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LETTER TO OUR STAKEHOLDERS

2023 reported excellent results for the period, from the standpoint of volumes and value generated, thanks to a significant flurry of orders placed in the final quarter of 2022, the increase in average prices and the prudent corporate strategy that focussed on seizing opportunities while, at the same time, strengthening commitment to containing costs.

Specifically, order placement was marked by an order-flow trend that returned to normal in the first half of the year, followed by a sharp downturn in the second half that will be carried forward and impact 2024. This performance has enabled the Company to effectively restore "Quick Service" stocks and optimise delivery times by reinstating a lead time of less than 90 days, together with impeccable service. The immediate impact of this operation has won back customer satisfaction enabling it to report pre-COVID levels.

At the same time, fluctuation in consumer demand with reduced consumption has caused a slowdown in the entire supply chain, with resulting increase in warehouse inventory.

Specifically, regarding sustainability, which remains an essential asset in the corporate strategy portfolio, in 2023, we implemented important projects focusing on People, Environment and Product.

In the year celebrating the 360th anniversary of the Barberis Canonico family textile business, we seized a chance to involve employees at a convivial occasion for promoting mutual recognition and constructive exchange: the "Insieme" (Together) evening was held in September 2023, at the newly renovated historic grounds of the Pray mill. To support the children of VBC employees in their educational endeavours, we have created

"Study Grants", which go hand in hand with the Scholarships that have been awarded annually since 2003.

With a view to increasing the focus on the use of natural resources, for protecting the environment, we have expanded the company's photovoltaic park and upgraded the in-company wastewater treatment plant with a second ultrafiltration line with MBR membrane bioreactor, thanks to which we have raised the annual water recovery rate to 36%.

As part of the Product focus, we have given new visibility to mohair, one of Vitale Barberis Canonico's most iconic fibres, with an unprecedented capsule collection of winter fabrics, made exclusively with RMS-certified mohair and RWS-certified wool. At the same time, we continued the Offlimits project, the line of innovative fabrics that give wool new performance heights, in line with contemporary apparel needs.

We also joined Slow Fiber, a network established from the meeting of Slow Food Italia and sixteen virtuous companies in the apparel and furniture textile industry, with the aim of disseminating awareness of the impact of textile goods on the environment and health.

In September 2023, the new finishing drying line was launched, which has re-established suitable in-company production capacity, enabling discontinuation of the third production unit in the hamlet of Valdilana which became operational in May 2022, as an extraordinary operation. For stricter quality control and for containing production costs, we have set aside significant investments for the construction of a new spinning department at the Pray mill, which will become operational in 2024.

The year was also marked by intense focus on studies and partnering with textile and apparel associations and communities; a fundamental activity for defining policies at European level regarding ecodesign, the circular economy, reporting, control and transparency across the entire value chain.

The start of 2024 confirmed market stagnation across the supply chain and forecasts for the first half of the year are not overly optimistic. However, we expect to see a turnaround in the latter part of the year when downstream overstocking has been cleared. Corporate commitment is therefore aimed at ongoing improvement of the level of service offered to customers and timely monitoring of individual markets with a view to exploiting new business opportunities, in addition to the placing he Company's undivided attention on social and environmental sustainability topics.

Alessandro Barberis Canonico

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





AT A GLANCE

Vitale Barberis Canonico is one of the oldest wool mills in the world, led since 1663 by the passion of a family that is committed to creating the best Made in Italy fabrics for mens' apparel.

For over 360 years, the Pratrivero and Pray mills, in the heart of the Biella district, where the best waterways for textile manufacturing converge, have been the place where all stages of wool processing have been carried out.

Over 200 steps are required, together with technologically advanced machiner y and rigorous quality controls, so that highly skilled workers can create a product of excellence.

With over 5,000 collection variants, each year the team at Vitale Barberis Canonico interprets creativity by seamlessly blending heritage, innovation and sustainability..

100% MADE IN ITALY PRODUCTION ONLY

Full-cycle wool mill

EUR 166.7 MILLION SALES REVENUE

- EUR 62.2 million in added value
 - EUR 95.2 million net equity •

8.5 MILLION METRES OF FABRIC

2.4 million suits and jackets worldwide

INTEGRATED CERTIFICATION

- Quality •
- Safety •
- Environment •













• 2 seaso

- 2 seasonal collections
- 5,000 variants

COLLECTIONS

• 5 meanswear usage occasions: business formal ceremonies, upper casual, modern tailoring and outerwear

1663

A History spanning more than 360 years

2 HIGHLY AUTOMATED MILLS

Pratrivero and Pray just 3.5 km way

EXPORT:

81% in over 90 countries



OUR HISTORY

1868

The first mechanical looms were introduced and dyeing, spinning, weaving and fulling work started around the Pratrivero mill.



Vitale was succeeded by his sons Alberto and Luciano, who transformed the company into a joint stock company. Alberto took charge of developing the technical and technological side, while Luciano focussed on exports, increasing the company's prestige around the world.

2013

350 years of wool fabric making and Vitale Barberis Canonico became a member of Les Hénokiens, the international association reser ved for familyrun businesses with at least two hundred years of history.















1663

The "quinternernetto delle taglie" (a small five-page list of sizes) described the sale to the Duke of Savoy of a "saia grisa" (grey twill) by Ajmo Barbero and it is the first official document testifying to the wool activity of the Barberis Canonico family.

1936

The partnership between Oreste and Vitale, which gave rise the modern business, was dissolved against a complex historical backdrop: the global economic crisis had hit markets and fascism limited the entrepreneurial freedom of wool manufacturers.

2008

The new generation took the helm of the Company: Alessandro, Francesco and Lucia still today oversee and run this historic Wool Mill.

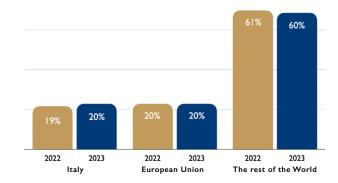
2018

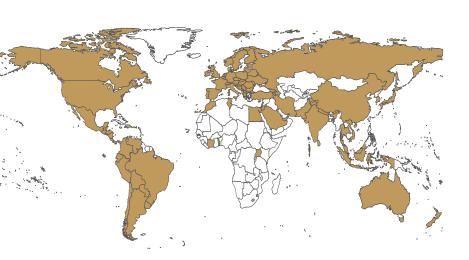
Flagship showroom opening at Via Solferino 23 in Milan: the new location aims to be a a flagship venue for designers, tailors and apparel professionals.



MARKET AND PRODUCTS

Vitale Barberis Canonico is synonymous with excellence in the quality of raw materials, yarns and fabrics, which combine elegance and comfort.





Leader in superfine wool fabrics, the Company is today the leading producer by quantity and largest exporter. Vitale Barberis Canonico sells its goods all over the world, through the most important clothing brands, retailers and wholesalers. More than 80% of production is intended for export, mainly to China, followed by the Netherlands, Japan, France and the United States, which represent the primary markets. Customers break down into garment makers and retailers, accounting for 80% of sales, while wholesalers, account for the remaining 20%.

With the aim of satisfying the needs of international customers for wool fabrics and other natural mixes for menwear, the Company takes its cue from classic elegance, while introducing contemporary contaminations, with a view to achieving a perfect balance between classic style and innovation.

The offering is divided into six product ranges:



CLASSIC, inspired by the great textile traditions, it is the benchmark for men's suits and jackets. Of special note, the 21 Micron family was launched and it has been using fully mulesing-free wool since 2020.

In 2023, the range was enriched with a capsule collection featuring The Mohair Affair!, fabrics that exclusively use RMS-certified mohair and RWS-certified wool.



VINTAGE, takes its cue from the past to offer a more youthful style with a special focus on colour and natural fibres used.



EARTH, WIND AND FIRE, includes functional fabrics where natural fibres acquire new performance applications via treatments and bonding with membranes. The water-

repellent treatments are Eco Water Repellent, i.e., free from perfluorinated compounds (PFCs).



SUPERSONIC, stands for resilient wool and high-twist yarns offering unrivalled crease resistant and comfort, creating fabrics which are perfect for travelling. Since 2020,

the range has been enriched with an offering of knitted fabrics, created using the iconic Vitale Barberis Canonico yarns.



H.O.P.E., is an acronym standing for How to Optimise People and Environment, and it is the fabric range with reduced environmental impact introduced in 2019; new articles enrich the range each season.



OFFLIMITS was created in 2021, spurred by a desire to innovate, which translated into important investments in research and development, aimed at designing new

fabrics and performance features in line with contemporary apparel styles. Wool is the star that has taken on a new life, endowed with unprecedented functional features, thanks to combination with latest generation technical fibres. With OFFLIMTS, Vitale Barberis Canonico has expanded its offering, while remaining true to its heritage, affording performance combined with a decidedly contemporary aesthetic.



H.O.P.E. FABRIC RANGE

NON-DYED NATURAL FIBRES



With extraordinary rusticity features thanks to the use of natural colour camel lama, alpaca and moray wool fibres. In fact, these products are not dyed.

ERI SILK AND RED ERI SILK COLOURS



Two types of cruelty-free silk are used since the silk threads are collected only when the butterfly leaves the chrysalist to go to feed and reproduce. The colour difference is due to the different feeding habits of the worm; the orange shades of the Red Eri silk derive from the Citrofolia Ficus, while the yellow shades of the Eri silk derive from the castor plant.

NATURAL COLOURS



Dyed using a new wider colour range obtained thanks to adopting old dyeing techniques by infusing plants, flowers, leaves, roots, fruits and barks.

RECYCLED YARNS



Made with 30% recycled thread from the





RESPONSIBLE BUSINESS MANAGEMENT

RESPONSIBLE B U S I N E S S MANAGEMENT

People, environment and product are the pillars that guide Vitale Barberis Canonico's strategic choices and daily practices. In line with the values set out in the corporate Code of Ethics, updated in 2021, the Company guarantees responsible and transparent business management.

It pursues long-term business development and reconciles economic and strategic decisions with the assessment of social and environmental impacts in relation to stakeholders' expectations.

It constantly nourishes a robust and lasting relationship with all stakeholders, building an active exchange that enables continuous enhancement of its impact on society and the environment.

Through targeted investments, the aim is to create value over time, recognising corporate social responsibility as a strategic lever for its own development.



BUSINESS GOVERNANCE AND INTEGRITY

OUR VALUES AND PRINCIPLES

Values are the building blocks of the corporate identity and guide strategic choices.

The Company pursues the achievement of its objectives through activities carried out in compliance with the law and fundamental human rights, based on clear and transparent rules and in harmony with the goals of the community and the local area.

Since 2008, these principles have been set in stone in the Company's Code of Ethics.

Equity and financial soundness is one of the constant values that the Company pursues and protects with a view to managing the cyclical nature of the textile market.

For Vitale Barberis Canonico, protecting employees and respecting nature, in addition to the focus on fabrics have always been priorities in its multi-year investment strategies.

Confirming the Company continues to invest in the local area in the long term, 2023 witnessed important investments regarding the increase in in-company spinning production capacity, with the restructuring and reuse of a building at the Pray mill, which will also see continued company involvement in 2024.

PRODUCT RESPONSABILITY

It should also be noted that in September 2023, the new finishing drying line was inaugurated, which has re-established appropriate in-company manufacturing output, enabling interruption of the third Fila production unit in the hamlet of Valdilana, which started operating in May 2022, as an extraordinary operation.

PERFORMANCE



BUSINESS GOVERNANCE AND INTEGRITY

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Vitale Barberis Canonico is a company owned by Lanificio Vitale Barberis Canonico.

The Company adopts a traditional Corporate Governance system, represented by a Board of Directors and a Board of Statutory Auditors.

The corporate governance system includes and is inspired by the principles and application criteria recommended by CODIF – Corporate Governance Code for Non-Listed Companies under Family Control – which endorses:

- the ability of the family owning the company to express a clear vision for the corporate future;
- the possibility for Management (family or non-family) to implement vision using the best resources available on the market.

The Board of Directors is made up of 9 directors, 4 of whom are independent directors, including the Chairman. Women account for 22% of Board membership and members aged between 30 and 50 years for 11%.





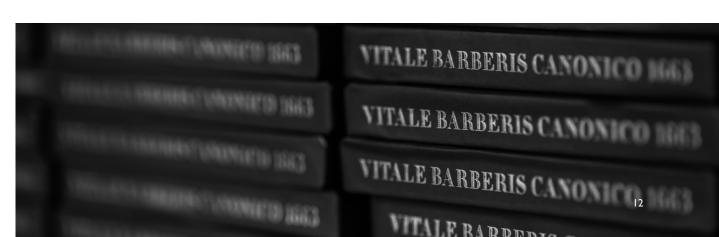
The Board is the watchdog body, ensuring that decisions and pursuit of social interests are given due consideration and weight in compliance with the decisions of the Shareholders' Meeting which expresses the will of the owners. Directors are required to act in the exclusive interest of the Company and to understand the tasks and responsibilities inherent in their office, held by pursuing the priority corporate goal, i.e., the creation of economic and social value on a medium-long term horizon, and paying special attention to areas potentially subject to conflicts of interest.It should be noted that during 2023, the Board of Directors was renewed by appointing three new independent directors.

The organisational structure of Vitale Barberis Canonico establishes roles and responsibilities for the various areas of Corporate Management working under the most senior officer, the Managing Director, alongside the Supervisory Body and the Board of Statutory Auditors, both with 3 members.

The Company has equipped the Governance system with additional entities:

- EXECUTIVE COMMITTEE: composed of a Chairperson, a secretary and other senior strategic corporate executives, including the Chairperson of the Board of Directors, the Chief Executive Officer and the heads of Style and Communication, Sales, Personnel and Sustainability areas. The Committee prepares the topics to be submitted to the Board of Directors and prepares the rationale underpinning operational decisions according to the strategic guidelines handed down by the Board;
- SPECIFIC COMMITTEES: such as the Technical Committee, the cross-functional HUB and the Commercial Committee that all meet at regular intervals.

A coordination meeting is also held weekly, involving all heads of function.





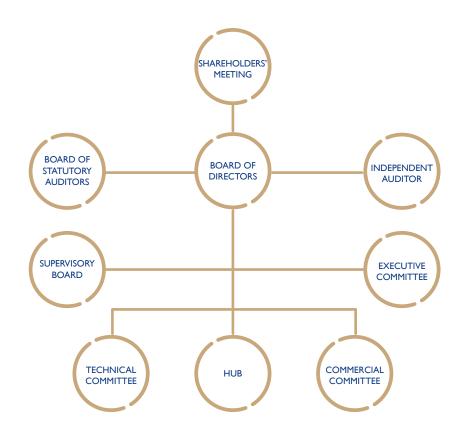
PEOPLE AND THEIR VALUE

The approach adopted for correct and transparent risk management and the relevant procedures are documented using special reporting forms that include operating methods, responsibilities and resources.

On 26 March 2024, at the Board of Directors, the 2023 Sustainability Report was approved, which describes the projects and the main economic, social and environmental results achieved by the Company over the reporting year.

In 2023 the cross-departmental HUB continued to be operational which, replacing the previous Style Committee, aims to propose bottom-up strategies for the development of seasonal product offerings.

The HUB brings together the expertise of product development, R&D, sales, marketing-communication, production, quality control and CSR, operating following a structured seasonal calendar of plenary or specific meetings and it periodically reports the outcome of its work to the Executive Committee.





BUSINESS GOVERNANCE AND INTEGRITY

LEGISLATIVE AND REGULATORY COMPLIANCE

To protect its position and the jobs of employees and other independent workers, Vitale Barberis Canonico ensures conditions of fairness and transparency in conducting business.

The Company has adopted an in-company control system designed to prevent unlawful conduct and any behaviour contrary to its values. Since 2008 it has adopted an Organisation, Management and Control Model, in accordance with Italian Legislative Decree 231/01 ("Model 231"), a document prepared following Confindustria (General Confederation of Italian Industry) Guidelines.

In the year under review, the Supervisory Body received no reports of breaches of the Organisational Model or the Code of Ethics and no objections were raised or detected.

With a view to tangible application of the inspiring principles underpinning the Code of Ethics, the Company promotes awareness through publication in the dedicated section of the corporate website <code>www.vitalebarberiscanonico.it</code> and the provision of information and training activities addressing employees, as well as sharing with customers and suppliers.

Model 231 includes:

- The Code of Ethics, which identifies the corporate values and highlights the set of rights and duties of all those who work in any capacity work at and/or with Vitale Barberis Canonico, setting down the rules of conduct to be complied with vis-à-vis all its stakeholder.
- The Organisational Model, which lists all the criminal offences that may occur within and/or involving the company and the in-company procedures adopted for managing such issues.

The Disciplinary Penalty System, which prescribes the procedures the company will adopt for persons breaching the relevant rules and principles.

The task of regularly monitoring and verifying the effectiveness of Model 231 is entrusted to the Supervisory Body, whose members are independent in respect of the Company and granted autonomous powers of action and control.



