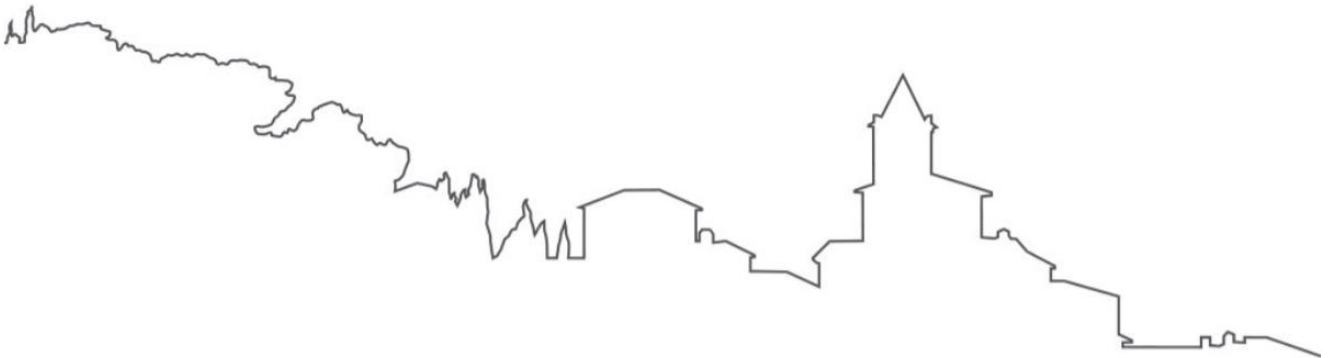




BRUNELLO CUCINELLI

“HUMAN RELATIONS POLICY”

STAKEHOLDER ENAGEMENT



“HUMAN RELATIONS” POLICY
STAKEHOLDER ENGAGEMENT

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A shared commitment

Sharing is a keystone of our company philosophy and of the Brunello Cucinelli Group (hereinafter also “the Group”) way of working; it extends to everyone involved in the value creation chain.

Starting from this premise, with an awareness of the increasingly complex and changing nature of needs and expectations and with the goal of implementing a **strategic approach** capable of maintaining **lasting human relations**, this “Human Relations” Policy contains principles and values that are to guide our discussions with all stakeholders.

The Policy also addresses engagement methods, with variations to suit the categories of stakeholders involved, ensuring that **communications are always pleasant, responsible, constructive, and as transparent and inclusive as possible**. In this way, we believe that not only can we increase trust and cooperation with our stakeholders, guaranteeing them a **consistently contemporary perception of our brand**; we can also **bolster and preserve the Group's social license to operate**, such that strategies, priorities and goals, activities, and processes are always perceived, accepted, and aligned various interests of those involved.

Harmony with Creation and **Human Sustainability** must inspire the contents of our dialogue, communication, and engagement.

The Policy makes reference to what is set out in the AA1000¹ *Stakeholder Engagement Standard* (2015) and the *GRI Standard 101* with specific reference to the principle of “stakeholder inclusivity”. It comes into force upon approval by the Board of Directors and its observance is mandatory at Group level. Therefore, all activity Regions and all departments identified as being responsible for engagement with the various stakeholder categories are considered direct recipients of the following content.

1

The AA1000 Stakeholder Engagement Standard (SES) has been developed by the organization AccountAbility, beginning with the AA1000 Principles of Inclusivity, Materiality, and Responsiveness. The latest available version of the Standard is the 2015 version, which is currently being revised and updated.

Responsibilities, output, and outcomes

Each company department will be responsible for the dialogue, discussion, and the gathering and sharing expectations for its assigned category of stakeholders. This approach ensures that a continuous mechanism of engagement with external stakeholders is integrated into company operations; it also helps to ensure inclusivity from a viewpoint of internal cooperation for the purposes of engagement.

The Group foresees that company-wide implementation of this Policy can generate the following results over time, in terms of:

- **Output for all mapped stakeholders**

1. Continuous sharing of values and knowledge;
2. Listening to and consideration of respective expectations;
3. Recognition of each individual's strategic role in identifying material issues around sustainability.

