



VITALE BARBERIS CANONICO

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SUSTAINABILITY REPORT

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2020



VITALE BARBERIS CANONICO



**SUSTAINABILITY
REPORT**

2020

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LETTER TO STAKEHOLDERS

The third edition of our Sustainability Report talks about the fiscal year 2020 which was dominated by the global spread of the Covid-19 pandemic and its dramatic consequences in terms of both health and economics. An unprecedented event, the impact of which still has to be fully understood and which obviously has had significant repercussions on the management of the Company and on the lives of all of us.

Since the outbreak of the emergency, our priority has been to safeguard the health of our workers. At the beginning of March, even before the Italian government introduced new laws, we defined and activated extraordinary protection measures, with the timely implementation of a complex and rigorous Infection Containment Protocol in both the facilities of Pratrivero and Pray. With the aim of compartmentalising the departments and separating the flow of the work force, differentiated entries and exits were defined in the buildings and the shifts were remodelled to avoid gatherings of people at shift start and/or end. Specific and periodic training sessions were prepared and provided to sensitise all staff on the importance and necessity of respecting social distancing rules, of using personal protection equipment and of scrupulously adhering to the disinfection and hygiene measures as communicated.

And it is thanks to the responsible behaviour of our staff and their conscientious respect of Company protocols and arrangements that the measures have proved to be effective in the various waves of the pandemic, enabling us to finish the year with a very low infection rate (5.5% of all employees) of whom nobody was considered critical, and to avoid any significant outbreaks.

In an economic panorama during which the generalised, worldwide lockdowns and the changes imposed by the pandemic on the lifestyles of consumers have drastically reduced the worldwide consumption in textiles and clothing, we have continued with our medium to long-term strategy of bringing into play significant investments in the fields of product research and development, so as to be able to respond promptly and effectively to new customer demands and to face the challenges of a constantly changing market.

The management of the emergency has not prevented us from making important progress in our path towards sustainability which started many years ago, according to values which are deeply rooted in the Company's DNA

and culture, by investing a total of € 1 million. Amongst these investments was the completion of the improvements to the roofing of the buildings in Pray, thanks to which both our production sites at Pratrivero and Pray are now completely asbestos free. Another significant investment was for the installation of ten new sound-proof cabins in the weaving shed of Pratrivero, with the relevant positive effects on the well-being of the workers.

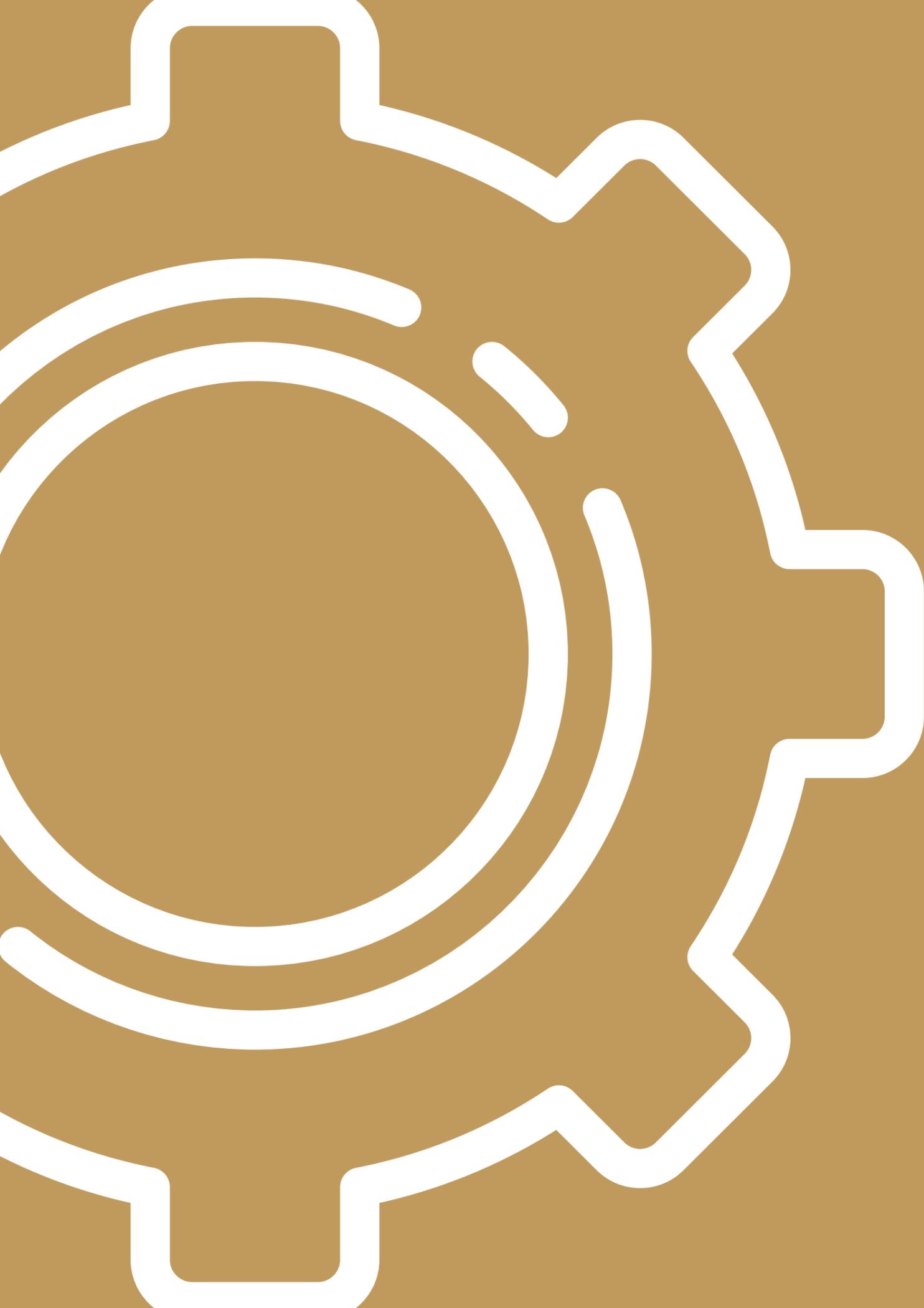
Our commitment with regard to the environment continues and amongst the objectives we have set ourselves for 2021 there are: the completion of the implementation of the MRSL ZDHC with the involvement of our value chain in the reduction and progressive elimination of toxic substances, and the containment of our water consumption, in particular by means of the development of innovative dyeing technology and the realisation of new technical measures to recuperate ultra-filtered water in the processes not only in the finishing department, as was already the case, but also in the dyeing department.

In this context, we will continue with our fundamental values, ethics, commitment and concrete actions in the topics related to sustainability. A modus operandi which has been part of our Company for generations and which we intend to follow with increasing determination focused on what are, and remain, the pillars of our Company: People, Environment, Product.



Alessandro Barberis Canonico
Managing Director of Vitale Barberis Canonico S.p.A.





VITALE
BARBERIS
CANONICO:
RESPONSIBLE
BUSINESS
MANAGEMENT

Vitale Barberis Canonico the Company

Who we are

Vitale Barberis Canonico, one of the oldest wool mills in the world with the 13th generation of the same family at the helm, commits itself to the creation of the best Made in Italy textiles for menswear.

For more than 350 years, all the phases of the creation of woollen fabric have been carried out in the historical facilities in Pratrivero and Pray in the heart of the Biellese region, where the best waters for textile production flow.

More than 200 steps are necessary for this, assisted by state-of-the-art technology, a high level of automation, and rigorous quality control to enable highly-specialised employees to create a product of excellence renowned throughout the world.

With more than 5,000 collection variations, every year the Vitale Barberis Canonico team brings out a new interpretation of Italian savoir-faire united with British style. Heritage and innovation come together in the name of elegance which looks to the future by recognising new tastes and trends.



Vitale Barberis Canonico the Company

Our history

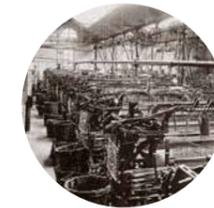
1663

The first document relating to the wool-producing activities of the Barberis Canonico family is the "quinternetto delle taglie" (community record of sizes).



1868

The first mechanical looms are introduced, and the weaving, dyeing, milling and spinning departments are added to the establishment at Pratrivero.



1936

The association between Oreste and Vitale is dissolved. The history of the company Vitale Barberis Canonico begins during the difficult period of fascism and the Second World War.



1970

Vitale is succeeded by his sons, Alberto and Luciano, who decide to go public.



2008

The new generation takes over with Alessandro, Francesco and Lucia at the helm of the Company.



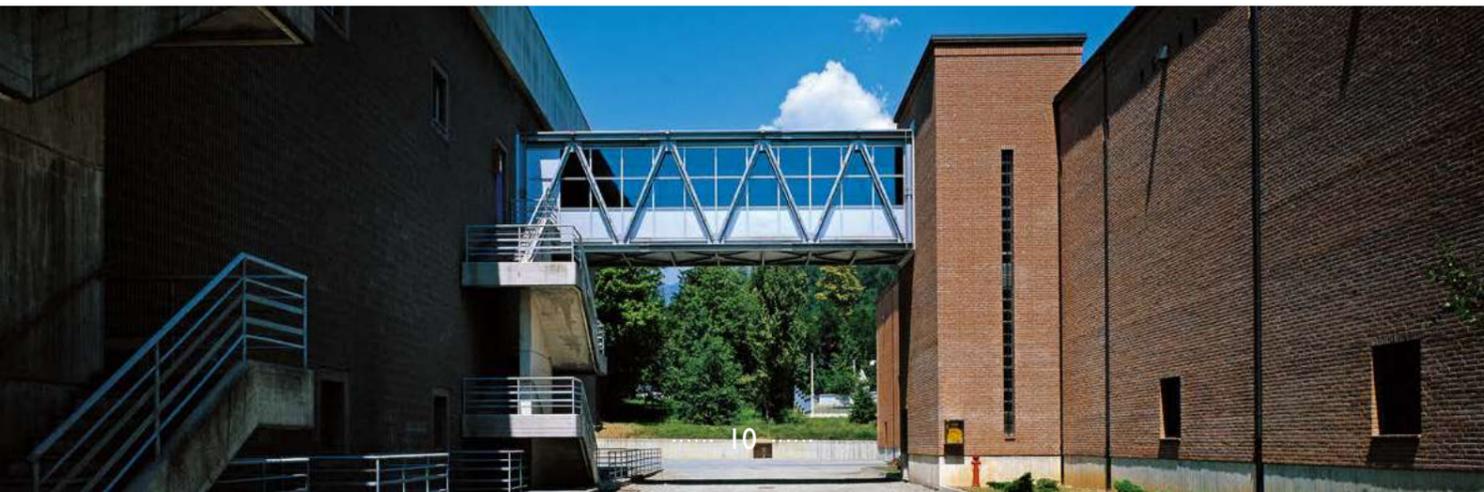
2013

The Company celebrates 350 years in the wool industry and becomes a member of Les Hénokiens.



2018

A new showroom is opened at 23 Via Solferino, Milan, becoming a point of reference for designers, tailors and professionals in the clothing industry.



Vitale Barberis Canonico the Company

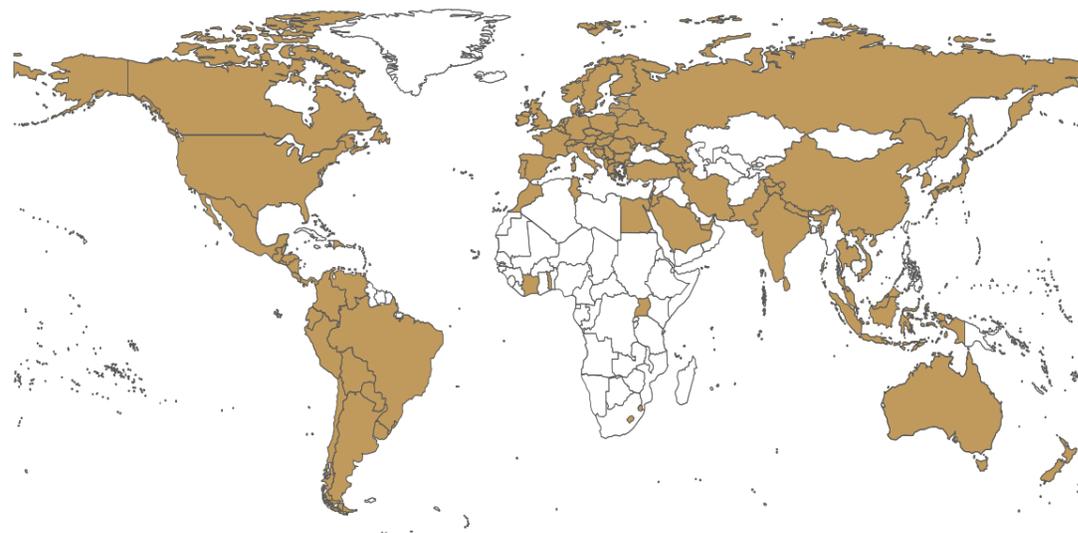
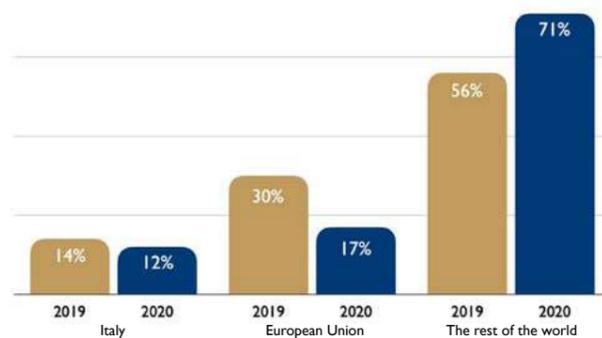
Market and products

As the main producer in terms of quantity and the biggest exporter, the Company is the leader in the field of superfine wools, worldwide synonymous with excellent quality of wool, fineness and regularity of yarns, sophistication and elegance of designs and colours and pleasurable and comfortable wearability.

Vitale Barberis Canonico sells its products in practically all countries as they are used by the most important clothing brands, retailers and wholesalers. Today, more than 80% of production is exported, primarily to China, followed by France, the UK, Germany, Japan and the USA.

Its customers are divided into tailors and retailers (80% of sales) and wholesalers (20% of sales).

In 2020, as a consequence of the spread of the Covid-19 virus, the territorial sub-division of the sales between Italian, European and non-European customers changed, as shown in the diagram.



With the aim of meeting the ever-changing needs of customers in the market of traditional woollens and natural blends for menswear, the Company taps into the dictates of classic elegance adding a new element of the contemporary.

For Vitale Barberis Canonico creativity, it therefore becomes essential to attentively interpret new generations and their different lifestyles and trends, questioning itself and looking both at the present and to the future in search of a perfect balance between classic style and innovation.

The products proposed are divided into six main ranges:

CLASSIC, inspired by the great textile traditions, but nonetheless still a step ahead of fashion. A reference point for fabrics for men. Of particular note is the range of 21 Micron articles, which are completely mulesing-free as of 2020. This year, the range, which was originally made up of mainly summer fabrics, was expanded to also include winter fabrics.

VINTAGE, takes its inspiration from the past and re-proposes fabrics in updated versions which are more youthful and informal than they were before, with particular attention paid to colours and the materials used.

ORIENT EXPRESS, designs for more international tastes.

EARTH, WIND & FIRE, functional, completely Eco Water Repellent fabrics where the high-quality raw materials come together with performance and innovative technology by means of different treatments and added membranes. As of 2020, the worsted flannel is backed by a 75% recycled polyester membrane which guarantees performance and breathability to the aware consumer.

SUPERSONIC, for the impeccable gentleman at any latitude: resilient, high-twist yarns for unequalled crease-resistance, comfort and breathability. Ideal for travellers. In 2020, the range was augmented by two proposals which highlight Vitale Barberis Canonico's versatility: unique comfort in a new jersey interpretation made with the yarns used for the Company's iconic fabrics, and the practicality of a range which can be machine-washed at 40 °C as a result of a specific treatment applied to the raw fabric.

H.O.P.E., the range with reduced environmental impact introduced in 2019 and enhanced in 2020, conceived for the elegant gentleman who wants to make informed choices.

The traceability of the raw materials characterises the entire collection within which there is a wide choice of quality products realised while paying particular attention to animal welfare practices.



H.O.P.E.

How to Optimise People and Environment

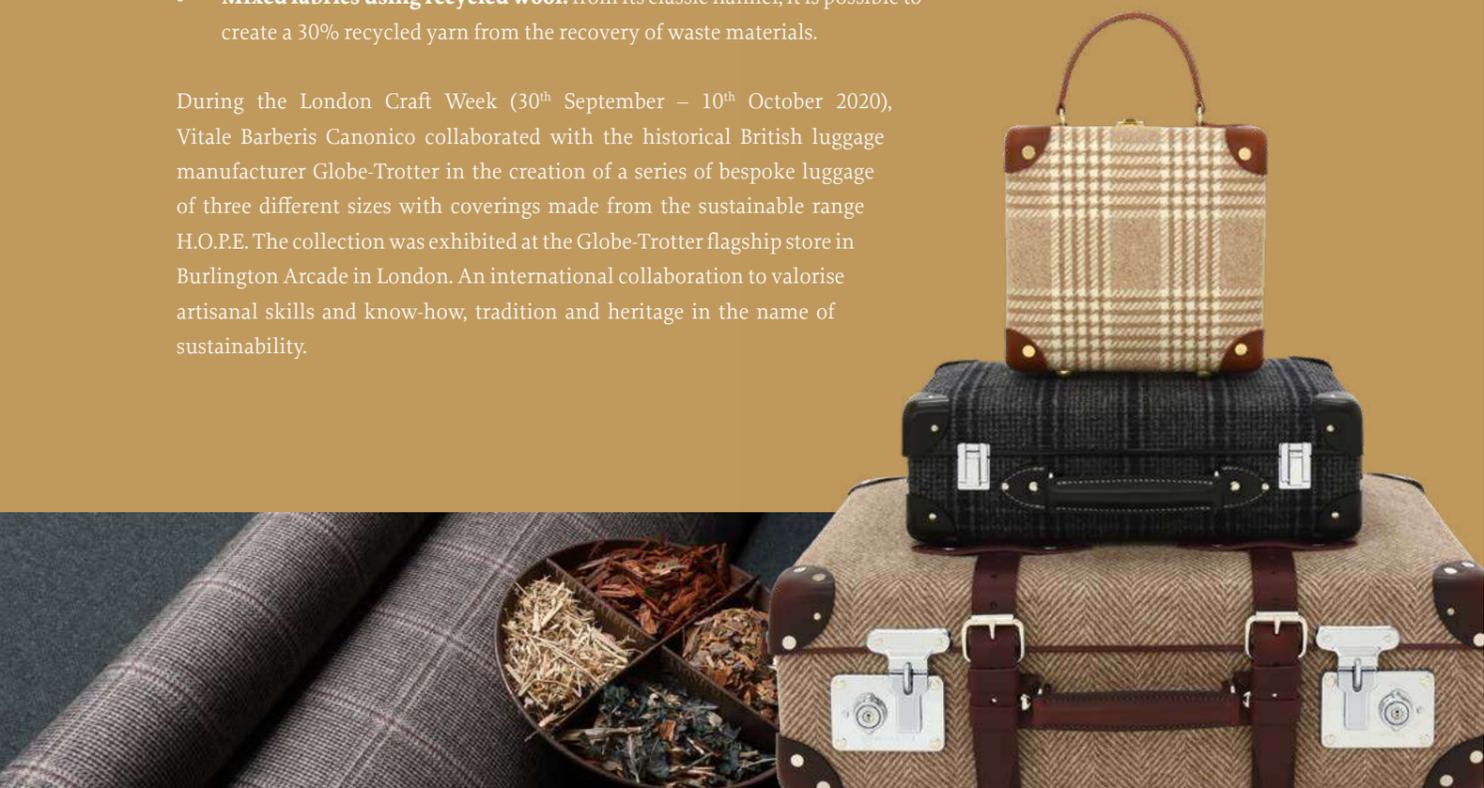
For more than 350 years, Vitale Barberis Canonico has been committed to respecting the environment and people in its creation of ever-improved fabrics. This centuries-old awareness has led to H.O.P.E. – the acronym for How to Optimise People and Environment – a new range of low-environmental-impact fabrics which demonstrate the Company's efforts to care for people and nature.

H.O.P.E. is an expression of optimism, a voice in the chorus for sustainability. Hope is associated with the colour green as Dante wrote in the Divine Comedy in 1320. A positive message which Vitale Barberis Canonico wants to send out: to be able to believe in a better, more liveable, more sustainable world.

The 2020 range includes:

- **Fabrics using natural, non-dyed fibres:** characterised by an extraordinary rusticity as a result of the use of camel, alpaca and Moretta sheep fibres in their natural colours, these products are not in any way dyed.
- **Red eri silk fabrics:** created by interweaving Moretta wool fibres and undyed alpaca together with red eri silk which gives a natural orange colour. This silk, which is particularly known for being cruelty-free, is harvested only when the moth has left the chrysalis to find nutrition from flower nectar and to reproduce.
- **Fabrics using natural dyes:** a new, wider colour palette obtained by means of ancient dyeing techniques using infusions of plants, flowers, leaves, roots, fruits and barks.
- **Mixed fabrics using recycled wool:** from its classic flannel, it is possible to create a 30% recycled yarn from the recovery of waste materials.

During the London Craft Week (30th September – 10th October 2020), Vitale Barberis Canonico collaborated with the historical British luggage manufacturer Globe-Trotter in the creation of a series of bespoke luggage of three different sizes with coverings made from the sustainable range H.O.P.E. The collection was exhibited at the Globe-Trotter flagship store in Burlington Arcade in London. An international collaboration to valorise artisanal skills and know-how, tradition and heritage in the name of sustainability.



Governance and business integrity

Our values and principles

Vitale Barberis Canonico sees its values as fundamental elements of its Company identity, very day influencing its strategic choices, while placing respect for the individual in the forefront.

The Company has always endeavoured to reach its objectives by means of activities carried out according to legal requirements and fundamental human rights, characterised by clear, transparent guidelines in harmony with the external environment and in line with local community objectives. Since 2008, these principles have been formalised in the Company Code of Ethics.

VITALE BARBERIS CANONICO 1663

VALUES BEHIND THE COMPANY



The Company has always considered financial strength one of the values to be pursued and protected in order to confront the cyclical nature of the textile industry. The Covid-19 emergency, which started in 2020 and which has continued into 2021, has given positive confirmation of this decision.