VITALE BARBERIS CANONICO AND SUSTAINABILITY

OUR SUSTAINABILITY APPROACH

To be sustainable is to understand the corporate history and design its future by reducing its impact adopting the best human, cultural and technological resources available.

The Company interprets sustainability as the virtuous interrelationship of three areas: economic, social and environmental. The link between these three pillars ensures business sustainability, i.e., the ability to create value over time.

The result of the commitment of previous generations, responsibility towards the community and the local area is a value that Vitale Barberis Canonico has inherited and that still underpins its investment strategies.

The Company draws its main resources from the local area and it is committed to restoring economic growth and reducing its environmental footprint as much as possible through investments and pioneering technologies in its industry.

In 2023, we can claim many virtuous achievements. That especially worthy of note include the building of a second ultrafiltration line with MBR membrane bioreactor at the wastewater treatment plant.

At the 3rd edition of the **Sustainability Awards**, which rewards businesses that stand out in the areas of sustainability, Vitale Barberis Canonico was awarded the TOP 100 Performance - Environmental award, as it was the company with the highest environmental rating increase in the year of assessment.

The Sustainability Award prize is based on an independent assessment aimed at reviewing strategy, management and performance for the main environmental (E), social (S) and governance (G) topics.

Vitale Barberis Canonico achieved a score of 601.2 on a panel average of 491 and a maximum obtainable score of 1,000. The score obtained by the Company increased compared to the score of 565.3 obtained in 2022.



In April 2023, Vitale Barberis Canonico was awarded, at the second edition of the **Sustainability Report Award**, promoted by Corriere della Sera and Buone Notizie, together with NeXt Nuova Ecomonia per Tutti (New Economy for All,) obtaining a special mention for "Best Materiality Analysis".

The Award is recognition of Italian businesses and organisations that understand how to report non-financial commitments and services in a systematic, integrated, timely and consistent manner, in line with the recent regulatory evolution implementing social and ecological transition goals.





1982

- · Purchase of first Australian farm.
- · Dyeing efficiency.



1987 Wastewater treatment plant.

2015 SustainaWOOL Integrity Scheme Certification.

2016

Water recycling line in finishing.

2018

- · First Sustainability Report.

1989

First generation acoustic cabins.

1996

New finishing department with lower environmental impact.



Wool Excellence Club and Wool Excellence Award.



200

New high-automation dyeing.

2003

- · Adoption of sophisticated post-combustion system.
- Granting of first scholarship.

2012

- · New corporate welfare package with benefits.
- Associazione Tessile e Salute (Textile and Health Association) Certification.

2009

- · ISO 9001 Certification.
- · Highly efficient new thermal power plant.

2005

Mapping of mulesing status with New England Wool.

2008

Model Law No. 231 and Code of Ethics.

• New Integrative Corporate Agreement with improvements.

2019

- · ISO 14001 and ISO 45001 certifications.
- · 100% renewable electricity.
- · H.O.P.E. fabric range.
- Chemical Management 4sustainability.
- Transfer of SustainaWOOL management to AWEX.

2021

- · RWS and RMS certifications.
- Offset of CO2 generated by methane consumption.

2022

- · Adoption of wearable exoskeletons.
- · First photovoltaic array system.
- · GRS certification.
- · Buying Company with offices in Australia and South Africa.



Upgrading of wastewater treatment plant.





VITALE BARBERIS CANONICO AND SUSTAINABILITY

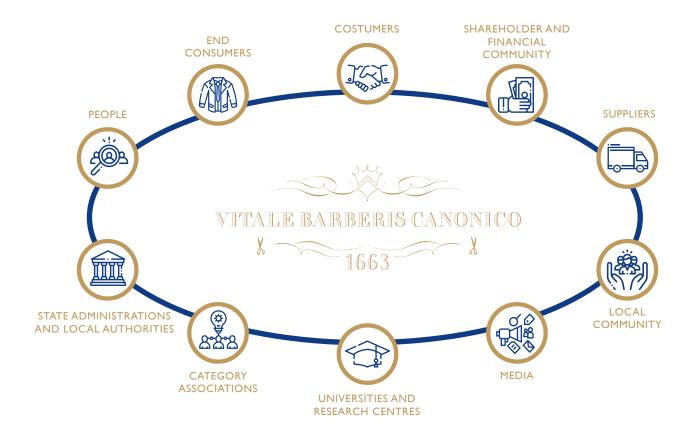
STAKEHOLDER MAPPING

Vitale Barberis Canonico pursues the achievement of its business objectives in the interest of its identified stakeholders..

In-company and outside-company Stakeholders, are parties on which the Company generates a social and economic impact and that, at the same time, have an influence on the Company.

In the business strategy, it is essential to meet the expectations of such interlocutors to strengthen business continuity and create value in the medium and long term, with special regard to the interests of the local area and the community representing the corporate roots.

Starting from the features, the activities and an understanding of the role that the Company plays in the context in which it operates, it has implemented a process for identifying stakeholders by defining a structured path involving top corporate managers.





To pursue it goals in a shared and effective manner, Vitale Barberis Canonico actively works with the following category organisations and associations:



SMI – **Sistema Moda Italia (Italian Textile and Fashion Federation)**: it represents the entire western-world textile and fashion supply chain, at national and international level, protecting and promoting interests in relations with respective stakeholders.



UIB - Unione Industriale Biellese (Biella Industrial Union):

a local association of entrepreneurs under the wing of the Confindustria (Italian Federation of Industry) System, whose purpose is to represent, support and develop the Biella industrial fabric.

IDEABIELLA

Ideabiella: an association that aims to promote, organise and manage the showcasing, spread and sale in Italy and abroad of fabrics primarily for men's apparel. Vitale Barberis Canonico S.p.A. is one of the Founding Members, and Alessandro Barberis Canonico, Managing Director of the Company, has been its Chairman.



Les Hénokiens: an international association reserved for family-controlled businesses with history spanning at least 200 years, whose members are deeply rooted in today's business realities, managing their companies with talent, navigating between innovation and tradition.



PEOPLE AND THEIR VALUE

AIDAF – Associazione Italiana delle Aziende Familiari (Italian Association of Family-Owned Businesses): reference in Italy for family-run businesses, it brings together 200 more than 275 companies that represent about 17% of Italian GDP. It is committed to developing a healthy and robust family business model, studying tangible and current management issues and overseeing the personal and professional growth of the new generations.



ASWGA - Australian Superfine Wool Growers Association:

voice of the Australian superfine wool industry that brings together breeders and users with the aim of promoting production and spread of Traditional Wool, or particularly fine quality wool from traditional Australian sheep breeds.



Association): with more than 100 members, it aims to safeguard the health of the consumers with regard to textiles, footwear and accessories, identifying the most effective solutions to counteract and prevent the spread of potentially harmful products, as well as protecting and promoting Made in Italy.



The Woolmark Company: an organisation that highlights the prominent role of Australian wool as best natural fibre and main component of luxury apparel by promoting research, development and marketing activities.



Superfine Wool Council: organization created by the Cashmere and Camel Hair Manufacturers Institute (CCMI) with the mission of protecting the correct use of the Super'S claims in regard of superfine wool.



Accademia Nazionale dei Sartori (National Academy of Tailors): the oldest Italian association in the industry that aims to protect the traditions and culture of tailor-made garments, enhancing the product and the training and promotion of young tailors.



Association): an association created with the aim of promoting and strengthening Spanish tailoring, nationally and internationally.

Vitale Barberis Canonico is a founding member of **Slow Fiber**, a network of businesses that was formed in 2022,



stimulated by the encounter of Slow Food and 16 companies in the textile industry for the apparel and furniture sectors. Slow Fiber promotes manufacturing and cultural change in the textile industry supporting a sustainable supply chain and informed and responsible consumption via the key concepts: Beautiful, Healthy, Clean, Fair and Durable. The network aims to spread knowledge about the impact that textile goods have on the environment, on workers in the supply chain and on consumer health. Slow Fiber supports, together with Slow Food, awareness campaigns through testimonials and the direct participation of companies that operate daily in respect of environmental and social sustainability.



Vitale Barberis Canonico is a partner company of Monitor for Circular Fashion, a multi-stakeholder project involving leading companies in the fashion industry and players in the supply chain, with scientific contribution from SDA Bocconi Sustainability Lab and Enel X's cross-industry vision for the identification of circular economy KPIs. It welcomes virtuous companies and spreads good circular economy practices in the fashion industry, enhancing technical, managerial and scientific skills, with the aim of contributing to the transition towards circular business models.



Specifically, it aims to:

- analyse the evolutionary dynamics of the industry and its main sectors over the next decade;
- investigate the impact of such dynamics and alignment with Sustainable Development Goals that are part of the UN 2030 Agenda;
- identify the main qualitative and quantitative indicators of the circular fashion economy;
- give voice to the Italian fashion industry by creating the Circular Fashion Manifesto to be presented to National and International Institutions and at Summits.

Annually, the goal is to implement Monitor best practices, through the development of pilot projects, and namely:

- teamwork between the various value chain actors:
- creation of reliable sustainability claims based on specific and measurable KPIs;
- evaluation of the Monitors' circularity KPI's;

PEOPLE AND THEIR VALUE

implementation of the eco-design principles of traceability and transparency.

Vitale Barberis Canonico presented the Trace Me project: a shopper made with recovered fabric in wool fibres, designed for recycling, manufactured in Italy and assembled by the Italian social enterprise QUID. With the digital partner TEMERA, a leading company for IoT solutions, Vitale Barberis Canonico created a QR code which allows to surf in an interactive way in the claim, KPIs, complete traceability of the product and the transparent supply chain back to the wool origin.







VITALE BARBERIS CANONICO AND SUSTAINABILITY

MATERIALITY MATRIX

of stakeholders are defined as "material".

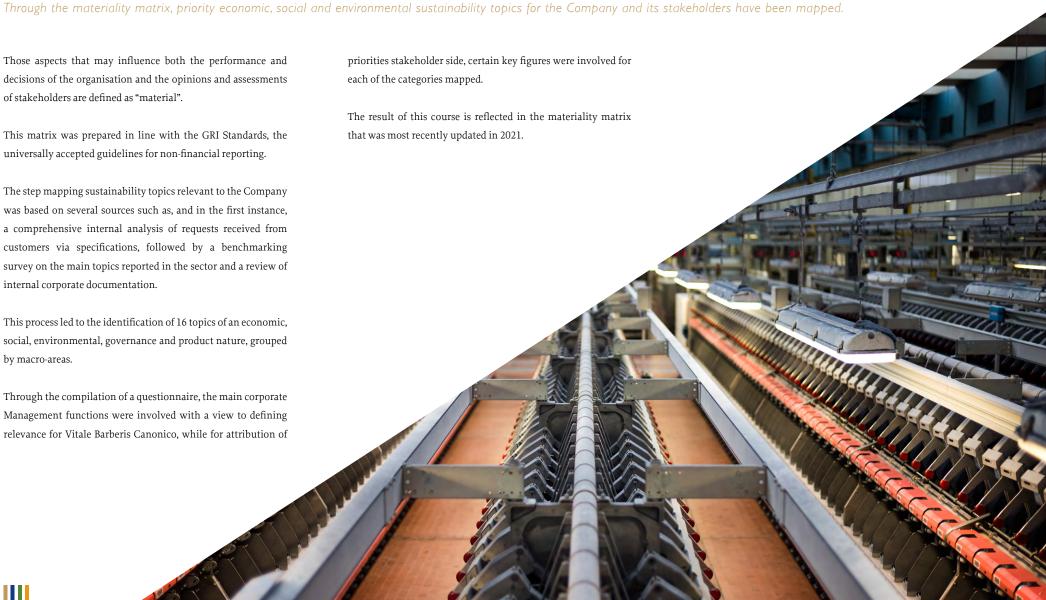
Those aspects that may influence both the performance and decisions of the organisation and the opinions and assessments

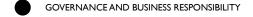
This matrix was prepared in line with the GRI Standards, the universally accepted guidelines for non-financial reporting.

The step mapping sustainability topics relevant to the Company was based on several sources such as, and in the first instance, a comprehensive internal analysis of requests received from customers via specifications, followed by a benchmarking survey on the main topics reported in the sector and a review of internal corporate documentation.

This process led to the identification of 16 topics of an economic, social, environmental, governance and product nature, grouped by macro-areas.

Through the compilation of a questionnaire, the main corporate Management functions were involved with a view to defining relevance for Vitale Barberis Canonico, while for attribution of





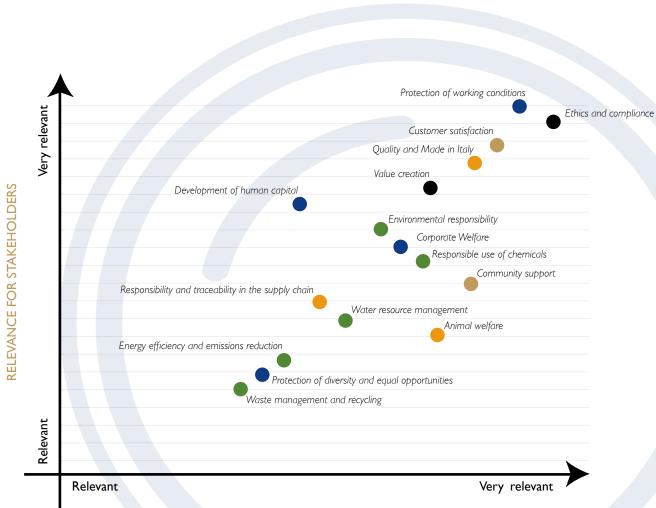












RELEVANCE FOR VITALE BARBERIS CANONICO



VITALE BARBERIS CANONICO AND SUSTAINABILITY

SUSTAINABLE DEVELOPMENT GOALS

Vitale Barberis Canonico pursues sustainable development through hands-on daily practices, which reconcile business and strategic decisions against assessment of social and environmental impacts in relation to stakeholders' expectations.

These aspects are reflected in the 17 Sustainable Development Goals (SDGs) reported in the 2030 Agenda signed in 2015 by the governments of the 193 UN member countries, which follow up on the outcome of the Millennium Development Goals (MDGs).

The SDGs provide an immediate and internationally recognized way for defining the topics covered in sustainability reporting and for highlighting their contribution to specific goals.

The Goals that the Company considers most linked to its business and to which it directs its commitment for the future are reported in relation to each of the 16 sustainability topics identified in the materiality matrix.







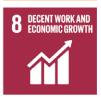


























































VALUE CREATION

VALUE GENERATED AND DISTRIBUTED





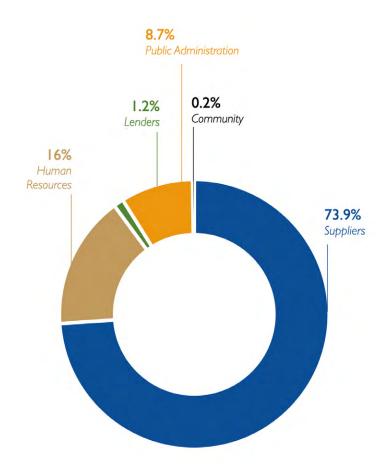
Vitale Barberis Canonico generates wealth by contributing to the economic growth of the social and environmental context in which it operates..

The Company engages in its activities using production-related factors effectively, with the aim of generating additional economic value compared to the resources used.

In 2023, Vitale Barberis Canonico generated sales revenue for EUR 180 million, against costs totalling EUR 156 million, generating an operating profit of EUR 15.5 million.

Costs incurred generated value that was distributed as follows:

- 73.9% to Suppliers: the cost of supplying goods and providing services for the purpose of developing corporate business represented the most significant portion;
- 16% to Human Resources: in the form of salaries and wages, severance pay and other personnel expense;
- 8.7% to Public Administration: via payment of direct and indirect taxes and social security expenses;
- 0.2% to the Community: portion allocated as contributions to local communities by participating in the implementation of social, cultural and sporting projects and events;
- 1.2% to Lenders: it represented the positive balance in favour of the company deriving from the difference between financial income collected and interest and financial expense paid to all creditors.



It should be noted in the breakdown that distribution of added value allocated to Human Resources as salaries and wages amounted to almost EUR 20 million, Severance Pay (TFR) provision totalled over EUR 1 million and other personnel expense amounted to EUR 2.8 million, totalling approximately EUR 24 million.

The Company paid EUR 13.6 million to the Public Administration in the form of taxes and social security contributions.

31 December 2023 year ends, Vitale Barberis Canonico reported owners' equity totalling EUR 95,204,533 corresponding to a debt-to-equity ratio (gearing) of 55.6%, reporting an increase of 2% compared to the debt-to-equity ratio in 2022.



VALUE CREATION

ENGAGEMENT WITH THE LOCAL COMMUNITY









The Company has set itself the goal of endorsing a significant number of activities by supporting a social network that is vital for the district where number of services is limited.

VBCare has three main focuses: VBCharity, VBCulture and VBCommunity.

Over the year, the Company devolved 1% of GOP to the VBCare project, corresponding to EUR 310,000.









VBCharity

The Company stands alongside large and small associations and organisations that are involved in guaranteeing the local community essential goods and services, with specific focus on situations of particular need. Support for these important activities was confirmed during 2023.

