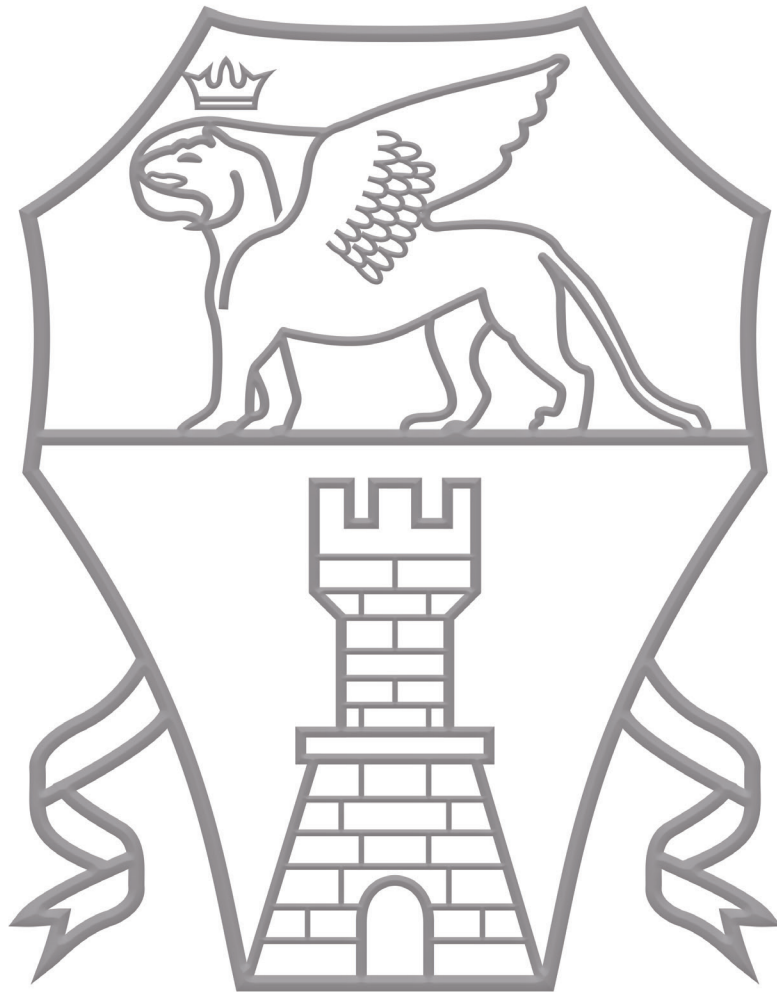




BRUNELLO CUCINELLI



ANNUAL FINANCIAL REPORT

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)



## CONTENTS

LETTER TO THE SHAREHOLDERS .....	4
CORPORATE DETAILS .....	6
CORPORATE GOVERNANCE BODIES AS AT 31 DECEMBER 2025 .....	7
THE BRUNELLO CUCINELLI GROUP AS AT 31 DECEMBER 2025 .....	8
GROUP STRUCTURE AS AT 31 DECEMBER 2025 .....	9
DISTRIBUTION NETWORK .....	10
 <b>REPORT ON OPERATIONS OF THE BOARD OF DIRECTORS</b>	
COMPANY PHILOSOPHICAL AND STRATEGIC REPORT .....	12
COMPANY INFORMATION .....	14
SUMMARY DATA AS AT 31 DECEMBER 2025 .....	41
THE GROUP'S RESULTS FOR THE YEAR 2025 .....	44
ANALYSIS OF REVENUES .....	44
– REVENUES BY GEOGRAPHICAL AREA .....	44
– REVENUES BY DISTRIBUTION CHANNEL .....	46
– REVENUES BY PRODUCT LINE AND END CUSTOMER .....	47
ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT .....	48
– EBITDA AND RESULTS .....	488
– OPERATING COSTS .....	49
– DEPRECIATION, AMORTIZATION, NET FINANCIAL EXPENSE AND NET PROFIT .....	52
ANALYSIS OF BALANCE SHEET AND FINANCIAL ITEMS .....	54
– NET WORKING CAPITAL .....	54
– FIXED ASSETS AND OTHER NON-CURRENT ASSETS/(LIABILITIES) .....	56
– INVESTMENTS .....	57
– NET FINANCIAL DEBT .....	58
– SHAREHOLDERS' EQUITY .....	59
RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND NET PROFIT OF THE PARENT COMPANY AND CONSOLIDATED SHAREHOLDERS' EQUITY AND NET PROFIT .....	61



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INFORMATION ON CORPORATE GOVERNANCE .....	61
PERFORMANCE OF THE COMPANY'S SHARE LISTED ON THE BORSA ITALIANA S.P.A. MILAN EURONEXT STOCK EXCHANGE.....	62
SIGNIFICANT EVENTS DURING 2025.....	63
RELATED PARTY TRANSACTIONS .....	65
INFORMATION ON SIGNIFICANT COMPANIES OUTSIDE THE EU .....	65
CERTIFICATION AS PER ART. 16, PARAGRAPH 4 OF THE MARKET REGULATION ADOPTED WITH RESOLUTION NO. 20249 OF 28 DECEMBER 2017 .....	66
MAIN RISKS AND UNCERTAINTIES .....	66
RESEARCH AND DEVELOPMENT.....	69
PUBLIC GRANTS .....	70
ENVIRONMENTAL RISKS .....	70
FINANCIAL RISK MANAGEMENT .....	70
SIGNIFICANT EVENTS AFTER 31 DECEMBER 2025 .....	73
MANAGEMENT OUTLOOK .....	73
 <b>CONSOLIDATED SUSTAINABILITY REPORT AT 31 DECEMBER 2025</b>	
OUR IDEA OF HUMANISTIC CAPITALISM AND HUMAN SUSTAINABILITY.....	78
GENERAL DISCLOSURES .....	79
ENVIRONMENTAL INFORMATION.....	122
SOCIAL INFORMATION.....	172
GOVERNANCE INFORMATION .....	218
 <b>CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025</b>	
 <b>FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025</b>	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 .....	230
CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2025 .....	232
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2025 .....	233
CONSOLIDATED CASH FLOWS STATEMENT AS AT 31 DECEMBER 2025.....	234
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2025 .....	236

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**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

BASIS OF PREPARATION .....	238
SCOPE OF CONSOLIDATION.....	239
ACCOUNTING STANDARDS .....	242
CHANGES IN ACCOUNTING STANDARDS, NEW ACCOUNTING STANDARDS, CHANGES IN ESTIMATES AND RECLASSIFICATIONS .....	265
TRANSLATION OF FINANCIAL STATEMENTS IN A CURRENCY OTHER THAN THE EURO AND TRANSLATION OF FOREIGN CURRENCY ITEMS .....	267
COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	268
COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT.....	297
FINANCIAL RISK MANAGEMENT .....	303

**OTHER INFORMATION**

RELATED PARTY TRANSACTIONS.....	319
SIGNIFICANT EVENTS AFTER 31 DECEMBER 2025.....	322
COMPENSATION OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS.....	323
DISCLOSURE PURSUANT TO ARTICLE 149- <i>DUODECIES</i> OF THE ISSUERS' REGULATION .....	324
BALANCES OR TRANSACTIONS DERIVING FROM ATYPICAL OR UNUSUAL OPERATIONS.....	324

<b>CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS PER ART. 154-<i>BIS</i> OF LEGISLATIVE DECREE DATED 24 FEBRUARY 1998 NO. 58 (CONSOLIDATED LAW ON FINANCE) AND ARTICLE 81- TER OF CONSOB REG. NO. 11971 DATED 14 MAY 1999 AND AS AMENDED.....</b>	<b>325</b>
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<b>CERTIFICATION OF THE CONSOLIDATED SUSTAINABILITY REPORT .....</b>	<b>326</b>
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<b>INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT .....</b>	<b>327</b>
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<b>INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT .....</b>	<b>338</b>
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The Annual Financial Report has been translated into English solely for the convenience of the international readers. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version of the report, the Italian version shall prevail, as the Italian version constitutes the sole official document compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.



## LETTER TO THE SHAREHOLDERS

Dear Shareholders,

As we enter a new year on our shared journey, we are once again overwhelmed with profound gratitude and a renewed sense of confidence. Spanning a period of 13 years, the company's growth path began with its listing on the Italian stock exchange in 2012. We find this fascinating because it is not only about a company's expansion; it is also about the gradual evolution of the idea of work as an economic measure and a means of ensuring human dignity, industry, spirit and modernity, as well as safeguarding.

The year 2025 was undoubtedly a year of great significance for our Casa di Moda in Solomeo. It was a very fruitful year, during which progress was made along well-established pathways, guided by the ideals of Humanistic Capitalism and Human Sustainability: respect for people, care for Creation, the pursuit of healthy profit, and the aspiration to achieve harmony between what we produce and the legacy we leave behind. We approached this past year with the same attentive and determined spirit that we bring to our daily work. This has not only further consolidated our position in the high-end luxury segment, but also demonstrated the strength of our offering, which sparks desire and engagement, fostering close relationships with our end customers. We believe that it is of paramount importance to manage growth while upholding exclusivity, quality, craftsmanship, manual skills, "Made in Italy" excellence and sustainability.

On 4 December 2025, in the picturesque setting of Cinecittà, I had the privilege and pleasure of attending the world première of the documentary film that chronicles my life. "Brunello, il visionario garbato" ("Brunello, the gracious visionary") came about as a result of a new awareness that led me to explore the human values that have nourished my soul through a poetic work. This was made possible thanks to the creative genius of director Giuseppe Tornatore and a captivating score by composer Nicola Piovani. I would like to dedicate this film to all the young dreamers throughout history because they are the salt of the earth, and the future of humanity rests in their hands.

Our company's exceptional growth has now been formally recognised with a prestigious new award: on 1 December 2025, at the Royal Albert Hall in London, during the British Fashion Awards, I had the honour of receiving the "Outstanding Achievement Award" in recognition of the "exceptional contribution to the world of fashion, as a pioneer who has succeeded in combining luxury and design with a more responsible approach to business". I like to think of it as an acknowledgement of the creative work of our Casa di Moda, as well as the dedication and industrious spirit of all the "thinking souls" that make up our valued team of collaborators. I believe it is Italy as a whole that is being celebrated: its creative genius and the network of collaborators who contribute to this every day through their appreciation of beautiful things that are crafted with passion, inspiration and respect.

In addition to our excellent business results and international accolades, 2025 will be remembered as a pivotal year for investment. Indeed, the expansion project of the Made in Italy artisan manufacturing facility was completed six months ahead of schedule. The plan's core element was doubling the size of our factory in Solomeo: this expansion will enable us to work with peace of mind for the next decade, in keeping with the "beautiful factory" philosophy, which states that the workplace should be as aesthetically pleasing as the products manufactured within it. This growth goes hand in hand with the opening of two new outerwear factories in Penne and Gubbio, two centres of excellence that will further strengthen the ability of the Casa di Moda to manage strategically important processes in-house. Collectively, these works will provide us with a solid foundation on which to build over the next ten to fifteen years.



When creating our collections and fostering our harmonious relationship with the Solomeo area, we take an approach that involves listening to stories about places, nurturing relationships with everyone, and safeguarding and renewing traditions. Our aim is to rebuild or improve upon the legacy left to us by previous generations wherever possible. We live and work in the small, 14th-century hamlet of Solomeo, which we have restored and expanded over the years, guided by the *genius loci* (the Spirit of the Place) and the wise words of our great masters. We have built a Theatre that we consider to be a secular temple of art, a Winery to honour Mother Earth, and a Monument titled “Tribute to the Dignity of Man”, which is a testament to our beliefs. Moreover, we are building the Universal Library of Solomeo to pursue the dream of Emperor Hadrian, who said that “those who build libraries shall erect granaries for humanity”. Our various projects include the creation of parks, olive groves and vineyards. In creating our collections, we are also inspired by the philosophy of rebuilding, listening to stories about places and people, and cultivating tradition. I believe that the ideals behind these works lie at the heart of the motivation behind the honorary PhD in “Design for Made in Italy: Identity, Innovation and Sustainability”, which I received on 3 April 2025 at the “Luigi Vanvitelli” University of Caserta, in “recognition for having brought Made in Italy to the highest levels as a synthesis of culture, tradition and innovation”.

Another particularly significant moment this year was the Third Universal Symposium on Soul and Economics, which took place in Solomeo in May. During this event, we discussed major contemporary issues, inspired by the thoughts sparked by technological advances, with numerous internationally renowned guests in attendance, including Yuval Noah Harari, Reid Hoffman, Nicholas Thompson and Audrey Tang, among many others. The discussion covered topics including humanity, spirituality and knowledge, as well as the direction in which innovation is taking us, and how we can continue on our current path as a society while maintaining harmony and peace. We believe that the world craves innovation and that technology is paving the way for a revolution similar to those of the past, when people’s ability to create often exceeded their ability to predict the consequences of their actions.

In light of these events and results, we are feeling very optimistic about the future. Thanks to timely deliveries and positive feedback from multi-brand customers and the specialist press, sales of the Spring-Summer 2026 collections have got off to a strong start, suggesting that it will be an interesting year. This anticipation is further enhanced by the rather flattering feedback received on the Fall-Winter 2026 Women’s pre-collection, which was unveiled in December 2025, and the Fall-Winter 2026 Men’s Collection, which was presented in January of this year with a highly promising sales campaign. We are very satisfied and pleased with the results of the 2025 financial year. Compared to 2024, turnover increased by 11.5% at constant exchange rates. This result exceeded the expectations set at the beginning of the year, while aligning with our commitment to achieving healthy and balanced growth.

In conclusion, I would like to share a special message with young people and encourage them to look up at the sky. As the great philosopher Pavel Florensky wrote in his spiritual testament: “Oh my beloved children, when your soul is heavy, when something does not work out, when someone humiliates or offends you, go outside and look up at the sky and the stars... everything will balance itself out.”

Solomeo, 18 February 2026

**Brunello Cucinelli**  
Chairman of the Board  
of Directors



## **CORPORATE DETAILS**

### **Registered office of the Parent Company**

Brunello Cucinelli S.p.A.  
Viale Parco dell'Industria, 5, Solomeo hamlet  
Corciano - Perugia

### **Legal data of the Parent Company**

Approved share capital €13,600,000  
Subscribed and paid-up share capital €13,600,000  
Perugia Business Registry no. 01886120540.

**Corporate website:** <http://investor.brunellocucinelli.com/en>

**CORPORATE GOVERNANCE BODIES AS AT 31 DECEMBER 2025**

<b>Board of Directors<sup>(1)</sup></b>	Brunello Cucinelli Riccardo Stefanelli Luca Lisandrone Camilla Cucinelli <sup>(2)</sup> Carolina Cucinelli <sup>(2)</sup> Alessio Piastrelli Giovanna Manfredi Andrea Pontremoli Ramin Arani Maria Cecilia La Manna Stefano Domenicali Guido Barilla Chiara Dorigotti Katia Riva <sup>(3)</sup>	Chairman Managing Director and CEO Managing Director and CEO Executive director and Vice-president Executive director and Vice-president Director Director Director Director Independent Director Independent Director Independent Director Independent Director Independent Director
<b>Lead Independent Director</b>	Maria Cecilia La Manna	
<b>Control and Risk Committee</b>	Maria Cecilia La Manna Chiara Dorigotti Katia Riva <sup>(3)</sup>	Chairperson
<b>Remuneration and Appointments Committee</b>	Chiara Dorigotti Ramin Arani Katia Riva <sup>(3)</sup>	Chairperson
<b>Board of Statutory Auditors<sup>(1)</sup></b>	Paolo Prandi Dante Valobra Anna Maria Fellegara Isabella Ippolita Soldani Myriam Amato	Chairperson Standing Auditor Standing Auditor Alternate auditor Alternate auditor
<b>Independent auditors</b>	PricewaterhouseCoopers S.p.A.	
<b>Financial Reporting Officer</b>	Dario Pipitone	

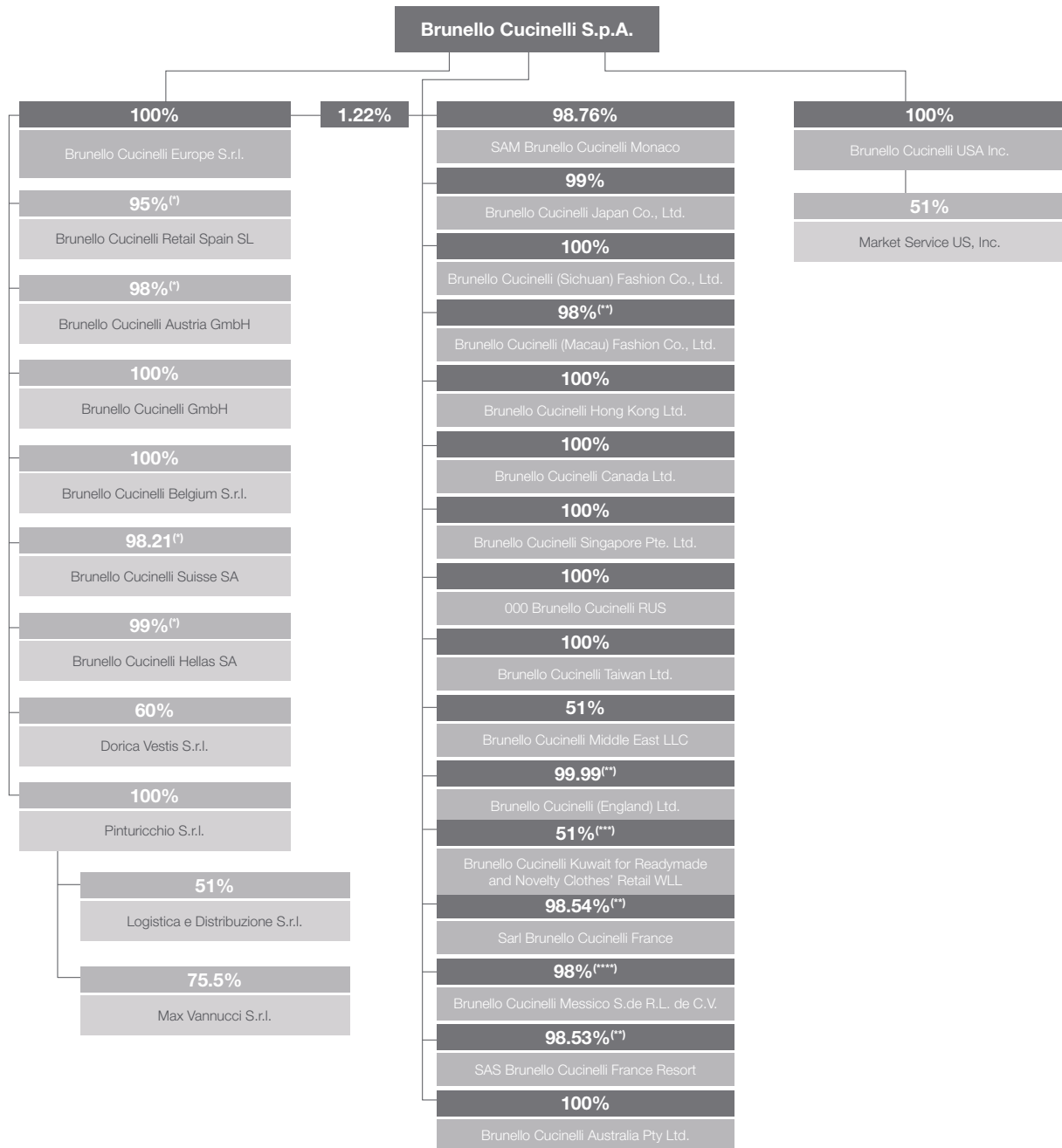
<sup>(1)</sup> Appointed at the ordinary shareholders' meeting of 27 April 2023; will remain in office until the shareholders' meeting called to approve the financial statements for the year ending 31 December 2025.

<sup>(2)</sup> Vice-president designate by the Board of Directors at its meeting of 11 July 2024, following changes to the Articles of Association approved by the Extraordinary Shareholders' Meeting of 23 April 2024.

