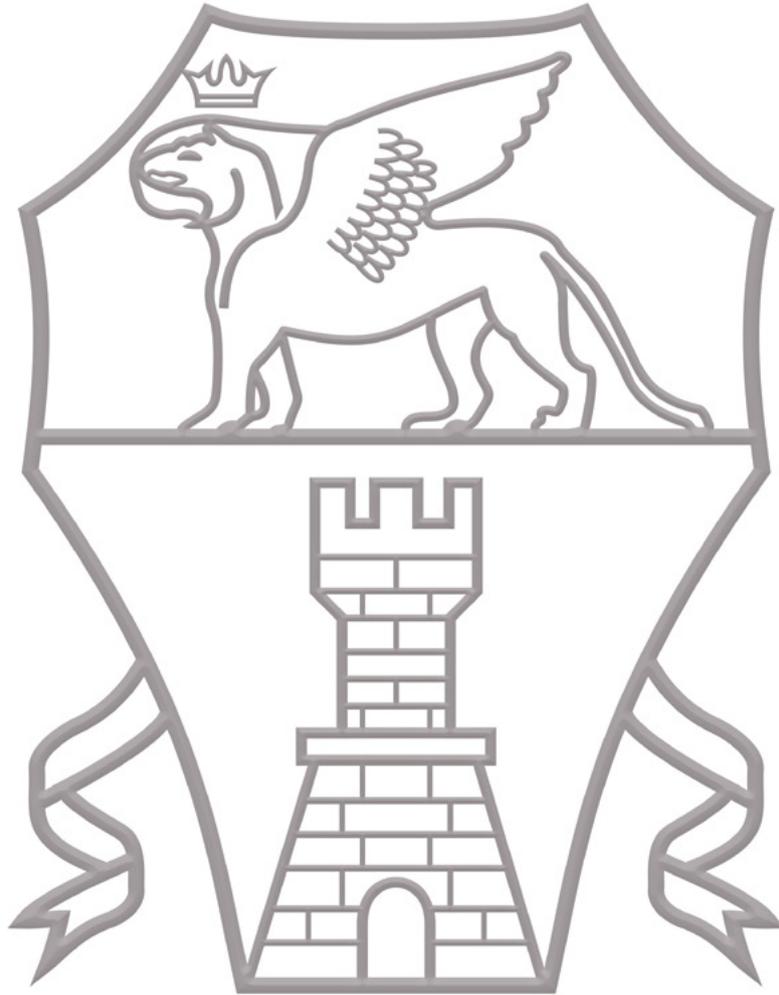




BRUNELLO CUCINELLI





“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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THOUGHTS ON THE CONTEMPORARY WORLD

The three letters from the Chairman written in 2024 are provided below.

UNIVERSAL LETTER TO WOMEN



Solomeo, 15 February 2024

For a long time I have wanted to write a letter to women, and I remember that this desire arose on the day my first granddaughter was born. On that afternoon several years ago, before her birth, we were all standing by – my wife, my two daughters, my son-in-law and I – but we two were the most apprehensive of what was about to happen: we thought about the risks, what we did not know scared us a little. Federica, Camilla – who was expecting – and Carolina, on the other hand, were serene, their eyes shone, because the joy of the impending event outweighed everything that was not beautiful. That's when I realised that women have something that we men lack, as we are so entangled in an often vain logic; they have something that nature did not provide us with, but luckily enough, if we know how to do it right, we can be enlightened by it all the same just by living next to women.



What fascinates me is not just insight or feeling, but a special courage that prompts women to uphold and fight for the ideals and dreams that live in their hearts, and to go beyond the limits where others stop; at the same time, these qualities seem to me to be something higher, which one does not know where it is. How many times has philosophy, throughout the ages, confirmed that the greatest strength of humans lies in their ability to feel, to be moved, to have ideals, to go beyond the hedge that encloses them in everyday life. The Alexandrian philosopher and mathematician Hypatia stated: "Understanding the things that surround us is the best way to understand the things that are beyond". This, I understood on the evening when Vittoria was born, is indeed characteristic of women; therefore, I write this letter to you, feeling slightly bashful and aware of your very special gift: you women live in deep harmony with nature, and that sublime thing that is love shines in you like the brightest star.

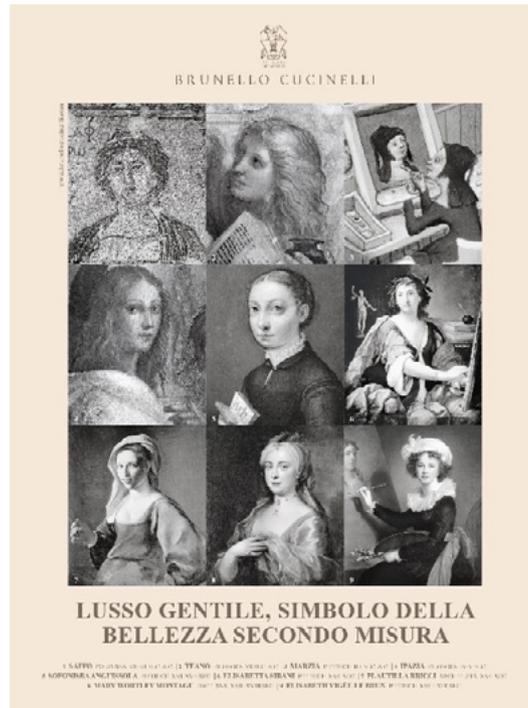
Since ancient times, it was men who wrote history, with wars, politics, power play: a male history that has lasted too long. And yet, like stars from the past, the fascinating lives of women who lived in glory shine forth: poets like Sappho, painters like Kalypso, Eirene, Timarete, mentioned by Pliny, philosophers like Arete, a student of Plato, who wrote about morals, and Fintis, a student of Pythagoras, who wrote about temperance. If memory teaches us one thing, it is that each of these ancient women is the bearer of a legacy that is handed down to you today. They lived in a time that was harsh for women, and yet they managed to become, over the centuries, a universal example.

I often think that today you are in a situation that allows you, while continuing to appreciate what nature gives us, to look at the future realistically, since both women and men are fully aware of the importance of gender equality. I think that it is important and necessary for you to begin to enter history no longer as individuals, but all together, thanks to an intelligence that – besides logics and intuition – is rich in the intelligence of the heart; I have experienced in life that sentiment is a precious gift that is not limited to joys and sorrows, but leads to knowledge. History brims with your brilliance; so many more women could be added to the list I mentioned earlier! Poets like Sappho, philosophers like Hypatia, and in more modern times painters like Artemisia Gentileschi and architects like Plautilla Bricci, then gradually up to the present, brave, visionary women who were aware of their reality.

This is something charming that you share with poets, it is that genius that men can usually only experience in dreams, whereas poets and you women can access it more easily and turn it to creativity. Humanity expects you to use every one of your best qualities to move the world forward towards the bright future that awaits us. Sometimes it occurs to me that the word "my" or "mine" is not always that becoming, especially when referring to human relationships. Ownership between people is to be avoided. It is just us, sisters and brothers, sailing in a fascinating and eternally deep blue sea called humanity. If a man does not understand this, he is not for you. Nature has filled you with gifts, and they are golden gifts that allow you to enter history as you deserve.



GENTILE LUXURY, A SYMBOL OF BEAUTY ACCORDING TO RIGHT MEASURE



Solomeo, 17 August 2024

The product of my work is, in important respects, based on luxury, and I have always thought that speaking of luxury means speaking of beauty. As a child, I lived in the countryside and was in constant contact with the purest form of beauty, which is that of Creation; every morning and every evening, I would observe the cyclical nature of the seasons which returned year after year, always the same and eternal.

The word beauty is one of the first to appear in the Bible; I think of beautiful and good as having the same meaning, and I am convinced that both exist when there is measure. I am very fond of the words that the Greeks embraced as a guide: *kalòs kai agathòs* (beautiful and good) and *katà metron* (according to right measure), and I sometimes think of beauty as a universal rule for a serene life, a rule that is like one side of a coin, on the flip side of which is aesthetics. For all these reasons, I believe that there is also a direct, dynamic and effective link between aesthetics, which governs beauty, and ethics, which guide behaviour according to moral values. I am fascinated by Dostoevsky's prophecy that *Beauty will save the world*.

I like beauty even if it cannot be explained according to reason, and perhaps precisely because of that: there is some golden dust of madness in it, that of the poets, and how can one not see that truth too is a fruitful product of beauty? Every day I am reminded of the link between beauty and truth and how, as Aristotle argued, truth in turn has to do with wonder. Even though I am not a philosopher, I love philosophy and the great thinkers, who have taught me a thousand things.



According to Plato, starting from physical beauty, through the beauty of gods and laws, one finally reaches the beauty of knowledge; Thomas, that great saint, stated very simply that when something produces pleasure in us, that is beauty. Another great thinker, Kant, maintained that beauty is without concept or purpose other than to stir gentle pleasure in us, and regarding luxury he stated: “Luxury is found in human beings of good taste. It satisfies, with its variety, our capacity for judgement; it provides many with employment, and enlivens the whole of social life”.

From here I developed my idea of gentle luxury as the most faithful expression of our idea, of our creations, of our style; for gentleness is one of the greatest factors of happiness as, I believe, it allows us to follow our good “demon”. For this reason, the ancient Greeks called happiness *eudamonia*.

So what is gentle luxury? As a concept very close to that of beauty, it is not easy to find an exclusive definition, but I see luxury as a symbol. To me, luxury appears symbolic because it is something that binds us to beauty. “Gentle luxury, more simply, is a friend who welcomes you with a sincere smile, someone who reaches out to you, it is creativity and genius without excess, it is finding beauty in simplicity. It is hospitality for everyone, at the right pace, and is always welcome for the awareness of the value of respecting others. That is why gentle luxury has a universal value, which is well represented by women; hence the idea of a contextual figurative representation of some of the many women whose glorious deeds are immortalised in history; the idea has taken the form of a poster, almost a contemporary tapestry, which brings together nine evocative female figures from across the ages, including Sappho, the famous poet who lived between the 7th and 6th centuries BC; Theano, a Greek philosopher who was a disciple and probably the wife of Pythagoras; and Hypatia, the philosopher and mathematician from Alexandria who lived between the 4th and 5th centuries AD. The idea of such a testimony expresses, I hope, with simplicity a feeling of gratitude for these and all women who have contributed to the greatness of culture and the arts in humanity.



LETTER OF PRAISE TO ELDERLINESS



Solomeo, 03 September 2024

Now comes the evening of my life, and my eyes see the world through the colour of honey, which is the shade light takes on when the sun, falling between the mountains, turns everything to gold. Now everything is more benevolent and available to me, and I myself have become more tolerant and patient than when I was a boy.

A new life is about to begin, one that both fascinates and frightens me; but unlike when, many years ago, I faced tomorrow without a thought, now I feel the need to reflect, to figure out how to prepare myself for the new, I start thinking about a plan, just as I had learned at school, starting from reflecting on experiences.

However, I realise that the plan I now wish to devise is of a new kind, it does not have the same merely pragmatic nature as the others, one gets lost in it like in a labyrinth.

What will I do in these new days? How will I answer the questions? What will my new image look like? I seek help for these questions, and I sincerely appreciate the words of Schopenhauer on old age, though somewhat tinged with disappointment; I listen fascinated to those of Seneca, soft as caresses, but perhaps also a little melancholic.



Then, in order to figure it all out, I think back to the attitude of this or that gentleman I knew in my youth, like my grandfather, whose old age had not stolen his smile or his joie de vivre, and had given him a wise irony. And I have discovered that, for those who wish, this stage of life brings with it an enchanted flower, and that flower is wisdom. Now I am able to tell a thousand fabulous and true adventures, and my eyes see things never seen before.

I reflect, and I believe that, in the end, there is no plan to be made; instead, there is much strength, there is in the heart a spring that was small long ago, but now, with time, has become bigger and everlasting. That is why Solon stated: “I grow old constantly learning many things”.

I no longer believe that things depend solely on reason, because I see that many times the hand of chance grants success even to what lacks logic. I notice that in many circumstances, as Goethe thought, happiness offsets unhappiness, and, for this reason, I feel a little mystical, and I feel my heart, which had become somewhat turbulent, calming down.

I have learnt many things on a journey that has been, and still is, courageous. But now that the noise of the world is muffled for me, in the tower of my study in Solomeo, and since there is more quiet around me, that dialogue with myself and with the ancient men I have long pursued is beginning to become a concrete and continuous divine nourishment. Those great masters of the past, those thoughtful sages, speak to me and tell me that the evening of life, for all men and women, beyond religions and cultures, brings mankind closer to the heavens.

Then, we see more light, we embrace wider horizons, and perhaps we can even touch those stars that we have admired and longed for on so many nights, when, in times of difficulty, we looked up, asking them to show us the way of life.



INTRODUCTION. HUMANISTIC CAPITALISM AND HUMAN SUSTAINABILITY



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, spirit and technology 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

The main elements that characterise each of the six forms of sustainability through which the Group strategy is developed are indicated below.

Figure 1: The six forms of Human Sustainability



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 FOR LIFE AND WORK – OUR DECALOGUES

The six forms of Human Sustainability are associated with enduring **ideals for 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 concern the relationship that our Casa di Moda has with the earth, 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 for Life and Work

- I. ***We love and respect Mother Earth:** we cultivate our land according to nature and we welcome its fruits as its greatest gift.*
- II. ***We do not use more resources than 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.***
- 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.*



OUR COMMITMENT

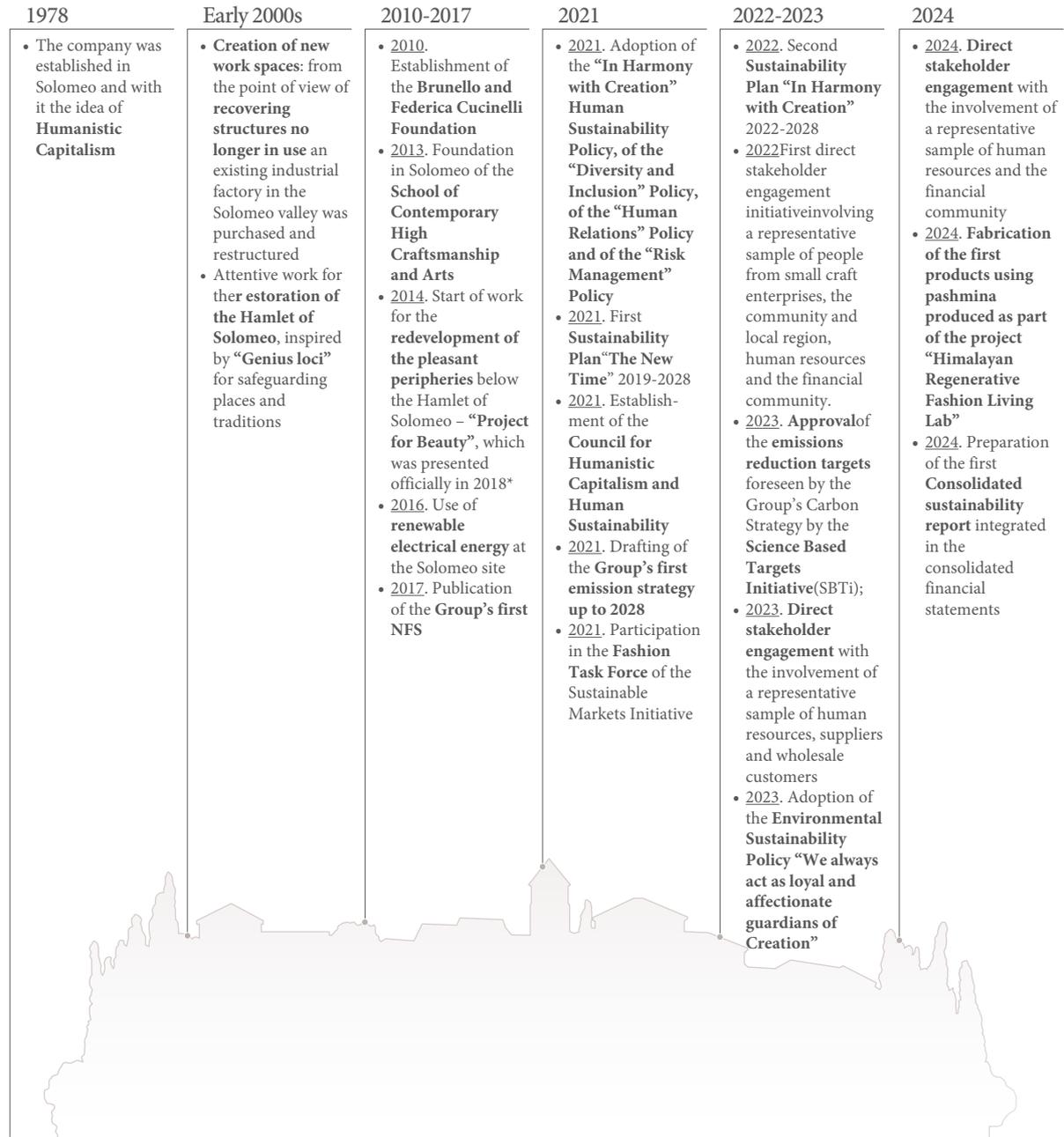
Our idea of Human Sustainability has been defined and strengthened over the years through the numerous initiatives carried out with the ultimate aim of generating value not only for the Casa di Moda but also for the plurality of stakeholders we interact with.

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 2024-2028 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**.

During the meeting on 11 July 2024, the Board of Directors approved the **update to the Sustainability Plan of the Casa di Moda for the 2024-2028 time period**.

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**.