For 2023, financial support for the Piedmontese Alpine and Speleological Rescue Group and the Cerino Zegna Foundation was provided for the purchase of materials and equipment for facilitating their daily activities providing support to the community.











RESPECTING AND PROTECTING THE ENVIRONMENT











VBCulture

Vitale Barberis Canonico invests in the educational and learning development of students in the local area, accompanying their learning endeavours with actions targeting all age groups.

Support for schools, through donations or support activities, involves various aspects of education, from kindergarten to higher-education.

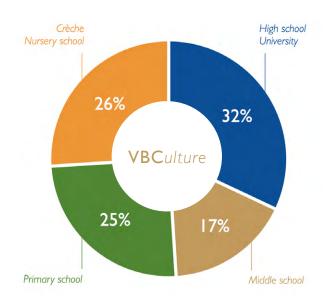
Also noteworthy in 2023, was support for the association **Biella Cresce**, which is responsible for facilitating the spread of the most up-to-date scientific knowledge on learning and education by working together under an agreement with the research body, Polo Apprendimento, in Padua and with Città Studi Biella. The aim of the association is "to bring up a better generation together". To attain this goal, it works in two directions: direct action through classroom activity and dissemination via training activities for teachers, educators and parents.

In 2023, Biella Cresce (Biella Growing) reinforced its "Life-long Learning" project by completing training and tutoring courses involving 103 teachers, thus supporting more than 1,400 children at 42 schools, covering 94% of the comprehensive schools in the local area.

Also worth highlighting is the support for the project **OPS!** by OltreilGiardino Onlus, a no-profit organisation, which aims to raise awareness among adults and young people about the responsible and healthy use of social media and new technologies. In 2023, 83 pupils from Valdilana schools were involved and the topics addressed concerned relationships and changes, problem solving and group dynamics, real and virtual communication, bullying and cyberbullying, privacy and network hazards.







Vitale Barberis Canonico considers it increasingly important for businesses and the local area to invest in the new generations, feeling engaged and loyal to supporting the commitment of the young people of the area to their studies. According to this principle, in 2023, **Scholarships** were awarded to high school and university students on technical study courses. The scholarships, established in 2003, include, in addition to the workers' children, also all students in the Biella and Valsesian area who have distinguished themselves at the final high school exam (otherwise known as the "maturità") and in their chosen university course receiving high grades.

In 2023, the new **Study Grants** project was launched, addressed exclusively to the children of workers, involving high school studies and university degree courses, with study grants awarded based on merit and income requirements, set out in new and different Study Grant regulations. In 2023, the Company awarded 5 bursaries and 4 Study Grants to 9 students who achieved excellent grades, thus reaching a total of 102 Bursaries awarded over the 20 editions.

Keynote guest at the award ceremony held in December 2023 was the Italian Minister of the Environment and Energy Safety, Prof. Dr. Gilberto Pichetto Fratin, who, in his speech to the young students, emphasised the importance of building their own knowledge and educational and personal, path, while being supported by key "partners", such as their family with its own values and principles, and businesses, such as Vitale Barberis Canonico, which show through their sensitivity to the local area and the community, that they desire to contribute to the growth of the new generations also benefitting their future.





VBCommunity

The Company sponsors and participates in events close to the heart of the community and endorses, through ongoing or project funding, associations and actions supporting the local area.



The many activities already launched over previous years and continued in also

in 2022, also included the cultural partnership with Premio Biella Letteratura e Industria (Biella Literature and Industry Prize), an important recognition in Italy dedicated to fiction and non-fiction focussed specifically on the transformations taking place from an economic and social perspective, which have the purpose of investigating the relationships between two apparently distant but intimately linked worlds: the arts and industrial development.

The XXII edition of the competition named Antonio Franchini the winner with the work "Leggere possedere vendere bruciare" (Read own sell burn) (Marsilio Racconti), five stories about the world of publishing and the extraordinary world of literature.

In the reporting period, Vitale Barberis Canonico supported the Literary Festival of the City of Biella, #Fuoriluogo, as main sponsor, held from 31 August to 3 September 2023. An important cultural event for the city, for three days, it is the stage to a dense program of meetings with writers, concerts, guided tours of historic sites and events for children.





PEOPLE AND THEIR VALUE

In September 2023, the Company also supported the fourth edition of ContemporaneA in Biella, an all-female festival with encounters that addressed a wide range of issues, with

important personalities participating, happy to share their experience.

Since 2020, the Company has been funding the Fondazione BIellezza foundation, created in partnership

Tour Noir - theater performance by Ars Teatrando during #Fuoriluoge



with important local companies including Ermenegildo Zegna N.V., Banca Patrimoni Sella & C. S.p.A. and Banca Sella S.p.A., as well as Fondazione Cassa di Risparmio di Biella. The primary purpose of the Foundation is to allocate funds to support, enhance and help promote the economic and social development of the Biellese local area, in collaboration with local associations and institutions, with special focus on increasing the appeal of the local area where the Company operates from the standpoint of investments and, specifically, qualified human capital, skills and tourism.





THE VITALE BARBERIS CANONICO ARCHIVE

The Vitale Barberis Canonico Archive consists of over 2,500 volumes: a legacy of historical textile heritage narrating the che story of male and female dress from 1846 to the present day, and open to customers and fashion students by appointment.

The cultural assets in the collection include collection samples from different wool mills and collections featuring research on the trends of the time, but also journals containing annotations from tailors which provide insights into the tastes and fragments of life of the most elegant men of the era.

The main feature of the collection is the variety of the materials: different eras, countries of origin, composition, usage occasions and type of fabric that narrate the story of wonderful attire spanning almost two centuries. The oldest volumes originate from the United Kingdom, but there is no shortage of Italian, French, German and Spanish works.

The entire archive has been digitalised making it easy to consult, via a computerised card system with around 25,000 cards. Recovery of this historical textile heritage also takes on the value of a cultural laboratory, where passion and responsibility for conserving textile knowledge becomes a support tool inspiring creativity and innovation.

In 2020, the Fabric Tales project was established to enhance the value company heritage, consisting of the historical archive and with the aim of contributing to spreading a textile culture

that has its roots in the past, but which is still very much alive and current. From the pages of the old volumes, Vitale Barberis Canonico's scrupulous research activity brings to light the incredible stories that unfold along three strands - historica figures, places and colours – with a single protagonist: fabric and its evolution in style and costume.

Since 2020, Fabric Tales has animated a dedicated page on the corporate website, whose interactive graphics aim to reproduce the flavour of the archive space and its precious shelves. In 2023 the section was enriched with seven new stories

These include "The TONELLA, FOUR GENERATIONS OF WEAVERS ON THE BANKS OF THE SESSERA": an interesting narrative that sees the intertwining of the history of Vitale Barberis Canonico and the Tonella brothers, who founded the Pray mill at the beginning of the twentieth century and may claim the honour for the vast development of the collection over the years, together with a marked appetite for international expansion. The origin of the production facility was narrated at the "Insieme" (Together) event held in Pray for celebrating the 360th anniversary of the family textile business.

Click here to disvoer the history.



Lanifici Tonella e Figli e Barberis Canonico — [proprietà Piantino (Flecchia)].







P E O P L E AND THEIR V A L U E

For Vitale Barberis Canonico, people are the fundamental pillar on which the business is built.

Harnessing the resources from the local wool district, where culture and know-how are deeply rooted, is a touchstone for professional craftsmanship and skills, forming an indissoluble link between the Company and the community.

Company employees and independent workers perform their tasks in accordance with corporate principles, whose key features are courtesy and transparency, with a sense of responsibility, total care and a collaborative spirit towards colleagues and others. They also actively participate in corporate life and proactively seek constant enhancement of their talent.

The Company ensures meritocratic treatment and respect for individual dignity in the working conditions at all its manufacturing facilities, as well as safe and healthy environments aimed at protecting people's physical and moral integrity.

Vitale Barberis Canonico celebrated the 360th anniversary of the family textile business with the "Insieme" (Together) event, entirely dedicated to its workers. The event was held at the Pray mill, in the halls previously in disuse and now fully renovated, with the aim of transferring the twisting department, as part of the investment to reorganise the site's space.



488 PEOPLE

50% of the female workforce

BREAKDOWN BY WHERE PEOPLE LIVE

54% < 15 km 41%15-30 km 5% > 30 km

CORPORATE WELFARE

- Life Insurance •
- Supplementary Health Insurance
 - Long-Term Care •
 - Sickness cover fully covered by the company

PARTNERING SCHOOLS

480 students and teachers were hosted for corporate presentations and company tours















OCCUPATIONAL HEALTH AND SAFETY CERTIFICATION

ISO 45001 since 2019

99% PERMANENT EMPLOYMENT CONTRACTS

THE WORLD'S MOST
SILENT WEAVING
DEPARTMENT THANKS TO
SOUNDPROOF CABINS

100 dB -> 85 dB

102 SCHOLARSHIPS AND STUDY GRANTS AWARDED ACROSS 20 EDITIONS

9 in 2023



THE HUMAN FACTOR

PERSONNEL MANAGEMENT





Vitale Barberis Canonico strives to establish long-term relationships with people, offering stability, a stimulating working environment and opportunities for advancement.

In the reporting year, an increase in the workforce of approx. 3% was reported, with primarily female hires, associated with the increase in manufacturing production reported in the first half of the year. 97% of new workers were recruited directly by the company, underpinning the company's goal of ensuring greater stability and consolidating corporate know-how.

As of 31 December 2023, almost all employment contracts were open-ended. It should also be noted that part-time contracts totalled 3%, promoting family-job life balance, an option mainly requested by women.

Use of external workers is made using staff supplied by temp agencies and interns. Vitale Barberis Canonico nurtures these virtuous channels by maintaining an ongoing relationship with local area entities and agencies, such as the Employment Centre and the Piedmont Labour Agency, with university institutions and with the higher educational institutes within the district.

For internships granted with a view to internees joining the workforce, the Company offers double remuneration than required under regional legislation and dedicates resources and time engaging workers with greater experience in the transfer of skills and technical expertise.

Since 2022, a salary bonus called "Costruire" (Building) has been active: at the end of month 6 of an apprenticeship, and with the start of a job contract with the Company, regardless of whether the person was hired through an agency or directly by the Company, apprentices receive an additional gross salary bonus of EUR 1,100. The aim is to foster serious and engaged professional growth as an integral part of a shared project.

In the case of internship placements within higher education study courses, activities are mainly aimed at contributing to preparing final disserations and/or as a first approach to the professional area which students have chosen as part of their study course.

Also worth mentioning is the PCTO activity (formerly School-Work Alternation) for high school students, which, by providing students with hands-on job experience at the company helps to consolidate learning acquired at school and students' attitudes to work.

In 2023, the use of agency-sourced workers decreased thanks to the company favouring a direct recruitment policy. On the other hand, the number of staff placements as internship is increasing (9 resources), the aim of which is to promote serious and informed professional growth as an integral part of a shared project.

Workforce by contract type		2022		2023		
	Male	Famale	Total	Male	Famale	Total
Total employees	214	210	424	220	221	441
Total external workers	16	35	5 I	12	35	47
TOTAL	230	245	475	232	256	488

Employees by		2022		2023			
contract type	Male	Famale	Total	Male	Famale	Total	
Permanent employment contracts	210	208	418	219	220	439	
Fixed-term employment contracts	4	2	6	I	I	2	
TOTAL	214	210	424	220	221	441	
Of which full-time	212	197	409	219	208	427	
Of which part-time	2	13	15	I	13	14	

External workers by		2022		2023			
type of work contract	Male	Famale	Total	Male	Famale	Total	
Temporary staff via agencies	16	35	5 I	12	35	47	
Internships	I	I	2	2	8	10	
Of which aimed at joining the Company	I	I	ı	2	3	5	
Of which placements within course studies	0	0	0	0	3	3	
Of which PCTO (formerly School-Work Alternation)	0	0	0	0	2	2	
TOTAL	17	36	53	14	43	57	



THE HUMAN FACTOR

ATTRACTING AND DEVELOPING TALENT



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To respond effectively to the challenges of an increasingly competitive market, Vitale Barberis Canonico considers attracting, developing and enhancing the value of people as key.

In accordance with corporate values and principles, recruitment interviews are conducted according to non-discriminatory and equal opportunities criteria.

The selection process uses both the direct channel (applications from the "Careers" section of the corporate website or participation in events such as Job Fairs, University Career Days and Orientation Days) and the mediated channel (temp agencies, staff selection firms or employee networks).

At the induction stage, a path has been designed twinning new staff with experienced workers for a variable time depending on job complexity. Evaluation at the end of the trial period takes place via direct sharing of assessments of the Human Resources Department and the Area Manager.

In 2023, there were 69 new hires, reporting a rate of 31.2%, and a local effort related to the need to add resources to the workforce to respond to the increase in manufacturing production in the first half of the year. 52 resources left the company, down from the previous year, reporting a rate of 23.5% due to strong labour market mobility.

It should be noted that at the March 2023 Recruiting Day at Vitale Barberis Canonico organised in partnership with Randstad Borgosesia, a new search and selection format was

WORKING ALONG SIDE EXPERIENCED WORKERS



IOO DAYSFOR A SPOOLING MACHINE OPERATOR



180 DAYS FOR A DYEING OPERATOR



launched to source technical figures who are looking to gain a first experience in wool textile manufacturing.

The corporate strategy also involves investing in young resources from the districts of Biella and Valsesia, which, although lacking experience, have great growth potential. Partnering with schools is a key factor in attracting young talent. Vitale Barberis Canonico is an important partner for universities, polytechnics, business and fashion schools and hosts a large number of student groups for corporate presentations and company tours. In 2023, 480 students and teachers were hosted.

	2021		20	22		2023			
Hire rate	Total	< 30 years	30-50 years	>50 years	Total	< 30 years	30-50 years	>50 years	Total
Male	18	20	29	13	62	8	14	5	27
Female	15	18	17	10	45	9	25	8	42
TOTAL	33	38	46	23	107	17	39	13	69
Hire rate	8.8%	9.0%	10.8%	5.4%	25.2%	7.7%	17.6%	5.9%	31.2%

Turnover	2021		20	22		2023			
rate	Totale	< 30 years	30-50 years	>50 years	Total	< 30 years	30-50 years	>50 years	Total
Male	24	15	10	12	37	3	11	15	29
Female	25	20	6	10	36	5	9	9	23
TOTAL	49	35	16	22	73	8	20	24	52
Turnover rate	11.6%	8.3%	3.8%	5.2%	17.2%	3.6%	9.0%	10.9%	23.5%



PARTNERING LEARNING

- Since 2013, the Company has been a partner in the Master in Fashion, Experience & Design Management (MAFED) di SDA BOCCONI course at the SDA BOCCONI University Management School, assigning a study and research project to certain international students each year. In December 2023, the "Developing business in womenswear" project was presented, a study of the potential in women's Ready-to-Wear and Made-to-Measure segments.
- > To encourage the growth of textiles and Made in Italy, the Company supports the **Biella Master delle Fibre Nobili**, a post-university course lasting 13 months that alternates theoretical learning with direct contact with companies through internships that enable hands-on learning through direct experience, both from the production and distribution side.
- With the aim of supporting schools, offering guidance to young people at the at the delicate stage of job orientation, in October, the Company took part in Notte della Moda (Fashion Night) organised by the technical-vocational high school, ITIS Quintino Sella di Biella. The event was attended by the editor

- of the monthly supplement called How to Spend published by the financial daily newspaper Il Sole 24 Ore and a Biella researcher who tabled a discussion and exchange focussed on the sustainability of fashion, training and career choices. The symposium was moderated by the Vitale Barberis Canonico's Human Resource Manager.
- The Company has supported the proposal to create a **Textile High School** that will be launched in the 2024-25 s/y, in the Municipality of Valdilana. The educational curricula of the new high school will actively interact with important businesses in the Biella textile district, including Vitale Barberis Canonico that will be opening its doors to make the corporate skills of its resources available. A valuable project that, on the one hand, will promote the need of companies to find specialised personnel and, on the other, contribute to enhancing and transmitting the know-how and textile culture inherent in the Biella district.
- It also hosted students from the Istituto Europeo di Design in Milan - a higher educational design school that had the opportunity to tour the factory and learn first-hand about the craft skills behind making a fabric.
- Also in 2023, the Company partnered The Woolmark Company in the design competition Wool4School 2023, with the aim of enhancing young talents and promoting the creative use of wool. Among the hundreds of projects submitted by students from fashion high schools from all over Italy, the jury selected

- the three winners (one from each year of the final three school years), who were hosted on an award trip in Biella with a tour of the Vitale Barberis Canonico factory and Fabric Academy.
- During the 2022-2023 school year, the Company supported the Tailoring School of the **Accademia Nazionale dei Sartori** as a sole partner, supporting teaching activities and awarding 5 scholarships to the most deserving students. The School aims to train the Master Tailors of tomorrow, creating well-rounded, professional figures prepared not only from a technical standpoint but also equipped with stylistic and managerial skills.
- > Finally, it hosted children from a number of **Pre- and Primary schools**: games and tailor-made activities were created ad hoc, enabling the children to take their first steps into the world of wool and fabrics, approaching local area traditions, while the older children, following a tour of the factory, "challenged" themselves with the support of their teachers and Biella Cresce with numerical quizzes aimed at strengthening their maths skills learned at school.