<sup>(3)</sup> Co-opted by the Board of Directors at its meeting of 11 July 2024 to replace the independent and non-executive Director, Emanuela Bonadiman, who tendered her resignation on 13 June 2024. The shareholders' meeting held on 29 April 2025 confirmed his appointment as independent and non-executive Director. The mandate will remain in effect until the expiry of the current Board of Directors.



**THE BRUNELLO CUCINELLI GROUP AS AT 31 DECEMBER 2025**



(\*) The remaining percentage is held by BRUNELLO CUCINELLI S.p.A.  
 (\*\*) The remaining percentage is held by BRUNELLO CUCINELLI EUROPE S.r.l.  
 (\*\*\*) Percentage of ownership held by virtue of voting agreements with the minority shareholder.  
 (\*\*\*\*) The remaining percentage is held by BRUNELLO CUCINELLI USA INC.

**GROUP STRUCTURE AS AT 31 DECEMBER 2025**

<b>Company name</b>	<b>Location</b>
Brunello Cucinelli S.p.A.	Corciano, Solomeo hamlet (PG) – Italy
Brunello Cucinelli Europe S.r.l.	Corciano, Solomeo hamlet (PG) – Italy
Dorica Vestis S.r.l.	Corciano, Solomeo hamlet (PG) – Italy
Pinturicchio S.r.l.	Corciano, Solomeo hamlet (PG) – Italy
Max Vannucci S.r.l.	Corciano (PG) – Italy
Logistica e Distribuzione S.r.l.	Milan – Italy
Brunello Cucinelli Austria GmbH	Vienna – Austria
Brunello Cucinelli Belgium S.r.l.	Brussels – Belgium
Brunello Cucinelli (England) Ltd.	London – United Kingdom
Sarl Brunello Cucinelli France	Paris – France
SAS Brunello Cucinelli France Resort	Paris – France
Brunello Cucinelli GmbH	Düsseldorf – Germany
Brunello Cucinelli Hellas SA	Athens – Greece
SAM Brunello Cucinelli Monaco	Principality of Monaco
OOO Brunello Cucinelli RUS	Moscow – Russia
Brunello Cucinelli Retail Spain SL	Madrid – Spain
Brunello Cucinelli Suisse SA	Lugano – Switzerland
Brunello Cucinelli Canada Ltd.	Vancouver – Canada
Brunello Cucinelli USA Inc.	Ardsley (NY) – USA
Market Service US, Inc.	New York – USA
Brunello Cucinelli (Sichuan) Fashion Co., Ltd.	Chengdu – China
Brunello Cucinelli Hong Kong Ltd.	Hong Kong – China
Brunello Cucinelli (Macau) Fashion Co., Ltd.	Macao – China
Brunello Cucinelli Japan Co., Ltd.	Tokyo – Japan
Brunello Cucinelli Singapore Pte. Ltd.	Singapore
Brunello Cucinelli Taiwan Ltd.	Taipei – China
Brunello Cucinelli Middle East LLC	Dubai – United Arab Emirates
Brunello Cucinelli Kuwait for Readymade and Novelty Clothes' Retail WLL	Kuwait City – Kuwait
Brunello Cucinelli Messico S.de R.L. de C.V.	Mexico City – Mexico
Brunello Cucinelli Australia Pty Ltd.	Sydney – Australia



## DISTRIBUTION NETWORK

The Group offers its products on the market through a number of different distribution channels.

From the standpoint of the end customer the Group is present on the market through:

- the **retail distribution channel**, i.e., the distribution channel with which the Group sells directly to the end customer through directly operated stores, so-called DOS (Directly Operated Stores) and hard shops, i.e., spaces located inside department stores and managed under the Group's responsibility and with directly employed staff.

At 31 December 2025, the directly operated stores (DOS) numbered 136, along with 57 hard shops within department stores.

- the **wholesale distribution channel**, i.e., the distribution channel through which the Group sells to independent partners, with the result that in this case these resellers are the Group's customers (and not the end customer). This channel therefore includes both mono-brand stores operated by third parties under commercial distribution agreements (mono-brand wholesale), independent multi-brand points of sale and dedicated shop-in-shops in department stores (multi-brand wholesale). The Group avails of a network of agents and distributors for sales to a number of mono-brand and multi-brand wholesale customers.

At 31 December 2025 there were 28 mono-brand wholesale boutiques.

A summary is provided below of the Brunello Cucinelli Group's network of mono-brand points of sale at 31 December 2025 compared to the situation at 31 December 2024:

Distribution channel	31 December 2025	31 December 2024
RETAIL	136	130
WHOLESALE	28	27

The following table sets out existing sales points at 31 December 2025 by geographical area:

	Europe	Americas	Asia	Total
Total Brunello Cucinelli stores	60	39	65	164



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**REPORT ON OPERATIONS OF THE BOARD  
OF DIRECTORS**

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## COMPANY PHILOSOPHICAL AND STRATEGIC REPORT

My dear young friends,

Every day, I think of you as the centre of the universe. When I was a child, I used to observe my parents closely, learning the rules of life from the way they acted, particularly in my early years when my natural instincts had not yet developed.

When I look at you, my young friends, I see both your past and the *Tempus novum*, the new era that is about to begin.

It is vital that we nurture a sense of hope, however, this alone may not suffice. We must also take action as part of a humanist revolution guided by memory and focused on the future. After all, the future is a promise and a gift that awaits us and you, the women and men of tomorrow. But we must desire this gift; this is what values are for — they give life meaning.

For centuries, we have held values that are sometimes questioned today. We talk about change and adapting to it as the only way to be happy. However, it is also true that values are still part of the human condition and, for this reason, they dwell in the eternal realm. Certainly without them, the *Tempus novum* awaiting us would become a vain chimera; the ancient philosophers told us that happiness is not a right, but a legitimate desire to aspire to, an end achieved through harmony of heart and mind.

If there is a stage of life where values are born, it is youth — when every feeling, every boldness, every passion is intertwined with the overwhelming vigour of nature: the blazing sunsets, the sublime dawns, the wind, the sun, and the fragrance of countless flowers that grow wild in the fields from who knows where in the world.

I see you, young people, as one of those flowers, full of vitality, imbued with the scent of your dreams, and reaching toward the distant horizons where your soul dwells. For me, youth is the most enchanted and fertile land; every memory I have of those times is infused with an excess of meaning that now I only glimpse briefly in rare moments. I know that nothing can ever be as it once was, when our imagination turned a simple carved wooden boat into a steamer crossing the ocean, and that little piece of wood became infinitely more than its shape or material.

Sometimes we see around us something like an ailment of the soul, a lack of desire, but Plato, in the poetic myth of Poros and Penia, parents of Eros, told us with enchanted words that desire is born of lack. To love seems to me a sublime condition, but if you want it to live long, make sure to be absent just a little from the one you love.

I do not know, my dear young friends, whether these words will caress your soul, but if you wish to desire the New Time, if you choose to make it real and alive, you must inhabit it with the measure the Greeks taught us: gradually, and with reverence as children of Creation. Only then will it not be consumed by the wind, but endure eternally. And I am convinced that none of this can happen without a humanistic revolution, one that you have the power to lead.

Remember that school is a privilege for you, because up to a certain age it educates you, and then it instructs you; be grateful to school, which brings you close to books — and even those, to desire them, must be a little absent, and you will love them more if you have to search for them in a library, maybe borrow them, and you will take the greatest care of them, because soon you will have to return them.



A library, said Emperor Hadrian, is like a granary of the soul; nourish yourselves, oh youth, with that grain, live the library not as a warehouse of knowledge, but as a generator of understanding; from those books can be born the dream of a humanistic revolution.

Aristotle said that the mind does not open if the heart is not opened first: so you, yes you, who live in every part of the vast world where I imagine you, you who today suffer from a certain ailment of the soul, arm yourselves with dreams, with brotherhood, with gentleness, with moderation – and with these gentle weapons, I beg you, become the actors of a humanistic revolution turned to the *Tempus novum*.

My dear young people, I beg you, disprove those wise men, who were perhaps weak in their reflections you have read; be instead the mirror of another reality, the one I see, and not only I – that of young people full of love, symbols of life, daring, treasure chests of precious gems, expressions of nature that goes on endlessly creating, in need of something that only we parents, grandparents, and adults can give you: a listening ear, a word, a caress; such things are nourishment for the soul.

**Brunello Cucinelli**  
Chairman of the Board  
of Directors



## COMPANY INFORMATION

Brunello Cucinelli S.p.A. is a Casa di Moda and Company incorporated under Italian law with registered office in Solomeo, (Viale Parco dell'Industria 5), and listed on the Euronext Milan Stock Exchange of Borsa Italiana.

The business of the Casa di Moda is focused on the creation, production and sale of Brunello Cucinelli branded clothing, accessories and lifestyle which make up **Women's, Men's and Children's total look collections**, which are always conceived as an expression of the ethical and human values cultivated in the hamlet of Solomeo. The brand is internationally recognised as a benchmark of **Made in Italy** excellence and a point of reference in the **luxury** goods sector, with the ability to combine the timeless qualities derived from the **selection of the finest materials, craftsmanship** and **exclusivity** with **contemporary creativity** that is attentive to market trends and technological innovations.

The company, based on the founding values of respect for **human dignity** and the **beauty of Creation**, pursues **growth in line with the principles of balance, harmony and sustainability**, with constant attention to the rhythms of mankind and of nature. The Brunello Cucinelli Casa di Moda is universally recognised as a prime example of "**Humanistic Capitalism**", combining the **safeguarding of traditions**, appreciation of the "**thinking souls**" who work for the greater good of the company and promotion of important projects aimed at **beautifying Creation** and **the legacy left to future generations**.





## YEAR 2025

**2025** was a very important year thanks to the great results achieved.

The fiscal year results have clearly demonstrated the effectiveness of our growth strategy, which we plan to carry on implementing in a calm and measured way: this gradual trajectory is intended to preserve the brand's exclusivity, while also aligning with the principles of **Humanistic Capitalism** and **Human Sustainability**.

This year has been notable not only for the significant results achieved, but also for the direction in which they take us, in a sector where high-end luxury continues to reward **authentic** and **exclusive offerings** that combine **contemporary style** with the highest level of **craftsmanship** at a **fair price**.

As special and exclusive products become increasingly popular and in demand, we are confident that Casa di Moda is setting the standard for creating rare, highly artisanal products that retain their value over time. In this context, the brand has experienced a period of great success in terms of **style**, **exclusivity** and **craftsmanship**, thereby further strengthening its relationship with its target clientèle.

We consider it significant that the results for 2025 were marked by a prevailing sense of balance, with a **solid demand** observed **across all geographical areas**. In addition to the important role played by local customers, tourism continued to have a positive impact, helping to maintain the vibrancy of many major capital cities and iconic destinations offering luxury experiences.

This balance was also reflected in our distribution model. On the one hand, a **direct relationship** is cultivated in **boutiques**, which are welcoming spaces that align with the brand's identity, bringing its style to life and transforming it into an experience. On the other hand, the **multi-brand channel** provides added value and remains a vital partner for us and an authentic guardian of the brand's taste. Thanks to our select international network, we are able to develop long-term plans and meticulously promote our collections on an ongoing basis.

One of the challenges we encountered during the year was the introduction of tariffs in the USA. In response, we have adjusted our price lists, effective from the Fall-Winter 2025 season. However, we did not notice any changes in purchasing behaviour or brand perception: this clearly indicates that the **trust of our customers** and all our **stakeholders**, which we consider to be our most valuable asset, has been further strengthened during the fiscal year.

We will also remember 2025 as a pivotal year because of the long-term decisions that were made. In fact, we successfully completed the **expansion project for the manufacturing facility** ahead of schedule: central to this plan was doubling the size of the production site in Solomeo and completing two new outerwear factories in Penne and Gubbio. We see these investments as a commitment to continuity and safeguarding: more hands, more time and more care, in dignified and aesthetically pleasing workplaces, to meet the production needs of the coming years with peace of mind.

Alongside the expansion of our facilities, we have also **enhanced** our **Human Resources**. In 2025, we had the pleasure of welcoming over 200 new people, who have brought a wealth of new skills, fresh ideas and vibrant energy to the company's daily operations. As we continue on this journey, we remain convinced that Solomeo embodies the unique "made-to-measure" lifestyle that we aspire to adopt and naturally embrace again, both within our manufacturing facilities and in our stores around the world.



Looking to the future, we are confident that the **opportunities** that lie ahead will require the same **discipline** that has guided us thus far: protecting our positioning, safeguarding quality, investing in people and manufacturing, and continuing to build a sincere relationship with everyone who decides to share some of their time with us.





## INTERNATIONAL RECOGNITION

In 2025, we were honoured to receive several prestigious international awards, which not only make us proud but are also a testament to the high regard in which the identity, values and work culture upon which our company is founded are held around the world.

On 1 December, at the Royal Albert Hall in London, Brunello Cucinelli received the prestigious **Outstanding Achievement Award** from the British Fashion Council, widely regarded as the “Oscar of world fashion”. Over the years, this recognition has been bestowed upon prominent international figures, and the motivation behind it was to recognise Brunello Cucinelli’s contribution to the fashion world and his commitment to responsible business practices that combine luxury, design and values. Brunello Cucinelli accepted this accolade in tribute to the creative work of the Casa di Moda, and in celebration of the “dedication and industrious spirit” of all our “thinking souls”. He dedicated the award to young people, whom he considers to be the guardians of humanity and the custodians of the future.





In addition to this award, we place great value on the recognitions received by the Cucinelli family, as they play a crucial role in safeguarding the corporate culture and ideals of Humanistic Capitalism and Human Sustainability, as well as caring for the Solomeo area.

In September, **Carolina Cucinelli** was named by *Women's Wear Daily* as one of the “50 Women in Power 2025” in fashion and retail. She was also invited to speak at the Forum in New York, in recognition of her creative and human vision which, along with **Camilla Cucinelli**'s contribution, combines innovation, research and care for relationships, which are the true hallmarks of the Casa di Moda.

In November, our CEO **Riccardo Stefanelli** was included by TIME magazine in the “TIME 100 Climate 2025” list, which recognises the world's most influential leaders in climate action. We are extremely grateful for this recognition, as it reflects our company's commitment to putting the values that inspire all our decisions into practice, guiding us towards research that is in harmony with Creation.



### “Brunello, il visionario garbato” (“Brunello, the gracious visionary”)

The crowning achievement of this journey was the world premiere of the documentary film “**Brunello, il visionario garbato**” (“Brunello, the gracious visionary”), dedicated to the life, mindset and works of Brunello Cucinelli, which took place on 4 December at the historic Cinecittà studios in Rome. Having the opportunity to spend the evening in the company of distinguished journalists, representatives of institutions, international celebrities and lifelong friends, surrounded by family members, made the experience all the more emotional and rewarding.

Brunello Cucinelli described the documentary film as a gift from **director Giuseppe Tornatore**, emphasising the film’s poetic power and the magnificent **score by composer Nicola Piovani**. In his thanks to those who contributed to its realisation, he dedicated it to young people, encouraging them to pursue their dreams of beauty fearlessly and reminding them that dreams can nurture spiritual development in human beings.

Collectively, these awards and notable milestones pay tribute to the Casa di Moda, celebrating the achievements made over the years that have led to its recognition and acclaim for the “**Brunello Cucinelli taste**”. This fitting conclusion to a “historic” year is both a grand gesture and a considered tribute to many years of work, which provides the public with a valuable, in-depth insight into the guiding values that inspire our Casa di Moda.



## THE DYNAMICS OF THE MARKETS AND THE COLLECTIONS

In 2025, it was evident that there was considerable demand for authentic quality and long-term consistency. While our **most loyal customers** maintained their ongoing relationships, **new customers** were becoming increasingly interested, which helped to ensure that our most exclusive and contemporary offerings performed well. This trend remained consistent across the main geographical areas, driven by the vitality of **local customers** and the positive impact of **tourism** throughout the fiscal year, which further strengthened the international standing of our Casa di Moda.

Of particular note was the performance in the **Americas**, where turnover reached €520.5 million (+11.9% at constant exchange rates), driven by consistent demand throughout the year, indicating that the target clientèle appreciate the high quality and rarity of our products.

In **Asia**, we witnessed further market consolidation, with turnover reaching €392.5 million (+15.3% at constant exchange rates). This demonstrates a growing belief that consumers are becoming more discerning and prioritising craftsmanship, artisanship and the intrinsic value of products.

In **Europe**, a positive trend continued throughout the fiscal year, supported by a strong domestic customer base and high-end tourist flows. Turnover reached €495.0 million (+8.2% at constant exchange rates), with Italy performing particularly well thanks to a successful start to deliveries of the new Spring-Summer 2026 collection.

### Retail Channel

The Retail channel also delivered **excellent results**, generating a turnover of €947.0 million (+12.9% at constant exchange rates), driven by positive **growth on a like-for-like basis** and the **ongoing expansion of spaces**. Major expansion projects were completed throughout the year in London, Paris and Los Angeles. By the end of 2025, we had opened new boutiques in Carmel (Los Angeles), Macao and Shanghai Pudong, thus further strengthening our selective and exclusive international presence.

### Wholesale Channel

Our Wholesale channel is also **solid** and well balanced. With a turnover of €461.0 million (+8.7% at constant exchange rates), it remains central to the brand's strategy, ensuring the brand stays **contemporary**, thanks to the seriousness and "taste" with which multi-brand customers present the collections in their spaces, thereby helping to promote the brand successfully. Significant sales were recorded for the **Spring-Summer 2025** and **Fall-Winter 2025** collections, which were supported by positive feedback from end customers and significant restocking. Meanwhile, the first deliveries of the **Spring-Summer 2026** collection were well received, while the **Women's Fall-Winter 2026 pre-collection**, which was presented to customers in early December, also received rather flattering feedback.

### Digital Channel

The digital dimension is still being developed, with the same emphasis on moderation and quality. In 2025, important milestones were reached in the field of research into the language of digital innovation, based on the belief that **technology** should also be **interpreted "according to measure"** and used to **facilitate human relationships**. To this end, we have developed an online experience that is increasingly consistent with our approach to customer relations. We have taken another step forward with the **"Callimachus' project"**, a new digital boutique launched in January 2026, which has been designed to enhance content, service and dialogue, aiming to combine technological innovation and humanistic sensitivity.



## THE FOUNDATIONS OF THE COMPANY

Our company's foundations are rooted in our clear and distinctive identity in the **absolute luxury** segment, which is built around collections that are entirely **Made in Italy**, where **quality**, **craftsmanship** and **creativity** come together naturally. According to this vision, **exclusivity** is not a consequence, but a guiding principle: it comes from paying careful attention to the product, making well-considered decisions, and committing to preserving a distinctive taste over time.

At the heart of the offering is the **Ready-to-Wear** collection, complemented by accessories that are designed to form an integral part of a total look concept. In a similar way, achieving a balance between our Men's and Women's collections contributes to our continued success. This consistency is also reflected in the distribution model, which combines a direct relationship with boutiques with a selective presence in multi-brand stores. This balance has ensured that the brand's positioning has remained consistent over time.



### High craftsmanship

We put people at the heart of everything we do. With its headquarters in **Solomeo** and additional manufacturing facilities, the company also has a global presence in boutiques: a journey combining artisan expertise, hospitality and care for both products and relationships. In addition to our dedicated in-house team, our network of **Italian artisanal workshops** plays a significant role. We work directly with these solid businesses, which have strong roots in the local area, and without intermediaries. Our relationship with them is based on trust, responsibility and generational continuity.



This productive dimension expresses the true meaning of **Made in Italy**: a wealth of skills and a culture of craftsmanship that is worthy of preservation. For this reason, we believe it is crucial to support the supply chain, enabling it to operate in **beautiful locations** while maintaining **dignity** and ensuring **fair profits**. As we look to the future, the biggest challenge is not just meeting demand, but also **passing down trades**: we need to inspire younger generations to become artisans and skilled workers who can create unique products.

Ultimately, the very nature of the Ready-to-Wear segment necessitates a constant focus on research and development: this structural need is reflected in some of our organisational choices, including those relating to warehouse management. We consider this to be a key aspect of the collections' creativity and contemporaneity, which is managed in a responsible and consistent manner, free from short-term pressures.

