 Mainly pallets and pallets made of compressed wood for warehouse use.

67 The fabric used for the packaging can be traced back to the following materials: cotton, virgin wool, polyester, viscose, cupro, polyurethane, other recycled fibres.

68 The figure for 2022 also includes fabric packaging purchased directly from some of the artisan workshops that supply shoes.

69 Recycled cotton, recycled polyester and other recycled fibres (indeterminate).



In particular, as regards the FSC certified component, of the 990 tonnes, 502 are recycled FSC, 482 FSC mix and finally 7 FSC with virgin fibre.

As concerns instead other materials used, this includes 18.50 tonnes of plastic (+42% compared to 2022), 99 of biocompostable plastic material (+5% at 2022), 94 tonnes of wood (+21% compared to the previous year) and 111 of fabric (of which 25 tonnes of recycle).

As regards instead production packaging, in the case of “sales accessories” – they make up approximately 93% of this type of packaging – 27% of the paper/cardboard used is recycled. The remaining 7% of production packaging is comprised 100% of recycled paper/cardboard.

The overall increase in paper/cardboard recorded in 2023, which is mainly correlated to the material used for shipping packaging, is decidedly lower than the generated revenues (+23.9% compared to 2022). This optimisation was made possible due to the implementation of the “*Warehouse Management System*” (WMS) software.

Both the WMS project as well as the “*Transportation Management System*” (TMS) software – which permits greater traceability of the various logistics and distribution phases, up to the delivery of the products to the end customer – continued during the year subject to reporting.

The “Warehouse Management System” and “Transportation Management System” projects

WMS is an *in-house* project – started in 2021– for the **optimisation and rationalisation of the shipped packages**, through efficiency measures regarding their volumes. The implementation of this system resulted in the following benefits in 2022 – its first year of operation – when comparing the data with those of 2021 and with the same number of cartons:

- Savings in terms of volume of cartons shipped of around 5-6%;
- A decrease of about 10% in the use of packaging, in terms of CO₂ and costs saved;
- An improvement in operational processes.

The TMS software purchased in 2021 has integrated, starting in 2023, our IT systems with those of all our shippers, which makes it possible to optimise and manage transports up to the moment of delivering the goods to the end customer, with **real-time tracking of all the logistics phases**.

Specifically, the software is able to guide the selection of the shipper through the implementation and use of specific KPIs, among those economic and quantification coefficients for CO₂ emissions (not yet operative).

Furthermore, the digitalised management of documents correlated to outbound logistics and distribution operations has permitted an approximate 80% reduction in the paper used during transport.

A project for the packaging of hung garments (approximately 35% of the shipping/sales packaging) was started in 2023 for the study and creation of cases made completely of recycled paper and cardboard. With respect to circularity, the cases are recycled at their end of life and reintroduced into the production cycle by the same supplier. Tests performed on prototypes during the year has a positive result, therefore the new of the new cases is planned for 2024.



In order to reduce the volume of paper/cardboard used for packaging, the Group started an analysis the previous year regarding alternative materials, such as recycled polystyrene, also taking the application of circularity logistics into consideration.

Study for the introduction of recycled polystyrene boxes

A project was started in 2022 for the packaging of semi-finished goods (equivalent to 20% of packaging of “flat garments”) that involves the introduction of recyclable, high-density polystyrene boxes with a useful life of 3/4 years. The supplier identified is not only able to recycle the material at the ends of its life, but also to return it to us later, thus implementing a closed-loop circular model.

Indeed, the use of such boxes would significantly reduce the consumption of cardboard, which is currently used for these specific shipments, considering that it is estimated that they can be used for several years. Moreover, they can be recycled both in the event of damage and at the end of the box’s life.

The results of the tests performed last year were all positive, ensuring that the box does not deteriorate also when used for hot garments that were just ironed.

During 2023, the product prototypes were tested during production trips for the purpose of transporting raw material to the small craft enterprises and, subsequently after the processing performed by them, for transporting the semi-finished goods to the Casa di Moda. From the tests performed, it has been shown that every box can be used for ten round-trip cycles without damage to the polystyrene that makes up the box.

The study that was started the previous year continued in 2023 to search for more transparent bags, which facilitate identification of their content. This project is still in progress due to the difficulties in finding biodegradable products on the market that have the required characteristics. The results of this study will be communicated as soon as they are available.

Disposal of bio-based plastics

In 2022 we started to implement an optimal solution for the disposal of bio-based plastic bags, as previously and on a transitional basis, since there was no CER code for the disposal of organic industrial waste, they were disposed of together with the organic waste of the company restaurant.

Non-reusable bags that do not contain any other material (such as hanging tags), are **redelivered to the supplier to be sent to the producer of raw material for being transformed into secondary raw material.**

A second supplier of plastic bags was identified starting from 2023.

With reference to **hangers**, there was an increase in wooden hangers (+74%) related to the use of wood fibre in replacement of plastic (-40% compared to 2022).



Within the scope of the project targeted towards finding solutions with lower environmental impact, during the year we were able to obtain the **first sample of hangers** made of recycled paper/cardboard. Following multiple aesthetic and functional tests of the paper hangers, we defined the models that will be produced in 2024. From this moment, we are planning to gradually replace all the hangers currently used for the Men's, Women's and Boys' and Girls' collections.

Currently, the disposal of hangers made of liquid wood takes place as is done for plastic as the percentage of plastic it contains is higher than the percentage of wood.

Finally, studies are continuing regarding the larger sized adhesive labels placed on the packaging, which are currently made of non-compostable material, to search for solutions that permit their more sustainable disposal.

Also included among the materials purchased are the products used for the operation of the laundry, the quantity of which may vary from year to year depending on the specific washing requirements of the garments in the collections.

In 2023, this includes mainly neutral soap (+83% compared to 2022), whose increase is related to new types of yarn (cotton) treated with different cleaning and washing processes than those for other materials, and fabric softener (+15% compared to 2022). Also powdered detergent is used (+9% compared to 2022) and hydrocarbon solvent used instead of perchloroethylene (-17% compared to 2022).

Table 21 – Materials used for the laundry (kg)

	2021	2022	2023
Neutral soap	600	720	1,320
Fabric softener	12,240	13,200	15,120
Perchloroethylene (dry cleaning)	862.5 ⁷⁰	0	0
Powdered detergent	455	416	455
New hydrocarbon solvent	1,890	2,704	2,250

GRI 301-1 Materials used by weight or volume

Finally, office materials – paper and cardboard (PEFC) – are also included in the purchases, details of which are given in the table below.

⁷⁰ The quantity shown is for the period January-August 2021.

**Table 22 – Materials used for office work (kg)**

	2021	2022	2023
Paper/Cardboard (PEFC)	34,396	37,091	40,226
Of which used at Solomeo headquarters	28,067	30,257	31,996

GRI 301-1 Materials used by weight or volume

Sustainable management of supplier relations

The management of relations with raw material suppliers, just as with small craft enterprises, is attributed internally to Production Management, which works in close contact with the Third-party Manufacturer and Supplier Information Office.

The selection phase is a key step of the collection development process in order to guarantee the high quality and contemporaneity of our product range.

The search for suppliers is therefore an ongoing process that on the one hand involves solid, long-term relationships, and on the other the continuous accreditation of new partners, in line with the principles and values underpinning our philosophy and the stylistic requirements of the collections.

Suppliers are selected based on the highest quality, reliability and capacity for material innovation.

In observance of the regulation of reference, we are committed to guaranteeing that the **selection** processes take place in compliance with the principles and laws on the **protection of competition**, ensuring the **maximum transparency and efficiency of the process** and that they are based on the promotion of **equal participation opportunities** and the **impartiality** of assessment of the supplier who meets these requirements.

We also assess the possible earning of process and product certifications.

During contract stipulation the Company shares the **Framework Agreement** that contains the rules of conduct that must be observed, as well as specific commitments and duties.

In particular, the provisions related to **social aspects** concern:

- The proper classification and fair remuneration of employees;
- Compliance with all applicable laws and regulations on health and safety in the workplace, social security, insurance, welfare, pay, tax and fiscal matters;
- Recognition of freedom of association for all its workers;
- Prevention and protection of staff against discrimination, abuse and harassment;
- Prohibition against the use of child labour or forced labour.



On the other hand, the provisions related to **environmental aspects** require:

- Working with respect for Creation, adopting an approach of caring for and protecting the environment;
- Compliance with the environmental regulations and standards envisaged by applicable laws and to be able to demonstrate the effective implementation of the provisions in question;
- Ensuring proper handling of waste, especially if it is classified as hazardous;
- Guaranteeing the best traceability of raw materials, also with reference to their own subsuppliers.

During the contract phase, suppliers commit specifically to guarantee their compliance with the following regulations and standards:

- Standards that regulate the use in the fabric and tannery industry of certain materials and substances for the protection of health of people and the environment, such as the **REACH Regulation** of the European Union (2007) on the use of chemical substances, Californian Law **Proposition 65** and the Chinese **GB Standards**;
- The **Restricted Substances List** (RSL) defined by the Company and shared with suppliers starting from 2020, which is continuously updated. The RSL aims to regulate and progressively reduce the use of chemical substances used in the processing of materials that may be harmful to human health and the environment, and thus ensure greater safety of the final product;
- Directive 2001/95/EC called the “**General Product Safety Directive**”;
- Compliance with **standards controlling the “fire risk”** or the “**mechanical risk**”, with particular concern for the garments for the Boys’ and Girls’ collections.

The Framework Agreement also refers to the observance of the **Code of Ethics** and the company’s **Model 231**.

Combating active and passive corruption is also included in the requirements and responsibilities of suppliers and artisan workshops. In fact, as indicated in our **Anti-Corruption Policy**, the Group reserves the right to end a contractual relationship with third-parties whose business conduct and practices are in contrast with what is contained in the Policy.

As an integral part of Model 231, our partners are also subject to the Company’s **Whistleblowing Procedure** aimed at regulating reports regarding illicit conduct or reports of possible irregular, commissive or omissive conduct that represents or could represent a violation, or incitement to the violation, of laws or regulations, the Code of Ethics or Model 231. Therefore, it is the duty of the recipients of the procedure to report this conduct if they believe it could cause any type of harm to the Group, using the reporting channels provided by the Company.

In order to strengthen our commitment to the monitoring and promotion of sustainable practices along the entire value chain, starting in 2021 we supplemented the contract documents shared with our partners with our **Human Sustainability Policy “In Harmony with the Creation”**, which was updated in 2023, and the **Diversity and Inclusion Policy**, which must be reviewed and as a result a business conduct aligned with its principles must be adopted.

Starting in 2020, as an additional element of managing relations with suppliers and monitoring their compliance and level of maturity regarding environmental, social and ethical aspects, we provided partners with the **self-assessment questionnaire**– called “*The value: a virtuous circle of human sustainability*”.



Starting in 2023, the self-assessment questionnaire was replaced with the implementation of a process for collecting primary qualitative-quantitative data that is completely digitalised and used to ensure a more-precise monitoring of the environmental footprint of the raw materials.

Involvement of and collection of primary data from raw material suppliers

In order to ensure greater structuring of the phase of engaging the raw material suppliers and guarantee an increasingly precise monitoring of the level of maturity in terms of sustainability (environmental, social and compliance), the Group has decided to implement new processes and methods for involving their suppliers.

For this purpose, in 2022, after studying and assessing some potential external partners, the Casa di Moda identified the person assigned to perform the support activity for the precise mapping of its suppliers and data collection. All the project phases are managed via the technological platform developed and supplied by the external partner.

In particular, this platform makes it possible, through the use of a qualitative-quantitative assessment, to collect primary data in order to measure and assess the degree of maturity and the impacts of the production chain in order to identify action priorities as well as to create the basis for implementing the progressive traceability of raw materials.

After the initial phase of involving the suppliers for the presentation and introduction of the project, in September 2023 the activity was started with 156 suppliers who represent the source of approximately 95% of raw materials. Of the involved suppliers, by the end of the year 133 provided a complete response to the questionnaire shared on the platform. For the remaining part of the suppliers, who had provided partial data during the year of reference, data collection will be completed in 2024.

Furthermore, in order to guarantee the more precise monitoring of the environmental footprint of the raw materials, with the support of the external platform, the activities of checking the emissions impact of a sample of involved suppliers are in the definition phase.

As a member of the **Fashion Task Force of the Sustainable Markets Initiative**, the Company participates in a project concerning the **implementation of the Digital Passport (or Digital ID)** for products in the fashion and luxury sector.

The new processes implemented by the Casa di Moda during the phase of engagement and primary data collection of the supply chain are crucial for the Casa di Moda in order to create a complete, reliable database that can best provide the information needed for the digital passport.



CHAPTER 4. CULTURAL SUSTAINABILITY

WE BELIEVE IN THE UNIVERSALISM OF THE WORLD AND ACT WITH GREAT RESPECT FOR ALL CIVILISATIONS



Cultural sustainability - *Man Holding a Book*, Parmigianino, c. 1529, Vienna, Alamy Stock Photo

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Ten UNGC principles
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Principle V



SOLOMEO: HAMLET OF CASHMERE AND HARMONY

We have always been aware of the **importance and value of the territory**, as well as our great love for the *genius loci* that characterises Solomeo.

Our special connection with Solomeo contributes greatly to the brand's fascination and allure. In fact the **Hamlet of Cashmere and Harmony** represents the «*centre of family, business and spiritual life*» of the Chairman, Brunello Cucinelli and represents a founding element around which our idea of Humanistic Capitalism was developed.

The Company logo itself recalls the Hamlet's historical coat of arms and contains the Latin phrase SOLOMEI MCCCXCI. It also refers to the year 1391, when the ancient castle that Entrepreneur Brunello Cucinelli renovated and that served as the corporate headquarters in the Company's early years was built.

The connection with Solomeo, example of a «*humanistic path that passes from spirituality to history, art and culture, to the work of man, artisan or farmer, and to the celebration of the human person*», is reflected in the **responsibility of the Casa di Moda towards its territory**, the nearby **peripheries** and the **local communities** that host us.

It has always been our belief that the Company can continue down this path to growth, growing in a sustainable and respectful manner, while respecting the “spirit of the places” we live and work in; and we believe that, as part of our key future goals, we must stay true to the unwavering principle of custodianship, doing our best to embrace it in our everyday lives and in the Company's day-to-day business.

During the more than forty years of life of the Solomeo company, our business activity has always been accompanied by a **constant dedication to the support, restoration and development of the Hamlet** and, in general of the **Umbrian territory** by supporting the growth of the local community.

The Hamlet has therefore become a pleasant place where we want to consider ourselves, together with other local actors, **pro-tempore guardians of beauty**.

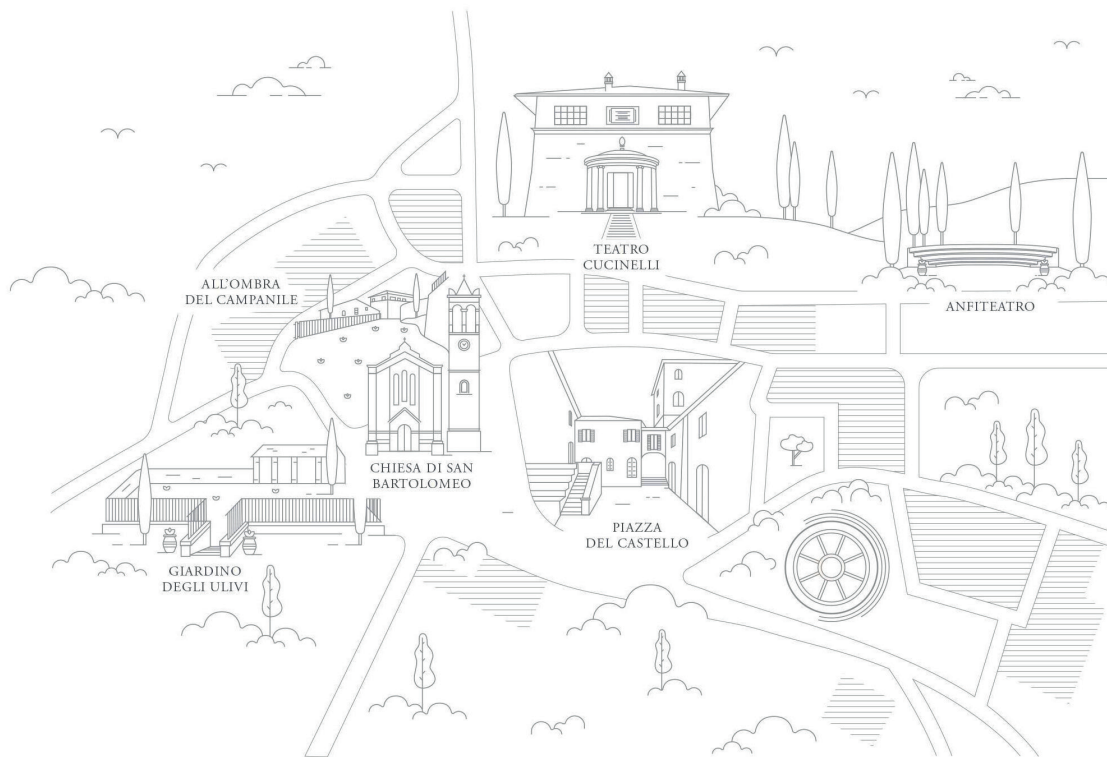


Restoring the Hamlet of Solomeo to its former glory



The great restoration works promoted by the Cucinelli family, which started in 1985, made it possible to restore the Hamlet to its former Renaissance splendour. All work performed or supported by the Casa di Moda has always had as the guiding principle and fundamental premise the **constant respect for the landscape and the historical and architectural identity of the location**. A harmonious setting was thus created, where production meets creativity, work life meets cultural life, and attention to products meets the protection of human values.

Figure 28 - The locations of the Hamlet of Solomeo



In particular, the planning of the **Arts Forum** started in 2001: this includes the **Cucinelli Theatre**, which we consider as a secular temple of art, the outdoor **Amphitheatre**, dedicated to summer events; the so-called **Garden of Philosophers**, open to anyone who wants to reflect and contemplate the surrounding nature; and the **Neo-Humanistic Academy** with the **Aurelian Library**.

Every year, the Arts Forum comes alive with the organisation of events, meetings and performances, such as the **Villa Solomei Festival** which welcomes musicians and composers from a varied Italian and international panorama, thereby promoting cultural sustainability and **universal access to culture**.

The idea of the Cucinelli Theatre comes from the need to **give art the ideal place to be expressed and the need to donate a building to the Hamlet that can last over the following centuries**. Its structure is modern and versatile, while its shape is inspired by the standards of the Renaissance style and Palladian architecture, specifically the Sabbioneta Theatre (Mantua).

The Theatre programme includes plays, dance and musical events with a **strong international influence** and characterised by its particular suitability for national premiers. The theatre also hosts all the shows featured in Solomeo during the year in exclusivity with respect to other theatres in the region.



This creation of occasions for experiencing art and culture in Solomeo and its surroundings **allows the entire local community to attend performances and events that previously were hard to access locally**, furthermore it is all offered at a **reasonable cost** thanks to the financing of the Brunello and Federica Cucinelli Foundation.

The restoration work and the new life of the Hamlet has continued with the foundation in 2013 of the **School of Contemporary High Craftsmanship and Arts**. With its dedicated laboratories, the school is located in various buildings, including the Medieval castle, and is the point of reference for the training of new generations for antique sartorial and artisan trades (ref. Paragraph *Preserving artisan savoir faire Made in Italy*).

Among the values that represent the cultural pillars of our Casa di Moda, particular importance is attributed to the **Pleasant Peripheries**, an expression that profoundly expresses the desire to **participate in the improvement of the territory** and, precisely, the **surrounding peripheries**.

From the heart of the Hamlet of Solomeo, therefore, a new idea was born: to design, administer, protect and safeguard the beauty of a suburb. What the Chairman, Brunello Cucinelli wanted and realised is therefore a new conception and realisation of the peripheries, targeted towards **enriching the quality of life** and creating a **harmonious continuity in the landscape**, which combines nature, creativity and productivity.

The “**Project for Beauty**” made it possible in fact to redevelop the area of the valley below the Hamlet, thereby creating a **balance between profit and Human Sustainability, tradition and evolution, local economy and global economy**.

The project was completed after almost eight years of hard work and today covers an area of approximately 100 hectares, divided into three parks:

- The *Industrial Park*, which covers approximately 35,000 square metres and includes the new company headquarters, ensures that the latter is inserted harmoniously in a vast garden in honour of the world of work;
- The *Don Alberto Seri Park*, dedicated to the memory of the loved and unforgotten parish priest of Solomeo, set in an area of 7 hectares. It comprises an open-air stadium, that is the recreational part of the project mostly dedicated to young generations and that serves as a Contemporary Laic Oratory: every young athlete is given the opportunity to practice sports while harmoniously promoting social and personal growth;
- The *Agrarian Park*, which covers approximately 70 hectares around 3 fundamental centres, that is the mill, the cellar and the **monument “Tribute to the Dignity of Man”**, which was completed during summer of 2018. The park, and in particular the mill and the cellar, express the ideal of “**living according to nature**” where **antique workmanship and manual techniques** take care of the vineyard (comprised of traditional Umbrian varieties), the olive grove and the cultivated areas. The monument “Tribute to the Dignity of Man” was created out of the desire to **leave a tangible testimony that lasts over time**, a symbol of Brunello Cucinelli’s activity with regard to humanity. It comprises a travertine exedra with five arches above which the following is indicated in bronze letters: “*Tribute to the dignity of man*”. To convey the universal meaning of the construction, the names of the world’s five continents are written in bronze letters below each arch, while the name of the African continent is placed in the middle, highlighting the place of origin of mankind. A tripod stands in the middle of the exedra. To make sure that it lasted for centuries on end, the monument was built in travertine using ancient techniques, based on the texts by Vitruvius, Palladio and Sebastiano Serlio. Its design – as a whole and in each and every detail – perfectly reflects the rules and proportions of classical architecture.

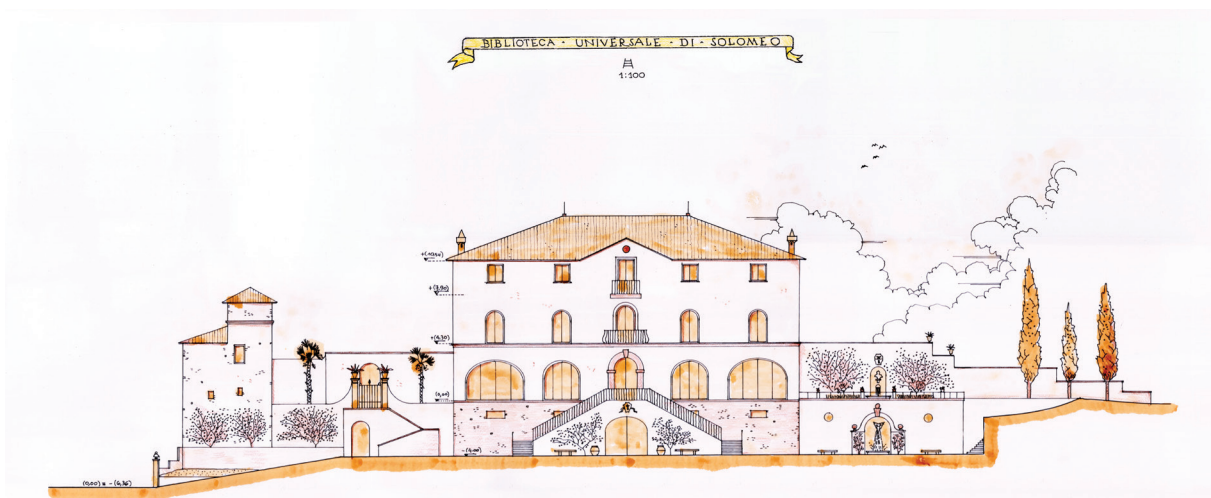
The monument is seen by everyone who visits it as a symbolic legacy of the idea that **art can be the driving element of improvement and the constant care of the territory**.

In an attempt to act as faithful custodians of Creation and with a desire to leave a legacy to mankind that will last for the next one thousand years, we decided to pursue the dream of two great figures in history, Emperor Hadrian and Alexander the Great, whose actions benefited the whole world. The launch of the project **Universal Library of Solomeo** – resulting from the desire of the Chairman, Brunello Cucinelli and the architect and landscape gardener Massimo de Vico Fallani, his fraternal friend, took place in 2021 and the inauguration – completely supported by the Brunello and Federica Cucinelli Foundation – is planned for 2024.

This is a “**thousand years**” project whose purpose is to **contribute in the future to the ethical, spiritual and cultural growth of the territory** and its inhabitants.

The Universal Library of Solomeo, built on the universality of thought of the authors of the books that will be located there and therefore “**universal**”, will be located near the Cucinelli Theatre, in a noble 2,000 sq m eighteenth-century villa, and it will safeguard, year after year, antique books and new books, not only in Italian but in other languages in order to embody the knowledge from many parts of the world.

The space will be accessible to anyone wishing to study, read a book or take a stroll in the green area that will become a public park in Solomeo and whose design will recall Villa Adriana in Tivoli.



Therefore we imagine the new Solomeo library as a **sprawling, open and attractive location**, an ideal meeting place, as was the case in the antique parks of philosophers, or also in the Library of Alexandria, where people taught, read, discussed, worked and during time of rest participated in enjoyable symposiums, outside or inside, depending on the season.

A panel of experts has been entrusted with the task of selecting classical texts from all over the world based on four macro-areas: Philosophy, Literature (including classical Poetry), Architecture and Crafts.

Our ambition is to collect **between 30 and 35 thousand books in 2024** at the moment of inauguration, which can arrive over the following years up to the excellent goal of **500 thousand volumes**. The books are purchased by the Foundation without relying on donations or contributions from its members and supporters.

The community and the local region



With our desire to **generate a positive impact** on local communities and support the local regions that host us, we have always believed that it is a priority and a precise moral duty to offer our contribution mainly for the **promotion of the quality of life and economic, social, cultural, civil, and medical-scientific development of the local regions** where we perform our activities and of the communities living there.

In order to make our contribution more formalised and regulated – by means of monetary and in-kind donations (for example, sharing skills to the service of the community) and non-commercial sponsorships – in favour of entities, organisations, associations and for initiatives carried out in and for the local regions and the communities of reference, in Italy and abroad, we prepared our **Charity Policy**⁷¹ in 2022.

The Policy is guided by the four Decalogues and in particular by the fundamental values of **care and responsibility towards the community and the local region**: in line with them, we have defined the guiding principles at the basis of what we are doing to support the local urban-architectural redevelopment works, artistic and cultural promotion and social-economic development of the local region.

The guiding principles are as follows:

- Guarantee of the coherence of the project carried out according to the ideals of **Humanistic Capitalism and Human Sustainability**;
- Generation of a **positive impact** on persons who will benefit from the support either directly or indirectly.
- **Proactive and reliable conduct** by all the involved parties.

71 Submitted for approval by the CEOs.



- Selection of the initiatives or organisations to support on the basis of the principles of **legality, dignity and wellbeing of people, transparency, honesty, correctness and inclusion.**

Above all, to always ensure the complete alignment of our ideas of Humanistic Capitalism and Human Sustainability, we have also defined some **areas of priority**, for which we want to be promoters of change and of a positive and long-lasting positive impact. These areas refer to the six forms of Human Sustainability that were already mentioned: environmental, economic, cultural, spiritual, technological and moral.

The Brunello Cucinelli Group's support can be given based on specific **requests made directly by a third-party entity** or resulting from the **direct desire of the company** to contribute to a certain cause. The Chairman's office, the Chairman Brunello Cucinelli and the CEOs are in charge of checking and approving the received requests.

It is also of fundamental importance to **monitor the projects/initiatives supported by the Company** with regard to its progress and the successful completion of the sustained projects, thereby allowing the Company to **assess the generated impact**. The **direct involvement of the recipients of these projects** is considered essential in order to obtain the most complete vision possible of the creation of environmental, economic, cultural, spiritual and moral value deriving from our participation in these initiatives.

The issues of social wellbeing, the enhancement of the natural landscape and the protection of the historical-artistic heritage are in fact part of a holistic and wide-ranging vision that sees the concept of sustainability as a harmonious set of values, aspirations and objectives that the company naturally looks to in its medium-term and, above all, long-term plans.

For these reasons, beginning in 2022, an in-depth analysis has been carried out aimed at measuring and evaluating the positive impacts – in terms of social benefits for the communities concerned – generated by the initiatives implemented by our Casa di Moda, aware that the value of these actions naturally goes far beyond any kind of numerical measurement.

To understand the social value that the Casa di Moda contributes to the benefit of its territory, the **Social Return on Investment (SROI)** calculation has been selected as the analysis method. The calculation of the SROI *ratio* is based on a formula that subtracts the costs sustained (by the Casa di Moda or the stakeholders) from the social value generated by the project, the result of which is then divided by the invested capital.

After defining the desired impacts and results that must be reached (that is the changes in the social system) through the projects carried out; the analysis included the **involvement** – by means of questionnaires and direct interviews – of the various categories of concerned **stakeholders** (beneficiaries) to understand what change they experienced thanks to these projects.

The detailed analysis continued also in 2023, which concerned the “Great Works” realised over the years in Solomeo, in the Umbrian territory and internationally, with particular reference to the following projects.

Measurement of the SROI of Casa di Moda Projects

The following is the detail of the analysis and results obtained with respect to some projects considered for the assessment of the social impacts⁷² generated by the Casa di Moda on the surrounding region and local communities.

The stakeholders identified as direct beneficiaries of the projects were requested in particular to **assess the importance of the change** and the **contribution of the Casa di Moda towards the considered outcomes** (changes).

1) Assessment of the social impact generated by the School of Contemporary High Craftsmanship and Arts

The following stakeholder categories were involved for the purpose of the evaluation:

- School students;
- School teachers.