The Company promotes enhancement of employees through training activities dedicated both to consolidating skills and professional growth, and to promoting an occupational health and safety culture and awareness of environmental protection.

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In 2023, 5,398 hours of training were provided, approximately more than the 4,118 hours disbursed the previous year. 9% were individual skills, while 91% were safety-related competencies.

Development of professional skills is identified by two different training policies:

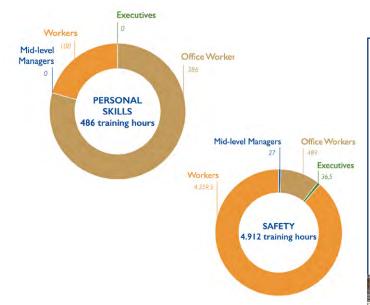
- continuous: implemented via in-company and outside courses aimed at specific roles and/or areas, to nurture know-how and technical skills according to strategy periodically planned by the Human Resources Department;
- specific: activated based on the specific requirements of the role in question.

On-demand training is particularly important, creating a virtuous circle between the employee who proactively requests training in a specific area and the Human Resources Department, which is updated on personal aspirations.

Vitale Barberis Canonico is committed each day to ensuring that its people have work environments suitable for safeguarding their fundamental rights to health, safety and physical integrity, in compliance with laws in force and via implementing specific in-company training courses.

In relation to personal skills, in 2023, a training course was organised on "Leadership factors in textile production departments" held by Città Studi Biella as part of the "Supply Chain Academy" project promoted by the Piedmont Region, with a view to improving relations and communication with operational staff in the spinning departments.

The main safety-related activities concerned specific training for new hires and the theory and practical preparation course for the eligibility exam qualifying steam generator conductors.



GUESTIONARIO DI MIGLEMAMENTO PERSONALE

Training per		2022		2023			
capita	Male	Famale	Total	Male	Famale	Total	
Executives	8	0	7	2	4	2	
Mid-level managers	4	7	5	2	0	2	
Office workers	11	13	11	11	9	10	
Workers	11	9	10	28	3	14	

In 2023, the Company launched the #SCOPRIVitale Barberis Canonico! # (#DISCOVERVitale Barberis Canonico!) project, with the aim of giving all staff the opportunity to participate in a company tour to discover the manufacturing process, organisation and history of Vitale Barberis Canonico. The project was also aimed at understanding how everyone's job is a fundamental piece and an integral part of a large and complex business project. The project was enthusiastically received, garnering 40 attendees in the two pilot editions held in November and December.





THE HUMAN FACTOR

EQUALITY







To guarantee the priority value of human resources, Vitale Barberis Canonico bases people management on the principle of protecting diversity and equal opportunities.

The Company does not tolerate any form of discrimination or acts of intimidation or harassment, and compliance with these values is also enshrined in the corporate Code of Ethics. Workers are required to model their behaviour on principles of reciprocal fairness and in absolute respect for the dignity and moral personality of each person.

Adoption of Model 231 involved the installation, at both production sites, of a box for collecting anonymous incident reporting.

Headcount data show the breakdown of employees by gender, age group and occupational classification.

31 December 20233 year ends, female staff accounted for 50% of the corporate workforce, in line with the previous year. The percentage of employees over 50 has increased slightly, a physiological increase caused by the progressive ageing of workers.

The number of employees belonging to targeted placement is stable at 4%, for which there is an ad hoc selection process implemented in co-operation with the service managing the Employment Centre.

Since 2022, Vitale Barberis Canonico voluntarily started a process to improve **accessibility** to the corporate website, with a view to guaranteeing full usability of content regardless of physical and sensory impairment, in the spirit of the Convention on the Rights of Persons with Disabilities adopted by the UN on 13 December 2006 and ratified by Italy in 2009.

Validators were used to verify compliance with the accessibility guidelines and a specific working group was also created consisting of people with disabilities (visual, auditory and with reduced upper-limb mobility) who actively contributed to building the solution, showing developers improvements that needed to be made. The accessibility check was conducted by Yeah, a social cooperative specialising in accessibility and inclusion services.



Form Laboratory		2022		2023			
Employees by gender	% of total	of which male	of which female	% of total	of which male	of which female	
Executives	3%	92%	8%	3.5%	93%	7%	
Mid-level managers	4%	82%	18%	3.5%	87%	13%	
Office workers	18%	64%	36%	19%	65%	35%	
Workers	75%	44%	56%	74%	42%	58%	
TOTAL	100%	50%	50%	100%	50%	50%	

Employees by age group	2022				2023			
	% of total	< 30 years	30-50 years	>50 years	% of total	< 30 years	30-50 years	>50 years
Executives	3%	0%	31%	69%	3.5%	0%	27%	73%
Mid-level managers	4%	0%	35%	65%	3.5%	0%	33%	67%
Office workers	18%	8%	55%	37%	19%	13%	51%	36%
Workers	75%	10%	45%	45%	74%	10%	41%	49%
TOTAL	100%	9%	46%	45%	100%	10%	42%	48%

Protected		2022		2023			
category workers	Male	Famale	Total	Male	Famale	Total	
Executives	0	0	0	0	0	0	
Mid-level managers	0	0	0	0	0	0	
Office workers	0	I	ı	2	I	3	
Workers	10	8	18	9	7	16	
TOTAL	10	9	19	11	8	19	



THE HUMAN FACTOR

PROTECTING AND COMPLYING WITH WORK CONDITIONS



Vitale Barberis Canonico operates within a context of national and international regulatory guidelines which it recognises as guidance laying down priority principles.

Regulatory references include:

- the Constitution of the Italian Republic;
- the Italian Workers' Charter;
- the guiding principles of the International Labour Organisation;
- the Textile-Clothing and Industry Executives National Collective Bargaining Agreement;
- a second-level company bargaining agreement.

Adoption of Model 231 may be added to this list, including the Code of Ethics which is part thereof.

In pursuit of the aims of fairness and transparency, the Company endorses human rights and working conditions, with specific reference to compliance with regulations regarding the protection of child labour, the exclusion of forced labour and freedom of association.

For the two-year period under review, Vitale Barberis Canonico has not adopted any for of contract provided for workers under 19 years of age. In the case of PTCO (former School-Work Alternation), the Company adopts the domestic statutory provisions, establishing the minimum work age as no lower than that of the minimum school leaving age (16 years).

The Company ensures, in addition to a three-year cycle of supplemental bargaining, which can be extended by tacit consent of the Parties, at least two additional annual consultation meetings between the Single Union Representative and the Human Resources Manager who interfaces with the Chief Executive Officer who may also attend such meetings.

Based on the foregoing statements, the Company has not introduced risks that may generate any situations leading to child labour exploitation or which may prejudice the rights of workers arising out of national collective bargaining agreements and/or freedom of association rights.

Outside of the business context, Vitale Barberis Canonico assures integrity of individual dignity via sharing the corporate Code of Ethics, whose acknowledgement and acceptance is duly incorporated into supply contracts and order confirmations by reference thereto.







CORPORATE WELFARE

EMPLOYEE WELLBEING





Staff wellbeing is a key value for Vitale Barberis Canonico, which has always adopted favourable salary policies by offering a higher pay and other benefits and services as part of pay packages.

Corporate pay policy is based on a virtuous strategy of supplemental bargaining, in addition to the national collective bargaining agreement, which betters conditions and boosts the standard pay package by providing additional benefits which certainly exceed the national average for the textile industry.

The goal is to attract and retain staff by providing salary levels adapted to the continuous evolution of individual needs. The Company-level Integrative Agreement also contains a policy for managing benefits and additional services provided under the agreement, in addition to classic variable incentive and performance schemes, benefits and protections.

The main benefits are also extended to part-time and fixed-term employees (temp employees included), for whom the benefit is recalculation based on the percentage of part-time and contract length.

Most noteworthy are:

- Life Insurance, Complimentary Health Insurance and Longterm care (life annuity in the event of non-self-sufficiency);
- tax-free annual voucher;
- scholarships for students from the Biella and Valsesia area;
- hour bank which enables hours other than normal working hours, such as overtime, to be accumulated and used to access early retirement;

- cover of certified serious illness and/or degenerative disease fully paid by the company for the remaining annual period from the time INPS (Italian State Social Security Agency) ceases to provide benefits to the end of the calendar year;
- VBCard: a Network of 121 agreements with stores and services in the area.

In 2023, the Company gave all workers a pay cheque at the "Insieme" (Together) event and the 360th anniversary of the family textile business.

Effectiveness of the actions is assessed through annual monitoring of disbursements and the number of people involved, as well as through certain indicators, such as the decrease in absenteeism. The Human Resources Manager collects suggestions from workers and their representatives and discusses them with Corporate Management, with a view to improving relationships, processes and their organisation.

VBCard was launched in 2018, with the aim of offering employees and workers a dedicated network of services, facilities and discounts at stores in the area. Created and managed in-company, in 2023, around 100 services and stores were part of the scheme. The offering ranges from medical services to recreational activities, including groceries and personal care services.







9 SUPERMARKET AND GROCERY



9 DINING OUT



19 APPAREL AND ACCESSORIES



8 PERSONAL CARE



8 SPORTS AND LEISURE ACTIVITIES



OTHER CATEGORIES



CORPORATE WELFARE

WORK-LIFE BALANCE INITIATIVES





Vitale Barberis Canonico guarantees working conditions aimed at ensuring employees find a correct balance with their personal life, integrating the provision of corporate welfare benefits with part-time working based on personal requests and job organisational requirements.

The Company provides help and support to employees for obtaining state benefits and on matters regarding labour law and national collective bargaining agreement issues.

In the two-year period 2022-2023, workers actively benefited from statutory parental leave for fathers, compulsory and optional maternity leave, breastfeeding hours, Law 104 (leave for providing assistance to disabled family members) and special leave (up to 24 months) pursuant to Italian Law 104. Such leave was taken predominantly by male staff.

In 2023, noteworthy was the slightly lower use of parental leave taken by employees.

The 100% return-to-work rate confirms that the corporate focus on workers as individuals, shared return-to- work planning and a long-term strategy enhance professional pride and encourage full engagement of employees with corporate goals.

Parental		2022			2023		
leave	Male	Famale	Total	Male	Famale	Total	
Employees who have taken parental leave	5	5	10	4	2	6	
Still on parental leave	0	2	2	0	2	2	
Back at work and still employed	5	3	8	4	0	4	
Employees who resigned	0	0	0	0	0	0	
Return to work rate	100%	100%	100%	100%	100%	100%	



INTEGRATED QUALITY-SAFETY-ENVIRONMENT MANAGEMENT SYSTEM

In 2019, Vitale Barberis Canonico chose to adopt a voluntar y Integrated Management System for oversight of Quality, Safety and Environment issues, alongside the UNI ISO 45001:2018 and UNI EN ISO 14001:2015 certifications, and UNI EN ISO 9001:2015 already obtained in 2009.

This synergistic and efficient approach enables management of the manufacturing processes with a view to continuous improvement for achieving ever higher performance levels.

QUALITY MANAGEMENT SYSTEM UNI EN ISO 9001:2015

Vitale Barberis Canonico had a certified Quality Managemen System in place since 2009.



Quality is a process of continuous improvement and the Company invests in this area by managing the objectives to be achieved and by submitting new ones. Quality culture is therefore a key factor through which all resources are empowered and engaged. Objectives include the planning, implementation, monitoring and improvement of both operational and support processes to ensure maximum customer satisfaction.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM UNI EN ISO 45001:2023



Strict compliance with the rules of behaviour for the prevention of accidents and implementation of measures at the company and at facilities to protect Occuptional Health and Safety (OH&S) have always been features setting the Company apart. Already in the 90s, the Company had introduced pioneering solutions for the mechanisation and automation of logistics processes at Pratrivero, and introduced soundproofing cabins for weaving looms, pre-empting Italian law 277/91 on noise protection by two years.

With the aim of proactively enhancing its OH&S performance, in 2010 the Company adopted a formal, non-certified Management System, compliant with the UNI INAIL and OSHAS 18001 standards and, in 2019, it obtained certification compliance with the 45001 standard for the two manufacturing sites at Pratrivero and Pray and for the Milan showroom.

ENVIRONMENTAL MANAGEMENT SYSTEM UNI EN ISO 14001:2015



Oversight of environmental matters and relevant regulatory compliance is managed at Vitale Barberis Canonico by the Environmental Protection Service, staffed by the same employees operating as the Prevention and Protection Service for OH&S.

Resource synergy and a uniform methodological approach, together with commitment by the entire Company, enabled 14001 standard compliance certification to be obtained in 2019 for the Management System for the protection of the Environment adopted at the three local units.

It is the internationally recognised reference standard for an organisation that wants to manage its environmental responsibilities in a systematic manner by contributing to the environmental sustainability pillar.

The expected outcome of an Environmental Management System includes compliance with the standard requirements and achievement of environmental performance and goals.



HEALTH AND SAFETY MATTERS

PREVENTION AND MONITORING





Vitale Barberis Canonico manages occupational risks with a view to preventing accidents and occupational diseases through a structured process that starts with an assessment of the degree of risks existing at the workplace.

Assessments are conducted after consultation with the Workers'Safety Representatives and updated at the prescribed regulatory intervals and any relevant changes made to manufacturing processes.

The Integrated Management System reinforces the focus on any critical issues that may exist, promotes the search for opportunities and corrective actions and takes the form of work that becomes an integral part of the Company's investment plans, specifying its implementation, allocation of resources and responsibilities, and monitoring of effectiveness.

The first factor in preventing accidents is the correct application of Behaviour-Based Safety, i.e., workers' full awareness of the residual risks to which they are exposed in the performance of their job tasks, and their professional approach to managing such risks through adequate operating and behaviour-based procedures.

To increase staff safety culture, the Company provides specific training courses, managed by the in-company Prevention and Protection Service or outsourced to consultants with consolidated expertise in the relevant area. Activities are designed starting from the analysis of risks and opportunities, collecting contributions from employees on operating methods, reporting of critical issues and suggestions for improvement actions. This involvement also facilitates the transfer of skills from more experienced colleagues to new resources.

The organisational model outlined by the Integrated Management System confirms the centrality and coresponsibility of department managers (safety managers), to whom the responsibilities of work organisation, training of their team and supervision of the correct application of the provisions have been delegated, in collaboration with their assistants (safety officers).

Vitale Barberis Canonico allocates substantial resources every year to improving occupational health and safety conditions.

In 2023, the Company undertook major recovery of the disused buildings at the Pray mill, with the aim of increasing its in-company spinning production capacity from 2024. The reorganisation of manufacturing space and the construction of new plant and service premises have been implemented with the utmost attention on occupational health and safety, implemented according to high corporate standards.





The Company records and manages all accidents and occupational diseases affecting manufacturing sites for regulatory reporting compliance, but primarily with a view to analysing causes and dynamics, identifying any organisational or mill system malfunctions, and taking the necessary corrective actions.

In 2023, Vitale Barberis Canonico reported a lower number of reported incidents compared to the previous year: a total of 9 slightly serious incidents. This outcome is the result of the provision of numerous training activities and daily oversight by department Supervisors. In line with previous years, there were no cases of occupational diseases.

Occupational injury rate ²	2022	2023
EMPLOYEES		
Occupational injury rate < 40 sick leave	2,6	1.7
Occupational injury ≥ 40 sick leave	0,3	0.0
EXTERNAL WORKERS (TEMPS A	and interi	NS)
Occupational injury rate < 40 sick leave	13,9	8.4
Occupational injury ≥ 40 sick leave	0,0	0.0

Vitale Barberis Canonico owns the quietest weaving department in the world thanks to the acoustic treatment with **soundproof cabins**.

In 1989, anticipating by two years Italian law No. 277 of 1991 regulating the protection from noise, the introduction of noise control measures marked a turning point in the textile industry's working conditions.

Acoustic cabins evolved in step with the adoption of new looms and developed over 4 generations.

In 2015, the newest air-jet looms required fourth generation soundproof glass booths, which guarantee the best noise control ever achieved.