### The importance of Ready-to-Wear

**Product** and **creativity** remain at the heart of the Casa di Moda vision. The company's dedication to ongoing innovation in its collections, coupled with the artisan quality of each creation, has garnered favourable responses from markets globally. The introduction of authentic innovations across various categories has been particularly well received, thanks to the colour research and attention to fit. These elements convey freshness and contemporaneity while preserving the brand's stylistic identity.

This consensus has been endorsed by multi-brand partners and specialist press alike, which further cements the brand's positioning at the top of the market. The sales figures for the Spring-Summer and Fall-Winter 2025 **seasons** have been very positive, with numerous orders placed for both the Men's and Women's collections, which confirms the consistency of our offering and validates the path taken by the company.



In addition, we have developed partnerships with companies in the **eyewear** and **fragrance** industries, founded on a core principle that is essential to us: establishing and maintaining a unique, high-quality and distinctive brand



positioning that extends beyond the Ready-to-Wear segment. One such example is the special edition of the Goldcraft 1978 glasses, two models made of titanium and 18-carat gold by skilled artisans in Fukui, Japan. The “Incanti Poetici” fragrance family has also received positive feedback, and is set to be expanded further with new creations planned for early 2026.

### **Retail network, the value of multi-brand stores and exclusivity**

We see the **direct network** as a natural extension of Solomeo to the rest of the world. It is not just about commercial geography; it is also a way of showcasing the brand through carefully curated spaces that are consistent and contemporary. We consider investing in spaces – in their aesthetic appeal, hospitality and functionality – to be an essential part of our identity: it is vital that product quality and relationship quality are equally represented in these places.

Our company has always considered the **multi-brand channel** to be of fundamental importance. We think of it as an authentic guardian of the brand’s taste: it is not merely a distribution channel, but rather a partner that can contribute to the contemporary spirit of our collections, thanks to the high-quality presentation and promotion of the brand in the spaces of our selected partners. Over the years, multi-brand stores have proven themselves to be serious and responsible partners: when managed selectively, having a presence in multi-brand stores does not diminish the brand’s perceived exclusivity; rather, it strengthens and enhances it.

### **“Healthy” growth and an authentic bond with the customer**

We define “healthy” growth as the result of **balanced progression, managed** in full alignment with our **brand protection** strategy. This means that we must avoid overexposure, maintain discipline, and, when necessary, have the courage to turn down opportunities that do not align with our tastes or positioning.

Consistent with this approach, the company has continued to build an authentic relationship with the customer, based on **esteem, trust, and mutual respect**. Initially founded in Solomeo, the brand has since expanded to include boutiques in some of the world’s major capital cities, showrooms, and Case Cucinelli stores, as well as e-commerce platforms and multi-brand stores: our goal is to ensure that this people-focused approach continues to thrive and evolve across all these locations. The appreciation expressed by customers in the highest segment of the luxury market proves how deep and sincere this bond is, and how it fosters meaningful and intense communication.

### **Operational excellence, planning, and vision for the future**

The model’s efficacy is further demonstrated by the excellence of its daily implementation. Also in 2025, a particularly high **level of service** was provided to both the direct network and multi-brand customers: timely completion of **deliveries**, prompt **restocking** and efficient **inventory** management, were made possible by an entirely Italian, **short production chain**, which ensured reliability throughout the value chain.

In short, we believe that our company’s core strength is its **consistency**: consistency of positioning, taste, supply chain and relationships. Ready-to-Wear as the focal point, craftsmanship as the method, exclusivity as the principle, hospitality as the style. These are the cornerstones that guide our daily actions, and we are committed to preserving and renewing them responsibly year after year.



## OUR IDEA OF HOSPITALITY

Our idea of hospitality is reflected in spaces that are designed not just as sales spaces, but as contemporary “homes” for the brand, where **hospitality** is an integral part of the **experience**. In 2025, we focused on expansion and modernisation projects that would make our spaces more harmonious, comfortable and recognisable, fully in line with the Brunello Cucinelli taste.

### Boutiques

As part of this effort, several major **expansion** and **renovation** projects were undertaken in iconic cities such as London, Paris and Los Angeles throughout the year, aiming to align the spaces with the latest Ready-to-Wear collections, while preserving the distinctive character of each city. Further **targeted openings**, such as the boutiques in Carmel (Los Angeles), Macau and Shanghai Pudong, strengthen our selective international presence while staying true to the inspiration behind all our boutiques: the idea of a welcoming home where **store managers** act as “**hosts**” and **brand ambassadors**, paying close attention to the details that contribute to creating the warm, family-like atmosphere that is typical of Italy.

### Casa Cucinelli

In addition to the boutiques, the Casa Cucinelli are the perfect embodiment of our vision of hospitality: in these spaces, the **relationship with the customer** benefits from a more relaxed atmosphere, reminiscent of domestic settings, and the total look naturally complements the **contemporary lifestyle** concept. In 2025, we took further steps to “refresh” the concept, with the aim of making these spaces more welcoming and in line with current sensibilities, all the while preserving their original purpose of making guests feel as though they are part of a world of care, courtesy and understated beauty.





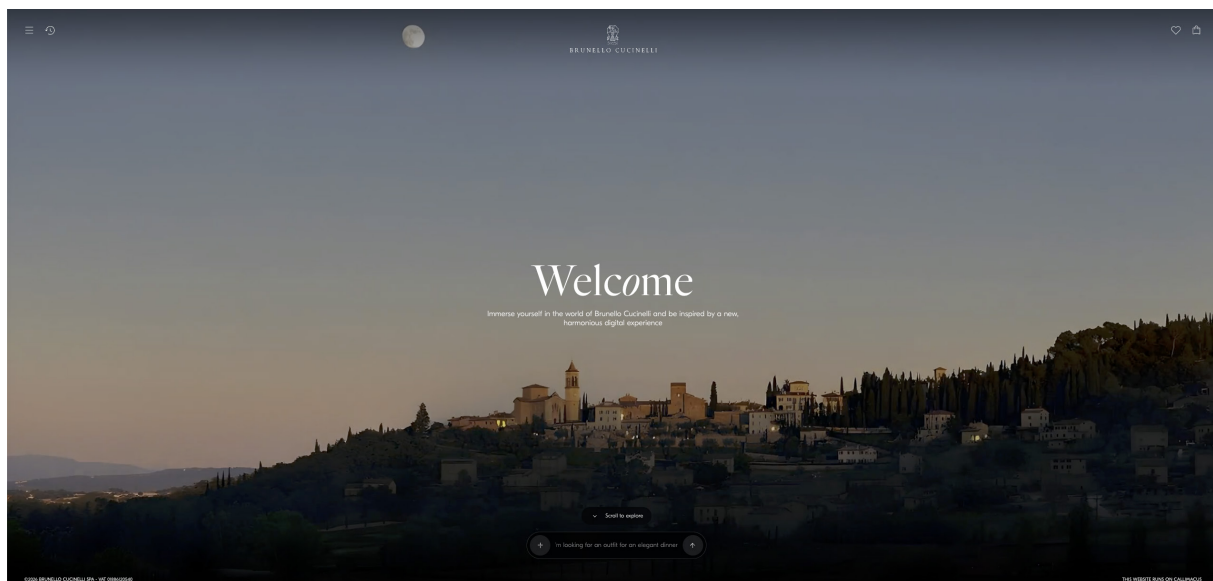
During the year, our concept of hospitality was enhanced in our new location, which is imbued with aesthetic and symbolic value: Casa Cucinelli, in the heart of **Rome** and overlooking **Piazza di Spagna**, in a building dating back to the same period as the Spanish Steps, a landmark that has always been synonymous with the district's international character. Its classic beauty has been restored and enhanced, enabling guests to experience the welcoming atmosphere of a real home from the moment they enter: a spacious, bright and serene space featuring a harmonious blend of historical elements and contemporary details.

The new Casa Cucinelli in Rome celebrates the timeless charm and rich cultural heritage of the Eternal City. Alongside its locations in Milan, New York, Tokyo, Paris and London, it further establishes the brand's presence in key locations of some of the world's major capital cities. We see it as another tribute to the Italian sense of style, conveyed through gracious and authentic hospitality that makes shared moments an integral part of the Brunello Cucinelli experience.

### Digital Boutique

In 2025, important milestones were reached in the field of research into the language of digital innovation, based on the belief that **technology** should also be interpreted “according to measure” and used to facilitate **human relationships**.

In early 2026, we took a significant step forward on our journey by launching our **new e-commerce platform**. Designed to offer our online customers a more natural, fluid and personalised browsing and shopping experience, the project is fully consistent with the values that have always guided Casa di Moda in Solomeo. Brunello Cucinelli often talks about the inspiration behind the idea of “**deeply Human Artificial Intelligence**”: technology that is able to listen, understand and provide support without replacing human sensitivity and freedom.





The platform was conceived and created using “**Callimacus**”, which was developed by **Solomei AI**, our research centre that explores the creative, scientific and technological potential of artificial intelligence. According to this vision, the new platform is a system that has the ability to understand what each visitor is looking for, so that it can provide a more engaging, “tailor-made” experience in real time.

Brunello Cucinelli explained the idea behind this work:

*“For years we envisioned a new e-commerce platform, combining our desire to welcome our esteemed 'online guests' with the most promising technological innovations, and our own way of thinking — in the belief that artificial intelligence must remain deeply human.*

*Our small AI team has conceived this synthesis of contemporary technology and creative genius, which I find utterly fascinating. It feels as though we have achieved a true invention, as described by friends in Silicon Valley.*

*Today, the ideas behind “Callimacus”, the platform’s name, appear very promising to us because they allow us to instil a little human intelligence into the way websites work. This enables us to build personalised experiences that go beyond task execution and put each of us, our uniqueness and our manner of exploring and discovering at their heart. From this arose our new project: a new e-commerce platform, able to welcome, listen to, and understand every visitor. We believe this invention will play a decisive role in supporting the company’s growth, both in terms of brand image and revenue.’*

## Visual Merchandising

Attention to visual merchandising – a cornerstone of the brand’s aesthetic identity – remained consistent and meticulously curated in every detail, helping to define a coherent and distinctive experience across all spaces where the brand is present. The commitment to keeping **all spaces where the brand is present modern and contemporary** remains a priority: to this end, investments are directed towards the refurbishment of the boutiques and showrooms, as well as spaces in leading luxury department stores. In order to achieve this vision, we must continuously seek out exclusive locations and implement targeted expansion and modernisation projects, so that we can further enhance the brand’s identity and strengthen its international positioning.

## The relationship with customers and “artisan” events

To ensure the continued success of our brand, we consider it crucial to focus on building and cultivating **quality relationships** over time. In 2025, the interests of **new customers** were consistently aligned with the trust of our **most loyal clientèle**: this key customer base recognises the importance of consistency and authentic quality, inspiring us to dedicate ourselves more fully to each encounter.

In this sense, we strive to create special moments for our brand. We like to describe them as “artisan” events, which are not flaunted, but planned with care, and where the time spent together is as important as the product itself. We therefore organise intimate events in our boutiques and other notable venues, which are designed to encourage a **sincere dialogue** with our guests and strengthen the bond of mutual esteem, trust and respect that we consider to be an essential part of the way we work.



### Harrods takeover: a manifesto of style in London

In December, and throughout January, we took over the 26 main shop windows at Harrods in London, marking a notable milestone for our company. This initiative was not merely about creating a visual display, but rather about presenting a genuine **narrative that reflects our identity**. This project brought our vision of taste to life in one of the world's most iconic luxury department stores, translating it into images and atmospheres: our values of attention to detail, moderation, craftsmanship, contemporary elegance, and a sense of hospitality, which we strive to promote wherever the brand is present. During this special time of year for the city and the luxury retail sector, these shop windows became a **"manifesto" for our style**, combining storytelling and products, emotions and discipline, and celebrating the work of many people and the consistency of a journey built over time.

### HUMANISTIC CAPITALISM AND HUMAN SUSTAINABILITY

The founding values of the company, inspired by the philosophy of Humanistic Capitalism, continue to represent the deep roots and constant reference point for every action of the company. In our view, focusing on **human dignity, protecting the local area, promoting culture and supporting younger generations** should go hand in hand with our business activities. This is the approach we wish to take to our work: one of moderation, responsibility and vision of the future.

In 2025, this commitment took on new meaning through initiatives that updated the core elements of our vision using modern language: **care for places and landscapes, dialogue between humanism and technology, training for young people, and cultural reflection** to nourish the mind and soul.





### The “Week of Guardianship”

On 12 June, a new project called “Settimana della Custodia” (Week of Guardianship) was presented, conceived by Brunello Cucinelli and his family. Held in Perugia from 15 to 21 September, the initiative was dedicated to the architectural and landscape wonders of the municipality, with the aim of promoting a civic culture of **preservation, care** and **beautification**. The project, which was warmly welcomed by local institutions, as well as the cultural and academic worlds, is based on the simple, concrete principle that **shared beauty** is a **shared asset** requiring daily care and attention.

The initiative is based on the premise that everyone can contribute to a collective effort, whether that is revamping the exterior of their home, growing a vegetable garden, or helping to look after the public spaces that shape the city’s identity. In light of this, the invitation is not to undertake something extraordinary, but rather to cultivate a kind habit: turning care into a cultural, civic and, ultimately, spiritual practice. As Brunello Cucinelli said, “we are all temporary guardians of Beauty”, and small acts have the power to breathe new life into places and bring joy to the soul, setting a virtuous circle in motion.

Brunello Cucinelli commented on the initiative as follows:

*“I like to think that this Week of Guardianship will see the joyful participation of all Perugians and others from further beyond, urging them to recognise the importance of each person caring for a small part of our splendid city of Perugia, a heritage of humanity. We are all temporary guardians of Beauty, and the Beauty found in Perugia’s monumental stones, parks, gardens, and orchards awaits daily, gracious, and gentle acts of care from everyone: residents, students, and the tourists who visit and are charmed by the city. The ancient Athenians taught us: “If the doorway to your home is clean, the whole city is clean,” and “it is our duty to leave the city more beautiful than when we inherited it.” I believe that everything can start with caring for our own front door. A cleaned and polished door will be more beautiful; a well tended garden will be more beautiful; and then a pavement, a bench, a wall, a plaque, a flower pot, a path, a fountain, a little park, a public square, and so on will all regain new light and beauty”. This will thus trigger a virtuous circle in which everyone feels responsible for the city’s beauty and respectful of its territory. I am certain that, when we restore dignity to certain places, to certain corners of the city, our very souls will benefit and feel much lighter. In Siena, in the town hall, the fresco “The Allegory of Good Government”, masterfully painted by Benozzo Gozzoli for our instruction and pleasure, depicts the Sienese Constitution of 1309, the supreme expression of the norms regulating civic, political, and judicial life, where we can read: “Those who govern must hold the beauty of the city foremost in their hearts for the delight and joy of visitors, for the honour, prosperity, and growth of the city and its citizens”.*



### Third Universal Symposium on Soul and Economics, Solomeo

The Third Universal Symposium on Soul and Economics took place in Solomeo from 15 to 18 May, building on the discussions initiated in previous years. The event brought together influential figures from various fields – philosophy, technology, science and art – who were invited to discuss the most pressing issues of our time, with special emphasis on the **relationship** between **human beings** and **innovation**. The event featured guest speakers Yuval Noah Harari and Reid Hoffman, who participated in a wide cross-disciplinary debate centred on the themes of vision and responsibility.

The Symposium's central theme was to envision technology as a “handmaid” of humanity, rather than its replacement: a tool for exploration, understanding, dreaming and building. In this context, the concept of “**human artificial intelligence**” suggests the need for moderation: making progress without losing sight of eternal values such as empathy, generosity and respect, while also finding common ground for dialogue even when there are differences.

Brunello Cucinelli commented on the event as follows:

*During these three wonderful days spent together in Solomeo, against the enchanting backdrop of the Umbrian countryside and immersed in its Genius loci (the Spirit of the Place), we discussed the major contemporary issues, inspired by the reflections that human artificial intelligence is fostering within us all. We discussed humanity, spirituality, religion, and knowledge, exchanging our perspectives and visions. We looked toward the horizons to which innovation is leading us and attempted to imagine its resonance across communities, societies, and individuals.*

*We spoke about democracy, participation, confrontation and synthesis, as well as how to establish common ground to foster plurality. We also envisaged the arts of the future, which will emerge from the extension of human eyes and hands made possible by technology, merging humans and AI in a sort of shared creative process. (...) We also discussed the great and timeless values of generosity and empathy, whose ancient legacy will continue to inspire our vision for guiding the future of humanity. (...) Finally, we became emotional when discussing the possibility of creating a collaboration between humans and technology that would always treat the latter as our handmaiden, enabling humanity to continue exploring, understanding, dreaming and building.*

*Precisely with respect to this latter point, to this intangible scenario where reason and the irrational meet, we have been able to appreciate the depth of the conversations at this 2025 Symposium. We are now even more convinced of how much and what benefit humanity can derive from human technology by using it the Greek way, according to measure and utility (...)"*





### The honorary doctorate awarded in Architecture

On 3 April, in the Aula Magna of the Rectorate of the University of Campania “Luigi Vanvitelli” in Caserta, the Department of Architecture awarded Brunello Cucinelli an honorary PhD in “**Design for Made in Italy: Identity, Innovation and Sustainability**”, with his doctoral lecture entitled “**The Genius Loci, Master of the Arts**”. This prestigious accolade was awarded in recognition of an achievement whose cultural significance lies in its combination of enterprise and vision, tradition and innovation, beauty and responsibility.

Brunello Cucinelli has stated that he considers this recognition to be a tribute not only to the family, but also to younger generations, drawing on Greek wisdom and the principle of “nothing in excess”. His reference to Vitruvius – “solid, useful and beautiful” – and the concept of feeling like the “architect of the company” effectively convey the meaning of this moment in time: creating spaces, relationships and work in the same way as one might approach architecture, striving for a balance between functionality and beauty.

Brunello Cucinelli commented on the award as follows:

*“I feel particularly honoured to have received this prestigious acknowledgement, which I wish to consider a tribute to my family and especially to my grandchildren, who cheer me up every day at work and at home. The Greeks knew that mind and soul are both necessary for the human being, for which reason they had Apollo and Dionysus. Above all, it is up to young people, leaders of a new humanistic revolution at the dawn of a tempus novum, to follow Greek wisdom, summarised in the phrases inscribed on the Temple of Delphi: “Know thyself”, and “None too much”. Humanistically, they can therefore experience the feeling that leads to emotion, imagination and creativity. Vitruvius said that architecture must be robust, practical and beautiful. I was inspired by this paradigm, feeling a little like the “architect of the company”, for having conferred the specific qualities suggested by the great Augustan architect and essayist. In Solomeo, we attempted to listen to the genius loci, the master of the arts in the conservation and construction of the hamlet and the valley. This is the immense gift given to us by architecture. It is no coincidence that the University of Campania bears the name of a very refined architect, Luigi Vanvitelli, who designed the wonderful Royal Palace of Caserta. Enlightened by the taste for classical renewal, he created the magnificent Italian style, admired all over the world. I therefore consider universities a fertile breeding ground for knowledge, nourishment for the spirit as well as for the mind, instilling in me a devotion to those who are engaged in the priceless cultural endeavour of their transmission. Thank you, thank you from the bottom of my heart to this wonderful University, to its wise Academic Senate and to the esteemed Rector Nicoletti for such a unique and special gift, which I cherish with joy and gratitude”.*



## SAFEGUARDING OF THE PRODUCTION CHAIN AND RELATIONSHIPS WITH PARTNERS

During 2025, the company closely monitored the continuity of its raw material supplies, cultivating collaborative relationships with its suppliers based on respect and mutual understanding. Thanks to the high responsiveness of our **short, entirely Italian supply chain** we have been able to efficiently adapt to changing production volumes while maintaining extremely high levels of service and reliability. Throughout this journey, we have found the growth of our network of external artisanal workshops particularly encouraging: this expansion does not undermine the artisan character that defines our identity, but rather enhances it. We are certain that this close relationship – both territorial and human – remains a decisive factor in the quality of the collections, the allure of the brand, and its positioning, fully in line with our idea of luxury.



Italy plays a pivotal role in this regard, as evidenced by our collaboration with over **400 artisanal workshops** alongside the **company's own factories**, which make a significant contribution to the creation of the collection. These enable us to safeguard and develop the creativity of our products, maintain the quality of our manufacturing and ensure the timeliness of our deliveries, all while preserving the **authentic craftsmanship of our collections**.