The protection of its workers and respect for nature, as well as care for the product represent the priorities on which Vitale Barberis Canonico bases its investment strategy. In the course of the business activities, the strategies which had been previously planned were pursued by choosing to contain new investments and preferring to place greater focus on the resources necessary for the management of the Covid-19 emergency with a view to protecting its employees in their workplaces.

Governance and business integrity

Corporate governance and risk management

Vitale Barberis Canonico is a limited company and makes up part of the Lanificio Vitale Barberis Canonico. The Company adopts a typical style of Corporate Governance system with a Board of Directors and a Board of Statutory Auditors.

With the articulation of its company governance system, Vitale Barberis Canonico takes its inspiration from the principles and applicable criteria of the CODIF - Codice di Autodisciplina delle Società Non Quotate a Controllo Familiare (Code of Conduct for non-listed family-owned companies) which specify:

- the ability of the owning family to express a clear vision for the future of the company;
- the opportunity for the Management (whether members of the owning family or not) to realise such vision by means of the best resources available on the market.

The Board of Directors is made up of nine administrators of whom three are independent, including the President. The Board includes 22% women and the same percentage of members between 30 and 50 years of age.



The Board guarantees the correct and well-balanced consideration of decisions as well as the pursuance of Company interests while complying with the decisions of the Shareholders Assembly where agreements reached by the Company owners are adopted. The Board is bound to act in the exclusive interests of the Company and to fully understand the duties and responsibilities inherent in such position. The Board, which is privy to all necessary information, acts and deliberates autonomously, following the paramount objectives of the Company – the creation of economic and social value in a medium- to long-term perspective – and paying particular attention to the areas which could represent conflicts of interest. It should be noted that no significant changes took place in the Company or its Governance during the year of 2020.

The Supervisory Body, and the Board of Statutory Auditors, comprise three members each and execute their functions according to the most up-to-date criteria for the organisation of company entities.

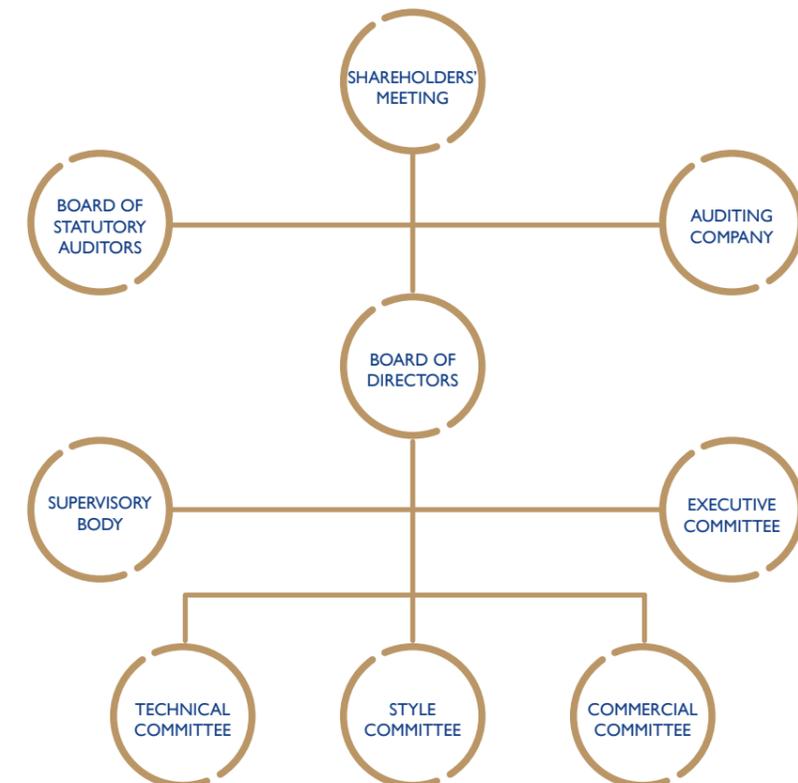
The organisational structure at Vitale Barberis Canonico identifies the different areas of Company management and defines the functions, roles and responsibilities with the Managing Director as head of the Company organogram.

The Company has deemed it necessary to provide the Governance System with the following instruments:

- **EXECUTIVE COMMITTEE:** consisting of the President, the Managing Director, two members of the Board of Directors with management roles, one non-family-member manager and a secretary. The committee has the duty of preparing the work and submitting it to the Board of Directors, and of taking some operative decisions in the framework of strategic indications received by the Board of Directors.
- **SPECIFIC COMMITTEES:** such as Technical Committee, Style Committee and Commercial Committee who meet frequently.

With the aim of attaining correct and transparent management of Company processes, the Company has a risk management system appropriate to its activities. The procedures describing the approach to risk management and the relative instructions are documented in the applicable forms and include indications with regard to operational modalities, responsibilities and resources.

On 6th May, 2021, the Shareholders' Meeting approved the Sustainability Report for 2020, which describes the initiatives and main economic, social and environmental results as reached by the Company during the reporting year.



Governance and business integrity

Compliance with laws and regulations

As a measure for the protection of its own position and the work of the employees and collaborators, Vitale Barberis Canonico ensures conditions of correctness and transparency in the conduct of its business and production. The Company has deemed it important to provide itself with an internal checking system suitable for the prevention of conduct which does not comply with legal requirements and the values the Company promotes.

In 2008 the Company adopted its Modello di Organizzazione, Gestione e Controllo (Organisational, Management and Control Model) pursuant to the Legislative Decree 231/01 (in the following: Model 231), a document which was edited in conformance to the Confindustria (Italian Manufacturer's Association) guidelines and approved by the Board of Directors. In the year under review, the Supervisory Body did not receive any notification of any violation of the Organisation Model or of the Code of Ethics and no disputes were found or raised.

With the aim of achieving the correct application of the principles contained in the Code of Ethics, the Company promotes knowledge of said Code and its dissemination by means of its publication in the dedicated section of the Company website www.vitalebarberiscanonico.com and the provision of certain informational activities and training of employees as well as promotion of the Code by sharing it with customers and suppliers.

Model 231

Model 231 includes:

- the Code of Ethics which identifies the Company values and highlights the set of rights and duties which apply to all those who work in any capacity at Vitale Barberis Canonico, indicating the behavioural norms to be observed vis-à-vis the Company stakeholders.
- the Company organogram which reports all types of offences which may occur in relation to the Company and the internal procedures for dealing with such issues.
- the Disciplinary Sanction System, which prescribes the methods used by the Company to sanction the violation of any of the norms and principles therein.

The task of supervising and regularly verifying the efficacy of the Model 231 was entrusted to a Supervisory Board, the members of which are independent of the Company and which has autonomous powers of initiative and control.

Vitale Barberis Canonico and sustainability

Approach to sustainability

The Company interprets the idea of sustainability as the coexistence and interrelation of three principal aspects: economic, social and environmental. The connection between these three pillars enables the guarantee of sustainability in terms of the business, i.e., its ability to create value over time, a necessity for the survival of the Company.

During its long history, Vitale Barberis Canonico has always been committed to sustainability: starting with its close ties to the region, from which it takes its principal resources and to which it is devoted to returning economic growth and support to the community, while always keeping an eye on environmental issues.

As a result of the commitment of preceding generations, the sense of responsibility towards the region is an integral part of the Company values which Vitale Barberis Canonico has inherited and which it is proud to continue in its investment strategies. On the following pages, the principal steps are highlighted which make up the progress made.

In 2020, the virtuous initiatives were numerous and mainly concentrated on the challenges arising from the Covid-19 emergency. Of particular importance were the various actions undertaken to guarantee maximum safety to its employees in their workplaces and the support interventions in the local area to assist the community and public bodies who were on the front line to confront the emergency.



1982

- Reuse of the contents of the dyeing tanks to recuperate dyes and auxiliary chemicals and the reduction of water consumption.
- Purchase of first Greenhills farm in Australia.



2012

- New Company welfare system including supplementary health insurance, Long Term Care insurance, tax-free annual shopping voucher, pension hours time bank fostering ad hoc arrangements for serious or long-term sickness.
- Tessile e Salute (Textiles and Health) Certification.

2014

Wool Excellence Club and Wool Excellence Award dedicated to breeders.

1987

Purification system for effluents with biological, active mud treatment and tertiary active carbon treatment.

2009

- Life Insurance for all employees pursuant to Company supplementary agreement.
- ISO 9001 Quality certification.
- New gas central heating system with low-emission steam generators and recuperation of energy from fumes and condensation.



2015

SustainaWOOL Integrity Scheme to promote the supply of sustainable raw materials.

1989

Noise level reduction in weaving shops as a result of the study and installation of first generation sound-isolation cabins covering every loom.

2016

Second line of purification treatment using MBR membrane bioreactor and ozone decolourisation to recycle part of the effluents from finishing department.



1996

New finishing department with a number of system improvements for reduction of water consumption and energy.

2008

Model 231, including Company Code of Ethics.

2018

- New Company supplementary agreement for maintenance of preceding agreements and improvement of provisions therein, amongst which safeguarding of salaries in events of serious or long-term sickness and implementation of an exclusive network of discounts with local businesses.
- Formalisation of CSR office.
- Publication of the first Sustainability Report.



2000-2001

New highly-automated dyeing department with a number of system improvements for energy consumption reductions and reuse of contents of dyeing tanks.

2003

New regenerative thermal afterburner for the treatment of waste gas smells caused by singeing.

2005

No Mulesed/Ceased Mulesed declaration system in collaboration with New England Wool.

2019

- ISO 45001 Occupation Health and Safety certification.
- ISO 14001 Environmental Protection certification.
- 100% electric energy bought from certified renewable sources.
- Transfer of SustainaWOOL to an independent third party.
- H.O.P.E. sustainable fabric range.
- Adoption of the Chemical Management 4sustainability protocol for the implementation of the MRSL ZDHC.



Vitale Barberis Canonico and sustainability

Stakeholders mapping

Vitale Barberis Canonico pursues the achievement of its objectives in the interests of its stakeholders, internal and external, i.e., those people on whom the Company has a social and economic impact and who at the same time have an influence on the Company. Therefore, in the business strategy, the need to satisfy the demands and expectations of its interlocutors arose, with a vision of reinforcing the continuation of the Company and creating medium and long-term value with a particular view to the local interests of the community in which the Company has its roots.

Starting with the characteristics, activities and awareness of its role in the context within which it operates, the Company has carried out an internal identification of its stakeholders by means of the definition of a structured process with the involvement of the main Company functions. The specificity of the wool sector is illustrated in the type of stakeholders identified, as shown in the following image.

The analysis for the identification and evaluation of the stakeholders is carried out every three years.



In order to pursue its objectives in a shared and efficient manner, valorising the roles and potentiality of the stakeholders, Vitale Barberis Canonico actively collaborates with the following organisations and associations from the sector:

SMI – Sistema Moda Italia: represents the entire supply chain in the textile and fashion sector in the Western world, both nationally and internationally, protecting and promoting its interests in relationships with the respective stakeholders.



Ideabiella: an association with the purpose of promoting, organising and managing the presentation, distribution and sale, both in Italy and abroad, of textiles for predominantly men's clothing. Vitale Barberis Canonico S.p.A. is one of the founding members and Alessandro Barberis Canonico, Managing Director of the Company, has been president since 2015.



UIB – Unione Industriale Biellese: a regional association of businesspeople under the umbrella of the Confindustria System, which has the objective of representing, supporting and developing the industrial situation in the Biellese region.



Les Hénokiens: an international association for family-run businesses with at least 200 years' history, whose members have deep roots in the current economic situation and who run their businesses with talent, navigating a route between innovation and tradition.



AIDAF – Associazione Italiana delle Aziende Familiari: point of reference in Italy for family-run companies with 150 businesses as members representing approximately 13% of the Italian GDP committed to the development of a business model for such companies which are healthy and solid, to the study of tangible, modern management topics and to ensure the personal and professional growth of new generations.



ASWGA – Australian Superfine Wool Growers Association: voice of the Australian superfine wool industry which brings together breeders at the departure point and users at the finishing point with the objective of promoting the production and the distribution of so-called Traditional Wool, i.e., wool from sheep of traditional Australian breeds of particularly high quality.



Associazione Tessile e Salute: with over 100 members, this association has the objective of safeguarding the health of end customers in the textile, shoe and accessories sectors, identifying the most efficient solutions to counteract and prevent the distribution of potentially damaging products, as well as protecting and promoting the Made in Italy concept.



Accademia Nazionale dei Sartori: the oldest Italian association in the tailoring industry is concerned with the protection of the traditions and culture of bespoke clothing, valorising the products, and the training and promotion of young tailors.



Asociación Española de Sastrería: an association founded on the idea of promoting and highlighting Spanish tailoring on a national and international level.



The Woolmark Company: an association which places the emphasis on the important role played by Australian wool as the best natural fibre and main component in luxury clothing by carrying out research, development and marketing.



Vitale Barberis Canonico and sustainability

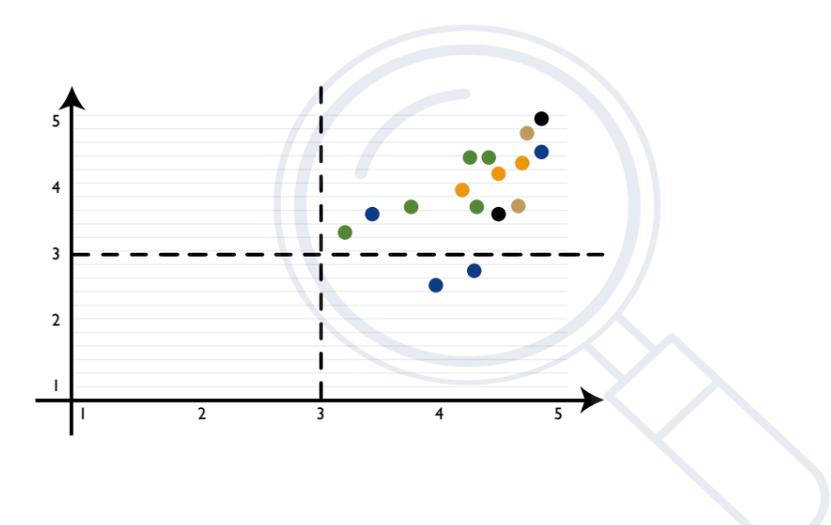
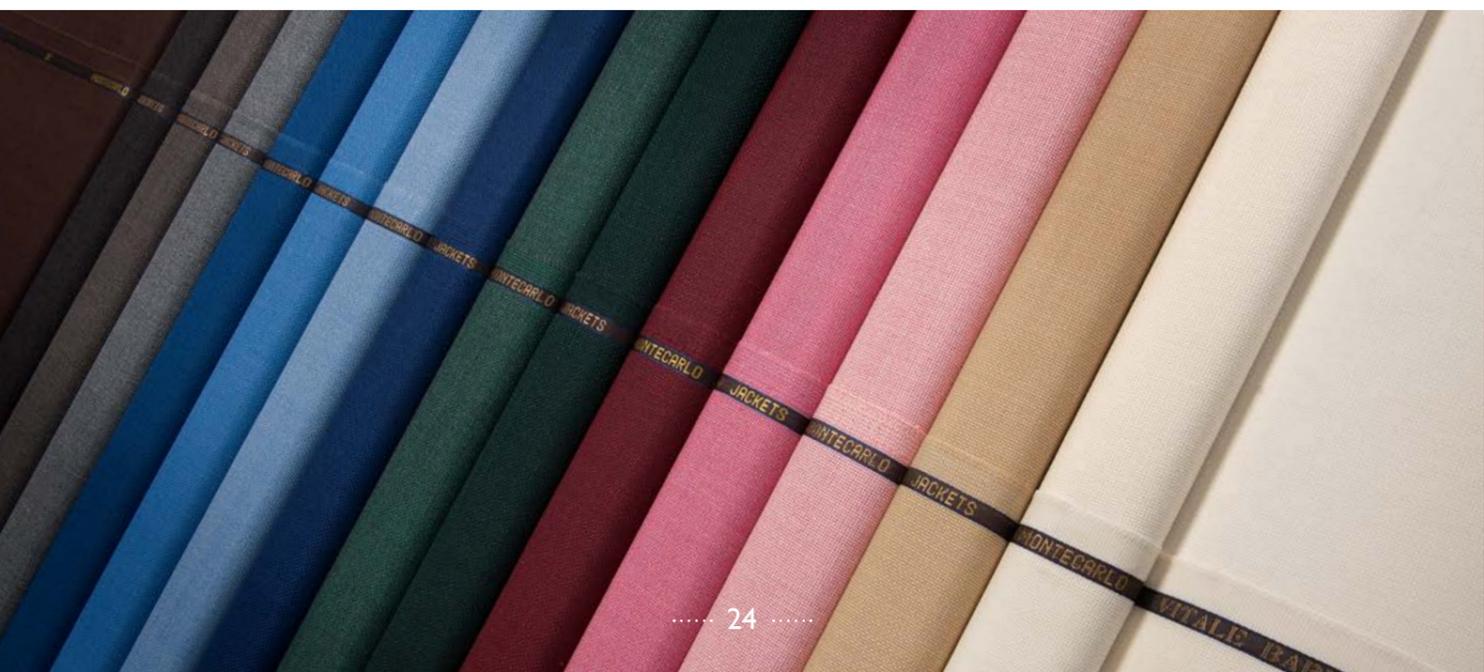
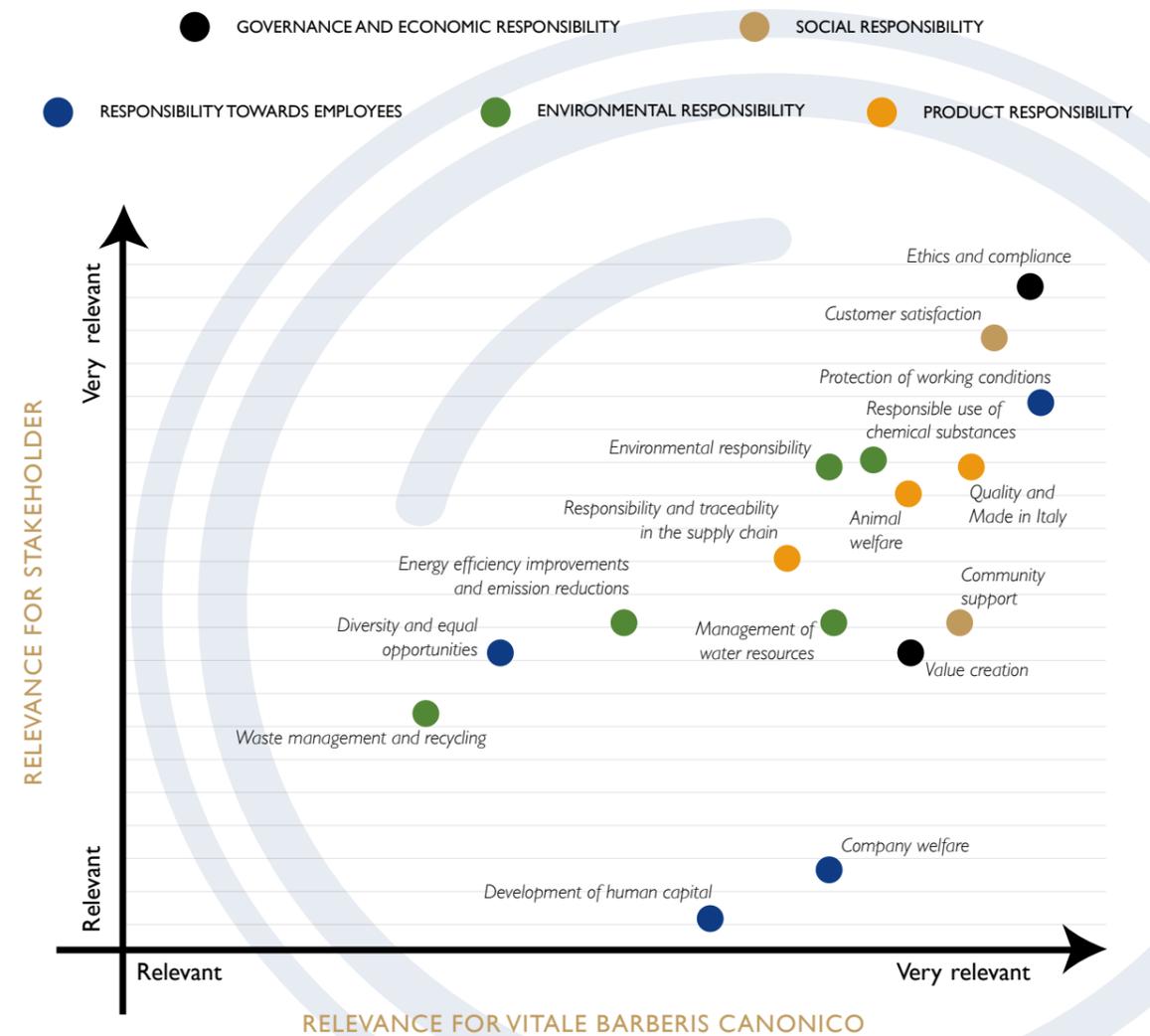
Materiality analysis

The materiality analysis is the instrument by means of which the most important topics surrounding economic, social and environmental sustainability for the Company and its stakeholders are identified. The definition of “material” is applied to those aspects which are able to influence both the performance and the decisions of the organisation as well as the opinions and evaluations of interested parties. Such analysis was carried out in compliance with the GRI Standards, guidelines which are universally recognised for non-financial reporting.

The mapping of the topics pertaining to sustainability as they are relevant to the Company was based on various sources, the most important of which was a wide-scope internal analysis of customer requests arising from specifications, followed by a survey of benchmarking of the principal topics taken into account in the sector and by a study of internal documentation. This process led to the identification of 16 topics of economic, social, environmental, governance-related and product-related character, which were organised in macro-areas.

In order to give priority to the topics identified, in late 2018, the Company organised a workshop involving the management of the main Company functions. The aim was to evaluate their current and prospective importance according to two points of view: on the one hand for the Company and on the other hand for the stakeholders, with the Company as a spokesperson for their opinions and expectations. Similarly to what is reported for the stakeholder mapping, the review of the materiality analysis is carried out every three years, and, this being the third edition of the Sustainability Report, no variations have occurred with regard to the previous reporting year.

The result of this process is reflected in the following materiality matrix, as approved by the Board of Directors, and which shows the Company’s priorities with regard to sustainability.



Vitale Barberis Canonico and sustainability

Objectives for Sustainable Development

For Vitale Barberis Canonico, sustainable development is pursued by means of tangible, daily practices aimed at reconciling decisions of an economic, strategic character with the evaluation of the Company's social and environmental impact in relation to the viewpoint of all stakeholders. Such aspects can be found in the 17 Sustainable Development Goals, SDGs, as set out in the Agenda 2030 and signed by the governments of the 193 member countries of the UN in 2015, and which follow on from the results of the Millennium Development Goals, MDGs.