- **Outcomes for the Group**

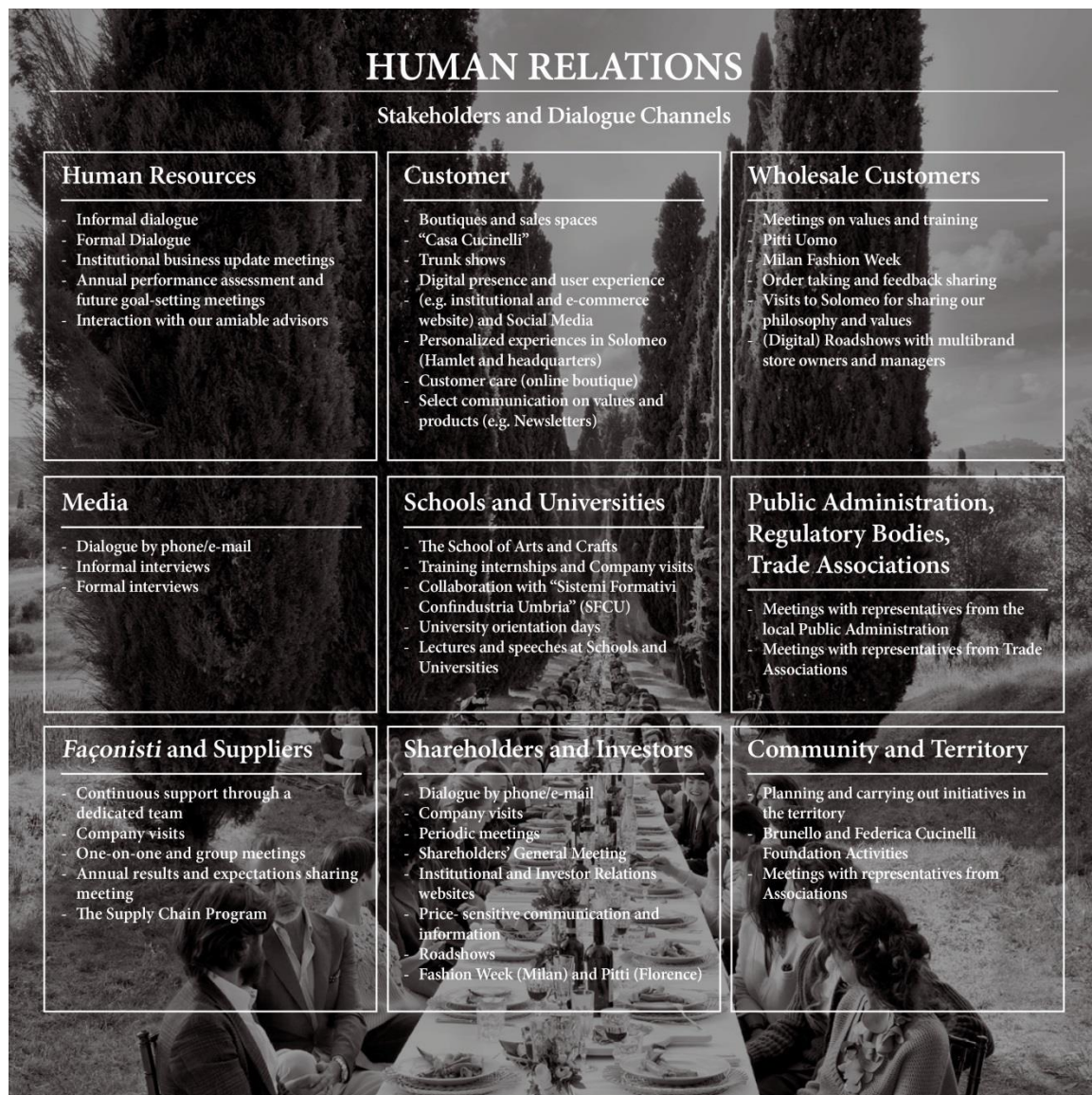
1. A more positive perception of the company reputation, both internally and externally;
2. Making use of the input gathered through engagement in orienting internal decisionmaking processes, including the strategic definition of material issues;
3. Efficient risk management and identification of opportunities in the environmental, social, and economic/governance areas.

The stakeholders of the Brunello Cucinelli Group

Drawing inspiration from the principle of **stakeholder inclusivity** set out in the Standards to which this Policy refers, the Group is committed to identifying the various categories of its stakeholders each year and to classifying them based on their **influence** and **dependence**.

In this way, from year to year, an engagement plan will be prepared and developed in line with four guiding principles: i) “engage”; ii) “inform”; iii) “monitor”; iv) “collaborate”.

The mapped categories of stakeholders are as follows:



Principles to support dialogue

Our commitment to listening to, understanding, and embracing the expectations expressed by internal and external stakeholders develops from the utmost importance that the Group attributes to **personal and human relationships** with each of them, in line with the crucial focus on human beings that is at the foundation of our company philosophy.