The company has built a solid relationship of trust and mutual respect with its **small craft enterprises** over the years, viewing them as true strategic partners. They are fully integrated into the production process, working closely with our creative team and in-house workers. This ensures the highest possible standard of execution for each garment, while also maintaining the consistent quality for which the brand is recognised in the market.



During the course of the year, there was an increase in production capacity alongside the organic development of the network: some of our existing workshops grew in size, the share of work reserved for the company by small craft enterprises operating on a multi-client basis increased, and new, highly specialised companies began collaborating with the Casa di Moda.



### Manufacturing vitality

Recruiting new **specialised figures**, who are considered essential for preserving the quality, craftsmanship, and taste that define our company's identity, goes hand in hand with collaborating with artisanal companies on a permanent basis. It is an extensive and widespread network involving a total of around **8,000 artisans**, primarily based in **Umbria**, where over **70%** of workshops are located, with the remainder situated in other **districts of excellence**.

**Direct relationships** based on trust and **generational continuity** ensure the continued vitality of the supply chain. There are also encouraging signs of renewal: the average age of owners and artisans indicates that a generational shift is underway, with young yet experienced individuals playing a crucial role in ensuring the continuity of Italian manufacturing culture.

The transmission of knowledge is equally fundamental, carried out through the **schools of high craftsmanship**. Here, many young people have found opportunities to learn and build a professional path: many have joined the company's workforce on a permanent basis, while others have launched new entrepreneurial ventures, helping to strengthen the widespread network of craftsmanship.



From this perspective, **manufacturing** is not only an industrial process, but also a **cultural heritage that must be preserved**. Our ambition is to enable consistent growth over time that aligns with the brand's identity and respects the dignity of work. This will help ensure that products traditionally crafted in our country continue to be made with the same level of artistry and dedication.

## INVESTMENT PROJECTS IN THE HANDICRAFT INDUSTRY

At the foundation of our brand's exclusive offering lies, consistently and continuously, a distinctive production model that defines its identity: an **entirely Italian artisanal production**, rooted in **craftsmanship**, in the **quality of workplaces**, and in the full **appreciation of the human being** in all its expressions. This model not only represents the company's industrial foundation, but also serves as a flexible and solid resource, enabling it to support growth rigorously and respond promptly to diverse scenarios.

During the fiscal year, we invested a total of €146.2 million, which significantly contributed to the completion of the three-year plan 2024-2026 dedicated to Made in Italy artisanship, bringing it six months ahead of schedule. The impact of investment on revenues reached an exceptional 10.4%, which puts the company in a strong position to meet production demands over the next ten to fifteen years.

### Made in Italy

Italy's role as the exclusive home of production is reaffirmed with conviction. All operational structures – both those managed directly and the network of external artisanal workshops – are located within the country, in areas that preserve unique skills and a deeply rooted culture of craftsmanship. Within this context, the workshops make a decisive contribution to maintaining a **truly manual component**, made of needle, thread and scissors, which today accounts for **over 60% of total processing** and has grown steadily in recent years.

### Increased manufacturing capacity

The investments made in 2025 fully respect our founding principle: producing more requires more hands, more time, more care. This awareness leads to the choice of initiatives that, beyond responding to operational needs, reflect a cultural vision: each facility is conceived not only as a functional place but also as a space capable of expressing beauty, harmony, and respect, in the conviction that the places where beauty is created must themselves be beautiful.

A key part of this process involved **doubling** the size of the factory in **Solomeo**, the company's original headquarters. The new building rises at the gates of the hamlet on a reclaimed and redeveloped former industrial site, without consuming new land, in line with a vision focused on protecting the landscape and maintaining ties with the local community. At the heart of our industrial commitment for 2025 lies the decision to double the size of the factory: this investment will enable us to operate with peace of mind for the next 10-15 years, ensuring continuity and quality, while also providing adequate space for our workforce to grow.

### The new “beautiful factories”

Alongside Solomeo, strategic initiatives are being developed in some of the most important districts of Italian artisanal tailoring, dedicated to the manufacture of outerwear and men’s tailored suits. The construction of the “beautiful factories” in **Penne**, Abruzzo, and **Gubbio**, Umbria, was completed in 2025, thereby strengthening the company’s ability to oversee the in-house manufacturing of a very important product category.



The facilities have been designed as welcoming, well-maintained, and spacious sites that embody the concept of the “beautiful factory” that has always inspired the company in designing work environments. **Carrara**, in Tuscany, is also part of this project: a virtuous example of industrial regeneration, a tailoring facility that is not only a production centre but also a symbolic place of renewal and the culture of craftsmanship.

### The School of Arts and Crafts

One of the major issues that will need to be addressed in the future is the **transmission of knowledge**: safeguarding craftsmanship means ensuring that it remains appealing to younger generations. It is in this context that the School of Contemporary High Craftsmanship and Arts in Solomeo truly excels. Since its foundation in 2013, the school has provided young people with a practical, reputable and qualifying programme of study that fosters a culture of work, technical expertise and human dignity.

We like to think that these schools are not just **educational places**, but **places of “care”**: not only do students learn a trade, but they also learn how to navigate the world of work with respect, moderation and responsibility. In today’s fast-paced world, investing in craftsmanship and practical intelligence is key to safeguarding the identity of Made in Italy and ensuring the continuity of the rare quality that has earned us worldwide recognition.



On a par with its industrial projects, the company considers the school a true **investment in the future**, a great long-term project designed for the artisans of the future who, learning now, will go on to play the valuable role of skilled custodians of manual creativity. The fruits that the company has reaped from this work are irreplaceable and a source of great pride.

## BRUNELLO CUCINELLI: CONTEMPORARY LIFESTYLE

Thanks to the excellent results achieved in 2025 and the significant international milestones that have characterised the history of the Casa di Moda, we believe that the brand's ability to interpret and promote a distinctive offering for a contemporary lifestyle has been further strengthened. With its instantly **recognisable taste**, our lifestyle is based on the idea of **fresh, understated elegance** with a **subtle sophistication**, ensuring the **highest quality** thanks to our skilled **craftsmanship** and ongoing **stylistic research** with a contemporary approach that evolves and adapts with each season.

Throughout this journey, we have found that consistency is the key to our offering: a unique, recognisable and harmonious aesthetic universe that can adapt to different product categories while retaining its identity. Our **total look** is becoming increasingly comprehensive, as is evident from our "**contemporary licences**" for **eyewear** and **fragrances**, which are designed as natural extensions of the Brunello Cucinelli taste, sharing the same high-end, distinctive positioning as our Ready-to-Wear collection.

### Eyewear

Our collaboration with EssilorLuxottica continues constantly and with great satisfaction, in full compliance with the principle that has always guided us: to affirm and maintain our brand's unique, **very high** and distinctive **positioning**, including in the worlds of eyewear. In light of this, our **eyewear range** is continually evolving as a consistent **reflection** of the brand's **taste**, paying close attention to the quality of processing and the value of materials, considering these not as an exercise in style, but as an authentic language of "well-made" products.

In 2025, we launched a special edition that we believe to be the finest product in this category: the **Goldcraft 1978** glasses, two models made of titanium and 18-carat gold, made possible by the skilful craftsmanship of artisans in Fukui, Japan. Based on the initial feedback received, we believe that this proposal effectively combines precious materials and high-quality workmanship with an authentic, contemporary style, which demonstrates that accessories can also embody understated and enduring elegance.

### Fragrances

With regard to fragrances, we are continuing to work closely and consistently with **Euroitalia**, pursuing a strategy that prioritises **quality** and **exclusivity**, aligning with the **premium segment** of the market. We want our fragrances to reflect the same level of care and "taste" that is essential to our collections, ensuring they become an integral part of our customers' lifestyle and total look.

In 2025, the "**Incanti Poetici**" family – comprising six creations presented at the end of 2024 – received very positive feedback, thus confirming the demand for distinctive, high-end products that are consistent with the brand's identity. In the near future, the collection will be further enriched by **three new products**, scheduled for early



2026, which demonstrates our commitment to gradually and carefully continuing down this path, while preserving the uniqueness of our positioning and the quality of our offerings.

## READY-TO-WEAR COLLECTIONS

The Ready-to-Wear collection remains the focal point of the brand's stylistic identity and serves as the basis for developing a complete and recognisable **contemporary lifestyle** concept, season after season. Over the past few years, the gradual development of our total look for Men and Women has meant more than just expanding our offering. It has also involved a process of refinement by making the "**Brunello Cucinelli taste**" more distinct and recognisable while upholding the values of understatement and sophistication, craftsmanship and naturalness, elegance and effortless ease.

As we continue to develop our collections, we are responding to what we perceive as an increased demand in the high-end market: the quest for **well-made special garments** that are **designed to last** and to accompany everyday life with lightness, comfort and moderation. The **balance** we strike between **indoor** and **outdoor** wear, and between **leisure** and **professional** attire, defines our offering: effortlessly relaxed tailored clothing that is elegant without being ostentatious and contemporary without compromising on material quality or attention to detail.





In 2025, the presentations of the **Spring-Summer 2026** collection marked two significant milestones in our engagement with customers, the press and industry insiders. During Pitti Immagine in June 2025, the Men's collection showcased a consistent shift towards a more fluid and modern elegance, successfully redefining the established codes while staying true to its roots. During Milan Fashion Week at the end of September 2025, our Women's collection clearly embodied our vision of contemporary femininity: understated, sophisticated, lively and capable of combining rigour and spontaneity. We were delighted to receive positive feedback in both cases, expressing appreciation for the offering's novelty and recognising its consistent and well-positioned nature.

It is becoming increasingly important to us that the **presentation** of our **collections** remains a **“special” moment**: a relaxed and friendly event where we can meet and listen to people, allowing them to assess the true quality of our offering. As always, the most tangible proof of this appears as the collection slowly makes its way to stores: it breathes new life into spaces, reinvents the narrative of the brand, and offers customers new combinations and ways of putting together their outfits, thus maintaining the bond of trust that we consider our most valuable asset.

At the beginning of 2026, the **Men's Fall-Winter 2026 Collection**, presented in Florence during Pitti Immagine, suggested a further step forward, encouraging optimism for the coming season and demonstrating continuity in our creative journey. We are now looking forward to the next Women's collection with confidence, as we are certain that it will meet our standards of taste, contemporary style and quality, in keeping with the moderation that has always guided us. This is also evident from the positive feedback on the **Women's Fall-Winter 2026 Pre-Collection**, which we presented to customers in early December.





### Women's Spring-Summer 2026 Collection

The stylistic research for the Women's Spring-Summer 2026 Collection relies on a fundamental and universal image: the four elements – Earth, Air, Water and Fire – provide a way of describing the season emotionally, with each offering drawing on the concept of authenticity, in tune with nature and its most intimate vibrations. Earth adds solidity and depth to outfits through sartorial roots and sophisticated textures; Air introduces light, transparent fabrics, mesh and openwork, and a never-ostentatious femininity; Water flows into new proportions and ergonomic shapes, with couture accents and marine references in the form of luminous embroidery and “seabed” reflections; finally, Fire ignites the palette with bright reds, infusing every garment with artisanal passion and making it a true statement of beauty. This season, mesh becomes a distinctive feature, chevron patterns are accentuated, summer motifs are reimagined, and knitwear achieves exceptional results: from the OPERA series to couture creations inspired by the sea, where lightness and preciousness coexist naturally.



### Men's Spring-Summer 2026 Collection

The Men's Spring-Summer 2026 Collection offers a cultured and understated interpretation of masculine elegance, where lightness is not only a fabric quality, but also – and more importantly – an attitude: freedom of combination and the spontaneity of creating looks with sophisticated taste that never becomes ostentatious. Silhouettes blend fluidity and sartorial precision, achieved through a subtle balance of cuts, textures and materials: light wools, silks and linens are combined with fine leathers, while outerwear and blazer jackets redefine proportions naturally, supported by research that views comfort as a contemporary form of elegance. The outerwear collection is designed to be worn throughout the season and features different weights and constructions for various climates. In addition



to the essential models, special interpretations are also available, such as the unlined leather and suede versions. A graphic narrative connects the collection to the themes of space and Genius Loci, making a direct reference to Brunello Cucinelli's thoughts on the relationship between culture, form and beauty.



### **Kids Spring-Summer 2026 Collection**

The Boys' and Girls' Spring-Summer 2026 Collections continue to serve as a natural extension of the Women's and Men's collections, offering a more playful and accessible style while maintaining the same high standards of quality and care. The "mini-me" models are even more practical thanks to their lightweight construction, making them ideal to effortlessly accompany little ones through their daily lives. At the same time, the details and materials maintain the contemporary, organised aesthetic that defines the brand's identity. This season, the focus is on a sense of luminous freshness: light and natural shades, more vibrant colour accents and summery designs that evoke the landscape and the sea, designed to be light and easy to move in, perfect for exploring and having fun. This collection combines comfort, freedom and grace to celebrate beauty in a child-friendly way, rather than an adult one, making it a source of joy.



## INTRODUCTION

This Financial report as at 31 December 2025 was prepared according to Legislative Decree 58/1998 and as amended, as well as the Consob Issuers' Regulation. This Report was prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union.

## SUMMARY DATA AS AT 31 DECEMBER 2025

The tables below show (i) the consolidated summary economic data as at 31 December 2025, compared with the corresponding previous year; (ii) a consolidated statement of financial position reclassified by sources and uses as at 31 December 2025 with comparative figures as at 31 December 2024; and (iii) cash flow from operating activities, investing activities and financing activities, as well as the amount incurred for investments as at 31 December 2025, with comparative figures as at 31 December 2024.

### Summary Consolidated income statement

<i>(Euro/000)</i>	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Revenues	1,407,951	100.0%	1,278,540	100.0%	129,411	+10.1%
EBITDA	408,396	29.0%	364,675	28.5%	43,721	+12.0%
Operating Income	227,784	16.2%	211,671	16.6%	16,113	+7.6%
Normalised operating income	235,851	16.8%	211,671	16.6%	24,180	+11.4%
Profit before taxes	198,696	14.1%	179,737	14.1%	18,959	+10.5%
Net profit	141,989	10.1%	128,513	10.1%	13,476	+10.5%

### Statement of consolidated financial position reclassified by sources and uses

<i>(Euro/000)</i>	Situation at		Change	% change
	31 December 2025	31 December 2024		
Net Working Capital	313,186	246,332	66,854	+27.1%
Fixed assets	1,140,620	953,688	186,932	+19.6%
Other non-current assets/(liabilities)	94,554	88,058	6,496	+7.4%
<b>Net invested capital</b>	<b>1,548,360</b>	<b>1,288,078</b>	<b>260,282</b>	<b>+20.2%</b>
Net financial debt	198,365	103,581	94,784	+91.5%
Financial lease liabilities	785,990	677,904	108,086	+15.9%
Shareholders' equity	564,005	506,593	57,412	+11.3%
<b>Sources of financing</b>	<b>1,548,360</b>	<b>1,288,078</b>	<b>260,282</b>	<b>+20.2%</b>

**Other summary data**

(Euro/000)	Situation at		Change	% change
	31 December 2025	31 December 2024		
Net cash flow generated/(used) in operating activities	242,607	188,930	53,677	+28.4%
Net cash flow generated/(used) from/in investing activities	(145,296)	(108,946)	(36,350)	+33.4%
Net cash flow generated/(used) from/in financing activities	(71,815)	(6,510)	(65,305)	>+100.0%
<b>Total cash flow</b>	<b>25,496</b>	<b>73,474</b>	<b>(47,978)</b>	<b>-65.3%</b>
<b>Total Investments</b>	<b>146,193</b>	<b>109,545</b>	<b>36,648</b>	<b>+33.5%</b>

## ALTERNATIVE PERFORMANCE INDICATORS

In order to allow for a better assessment of management performance, the Brunello Cucinelli Group uses some alternative performance indicators that are not identified as accounting measures under IFRS. These indicators are determined in accordance with the provisions of the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB with communication no. 92543 of 3 December 2015.

The definition of alternative performance indicators used in this Financial Report is as follows:

- **EBITDA:** this is represented by the *Operating Income* before *Depreciation and Amortization*.
- **Normalised operating income:** it is calculated by excluding from the *Operating income* the amount of non-recurring expenses related to the provisions for doubtful receivables due to the exposure the Group has towards the group Saks Global Holdings LLC. For more details regarding this provision, Refer to the paragraph “Significant events after 31 December 2025 in this Annual Financial Report.
- **Commercial Net Working Capital:** calculated as the sum of the *Inventories* and *Trade receivables* net of *Trade payables*.
- **Net Working Capital:** is calculated as the sum of the *Commercial net working capital* and the balance (positive or negative) of all the Statement of Financial Position items classified as *Current assets* or *Current liabilities*, with the exclusion of financial items.
- **Net Invested Capital:** this is the total of *Non-current assets* and *Current assets*, less *Non-current liabilities* and *Current liabilities*, excluding items of a financial nature that are included in the balance of *Net financial debt* (*Other current financial assets*, *Cash and cash equivalents*, *Current and non-current payables towards banks*, *Current and non-current financial liabilities*, *Current financial lease receivables*, *Current and Non-current financial lease liabilities*, *Current and Non-current liabilities for derivative instruments hedging interest rate risk*).
- **Net Financial Debt:** is calculated in accordance with Consob Reminder No. 51/21 of 29 April 2021.
- **Investments:** refer to gross increases in *Intangible assets* (including Key Money), in *Property, plant and equipment*, in *Investment property* and net increases in *Other non-current financial assets*.



## SEASONALITY OF SALES

While not subject to significant seasonal or cyclical changes in total annual sales, during the various quarters of the year, the Group's activities suffer from a lack of perfect uniformity in the flow of revenues and costs deriving mainly from its businesses.

Furthermore, the luxury market which the Group operates in is characterised at the level of sales channels by seasonal factors that have an impact on economic results.

First of all, seasonality is linked to the sales methods of wholesale distribution channels, which result in greater revenues in the first and third quarters of each financial year. In fact, shipments determine greater sales in the months of January-March for the Spring-Summer collection and in the months of July-September for the Fall-Winter collection, although international customers usually require shipments of the latter during the second quarter as well.

With regard to the retail channel, Group sales saw a concentration of revenues mainly in the last quarter of each year, a period characterised by the sale of those products having the highest unit value.

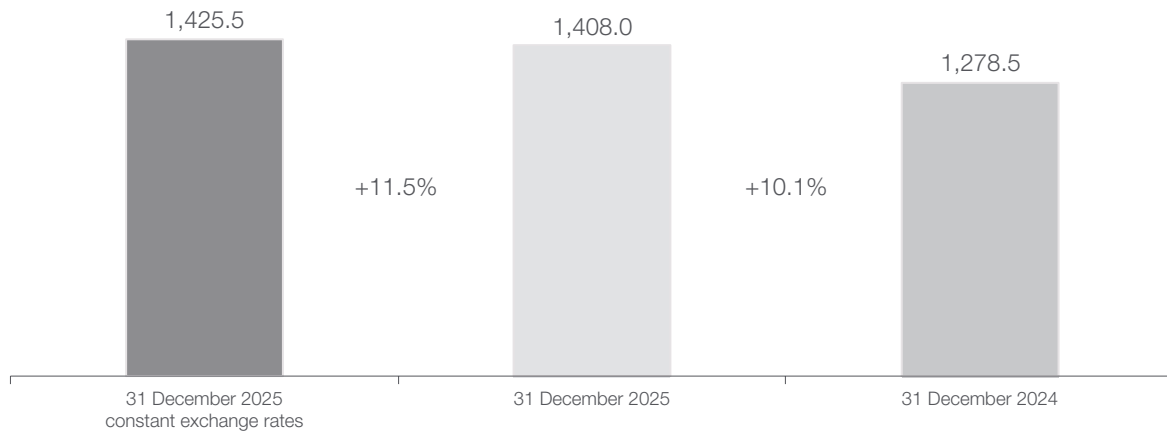
Consequently, it is evident that the Group's interim results may not contribute uniformly to the formation of the economic and financial results for each year.