For each category of stakeholder, multiple results/changes have been identified, for example: increase in employment and acquisition of business concepts for students; perception of a greater sensation of individual wellbeing for both stakeholder categories.

From the analysis performed from 2013 to 2022, based on the formula for the SROI calculation, it was possible to obtain a result equal to **€3.22** for every euro invested.

2) Assessment of the social impact generated by the projects targeted towards the communities of the district of Zomba in Malawi

The following stakeholder categories were involved for the purpose of the evaluation:

- Residents of the district of Zomba (specifically: village leaders, women involved in local projects, seniors and young people involved in the activities and their respective families);
- Implementing parties of the projects on site.

For each category of stakeholder, multiple results/changes have been identified, for example: perception of greater safety by residents, decrease in the level of malnutrition and mortality; development of improved relational skills and stability in family relations; revaluation of the figure of seniors by the members of the community.

From the analysis performed from 2018 to 2022, based on the formula for the SROI calculation, it was possible to obtain a result equal to **€4.38** for every euro invested.

⁷² In order to calculate the SROI ratio, it is necessary to consider all the impacts (positive and negative) generated by the project on the various stakeholder categories.

3) **Assessment of the social impact generated by the projects targeted towards the communities of the Himalayan regions of Assam and Ladakh**

The following stakeholder categories were involved for the purpose of the evaluation:

- Local communities;
- Pastoral nomad population involved with the project;
- Local business people.

For each category of stakeholder, multiple results/changes have been identified, for example: increase in the safety of the activities carried out in the territory; decrease in impacts generated by climate change; protection of the value chain of local pashmina; increase in the retention of the inhabitants of the territory.

From the analysis performed from 2022 to 2023, based on the formula for the SROI calculation, it was possible to obtain a result equal to **€2.58** for every euro invested.

4) **Assessment of the social impact generated by the “For Humanity” project**

The following stakeholder categories were involved for the purpose of the evaluation:

- Charities;
- The community and the local region.

For each category of stakeholder, multiple results/changes have been identified, for example: support for local economies, creation of a sense of generalised serenity for the recipients of the project.

From the analysis performed from 2021 to 2023, based on the formula for the SROI calculation, it was possible to obtain a result equal to **€2.50** for every euro invested.

5) **Assessment of the social impact generated by the artistic restoration project in Perugia**

The following stakeholder categories were involved for the purpose of the evaluation:

- Public institutions;
- Commercial businesses;
- Local community.

For each category of stakeholder, multiple results/changes have been identified, for example: increase in the sense of community for the residents; growth of the industry related to the commercial businesses for merchants; growth of the related industry for the Municipality; widespread wellbeing for residents and tourists.

From the analysis performed from 2018 to 2022, based on the formula for the SROI calculation, it was possible to obtain a result equal to **€2.71** for every euro invested.

6) Assessment of the social impact generated by the reconstruction project in Norcia

The following stakeholder categories were involved for the purpose of the evaluation:

- Public institutions;
- Commercial businesses;
- Local community.

For each category of stakeholder, multiple results/changes have been identified, for example: increase in the sense of community and in the perception of safety for the residents; growth of the industry related to the commercial businesses for merchants; growth of the related industry for the Municipality; widespread wellbeing for residents and tourists.

From the analysis performed from 2018 to 2022, based on the formula for the SROI calculation, it was possible to obtain a result equal to **€3.43** for every euro invested.

Furthermore, donations were made to local communities in 2023 – in cash and in kind – for a total of **approximately €3.7 million** (+117% compared to 2022) providing support to associations working in Italy and abroad (United States and Canada).

Moreover, the Company contributes to the support of cultural events and seasons in Umbria, supporting the programming of the Teatro Stabile dell'Umbria⁷³.

The **Brunello Cucinelli for Humanity**⁷⁴ project continued, which started during 2020 in order to donate the garments that remained unsold due to the lockdown in favour of those most in need⁷⁴.

In a distinct and complementary manner with respect to the projects carried out by the company, the **Brunello and Federica Cucinelli Foundation**⁷⁵, being a non-profit organisation established in 2010 operates with the purpose to spread and realise the ideals that drove the humanistic ambition of Solomeo.

The objective of the Foundation is to support initiatives, with its own programs, that are able to promote the culture, knowledge and protection of the territory and its monuments, the values of tradition, the spiritual and daily values of the human being, supporting the activities carried out by the Group and spreading the ideals that drive the humanistic ambition of Solomeo.

Under the banner of these objectives, the Foundation supports various projects with the desire to contribute to raising the human spirit, including through actions aimed at beautifying the spirit of places. Cultural activities, initiatives to protect artistic beauty and projects of care and support for people and the area they live and work in are at the centre of every action taken by the Foundation, both in Italy and abroad. The initiatives organised in Solomeo and its surrounding area are an example of this aspiration.

⁷³ In the form of an “art bonus”.

⁷⁴ For more information, see the 2020 NFS.

⁷⁵ Whilst the activities managed by the Foundation are not included in the reporting scope of the NFS, as highlighted in the *methodological note*, it is deemed appropriate and proper to illustrate them. This choice is consistent with the company's decision in the period immediately prior to Brunello Cucinelli's listing on the stock exchange to “transfer” the management of many of the activities supporting the local region and the community, previously supported by the Company, to the Family Foundation, which has undertaken to continue the ongoing efforts, consolidating and promoting those values that have always inspired the Company in all its activities. More information at <https://www.brunellocucinelli.com/en/the-cucinelli-foundation.html>

Furthermore, in 2023 the commitment targeted towards supporting the territory was expressed with two additional projects concentrated in the territories near Solomeo: the **recovery of the Castelluccio di Norcia** and the **restoration of the Medieval aqueduct of Perugia**.

Rebirth of the territory: the reconstruction project for the Castelluccio di Norcia hamlet

The project aims to **reconstruct and redevelop** the small Umbrian hamlet with the basic idea of returning a Hamlet on a human scale to the entire community, with deep respect for its *genius loci*.



The project is the result of a long and careful study carried out based on archived and printed documents and physically with numerous on-site inspections. This **study**, which overall can be defined as **landscape restoration** in its broadest meaning of a relationship between nature and artifice, was understood as understanding the historical and artistic significance of the urban centre as compared to the magnificent natural scenery of which it is the hub, dominated by the austere profile of Monte Vettore.

Started in 2017, and interrupted for two years during the viral pandemic, the study was resumed and completed last year. The primary topic of the project was that of the **form of the hamlet and the landscape**, conceived as the result of executive techniques, the

decorative details and the geological and floral environment, following the criteria of “Ambientismo” that was formulated by Gustavo Giovannoni in the 1930s.

Brunello Cucinelli commented as follows: “*The project of ideas that we intend to donate to the hamlet of Castelluccio as hope for its reconstruction says a lot about our way of living and working in Solomeo. It has been envisioned “in harmony with the Creation” and always keeping the priority of full respect for the dignity of the locations in mind. I dreamed that Castelluccio could rise again as it was before the earthquake and this idea that we have committed ourselves to realise is a tribute to its extraordinary beauty, its*

antique history, its silent, hard-working and dignified population. At the same time, the project also should be considered a gift intended for a future inspired by Human Sustainability in order to attempt to bring a significant contribution of beauty to the humanity who will animate it for the upcoming centuries”.





The restoration of the medieval aqueduct of Perugia

Following the purpose of **donating new life to the historical beauty of the Medieval Aqueduct of Perugia**, we supported the restoration with the Art Bonus in 2023.

The aqueduct, which was first constructed in 1254 and abandoned in 1835, required a conservation restoration that could return this work of hydraulic engineering to its original splendour. The restoration will concern the arches located in Via dell'Acquedotto, which represent the connection with the historic city centre, bringing benefits also from the point of view of tourism.

From the family and the company, the restoration is considered a **gift to the beloved Umbrian capital** and its community, and also a contribution towards the beautification of the Creation, caring for the urban memory of the city and protecting an extremely valuable common good to be passed down to future generations.

In this regard, the heartfelt words of Chairman Brunello Cucinelli are provided below: *“We have thought to dedicate the right amount of attention to one of the most fascinating endeavours of Perugian antiquity such as the beautiful medieval aqueduct, which is at the same time an extraordinary hydraulic, architectural, urban and cultural endeavour. It needed care and, together with the Municipality of Perugia, we have studied a project that is in harmony with its urban and landscape context that can last for centuries. My dream is that the antique beauty of this monument, which is so special, can be returned to all of us who, as pro-tempore custodians, can pass it on with joy to future generations in all of its splendour”*.

The work is planned to be finished in 2025.

We are also active in Italy through our participation in national and local associations that represent the needs of the fashion and luxury sector, and more generally entrepreneurship Made in Italy.

National and local associations the Casa di Moda belongs to	
<p>Below are details of the Company’s membership in a number of associations operating on a national and local scale:</p>	
 Camera Nazionale della Moda Italiana	<p>The National Chamber for Italian of Fashion is the association that regulates, coordinates and promotes the development of Italian fashion. It is the point of reference and privileged interlocutor for all national and international initiatives aimed at developing and promoting Italian style, customs and fashion.</p> <p>The commitment of the Association and of its members in the field of sustainability is crucial. In fact, sustainability is a pillar of the CNMI’s strategy, which in 2011 set up a special working table. Subsequently, the Sustainability Commission and the Working Groups “Chemicals Technical Commission”, “Retail Technical Commission” and “Table of Chemical Analysis Laboratories” were set up within the CNMI, playing a key role in defining guidelines in this area.</p>
 SISTEMA MODA ITALIA FEDERAZIONE TESSILE E MODA	<p>Sistema Moda Italia is an organisation representing the Italian textile and fashion industry whose objective is to guarantee the protection of the textile and fashion sector at a national level through discussions with institutions, public administrations, economic, political and trade union organisations. Member companies also have access to important business-related databases, such as information on raw material prices.</p>
 ALTAGAMMA CREATIVITÀ E CULTURA ITALIANA	<p>Fondazione Altagama gathers the high-end Italian cultural and creative companies, recognised globally as authentic ambassadors of Italian style in the world: all the companies that operate in the world of luxury are part of the Foundation, including the fashion, design, jewellery, food, hospitality, automotive, yachts and wellness sectors. Its mission is to contribute to the growth and competitiveness of these companies, and to this end it organises various initiatives, including events, masters and seminars.</p>



	<p>The Council for Inclusive Capitalism is a global movement that groups the main leaders, including some figures from the business world, who share the objective of creating capitalism that is more inclusive, reliable, fair, responsible, dynamic and sustainable, to the benefit of people, communities and the planet. In keeping with our ideals of Humanistic Capitalism and Human Sustainability, the Company joined the Council for Inclusive Capitalism as a “Steward Member”, and Chairman Brunello Cucinelli is also a member of the organisation’s Steering Committee. Through the pursuit of the goals defined in the “In Harmony with Creation” 2022-2028 Sustainability Plan, the Casa di Moda follows through on the commitments elaborated by the Council for Humanistic Capitalism and thus participates in their achievement.</p>
	<p>The Via Montenapoleone Association was established in 2002 to promote the relaunch of Made in Italy and develop Milan's role as the European capital of fashion. It regulates, coordinates and promotes the development of Via Montenapoleone in Milan. It also organises events involving all the boutiques on the street.</p>
	<p>The Italy China Council Foundation – of which we have been supporting members since June 2021 – is a private, non-profit organisation established in November 2003 by Cesare Romiti, which works to support the institutions and companies to promote political, economic, commercial, scientific and cultural exchanges between the two friendly countries. The Foundation now has more than 200 members, and its board includes important political and economic institutions from both countries. Indeed, through its School of Continuing Education, it accompanies us on a cultural mediation path focused on Chinese culture and the client’s experience in this region. Moreover, through its Research Centre, it allows us to keep up to date with the Chinese market, with a particular focus on the luxury sector.</p>
	<p>Confindustria Umbria is the main organisation bringing together around 900 Umbrian companies. Specifically, the Company is part of the Perugia Industrial Association, an independent association belonging to the national Confindustria system. CEO Riccardo Stefanelli serves as President of the association’s Information Systems Division (SFCU).</p>

The participation of the Casa di Moda in the **Sustainable Markets Initiative Fashion Task Force** is described in the following box, whereas the detailed description of these two key projects of the Initiative is provided in the corresponding boxes in the chapters of reference (ref. sections *Our focus on preserving the diversity of Creation* and *Digitalisation and technological development*).



Sustainable Markets Initiative Fashion Task Force

As part of the Sustainable Markets Initiative launched by then-Prince now King Charles III of England in Davos in 2020 with the aim of accelerating the transition to a more sustainable future, some of the world's leading fashion brands were brought together in the Fashion Task Force in 2021 pledging to facilitate the transition to a more sustainable production and consumption model within the fashion and luxury industry. Federico Marchetti, founder of the YOOX Net-a-Porter Group, chairs the Sustainable Markets Initiative Fashion Task Force at the invitation of King Charles III of England.

Considering the profound esteem that Chairman Brunello Cucinelli has for King Charles III of England, whom he also met on the occasion of the G20 in Rome where both were speakers, the Brunello Cucinelli Group immediately embraced the sound inspirational principles and ambitious goals of the Fashion Task Force, joining as a member through the participation of CEO Riccardo Stefanelli.

The Fashion Task Force concentrates on the definition and development of a digital passport (Digital ID) aimed at permitting customers to be able to be more informed on the properties of the products they purchase and on the adoption of regenerative farming practices with respect to the different types of raw materials used.

In particular, with regard to the digital passport project, the main objective is to achieve greater transparency and traceability of textile products by providing information to customers on the design, manufacture and production of manufactured goods collected through the contribution of the entire fashion industry value chain: manufacturers, brands, retailers and platforms. The initiative also lays the foundations for the development of business models based on the principles of the circular economy, enabling new services inspired by them such as repair services, as well as recovery, recycling and resale, thereby increasing the longevity of products.

As a member of the Task Force, the Company joined the initiative and affirmed its commitment to the project. Our desire is to accompany the provision of this information with value aspects that can convey the essence and inspiration of our brand, thus providing our customers with the perception of how the ideas of Humanistic Capitalism and Human Sustainability are always behind the development of our garments as well.

With reference to the second project level of the Fashion Task Force related to the **regenerative farming practices**, in particular the project "Himalayan Regenerative Fashion Living Lab" which our Casa di Moda joined in March 2022: this project has the objective of restoring harmony among small local communities in some areas of the Himalayas, the nature and the surrounding environment and at the same time, creating a value chain of fashion that is sustainable.

In particular, in alignment with the Manifesto for Regenerative Fashion for which the members of the Fashion Task Force have formalised their commitment, the objectives at the basis of the project are as follows:

- Holistically address the climate crisis and loss of biodiversity while generating fair, inclusive prosperity along the fashion and textile industry value chains;
- Restore harmony between humanity, nature and the environment through the reconciliation of science, innovation and tradition;
- Involve local and indigenous communities in order to protect their rights and ensure their involvement in the design and implementation of regenerative practices so that they can fully enjoy the benefits of the project.



THE VALUE OF CRAFTSMANSHIP AND MANUAL SKILLS



Our production organisation

“Italian manual skills and craftsmanship” means **maximum attention to the quality of raw materials and work, attention to detail, passion for beauty and gratification of talents** that will create products that are appreciated all over the world.

The beauty, elegance, durability and wearability of our products are in fact a result of the work of the skilled hands of the artisans of the companies that have been collaborating with us for years. Thanks to their work, our Casa di Moda is able to guarantee a very high component of **authentic manual skills** (needle, thread, scissors) that we have estimated to be on average 52% of each product of the collections, thereby positioning our products in the absolute luxury range.

The constant and special **relationship of trust, esteem and collaboration** that over time we have created with them has allowed us to be considered as “**industrial artisans**” and the products from our land, starting with the care in selecting the raw materials to the search for very high quality and creativity along each step of the production chain. are elements that fascinate the entire world.

The value of Made in Italy excellence inspires the creation and packaging of true **artisan works of art**, aimed at preserving and representing Italian taste over time all over the world.

The possibility to be able to count on our small craft enterprises over time is also confirmed by the **generational passage**, that has taken place or is in progress, which is protected and valued in those companies. In this respect, we are pleased to see that in 50% of the companies we work with, the younger generation – the children of the owners – are involved in the company.

Furthermore, the analysis of the average age of the owners and employees of these companies were respectively 51 and 43.5 in 2023.



We consider this evolution fundamental as it makes it possible to **transmit the art, technical knowledge and the artisan *savoir faire*** in the laboratories.

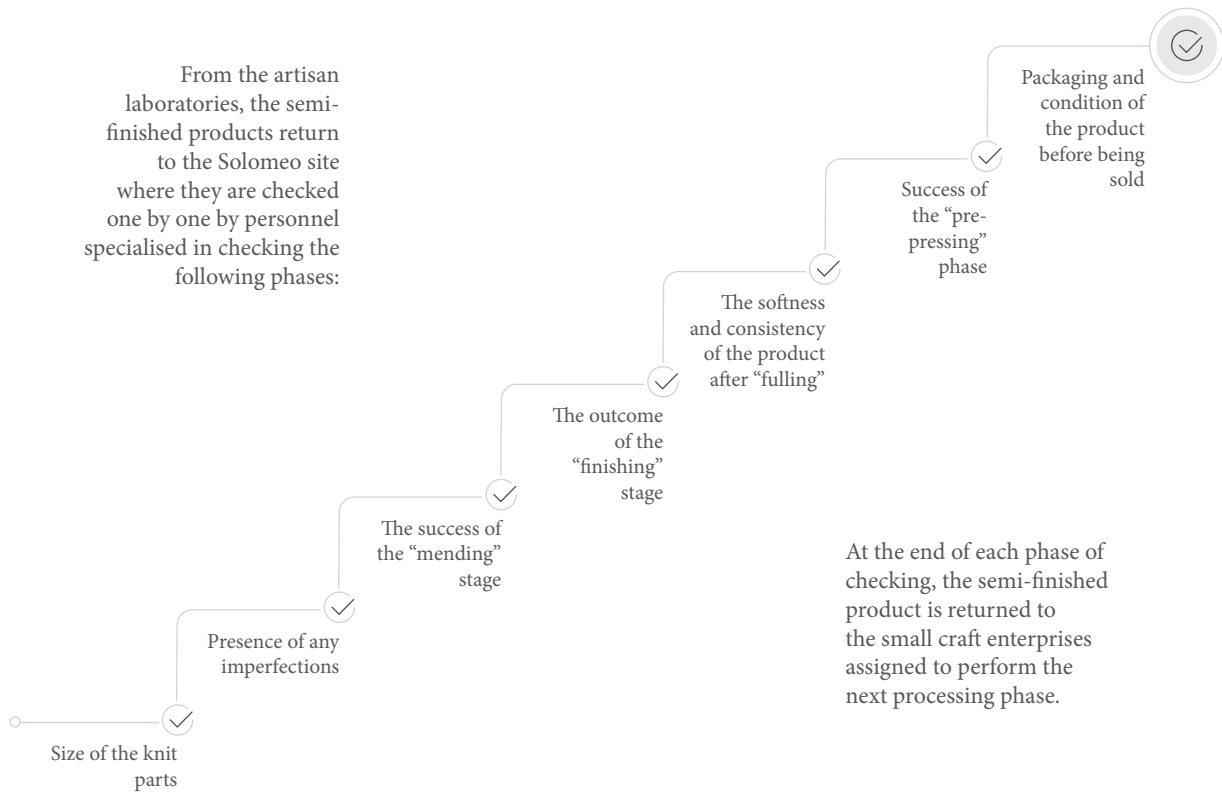
The **daily interaction**, favoured by the geographic vicinity with the majority of artisan laboratories is also a condition that enables the actuation of **continuous and rigorous controls after all the phases of development and creation of collections and production**: 100% of our products are subject to a careful and scrupulous quality control.

In the specific case of knitwear garments, all the semi-finished products are returned to the Solomeo site at the end of each production stage to be subjected to scrupulous inspections.

These include checking the size of the knit parts, the presence of any imperfections, the success of the mending stage, the outcome of the finishing stage, the softness and consistency of the product after fulling, the success of the pre-pressing stage, and finally the packaging and condition of the product before being sent to the sales channels.

The precise quality control activities in the various phases makes it possible to **minimise the number of finished products that are not suitable for sale**.

Figure 29 - Quality controls for knitwear



The artisan companies are also subject to an additional type of control – the so-called **compliance controls**–, by the Third-party Manufacturer and Supplier Information Office.

The controls are designed to promote the workshops' compliance with social security, wage, tax, insurance, and health and safety regulations. In fact, our goal is to safeguard the economic and operational capacity of our partners, and at the same time to protect the working conditions and welfare of the workers within the workshops.



These companies can only process the request for information through self-certifications or official documentation. The analysis allows us to know the maturity level of the workshops in this regard, being able to promptly identify areas for improvement where action is needed. In cases of non-compliance, where possible and depending on the level of severity, specific programmes, plans or activities are developed for the immediate resolution of the situation.

Transparency, dialogue and respect for the human relationship are recognised transversely by laboratories as factors that nurture the duration and growth of the relationship over time. In fact, these values also characterise the Company's handling of any situations identified as not being properly aligned with its standards and requirements. Termination of the contractual relationship is therefore only envisaged in the most serious cases, always trying to consider the impacts and consequences associated with it.

As is the case of suppliers of raw materials, the contractual documents at the basis of the relationship with small craft enterprises are as follows: **Framework Agreement**, containing the rules of social and environmental conduct that all of our partners must observe, together with specific commitments and duties; the **Code of Ethics**, the **Model 231** and the correlated **Anti-Corruption Policy** and **Whistleblowing Procedure**; together, starting from 2021, our **Policy of Human Sustainability "In harmony with Creation"** and the **Diversity and Inclusion Policy**.

During 2023 a total of **384 audits** were carried out (98% of the total of small craft enterprises with whom we collaborate), which uncovered a total of 4 new non-conformities⁷⁶, which were added to the 4 that arose the previous year.

The audit activities made it possible, in 2023, to resolve 3 critical issues; we did not have to interrupt the collaboration relationship in any case.

Finally, the control of the Third-party Manufacturer Information also extends to the **sub-suppliers**. In fact, for some tasks, there are such levels of specialisation that the artisan workshop may need to outsource the work.

Counting on the long-term relationship of trust established with Brunello Cucinelli, the small craft enterprise communicates the name of the potential sub-supplier to the Company.

For the selection and the consequent choice, certain criteria are defined, including for example that the entire operation be carried out in Italy and in harmony with the values and principles of the Group.

With regard to checks on the activities of the sub-suppliers, note that the checks are performed directly by the relevant craft enterprise.

⁷⁶ Among the new non-conformities, there is a recently started collaborative relationship for which, in addition to the critical issues discovered during the audit, also additional critical aspects were found during the usual assessments in terms of qualitative standards and processing specialisations are being assessed by the Production Department.



Preserving artisan savoir faire Made in Italy



Relationships with small craft enterprises are based on the Company's commitment to restore the rightful moral and economic dignity to manual skills, which is substantiated by the rediscovery and promotion of craftsmanship, particularly with respect to younger generations, by ensuring that a proper wage is always paid without any discrimination, and by contributing to the beautification of workplaces and the consequent improvement of the wellbeing of the people who work in them.

We have always been taught to imagine the factory as a purely industrial place. What we want to promote instead is the creation of a "beautiful factory" where working conditions can be better and where creativity can develop thanks to the contribution of all the people who work there.



The project “Beautification of workplaces”

This project, which was created to provide long-term support to our laboratories, was created based on some **specific needs that have arisen over the past years when speaking with the small craft enterprises**: the improvement of the workplace and working conditions in the artisan laboratories; the reduction of the environmental impact of each laboratory; the auto-generation of electricity from renewable sources, therefore reaching the objective of energy independence; the guarantee of business continuity from a production point of view for Brunello Cucinelli; the elimination of cost fluctuations for energy from the income statement of small artisan companies; avoiding them from going into significant debt.

The project is also focused on the beautification of the workplaces as a **lever for attracting new generations** as regards manual work, making it a **more contemporary job** – also thanks to digitalisation – and at the same time a guarantor of local artisan traditions.

After the initial study and development phase started in 2022, the project was formalised and started in 2023.

In order to guarantee increasing support for our artisan laboratories, during 2023 we renewed the already existing supply chain agreements and created new agreements with some leading credit institutes.

Aware of the fact that manual skills and high craftsmanship are the founding elements of our Casa di Moda, we have created the **School of Contemporary High Craftsmanship and Arts** in the Hamlet of Solomeo, which represents the place where technical knowledge, craftsmanship, mastery as well as ethics, dignity and a sense of responsibility are handed down from generation to generation, based on the example of the Italian Renaissance workshops. The School of Contemporary High Craftsmanship and Arts was established in order to encourage our young people to **understand the right value of manual work**, to not abandon our precious traditions, finding inspiration from the ideas of those great visionaries who were John Ruskin and William Morris and the humanistic revaluation of *Arts and Crafts*.

The school was created in fact as a concrete expression of the extremely high amount of attention the Casa di Moda has always placed on the work of those **who produce the garments**, an added value at the basis of the product range of the brand's collection and its positioning in the segment of absolute luxury.

Finally, the relationship with small craft enterprises is also extended to **sharing specific consulting services** regarding strategic and operative topics, as well as **support for credit** by signing supply chain agreements with important Italian banking institutions. This support is also extended to the employees of the small craft enterprises.



The School of Contemporary High Craftsmanship and Arts

For several years, in the workshops of the School of Contemporary High Craftsmanship and Art artisans have been trained in those arts and crafts that have long been the glory of Italian creativity, and technology – a precious gift of the human mind – is placed at the service of the human hand and eye.

Over the years, courses were held for **Fashion master** (three-year course), **Men's tailoring** (three-year course), **Linking** (one-year course), **Knitwear mending** (one-year course), **Knitting** (one-year course), **Ironing** (one-year course).

Following the large request for these crafts, the decision was made to double the mending, linking, ironing and knitting courses during the year.

Registration to the school's training offer is open to young people between the ages of 18 and 30 – which was extended this year from the previous maximum limit of 26 – from any country.

The courses provided during the year were provided to a total of **73 registered students** (19 of which finished the courses during 2023: 8 students in the knitting course and 7 in the ironing course who will finish in January 2024; 4 students for Men's tailoring who will finish in September 2024, 3 students who will continue until 2025 and another 3 until 2026; 20 students for the linking and mending course who will finish in October 2024; and finally 6 students in the Fashion master course who will finish in 2025 and another 4 in 2026).

A total of **66,092 hours of instruction during 2023** (45,956 hours in 2022).

The lessons are hands-on, based on the “workshop” teaching model, and led by experienced instructors. Technology is used to support manual and visual work.

Based on the specific course selected, attendance foresees **class schedules of 5 or 8 hours**; the students who participate receive a **monthly reimbursement** that, starting in September 2022 was increased significantly for both class schedules.

Thanks to the School of Arts and Crafts, many young people have learned the real value of craftsmanship as a form of art and Italian excellence, as well as the dignity of the work performed.

The resulting benefits have direct effects not only for the participants but also for the local craft sector, and our small craft enterprises, which currently face difficulties in attracting new people, especially young people, to work in their businesses.

In fact, once the training is completed, there is the possibility for the young people to be employed directly by the artisan workshops or the Company.



CHAPTER 5. MORAL AND SPIRITUAL SUSTAINABILITY WE BELIEVE IN THE MORAL DIGNITY OF THE HUMAN BEING



Spiritual sustainability - Dante and Beatrice towards the sun, Giovanni di Paolo (attributed), mid XV century, CC BY

GRI Content Index in the appendix

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Ten UNGC principles
Principle I
Principle VI
Principle X

OUR HUMAN RESOURCES



The core of the company philosophy that animates and supports the work in Solomeo, and that is projected towards the world from here, ensures that the company always places **human beings at the centre of everything**, with its **network of interpersonal relationships**, respecting them with their **moral and economic dignity** and their **creative genius**.

Human resources are the engine of our Casa di Moda and ensure its value and continuity over time. Therefore the promotion of the **dignity and wellbeing of everyone**, enhancing **individual skills** and **personalities** with the **awareness of the value of everyone's knowledge**, has always been a priority objective the company pursues.

The daily management of the relationship with human resources is based on an internal strategic and operational organisation that involves significant cooperation between managers in the head office in Solomeo and the various regions where we have operations.

Specifically, the coordination of the relationship between the Company and its collaborations and the development of the strategic lines concerning various aspects of life in the company is the responsibility of the Human Resources Committee (ref. Section *Corporate governance*).

On an operating level, the Human Resources Manager manages and supervises the processes in order to implement the guidelines of the Committee: all the activities included in the life cycle of the people in the company, in terms of attraction, selection, organisation, management, training and development are the responsibility of this function.

An HR director is appointed in the main regions, who report functionally to the Human Resources Department located at the Solomeo headquarters and hierarchically to the Chairman, or the Managing director, of the various local structures. Their role is to implement key aspects of the corporate culture and human resource management defined at Solomeo, taking into account the peculiarities of the various national systems.



In foreign countries, where aspects relevant to the employment relationship are not expressly regulated by law, the Company has developed and applies the Employee Handbook⁷⁷, i.e. a body of company rules supplementing national laws and the individual contract⁷⁸.

We believe that listening to and involving people in the life of the company in the various locations and through various channels is a key, cross-cutting aspect of the relationship created between the Company and its employees. In addition to creating a sense of belonging that goes beyond the mere professional relationship, such sharing contributes to the definition of shared objectives.

In this regard, with a view to continuous updates on the general course of the Casa di Moda's business and future prospects, the following events represent key moments for all employees:

- **Company Assembly**;
- **Council of 50**, organised every two years, which starting from the October 2022 edition was renamed the "**Council of 100**", considering the extended participation;
- **Sales Meeting**, dedicated to boutique personnel.