Thus the Group has defined **four principles** which are to inspire the responsible departments and to which they must refer during discussions with the various stakeholders

1

Providing prompt,
complete, and accurate
information to
stakeholders

The Group is responsible for respecting the right of stakeholders to be promptly and accurately informed about its activities, decisions, projects, and initiatives by means of the clearest communication possible.

2

Working together to
generate shared value
over the long term

Discussions must be considered opportunities for sharing and generating value and knowledge in a two-way process with both the Group and the stakeholders involved.

3

Receiving feedback and
gathering stakeholder
viewpoints

In this sense, we believe it crucial that a **culture of dialogue** be developed both internally – towards our employees – and in our relations with those outside the Group, in terms of open discussion of the issues considered relevant to the environment, social, and economic/governance areas as well as in reporting the results that have emerged from the engagement.

4

Increasing satisfaction
with and trust in the
Group

The efficacy of the interaction is closely correlated to the perception that stakeholders develop towards our brand identity and company reputation; for this reason, the Group declares its commitment to **guaranteeing that stakeholder expectations are met** so as to progressively increase their faith in the relationships established.

Recognizing the fundamental contribution that can derive from interacting with each stakeholder, we believe that respect and appreciation for these principles during present and future discussions and dialogue can not only **further solidify cooperation** between the Group and the various stakeholders but also strengthen the continuity of the business itself.

Specialized and specific engagement

The guidelines and practices for communicating with the various types of stakeholders are as follows. Each coordinating department must therefore refer to the provisions for its assigned stakeholder category.

By defining a strategic and disciplined approach, the Policy requires the involved departments to increasingly integrate dialogue and the relative contents with the themes of Harmony with Creation and Human Sustainability so as to keep stakeholders informed and updated of the commitment, strategy, and activities performed by the Group, and then gather their feedback in this regard.

Guidelines and practices for communicating with employees

Employees play a central role in achieving company goals. In line with the provisions set forth in the Code of Ethics, the Human Sustainability Policy “In Harmony with Creation” and the Diversity and Inclusion Policy, the Group is committed to ensuring its relationship with employees is shaped by a respect for human values, for individual personalities and dignity, for individual autonomy and responsibility within the sphere of ownwork, as well as promoting equal opportunities at each phase of the working relationship through the prevention and repression of any situation that may bring about discrimination towards the diverse groups working in the Group.

Each employee's adherence to and participation in the Group's strategic goals is promoted and highlighted; the intention is to strengthen relationships with all employees through daily dialogue, using formal and informal channels, with the coordinators of the Human Resources department.

Periodical company meetings are also scheduled to provide updates on the progress of the business so as to keep employees informed about company activities.

Performance reviews are organized based on evaluation sheets and conclude with a yearly meeting between the employee and the coordinator during which feedback is given and future goals defined with the Human Resources department in attendance.

Just as fundamental are the discussions that aim to strengthen communication and cooperation between the various Regions in which the Group operates. The local HR managers periodically connect with the Human Resources department at the Company Headquarters in Solomeo; this method guarantees that aspects associated with various phases of employees' working lives are managed in a consistently coordinated way, at the same time ensuring that local situations are dealt with specifically.

Lastly, employees throughout the Group may refer to the company intranet channel, which is designed as an internal communication tool to provide accurate and up-to-date information on ongoing activities and to serve as a repository for internal documentation.

Guidelines and practices for communicating with end clients and wholesale clients

Transparency, reliability, fairness, integrity, professionalism, and quality are elements that distinguish the relationships we develop not only with end clients but also with the network of wholesale clients; through these relationships the Group builds their trust and loyalty.

In particular, dialogue with end clients must be founded on communication that is consistently polite and never invasive, safeguarding the human privacy of each individual; therefore, the use of any kind of advertising or means of communication that may deceive clients, providing information that is misleading in terms of quality, quantity, or the origin of the products offered, is not advised.

The exclusive nature of these relationships extends to social occasions and unique experiences organized to ensure clients are involved in the brand's spirit. The experience we offer them therefore also extends to digital experiences, including the online boutique, which also represents the contemporary feel of the brand and is a means of presenting collections: thanks to updates made in our technology, users are now able to enjoy an increasingly rich and engaging experience online.

Further communications channels include the company website and the Group's social media accounts, through which clients can continue to remain informed.