The SDGs provide an immediate and internationally-recognised modality for defining the topics dealt with in the sustainability report and for highlighting the contributions made towards specific objectives.

The goals which the Company considers to be more closely connected to its own activities and towards which it aims its own commitments for the future are given in the following in relation to each of the 16 sustainability topics identified in the materiality analysis.



Value creation

Value generated and distributed

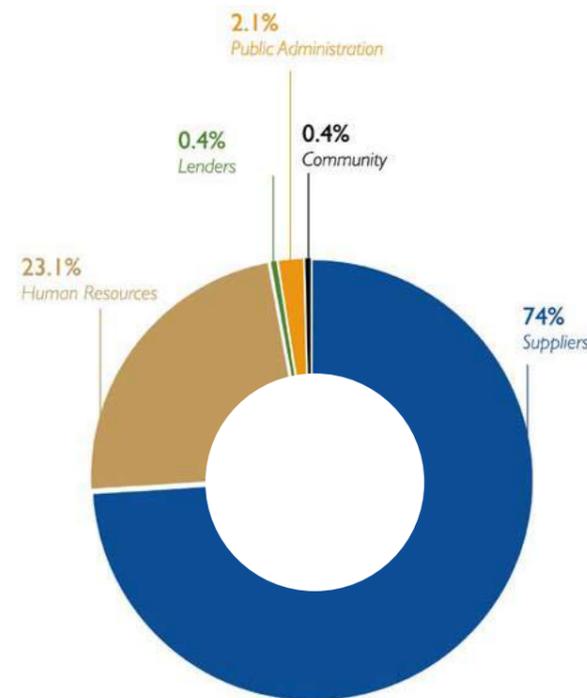


Vitale Barberis Canonico creates prosperity while contributing to the economic growth in the social and environmental context in which it operates.

The Company carries out its activities with the efficient use of production factors in the awareness that the objective of the Company business is to generate added economic value with respect to the external resources used.

In the year 2020, Vitale Barberis Canonico generated an economic value of approximately €86m, of which approximately 13%, including depreciation and reserves, was retained, while the remaining 87% was redistributed as in the following:

- 74% to Suppliers: the cost of supply of materials and services in order to develop its own business represents the largest portion.
- 23.1% to Human Resources: in the form of salaries, expenses, severance payments and other personnel costs.
- 2.1% to Public Administration: in compliance with direct and indirect tax regulations.
- 0.4% to Lenders: in the form of financial expenses sustained vis-à-vis all creditors.
- 0.4% to the Community: this represents the sum donated to local communities in the form of participation in local projects and events of a social, cultural and sports nature.



In detail, it should be noted that the distribution of the added value was in favour of Human Resources in terms of salaries and wages for almost €14.3m, provision of severance payments for more than €1m and other personnel costs for €1.8m, reaching a total of approximately €17.1m.

The Company paid €4.5m to the Public Administration in the form of taxes and social security contributions. It should be noted that on the losses for the fiscal year, the Company has recorded pre-paid taxes of approximately €2.9m. The profit for the year was entirely allocated to reserves, in pursuance of the consolidated policy of increasing and ensuring the development and the continuity of the Company in a complex period such as that determined by the Covid-19 emergency.

It may be seen that, as of 31st December 2020, Vitale Barberis Canonico had a net worth of €96,063,285 corresponding to a capitalisation index of 71.5% with an increase of 9.7% compared to the index posted in 2019.

Value creation

Coinvolgimento nella comunità locale

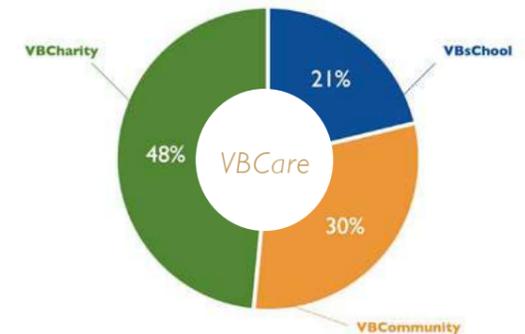


Through the VBCare project, Vitale Barberis Canonico is committed to supporting the region and the local community to the best of its powers. The Company therefore has the objective of backing a significant number of activities by funding a vital social network for an area which has a limited number of services. VBCare is composed of three fundamental divisions: VBCharity, VBsCool and VBCommunity.

In 2020, as a result of the Covid-19 pandemic, new and urgent needs arose in the area to which Vitale Barberis Canonico, along with other bodies, has contributed responses.

In spite of the sharp fall in turnover during 2020, the Company wished to confirm its commitment in the area in terms of contributions of absolute value, increasing the percentage of profits spent of such projects from 2% in 2019 to 13% in 2020.

The Company policy foresees that the resources used are divided in equal measure between three different parts. In this extraordinary year, the major efforts were concentrated on projects of a social-assistance character as shown in the diagram.



VBCharity

The Company stands alongside small and big associations and organisations which are concerned with guaranteeing goods and services of prime necessity to the local community with special attention for particularly difficult situations. Support for these important activities was confirmed during 2020.

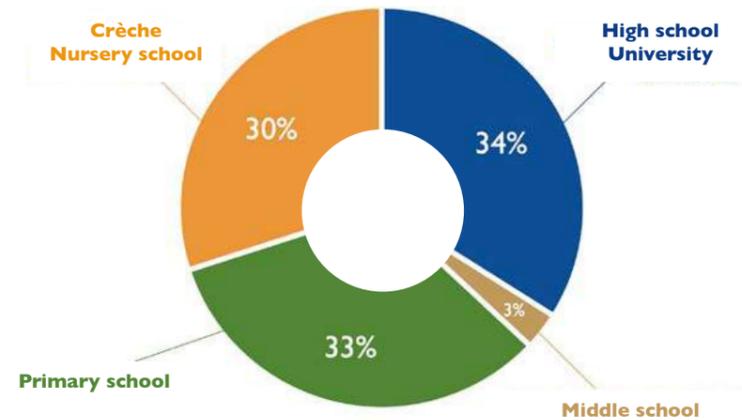
During the very early stages of the Covid-19 emergency, Vitale Barberis Canonico supported the extraordinary work of the Associazione Amici dell'Ospedale di Biella (Association of Friends of Biella Hospital). Thanks to this donation, it was possible to supply Biella Hospital with 18 portable multi-parameter monitors which were indispensable for the optimisation of the monitoring of vital signs in the relevant hospital wards, to reduce the time the operators stayed in the hospital rooms and therefore also reduce their infection risk. Part of the donation was also used to purchase 4 handheld ultrasound devices. Choosing such portable devices means that, once the emergency is over, the devices can swiftly be relocated to other wards.

The Company also supported the frontline workers during the delicate initial stages of the pandemic by the prompt supply of personal protection equipment.



VBsChool

Vitale Barberis Canonico invests in the education and training of pupils and students in the area, accompanying their development with appropriately targeted actions to suit every age group, allocated as shown below.



The support given to educational institutes by means of donations and activities is aimed at the different aspects of education from crèche to university.



Also during 2020, the Company gave important support to the **Biella Cresce** (Biella Grows) association, which concerns itself with facilitating the spread of the most advanced science regarding learning and education, working together with the research authority, Polo Apprendimento and in collaboration with Città Studi Biella. The aim of the association is “to grow a better generation together”. In order to achieve this, it moves in two directions: direct action by means of

interventions in the classroom; and dissemination by means of training activities for teachers, educators and parents.

In 2020, Biella Cresce launched a new educational season, redefining its identity by means of new graphic elements and the communication inspired by the idea of a member: “Make your mark on tomorrow”. The image recalls the theme of open-air classes, which have been fundamental during the scholastic year during the Covid-19 emergency and underlines the attainment of important goals and movement towards the future.

During the reporting year, the association held digital courses for 6 classes, it supplied training for 22 new tutors from the community of teachers in the Biellese region and it supported training activities for associates by means of conferences and a dedicated website. In particular, the online event “La scienza dice” (Science Says) is of note which had the significant number of over 8,000 persons registered and 5,200 users who were simultaneously connected.

The Company also supported the association in terms of communication, highlighting the activities carried out with dedicated posts on the Company social media channels.

VBCCommunity

The Company sponsors and participates in other events that are particularly relevant for the local area.



Among other activities already in existence in previous years and continued in 2020, another activity to highlight is the cultural collaboration with **Premio Biella Letteratura e Industria** (Biella Literature and Industry Award). This is the only award in Italy dedicated to books focused on the ongoing economic and social changes, and studying the relationships between two worlds seemingly far apart, but in fact intimately connected: the world of art and the world of industrial development.

The 19th edition of the award declared the winner to be Maria Paola Merloni with her book “Oggi è già domani. Vittorio Merloni vita di un imprenditore (Marsilio)”, which tells the story of her father and his company, a live testimony of a model of inspiration for the courage of his choices, his passion for his work and sense of responsibility for the collective good.

Study Bursaries

In confirmation of its sense of responsibility towards the younger generations of the region, in 2020, Vitale Barberis Canonico continued to award bursaries for high school and university students taking technology courses, with the ultimate aim of assisting families in the payment of the expenses arising from such studies and their completion, fostering their educational growth path.

Set up in 2003 with the aim of valorising all the top students of the area, not only children of Company employees, but also those from the Biellese and Valsesia regions are included who have gained distinctions in their high school graduation exams and in their subsequent university courses.

In 2020, the Company awarded 4 bursaries to students who had achieved outstanding results in spite of the difficult scholastic year, thus reaching a total of 84 bursaries awarded over a period of 17 years. In particular, we would like to mention that 3 award winners were deservedly confirmed in 2020, thus giving the Company the opportunity of continuing financial support for their long-term studies.

In this way, the bursaries awarded were an expression of the Company's wish to reward excellence and give deserving young people from the area the possibility of continuing their studies and to support them also in this extremely complex time.



In 2020, the Company once again signed up to its commitment from the previous reporting year with the **Fondazione Bellezza**, established in collaboration with important local entities such as Zegna, the Sella Group, Fondazione Pistoletto and other prestigious operators in the area. The objective is to promote Biella and its surroundings, focusing on its inhabitants and their quality of life, and realising a material strategy to systemise numerous excellences already in existence and increasing the attractiveness of the whole region.

The following are the projects initiated in the first year of its activities:

- **OSPITALIA Academy:** an academy for professional training intended for young people who aim to work in the hospitality and tourism sector.
- **Portale turistico del Biellese:** a dynamic tool realised by ATL (tourist centre) in continual evolution which collates all the initiatives and information in and on the Biellese region.
- **Silver Life:** a project proposing to attract new residents concentrating on the local beauty and the presence of a strong sense of community.
- **Biella terzo paradiso – sostenibilità e accoglienza:** a map of local companies which succeed in being innovative while respecting the principles of sustainability.
- **Cicloturismo nel Biellese:** valorising the Biellese region from a cycle tourism point of view.
- **Enogastronomia (Food and Wine):** highlighting the many local food and wine products offered by local producers and restaurateurs.

The Vitale Barberis Canonico Archives

The Vitale Barberis Canonico archives contain over 2,500 volumes: a historical legacy pertaining to textiles which tells the story of men's and women's fashions from 1846 to today, and is open to customers and fashion students by appointment.

The cultural capital in the collection includes sample books from different wool mills and collections of research on the trends of a particular epoch, but also diaries and notebooks by tailors which evince the tastes and events of the lives of the most elegant men of their times.

The main characteristic of the collection is the homogeneity of the materials from certain points of view: different epochs, countries of origin, composition, occasions for use and types of fabrics which tell the story of the art of dressing well over a period of two centuries. The oldest books come from the United Kingdom, but there is no lack of Italian, French, German and Spanish volumes.

The entire archive has been digitalised giving easier access to the books and documents via an internal computer system containing approximately 25,000 pages.

This project to recover the historical textile heritage has therefore taken on the value of a cultural laboratory where the passion and sense of responsibility for textile know-how has become a source of inspiration for creativity and innovation today.

In 2020, the project **Fabric Tales** was created to valorise the important Company heritage in terms of the historical archives and to contribute to the dissemination of a textile culture which has its roots in the past, but is very much alive and topical.

The scrupulous research activities carried out by Vitale Barberis Canonico brings to light from the pages of the antique volumes in the archives incredible stories which unfold along three threads – people, places and colours – but with only one protagonist: the fabric and its evolution in terms of style and custom.

Since 2020, Fabric Tales have animated a dedicated page on the Company website, and their interactive graphics aim to reproduce the essence of the archives themselves with their priceless bookshelves.





**OUR PEOPLE
AND
THEIR VALUE**



Our people and their value

For Vitale Barberis Canonico, its people and collaborators represent the foundation on which its business is based. The Company guarantees professionalism and competence, favouring talents from the Biellese textile district, where the culture of know-how is firmly rooted, thus building an enduring connection with the local community.

Vitale Barberis Canonico employees and collaborators are expected to carry out their work activities in line with the Company principles, the main characteristics being politeness and transparency, with a sense of responsibility, absolute diligence and team spirit towards their colleagues and other third parties. They should also participate in an active manner in Company life and proactively request constant evaluation of their own talents and contributions.

The Company guarantees healthy and safe working conditions to protect the physical and moral integrity of its workers in all its production facilities. It is also committed to creating stimulating working conditions which are based on merit and respect for individual dignity.

In 2020, the Company priority was the protection of the health of its employees, which was pursued by means of the definition of a complex Infection Containment Protocol which was put in place even before such measures were imposed by law, and by means of significant investments in buildings, personal protection equipment and extraordinary disinfection and hygiene measures. These measures translated into an extremely low infection rate, also, and most importantly, thanks to the responsible participation of all concerned.

<p>Occupation Health and Safety Certification ISO 45001</p>  <p>since 2019</p>	<p>412 employees</p>  <p>52% female workforce</p>	<p>Comprehensive and effective anti-Covid-19 Protocol</p>    <p>implemented in the first days of March 2020</p>	<p>Distance from home and workplace</p> <p>75% <15km 23% 15-30km 2% >30km</p> 	<p>97% PERMANENT contracts</p> 
<p>Quietest WEAVING department in the world as a result of sound-proofed cabins</p>  <p>100 dB → 85 dB</p>	<p>Company welfare</p> <ul style="list-style-type: none">Covid InsuranceLife InsuranceIntegrated Health InsuranceLong-Term Care programmeSickness cover entirely paid by Company 	<p>Network of 126 commercial agreements in the area</p> 	<p>84 study bursaries awarded in 17 award periods</p>  <p>4 in 2020</p>	

The human factor

Management of our employees



The Covid-19 emergency was an unexpected event which caused enormous upheavals in global markets, bringing with it a fall in sales and a consequent slowing down of the Company policy since 2019 for consolidating and developing its personnel. As a demonstration of this fact, it is noted for the reporting year that the number of external collaborators and employees was reduced. The expiry of some collaboration contracts and the natural retirement of some employees, who were not replaced, was the exclusive cause of the decrease in the total workforce numbers.

Workforce by type of contract	2019			2020		
	Men	Women	Total	Men	Women	Total
Number of employees	198	203	401	188	202	390
Number of external collaborators	22	15	37	13	9	22
TOTAL	220	218	438	201	211	412

The situation as of 31st December 2020 showed that 97% of the workforce had permanent contracts. In spite of the difficult situation experienced, the numbers slightly increased in comparison to the previous year as a result of actions to stabilise contracts which were already planned at year-end 2019 in order to consolidate the know-how already acquired within the Company. Part-time contracts were at 4%, which are designed to create a work-life balance and such contracts are predominantly chosen by female workers.

Employees by type of contract	2019			2020		
	Men	Women	Total	Men	Women	Total
Permanent contract	188	197	385	181	196	377
Temporary contract	10	6	16	7	6	13
TOTAL	198	203	401	188	202	390
<i>of whom are full-time</i>	197	192	389	187	189	376
<i>of whom are part-time</i>	1	11	12	1	13	14

The deployment of external collaborators usually results from two main groups: agency workers and interns. In the case of internships, the activities are generally directed at the writing of a student's thesis and/or the approach to a profession for which the students have previously completed a course of relevant studies. Work experience activities are also of great importance, a form of training which, by means of practical, tangible experience in the Company, helps to consolidate knowledge already gained at school and to test young people's aptitudes in situ.

Vitale Barberis Canonico nurtures these virtuous growth paths in the Company while maintaining a continuous relationship with universities, high schools in the area and with local bodies and entities such as the Piedmont job centres.

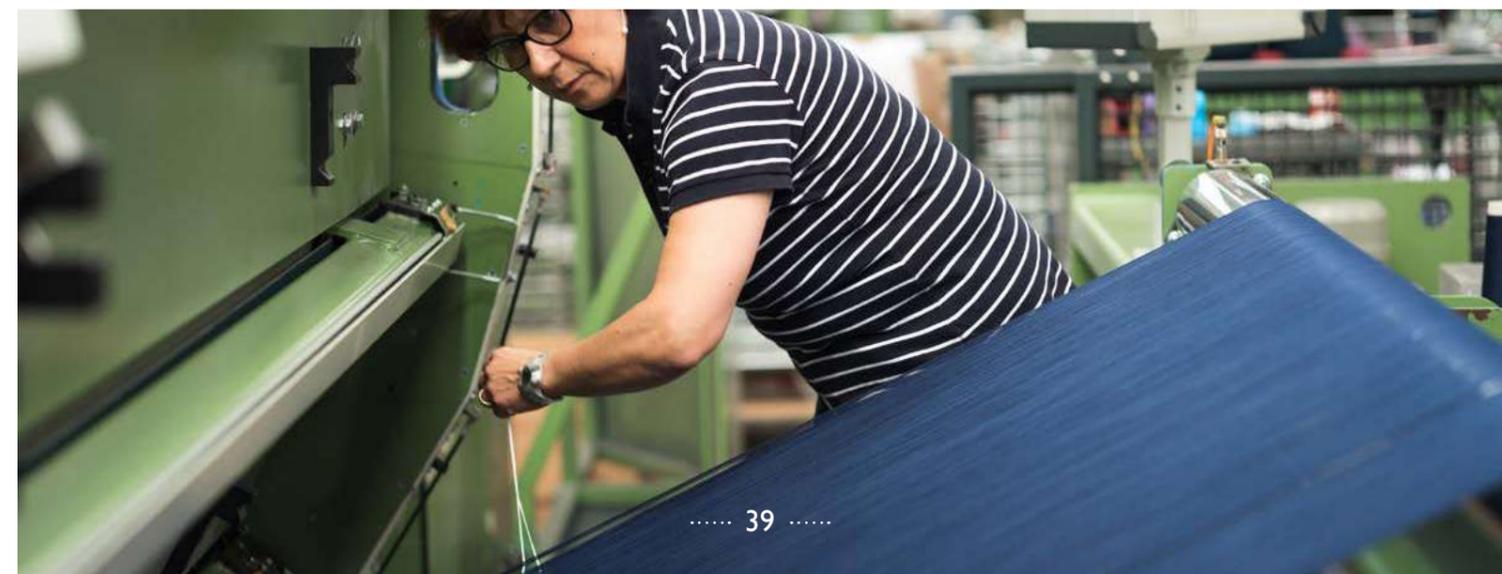
In particular, concerning internships with the long-term aim of hiring the interns, the Company offers much higher remuneration than required by local legislation (approximately 83% more) and dedicates resources and time by committing experienced workers to the transfer of knowledge and technical skills.

External collaborators by type of collaboration	2019			2020		
	Men	Women	Total	Men	Women	Total
Agency workers	22	15	37	13	9	22
Interns	16	6	22	5	2	7
<i>of whom with the aim of employment in the Company</i>	6	1	7	-	2	2
<i>of whom student interns (to complete their course of studies)</i>	7	2	9	5	-	5
<i>of whom on work experience/school pupils</i>	3	3	6	-	-	0
TOTAL	38	21	59	18	11	29

In 2020, the decrease in the number of temporary workers was due to the consolidation of already existing relationships. Contrary to this, the decrease in the number of internships with the aim of employing the interns in the Company and curricular internships and the elimination of work experience programmes arises from the Company's decision to protect employees' health by limiting their exposure to risk as far as possible. As these were all practical training programmes, it was unfortunately not possible to convert them into "distance learning" courses.

In addition, the Company proposed, contracted and signed on 15th December 2020 an agreement pursuant to Art. 14, clause 3, Legislative Decree 14/08/2020 no. 104, which permits to those wishing to take advantage of its provisions a possible termination of their work contract by means of an exit date agreed with the employee concerned on the basis of the date of their retirement within 24 months of signing the agreement, or also on a voluntary basis.

This is an assistance programme for voluntary retirement contracted with local trade union organisations which will take effect in 2021 based on how many take up the agreement with the Company for voluntary retirement: the objective is to optimise the size and efficiency of the Company organisation with the "soft" exit of interested parties aimed at the attainment of the pension requirements with a simultaneous guarantee of a gross income as agreed with the trade unions.



The human factor

Attraction and development of talent and valorisation of personnel



In its ongoing choices of virtuous and highly innovative technological solutions and its adaptation of its own strategies according to ever faster and reactive market demands, Vitale Barberis Canonico deems the attraction, valorisation and professional growth of talent crucial.

In this way, the strategy which was already accentuated and applied more efficiently in 2019 in order to face the natural generation change, was to favour investment in young people from the local area who, though not with much experience, have great potential which Vitale Barberis Canonico is committed to developing.

Therefore, the collaboration with schools is a fundamental part of attracting young talent. In this respect, a specific campaign has been developed in-house to spread textile knowledge with a focus on Vitale Barberis Canonico involving years 3 and 4 of the high schools in the area.

The policy for the attraction and selection of talents takes two distinct paths:

- directly: through interviews aimed at getting to know each other and ad hoc interviews with people with profiles in line with Company strategies, predominantly selected from candidates who apply to the interactive “Careers” page of the Company website, or through the participation at events such as Fiere del Lavoro (labour fairs), university Career Days and Orientation Days.
- indirectly: following the flagging-up of a C.V. by another agency, head hunter or suggestions from staff already employed at the Company, always a promising source of information on interesting candidates.

Pursuant to the Company values and principles, such interviews are carried out according to criteria of non-discrimination and equal opportunity, not forgetting however that some jobs, in terms of their adequate supervision for health reasons and relative protocols, are more suited to a certain category of worker.

The evaluation of the suitable employment of a worker takes place directly between the Head of Human Resources and the Head of the Department concerned at the completion of a probationary period. Such evaluation at the completion of a probationary period is formalised in the Company system and is linked to the annual salary review.