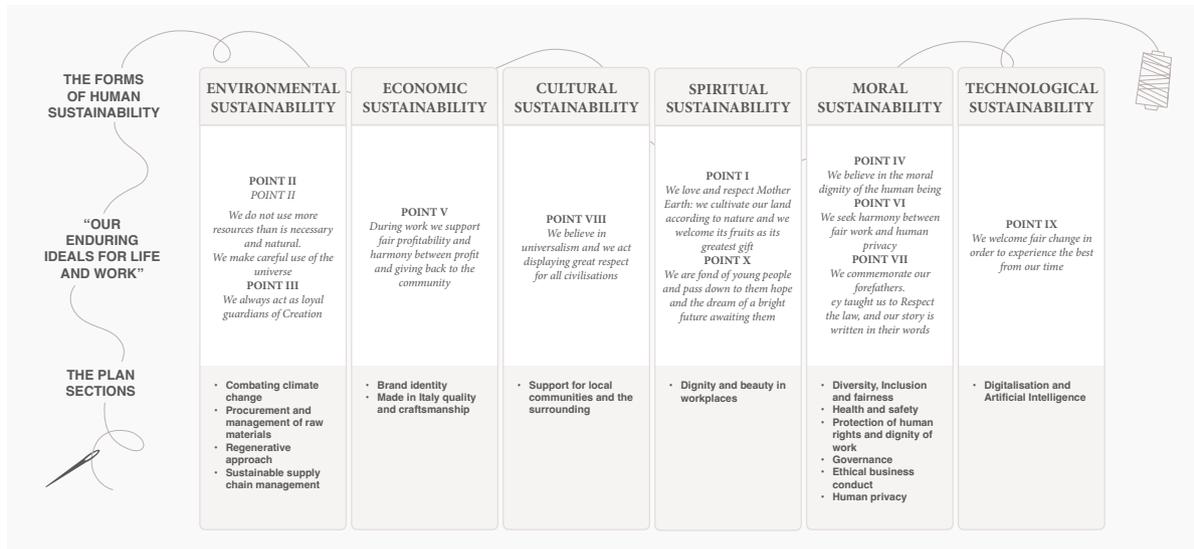
The **2024-2028 Sustainability Plan, “In Harmony with Creation”** is organised into **6 pillars** (see Figure 3) representing the six forms of Human Sustainability – environmental, economic, spiritual, cultural, moral and technological –, highlighting the **natural synergy between them**.



Each is linked to **one or more precepts of the Decalogue “Our Enduring Ideals for 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 for Life and Work”** we have identified the **priority topics** 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 3: The 2024-2028 Sustainability Plan, “In Harmony with Creation”



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.

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.

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



Figure 4: Our priority topics and contribution to the SDGs

		<input type="radio"/> DIRECT INCIDENCE	<input checked="" type="radio"/> INDIRECT INCIDENCE										
ENVIRONMENTAL SUSTAINABILITY	Combating climate change										<input checked="" type="radio"/>	<input checked="" type="radio"/>	
	Procurement and management of raw materials									<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	
	Regenerative approach											<input checked="" type="radio"/>	
	Sustainable supply chain management				<input checked="" type="radio"/>					<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
ECONOMIC SUSTAINABILITY	Quality and craftsmanship made in Italy				<input checked="" type="radio"/>					<input checked="" type="radio"/>			<input checked="" type="radio"/>
	Brand identity				<input checked="" type="radio"/>								
CULTURAL SUSTAINABILITY	Support for local communities and the surrounding region				<input checked="" type="radio"/>			<input checked="" type="radio"/>				<input checked="" type="radio"/>	
SPIRITUAL SUSTAINABILITY	Dignity and beauty in the workplace	<input checked="" type="radio"/>			<input checked="" type="radio"/>	<input checked="" type="radio"/>							
MORAL SUSTAINABILITY	Diversity, Inclusion and Equity		<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>							
	Health and safety	<input checked="" type="radio"/>			<input checked="" type="radio"/>								
	Protection of human rights and dignity of work		<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>							
	Governance												<input checked="" type="radio"/>
	Ethical business conduct				<input checked="" type="radio"/>								<input checked="" type="radio"/>
	Human privacy												<input checked="" type="radio"/>
	Human privacy												<input checked="" type="radio"/>
TECHNOLOGICAL SUSTAINABILITY	Digitalisation and Artificial Intelligence	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>							<input checked="" type="radio"/>



Human Sustainability: key activities in 2024

2024 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



- Calculation of the **2024 Greenhouse Gas (GHG) emissions 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 2024 Questionnaire** with a score of **B** and the **CDP Water Security 2024 Questionnaire** achieving a scope of **B**;
- Start of the use of biodiesel (HVO), with reduced emissions impact for vehicles in the company fleet that are compatible with its use;
- Definition and dissemination of the **company carpooling** for employees in Italy;
- Start of the second phase of the *Himalayan Regenerative Fashion Living Lab* project as part of the Sustainable Markets Initiative Fashion Taskforce;
- Development of the project for **mapping the environmental impact of raw material suppliers** and involvement of a sample of suppliers in order to evaluate the possible activity of **reducing environmental impacts**;
- Progress of construction work on the **new production hub near Solomeo**, in alignment with the principles and guidelines of LEED® certification;
- Continuation of construction work on the **new production hub in Penne, Abruzzo**, in alignment with the principles and guidelines of LEED® certification;
- Start of construction work on the **new production hub in Gubbio, Umbria**, in alignment with the principles and guidelines of LEED® certification;



- **100% recycling of cardboard** used for packaging “**hung clothing**” for shipment, continuing with what was started in the previous years;
- Continuation of the project “**Recovery of production scraps**”, in collaboration with the artisan laboratories involved in the cutting and complete cycle phases and start of the processes of testing of **paper** items created from the waste resulting from the processes phases.

Economic sustainability



- Increase in the number of participants at the School of Contemporary High Craftsmanship and Arts, as well as implementation of the training courses to support “small entrepreneurship”;
- **3,723 items repaired** (+8% compared to 2023) as part of the garment repair service offered to our customers world-wide.



Cultural sustainability



- **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.



Spiritual sustainability



- Continuation of activities targeted towards enhancing our idea of a “beautiful factory”.



Moral sustainability



- Performance of **direct engagement activities** with the following stakeholders: representative sample of human resources and the financial community;
- **Deep dive** regarding Climate Change Risk;
- Continuation of the project of extending the privacy model to an initial group of foreign countries;
- Started **internal training and awareness raising** for human resources in Italy, regarding **ethical business conduct**, the **duty of confidentiality** and **combating corruption**, together with the Supervisory Body;
- **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.



Technological sustainability



- Launch of the first pilots 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 the “**Digital beehive**” targeted towards the evolution of **core** technological architecture, aimed at **supporting company growth**;
- Experimentation on the use of **AI models** to support individuals involved in company processes to simplify process management;
- Evolution regarding the Contemporary Factory to improve the **traceability of garments within** and outside the production chain, as well as the redesigning of tools for product quality control.

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

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 artisan 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 distinct taste that distinguishes us and the value of high craftsmanship and the dignity of manual work, celebrating Italian genius and the values of Humanistic Capitalism and Human Sustainability that have characterised our Casa di Moda since its origins, have been rewarded also in 2024 with two prestigious awards.

International awards

On 22 September 2024, at the Teatro alla Scala of Milan, the international independent jury for the CNMI Sustainable Fashion Awards conferred **“The Visionary Award”** to the Chairman Brunello Cucinelli for his decisive role in bringing the beauty of culture to light. This recognised both the fine ability both in creating an innovative and virtuous business model – which never neglects the values of craftsmanship, rather it conserves and encourages it – as well as in harnessing technology and artificial intelligence for the wider concept of humanism.

There were also **two very important international awards**.



On 29 October 2024 in New York, Brunello Cucinelli was awarded the prestigious **“WWD John B. Fairchild Honor”**. This illustrious lifetime achievement award, bestowed annually by the renowned American journal **Women’s Wear Daily** – one of the **most influential fashion publications** in the world – fully acknowledges the outstanding Made in Italy craftsmanship of the Solomeo-based Casa di Moda.

In addition, on 29 November 2024, during the **“The Year Ahead 2025”** event, **Bloomberg China** the Chairman, Brunello Cucinelli, received the **“Good Business”** award for the values of Humanistic Capitalism and Human Sustainability. These principles have always shaped every aspect of the Solomeo-based company, from craftsmanship to the new frontiers of technological innovation which “Human artificial intelligence”, as the Chairman is fond of calling it, invites us to explore fearlessly.

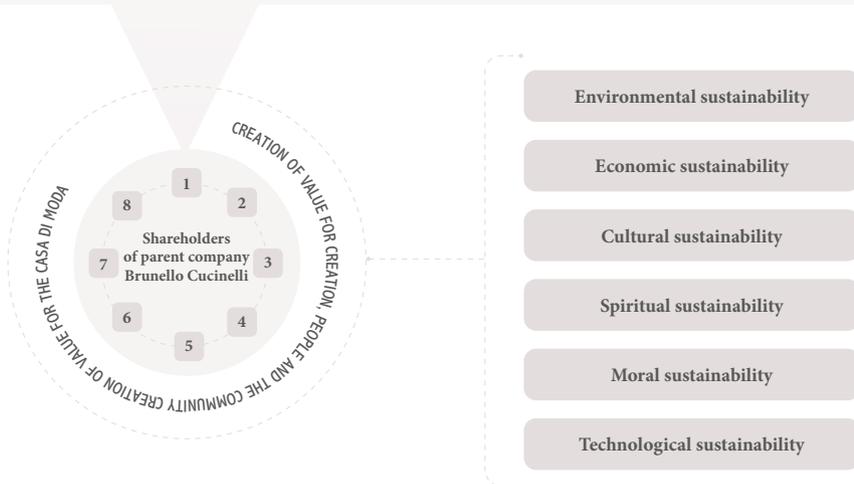
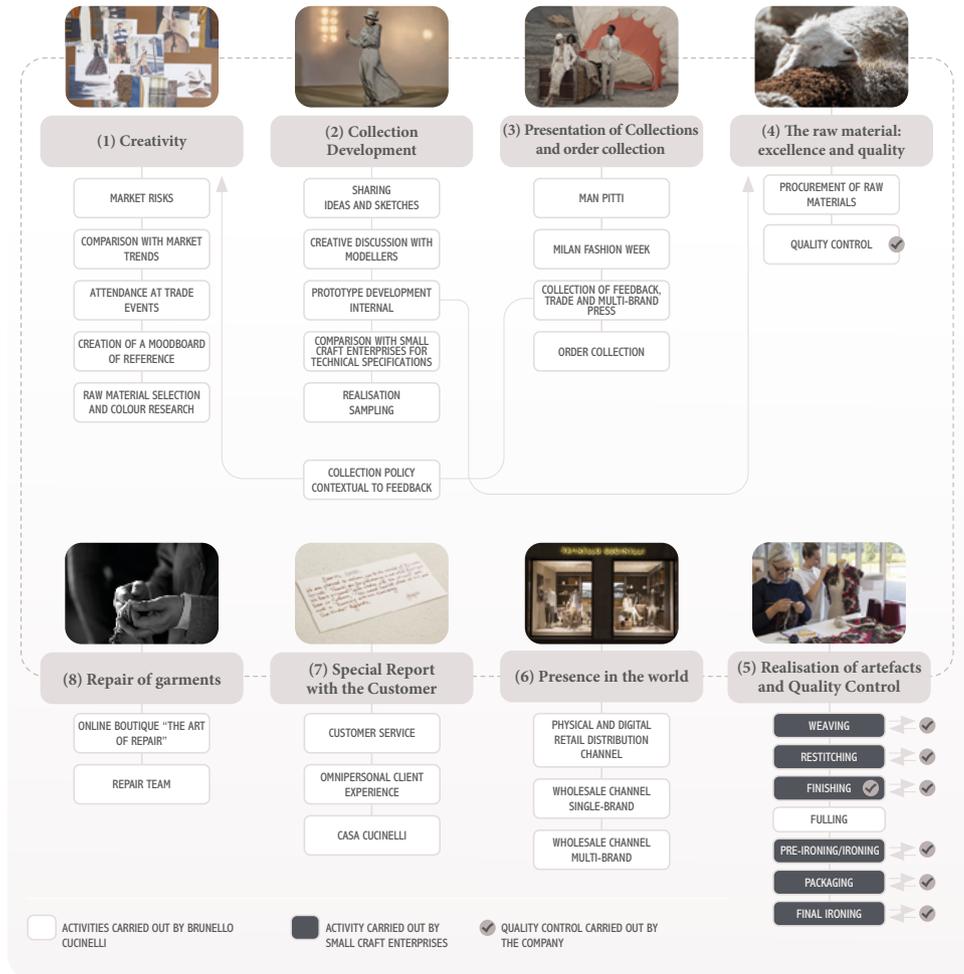
These awards follow other highly prestigious acknowledgements received by in recent years:

- the **“Neiman Marcus Award for Distinguished Service in the Field of Fashion”**, conferred in March 2023 by the famous Dallas luxury department store;
- the **“GQ Designer of the Year 2023”**, also bestowed last year by the authoritative men’s magazine GQ China;
- the **“Designer of the Year”** award, conferred in 2021 by the authoritative British magazine, GQ.

All these awards are a great honour for the brand, and they celebrate the objectives achieved over the years in terms of recognition and appreciation for the **“Brunello Cucinelli taste”**, both from the specialist press and from so many customers all over the world.

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 5).

Figure 5: Our business model





The development of the collections begins with the **creativity** phase (1)¹, 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 women’s, men’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 of 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 from which the materials are sourced. 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 60%, 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.

¹ The numbers in brackets refer to the elements represented in figure 5.

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).

GENTILE LUXURY AND BRAND IDENTITY

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.



Following the partnership agreement signed with EssilorLuxottica, which came into force on 1st January 2023, the **second eyewear collection** was launched in October for the 2024 Fall-Winter season. The major joint endeavour of the creative teams of Solomeo and Agordo consolidates the respectful and fruitful understanding between the two manufacturers, stemming from the mutual esteem and fondness that brought Brunello Cucinelli and Leonardo Del Vecchio together. The men's good-natured, kindly friendship led to a painstaking research and development project, conducted in complete harmony and synergy and aimed at producing creations representing “well-made in Italy”.

In relation to our **fragrances** line the **first collection**, presented in March 2023, included **two fragrances**, compared to “cashmere chokers”, which from the very outset garnered the favourable judgement of multi-brands, always very important to us, and of end customers.

The **second line** of fragrances, launched on the market in December 2024, adds **six new perfumes**, with gender-neutral labelling, which form a new olfactory collection called “**Incanti Poetici**”. These new products form part of a **very high-end market segment**, with a distribution strategy consistent with our core principles of exclusivity and quality.



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. Also during 2024, 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 concept of **hospitality** and **familiarity**, which also characterise the brand, are reflected in the “**Casa Cucinelli areas**”, now located in Solomeo, Milan, Paris, London, New York, Tokyo and Hong Kong. These 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. The Casa Cucinelli 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.

An increasingly important dimension in our relationship with customers is represented by our so-called “**artisan events**”, which allow us to establish and consolidate a bond of trust with those who appreciate or want to connect with our brand.

These events, with a limited number of guests, allow us to create **unique, personalised experiences**, where we can dedicate the right amount of time and space to each guest and, last but not least, create a profound harmony with the *genius loci* and the culture of the location.

During the year, about 30 of these events were organised, such as the most recent events dedicated to friendship and conviviality that took place in **Shanghai, Dubai and Los Angeles**.

We also fondly remember the two days of the initiative “**Castello di Solomeo welcomes La Paulée**” which took place mid November, in Solomeo. This event was inspired by the antique French festival that is celebrated every year at the end of the grape harvest.



From the historical hamlet to the Cucinelli Theatre, from the cellar to the vineyard, numerous guests have participated in meetings, tastings, guided tours to discover the vineyard and the wine of Castello di Solomeo as well as some of the most prestigious wines in the world, such as Domaine Marquis d'Angerville, Maison Louis Jadot, Champagne Salon, Champagne Delamotte, Champagne Krug, Château Lafite Rothschild, Château l'Évangile, Château Cheval Blanc and Château d'Yquem. To celebrate the end of the event, the Michelin-starred chefs Michel and César Troisgros created a dinner that celebrated the flavours of the region, paying tribute to tradition and creative experimentation.



At the end of the year, we organised the usual **convivial meetings** together with our esteemed **investors** at our **Case Cucinelli** in **Paris, London, New York** and soon in **Milan**, to thank them for their precious contribution and reflect on important topics that characterised 2024, visualising the near future together.

The story of the Casa di Moda and its intrinsic values

Our campaigns are created with the aim of evoking deep emotions, of inspiring and portraying our world through culture, beauty and harmony. Each project is an invitation to explore the soul of our Casa di Moda, where tradition meets contemporary sensitivity, giving life to a timeless aesthetic.

Sound of Cashmere and **Symphony of Emotions** represent two authentic expressions of this vision, where the language of art intertwines with the artisan savoir faire and with the search for excellence.



Sound of Cashmere is a sensorial voyage that transforms cashmere into a tactile and sonorous symphony. The movement of the yarns, the rhythm of the weaving, the delicateness of the material become the notes of a subtle and refined harmony that is able to transmit an intimate and profound emotion. An ode to the manual skills and quality that is demonstrated through evocative images and sounds, restoring the poetry inherent in the gestures of craftsmanship. The project was carried out with **Chiara Luzzana**, an internationally renowned sound designer who was able to transform the sound of cashmere into a unique melody, giving a voice to the material and the artisan savoir faire.



Symphony of Emotions is a journey through the universal language of music and visual arts. A narrative that intertwines sounds, images and suggestions to give a voice to more authentic emotions, those that traverse time and create a memory. As in an orchestral composition, each element combines with the others in perfect equilibrium, portraying the beauty of

human emotions and their ability to connect people. To give a visual form to this emotional universe, the project has involved **international illustrators**, who translated the poetry of music and the depth of feelings into images.

These projects are developed through a multi-channel narrative that has been integrated into our digital boutiques and in our online content, offering an immersive experience that goes beyond the visible and penetrates the essence of our world.

For us, communicating means creating a bridge between material and the soul, between tradition and innovation, between visible and invisible. In the **Sound of Cashmere** and **Symphony of Emotions**, our vision comes to life through art and music, celebrating the value of time, emotion and authentic beauty.