Lastly, newsletters provide select communication both in terms of value and products.

The Group is also committed to giving the utmost attention to suggestions and any complaints made by clients, and to responding to them promptly.

The Customer Relationship Management department, which is in charge of managing relations with end clients, connects with them constantly through special Customer Care channels.

Wholesale clients are invited to training events and special meetings for sharing our company's values and philosophy, some of which are held at the Headquarters in Solomeo, and dialogue is likewise encouraged

during industry events, such as Pitti Uomo and Milano Fashion Week, among others. Periodical meetings are also dedicated to wholesale clients; participation in these is open to all owners of the Group's multibrands and their managers so as to strengthen their central role as “guardians” of the brand; share strategic and operational issues, discussing their reciprocal responsibilities; provide them with accurate dates for the delivery and presentation of the collections; and define future activities.

Guidelines and practices for communicating with suppliers of raw materials and third-party artisan (façonisti)

Relationships with suppliers of raw materials and with cut-and-sew manufacturers, most of which date back years, are fulfilled by awarding due credit and fair economic compensation for the work of all those who contribute to producing an item that represents Italian-made products throughout the world, from selecting the raw materials to manufacturing the article.

Our relationships are marked by the greatest fairness, transparency, and efficiency.

Relationships also develop through individual or group meetings, including the annual Convention devoted to sharing results and expectations and to reinforcing themes relating to the company's values and philosophy. This opportunity for meeting and discussing highlights the importance of transparency, fairness, and trust in the relationships between the company and its suppliers, underlining the key principles and rules that guide them. Starting in 2020, self-assessment questionnaires have been sent to raw materials suppliers for the purpose of sharing advancement levels in the areas of environmental, social, and economic sustainability, with the aim of identifying shared goals and, where necessary, specific plans for improvement.

The Suppliers' and Manufacturers' Information Department is dedicated to assisting them in managing everyday activities and offers operational, strategic, and financial support, particularly to manufacturers.

Guidelines and practices for communicating with shareholders and investors

Dialogue with market operators and the business community – including corporate investors, individuals, and financial analysts – is characterized by prompt and accessible information, ensured by implementing a proactive approach to communication.

Formal dialogue with this category of stakeholders takes place continually over email, by telephone, and during company visits. With particular reference to shareholders, the annual Assembly is the reference point in our relationship with this group.

Also significant are the *roadshows* and communications provided for by the regulations applicable to listed companies as well as meetings during the Pitti Uomo event in Florence and Milano Fashion Week. Further information is available to them on the company website and through the dedicated investor relations site.

The Investor Relations manager is responsible for holding constant dialogue with shareholders and investors. The relationship is characterized by trust and cooperation, and they are informed of the company's financial and non-financial performance and its strategic orientation in the mid- and long-term.

Guidelines and practices for communicating with the community and local area

The Group has a responsibility towards the local area and its communities; therefore, it operates with consideration for their needs, recognizing its duty to contribute to fostering a good quality of life and economic, social, cultural, and civil development at a local level.

In planning projects to benefit the local area, company activities join those of the Brunello and Federica Cucinelli Foundation.

Our relationship with local organizations also develops during meetings with representatives from local associations, essential opportunities for discussion that bring us into contact with the true needs of the local area.

The *Communications* department is responsible for gathering requests for projects and initiatives sent to the Group by local organizations; it then analyses them to obtain specific information on them and assess whether they are consistent with the company's values and principles.

Guidelines and practices for communicating with the media

Our relations with mass media are maintained in observance of the Group's communications policy.

Dialogue is organized both formally – for example, through press conferences – and informally by telephone or email. The primary occasions in which the Group interacts with the media are interviews given by Chairman Brunello Cucinelli and by the company management, as well as those in which

journalists are invited to the Solomeo Headquarters or Milan to fully grasp the identity of the Group and the brand.

In particular, all the information is conveyed by authorized company departments, including *Communications and Press Relations*, who are in charge of ensuring that the information divulged is accurate, truthful, complete, clear, and properly circulated.

Guidelines and practices for communicating with schools and universities

We maintain relationships with local schools and universities dating back years so as to ensure that new generations have a suitable knowledge of the brand's values and activities. This category of stakeholders represents an opportunity for contact with younger people, who may be interested in having a work experience within the Group and who act as the spokespeople for the latest demands.

Interaction takes place through various periodical occasions, such as university orientation days and talks and speeches given at schools and universities.

In the same way, internships and school-work alternation programs enable the Group to meet the young people who take part and introduce them to the company.