Finally, in 2023 a **new IT system was started for managing all processes** involving the relationship with human resources, from the selection of work to professional development, up to the end of the work relationship. The system allows all employees to log in online or via the app in order to consult their personal page and at the same time to get to know each other better, even if they do not belong to the same office or location.

This application – which has been operative for the HR structures in all regions since the end of November 2022 – makes it possible on the one hand to permit **full visibility of the company organisation** – by showing a dynamic organisational chart of all our collaborators on a global level – and of the various **aspects of managing the people in the company**, and on the other hand to **harmonise the processes in all sites and boutiques**, also thanks to the possibility of using 5 different languages.

In particular, with reference to the phase of attraction and selection of new resources, the corporate website "*Work with us*" has been connected directly to the system. This way it is possible both to submit an application by registering on the platform (already active for Italy), and to view and apply for open positions. This latter function will also be made available for people already in the Group's workforce.

In the "Careers" area, conceived as a professional social network, experiences and skills can either be entered directly by the individual employee or enriched by the Human Resources Department.

Furthermore, by directly accessing their **assessment card** – based on the model of the 10 qualities –, every collaborator can request feedback not only from their manager, but also from other colleagues with the objective of **further disseminating the culture of 360° feedback**, also always promoting one-on-one meetings.

⁷⁷ This instrument is currently used in the United Kingdom, China, Japan, the United States, Russia and the United Arab Emirates.

⁷⁸ For more information, see the 2021 NFS.



In 2023, the Group’s human resources counted **2,913** people (+18% compared to 2022), with the majority of the company’s workforce concentrated in Italy (54%). 63% of human resources are women and 37% are men. 82% of our human resources are employed on a permanent contract and 96% are full time.

Table 23 – Human resources: type of contract and employment

	2021				2022 ⁷⁹				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total	Italy	Europe ⁸⁰	Non-Europe	Total
Permanent	1,031	279	496	1,806	1,139	287	578	2,004	1,373	308	719	2,400
of which men	379	94	187	660	426	97	221	744	529	106	285	920
of which women	652	185	309	1,146	713	190	354	1,257	844	202	434	1,480
of which not declared	0	0	0	0	0	0	3	3	0	0	0	0
Fixed term contract	179	13	264	456	169	11	291	471	211	11	291	513
of which men	93	6	67	166	80	5	73	158	87	5	75	167
of which women	86	7	197	290	89	6	218	313	124	6	216	346
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,210	292	760	2,262	1,308	298	869	2,475	1,584	319	1,010	2,913
Full time	1,165	274	739	2,178	1,263	277	847	2,387	1,534	287	968	2,789
of which men	453	97	250	800	490	99	291	880	599	106	352	1,057
of which women	712	177	489	1,378	773	178	553	1,504	935	181	616	1,732
of which not declared	0	0	0	0	0	0	3	3	0	0	0	0
Part time	45	18	21	84	45	21	22	88	50	32	42	124
of which men	19	3	4	26	16	3	3	22	17	5	8	30
of which women	26	15	17	58	29	18	19	66	33	27	34	94
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,210	292	760	2,262	1,308	298	869	2,475	1,584	319	1,010	2,913

GRI 2-7 Employees

Other **workers who are not employees** also work with the Group, including interns, temporary workers and other partners. In 2023, these resources amount to **185**.

79 This includes 3 temporary workers who worked part-time as employees during certain months of the year in Japan.

80 The three operating resources in Spain with vertical part-time are counted as part-time.

**Table 24 – Other collaborators**

	2022				2023			
	Italy	Europe	Non-Europe	Total	Italy ⁸¹	Europe ⁸²	Non-Europe ⁸³	Total
Temporary workers	33	62	27	122	23	62	32	117
of which men	17	11	2	30	9	36	4	49
of which women	16	51	25	92	14	26	28	68
Internship	7	1	0	8	12	0	0	12
of which men	3	0	0	3	4	0	0	4
of which women	4	1	0	5	8	0	0	8
Internship (School of Contemporary High Craftsmanship and Arts)	34	0	0	34	53	0	0	53
of which men	9	0	0	9	9	0	0	9
of which women	25	0	0	25	44	0	0	44
Contingent (Partner)	0	3	1	4	0	3	0	3
of which men	0	3	0	3	0	3	0	3
of which women	0	0	1	1	0	0	0	0
Total	74	66	28	168	88	65	32	185

GRI 2-8 Workers who are not employees

The average age of the Group's collaborators is 38.

41% of the human resources belong to the professional category of White Collar – Sales (1,180 resources in 2023, 64% women).

For the professional category of Executives and Managers, considering all the regions we operate in, during the year women accounted for 49% of the employees in this category.

81 The reference is exclusively to Brunello Cucinelli S.p.A. The companies Max Vannucci S.r.l., Pinturicchio S.r.l. and Raffaello S.r.l. only have employees in their workforce.

82 There are no workers who are not employees in Russia.

83 There are workers who are not employees only in Japan, Kuwait and Singapore.



Table 25 - Diversity as wealth

	2021				2022				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe ⁸⁴	Total	Italy ⁸⁵	Europe	Non-Europe	Total
Executives and managers	52	7	49	108	59	5	48	112	76	4	39	119
of which age <30	0	0	2	2	0	0	0	0	0	0	0	0
men	0	0	0	0	0	0	0	0	0	0	0	0
women	0	0	2	2	0	0	0	0	0	0	0	0
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
of which age between 30 ≤ to ≤ 50	35	7	44	86	42	5	45	92	51	4	36	91
men	24	1	17	42	29	1	19	49	33	1	12	46
women	11	6	27	44	13	4	26	43	18	3	24	45
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
of which age >50	17	0	3	20	17	0	3	20	25	0	3	28
men	8	0	1	9	8	0	2	10	13	0	2	15
women	9	0	2	11	9	0	1	10	12	0	1	13
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
White Collar - no sales	511	24	115	650	533	11	117	661	608	22	158	788
of which age <30	100	2	29	131	117	0	38	155	153	1	51	205
men	23	1	14	38	23	0	8	31	40	0	15	55
women	77	1	15	93	94	0	30	124	113	1	36	150
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
of which age between 30 ≤ to ≤ 50	362	21	71	454	367	10	74	451	407	18	96	521
men	145	7	33	185	146	2	37	185	165	4	45	214
women	217	14	38	269	221	8	37	266	242	14	51	307
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
of which age >50	49	1	15	65	49	1	5	55	48	3	11	62
men	16	0	7	23	16	0	1	17	15	0	3	18
women	33	1	8	42	33	1	4	38	33	3	8	44
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
White Collar - sales	93	261	596	950	92	282	695	1,069	89	293	798	1,180
of which age <30	17	47	92	156	15	51	112	178	19	51	104	174
men	6	18	35	59	4	19	38	61	9	22	39	70
women	11	29	57	97	11	32	73	116	10	29	65	104
of which not declared	0	0	0	0	0	0	1	1	0	0	0	0

84 This includes 3 temporary workers who worked part-time as employees during certain months of the year in Japan and present at 31/12/2022.

85 The 2023 figure related to professional categories was subject to adjustments made to the calculation methods.



	2021				2022				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total
of which age between 30 ≤ to ≤ 50	59	189	410	658	60	190	451	701	67	193	524	784
men	29	67	124	220	29	68	146	243	29	68	188	285
women	30	122	286	438	31	122	303	456	38	125	336	499
of which not declared	0	0	0	0	0	0	2	2	0	0	0	0
of which age >50	17	25	94	136	17	41	132	190	3	49	170	222
men	11	6	71	88	10	12	40	62	0	16	50	66
women	6	19	23	48	7	29	92	128	3	33	120	156
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Blue Collar - no sales	554	0	0	554	624	0	9	633	811	0	15	826
of which age <30	162	0	0	162	203	0	2	205	269	0	4	273
men	92	0	0	92	115	0	2	117	149	0	4	153
women	70	0	0	70	88	0	0	88	120	0	0	120
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
of which age between 30 ≤ to ≤ 50	251	0	0	251	272	0	5	277	340	0	7	347
men	95	0	0	95	101	0	1	102	127	0	2	129
women	156	0	0	156	171	0	4	175	213	0	5	218
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
of which age >50	141	0	0	141	149	0	2	151	202	0	4	206
men	23	0	0	23	25	0	0	25	36	0	0	36
women	118	0	0	118	124	0	2	126	166	0	4	170
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,210	292	760	2,262	1,308	298	869	2,475	1,584	319	1,010	2,913

GRI 405-1 Diversity of governance bodies and employees

In Italy, all human resources are covered by **collective bargaining agreements**.

The National Labour Collective Agreement (CCNL) for the garment and clothing industry applies to all employees, with the exception of the sales staff, to whom the CCNL for the tertiary sector applies.

In the European region,⁸⁶ instead, in 2023 the percentage of collaborators covered by collective bargaining agreements was equal to approximately 47% (50% in 2022). There are no collective bargaining agreements for non-European locations.

Therefore, considering the total of our human resources, on a worldwide level approximately 60% of people are covered by collective bargaining agreements.

⁸⁶ The percentage of employees covered by collective bargaining refers to employees located in Austria, Belgium, France (including Montecarlo), Greece and Spain. There are no collective bargaining agreements in Russia. The 2022 figure was reviewed based on the calculation method adopted in 2023.

Attraction and selection

For the Group, it is of strategic importance to **attract** highly qualified figures and specialised profiles. It therefore places strong emphasis on the **retention** of these resources within the organisation, in order to build stable and long-lasting working relationships based on **mutual trust** and a **sense of belonging** to our Casa di Moda.

Various channels and procedures are in place for the selection of new talents, where special attention is paid to interacting with the new generations, who have a unique sense of drive, determination and courage that the Group values.

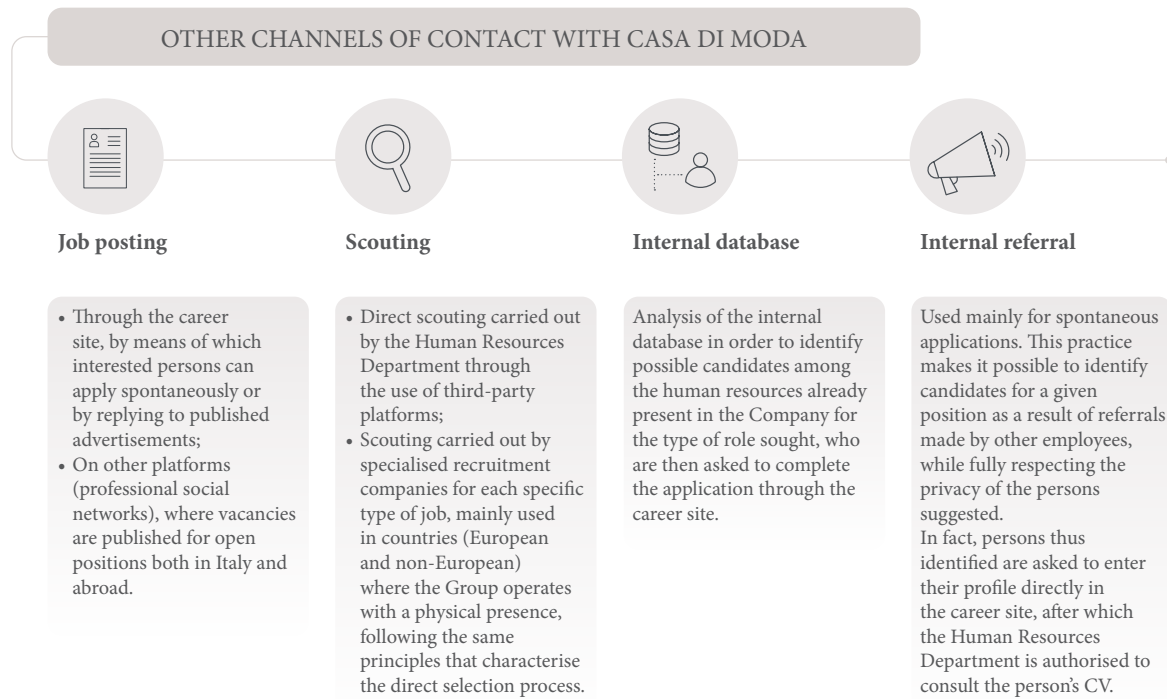
The main channels used for the selection of younger resources within the company workforce are shown in the following infographic (see Figure 30).

Figure 30 – Career opportunities for younger resources



With regard to more experienced professionals, the direct selection channels are detailed below (see Figure 31).

Figure 31 – Professional role attraction channels



We are committed to providing feedback after every application review, maintaining our respect for every applicant regardless of whether their application is successful or not.

In 2023, 851 new people were hired globally⁸⁷, 50% of them in the 30-50 age bracket, 62% women, 38% men. A total of 339 young men and women under the age of 30 were hired during the year, a 41% increase compared to new hires in the same age group in 2022.

⁸⁷ The calculation of hirings and terminations does not take into account workers with fixed-term contracts, who are hired to cover temporary positions/needs, such as production peaks or substitutions for illness, maternity, etc. Recruitments take into account all figures included in the company workforce as permanent figures, regardless of the type of contract (fixed-term / open-ended). However, terminations do not include employees whose fixed-term contracts have expired.



Of new hires in the category of Executives and Managers, 47% are women.

The incoming turnover is 34% overall (25% in 2022) following the opening of the new facility in Penne on 13 November 2023, which led to 63 new recruits.

Table 26 – New hires in the three-year period 2021-2023

New hires by age and gender	2021				2022				2023			
	Italy	Europe	Non- Europe	Total	Italy	Europe	Non- Europe	Total	Italy	Europe	Non- Europe	Total
<30 years	38	30	93	161	111	39	90	240	204	21	114	339
of which men	15	16	37	68	48	15	27	90	81	4	49	134
of which women	23	14	56	93	63	24	63	150	123	17	64	204
of which not declared	0	0	0	0	0	0	0	0	0	0	1	1
30 ≤ years ≤ 50 years	15	49	215	279	40	48	198	286	141	51	231	423
of which men	7	25	72	104	20	23	77	120	53	25	90	168
of which women	8	24	143	175	20	25	119	164	88	26	141	255
of which not declared	0	0	0	0	0	0	2	2	0	0	0	0
>50 years	1	1	35	37	3	5	33	41	48	6	35	89
of which men	0	0	13	13	0	3	14	17	7	3	13	23
of which women	1	1	22	24	3	2	19	24	41	3	22	66
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Total new hires	54	80	343	477	154	92	321	567	393	78	380	851
Incoming turnover ⁸⁸	5%	27%	50%	22%	13%	32%	42%	25%	30%	26%	44%	34%

GRI 401-1 New employee hires and employee turnover

⁸⁸ Incoming turnover (or positive turnover rate) is provided by the ratio between the new hires at 31/12 of the year under review and the number of employees at 1/01 of the year under review (which is assumed to be equal to the number of employees at 31/12 of the previous year).



Table 27 – Breakdown of the number of recruitments in the three-year period 2021-2023, by professional category, age group and gender

	2021				2022				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total
Executives and Managers	3	2	21	26	3	0	9	12	11	0	6	17
<30 years	0	0	1	1	0	0	0	0	0	0	0	0
of which men	0	0	0	0	0	0	0	0	0	0	0	0
of which women	0	0	1	1	0	0	0	0	0	0	0	0
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
30 ≤ years ≤ 50 years	3	2	17	22	3	0	8	11	8	0	6	14
of which men	2	1	10	13	2	0	0	2	6	0	1	7
of which women	1	1	7	9	1	0	8	9	2	0	5	7
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
>50 years	0	0	3	3	0	0	1	1	3	0	0	3
of which men	0	0	1	1	0	0	1	1	2	0	0	2
of which women	0	0	2	2	0	0	0	0	1	0	0	1
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
White collar - no sales	25	8	59	92	63	1	52	116	129	1	63	193
<30 years	20	2	26	48	39	1	24	64	84	1	33	118
of which men	7	1	13	21	7	0	4	11	28	0	11	39
of which women	13	1	13	27	32	1	20	53	56	1	22	79
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
30 ≤ years ≤ 50 years	5	6	27	38	24	0	28	52	41	0	26	67
of which men	2	4	14	20	12	0	16	28	17	0	14	31
of which women	3	2	13	18	12	0	12	24	24	0	12	36
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
>50 years	0	0	6	6	0	0	0	0	4	0	4	8
of which men	0	0	3	3	0	0	0	0	2	0	2	4
of which women	0	0	3	3	0	0	0	0	2	0	2	4
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
White collar – sales	3	70	263	336	7	91	256	354	32	77	309	418
<30 years	1	28	66	95	5	38	65	108	9	20	79	108
of which men	0	15	24	39	2	15	22	39	6	4	36	46
of which women	1	13	42	56	3	23	43	69	3	16	43	62
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0



	2021				2022				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total
30 ≤ years ≤ 50 years	1	41	171	213	2	48	159	209	23	51	200	274
of which men	0	20	48	68	0	23	60	83	12	25	75	112
of which women	1	21	123	145	2	25	97	124	11	26	125	162
of which not declared	0	0	0	0	0	0	2	2	0	0	0	0
>50 years	1	1	26	28	0	5	32	37	0	6	30	36
of which men	0	0	9	9	0	3	13	16	0	3	11	14
of which women	1	1	17	19	0	2	19	21	0	3	19	22
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Blue collar - no sales	23	0	0	23	81	0	4	85	221	0	2	223
<30 years	17	0	0	17	67	0	1	68	111	0	2	113
of which men	8	0	0	8	39	0	1	40	47	0	2	49
of which women	9	0	0	9	28	0	0	28	64	0	0	64
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
30 ≤ years ≤ 50 years	6	0	0	6	11	0	3	14	69	0	0	69
of which men	3	0	0	3	6	0	1	7	18	0	0	18
of which women	3	0	0	3	5	0	2	7	51	0	0	51
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
>50 years	0	0	0	0	3	0	0	3	41	0	0	41
of which men	0	0	0	0	0	0	0	0	3	0	0	3
of which women	0	0	0	0	3	0	0	3	38	0	0	38
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Total new hires	54	80	343	477	154	92	321	567	393	78	380	851

GRI 401-1 New employee hires and employee turnover

At the same time, there were 424 terminations of employment contracts in the Group in 2023, slightly up on the previous year (+10%). These were mainly terminations related to a balanced turnover of our human resources. The total outgoing turnover is 17% (in line with 2022).

**Table 28 – Terminations and turnover in the three-year period 2021-2023**

Terminations, by age and gender	2021				2022				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total
<30 years	9	22	58	89	18	26	41	85	36	12	78	126
of which men	2	17	15	34	7	10	21	38	9	0	31	40
of which women	7	5	43	55	11	16	20	47	27	12	47	86
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
30 ≤ years ≤ 50 years	33	56	161	250	36	61	160	257	41	44	176	261
of which men	19	18	42	79	15	28	58	101	17	23	63	103
of which women	14	38	119	171	21	33	102	156	24	21	113	158
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
>50 years	16	9	24	49	22	2	18	42	16	2	19	37
of which men	3	0	10	13	5	0	6	11	5	0	6	11
of which women	13	9	14	36	17	2	12	31	11	2	13	26
of which not declared	0	0	0	0	0	0	0	0	0	0	0	0
Total terminations	58	87	243	388	76	89	219	384	93	58	273	424
Outgoing turnover ⁸⁹	5%	29%	35%	18%	6%	30%	29%	17%	7%	19%	31%	17%

GRI 401-1 New employee hires and employee turnover

⁸⁹ Outgoing turnover – or also negative turnover rate – is provided by the ratio between the terminations at 31/12 of the year under review and the number of employees at 1/01 of the year under review (which is assumed to be equal to the number of employees at 31/12 of the previous year).



UNIVERSAL WORKING CONDITIONS FOR HUMAN BEINGS



Uniqueness

Uniqueness, fairness and inclusion are core values for the company organisation; they are vital sources of mutual enrichment and stimulation, both on a personal and professional level.

To ensure the full promotion and protection of these values, we adopted our **Diversity and Inclusion Policy**, approved by the Company's BoD in March 2021 and subsequently shared **internally with all the Group's human resources and externally with our suppliers** (see the Section *Sustainable supply chain management*) and **small craft enterprises** (see the Section *The value of craftsmanship and manual skills*), which are required to comply with its principles in their relations with their own people.

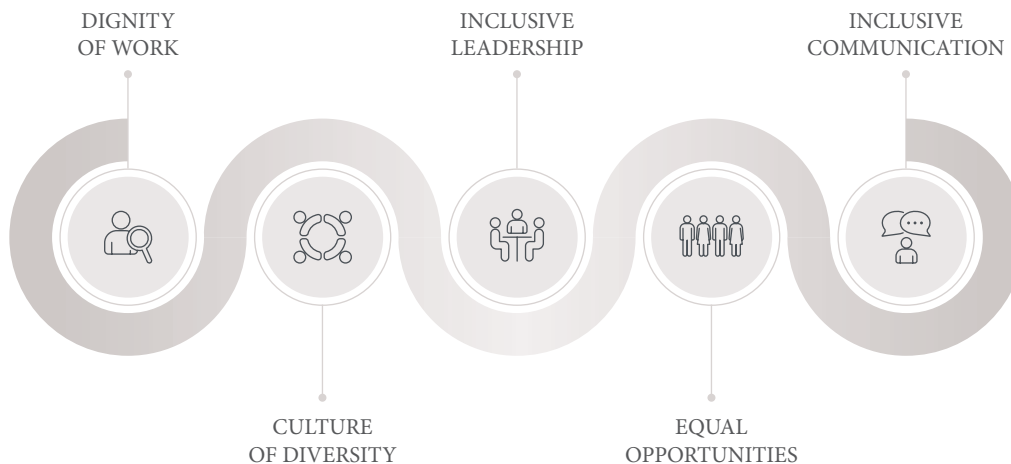
The Policy formalises our commitment to understanding, welcoming and valuing the uniqueness of each person in all organisational and management processes. Therefore, with this policy we aim to prevent all forms of discrimination, prejudice and harassment in the workplace – be it verbal, physical, visual or otherwise – even if not done consciously, that can create a hostile environment for an individual.

The content of the Policy was drawn up in such a way as to ensure alignment with current legislation and with the principles of the relevant international organisations, with particular reference to the **United Nations Universal Declaration of Human Rights** and **International Labour Organisation (ILO) Convention No. 111 on Discrimination**. Likewise, the **SDGs**, particularly **Goal #5 – Gender Equality** and **Goal #10 – Reduced Inequalities**, are key sources of inspiration.

In some regions, the Policy is integrated with locally adopted documents in line with local regulations and specific cultural factors.⁹⁰

Specifically, the structure of the Policy is divided into five pillars whereby we commit to encouraging ever-greater inclusion of the areas of diversity (recognised thanks to a listening process with the HR Managers of the various regions) that are currently most representative for our business: **gender identity, age, different physical and mental abilities, sexual orientation and multiculturalism**. We are committed to monitoring these in order to understand any new areas of diversity that may characterise our organisation over the years.

Figure 32 – The pillars of the D&I Policy



The first four pillars – “dignity of work”, “culture of diversity”, “inclusive leadership” and “equal opportunities” – apply to the entire professional life cycle of people within the company: from selection to internal growth, assignment to top positions, all the way to retirement. The fifth pillar – “inclusive communication” – has a broader scope, however, as it is made explicit in the relationship with all Group stakeholders, as a demonstration of our commitment which must be increasingly ingrained and spread through all our actions and communications.

⁹⁰ Please refer to the 2021 NFS for further details.



For each pillar, the Policy sets out specific actions that we undertake to implement, providing evidence of the progress made and of our constant drive for improvement.

All those to whom the Policy is addressed have the right, but also the moral obligation, to **report any problematic or unacceptable behaviour** that is in breach of the principles outlined in the document.

Reports may be made in two main ways and channels:

- **informally**, by directly contacting one's department manager;
- **formally**, including anonymously, to the email address provided for in the Whistleblowing Procedure pursuant to Legislative Decree no. 24/2023.

In both cases, the whistleblower is guaranteed protection against any retaliatory or discriminatory act against them, whether direct or indirect.

Every breach of the Policy shall give rise to a disciplinary procedure that involves different levels of measures depending on the seriousness of the breach, through to dismissal and termination of the employment contract with the Company in the most serious and difficult to remedy cases.

At local level, **specific grievance procedures** are also in place – such as in the UK, China, Russia and the United Arab Emirates – in line with the provisions of the current Employee Handbooks. Unlike Whistleblowing, these procedures involve **direct – and not anonymous – contact** with HR departments.

We recognise the unique characteristics of our employees; with a view to greater fairness, we strive for equal opportunities, fair remuneration and the development of knowledge, skills and professional experience based on impartiality and fairness.

To gain increasing awareness of the key aspects in this regard, in 2021 we launched an internal training course that has been successively consolidated over the past two years.



Provision of internal training on Diversity and Inclusion

In 2023, training on the topics of diversity and inclusion continued through the “**Brunello Cucinelli – Diversity & Inclusion**” course made available to all employees on the Sympo e-learning platform as of 2022. The content was developed and customised entirely by us to enhance the corporate culture on the subject.

The training course developed is interactive and modular, consisting of **3 vertical modules** on the topics of diversity and inclusion, based on a mode of training aimed at maximum engagement of participants. All modules involve participants carrying out exercises and practical cases with a gamification approach.

The course was initially available to human resources in Italy, and in 2022 was extended to the regions of the European and American offices; the course has been **translated into English, Russian, Chinese and Japanese** and, in 2023, was made available in the countries of the last three languages.

In particular, the first module – entitled “*D&I: A Universe to Explore*” (set in the offices of Brunello Cucinelli) uses a gamification approach to focus on the following main aspects:

- The key concepts of diversity and inclusion;
- The presence of unconscious bias in the work environment and how to manage it;
- The main national and international regulatory references on the subject;
- The business case for D&I and the fundamental role of an evolving leadership, which must itself be inclusive to enable the creation of a truly welcoming and equitable business climate towards all areas of diversity.

The second module “*D&I at Brunello Cucinelli – Part 1*” (set in the Prototyping and Quality Control Departments) delves into the content of the Group’s Diversity and Inclusion Policy to explore the individual areas of diversity regulated in the Policy, starting with age and multiculturalism.

The other areas of diversity – i.e. different physical and mental abilities, gender identity and sexual orientation – are addressed in the third and last module “*D&I at Brunello Cucinelli – Part 2*”, which uses the scenario of the Group’s boutiques.

As of 2023, training workshops to support e-learning were launched on diversity and inclusion topics. Each workshop consists of two 4-hour training modules with a maximum number of 12 participants. Practical exercises and live feedback help ensure that the content learnt during the training is translated into inclusive behaviour that becomes daily practice.

Two editions were organised between November and December 2023, one in the Solomeo office and one in the Milan office; the aim is now to extend the course to more employees during 2024.



We also launched a training programme aimed at promoting collaboration within teams, focusing on effective communication. The course is designed to be held through in-person workshops, tailored to the specific needs of individual departments. It will be extended in 2024 to cover additional topics, such as multiculturalism and generations. There are also plans for an in-depth study on leadership and intrinsic and extrinsic motivation.

To create a climate that fosters positive interactions between people and ensures that no one feels excluded, we are also taking significant measures to reduce language barriers within the workplace.

In fact, we currently have the privilege of working with **68 different nationalities**, each of which bring its own value to company life.

In the Group's various operating sites in Italy and abroad, it has always been preferable to hire local staff who have a natural knowledge of the market, culture and traditions, where the brand is developed with utmost respect for the tradition of the host country. In 2023, for the Group's major operating sites (with the exception of Russia), 100% of senior managers⁹¹ were hired from the local community⁹², in line with previous years.

We protect and value **different physical and mental abilities**, ensuring a working environment that is safe, healthy and above all supportive of the needs (whether visible or invisible) of all our employees. There are 81 people in Italy⁹³ who fall into vulnerable categories⁹⁴ (69 in 2022), among them 26 men and 55 women.

Training and development

The relationship between the Group and its human resources is underpinned by the **promotion of each individual's proactive and innovative spirit**, opening up **paths to broaden and improve knowledge, skills and professional experience**, and ensure **fair economic dignity** – one of the key pillars on which our Humanistic Enterprise is built.

In addition to standard training courses, offered on an annual catalogue, **tailor-made training courses** are also launched, designed based on the specific needs expressed by the markets.

91 In Italy, the category of senior managers refers to the executives; in Russia, the category refers to Retail Directors; in Japan, Mainland China and Hong Kong, Area Managers; lastly, in the USA it includes people with strategic autonomy with respect to the economic and financial aspects of the Region.