## THE GROUP'S RESULTS FOR THE YEAR 2025

### ANALYSIS OF REVENUES

2025 ended with optimal results, reaching a new historical maximum with turnover reaching €1,407,951 thousand, thanks to growth at fixed exchange rates of +11.5%, which is higher than the expectations set out at the beginning of the year and an increase at current exchange rates of +10.1%.



### REVENUES BY GEOGRAPHICAL AREA

Sales are decidedly positive in all geographical areas: +9.2% in America, +8.4% in Europe, +13.7% in Asia.

Revenues by geographic area as at 31 December 2025 compared with 31 December 2024 are presented below:

(Euro/000)	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Europe	494,920	35.1%	456,587	35.7%	38,333	+8.4%
Americas	520,488	37.0%	476,559	37.3%	43,929	+9.2%
Asia	392,543	27.9%	345,394	27.0%	47,149	+13.7%
<b>Total</b>	<b>1,407,951</b>	<b>100.0%</b>	<b>1,278,540</b>	<b>100.0%</b>	<b>129,411</b>	<b>+10.1%</b>



The following is an analysis of the increase in revenues by geographical area:

### Europe

In the European market, revenues amounted to €494,920 thousand, an increase of +8.4% compared to 2024, with a relative weight of 35.1%.

The strength of the **domestic clientele** in key European markets, combined with high-end **tourism flows** that continue to view Europe as the most attractive destination, supported the growth recorded over the twelve-month period. In **Italy**, revenues stood at €158.7 million, with growth of +12.7%. This performance was significantly supported in the latter part of the year by deliveries of the Spring/Summer 2026 collections.

At 31 December 2025, the mono-brand network (direct and mono-brand wholesale) consisted of 60 boutiques.

### Americas

The American market recorded a turnover of €520,488 thousand, an increase of +9.2% compared to last year, with a sales impact of 37.0%.

The Americas recorded an excellent performance in every quarter of the year, consistently achieving **around double-digit growth at constant exchange rates**.

This trend further strengthened in the second half of the year, despite particularly challenging bases of comparison. In particular, the **fourth quarter** showed growth of +9.1% (+14.2% at constant exchange rates), a significant achievement considering the basis of comparison from the fourth quarter of 2024, which had already recorded an increase of +18.4%.

We believe this success is underpinned by the **brand's positioning** in the most exclusive segment of the market and by the solidity of demand from our core clientele, who are constantly seeking increasingly special and prestigious garments.

At 31 December 2025, the mono-brand network (direct and mono-brand wholesale) consisted of 39 boutiques.

### Asia

In the Asian market, revenues amounted to €392,543 thousand, an increase of +13.7% compared to 2024, accounting for 27.9% of sales.

**China** confirms its excellent health for us, with significant **double-digit** growth continuing quarter after quarter and a relevant contribution to the overall result of the entire Asian continent.

Our conviction is constantly strengthening that the Chinese market has reached a new, great equilibrium, grounded in an **always more conscious demand** oriented toward **quality, manual skills, and craftsmanship** and capable of contributing significantly to the growth of brands positioned in **the highest luxury segment**.

Further confirmation of this emerged during the premiere of the film "Brunello, il visionario garbato" (Brunello, the gracious visionary) in Rome, attended by **highly prominent guests from China**: our dialogue with them conveyed an extraordinary richness in terms of planning and a particularly stimulating cultural and creative vibrancy.



Results were solid in **South Korea** and **Japan**, with the **Middle East** delivering highly interesting performances, supported by the combined contribution of a steadily growing local clientele and a consistent international presence.

At 31 December 2025, the mono-brand network (direct and mono-brand wholesale) consisted of 65 boutiques.

## REVENUES BY DISTRIBUTION CHANNEL

2025 has been confirmed as a very important year for the **Retail** channel, which obtained two-digital growth (+10.5%) in **Q4**. On an **annual basis**, the **Retail** channel records an increase of +11.3%, which is supported by a positive and well-balanced contribution from the **Wholesale channel**, which has grown +7.9%, with a +5.4% increase in the second half of the year.

The following table sets out the revenues earned by the Group in 2025 and 2024, analysed by distribution channel:

(Euro/000)	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Retail	947,009	67.3%	851,243	66.6%	95,766	+11.3%
Wholesale	460,942	32.7%	427,297	33.4%	33,645	+7.9%
<b>Total</b>	<b>1,407,951</b>	<b>100.0%</b>	<b>1,278,540</b>	<b>100.0%</b>	<b>129,411</b>	<b>+10.1%</b>

## RETAIL

The retail channel grew by +11.3% compared to 2024, with the relative percentage impact on sales rising to 67.3% compared to 66.6% in 2024.

Performance remains **very solid across all geographies**, with revenue growth around **double digits** in each market, a testament to the brand's strength and the quality of its positioning.

In the **fourth quarter**, the Retail channel posted particularly positive results, recording growth of **+10.5%**. This is in line with the significant performance of the third quarter, despite a particularly challenging basis of comparison (+15.5% in the fourth quarter of 2024).

Both **like-for-like** performance and the contribution from **new spaces** contributed to this growth in a balanced manner. This includes three major expansions completed in London, Paris, and Los Angeles, as well as openings in Carmel (Los Angeles), Macau, and Shanghai Pudong, all realized during the latter part of 2025.

The brand maintains an exclusive presence in international markets, with **136 boutiques** as of **31 December 2025**, complemented by spaces managed directly within the most important luxury Department Stores (57 hard shops as of 31 December 2025).



## WHOLESALE

The wholesale channel grew +7.9% compared to 2024, accounting for 32.7% of sales.

The **Spring/Summer 2025** and **Fall/Winter 2025** collections recorded very positive sales, supported by end-customer appreciation and interesting replenishments throughout the year. Regarding the Fall/Winter 2025 collection, we highlight that delivery dynamics favored the third quarter of 2025.

Also positive was the contribution from the first deliveries of the new **Spring–Summer 2026** collection, alongside the significant visibility and particularly flattering feedback on the **women’s Autumn–Winter 2026 pre-collection**, which was presented to clients in the early days of December.

## REVENUES BY PRODUCT LINE AND END CUSTOMER

The following is a presentation of the Brunello Cucinelli Group’s revenues at 31 December 2025 and 31 December 2024, analysed by type of end customer and by product line:

	31 December 2025	31 December 2024
Men (%)	48.7%	46.6%
Women (%)	51.3%	53.4%
	<b>100.0%</b>	<b>100.0%</b>

	31 December 2025	31 December 2024
Ready-to-Wear (%)	82.4%	83.5%
Accessories (%)	17.6%	16.5%
	<b>100.0%</b>	<b>100.0%</b>



## ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

The following table provides a summary of the financial data as at 31 December 2025 and 31 December 2024:

	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
<b>Revenues</b>	<b>1,407,951</b>	<b>100.0%</b>	<b>1,278,540</b>	<b>100.0%</b>	<b>129,411</b>	<b>+10.1%</b>
Costs of raw materials and consumables	(121,099)	-8.6%	(101,800)	-8.0%	(19,299)	+19.0%
Costs for services	(595,737)	-42.3%	(560,361)	-43.8%	(35,376)	+6.3%
Payroll costs	(255,367)	-18.1%	(233,492)	-18.3%	(21,875)	+9.4%
Other operating (costs)/revenues	(27,352)	-1.9%	(18,212)	-1.4%	(9,140)	+50.2%
<b>EBITDA</b>	<b>408,396</b>	<b>29.0%</b>	<b>364,675</b>	<b>28.5%</b>	<b>43,721</b>	<b>+12.0%</b>
Depreciation and amortization	(180,612)	-12.8%	(153,004)	-12.0%	(27,608)	+18.0%
<b>Operating Income</b>	<b>227,784</b>	<b>16.2%</b>	<b>211,671</b>	<b>16.6%</b>	<b>16,113</b>	<b>+7.6%</b>
Net financial income/(expenses) and from equity investments	(29,088)	-2.1%	(31,934)	-2.5%	2,846	-8.9%
<b>Profit before taxes</b>	<b>198,696</b>	<b>14.1%</b>	<b>179,737</b>	<b>14.1%</b>	<b>18,959</b>	<b>+10.5%</b>
Taxes	(56,707)	-4.0%	(51,224)	-4.0%	(5,483)	+10.7%
<b>Net profit</b>	<b>141,989</b>	<b>10.1%</b>	<b>128,513</b>	<b>10.1%</b>	<b>13,476</b>	<b>+10.5%</b>

### EBITDA AND RESULTS

At 31 December 2025:

- **EBITDA** amounted to €408,396 thousand, equal to **29.0%** of revenues (€364,675 thousand as at 31 December 2024 equal to 28.5% of revenues).
- **Operating Income** amounted to €227,784 thousand, equal to **16.2%** of revenues (€211,671 thousand at 31 December 2024, equal to 16.6% of revenues).
- **Normalised Operating Income** amounted to €235,851 thousand, equal to **16.8%** of revenues (€211,671 thousand at 31 December 2024, equal to 16.6% of revenues).
- **Profit before taxes** amounted to €198,696 thousand, equal to **14.1%** of revenues (€179,737 thousand at 31 December 2024, equal to 14.1% of revenues).
- **Net profit** amounted to €141,989 thousand, equal to **10.1%** of revenues (€128,513 thousand at 31 December 2024, equal to 10.1% of revenues).



## OPERATING COSTS

The percentage of **production costs** (costs of raw materials and consumables and cost for outsourced work) dropped to 24.8% at 31 December 2025 compared to 25.5% at 31 December 2024.

	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Costs of raw materials and consumables	180,209	12.8%	174,400	13.6%	5,809	+3.3%
Change in inventories	(59,110)	-4.2%	(72,600)	-5.7%	13,490	-18.6%
Outsourced work	228,509	16.2%	223,724	17.5%	4,785	+2.1%
<b>Total</b>	<b>349,608</b>	<b>24.8%</b>	<b>325,524</b>	<b>25.5%</b>	<b>24,084</b>	<b>+7.4%</b>

Our first margin at 31 December 2025 amounts to €1,058,343 thousand compared to €953,016 thousand at 31 December 2024, recording an increase in absolute value of €105,327 thousand, equal to +11.1%, also thanks to the evolution of our sales mix (channels, areas, products).

Concurrent with the evolution of the network, the development of new commercial initiatives and the consolidation of operations, operating costs are progressively growing.

**Payroll costs** at 31 December 2025 amounted to €255,367 thousand (18.1% of revenues), recording an increase in value compared to the figure for the previous year of €21,875 thousand.

	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Payroll costs	255,367	18.1%	233,492	18.3%	21,875	+9.4%

The increase in payroll costs is mainly attributable to the development of our Human Resources structure and the cost accrued with reference to the 2022-2024 Stock Grant Plan and the 2024-2026 Stock Grant Plan.

The FTE (Full Time Equivalent) equals 3,327.5 at 31 December 2025 as compared to 3,101.4 at 31 December 2024 (+226.1). The change is mainly attributed to network expansions, due to the effect of new shops as well as expansions, as compared to 2024.

	Year ended 31 December		Change
	2025	2024	
Executives and managers	117.9	112.4	5.5
Office and sales staff	2,238.1	2,063.0	175.1
Blue-collar workers	971.5	926.0	45.5
<b>Total workforce</b>	<b>3,327.5</b>	<b>3,101.4</b>	<b>226.1</b>



The following table provides a summary of the main income statement items for 2025 and 2024 as they relate to revenues:

	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Lease expense	68,282	4.8%	61,582	4.8%	6,700	+10.9%
Advertising and other commercial expenses	96,853	6.9%	92,348	7.2%	4,505	+4.9%
Transport and duties	62,417	4.4%	55,162	4.3%	7,255	+13.2%
Commissions and accessory charges	11,813	0.8%	11,127	0.9%	686	+6.2%
Credit card charges	20,205	1.4%	18,298	1.4%	1,907	+10.4%

Below is a brief commentary on the dynamics that characterised the operating costs aforementioned:

- **Costs for leases** amounted to €68,282 thousand at 31 December 2025 compared to €61,582 thousand at 31 December 2024.  
This item mainly refers to lease contracts with variable consideration (and as such not included in the scope of IFRS 16).  
Details are provided below for lease expense and the cost for leases relative to the lease contracts included in the scope of IFRS 16 for 2025 compared with 2024:

	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Lease expense	68,282	4.8%	61,582	4.8%	6,700	+10.9%
Cost for leases included in IFRS 16	150,666	10.7%	121,652	9.5%	29,014	+23.8%
<b>Total</b>	<b>218,948</b>	<b>15.6%</b>	<b>183,234</b>	<b>14.3%</b>	<b>35,714</b>	<b>+19.5%</b>

Excluding therefore the effects of the application of IFRS 16, the balance of lease expenses as at 31 December 2025 amounted to €218,948 thousand (equal to 15.6% of revenues) compared to €183,234 thousand (equal to 14.3% of revenues) as at 31 December 2024: the growth is mainly attributed to expansion of our boutiques, including those in London, Paris and Los Angeles and new openings in Carmel (Los Angeles), Macao and Shanghai Pudong that took place during the year as well as those planned for the upcoming months and whose leases are already producing the relative effects.

It is also worth mentioning the presence in our network of boutiques of hospitality spaces such as small bars of different formats and bookshops in the boutiques, and the “Casa Cucinelli” spaces, areas for meeting with customers, partners, journalists, analysts and investors where we attempt to fully express our lifestyle ideas.

- **Advertising and other commercial expenses** of €96,853 thousand (6.9% of Revenues) as of 31 December 2025 compared to €92,348 thousand (7.2% of Revenues) at 31 December 2024.  
During 2025, important events took place at the end of the year, such as the takeover of the windows at Harrows in London. The event also had an even greater symbolic value together with the prestigious “Outstanding achievement award” received by Brunello Cucinelli on 1 December from the British Fashion Council.



Finally, it was with great emotion that the company watched the world première – which took place in Rome at Cinecittà on 4 December - of the documentary film on the life of Brunello Cucinelli, entitled “Brunello, il visionario garbato” (Brunello, the gracious visionary), which is considered the strongest, most authentic instrument for conveying the universal value of the brand.

We continue to attach great importance to investments in communication, which we believe benefit the allure of the brand and consolidate our positioning in the absolute luxury segment.

- **Transport and duties**, equal to €62,417 thousand at 31 December 2025 (4.4% of Revenues) compared to €55,162 thousand at 31 December 2024 (4.3% of revenues).  
Remember that the introduction of the duty surcharges on sales in the United States, the Group’s main market, led us to adjust the price lists starting with Fall-Winter 2025, without however observing any change in the purchase behaviour of customers or in the perception of the brand. This, together with some very important measures the Group implemented for optimising processes, made it possible for us to achieve only a slight increase in the item Transport and duties in terms of a percentage of revenues in 2025 as compared to the previous year.
- **Commissions and accessory charges**, related to the remuneration paid to the agent networks, whose percentage of revenues is substantially stable (0.8% of revenues at 31 December 2025 and 0.9% of revenues at 31 December 2024).
- **Commissions on the use of credit cards**, amounting to €20,205 thousand as at 31 December 2025 compared to €18,298 thousand as at 31 December 2024, were stable in terms of percentage incidence on revenues (1.4% of revenues in both years).

With regard to the remaining Income statement items, the following aspects should be noted:

- other items included in “Costs for services” amounted to a total of €107,658 thousand at 31 December 2025 compared to €98,120 thousand at 31 December 2024.  
The €9,538 thousand increase (+9.7% compared to the previous year) is mainly due to structural aspects: the increase in spaces where business is carried out, with increasing costs for maintenance and security, the significant increase in costs inherent to the development of digital activities, the increase in expenses for outsourced services and miscellaneous consultancy and the various consultancy and international travel of our people for the development, creativity and implementation of management.
- The item “Other operating (costs)/revenues” has a negative balance amounting to €27,352 thousand at 31 December 2025 compared to a negative balance amounting to €18,212 thousand at 31 December 2024 (1.9% of revenues as at 31 December 2025 compared to 1.4% of revenues as at 31 December 2024). The change in comparison to the previous year is attributed essentially to the provision for doubtful receivables in order to cover the expected losses resulting from the Group’s exposure to the group Saks Global Holdings LLC following their filing for Chapter 11 bankruptcy protection (for more details refer to the paragraph “Significant events after 31 December 2025”). The item also includes taxes and duties, socially useful expenses and donations as well as miscellaneous operating expenses.



## DEPRECIATION, AMORTIZATION, NET FINANCIAL EXPENSE AND NET PROFIT

**Depreciation and amortization** at 31 December 2025 amounted to €180,612 thousand, up €27,608 thousand compared to €153,004 thousand in 2024, mainly due to new leases.

Amortisation of Rights of Use amounted to €128,864 thousand, including amortization of key money of €3,667 thousand. At 31 December 2024 depreciation and amortization related to rights of use amounted to €107,566 thousand, of which €3,363 thousand relating to key money.

The details of the depreciation and amortization and the effects inherent to that item deriving from the application of IFRS 16 to leasing contracts as at 31 December 2025 and 31 December 2024 are provided below:

(Euro/000)	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Depreciation and amortization	180,612	12.8%	153,004	12.0%	27,608	+18.0%
Exclusion of the effects of IFRS 16 application	(124,971)	-8.9%	(103,985)	-8.1%	(20,986)	+20.2%
<b>Total</b>	<b>55,641</b>	<b>4.0%</b>	<b>49,019</b>	<b>3.8%</b>	<b>6,622</b>	<b>+13.5%</b>

As shown in the above table, excluding the effects of the application of IFRS 16 relating to lease contracts, depreciation and amortization amounted to €55,641 thousand at 31 December 2025 as compared to €49,019 thousand at 31 December 2024 (percentage of revenues equal to 4.0% at 31 December 2025 and 3.8% at 31 December 2024).

**Net financial expense** at 31 December 2025 amounted to €29,088 thousand compared to €31,934 thousand in 2024, down €2,846 thousand.

Referring also to the Explanatory notes to these Consolidated financial statements for a separate statement of financial income and expense and for further details, the following table shows the result of financial management, detailing both the breakdown of financial income and expense of ordinary management (therefore related to loans and the management of bank accounts, both income and expenses) and the effect of the application of IFRS 16, currency exchange rates, the fair value of derivative contracts hedging currency risk as well as the effects of the financial income and expenses from equity investments.

(Euro/000)	Year ended 31 December				Change	% change
	2025	% of revenues	2024	% of revenues		
Net loan interest expense	10,397	0.7%	3,585	0.3%	6,812	>+100.0%
Other net (income)/expense	(269)	0.0%	146	0.0%	(415)	>-100.0%
<b>Financial expenses/(income) from ordinary operations</b>	<b>10,128</b>	<b>0.7%</b>	<b>3,731</b>	<b>0.3%</b>	<b>6,397</b>	<b>&gt;+100.0%</b>
Lease interest expenses/(income)	26,990	1.9%	20,218	1.6%	6,772	+33.5%
Foreign exchange losses/(gains) on leases	(7,924)	-0.5%	5,055	0.4%	(12,979)	>-100.0%
<b>Financial expenses/(income) from lease operations</b>	<b>19,066</b>	<b>1.4%</b>	<b>25,273</b>	<b>2.0%</b>	<b>(6,207)</b>	<b>-24.6%</b>
Foreign exchange losses/(gains)	(3,538)	-0.3%	1,972	0.2%	(5,510)	>-100.0%
Financial expenses/(income) on derivative instruments hedging currency risk	5,464	0.4%	3,010	0.2%	2,454	+81.5%
(Gain)/loss from participations	(2,032)	-0.1%	(2,052)	-0.2%	20	-1.0%
<b>Total net financial expenses/(income)</b>	<b>29,088</b>	<b>2.1%</b>	<b>31,934</b>	<b>2.5%</b>	<b>(2,846)</b>	<b>-8.9%</b>



As at 31 December 2025, the financial expense of ordinary management, inclusive of the effects of the fair value adjustment of financial instruments covering interest rate risk, amounted to €10,128 thousand, compared to €3,731 thousand for the previous year. The change is mainly correlated to the increase in net financial debt that supports the considerable investments, the details of which can be found in the corresponding section of this Report on Operations of the Board of Directors.