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 16 million visits in 2024 – 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 that has been 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**.

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, as well as an increasingly unique and personalised approach.

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, starting in 2023 each client adviser has been provided with an app that allows them to create personalised digital content, such as suggested looks, to be used 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 **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 have chosen a less direct and asynchronous channel such as email only in very limited cases.



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 to our world 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 perceived in particular in the “**Casa Cucinelli**” areas.

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



Experience in Solomeo

The role that the **Umbrian region** and **traditions** play in the brand's identity is expressed also through 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 artisan creative process is carefully carried out.

Living in Solomeo allows customers to fully grasp the value, taste and very essence of the products, with the hamlet itself become a complementary part of the Brunello Cucinelli brand.

There have been **numerous occasions for meeting with our customers** worldwide: from the dinners organised in our Case Cucinelli to the La Paulée event, which was held at our cellar in Solomeo.



Confirming our commitment to youth sports, in June we hosted the presentation event for the finalists of the European Golden Boy 2024 competition in the Cucinelli Theatre in Solomeo.

The passage of the 1000 Miglia also took place in June along the roads of the hamlet, with lunch for all the participants at the company restaurant. This event made Solomeo a protagonist of the “Most beautiful race in the world”, which is also the slogan that accompanies the event.





During summer, we organised events at the resorts where we are present with our boutiques, meeting the friends of the brand directly at their vacation destination, such as the “Mediterranea” events organised at the Villa Ephrussi de Rothschild, in the French Riviera and in Singapore.



The Time Traveller event was held in September, organised in the Orient Express for an unforgettable, timeless journey from Paris to Florence, and the suggestive event was organised in November at the Dubai Desert Conservation Reserve, among the enchanting dunes of the desert.



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



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. Therefore, to use the words of the Chairman Brunello Cucinelli, *“imagine a place where conservation and change come together harmoniously, which can be the way to healthy, balanced and sustainable progress”*.

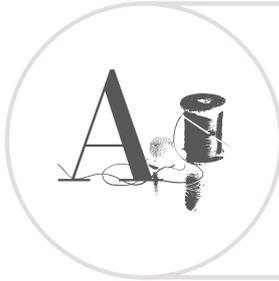
Repair, which in our value chain represents the last stage in the management of the handcrafted product, is therefore identified for us by the concept of care (see Figure 6).

Figure 6: 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 **3,723 garments** were repaired during the year, an increase of 8% compared to 2023.



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**.

Aware of the value and cost of our products, we are confident of the fact that our customers - in particular the new generations - will make their choices carefully, informing themselves about how our company uses profits to generate human, social and economic value.

The ideal of gracious growth is 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**.

2024 was an “**enchanting**” year thanks to the great results achieved by our Casa di Moda, with revenue **growth** of **+12.2%** (+12.4% growth at constant exchange rates), both in terms of turnover and for having further strengthened the brand image.

Turnover is equal to **€1,278.5 million**, thanks to very positive sales that were achieved during the entire year; quarter after quarter we have been able to confirm the targets we set for ourselves, and the sales during the last weeks of the year, in particular in the direct channel, have made it possible for us to slightly exceed the highest part of our growth expectations for 2024, which were reviewed at the beginning of December to between +11% and +12%.

The dynamics of 2024 fully confirmed the sustainability of our idea of **gracious growth**, which develops gradually with full respect for the principles of **humanistic capitalism** and **human sustainability**.

We believe that the following factors have specifically contributed to our achievement of these great results:

- full acknowledgement of the exclusivity and positioning of our brand, of the quality and the very high level of craftsmanship of the collections proposal, deemed to possess a wealth of innovation and creativity;
- the great trust shown by our customers, the appeal of our brand, also to new clients, and the very pleasant and familiar atmosphere that we feel pervades our sales spaces.



Strategic choices and results in 2024

We are fully satisfied with the sales trend and prospects for our brand, which we believe are well supported by the identifying characteristics of our business model, among which we would like to highlight:

- an **exclusive network of direct boutiques**, with which we constantly work to offer customers spaces that are always modern, attractive and in line with the aesthetic values of the brand;
- a **very lively wholesale channel**, geographically well distributed and balanced, with long-term planning shared with our valued customers;
- a **balanced distribution of turnover** within the different **international geographical areas**;
- a **discrete and elegant communication style** that reflects the fundamental values of our brand that seeks to create an **authentic and significant relationship** with the **end customer**, through **events** that we like to define as **artisan**, creating a “special” relationships with all those present;
- an excellent **balance** of the contribution of the **Men’s and Women’s collections**, which show consistent and almost equal growth;
- constant and synergistic contribution of the different product categories of clothing, accessories, perfumes and eyewear in the definition of a **unique identity of taste** and a single portioning in terms of quality and price.

As in previous years, the **strengthening of our network of direct boutiques and wholesale partnerships** was decisive in 2024. 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 **130 retail boutiques** at 31 December 2024. There are **50 hard shops** operated directly within Department Stores.

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**).

At 31 December 2024 there were 27 **single-brand wholesale boutiques**.

Figure 7: The single-brand sales network worldwide



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.

2024 was also marked by the **major investments** we made in our multi-year project, with the desire to **further strengthen the exclusivity** of our brand, and to secure **production facilities** to support the long-term growth plan.

In the year just ended, investments therefore amounted to approximately **€108 million**, accounting for 8.5% of turnover, with significant resources dedicated to both **commercial investments** and those in the **digital, technological, manufacturing** and **logistics** fields.

Worthy of note are the **ongoing plans to double the Solomeo factory in size** and the investments in the opening of new production facilities in Italy in **Penne** (Abruzzo) and **Gubbio** (Umbria), hotbeds of excellence in the production of men’s outerwear and tailored suits.

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*

CORPORATE GOVERNANCE

As at 31 December 2024, the Brunello Cucinelli Group² 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.

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 system³ defines the operating environment within which to pursue gracious, long-term growth objectives.

² The company organisational chart for the Brunello Cucinelli Group can be found in the 2024 Consolidated Financial Statements, which are available at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.

³ For further details on Corporate Governance, please see the Report on Corporate Governance and Ownership Structure for the year 2024, available at the following link: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.

Specifically, it conforms to the so-called “traditional model” and its composition is divided into the following bodies, detailed below in figure 8:

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

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



Figure 8: 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 2024, published in April 2025.

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.

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 supported by the advisor Carolina Cucinelli, whose roles include **Creative Co-Director** and **Vice President**. This latter position had been held by the advisor Camilla Cucinelli until 31 December 2024.

As of 2020 there are two people who hold the position of Chief Executive Officer (CEO) of the Company, Riccardo Stefanelli and Luca Lisandrini. 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 Lisandrini 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.

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

Specifically, through preliminary analysis, the **Control and Risk Committee (CCR)**⁴ supports the assessments and decisions of the BoD concerning the Internal Control and Risk Management System (ICRMS).

⁴ 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 2024, available at the following link: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.



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 ICRMS⁵.

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 standards.

The CRC also operates as the related party transactions committee.

The **Remuneration and Appointments Committee**⁶ 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.

The Remuneration Policy

The incentive systems and remuneration policies connected to sustainability issues are regulated within the Company Remuneration Report⁷. 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*.

The remuneration policy provides for the payment of a **fixed remuneration** and a **variable remuneration** (Management By Objectives - MBO), to which performance metrics related to sustainability are added.

For the definition of the **variable components** intended for the Chief Executive Officers, the remuneration policy distinguishes between short-term components (with an annual time frame), connected to reaching short-term performance objectives, also of a non-economic nature (e.g. ESG), consisting (primarily) in a cash remuneration, as well as medium- and long-term components connected to reaching medium- to long-term performance objectives (objectives of at least 24 months), consisting "also" in financial instruments (equity-based).

The short-term variable remuneration envisaged for CEOs is associated 50% with economic performance (turnover) and 50% with **Human Sustainability goals**.

⁵ 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 2024, available at the following link: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.

⁶ 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 2024, available at the following link: <https://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.

⁷ The company report on the remuneration policy and the compensation paid during 2024 can be found at the following link: <https://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.



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 **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 1: 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 Lisandrone	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.

The Council for Human Sustainability and Humanistic Capitalism 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.

It 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.

On an operational level, the Council is supported by the **Human Sustainability Team** – which also plays a proactive and advisory role in this area of sustainability 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.

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.

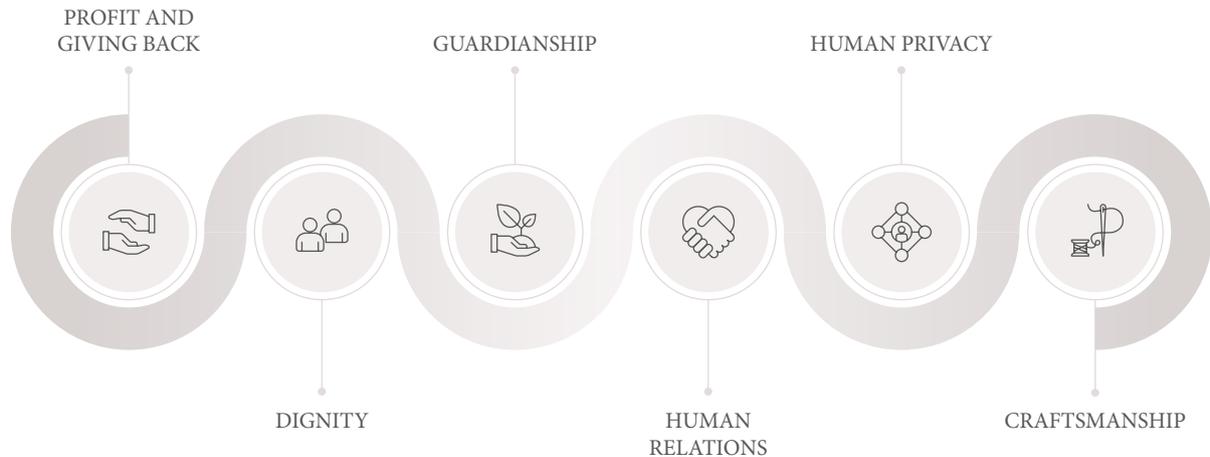
Finally, the BoD is responsible for checking and approving the contents of the Consolidated Sustainability Report⁸ and the underlying analyses, with particular reference to the Double Materiality analysis, which is essential for identifying and assessing the impacts of the company's risks and opportunities⁹.

The “In Harmony with Creation” Human Sustainability Policy¹⁰

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 “Five Decalogues” underlying our idea of Humanistic Capitalism, and which, within the “In Harmony with Creation” Human Sustainability Policy – adopted by the Board of Directors on 11 March 2021¹¹ – are translated into commitments described according to a structure with **six “pillars”**.

Figure 9: The pillars of the “In Harmony with Creation” Human Sustainability Policy



⁸ The 2024 Consolidated Sustainability Report, which was prepared in compliance with the ESRS (European Sustainability Reporting Standards) according to Legislative Decree 125/2024, which implements the Corporate Sustainability Reporting Directive (CSRD), is contained in the 2024 Consolidated Financial Statements, which is available at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.

⁹ For more information about this topic, consult the 2024 Sustainability Report, which can be found on the corporate website at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.

¹⁰ The “In Harmony with Creation” Human Sustainability Policy can be consulted at the following <https://investor.brunellocucinelli.com/en/services/archive/governance/human-sustainability>.

¹¹ The following Policy was updated and approved by the Board of Directors in December 2024.



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.

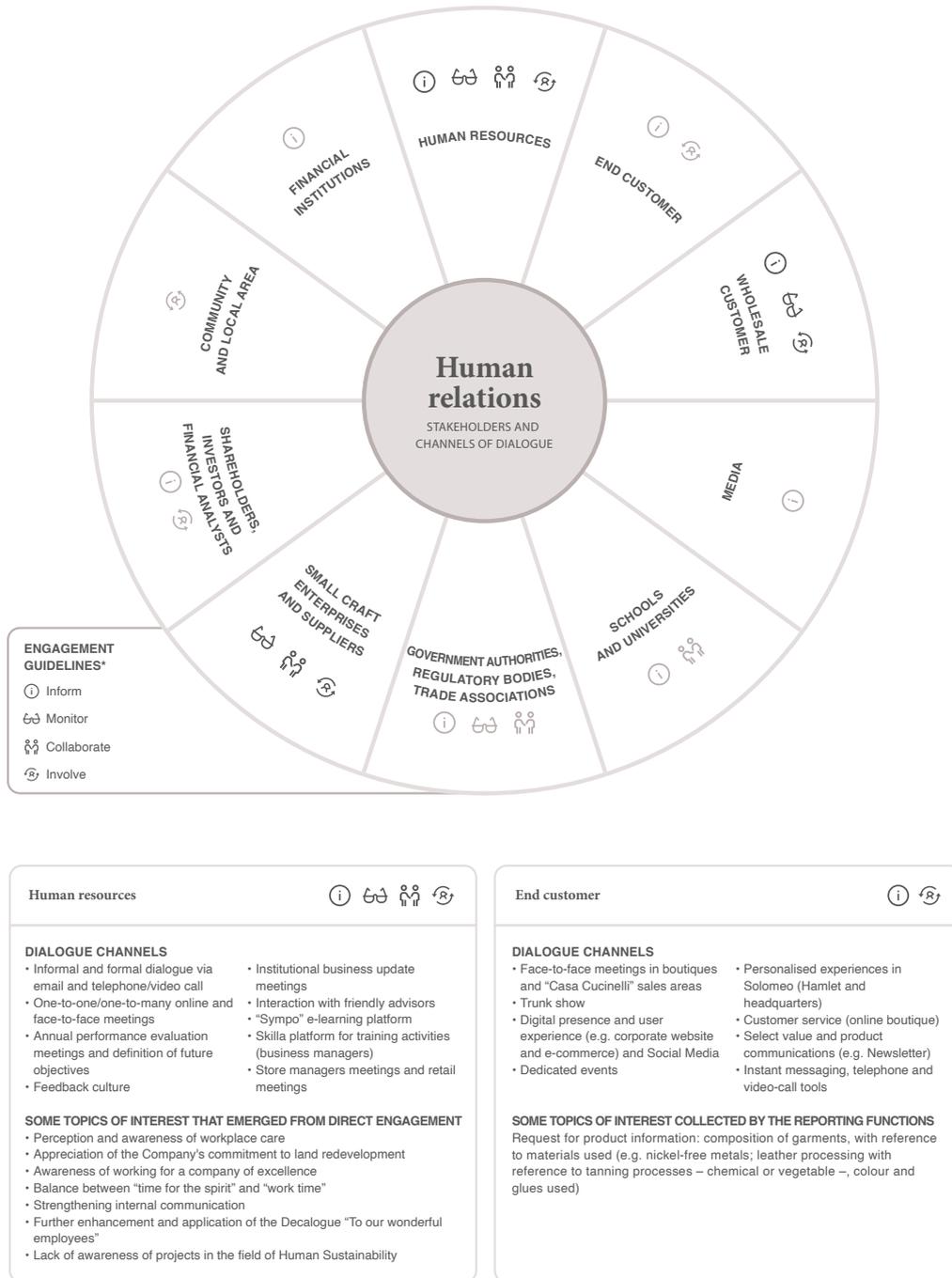
This objective lies at the heart of the Human Relations Policy¹², approved by the Board of Directors in March 2021¹³ and published on the Investor Relations website, as well as the engagement activities launched over the past year in accordance with the Stakeholder Engagement Plan, the natural operational continuation of the principles enshrined in the Policy.

The wide variety of stakeholder categories (see Figure 10) 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.

¹² The Diversity and Inclusion Policy can be consulted at the following link: <https://investor.brunellocucinelli.com/en/services/archive/governance/human-sustainability>.

¹³ The following Policy was updated and approved by the Board of Directors in December 2024.

Figure 10: 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

**Wholesale customer****DIALOGUE CHANNELS**

- 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

SOME TOPICS OF INTEREST THAT EMERGED FROM DIRECT ENGAGEMENT

- Increasing involvement of suppliers
- Ongoing external communication of corporate excellence

Media

(local, national and international)

**DIALOGUE CHANNELS**

- Dialogue by phone/email
- Informal talks
- Formal talks
- Press releases

SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS

- 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)

Government Authorities, Regulatory Bodies, Trade Associations**DIALOGUE CHANNELS**

- Meetings with local government representatives
- Company visits
- Telephone/e-mail
- Meetings with representatives of trade associations
- Partnerships to support the local area and communities

SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS

Business-related authorisations/supervision

Schools and universities**DIALOGUE CHANNELS**

- 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

SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS

Organisation of internships; career days; already active training programmes; development of new training or job placement projects

Community and local area**DIALOGUE CHANNELS**

- 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

SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS

- 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

Small craft enterprises and suppliers**DIALOGUE CHANNELS**

- 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

SOME TOPICS OF INTEREST THAT EMERGED FROM DIRECT ENGAGEMENT**Small craft enterprises:**

- 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

Financial Community

(shareholders, investors and financial analysts)

**DIALOGUE CHANNELS**

- 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

SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS

- 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

Financial institutions**DIALOGUE CHANNELS**

- 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

SOME TOPICS OF INTEREST COLLECTED BY THE REPORTING FUNCTIONS

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



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 *culture of 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.

For the purposes of defining the Plan, each stakeholder category has been classified by company management according to four guidelines of strategic importance that make it possible to identify the best dialogue channels to use to reinforce communication between the Group and its stakeholders.



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 semi-annual summary are then shared, as an aggregate, with the Council for Human Sustainability and for Humanistic Capitalism, as well as with the administration, management and control bodies. Listening to stakeholder requests, which are collected through information channels as well as the procedures described above, allow the company to continuously include the evaluations of its stakeholders in the internal decision-making and strategic processes.

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 a representative sample of the following categories: **human resources** and the **financial community**.