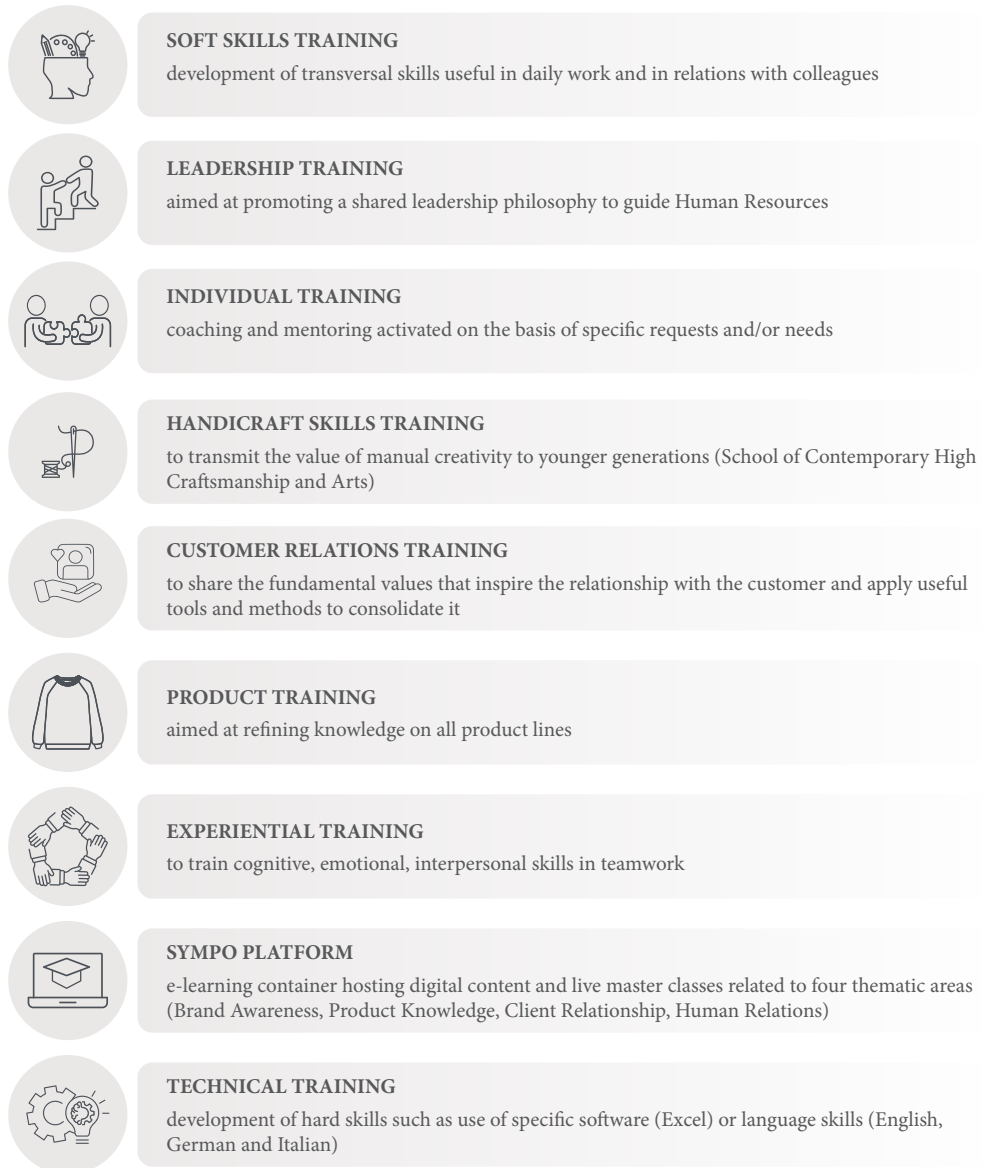
92 Senior managers hired from the local community were considered to be those employees who are nationals of the place where they work, or Italians with a residence permit in the country where they work (permanent visa holders).

93 The figure includes employees in vulnerable categories of the companies Brunello Cucinelli S.p.A., Pinturicchio S.r.l. and Raffaello S.r.l.

94 Vulnerable categories include employees belonging to protected categories (e.g. Law 104/92).

More specifically, the following types of training courses are provided (see Figure 33).

Figure 33 – Our training courses



As for the corporate world, we have introduced a training approach that includes both the compulsory hours worked during working hours, and the option to voluntarily take language courses outside of working hours. With a view also to exploring new tasks, this approach will be further developed in 2024, particularly for employees in the production branch. The training offer broadly encompasses hard and soft skills, and the project, which has been very well received, will be further developed in 2024.



In an effort to promote dialogue and interaction between the various generations in the company, and to ensure a continuous generational handover, we strive to ensure that the most experienced resources can continually share their knowledge and that they have the opportunity to dedicate quality time to their younger colleagues. This is also the aim behind the project entitled “**Patto Generazionale**” (Generational Pact), which seeks to support the **growth of management and middle management** through a path that facilitates turnover in positions of responsibility in the Company’s most important departments, by selecting, integrating and training a new generation of managers.

Overall, **40,731** training hours⁹⁵ were provided in 2023 – an average of around 13.98 training hours per employee Group-wide.

Table 29 – Average training hours in the three-year period 2021-2023⁹⁶

Average hours of training, by professional category and gender	2021	2022	2023 ⁹⁷⁹⁸
Executives and managers	6.72	4.44	9.36
of which men	4.5	4.32	10.34
of which women	8.7	4.58	8.39
of which not declared	0	0	0
White collar - no sales	4.67	6.21	7.10
of which men	4.5	6.07	6.01
of which women	4.8	6.28	8.19
of which not declared	0	0	0
White collar - sales	22.78	20.39	22.81
of which men	13.5	12.03	18.16
of which women	29.1	24.77	27.46
of which not declared	0	20	0
Blue collar - no sales	4.8	0.55	6.72
of which men	6.45	0.85	8.04
of which women	3.79	0.35	5.40
of which not declared	0	0	0
Total average hours of training⁹⁹	12.4	10.81	13.98
of which men	9.2	6.96	11.55
of which women	14.2	13	15.43
of which not declared	0	20	0

GRI 404-1 Average hours of training per year per employee

95 This figure includes asynchronous training provided through the Sympo e-learning platform.

96 Training hours include the hours of both terminated and existing employees.

97 The calculation of the 2023 figure for professional categories has been subject to operational adjustments, which are also reflected in this indicator.

98 Note that 8.5 hours of training for Taiwan are not included in this calculation. These hours were provided through shared boutique accounts used by all staff, so it was not possible to trace the distribution of these hours by gender and professional category. Also not included are 27 hours of training for female interns in the United States.

99 Note that in some foreign regions, Sympo training hours were also included in 2021. In 2022, this figure was separated from the remaining types of training provided during the year. In 2023, Sympo training is fully integrated in the indicator 404-1.



Craft skills training

Craft skills training, according to our vision of work is carried out by pairing young human resources with the Group's specialised workers (both in internship programmes and training processes for new hires) and through the **School of Contemporary High Craftsmanship and Arts**. In 2023, 66,092 hours of training were provided to the 73 trainees enrolled (see "*The School of Contemporary High Craftsmanship and Arts*" for further details).

Customer relations training

In 2023, we followed up on the training projects launched in previous years, specifically the "**Hortus Simplicium**" course – divided into the *Robur* and *Diffusio* modules, aimed at both Store Managers and Client Advisors.

In particular, the **third phase of the Robur programme** was implemented (known as "**Robur Pro**") dedicated to store managers in Europe. This training focused in particular on team dynamics, paying specific attention to the topics of emotional intelligence, positive thinking, conflict management and the importance of feedback.

In 2023, the **Onboarding** path via the *Sympo* platform launched in 2022 was maintained, enabling all new Retail employees to receive all the information they need to manage their interactions with customers, e.g. learning the correct use of the mobile phones provided and internalising specific data protection suggestions for the management of customers' personal data. It also fosters the philosophy and core values of the Group's business model, thanks to special content dedicated to Humanistic Capitalism and Human Sustainability.

These latter aspects are also explored in depth on *Sympo* through other materials available to users, such as *The Dream of Solomeo* book (translated into 13 languages) and the letters written by Chairman Brunello Cucinelli, so that they can be accessed by all of the brand's friends as a source of inspiration for dialogue.

The good practices collected in 2020 (i.e. behaviours and skills that emerged as the most effective in customer relations), summarised in the "**Libellus**", were digitised in 2022 and integrated with some gamification elements (e.g. quizzes), with the aim to provide ongoing inspiration for all those working in our boutiques, while at the same time allowing for more effective learning and consultation.

Given the increasingly strong role of client advisors in managing the sales experience, including through digital tools and channels of communication, we have continued to create and share with advisors a series of video-tutorials, which serve as an innovative training tool on the sales process and product presentation.



In our human resources' growth path, **training on the job** is absolutely vital. This is carried out directly in the Company or in boutiques with the dual purpose of improving technical and professional skills and enabling the targeted and harmonious integration of each new recruit within the company. This method was used extensively in 2023 for the induction of new Store Managers, Assistant Store Managers and in the case of new openings, a whole new team.

Two tailor-made training initiatives were also launched in 2023 in response to specific market needs:

- the **Dubai Campus**: a new learning and teamwork format, which aims to support the UAE retail team in sustaining market growth, by reinforcing product knowledge and reflecting on team dynamics and teamwork.
- **Train the Trainer**: this involved a number of Store Managers in North America, with the aim of sharing tools and techniques to carry out training activities independently with their teams, and reinforce soft skills such as teamwork.

The **Solomeo Talent Academy** process also continued in 2023, which seeks to identify young talents to integrate into a professional path in the company, developing technical and relational skills. Training takes place both in the classroom and on the job, with workshops at company facilities dedicated to design, visual merchandising and retail.

Following the first four editions (one in 2021, two in 2022 and one in 2023), it was decided to renew the process to seek out highly motivated young human resources to remain with the Company beyond the end of the Academy period. There was a greater focus on the first selection phase, which resulted in 41% of people selected being retained at the Casa di Moda (vs. 40% in 2022). The young people involved came mainly from Italy, Europe and the United States.

In November 2023, the **Men's Ambassador Academy** project was launched, involving 44 Retail employees from all regions, who were appointed as ambassadors of specific corporate and stylistic values of the men's line, such as: Equilibrium, Uniqueness, Charme, Stylistic flair, Client-oriented mindset, Personal care & Standing.

A Women's Ambassador Academy, dedicated to the corporate and stylistic values of the women's line, is planned for 2024.

During the year, the "**Traditions**" project (launched around 13 years ago) was resumed and extended to the retail world. Colleagues from more distant locations are given the opportunity to have direct experience at the Solomeo headquarters, and experience with the traditions of the Italian territory; acquiring knowledge and skills related to the company and the business model and, above all, internalising the philosophy, values and culture underpinning our Company. This year we organised five editions, each with groups of up to 17 people, involving a total of 72 individuals. Due to the high interest, we introduced a tutor position, whose role was to facilitate the participants' understanding of the training experience. The aim for the future is to involve non-European profiles.



Product Training

Product training involves everyone who comes into contact with the product. It is aimed at strategic offices and retail personnel to ensure in-depth knowledge of the product's characteristics.

During the year, product-specific training was provided both in synchronous format (through in-person workshops in the Regions and live masterclasses) and asynchronous format (by uploading eLearning content to the company's *Sympo* platform). The training covered all lines, specifically: women's, men's, kids', eyewear, lifestyle, eyewear, fragrances, and involved employees from all markets.

Soft skills training

We believe it is crucial to constantly help develop our human resources' knowledge, including through specific courses that focus on soft skills. In 2023, the training offer was expanded, aimed mainly at Corporate Italy employees. Specifically, training courses were launched in the year, in collaboration with external partners, dedicated to: Assertive Communication on Diversity and Inclusion, Public Speaking, Age Management, Technology and Cultural Change, Decision Making, Error Management, Mindfulness, Humanistic Management, Adaptive Leadership, Strategic Management of Corporate Identity, Supply Chain, Talent and Method, Project Management.

Leadership training

In the corporate world, in 2023 we launched a significant leadership course aimed at first-line and second-line managers, involving around 85 people in total. The aim of this initiative is to help develop servant leadership skills which, by putting employees' needs at the forefront, seeks to build a motivated, stimulating and proactive work climate with a view to continuous improvement.

We organised a kick-off day to launch the initiative in September 2023, which then gave rise to three parallel workshops, as well as individual coaching sessions. The process involved all those who manage people in the Casa di Moda, in the first and second lines of management. For 2024, we also aim to involve people managers from the third managerial line.

Sympo e-learning platform

The name *Sympo* refers to the concept of the symposium, i.e. being together and sharing. The *Sympo* platform provides all human resources with useful materials and documents within a single source. Training can then be carried out on demand, helping us achieve the goal of wider training coverage of the company population. The platform makes content available in digital format, including e-learning courses, video tutorials and interactive PDFs, as well as periodic live masterclasses involving employees from all markets.



The platform content is divided into the following areas:

- Brand Awareness, which explains the brand image and identity, as well as the history and philosophy of the company, the Hamlet of Solomeo and our territory, i.e. all content that helps tell engaging stories about our brand to make us known and make everyone feel part of our world;
- Product Knowledge, which presents the women's, men's, kids' and lifestyle collections, as well as content on special projects;
- Client Relationship, which collects ideas and best practices on how to establish and maintain an emotional connection with customers over time, offering unique and personalised experiences;
- Human Relations, which provides tools and tips to express the company's values in everyday interactions in the workplace with both colleagues and customers.

Selected content – relating to Brand Awareness (company history and philosophy) and Product Knowledge (product and collections) – can also be accessed by our partners, i.e. franchised boutiques and multi-brand shops.

During the year, human resources from all of the Group's business regions received **15,103 hours of asynchronous training** via the platform (+127% compared to 2022).

Individual training

This includes **coaching** courses where professional coaches guide participants in achieving specific professional goals, and **mentoring**, where a more experienced colleague helps in the development and coaching process of another colleague. Mentoring also has numerous benefits for the mentor in terms of recognition, motivation and exposure to new stimuli.

Individual courses are provided to meet specific needs and, in some cases, to support previously launched courses.

Experiential training

This training method is based on the action and experimentation of situations, tasks, roles where the individual trains their cognitive, emotional and relational skills in a context other than work. In 2023, this method was used to promote team-building initiatives for specific teams in the company, and was designed to revitalise team spirit through an inspiring outdoor sharing experience.

Technical training

Again in 2023, employees were also involved in English, Italian and German language courses and Excel courses on both an individual and group basis. Meanwhile, they continued to receive specific technical training on the operations of individual departments.

**Other training initiatives during the year**

The table below provides an overview of other courses held during the year in the various regions.

Table 30 – Additional training activities

Training	Description of activities	Region
Wellness initiatives (United Healthcare)	Second edition of seminars and team-building activities focusing on personal physical and mental wellbeing, funded by United Healthcare.	United States and Canada
Health and safety (regulatory requirement)	<p>Mandatory Health and Safety training:</p> <p>Italy – the following courses were held:</p> <ol style="list-style-type: none"> 1) General and specific training according to the tasks performed (low risk) (via platform); 2) Refresher course (via platform); 3) Course for the Person in charge (via platform); 4) Basic firefighting course and refresher course (in person); 5) Basic first aid course (in person) 6) Course for forklift truck drivers (in person); 7) HACCP course and refresher course (via platform); 8) Basic Life Support Defibrillation course (in person); 9) ENAC (Italian Civil Aviation Authority) course (via platform); 10) Dangerous Goods Shipment Preparation course (IATA) (via platform); 11) Bulkhead course (in person). <p>Spain – in-depth study of risks and preventive measures, with a focus on:</p> <ol style="list-style-type: none"> 1) Basic concepts of prevention 2) Risks associated with the job role and preventive measures to be taken 3) Emergency situations and first aid. <p>France – First aid course, general training (e.g. use of fire extinguisher) and specific training depending on the tasks performed (e.g. manual handling).</p> <p>UK – General training, first aid, fire fighting and manual handling.</p> <p>Germany – First aid course (once every two years).</p> <p>Russia – First aid course, rules for safe work and use of equipment, intervention procedures in case of emergency situations.</p> <p>Canada/USA – courses focusing on proper lifting techniques and slip, trip and fall hazards.</p>	<p>Italy</p> <p>Spain (White Collar – sales)</p> <p>France</p> <p>UK</p> <p>Germany</p> <p>Russia</p> <p>Canada</p> <p>United States</p>
Ergonomics and physiotherapy	Non-compulsory training for the professional categories of drivers, warehouse workers and control officers employed by Brunello Cucinelli S.p.A.	Italy (Solomeo)



Training	Description of activities	Region
Prevention and awareness of violence and harassment in the workplace	In Spain there was a two-hour course organised via an online platform covering the following subjects: 1) key notions regarding workplace harassment; 2) psychological and sexual harassment in the workplace; 3) how to recognize psychological harassment in the Company; 4) conflicts; 5) consequences of workplace harassment; 6) prevention workplace harassment; 7) prevention and management.	Spain Canada United States
Programme for Global Leadership Development 2023	Third edition of the advanced managerial training programme developed in collaboration with leading international universities, attended by several managers from the Solomeo headquarters.	Italy (Executives and Managers)
Executive programme in planning and management control	Tools and processes for the management control function. Soft skills for effective performance of the role of controller (in person).	Italy
From EBITDA to Shareholder Value	How to increase the value of a company: - decision-making and tools for improving business results; - tools for renewal and development. (in person)	Italy
Executive program in operations & manufacturing management	Broad and comprehensive overview of the universe of operations and the approaches, practices and tools to govern the complexity of each production process (in person).	Italy
Executive program in supply chain management	Tools and skills to build a profitable and integrated management of all central aspects of supply chain management (in person).	Italy
Master's in Financial Modelling	Knowing market variables, forecasting trends, managing risks in corporate finance to create quantitative models that improve and support analysis, correct and efficient evaluation and decision-making activities in corporate finance (via platform).	Italy
Master's in International Tax	Knowing the tax discipline related to international trade and investment, and how to deal with the main issues tied to the increasing globalisation of the economic system (via platform).	Italy
AIHR Academy to Innovate HR	Online academy focusing on HR topics, with a focus on analytical and digitisation issues (via platform).	Italy
Strategic marketing and communications in the luxury sector	An in-person course dedicated to the main communication and brand management techniques in the luxury market, with a focus on the following topics: 1) the luxury goods market; 2) marketing for luxury goods; 3) omnichannel strategies and retail management for luxury goods; 4) communication and brand management for luxury; 5) social media strategy for luxury goods.	Italy
English language courses	Online group lessons	Italy
Excel courses	Online group lessons	Italy



Training	Description of activities	Region
Thematic workshops and training sessions	In person: photography, video-making, IT skills, GMT (Goal Management Training), corporate information (with one-to-one online interview and in-boutique quiz), talent development, Sartoria Solomeo, measurement skills; Luxury Fashion Brands.	Hong Kong, Macau (several employees)
	Via platform: overview of 2023 fashion trends; focus on the customer experience; the history, types and production process of denim and leather.	Russia
	In person: introduction to the Brunello Cucinelli brand: brand philosophy.	

GRI 403-5 Worker training on occupational health and safety
GRI 404-2 Programs for upgrading employee skills and transition assistance programs

Development

Internal development programmes are in place in each business area with the aim of enhancing our employees' technical skills.

As far as the production area is concerned, this initiative enables the personnel involved to carry out tasks in different areas and company functions (e.g. from the yarn warehouse to the fabric warehouse and raw materials procurement area) with a view to **cross-cutting professional growth and skills building**.

The **internal rotation project** launched in the previous financial year continued in 2023. In particular, four of our Italian employees undertook a multi-year mission at our New York office in the United States. Another resource left for China in early January 2023 to bring their specific expertise in Customer Care Management to the region.

An integral part of our development paths is also the **employee review processes**, which is managed as part of a specific module of the new information system. The process is based on **constant interaction** and **constructive exchanges between managers and employees** in relation to the activity they carry out and all aspects of the life of human resources in the Company.

The activity is contextualised within the functional aspects and geographical areas where the Group operates. In particular, **each manager** – with the support of the headquarters Human Resources Department – engages in **one-to-one dialogue** with their staff, reviewing the activities carried out during the year and sharing results, achievements and medium-long term objectives.

Reviews are of a **qualitative and/or quantitative** nature and refer also to compliance with the Casa di Moda's core values.

The review is for all staff members of the various Regions; the process is managed by sharing evaluation forms which set out individual objectives along with a self-assessment section, in addition to the manager's review.

This type of review is not linked to the individual's salary or reward mechanisms, rather it is an opportunity for exchange and to set future goals. Indeed, the form contains a dedicated section entitled "development area" where the resource has the opportunity to indicate any of their own needs, so that future planning can take this input into account.



This is then followed by the **final sharing of feedback** between the managers and resources involved, often with the participation of the Human Resources Department. The in-depth feedback the employee receives does not conclude the performance review, rather it is just the start of a process to pave the way for future development.

In 2023, the performance review process¹⁰⁰ was carried out on almost the entire company population, with the exception of the production area where only a few company employees were involved in the process.

Table 31 – Performance review¹⁰¹

	2021				2022				2023			
	Italy ¹⁰²	Europe	Non-Europe	Total (average)	Italy	Europe	Non-Europe	Total (average)	Italy	Europe	Non-Europe	Total (average)
Executives and Managers												
of which men	65%	0%	97%	81%	69%	100%	99%	89%	63%	100% ¹⁰³	100%	88%
of which women	55%	100%	96%	84%	57%	100%	79%	79%	75%	100%	100%	92%
White Collar - no sales												
of which men	77%	50%	79%	69%	80%	50%	83%	71%	75%	100% ¹⁰⁴	100%	92%
of which women	78%	50%	97%	75%	77%	50%	97%	75%	83%	50%	100%	78%
White Collar – sales												
of which men	96%	100%	88%	95%	100%	100%	88%	96%	84%	100%	93%	92%
of which women	92%	100%	83%	92%	95%	100%	84%	93%	82%	100%	97%	93%
Blue Collar - no sales												
of which men	8%	0%	0%	8%	11%	0%	0%	11%	5%	0%	100% ¹⁰⁵	52%
of which women	2%	0%	0%	2%	2%	0%	0%	2%	0.3%	0%	100% ¹⁰⁶	50%
GRI 404-3 Percentage of employees receiving regular performance and career development reviews												

To adequately remunerate our human resources, we adopt policies based on meritocracy and **fair remuneration** according to their roles, responsibilities and delegations. Given the **principle of uniqueness of each person** underpinning the company organisation, and the related values of **equity** and **inclusion**, the company's remuneration policies aim to understand, enhance and include all people in the Group, in full respect of the dignity, freedom and

100 The percentage of employees who received a performance review during the year is calculated as a ratio of the number of employees (by gender) who received a review during the year, to the total number of employees (by gender) as at 31.12, referring to the specific professional category. For the Europe and Non-Europe Region, an average of the percentages recorded in each location is calculated.

101 The percentage of employees who received a performance review during the year is calculated as a ratio of the number of employees (by gender) who received a review during the year, to the total number of employees (by gender) as at 31.12, referring to the specific professional category.

102 The data for Italy (for the three-year period) only includes the Company Brunello Cucinelli S.p.A., since there is no periodic performance review in the companies Max Vannucci S.r.l., Pinturicchio S.r.l. and Raffaello S.r.l.

103 The reference is to the only male employee in the category of Executives and Managers in Russia. There are no other male Executives and Managers in the remaining European locations (for both 2022 and 2023).

104 There are 4 white collar-no sales employees in Russia, all of whom received performance reviews in 2023. There are no white collar-no sales employees in the other European locations.

105 All blue collar employees working only in the US received a performance review in the year.

106 See previous footnote.



autonomy of each individual, and in line with the principles laid down in the Diversity and Inclusion Policy (See Paragraph on *Uniqueness*).

Retail and corporate career development plans are envisaged between 2023 and 2024. Specific job descriptions for corporate profiles will be identified, highlighting the skills required for each role. This approach aims to facilitate internal applications in the event that a team member wishes to take up a new job, providing clarity on the skills needed for each career development opportunity.

This is followed by a representation of the ratio of base salary and average salary between women and men. A more than positive ratio – indicating the absence of a gender pay gap – is maintained, for Italy in the professional category of Blue Collar - no sales (in the latter case referring to base salary) and was confirmed also for 2023 among White Collar sales (referring to both ratios). A slight imbalance remained, however, in the category of Managers and Executives and White Collar - no sales.

In Foreign Regions, the picture is rather positive with regard to the occupational categories of White Collar – no sales, White Collar – sales and Blue Collar – no sales (with respect to the base salary), although the ratios are slightly below parity between the base salary and the remuneration of female and male employees. In contrast, the gap is wider in the category of Executives and Managers.

**Table 32 – Ratio of basic salaries and wages between women and men¹⁰⁷**

	2021				2022				2023			
	Italy	Europe	Non-Europe (average)	Total (average)	Italy	Europe	Non-Europe (average)	Total (average)	Italy	Europe	Non-Europe (average)	Total (average)
Executives and managers												
basic salary ratio	100%	55%	62%	72%	97%	44%	61%	67%	97%	26%	61%	61%
wage ratio	107%	50%	51%	69%	95%	38%	55%	63%	74% ¹⁰⁸	22%	58%	52%
White collar - no sales												
basic salary ratio	89%	133%	90%	104%	87%	92%	84%	88%	91%	104%	103%	99%
wage ratio	89%	136%	90%	105%	87%	88%	81%	85%	90%	103%	103%	99%
White collar – sales												
basic salary ratio	94%	129%	100%	108%	107%	78%	97%	94%	106%	102%	95%	101%
wage ratio	95%	122%	108%	108%	106%	110%	99%	105%	104%	102%	99%	102%
Blue collar - no sales¹⁰⁹												
basic salary ratio	105%	0%	0%	105%	100%	0%	96%	100%	104%	0%	79%	92%
wage ratio	101%	0%	0%	101%	96%	0%	74%	96%	100%	0%	79%	90%
GRI 405-2 Ratio of basic salary and remuneration of women to men												

Dignity and beauty in the workplace

We continue to support our great project for a great future: **protecting universal working conditions for human beings**.

Our work is underpinned by the belief that in order to promote people’s wellbeing, it is vital to ensure a **fair balance between work** and what Chairman Brunello Cucinelli calls «*time for the spirit*», dedicated to the individual, where everyone can enjoy their **right to disconnect**. At the same time, we are committed to ensuring that everyone’s work takes place in **well-kept and visually appealing workplaces**, considering also the different physical and mental abilities present. This is the case not only of our offices and boutiques, but also our production departments. With regard to working hours – at Solomeo: 8 am to 5:30 pm with a one hour and a half lunch break – , we believe it is necessary for everyone to work the right amount of time and then be able to dedicate the rest of the day to themselves.

At Solomeo, employees do not clock in or out. The lunch break allows employees to use the company restaurant and outdoor areas, or return to their homes and have lunch with their families.

¹⁰⁷ Note that in the following table, the major operating locations were taken into account where at least one member of both genders was present among employees. When reporting on the Europe region, Russia is considered the major operating location; for the non-Europe region, the calculation includes Japan, Hong Kong, Mainland China, and the United States. The data collected to calculate the ratio of base salary and wages between women and men takes into account the company population as at 31.12 each year. For the exchange rate from foreign currencies into euros, the average rate for the year was used.

¹⁰⁸ A new calculation method was used for the 2023 figure for the Managers and Executives category in Italy, since this year the ownership of shares is also included in total remuneration.

¹⁰⁹ As for the non-Europe region, in 2022 and 2023 only the United States has employees in the professional category of Blue Collar - no sales. In 2023, there are also Blue Collars in Mainland China, however, as these are all women it was not possible to measure the gender pay gap for this professional category.



We value the **interpersonal relationships** between human resources: this is why we hope that colleagues (especially those physically in the same department) prioritise dialogue in person or over the phone, rather than by email.

As for the work environment, in addition to complying with regulatory hygiene and safety standards, the company's aim is to represent – through the architecture of the company premises – a sense of transparency and openness towards the outside world, encouraging exchanges between human resources and leading to higher quality of work and comfort in terms of personal wellbeing. In fact, indicators are constantly monitored for air quality, internal temperature and natural light.

The focus on the **aesthetics of both indoor and outdoor spaces** ensures that every employee has the opportunity, during the working day, to **raise their eyes and look at the park outside** the Company and the sky over our local area.

Our “beautiful factory” reimagines the traditional factory setting, transforming it into a space that offers better working conditions in terms of wellbeing, and providing workers with an atmosphere of mutual respect and esteem to ignite greater creativity.

We pay close attention to the needs of all our employees in Italy and abroad: the initiatives implemented to ensure the wellbeing of human resources – agreed by the Human Resources Committee and approved by the CEOs – in most cases benefit both full-time and part-time employees.

As far as **health care and prevention** is concerned, the insurance provided by the category fund is currently in place for the Italian offices: FASI, aimed at Executives; SANIMODA, aimed at employees covered by CCNL Abbigliamento e Confezioni of Brunello Cucinelli S.p.A. and the remaining employees of the artisan factories Max Vannucci and Pinturicchio. Whereas resources covered by CCNL Commercio have access to FONDO EST. An additional health insurance cover was included in addition to the two aforementioned trade funds: the subject of this insurance is operations and major operations, for which an additional ceiling is made available over and above that of the fund to cover the costs of operations for both our employees and their families¹¹⁰.

This insurance allows employees to take advantage of various medical care services, with special benefits. Moreover, the company also has **agreements with various types of medical practices**. Supplementary health insurance is also provided in China, Russia, the United States, the United Arab Emirates and France. For several years, the company has had an **accident policy**¹¹¹ in place for the Italian companies Brunello Cucinelli S.p.A., Max Vannucci S.r.l. and Pinturicchio S.r.l., which also covers off-the-job accidents¹¹².

Since January 2023, a supplementary **insurance policy** has been in place to supplement the benefits provided by the category fund under the CCNL (SANIMODA and Fondo Est), which provides all employees, including their families, with additional prevention packages and benefits. This is an important addition for everyone to further protect their own wellbeing and look to the future with greater peace of mind.

110 Note that this insurance is also provided for the artisan factories Max Vannucci S.r.l. and Pinturicchio S.r.l.

111 It also includes disability insurance coverage. This is also provided for in the United States and, as of 2022, in the United Arab Emirates.

112 The policy taken out by Pinturicchio S.r.l. only covers occupational accidents.



In the United States and Canada, an Employee Assistance Programme is also planned for the year, which is a subsidised programme offering financial and emotional support to employees.

Driven by the conviction that culture is an essential source of nourishment for people's spirit, for several years we have offered the "**Why culture flourishes**" bonus both for Italy¹¹³ and most of our foreign offices. The bonus is worth €500 per year (doubled in the case of dependent children), which can be used for subscriptions to magazines, cinema, theatre, book purchases, taking part in training courses, reimbursing school canteen fees and nursery school expenses for young children. Note that the bonus payment for Italy is managed through the "Welfare Hub" platform.