Since 2020, the Pratrivero weaving plant has been fully equipped with soundproof cabins, while the upgrade of the department in Pray, which commenced in 2017, is currently at 50%.



	of injuries³ employees	2022	2023
	Injuries < 40 sick days	6	4
Pratrivero	Of which in progress	0	2
mill	Injuries ≥ 40 sick days	I	0
	Of which in progress	1	0
	Injuries < 40 sick days	3	2
Pray	Of which in progress	1	I
mili	Injuries ≥ 40 sick days	0	0
	Of which in progress	0	0
	Injuries < 40 sick days	0	0
Fila	Of which in progress	0	0
mill	Injuries ≥ 40 sick days	0	0
	Of which in progress	0	0
T	OTAL	10	6

Number among exto (temps a	of injuries³ ernal workers and interns)	2022	2023
	Injuries < 40 sick days	3	2
Pratrivero	Of which in progress	0	0
mill	Injuries ≥ 40 sick days	0	0
	Of which in progress	0	0
	Injuries < 40 sick days	2	l l
Pray	Of which in progress	1	1
milĺ	Injuries ≥ 40 sick days	0	0
	Of which in progress	0	0
	Injuries < 40 sick days	0	0
Fila	Of which in progress	0	0
mill	Injuries ≥ 40 sick days	0	0
	Of which in progress	0	0
т	DTAL	5	3





R E S P E C T I N G AND PROTECTING THE ENMRONMENT

Vitale Barberis Canonico operates in a harmonious and symbiotic relationship with the environment and the local area.

Grateful for the natural resources that have contributed to the company's evolution, it manages them sparingly, aiming to generate the least possible impact on the environment. To this end, it endeavours to use the most advanced technologies, upgrading infrastructure and processes.

Energy is managed with a view to optimising energy efficiency and reducing air emissions equivalent to CO₂. Also in 2023 the Company chose to purchase electricity from certified renewable sources and to offset CO₂ emissions generated by the use of methane.In 2023, the company also started up its first photovoltaic system at the Pratrivero site, whose installation began in 2022 and, at the same time, work was commenced for installing a second system.

The crystal-clear water of the Biella valleys is essential for the textile industry. Vitale Barberis Canonico strives

to reduce its usage as much as possible, returning water to the environment in a purified state, thanks to an in-company treatment plant built in 1987 and which has since been constantly upgraded. In addition to compliance with the statutory limits for discharges into surface water, purification also allows the recovery of a portion of process water which totalled 36% over the reporting period thanks to the construction of a second ultrafiltration plant with MBR membrane bioreactor and extending reuse of ultrafiltered water to all tops-bobbins dyeing tanks.

The Company enhances textile by-products with a view to the circular economy, reusing virtuous manufacturing by-products as raw material. It also places a special focus on waste management, by preventing waste and adopting, with the proactive engagement of employees, specific strategies for recycling and recovery.



100% ELECTRICITY FROM RENEWABLE SOURCES

 \sim 13,900 tonnes of CO₂

TREATED WATERS USING THE IN-COMPANY TREATMENT PLANT

- Surface water release
 - 36% reuse in finishing and dyeing

2,753 TONNES OF WOOL USED IN MANUFACTURING

- 89% yield of raw material •
- 9.5% by-products re-incorporated in circular economy projects
- 1.5% by-products disposed of as waste •

WASTE

- 12% recycled •
- 85% partially recovered
 - 3% disposal •

















ENVIRONMENTAL CERTIFICATION

ISO 14001 since 2019

OFFSETTING OF CO₂ EMISSIONS GENERATED FROM METHANE USAGE

 \sim 5,300 tonnes of CO₂

100% COMPLIANCE
WITH THE ZDHC MRSL

USABLE BY-PRODUCTS FROM MANUFACTURING REUSED AS RAW MATERIALS

equivalent to 90,000 mt of fabric



ENERGY EFFICIENCY AND EMISSIONS REDUCTION

ENERGY USAGE





Focus on energy consumption translates into a commitment to finding and applying the best solutions to increase performance.

Primary energy usage is attributable to the use of electricity and natural gas for manufacturing activities at the its mills. Corporate vehicles are also part of this list through their fuel usage.

In line with previous years, Vitale Barberis Canonico exclusively purchased electricity from renewable sources supplied by South Tyrolean vendor Alperia.

The renewable nature of these sources is fully certified by Guarantees of Origin (GO). The Green Energy Alperia scheme also provides for the issue of a certificate attesting annual CO₂ savings each year: in 2022, the Company prevented GHG emissions totalling 13,902,933 kg of CO₂.

In 2023, it also confirmed to use climate-neutral gas from Alperia, i.e., to offset the amount of CO_2 corresponding to 5,336,105 kg derived from the use of methane in manufacturing against investments in projects that generate a positive impact on the environment, community and natural resources. Specifically, the Company's investment has been allocated to the Maldonado wind farm in Uruguay.

Green Gas Alperia is certified annually by TÜV NORD, an independent certification body in the industry, and complies

with the Voluntary Carbon Standard, one of the most widespread standards that meets the strict criteria of the Kyoto Protocol.

In 2023, Vitale Barberis Canonico consumed 225,776 GJ of energy, reporting a minimal change compared to the previous year, due to the decrease in production volumes over the final months of the year. The energy intensity figure has therefore remained almost constant for the share generated in-company; also counting the lower use of outside production capacity in the second half of the year, the index reported a 26.7 kJ/mt finished goods rating.

Energy usage (GJ)	2022	2023
Natural gas ⁴	93,844	93,862
Purchased electricity ⁵	134,984	130,511
di cui rinnovabile	100%	100%
Electricity self-produce from photovoltaic system	0	466
Fuel for corporate vehicles ⁶	782	938
TOTAL	229,610	225,776
Energy intensity (kJ/mt finished goods)	23.6	26.7

In April 2023, the first 135.3 kW **photovoltaic system** was installed on the roofs of the historic buildings at the Pratrivero mill. The installation cost EUR 375,000, of which almost half was invested in safety, for the construction of metal structures that provide inspection, cleaning and maintenance walkways.

The energy generated in the period April-December 2023, totalling 139,952 kWh, was fully self-consumed.

In 2023, work also began on the installation of a second 210 kW plant on neighbouring roofs, which will become operational in the first half of 2024.





ENERGY EFFICIENCY AND EMISSIONS REDUCTION

EMISSIONS





Containing air pollution means using the best available technologies to reduce emissions, offsetting those that cannot be reduced.

The qualitative and quantitative properties of chemicals released into the atmosphere qualify the emissions generated at Vitale Barberis Canonico mills as reduced air-polluting emissions.

The Pratrivero thermal power plant was built in 2009 adopting virtuous and advanced technical devices for maximising energy efficiency and mitigating the environmental footprint.

The four steam generators, with an output of 2.1 MW each, are fuelled using superheated water from the condensate recovery circuit and the heat from the fumes is recovered for the preheating of burner blowing air.

Furthermore, the adoption of boilers with very low thermal load at the combustion chamber has made it possible to set the emission limit for NOx oxides at 100 ppm, well below the legal limit of 150 ppm.

The annual self-monitoring conducted in 2023 attests that excellent performance has been maintained with emissions well below regulatory limits.

To ensure continuity of manufacturing even in the event of a natural gas supply interruption, the burners can be fuelled using diesel. Fuel is stored in an above-ground metal tank with a capacity of 280,000 litres, which ensures autonomous production of about 6 weeks with a full tank.

Voluntary self-monitoring of emissions under such emergency conditions confirms that regulatory limits are met even in the case of using the reserve fuel.

Self-monitoring of emissions of the regenerative thermal combustor that treats exhaust gases from the singeing machine and dyeing oven (backwasher) and finishing stenter are conducted every three years. The 2022 measurements, valid until 2024, attest values to be well below the statutory limits.

In addition to being prescribed under the Single Environmental Authorisation, for Vitale Barberis Canonico self-monitoring is a useful periodic monitoring tool for checking the impact of heating systems.

During 2023, greenhouse gas emissions from direct consumption (Scope 1) increased, despite the lower use of natural gas linked to the decrease in production volumes. This is attributable to the increase in the conversion coefficient used for the calculation.

Emissions from heating plant (mg/Nm³)	Chimney stack	Statutory limits	2022	2023
	СТ01		66	68
NOx (nitrogen oxides)	CT02	150	83	81
	CT03		73	78
	CT04		52	54
CO (carbon monoxide)	CT01		<2.5	<2.4
	CT02	100	<2.5	<2.6
	CT03	100	<2.5	<2.5
	CT04		<2.5	<2.5

Dust emissions including oil mist (mg/Nm3)	2019- 2021	2022- 2024	Statutory limits
From singeing machine	3.13	2.0	10
From deying oven	from 2.14 to 3.76	from <0.41 to <0.54	10
From finishing stenter	n.r.	<0.45	10

Non-methane VOC emissions (mg/Nm3)	2019- 2021	2022- 2024	Statutory limits
From singeing machine	13	18	20
From deying oven	from 8 to 17.7	from 4.28 to 4.45	50
From finishing stenter	n.r.	6.76	50



Thanks to the purchase of climate-neutral natural gas, the relevant total of CO_2 was offset. The purchase of renewable electricity has also zeroed the equivalent Scope 2 - market-based emissions for 2023.

Also in 2023, the calculation of CO_2 emissions was extended to include transport vehicles used, including not only in-company goods handling¹³ but also staff travel¹⁴. It should be noted that the increase in emissions is related to the increase in air travel.

GHG emissions ⁸	2022	2023
Scope I (tonnes CO ₂)	5,127	5,406
Natural gas ⁹	5,069	5,336
Diesel ¹⁰	58.0	70.0
Scope 2 - location based (tonnes CO ₂) ¹¹	11,811	11,420
Electricity	11,811	11,420
Scope 2 - market based (tonnes CO ₂ equiv.) ¹²	0	0
Electricity	0	0
CO ₂ emission intensity (kg CO ₂ /mt finished goods)	0.53	0.64

CO ₂ emissions for transport vehicles used (tonnes CO ₂)	2022	2023
رت	26.8	36.4
	31.2	33.6
	0.8	0.6
A	142.0	277.9



USE OF RESOURCES OVER THEIR LIFE CYCLE

WATER USAGE MANAGEMENT





Vitale Barberis Canonico promotes responsible water usage that is embodied in careful usage analysis, management and optimisation.

The Pratrivero mill is equipped with a well-stuctured water system for drawing water from groundwater wells and artesian wells. Inside the company grounds there are three drainage tunnel systems with relevant recovery wells for transport to collection tanks. In addition, water collected from water bypasses (Serventa river and Rivaccia river) and groundwater wells (Cereie village and Moglie area) are conveyed from the neighbouring area.

The Pray site is equipped with three wells that draw water from the underground water table of the nearby Sessera riverbed.

At Pratrivero, intended use for water collected is manufacturing departments, primarily dyeing and finishing, and systems services, including air conditioning systems and toilets. Various virtuous technical measures adopted in dyeing and finishing enable significant reductions in water usage to be achieved. Specifically, it should be noted that all dye tanks are equipped with a tank for the recovery of the first wet dye.

Since Pray's requirements are limited to systems uses for humidifying the departments and supplying the fire-fighting water reserves, Vitale Barberis Canonico created a private aqueduct that transfers water from one of Pray's wells to the Pratrivero tanks to take advantage of the significant water availability of 1997.

This hydraulic infrastructure proved essential in following years for satisfying higher water demand due to the increase in manufacturing volumes and for offsetting prolonged winter droughts. In 2018, a second strategic supply aqueduct was built with withdrawal from the same aquifer. All hydraulic activities are authorised under specific State Concessions pursuant to Presidential Decree 10/r of 29 July 2003 that regulate the use of public water sources for industrial use and such concessions establish the derivation locations, the maximum withdrawable quantities and the methods for returning water to the public collection basin (the Sessera river basin) after transit through a suitable treatment and purification plant.

Finally, for both mills, drinking water is supplied by municipal aqueducts and it is used by offices, staff restaurant and department water dispensers.

In the reporting year, the amount of water recovered from MBR increased thanks to the extension of its use to all tops-bobbins dyeing tanks. This measure enabled recovery of 32,785 m³, which would otherwise be returned to surface waters, compared to 25,953 m³ in 2022. It also safeguards against future droughts. There was an increase in the water intensity index due to two factors: the significant increase in piece dyeing, a more water-intensive operation than tops-bobbins dyeing, and reduced use of outside production capacity in the second half of the year.

Water intensity		35.8	41.0
TOTALE		348,153	347,519
(systems)	Municipal aqueduct	505	129
Fila mill	Water tables	5,000	5,000
(systems)	Municipal aqueduct	1,874 4,250 750 5,000	1,300
Pray mill	Water tables	4,250	3,700
systems)	Municipal aqueduct	1,874	673
Pratrivero mill (manufacturing +	Water tables	335,774	336,717
Vater withdrawals b	y source (m³)	2022	2023

Water usage for manufacturing (m³)		2022	2023
	Water tables	250,360	208,526
Pratrivero mill	Water recovered using MBR technology	97,547	115,757
TOTAL		347,906	324,283
MBR RECOVERY		28%	36%



USE OF RESOURCES OVER THEIR LIFE CYCLE

RESPONSIBLE USE OF CHEMICALS AND EFFLUENT TREATMENT







Vitale Barberis Canonico carefully selects chemicals, minimising their use and purifying all wastewater thanks to an efficient and innovative in-company plant.

The Company is meticulous in selecting and using chemicals, adopting those with low environmental impact and using the minimum amount necessary from the standpoint of quantit and type.

Numerous technical measures in dyeing and finishing enable significant savings in chemical usage.

Since 2001, dyeing has introduced an almost fully automated tops and bobbins dyeing process: automatic dosing of chemicals eliminates waste and optimises dye recipes ensuring perfect colour reproducibility.

In addition, all machines, including piece dyeing machines, are equipped with their tank for the recovery of the first bath that enables significant water and dye, as well as additional savings.

Vitale Barberis Canonico introduced wastewater treatment in the 1970s, before it was required by law. At the Pratrivero mill, there is an in-company wastewater treatment plant, which has undergone several system upgrades and is currently able to purify up to 1,600 m3 per day using three treatment lines.In the final section of the mill, there is an artificial pond, where carp and goldfish live, through which water from the two MBR recovery lines flows before being reused in production processes.

1982

At this time, the purification plant consisted of a simple but effective lagoon basin for primary filtration and clarification of water before discharge into the sewer.

1987

A new, technologically advanced plant, consisting of a primary mechanical filtration section, an aerobic treatment with activated sludge for accelerated biodegradation of organic pollutants complete with clarification tank, sedimentation and sludge recirculation, and a tertiary treatment station with activated carbon with sand filtration was introduced. Outbound waters were suitable to be sent to the municipal final treatment plant.

1998

Thanks to upgrading of the plant and resulting improvement in purification, in 1998, the Province of Biella issued an authorization to the company allowing discharge into the Moglie river, south of the Pratrivero mill.

2016

The authorisation has been duly renewed every four years and since 2016 has been included in the Single Environmental Authorisation. In addition, an ultrafiltration line using a MBR

membrane bioreactor and ozone decolourisation was built the same year. Purified water is therefore suitable for recycling in the rinsing finishing processes, significantly reducing the withdrawal of water from the environment.

2021

A work was carried out in November 2021 enabling the output of water recovered using MBR technology to double reaching about 250 m3/day. The upgrade was allocated to the dyeing oven.

2022

During the year, two measures were adopted to contain the impact on the purification plant of the new dyeing technology using reactive dyes:

- enhancement of aeration for oxygenation of active sludge to manage the increase in total organic load;
- doubling of the ozone bleaching plant to counteract the increase in residual.

2023

Over the year, the Company further upgraded the mill with a second ultrafiltration line with MBR membrane bioreactor, thanks to an investment of EUR 488,000. This measure raised the annual recovery rate to 36%.



The installed technology has a recovery potential of 48%, which is currently not fully exploited due to the variability of production process water demand. However, it will be possible to achieve this figure in the future, by equipping the system with a dedicated storage tank.

Following achieving potential dyeing capacity exceeding 10 tons/day, the application for the Integrated Environmental Authorisation (Italian acronym, AIA) for the Pratrivero mill was submitted in November.

All parameters indicating water quality leaving the mill fall largely within the limits of Table 3/A of Annex 5 of Italian Legislative Decree 152/2006, as attested by self-monitoring conducted by the laboratories tasked by the Company and by the analysis reports issued by the competent Authorities.

As a precautionary measure, Vitale Barberis Canonico still maintains an emergency connection to the Cordar Valsesia water authority collection basin.

A turbidity sensor device is positioned in the drainage well of the last tank and, whenever this signals an anomaly, wastewater is sent to the water authority collection basin.

Attention to chemicals and wastewater purification is as important to the Company as it is to its supply chain.

The Company's suppliers that are primarily involved in the combing, dyeing and finishing processes, are also equipped with wastewater treatment plants and equipment in accordance with the required standard.

	Water discharge by destination (m³)		2023
	Ground waterways	239,671	199,758
Pratrivero mill	Water Authority collection basin	2,139	1,551
Pray mill	Pray mill Public sewer		2,300
Fila mill Public sewer		505	129
TOTALE		244,065	203,738

Parameters marking	2022		20	Statutory	
water discharge (mg/l) ¹⁵	Entry	Final output	Entry	Final output	limits
COD	872	56.6	799	65.9	160
Ammonia	29.7	not detectable ¹⁶	33.7	not detectable ¹⁶	15
Organic nitrogen	12.8	4.34	14.6	4.03	n.a.
Total phosphorous	1.87	0.67	1.21	1.06	10
Total surfactants	74.2	1.42	68.8	1.30	2



WASTEWATER ANALYSIS ACCORDING TO ZDCH WASTEWATER GUIDELINES

To promote transparency regarding chemicals used, Vitale Barberis Canonico conducts six-monthly analyses on wastewater according to the ZDHC Wastewater Guidelines Version 2.1.