The involvement of the financial community 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 11: 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



Taking care of the company's green areas and the territory



A crane symbolising Brunello Cucinelli's commitment to the **building of new production hubs** respecting the sustainable environmental criteria



A moment of stakeholder engagement



Caring for and the beauty of the workplaces, where employees of the Casa di Moda are located, as well as at the sites of suppliers and small craft enterprises



Emission reduction initiatives (e.g. use of car sharing)



The Tribute to Human Dignity Monument



The digital product passport



The objectives underpinning the engagement activities organised at the beginning of July 2024 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 purpose of the engagement was:

- Continuously **strengthen** the **dialogue and 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;
- **Directly involve** the stakeholders when updating the **Double Materiality analysis** for the purposes of the 2024 Consolidated Sustainability Report¹⁴.

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.

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, input has been collected from the questionnaires returned by shareholders and investors.

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.

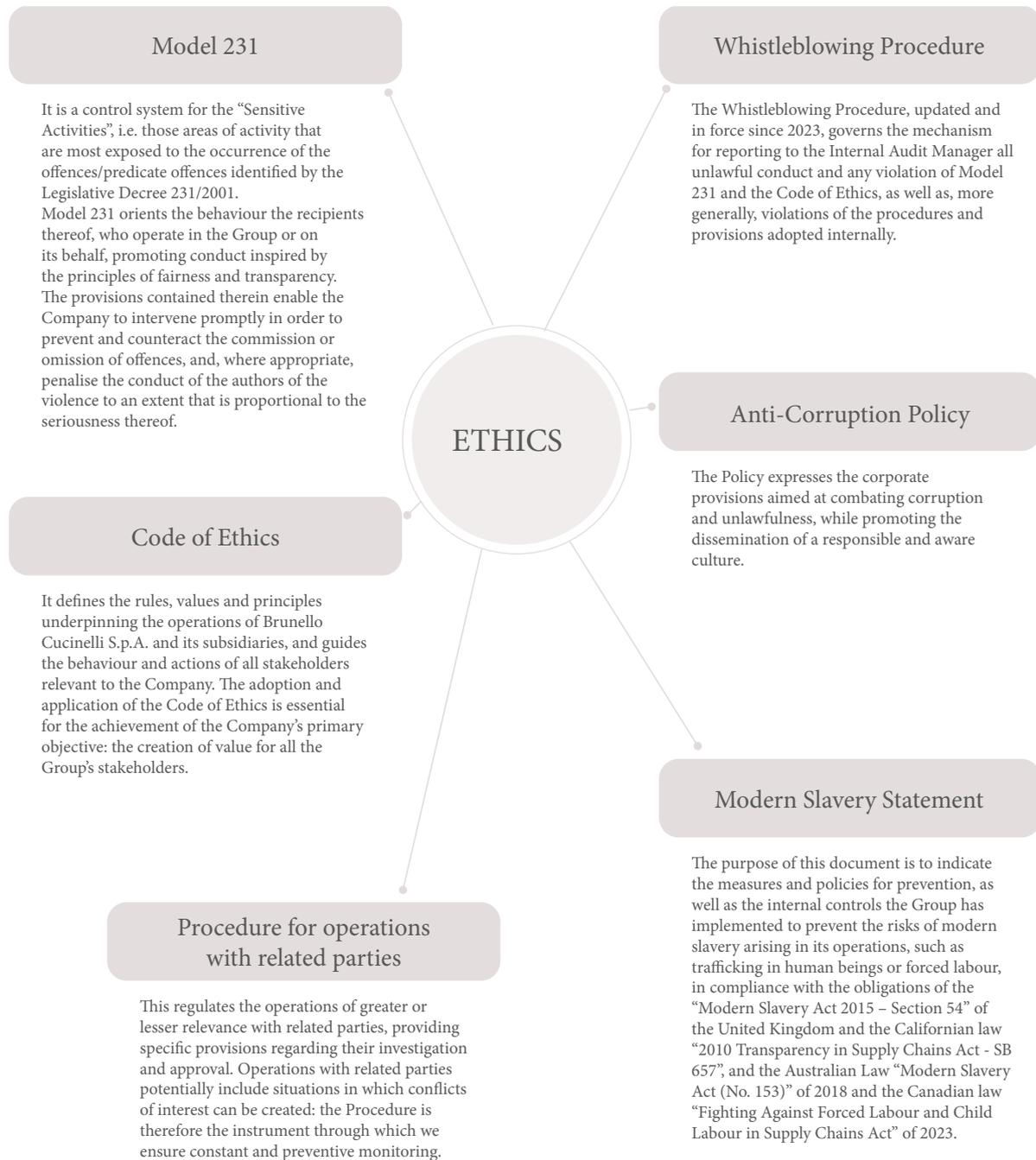
In order to ensure the correct application of these principles and ethical business management, over time the Group has equipped itself with various tools, including the 231 Model, the Whistleblowing Procedure (pursuant to Law 24/2023), the Anti-Corruption Policy, the Modern Slavery Statement, the Code of Ethics, the Procedure for Transactions with Related Parties, the Internal Dealing Procedure¹⁵ and the Procedure for the Management of Inside Information¹⁶ (see Figure 12).

¹⁴ For more information about this topic, consult the 2024 Sustainability Report, which can be found on the corporate website at the following <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.

¹⁵ Last revision made in 2017.

¹⁶ Last revision made in 2017.

Figure 12: The tools supporting ethical business management



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.

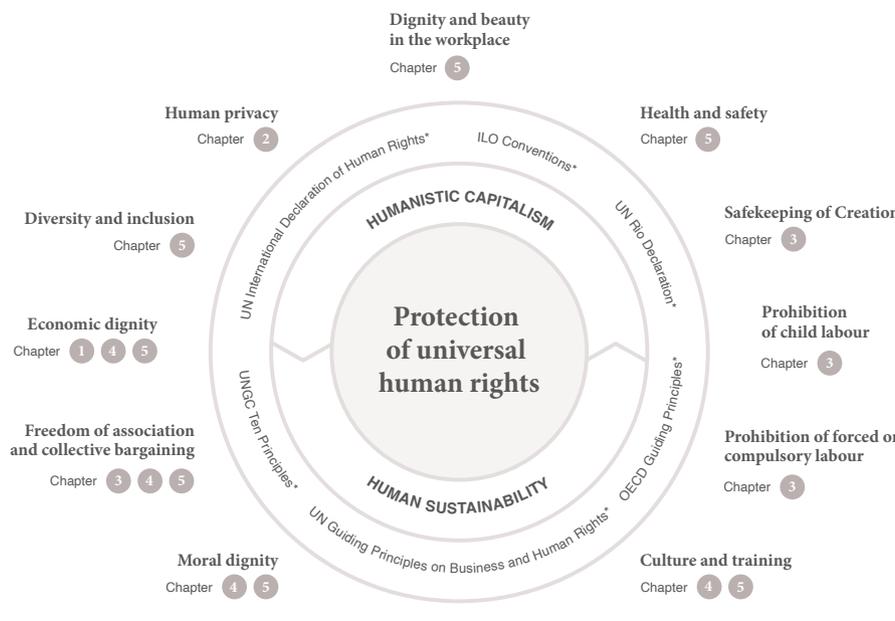
We view universal human rights according to a **holistic and inclusive approach** that therefore is targeted towards including all the rights set out by the **United Nations' Universal Declaration of Human Rights** of 1948, by the **Conventions of the International Labour Organisation**, in particular 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.

It is for this reason that the Casa di Moda has decided to prepare the Modern Slavery Statement, which is published on our investor website to counteract any type of exploitation.

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 points out the measures activated by the Group with reference to the protection of universal human rights, for which we are committed to guaranteeing correct and increasingly attentive safeguarding and valorisation.

Figure 13: 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 a **genuine and discrete approach in the communication and use of personal data**, at the base of all moments of interaction in order to create a relationship of esteem and trust that is based above all on the quality of data and information, from the collection of data from clients in the boutique, on the internet website or during events, when purchasing in the boutiques or e-commerce, to communication and post-sales support, with respect to the principles of **necessity, lawfulness, correctness, transparency, minimisation, precision, integrity and privacy**.

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 from the compromising of such data as a result of loss, theft, destruction and alteration of the information collected.

The position of **DPO** was in fact established in order to monitor the observance of the regulations and provide assistance for the management of the risks related to personal data processing. They coordinate, on a central level, the activities related to privacy carried out by different Group companies.

The creation of the **Human Privacy Committee** has also made it possible to optimise the Company's organisational structure on a privacy level, better defining the role of the DPO and the relationships with the CEOs and other company functions. With regard to the Human Privacy Committee, the DPO has a listening and advisory role regarding specific agenda items.

The DPO submits relevant topics and suggests suitable/necessary actions to guarantee compliance with GDPR, first bringing them to the attention of the Human Privacy Committee (which expresses their opinion and formulates any observations) and then to the CEOs for approval.

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 Policies**, pursuant to articles 13 and 14 GDPR, are made known through publication on the company's institutional website and on the e-commerce site for the users of these websites. The Privacy Policy, which is dedicated to the customers of the boutiques can be found on the digital customer card, which with customers freely express their consent for the sharing of their personal information and their processing for the specific purposes expressed by the Company; the Privacy Policies related to human resources are published on the company intranet.

Thanks to the controls in place, we can state that in 2024, as in previous years, the Company received no complaints from its customers about violations of current regulations¹⁷.

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.

¹⁷ For more information about this topic, consult the 2024 Sustainability Report, which can be found on the corporate website at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.



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 at the end of 2022.

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

- **Adaptation**: an audit/assessment of the Group companies was started at the end of 2022 by local specialised consultants. 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**: the performance 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. 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 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.

During 2023 a dedicated assessment was carried out for France and, for the other Countries who are already involved, a *“remediation plan”* was started for the creation of a privacy model intended to be implemented at the 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 during 2025 in the remaining areas, including Japan, Russia, Macao, Taiwan, Singapore, Hong Kong, Dubai and Kuwait.

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. An external operative team was therefore established to optimise the times for resolving reports in the case of incidents (also only “suspected”) that can involve personal data, which has been active since 2024. The operational team has the task of examining the reports, collecting information for the analysis and providing instructions for management based on local regulations.

The requests concerning the exercising of the privacy rights of data subjects are recorded and traced in the **register of data subject requests**. If they are sent to the dedicated addresses, they are analysed to identify the involved data and the right that was exercised, following a process of analysis, registration, involvement of the responsible functions, updating of the procedure and response during the time frame indicated by law.

In 2024, the Company further developed its privacy management through dedicated channels, training initiatives and mandatory courses regarding GDPR, including specific training on Data Breaches, which is available in nine languages. Induction meetings continued for new hires and targeted training sessions for retail and corporate staff.

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 our reauditing 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 - “Its Mine”** was developed, which was 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.

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 of reference, no complaints were received concerning data protection and privacy.

HUMAN PRIVACY



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

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.

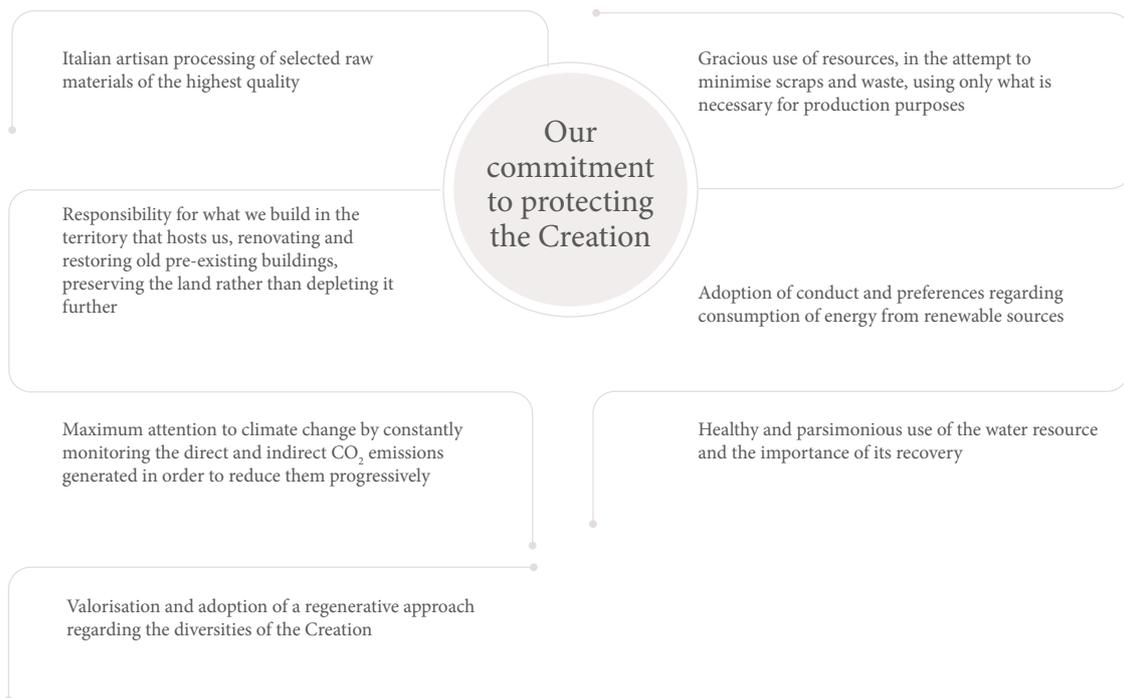
Care for and custody of the environment and the surrounding region is a key element in our Company’s philosophy, which considers man as the “faithful and harmonious custodian of Creation”, called upon to deal with nature in a respectful and responsible manner, paying close attention to the balance between 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 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 14: 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 and affectionate guardians of Creation**”¹⁸, adopted by the BoD on 29 August¹⁹. The main thematic area is the fight against climate change. The purpose is to arrive at a concrete environmental intervention in terms of mitigation and adaptation to climate change, with particular reference to the calculation of the carbon footprint and the climatic strategy with the reduction targets validated by SBTi.

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 Creation*” (2024-2028) (refer to section “*The 2024-2028 Sustainability Plan, “In harmony with Creation*”). 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*”).

¹⁸ The Environmental Policy can be consulted at the following link: <https://investor.brunellocucinelli.com/en/services/archive/governance/human-sustainability>.

¹⁹ The following Policy was updated and approved by the Board of Directors in December 2024.



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)**²⁰, 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.

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 deriving from office, production department and warehouse operations;
- energy consumption associated with the operation of logistics and distribution centres, as well as the boutiques managed by the Company;
- the consumption of fuel for owned vehicles used for company business travel;
- water withdrawals and discharges associated with the activities of company sites;
- Waste directly generated by the Company’s operations.

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

The impacts connected to the purchase of raw materials, including the production phase of the raw materials and transport;

- The consumption of energy, water and raw materials connected to the work performed by external artisan laboratories, including the waste they generate;
- Energy consumption of franchises and multibrand customers;
- Impacts related to logistics and distribution (outbound).

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**.

²⁰ Also known as the United Nations Convention on Climate Change (UNFCCC).



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 pre-existing 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.



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.

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 pre-existing 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 development also continues of new manufacturing facilities dedicated entirely to the production of men’s outerwear and tailored suits, within districts specialised in Italian artisan tailoring: the “beautiful factories” of Penne in Abruzzo and Gubbio in Umbria.

The new production hubs

Construction of the new production hub located on the **outskirts of Solomeo** started in 2022 in a vast 8 hectare area. The selection for the location was a strategic decision for accompanying the Company's growth over the years to come, based on need. The construction work continued during the current year.

An additional construction project started by the Casa di Moda concerns the new "beautiful factory" in **Penne**, Abruzzo, designed for the production of men's clothing and bespoke suits. The construction activities continued in 2024.

Furthermore, the construction of a new production hub in **Gubbio**, Umbria, started in 2024.

The company's new production hubs will also be created according to the criteria necessary for obtaining the **LEED® certification - Leadership in Energy and Environmental Design**²¹, 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**.



²¹ 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 Casa di Moda does not operate in sites located in or near biodiversity-sensitive areas. Specifically, the Italian production sites are located in areas classified, according to the Natura 2000 network, as “not protected”.

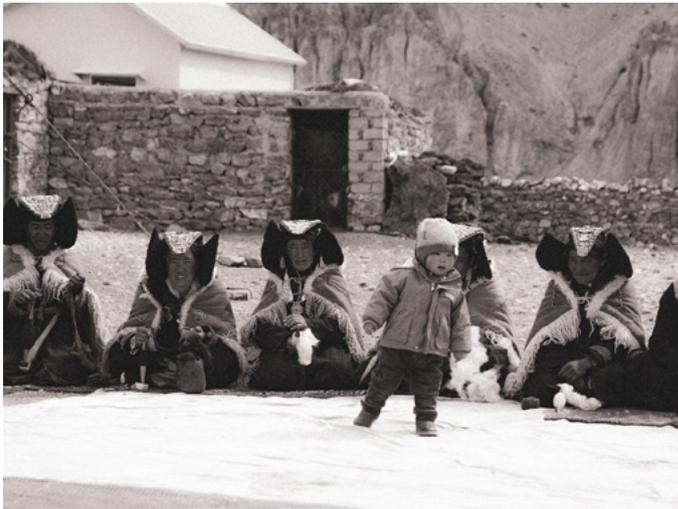
With particular reference to the Solomeo site, the Company has contributed over the years through the “**Replanting**” project – which started in 2010 and is still in progress – to the progressive requalification of the surrounding territory, as well as to the creation of various parks at the site and nearby, which contribute towards the **preservation and continuous renewal of local biodiversity**.

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 economies.

“Himalayan Regenerative Fashion Living Lab” project

During 2022 the Casa di Moda joined, and made an economic commitment to support, the project “**Himalayan Regenerative Fashion Living Lab**” 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).

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.

Within the scope of the “**Himalayan Regenerative Fashion Living Lab**” project, the Casa di Moda’s approach is, first of all, with 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**.

More specifically, the activities are concentrated in the region of **Ladakh** and are targeted towards developing the value chain for cashmere. For this purpose, in the area of Kharnak, in the national park of Hemis, the Casa di Moda is working to involve the local communities of Changpa pastors to help them face the consequences of climate change in their daily agricultural 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.