Further elements of the welfare plan include, for example, the marriage allowance¹¹⁴, childbirth allowances¹¹⁵ and meal vouchers¹¹⁶.

In 2023, the Group's Italian companies also set up the following bonuses to financially support their human resources, given the economic crisis experienced in Italy: a **utility bill bonus**¹¹⁷ and **company bonus**¹¹⁸.

Also confirmed in 2023 was the **agreement for Solomeo employees for the purchase of electric or hybrid cars**, signed in 2021 with two local car dealerships.

The "**Solidarity hours fund**" project also continued (for Italy only), which was established based on an internal regulation approved in 2021, whereby all human resources (including managers who, however, cannot use it) can donate their holiday hours beyond four weeks. These hours go into the fund to which the Company contributes 50% of the hours donated by employees. The fund can be used in cases of care and assistance of children over the age of three as provided for by law and national collective agreements, as well as other individuals in a state of need, establishing a priority for use. For example, it will be possible to support first those who have to be absent to care for their family members, and then those who are exceeding their protected period. There were no requests to use the fund in 2023.

113 This refers to the three companies Brunello Cucinelli S.p.A., Pinturicchio S.r.l. and Max Vannucci S.r.l.

114 This benefit is €500 net for all European locations.

115 For the companies Brunello Cucinelli S.p.A., Pinturicchio S.r.l. and Max Vannucci S.r.l., and for all the European companies, a compensation of €1,000.00 (gross) has been confirmed again this year to be paid to employees who are new parents. Note that this compensation will also be in place for Raffaello S.r.l. as from 2024. The same benefit, worth 30,000 roubles, is also provided in Russia.

116 For employees with a CCNL Commerce contract and for almost all European locations.

117 For employees with dependent children and with a CCNL Industria contract, and the Managers of the companies Brunello Cucinelli S.p.A., Max Vannucci S.r.l. and Pinturicchio S.r.l., for a maximum reimbursement of €2,200.

118 A flat-rate bonus of €1,040 (gross) was paid in the months of July and December 2022 for employees of Brunello Cucinelli S.p.A., Max Vannucci S.r.l. and Pinturicchio S.r.l. with a net monthly salary below €2,500.



Lastly, some types of **supplementary pension provision** are planned in Italy¹¹⁹ and, as of 2022, also in the US.

Moreover, all Group human resources are entitled to **parental leave** under the terms (for duration of leave) provided by local legislation in the various Regions of operation.

In particular, during the year and in the various Group Regions, 70 employees (23 men, 47 women) took advantage of this leave: the **rate of return to work**¹²⁰ during the year was 91% (98% in 2022), while the **retention rate**¹²¹ was 65% (62% in 2022). The two graphs below show the gender breakdown of both rates referring to the three-year period 2021-2023.

119 More specifically, as from 2019 with regard to Pinturicchio S.r.l. and as from 2020 for Brunello Cucinelli S.p.A. and Max Vannucci S.r.l., supplementary pension contributions up to a maximum of 2% of base pay are envisaged for employees who make supplementary payments to the supplementary category pension funds (Previmoda, Fon.Te.) and, in the case of Brunello Cucinelli S.p.A. and Max Vannucci S.r.l., also for employees making supplementary payments to open supplementary pension funds (Axa-Mps, UnipolSai, Intesa, Generali, Unicredit, Fideuram, Mediolanum).

120 The rate of return to work is calculated as the ratio between the number of people who should have returned to work in the year following the end of parental leave, and the number of employees who actually returned to work in the same year, at the end of the period.

121 Conversely, the retention rate is calculated as the ratio between the number of people who are still employed by the Group in the year following their return to work after the parental leave period (year t) and the number of employees who had returned to work following the end of the period in the previous year (year t-1).



Figure 34 – Rate of return and retention following parental leave in the three-year period 2021-2023, by gender (Group-wide)





Table 33 – Parental leave

	2021				2022 ¹²²				2023			
	Italy	Europe	Non-Europe	Total (average)	Italy	Europe	Non-Europe	Total (average)	Italy ¹²³	Europe	Non-Europe	Total
Employees who took parental leave	52	8	22	82	42	7	17	66	49	10	11	70
of which men	14	1	6	21	15	1	2	18	19 ¹²⁴	2	2	23
of which women	38	7	16	61	27	6 ¹²⁵	15	48	30 ¹²⁶	8	9	47
Employees who returned to work at the end of parental leave	40	5	13	58	39	7	17	63	38	8	12	58
of which men	16	1	6	23	13 ¹²⁷	1	2	16	16 ¹²⁸	2	1	19
of which women	24	4	7	35	26 ¹²⁹	6	15	47	22 ¹³⁰	6	11	39
Employees who continue to be employed by the Group 12 months after returning from parental leave¹³¹	45	3	9	57	33	2	1	36	29	2	10	41
of which men	20	2	1	23	14	0	0	14	10	0	1	11
of which women	25	1	8	34	19	2	1	22	19	2	9	30
Employees were due to return to work at the end of parental leave	40	8	17	65	40	7	17	64	44	9	11	64
of which men	16	1	6	23	13 ¹³²	1	2	16	17	2	1	20
of which women	24	7	11	42	27 ¹³³	6 ¹³⁴	15	48	27	7	10	44
Total return to work rate	100%	63%	76%	89%	98%	100%	100%	98%	86%	89%	109%	91%
of which men	100%	100%	100%	100%	0%	100%	100%	100%	94%	100%	100%	95%
of which women	100%	57%	64%	83%	0%	100%	100%	98%	81%	86%	110%	89%
Total retention rate	92%	60%	180%	97%	83%	40%	8%	62%	74%	29%	59%	65%
of which men	100%	100%	100%	100%	88%	0%	0%	61%	0%	0%	50%	69%
of which women	86%	33%	200%	94%	79%	50%	14%	63%	0%	33%	60%	64%

GRI 401-3 Parental leave

122 Note that from 2022 onwards, the decision was made to change the data collection method for Brunello Cucinelli S.p.A. employees who took parental leave. In fact, hourly leave – which may relate to multiple years – is no longer taken into account and, therefore, the figures for 2021, which previously included such hours, have been restated accordingly.

123 No employees of Max Vannucci S.r.l. and Raffaello S.r.l. took parental leave. For Italy, this indicator is therefore made up of data referring to Brunello Cucinelli S.p.A. and Pinturicchio S.r.l.

124 Including 7 employees who took leave in 2023 and who will return in 2024.

125 One of the employees who returned in 2022 had taken leave during 2021. In Russia, an employee who was due to return in 2023 after taking leave in 2021 instead returned in September 2022 and is therefore counted in this indicator.

126 Including 22 employees who took leave in 2023 and who will return in 2024.

127 Including 3 employees who had taken leave during 2021.

128 Including 5 employees who had taken leave during 2022.

129 The figure for employees of Brunello Cucinelli S.p.A. includes 19 employees who returned in 2022 from leave taken in 2021, and 5 employees who took leave in 2022 and returned to work the same year. In the case of Pinturicchio S.r.l., however, 2 employees returned to work in 2022, one of whom had taken leave in 2021.

130 Including 16 employees who had taken leave during 2022.

131 The numbers shown refer to employees who returned from parental leave the previous year and are still employed in the following 12 months.

132 Note that 5 employees of Brunello Cucinelli S.p.A. will end their parental leave in 2023.

133 Note that 19 employees of Brunello Cucinelli S.p.A. will end their parental leave in 2023.

134 The employee at the Russian site who was scheduled to return in 2023, but brought forward the end of her leave to September 2022, is not included in the calculation of this indicator. For the other European locations, one employee was due to return in 2022 (after taking leave in 2020) but has not yet returned. Furthermore, two employees who had taken leave in 2021 were due to return in 2022 (and did return). Lastly, one employee who took compulsory maternity leave from February 2022 to July 2022 requested parental leave, which will end in July 2023.



Health and safety

Our focus on safety is one of the key elements underpinning the relationship between the Group and its human resources. The Company's oversight of safety issues is carried out in compliance with the regulations in force in the various countries where the Group operates (e.g. Legislative Decree no. 81/08 for Italy).

In general, the precautions and control measures adopted are to ensure that the risk of accidents remains low.

As far as Italy is concerned, where 54% of the company population is concentrated, the assessment, monitoring and reporting of workplace hazards that may constitute an injury risk are carried out in the Risk Assessment Document (RAD), which is periodically updated. Assessments made on potential occupational health and safety risks make it possible to identify preventive and improvement solutions, which may be either organisational or in the form of training.

In Italy, an in-house Prevention and Protection Service Manager (RSPP) is in charge of promptly identifying workplace hazards through constant inspections, particularly of production departments.

With specific regard to the Solomeo site, the RAD has identified the work carried out in the warehouse as the main source of risk and, as such, great attention is paid to the organisation of these departments.

In particular, the use of equipment such as forklifts and electric pallet trucks is the main source of risk identified for the safety of the workers involved. Therefore, in order to reduce the use of this equipment, part of the shelves are purposely set at heights of 1.50 m, with the added benefit of allowing more natural light into the work areas.

Moreover, in 2022, a **Health & Safety assessment was carried out at the Group's foreign sites**, the results of which made it possible to map the current state of the occupational health and safety measures implemented at local level. Launched in December 2021 in collaboration with a specialised consulting firm, the project covered almost all European and non-European sites, with the aim of verifying compliance with current health and safety regulations.

In most of the European and non-European locations analysed, any hazards and critical situations in terms of occupational health and safety are reported to the relevant store manager, who then informs either the local HR Managers or directly the Human Resources Department in Italy.

All employees at these locations are regularly informed about health and safety at work through specific communications, training (generic and/or specific) and, where applicable, Employee Handbooks.



Our work to directly interact with foreign locations on health and safety issues continued also in 2023.

We are also committed to ensuring that each of our employees receives **adequate training and information on the subject**. In addition to compulsory training, non-compulsory training courses are also offered.

As for compulsory **training on occupational Health and Safety**, the following courses are summarised below:

- Italy: General and specific training via the platform for low-risk tasks; General and specific training in person for high-risk tasks; Occupational safety refresher course (via platform); Course for the Person in charge (via platform); New course for medium-risk firefighting officers; New course for first-aid officers; Firefighting officer refresher course; First-aid officer refresher course; Fork-lift truck driver training course; Fork-lift truck condition refresher course; BLS course; BLS refresher course; Dangerous goods dispatch preparation course; HACCP course; HACCP refresher course.
- Spain (in-depth study of risks and preventive measures, with a focus on): Basic concepts of prevention; Risks associated with the job role and preventive measures to be taken; Emergency situations and first aid.
- France: First aid course, General training (e.g. use of fire extinguisher); Specific training depending on the tasks performed (e.g. manual handling).
- UK: General training; First aid; Fire fighting; Manual handling.
- Canada/USA: Courses focusing on proper lifting techniques and slip, trip and fall hazards.

Non-compulsory training

In 2023, in addition to compulsory occupational health and safety training, non-compulsory training was offered as needed for specific tasks that are potentially more exposed to ergonomic risks.

In 2022 (the first year the training was launched), training on ergonomics and physiotherapy involved the professional categories of drivers and fabric warehouse workers. In 2023, the courses were extended to a second group of employees working in the warehouse, and to the Brunello Cucinelli S.p.A. control staff. During the year, 75 people were trained for a total of 300 hours; in 2022, 180 hours of training were provided for a total of 45 people.

Over time, the aim is to extend non-compulsory training in ergonomics and physiotherapy to all work tasks that, by nature, are potentially more exposed to ergonomic risks.



At least once a week, the Company physician comes to the Solomeo headquarters to carry out the medical examinations required for employees exposed to specific risks, according to the frequency established in the health protocol, while respecting the privacy of the data processed¹³⁵.

The regular presence of the Company physician makes it possible to assess the work environment, risks present, ergonomics, and any issues these may entail. In the interest of prevention, the Company has decided to have employees under the age of 50 undergo a medical examination **every two years, rather than every five**.

With regard to the **Wellness initiatives (United Healthcare)** however, the second edition of seminars and team-building activities focusing on personal physical and mental wellbeing, financed by United Healthcare, was launched for the United States and Canada regions.

In 2023, there were 21 recordable accidents¹³⁶ without serious consequences among Group human resources (10 in 2022), of which 15 in Italy¹³⁷, with a total recordable workplace injury rate of 0.826 (0.453 in 2022). The table below provides a snapshot of the accidents that occurred and the respective rates over the last three years.

¹³⁵ Given the large size of the Company, in order to guarantee adequate service, there are three Company physicians at the headquarters, one of whom coordinates the other two. Medical examinations are carried out in specifically dedicated spaces. Workers can go directly to the doctor's office on visiting days to discuss any problems related to their health. Moreover, all employees have the doctors' contact details (telephone and email), so that they can contact them independently when necessary.

¹³⁶ See the *Methodological note* section for more information on how this is calculated.

¹³⁷ This refers to the Company Brunello Cucinelli S.p.A.

**Table 34 – Injuries at work: employees¹³⁸**

	2021				2022				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total
Employees												
Total hours worked	2,090,706	470,936	1,183,841	3,745,484	2,206,238	495,033	1,713,787	4,415,058	2,574,123	521,003	1,988,115	5,083,241
Total number of work-related fatal accidents	0	0	0	0	0	0	0	0	0	0	0	0
Total work-related injuries with serious consequences (excluding deaths)	0	0	0	0	0	0	0	0	0	0	0	0
Total recordable work-related injuries	4 ¹³⁹	0	0	4	6	2	2	10	15 ¹⁴⁰	2	4 ¹⁴¹	21
Rate of deaths resulting from work-related injuries	0	0	0	0	0	0	0	0	0	0	0	0
Rate of work-related injuries with serious consequences (excluding deaths)	0	0	0	0	0	0	0	0	0	0	0	0
Rate of recordable work-related injuries	0.000	0.000	0.000	0.214	0.544	0.808	0.233	0.453	1.165	0.768	0.402	0.826
GRI 403-9 Work-related injuries												

For non-employee workers on the other hand, no injuries were recorded during the year of reporting.

¹³⁸ Note that the data for the three-year period are restated following a change in the calculation method.

¹³⁹ Of which 1 while commuting (in a company car).

¹⁴⁰ Note that for 2023, one accident reported at the Pinturicchio S.r.l. premises was excluded, per GRI Standards requirements, since it occurred in the employee's own vehicle while travelling.

¹⁴¹ Each injury was caused by the performance of the employee's normal duties and responsibilities. The main types of work-related injuries are bruises/burns and muscle pulls.

**Table 35 - Injuries at work: other employees**

Other staff ¹⁴²	2022				2023			
	Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total
Total hours worked¹⁴³	28,109	2,805	44,672	75,585	119,619	7,385	47,100¹⁴⁴	174,104
Total number of work-related fatal accidents	0	0	0	0	0	0	0	0
Total work-related injuries with serious consequences (excluding deaths)	0	0	0	0	0	0	0	0
Total recordable work-related injuries	0	0	0	0	0	0	0	0
Rate of deaths resulting from work-related injuries	0	0	0	0	0	0	0	0
Rate of work-related injuries with serious consequences (excluding deaths)	0	0	0	0	0	0	0	0
Rate of recordable work-related injuries	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

142 The figure is calculated as of 2022 reporting.

143 Referring exclusively to the Company Brunello Cucinelli S.p.A. The companies Max Vannucci S.r.l., Pinturicchio S.r.l. and Raffaello S.r.l. only have employees in their workforce.

144 Note that the hours worked for 5 female contingents at the Singapore office are not included.



CHAPTER 6. TECHNOLOGICAL SUSTAINABILITY WE WELCOME FAIR CHANGE TO GET THE BEST FROM OUR TIME



Sustainable technology - Leonardo da Vinci, James Passelwhite, 1835

GRI Content Index in the appendix

3-3



Ten UNGC principles

Principle I
Principle VIII
Principle IX

TECHNOLOGY, HUMANISM AND ARTIFICIAL INTELLIGENCE

Technology has been a **faithful companion of humans** since ancient times, **a gift of Creation**.

To harness technology respectfully and profitably, humanity must approach it with care and respect, without however stripping us of the soul Creation has given us.

There is no doubt that we have steered many past innovations while seeking to strike a balance in our relationship with them.

Over the centuries, a relationship of **harmony has often resonated between technological innovations, the nature of human beings and Creation** – a harmony we all strive for so that innovation may be a catalyst for ongoing healthy development.

Ever since ancient Greece, “techne” was considered a sacred craft, involving the ability to meld and transform elements encountered on humanity’s journey. The ancient Greeks held the eternal laws of nature to be unalterable, with humans destined only to observe and understand them, but never change them.

Throughout history, humanity has evolved alongside technology: the Phoenicians mastered the art of turning sand into glass and extracting purple dye from sea snails for textiles. Technology was the basis of Leonardo’s art and the architecture of the Renaissance. The Enlightenment and the technological revolution were intertwined, each shaping the other. As a civilization, we have witnessed numerous discoveries and inventions: the loom, the printing press, the steam engine, electricity, the internal combustion engine, the radio, the aeroplane, penicillin and vaccines.

In the 18th century, the search to enhance the sound of the harpsichord led to the invention of the piano.



Prometheus models the first man to whom Athena gives her soul by placing a butterfly [Psyche in ancient Greek] on his head – an illustration made using Generative AI



Looking back, there is no doubt that many innovations brought about by technology have driven development and adoption. Today we see a new major technological innovation, artificial intelligence; for the first time humankind can design intelligences superior to its own.

Our Chairman expressed heartfelt words on this topic in the **Letter about Artificial and Human Intelligence**, quoted below.

Solomeo, 3 August 2023

Like so many inventions that have accompanied the history of mankind and facilitated its progress, I like to think of artificial intelligence as a new handmaiden that accompanies human beings to inspire and renew their genius and creativity. I imagine this new reality as similar to a breath that can revive the vital fire of our human mind. «*Parva favilla magnam flammam secundat*» - [“From a little spark may burst a flame”]. This is what Dante Alighieri thought, a humble invitation to posterity to follow the universal call of perennial human values.

Recently, a major ethical initiative has been launched to solicit proposals for a shared artificial intelligence design. I look at such an intention with fascination, trepidation and hope, because it shows how everyone feels the need for a nomos similar to that which the ancient Greeks gave themselves as a rule for their social and political life.

Human values and goods derive strength and quality from their duration, and in this regard I think of Hegel, who said that quantity determines quality. I am convinced that genius is one of those values, and I would like authentic genius to become a goal that everyone can constantly strive for with an open mind. I would like to believe that the whole world, and every single person, every single reality, lives by truth. Was that of our Renaissance scientists and artists not perhaps authentic genius? When Leonardo da Vinci, after admiring a work of art, perhaps a painting, or a sculpture, exclaimed: «*I would like to imagine the construction of a flying object!*». Was this not perhaps an embodiment of genius? Genius is precisely that human factor that creates inventions unexpectedly, because it does so by skipping the logical processes of the mind, becoming madness for a moment.

This extraordinary creativity, the one belonging to Galilei and Newton, the same one that led Darwin and Einstein to lay the foundations of the modern world, is today the fertile ground where artificial intelligence can demonstrate its efficacy, and indeed we expect some kind of return from contemporary geniuses, a formidable return to pure human creativity, a process in which I see a revival and not a new way. I am convinced that each new value will sprout from the previous ones, increasing the sacredness of the ancient heritage and the places where the wisdom of our ancestors is preserved: I am thinking of books, and of those silent temples that are libraries. What the Library of Alexandria did for many centuries, spreading Hellenistic culture throughout the world, is what even the smallest library does today, as it mirrors the world.

I am convinced that the value of the written word, the ancient matter of its physical reality, made of paper and the scent of ink, of dust and ancient wood, will become useful suggestions for artificial intelligence, because in these aspects, it seems to me, resides the value of the source, the possibility, I think unique, to converse with ancient peoples, as Machiavelli did, conceiving his library as the place:

“Where I am not ashamed to speak with them and to ask them the reason for their actions; and they in their kindness answer me; and for four hours of time I do not feel boredom, I forget every trouble, I do not dread poverty, I am not frightened by death; entirely I give myself over to them.”



I expect the contemporary Leonardos of technology to look to humanistic values as the source of their creations, for only in this way the results will be imbued with them and artificial intelligence will achieve the highest levels of good for mankind.

In one of his most thought-provoking works, Aeschylus recounts the legend of Prometheus: this hero represents the human cognitive spirit, which by giving the world fire intends to liberate men from the anguish of darkness. Prometheus says:

«I explained to them the risings and settings of stars; [...] and yes, I invented for them numbers, too, the most important science; and the stringing up of letters, the art of Memory...»

Yet we read again in Aeschylus that with the use of fire came to men the evils of a life far removed from the quiet, simple, primitive existence. Jupiter therefore condemned Prometheus to eternal suffering, and he himself acknowledged his mistake with these words:

«Technique is too much weaker than necessity.»

I recognize in the Greeks the highest genius generating eternal values.

The first source of truth for human beings, as for all sentient animals, is our perception of the world, experienced through our senses. As one historian has narrated, unlike the rest of the animal kingdom, human beings are endowed with a formidable capacity for imagination. We are the only ones who modify reality, using ideas, desires, dreams as a starting point: our mind can run far beyond what the five senses enable us to observe and understand.

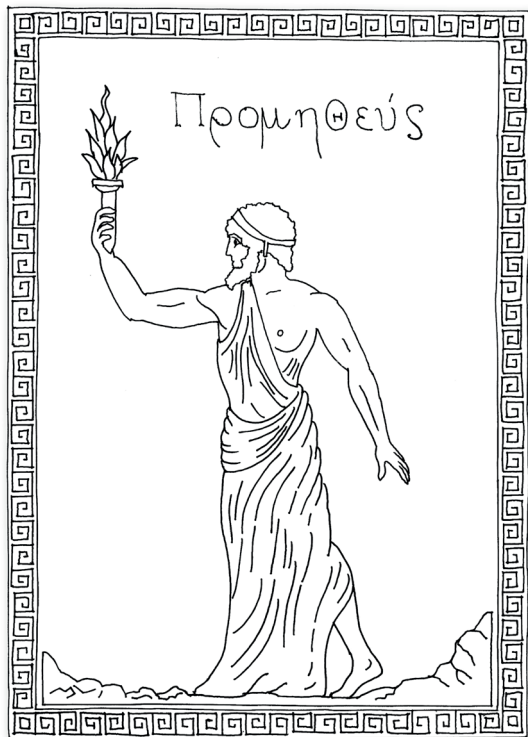
The concepts of authentic and true have steadily evolved as our societies have progressed: while for prehistoric man it was true what the wise elder of his tribe would say, for very many human beings the truth lived in the Sacred Scriptures. This was the case for literature, the figurative arts, printed books and, at the end of the 19th century, for photography. We can imagine that this is why mankind will look for new foundations on which to securely base its mind and social relations.

At the same time, direct human experience may be of great importance and represent building the foundations of truth that we as living beings and societies need.

Throughout their history, human beings have always imagined that they could create machines and automata to free themselves from the heaviest and most repetitive tasks. Aristotle made reference to this aspiration in his work *Politics*, when he described instruments capable of performing their own work at the word of command or by ‘intelligent anticipation’; instruments capable of erasing slavery from the future of mankind. Artificial intelligence will perhaps become the form through which contemporary man will still visit the eternal myth of the imitation of nature. If we wanted to see a replica of nature and its mysteries within this, however, we should also remember that human intelligence has been formed over millions of years, and it is difficult to imagine that artifice could achieve a copy of it in less time today. This is why the fear of artificial intelligence, beyond the use that man might make of it, is more akin to the fear of the unknown that assailed men when faced with lightning before Prometheus brought them fire as a gift.

It seems, therefore, if not to be feared, that artificial intelligence is to be prized for all the benefits it can bring to the world, to the extent that it can liberate man from the material burdens of present-day life, returning to him the dimension, time and space of an existence spent in harmony with nature, such as mankind experienced from the earliest times until at least the last century, in a contemporary setting.

For this reason, it is not easy for me to imagine an automaton or an artificial system that could feel authentic emotions or deep, true feelings. Could a robot ever look up to the sky, or feel emotion, and see real tears gushing from its eyes?

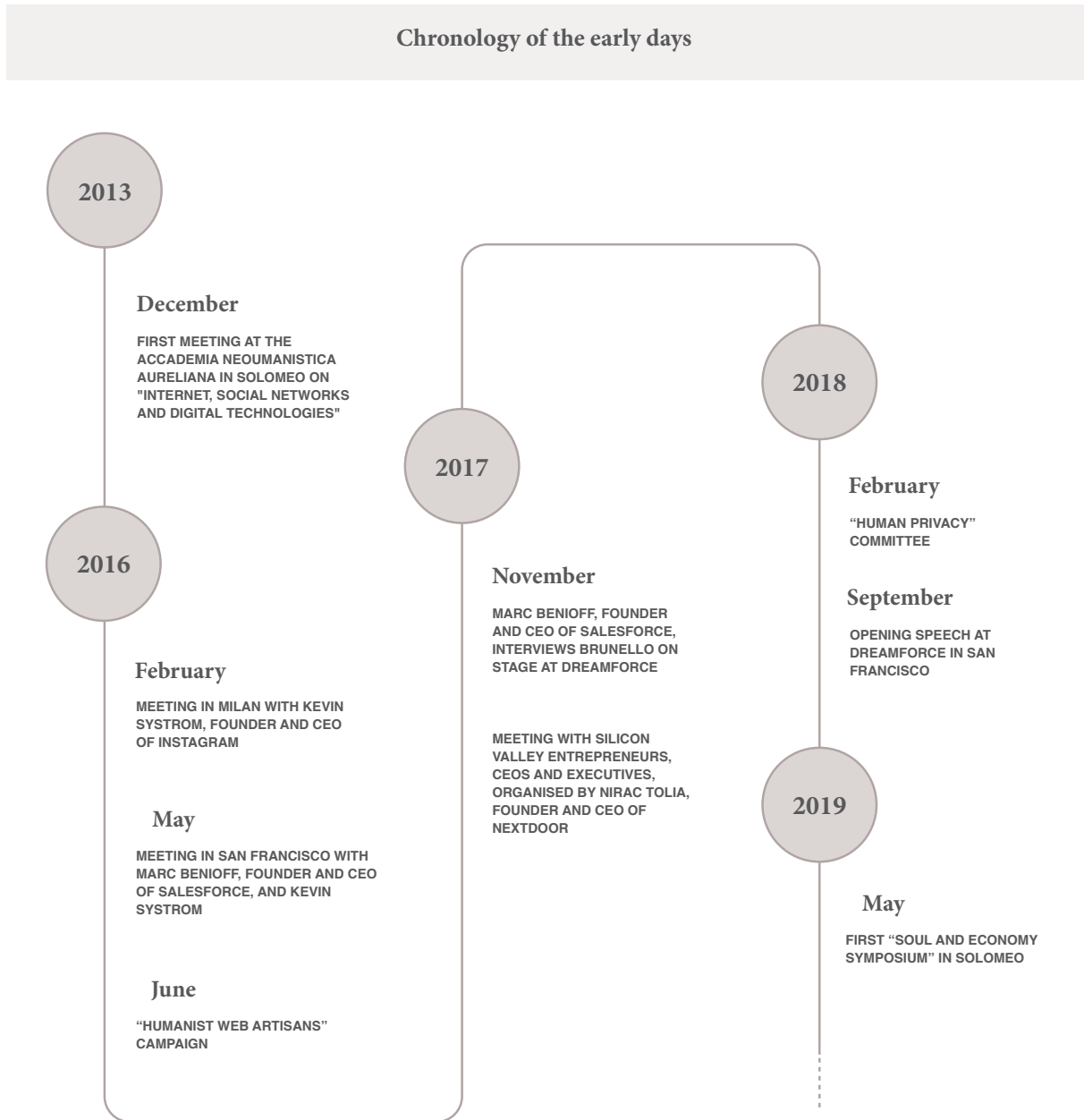


*Prometheus, adapted illustration
by Massimo de Vico Fallani*

Our approach to innovation, digitisation and technological development has formed over time. Knowing that there is still a long road ahead, we are committed to an ongoing journey of discovery, captivated by the vast potential and promises technology holds.

Below is a **Chronology of the early days**, from the origins of our approach on Technology and Humanism through to the present day (see Figure 35).

Figure 35: Chronology of the early days – the stages of Sustainable Technology



The path shown above culminated with the **First "Soul and Economy Symposium" in Solomeo.**

In May 2019, **major personalities from Silicon Valley**, such as Jeff Bezos, Reid Hoffman, Drew Houston, Ru-zwana Bashir and others, spent three days in Solomeo. During the Symposium, they reflected on the basis of harmony between humanism and technology to seek inspiration for the human behaviour and principles of the Third Millennium. A vision took shape for a future rooted in dignity and solidarity, maintaining equilibrium between profitability and giving back, and recognising the family as fundamental for nurturing the spirit. They also discussed the need to unite the past and future in the current era, and to build timeless monuments that testify to the greatness of our time.

The friendly debates of the symposium centred around the clarity with which **humanity can reconnect with its history**: an awareness that can bind us to our past and blossom into a harmonious tomorrow. It is essential to boldly welcome change and seek out new horizons, for **in rejecting change, we risk losing the benefits it brings**.

At the end of the three days, the attendees envisioned creating a potential record of their deep discussions as a sort of collective summary of their insights, calling it: **Charter of the Solomeo Symposium**.

We envisage such a charter as the **foundation of the principle of Harmony between humanism and technology**, and as a possible source of inspiration for human behaviour and principles.