In 2020, total staff turnover was 7.2%: 9 members of staff were recruited at a rate of the equivalent of 2.3%; while 19 members of staff left the Company, at a rate of 4.9%.

Recruitment rate	2019				2020			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Men	2	5	4	11	-	4	-	4
Women	4	3	-	7	3	1	1	5
TOTAL	6	8	4	18	3	5	1	9
Recruitment rate	1.5%	2.0%	1.0%	4.5%	0.8%	1.3%	0.3%	2.4%

Turnover rate	2019				2020			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Men	-	5	8	13	-	3	10	13
Women	-	-	10	10	-	1	5	6
TOTAL	-	5	18	23	-	4	15	19
Turnover rate	0.0%	1.2%	4.5%	5.7%	0.0%	1.0%	3.8%	4.8%

Regarding the training given after recruitment of a new worker, at the start of an internship or apprenticeship and in cases where a worker changes job within the Company, a specific course is developed which is carried out mainly by shadowing expert workers. The duration of such training varies according to the complexity of the job in question.

100 DAYS FOR A SPINNER



180 DAYS FOR THE DYEING OFFICER



1 YEAR FOR A JUNIOR CONTROLLER



1 YEAR FOR A HEALTH AND SAFETY OFFICER



Career development in order to maintain the high standard of professionalism is identified by two different training policies:

- continuing: based on the strategy periodically revised by Human Resources management, it is designed around internal or external courses for specific roles and/or areas, to constantly foster competence and degree of responsibility, while still being in line with the individual's career plan.
- specific: activated on the basis of the needs of the intended role.

The evaluation of the actual learning and experience gained is carried out by the direct line manager during the day-to-day performance of the relative job.

The human factor

Vitale Barberis Canonico is also committed to ensuring suitable workplaces for workers and to safeguarding the principles which are indispensable for their health and safety, in conformance with all current legislation and regulations, and the Company also operates specific internal courses. A five-year update is carried out on these topics.

In addition to this main activity must be also considered the dissemination of information to new recruits and other persons with specific roles or who carry out particular kinds of jobs. Training activities are completed according to professional growth requirements and consolidation of internal skills.

Training on demand also plays an important role: many employees proactively ask the Human Resources Manager, who is also responsible for employee training, for specific activities to improve their knowledge and technical skills. The direct relationship between the workers and the Human Resources Manager becomes clear in this situation in terms of the evaluation of the respective individual course, which also enables the HR Manager to be informed about the worker's personal aspirations and to help him or her combine these with the Company's macro-strategy.

The Covid-19 pandemic slowed down the preventative training programmes for the reporting year, resulting in 587 hours of which 80% were concerned with safety and 20% with personal skills.

The most important activities for the reporting year were the training of members of the Company First Aid team which took place in January 2020 and the periodic updating on specific topics for maintenance technicians during the year in full compliance with the infection containment regulations.

Training hours per capita	2019			2020		
	Men	Women	Total	Men	Women	Total
Executives	11	-	10	8	6	8
Middle management	4	-	4	5	-	4
White collar workers	13	2	8	1	1	1
Blue collar workers	6	-	2	2	-	1



Diversity



In order to guarantee the primary value of its human resources, Vitale Barberis Canonico bases the management of its employees on the principles of protection of diversity and equal opportunities. The desire to respect such values is repeated in the Code of Ethics in which the Company declares its intention not to allow any form of discrimination or act of intimidation or molestation towards its employees and collaborators who at the same time, when carrying out their work within the limits of their competence and the responsibility entrusted to them, are obliged to base their own behaviour on the principles of mutual correctness and absolute respect for the dignity and moral integrity of everyone.

Historically and as part of Company policy, the Human Resources office is the point of reference for personnel in terms of internal communications. The adoption of the Model 231 (regarding Legislative Decree 231/2001 pertaining to a direct liability of legal entities, companies and associations for certain crimes committed by their representatives) also led in both production facilities to the introduction of "complaints boxes".

The data relating to staffing show the distribution of employees in terms of sex, age group and professional position. As of 31st December 2020, the number of female employees stood at 52% of the total Company workforce, a slight increase on the preceding year demonstrating the Company's continuing attention with regard to equal opportunities, contrary to the trend to a worsening of this aspect which is recognised at a national level as a result of the pandemic. Also the data regarding the age group of employees between the ages of 30 and 50 years remained stable for the two-year period and for the age group of under-30s.

Employees by gender	2019			2020		
	% of total	of whom men	of whom women	% of total	of whom men	of whom women
Executives	4%	87%	13%	3.5%	86%	14%
Middle management	3%	86%	14%	3.5%	86%	14%
White collar workers	20%	65%	35%	20%	62%	38%
Blue collar workers	73%	41%	59%	73%	41%	59%
TOTAL	100%	49%	51%	100%	48%	52%

Employees by age group	2019				2020			
	% of total	of whom <30 years	of whom 30-50 years	of whom >50 years	% of total	of whom <30 years	of whom 30-50 years	of whom >50 years
Executives	4%	0%	40%	60%	4%	0%	43%	57%
Middle management	3%	0%	36%	64%	3%	0%	36%	64%
White collar workers	20%	7.5%	55%	37.5%	20%	8%	53%	39%
Blue collar workers	73%	8%	49%	43%	73%	8%	50%	42%
TOTAL	100%	7%	50%	43%	100%	7%	50%	43%

It should be noted that approximately 3.3% of the workforce are employees who belong to protected categories, and who are selected on an ad-hoc basis in collaboration with the local employment centre and the decrease of whose numbers was not dependent on a decision made by Vitale Barberis Canonico.

Protected categories	2019			2020		
	Men	Women	Total	Men	Women	Total
Executives	-	-	0	-	-	0
Middle management	-	-	0	-	-	0
White collar workers	1	1	2	-	1	1
Blue collar workers	7	8	15	6	6	12
TOTAL	8	9	17	6	7	13



The human factor

Protection of and respect for working conditions



The Company sees itself within the context of national and international norms and recognises as a priority the fundamental principles and prescriptions therein, these being, amongst others:

- the constitution of the Republic of Italy;
- Labour laws;
- the principles taken from the International Labour Organization;
- the CCNL (National Collective Labour Contract) Textiles & Clothing and Industrial Executives.

In addition to this, the Company has adopted the Model 231 which is included in the Company Code of Ethics.

The Company does not adopt a policy for the distribution of shareholdings as part of the benefits disbursed.

In pursuing the objectives of correctness and transparency, the Company best practice principles aim in particular at fulfilling the requirements for protection of human rights and working conditions, with special reference to the respect for legislation referring to the protection of young people, the prohibition of forced labour and the freedom of association.

During the two years covered in this study, Vitale Barberis Canonico did not avail itself of any form of contract with workers under the age of 20. In the event of work experience programmes for school pupils, the Company follows the provisions of national legislation stipulating that the minimum age for employment may not be less than that at which formal education ends (16 years).

In addition to a three-year cycle of supplementary labour renegotiations, the Company guarantees at least two other annual consultations between the trades unions representatives and the Head of Human Resources with the additional intervention of the Managing Director in the event such intervention be deemed expedient or necessary.

On the basis of the foregoing, the Company does not present risks which could lead to potential exploitation of child labour or which could infringe labour rights arising from collective bargaining and/or freedom of association.

Outside the Company context, Vitale Barberis Canonico guarantees the integrity of individual dignity by means of the circulation of the above-mentioned Code of Ethics, the perusal and understanding of which is an integral part of supply contracts and order confirmations vis-à-vis customers.

Company welfare

Employees' well-being



The well-being and the safeguarding of employees are fundamental values for the Company which has always put bonus strategies in place in recognition of the results and achievements of people, using an award policy which is more favourable to the employees, and supported by the provision of benefits and supplementary services.

The Company salary policy is based on a virtuous history of constant tracking of the integrated pay bargaining parallel to such bargaining on a national level which, in addition to improving additional forms of reward in comparison to ordinary remuneration, has often modified the conditions of national bargaining itself and of the relevant legislation for the better.

The general aim is to offer salary levels which are appropriate for the continuing evolution of the needs of the individual while maintaining the Company salary policy which is higher than the market average, also with the idea of creating employee loyalty.

2020 was characterised by the use of the Covid Cassa Integrazione (subsidised redundancy fund) and Vitale Barberis Canonico continued to guarantee the complete maturation of added benefits (paid holiday, extra leave permits, thirteenth salary) in spite of using many hours of the fund, thus mitigating the dramatic economic impact on employee salaries.

The policy inherent to the management of such strategies is included in the supplementary Company agreement which is a financial agreement over and above the national agreement and an instrument for valorising and maintaining some of the fundamental values by means of a “textile” welfare system. In addition to the traditional, variable awards and financial recognitions, it also consists of assistance and protection with the aim of increasing the involvement of the employees, and with the correlated objective of attracting, securing and retaining employees.

The main benefits are available both to full-time and part-time employees and those with temporary contracts (including agency workers). The benefits are calculated on the basis of the percentage of hours and/or duration of the contract worked. The most important benefits include the following:

- Life Insurance, Supplementary Medical Insurance, Long Term care insurance (life pension in the event of the need of long-term care);
- annual tax-free shopping voucher;
- student bursaries;
- time banking pension, not obligatory, for possible early retirement programme;
- cover for sickness 100% paid by Company for the period from the end of national insurance sick benefit until the end of the calendar year;
- VBCard: network of commercial agreements with local businesses.

VBCard

VBCard was introduced in 2018 with the aim of offering employees and collaborators a dedicated network of services, concessions and commercial agreements in the local area. Conceived and structured completely in-house, in 2020, more than approximately 126 entities and shops took part in this programme, which were subdivided as in the following figure. The offer ranges from medical services to the recreational, from the food sector to personal care services.



In 2020, there was an increase in the number of operators in the health sector, also in line with the increased needs caused by the pandemic.

With the purpose of showing its solidarity and support for all employees within the Company, Vitale Barberis Canonico contracted for the year under review and at its own expense a specific insurance cover to provide employees a daily allowance in the case of hospitalisation and for the subsequent convalescence period as well as a post-hospitalisation package.

The efficacy of such initiatives is evaluated on the basis of annual monitoring of the take-up and the number of people involved in the various programmes as well as other possible significant impacts such as a reduction of absenteeism.

The Human Resources department is responsible for the direct collection of possible suggestions or complaints made officially by employees and/or their representatives, and for meetings with the Company directorship with a view to improving relationships, processes and organisation.

Company welfare

Work-life balance initiatives



Vitale Barberis Canonico guarantees working conditions which are aimed at ensuring employees a correct work-life balance by integrating the distribution of Company welfare benefits with part-time contracts to suit both personal and Company needs. Moreover, the Company takes the role of consultant in the orientation and modalities for fulfilling the prerequisites arising from legislation and national bargaining procedures.

In reference to the two-year period 2019-2020, employees have actively availed themselves of the parental leave programme, for fathers and mothers (both mandatory and optional maternity leave, breastfeeding), Italian law no. 104 (employment services to persons with reduced working capacity) and additional special leave (up to 24 months) pursuant to Law no. 104. These were mainly taken up by female employees.

In 2020, apart from a slightly lower uptake of parental leave by employees, there are no other significant discrepancies in comparison to the preceding year.

Parental leave	2019			2020		
	Men	Women	Total	Men	Women	Total
Employees who have taken parental leave	7	10	17	5	6	11
still on leave	-	3	3	-	2	2
returned and still employed	6	7	13	5	4	9
those who left	1	-	1	-	-	-
Rate of return to work¹	86%	100%	94%	100%	100%	100%

Accurate planning at the start of the period of leave and a long-term strategy which meets the worker's needs enables the Company to "restitute" jobs and professional positions which are appropriate to the experience of the worker in question, and involves them fully in the objectives of the Company.

¹ - Calculated as the ratio of the total number of employees returning to work after leave and those taking leave in total.

Integrated Quality-Safety-Environment Management System

Rigorous respect for norms of the correct behaviour in order to prevent accidents and the implementation of organisational and systemic measures to protect Occupational Health and Safety (OHS) are distinct characteristics of Vitale Barberis Canonico as a company and were the Company management style even before becoming law: in the 1990s, pioneering mechanical and automation solutions for logistical processes with important benefits for the employees were already introduced in the Pratrivero facility, and in the weaving shed, sound-proof "capsules" were introduced at the looms, thereby showing the Company's sensibility to such issues long in advance of the mandatory regulations which came into force some years later with Italian law no. 277 of 1991.

Still today, production efficiency goes hand in hand with good prevention practices and technological innovations are aimed at constantly improving working conditions and methods.

The entire Vitale Barberis Canonico organisation participates in the management of the prevention and protection processes with scrupulous proactive observance of the articles of the Testo Unico sulla Salute e Sicurezza nei luoghi di lavoro (D.lgs. 81/2008 – Italian Legislative Decree regarding Occupational Health and Safety), and by the inception of the Supervisory Board and the adoption of the code for processes with regard to the Company's administrative responsibility (Italian legislative decree 231/2001).

In 2010, a formal management system was adopted, but not certified, which conforms to the Uni-INAIL and OSHAS 18001 standards concerning occupational health and safety as an additional documented proof of the process of constant improvements which are translated into practical and verifiable action plans, annually formulated during the management review, and which clarify objectives and operative responsibilities.



At the end of 2020, TÜV Italia awarded Vitale Barberis Canonico UNI ISO 45001:2018 for its Integrated Quality-Safety-Management System as adopted by the three different sites (the two production sites in Pratrivero and Pray and the showroom in Milan).

The focus on the individual and his or her dignity and physical and moral integrity, along with the promotion of competence in order to obtain maximum operational efficiency while working with maximum accident-prevention measures are the founding principles of the Vitale Barberis Canonico Policy for Safety effectively implemented by the Company, shared by the top management levels and perfectly integrated with the Environmental policy.

In everyday operations, environmental protection is translated into scrupulous and rigorous attention to the topics of air, water and soil pollution and of having the lowest impact possible on the surrounding area.

The management of the evaluation processes for environmental risks, for the adoption of measures to achieve minimum impact, as well as the administrative fulfilment of requirements to obtain and maintain the environmental authorisations under the current norm (most importantly the Testo Unico per l'Ambiente D.lgs.152/2006 – Consolidated law for the Environment, Legislative Decree 152/2006) at Vitale Barberis Canonico is in the hands of the Environmental Protection Service, whose members also make up the OHS committee (and in which role they operate as Prevention and Protection Service).



This synergy of resources, uniformity of methodological approach to the processes and significant commitment on the part of the Company made it possible in late 2019 for TÜV Italia to also award the certification of conformity to UIC EN ISO 14001:2015 Vitale Barberis Canonico Environmental Protection Management System in the three sites (the two production sites of Pratrivero and Pray and the Milan showroom).

The two management systems have thus joined the Quality Management System which has been operating since 2010 with the final result of a complete and homogenous Integrated Quality-Safety Management System of a high level of efficiency and synergy.



In December 2020, during the remote audits carried out, the TÜV Italia testers found no cases of non-conformity, they formulated their Comments and Recommendations indicating different improvement possibilities and expressed their appreciation for the level of participation on behalf of the staff members and the competence of those in charge, but most importantly for the extraordinary measures adopted by the Company for the management of the pandemic emergency with particular reference to the adoption of a protocol which had proved to be both robust and effective.

Health and safety

Prevention and monitoring systems



Vitale Barberis Canonico manages the risks present in the workplace with a view to the prevention of accidents and occupational sicknesses by means of a structured process starting with the assessment of the residual risks associated with situations and the dangers identified, and puts it into practice with the formulation of intervention plans stipulating priority and action times which become an integral part of the investment and development strategies for the Company as a whole.

Risk assessment is carried out by means of consultation with the employees' representatives (RSL) and is updated in the event of significant alterations to the production processes or work organisation with occupational health and safety in mind, or periodically as foreseen by the governing norms.

The Integrated QSE Management System amplifies and reinforces the attention paid to critical situations present in the working environment and promotes the exploration of opportunities and corrective actions on a wider scale, translating this commitment into the formulation of specific Improvement Measures Programmes which specify implementation modalities, assignment of resources and responsibilities, and the timetables for verification of the efficacy of actions taken.

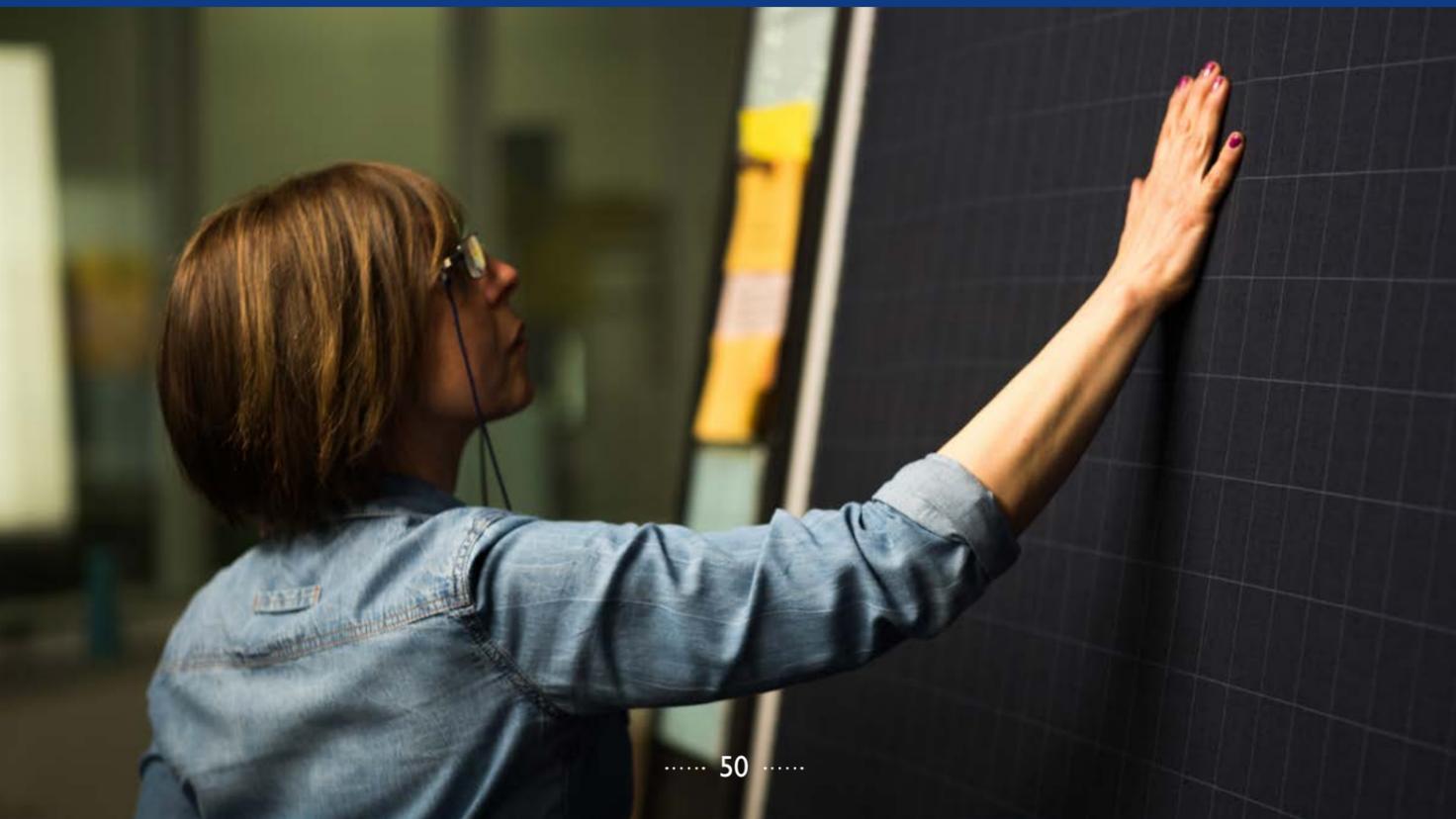
The Company believes that the most important contribution to the prevention of accidents derives from the correct application of Behavioural Diligence, i.e., workers being fully aware of the risks to which they are exposed on a daily basis during their work and the attention required from them to avoid any pollution of the environment, their ability to manage such risks punctiliously and professionally using appropriate operative and behavioural methods, and their having a clear idea of priorities and robust criteria as stipulated in the governing standards, but also of the practices and sensitivity of the Company in such matters.

The Company promotes the professional growth of employees in both technical competence and in terms of safety and the environment by means of general and specific training courses the dissemination of which is entrusted to consultants with consolidated experience and collaboration when they are not provided by the Prevention and Protection Services (PPS) within the Company itself.

In relation to ISO 45001, the information and training courses for employees are now also planned by the PPS as a series of risk analyses/ opportunities to carry out for each department with the active contribution of the workers who work there, with their incomparable experience, competence and sensitivity, and extremely valid resources with a view to the formulation of operational procedures and recommendations for caution.

To this end, the PPS produced specific Risk/Opportunity Report Forms for the collation of all contributions both in terms of the description of the operational modality in existence and of the flagging up of concerns and suggestions for improvements.

The spirit of this sense of involvement is also that of facilitating the transfer of competence and experience from the more skilled colleagues (who in some cases are near retirement age) to younger colleagues.



The organisational model stipulated by the Integrated QSA Management System confirms the centrality of the co-responsibility of middle management (safety supervisors) to whom the responsibility of the organisation of the department's work, the responsibility for the workers' training for their department and the supervision of the correct application of the provisions relating to their department have been delegated in collaboration with their assistants (in charge of safety).

All plans formulated by the Company for 2020 were overturned by the economic crisis caused by the pandemic which brought with it significant reductions in investments. However, the sum destined for improvements in health and safety in the workplace and environmental protection was still considerable in both absolute terms and in proportion to the total annual commitment.

In the reporting year, the total costs incurred were equivalent to approximately €920,000 and were applied to both equipment for the reduction of energy needed in lifting and loading movements as well as general emergency equipment (smoke evacuation, emergency lighting, etc.) extended in 2020 to the technological areas of both the establishments, as requested by the Control Authority to which a new application was submitted at the end of the year for an inspection and subsequent issue of the Fire Protection certification.

A substantial investment of €320,000 was made at Pratrivero with the installation of 10 new state-of-the-art sound-proof cabins which completed the acoustic upgrading of the entire weaving shed.

The interventions regarding environmental protection in 2020 were delayed by the pandemic emergency, but not totally cancelled: in mid-December in the Pray facility, works were carried out to remove 2,100 sq.m. of materials containing asbestos, thus completing the remediation for all the roofing at the site. Both production sites at Pratrivero and Pray are now asbestos-free.