In 2024 the project reached a significant target with the first shipment of pashmina by the local cooperative of involved pastors. The first products were produced using this raw material. These creations were presented to King Charles III of the United Kingdom during an important conference organised by the Circular Bioeconomy Alliance (CBA) - at the prestigious St James's Palace in London in November 2024.



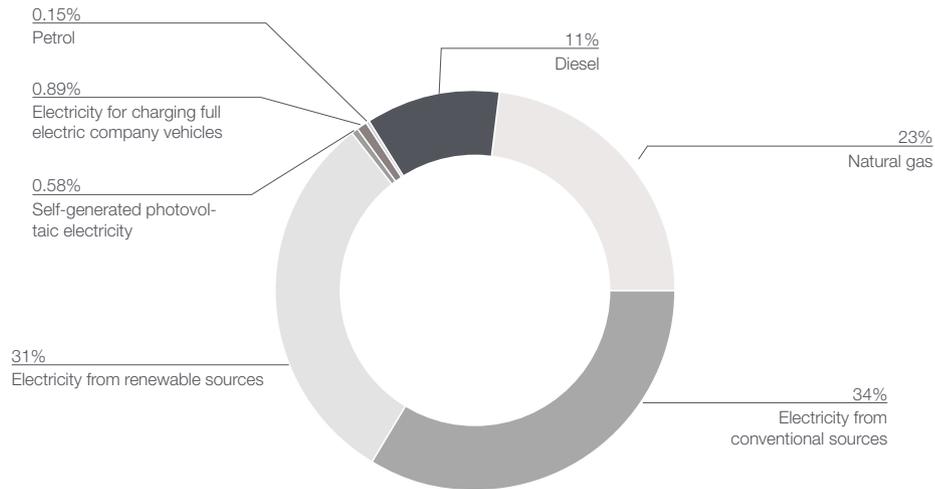
The project “Himalayan Regenerative Fashion Living Lab” will continue in order to consolidate relations with the communities of Changpa nomad pastors to support the local cashmere production chain.

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 15: The Group's 2024 energy mix



Detailed key

Natural gas

For heating: for the sites that are completely electrified, in the cases of an electric power failure, and for the sites for which it is complicated to replace gas with electricity.

For production: with specific reference to the Group's production sites. 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) cannot 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

Used for the operation of the company structures, the lighting and air conditioning of the rooms in the various offices and boutiques in Italy and, partially, in Europe, 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.

Self-generated photovoltaic electricity

The plant power installed at the Solomeo site is 160 KW; the generated energy is fed to the station and then consumed by the company

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.



Energy intensity in 2024 was 21 MWh/mln€.

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.

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

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.

With reference to the company's vehicle fleet, the Casa di Moda planned the following activities for 2024:

- Progressive replacement of company vehicles with hybrid vehicles;
- Progressive use of biofuels for vehicles compatible with their use;
- Commissioning of an on-site charging infrastructure;
- Integration of planning and budgeting systems using company software.

As regards the replacement of the company's vehicle fleet (Solomeo), in 2024, out of a total of 116 vehicles (of which 44 automobiles part of the civil fleet and 72 lorries of the industrial fleet), 23% of company vehicles are full electric and 20% are hybrid.

In 2024, the company started to use biofuels with reduced emissions impact for vehicles in our company fleet, that is biodiesel (HVO)²². This is a type of biofuel derived mainly from agricultural waste and scraps, from exhausted vegetable oils and animal fats subjected to a hydro-treatment process.

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.

Emissions

Total direct and indirect emissions (Scope 2 location based) for the Casa di Moda calculated for 2024 equals 122,005 tonCO₂e.

²² 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.



The table below shows the trend in direct (Scope 1) and indirect (Scope 2) emissions generated by the Group in 2024 and 2023

Table 2: Scope 1 and Scope 2 emissions (2023-2024)

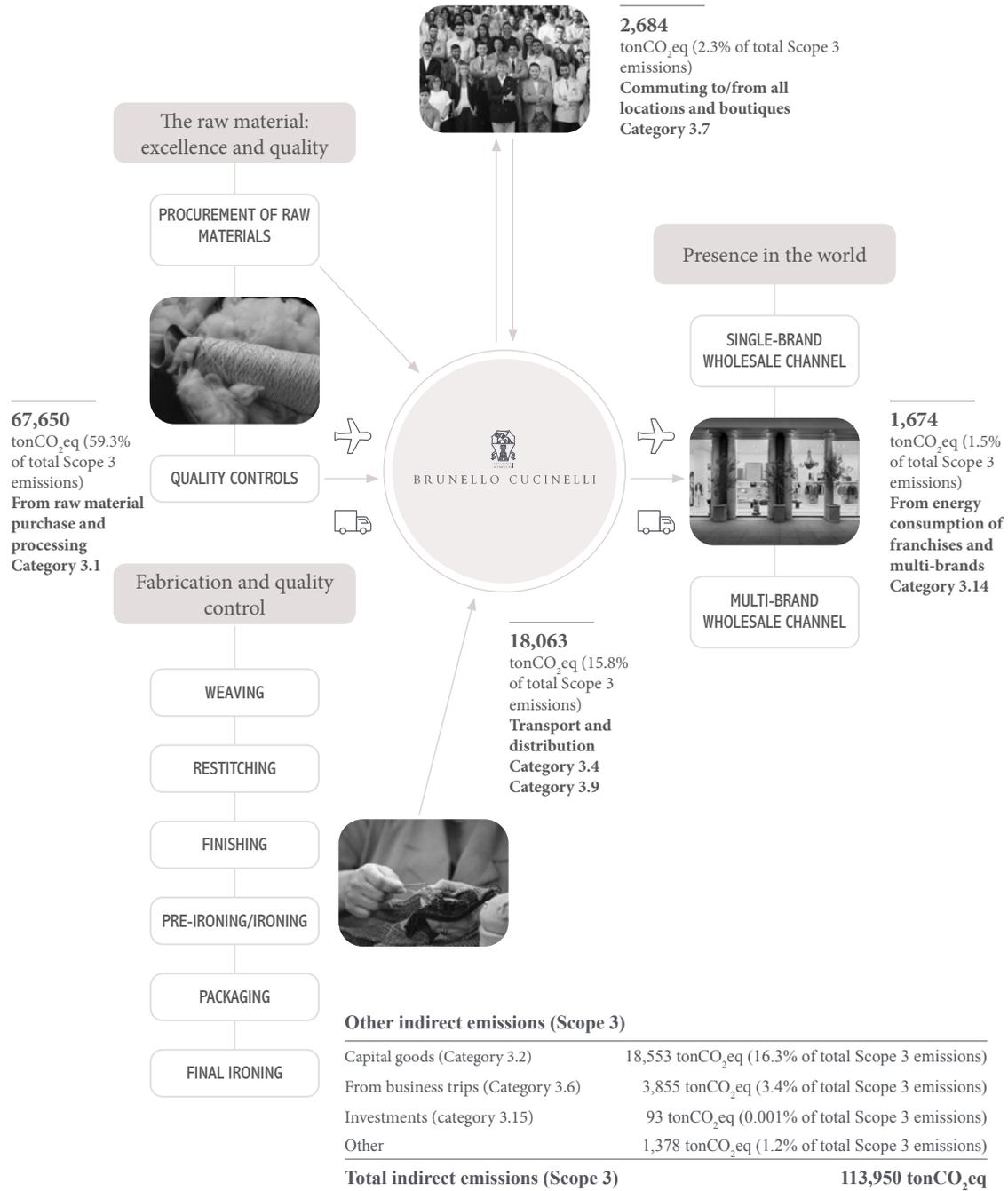
	Unit of measurement	2024	2023
Scope 1 emissions	tonCO ₂ e	1,886	1,682
Scope 2 emissions (location based)	tonCO ₂ e	6,168	5,418
Scope 2 emissions (market based)	tonCO ₂ e	4,163	3,696

Also in 2024, we prepared the **inventory of the GHG emissions– subjected to third party Limited Assurance** – generated indirectly by company activities (**Scope 3**). Total Group emissions during that year is **113,950 tonCO₂e**.

The emission sources analysed are as follows (see Figure 16):

- the **purchase and processing of raw materials** (equal to 59.3% of total 2024 Scope 3 emissions), which also includes the consumption of energy and gas by small craft enterprises. In 2024 the activity of collecting primary data continued with the direct involvement of these companies, for a total of **314 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 86% of the sample analysed and equivalent to 90% 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 **capital goods**, which became material for the first time during the year of reference (16.3% of total Scope 3 emissions);
- The **transport and distribution operations** (upstream and downstream logistics), equal to 15.8% of total Scope 3 emissions;
- **Business trips** (3.4% of total Scope 3 emissions);
- The **commuting of human resources to and from work**, which have a 2.3% impact on all generated Scope 3 emissions;
- The **energy consumption of franchising and multibrand stores** (1.5% 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;
- **Investments**, that is consumption related to shares held (0.001% of total Scope 3 emissions);
- **Other** (1.2% of total Scope 3 emissions), that is the remaining part of indirect emissions related to waste generated by production and energy generation.

Figure 16: Measurement of indirect emissions of CO₂ (Scope 3) pertaining to 2024



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 significant²³.

Water resources

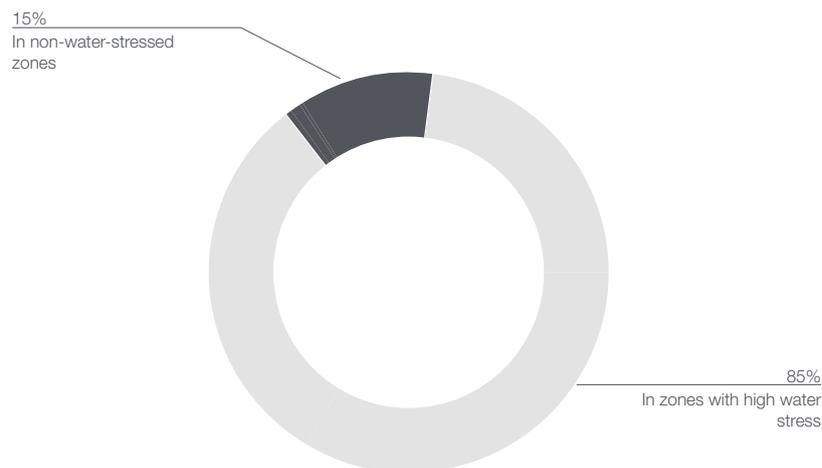
Aware of the importance of water resources, the Group pays great attention to its management to ensure its increasingly responsible consumption.

In particular, as concerns the **water withdrawals**, the impact is limited to the operation of the laundry at the Solomeo headquarters, located in a water-stressed area, with reference to the laundry activities, the water is drawn from wells, owned by the company, specifically for the recovery and storage of rain water.

With reference to **water discharges**, the total amount of water, including discharges associated with the laundry activities, flows into public sewers.

As concerns the **water consumption**, in addition to the laundry activities, there is also the consumption of water for civil use in the offices and shops of the Group. Specifically, with regard to Italy, the water withdrawn by the Solomeo site and by the remaining offices and shops in the country comes from public waterworks.

Figure 17: Group water consumption (m³) in 2024



²³ For more information about this topic, consult the 2024 Sustainability Report, which can be found on the corporate website at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.



Water intensity is equal to 25 m³ /mln€.

In 2024, for the second consecutive year in a row, the Casa di Moda publicly reported its commitments and obtained results regarding the topic of water resources through the questionnaire Climate Disclosure Project (CDP) Water Security. During the year of reference, a score of B was achieved.

The construction of new Group production sites follows the guidelines of the LEED standard, which requires in particular an increasingly responsible and efficient consumption and management of water resources.

Furthermore, the Solomeo site is subject to and in possession of Single Environmental Authorisation (A.U.A.).

The Casa di Moda has a contract with a company specialised in chemical-biological water analyses, which performs the checks at a frequency that is higher than what is required by the regulation, guaranteeing constant monitoring. Furthermore, periodic maintenance is carried out on the reverse osmosis system used at the Solomeo site for water recovery²⁴.

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 “**Recovery of production scraps**” project has been implemented in collaboration with the small craft enterprises involved in the cutting and complete cycle phases.

²⁴ For more information about this topic, consult the 2024 Sustainability Report, which can be found on the corporate website at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.



“Recovery of production scraps” 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.

During this year, the project continued through the collection of waste material deriving from the work performed by **50 involved artisan laboratories (cutting and complete cycle)**.

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. In particular, testing processes started in 2024 for the production of paper packaging deriving from the processing of waste.

With regard to the in-house laundry activities in Solomeo, the dry cleaning phase generates three different types of waste: 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.

With specific reference to the non-hazardous types of sludge (for example produced by the purification plant for the laundry), these 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 2024 **there were 164,879 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, **606,162 kg of waste** were produced during the year, of which 99% is non-hazardous, and of which 96% is not sent for disposal²⁵.

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 **266 raw material suppliers** to support Brunello Cucinelli's collection, which in 2024 was represented 83.5% by clothing and 16.5% by accessories.

96% of our suppliers operate in Italian territory, and 3.5% are located in Europe – in particular Spain, Portugal, France and Great Britain – 0.5% 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.

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.

²⁵ For more information about this topic, consult the 2024 Sustainability Report, which can be found on the corporate website at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.



With reference instead to our external production structure, today there are **418 medium-small sized artisan companies** – all used in a continuous manner –, 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 8000 employees**, each of which have approximately **20** 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 70%** of the artisan companies located **in Umbria** (296 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 30% the Company works with some laboratories in **districts of excellence** for the specific types of processing: many are located in Tuscany, Marche, Abruzzo and Veneto, an area of excellence for shoes. The greater distance of these companies does not jeopardise the **value-based and relational proximity** we try to establish constantly with each of them.

Figure 18: The distribution of small craft enterprises in the Italian territory



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 Children's 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**.

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, which is purchased from Italian suppliers, 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.

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 customer.

Furthermore, 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.

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 purchase and use of the new cases is planned for 2025.

In order to reduce the volume of paper/cardboard used for packaging semi-manufactured products (equivalent to 20% of packaging for “hung clothing”), the Group started an analysis the previous year regarding alternative materials, such as recycled polystyrene, also taking the application of circularity logistics into consideration. Specifically, the project foresees the introduction of high-density, recyclable polystyrene boxes with an estimated useful life of 5 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. The testing activities will start in 2025.

Detailed quantities of the materials used by the Group and the main products purchased are provided below²⁶.

²⁶ For more information about this topic, consult the 2024 Sustainability Report, which can be found on the corporate website at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/financial-reports>.

**Table 22: Inflows of materials and products**

Materials				
	Unit of measurement	Technical	Of natural origin (biological)	
Leather	kg		190,919	
Yarn	kg	29,832	174,919	
Fabrics ²⁷	kg	93,015	639,300	
Composition accessories ²⁸	kg	49,287	8,693	
Total	kg	172,134	1,013,831	
Products				
	Unit of measurement	Technical	Of natural origin (biological)	
Packaging	kg	372,141	1,508,172	
Fabric packaging ²⁹	kg	19,271	15,145	
Lifestyle ³⁰	kg	5,219	8,013	
Stones and metals	kg	119		
Total	kg	396,751	1,531,330	
Products with certification and/or recycled origin				
	Unit of measurement	Total recycled	% FSC certified	% of recycled origin
Packaging	kg	612,885	70% ³¹	33% ³²
Fabric packaging	kg	22,003	n.a.	19%

Sustainable management of supplier relations

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.

27 It is not possible to trace the following quantity of material, technical or biological, back to its origin: 107.29 kg.

28 It is not possible to trace the following quantity of material, technical or biological, back to its origin: 12,917.58 kg.

29 It is not possible to trace the following quantity of material, technical or biological, back to its origin: 78,802.37 kg.

30 It is not possible to trace the following quantity of material, technical or biological, back to its origin: 10.71 kg.

31 Reference is made to paper and cardboard packaging.

32 See previous footnote.



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 “**In Harmony with Creation**” **Human Sustainability Policy**, 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.



With the objective of further reinforcing the processes for managing the relationship with its raw material suppliers, the Casa di Moda has started an activity targeted at their mapping in order to collect primary qualitative-quantitative data that concerns them.

Involvement of and collection of primary data from raw material suppliers

The objective of the completely digitalised process is to use a qualitative and quantitative assessment for monitoring the compliance and level of maturity of raw material suppliers also on an environmental, social and ethical level

The project, which was started in 2023 and continued in 2024, involves 157 suppliers, covering approximately 95% of the raw materials.

Furthermore, to guarantee a more precise monitoring of the environmental footprint of the raw materials, activities were performed to check the emission impact of a sample of involved suppliers, which included 50 suppliers.

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

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.