The financial expenses/(income) on leases are equal to €26,990 thousand at 31 December 2025 compared to €20,218 thousand at 31 December 2024, recording an increase of 6,772 thousand. This item represents the ordinary and recurring financial component that includes interest expense and income, each determined based on the leasing liabilities and assets. The increase in this item mainly reflects the effect of the new leases, the new openings as well as the renovations and expansions of the existing boutique network carried out during the year as well as those planned for the upcoming months whose lease contracts are already producing the relative effects.

The item Foreign exchange losses/(gains) on leases, mainly unrealised, are determined by the conversion into Euro at the current exchange rate at the end of the year of the financial liabilities for leases expressed in currency and, therefore, reflects the trend of the foreign currencies with respect to the Euro.

With regard to the result of foreign exchange management, a net positive value of foreign exchange gains of €3,538 thousand was recorded compared to a net negative value of foreign exchange losses of €1,972 thousand as at 31 June 2024.

This change is due to the net effect of foreign exchange gains and losses, realised and unrealised, resulting from the performance of the Euro, which over the course of 2025 strengthened against the main foreign currencies with which the Group operates.

Due to its nature, this item is strongly conditioned by the dynamics of exchange rates managed by the Group in order to limit the oscillation risk, also through the stipulation of derivatives contracts.

For more details, please refer to the paragraph Financial risk management of the Explanatory notes to these Consolidated financial statements.

Please note that as previously commented with reference to Foreign exchange losses/(gains) on leases, the prospective economic effects of this item will be a direct consequence of the Euro situation evaluated at the individual dates of reference.

The impact of the charges deriving from currency risk hedging transactions amounted to €5,464 thousand at 31 December 2025 compared to €3,010 thousand the previous year. These are mainly financial expenses determined by the fair value adjustment of derivatives hedging currency risk, the valuation of which is also influenced by short- and medium-term expectations expressed by the exchange rate curves used, and therefore by their nature subject to fluctuations between individual years.

Finally, the balance of the item (Gain)/loss from participations as at 31 December 2025 relates mainly to the valuation of investments in associates using the shareholders' equity method.

In light of the above, **Profit before taxes** at 31 December 2025 amounted to €198,696 thousand, an increase as compared to the result recorded at 31 December 2024 (€179,737 thousand).

**Net profit** for the year amounted to €141,989 thousand, an increase of 10.5% on the previous year.



The breakdown of the Net profit between the Group's share and that of Non-controlling interests for 2025 compared to the figure for the previous year is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
Net profit attributable to Parent company shareholders	135,034	119,478
Net profit attributable to non-controlling interests	6,955	9,035
<b>Net profit</b>	<b>141,989</b>	<b>128,513</b>

## ANALYSIS OF BALANCE SHEET AND FINANCIAL ITEMS

Provided below are comments on the main items of the Group's consolidated statement of financial position at 31 December 2025 reclassified by sources and applications, with comparative figures at 31 December 2024.

### NET WORKING CAPITAL

The following table provides an analysis of the Net Working Capital of the Brunello Cucinelli Group at 31 December 2025 and at 31 December 2024:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
Trade receivables	101,622	82,092
Inventories	398,341	369,953
Trade payables	(177,107)	(169,217)
<b>Commercial Net Working Capital</b>	<b>322,856</b>	<b>282,828</b>
Other net current assets/(liabilities)	(9,670)	(36,496)
<b>Net Working Capital</b>	<b>313,186</b>	<b>246,332</b>

Commercial Net Working Capital at 31 December 2025 increased €40,028 thousand compared to the figure at 31 December 2024.

This change is due to a variety of factors as follows:

- the balance of **Trade receivables** increased as compared to 31 December 2024 for an amount equal to €19,530 thousand.

The increase in the balance as compared to the value at 31 December 2024 is mainly attributed to the positive contribution of the wholesale channel (increase equal to +7.9%) in addition to the net balance towards the group Saks Global Holdings LLC, which we expect to recover from the result of the Chapter 11 procedure (for more details refer to the paragraph "Significant events after 31 December 2025").

Trade receivables amount to 7.2% of the turnover of the last 12 months, recording, despite of what is indicated above, a marginal increase as compared to the previous year (6.4% the impact of trade receivables at 31 December 2024 as compared to the turnover of that year). We therefore believe that the extraordinary nature of the



matter concerning the key US retailer in the luxury sector Saks Global Holdings LLC, for which we have duly allocated €8,067 thousand to the Income statement in order to reflect our best estimate of expected losses, can in no way change our judgement regarding the possibility to collect the balance of trade receivables at 31 December 2025, which we consider to be healthy and without particular problems. Reference is also made to Note 8 of the Explanatory notes to these Consolidated financial statements for details of the overdue receivables, which shows substantial stability in the ageing of trade receivables at the closing date of the considered years.

- the amount of **Inventories** equal to €398,341 thousand which, due to the effect of the considerable increase in business, increased organically compared to 31 December 2024 (€369,953 thousand). The percentage of the value of inventories at 31 December 2025 is 28.3%, a level that we believe to be ordinary for our broad and profound offer that comprises the entire range of Ready to Wear and Lifestyle market categories.

The following table breaks down the Inventories of the Brunello Cucinelli Group at 31 December 2025 and at 31 December 2024:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
Raw materials	68,222	61,775
Finished and Semi-finished Goods	442,642	407,836
Inventory write-down provision	(112,523)	(99,658)
<b>Inventories</b>	<b>398,341</b>	<b>369,953</b>

- the balance of **Trade payables**, equal to €177,107 thousand at 31 December 2025 compared to €169,217 thousand at 31 December 2024, with an increase equal to €7,890 thousand. Note that also during 2025 the Group did not change its payment terms towards its suppliers, collaborators and consultants. The increase in the balance of the item is mainly attributable to the significant investments made during 2025 compared to the previous year. For further details, see the following section “Investments” in this Report on Operations of the Board of Directors.

**Other Net current assets/(liabilities)** had a negative balance as at 31 December 2025 of €9,670 thousand, compared to a negative balance of €36,496 thousand as at 31 December 2024. This change is mainly attributable to the fair value adjustment of derivative instruments hedging currency risk and the variation in the balance of income tax receivables and payables. For more details, refer to the comments in the Explanatory notes to these Consolidated financial statements.



## FIXED ASSETS AND OTHER NON-CURRENT ASSETS/(LIABILITIES)

The following table provides an analysis of Fixed assets and other non-current assets/(liabilities) at 31 December 2025 and at 31 December 2024:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
Right of use	716,286	611,641
Intangible assets	21,925	16,432
Property, plant and equipment	342,156	268,840
Non-current financial lease receivables	2,428	2,421
Other non-current financial assets	47,525	44,588
Investment property	10,300	9,766
Other net non-current assets/(liabilities)	94,554	88,058
<b>Fixed assets and other net non-current assets/(liabilities)</b>	<b>1,235,174</b>	<b>1,041,746</b>

Fixed assets and other non-current assets/(liabilities) amounted to €1,235,174 thousand as at 31 December 2025 compared to €1,041,746 thousand at 31 December 2024, representing a net increase of €193,428 thousand, or +18.6%.

For details on the changes in the individual items shown in the table during the year see the Explanatory notes to these Consolidated financial statements.

The main changes are noted here:

- net increase in the balance of the item “Right of use” up €104,645 thousand in comparison to 31 December 2024, amounting to €716,286 thousand at 31 December 2025 mainly due to the effect of significant expansions in our boutiques realised during the year as well as new openings planned for the upcoming months, whose leases are already producing the relative effects.  
Note that this item represents the right to use the assets underlying the respective leases and key money considered initial direct costs of the lease arrangement;
- net increase in “Property, plant and equipment”, up €73,316 thousand compared to 31 December 2024, amounting to €342,156 thousand at 31 December 2025. 2025 was a year of great strategic importance as regards investments. The main increases are in fact attributed to the completion, which we considered appropriate to achieve 6 months in advance, of the extremely important project of the three year plan 2024-2026 for the Made in Italy artisan production, with extraordinary investments made during the last two years that made it possible to double our headquarters in Solomeo and construct two new facilities for men’s tailoring in Gubbio and Penne, and which will allow us to operate with confidence over the next 10-15 years.  
Equally important are the commercial investments dedicated to keeping our network of boutiques and existing showrooms up-to-date, as well as the work and furnishings related to the openings planned during the upcoming months.



## INVESTMENTS

During 2025, the Group made investments in Intangible assets amounting to €14,173 thousand, in Property, plant and equipment amounting to €127,513 thousand, in Investment property amounting to €787 thousand, while the net increases in Other non-current financial assets amounted to €3,720 thousand.

The following table shows the investments by type and category made by the Group at 31 December 2025 and at 31 December 2024:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
Investments in Intangible assets (*)	14,173	10,559
Investments in Property, plant and equipment	127,513	92,153
Investment property	787	433
Investments in Other non-current financial assets (**)	3,720	6,400
<b>Total Investments</b>	<b>146,193</b>	<b>109,545</b>

(\*) This item also includes investments for key money paid, which are classified under the item "Right of use" in accordance with IFRS 16.

(\*\*) Net security deposits (balance of payments made net of repayments received).

As shown in the table, investments in 2025 amounted to €146,193 thousand.

Of these, €84.0 million is attributable to commercial investments, €61.4 million to investments in production, logistics and IT/Digital, and €0.8 million to investments in investment property.

The following table provides details of the investments made by the Group during the year ended on 31 December 2025 and the year ended on 31 December 2024, broken down by type as described above:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
Commercial investments	84,036	47,903
Investments in production and logistics	46,133	49,850
Investments in IT/Digital	15,237	11,359
Investment property	787	433
<b>Total Investments</b>	<b>146,193</b>	<b>109,545</b>

Commercial investments equal to €84,036 support selected openings and some major expansions of prestigious boutiques, contributing to the growth of sales areas in the network of mono-brand stores, dedicated spaces in luxury department stores and the renewal and expansion of our showrooms worldwide, in addition to supporting development initiatives in multi-brand stores.

Investments in production and logistics equal to €46,133 thousand support the top-quality craftsmanship of our products thanks to the constant renewal of production equipment which is kept constantly up-to-date by combining innovation in processes with superb handiwork, and make suitable logistical structures available for managing the related activities, with constant attention to maintaining comfortable work environments.

The investments in technical fixed assets include the advancement of the major investment plan for the 2024-2026 Made in Italy artisan production that we decided to complete in advance. This plan made it possible for us to dou-



ble our headquarters in Solomeo and build two new facilities for men’s tailoring in Gubbio and Penne. We can now look forward to the next ten/fifteen years with confidence, drawing on a robust production structure that is able and dimensionally ready to welcome the expected future growth.

The investments in IT and Digital (also with specific platforms in evolving markets) are assuming increasing importance and as at 31 December 2025 amounted to €15,237 thousand.

The investments property relate to property complexes as well as building land in Solomeo being managed with the aim of being restored and subsequently leased.

## NET FINANCIAL DEBT

The Net financial debt required by Consob Reminder no. 5/21 of 29 April 2021 “Compliance with ESMA Guidelines on disclosure requirements under the Prospectus Regulation” is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
A. Cash	(202,848)	(182,050)
B. Cash equivalents	-	-
C.1. Other current financial assets	(993)	(695)
C.2. Other current financial assets for leases	(1,195)	(945)
<b>D. Liquidity (A+B+C)</b>	<b>(205,036)</b>	<b>(183,690)</b>
E.1. Current financial debt	68,876	62,294
E.2. Current financial lease liabilities	115,405	106,134
F. Current portion of non-current financial debt	108,042	64,274
<b>G. Current financial indebtedness (E+F)</b>	<b>292,323</b>	<b>232,702</b>
<b>H. Net current financial indebtedness (G+D)</b>	<b>87,287</b>	<b>49,012</b>
I.1. Non-current financial debt	225,288	159,758
I.2. Non-current financial lease liabilities	671,780	572,715
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
<b>L. Non-current financial indebtedness (I+J+K)</b>	<b>897,068</b>	<b>732,473</b>
<b>M. Total financial indebtedness (H+L)</b>	<b>984,355</b>	<b>781,485</b>
<i>of which:</i>		
<i>Net financial debt for the core business</i>	<i>198,365</i>	<i>103,581</i>
<i>Financial lease liabilities</i>	<i>785,990</i>	<i>677,904</i>



At 31 December 2025, the Net financial debt of the Brunello Cucinelli Group amounted to €984,355 thousand, of which €785,990 thousand related to debt generated by the accounting of lease contracts pursuant to IFRS 16. At 31 December 2024 Net financial debt amounted to €781,485 thousand, (of which €677,904 thousand relating to lease contracts).

Excluding balances attributable to the application of IFRS 16, Net financial debt at 31 December 2025 amounted to €198,365 thousand, an increase on the €103,581 thousand of 31 December 2024; mainly due to the effect of the major investment plan for €146.2 million, the payment of dividends for a total of €68.8 million, and Net working capital dynamics.

During 2025, the Group took out new medium-/long-term loans for a total of €180,000 thousand, repaying a total of €87,687 thousand according to ordinary amortization schedules.

Note that item “I.1 Non-current financial debt” also includes the debt for loans to minority shareholders in subsidiaries (amounting to €4,267 thousand).

## SHAREHOLDERS' EQUITY

The following table provides details of Shareholders' equity at 31 December 2025 and at 31 December 2024:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
Share Capital	13,600	13,600
Reserves	397,386	356,860
Net profit attributable to Parent company shareholders	135,034	119,478
<b>Shareholders' equity attributable to Parent company shareholders</b>	<b>546,020</b>	<b>489,938</b>
Shareholders' equity attributable to Non-controlling interests	17,985	16,655
<b>Shareholders' Equity</b>	<b>564,005</b>	<b>506,593</b>

The share capital of the Parent Company at 31 December 2025 amounted to €13,600 thousand, fully paid, consisting of 68,000,000 ordinary shares.



The shareholding structure of Brunello Cucinelli S.p.A. at 31 December 2025 as compiled from the communications sent to the Company and Consob and from other communications to the market is set out below:

Shareholder	% of ordinary capital
Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.)	50.05%
FMR LLC	7.30%
Other shareholders	42.65%
<b>Total</b>	<b>100.00%</b>

The company's extraordinary shareholders' meeting held on 27 April 2023 resolved to approve the changes to the articles of association in order to introduce a voting increase pursuant to article 127-*quinquies* of the Consolidated Law on Finance (TUF), which specifies that the increase in the voting right is attributed to the shareholders who hold their shares for a continuous period of no less than 24 months starting from the date of registration in a list kept by the company and defining the maximum limit of the increase to two votes per share.

At 31 December 2025, the increase in votes became effective related to 35,423,200 shares (equal to 52.09% of share capital), which correspond to 70,846,400 voting rights (equal to 68.50% of all voting rights).

As of this date Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.), the parent company of Brunello Cucinelli S.p.A., holds 68,068,000 voting rights, equalling 65.82% of all voting rights.

The introduction of the increased system of voting intends to guarantee the longevity of the company, protecting its value over time. This system also appears coherent with the long-term profile of many investors who indicated that they agreed with our company's idea of Humanistic Capitalism and Human Sustainability.

For a description of the changes in Shareholders' equity, refer to the balance sheet and what is indicated in Note 14 of the Explanatory notes to these Consolidated financial statements.



## RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND NET PROFIT OF THE PARENT COMPANY AND CONSOLIDATED SHAREHOLDERS' EQUITY AND NET PROFIT

The following is a reconciliation of the Shareholders' equity and Net profit of the Parent Company and consolidated Shareholders' equity and Net profit for the year as at 31 December 2025 and as at 31 December 2024:

<i>(Euro/000)</i>	31 December 2025		31 December 2024	
	Shareholders' Equity	Result	Shareholders' equity	Result
<b>Financial statements of the Parent Company</b>	<b>597,710</b>	<b>97,020</b>	<b>557,364</b>	<b>118,504</b>
Difference between shareholders' equity of consolidated companies and the book value of the equity investments	103,980	45,603	79,255	32,327
Elimination of the effects of intercompany transactions	(160,445)	(7,614)	(152,831)	(33,654)
Elimination of dividends	-	(2,233)	-	(1,508)
Net investments in foreign operations	-	3,633	-	681
Tax effects of consolidation adjustments	43,222	(231)	43,453	10,249
Other	(38,447)	(1,144)	(37,303)	(7,121)
<b>Group total</b>	<b>546,020</b>	<b>135,034</b>	<b>489,938</b>	<b>119,478</b>
Shareholders' equity and net profit attributable to non-controlling interests	17,985	6,955	16,655	9,035
<b>Total consolidated financial statements</b>	<b>564,005</b>	<b>141,989</b>	<b>506,593</b>	<b>128,513</b>

## INFORMATION ON CORPORATE GOVERNANCE

Pursuant to article 123-bis of the Consolidated Law on Finance (TUF), the Company is required to prepare an annual report on corporate governance and ownership structures containing a general description of the corporate governance system adopted by the Brunello Cucinelli Group and its ownership structure, including the main governance practices applied and the characteristics of its risk management and internal control system in relation to its financial reporting process.

This report related to the year ended on 31 December 2025, approved by the Board of Directors at its meeting of 18 February 2026, can be consulted in the "Governance" section of the Company's website at <http://investor.brunellocucinelli.com/en>.



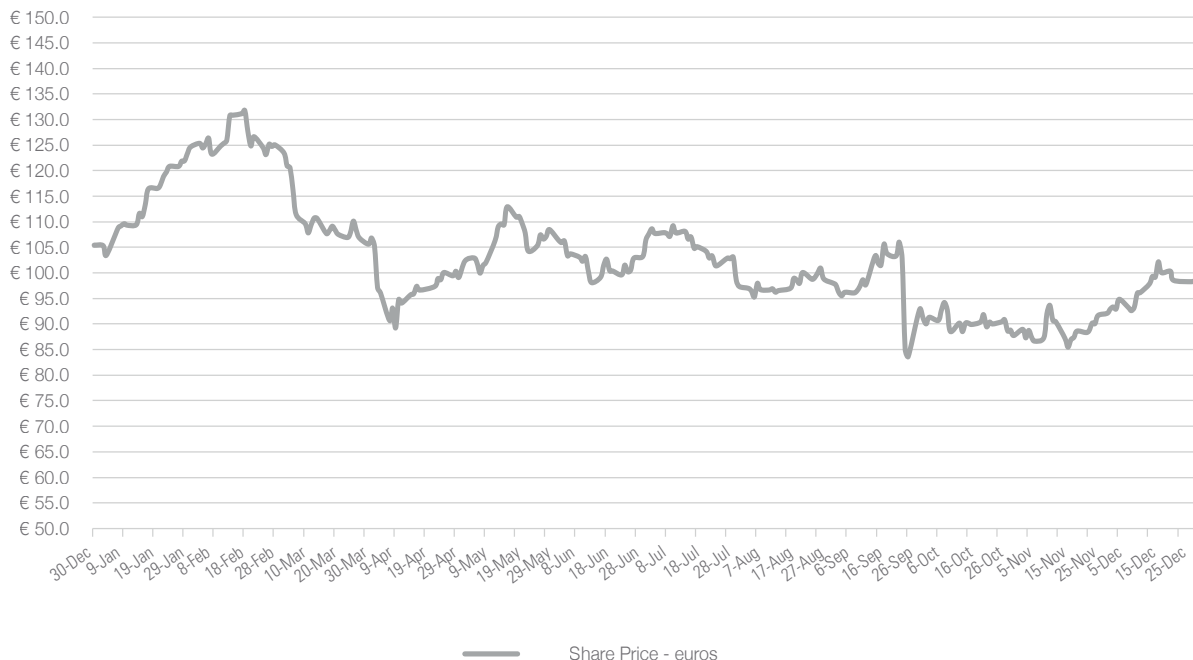
## PERFORMANCE OF THE COMPANY'S SHARE LISTED ON THE BORSA ITALIANA S.P.A. MILAN EURONEXT STOCK EXCHANGE

On 30 December 2025, the final trading day of the year, the closing price of the Brunello Cucinelli share was €98,42 (+1,169.94% compared to the €7.75 per share set for the IPO, -6.62% compared to the 2024 closing value of €105,40). Market capitalisation at 30 December 2025 was €6,692,560 thousand.