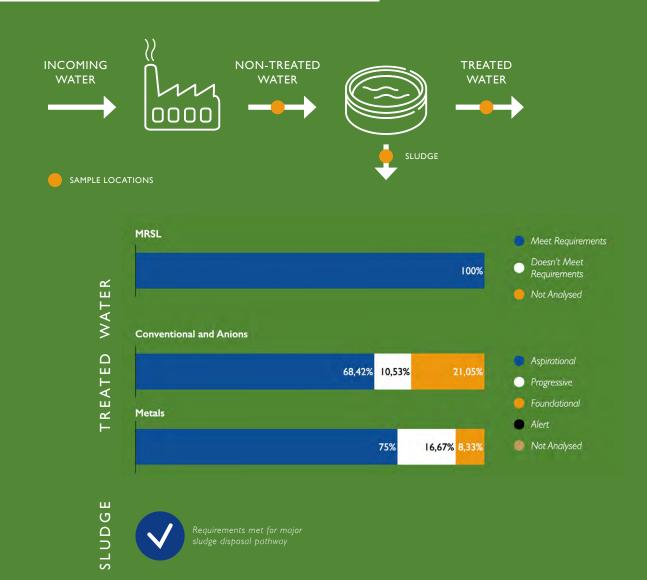
The Company, as it has an in-company wastewater treatment plant, is classified as a direct discharge entity and, therefore, the sampling points used are shown in the figure.

Detailed test results are available in the Vitale Barberis Canonico profile on the ZDHC Gateway.

Testifying to the use of advanced purification systems, the Company has achieved a total compliance with the MRSL.

Regarding agreed parameters, anions and metals, purified water is primarily classified at the most ambitious level – Aspirational.

It should be noted that full compliance exists for sludge sent to





USE OF RESOURCES OVER THEIR LIFE CYCLE

MANAGEMENT OF BY-PRODUCTS AND WASTE





Vitale Barberis Canonico enhances textile by-products with a view to the circular economy and promotes waste recycling and recovery.

The three manufacturing sites physiologically generate textile by-products and industrial waste (mainly various types of packaging and machinery and system components).

Thanks to integrated cycle manufacturing, the Company has reduced textile waste to a minimum.

In 2023, 2,753 tonness of wool were used, which guaranteed a yield of 89%. 9.5% was made up of by-products reintroduced into circular economy projects: laps,pneumafil and noils (prime quality waste) are reused as raw materials in the woollen flannel manufacturing process. The remaining portion is sold and intended for other markets. Finally, 1.5% is the physiological portion of textile waste generated by the manufacturing cycle and intended for disposal.

With strict adoption of procedures introduced by the Management System for the protection of the Environment, the Company has improved the process for classifying and sorting hazardous and non-hazardous special waste. This process, in which all workers actively participate, promotes recycling and recovery where possible.

During the year, the three mills generated 498 tonnes of waste, of which approx. 97% was intended for recycling or subsequent sorting for partial recovery. The doubling of the quantity

compared to 2022 was due to the extraordinary operation of clearing the premises for the new Pray spinning lines. In this operation, primarily waste from obsolete equipment was sent for disposal.

Disposal Method		2022		2023			
(tonnes)	Hazardous	Non – hazardous	Total	Hazardous	Non – hazardous	Total	
Already sorted for recycling	0.0	41.5	41.5	0.0	61.4	61.4	
Subsequently sorted for partial recovery	22.2	156.3	178.5	24.0	399.0	423.0	
Disposal	5.9	1.0	6.9	6.5	7.1	13.6	
TOTAL	28.1	198.8	226.9	30.5	467.5	498.0	

Respecting the environment is a daily and shared commitment. To stimulate commitment of VBC colleagues in waste sorting, the in-company communication campaign **#TUFAILADIFERENZA** (#YOUMAKEADIFFERENCE) was launched in 2023. At the same time, the cafe areas have been equipped with new waste collection containers and, where possible, also with compostable service materials.





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PRODUCT RESPONSIBILITY

P R O D U C T RESPONSIBILITY

Strongly product quality focussed, Vitale Barberis Canonico places high store on the virtuous interconnection of the entire manufacturing chain.

Our value chain starts far from home with the scrupulous selection of the best natural raw materials, obtained respecting animals and the environment, thanks to synergistic partnerships with local breeders.

A value that is consolidated in Italy, shown in the single-minded decision to maintain vertical integration of the manufacturing process and 100% Made in Italy, exploiting the formidable textile know-how rooted in the Biella area.

Continuous investments in technology and innovation at the two mills and a preference for local trades ensure a specialized, effective and repair call-out ser vice. Product focus is guaranteed, upstream, with space given to creativity and seeking for innovative solutions that meet the requirements of international markets and, downstream, strict quality controls conducted at each step of the manufacturing cycle.

The last link in the value chain is customer ser vice, whose manifestations include promotions and sales strategies and after-sales, based on direct and consolidated relationships built over time.

In 2023, Vitale Barberis Canonico participated in the proposal to define the Product Category Rule (PCR) for worsted wool fabrics promoted by Sistema Moda Italia. The PCR provides the requirements and guidelines necessary for conducting a study using the Product Environmental Footprint (PEF) methodology.



FIBRE TRACEABILITY FROM SHEEP TO FABRIC

FABRIC QUALITY AND SAFETY

- REACH •
- GB Chinese Standard
 - CNMI Guidelines
 - ZDHC MRSL •
- PRSL 4sustainability
 - Ethic-Et •
 - Woolmark •

SUSTAINABLE FABRICS RANGE

PRODUCT CERTIFICATIONS

- RWS •
- SustainaWOOL
 - GRS •

















FULL-CYCLE BUSINESS

100% Made in Italy Manufacturing QUALITY CERTIFICATION

ISO 9001 since 2009

DIGITAL COLLECTION

2,500 variants per season that can be consulted 24/7

WOOL EXCELLENCE CLUB

- Biodiversity protection and conservation of the Saxon Merino breed;
- Social and environmental responsibility.

WOOL EXCELLENCE AWARD

Most Virtuous Farm Award



RESPONSIBLE SUPPLY CHAIN

GOODS AND SERVICES





Vitale Barberis Canonico manages its suppliers in a responsible manner, with a view to ensuring an efficient and transparent supply chain.

Through the Integrated Quality-Safety-Environment Management System, Vitale Barberis Canonico has set up a precise in-company system to ensure traceability and transparency in supplier selection, purchasing and goods and services supply monitoring.

The choice of supplier and the purchase of goods and services is based on objective assessments regarding quality and cost and competitiveness, in compliance with the arm's length principle. Monitoring is conducted annually via a dynamic assessment and any audits commissioned by the Supplier Management Manager.

To manage production peaks or special processes, Vitale Barberis Canonico works with specialised contractors, primarily located in the Biella district, which are selected and included in the Corporate Register of Qualified Suppliers. Compliance with the principles of the Code of Ethics, compliance with precise corporate requirements and continuous monitoring of quality, safety and environmental areas are key aspects for successful supplier qualification. In 2023, the Company conducted all scheduled audits at the production units of its contractors, directly monitoring 16% of the suppliers in the Corporate Register of Qualified Suppliers. Against a sudden and unpredictable increase in orders, which involved the entire sector, extraordinary use was made of non-habitual subcontractors in the first half of the year.

Relations with suppliers are governed by the Code of Ethics, with particular reference to principles of fairness, correctness and care, and they are constantly monitored. Any non-compliance will lead to termination of the supply agreement.

Vitale Barberis Canonico encourages and promotes local purchasing, favoring long-term partnerships. The objective is to maintain adequate supply in terms of continuity, quality and efficiency, promoting consolidating and developing the industrial sector in the wool textile district of Biella.

31 December 2023 year ends, the Company was working with approximately 300 suppliers and no significant changes were reported for the two-year period 2022-2023.

Total purchasing breaks down as follows: 89% is made from Italian sources of supply, of which approximately 29% are local suppliers, while the remaining 11% is mainly made from Germany and Switzerland at ISO 9001 certified chemical industries, which are ZDHC Manufacturing Restricted Substance List (MRSL) compliant.

In 2023, 8,471,426 metres were manufactured, compared to 9,716,775 metres in 2022. Industrial supplies have consequently undergone a change in terms of quantity.

Breakdown by purchasing by allocated expenditure (excluding wool)	2022	2023
Italy	95%	89%
Of which in the province of Biella	33%	29%
Abroad	5%	11%
Total	100%	100%

Materials used in manufacturing (tonnes)	2022	2023
Wool	2,999	2,753
Chemicals	616.4	619.0
Auxiliary products	485.3	495.9
Pigments	131.1	123.1
Lubricating oils	5.0	3.0
Packaging	137.0	137.6
Packing paper	0.4	0.4
Cardboard (boxes, tubes)	92.9	98.1
Plastic (strapping and polystyrene boards)	3.5	2.4
Nylon (packaging film for rolls and boards)	39.6	36.0
Packing ribbon (board ribbon, adhesive tape)	0.6	0.7



RESPONSIBLE SUPPLY CHAIN

RAW MATERIALS





Wool is the fiber of excellence for classic apparel and Vitale Barberis Canonico's prime raw material.

Textile excellence comes to life starting from the best natural fibres sourced worldwide. The Company selects them carefully and buys them at the point of origin, according to product policies established at the beginning of the season and based on the physical and visual characteristics that determine their quality and style, with an eye to environmental impact.

Vitale Barberis Canonico is supplied through a network of about 3,000 farmsteads located across Australia, New Zealand, South Africa, China, Argentina and Uruguay. From the standpoint of volume, Australia, due to the characteristics of the wool offer, is the largest procurement source.

The supply chain consists primarily of its own Buying Companies, Vitale Barberis Canonico Wool, with offices in Australia and South Africa, specialist Wool Traders and, to a lesser extent, Top Makers.

All suppliers of raw materials, on an annual basis, undergo assessment by the Wool Experts Department focusing on the following parameters:

- quality of the product supplied;
- compliance with Vitale Barberis Canonico standards;
- · compliance with delivery times;
- service (promptness, response time, supporting documentation);
- competitiveness.

Data are recorded in the corporate management system and shared with suppliers to enable them to evaluate their performance.

In the reporting period, a decrease in wool supplies was reported due to the fall off in production volumes in the second half of 2023 and which is expected to continue in the first half of 2024.

With a raw material yield of 89%, and 9.5% reuse of textile by-products and only 1.5% of waste destined for disposal, Vitale Barberis Canonico confirmed adoption of a virtuous waste reduction process in 2022.

The Company reuses laps, pneumafil and noils (prime quality waste) from manufacturing processing, as a raw material for the production of yarn that gives rise to woollen flannel. By-products that cannot be used in this cycle are instead sold, thus re entering the raw materials market.

Wool procurement	2022	2023
Purchasing (tonnes)	4,485	3,640
Number of Suppliers	20	12

MERINO WOOL













MOHAIR





CASHMERE







WOOL EXCELLENCE CLUB & WOOL EXCELLENCE AWARD

The search for excellence in raw materials led Vitale Barberis Canonico to create the **Wool Excellence Club** in 2014, which is based on four pillars:

QUALITY











TRAINING

SUSTAINABILITY

Goal is to enhance fibres obtained through environmentally friendly practices aimed at protecting the Saxon sheep breed which produces a fine wool and has been the progenitor of the Australian farming system since its development in the 19th century.

Another objective is to consolidate the relationship of trust and virtuous cooperation with Australian producers, through a direct, individual and enduring relationship based on dialogue and mutual exchange. Sheep breeders are also economically supported through particularly favourable purchasing policies.

Since 2021, the Club has been made up exclusively of mulesing free members and today counts 25 farms.

The Company has also established the annual **Wool Excellence Award**, which rewards the farmstead that produces the highest quality wool, respecting animal welfare, with a monetary prize and a trip to Italy to visit Vitale Barberis Canonico.

The 2023 award ceremony was held on Saturday, 11 November in Newcastle, Australia, and named the Taylor family of Winton, Tasmania, the winner, a family that has been farming for almost 200 years, achieving the highest standards in Saxon wool production.

The prestigious event was attended by representatives from Vitale Barberis Canonico and the Buying Company, Vitale Barberis Canonico Wool, members of the Wool Excellence Club of New South Wales, Victoria and Tasmania, as well as important industry representatives.







RESPONSIBLE SUPPLY CHAIN

ANIMAL WELFARE





Embracing respect for animal welfare, Vitale Barberis Canonico procures its supplies in States where there are specific regulations and strict controls regarding this area.

The international reference organisation sets out 5 fundamental animal freedoms, reported in the "OIE Terrestrial Animal Health Code" issued by the World Organisation for Animal Health and, specifically for the wool industry, in the "Specifications for Wool Sheep Welfare" issued by the IWTO—International Wool Textile Organisation.

In Australia, it is also represented by "Australian Animal Welfare Standards and Guidelines for Sheep" of Animal Health Australia.

In South Africa, Vitale Barberis Canonico has been purchasing only mohair certified according to the Responsible Mohair Standard. The standard certifies the origin of mohair from farmsteads managed in a responsible manner in compliance with specific criteria for animal welfare and for mitigation of environmental impact.

The increased attention to animal welfare practices has led the Company to expand its borders of usual procurement to other countries. This has made it possible to enrich the responsible product range thanks to the introduction of the 21 Micron range, entirely mulesed free.



RESPONSIBLE SUPPLY CHAIN

VITALE BARBERIS CANONICO WOOL





Vitale Barberis Canonico Wool Australia and South Africa, companies owned by Lanificio Vitale Barberis Canonico S.p.A., and successor in the activities of New England Wool (investee entity until July 2022), personally oversees the procurement of superfine wool and the promotion of best practices in animal welfare and environmental protection.

2005

In 2005, New England Wool (NEW) first established its No Mulesed/Ceased Mulesed declaration system, anticipating the Australian Wool Exchange (AWEX), which created and introduced its National Wool Declaration (NWD) in 2010.

2006

It then introduced an incentive policy, recognising a premium for each bale of No Mulesed wool to be added to the value determined at auction, with the aim of sharing the higher breeding costs.

2015

La New England Wool ha continuato a supportare attivamente la NWD, il Classing Code of Practice di tosatura, i requisiti per il benessere animale e la sostenibilità ambientale attraverso lo sviluppo del SustainaWOOL Integrity Scheme rilasciato nel 2015.

2019

On 25 July 2019, New England Wool transferred the intellectual property of the SustainaWOOL Integrity Scheme to the operator of the AWEX wool regulated market, with the aim of entrusting it to an independent body with a view to increasing the authority, credibility and spread of the protocol.

2020

In 2020, SustainaWOOL achieved ISO 9001 certification, confirming its position as an internationally recognized certified organization.

2022

In July 2022, the parent company, Lanificio Vitale Barberis Canonico, established two of its own Buying Companies, Vitale Barberis Canonico Wool Australia and Vitale Barberis Canonico Wool South Africa. This investment is in stark contrast to the globalisation policies adopted by competitors and aims to oversee the raw material supply market and relevant quality. At the same time, the New England Wool Company was wound up.







CERTIFICATIONS

CERTIFIED BY CONTROL UNION CB-CUC-1170085





Responsible Wool Standard and **Responsible Mohair Standard** are voluntary standards promoted by Textile Exchange that provide for the issue of a third-party certification.

They certify the origin of wool and mohair from farmsteads managed in a responsible manner, in compliance with specific requirements for animal welfare and for mitigation of environmental impacts. They also ensure traceability along the entire value chain through Transaction Certificates.

Vitale Barberis Canonico is structuring the company so tha the offering of products that may be certified according to these standards is expanded. In 2023, the line was enriched with fabric capsule collections featuring The Mohair Affair! that exclusively use RMS-certified mohair and RWS-certified wool.

CERTIFIED BY CONTROL UNION CB-CUC-1170085



The **Global Recycled Standard**. This certification inspects recycled materials, ensuring their traceability from procurement to finished goods and includes strict social, environmental and chemical requirements.

Sustaina WCOL MINTEGRITY SCHEME



The **SustainaWOOL Integrity Scheme²⁰** sets the benchmark for Australia's wool production system sustainability standards and ensures consumer integrity and traceability throughout the production chain.

The certification prescribes livestock management with the highest standards in terms of animal welfare, ethics and product quality.

ANIMAL WELFARE



It defines the minimum acceptable criteria for the welfare of sheep, accepting only farmsteads adopting mulesing-free management (classified as SustainaWCOL GOLD

or SustainaWCOL* GREEL) or adopting mulesing exclusively with the practice of Pain Relief (classified as SustainaWCOL* BLUE). Only breeders who are not subject to contestation under the national Animal Welfare Acts are admitted to the protocol.

ETHICAL FARM MANAGEMENT



It requires precise standards for the working conditions and health and safety of personnel and for animal structures paddocks and sheds.