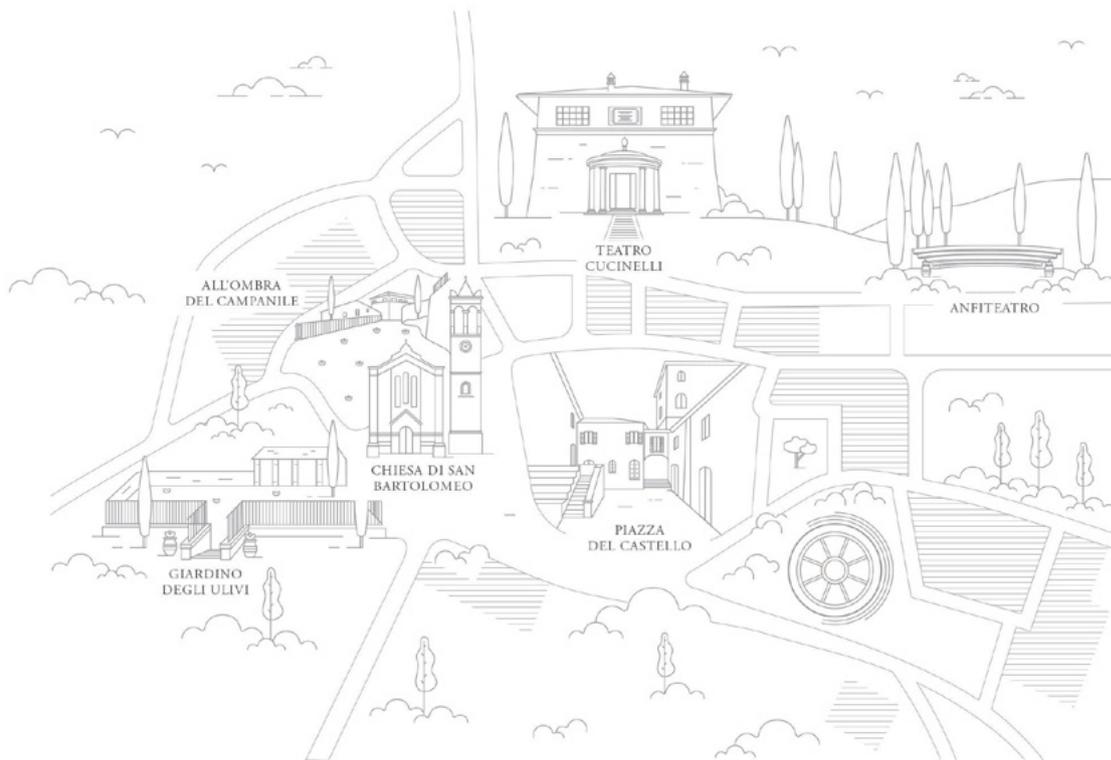
The Hamlet has therefore become a pleasant place where we want to consider ourselves, together with other local actors, **pro-tempore guardians of beauty**.

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 19: 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.

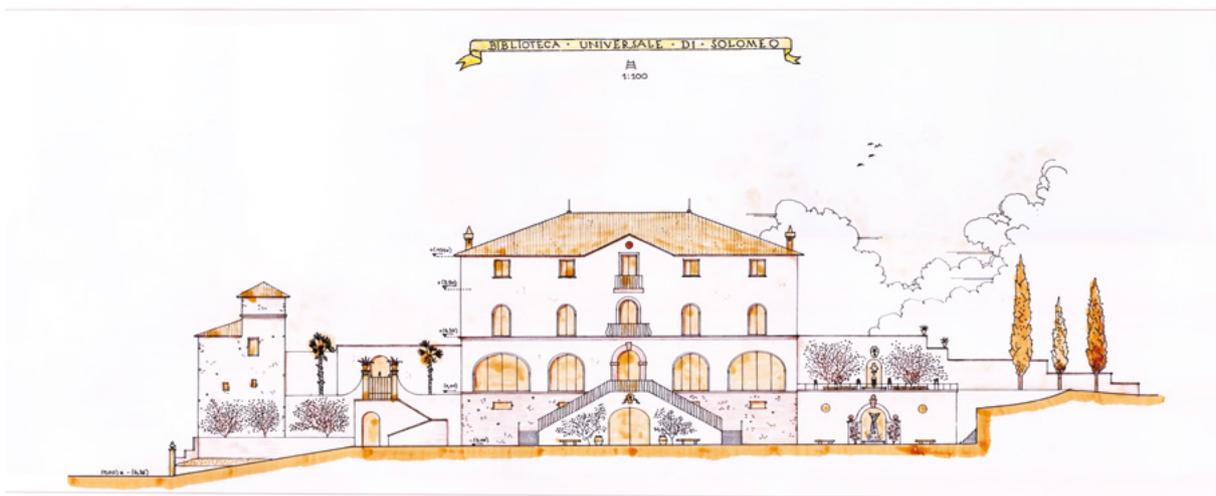
The monument is seen by everyone who visits it as a symbolic legacy of the idea that **art can be the driving element of improvement and the constant care of the territory**.

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 **Universal Library of Solomeo**, which is supported completely by the Brunello and Federica Cucinelli Foundation and established as the result of the desire by the Chairman Brunello Cucinelli and the architect and landscaper Massimo de Vico Fallani, his fraternal friend, took place in 2021.

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, which was inspired by the universality of thought of the authors of the books that will be kept there and therefore “**universal**”, will be built near the Cucinelli Theatre against the setting of a noble 2,000 mq eighteenth villa. It will contain, year after year, antique books and new books, not only in Italian but in all the languages of the world, in order to embody the knowledge of the different cultures.

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 literary 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 gardens 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.

The ambitious project aims to create a substantial collection: the exceptional objective is to arrive, over the years, at **500 thousand volumes**. This would make the Solomeo library the largest one in Umbria. 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**³³ in 2022.

The Policy is guided by the Decalogues of the Casa di Moda 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.

³³ Approved by the CEOs.



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 people who will benefit from the support either directly or indirectly;
- **Proactive and reliable conduct** by all the involved parties.
- 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**.

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 “Great works” implemented by our Casa di Moda, in collaboration with the Brunello and Federica Cucinelli Foundation, 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 projects³⁴.

³⁴ 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.

In 2022, the analysis examined the following projects:

1. Project for Beauty (Industrial Park, Don Alberto Seri Park, Agrarian Park)

The Project for Beauty was launched in 2018 after almost four years of work, resulting from the desire to create a park for the revival of evocative natural spaces in the valley below Solomeo. This project embodies the natural completion of the dream that started with restoring the antique Umbrian hamlet, and aims to be the physical representation of the great ideals of Beauty, Humanity and Truth.



The formula for calculating the SROI was used to obtain a result equal to €1.88 for each invested Euro, which is equivalent to the social value generated thanks to the realisation of the Project for Beauty.

2. Recovery and construction of the new production system near Solomeo

In the first half of 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. Through the building conversion plan, large areas were made available to our human resources in order to accompany the Company's growth over the upcoming years, as needed, "for the next 50 years". The analysis carried out regarding the outcomes for the community and the local region identified the role of economic enhancement of the concerned area resulting in the creation of a new correlated industry.

Based on the formula for the SROI calculation, it was possible to obtain a result equal to €1.77 for every euro invested.

3. Replanting the area adjacent to Solomeo

The creation of green areas with a rich plant and wildlife biodiversity, determined by new trees planted by the Casa di Moda, made it possible to create healthy areas where locals can have an increasingly close relationship with nature.



Based on the formula for the SROI calculation, it was possible to obtain a result equal to €2.18 for every euro invested.

In 2023, the analysis continued, examining the following projects:

1. The School of Contemporary High Craftsmanship and Arts

The culture of work, especially that of artisan trades, is an important part of the mix in terms of the human sustainability of our way of doing business, which goes hand-in-hand with the advanced training offer that we launched in 2013 with our School of Contemporary High Craftsmanship and Arts, dedicated to young people eager to learn traditional craftsmanship trades.

For us, the attention that we devote to younger generations, to the evolution of traditional crafts and the mutual influence between the digital world and manual skills, represents an important sensitivity towards the future, looking at the skilled trades that will give substance to our growth and prestige to Made in Italy craftsmanship around the world.



Based on the formula for the SROI calculation, it was possible to obtain a result equal to €3.22 for every euro invested.

2. Projects targeting the communities of the Zomba district in Malawi

The projects that involve the Zomba district in Malawi were created with the objective of supporting the local communities and promoting the personal and professional development of young people and their families. The main activities concerned the construction of hospitals, training centres as well as the provision of medical/health services as well as support for education.



From the analysis performed in 2018 and 2022, based on the formula for the SROI calculation, it was possible to obtain a result equal to €4.38 for every euro invested.

3. Projects concerning the communities of the Himalayan regions of Assam and Ladakh

The project resulted from 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. The objective is to be able to guarantee production that cares of human wellness without ever forgetting respect for nature and the planet we inhabit.

From the analysis performed in 2022 and 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. The “For Humanity” project

The project started during 2020 in order to donate to those most in need the clothing that remained unsold due to the temporary closure of the boutiques of the Casa di Moda during the pandemic.

From the analysis performed in 2021 and 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. Artistic restoration works in Perugia

Acting on the full responsible the Casa di Moda has towards its territory and the local communities that host it, multiple restoration projects have been developed over the years. Among these, in the city of Perugia, there are works for the restoration of the Island of San Lorenzo, the Etruscan Arch and the Morlacchi theatre.



From the analysis performed in 2018 and 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. Reconstruction works in Norcia

Following the earthquake that struck the city of Norcia in October 2016, support was immediately provided for initiatives aimed at protecting the city's artistic and cultural beauty that was damaged by the earthquake. This includes the reconstruction of the beautiful Civic Tower, a secular symbol of the city of Norcia, and the reconstruction of the Civil Theatre.

From the analysis performed in 2018 and 2022, based on the formula for the SROI calculation, it was possible to obtain a result equal to €3.43 for every euro invested.

The detailed analysis continued also in 2024, with particular reference to the following projects.

Measurement of the SROI of Casa di Moda Projects in 2024

The following is the detail of the analysis and results obtained with respect to some projects considered for the assessment of the social impacts 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) Cultural initiatives of the theatre season in Solomeo and the Villa Solomei Festival

The Cucinelli Theatre, which was inaugurated in 2008, is the milestone of the Arts Forum, which is a space designed to generate culture and host meetings in the heart of the Solomeo hamlet.

With its plays, dance and musical events, the theatre program has an international influence and since its début, it has proven itself as suitable for national premiers.

Today it welcomes artists and celebrities from all over the world not only with a stage that is ideal for expressing their art, but also with a location for dreaming and cultivating their creativity.

The Villa Solomei Festival, which is dedicated to Don Alberto Seri, celebrates classical music at maximum levels, taking place in the sacred places of art such as the Theatre, the Academy and the Amphitheatre. The aim of the Festival is to popularise artistic beauty beyond exclusive traditions, reviving the nineteenth-century custom in which it was the people who declared the success of the operas.



Based on the SROI calculation method, the cultural initiatives that were organised obtained a result equal to €2.15 for every euro invested.

2) Projects targeting the communities of the Zomba district in Malawi (update)

The analysis performed in 2023 regarding the 2018-2022 period was updated to include the projects carried out in 2023.



Based on the SROI calculation method, the projects carried out obtained a result equal to €4.19 for every euro invested.

Moreover, the Company contributes to the support of cultural events and seasons in Umbria, supporting the programming of the Teatro Stabile dell'Umbria³⁵.

The “**Brunello Cucinelli for Humanity**” 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 need.

In a distinct and complementary manner with respect to the projects carried out by the company, the **Brunello and Federica Cucinelli Foundation**, 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,

³⁵ In the form of an “art bonus”.

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.

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

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>	<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>
 <p>smi SISTEMA MODA ITALIA FEDERAZIONE TESSILE E MODA</p>	<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>
 <p>ALTAGAMMA CREATIVITÀ E CULTURA ITALIANA</p>	<p>Fondazione Altgamma 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 2022-2028 Sustainability Plan, “In Harmony with Creation”, 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 Casa di Moda’s participation in the **Sustainable Markets Initiative Fashion Task Force** is described in the following box.



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 60% 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 2024.



We consider this evolution fundamental as it makes it possible to **transmit the art, technical knowledge and the artisan *savoir faire*** in the laboratories.

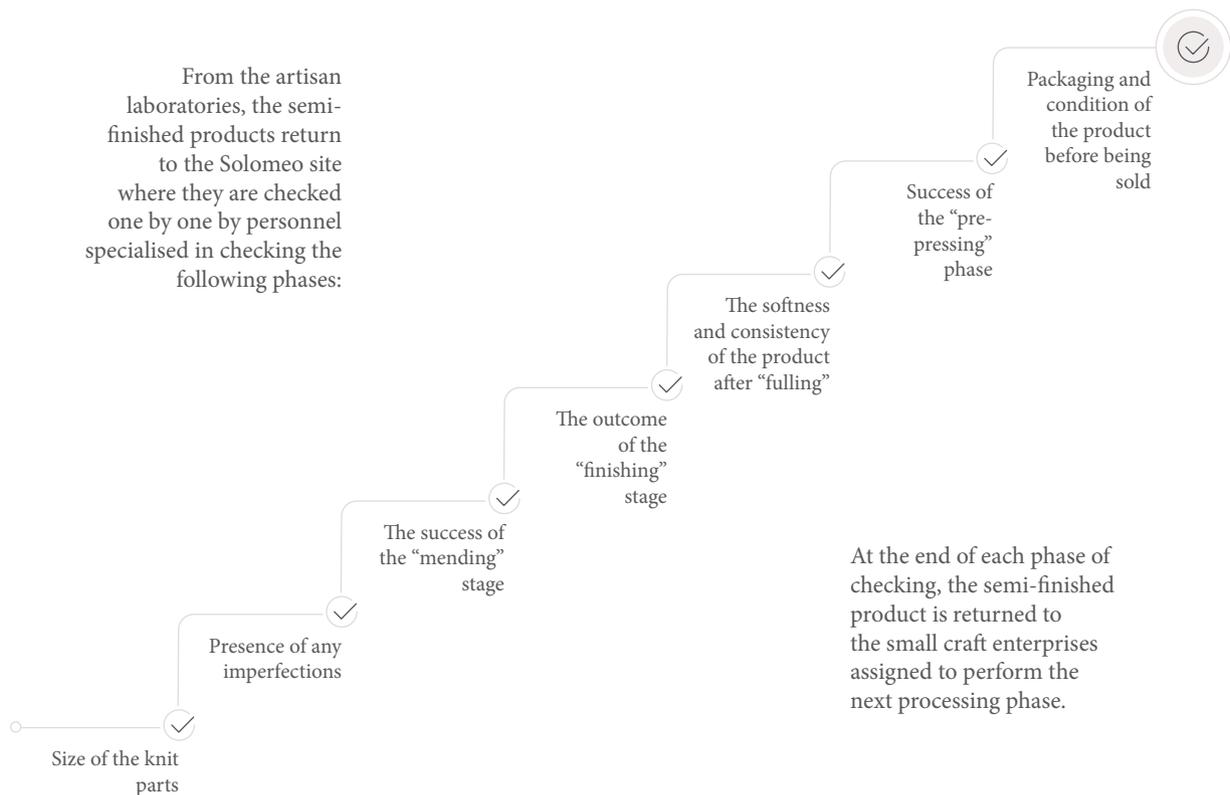
The **daily interaction**, favoured by the geographic vicinity with the majority of artisan laboratories is also a condition that enables the actuation of **continuous and rigorous controls after all the phases of development and creation of collections and production**: 100% of our products are subject 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 20: 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 "**In Harmony with Creation**" **Human Sustainability Policy** and the **Diversity and Inclusion Policy**.

399 audits were performed on small craft enterprises during 2024. Of these, 381 (98% of all small craft enterprises with which we currently work) are still within the audit perimeter at 31 December 2024, whereas, of the remaining 18, the control was interrupted given the inactivity of the business relationship of collaboration.

As a confirmation of the effectiveness of the activities carried out and thanks to the new structure, 19 new non-conformities were found in 2024, which are added to the 5 that were already identified the previous year, for a total of 24 positions being analysed during 2024.

The collaborative spirit that characterises our compliance activity makes it possible to identify and agree on plans for remediation during the year with 15 small craft enterprises, so that the relative non-conformities can be completely resolved. In one of these cases, in fact, the relationship was first temporarily suspended and then reactivated during February 2025 thanks to the implementation of an effective plan for remediation by the small craft enterprise.

In 3 cases, instead, the non-conformity discovered made it necessary to stop the collaboration relationship. For the 6 remaining cases, an in-depth and progressive assessment is still in progress to determine if the adjustment path proposed by the small craft enterprises satisfies the necessary compliance criteria.

Counting on the long-term relationship of trust established with Brunello Cucinelli, the small craft enterprises communicate the name of the potentially involved sub-suppliers to the Company. In fact, for some tasks, there are such levels of specialisation that the artisan workshop may need to outsource the work.

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 "Beautification of the workplaces" project continued in 2024, which is meant to provide long-term support to our laboratories from the point of view of continuously improving the workplaces and their working conditions. Furthermore, in order to guarantee increasing support for our artisan laboratories, during 2024 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.

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 32, from any country.

The courses provided during the year were provided to a total of **76 registered students**.

Overall, **65,534 hours of training** were provided in 2024.

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**.

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

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 Handbook, i.e. a body of company rules supplementing national laws and the individual contract.

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 100**, organised biannually;
- **Sales Meeting**, dedicated to boutique personnel.



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.

In 2024, the Group’s human resources counted **3,326** people, with the majority of the company’s workforce concentrated in Italy (55%). 64% of human resources are women and 36% are men. For the professional category of Executives and Managers, considering all the regions we operate in, during the year women accounted for 47% of the employees in this category.

86% of our human resources are employed on a permanent contract and 95% are full time.

Other **workers who are not employees** also work with the Group, including interns, temporary workers and other partners. In 2024, these resources amount to **224**.

The average age of the Group’s collaborators is 39. As concerns distribution by age, the majority of the company population (60%) lies within the age range of 30 to 50, followed by human resources below the age of 30 (21%) and those above the age of 50 (19%).

Table 4: Distribution of employees by age range

Employees	Unit of measurement	2024
<30 years	n	704
30 < x < 50 years	n	1,992
>50 years	n	630
Total	n	3,326

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.