The following table provides details of the Company's share price and performance between 1 January 2025 and 31 December 2025:

	Euro	Date
IPO price	7.75	-
Minimum Price <sup>(1)</sup>	77.60	26-Sep-25
Maximum Price <sup>(1)</sup>	133.40	14-Feb-25
Closing price	98.42	30-Dec-25
Capitalisation	6,692,560,000	30-Dec-25
Number of outstanding shares	33,966,000	30-Dec-25
Free float	3,342,933,720	30-Dec-25

(1) Highs and lows recorded during daily trading which accordingly do not coincide with the official reference prices for the day.





## SIGNIFICANT EVENTS DURING 2025

### **Establishment of the Brunello Cucinelli Messico S.de R.L. de C.V. subsidiary**

The company Brunello Cucinelli Messico S.de R.L. de C.V. was established during the first half of 2025, whose share capital is fully held by the Group.

The subsidiary directly manages the shop in the prestigious department store Palacio De Hierro in Mexico City.

### **Purchase and assignment of treasury shares in performance of the 2022-2024 Stock Grant Plan**

On 11 December 2024 the Board of Directors of the Parent Company, in implementation of the resolution approved by the shareholders' meeting held on 23 April 2024, granted a mandate to Mediobanca – Banca di Credito Finanziario S.p.A. to start a program for the purchase of treasury shares on behalf of the Parent Company for the purpose of the Stock Grant Plan 2022-2024, in an independent manner, in compliance with the applicable regulations and what was dictated by the resolution approved by the shareholders' meeting.

The program for purchasing treasury shares was carried out, making use of the safe harbour pursuant to art. 5 of Regulation (EU) no. 596/2014.

During December 2024, the program was started with the purchase of a total of 50,000 treasury shares of the Parent Company.

The program was completed with the purchase of an additional 73,500 treasury shares by the Parent Company in March 2025.

As of the date of reference of this Annual Financial Report, these shares, totalling 123,500, were assigned free of charge to the executive directors and employees in top positions of the company and its subsidiaries, in execution of the 2022-2024 Stock Grant Plan.

After the above assignment of stock was completed, the 2022-2024 Stock Grant Plan was concluded.

### **Confirmation of the Director Katia Riva**

The Shareholders' assembly of the Parent Company held on 29 April 2025 confirmed, pursuant to and for the purposes of art. 2368 of the Italian Civil Code and art. 14(8) of the Articles of Association, the appointment of Katia Riva as the independent and non-executive Director of Brunello Cucinelli S.p.A., appointed by co-optation on 11 July 2024 in replacement of the outgoing Emanuela Bonadiman.

The independent and non-executive Director Katia Riva will remain in office until the expiration of the Board of Directors currently in office and, therefore, until the date of the shareholders' assembly that will be called to approve these financial statements related to the financial year ended on 31 December 2025.

### **Authorisation for the purchase and disposal of treasury shares in execution of the 2024-2026 Stock Grant Plan**

The shareholders' meeting of the Brunello Cucinelli S.p.A., held on 29 April 2025 revoked, for the part that was not executed, the authorisation for the purchase and disposal of the company treasury shares granted by the deliberation of the Shareholders' Assembly on 23 April 2024 and, at the same time, approved a new authorisation for the purchase and disposal of ordinary company shares servicing the "2024-2026 Stock Grant Plan" according to the terms and conditions of the proposal approved by the Board of Directors on 13 March 2025.

Please keep in mind that the 2024-2026 Stock Grant Plan was approved by the Board of Directors meeting held on 14 March 2024 and submitted for subsequent approval by the Ordinary Shareholders' Meeting on 23 April 2024. The 2024-2026 Stock Grant Plan provides for the free allocation of Company shares to executive directors and employees of the Company and its subsidiaries if certain performance targets are achieved.



The Board of Directors held on 10 December 2025, in implementation of the aforementioned resolution approved by the shareholders' meeting held on 29 April 2025, granted a mandate to Mediobanca – Banca di Credito Finanziario S.p.A. to start a program for the purchase of treasury shares on behalf of the Parent Company for the purpose of the Stock Grant Plan 2024-2026, in an independent manner, in compliance with the applicable regulations and what was dictated by the resolution approved by the shareholders' meeting.

The program for purchasing treasury shares will be carried out, making use of the safe harbour pursuant to art. 5 of Regulation (EU) no. 596/2014.

As of the date of this Annual Financial Report, no treasury shares were purchased in execution of the 2024-2026 Stock Grant Plan.

### **Effective acquisition of the majority of votes concerning the ordinary shares**

The company's extraordinary shareholders' meeting held on 27 April 2023 resolved to approve the changes to the articles of association in order to introduce a voting increase pursuant to article 127-*quinquies* of the Consolidated Law on Finance (TUF), which specifies that the increase in the voting right is attributed to the shareholders who hold their shares for a continuous period of no less than 24 months starting from the date of registration in a list kept by the company and defining the maximum limit of the increase to two votes per share.

At 31 December 2025, the increase in votes became effective related to 35,423,200 shares (equal to 52.09% of share capital), which correspond to 70,846,400 voting rights (equal to 68.50% of all voting rights).

The introduction of the increased system of voting intends to guarantee the longevity of the company, protecting its value over time. This system also appears coherent with the long-term profile of many investors who indicated that they agreed with our company's idea of Humanistic Capitalism and Human Sustainability.

### **Establishment of the subsidiary Brunello Cucinelli Australia Pty Ltd.**

The company Brunello Cucinelli Australia Pty Ltd. was established during the second half of 2025, whose share capital is fully held by the Parent Company.

The subsidiary directly manages the shop in Sydney.

### **Publication of information by Morpheus Research**

On 25 September 2025, Morpheus Research - a research company registered in the State of Delaware and established during 2025, which stated that it holds short positions of Brunello Cucinelli shares - distributed a report containing presumed information about the Group.

In brief, according to the report distributed by the above-indicated research company, the Group, facing a presumed inventory excess, would be forced to reduce its inventories by increasing sales in the multibrand channels, with a resulting increase in the discounts on unsold garments, which would therefore negatively impact the exclusivity of the brand and ultimately lead them to resort to the Russian market in violation of EU regulations.

Following the dissemination of this information, short selling activities were recorded for the share, which led the Italian stock exchange Borsa Italiana to temporarily suspend its trading.

The Company quickly and firmly confirmed that it is fully complying with the EU regulations concerning sanctions with reference to operations in the Russian market. The Company just as promptly confirmed that it assigned a top law office to perform a risk assessment and a gap analysis in order to establish a strengthened Trade Compliance procedure. This procedure has been approved by the Board of Directors at the meeting held of 10 December 2025, to further supplement existing compliance measures.

**Transformation of the parent company Foro delle Arti S.p.A.**

On 11 December 2025, the parent company Foro delle Arti S.p.A. resolved to transform the company from a limited liability company into a stock company.

**RELATED PARTY TRANSACTIONS**

Reference should be made to the Explanatory notes to the Consolidated financial statements for a detailed description of related party transactions conducted in 2025.

Pursuant to Consob Resolution No. 17221 of 12 March 2010, it is acknowledged that during 2025 the Group did not enter into major or material transactions with related parties that significantly affected the Group's financial situation or net profit for the year.

**INFORMATION ON SIGNIFICANT COMPANIES OUTSIDE THE EU**

Brunello Cucinelli S.p.A., the Parent Company, directly or indirectly controls 6 companies (Brunello Cucinelli USA Inc., Brunello Cucinelli (Sichuan) Fashion Co. Ltd., Brunello Cucinelli Japan Co. Ltd., OOO Brunello Cucinelli RUS, Brunello Cucinelli (England) Ltd., Brunello Cucinelli Middle East LLC) established and regulated by the law of states not members of the European Union ("Significant Companies outside the EU" as defined by Consob resolution no. 20249/2017).

As regards these companies, note that:

- all prepare financial statements for the purpose of preparing the consolidated financial statements. The balance sheet and income statement of these companies are made available to the shareholders of Brunello Cucinelli S.p.A. in accordance with the relevant regulations;
- Brunello Cucinelli S.p.A. has acquired the by-laws and the governance and powers of the corporate bodies;
- the Significant Companies outside the EU: i) provide the auditor of the parent company with the information necessary to audit the annual and interim accounts of said parent company; ii) have a suitable administrative-accounting system to regularly provide management, the controlling body and the auditor of the parent company with the economic, equity and financial data necessary for the preparation of the consolidated financial statements.

In order to comply with its regulatory obligations, the Board of Statutory Auditors of Brunello Cucinelli S.p.A. verified the suitability of the administrative-accounting system to regularly provide management and the auditor of Brunello Cucinelli S.p.A. with the economic, equity and financial data necessary for the preparation of the consolidated financial statements and the effectiveness of the flow of information through meetings both with the auditor and with the Manager in charge of preparing the Company's financial reports.



## **CERTIFICATION AS PER ART. 16, PARAGRAPH 4 OF THE MARKET REGULATION ADOPTED WITH RESOLUTION NO. 20249 OF 28 DECEMBER 2017**

Brunello Cucinelli S.p.A. is controlled by right by Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.). In particular, Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.) at 31 December 2025 owns shares equal to 50.05% of share capital and holds voting rights in the Issuer equal to 65.82% of its share capital.

The Issuer is not subject to management and coordination of the Parent Company Foro delle Arti S.r.l. (formerly Foro delle Arti S.r.l.).

For information on this subject, please refer to the Report on Corporate Governance and ownership structure approved by the Board of Directors on 18 March 2026, which may be consulted in the “Governance” section of the Company’s website at <http://investor.brunellocucinelli.com/en>.

## **MAIN RISKS AND UNCERTAINTIES**

### **Market risks**

#### ***Risks related to the high level of competition in the market that Brunello Cucinelli Group operates in***

The luxury market – and in particular the absolute luxury sector – which the Brunello Cucinelli Group operates in, is highly competitive and therefore it cannot be excluded that in the coming years new brands or brands currently located in other segments of the luxury market might position themselves in the same segment, thus becoming direct competitors of the Company.

#### ***Risks associated with the international sale of Brunello Cucinelli Group products***

The Group sells its products all over the world, particularly in Europe, North America, Japan and China. The Group’s presence in various international markets exposes it to risks associated among other things with the geopolitical and macroeconomic conditions of the countries that it operates in and their possible changes. Sales could be affected by various events such as market instability, the occurrence of natural disasters or socio-political upheavals (e.g. terrorist attacks, coups d’etat and wars). The occurrence of these events could negatively affect the demand for luxury goods in a given country or cause a contraction in tourism, with possible negative effects on the Group’s business and growth prospects.

#### ***Risks associated with changes in the national and international regulatory framework that Brunello Cucinelli Group operates in***

In the various jurisdictions that it operates in the Group is subject to the regulations applicable to products it manufactures and/or sells. Of particular importance among these are regulations on consumer protection, industrial and intellectual property rights and competition, the health and safety of workers and the environment.

The issuance of new regulations or amendments to current legislation could force the Brunello Cucinelli Group to adopt stricter standards and this could entail costs of adapting production or product characteristics, or limit the Brunello Cucinelli Group’s operations with a consequent negative effect on its growth prospects. More specifically, with regard to commercial distribution in countries other than Italy, Brunello Cucinelli Group products could be subject to the application of duties and other protectionist rules governing the importation of products into those nations.



## Operating risks

### ***Risks related to the continuity of craftsmanship and artisanal skills***

One of the distinctive characteristics of Brunello Cucinelli brand products is the high level of craftsmanship inherent in the production, made possible also thanks to the constant internal training performed by the Company and the years of experience it has acquired. While the Brunello Cucinelli Group promotes the development of artisanal production techniques at a regional level, it is possible that in the future the number of specialised people engaged in this type of production could diminish.

### ***Risks associated with the availability of raw materials (cashmere, in particular) and the increase in its price***

The main raw materials used by the Brunello Cucinelli Group are yarns (particularly cashmere yarns), fabrics and leather. The availability of cashmere is subject to several factors that do not fall within the Brunello Cucinelli Group's sphere of control, some of which are not easily predictable. For example, climatic conditions in the regions (mainly Mongolia) where the raw cashmere comes from, changes in goat farming policies in producing countries or goat diseases and epidemics could affect the availability of cashmere and consequently its price. Should there be a decrease in the availability of cashmere (or other raw materials) or an increase in demand and a consequent increase in price, the Brunello Cucinelli Group may encounter supply difficulties in the medium term and be forced to bear an increase in the costs incurred for the purchase of raw materials.

### ***Risks associated with the retail sale of Group products***

The risks associated with the management of the currently existing DOSs (Directly Operated Stores) are mainly related to possible difficulties in renewing existing lease agreements, greater costs for rent, revocation or non-renewal of commercial licences (where necessary) and decreases in sales.

With regard to the opening of new DOSs, it should be noted that the increase in costs associated with new openings may not be accompanied by adequate revenue growth. In the competitive landscape that the Group operates in, the possibility of expanding the DOS network depends on the ability to obtain the availability – under economically sustainable conditions – of spaces located in positions deemed to be strategic by the Group. Among retail operators, there is strong competition to secure commercial spaces located in the most prestigious locations of the most important cities in the world. For this reason, when searching for new spaces the Group may have to compete with other retail operators, including those belonging to its same sector, having similar or greater economic and financial capacities than its own.

### ***Risks related to relations with third-party manufacturers (façonisti)***

Brunello Cucinelli Group products are produced using third-party manufacturers with respect to Brunello Cucinelli Group, in Italy known as *façonisti*. The relations between the Company and most of the third-party manufacturers with which it maintains long-term commercial relationships are not governed by multi-year agreements, but are based on orders entrusted to them for the collections of the individual seasons, in line with industry practice. Any termination of relations (in a short period of time) with a significant number of these *façonisti* or their repeated failure to comply with the production calendar, however shared, could have negative effects on the Brunello Cucinelli Group's business. Furthermore, it cannot be excluded that some *façonisti* may in the future default or terminate the collaboration relationship with the Company without notice.

***Risks related to the defence of industrial and intellectual property rights***

The protection of the Brunello Cucinelli brand and other intellectual property rights is fundamental for its positioning in the luxury market, especially in the absolute luxury sector that the Group competes in. The value of the brand could be compromised if its protection or the protection of the design of Brunello Cucinelli brand products was impracticable or particularly difficult.

While the Company invests significantly to ensure the protection of its trademark and intellectual property rights as well as the design of some of its most successful products worldwide, it cannot be excluded that the actions taken may prove ineffective in preventing imitations of the Group's trademark and products. Moreover, if the Group wishes to expand its business in countries where the Brunello Cucinelli trademark has not yet been registered, any previous use and/or registration of the trademark (or trademarks that can be confused with it) by third parties could result in a limitation (or an impediment) to the Group's business in these countries. Finally, the laws of many foreign countries do not protect intellectual property rights with the same intensity as Italian law or the laws of other EU countries.

***Risks related to the perception of new trends***

The sector that Brunello Cucinelli Group operates in is characterised by changes – sometimes even sudden ones – in customer trends, tastes and lifestyles and purchasing.

Therefore, the Brunello Cucinelli Group is subject to the risk of not always being able to perceive such fashion trends or adequately interpret them during the styling, design and development phases of the final product. This circumstance could therefore compromise the success of the collections.

***Cyber risks***

Brunello Cucinelli Group's business, also in view of the growing organisational complexity and technological innovation in the sector, is exposed to risks of cyber attacks aimed at compromising business continuity and the improper collection of confidential data.

In order to strengthen the actions implemented to mitigate these risks, and in order to continuously align management with IT experts, an internal committee called the "IT Security Committee" has been established for years with the aim of supervising the business processes most at risk of cyber attacks and identifying the appropriate mitigation tools.

In addition to the consolidation of business continuity in the ICT field, continuous monitoring services and tools have been introduced, supported by the most modern technologies and with the assistance of highly specialised technological partners.

Technological activities such as the VAPT (Vulnerability Assessment Penetration Test) are accompanied by continuous training plans for personnel, aimed at increasing awareness on the subject of cybersecurity.

The ultimate objective is to standardise and extend the level of monitoring and control to all Group companies and all employees.

***Risks connected to restrictive union measures (sanction compliance)***

The Group operates in an international context characterised by the application of restrictive measures adopted by the European Union in response to the conflict between Russia and Ukraine, with particular reference to EU Regulation 833/2014 and EU Regulation 269/2014, and as amended. These measures impose, for example, a ban on the sale, supply, transfer or export of certain categories of luxury goods to the Russian Federation, Belarus and other sanctioned territories, as well as the ban to make economic resources available to persons included on the European sanctions list. With the approval of Legislative Decree 30 December 2025, no. 211, by implementing EU Directive 2024/1226, Italian legislature introduced new offences dedicated to the violation of the restrictive measures of the European Union, making them relevant pursuant to Legislative Decree 231/2001, with extension of the disciplinary measures also to legal persons.



The Group has identified the following main risks concerning trade compliance: (i) the risk that the Group could, directly or indirectly, enter into trade relationships with sanctioned entities or entities linked to them (subjective risk); (ii) the risk that Group products could be sold or exported to sanctioned territories in violation of the value thresholds specified by the applicable regulations (objective risk); (iii) the risk that third parties could acquire Group products in order to re-export them to sanctioned territories, also through complex commercial channels or unjustified intermediaries (triangulation risk).

In order to monitor these risks, following the assessment carried out also with the support of external consultants, on 10 December 2025 the Board of Directors of the Parent Group approved a strengthened Trade Compliance Procedure (integral part of the Model pursuant to Legislative Decree 231/2001), which regulates the applicable controls both for the wholesale channel as well as the retail channel, providing for the use, among others, of sanctions screening instruments, the adoption of non-re-exportation contract clauses, the collection of commercial and additional information about customers, as well as the identification of specific risk indicators (red flags) and circumstances for further investigation based on the guidelines of the European Commission.

The evolution of the regulatory framework concerning restrictive measures and the possible extension of sanctions to new territories or market categories, as well as the emergence of new schemes for their circumvention could make it necessary to update the controls and may have an impact on the methods the Group uses to carry out its business activities. The company constantly monitors regulatory developments and the instructions of competent authorities, and is committed to periodically updating its control systems.

For a description of the overall internal control and risk management system through which they are managed and controlled, refer to the specific description in the Report on Corporate governance and ownership structures, approved by the Board of Directors on 18 February 2026, which may be consulted in the “Governance” section of the Company’s website at [www.brunellocucinelli.com/en/](http://www.brunellocucinelli.com/en/).

## RESEARCH AND DEVELOPMENT

Investing in research and development is crucial for the Brunello Cucinelli Group in order to create new products that meet the needs of customers, but also to consolidate the know-how developed over the years. Also important is the search for and testing of materials and the creation of prototypes.



## PUBLIC GRANTS

During this financial year, the Parent Company Brunello Cucinelli S.p.A. and its Italian subsidiaries benefited from the following concessions:

- contribution exemptions introduced for the COVID health emergency and subsequently extended, considered state aid, totalling €140 thousand;
- contribution exemptions (Italian Law 205/2017) for a total of €44 thousand;
- capital goods credit 4.0 (article 1, Italian Decree-Law 178/2020) totalling €43 thousand;
- Art Bonus tax credit (article 1, Italian Decree-Law 83/2014) totalling €37 thousand.

## ENVIRONMENTAL RISKS

The Brunello Cucinelli Groups considers the prevention and management of risks able to jeopardise the attainment of the company's objectives and its ability to continue as a going concern as a strategic priority.

Within the overall risk profile, the Company has therefore identified the main risks related to climate change or environmental issues that may have implications or an impact on its business. The risks identified are those arising from environmental damage attributable to the organisation's operations and/or from inefficient resource management or risks arising from the occurrence of natural events (e.g. earthquakes, floods, etc.) and/or related to climate change, both in terms of physical risks, i.e. more frequent extreme weather events or gradual climate change, and in terms of transition risks, i.e. related to the transition to a low-carbon economy and the resulting government policies). However, considering the Group's sector of operation the Group's current exposure to the consequences of climate change are considered low, both in terms of probability as well as in terms of the ability to influence strategies and financial cash flows.

For further information on environmental risk management, see the Consolidated Sustainability Report.

## FINANCIAL RISK MANAGEMENT

Financial risks are managed on the basis of guidelines established by the Board of Directors. The aim is to ensure a liability structure that remains balanced with the composition of assets to maintain adequate levels of solvency.