WOOL PREPARATION



It establishes the necessary shearing requirements for guaranteeing the welfare of the animal, ensuring trained and attentive operators in the selection of fibres performed according to the AWEX Classing Code of Practice.

In 2023, Vitale Barberis Canonico participated in a working group promoted by Sistema Moda Italia, and in collaboration



with ICA - Chemical Engineering Society for the Environment, aimed at defining the **Product Category Rule (PCR)** for worsted wool fabrics

The group adopted the Life Cycle Assessment (LCA) approach in order to determine the environmental footprint of the product throughout its life cycle using the "From cradle to gate" approach. The PCR provides the requirements and guidelines necessary for conducting a study through the Product Environmental Footprint (PEF) methodology, functional to obtaining the Made Green in Italy label, the voluntary national scheme for evaluation and communication of the environmental footprint of products established under section 21(1) of Law 221/2015 and managed by the Ministry of Environment and Energy Safety.

On 21 December 2023, the PCR proposal for the approval process was sent to MASE. The document was approved on 25/01/2024.



PRODUCT FOCUS AND COSTUMER SERVICE

MADE IN ITALY



Made in Italy is one of the pillars that have supported Vitale Barberis Canonico and its pursuit for product and process excellence for more than 350 years.

Thanks to keeping all manufacturing completely in Italy, in the Biella textile district, Vitale Barberis Canonico is probably the oldest wool mill in the world and one of the most prestigious Made in Italy global brands.

The Company strongly believes in Italian values and continues to invest in Italy, equipping its Pratrivero and Pray sites with state- of-the-art machinery and technologies that require significant financial and research and development efforts. 2023 saw the start of renovation and recovery for reuse on a building at the Pray mill. The objective was to strengthen the manufacturing capacity of in-company spinning, an important investment with the aim of controlling and improving quality and reducing waste and handling, while also enhancing the incompany manufacturing culture and the know-how of local workers. The project will also see Company involvement in the first part of 2024.

The more than 200 operations for transforming fiber into fabric can be summarised in seven manufacturing steps — washing, gilling, spinning, dyeing, warping, weaving and finishing — and they are all strictly performed in Italy.

The fully integrated production cycle approach minimises the environmental footprint of semi-finished goods transport.

Milano Unica is the reference trade fair for high-end fabrics and accessories that offers the best international showcase for the textile world within a highly qualified context reflecting the quality product level.



It was launched in September 2005, resulting from merging five events that have contributed to making Italian and European textiles in the world great: IdeaBiella, IdeaComo, Moda In, Shirt Avenue and Pratotrade.

Milano Unica organises two events a year, in line with textile collections seasonality.

In the July 2023 edition, Vitale Barberis Canonico highlighted a fibre that has been in the corporate DNA for over 40 years: mohair.

For the first time, a winter interpretation of a fibre considered typically a summer yarn was showcased to the drapery world, in a 100% mohair version or in an intimate blend with wool. The capsule fabric collection featuring The Mohair Affair! exclusively uses RMS-certified mohair and RWS-certified wool fabrics

.To make it easier and more flexible to view samples at a distance, from 2020, Vitale Barberis Canonico created its own **virtual showroom** with the entire collection available to customers 24/7.

For the Chinese market, also since 2020, the company has activated a digital showcase featuring the most significant seasonal products through a miniprogramme broadcast on the social media channel WeChat.

At the 39th International Congress of the World Federation of Master Tailors, which was held from 31 July to 5 August 2023 brought together 360 tailors and partners from 28 countries in Biella, where the Company offered participants hospitality for the tour of the mill and for the subsequent evening event held on the corporate park grounds.

A valuable opportunity to present the manufacturing excellence of Vitale Barberis Canonico and the measures implemented promoting sustainability.





Stating To the state of the sta

This represents the bridge between nature and manufacturing and, as such, requires great respect, sensitivity and attention to every detail.

Water is the protagonist here: after the freshly sheared wool has been washed, all impurities are then removed

Wool passes several times through special combs which align the fibres in parellel lengthwise, discarding the shorter fibres. The resulting semi-finished product is called top and its quality is important as it will guarantee the necessary strength of the final fabric.

with the warp, the vertical fabric threads giving rise to an intricate interweave. Each single yarn and hundreds of spools are monitored simultaneously by sensors, until the warp is wound on a cylinder called a warp beam.

It is a beautiful geometric spectacle,

As a result of a precise regilling procedure, the wool yarn is thinned to a roving. The yarn is produced by pulling and twisting the roving. It can be twisted together with other yarns to obtain a stronger yarn.

Tops dyed or yarn dyed, via which
a fabric will acquire a more threedimensional colouration, and if
piece-dyed, appearance will be cleaner and

more uniform. The dyeing process is stopped once the colour and intensity ordered by the designers have been reached.

The cross-threads that will make up the weft must pass over or under the vertical threads of the warp, according to a precise pattern. An incredibly precise

and extraordinarily fast dance routine, which in a few seconds turns fibres into fabric.



quality control and via

washing and finishing processes, the finished fabric is obtained, which dose does not fear comparison with any other fabric. These final stages transform quality into personality.



SPINNING

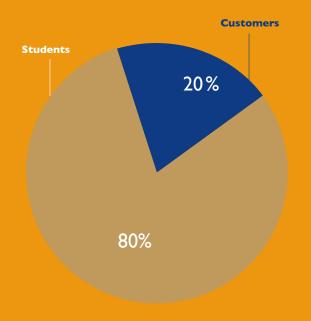
FABRIC ACADEMY

Established in 2013, with the aim of promoting and spreading the culture of quality fabrics and beautiful apparel, the **Fabric Academy** is an educational-experiential study course, which aims to deepen knowledge of many aspects related to fabrics and men's apparel: spanning basic weaving techniques to wool processing, the history of textiles to the latest trends, with a corollary on issues regarding marketing, communication and sustainability.

Planned at the historic Pratrivero mill and at the Vitale Barberis Canonico showroom, Via Solferino 23 Milan, over recent years, the study course has been offered worldwide to apparel professionals and to all fabric and men's style aficionados involving not only customers, associations and journalists but also and, primarily, students from Italian and international Eashion Institutes and Business Schools

During 2023, more than 800 participants took part, an increase of 30% compared to 2022, of which 20% were customers and













PRODUCT FOCUS AND COSTUMER SERVICE

PRODUCT QUALITY AND SAFETY



Important human, instrumental and financial resources guarantee product quality and safety.

The careful selection of raw materials, the choice to source chemicals supply only from leading European companies and meticulous chemical and physical-mechanical tests are key factors for guaranteeing safe customers, and excellent quality fabrics.

Adaptation of its production process to the requirements of the UNI EN ISO 9001:2015 standard has provided the Company with more effective control tools, essential for creating products that meet customer and industry requirements.

Each fabric, is designed and developed in-company. At the prototyping stage, it is tested to validate its features before being included in the collection. During the manufacturing process, the fabric undergoes three quality control steps: at each step it is thoroughly inspected by human specialists for defects or irregularities. Finally, it undergoes a thorough final inspection, which checks quality and appearance before shipping. Approximately 12% of the corporate workforce is engaged in these four important stages.

Figures for the two-year period showed the excellence of Vitale Barberis Canonico's fabrics: in 2023, the already excellent performance achieved the previous year was confirmed and improved thanks to stable product conformity of 99.91%²¹.





The Company has always placed the highest store on the health and safety of final consumers. Regarding hazardous chemicals, it operates in compliance not only with legislation but also with voluntary industry requirements:

- the European REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation;
- the Chinese GB standard (National Standard of the People's Republic of China);
- guidelines on eco-toxicological requirements issued by the Italian National Chamber of Fashion;
- the Ethic-Et brand granted by the Associazione Tessile e Salute (Textile and Health Association), of which Vitale Barberis Canonico has been a member since 2012, which certifies that products and processes are chemically safe for consumers and environmentally and ecologically sustainable, through the goal of monitoring the manufacturing chains that produce them;
- the Woolmark program, of which the Company has been a licensee since 2015, certifying the product from the standpoint of performance, duration and quality;
- the MRSL (Manufacturing Restricted Substances List) released by the ZDHC Foundation through the adoption of the Chemical Management 4sustainability Protocol, with the aim of eliminating







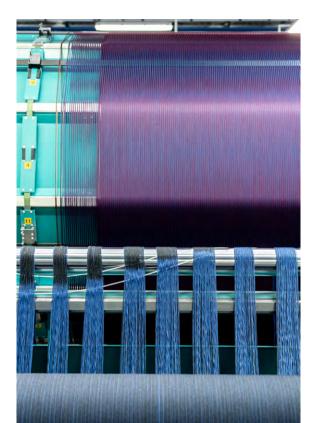






toxic and harmful chemicals in a structured way, integrating activities and controls in the production cycles aimed at gradually eliminating their presence to protect human health and the environment.

Chemicals are carefully evaluated before being used in the manufacturing cycle by Area Managers, the Prevention and Protection Service and the Environmental Protection Service. At scheduled intervals, fabric sample analyses are conducted at third-party laboratories, with the aim of screening the entire manufacturing output. Other analyses may be performed directly by customers or customs. It should be noted that Vitale Barberis Canonico has never been fined or been given penalties or forced to recall goods for reasons regarding chemical noncompliance.



In line with the Chemical Management Protocol **4sustainability**, the Company has appointed and trained an in-company Chemical Manager. With the support of the system management team, the Chemical Manager has created the Chemical Inventory, qualified according to the levels indicated in the Gateway and compliant with the ZDHC Conformance Guidance, and has defined an in-company Chemical Management procedure, to ensure that purchasing is compliant with standards, as well as implementing efficient process monitoring.

For adopting the ZDHC MRSL and



application of the PRSL 4sustainability, the supply chain was also involved, which was mapped and qualified by assigning chemical risk categories. The sharing of objectives, periodic training and constant reporting have finally made it possible to define an improvement plan. Following the annual audit, the Excellence implementation level was confirmed for the Company.



S

PRODUCT FOCUS AND COSTUMER SERVICE

COSTUMER SATISFACTION



The wide range of products offered responds to market needs with efficiency and maximum transparency.

The goal is to build and maintain strong and trust-based relationships with customers.

Right from initial contact with customers, the various needs both explicit and implicit - are identified. Product and service requirements, including quality, compliance and delivery times, are then translated into technical and functional terms and conditions to ensure they can be guaranteed.

In the case of after-sales issues, the management process handling complaints received by the sales department is handed over to quality control for processing. The claim may result in the return and replacement or reconditioning of the product or, where this is not possible, in a monetary price adjustment.

2023, after the post-Covid rebound, was characterised by a normalisation in order flow in the first half of the year and a sharp slowdown in the second half. Fluctuation in consumer demand, with a reduction in consumption, has forced the entire supply chain to undertake a marked readjustment of inventory.

This has enabled the Company to effectively restore "Quick Service" stocks and optimise delivery times by returning to a lead time of less than 90 days, together with impeccable service. The immediate effects of this operation have brought customer satisfaction back to pre-COVID levels.

In the two-year period 2022-2023, of the total metres sold, the percentage of metres of fabric returned for qualitative reasons was stable on high performances, rising from 0.04% to 0.05%.

The Code of Ethics requires attention and respect for all customers in equal measures regardless of scale, nationality and propensity to purchase and it disseminates these rules of conduct within the organization through appropriate training and information and communication tools.

Vitale Barberis Canonico guarantees that the data collected and managed in the conduct of its business activity are processed in compliance with EU and domestic data protection legislation. In accordance with the GDPR, unlawful data processing and committing cybercrimes are also forbidden. Vitale Barberis Canonico has never received any complaints regarding breach of customer privacy.





PRODUCT FOCUS AND COSTUMER SERVICE

TRACEABILITY AND TRASPARENCY



Transparency is at the core of the company's values and translates into manufacturing operations and product traceability.

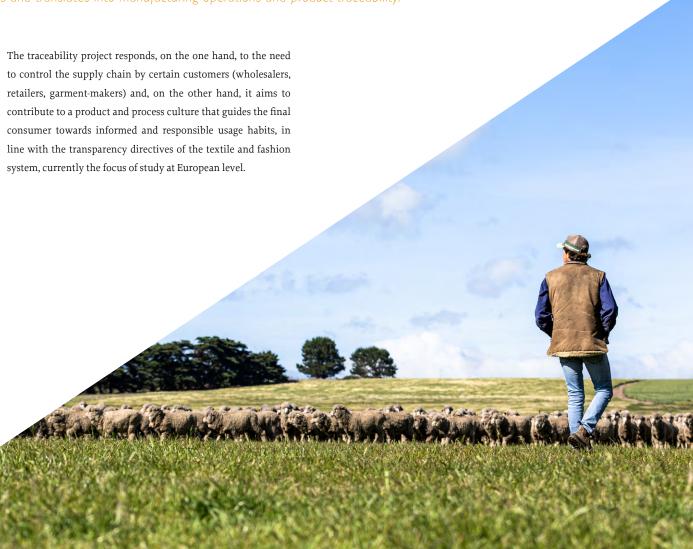
Transparency and traceability are key to underpinning the sustainable features of a fabric, whether it is manufactured from virgin or recycled raw material.

In its vertically integrated manufacturing system, marked by its complexity, Vitale Barberis Canonico has invested resources for commissioning an application that can trace the supply and manufacturing chain of single piece of cloth from the origin of the wool bales, the spun yarns to the finished fabric.

The information available through this system concerns:

- the individual farms producing wool;
- · the geographical locations from which wool bales
- originated;
- · the batches of unbleached wool making up the lots of
- combed wool;
- the lots of gilled wool forming the semi-finished dyed
- articles
- · the semi-finished dyed articles making up the yarn mixes;

yarns.



I O T

- Calculated as the ratio of the total number of employees returning to work after parental leave to those who have taken leave. (page 39)
- Injury rates are calculated as the ratio of the number of injuries to hours worked during the reference year, multiplied by 200,000. (page 42)
- 3. Classification based on recovery times of the injured party regulated by the Italian Criminal Code. In line with the requirements of GRI 403-9 metric; it should be noted that none of the injuries reported in the table implied a recovery period for the injured individual greater than or equal to 6 months or fatal injury. (page 42)
- 4. Conversion to GJ was done using the PCI factor obtained from the sources "Table of national standard parameters" (Ministry of the Environment and Protection of the Territory and the Sea, 2022) and "Table of national standard parameters" (Ministry of the Environment and Protection of the Territory and the Sea, 2023) for the respective reference years. (page 46)
- 5. Conversion to GJ was done using the conversion factor sourced from "ABI-LAB Guidelines" (version 13/12/2018). (page 46)
- Conversion to GJ was done using the conversion factor sourced from "ABI-LAB Guidelines" (version 13/12/2018). (page 46)
- 7. Conversion was made using the conversion factor sourced in the "ISPRA Report" (version 2021). (page 47)
- Scope I emissions are expressed in tonnes of CO₂, as the source used does not include emission factors for gases other than CO₂.
 Scope 2 location based emissions are expressed in tonnes of

- CO_2 , however the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equiv.) as shown in the report "Air emission factors for CO_2 and other greenhouse gases in the electricity industry" (ISPRA, 2017). (page 48)
- 9. Data sourced from the climate neutral natural gas supplier, Alperia, which certifies that the 5,069,396 kg in 2022 and the 5,336,105 kg in 2023 of CO₂ emissions generated by the Company by gas combustion are offset by certified investments in climate protection projects, complying with the Gold Standard and/or the Voluntary Carbon Standard. (page 48)
- 10. Data based on emission factors obtained from the sources "Measuring Emissions: A Guide for Organisations. 2022 Summary of Emission Factors" (Ministry of New Zealand, 2022) and "Measuring Emissions: A Guide for Organisations. 2022 Summary of Emission Factors" (Ministry of New Zealand, 2023). (page 48)
- Data calculated respectively based on emission factors obtained from the sources "International Comparisons" (Terna, 2019) and "International Comparisons" (Terna, 2020). (page 48)
- Data were obtained from the electricity supplier, Alperia, which certified that the Company obtained an environmental saving of 14,318,428 kg of CO₂ for 2022 and 13,902,933 kg of CO₂ for 2023. (page 48)
- Data based on emission factors obtained from the sources "Measuring Emissions: A Guide for Organisations. 2022 Summary of Emission Factors" (Ministry of New Zealand, 2022)

- and "Measuring Emissions: A Guide for Organisations. 2022 Summary of Emission Factors" (Ministry of New Zealand, 2023). (page 48)
- 14. Data based on emission factors obtained from the sources "Measuring Emissions: A Guide for Organisations. 2022 Summary of Emission Factors" (Ministry of New Zealand, 2022) and "Measuring Emissions: A Guide for Organisations. 2022 Summary of Emission Factors" (Ministry of New Zealand, 2023). (page 48)
- 15. Annual average values. (page 51)
- 16. Not measured because below measurement threshold. (page 51)
- 17. https://www.oie.int/en/what-we-do/standards/codes-and-manuals/ terrestrial-code-online-access/ (page 60) LINK
- https://iwto.org/resources/wool-sheep-welfare-specifications/ (page 60) LINK
- https://animalwelfarestandards.net.au/welfare-standards-and-guidelines/sheep/(page 60) LINK
- 20. http://sustainawool.com.au/ (page 62) LINK
- Data on product quality conformity are the result of approximation aimed at harmonising business and quantitative data. (page 66)
- Calculated as the ratio of the total number of employees still
 employed 12 months after returning to work following leave to
 the total number of employees returned from leave in previous
 reporting periods. (page 76)



NOTES ON REPORTING METHODS

The Vitale Barberis Canonico Lanificio Group prepares consolidated financial statements, under which, in addition to Vitale Barberis Canonico S.p.A., also Drapers S.r.I. and Pyramul Pastoral Ltd are fully consolidated. This document is the fifth Sustainability Report prepared by Vitale Barberis Canonico S.p.A. which describes the projects, actions and main results in the business, social and environmental areas achieved by the Company in 2023.