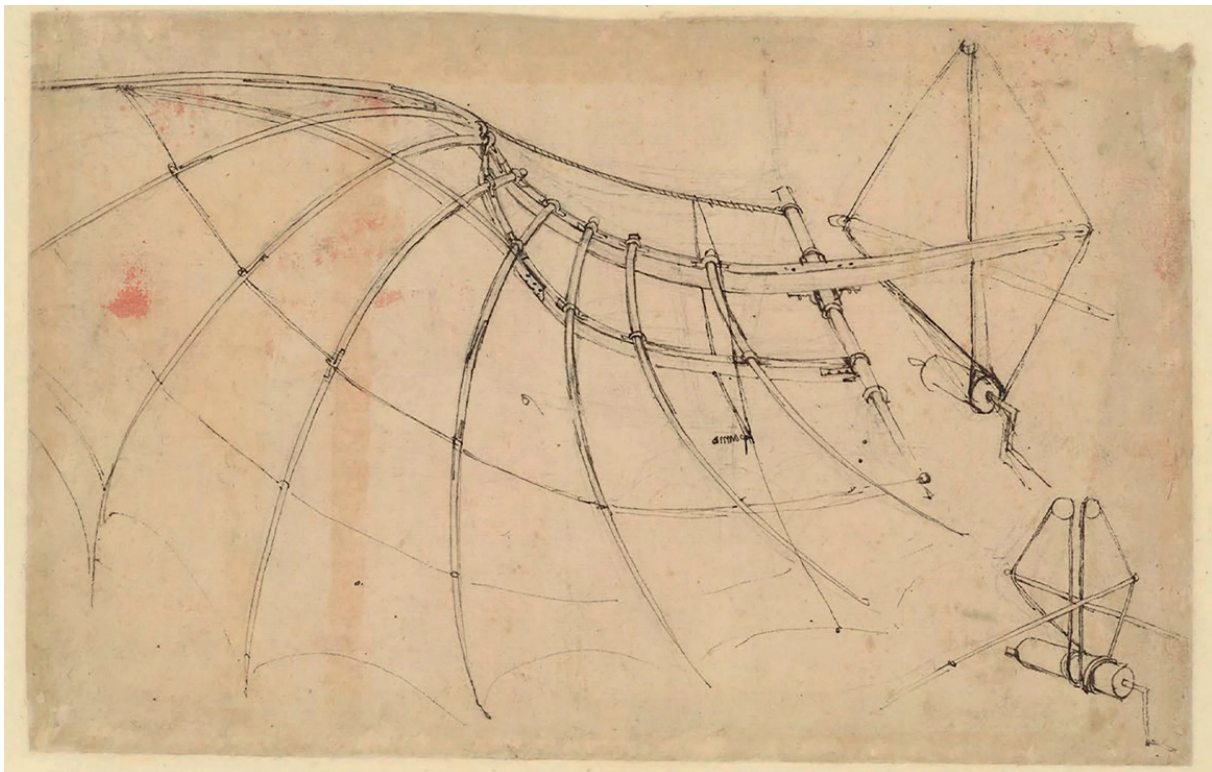
In our recent studies and reflection on the ongoing development of artificial intelligence, we have strived to describe what differentiates AI from human intelligence, to help guide us in understanding AI and how it could evolve for the benefit of humanity.

Figure 36: Human and Artificial – Traits of the two intelligences

Human intelligence knows	Artificial Intelligence knows
<p>How to experience feelings <i>"The love that moves the sun and the other stars"</i> Dante</p>	<p>Analyse <i>"Don't investigate everything: many things are better left undiscovered"</i> Sophocles</p>
<p>Dream <i>"The dream proceeds from Jove"</i> Homer</p>	<p>Calculate <i>"Let no one ignorant of geometry enter"</i> Plato</p>
<p>Desire <i>"Having the fewest wants, I am nearest to the gods"</i> Socrates</p>	<p>Synthesise <i>"Do not say a little in many words, but a great deal in few"</i> Pythagoras</p>
<p>Have insight <i>"The act of understanding is life"</i> Aristotle</p>	<p>Suggest <i>"Give your friends wise advice, and do not argue for fear of reproach"</i> Confucius</p>
<p>Create <i>"In art the best is good enough"</i> Goethe</p>	<p>Execute <i>"He who lives in industriousness finds time for rest"</i> Seneca</p>

Digitisation and technological development

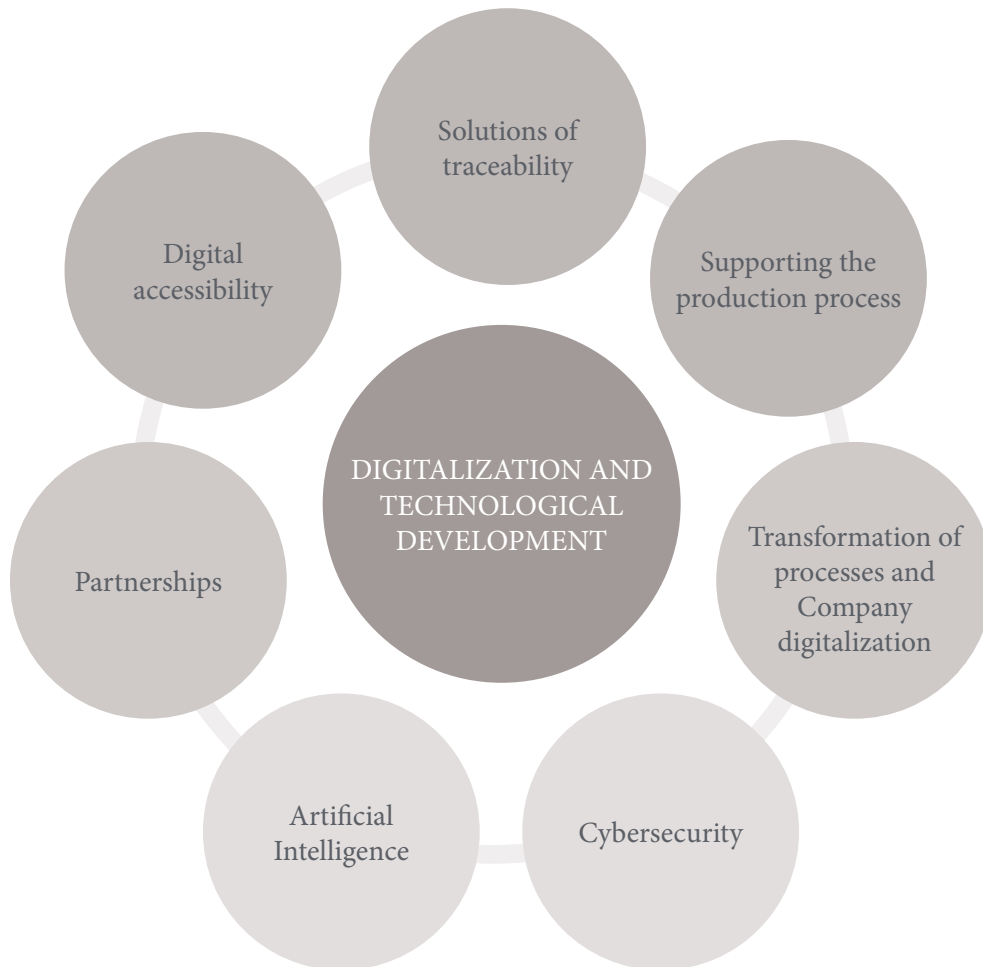
Our Group has made it its mission to identify ideas that can unite **humanism and technology**. We hope to invest in and nurture projects that uphold the ideals of technological advancement while honouring humanity and the natural world, drawing inspiration from the great thinkers of the past.



*Sheet-covered wing operated by a hand crank, Leonardo da Vinci (1452-1519),
Veneranda Biblioteca Ambrosiana/Mondadori Portfolio.*

Numerous projects embrace the ideal of **healthy technological growth to benefit everyone**, to support employees, enrich customer relations and enhance product craftsmanship. These initiatives are developed along the lines highlighted in the infographic below (see Figure 36)

Figure 37: Our Digitalisation and Technological Development initiatives



Traceability solutions

Thinking of our garments as something to cherish and preserve as much as possible, we envisage **the digital product passport becoming a sort of time capsule of the products' craftsmanship** that may be consulted by future customers. With this in mind, the **NFTaste project** was launched, which seeks to make the product a tool for communication with the customer about the Brunello Cucinelli style and universe.



The project started with the Spring-Summer 2024 collection, with a line of men's and women's clothes, enhanced by a digital experience for styling, combinations and product details through an NFC chip integrated in the product.

Again with a view to consolidating **traceability solutions for the supply chain** and continually improving the efficiency of management systems, **research continued on RFID tags**, which are attached to the garment (not dangling) to identify solutions that track the various product categories during the processing phases.

Similarly, work continued on the **programme to consolidate traceability and supply chain integration solutions** to boost the efficiency of management systems. The **FiloLog platform** enables collaboration between coordinators and the external production structure by sharing production order provisions and technical data for garment production, and allowing the online upload of product sheets for garment production and CAD specification documents. To date, the major craft enterprises have been involved: three new workshops in 2023, in addition to the new Raffaello S.r.l. production site. The project will be further consolidated in 2024.

Supporting the production process

Similarly, another line of work in the field of technological development relates to experiments **to support the production process**.

Two studies have been launched that will lead to the creation of a working prototype: a **tool for fabric quality control** to help operators identify and classify defects, as well as a **new digital quality control table for semi-finished knitwear products** to support operators with more advanced ergonomics and functions.

Moreover, the internal “**Sartoria Solomeo**” app was further developed to **facilitate the sharing of technical information** (patterns, measurements, fabrics, accessories, notes for measurement points, etc.) **between the main flagship boutiques and the Solomeo tailor shop**. Its use was extended to the new production site Raffaello S.r.l., paving the way for solid application support for the launch of its Made to Measure (MTM) production departments.

Process transformation and Company digitisation

Moreover, during the year the “**Digital Hive**” **programme got underway, which aims to transform Company processes and information systems**. Specifically, the programme seeks to unlock the opportunity to rethink our operations and applications in use, in line with the Company's future development goals, to help maintain human sustainability and enhance its unique value. The project will be operational from 2024 and will be further developed in subsequent years.



Cybersecurity

In order to mitigate cybersecurity risks tied to the production chain, and protect the information exchanged, the Information Security Committee has supported an initiative to **engage and raise awareness among strategic artisans**. The initiative aims to broaden the skills acquired in **cybersecurity** and recently adopted technology, by consolidating the commitment to spread the Company's values across the territory.

Artificial Intelligence

In 2023, initial testing began on the **generative AI application** designed to support human tasks, with experimental applications in the generation of content that aligns with the brand's tone of voice, and for the consultation and synthesis of corporate documents.

Partnerships

Furthermore, in 2023 the **Casa di Moda became a partner of Styleit**, the FashionTech accelerator of the Cassa Depositi e Prestiti (CDP) National Accelerator Network – an initiative to boost entrepreneurship by accelerating technology start-ups that support the Italian fashion supply chain.

We pay constant attention to digital innovation issues relating to manufacturing in order to maintain **craftsmanship contemporary** in line with the concept of open innovation¹⁴⁵.

Digital accessibility

Lastly, the architectural, monumental and natural project of the Universal Library of Solomeo (see Section “*Restoring the Hamlet of Solomeo to its former glory*”) will be completed in 2027. The new building and its park will be open to the public and will provide attractive open spaces and ideal meeting places. To stay true to this philosophy, both physically and digitally, and with a view to universal dissemination of knowledge, the Company is implementing **technological solutions that allow our beautiful cultural heritage to be experienced remotely**, making it available to visitors, students and researchers who are unable to travel to Solomeo. This project is expected to be finalised in 2026.

¹⁴⁵ Open Innovation is a paradigm whereby companies can (and must) draw on both external and internal ideas, and access markets through both internal and external channels if they want to advance their technological abilities.



ADDENDUM

THE EUROPEAN TAXONOMY

Regulation (EU) 2020/852 – EU Taxonomy Regulation (hereinafter the “Taxonomy” or the “Regulation”) establishes a uniform system for the classification of economic activities that can be considered environmentally sustainable. It was published on 22 June 2020, in the Official Journal of the European Union and came into force on 12 July 2020.

By directing economic investments towards projects and activities deemed environmentally sustainable and capable of significantly contributing to the achievement of the environmental targets set by the European Union, this regulatory tool, released by the European Commission, aims to facilitate the implementation of the European Green Deal and to help Europe achieve climate neutrality by 2050.

Regulation (EU) 2020/852 applies to all companies obliged to prepare a Non-Financial Statement in accordance with the provisions of Directive 2014/95/EU, implemented in Italy by Legislative Decree No. 254/2016.

Said companies are therefore subject to reporting on the share of turnover, the share of capital expenditure (CapEx) and the share of operating expenditure (OpEx) associated with the economic activities considered eligible according to the “*Climate Delegated Act*”¹⁴⁶ and, as from 2023, also according to the “*Environmental Delegated Act*”¹⁴⁷. Additionally, as was the case last year, it is also necessary to evaluate the alignment with the Taxonomy in regard to the first two objectives related to climate change (mitigation and adaptation).

Delegated Acts establish rules to guarantee that an economic activity does not significantly harm any other objective. They also regulate a set of criteria to assess whether that economic activity contributes significantly to the achievement of an environmental objective. In order to be deemed “eco-sustainable” (and thus aligned), a specific activity must meet certain requirements and significantly **contribute to at least one of the six environmental objectives of the Regulation**. These objectives include mitigation and adaptation to climate change, sustainable use and protection of water and marine resources, transitioning to a circular economy, preventing and controlling pollution, and protecting and restoring biodiversity and eco-systems.

For an activity to be considered aligned, the following criteria must be met:

- **Meet the substantial contribution criteria** defined in the Regulation for each type of activity. Identified on a scientific basis and specific to each of the objectives, these criteria describe the conditions to be met in order to contribute substantially to the achievement of the objectives.
- **Do No Significant Harm (DNSH)** to any of the other objectives not significantly impacted.
- **Respect minimum social safeguards**, recognising the importance of human rights and international standards.

¹⁴⁶ Regulation EU 2021/2800 final version adopted on 4 June 2021 and entered into force on 1 January 2022. Through Delegated Regulation 2022/631 “Complementary Delegated Act”, adopted on 15 July 2022 and entering into force on 1 January 2023, the Commission amended the Climate Delegated Act in 2022 by introducing activities and related technical screening criteria for energy generation from nuclear and natural gas. During 2023, Delegated Regulation 2023/2485 was published. This made a number of amendments to the Climate Delegated Act, both in terms of new activities and in terms of technical screening criteria.

¹⁴⁷ Regulation 2023/2486, adopted on 27 June 2023 and entering into force on 1 January 2024.



The eligibility and alignment analysis of the Casa di Moda

During 2023, the Brunello Cucinelli Group updated the analysis of its economic activities in order to assess their possible eligibility for the six environmental objectives of the Taxonomy.

From the analysis conducted, it emerged that there are no revenue lines that could be considered permissible with respect to the Climate Delegated Act and the Environmental Delegated Act. On the contrary, with reference to CapEx (Annex 1 of Delegated Regulation (EU) 2021/2178, subsections 1.1.2.2 point (c)¹⁴⁸) concerning the purchase of products from eligible economic activities Taxonomy-aligned, several of such activities were identified with respect to the objectives of climate change mitigation, sustainable use and protection of water and marine resources, and transition to a circular economy.

Several eligible activities have been identified with respect to climate change mitigation:

- *5.1 Construction, extension and operation of water collection, treatment and supply systems*: construction of a well for water supply;
- *6.5 Transport by motorbikes, passenger cars and light commercial vehicles*: purchase and hire of motor vehicles;
- *6.13 Infrastructure for personal mobility, cycle logistics*: construction of a pavement for pedestrians;
- *7.2 Renovation of existing buildings*: refurbishment of shops, offices and other buildings;
- *7.3 Installation, maintenance and repair of energy efficiency equipment*: implementation of thermal insulation systems in buildings; installation, maintenance and efficiency of ventilation and air conditioning systems; replacement of traditional lighting systems and lamps with smart lighting systems and LED lamps.
- *7.7 Acquisition and ownership of buildings*: rental of buildings.

An eligible activity has been identified with respect to the sustainable use and protection of water and marine resources:

- *2.2 Urban waste water treatment*: construction of a portion of the sewage network.

Several eligible activities were identified with respect to the transition to a circular economy:

- *3.2 Renovation of existing buildings*: refurbishment of shops, offices and other buildings;
- *3.4 Maintenance of roads and motorways*: construction of car parks and yards;
- *4.1 Provision of IT/OT data-driven solutions and software*: implementation of IT systems for the operation and maintenance of machinery and equipment.

Moreover, in compliance with the provisions of the Climate Delegated Act, the Brunello Cucinelli Group subsequently assessed the alignment of eligible economic activities with respect to climate change mitigation, verifying compliance with the following criteria:

- Criteria for substantial contribution;
- Criteria for Do No Significant Harm (DNSH);
- Minimum Social Safeguards.
- Substantial contribution

¹⁴⁸ In particular, the activities listed in points 7.3 to 7.6 of the Climate Delegated Act as well as other economic activities listed in delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2), and 15(2) of Regulation (EU) 2020/852, are related to the purchase of goods from economic activities Taxonomy-aligned and to individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas savings, provided that these measures are implemented and made operational within 18 months.



For the purposes of assessing alignment, for each of the economic activities considered eligible with respect to climate change mitigation, compliance with the **substantial contribution criteria** was verified¹⁴⁹.

Activity 5.1. Construction, extension and operation of water collection, treatment and supply systems

The Group's analysis shows that, in the absence of specific information on the average net energy consumption for extraction, the construction of a well for water supply is not aligned with the criterion of substantial contribution.

Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

The analysis conducted by the Group shows that, in the absence of specific information on the emission intensity of the vehicles, the purchase and rental of vehicles in 2023 belonging to category M1 (intended for the transport of persons with a maximum capacity of 8 seats) and N1 (intended for the transport of goods and having a maximum mass not exceeding 3.5 t) is not aligned with the substantial contribution criterion under a).

Activity 6.13 Infrastructure for personal mobility, cycling

The analysis conducted by the Group shows that, with the construction of a pavement for pedestrians, this activity is aligned with the criterion of substantial contribution.

Activity 7.2 Renovation of existing buildings

According to the Group's study, building renovations do not meet the relevant standards for large renovations and would not result in a primary energy demand reduction of at least 30%, which makes them ineligible for the substantial contribution criterion.

Activity 7.3 Installation, maintenance and repair of energy efficiency equipment

The analysis conducted by the Group shows that a part of the activities aimed at the energy efficiency of buildings carried out by third parties is also aligned with the criterion of substantial contribution in points a), b), d) and e). This mostly involves the replacement of traditional lighting systems and lamps with smart lighting systems and LED lamps, as well as work to improve the energy performance of some buildings for the benefit of greater thermal insulation, and the replacement of air conditioning systems with more efficient technologies.

Activity 7.7 Acquisition and ownership of buildings

The analysis conducted by the Group shows that, in relation to the rental of real estate, in the absence of sufficient information regarding the year of construction of the buildings and the relevant energy class, the Group considers the activity not to be aligned.

Do Not Significant Harm (DNSH)

For each eligible economic activity with respect to climate change mitigation, The Brunello Cucinelli Group sub-

¹⁴⁹ Articles 10, 11, 12, 13, 14, 15, 16 and 19 of EU Regulation 852/2020.



sequently assessed its compliance with the “**Do No Significant Harm**” (DNSH) criteria¹⁵⁰ in order to ensure that these economic activities do not cause significant harm to other environmental objectives.

Activity 5.1 Construction, extension and operation of water collection, treatment and supply systems

With reference to this activity, the following analyses were carried out:

- *Adaptation to climate change*: the activity must meet the criteria set out in Appendix A of the Climate Delegated Act, which requires the entity conducting the activity to carry out an identification and vulnerability assessment analysis of physical climate hazards of a chronic and acute nature (listed in Section II of the Appendix) that impact the activity. According to a conservative and precautionary approach, the Group views the 2023 investments related to the construction of a well for water supply as non-aligned since there is not enough information available for an accurate assessment of conformity with the criterion.
- *Sustainable use and protection of water and marine resources*: the activity must satisfy the requirements outlined in Appendix B of the Climate Delegated Act, which call for either an environmental impact assessment in compliance with Directive 2011/92/EU of the European Parliament and of the Council or an analysis of the risks of environmental degradation related to both the preservation of water quality and the prevention of water stress¹⁵¹. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be non-aligned.
- *Protection and restoration of biodiversity and ecosystems*: the activity must satisfy the requirements outlined in Appendix D of the Climate Delegated Act, which include conducting an environmental impact assessment (EIA) and putting in place the required compensation and mitigating measures. Again according to a conservative and prudential approach, the Group views the 2023 investments made in connection with the building of a well for water supply as non-aligned since there is not enough information available to fully assess compliance with the criterion.

Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

With reference to this activity, the following analyses were carried out:

- *Adaptation to climate change*: every activity must satisfy the requirements outlined in Appendix A of the Climate Delegated Act, which mandates that the organisation carrying out the activity identify and analyse the vulnerability to physical climate hazards of both an acute and chronic nature (enumerated in Section II of the Appendix) that affect the activity. Using a conservative and prudential approach, the Group views the investments made in 2023 in relation to the long-term purchase and rental of motor vehicles as non-aligned since there are insufficient elements present to enable a thorough assessment of compliance with the criterion.
- *Transition to a circular economy*: in relation to activity 6.5, a waste hierarchy-compliant waste management system must be in place for both the fleet’s use (maintenance) and end-of-life phases. This includes recycling and reusing batteries and electronic components, especially their essential raw materials, as well as making sure that M1 and N1 vehicles are (a) reusable or recyclable by at least 85% of their weight and (b) reusable or recoverable by at least 95% of their weight, respectively, according to the established criteria. As defined in Annex I of Directive 2005/64/EC of the European Parliament and of the Council, in relation to the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability, the Group considers the activity aligned.

¹⁵⁰ Article 17 of Regulation (EU) 2020/852.

¹⁵¹ Directive 2011/92/EU of the European Parliament and of the Council dated 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26 dated 28 January 2012, p. 1).



- *Pollution Prevention and Control*: as regards activity 6.5, it is necessary for vehicles to comply with certain parameters in terms of conformity, type approval, emission and efficiency. Since the European Union mandates that all newly registered M1 and N1 category vehicles meet the specified features and characteristics, it is deemed that this criterion is aligned.

Activity 6.13 Infrastructure for personal mobility, cycling

With reference to this activity, the following analyses were carried out:

- *Adaptation to climate change*: every activity must satisfy the requirements outlined in Appendix A of the Climate Delegated Act, which mandates that the organisation carrying out the activity identify and analyse the vulnerability to physical climate hazards of both an acute and chronic nature (enumerated in Section II of the Appendix) that affect the activity. Using a conservative and prudential approach, the Group views the investments made in 2023 for the construction of a pedestrian pavement as non-aligned, since there is not enough information available for a full assessment of compliance with the criterion.
- *Sustainable use and protection of water and marine resources*: it is mandatory for each activity to meet the criteria set out in Appendix B of the Climate Delegated Act, which provides for an analysis of the risks of environmental degradation associated with both the preservation of water quality and the prevention of water stress, or an environmental impact assessment in accordance with Directive 2011/92/EU of the European Parliament and of the Council¹⁵². According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be non-aligned.
- *Transition to a circular economy*: in relation to activity 6.13, in order to promote circularity it is essential that precautions be taken during the building phase to restrict the amount of non-hazardous construction and demolition waste generated on site, and that a minimum of 70% of this waste is directed towards recycling or recovery processes. It is believed that, to date, pavement construction cannot be considered to be in line with these criteria.
- *Pollution prevention and reduction*: measures must be taken during the construction phases to reduce noise, dust and pollutant emissions. It is therefore considered that this criterion is met and, therefore, the Group considers the activity to be aligned.
- *Protection and restoration of biodiversity and ecosystems*: any activity must adhere to the standards outlined in Appendix D of the Climate Delegated Act, which include conducting an Environmental Impact Assessment (EIA) and putting in place the required compensation and mitigation measures to safeguard the environment. According to a conservative and prudential approach, as regards the investments made in 2023 concerning construction of a pavement for pedestrians, in the absence of sufficient elements to allow a complete assessment of compliance with the criterion, the Group considers the activity to be non-aligned.

Activity 7.2 Renovation of existing buildings

With reference to this activity, the following analyses were carried out:

- *Adaptation to climate change*: every activity must satisfy the requirements outlined in Appendix A of the Climate Delegated Act, which mandates that the organisation carrying out the activity identify and analyse the vulnerability to physical climate hazards of both an acute and chronic nature (enumerated in Section II of the Appendix) that affect the activity. With regard to the investments made in 2023 concerning the refurbishment of shops and buildings, according to a conservative and prudential approach, in the absence of sufficient evidence

¹⁵² Directive 2011/92/EU of the European Parliament and of the Council dated 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26 dated 28 January 2012, p. 1).

- to allow a full assessment of compliance with the criterion, the Group considers the activity to be non-aligned.
- *Sustainable use and protection of water and marine resources*: in order to fulfil the requirements for water consumption in activity 7.2, hydraulic equipment must be installed to ensure flows and discharges that minimise the waste of water resources. It is believed that, to date, the technical information is not sufficient for the Group to cautiously consider shop and building renovation activities to be in line with the above criteria.
 - *Transition to a circular economy*: in relation to activity 7.2, in order to promote circularity it is essential that precautions be taken during the building phase to restrict the amount of non-hazardous construction and demolition waste generated on site, and that a minimum of 70% of this waste is directed towards recycling or recovery processes. It is believed that, to date, pavement construction cannot be considered to be in line with these criteria.
 - *Pollution prevention and reduction*: all renovation activities must be implemented in such a way that measures are taken to reduce noise, dust and pollutant emissions during construction, with particular attention to the building materials used. The criterion requires that these materials have limited pollutant contents (formaldehyde and flying organic compounds) so that there are no negative impacts on human health, and that the criteria set out in Appendix C of the Climate Delegated Act, which requires that the activity does not involve the use of certain types of chemical pollutants, are met. In accordance with a conservative and prudential approach despite the fact that, in conducting restructuring activities, the Group is committed to complying with the regulations in force concerning the substances used, in the absence of sufficient evidence to substantiate the precise analyses required by the criterion, the Group considers the activity to be non-aligned.

Activity 7.3 Installation, maintenance and repair of energy efficiency equipment

With reference to this activity, the following analyses were carried out:

- *Adaptation to climate change*: every activity must satisfy the requirements outlined in Appendix A of the Climate Delegated Act, which mandates that the organisation carrying out the activity identify and analyse the vulnerability to physical climate hazards of both an acute and chronic nature (enumerated in Section II of the Appendix) that affect the activity. According to a conservative and prudential criterion, in keeping with what was stated for activity 6.5, the Group views the investments made in relation to replacing smart lighting systems and LED lamps as well as improving the energy efficiency of specific buildings as non-aligned, since there are not enough elements present to allow for an in-depth evaluation of compliance with the criterion.
- *Pollution prevention and control*: with regards to Activity 7.3, the criteria set out in Appendix C of the Climate Delegated Act require that the activity does not involve the manufacture, placing on the market or use of certain types of chemical pollutants. In accordance with a conservative and prudential approach, despite the fact that, in conducting its business activities, the Group is committed to complying with current legislation on substances used and requires that suppliers of materials adhere to the REACH regulation, in the absence of sufficient evidence to substantiate the timely analysis required by the criterion, the Group considers the activity to be non-aligned.

Activity 7.7 Purchase and ownership of buildings: rental of real estate.

With reference to this activity, the following analyses were carried out:

- *Adaptation to climate change*: every activity must satisfy the requirements outlined in Appendix A of the Climate Delegated Act, which mandates that the organisation carrying out the activity identify and analyse the vulnerability to physical climate hazards of both an acute and chronic nature (enumerated in Section II of the Appendix) that affect the activity. According to a conservative and prudential approach, with regard to investments related to property rental, in the absence of sufficient evidence to allow a complete assessment of compliance with the criterion, the Group considers the activity to be non-aligned.



Minimum Social Safeguards

The Brunello Cucinelli Group has verified compliance with the **Minimum Social Safeguards**¹⁵³, which define minimum protection measures to ensure that an economic activity is carried out with respect for human and labour rights in line with the OECD Guidelines for Multinational Enterprises and with the United Nations Guiding Principles on Business and Human Rights, including the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and eight fundamental ILO conventions, as well as the International Bill of Human Rights.

In addition, the assessment also took into account the interpretative guidance issued by the Platform on Sustainable Finance (PSF), an advisory body established pursuant to Article 20 of the Regulation, in the document “Final Report on Minimum Safeguards”, published in October 2022, as well as the European Commission’s communiqué of June 2023, with respect to indicators of negative sustainability effects.

The document was drafted with the aim of providing basic information and to help companies and investors navigate the practicalities of minimum guarantee requirements. However, this is not an official legal interpretation.

The nine categories assessed were human rights policies, human rights due diligence and risk assessment, management of human rights impacts, reporting on human rights aspects, grievance mechanisms, consumer interests, anti-corruption, competition and taxation.

In carrying out its activities, the Brunello Cucinelli Group operates and requires its employees, external collaborators and business partners to operate in compliance with its Code of Ethics. This defines the set of rules of conduct, principles and values that guide the Company’s operations in order to guarantee the correct functioning, integrity and reputation of its business activities.

The Code of Ethics, which has been approved by the Board of Directors, applies in a binding manner to all stakeholders considered relevant to the Company, and is an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001.

The Company shares the Code of Ethics with all interested parties by publishing it on its corporate website and on the corporate intranet. The adoption of the Code of Ethics is also made known to those who have relations with the Group (external collaborators, customers, suppliers, etc.) through the use of specific contractual clauses. Specific sanctions are provided for any breach of the Code of Ethics.