In managing relationships with this category of stakeholders, we can identify various departments that interact in a specific way depending on the type of channel for dialogue used. In particular, the *Human Resources* department is responsible for aspects connected to university orientation days, activating internships, and managing the school-work alternation program. Just as significant is the role of the *Facility Management and Services* department, which is in charge of organizing courses at the School of Arts and Crafts in Solomeo. In addition, the company management, particularly the two CEOs, are directly involved in communicating with schools and universities and in validating educational projects; likewise, they play a central role in talks given at schools and universities.

Guidelines and practices for communicating with public offices, regulatory boards, and industry associations

In Italy, as in the other *Regions* in which it operates, the Group maintains necessary relations with public offices, following an approach aimed at the greatest possible cooperation and fairness, in observance of the roles and powers assigned as per applicable law.

Communication takes place primarily through meetings with the representatives of local public administrations and industry associations.

Designated and regularly authorized company departments communicate with public officials, regulatory boards, and industry associations in observance of legal provisions and regulations in force, guaranteeing the greatest possible protection for the Group's integrity and reputation.

The primary company departments involved are:

- Facility Management (relations with local organizations on matters of the environment, safety, and construction);
- Personnel (local administrative bodies, for matters of labor law);
- Administration and Finance (fiscal authorities);
- Legal and Internal Audit Office (CONSOB, the Italian Companies and Exchange Commission).

Following up and reporting

Adopting a strategic approach to communicating with stakeholders extends to the crucial organization of opportunities for following up – both with the engaged stakeholders, to guarantee them a prompt response with regards to what emerged in the dialogue, and internally, so as to make an overall assessment of the requests gathered and identify the priorities to be acted on and relative action plans.

Any negative evaluations/complaints made by stakeholders must be addressed and resolved by the various authorized departments with even greater care, promptness, and willingness to foster an **open dialogue and direct discussion**, demonstrating a willingness to work towards constant improvement.

With the above listed purposes, the Group is committed to ensuring that the involved employees are equipped with appropriate skills so as to ensure that stakeholder engagement processes are efficient. To this end, periodical activities for training and raising awareness will be held with content specific to the individual departments, supporting them before, during, and after the engagement activity.

It is also necessary to consider any risks that could arise before starting the stakeholder engagement process, for example, due to an unwillingness to participate on the stakeholders' part. All the coordinating departments are committed to managing issues of this type, seeking to meet stakeholder needs and facilitating the engagement process as much as possible. In the event that greater support is needed, departments may refer to the Human Sustainability Team, which is in charge of the operational management of the Group's sustainability aspects.

In regards to **sharing internally the results that have emerged** from communicating with the various stakeholder categories, the coordinating departments are in charge of gathering the requests, expectations, perceptions, and also concerns raised by participants, carrying out an initial evaluation and prioritizing these issues, seeing to the compilation each week of a database to be shared in **December** and **June** with the Human Sustainability Team, which will assess their area (environmental, social, and economic/governance), importance on a previously defined scale of priorities, and direct/indirect impact.

The Human Sustainability Team will then be responsible for conveying the analysis to the attention and evaluation of the “ Council for Harmony with Creation”, a committee composed of board members and employees/managers in the parent company who have investigative and advisory roles towards the company Board of Directors on sustainability matters.

In particular, each June the committee will evaluate and confirm the most important issues as input to be considered when updating the materiality analysis.

Lastly, in line with the provisions established by the Standards to which this Policy refers, the Group is committed to **periodically monitoring the efficacy of the stakeholder engagement processes**, particularly assessing the following aspects: *i)* commitment; *ii)* goals; *iii)* inclusivity in terms of internal departments and categories of stakeholders involved; *iv)* operational methods for engagement; *v)* stakeholder participation rate.

This system is also explained in the Sustainability Plan “The New Time” so as to further reinforce our yearly commitment to monitoring its progress and results.

The results of stakeholder engagement will be reported yearly within the Group's Consolidated Non-Financial Statement (CNFS), which will keep track of the primary needs and expectations that have emerged during the year in question among the various categories of stakeholders during discussions. The CNFS is also to be considered a tool capable of ensuring stakeholders receive an accurate follow-up in the areas of Harmony with Creation and Human Sustainability.

So as to ensure that information is shared in a coordinated way that represents all the interests involved, should greater clarification be required with regards to the engagement plan and the activities carried out in order to implement it, please make a request to the following email address: humansustainability@brunellocucinelli.it.