The Company registers and manages any injury and work-related illness occurring in the production facilities in order to fulfil the accounting obligations pursuant to the regulations in force, but most importantly, in order to analyse their cause and dynamics and to identify any possible dysfunction in terms of the organisation or the plant in question and to then take any necessary corrective actions.

Number of injuries involving employees		2019	2020
Pratrivero facility	Injuries <40 days' absence	6	3
	<i>of which during commute</i>	-	-
	Injuries ≥40 days' absence	-	1
	<i>of which during commute</i>	-	1
Pray facility	Injuries <40 days' absence	-	1
	<i>of which during commute</i>	-	-
	Injuries ≥40 days' absence	-	-
TOTAL		6	5

Number of injuries involving external collaborators (agency workers and interns)		2019	2020
Pratrivero facility	Injuries <40 days' absence	-	1
	<i>of which during commute</i>	-	-
	Injuries ≥40 days' absence	-	-
Pray facility	Injuries <40 days' absence	2	-
	<i>of which during commute</i>	-	-
	Injuries ≥40 days' absence	-	-
TOTAL		2	1

The Vitale Barberis Canonico accident log-book registers a decrease in the number of employee accidents² for the 2019-2020 period, analogous with the drop in number of accidents involving external collaborators.

With reference to occupational diseases, in line with the preceding year, no cases were registered involving either Company employees or external collaborators.

Injury rates ³	2019	2020
Employees		
Injury rate <40 days' absence	1.8	1.5
Injury rate ≥40 days' absence	0	0.4
External collaborators (agency workers and interns)		
Injury rate <40 days' absence	5.4	5.6
Injury rate ≥40 days' absence	0	0

In 2020, because of the restrictions imposed by the pandemic (lockdown and Covid redundancy fund – Cassa Integrazione) the total annual working hours were substantially fewer than in the preceding years with workers actually at work for less time. The mood of the workers, which was strongly influenced by the very real worries caused by the pandemic and the relevant infection risks and the constant wearing of face-masks even in surroundings with particularly harsh micro-climates, were the most critical factors for the reporting year. The remarkable discipline and sense of responsibility demonstrated by the Vitale Barberis Canonico community however enabled the Company to overcome the difficulties of the first year of the pandemic and minimise the impact.

.....

² - The classification based on the prognosis of the subject is regulated by the Italian Penal Code. In line with the requirements of the GRI 403-9 disclosure, please note that none of the injuries recorded in the table implicated a period of recuperation of more than or equal to 6 months, and there were no fatalities.

³ - The injury rates are calculated as the ratio between the number of injuries and the hours worked over the period of the reference year, multiplied by 200,000.

A comprehensive and effective Anti-Covid-19 Protocol

From the very first days of March 2020, Vitale Barberis Canonico adopted extraordinary measures to combat the spread of the Covid-19 virus with the prompt implementation of a complex Infection Containment Protocol to define the special, temporary procedures for gaining access and for the management of the co-presence and interactions of the employees, including external persons, within the workplaces of the two facilities.

The Protocol was discussed and shared with the Company trade union representatives within the framework of the Committee for the application and verification of the measures which were introduced on 16th March 2020 and its updates and adaptations to comply with the government regulations issued during the latter stages of the pandemic. The Protocol is still in force and will be part of Company procedures until the end of the emergency.

It consists of extraordinary organisational measures to compartmentalise the departments and separate workflows which meant redesigning the internal logistics and remodelling the shift patterns to eliminate over-crowding when shifts change.

For every department, numerous detailed precautions were defined in order to control entries, to manage shared spaces, to manage the running of machines during shift end/begin and the organisation of interchange areas and boundaries between neighbouring departments. In addition, normal cleaning and sanitisation work was augmented involving both the employees themselves and with the aid of a specialist cleaning company.

From the very first moment, the Prevention and Protection Service managed with efficiency and foresight to acquire large quantities of effective PPE. All workers were given personal protection equipment which was to be changed in a frequency appropriate to the job, to the micro-climate of their workplace and to the sensibilities of the workers themselves.

During the first lockdown, in early spring 2020, the stock of PPE was such that Vitale Barberis Canonico was able to contribute to the mitigation of the local health emergency by donating large quantities of PPE (face-masks, gloves, gowns and visors) to local public and private health institutes, the police force and paramedics.

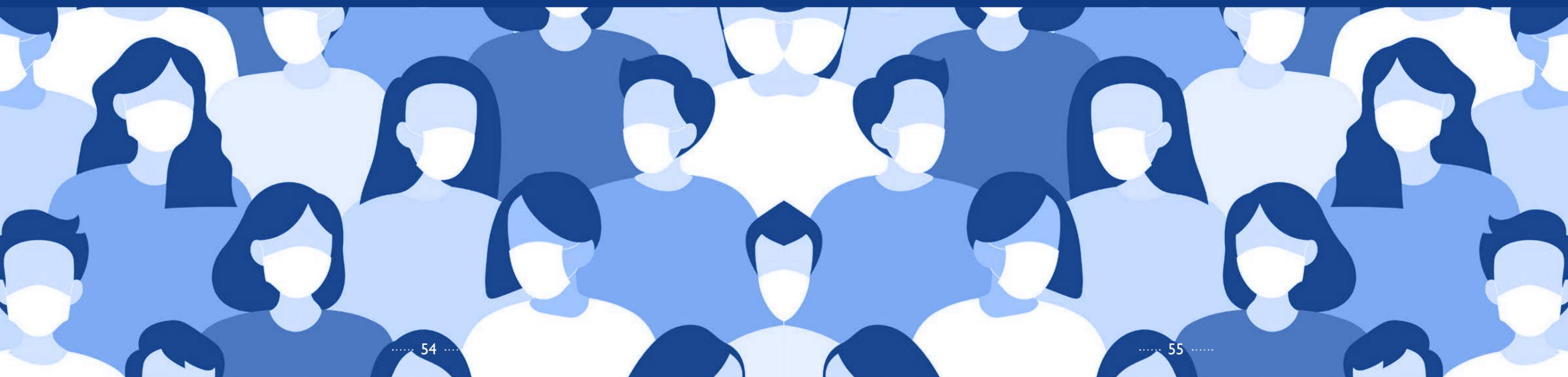
For those jobs which can be effectively carried out working from home, employees were equipped with the necessary informatics tools.

Additionally, the Protocol manages access to the facilities by external persons using specific entry/transit/exit procedures, rules of conduct and traceability of any Company employees with whom they have had interactions. Initially, this only meant maintenance technicians and logistics personnel, but with the lifting of the restrictions on movement, it also included customers, visitors and consultants.

Such measures proved to be effective in terms of prevention and protection and none of the employees were infected during the first wave of the pandemic in spring 2020. With the re-opening of production activities and the autumn return to school, there was a sharp increase of the number of infections, which also affected the local area and the Company itself during the second wave. The low number of infections (5.5% of the total number of employees) and the containment of the impact on the continuation of production activities, which did not involve the closing of any department, is the result of rigorous compliance with an extremely robust Protocol which ensured adequate levels of protection to its workers and guaranteed the safety of the work environment. In particular, and at its own expense, the Company contracted specific insurance cover which provides an allowance in the event of hospitalisation and during convalescence, and a post-hospitalisation package.

With the progressive re-opening of international borders during the third phase, the Company has resumed business trips abroad, which are managed with the utmost attention to the protection of those involved: in fact, with the active collaboration of the competent medical staff an articulated process of antibody and molecular testing has been introduced both before departure and on return, to guarantee both external and internal workers/collaborators.

Vitale Barberis Canonico employees have actively shared the principles and operative modalities of the Protocol in the workplace and have responsibly adopted analogue individual safety procedures in the private context thus contributing to the safeguarding of their own health, that of their families and that of the local population.





**RESPECT FOR
AND
PROTECTION
OF THE
ENVIRONMENT**



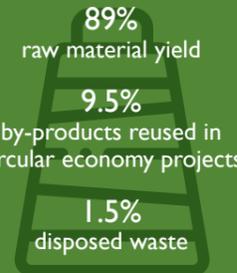
Respect for and protection of the environment

Vitale Barberis Canonico interacts in a harmonious, symbiotic way with the environment and the surroundings. As a sign of its gratitude for the natural resources which have contributed towards its development, the Company has always used such resources with great care and attention, aiming at the least environmental impact possible. To do this, it has always availed itself of the most advanced technology, and constantly revises the infrastructures and production processes. Also in the year 2020, the Company confirmed its commitment towards the environment in spite of this period being characterised by the management of the emergency.

As an indispensable resource, energy is managed with a view to optimisation aimed at improved energy efficiency and the reduction of emissions into the atmosphere. Also in the year 2020, the Company decided to purchase only energy from 100% certified hydroelectric sources and it contributes to the promotion of production from renewable sources, even though sustaining considerable extra purchasing costs.

The crystalline waters of the Biellese valleys are essential for the textile industry. Vitale Barberis Canonico endeavours to reduce water consumption to a minimum and to release only purified water back into the environment by means of an in-house purification plant which was built in 1987 and which is regularly updated and able, not only to fully comply with the legal requirements for the discharge into surface waters, but also to recover a part for use in the production processes.

The Company also pays particular attention to waste management by avoiding wastefulness and implementing specific strategies for recycling and recovery, with the proactive aid of its employees.

<p>Certification for Environmental Protection ISO 14001</p>  <p>since 2019</p>	<p>Energy 30.6 kJ</p> 	<p>100% water purified in internal plant</p> <p>returned to surface waters</p> <p>17% recycled in production processes</p> 	<p>Waste</p> <p>14% recycled</p> <p>83% partially reused</p> <p>3% disposed</p> 
<p>100% of electric energy from certified renewable sources</p>  <p>↓ 10,000 ton of CO₂</p> <p>~1,270 times around the world</p>	<p>Water 43.7 litres</p>  <p>for one metre of finished fabric</p>	<p>100% compliance to MRSL of ZDHC</p>  <p>ClearStream</p> <p>By ZDHC</p>	<p>1,674 tons wool used in production</p> <p>89% raw material yield</p> <p>9.5% by-products reused in circular economy projects</p> <p>1.5% disposed waste</p> 

Energy efficiency and emission reduction

Energy consumption



In its role as a manufacturer, Vitale Barberis Canonico pays great attention to energy consumption during production cycles, placing importance on energy saving with a view to reducing energy wastage to a minimum. This translates into a reduction of Company costs but also, and most importantly, to an improvement in environmental protection and conservation of resources.

Efficient and sustainable management of energy supplies entails continuous monitoring of the gas and electric markets in order to benefit from the best economic conditions. This is followed up by the agreement of well-designed supply contracts, working only with highly trustworthy companies which are flexible in their response to the variable needs of the production units, but also which offer minimum environmental impact.

In particular, in order to cover its electric energy needs during 2020, Vitale Barberis Canonico confirmed its contract with the company ALPERIA of Bolzano as its supplier, a company that produces energy exclusively from renewable sources in hydroelectric plants in Alto Adige which it owns and manages itself.

In addition, the Company joined the ALPERIA Green Energy programme and contributes towards sustaining the extra costs currently arising in the field of renewable energy by purchasing Certificates of Origin for the entire annual electric consumption.

Pursuant to the technical norms which define the calculation criteria, using renewable energy enabled the Company to reduce its annual CO₂ emissions by more than 10m tons, the amount a car would emit when driving around the world 1,270 times.

Energy consumption (GJ) and energy intensity (kJ/finished m)	2019	2020
Natural gas ⁴	78,373	69,601
Electricity purchased ⁵	129,912	101,681
Of which renewable	100%	100%
Fuel from Company's own fleet ⁶	743	440
Total energy consumption	209,028	171,722
Energy intensity	24.3	30.6

The intensity of the Company's energy consumption increased in 2020 as a result of the imbalances determined by the pandemic emergency in the ratio between energy consumption and total production: the facilities were maintained at a reduced temperature during the days the production departments were closed and the significant reduction of volume practically cancelled the portion of work outsourced to third party companies.

⁴ - The conversion into GJ was carried out using the lower calorific value factor from the sources of the Italian Ministry for the Environment and the Protection of the Land and the Sea, Table of standard national parameters 2019 and the Italian Ministry for the Environment and the Protection of the Land and the Sea, Table of standard national parameters, 2020 for the respective years of reference.

^{5/6} - The conversion into GJ was carried out using the conversion factor from the sources of the ABI-LAB Guidelines in the iteration of 13/12/2018.

100% green energy from renewable sources

The ALPERIA S.p.A. group owns and manages 34 hydroelectric plants in Alto Adige, and holds stakes in two photovoltaic parks in Central Italy and in one photovoltaic park in Sardinia. Production of electric energy is 100% renewable and certified as not producing any CO₂ emissions, pursuant to the norms.

The ALPERIA certificate for Vitale Barberis Canonico relating to the year 2020 attests that ALPERIA produced and fed into the national grid the same amount of electric energy as consumed by Vitale Barberis Canonico. The production of this amount of energy using hydroelectric technology meant a saving of 10,140,163 kg of CO₂ when compared to the traditional, non-renewable sources.

The contribution made by Vitale Barberis Canonico toward the current extra costs associated with renewable energy and its promotion resulted in an additional € 1.20 per MWh (the free market of Certificates of Origin is regulated by GRTN).



Energy efficiency and emission reduction

Emissions



Particular attention is also paid to the containment of atmospheric pollution. The production processes and the phases which make up such processes are regulated by the specific environmental authorisations stipulated in the national environmental legislation currently in force (Legislative Decree No. 152 of 3rd April 2006) and the specific provisions of the Region of Piedmont (No. 416 of 7th December 2011).

The qualitative and quantitative characteristics of the chemicals emitted into the atmosphere by the Vitale Barberis Canonico facilities are qualified as emissions not of high risk, or even as emissions of little significance in relation to atmospheric pollution.

The General Authorisation, reiterated in 2016 and included in the Autorizzazione Unica Ambientale (AUA – Single Environmental Authorisation) allocated the plant code Regione Piemonte 002149/36 to the Pratrivero facility which provides for the implementation of periodic self-monitoring of the more significant emissions.

The new central heating system in Pratrivero was installed in 2009 with the adoption of virtuous technical measures of maximum energy efficiency and containment of the environmental impact.

The four steam generators, each with a potential of 2.1 MW, are fed with heated demineralised water from the condensation recuperation circuit and the heat of the steam is recovered to preheat the air blown out by the burners (the chimney temperature decreases from 230-250 °C to 105-110 °C and the air in the feeder moves from ambient temperature to 100-105 °C). The overall thermal efficiency of the four generators was verified by instrument readings during the inspection and is the equivalent of 97.5%.

During purchasing, other rigorous contractual requirements were imposed with regard to the emission limits: in particular for nitrogen oxide NO_x, the limits set were below 100 ppm (mg/Nm³), with a wide margin in comparison with the 150 ppm limit as required by law. The result was achieved by the introduction of boilers with an extremely low thermal load. The periodic self-monitoring was carried out annually.

In 2018 it became necessary to carry out a large-scale technological update of the burners of all four of the boilers in order to return to less than 100 ppm for the NO_x values of the emissions, which had progressively increased over the years, in spite of the same technology and rigorous maintenance, because of the continuous drop in quality of the natural gas mixture from the national gas supplier.

The periodic in-house inspections carried out during 2020 confirm the efficiency of this intervention and document the maintenance of optimal performance of all four steam generators, bringing the emissions down to well below legal requirements.

Central heating emissions (mg/Nm ³)	Stack	2019	2020	Legal limit
NO _x (nitrous oxide)	CT01	74	67	150
	CT02	65	57	
	CT03	73	75	
	CT04	51	48	
CO (carbon monoxide)	CT01	<2.5	<2.5	100
	CT02	<2.5	<2.5	
	CT03	<2.5	<2.5	
	CT04	<2.5	<2.5	

With regard to the emissions from the exhaust fume treatment for the singeing machinery (three-tower regenerative thermal ceramic bed), from the drying ovens with chamber temperatures of below 150 °C in the dyeing department (ribbon lap machine) and in the finishing department (the stenter), the in-house checks are carried out on a three-yearly basis and the measurements for 2019 document values well below the legal requirements, and continue to be valid until 2021.

Volatile, non-methane organic compounds (mg/Nm ³)	2016-2018	2019-2021	Legal limit
from SINGEING	2	13	20
from RIBBON LAP MACHINE	from 6 to 11	from 8 to 17.7	50
from STENTING	6	n/r	50

Dust emissions including oily mists (mg/Nm ³)	2016-2018	2019-2021	Legal limit
from SINGEING	1,00	3,13	10
from RIBBON LAP MACHINE	from 0.47 to 3.76	from 2.14 to 3.76	10
from STENTING	n/r	n/r	10

For Vitale Barberis Canonico, the in-house analyses are not merely an exercise to fulfil the requirements of the Autorizzazione Unica Ambientale (AUA – Single Environmental Authorisation), but a useful process for the periodic monitoring of the environmental impact of the heating plant with a view to risk analyses/opportunities for the continuous improvement of the environmental performance of the Company. Within the framework of this management system in 2020, analyses were carried out which provided the following useful information:

- The “as is” emissions from the stenter in service, which were analysed at the temporary stack exit (as was communicated to the control authorities) were confirmed to be insignificant and within the legal limits even without purification treatment. The project for a Venturi Scrubber plant has in any event been defined in every detail and its implementation has been included in the Environmental Improvement Plan for the coming years.
- The replacement of the ceramic pack in the afterburner towers which was damaged by the fire of March 2020 has significantly improved the purification performance, which however has remained lower than the initial values of maximum cleaning as it has not been possible to remove the particulates from the fire in the entire plant.
- The summer maintenance of the ribbon-lap machine, which has been postponed until 2021 as a result of the pandemic emergency, could re-instate maximum cleaning and maximum performance.

Concerning greenhouse gas emissions, the Vitale Barberis Canonico Scope 1 and Scope 2 emissions are given in the following table. In 2020 the procurement of electricity from renewable sources has continued to zero the emissions equivalent to Scope 2 - Market based.

Greenhouse gas emissions ⁷ and intensity of CO ₂ emissions (kg CO ₂ /finished m)	2019	2020
Scope 1 (ton CO₂)	4,478	3,946
Natural gas ⁸	4,422	3,914
Diesel ⁹	55.5	32.5
Scope 2 - Location based (ton CO₂)¹⁰	12,956	9,491
Electricity	12,956	9,491
Scope 2 - Market based (ton CO₂ eq)¹¹	0	0
Electricity	0	0
Intensity of CO₂ emissions	0.52	0.70

Also in 2020, the calculation of the CO₂ emissions was extended to include all means of transport used, incorporating not only internal movement of goods¹², but also the movements of and travel undertaken by members of staff¹³.

				
2019	34.0 ton CO ₂	21.5 ton CO ₂	2.2 ton CO ₂	367.8 ton CO ₂
2020	18.0 ton CO ₂	14.5 ton CO ₂	0.5 ton CO ₂	81.6 ton CO ₂

It should be noted that the decrease in emissions is due to the restrictions imposed by the pandemic which either prevented or reduced national and international travel.

⁷ - The Scope 1 emissions are expressed in tons of CO₂, inasmuch as the source used does not provide emission factors for the other non-CO₂ gases. The Scope 2 - Location based emissions are expressed in tons of CO₂, although the percentage of methane and nitrous oxide has an insignificant effect on the total greenhouse gas emissions (CO₂eq) factors as indicated in the ISPRA (Superior Institute for the Environmental Protection and Research) report "Fattori di emissione atmosferica di CO₂ e altri gas serra nel settore elettrico" (Atmospheric emission of CO₂ and other greenhouse gases in the electricity sector).

⁸ - Data calculated on the basis of the emission factors from the sources of the *Italian Ministry for the Environment and the Protection of the Land and the Sea, table of national standard parameters, 2019* and the *Ministry for the Environment and the Protection of the Land and the Sea, table of national standards, 2020* for the respective reference years.

⁹ - Data calculated on the basis of the emission factors from the source *Measuring Emissions: A Guide for Organisations, 2019 Summary of Emission Factors and Measuring Emissions: A Guide for Organisations, 2020 Summary of Emission Factors*.

¹⁰ - Data calculated on the basis of the emission factors from the sources *Terna Confronti Internazionali, 2017* and *Terna Confronti Internazionali, 2018*.

¹¹ - Data provided by the electric energy supplier, which certifies for the Company an environmental saving of 12,955,511 kg/CO₂ for 2019 and 10,140,163 kg/CO₂ for 2020.

¹² - Data calculated according to *CO₂ Emission Calculator* della fonte *ECEA's Summary of Emissions Factors for the Guidance for Voluntary Greenhouse Gas Reporting*.

¹³ - Data calculated according to *Ateneo Verde (Green University)* of the *Università degli Studi Niccolò Cusano*.

Use of resources during their life cycle

Water consumption management



In terms of valorising the most precious and essential resource for the processing of textiles, Vitale Barberis Canonico has the advantage of a heritage in terms of careful water consumption which is not only cultural, but also infrastructural: the Pratrivero facility is in fact equipped with a complex and articulated plant for water withdrawal from the surrounding area and its channelling towards collection tanks.

This system consists of hydraulic works which are partly very old, and which bear witness to the careful and arduous search for and use of water courses, either at ground level or underground, from the groundwater or from aquifers.

Within the boundaries of the Company premises there are in fact three systems of drainage channels – with their brick walls built with rare, ancient bricks, which continue for hundreds of metres with ramifications, at a depth of 20-25 metres below ground level – and three artesian wells, of 63, 108 and 122 metres in depth, to be precise.

From the nearby valleys, either by gravity or by pumping, an extensive network of pipelines conveys the water coming from the spring water catchments and from the surface waters of the Rio Serventa and Rio Rivaccia in the municipalities of Valdilana and Portula.

The Pray facility, on the other hand, has three wells of modest depth but good withdrawal capacity as they take their water from the groundwater under the river bed of the nearby River Sessera. Because the water requirements of the Pray facility are only for technological purposes for the humidification of the departments and the filling of the fire fighting equipment, in order to be able to make use of this large availability of water, in 1997, Vitale Barberis Canonico built a private aqueduct connecting the two production sites and transferring the water from one of the wells in Pray to the water reserves in Pratrivero. This infrastructure has proved essential in more recent years in order to satisfy the growing water demands resulting from the increase in production and recent investments doubled its capacity in 2018.

All of these activities concerning water are authorised by specific state concessions pursuant to Regional Regulation D.P.G.R. 29 July 2003, No.10/R, which regulates the use of public water for industrial purposes, prescribing precise places and methods of withdrawal, the maximum quantity to be withdrawn, and the modality of restitution to the public collector (in this case the basin of the River Sessera) subject to the approval of appropriate treatment and purification systems.