In line with the principles set out in the Code of Ethics, the Board of Directors has adopted the Human Sustainability Policy “In Harmony with Creation” and the Diversity and Inclusion Policy, which constitute additional tools that the Brunello Cucinelli Group has implemented to guarantee its commitment to respect human values and rights and to prevent any cases of discrimination that may undermine the right to equal opportunities.

To foster a more inclusive and diverse corporate culture, the Group additionally commits to offering targeted training programmes for its staff on the aforementioned topics, minimising language barriers in the workplace, and promoting the recruitment of personnel of different nationalities and/or protected categories.

¹⁵³ Article 18(1) of Regulation (EU) 2020/852.



Furthermore, the Brunello Cucinelli Group has established the Council for Human Sustainability and Humanistic Capitalism to support the dissemination of sustainability principles with a focus on ethical, environmental and social aspects, including human rights. In order to guarantee equal opportunities and to understand, value and include all the people in the Group, while fully respecting the dignity, freedom and autonomy of each individual, the Group has adopted policies based on the enhancement of meritocracy and the recognition of fair remuneration. Evidence of the Group's focus on D&I issues is the ratio of women's basic salary and average wages to men's, for which see the "*Development*" section in Chapter 5.

Additional tools for ethical business management include the Whistleblowing Procedure, which regulates the process of reporting potential conduct that is in breach of the 231 Model and the Code of Ethics and other Policies adopted internally.

The Group is also committed to ensuring dialogue with all stakeholders, and has defined a "Human Relations" Policy, published on the Investor Relations website and approved by the Board of Directors, which ensures responsible and inclusive communication with key stakeholders.

With regard to safeguarding the interests of its customers, the Group is additionally dedicated to overseeing production procedures and operating in accordance with prevailing regulations pertaining to the quality and safety of its products. Furthermore, it ensures adherence to the stipulations of the General Data Protection Regulation (GDPR) by disclosing the *Privacy Policy* to customers via its website.

Through its Anti-Bribery Policy, available online, the Group affirms its commitment to combating all forms of corruption and unlawful practices. Furthermore, Brunello Cucinelli demonstrates a strong dedication to advocating for a range of anti-corruption training initiatives. These endeavours aim to enhance knowledge regarding corruption concerns, the potential hazards that employees and the organisation may encounter, and the proper protocols for reporting suspected illicit activities.

The Group operates on the national and international market in full compliance with national and EU antitrust and tax regulations. In 2023, the Group successfully executed certain controls to prevent instances of non-compliance pertaining to human rights, corruption, and taxation matters. Additionally, no customer complaints were received concerning violations of regulations.

Brunello Cucinelli undertakes to ensure that the rules of conduct contained in the Code of Ethics are also complied with by its suppliers of raw materials and small craft enterprises, who are required to sign the same when entering into any form of agreement. Within this particular framework, it is mandatory for these suppliers to affix their signatures to the regulations stipulating obligations and responsibilities that are established in the Organisation, Management, and Control Model, the Anti-Bribery Policy, and the Whistleblowing Procedure. Additionally, they are bound by the Human Sustainability Policy "In Harmony with Creation" and the Diversity and Inclusion Policy. An ongoing small craft enterprises audit process has been implemented to assess and mitigate risks related to ethical, social and environmental issues within the supply chain.

Nevertheless, the Company maintains a conservative and prudential approach and concludes that the existing procedures implemented throughout the Group and supply chain, although satisfactory and in line with market and corporate standards, fail to completely satisfy every criterion essential for acknowledging the alignment of identified eligible activities.



Disclosure of Taxonomy KPIs

In accordance with Delegated Regulation (EU) 2021/2178 issued by the European Commission, for each of the economic activities assessed as eligible and aligned to the technical requirements defined by the Taxonomy, the Brunello Cucinelli Group calculated the relevant share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx). Specifically:

- for the calculation of **Turnover**, the sum of revenue from the sale of products and the provision of services was considered in accordance with IAS 1 82(a) and Directive 2013/34/EU, which defines “Net Turnover” as revenue from the sale of products and the provision of services net of VAT, returns and other added taxes, as the denominator;
- **CapEx** take into account the sum of all additions during FY 2023 to tangible and intangible balance sheet items including capitalised assets related to R&D and rights of use arising from IFRS 16;
- **OpEx** take into account the sum of operating expenses associated with R&D, maintenance of production facilities, day-to-day servicing of Company assets and short-term leasing.

From the analyses conducted, no revenue items were identified that could be associated with permissible economic activities with respect to both the *Climate Delegated Act* and the *Environmental Delegated Act*. Therefore, compared to the total turnover in 2023 (€1,139.4 million), the ineligible share is 100%.

On the basis of the provisions of paragraph 1.1.3. of the Delegated Regulation, the Group considers the value of the denominator of the KPI relating to OpEx, as required under the Regulation and amounting to €31.12 million, corresponding to approximately 3.9% of the Group’s total OpEx, as not material to the business model. For this reason, the Group did not carry out the analyses for the calculation of the numerator of the KPI for OpEx.

In relation to CapEx, despite the Group’s assessment that the investments in this particular instance were not in accordance with the Climate Delegated Act, quantities associated with economic activities that qualify for both the *Climate Delegated Act* and the *Environmental Delegated Act* were nevertheless recognised.

In particular, these investments are associated with the following eligible activities under the Climate Delegated Act:

- 5.1 *Construction, extension and operation of water collection, treatment and supply systems;*
- 6.5 *Transport by motorbikes, passenger cars and light commercial vehicles;*
- 6.13 *Infrastructure for personal mobility, cycle logistics;*
- 7.2 *Renovation of existing buildings;*
- 7.3 *Installation, maintenance and repair of energy efficiency equipment;*
- 7.7 *Acquisition and ownership of buildings.*

With reference to the Environmental Delegated Act, investments are associated with the following eligible activities:

- 2.2 *Urban waste water treatment;*
- 3.2 *Renovation of existing buildings;*
- 3.4 *Maintenance of roads and motorways;*
- 4.1 *Provision of IT/OT data-driven solutions and software.*

Please note that, since the activities included in the *Complementary Delegated Act* (Delegated Regulation 2022/1214) were not eligible, the relevant tables are not published.



Accounting Policy

According to the Annexes to the Delegated Regulation, it is required to calculate the percentage of Turnover, CapEx and OpEx associated with eligible and aligned assets. To fulfil this regulatory obligation, as mentioned in the previous paragraphs the Group has identified its eligible activities and calculated the three KPIs required by the Regulation, having also assessed the alignment of these activities with the criteria. The analyses conducted in order to adhere to the disclosure obligations of the Delegated Regulation will be elaborated upon in the subsequent sections. This will include a list of the accounting items and methodologies utilised in the computation of the three key performance indicators.

TURNOVER

In accordance with the Delegated Regulation, the Group considered the following values for the calculation of the Turnover Ratio:

- **denominator**: net turnover from the sale of goods and the provision of services after deducting sales discounts and VAT directly related to turnover. In order to avoid any possible double counting, intercompany items have been eliminated and do not contribute to the determination of the KPI. Consequently, the denominator (€1,139.4 million) of the KPI corresponds to the item “Revenue from sales and services”, presented in Note 28 – Revenue from sales and services of the Group’s Consolidated Financial Statements – and is in line with the provisions of IAS 1(82)(a);
- **numerator**: the share of net turnover (taken into account for the calculation of the denominator) associated with eligible and aligned activities. For this assessment, the approach taken involved identifying, through general accounting, potential revenue components associated with eligible economic activities. For the year 2023, the Brunello Cucinelli Group has not assessed any directly performed activities as eligible. Therefore the numerator of the Turnover indicator is zero.

CAPEX

In calculating the denominator of the KPI relating to CapEx, the Group considered the additions incurred in the reporting period relating to tangible assets (land and buildings, leasehold improvements, plant and machinery, commercial industrial equipment and other assets, and assets under construction), intangible assets (concessions licences and trademarks, intellectual property rights and assets in progress and payments on account) and Right of Use Assets (RoU of buildings, equipment and other tangible assets) and to investment property (compendiums of real estate and building land), including additions arising from business combinations during the year. The approach used for the extraction of the above-mentioned figures involved a timely analysis of the general accounts showing the investments made during the year by all companies within the scope of consolidation.



In accordance with the Delegated Regulation, the Group considered the following values for the calculation of CapEx:

- **denominator:** for the calculation of the denominator, the Group considered plant, property and equipment accounted for in accordance with the accounting standard IAS 16 – note 4 to the Annual Financial Report, intangible assets (excluding goodwill) accounted for in accordance with the accounting standard IAS 38 – note 3 to the Annual Financial Report, leases accounted for in accordance with the accounting standard IFRS 16 – note 2 to the Annual Financial Report, and investment property in accordance with the accounting standard IAS 40 – note 5 to the Annual Financial Report. This analysis returned a total value referring to the financial year 2023 of €223.37 million.
- **numerator:** for the purpose of determining the numerator, CapEx related to the purchase of outputs from eligible economic activities Taxonomy-aligned and individual measures that enable activities to reduce their emission profile were considered. In this regard, the Group included the following values in the numerator of the KPI, referring to the data of the consolidated financial statements in accordance with accounting standards IAS 16 “Property, Plant and Equipment”, IFRS 16 “Leases”, IAS 38 “Intangible Assets” and IAS 40 “Investment Property”:
 - for Activity 2.2 – Municipal wastewater treatment – additions to plant, property and equipment related to plants regulated by the accounting standard IAS 16;
 - for Activity 3.2 – Renovation of existing buildings – additions to property, plant and equipment related to plant governed by the accounting standard IAS 16;
 - for Activity 3.4 – Maintenance of roads and motorways – additions to tangible assets related to plants governed by the accounting standard IAS 16;
 - for Activity 4.1 – Provision of IT/OT data-driven solutions and software – increases in intangible assets related to software governed by the accounting standard IAS 38;
 - for Activity 5.1 – Construction, extension and operation of water collection, treatment and supply systems – additions to the accounting standard IAS 16;
 - for Activity 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles - increases in Motorcycle rights of use governed by the accounting standard IFRS 16 and increases in tangible assets relating to plants regulated by the accounting standard IAS 16;
 - for Activity 6.13 – Infrastructure for personal mobility, cycle logistics - the additions to tangible assets related to facilities governed by the accounting standard IAS 16;
 - for Activity 7.2 – Renovation of existing buildings - additions to intangible assets in relation to plants regulated by the accounting standard IAS 16;
 - for Activity 7.3 – Installation, maintenance and repair of energy efficiency equipment – increases in tangible assets relating to equipment regulated by the accounting standard IAS 16;
 - for Activity 7.7 – Acquisition and ownership of buildings - increases in rights of use governed by the accounting standard IFRS 16 and additions to tangible assets relating to plants regulated by the accounting standard IAS 16.

Additionally, it should be emphasised that the retrieval of the data pertaining to the aforementioned categories was executed promptly utilising the information contained in the general accounts currently in use in the companies included in scope of consolidation.



OPEX

In accordance with the Delegated Regulation, the Group considered the following values for the calculation of OpEx:

- **denominator:** for the calculation of the denominator, a detailed analysis of the Group's chart of accounts was carried out, identifying the items that can be associated with the cost categories expressly mentioned in the Delegated Regulations. Specifically:
 - Short-term leases, for which the items in the chart of accounts relating to leases recognised in the Income Statement were considered, as they relate to contracts with a duration of less than 12 months and therefore represent exemptions from accounting under IFRS 16;
 - Costs related to maintenance and repairs, incurred during operation, on buildings and IT equipment. Costs related to employees involved in maintenance and repair activities and also maintenance commissioned to third-party companies were taken into account for this category;
 - Costs associated with day-to-day servicing of assets ¹⁵⁴i.e. costs associated with the reorganisation of facilities and buildings.
 - R&D costs not capitalised and, specifically, related to the performance of design and aesthetic conception activities aimed at the study of new products.
 - The outcome of these analyses resulted in a value of €31,118 thousand, representing approximately 4% of total operating expenses. As stipulated in the Delegated Regulation, therefore, the OpEx KPI is to be considered non-material.
- **Numerator:** In light of the guidance provided by the European Commission and the Disclosure Delegated Act (1.1.3.2 of Annex I), it was determined that it would be inappropriate to provide an indication of the value of the numerator of the relevant KPI. This is because the denominator accounts for approximately 4% of the overall operational expenditure. The low value of the aforementioned ratio is an expression of the reduced relevance of the cost categories required by the Taxonomy. These tend to reward asset-intensive business models, compared to a business model in which the cost of external processing, personnel, advertising/commercial costs and transport are the most representative expressions of its operating costs.

¹⁵⁴Clarification provided by the answer to question 12 of the FAQ published by the European Commission on 2 February 2022.



Table 36 - Share of turnover derived from products or services associated with economic activities Taxonomy-aligned - Disclosure for 2023

Financial Year 2023		Year		Criteria for substantial contribution						DNSH (Do No Significant Harm) criteria								
Code	Turnover	Share of turnover 2023	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Social Safeguards	Share of turnover Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.), 2022	Qualifying activity category	Transition activity category
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	0%	0%	0%	0%	0%	0%	0%								0%		
of which enabling	-	0%														0%	A	
of which transitional	-	0%														0%		T
A.2 Activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned)																		
Turnover of activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)	-	0%														0%		
A. Turnover of activities Taxonomy-eligible (A.1+A.2)	-	0%														0%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																		
Turnover of activities not Taxonomy-eligible	1,139,420															100%		
Total (A+B)	1,139,420															100%		
Share of Turnover/Total Turnover																		
Taxonomy-aligned by objective																		
CCM																0%		0%
CCA																0%		0%
WTR																0%		0%
CE																0%		0%
PPC																0%		0%
BIO																0%		0%



Table 37 - Share of capital expenditure from products or services associated with economic activities Taxonomy-aligned - 2023 disclosure

Financial Year 2023	Year		Criteria for substantial contribution							DNSH (Do No Significant Harm) criteria					Share of CapEx Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.), 2022		Qualifying activity category		
Economic activities	Code	CapEx	Share of CapEx 2023	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Social Safeguards	Share of CapEx Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.), 2022	A	T
		€	%	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
of which enabling		-	0%														0%	A	
of which transitional		-	0%														0%		T
A.2 Activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned)																			
Municipal wastewater treatment	2.2 (WTR)	65.5	0.029%														0%		
Maintenance of roads and motorways	3.4 (CE)	200.2	0.09%														0%		
Provision of IT/OT data-driven solutions and software	4.1 (CE)	30.9	0.014%														0%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 (CCM)	10.7	0.005%														0%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 (CCM)	2,583.5	1.157%														0.2%		
Infrastructure for personal mobility, cycle logistics	6.13 (CCM)	193.3	0.087%														0%		
Renovation of existing buildings	7.2 (CCM) / 3.2 (CE)	2,070.4	0.927%														0%		
Installation, maintenance and repair of energy efficiency equipment	7.3 (CCM)	2,293.9	1.027%														2.24%		
Acquisition and ownership of buildings	7.7 (CCM)	147,637.4	66.095%														63.3%		
CapEx of activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)		155,085.86	69.43%														66.15% ¹⁵⁵		
A. CapEx of activities Taxonomy-eligible (A.1+A.2)		155,085.86	69.43%														66.15%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
CapEx of activities not Taxonomy-eligible		68,285.1	30.57%														33.85%		
Total (A+B)		23,371	100%																

155 As it only includes eligible activities that were present in the reporting year 2022, the percentage value of the total CapEx for that year which is Taxonomy-eligible but not environmentally sustainable (A.2) does not equal the sum of the percentages of the reported rows.



Share of OpEx/OpEx Total		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%



Table 38 - Share of operating expenses arising from products or services associated with economic activities Taxonomy-aligned - disclosure 2023

Financial Year 2023	Year		Criteria for substantial contribution						DNSH (Do No Significant Harm) criteria										
Economic activities	Code	OpEx	Share of OpEx 2023	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Social Safeguards	Share of OpEx Taxonomy-aligned with (A.1) or Taxonomy-eligible (A.2), 2022	Qualifying activity category	Transition activity category
		€	%	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T	
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%							0%			
of which enabling		-	0%													0%	A		
of which transitional		-	0%													0%		T	
A.2 Activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned)																			
OpEx of activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)		-	0%													0%			
A. OpEx of activities Taxonomy-eligible (A.1+A.2)		-	0%													0%			
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
OpEx of activities not Taxonomy-eligible		-	N/A ¹⁵⁶													100%			
Total (A+B)		31,118	100%													100%			
Share of OpEx/OpEx Total																			
				Taxonomy-aligned by objective						Taxonomy-eligible by objective									
CCM				0%						0%									
CCA				0%						0%									
WTR				0%						0%									
CE				0%						0%									
PPC				0%						0%									
BIO				0%						0%									

¹⁵⁶ On the basis of the provisions of paragraph 1.1.3. of the Delegated Regulation, the Group considers the value of the denominator of the KPI relating to OpEx required under the Regulation as not material to the business model. For this reason, the Group did not carry out the analyses for the calculation of the numerator of the KPI for OpEx.



METHODOLOGICAL NOTE

This document has been prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards), published by the Global Reporting Initiative, in accordance with the “In accordance with” reporting option provided for in the most recent version of these Standards (October 2021).

The contents of the NFS are inspired by the key concepts of **impact, material topics, due diligence and stakeholder interest** and the principles defined by the GRI Standard 1 Foundation, detailed below:

- *clarity, accuracy and verifiability* in the processing and presentation of the quantitative data and qualitative information collected, as well as the calculation methodologies underlying them, enabling all stakeholders to make an objective and sufficiently complete assessment of the Group’s performance;
- *sustainability context*, in order to identify the main sustainability trends that characterise the sector within which the Company operates;
- *completeness and balance* of information, in order to represent the Group’s sustainability performance in the most appropriate manner, balancing both the positive and, possibly, negative aspects related to it;
- *comparability* of data and information over time;
- *timeliness* of the drafting and publication of the NFS, which takes place on an annual basis.

Continuing along the path initiated in the direction of an ever greater integration of sustainability within the Company’s strategy and processes, this NFS highlights the fundamentals of the Brunello Cucinelli Group’s actions – Humanistic Capitalism and Human Sustainability – and illustrates the commitments undertaken through a more in-depth evidence of sustainability performance, of the impacts – direct and indirect – generated or suffered, of the risks and opportunities connected to the issues considered most relevant, of the targets defined for the next few years – in particular as regards the Group’s Carbon Strategy – and of the projects implemented or in progress.

With reference to the policies practised by the Company relating to the areas defined by the Decree, the following policies, applied at Group level and in relations with the main stakeholders, are worth mentioning:

- *Anti-Corruption Policy*, approved by the Board of Directors on 14 March 2019;
- *Human Sustainability Policy “In Harmony with Creation”*, approved by the Board of Directors on 11 March 2021;
- *Diversity and Inclusion Policy*, approved by the Board of Directors on 11 March 2021;
- *Human Relations Policy*, adopted by the Board of Directors on 11 March 2021;
- *Risk Management Policy – ERM Guidelines*, adopted by the Board of Directors on 14 December 2021;
- *Environmental Sustainability Policy – “We always act as loyal guardians of Creation”*, adopted by the Board of Directors on 29 August 2023.



The materiality analysis

It should be noted that, with the desire to make the centrality of Humanistic Capitalism increasingly visible in the implementation of the strategy and initiatives carried out in the sphere of Human Sustainability, the Company wanted to express the concept of material topics within the paragraph dedicated to the presentation thereof (see the section on *Relations with Creation and between people*) as follows: “**The topics that drive our commitment**”.

Aligning itself with the new requirements of the GRI Standards (2021) and in particular GRI 3, with regard to materiality of impact, and anticipating some elements of what will be required at European level by the new CSRD and related ESRS, the Company also chose to conduct a preliminary analysis exercise of the possible implications of the so-called “financial materiality”¹⁵⁷.

Specifically, the update of the context analysis served as the basis for the development of this approach. In particular, the study of the context made it possible to identify and analyse the main ESG (Environment, Social, Governance) macro-trends characterising the broader context of sustainability at a national and international level, i.e. those aspects and events that currently or potentially have the capacity to generate a significant impact on the Group’s sector of reference, consequently influencing the Group’s operations and performance. This context analysis was carried out through two separate but parallel processes, the first as part of the 2023 update to identify negative impacts and the second, in continuity with the 2022 context analysis, to identify potentially associated positive impacts and opportunity risks.

In parallel, the ERM model was updated in order to strengthen the integration of ESG elements in the Risk Assessment phase. The update therefore included the following methodological elements:

- Analysis of the changes in the Group’s external/internal context based, in particular, on the following sources: sector macro-trends, 2022 economic-financial results, the 2022 NFS, the evidence emerging from the compilation of the Group’s ESG Risk Rating and the relative areas of improvement that have emerged, the ESRS topics and subtopics, the TCFD and TNFD frameworks and, lastly, the way Brunello Cucinelli’s peers report on ESG risks;
- Updating of the Risk Model, also taking into account regulatory/contextual elements and the themes and sub-themes indicated by the CSRD and ESRS standards, as well as the TCFD and TCND frameworks¹⁵⁸;
- Review of risk assessment metrics;
- A classification of each mapped risk according to the following attributes: i) belonging to one of the six forms of Human Sustainability; ii) identification of the impact perspective of each risk, i.e. *Inside-Out* or *Outside-In* perspective (within the “financial materiality” exercise¹⁵⁹).

Consistent with previous reports, the main international and national legal and regulatory references on sustainability were analysed. The opinions of the pertinent literature and the media were also considered through the implementation of a “sentiment analysis”. This involved examining the general public’s perception of the Group’s sustainability efforts and performance as perceived by investors, industry leaders, and peers. An examination was also conducted of several publications in the domain of “grey” literature, specifically those pertaining to the fashion and luxury sectors, in order to identify the most significant sustainability megatrends that have the greatest impact on the industry.

¹⁵⁷ See note 6.

¹⁵⁸ Task Force on Climate-related Financial Disclosure and Task Force on Nature-related Financial Disclosure.

¹⁵⁹ See note 6.



Furthermore, an analysis was conducted on internal sources, including corporate documents that were operative at the Group level (e.g., Policies, Procedures, Commitments), in addition to the aforementioned external sources.

The results of the analysis have revealed both negative impacts and risks, as well as positive impacts and opportunities of priority relevance for the fashion and luxury sector, which have been conducted and reclassified according to the forms of Human Sustainability and to the Inside-Out and Outside-In perspectives (as part of the “financial materiality” exercise¹⁶⁰).

The following operational steps were pursued following the update of the context analysis and the identification of positive and negative impacts:

- **Execution of the ERM process with management participation:** the Risk Assessment 2023 was completed with the participation of **31 company managers** who were able to assess the relevance of sustainability risks, classified by each of the six sustainability dimensions and by the nature of the impact;
- **Sharing of the materiality update questionnaire with Group management:** the questionnaire “Human Sustainability and the topics that drive our commitment” was prepared and shared internally among **company managers from all Group regions** for the 2023 materiality analysis update;
- **Direct involvement of the sample of stakeholders:** **wholesale customers** (33 exponents), **suppliers** (15 exponents), **human resources** (for the purpose of evaluating the strategic significance of the sustainability impacts that were brought to their attention, 58 employees of the Solomeo headquarters (selected in a balanced manner with regard to age and gender and serving as representatives of the various offices) were directly engaged (see the section *Human relations: dialogue with stakeholders*). Specifically, in order to foster engagement with wholesale customers and suppliers, a decision was made to distribute a specialised questionnaire. For human resources, engagement days were coordinated through the utilisation of the homogeneous focus group methodology on Solomeo.
- **Semi-structured interviews with management:** in order to further investigate the outcomes of the evaluations expressed through the questionnaire and through the stakeholder engagement days, it was decided to carry out 10 **semi-structured interviews** with the management of Brunello Cucinelli S.p.A.
- **Sharing the results of the materiality analysis with senior management:** the outcomes of the materiality analysis were shared and validated by senior management (CEO);
- **Representation and reporting of the results of the materiality analysis:** a total of 14 materiality topics emerged – their description is given in Table 39 – which are highlighted in the 2023 materiality table in the section *Relations with Creation and between people*, under the paragraph *The topics that drive our commitment*.

¹⁶⁰ See note 6.

**Table 39 – Description of material topics**

The topics that drive our commitment (material topics)	Description
Procurement and management of raw materials	Selection and utilisation of premium raw materials as a fundamental prerequisite for ensuring optimal quality. Simultaneously, efforts are made to safeguard and protect Creation, ensuring that the application of raw materials has minimal ecological repercussions and verifying their traceability
Combating climate change	Group commitment to the progressive reduction of its environmental impact, including in terms of setting climate neutrality targets
Sustainable supply chain management	Social and environmental monitoring and assessment of the Group's supply chain, starting with the most strategic suppliers, in order to accompany them on a path of increasing harmony with Creation and Human Sustainability in line with the Group's objectives
Sustainable growth and healthy profitability	A constant balance between profit and the concept of giving back, along with the payment of taxes as a source of socio-economic value creation, in line with the ideal of Humanistic Capitalism and Human Sustainability
Brand identity	Uniqueness of the Brunello Cucinelli brand as a lifestyle with a foundation in ready-to-wear that is firmly established as an absolute luxury brand
Special and authentic relationship with the customer	Uniqueness of the relationship with the customer, which is not reduced to the moment of purchase, but which transcends the immediate moment of purchase and supports the principle of "omnipersonal client experience", enhances the sense of loyalty towards the brand as well as confidence in the Group's operations, all of which is in complete harmony with our principles of Humanistic Capitalism and Human Sustainability
Support for local communities and the surrounding region	Contribution to the leveraging of the artistic and cultural heritage of the area of reference and to the implementation of projects and initiatives aimed at improving the socio-economic conditions of local communities, enhancing traditional craft and textile skills in order to improve the local cashmere, cotton and silk economies
Quality and craftsmanship made in Italy	Preservation of the craft <i>savoir faire</i> representative of products made in Italy, emphasising in particular the key role of small craft enterprises as custodians of craftsmanship, creativity and the quality of Brunello Cucinelli products over time
Dignity and beauty in the workplace	A lot attention is paid to workplaces and working conditions that reflect the same economic and moral dignity that underlies the Company.
Digitalisation and Artificial Intelligence	Continuous pursuit of technological development, respecting a new harmony between technological innovations, the nature of the human being and respect for Creation
Diversity, inclusion and equity	Understanding, enhancement and inclusion of all the diversities present in Brunello Cucinelli, with full respect for the dignity, freedom and autonomy of each individual, through the implementation of the necessary measures to prevent all possible forms of discrimination, verbal or otherwise, in the workplace
Protection of human rights and dignity of work	Group commitment with respect to the protection of human and labour rights, with reference both to human resources and to suppliers, in compliance with the main international references on the subject matter
Dignity and responsibility: focus on the development and wellbeing of human resources	Paying maximum attention to fostering the growth of human resources, respecting and caring for their psycho-physical wellbeing
Human privacy	Protection of privacy both within the Company and in customer relations



The material topics for the Brunello Cucinelli Group are listed in Table 40 below. These topics are linked to the areas specified by the Decree, the features of the GRI Standards, the SDGs that the Group aims to support, and the Ten Principles of the United Nations Global Compact. The internal and external perimeter of impact of the topics is also presented.