The Sustainability Report aims to illustrate the sustainability strategies adopted by Vitale Barberis Canonico and relevant performance in relation to the manufacturing facilities at Pratrivero and Pray, both in the Biella area, and a third site located in the Fila di Valdilana locality, opened in May 2022 and closed in August 2023.

This document has been prepared on a voluntary basis and responds to the Company's need to share with its stakeholders the most significant data concerning Corporate Social Responsibility, with a view to perpetuating the climate of transparency.

It should be noted that the term "Company" is used in the document to indicate Vitale Barberis Canonico S.p.A. The 2023 Sustainability Report has been prepared in reference with the "GRI Sustainability Reporting Standards" (2021) published by the Global Reporting Initiative (GRI). The subject matter and indicators covered by reporting were defined starting from the findings of the materiality analysis conducted in 2021, which involved corporate Management and certain important figures for each of the stakeholder groups, mapped to identify, through

a participatory process, the environmental, business and social aspects relevant for the Company and for stakeholders, respectively.

The appendix to this document may be consulted to read about the GRI Content Index where the GRI indicators associated with each material topic are reported. The boundary used for business data is the same as that used for the CSR Report issued by Vitale Barberis Canonico S.p.A. on 31 December 2023 year ends. The boundary used for social and environmental data and disclosures includes the Company's two manufacturing mills (Pratrivero and Pray) and a third site located in the Fila di Valdilana locality, opened in May 2022 and closed in August 2023.

The data and disclosures contained in this document, unless otherwise specified, regarding the 2023 reporting period (running from 1 January 2023 to 31 December 2023). However, to enable assessment of the dynamic development of assets, data and disclosures regarding the previous reporting period have been shown for comparative purposes where available. In addition, to enable a more comprehensive presentation, information regarding actions implemented in priority years and which are still adopted by the Company have been reported (baseline data).

For the purposes of correctly presenting performance-related data, and to ensure data reliability, the use of estimates was limited as far as possible. Any estimates were based on the best available approaches and they have been duly highlighted. In

accordance with the new adaptation of the GDPR regulation, the data protection principles adopted in the preparation of this Report refer to anonymous aggregations, so as to prevent any identification of the data subject.

REFERENCE PERIOD

Reporting period running from 1 January 2023 to 31 December 2023

FREQUENCY

Annual

LAST PUBLISHED DOCUMENT

Sustainability Report 2022

CONTACT DETAILS

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ANNUAL REPORT

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IMPACTS

BOUNDARY

The following table shows the GRI Standards corresponding to the materiality topics identified for Vitale Barberis Canonico by analyzing the materiality topics and the relevant boundar y, showing the type of impact for each of such topics..

MATERIAL TOPIC	GRI STANDARDS TOPIC	BOUNDARY	TYPE OF IMPACT
Ethics and compliance	Anti-Corruption Anti-competitive practices Socio-economic compliance	The Company; State Administration and local authorities.	Generated by the Company
Protection of working conditions	Occupational health and safety Human Rights assessment	The Company; people; suppliers; industry associations.	Generated by the Company and directly linked to its business
Customer satisfaction	Consumer health and safety Consumer privacy	The Company; customers; end consumers.	Generated by the Company
Quality and Made in Italy	Materials	The Company; customers; end consumers; suppliers; media.	Generated by the Company and directly linked to its business
Community support	Local communities	The Company; local community.	Generated by the Company and directly linked to its business
Value creation	Economic performance	The Company; State 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 linked to its business
Responsible use of chemicals	Effluents and waste	The Company; customers; end consumers; suppliers; media.	Generated by the Company and directly linked to its business
Corporate Welfare	Employment	The Company; people.	Generated by the Company
Environmental responsibility	Environmental compliance	The Company; State Administration and local authorities; local community.	Generated by the Company
Water resource management	Water and effluents	The Company; local community.	Generated by the Company
Responsibility and traceability in the supply chain	Procurement practices Supplier assessment based on social topics	The Company; suppliers.	Generated by the Company and directly linked to its business
Development of human capital	Employment Training and education	The Company; people; universities and research centres.	Generated by the Company
Energy efficiency and emissions reduction	Energy Emissions	The Company; local community.	Generated by the Company and directly linked to its business
rotection of diversity and equal opportunities	Diversity and equal opportunities Non-discrimination	The Company; people.	Generated by the Company
Waste management and recycling	Effluents and waste	The Company; local community.	Generated by the Company and directly linked to its business



GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI 2:	GENERAL DISCOSURES (2021)	PAGES	NOTES/REASONS FOR OMISSION				
	Disclosure 2-1: Organizational details						
2-1-b	Nature of ownership and legal form	12, 13					
2-1-c	Location of headquarters	79					
2-1-d	Countries of operation	71					
1	Disclosure 2-2: Entities included in the org	ganization's su	stainability reporting				
2-2-a	Entities included in sustainability reporting	71					
	Disclosure 2-3: Reporting period, 1	frequency and	contact point				
2-3-a	Reporting period for and the frequency of sustainability reporting	71					
2-3-b	Reporting period for financial reporting	-	The financial reporting periodi is 01/01/2023 – 31/12/2023.				
2-3-d	2-3-d Contact point for questions about the report or reported information						
	Disclosure 2-4: Restateme	ents of informa	ation				
2-4-a	Report restatements of information made from previous reporting periods	-	There are not revisions				
	Disclosure 2-5: Exter	rnal assurance					
2-5-a	Policy and practice for seeking external assurance	-	This Report has not been audited by an external assurance.				
	Disclosure 2-6: Activities, value chain a	and other busi	ness relationships				
2-6-a	Business sector	5, 7					
2-6-b	Value chain	57, 58					
2-6-d	Significant changes compared to the previous reporting period	4	During 2022, a third temporary pro- duction unit was started up in the in the Fila di Valdilana locality.				
Disclosure 2-7: Employe							
2-7-a	Total number of employees and a breakdown of this total by gender and by region	31, 32, 36					
2-7-b	Total number of (i) permanent employees, (ii) temporary employees, (iii) non-guaranteed hours employees, (iv) full-time employees, (v) part-time employees	32, 36					
2-7-e	Significant fluctuations in the number of employees during the reporting period and between reporting periods	33	•				

GRI 2:	GENERAL DISCOSURES (2021)	PAGES	NOTES/REASONS FOR OMISSION		
	Disclosure 2-8: Workers w	ho are not emp	loyees		
2-8-a	Total number of workers who are not employees and whose work is controlled by the organization	32			
2-8-c	Significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	32, 33			
	Disclosure 2-9: Governance s	tructure and co	mposition		
2-9-a	Governance structure, including committees of the highest governance body	12, 13			
2-9-b	Committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people	12, 13			
2-9-c	Composition of the highest governance body and its committees	12, 13			
D	isclosure 2-14: Role of the highest gover	nance body in s	ustainability reporting		
2-14-a	Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics	13			
	Disclosure 2-27: Compliance	with laws and re	egulations		
2-27-a	Total number of significant instances of non-compliance with laws and regulations during the reporting period	-	In 2023, no cases of non-compliance were reported that resulted in monetary fines and/or non-monetary penalties for Vitale Barberis Canonico.		
	Disclosure 2-28: Memb	ership associati	ons		
2-28-a	Industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role	18, 19			
Disclosure 2-29: Approach to stakeholder engagement					
2-29-a	Approach to engaging with stakeholders, including the categories of stakeholders it engages with, and how they are identified	17			
	Disclosure 2-30: Collective	bargaining agre	ements		
2-30-a	Percentage of total employees covered by collective bargaining agreements	-	100% of employees are covered by national collective bargaining agreements.		



GRI CONTENT INDEX

GRI 3: N	MATERIAL TOPICS (2021)	PAGES	NOTES/REASONS FOR OMISSION			
	Disclosure 3-1: Process to det	ermine mater	ial topics			
3-1-a	Process it has followed to determine material topics	20, 21				
Stakeholders and experts whose views have informed the process of determining its material topics		17				
	Disclosure 3-2: List of material topics					
3-2-a	Material topics	21				
3-2-b	Changes to the list of material topics compared to the previous reporting period	-	In 2023, no changes were made to the list of material topics reported in 2021.			
	Disclosure 3-3: Managemen	nt of material	topics			
3-3-a	Actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights	-				
3-3-b	Whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships	-				
3-3-c	Policies or commitments regarding the material topic	-	Every GRI reported in the following Topic-specific disclosures reports the disclosure 3-3.			
3-3-d	Actions taken to manage the topic and related impacts	-	disclosure 3-3.			
3-3-e	Tracking the effectiveness of the actions taken	-				
3-3-f	Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective	-				

USED GRI I

GRI I - Foundation - Version 2021

USE STATEMENT

Vitale Barberis Canonico S.p.A. has reported the disclosures in this GRI content index for the period running from I January 2023 to 31 December 2023.



GRI CONTENT INDEX

TOPIC-SPECIFIC DISCLOSURES

	GRI 2	00: ECONOMIC TOPICS DISCLOSURE	PAGES	NOTES/REASONS FOR OMISSION		300: ENVIROR OPICS DISCL
		Economic per	formance			
		Disclosure 3-3: Management	of material top	pics (2021)		Disclosu
_		3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23			3-3-a, 3-3-b, 3-3-c, 3-3-d, 3
		GRI-201: Economic pe	erformance (20	16)		
_	201-1	Direct economic value generated and distributed	24		301-1	Materials used by weig
		Procurement	practices			
		Disclosure 3-3: Management	of material top	pics (2021)		Disclosu
		3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23			3-3-a, 3-3-b, 3-3-c, 3-3-d, 3
		GRI-204: Procuremen	nt practices (20	16)		
	204-1	Proportion of spending on local suppliers	57		302-1	Energy consumption w
		Anti-corre	uption		302-3	Energy intensity
		Disclosure 3-3: Management	of material top	pics (2021)		
		3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23			Disclosu
		GRI-205: Anti-cor	ruption (2016)	1		3-3-a, 3-3-b, 3-3-c, 3-3-d, 3
	205-3	Confirmed incidents of corruption and actions taken	-	In 2023 no cases were reported in taken regard thereto.		
		Economic per	formance		303-I	Interactions with water
		Disclosure 3-3: Management	of material top	pics (2021)	303-2	Management of water
		3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23		303-3	Water withdrawal
		GRI 206: Anti-competit	ive behaviour (2016)	303-4	Water discharge
_	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	In 2023 no cases were reported in taken regard thereto.	303-5	Water consumption

	300: ENVIRONMENTAL OPICS DISCLOSURE	PAGES	NOTES/REASONS FOR OMISSION
	Materi	als	
	Disclosure 3-3: Management	of material top	ics (2021)
	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23	
	GRI-301: Mate	rials (2016)	
301-1	Materials used by weight and volume	57	
	Energ	gy	
	Disclosure 3-3: Management	of material top	ics (2021)
	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23	
	GRI-302: Ene	rgy (2016)	
302-I	Energy consumption within the organisation	46	
302-3	Energy intensity	46	
	Water and e	effluents	
	Disclosure 3-3: Management	of material top	ics (2021)
	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23	
	GRI-303: Water and	effluents (2018)
303-I	Interactions with water as a shared resource	49-52	
303-2	Management of water dischargerelated impacts	50-52	
303-3	Water withdrawal	49	
303-4	Water discharge	50-52	
303-5	Water consumption	49	



	GRI 300: ENVIRONMENTAL TOPICS DISCLOSURE		NOTES/REASONS FOR OMISSION				
	Emissi	ons					
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	GRI-305: Emiss	sions (2016)	•				
305-I	Direct (Scope I) GHG emissions	48					
305-2	Indirect (Scope 2) GHG emissions	48					
305-4	GHG emissions intensity	48					
305-5	Reduction of GHG emissions	47, 48					
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	47					
	Effluents an	nd waste					
	Disclosure 3-3: Management	of material top	ics (2021)				
	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23					
	GRI-306: Wa	ste (2020)					
306-2	Management of significant wasterelated impacts	53					
306-3	Waste generated	53					
306-4	Waste diverted from disposal	53					
306-5	Waste directed to disposal	53					
	Environmental	compliance					
	Disclosure 3-3: Management	of material top	ics (2021)				
	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23					
	GRI-307: Environmenta	il compliance (2	016)				
307-1	Regulatory and statutory non-compliance regarding environmental matters	-	In 2023 no cases were identified leading to significant financial penalties for Vitale Barberis Canonico.				

GRI 400: SOCIAL TOPICS DISCLOSURE

403-10

Work-related ill health

PAGES

NOTES/REASONS
FOR OMISSION

	DISCLOSURE	IAGES	FOR OMISSION
	Employi	ment	·
	Disclosure 3-3: Management	of material top	ics (2021)
3	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23	
	GRI-401: Employ	yment (2016)	1
401-1	New employee hires and employee turnover	32-33	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	38	All the benefits provided also involve part-time and fixed-term contract employment contracts.
401-3	Parental leave	39	Under Italian law all employees are entitled to apply for parental leave. At 31/12/2023 the retention rate was 100% ²² .
	Occupational hea	ılth and safety	
	Disclosure 3-3: Management	of material top	ics (2021)
3	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23	
	GRI-403: Occupational he	ealth and safety	(2018)
403-I	Occupational health and safety management system	40-42	
403-2	Hazard identification, risk assessment, and incident investigation	40-42	
403-3	Occupational health services	40-42	
403-4	Worker participation, consultation and communication on occupational health and safety	40-42	
403-5	Worker training on occupational health and safety	35, 41	
403-6	Promotion of worker health	40-42	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40-42	
403-9	Work-related injuries	42	

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GRI	GRI 400: SOCIAL TOPICS DISCLOSURE		NOTES/REASONS FOR OMISSION				
	Training and education						
	Disclosure 3-3: Management of material topics (2021)						
3	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23					
	GRI-404: Training and	d education (201	6)				
404-I	Average training hours per year per employee	35					
	Diversity and equ	al opportunity					
Disclosure 3-3: Management of material topics (2021)							
3	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23					
	GRI-405: Diversity and equal opportunity (2016)						
405-1	Diversity of governance bodies and employees	12, 32, 36					
	Non-discrin	nination					
	Disclosure 3-3: Management	of material top	ics (2021)				
3	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f						
	GRI-406: Non-discr	imination (2016)					
406-1	Incidents of discrimination and corrective actions taken	-	In 2023, no cases were reported.				
	Human rights a	assessment					
	Disclosure 3-3: Management of material topics (2021)						
3	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23					
GRI-412: Human rights compliance assessment (2016)							
412-3	Agreements and contracts that include provisions on human rights or that have been subject to a human rights assessment	37,57					
Local communities							
	Disclosure 3-3: Management of material topics (2021)						
3	3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f						
GRI-413: Local communities (2016)							
413-1	Operations with local community engagement, impact assessments, and development programs	25-27					

GRI 400: SOCIAL TOPICS DISCLOSURE		PAGES	NOTES/REASONS FOR OMISSION			
Supplier social assessment						
Disclosure 3-3: Management of material topics (2021)						
3	-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23				
GRI-414: Supplier social assessment (2016)						
414- 1	New suppliers screened using social criteria	-	All suppliers of the Company are required to read the Vitale Barberis Canonico Code of Ethics.			
Consumer health and safety						
	Disclosure 3-3: Management	of material top	ics (2021)			
3	-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23				
	GRI-416: Consumer heal	lth and safety (2	2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	In 2023, no cases of non-compliance with consumer health and safety regulatory provisions were reported.			
	Consumer	privacy				
Disclosure 3-3: Management of material topics (2021)						
3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f		20-23				
	GRI-418: Consume	r privacy (2016)				
418-1	Complaints regarding breach of privacy and loss of customer data	68				
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3-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f		20-23				
GRI-419: Socio-economic compliance (2016)						
419-1	Regulatory and statutory non-compliance regarding social and economic matters	-	In 2023, no non-compliance was reported leading to significant fines for Vitale Barberis Canonico.			
Animal welfare						
Disclosure 3-3: Management of material topics (2021)						
3	-3-a, 3-3-b, 3-3-c, 3-3-d, 3-3-e, 3-3-f	20-23, 60				



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