Numerous virtuous practices in the finishing and dyeing departments enabled the Company to significantly reduce its water consumption. Of particular note is the daily recovery of 36 m³ of water from the process of piece dyeing.

The total quantity withdrawn by Vitale Barberis Canonico in 2020 was lower than the amount for 2019 as a result of the lower rates of production caused by the economic crisis resulting from the Covid-19 emergency.

Use of resources during their life cycle

Responsible use of chemical substances and purification of effluents



Water withdrawal per source (m ³) and water intensity (l/finished m)		2019	2020
Pratrivero (production + technology)	Underground water	290,376	239,745
	Communal water mains	2,265	1,899
Pray (technology)	Underground water	5,800	4,068
	Communal water mains	976	532
Total		296,176	245,712
Water intensity		34.4	43.7

The increase of the water intensity indicator in 2020 is the result of the combination of the expected higher rate of consumption needed for the reactive dyes which replaced the chrome technology, and the unexpected Covid-19 crisis which led to a drastic reduction in production volumes and in particular in the portion of work normally outsourced.

Water consumption per production (m ³)		2019	2020
Pratrivero	Underground water	261,425	223,765
	Water recovered from MBR	44,901	45,676
Total		306,326	269,441
MBR recovery (%)		15%	17%

For 2021, a substantial investment is planned which could lead to a marked reduction in water consumption as a result of the doubling of the water flow recovered from the MBR.

Vitale Barberis Canonico is committed to the sparing use of chemical substances and uses the absolute minimum both in terms of quantity and type, selecting those with the lowest impact both on human health, and thus guaranteeing to the consumer the absence of toxic residues in the finished product, and on the environment, with particular attention paid to water.

Numerous virtuous technical practices in the finishing and dyeing departments enabled the Company to significantly reduce its consumption of chemicals. Of particular note is the annual saving for 2020 of almost 2 tons of dyes in the tops dyeing process.

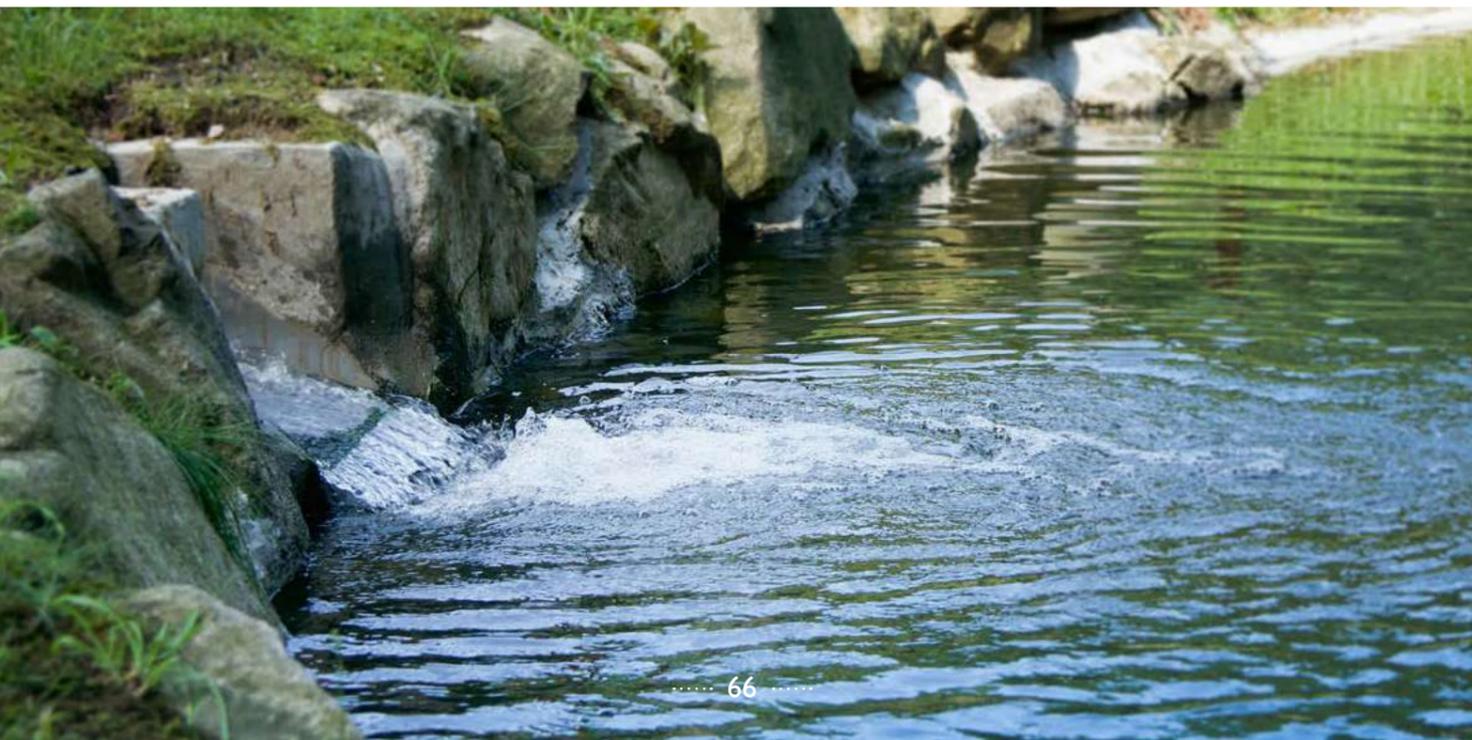
In the Pratrivero facility, a purification system is active for the treatment of all mixed effluents deriving from processing (mainly dyeing and finishing) and from technological services (air conditioning waste water, and from the canteen). The chemical products used in the production cycle are essentially soaps, dispersants, acid dyes, ammonium sulphate, acetic acid, formic acid, etc. These are organic and inorganic products with good biodegradability and therefore the type of purification implemented is biological using active muds and recycling of the same.

The treatment of water effluents was already undertaken by Vitale Barberis in the 1970s before this became mandatory. The treatment system has undergone periodic technological updates and is currently able to purify up to 1,400 m³ a day to a very high standard, using two lines of treatment. The last tank of the system is an artificial lake in which gold fish and koi carp live happily.

All of the parameters which characterise the water quality when it leaves the purification system are well within the limits given in Table 3/A of Appendix 5 of the Testo Unico di tutela dell'Ambiente (Legislative Decree 152/2006), as documented by the analysis reports carried out over the years by the healthcare monitoring authorities and/or laboratories appointed by the Company in the framework of the periodic checks of the correct functioning of the purification system. The excellent quality of the effluents leaving the first line of the treatment system (biological and then ozone decolourisation) led in 1997 to authorisation from the Province of Biella to discharge Company effluents into surface water courses, more specifically into the Rio delle Mollie in the immediate vicinity of the production facility. This authorisation has been regularly renewed every four years and since 2016 it has been included in the Autorizzazione Unica Ambientale (AUA-Single Environmental Authorisation).

A second line of effluent treatment was implemented in the years 2015-2016 and makes use of a membrane bioreactor (MBR) for the ultra-filtration of a part of the total flow, with the aim of recuperating it within the production cycle during the finishing processes. In 2020, the amount of effluents which were purified in second-line treatment (ultra-filtering and ozone decolouration) represented 17% of the total water requirements at the Pratrivero facility.

From a greater sense of caution and for better protection of the water courses, Vitale Barberis Canonico still maintains an emergency connection between the water purification system and the main water provider CO.R.D.A.R VALSESIA in Vintebbio, Serravalle Sesia.



During normal functioning of the water purification system at Vitale Barberis Canonico, an automatic monitoring device to monitor the turbidity, located in the drain sump of the last tank, provides for the prevention of effluents entering surface waters at values which are very restrictive and the purified effluents which are channelled into the pipes of the main water supplier are indeed still well within the legal limits. In the event of the effluents being prevented from entering surface waters as a result of any technical or management consideration, the effluents leaving the system are channelled into the collectors of the mains water supplier.

Waste water per destination (m³)		2019	2020
Pratrivero	Surface waters	306,326	217,874
	Consortium collector	349	2,417
Pray	Public sewage system	1,800	1,650
Total		308,475	221,941

In the course of 2020, no malfunctioning of the purification plant in excess of the limits given in the table was recorded.

The management difficulties and the general struggles of the plant were noteworthy which were due to the discontinuation of the effluents caused by the frequent production close-downs connected with the Covid-19 emergency. In particular, restarting the plant after the prolonged close-down imposed by the spring lockdown and the resumption of business in the autumn took a number of days for the plant to recover its “digestive equilibrium” in the active mud tanks for the biological treatment. These difficult situations explain the modest volume of effluents deposited in the consortium collector as well as in surface waters which were equivalent to 1% of the total.

Characterising parameters for effluents I6 ¹⁴ (mg/l)	2019			2020			Legal limit
	Entry	Exit biological	Final exit	Entry	Exit biological	Final exit	
COD	633.5	44.7	32.7	621.8	47.0	39.1	160
Ammonia	10.1	n/r ¹⁵	n/r ¹⁵	25.6	-	n/r ¹⁵	15
Organic nitrogen	13.7	3.23	1.68	13.2	-	2.29	n.a.
Total phosphorus	1.85	1.67	0.49	1.72	-	0.92	10
Total surfactants	25.1	0.69	0.23	43.8	0.76	0.52	2

The total nitrogen load at entry point of the plant considerably increased at the end of 2020 as a result of the definitive sodium dichromate disposal and the consequent increase of ammonia consumption. Compliance with the waste limits is fully guaranteed by the denitrification section introduced in 2019. This and the homogenisation station will be the subject of future developments to expand the plant.

The attention paid by Vitale Barberis Canonico to chemical substances and the purification of effluents is as important for the Company as it is for its suppliers. The most important suppliers to the Company, who are involved mainly in the gilling, dyeing and finishing processes, are also equipped with effluent treatment systems in conformance to the standards required.

¹⁴ - Average annual values.

¹⁵ - Not shown, as below the detection threshold.

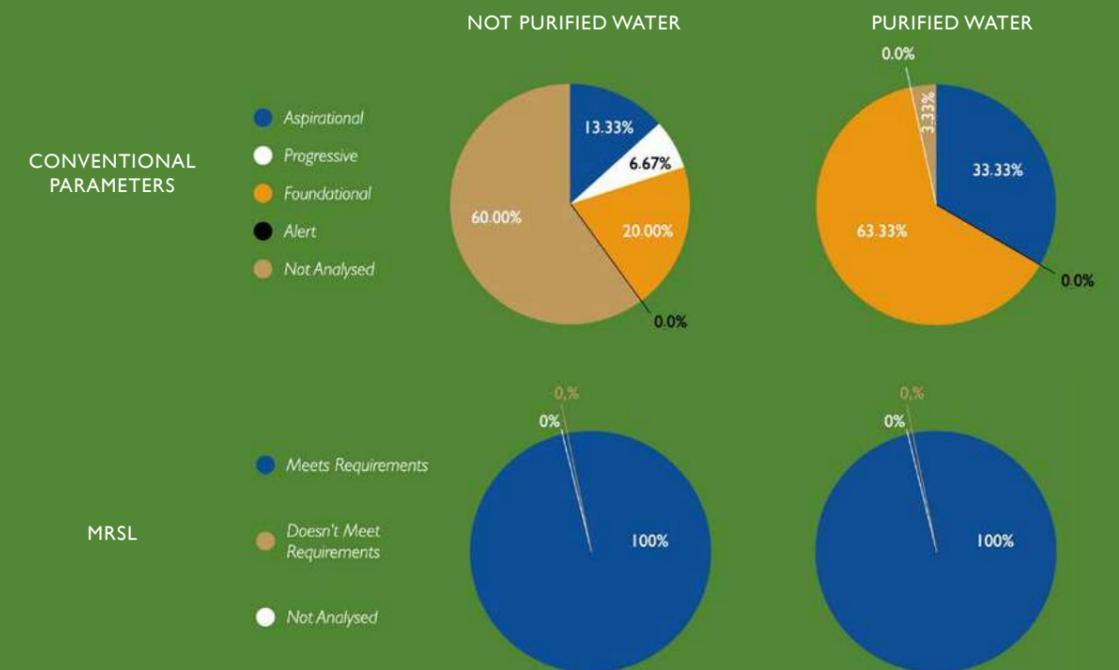
Analysis of the wastewater according to the ZDHC Wastewater Guidelines

In order to promote transparency regarding chemical substances disposed of, in October 2020, Vitale Barberis Canonico carried out the analysis of the wastewater according to the ZDHC Wastewater Guidelines Version 1.1.

As the Company has its own in-house wastewater purification system, it is registered as a direct discharge manufacturing company. As such, the waters to be purified and the waters which were purified according to the following parameters were analysed.



The detailed results of the tests are available on the Vitale Barberis Canonico profile at the ZDHC Gateway. In the following diagrams the performance with regard to the purified discharged water is shown.



Demonstrating the use of advanced water purification systems, the Company has reached 100% fulfilment of the MSRL requirements both for water to be purified and for purified water. With regard to the conventional parameters however, normally monitored pursuant to Legislative Decree 152/2006, the purified water ranks at 33.3% at the most ambitious level - aspirational.

Use of resources during their life cycle

Waste management



The production sites at Vitale Barberis Canonico physically generate a certain quantity of waste materials during processing and decommissioning components of machinery or systems as well as of auxiliary materials used in processing (mainly consisting of various types of packaging), which, from the moment of their decommissioning count as waste materials in the sense of the environmental legislation currently in force (specifically: Legislative Decree 3 April 2006 No. 152).

As a producer and holder of waste materials on its premises, Vitale Barberis Canonico therefore has the responsibility of managing the interim storage of such waste materials and their subsequent delivery to authorised entities for transport, recycling or disposal.

The type of waste created by humans or during production activities in the Vitale Barberis Canonico facilities qualifies almost totally as non-hazardous (i.e., it does not present any of the hazardous characteristics mentioned in Annex III of the Directive 91/689/CEE).

With the rigorous application of new procedures introduced within the framework of the Environmental Protection Management System, the Company has improved the processes of classification and differentiation of hazardous and non-hazardous waste materials, in particular as a result of the correct micro-collections operated by the workers in the production departments.

In 2020, the production of waste, in relation to the consumption of ancillary materials and in proportion to the production volumes, represents the physical quantity of packaging of various materials, processing waste and equipment components no longer needed due to their wearing out or failing.

In view of a significant reduction in production caused by the Covid-19 emergency, the quantity of waste materials produced in 2020 dropped considerably.

Disposal method (tons)	2019			2020		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Already selected for recycling	-	48.2	48.2	-	35.2	35.2
For successive selection for partial recycling	6.3	304.6	310.9	14	200.2	214.1
Disposal	4.4	-	4.4	6.8	-	6.8
TOTAL	10.7	352.8	363.5	20.7	235.4	256.1

As a result of the integrated and vertical production cycle, Vitale Barberis Canonico has at its disposal a process which has reduced textile waste to a minimum: all the by-products are in fact upcycled by means of their reintegration into the cycle itself or alternatively by means of selling them back to the market. The only exceptions are the fine dusts collected from sweeping floors, central vacuum systems or air conditioning filters which are then disposed of as waste.

In 2020 1,674 tons of wool were used with a guaranteed yield of 89%. 9.5% were by-products which were recovered for circular economy projects: laps and Pneumafil considered upcyclable are used as raw materials in the process of producing worsted flannel and in 2020 this process made up approximately 60,000 m, the remainder was resold and used in the knitwear sector. Lastly, 1.5% represents the physical amount of textile waste generated during the production cycle and destined for disposal.





**PRODUCT
RESPONSIBILITY
ALONG THE
SUPPLY CHAIN**



Product responsibility along the supply chain

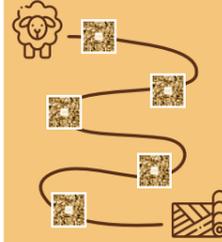
Vitale Barberis has always focused on the quality of the product it manufactures and offers on the market, and it is aware of the importance of virtuous interconnections along the production chain. It is a value chain which originates in distant countries with the meticulous selection of the best raw materials, harvested with respect for the animal and the environment, and which arises from synergetic collaboration with local breeders.

A value which is consolidated in Italy by the unwavering choice of maintaining vertical production 100% Made in Italy, benefiting from the great know-how rooted in the Biellese area. It is a choice which takes the form of constant investments in technology and innovation in the Company's facilities and in favouring local suppliers who ensure specialised service which is both efficient and prompt.

Attention to the product is guaranteed in the first place by the space given to creativity and research for innovative solutions which satisfy the demands of international markets, and then by rigorous quality control which is carried out at every individual step of the production process.

The last, and most important link in the Vitale Barberis Canonico value chain is the accurate and punctual tailor-made service dedicated to customers both during promotion and sales, and also post-sales by means of long-term and consolidated direct relationships.

In 2020, to compensate for the restrictions pertaining to travel and meeting in person, Vitale Barberis Canonico gave a strong impulse to digitalisation which enabled the Company to maintain contacts with all parties of the value chain and to guarantee business continuity. In particular, large investments were made in the digital presentation of the collections by means of the creation of a dedicated web platform.

<p>Full cycle Company</p>  <p>100% Made in Italy production</p>	<p>Traceability of the fibre from sheep to fabric</p> 	<p>Range of sustainable fabrics</p> <p>H.O.P.E.</p> <p><i>How to Optimise People and Environment</i></p>	<p>Chemical compliance:</p> <p>REACH GB Chinese standard CNMI guidelines MRSL by ZDHC</p> 	<p>Product certification</p> <p>SustainaWool™ INTEGRITY SCHEME</p>
<p>Quality Certification ISO 9001 since 2009</p>  <p>Tessile & Salute Certification since 2012</p>	<p>Digital collection</p>  <p>3,000 items per season accessible 24/24</p>	<p>Noble by-products from internal production reused as raw material</p>  <p>CIRCULAR ECONOMY</p> <p>≈ 60,000 m</p>	<p>Licensees Woolmark</p>  <p>PURE NEW WOOL</p>	<p>Wool Excellence Club</p>  <p>Biodiversity protection and conservation of the Saxon Merino breed</p> <p>-----</p> <p>Social and environmental sustainability</p>

Responsible supply chain



The complete management of suppliers covers a crucial role in terms of research for qualitative excellence and efficiency of purchasing operations. By means of the Integrated QSE Management System which integrates the regulations in force in the sector, Vitale Barberis Canonico has set up appropriate procedures to guarantee maximum transparency in operations concerning choice of suppliers, purchasing of goods and services and checking of supplies. The Company guarantees the traceability of such procedures by means of an accurate internal documentation and archiving system.

The choice of suppliers and the purchase of goods and services take place in compliance with the competition principles and conditions of the bidders and on the basis of objective evaluation in relation to their competitiveness, their quality, their use and their price. Supplies checking provides for at least one check per year, a dynamic evaluation and potential audit by the person responsible for verification and management of the supplier.

Relationships with suppliers are regulated by the norms included in the Code of Ethics and are subject to constant and attentive monitoring. The fulfilment of contractual services is associated with conformance to principles of equity, correctness, diligence and good faith which are basic elements. Any non-compliance and/or violation will lead to the termination of the agreement.

In terms of tons of materials used, supplies underwent a physical contraction due to the decrease in demand and the interruption of business activities caused by the Covid-19 emergency. In 2020, 5,618,262 m were produced in comparison to 8,608,119 m in 2019.

Materials used in production (tons)	2019	2020
Wool	5,200	1,674
Chemical products	605.7	430.0
<i>auxiliary products</i>	499.2	357.6
<i>dyes</i>	106.5	72.4
Lubricating oils	5.3	4.4
Packaging	146.0	101.1
<i>wrapping paper</i>	0.5	0.5
<i>cardboard (cardboard boxes, tubes)</i>	97.8	69.3
<i>plastic (strapping, polystyrene)</i>	4.8	3.4
<i>nylon (spools, packaging, rolls, boxes)</i>	42.2	27.4
<i>packing straps (bolts, adhesive tape)</i>	0.7	0.5

In some cases, generally during production peaks, Vitale Barberis Canonico makes use of selected strategic partners who supply textile manufacturers, all within Italy and mostly local.

100% of these are included in the Vitale Barberis Canonico Albo dei Fornitori Qualificati (Album of Qualified Suppliers) thus guaranteeing respect for the Company Code of Ethics and the precise prerequisites necessary to qualify, and agreeing to continuous monitoring with regard to the three topics: quality, safety and environment.

Managers of the production departments take part in the integrated audits. These also have the role of managers for Occupational Health and Safety and adequate skills with regard to environmental protection and product compliance, and are assisted by the internal competence of the Corporate Social Responsibility, Prevention and Protection and Environmental Protection Service functions. In 2020, the Company carried out 50% of the planned audits, well within the government guidelines and regulations for the protection of employees in the workplace.

In the reporting year, the Company also mapped guidelines to fulfil the measures to prevent the spread of the Covid-19 virus in the workplaces of the suppliers by means of requesting a specific self-certification.



Responsible supply chain

Auxiliar y products and services



Vitale Barberis Canonico fosters and promotes buying locally, choosing solid collaborations and long-term relationships of mutual trust with the aim of maintaining an adequate supply in terms of continuity, quality and efficiency, preferring the maintenance and the development of industrial links in the wool industry in the Province of Biella.

On 31st December 2020, the Company was collaborating with approximately 300 suppliers and this number did not undergo any great change during the two-year period 2019-2020. Of the total number of acquisitions, 96% were carried out in collaboration with Italian suppliers, of whom 31% were local, while the remaining 4% were carried out mainly in Germany and Switzerland using suppliers of chemical products who have ISO9001 certification.

Distribution of purchase per allocated expense (not including wool)	2019	2020
Italy	97%	96%
<i>of which in Province of Biella</i>	34%	31%
Other countries	3%	4%
TOTAL	100%	100%



Responsible supply chain

Raw materials



Wool is the raw material par excellence for the creation of classic clothing, and the origin of everything for Vitale Barberis Canonico. The best recipe for classic elegance derives from the best fibres available in the world. The different types used are selected and purchased while paying attention to their provenance according to the directives for the products as defined at the start of the season, based on the physical and visual characteristics which determine the quality and style, such as fineness and length, without neglecting financial and environmental aspects.

The supply chain consists mainly of the Company's own Buying Company, New England Wool, with Wool Trader specialists and, less often, Top Makers.