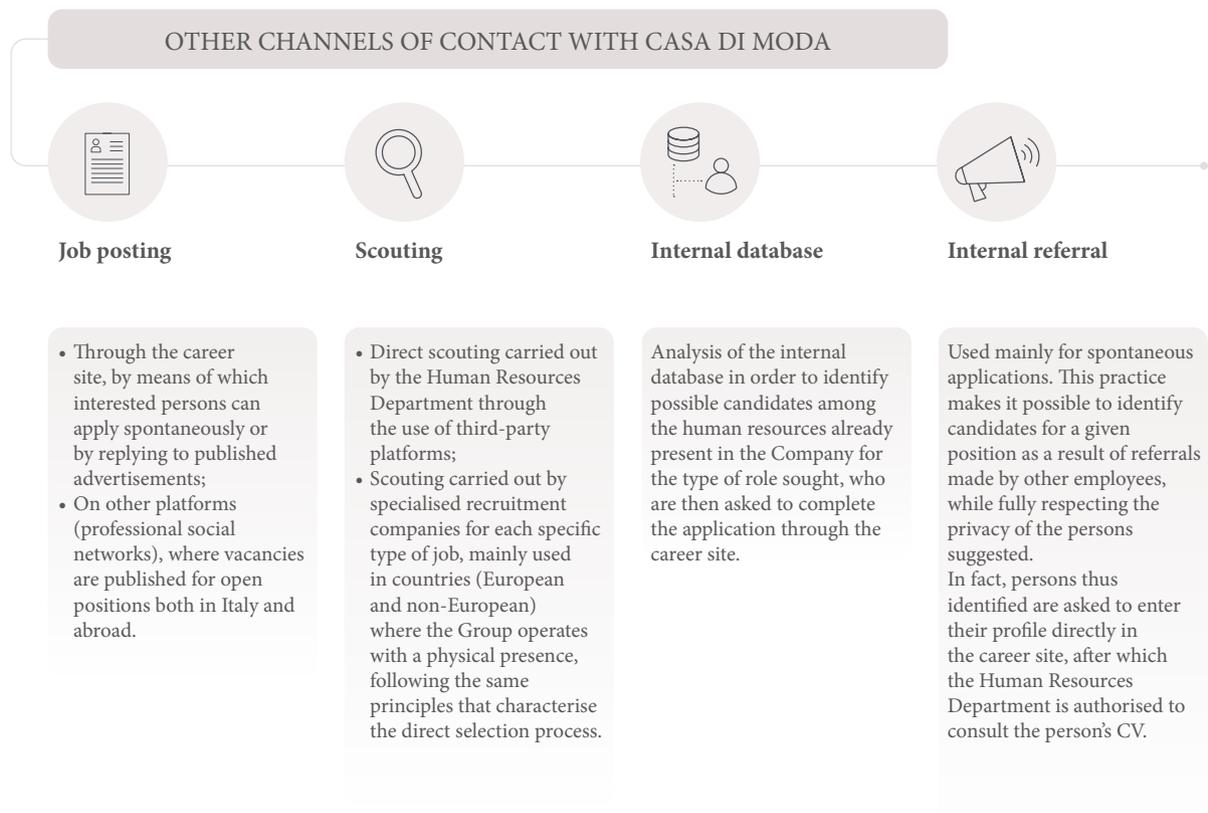
The main channels used for the selection of younger resources within the company workforce are shown in the following infographic (see Figure 21).

Figure 21: Career opportunities for younger resources



With regard to more experienced professionals, the direct selection channels are detailed below (see Figure 22).

Figure 22: 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.

UNIVERSAL WORKING CONDITIONS FOR THE HUMAN BEING



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**³⁶, approved by the Company's BoD in March 2021³⁷ 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.

³⁶ The Diversity and Inclusion Policy can be consulted at the following link: <https://investor.brunellocucinelli.com/en/services/archive/governance/human-sustainability>.

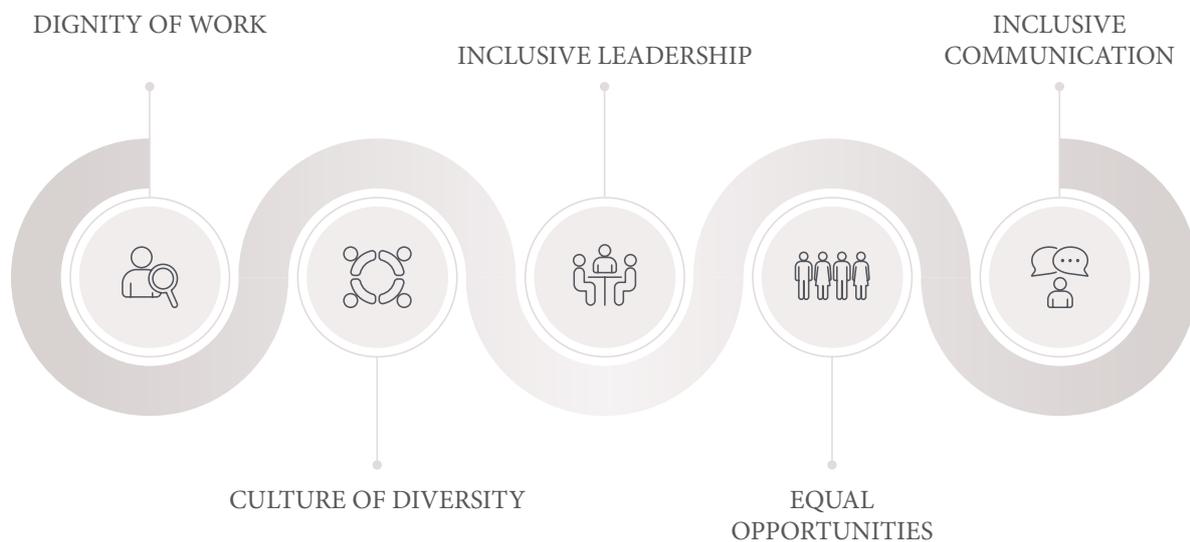
³⁷ The following Policy was updated and approved by the Board of Directors in December 2024.

We promote inclusion of, respect for, listening to, valorising of all employees, regardless of their gender identity, age, different physical and psychophysical abilities, visible or not, their sexual orientation, different cultures, nationalities, social-economic origins, ethnicities, religions to which they belong and with which they identify.

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.

Specifically, the structure of the Policy is divided into five pillars whereby we commit to encouraging ever-greater inclusion of the areas of diversity that are currently most representative for our business: **gender identity**, **age**, **different physical and mental abilities**, **sexual orientation** and **multiculturalism**.

Figure 23: 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.

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 the Human Resources department or 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 regarding Diversity and Inclusion, in 2022 we launched an internal training course that has been consolidated over the past two years.

Provision of internal training on Diversity and Inclusion

In 2024, 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 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 content was developed and customised entirely to enhance the corporate culture on the subject.

Furthermore, during the year of reference, training workshops dedicated to the topics of diversity and inclusion, which were started in 2023 to support e-learning training, continued. Specifically, the moments of exchange that occurred in 2024 concerns the topics of the relationship between generations, the gender gap, the use of inclusive language. Practical exercises and live feedback help ensure that the content learnt during the training is translated into inclusive behaviour that becomes daily practice.

Particular attention must be given to the Diversity Day organised in December at the Cucinelli Theatre, together with an external provider.

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 **73 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.

We protect and value different physical and mental abilities, ensuring a working environment that can be supportive of the needs, whether visible or invisible, of all our employees.

There are 93 people who fall into vulnerable categories³⁸, of which 66 women and 27 men

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 various company departments.

More specifically, the following types of training courses are provided (see Figure 24).

³⁸ Vulnerable categories include employees who belong to protected categories, as specified by Law 104/92. Furthermore, we respect the provisions of Law 68/1999, which promotes the insertion and integration into the working world of persons with disabilities through targeted support and placement services.

Figure 24: Our training courses



SOFT SKILLS TRAINING

development of transversal skills useful in daily work and in relations with colleagues



LEADERSHIP TRAINING

aimed at promoting a shared leadership philosophy to guide Human Resources



INDIVIDUAL TRAINING

coaching and mentoring activated on the basis of specific requests and/or needs



CRAFT SKILLS TRAINING

to transmit the value of manual creativity to younger generations (School of Contemporary High Craftsmanship and Arts)



CUSTOMER RELATIONS TRAINING

to share the fundamental values that inspire the relationship with the customer and apply useful tools and methods to consolidate it



PRODUCT TRAINING

aimed at refining knowledge on all product lines



EXPERIENTIAL TRAINING

to train cognitive, emotional, interpersonal skills in teamwork



SYMPO PLATFORM

e-learning container hosting digital content and live master classes related to four thematic areas (Brand Awareness, Product Knowledge, Client Relationship, Human Relations)



TECHNICAL TRAINING

development of hard skills such as use of specific software (Excel) or language skills (English, German and Italian)



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 involved 33 employees in the production branch during 2024. The training offer broadly encompasses hard and soft skills, and the project, which has been very well received, will be further developed in 2025.

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, **136,403** training hours were provided in 2024 – an average of around 41 training hours per employee Group-wide.

Table 5: Hours of training, by employee category

Hours of training, by employee category	Unit of measurement	Women	Men	Other	Not communicated
Executives and Managers					
Total executives and managers	n	70	78	0	0
Total hours of training, by gender	n	2,553	2,910	0	0
Average hours of training, by gender	n	36	37	0	0
White Collar - no Sales					
Total White Collar - no Sales	n	555	312	0	0
Total hours of training, by gender	n	59,660	20,826	0	0
Average hours of training, by gender	n	108	67	0	0
White Collar - Sales					
Total White Collar - Sales	n	851	486	0	3
Total hours of training, by gender	n	27,496	10,088	0	26
Average hours of training, by gender	n	32	21	0	9
Blue Collar					
Total Blue Collar	n	640	331	0	0
Total hours of training, by gender	n	6,403	6,442	0	0
Average hours of training, by gender	n	10	19	0	0
Total employees, by gender	n	2,116	1,207	0	3
Total hours of training, by gender	n	96,112	40,265	0	26
Average hours of training, by gender	n	45	33	0	9



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 2024, 65,534 hours of training were provided to the 76 trainees enrolled (see "*The School of Contemporary High Craftsmanship and Arts*" for further details).

Customer relations training

In 2024, 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 "**CA Diffusio**" training was provided for the China and Japan markets in order to transmit our unique and special approach to our relationship with customers (the Cycle of the Seasons) by sharing tools and good practices in these two markets with a high potential and an elevated level of turnover. This training involved 45 store managers in the Asian market.

Two new courses dedicated to leadership were organised during 2024:

- 1) *In-store leadership tools*: this is a course dedicated to the Store Managers in North America and Europe so they can independently train and motivate their team on a daily basis. It is focused on effective communication and includes the structured conduction of group discussions and training microactivities (roleplay). Currently, 65 managers have been trained;
- 2) *Leader of the future*: this is the first edition of a program directly towards the "managers of tomorrow", which debuted in North America and until now has involved 11 talented managers who are about to take on more responsibility.

During the last quarter, the phase of field research and the planning of a new program dedicated to retail employees started, called "**Retail Excellence**", which will be held during 2025.

Interviews, focus groups and observations in boutiques were carried out to explore the needs and structure a program that is designed ad hoc to meet the development needs for people in the various markets, in order to further improve customer relations and teamwork.

In 2024, 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 collection of good practices – those behaviours and skills that have emerged as the most effective for customer relationships – which was carried out in 2020 and summarised in the “*Libellus*”, digitalised in 2022, was integrated in 2024 with an in-person program dedicated to exploring the technique of storytelling, which involved 15 expert salespeople.

Two training programs were organised to explore Etiquette in the relationship with the customer, one in Italian and one in English. Training laboratories were organised together with academies that are experts in etiquette, with the participation of 30 European salespeople.

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 2024 for the induction of new Store Managers, Assistant Store Managers and in the case of new openings, a whole new team.

Another edition of the “**Campus**” project was held in 2024 in Hong Kong. In 2023, this project involved the resources in the Dubai market, with the objective of combining product training and soft skills. During this edition, in particular, the focus was on effective communication both with customers as well as with colleagues.

The **Solomeo Talent Academy** process also continued in 2024, 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. The young people involved came mainly from Italy, Europe and the United States. During 2024, 24 participants were trained, 4 of which were hired by the company.

In continuity with the previous year, 6 editions of the “**Traditions**” project were held in 2024. This project started approximately 13 years ago and has been 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. During 2024, a total of 88 people coming from different countries in Europe, the Middle East and Russia were involved. Due to the high interest, we introduced a tutor position, whose role was to facilitate the participants' understanding of the training experience. The goal for 2025 is to involve profiles outside of Europe, in particular colleagues coming from countries in which the Casa di Moda operates in Asia.



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 concerned all the lines, specifically: Women's, Men's, Children's, lifestyle, eyewear, perfumes and has concerned employees in 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 2024, 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, Writing Skills, Humanistic Management, Adaptive Leadership, Strategic Management of Corporate Identity, Supply Chain, Talent and Method, Project Management.

Leadership training

In the corporate world, in 2024 we continued a significant leadership course aimed at first-line and second-line managers, and this time involving also the third-line, for around 150 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.

The course involved everyone who manages people at the Casa di Moda in order to promote a common evolution of style for managing people, in line with the company's values of respect and valorisation of human beings.

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, Children's 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.

Among the courses published in 2024, the following deserve to be mentioned in particular:

- the Whistleblowing course, aimed at making employees aware about ethical conduct, prevention of corruption and reporting of illegal acts, providing users with a step-by-step explanation of how to use the company tool “Communicate Whistleblowing”, which makes it possible to make reports with the complete protection of the reporters privacy and identity. The course is available in Italian and English and is open to all BC S.p.A. employees;
- the course “*The art of repair*”, targeted towards all Client Advisors and Store Managers worldwide and available in 9 languages, aims to convey the special repair service offered to Brunello Cucinelli customers and provide advice on how to manage the process, always keeping the relationship with the customer at the centre.

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 2024, 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.

Learning Days

Four days dedicated to the entire company organisation were organised, with the objective of exploring transversal topics of common interest.

The training method, also in this case, was experiential, with the workshop format in which practical activities were carried out and what happened was “reviewed” in light of the theory.

The purpose is to make participants aware of the topics that were addressed and make them able to “set an example” in the company by implementing the good practices identified during the training.

- 1) “*Innovation Day*” (during the July edition: 150 participants with 1 hour of experiential training each; during the October edition: 80 people with 1 hour of training each). A day dedicated to discovering new technologies through experimentation and the point of view of the Company, to discover not only the digital evolution but also the particular approach that Brunello Cucinelli adopts as regard technological progress, always in harmony with creativity and human sensitivity;
- 2) “*World day of kindness*”, 13 November 2024 (50 people with a commitment of 1 or 2 hours each). An occasion for contributing towards the promotion of a more positive and collaborative work environment through four experiential laboratories (recycling, mindfulness, introspective poetic writing and non-verbal communication) to experiment gentle behaviours that are useful for reinforcing the harmony of the work context;
- 3) “*Diversity Day*”, 10 December 2024 (90 people with a commitment of 2 hours each) an occasion for exploring topics together such as inclusive language, intergenerational relationships, gender gap, through interactive laboratories that last 1.5 h each.

Technical training

Again in 2024, employees were also involved in English, Italian, Spanish and French language courses and Excel courses on both an individual and group basis, both in person and online.

Meanwhile, they continued to receive specific technical training on the operations of individual departments. Among those that we mention, in particular, the project carried out in collaboration with an external partner that has involved 20 production employees (specifically in the purchasing and quality control offices), with the objective of learning about and observing up close the entire production cycle, from the yarn to the finished garment.



Sustainability and ethical business conduct

According to the Sustainability Plan, training initiatives were started in 2024 concerning Ethical conduct, Whistleblowing and Sustainability, which will be developed further in 2025:

- The first module of eLearning training that is totally dedicated to sustainability, aimed at introducing the concept and sharing the vision, of Brunello Cucinelli, Humanistic Capitalism and Human Sustainability. The course is currently available in Italian and in 2025 it will be translated into English and open to all group employees, and will be enriched by new specialised modules;
- The “*Ethical business conduct*” course, in collaboration with the Supervisory Body, which involved 40 employees who work in offices that interface with external laboratories on a daily basis, with the purpose of learning about the rules of Model 231 and the Code of Ethics, recognising risks and sharing good practices regarding the relationship with small craft enterprises;
- eLearning **Whistleblowing** course (refer to section *Sympo e-learning platform*).

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**.

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 2024, the performance review process was performed involving almost the entire company population, with the exception of the production area³⁹.

Table 6: Percentage of performance reviews performed, by employee category

Employee category	Unit of measurement	Total
Executives and Managers		
Women	%	95
Men	%	56
Other	%	-
Not communicated	%	-
White Collar - no Sales		
Women	%	68
Men	%	66
Other	%	-
Not communicated	%	-
White Collar - Sales		
Women	%	86
Men	%	83
Other	%	-
Not communicated	%	100
Blue Collar		
Women	%	54
Men	%	50
Other	%	-
Not communicated	%	-

³⁹ As regards Italy, only Brunello Cucinelli S.p.A. is included, since there is no periodic performance review in the companies Max Vannucci S.r.l., Dorica Vestis S.r.l. and Pinturicchio S.r.l.



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 autonomy of each individual, and in line with the principles laid down in the Diversity and Inclusion Policy (See Paragraph on *Uniqueness*).

The average gender pay gap is shown below for the Group, which was calculated considering the average pay difference between men and women for each level of classification.

For the White Collar - No Sales, White Collar - Sales and Blue Collar categories, there is a substantial alignment, even if the base salaries and overall compensation of women is slightly lower than that for men, the gap is larger in the Executive and Managers category.

Table 7: Gender pay gap⁴⁰

Employees, by professional category	Unit of measurement	Gross hourly pay ⁴¹	Total annual pay ⁴²
Executives and Managers	%	43	40
White Collar - no Sales	%	12	4
White Collar - Sales	%	-2	2
Blue Collar	%	34	14

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.

⁴⁰ It was not possible to calculate an hourly base pay for 7 employees at Pinturicchio S.r.l., as they work from home and therefore with variable pay based on the work performed during the month.

Furthermore, it was not possible to find data for 11 employees at Brunello Cucinelli USA, Inc. or for 3 at Brunello Cucinelli Singapore PTE. Ltd., both as concerns the base hourly pay as well as what concerns total annual remuneration.

Furthermore, for the exchange rate from foreign currencies into euros, the average rate for the year was used (2024).

⁴¹ Reference is made to the base salary.

⁴² Reference is made to the gross annual salary, including any additional component received during the year.



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.

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 S.r.l., Pinturicchio S.r.l. and Dorica Vestis S.r.l. 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, which also cover operations and the 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 families⁴³.