Table 40 - Linking material topics to the areas of the Legislative Decree No. 254/2016, the GRI Standards and the SDGs as well as the internal and external perimeter of impact (in grey the topics that did not emerge as material, but were treated in alignment with the requirements of the Decree)

Forms of Human Sustainability	Material topics	Scope of Legislative Decree No. 254/2016	GRI aspects	Topic boundary		SDGs (direct and indirect contribution)	Ten Principles of the Global Compact
				Internal	External		
Environmental Sustainability	<ul style="list-style-type: none"> Procurement and management of raw materials Combating climate change Sustainable supply chain management Balance between giving and taking in relationships with Creation 	Environment Social impacts	<i>GRI 201 – Economic Performance</i> <i>GRI 204 – Procurement Practices</i> <i>GRI 301 – Materials</i> <i>GRI 302 – Energy</i> <i>GRI 303 – Water and Effluents</i> <i>GRI 304 – Biodiversity</i> <i>GRI 305 – Emissions</i> <i>GRI 306 – Waste</i> <i>GRI 407 – Freedom of Association and Collective Bargaining</i> <i>GRI 408 – Child Labour</i> <i>GRI 409 – Forced or Compulsory Labour</i>	Shareholders of parent company	Raw material suppliers Small craft enterprises Wholesale and retail customers	8 12 15 16	<ul style="list-style-type: none"> Principle I: Promotion of and respect for universally recognised human rights Principle II: Not being complicit in human rights abuses, even indirectly Principle III: Support for workers’ freedom of association and recognition of the right to collective bargaining Principle IV: Elimination of all forms of forced and compulsory labour Principle V: Effective elimination of child labour Principle VII: Adoption of a preventive approach to environmental challenges Principle VIII: Initiatives promoting greater environmental responsibility Principle IX: Development and dissemination of environmentally friendly technologies
Economic sustainability	<ul style="list-style-type: none"> Sustainable growth and healthy profitability Brand identity Special and authentic relationship with the customer 	Social impacts	<i>GRI 201 – Economic Performance</i> <i>GRI 207 – Tax</i> <i>GRI 417 – Marketing and Labelling</i>	Shareholders of parent company	All Group stakeholders (generating and sharing the value created)	8 12	



Cultural sustainability	<ul style="list-style-type: none"> • Support for local communities and the surrounding region • Quality and craftsmanship made in Italy 	Social impacts Human rights	<p><i>GRI 204 – Procurement Practices</i> <i>GRI 407 – Freedom of Association and Collective Bargaining</i> <i>GRI 408 – Child Labour</i> <i>GRI 409 – Forced or Compulsory Labour</i> <i>GRI 413 – Local Communities</i> <i>GRI 414 – Supplier Social Assessment</i></p>	Shareholders of parent company	Community and local area Small craft enterprises	8 11 12 15 16	<ul style="list-style-type: none"> • Principle I: Promotion of and respect for universally recognised human rights • Principle II: Not being complicit in human rights abuses, even indirectly • Principle III: Support for workers’ freedom of association and recognition of the right to collective bargaining • Principle IV: Elimination of all forms of forced and compulsory labour • Principle V: Effective elimination of child labour
Spiritual sustainability	<ul style="list-style-type: none"> • Dignity and beauty in the workplace 	Social impacts Human rights Personnel management	GRI 401 – Employment	Group (Human resources)	Human resources Small craft enterprises	3 8 10	<ul style="list-style-type: none"> • Principle I: Promotion of and respect for universally recognised human rights
Technological sustainability	<ul style="list-style-type: none"> • Digitalisation and Artificial Intelligence 	Environment Social impacts	<i>No related KPIs</i>	Shareholders of parent company	All Group stakeholders (generating impacts in favour of humanity and Creation) Small craft enterprises and suppliers	8 9 12 13	<ul style="list-style-type: none"> • Principle I: Promotion of and respect for universally recognised human rights • Principle VIII: Initiatives promoting greater environmental responsibility • Principle IX: Development and dissemination of environmentally friendly technologies
Moral sustainability	<ul style="list-style-type: none"> • Diversity, inclusion and equity • Protection of human rights and dignity of work • Dignity and responsibility: focus on the development and wellbeing of human resources • Occupational health and safety • Governance • Ethics, integrity and anti-corruption • Human privacy 	Personnel management Human rights Social impacts Fighting corruption	<p><i>GRI 202 – Market Presence</i> <i>GRI 205 – Anti-corruption</i> <i>GRI 401 – Employment</i> <i>GRI 403 – Occupational Health and Safety</i> <i>GRI 404 – Training and Education</i> <i>GRI 405 – Diversity and Equal Opportunity</i> <i>GRI 406 – Non-discrimination</i> <i>GRI 418 – Customer Privacy</i></p>	Shareholders of parent company (Human resources)	Small craft enterprises Raw material suppliers Customers	3 4 5 8 10 16	<ul style="list-style-type: none"> • Principle I: Promotion of and respect for universally recognised human rights • Principle VII: Elimination of all forms of discrimination in employment and profession • Principle IX: Fighting corruption in all its forms



The evaluation of positive and negative impacts

For the **inside-out perspective**, the assessment of positive and negative impacts took the following parameters and scales into account:

- **Scale** (how severe is the negative impact or how much benefit does the positive impact bring to people or to the environment);
- **Scope** (how widespread are the positive or negative impacts. In the case of environmental impacts, the scope can be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on persons, the scope can be understood as the number of persons adversely affected);
- **Irremediable nature** (whether and to what extent the negative impacts can be remedied, i.e. by restoring the environment or affected persons to their original state, the latter only in relation to negative impacts).

The parameters were aggregated within the proposed rating scale also aligned with ERM metrics. Therefore, each impact was assessed with the attribution of a single score.

Management also assessed the **probability** criterion, the rating scale of which was taken from the ERM metrics. (see Table 41)

Table 41 – Probability assessment submitted to management

PROBABILITY	
<i>Remote</i>	The impact has occurred/could occur once every 10 or more years.
<i>Possible</i>	The impact has occurred/could occur once every 5/10 years.
<i>Probable</i>	The impact has occurred/could occur once every 2/5 years.
<i>Very likely</i>	The impact has occurred/could occur once within a year.
<i>Almost certain</i>	The impact has occurred/could occur several times within a year.

For the **outside-in perspective**¹⁶¹ the following parameters were taken into account:

- A sustainability issue is relevant from a financial point of view if it entails or can reasonably be expected to entail significant financial effects on the Company. This situation arises when a sustainability problem creates risks or opportunities that significantly affect the Company’s growth, financial status, operational outcomes, cash flow, ability to secure funding, or cost of capital in the near, medium or long term;
- Dependencies on natural and social resources can be sources of financial risks or opportunities. Dependencies can have two possible effects:
 - a) they may affect a company’s ability to continue to use or obtain the resources needed in its operations, as well as the quality and prices of those resources; and
 - b) may affect a company’s ability to rely on the relationships needed in its business operations on acceptable terms.

Here again, management assessed the **likelihood** criterion, the scale of which was taken from the ERM metrics.

¹⁶¹ See note 6



The reporting scope and calculation methodologies

Consistent with the requirements of the Decree, the reporting boundary coincides with that of the 2023 Consolidated Financial Statements, with due clarification below.

In contrast to the previous report, the subsidiary Brunello Cucinelli Kuwait for Readymade and Novelty Clothes' Retail WLL is now included in the scope, providing both qualitative and quantitative data on environmental, social, and economic implications. Indeed, it should be noted that the boutique managed directly by the subsidiary the "The Avenues'" in the mall in Kuwait City became operational as of January 2023.

A further change in the perimeter compared to the previous Non-Financial Statement concerns the company Raffaello S.r.l., for which qualitative and quantitative data on social and economic impacts are given: Conversely, environmental impacts are excluded since this company only became operative at the end of 2023.

Although the companies Logistics and Distribution S.r.l. and Market Service US, Inc. are included in the scope of reference, they do not contribute to the reporting of the quantitative and qualitative data presented in the document. This is because they have no employees and no relevant environmental impact for specific types of business, except for the economic and taxation data, considered for the calculation of GRI 201-1 and 207-4.

As regards exits from the scope compared to the previous year, the liquidation process for the subsidiary Brunello Cucinelli Denmark ApS was completed.

In addition, two mergers in 2023 are highlighted: Brunello Cucinelli Retail Deutschland GmbH, which merged by incorporation into Brunello Cucinelli GmbH, and SAS White Flannel, which merged by incorporation into SAS Brunello Cucinelli France Resort.

Regarding external impacts, the report does not include the entire external scope, except for the calculation of indirect greenhouse gas (GHG) emissions (Scope 3). This calculation was first done in 2020 for emissions generated in 2019, and was updated in 2021 for emissions generated in 2020. The calculation was also done in 2022 with regard to emissions in 2021, and in 2023 for emissions generated in 2022 and 2023, using the GHG emissions inventory.

In the discussion of the activities aimed at the local area and local communities, it was deemed appropriate to include information on the Brunello and Federica Cucinelli Foundation. Since 2010, the Foundation has supported the Company in its philanthropic activities, as a separate non-profit organisation, pursuing solidarity and socially useful purposes in culture and art, as well as in the sectors of education, training and the enhancement of cultural and environmental assets.

With regard to waste and waste management, reporting is extended to manufacturing activities only (carried out in Italy) in view of their significance with respect to the impacts of commercial/administrative entities. Specifically, with regard to the management of water discharges, the information reported refers only to the Solomeo site where the industrial laundry is located, while waste data refer to all manufacturing activities carried out in Italy by the Group.



From the point of view of the GRI 400 series, it should be noted that GRI 403-7 applies exclusively to Italy and, in particular, to Brunello Cucinelli S.p.A., as it focuses on business relations with small craft enterprises and suppliers of raw materials. GRI 403-10 is also not relevant for the Group's foreign locations, as no production-type work is carried out in these regions, hence the non-relevance of the risk of occupational diseases.

Finally, GRI 202-2 and 405-2 are covered with exclusive reference to the **significant operating locations**, i.e. Italy (Brunello Cucinelli S.p.A.), Russia for the Europe region, and Japan, China Mainland, Hong Kong and the United States for the n-Europe region.

The collection of qualitative and quantitative information for the purpose of drawing up the NFS 2023 involves all the corporate functions responsible for the aspects dealt with in the different chapters. Data are reported in aggregated form for the Group's business regions.

Below are the **calculation methodologies used** for some of the social and environmental disclosures discussed in the document, as well as references to the sources consulted regarding the conversion factors needed to calculate energy consumption and emissions:

- the rate of deaths resulting from workplace accidents is the ratio of the total number of such deaths to the total number of hours worked, multiplied by 200,000¹⁶²;
- the rate of workplace accidents with serious consequences (excluding deaths) is the ratio of the total number of such accidents with serious consequences (excluding deaths) to the total number of hours worked, multiplied by 200,000;
- the recordable occupational accident rate is the ratio of such accidents, excluding commuting accidents¹⁶³, to the total number of hours worked, multiplied by 200,000.
- Direct GHG emissions (Scope 1): for the consumption of natural gas, petrol and diesel, emission factors taken from the table of national standard parameters of the Ministry for the Environment, Land and Sea (MATTM, Table of National Standard Coefficients 2020, 2021 and 2023) were used. For the value of the relative densities, reference was made to the *Greenhouse gas reporting: conversion factors 2023, 2022 and 2021* provided by UK Government GHG Conversion Factors for Company Reporting - DEFRA (UK Department for Environment Food & Rural Affairs);
- Indirect energy emissions (Scope 2):
 - Location based: these emissions were calculated by multiplying the electricity purchased from the national grid by the emission factor taken from Terna International Comparisons 2020¹⁶⁴ based on Enerdata – 2019 data. It should be noted that, for Kuwait, reference was made to the factors of the United Arab Emirates, as there is no specific local data. Hong Kong, Macau and Singapore were calculated by reference to the emission factor of China.
 - Market based: emissions generated in the Italian and European regions were calculated by multiplying the amount of non-renewable electricity by the residual emission mix factors of each country, according to the following source: European Residual Mixes, AIB – 2022 data (Version 1.0, 6 May 2023) 2021 data (Version 1.0, 31 May 2022), 2020 data (Version 1.0, 31 May 2021). For the emissions generated in the region outside Europe, the following references were used for the emission factors: for the USA the source is “2023 Green-e Residual Mix Emissions Rates (2021 Data)” for Scope 2 MB emissions in 2023, and “United States Environmental Protection Agency’s (EPA) eGrid database”, with reference to the

162 In alignment with GRI guidelines.

163 Because the transport was not organised directly by the Company.

164 These coefficients were used because an updated version has not yet been published.



2020 database (published in January 2022) for the 2022 and 2021 data. For the other countries making up the region, the same emission factors were used as for the calculation according to the location-based methodology.

It should be noted that further specifications on the methodology for responding to the GRI Standards are provided, where necessary, in appropriate footnotes with the discussion of the indicator.

It should also be noted that, where decimal numbers are present in the tables of the document, the totals are shown rounded up to the nearest whole number.

In addition to the GRI Standards disclosures, other KPIs analysed from the ratings of leading financial analysts, summarised below, are also to be considered for reporting purposes:

- Number of meetings of the Board of Directors held during the year and those of all Committees;
- Water intensity;
- Energy intensity (also covered by GRI Standard 302-3);
- Emissions intensity (also covered by GRI Standard 305-4);
- Percentage of recycled plastic used;
- Number of new hires of female employees in managerial positions;
- Number of audits conducted out of the total number of small craft enterprises.

In addition, a social impact assessment analysis was carried out in 2023, the scope of which included six projects chosen by the Casa di Moda from among those carried out for the local area and community. This analysis was performed in alignment with the Social Return on Investment (SROI) methodology. It should be specified that the data emerging from the social impact assessment carried out according to the SROI methodology are not subject to the verifications by the external auditors in charge of assuring the NFS.

The Group is also compliant with EU Regulation 2020/852: the answer to the qualitative and quantitative requirements of the European Taxonomy is given at the beginning of the *Addendum* section.

**GRI CONTENT INDEX**

The following table details the GRI Standards used to draw up the Brunello Cucinelli Group's 2023 NFS. The standards and individual indicators – or disclosures – of the latest published version are listed with reference to the page of the document where they are dealt with. Any omissions and their justifications are explained in a note.

Note that the 2021 version of the GRI Universal Standards, 2018 version of GRI Standard 303 – Water and Effluents and GRI Standard 403 – Occupational Health and Safety, the 2019 version of GRI Standard 207 – Tax and the 2020 version of GRI Standard 306 – Waste were used.

Statement of Use The Company Brunello Cucinelli S.p.A. has reported information on the sustainability performance of the Brunello Cucinelli Group in accordance with GRI Standards for the reporting period from 1 January 2022 to 31 December 2022.

GRI 1 used GRI 1: Foundations 2021

GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	pp. 1, 52, 53, 58, 141			
	2-2 Entities included in the organisation's sustainability reporting	pp. 238, 239			
	2-3 Reporting period, frequency and contact point	Front cover, pp. 1, 258			
	2-4 Restatements of information	pp. 56, 96, 112, 115, 133, 168, 169, 180, 182, 192, 238 – 240			
	2-5 External assurance	pp. 2, 250 The conformity opinion was issued by an independent party – the external auditors – whose work and responsibility is governed by Italian Legislative Decree no. 254/2016			
	2-6 Activities, value chain and other business relationships	pp. 36, 39 – 41, 126 – 128, 156 – 158			
	2-7 Employees	p 166			
	2-8 Workers who are not employees	p 167			
	2-9 Governance structure and composition	pp. 58 – 69			
	2-10 Nomination and selection of the highest governance body	p 61			
	2-11 Chair of the highest governance body	p 62			
	2-12 Role of the highest governance body in overseeing the management of impacts	pp. 67 – 70, 73 – 76, 78, 146 – 147, 159, 176 – 177, 178			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
	2-13 Delegation of responsibility for managing impacts	pp. 60, 67 – 69, 74			
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	pp. 22, 24, 69, 233			
	2-15 Conflicts of interest	p 92 There is no specific communication to stakeholders regarding possible conflicts of interest, but only where required by regulations or the Related Parties Procedure.			
	2-16 Communication of critical concerns	pp. 79 – 82, 93, 159			
	2-17 Collective knowledge of the highest governance body	p 76 There was no specific induction programme for the BoD. Nonetheless, the Chairman of the Issuer's BoD promotes initiatives to enable directors other than the Company's managers (i.e. independent directors) to acquire an adequate knowledge of the Company's business dynamics, philosophy and corporate values (including those of Humanistic Capitalism and Human Sustainability). On 6 December 2022, the BoD reviewed and approved the new Sustainability Plan and the initiatives outlined therein to ensure its implementation. Furthermore in October 2023, a seminar was organised for administrators, auditors and members of the Supervisory Body (pursuant to Italian Legislative Decree 231/2001) with the involvement of external speakers (including a representative of CONSOB and one from Borsa Italiana); during the training meeting, corporate governance issues were discussed with particular attention to reporting obligations concerning sustainability.			
	2-18 Evaluation of the performance of the highest governance body	The BoD is subject to a self-assessment process that is independent and carried out at least every three years, as required by the <i>Corporate Governance Code</i> . The results are subsequently discussed in the Committees and the BoD. The self-assessment was performed in 2023.			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
	2-19 Remuneration policies	pp. 65 – 66 Ref. Remuneration Policy			
	2-20 Process to determine remuneration	pp. 65 – 66 Ref. Remuneration Policy			
	2-21 Annual total compensation ratio		2-21. a 2-21. b 2-21. c	Confidentiality constraints	It was not possible to report this indicator in the 2023 NFS for reasons of confidentiality of the information.
	2-22 Statement on sustainable development strategy	pp. IV, V			
	2-23 Policy commitments	pp. 69, 70, 73, 92, 97, 103, 104, 138, 139, 146, 147, 176 – 178 The main international references cited in the Policies, Codes and Procedures adopted by the Company are as follows: - General Assembly of the United Nations resolution 217A (III), Universal Declaration of Human Rights, A/RES/217(III) (10 December 1948). - General Assembly of the United Nations resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development, A/RES/70/1 (25 September 2015). - United Nations Framework Convention on Climate Change, Paris Agreement, CP/2015/10/ Add.1 (13 December 2015). - UN Global Compact, The Ten Principles (24 June 2004). - Organisation for Economic Cooperation and Development, OECD Guidelines for Multinational Enterprises (25 May 2011). - International Labour Organisation, Conventions on Fundamental Labour Rights and Principles. c. Where the Policies, Codes and Procedures are publicly available on the Company's Investor Relations website, a footnote to the document is included with a link. The content of any documents not published online is in any case described within this NFS.			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	pp. 69, 70, 73, 78 – 82, 92, 97, 103, 104, 138, 139, 146, 147, 176 – 178, 179 Based on its desire to combine its policy commitments with the ERM model, the Company has adopted risk assessment metrics in its Risk Model aimed at integrating the different elements of Human Sustainability. Specifically, this is reflected in metrics assessing the impact on human resources, the surrounding community, the environment and the health and safety of workers. Note that part of the material made available to human resources on the Sympo platform was dedicated to the ideals of Humanistic Capitalism and Human Sustainability, in addition to the D&I training course uploaded to that platform. Moreover, sustainability policies are published on the Company intranet.			
	2-25 Processes to remediate negative impacts	p 178 In the event of critical issues/ negative incidents reported by stakeholders, the Company puts in place all organisational, technical and procedural measures necessary to remedy what has occurred. Specifically, grievance procedures have been put in place in the event of any conduct subject to labour law. These procedures are set out in the Employee Handbooks (provided to human resources when hired) in force for the Group's various legal entities. Moreover, the D&I Policy provides for the right to report any problematic or unacceptable conduct in violation of the principles outlined in the document. Starting from July 2023, the new whistleblowing procedure will be active, with the Internal Audit Manager as the person responsible for managing any reported issues.			
	2-26 Mechanisms for seeking advice and raising concerns	pp. 92, 93, 138			
	2-27 Compliance with laws and regulations	During the last three years there were no cases of non-compliance with environmental or socio-economic laws or regulations within the Brunello Cucinelli Group.			
	2-28 Membership associations	pp. 153, 154			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	pp. 21, 24, 70 – 77, 148 – 150			
	2-30 Collective bargaining agreements	p 169			
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	pp. 21 – 25, 82, 231 – 237			
	3-2 List of material topics	pp. 23, 25, 83 – 88, 234, 235 – 236			
Economic performance					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 23, 24, 51 – 57, 84, 89 – 91, 234, 235			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	pp. 56, 57			
	201-2 Financial implications and other risks and opportunities due to climate change	pp. 89 – 91			
Market presence					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 23, 24, 87, 176, 180, 234 – 236			
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	p 180			
Procurement practices					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 83, 126 – 129, 235 – 236			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	pp. 127, 129			
Anti-corruption					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 88, 91 – 94, 236			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	The main risks related to corruption are risks of non-compliance with laws (i.e. violation of regulations), the possible commission of corrupt acts by/towards the Public Administration and by/towards private individuals, and non-compliance with Legislative Decree no. 231. The business areas potentially exposed to risks related to corruption are the purchase of raw materials, the contracting of work to small craft enterprises and the contracting of consultancy services in various capacities. With respect to these areas, there were no incidents of corruption in 2023. Any ethical misconduct on the part of internal and external collaborators acting in the name of and/or on behalf of the Company could fall within the scope of corrupt practices, with consequent exposure to fraud, damage or sanctions against the Company, as well as damage of a reputational nature.			
	205-2 Communication and training about anti-corruption policies and procedures	p 94			
	205-3 Confirmed incidents of corruption and actions taken	p 94			
Tax					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 84, 95 – 96, 235			
GRI 207: Tax 2019	207-1 Approach to tax	pp. 95, 96			
	207-2 Tax governance, control, and risk management	pp. 95, 96			
	207-3 Stakeholder engagement and management of concerns related to tax	pp. 95, 96			
	207-4 Country-by-country reporting	p 96 Reporting takes place by homogeneous geographical areas and not by Country/tax jurisdiction.			
Materials					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 83, 103, 129 – 137, 235			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	pp. 131, 132, 133, 136, 137			
Energy					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 84, 103, 111 – 114, 235			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	p 112			
	302-3 Energy intensity	p 112			
	302-4 Reduction of energy consumption	p 112			
Water and effluents					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 84, 103, 118 – 121, 235			
GRI 303: Water and effluents 2018	303-1 Interaction with water as a shared resource	pp. 118, 119			
	303-2 Management of water discharge-related impacts	pp. 118, 119			
	303-3 Water withdrawal	pp. 118, 119			
	303-4 Water discharge	p 121			
Biodiversity					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 84, 103 – 110, 235			
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organisation's operations	p 109			
Emissions					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 84, 103, 106, 114 – 118, 235			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pp. 114, 115			
	305-2 Energy indirect (Scope 2) GHG emissions	pp. 114, 115			
	305-4 GHG emissions intensity	pp. 114, 115			
	305-5 Reduction of GHG emissions	pp. 114, 115			
Waste					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 84, 103, 121 – 125, 235			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	pp. 121 – 123			
	306-2 Management of significant waste-related impacts	pp. 121 – 123			
	306-3 Waste generated	pp. 121 – 123			
	306-4 Waste diverted from disposal	pp. 121 – 123			
	306-5 Waste directed to disposal	pp. 121 – 123			
Employment					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 87, 164 – 176, 192 – 197, 236			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	pp. 171 – 175			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 192 – 197			
	401-3 Parental leave	pp. 196 – 197			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
Occupational Health and Safety					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 88, 137, 158, 187 – 189, 198 – 202, 236			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	p 198 The Company does not currently have a certified occupational health and safety management system.			
	403-2 Hazard identification, risk assessment and incident investigation	p 198 Workers are in direct contact with the RSPP and department managers, who are present each day at the Solomeo site, so in the event of problems, accidents and/or incidents, reports are made immediately and directly. The report is followed by an interview with the people involved in the incidents, as well as those in charge, in order to reconstruct the dynamics and identify solutions for improvement/resolution.			
	403-3 Occupational health services	p 200			
	403-4 Worker participation, consultation, and communication on occupational health and safety	pp. 198, 199, 200			
	403-5 Worker training on occupational health and safety	pp. 187 – 189			
	403-6 Promotion of worker health	pp. 193 – 195			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 137, 159			
	403-8 Workers covered by an occupational health and safety management system	The Company does not currently have a certified occupational health and safety management system.			
	403-9 Work-related injuries	pp. 200 – 202			
	403-10 Work-related ill health	The Company continuously monitors the risk of occupational diseases, although its magnitude is very low. The trend of zero cases of occupational diseases continued in 2023.			
Training and education					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 87, 164 – 169, 179 – 189, 236			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	p 182			
	404-2 Programmes for upgrading employee skills and transition assistance programmes	pp. 187 – 189			
	404-3 Percentage of employees receiving regular performance and career development reviews	p 190			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
Diversity and equal opportunities					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 61, 87, 164 – 169, 176 – 180, 236			
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	pp. 61, 168 – 169			
	405-2 Ratio of basic salary and remuneration of women to men	pp. 191 – 192			
Non-discrimination					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 87, 164 – 169, 176 – 180, 236			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2023 two cases of discrimination among employees of the subsidiary company in the United States were reported. The cases were promptly investigated by the Company in order to examine the issues reported. The analysis confirmed that the cases of discrimination were groundless.			
Freedom of association and collective bargaining					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 87, 97, 137, 139, 159, 169, 236			
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	pp. 97, 137, 139, 159, 169			
Child labour					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 87, 97, 137, 236			
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	As in the previous two years, no situations at risk of violating child labour regulations were identified within the Group during 2023.			
Forced or compulsory labour					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 87, 97, 137, 236			
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	As in the previous two years, no situations at risk of violating forced labour regulations were identified within the Group during 2023.			
Local communities					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 86, 109, 110, 146 – 155, 236			
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	pp. 109, 110, 146 – 155 The percentage of activities involving the local community in 2023 is 0.3%. This value was calculated by comparing the economic value distributed to the local community in the year with the total economic value generated by the Group in the same period.			
Supplier social assessment					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 87, 137 – 139, 159, 236			
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	p 159			



GRI STANDARD	DISCLOSURES	DOCUMENT PAGE/ OTHER SOURCES	OMISSIONS		
			REQUIREMENT(S) OMITTED	REASONS	EXPLANATION
Marketing and labelling					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 84, 85, 41 – 51, 155, 235			
GRI 417: Marketing and labelling 2016	417-3 Incidents of non-compliance concerning marketing communications	As in previous years, once again in 2023 there were no cases of non-compliance with the regulations in force in the Group's communication and advertising campaigns, both in Italy and in the rest of the world.			
Customer privacy					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 45, 88, 98 – 101, 236			
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data	pp. 100 – 101			
Other material topics					
Combating climate change					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 83, 103 – 105, 106, 235			
Brand identity					
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 41 – 44, 85			



REPORT OF THE EXTERNAL AUDITORS



BRUNELLO CUCINELLI SpA

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED
NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10, OF LEGISLATIVE DECREE No. 254/2016 AND
ARTICLE 5 OF CONSOB REGULATION ADOPTED WITH RESOLUTION
No. 20267 OF JANUARY 2018**

YEAR ENDED 31 DECEMBER 2023



Independent auditor's report on the consolidated non-financial statement

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of Consob Regulation adopted with Resolution No. 20267 of January 2018

To the Board of Directors of Brunello Cucinelli SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5, paragraph 1 g), of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Brunello Cucinelli SpA and its subsidiaries (hereinafter the "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree, and approved by the board of directors on 14 March 2024 (the "NFS").

Our review does not extend to the information set out in the section titled "Addendum – The European Taxonomy" of the Group's NFS, required by article 8 of Regulation (EU) 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors of Brunello Cucinelli SpA are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the Global Reporting Initiative Sustainability Reporting Standards current as of 2021 issued by the GRI - Global Reporting Initiative (the "GRI Standards"), which they identified as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary for an understanding of the Group's activities, development, performance and related impacts.

Finally, the directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for identifying and managing the risks generated and/or faced by the latter.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. Analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. Analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;
3. Comparison of the financial information reported in the NFS with the information reported in the consolidated financial statements of Brunello Cucinelli Group;
4. Understanding of the following matters:
 - Business and organisational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
 - Policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - Key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.



With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 5 a) below;

5. Understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Brunello Cucinelli SpA and with the personnel of Max Vannucci Srl and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at the parent company level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidences;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- for Max Vannucci Srl, which we selected on the basis of its activities, its contribution to the key performance indicators at a consolidated level and its location, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the indicators.

Other Matters

We did not analyse the financial and other information set out in the paragraph titled "Measurement of the SROI of Casa di Moda Projects", relating to the application of the method used to measure the Social Return on Investment.

Limited Assurance Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFS of the Brunello Cucinelli Group for the year ended 31 December 2023 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.



Our conclusion above does not extend to the information set out in the paragraph titled “Addendum – The European Taxonomy” of the Group’s NFS required by article 8 of Regulation (EU) 2020/852.

Pescara, 29 March 2024

PricewaterhouseCoopers SpA

Signed by

Stefano Amicone
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2023 translation.



**INDEPENDENT AUDITOR'S REPORT ON THE LIMITED
ASSURANCE ENGAGEMENT OF BRUNELLO CUCINELLI -
STATEMENT ON 2023 GHG EMISSIONS**

BRUNELLO CUCINELLI SPA



We conducted our limited assurance engagement in accordance with the “International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (hereafter “ISAE 3000 Revised”) and “International Standard on Assurance Engagements 3410 – Assurance Engagements on Greenhouse Gas Statement” (hereafter also “ISAE 3410”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standards require that we plan and perform procedures to obtain limited assurance about whether the GHG Statement 2023 is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Group’s GHG Statement 2023 has been prepared, in all material respects, in accordance with the GHG Protocol.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In detail, we performed the following procedures:

- a) analysis and understanding of the principles and guidelines adopted to prepare the GHG Statement 2023, as represented in the “Methodological Note” section;
- b) meetings with Brunello Cucinelli SpA staff and top management, responsible for the preparation of the GHG Statement, in order to understand the processes for collecting, aggregating, processing and transmitting GHG emissions data;
- c) analysis and assessment of the criteria for identifying the reporting boundary, as represented in the “Company and Inventory Boundaries” section;
- d) verification of the application of the methodologies and reference standards mentioned in the GHG Statement. In detail, we verified:
 - i the emission factors associated with the processes relevant for the emission profile of the Group’s business, and their application in the calculation model;
 - ii the application of the estimation criteria used in the calculation model;
 - iii on a sample basis, through analytical procedures and limited testing activities, the aggregation of data, emission data and the underlying data associated with emission sources related to the supply chain;
 - iv aggregation of the total data for each relevant emission source.

Conclusion

Based on the procedures we performed, nothing has come to our attention that causes us to believe that the “Brunello Cucinelli - Statement on 2023 GHG emissions”, for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the GHG Protocol, applied as explained in the “Purpose” section of the GHG Statement 2023.

Rome, 29 March 2024

PricewaterhouseCoopers Business Services Srl

Paolo Bersani
(Partner)



Independent auditor's report on the limited assurance engagement of Brunello Cucinelli - Statement on 2023 GHG emissions

To the Board of Directors of Brunello Cucinelli SpA

We have been engaged to perform a limited assurance engagement of the "Brunello Cucinelli - Statement on 2023 GHG emissions" of Brunello Cucinelli SpA and its subsidiaries (hereinafter the "Group") for the years ended 31 December 2023 (hereinafter the "GHG Statement 2023").

Responsibilities of the Directors for the GHG Statement

The Directors of Brunello Cucinelli SpA are responsible for preparing the GHG Statement 2023 in accordance with the Greenhouse Gas Protocol (hereinafter "GHG Protocol"), as indicated in the Section "Purpose" of the GHG Statement 2023.

The Directors are responsible for that part of internal control that they consider necessary to prepare a statement that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for setting the Group's GHG performance, as well as for identifying the significant aspects to be reported.

Auditor's independence and quality control

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

Our firm adopts International Standard on Quality Management 1 (ISQM Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable legal and regulatory requirements.

Auditor's responsibilities

We are responsible for expressing a limited assurance conclusion, on the basis of the work performed, regarding the compliance of the GHG Statement 2023 with the GHG Protocol.

PricewaterhouseCoopers Business Services Srl

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To request information on the contents of this Consolidated Non-Financial Statement, contact the following email address:

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