Wool supplies	2019	2020
Purchased (tons)	4,265	1,417
Number of suppliers	14	18

Vitale Barberis Canonico procures the quantities needed from a network of approximately 3,000 farms spread over Australia, New Zealand, South Africa, China, Argentina and Uruguay. In terms of volume, Australia represents the largest share, because of the characteristics of the offer.

MERINO WOOL	Australia	New Zealand	South Africa	Argentina	Uruguay
					
			South Africa		MOHAIR
					
CASHMERE	China				
					
			Argentina	Uruguay	21 MICRON WOOL
					

All raw material suppliers are subjected to at least one evaluation per year carried out by the Chief Wool Trader. Such evaluations are carried out with regard to specific parameters, including:

- quality of the product supplied;
- observance of Vitale Barberis Canonico standards;
- observance of delivery times;
- service (promptitude, reply times, support documentation);
- competitiveness.

The data are registered in in-house evaluation software and distributed to suppliers to enable them to compare their performance with that of others.

Wool fibre, which is particularly durable and renewable, makes its use as raw material possible for the upcyclable by-products from spinning processes and this yarn is used to create the Vitale Barberis Canonico worsted flannel, thereby triggering a virtuous process of waste reduction. The non-usable by-products from this cycle are resold and used in the raw materials market.

In 2020, the pandemic led to the introduction of specific restrictions pertaining to international travel, making trips to the countries of provenance of the raw materials impossible. In spite of this, the Company maintained robust relationships with suppliers by means of much more frequent contacts on digital platforms and by demonstrating its solidarity with a newsletter dedicated to members of the Wool Excellence Club with which to update them on the evolution of the emergency situation.



Wool Excellence Club & Wool Excellence Award



The quest for excellence and quality of the raw material led Vitale Barberis Canonico to create the **Wool Excellence Club**, which is built on four fundamental pillars: sustainability, quality, training and loyalty.

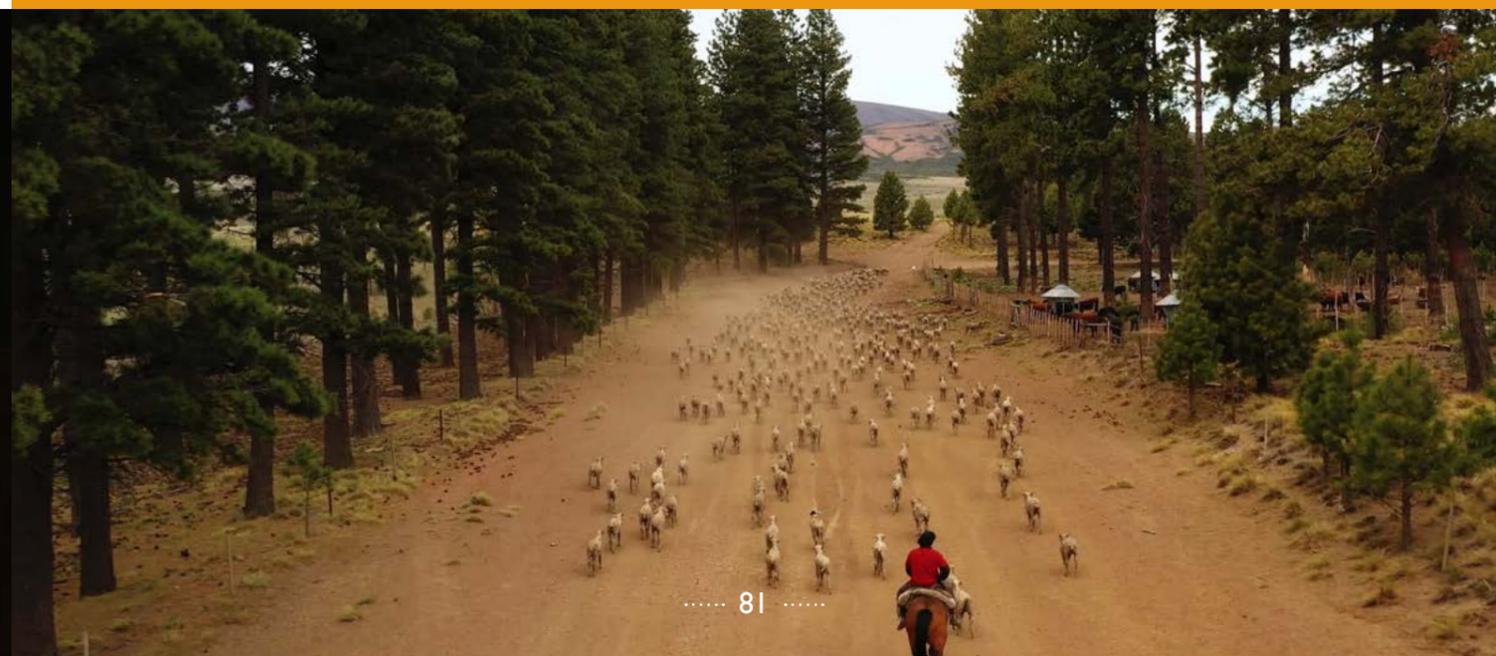
The objective is to bring together and remunerate the quality of fibre obtained by sustainable practices aimed at the protection of the environment and, in particular, the conservation of the Merino Saxon sheep, which goes back to the beginnings of the Australian breeding system and its development in the 18th century. Its wool is especially valued, but the rather small size of the animal and the care needed to breed it make the management more expensive, and this has led to the increased rejection of this breed to replace it with more productive ones.

This objective is also complemented by the wish to reinforce the relationship of mutual trust and virtuous cooperation between the wool mill and the Australian producers (currently 30 farms) by establishing direct relationships that are individual and long term and consist of dialogue and exchanges between the parties.

The breeders are supported by particularly favourable purchasing policies: in addition to the price based on the quotation of the international market, the Company supplements it by a margin which not only takes into consideration the production costs, but also recompenses the breeders for their everyday dedication.

Additionally, and again with a view to rewarding excellence and quality, since 2014, the Company has instituted the **Wool Excellence Award** in order to recompense the annual production of a member farm, recognising the breeder who has concentrated his or her efforts on all of the flocks, electing to classify the wool produced according to the highest standards and with the greatest attention possible. The award consists of a financial reward and a prize trip to Italy to visit the Vitale Barberis Canonico premises.

The Covid-19 emergency caused enormous upheavals on the market which triggered a global economic contraction and numerous restrictions regarding international travel. For these reasons, the Company decided to nominate some winners for the 2020 awards and postpone the event until 2021, thus awarding the prize to the winners of two seasons at once.



Responsible supply chain

Animal welfare



Vitale Barberis Canonico considers animal welfare to be an essential condition for the procurement of raw materials, which are produced by its suppliers in breeding stations in countries where specific standards pertain.

The international reference is that of the five freedoms of animals as reflected in the “OIE Terrestrial Animal Health Code”¹⁶ of the World Organisation for Animal Health, and, concerning more specifically the wool sector, in the “Specifications for Wool Sheep Welfare”¹⁷ of the IWTO – International Wool Textile Organisation.



In Australia, moreover, it is also reflected in the “Australian Animal Welfare Standards and Guidelines for Sheep”¹⁸ of the organisation Animal Health Australia.



In South Africa, Vitale Barberis Canonico only purchases mohair certified by the association Mohair South Africa¹⁹, which attests to the provenance of the fibre as being exclusively from farms in compliance with the rigorous guidelines defined for the sustainable breeding of angora goats.

The ever-increasing attention paid to animal welfare practices has encouraged the Company to widen the boundaries of its habitual purchasing strategy and to increase the number of purchases made in less traditional countries, which in turn has enabled us to enlarge the choice of responsible products of which we cite the 21 Micron range, which is totally no mulesed.

The Company is a shareholder in New England Wool (NEW), which has its headquarters in Australia, and which has always promoted and supported the concept of sustainable superfine wool production, and which observes the proactive promotion of best practice relative to animal welfare and environmental protection.

In 2005, New England Wool introduced its own declaration system for No Mulesed/Ceased Mulesed. At that time, it was the first and only company to create a database for voluntary declarations demonstrating the status of mulesing.

¹⁶ - http://www.oie.int/index.php?id=169&L=0&htmfile=chapitre_aw_introduction.htm

¹⁷ - <https://www.iwto.org/resources/iwto-specifications-for-wool-sheep-welfare>

¹⁸ - <http://www.animalwelfarestandards.net.au/files/2011/01/Sheep-Standards-and-Guidelines-for-Endorsed-Jan-2016-061017.pdf>

¹⁹ - <http://www.mohair.co.za/>

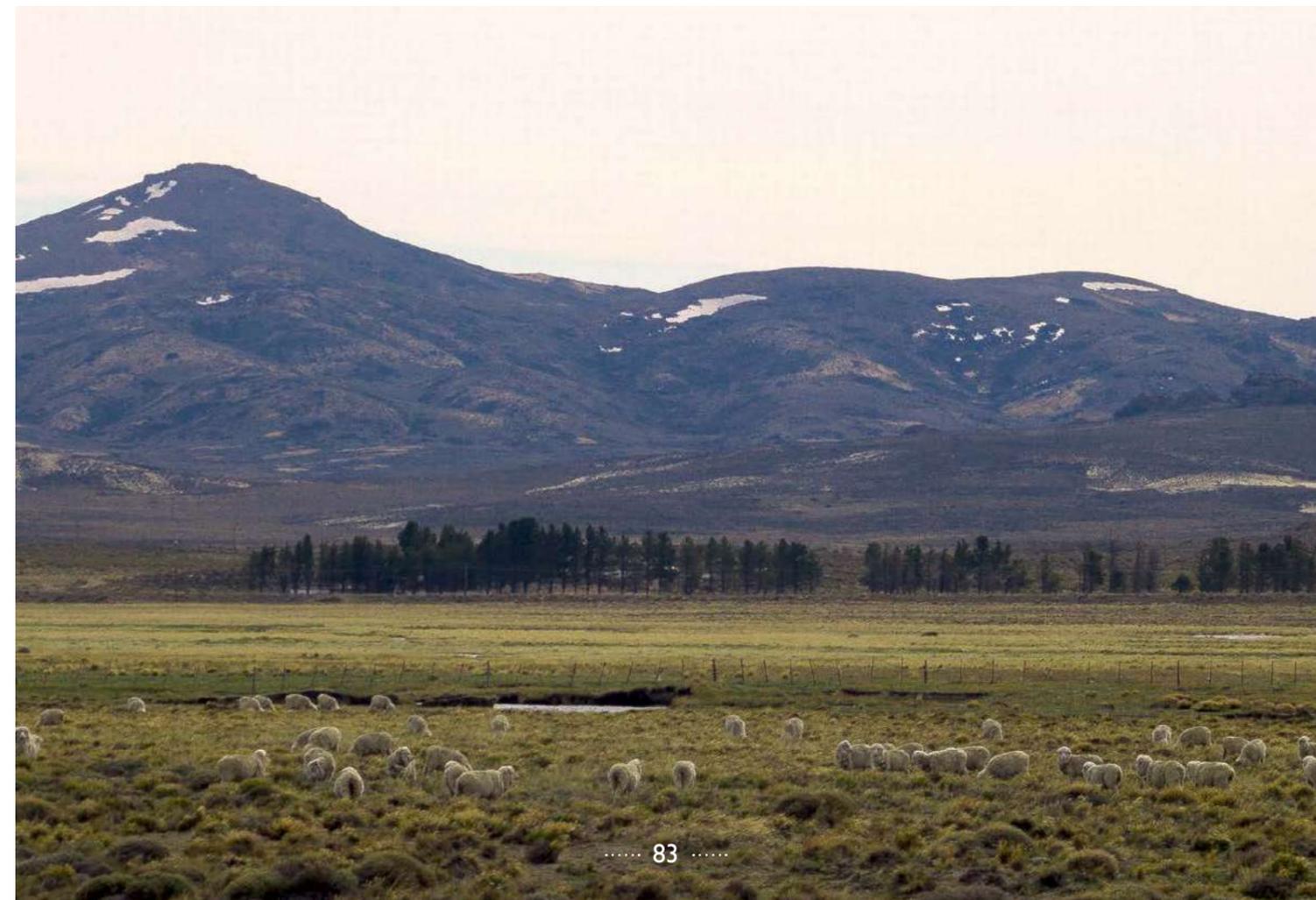
A little later, it also introduced an incentivisation policy which rewarded every No-Mulesed bale of wool, to be added to the value determined at auction, with the objective of participating in the increased costs sustained by the breeder. This policy then progressed to the granting of contract awards with direct breeders and with special limited “premiums” during auctions.

The Australian Wool Exchange (AWEX), the semi-government body which manages the public wool auction system, created and introduced its own National Wool Declaration (NDW) in 2010.

New England Wool has continued to actively support the NWD, the Classing Code of Practice for shearing, the requirements for animal welfare and environmental sustainability by means of the development of the SustainaWOOL Integrity Scheme issued in 2015.

On 25th July 2019, New England Wool transferred the intellectual property of the SustainaWOOL Integrity Scheme to the manager of the regulated wool market, AWEX, for non-profit purposes with the aim of entrusting it to an independent body while increasing its authority, credibility and the dissemination of the SustainaWOOL protocol.

In 2020, SustainaWOOL achieved ISO 9001 certification, confirmation of its being an internationally-recognised and certified organisation.





The **SustainaWOOL Integrity Scheme**²⁰ protocol defines the benchmarks for sustainability standards within the Australian wool production system and guarantees to the consumer integrity and traceability along the entire production chain.

The certification requires that the farms be managed to the highest standards of animal welfare, ethics and product quality. These represent the pillars on which the protocol is founded:



ANIMAL WELFARE

This defines the minimum criteria acceptable for the health and well-being of the sheep, only accepting farms which are characterised by mulesing-free practices (classified as **SustainaWOOL™ GOLD** or **SustainaWOOL™ GREEN**) or which only carry out mulesing under the administration of pain relief (classified as **SustainaWOOL™ BLUE**). The protocol only accepts breeders who are not subject to disputes under the national Animal Welfare Act.



ETHICAL FARM MANAGEMENT

This requires precise standards both with regard to the working conditions and health and safety of the staff, as well as for the structure of the farm, the paddocks and sheds where the animals live and where normal sheep farming activities are carried out such as shearing and taking care of the animals themselves.



PREPARATION OF THE WOOL

This establishes the requirements for shearing, insisting on trained and careful shearers, and for fibre selection, which is carried out pursuant to the AWEX Classing Code of Practice, thus guaranteeing detailed conditions for the well-being of the animals during this phase of their lives.

SustainaWOOL now has more than 1,100 accredited farms, which are subject to periodic audits and samples taken by auditors appointed by AWEX. In the SustainaWOOL GOLD certified farms, an annual audit is carried out, while 20% of the SustainaWOOL GREEN and SustainaWOOL BLUE classified farms are audited.

The checklist used examines the following topics in detail: animal welfare; traceability; environmental protection and use of chemical substances; social responsibility; wool classification and shearing; care and transport between paddocks or into the sheds.

Vitale Barberis Canonico was certified in 2020 by the Control Union Uruguay S.A. as partner of the value chain of **NATIVA Precious Fiber**.



This product certification guarantees the quality and traceability of the wool fibres along all the supply chain, as well as compliance with its rigorous guidelines such as animal welfare with specific attention paid to no mulesing, the mindful management of the area and the environment, and the social responsibility of the business in terms of human rights, safety and welfare of the workers.

²⁰ - <http://sustainawool.com.au/>

Centrality of the product and customer care

Made in Italy



As a result of its tenacity and maintenance of complete production cycles only in Italy, in the Province of Biella, Vitale Barberis Canonico is probably the oldest wool mill in the world and one of the most prestigious brands of “Made in Italy” throughout the world.

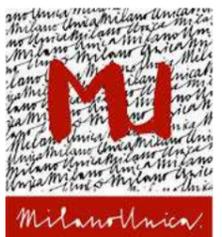
The true concept of Made in Italy, meaning the control of the production chain being entirely in Italy, represents one of the main values of the Company, as it is fundamental to the quest for excellence in terms of both products and processes. Vitale Barberis Canonico extends its roots in the local culture, which has sustained its textile-producing history for more than 350 years, and which is expressed in the wisdom of local know-how.

The Company strongly believes in the values of its own region and uses its own resources to continuously invest in Italy, equipping its facilities in Pratrivero and Pray with state-of-the-art technology requiring significant efforts in term of finances, research and development.

The more than 200 operations that take place between the arrival of the raw material and the finished fabric can be grouped into seven production phases – washing, gilling, spinning, dyeing, warping, weaving and finishing – are all carried out exclusively in Italy. It should also be noted that the fact of working in a production cycle which is completely integrated also minimises the environmental impact of transporting semifinished products.

Fusing the deep-founded culture of Italian production with traditional British style, the famous Vitale Barberis Canonico fabrics act as an Italian ambassador for priceless Italian know-how and taste for beauty in all the world.

Milano Unica is the reference fair for textiles and high-end accessories which offers the most international visibility to the textile world in a highly-qualified context in line with the quality of the products. It was created in 2005 by the fusion of five fairs which contributed to making the Italian and European textile industry known throughout the world: Ideabiella, Ideacom, Moda In, Shirt Avenue and Pratotrade. Planned around client demands, discerning and curated to the finest detail, Milano Unica is considered the specialist point of reference for those who work in the field of fashion and who feel they belong to a highly professional sector, with Italian style of hospitality and good taste.



On the occasion of the 30th edition of the Salon Italiano for textiles which took place in February 2020, Alessandro Barberis Canonico, Managing Director of Vitale Barberis Canonico, was appointed President of Milano Unica, an office which runs alongside the presidency of the Associazione IdeaBiella which he has held since 2015.

Physical and digital space competed with each other at the 31st edition of July 2020 for the development of a digital market place, e-MilanoUnica Connect, which enabled participating companies to offer a virtual showroom as well as their physical presence, giving a strong signal of a new start. Vitale Barberis Canonico presented its digital collection making more than 3,000 articles available online in more than 90 countries.

WASHING



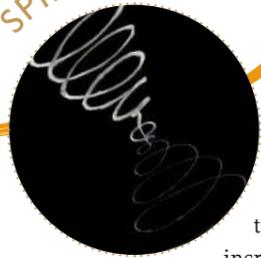
This is the link between the natural fibre and the product, and as such, it requires great respect, delicacy and attention to every detail. The water is the main factor in this process: after washing the freshly sheared fleece, the next step is to remove every impurity.

GILLING



The wool is combed a number of times to achieve parallelity and the short fibres are discarded. The semi-finished product is called top and its quality is extremely important to guarantee the durability of the final fabric.

SPINNING



After a careful re-combing procedure, the sliver becomes increasingly thin to finally reach the status of a roving. By stretching and twisting the roving, the yarn is produced which can then be twisted again with other yarns to obtain a twisted yarn of greater resistance.

DYEING



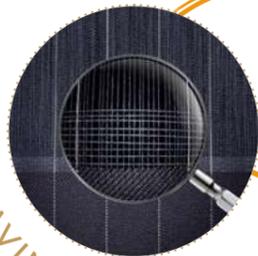
Distinguished between: dyeing in the yarn, in tops or spools, whereby a fabric of more three-dimensionality in terms of colours is created; or dyed in the piece, which will result in a cleaner, more homogenous aspect. It is finished once the colour and intensity planned by the designers is achieved.

WARPING



Warping is a wonderful exercise in geometry, where vertical threads of the fabric will become part of a complex weave. Every single thread and hundreds of spools are simultaneously monitored by sensors until the warp is wound onto a cylinder, called a beam.

WEAVING



The transversal threads that make up the weave have to pass above and below the vertical threads of the warp, according to a precise schema. It is an incredibly precise and extraordinarily swift dance, turning thread into fabric in just a few short seconds.

FINISHING



After meticulous quality control and comprehensive washing and finishing procedures, the finished fabric is created, which can live up to comparisons with any other fabric in the world. These final steps make the difference between a fabric of quality and a fabric of quality and character.

FABRIC Academy (Phygital)

In 2013, the Fabric Academy project was initiated with the objective of promoting and spreading the culture of high-quality fabrics and how to dress well. This involves a didactic-experiential path aimed at furthering the knowledge of many aspects connected to fabrics and men's clothing: from the basic weave, to the processing of the wool, from the history of textiles to the latest trends, with the added aspects of communication and marketing.

Planned in the historical site of Pratrivero and in the Vitale Barberis Canonico showroom in 23 Via Solferino, Milan, in recent years, the course has been proposed throughout the world to both professionals in the clothing sector and those who are passionate about fabrics and men's style, involving not only customers, associations and journalists, but also, and most importantly, students from Italian and international fashion design institutes or business schools.

In the reporting year, with the spread of the Covid-19 virus, the project underwent an important evolution in digital terms, mutating into the Phygital Fabric Academy: a concept fusing the words "physical", with the pre-emptive dispatch of a kit of didactic materials so that participants were still able to experience the practical parts of the training, and "digital" using distance learning content as courses were still not permitted to take place in presence.

Content and modality of the Academy were fine-tuned during the period of the spring lockdown of 2020, involving groups of colleagues who were able to advise and make valuable suggestions in order to finalise the model. The Phygital Fabric Adacademy was then successfully proposed to Italian and international students and customers and will remain part of the training catalogue to permit Vitale Barberis Canonico to offer, also in the coming years, this opportunity of knowledge and in-depth study to an audience without geographical boundaries.



Centrality of the product and customer care

Quality and safety of the products



Quality and safety of the products represent priorities for Vitale Barberis Canonico which, by making available significant human, technical and financial resources, pursues the goal of guaranteeing and increasing customer satisfaction.

The quality policy and the plan for continuing improvement are defined by the Directors in collaboration with Top Management and those in charge of the various functional units, so they can then be disseminated to all levels.

Every fabric, exclusively “Made in Italy”, is planned and developed in house. The accurate selection of raw materials and the decision to purchase dyes and auxiliary chemical supplies only from the best companies in Europe are fundamental, essential factors to guarantee a finished product which is both safe and of excellent quality.



Adapting its production processes to the requirements of the **UNI EN ISO 9001:2015** standard has given the Company more efficient control instruments, indispensable for the creation of products which satisfy customer demands and fulfil legal requirements pertaining to the sector.

The increase in operational efficiency has facilitated further improvements in the perception of the Company vis-à-vis its stakeholders.

Vitale Barberis Canonico constantly subjects materials it uses to vigilant checks in terms of physical-mechanical and chemical requirements, with the aim of guaranteeing the satisfaction of customer expectations.

During the prototyping phase, any new product is tested in order to validate its characteristics before including it in the collection. During the production process it goes through four phases of Quality Control in each of which the fabric is painstakingly checked, centimetre by centimetre, by the eyes of the dedicated workforce. All fabrics are subjected to vigilant final inspections in order to verify both quality and visual aspects before being dispatched.