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 in Kuwait and France. For several years, the company has had an **accident policy**⁴⁴ in place for the Italian companies Brunello Cucinelli S.p.A., Max Vannucci S.r.l., Pinturicchio S.r.l. e Dorica Vestis S.r.l., which also covers off-the-job accidents.

⁴³ Note that this insurance is also provided for the artisan factories Max Vannucci S.r.l., Pinturicchio S.r.l. and Dorica Vestis S.r.l.

⁴⁴ It also includes insurance coverage for death and disability. This is also provided for in the United States and, as of 2022, in the United Arab Emirates.



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 Italy⁴⁵ 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.

Further elements of the welfare plan include, for example, the marriage allowance⁴⁶, childbirth allowances⁴⁷ and meal vouchers¹¹⁶.

In 2024, the Italian companies of the Group gave additional bonuses to economically support their human resources.

Also confirmed in 2024 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.

From the establishment of the fund until today, a continuously increasing number of donated hours has been recorded, which is a phenomenon that fully expresses the generosity and care of our human resources.

In 2024, there was a request and effective use of 328 hours of "solidarity" holidays.

Lastly, some types of **supplementary pension provision** are planned in Italy⁴⁸ and, also in the United States.

Moreover, 94%⁴⁹ of human resources are entitled to **family 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 regions of the Group, 261 employees used these types of leave, of which 76 men and 185 women.

45 This refers to the companies Brunello Cucinelli S.p.A., Pinturicchio S.r.l., Max Vannucci S.r.l. and Dorica Vestis S.r.l.

46 This benefit is €500 net for all European locations.

47 For the companies Brunello Cucinelli S.p.A., Pinturicchio S.r.l., Max Vannucci S.r.l., Dorica Vestis 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.

48 More specifically, for the companies Brunello Cucinelli S.p.A., Pinturicchio S.r.l., Max Vannucci S.r.l. and, since 2024, for Dorica Vestis 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 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.

49 The countries in which the right to leave is not guaranteed for 100% of the company population: Kuwait, Japan and USA.



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 55% 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.

Our work to directly interact with foreign locations on health and safety issues continued also in 2024.

In most of the European and non-European locations, 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.

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.

In 2024, 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.



Non-compulsory training

In 2022 and 2023, the training focused on the topics of ergonomics and physiotherapy involved the professional categories of drivers, employees of the yarn warehouse and employees who perform the controls at Brunello Cucinelli S.p.A.

In 2024, instead, training was provided to some warehouse workers and some employees working in the prototype sector. Training was provided to 70 people during the year, with a total of 290 training hours.

Since 2022 until today, 800 hours of training have been provided.

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 processed.

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**.

In 2024, 43 injuries took place among employees and 2 among workers who are not employees, respectively, with an overall rate of recordable work-related injuries equal to 9 and 16.

The table below provides a snapshot of the accidents that occurred and the respective rates for the year in progress.

Table 8: Number and rate of work-related accidents

	Unit of measurement	2024
Employees		
Number of work-related accidents	n	43
Number of hours worked	n	4,629,149
Rate of work-related accidents⁵⁰	n	9
Workers who are not employees		
Number of work-related accidents	n	2
Number of hours worked	n	123,881
Rate of work-related accidents⁵¹	n	16

50 The work-related injury rate is calculated as follows: the Casa di Moda divides the corresponding number of cases by the total number of hours worked by employees, and multiplied by 1,000,000.

51 The work-related injury rate is calculated as follows: the Casa di Moda divides the corresponding number of cases by the total number of hours worked by workers who are not employees, and multiplied by 1,000,000.



Furthermore, in 2024 no deaths occurred within the workforce of the Casa di Moda, including the category of workers who are not employees.

The Company continuously monitors the risk of occupational diseases, even if its extent is very small.

There was only case of work-related illness in 2024⁵².

There were also 367⁵³ days lost due to accidents at work and work-related illness for employees.

52 This case occurred at Pinturicchio S.r.l.

53 The number of days lost due to accidents at work and work-related illness was collected only for the Italian sites: Brunello Cucinelli S.p.A., Dorica Vestis S.r.l., Max Vannucci S.r.l., Pinturicchio S.r.l.



CHAPTER 6. TECHNOLOGICAL SUSTAINABILITY WE WELCOME FAIR CHANGE TO GET THE BEST FROM OUR TIME



Technological sustainability- Leonardo da Vinci, James Passelwhite, 1835

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.



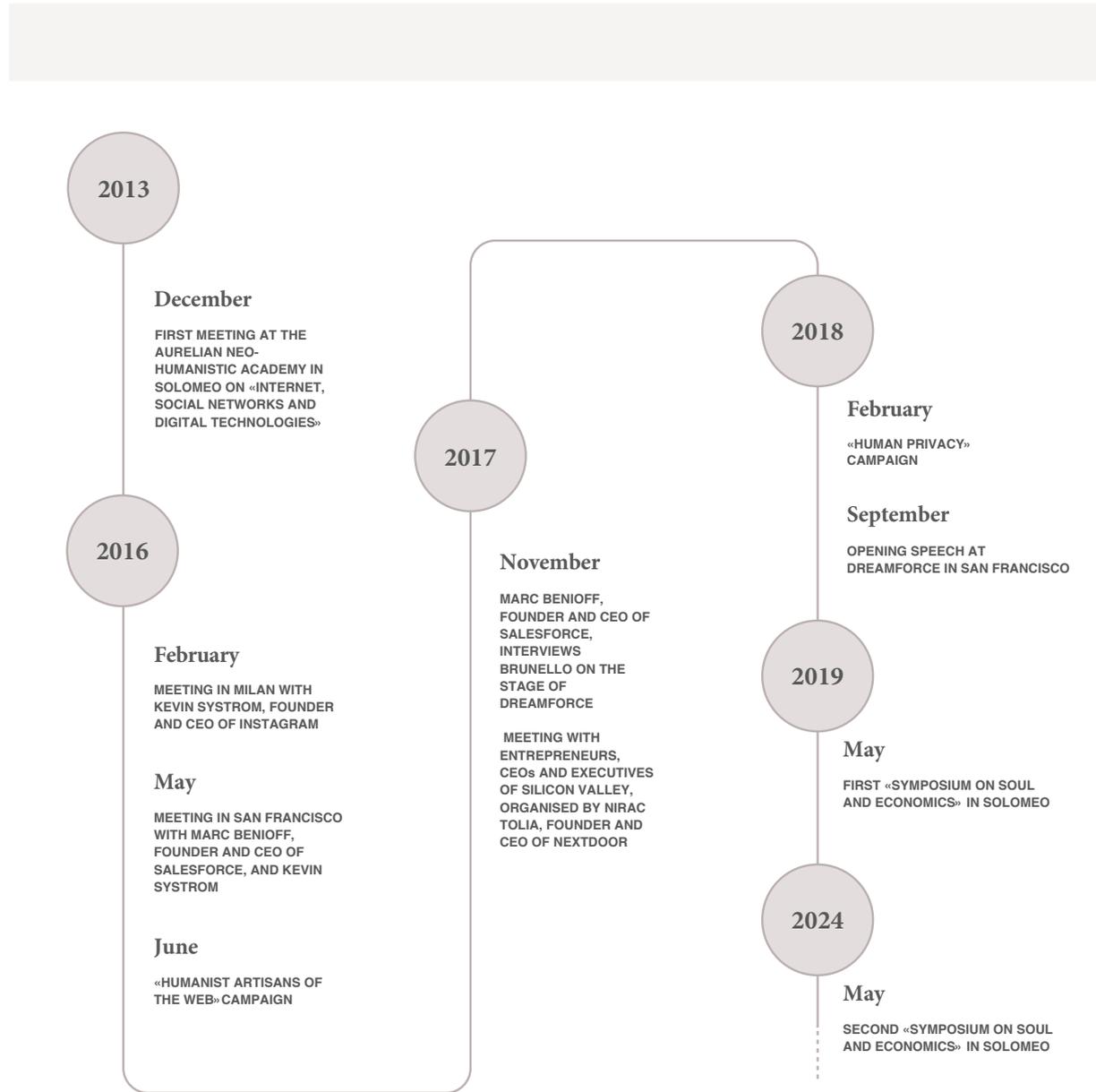
Prometheus models the first man to whom Athena gives her soul by placing a butterfly [Psyche in ancient Greek] on his head – an illustration made using Generative AI

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 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 25).

Figure 25: The chronology of the early days – the stages of Technological sustainability



With regard to technological sustainability, we attribute particular importance to the Second Universal Symposium on Soul and Economics in Solomeo, which took place from 23 to 25 May in Solomeo, picking up on the first edition held in May 2019.



The three-day Symposium provided the opportunity to reflect at length on the great existential themes of modern civilisation, like the relationship between ethics and Artificial Intelligence, and between humanism and technology. The event was attended by a large number of leading international experts in Artificial Intelligence and other fields including humanism, art, science, and nature.

Guests included Reid Hoffman, a world-renowned entrepreneur acknowledged as one of the founding fathers of Generative Artificial Intelligence, who was awarded an honorary PhD in Human Sciences by the University of Perugia for his “seminal contribution to the development of this new technological frontier of humanity”.

We are profoundly grateful for the commendable contribution of all attendees to the discussion, including Laurene Powell Jobs (US philanthropist, founder and president of Emerson Collective), Nicholas Thompson (CEO of The Atlantic), James Manyika (SVP Google Technology and Society), Fei-Fei Li (co-director of the Stanford Institute for Human-Centered Artificial Intelligence), Refik Anadol (world-renowned artist), Michael Evans (President of Alibaba), Arvind Krishna (CEO of IBM), Uzodinma Iweala (prominent African writer), Kevin Scott (CTO of Microsoft), Pieter Van der Does (CEO of Adyen), Jacqueline Novogratz (prominent US philanthropist, CEO of Acumen).

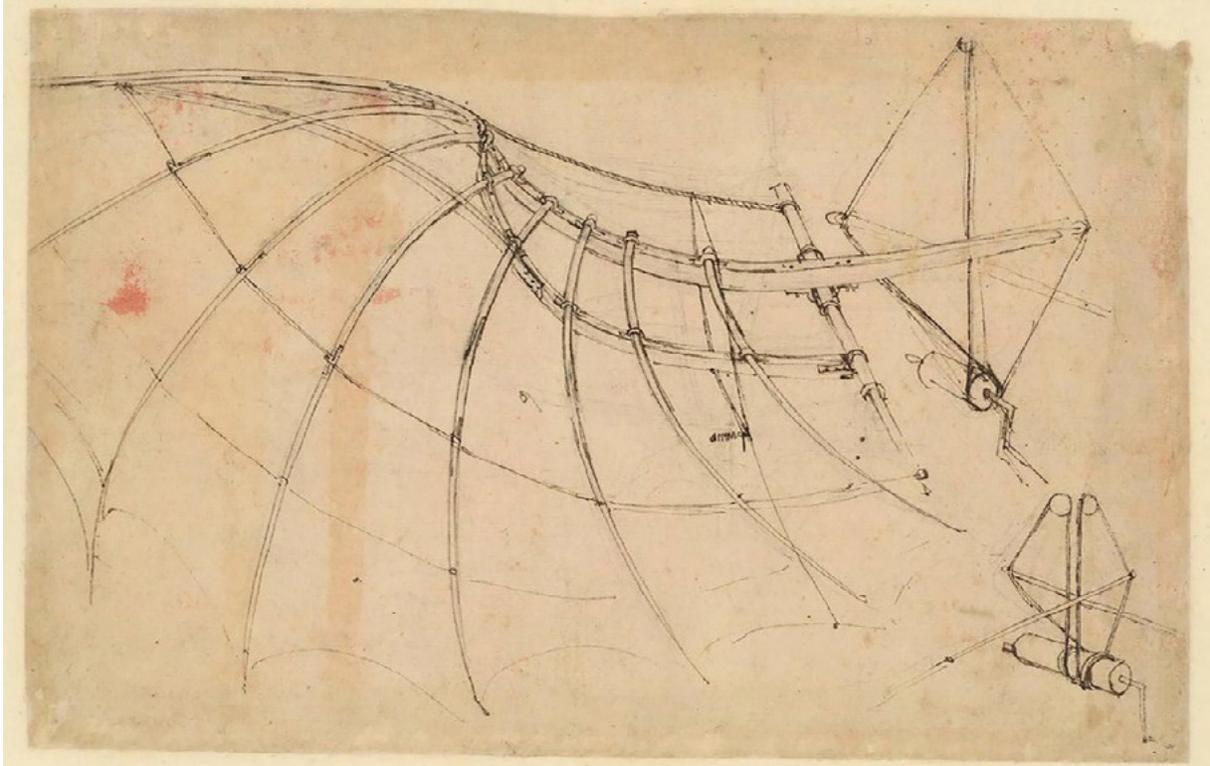
In our recent studies and reflection on the ongoing development of artificial intelligence, we have strived to describe what differentiates AI from human intelligence, to help guide us in understanding AI and how it could evolve for the benefit of humanity.

Figure 26: 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>

Digitalisation 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 Creation, 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 27)

Figure 27: 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.

In 2024, the company paid particular attention to the traceability of the supply chain, **starting a collaboration with an external provider to create an innovative project for collecting data about the raw materials and the processing of garments**, thereby enriching the history and value. The project started at the end of 2024 and will continue in 2025 with the involvement of the first suppliers.

The implementation of the program for digitalising the production data is continuing in parallel in order to continuously improve the efficiency of the management systems. The **FiloLog platform** facilitates collaboration between coordinators and the external production structure by sharing production order provisions and technical data essential for garment production, and allowing the online upload of product sheets required for garment production and CAD specification documents. As of today, the artisan companies of greater importance are interested. In particular the sites of the Group's tailor's shops and a new strategic laboratory that produces embroideries were involved in 2024. During 2025, the project aims to increase versatility and management of autonomous production progress of artisans in the high-value supply chain, with constant attention to improving the collaboration between them and the and specialised workers in Solomeo.

Also in the context of adaptation of the supply chain traceability solutions, research continues on RFID tags, integrated directly into the garment rather than dangling, to identify solutions that can track the various product categories through all processing phases. These initiatives make it possible to extend traceability towards distribution to the sales channels, as well as to simplify the handling processes and further increase the accuracy of inventory, finished and semi-finished product stocks.

Process transformation and Company digitisation

The “**Digital beehive**” program embraces all company areas by means of the suggestive metaphor of the beehive, in which every individual is called to offer their own ingenuity for building together the “common house” for the processes and company of the future. In 2024, the project – targeted towards transforming the company's IT processes and systems – started the analysis phases, with completion planned for 2025.

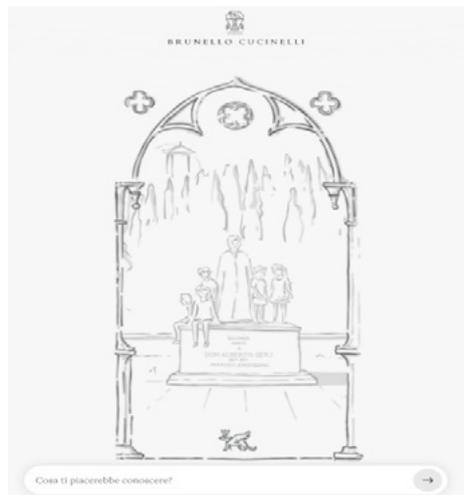
In 2024, attention is focused on the perfection of the knitwear quality control process, which is essential for preserving the artisan excellence of the brand's garments. The initiatives that support human creativity have embraced both the constant improvement of the operations, from the point of view of continuous improvement, as well as the introduction of dedicated tools. Among these the **new table for quality control**, an innovative digital solution that embodies the harmonious union between the knowledge of artisan experts and the skilful use of the most advanced technologies.

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. In 2024, the project for raising the awareness of some strategic artisans continued. They were involved in an informative event on cybersecurity organised at the Cucinelli Theatre and subsequently they were guided in performing a self-assessment on the "good practices" in the area of cybersecurity. The initiative, also enriched by technological tools for the simulation of phishing e-mail campaigns and for the automatic assessment of the Cybersecurity Posture, produced a series of precious suggestions for our artisans.

Artificial Intelligence

In 2024, the company starting providing tools based on **generative AI** to support human work, through the **So-phIA** platform. The platform contains both tools designed to support each employee in discovering the company as well as specific application dedicated to reduce repetitive activities in some areas.



Furthermore, to also promote externally the knowledge of the content and with the purpose to create a support tool that is able to offer a fully customised experience, the **Brunello Cucinelli.ai** project was created.

This is a website created in real time that uses artificial Intelligence to shape content in order to capture the specific interest of the user interacting with it, without using historical data or cookies. The inspiring idea is in fact that of a human hand and a technological hand that cooperate in synergy through an "orchestra of agents", essential elements with specific functions. The three principles are:

- *Callimachus*: read, understand, write and improve content;
- *Thamyr*: guide the visual exploration of the website, interpret the visitor's intention and generate content in real time;
- *Theano*: those who create what others design. It is the technological motor of the project.

These are supported by *Dioscuri*, the guardians that safeguard and protect the interaction between the website and the visitors, and *Demostene*, the agent that formalises the content through a lexicon and a tone of voice that fully represents the communicative style of the Casa di Moda.

Site exploration is enriched further by pleasant background music and by drawings made by hand that accompany the visitor when discovering the content, offering, in some cases, an original and creative representation.



The beta version of the website has been available since 16 July 2024 and since its first presentation, it has generated strong interest in AI from Reid Hoffman (thinker, technological entrepreneur and an investor of global significance) but also from senior managers of the sales force and from investors who are the most active on a global level, who have pointed out its disruptive and innovative nature.

In 2025, it is planned to extend the technical solutions of *Callimachus* also to the e-commerce site and to the company's IR site, in order to disseminate the innovation introduced by *BrunelloCucinelli.ai* also to the company's other websites. Only in this way can we revolutionise the interaction with visitors and offer a customised experience for everyone.

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*”) foresees that the new building and its park 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.