The data collected over this two-year period demonstrate the excellence in and capacity of supplying fabrics which conform both to the requirements previously established by the customers and those which are legally applicable. In 2020, the Company confirmed its already optimal performance as had been reached in the preceding year: in particular, product conformity is now at 99.88%, an increase on the value of 99.84%²¹ for 2019.

²¹ - The data relating to product quality conformity are the result of an approximation aimed at homogenising financial and quantitative data.

The Company has always placed the health and safety of the consumer in the forefront and operates within legislation governing hazardous materials with particular reference to:

- the European REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals);
- the Chinese GB standard (National Standard of the People’s Republic of China);
- the Guidelines on the eco-toxicological requirements as issued by the Camera Nazionale della Moda Italiana (National Chamber of Italian Fashion);
- MRSL (Manufacturing Restricted Substances List) of the ZDHC Foundation.

Chemical products are carefully evaluated before being used in the production cycle both by the Head of the department in question and by the Technician responsible. Analysis on the fabric samples are carried out by third-party laboratories according to a pre-programmed periodicity in order to achieve a type of screening for all the production. Other analyses may be carried out directly by the customers or by the customs services. As Vitale Barberis Canonico has never been penalised with fines, sanctions or recalls, the chemical conformance of the products is evident.



Since 2012, the entirety of the fabrics produced by Vitale Barberis Canonico has been certified by the **Associazione Tessile & Salute** as a sign that they satisfy all necessary requirements to participate in the project financed by the Italian Ministry of Health with the aim of protecting the health of its citizens, guaranteeing the safety and traceability of the product to the end consumer.

It is also reported that the Company’s pure wool fabrics have the **Woolmark** certification as a result of the periodic verification of the standards of The Woolmark Company pertaining to performance, durability and quality.



Chemical Management



In 2020, Vitale Barberis Canonico pursued its course for the implementation of the **Manufacturing Restricted Substances List (MRSL)** issued by the Zero Discharge of Hazardous Chemical foundation (ZDHC), adopting its Chemical Management 4sustainability protocol with the aim of eliminating all toxic and noxious chemical substances in an organised manner, integrating activities and checks into the production cycles which are designed to gradually eliminate their presence in order to safeguard human health and the environment.

In the reporting year, the Company focused its activities on outsourced fabric processing with the specific emphasis on those of high chemical risk (dyeing and finishing processes) in pursuance of the implementation of the MRSL ZDHC V1.1. In addition, the mapping and qualification of suppliers of raw materials and yarns bought in was begun in the latter part of 2020 and will be completed in 2021. The main steps are given below:

April 2019

Accredited ZDHC training course "Chemical Management in the Textile Industry" for the Chemical Manager.
Accredited ZDHC training course "Top 10 Issues of Chemical Management" for the Chemical Manager.

July 2019

Registration on the ZDHC Gateway (ID: A259LF19).

October 2019

Formalisation of nomination of Vitale Barberis Canonico Chemical Manager.

November 2019

Realisation of Chemical Inventory.
Classification of chemical product suppliers and evaluation of product compliance with MRS ZDHC V1.1.

December 2019

Realisation of a phase-out plan for chemical products not compliant with MRS ZDHC V1.1.
Mapping of all external textile processing with assignment of a chemical risk level.

February 2020

Sending out of a chemical specification to external fabric processing companies with the request for enrolment for compliance to MRSL ZHC V1.1.
Definition of a rating of external fabric processing companies which indicates the level of conformity to the chemical specification sent out.

July 2020

Ad hoc support for strategic wet processing with provision of tools for the implementation of MRSL ZDHC.

December 2020

Mapping of suppliers of raw materials and yarns bought in with assignment of such suppliers to a chemical risk level.

The activities planned for 2021 foresee the completion of the protocol including: implementation of the MRSL ZDHC V2.0 for in-house and out-sourced processes of chemical risk; formal definition of an in-house Chemical Management procedure; and the annual check with assignment to an implementation level as per the 4sustainability protocol.

Centrality of the product and customer care

Customer satisfaction



For Vitale Barberis Canonico, customer satisfaction translates into the ability to offer a range of products which are differentiated and attractive, to respond to market demand and operate with efficacy and efficiency, and with maximum transparency. The aim is to build and maintain relationships with its customers which are fluid, consolidated and based on mutual trust.

In a market place which never stops evolving, the winning factors are flexibility, agility and promptness. In order to face this challenge, Vitale Barberis Canonico has refined its new, exclusive 5 Weeks Only! service which provides for delivery in only 5 weeks of a selection of fancies of some of the best-selling fabrics, thus cutting the traditional delivery times by 60%. Launched in September 2020, 5 Weeks Only! teams up with the already established 24/365 service which offers immediate availability of a wide range of plains and mélanges in the most iconic Vitale Barberis Canonico fabrics such as the flannel, Revenge, Perennial and 21 Micron.

From the start of any commercial activity, all the different customer needs, both explicit and implicit, are collated. The requirements regarding products and services are thus translated into technical and functional terms in order to guarantee such products and services. These also include quality, conformance and delivery times.

In the event of problems arising after sale, the complaints management procedure, which follows on from the communication from the commercial office, foresees the acceptance of delivery by the Company quality control department. The complaint may result in goods being returned, substituted, reconditioned or, where these are not possible, in a financial adjustment.

The performance data for customer satisfaction is reflected in terms of metres returned and credit transfers executed. In the two-year period of 2019–2020, of the total of metres sold, the percentage of fabric metres subject to returns for quality reasons halved from 0.08% to 0.04%, confirming how the Company takes customer satisfaction seriously while striving towards increasingly improved performance.

The Code of Ethics provides for attention and respect towards all customers in equal measure irrespective of the size of their company, nationality and tendency to buy, and disseminates such behavioural rules within the Company by means of appropriate training, information and communication instruments.

Vitale Barberis Canonico guarantees that information and data acquired and processed in the execution of Company work shall be used according to the European and national data protection requirements. In line with the the GDPR regulation, it is also forbidden to carry out any illicit processing of data or commit any computerised crime. Vitale Barberis Canonico has never found any complaint related to customer data protection violations.



Centrality of the product and customer care

Traceability and transparency



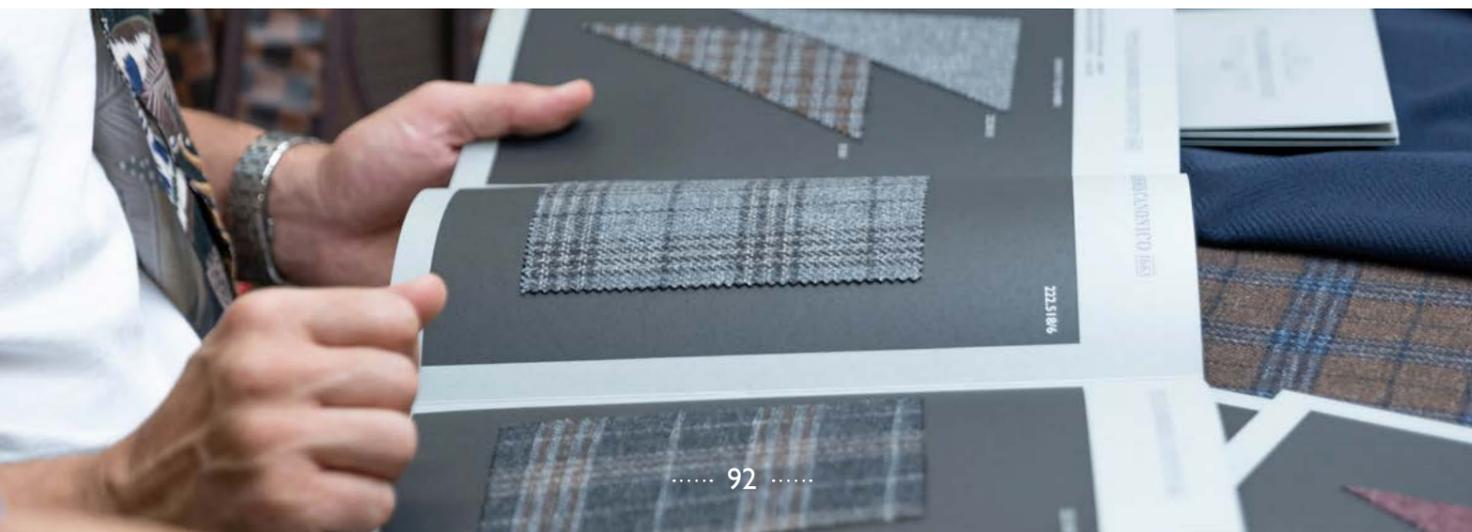
The concept of transparency is one of the most important Company values and is evidenced in the manufacturing process by the traceability of the products. This is an essential activity in order to provide evidence of the sustainability characteristics of a garment, whether it be produced using raw materials or recycled.

In an integrated, vertical production system, although very complex, Vitale Barberis Canonico has invested resources to make available a computer programme which is able to follow and track the production chain of every individual piece, right from the origins of the bale of wool which make up the finished product.

The information available by means of this system pertains to:

- the geographical zone of provenance of the wool;
- the individual farm the bale of wool originated from;
- the batches of greasy wool making up a lot of combed wool;
- the lots of combed wool included in the semi-finished materials for dyeing;
- the semi-finished materials for dyeing included in the blends for spinning;
- spun yarns.

To a certain extent, the traceability project responds to requests from some wholesalers, retailers and tailors for the checking of the production processes, but on the other hand and along with such entities, it aspires to contributing to a culture of products and processes thus leading the end consumer to a type of behaviour which is therefore both mindful and responsible.



NOTE ON METHODOLOGY

The Lanificio Vitale Barberis Canonico Group prepares the financial reports to which, as an integral part, in addition to Vitale Barberis Canonico S.p.A., the companies Drapers S.r.l. and Pyramul Pastoral Ltd. also belong.

This document represents the third Sustainability Report by Vitale Barberis Canonico S.p.A. describing the initiatives and most important results in economic, social and environmental terms as achieved by the Company during the year 2020. The Sustainability Report has the aim of illustrating the sustainability strategies at Vitale Barberis Canonico and the performance in this connection relative to the two production sites, in Pratrivero and Pray, both of which are in the Province of Biella.

This document has been drafted voluntarily and responds to the Company's wish to share the most significant data relating to social responsibility with a view to creating transparency vis-à-vis its stakeholders. In the preparation, the Company has availed itself of the assistance of external consultants who have verified the correct application of the Editing Principles.

In this document, Vitale Barberis Canonico S.p.A. is referred to as "the Company". The Sustainability Report 2020 has been prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards", (2016) published by the Global Reporting Initiative (GRI), Core option. The contents and the indicators given in the tables were defined starting with the results of the materiality analysis carried out at the end of 2018 which involved the Management using a participatory process to identify the environmental, economic and social aspects relevant for the Company. In the appendix to the document, the GRI Content Index is provided wherein the GRI indicators pertaining to all of the material topics are given.

The scope of the financial data is the same as that in the Financial Statement of Vitale Barberis Canonico S.p.A. as of 31st December 2020. The scope of the data and of the social and environmental information includes both of the Company's production sites (Pratrivero and Pray). The data and the information included in this document, unless otherwise indicated, are in relation to the operational year of 2020 (from 1st January 2020 to 31st December 2020). However, with the objective of facilitating an evaluation of the dynamics of the Company's activities, the data and information for the preceding year, where available, have also been included in order to have a comparison. In addition, to provide a more accurate representation, information has been included which is relative to actions undertaken in previous years that still have an effect on the Company's activities in the present.

With the aim of providing an accurate representation of the performance and to guarantee reliability of the data, the inclusion of estimations has been limited as far as possible and, if included, they are based on the best methodology available and are accordingly flagged up.

In line with the new adaptations in relation to the GDPR regulations, the data protection principles applied in the writing of this Report refer to an anonymous aggregation in order to prevent the identification of the persons whose data are being processed

REFERENCE PERIOD Financial year from 1st January 2020 to 31st December 2020

FREQUENCY Annual

LAST DOCUMENT Sustainability Report 2019

REFERENCE PERSONS Lucia Bianchi Maiocchi - Francesca Pilati

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SCOPE OF IMPACT

In the following table, please find the GRI Standards corresponding to the topics identified for Vitale Barberis Canonico by means of a materiality analysis and the relative scope, with the indication of the type of impact connected to these topics.

Material topics	GRI Standards Topics	Boundary	Type of impact
Ethics and compliance	<ul style="list-style-type: none"> • Anti-corruption • Anti-competitive behaviour • Socioeconomic compliance 	The Company; public administration and local authorities	Generated by the Company
Protection of working conditions	<ul style="list-style-type: none"> • Occupational health and safety • Human rights assessment 	The Company; people; suppliers; industry associations	Generated by the Company and directly connected to its activities
Customer satisfaction	<ul style="list-style-type: none"> • Customer health and safety • Customer privacy 	The Company; customers; end consumers	Generated by the Company
Quality and Made in Italy	<ul style="list-style-type: none"> • Materials 	The Company; customers; end consumers; suppliers; media	Generated by the Company and directly connected to its activities
Community support	<ul style="list-style-type: none"> • Local communities 	The Company; local community	Generated by the Company and directly connected to its activities
Value creation	<ul style="list-style-type: none"> • Economic performance 	The Company; public administration and local authorities; suppliers; customers; local community; end consumers; people; shareholders and financial community	Generated by the Company
Animal welfare	n/a	The Company; suppliers	Generated by the Company and directly connected to its activities
Responsible use of chemical substances	<ul style="list-style-type: none"> • Effluents and waste 	The Company; customers; end consumers; suppliers	Generated by the Company and directly connected to its activities
Company welfare	<ul style="list-style-type: none"> • Employment 	The Company; people	Generated by the Company
Environmental responsibility	<ul style="list-style-type: none"> • Environmental compliance 	The Company; public administration and local authorities; local community	Generated by the Company
Management of water resources	<ul style="list-style-type: none"> • Water and effluents 	The Company; local community	Generated by the Company
Responsibility and traceability in the supply chain	<ul style="list-style-type: none"> • Procurement practices • Supplier social assessment 	The Company; suppliers	Generated by the Company and directly connected to its activities
Development of human capital	<ul style="list-style-type: none"> • Employment • Training and education 	The Company; people; universities and research centres	Generated by the Company
Energy efficiency improvements and emission reductions	<ul style="list-style-type: none"> • Energy • Emissions 	The Company; local community	Generated by the Company and directly connected to its activities
Diversity and equal opportunity	<ul style="list-style-type: none"> • Diversity and equal opportunity • Non-discrimination 	The Company; people	Generated by the Company
Waste management and recycling	<ul style="list-style-type: none"> • Effluents and waste 	The Company; local community	Generated by the Company and directly connected to its activities

GRI CONTENT INDEX

General information

GRI 102: General Disclosures (2016)		Pages	Notes/Reason for omission
Organisational profile			
102-1	Name of the organisation	10	
102-2	Activities, brands, products and services	13-14	
102-3	Location of headquarters	103	
102-4	Location of operations	10	
102-5	Ownership and legal form	16-17, 94	
102-6	Markets served	12	
102-7	Scale of the organisation	10	
102-8	Information on employees and other workers	37-39	
102-9	Supply chain	75-80	
102-10	Significant changes to the organization and its supply chain	16	No significant changes occurred in the organization, in its Governance or in its supply chain during 2020.
102-11	Precautionary Principle or approach	17 - 19	
102-12	External initiatives	59. 66. 68	
102-13	Membership of associations	23	
Strategy			
102-14	Statement from senior decision-maker	7	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	15	
Governance			
102-18	Governance structure	16-17	
Stakeholder engagement			
102-40	List of stakeholder groups	22	
102-41	Collective bargaining agreements	-	100% of employees are covered by national collective bargaining agreements.
102-42	Identifying and selecting stakeholders	22-23	
102-43	Approach to stakeholder engagement	22-23	
102-44	Key topics and concerns raised	22, 24-25	
Reporting practice			
102-45	Entities included in the consolidated financial statements	94	
102-46	Defining report content and topic Boundaries	22-25, 96	
102-47	List of material topics	25	
102-48	Restatements of information	94	
102-49	Changes in reporting	94	
102-50	Reporting period	94	
102-51	Date of most recent report	94	
102-52	Reporting cycle	94	
102-53	Contact point for questions regarding the report	103	
102-54	Claims of reporting in accordance with the GRI Standards	94	
102-55	GRI content index	97-102	
102-56	External assurance	-	This Report hasn't undergone external assurance by an independent third party organization.

GRI CONTENT INDEX

Specific information

GRI 200: Economic series Disclosure		Pages	Notes/Reason for omission
Economic performance			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	25, 96	
103-2	The management approach and its components	28	
103-3	Evaluation of the management approach	28	
GRI-201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	28	
Procurement practices			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	76-77, 79, 96	
103-2	The management approach and its components	92	
103-3	Evaluation of the management approach	76-88	
GRI-204: Procurement practices (2016)			
204-1	Proportion of spending on local suppliers	78-79	
Anti-corruption			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18, 96	
103-2	The management approach and its components	18	
103-3	Evaluation of the management approach	18	
GRI-205: Anti-corruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	-	In the course of 2020, there were no such cases.
Anti-competitive behaviour			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18, 96	
103-2	The management approach and its components	18	
103-3	Evaluation of the management approach	18	
GRI-206: Anti-competitive behaviour (2016)			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-	In the course of 2020, there were no such cases.

GRI 300: Environmental series Disclosure		Page	Notes/Reasons for omission
Materials			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	75-77, 79, 96	
103-2	The management approach and its components	75	
103-3	Evaluation of the management approach	79	
GRI-301: Materials (2016)			
301-1	Materials used by weight or volume	76	
Energy			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	60-61, 96	
103-2	The management approach and its components	60	
103-3	Evaluation of the management approach	60	
GRI-302: Energy (2016)			
302-1	Energy consumption within the organisation	60	
302-3	Energy intensity	60	
Water and effluents			
GRI-103: Management approach (2018)			
103-1	Explanation of the material topic and its boundary	65, 96	
103-2	The management approach and its components	65	
103-3	Evaluation of the management approach	65	
GRI-303: Water and effluents (2018)			
303-1	Interactions with water as a shared resource	65	
303-2	Management of water discharge-related impacts	67-69	
303-3	Water withdrawal	66	
303-4	Water drains	68	
303-5	Water consumption	66	
Emissions			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	62, 96	
103-2	The management approach and its components	62-64	
103-3	Evaluation of the management approach	62-64	
GRI-305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	64	
305-2	Energy indirect (Scope 2) GHG emissions	64	
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	64	
Effluents and waste			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70-71, 96	
103-2	The management approach and its components	70-71	
103-3	Evaluation of the management approach	70-71	

GRI-306: Effluents and waste (2016)			
306-1	Water discharge by quality and destination	67-68	
306-2	Waste by type and disposal method	70	
306-3	Significant spills	-	In the course of 2020 there were no spills.
306-4	Transport of hazardous waste	-	100% of the hazardous waste produced by VITALE BARBERIS CANONICO is transported by the Company itself.
Environmental compliance			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	19, 99	
103-2	The management approach and its components	19, 59-69	
103-3	Evaluation of the management approach	19, 59-69	
GRI-307: Environmental compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	-	In the course of 2019 there were no events of non-compliance which resulted in significant fines for VITALE BARBERIS CANONICO.

GRI 400: Employment Disclosure		Page	Notes/Reasons for omission
Employment			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	37, 96	
103-2	The management approach and its components	37-42	
103-3	Evaluation of the management approach	37-39	
GRI-401: Employment (2016)			
401-1	New employee hires and employee turnover	41	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	47	
401-3	Parental leave	48	Pursuant to Italian law, all employees have the right to request parental leave. As of 31.12.2020 the retention rate was 100% ²² .
Occupational health and safety			
GRI-103: Management approach (2018)			
103-1	Explanation of the material topic and its boundary	49-50, 51-55, 96	
103-2	The management approach and its components	51-52	
103-3	Evaluation of the management approach	51-52	
GRI-403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	52	
403-2	Hazard identification, risk assessment, and incident investigation	52	
403-3	Occupational health services	51-52	
403-4	Worker participation, consultation, and communication on occupational health and safety	51-52	

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²² - Calculated on the basis of the ratio between the total number of employees still employed 12 months after the end of parental leave and the total number of employees who returned to work in the preceding report periods.

403-5	Worker training on occupational health and safety	52	
403-6	Promotion of worker health	51-52	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	51-52	
403-9	Work-related injuries	52-53	
403-10	Work-related ill health	52-53	
Training and education			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	40, 96	
103-2	The management approach and its components	40-41	
103-3	Evaluation of the management approach	40-41	
GRI-404: Training and education (2016)			
404-1	Average hours of training per year per employee	42	
Diversity and equal opportunity			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	43-44, 96	
103-2	The management approach and its components	43-44	
103-3	Evaluation of the management approach	43-44	
GRI-405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	45	
Non-discrimination			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	43-45, 96	
103-2	The management approach and its components	43-45	
103-3	Evaluation of the management approach	43-45	
GRI-406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	-	In the course of 2020 there were no incidents of discrimination.
Human rights assessment			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	45, 96	
103-2	The management approach and its components	45	
103-3	Evaluation of the management approach	45	
GRI-412: Human rights assessment (2016)			
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	76	
Local communities			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	29, 96	
103-2	The management approach and its components	29-32	
103-3	Evaluation of the management approach	29-32	

GRI-413: Comunità locali (2016)			
413-1	Operations with local community engagement, impact assessments, and development programmes	29-32	
Supplier social assessment			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	73, 79-80, 96	
103-2	The management approach and its components	76-77	
103-3	Evaluation of the management approach	76-77	
GRI-414: Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria	-	All of the Company's suppliers are obliged to read the VITALE BARBERIS CANONICO Code of Ethics.
Customer health and safety			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	88-89, 96	
103-2	The management approach and its components	88	
103-3	Evaluation of the management approach	88-89	
GRI-416: Customer health and safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	In the course of 2020 there were no cases of non-compliance concerning customer health and safety.
Customer privacy			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	91, 96	
103-2	The management approach and its components	91	
103-3	Evaluation of the management approach	91	
GRI-418: Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	91	
Socioeconomic compliance			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18, 96	
103-2	The management approach and its components	18	
103-3	Evaluation of the management approach	18	
GRI-419: Socioeconomic compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	-	In the course of 2020 there were no cases of non-compliance which resulted in significant fines for VITALE BARBERIS CANONICO.
Animal welfare			
GRI-103: Management approach (2016)			
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