The Group is exposed to various types of financial risks connected with its core business. More specifically, the Group is simultaneously exposed to market risk (interest rate risk and exchange rate risk), liquidity risk, credit risk and tax risk.



## INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates.

Market interest rate fluctuations influence the level of net financial expense and the market value of financial assets and liabilities. The Group is exposed to the risk of an increase in financial expenses in the income statement as a result of an unfavourable change in interest rates. Changes in market interest rates affect the cost of loans and the return on forms of use and therefore the level of the Group's financial income and expenses, and also their fair value.

It is the Group's policy to hedge its exposure on the medium and long-term portion of debt for market risk arising from interest rate changes. To manage such risk the Company uses derivative instruments such as interest rate swaps.

## CURRENCY RISK

Exchange rate risk is the risk that the fair value or future cash flows of an exposure will change due to changes in exchange rates.

The Group operates internationally and is therefore exposed to risks arising from exchange rate fluctuations, which have an impact on profits and the value of shareholders' equity.

Furthermore, due to the fact that the Company prepares its consolidated financial statements in euros, fluctuations in the exchange rates used to convert the financial statements of the subsidiaries originally expressed in foreign currency could significantly influence the results, net financial debt and consolidated shareholders' equity as expressed in euros in the Group's financial statements and in financial ratios.

The Company is exposed to exchange rate risk for the currencies in which sales are made to Group companies and third-party customers. This risk exists in the eventuality that the market value of revenues in Euro may decrease in the event of adverse fluctuations in the exchange rate, thereby preventing the desired margin from being achieved. To limit its exposure to the currency risk deriving from its business activities, the Company enters into derivative contracts (forward exchange contracts) that predetermine the conversion rate or a range of conversion rates at future dates.

The forward contracts are stipulated when seasonal price lists in foreign currency are defined on the basis of estimated sales, with the expiry date of the derivative set as the expected collection date of the sales invoices. In particular, the Company sets its selling prices in Euro and calculates the corresponding prices in foreign currency also by taking into account the exchange rates set in forward hedging contracts.

## LIQUIDITY RISK

Liquidity risk is the risk related to the unavailability of financial resources necessary to meet the commitments assumed by the Group and its financial needs in the short term. The main factors that determine the Group's level of liquidity are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other hand, the maturity and renewal status of payables or the liquidity of financial commitments and market conditions.



The Group manages liquidity risk by strictly controlling the items making up working capital and, in particular, Receivables from customers and Payables to suppliers.

The Company strives to obtain good cash generation in order to settle trade payables without jeopardising its short-term cash requirements and to avoid criticalities and strains of available cash.

## CREDIT RISK

Credit risk is the risk that a counterparty will not fulfil its obligations under a financial instrument or a commercial contract, thus leading to a financial loss.

Credit risk is the Group's exposure to potential losses arising from the failure by counterparties to meet their obligations.

The Group's exposure to commercial credit risk refers to sales to the wholesale channel. For sales to the retail channel, the risk is limited only to sales managed by the landlord, owner of the bricks and mortar of the mall and direct manager of receipts within the boutiques. The remaining turnover comes from the pure retail sales channel, with payment in cash or by credit or debit card.

The Group generally prefers to do business with customers with whom it has established a consolidated relationship over time. It is the Group's policy to carry out checks on the relative credit class for customers requesting extended payment terms both by using information obtainable from specialised agencies and observing and analysing customer economic-financial figures. In addition, balances are constantly monitored during the year in order to ensure timely action and reduce the risk of loss.

## TAX RISK

At 31 December 2025, the Group consisted of 30 companies located in various countries around the world. The Group companies, Italian and foreign, are subject to audits of tax returns and tax obligations by the tax authorities of the various countries. The tax risk limitation measures put in place by management to verify the adequacy and correctness of tax obligations obviously cannot completely exclude the risk of tax assessments.

The group has adopted the Transfer Pricing the Transactional Net Margin Method. The Group has centralised its risks and assets in the Principal (Brunello Cucinelli S.p.A.), while the other Group companies, carrying out distribution (mainly retail, with the exception of some companies that also operate in the wholesale trade), are considered entities performing "routine" functions and thus they are consequently entitled to receive a remuneration for their activities in line with that of independent companies engaged in similar functions. This remuneration, which must be aligned with the functions they perform and the risks incurred, is measured periodically through a benchmark analysis.

For a detailed analysis and representation of the financial risk management, as well as for the other information required by IFRS 7, please also refer to what is detailed in the Notes to these Consolidated Financial Statements.



## SIGNIFICANT EVENTS AFTER 31 DECEMBER 2025

### **Voluntary use of the Chapter 11 procedure by Saks Global Holdings LLC**

On 14 January 2025 the group Saks Global Holdings LLC, primary US retailer in the luxury market, communicated that it obtained a commitment for financial resources amounting to USD 1.75 billion, of which USD 1.5 billion will be made available to a group of senior bondholders and USD 240 million in liquidity, declaring that this financial package will guarantee a solid and stable future, with the group Saks Global Holdings LLC being able to continue offering its customers an unparalleled shopping experience in its multi-brand luxury malls. Furthermore, it was announced that Geoffroy van Raemdonck was appointed as the new Chief Executive Officer with immediate effect.

With the support of its financial stakeholders, Saks Global Holdings LLC voluntarily filed for Chapter 11 bankruptcy protection at the U.S. Bankruptcy Court of the Southern District of Texas, a procedure that will allow them to operate its business continuously.

The Group immediately initiated discussions with the management of the group Saks Global Holdings LLC to have a detailed overview of the its own exposure towards the group Saks Global Holdings LLC as a result of their filing for Chapter 11 bankruptcy protection. Based on the information available to management, an amount of €8,067 thousand was recorded in the provision for doubtful receivables, with impact on the Income statement, to adjust the balance of trade receivables at 31 December 2025 with respect to the best estimate, as of the date of this Annual Financial Report, of the expected loss.

### **Effective acquisition of the majority of votes concerning the ordinary shares**

The company's extraordinary shareholders' meeting held on 27 April 2023 resolved to approve the changes to the articles of association in order to introduce a voting increase pursuant to article 127-*quinquies* of the Consolidated Law on Finance (TUF), which specifies that the increase in the voting right is attributed to the shareholders who hold their shares for a continuous period of no less than 24 months starting from the date of registration in a list kept by the company and defining the maximum limit of the increase to two votes per share.

As at the date of this Annual Financial Report, the increase in votes therefore became effective related to 36,870,583 shares (equal to 54.22% of share capital), which correspond to 73,741,166 voting rights (equal to 70.32% of all voting rights).

The introduction of the increased system of voting intends to guarantee the longevity of the company, protecting its value over time. This system also appears coherent with the long-term profile of many investors who indicated that they agreed with our company's idea of Humanistic Capitalism and Human Sustainability.

## MANAGEMENT OUTLOOK

The year **2025** was one of strong continuity: positive results were achieved in all quarters and the sales trend remained consistently solid and well distributed across all geographical areas and distribution channels. This pathway made it possible to end the year with particularly significant **results, higher than the expectations** set out at the beginning of the year.

Turnover reached €1,408.0 million, with growth at fixed exchange rates of +11.5% and an increase at current exchange rates of +10.1%, with a normalised operating income of €235.9 million, with a margin of 16.8%, an increase of +20 basis points compared to 16.6% in the previous year.



In the two-year period 2024-2025, the Group also completed an extraordinary **investment programme**, bringing forward by six months the completion of the major three-year plan 2024-2025-2026 dedicated to Made in Italy artisanship: investments that significantly strengthened the Group's production and organisational structure.

The **start of 2026** confirms the strength of our sustainable growth path. Sales in this early part of the year have been very positive and are in line with expectations for growth over the full year.

The **sell-out** of the **Spring-Summer 2026** collections is proving particularly interesting, in line with the feedback collected during the launches last September, driving impressive growth in the **Retail channel**, in line with the already very positive trend of the last part of 2025.

At the same time, the **order intake** for the new **Autumn/Winter 2026 collections** has been strong, supported by very positive feedback from the specialised press, both for the menswear collection, presented in January in Florence during Pitti Immagine and subsequently in Milan, and for the women's pre-collection, ahead of the presentation of the full women's collection during the February Fashion Week in Milan.

The results achieved in the early part of the **first quarter**, together with the plan for selected boutique openings and expansions scheduled over the course of the year, further strengthen the visibility on the Group's growth prospects for the full year 2026.

As at 31 December 2025, the distribution network has 136 direct boutiques, a size that enables us to sustain the development pathway by combining solid **growth on a like-for-like basis** with the gradual and constant contribution of **carefully selected new spaces**, while preserving positioning in the highest end of the market.

In this context, the expected growth dynamics are consistent with the Group's size and with the approach – pursued over time – of carefully governing the evolution of the scope of distribution.

On this basis, the Group confirms its vision of **balanced growth in turnover at fixed exchange rates** of approximately **10% for the year 2026**, in line with a long-term sustainable development plan, with **healthy and balanced profits**.

Solomeo, 18 February 2026

**Luca Lisandrone**  
Chief Executive Officer  
Markets Area

**Brunello Cucinelli**  
Chairman of the Board of  
Directors

**Riccardo Stefanelli**  
Chief Executive Officer  
Product and Operations Area



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**CONSOLIDATED SUSTAINABILITY REPORT**

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**OUR IDEA OF HUMANISTIC CAPITALISM AND HUMAN SUSTAINABILITY ..... 78**

**GENERAL DISCLOSURES..... 79**

- PREPARATION CRITERIA ..... 79
- STRATEGY ..... 79
- GOVERNANCE ..... 96
- MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES ..... 102

MDR-P POLICIES OF THE CASA DI MODA ..... 114

MDR- A ACTIONS AND POLICIES OF THE CASA DI MODA ..... 117

MDR-M METRICS OF THE CASA DI MODA ..... 117

MDR-T TARGETS OF THE CASA DI MODA ..... 118

**ENVIRONMENTAL INFORMATION ..... 122**

**E1 CLIMATE CHANGE..... 122**

- GOVERNANCE ..... 122
- STRATEGY ..... 122
- MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES ..... 124
- METRICS AND TARGETS ..... 128

**E2 POLLUTION ..... 137**

- MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES ..... 137
- METRICS AND TARGETS ..... 139

**E3 WATER AND MARINE RESOURCES ..... 141**

- MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES ..... 141
- METRICS AND TARGETS ..... 143

**E4 BIODIVERSITY AND ECOSYSTEMS..... 145**

- STRATEGY ..... 145
- MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES ..... 145
- METRICS AND TARGETS ..... 149

**E5 RESOURCE USE AND CIRCULAR ECONOMY..... 150**

- MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES ..... 150
- METRICS AND TARGETS ..... 153



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<b>THE EUROPEAN TAXONOMY</b> .....	158
<b>SOCIAL INFORMATION</b> .....	172
<b>S1 OWN WORKFORCE</b> .....	172
STRATEGY .....	172
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	176
METRICS AND TARGETS .....	185
<b>SPECIFIC DISCLOSURE: WORKPLACES</b> .....	197
STRATEGY .....	197
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	197
METRICS AND TARGETS .....	198
<b>S2 VALUE CHAIN WORKERS</b> .....	199
STRATEGY .....	199
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	202
METRICS AND TARGETS .....	206
<b>S3 AFFECTED COMMUNITIES</b> .....	207
STRATEGY .....	207
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	208
METRICS AND TARGETS .....	211
<b>S4 CONSUMERS AND END-USERS</b> .....	212
STRATEGY .....	212
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	214
METRICS AND TARGETS .....	217
<b>GOVERNANCE INFORMATION</b> .....	218
<b>G1 BUSINESS CONDUCT</b> .....	218
GOVERNANCE .....	218
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	219
METRICS AND TARGETS .....	225
<b>SPECIFIC DISCLOSURE: GENERATIONAL SHIFT</b> .....	226
STRATEGY .....	226
MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES .....	227
METRICS AND TARGETS .....	228

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## OUR IDEA OF HUMANISTIC CAPITALISM AND HUMAN SUSTAINABILITY

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

The concept of Humanistic Capitalism and Human Sustainability represents the idea that a company must generate profits while simultaneously operating according to the principles of ethics, dignity and morals.

Human Sustainability constitutes a concrete area in which environment, economics, culture, spirit, morals and technology can coexist in harmony. This approach is behaviour that takes care of and protects, not limiting itself to the valorisation and promotion of human dignity, but extends to all aspects of living in harmony with Creation, guided by the objective of causing no harm, or limiting it as far as possible.

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

These six forms are correlated to the long-standing ideals that characterise the life and work of the company, an expression of its values formalised in five decalogues that guide the daily activities and the actions that are undertaken.

The concept of Humanistic Capitalism and Human Sustainability has been evolved and consolidated over the years through the numerous initiatives carried out with the ultimate aim of generating value not only for the Casa di Moda, but also for the plurality of stakeholders with whom the company interacts.

### Consolidated Sustainability Report

The Consolidated Sustainability Report was prepared in compliance with ESRS (European Sustainability Reporting Standards) pursuant to the provisions of Legislative Decree 125/2024, which transposes the Corporate Sustainability Reporting Directive (hereinafter also “CSRD”). This report is structured as follows:

- **General information** (ESRS 2): the criteria are defined for the preparation, governance and sustainability strategy. Furthermore, this chapter illustrates the Double Materiality methodology based on which the sustainability issues relevant for the Casa di Moda were defined;
- **Environmental information**: this covers topics concerning *Climate change* (E1), *Pollution* (E2), *Water and marine resources* (E3), *Biodiversity and ecosystems* (E4), *Use of resources and circular economy* (E5). This also includes reporting regarding Taxonomy Regulation (EU Regulation 2020/852);
- **Social information**: issues are covered regarding *Own workforce* (S1), *Workers in the value chain* (S2), *Affected communities* (S3), *Consumers and end-users* (S4).
- **Governance information**: the approach of the Casa di Moda concerning *Business conduct* (G1) is illustrated. Two relevant issues identified as “specific information” are also described, concerning specific aspects of value to the organisation: *Workplaces* (at the end of the social information chapter), *Generational shift* (at the end of the informational governance chapter).

A detailed index with the ESRS disclosure obligations is available on page 103 of the document.



## GENERAL INFORMATION

### PREPARATION CRITERIA

#### **BP-1 General basis for preparation of sustainability report**

Brunello Cucinelli S.p.A.'s sustainability report is prepared on a consolidated basis and the reporting scope coincides with that of the Consolidated Financial Statements. The Consolidated Financial Statements include the Parent Company Brunello Cucinelli S.p.A. and its Italian and foreign subsidiaries, together identified as the Brunello Cucinelli Group.

Reporting covers the entire value chain: the mapping of the impacts, risks and opportunities is concentrated on company operations and at the same time on the upstream value chain – starting from activities for the production or extraction of raw materials, through to the subsequent phases of their transformation and processing and including the upstream logistical flows – and on the downstream value chain – the wholesale distribution channel, end customers, including the downstream logistic flows. The company points out that it did not make use of the option to omit specific information from this document corresponding to intellectual property, know-how or the results of innovation.

#### **BP-2 Disclosures in relation to specific circumstances**

The time periods adopted in this document coincide with those adopted by the ESRS, specifically the “short term: 1 year”, “medium-term: up to 5 years”, “long-term: beyond 5 years”.

For the purposes of reporting the prospective information in compliance with the ESRS, some of the information included in the following consolidated sustainability report is described based on hypotheses, as related to events that could happen in the future and possible future actions by the Group. Due to the uncertainty connected to the occurrence of any future event, both regarding the actual occurrence as well as what concerns the scope and timing of its occurrence, the deviations between the final values and the prospective information could be significant.

The disclosure provided in relation to Scope 3 emissions is subject to greater inherent limitations compared to Scope 1 and 2 emissions, due to the reduced availability and relative accuracy of both quantitative and qualitative data used to define the information on Scope 3 emissions, pertaining to the value chain.

The Company modified the comparative data relating to sections “E3-4 Water consumption and “S1-13 Training and skills development metrics”. For further details, refer to the relative sections of the document. The methodology used for provision of estimates is described in section “E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions”.

### STRATEGY

#### **SBM-1 Strategy, business model and value chain**

The business of the Casa di Moda is focused on the creation, production and sale of Brunello Cucinelli branded clothing, accessories and lifestyle which make up Women's, Men's and Children's total look collections, which are always conceived as an expression of the ethical and human values cultivated in the hamlet of Solomeo<sup>1</sup>. The brand

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<sup>1</sup> No product in the Casa di Moda's collections is prohibited in specific markets of reference.



is internationally recognised as a benchmark of Made in Italy excellence and a point of reference in the luxury goods sector, with the ability to combine the timeless qualities derived from the selection of the finest materials, craftsmanship and exclusivity with contemporary creativity that is attentive to market trends and technological innovations. The total look for men and women has been expanded by the addition of the Ready to Wear collection and the Eyewear and Fragrances collections. The company's customer categories and geographical markets are presented, respectively, in the paragraphs of the Report on the Management of the "Distribution network" and "Company information", "Analysis of revenues - Revenues divided by geographical area".

The foundations of the business model of the Casa di Moda remain firmly anchored to the distinctive elements that identify and position the brand within the ultra-high end of the luxury range: elevated and extremely high quality of the supply of raw materials, the excellence of craftsmanship and manual work, and an exclusive prêt-à-porter offer, a symbol of authentic Made in Italy. The exclusive offer of excellence continues together with the maintenance of the values that are part of the company's DNA: dignity of profit and special relationships with the territory. The Brunello Cucinelli Casa di Moda is universally recognised as a prime example of "Humanistic Capitalism", combining the safeguarding of traditions, appreciation of the people who work for the greater good of the company, and promotion of important projects aimed at beautifying the territories in which the company operates and the legacy left to future generations.

In 2025, Group human resources equalled 3,539. For more details pertaining to the number of employees by single geographical area, refer to section "S1-6 Own workforce".

## THE SUSTAINABILITY PLAN "IN HARMONY WITH CREATION"

The Company has stated its sustainability strategy in the Sustainability Plan "In Harmony with Creation (2024-2028)", which was updated and approved by the Board of Directors on 11 July 2024. The Plan<sup>2</sup> systematises the strategies concerning Human Sustainability, defined in alignment with and in support of the industrial plan. The objectives that were identified and the relative qualitative and quantitative targets - short, medium and long-term - stem from the desire to not cause any harm to Creation, or try to cause as little as possible, and from the awareness of the greatest current challenges. The Plan accounts for the context in which the Casa di Moda operates, the demands of its main shareholders, the projects already under way in the field of Human Sustainability, and the framework defined by the United Nations 2030 Agenda and the related Sustainable Development Goals (SDGs).

The Plan is organised into six pillars that represent the six forms of Human Sustainability. Each is linked to one or more precepts of the Decalogue "Our Enduring Ideals for Life and Work" which define the ultimate goal that the Group sets itself with respect to each pillar and that we like to consider as the "beacon that lights our way" in achieving the qualitative and quantitative objectives and targets defined for the short, medium and long-term.

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<sup>2</sup> The Sustainability Plan applies to all products of the Casa di Moda, to all the geographical areas in which it operates, and to all sales channels utilised.



Figure 1: The structure of the Sustainability Plan, “In Harmony with Creation” (2024-2028)

THE FORMS OF HUMAN SUSTAINABILITY	ENVIRONMENTAL SUSTAINABILITY	ECONOMIC SUSTAINABILITY	CULTURAL SUSTAINABILITY	SPIRITUAL SUSTAINABILITY	MORAL SUSTAINABILITY	TECHNOLOGICAL SUSTAINABILITY
OUR ENDURING IDEALS FOR LIFE AND WORK	<p><b>POINT II</b> We do not use more resources than is necessary and natural. We make careful use of the universe</p> <p><b>POINT III</b> We always act as loyal guardians of Creation</p>	<p><b>POINT V</b> During work we support fair profitability and harmony between profit and giving back to the community</p>	<p><b>POINT VIII</b> We believe in universalism and we act displaying great respect for all civilisations</p>	<p><b>POINT I</b> We love and respect Mother Earth: we cultivate our land according to nature and we welcome its fruits as its greatest gift</p> <p><b>POINT X</b> We are fond of young people and pass down to them hope and the dream of a bright future awaiting them</p>	<p><b>POINT IV</b> We believe in the moral dignity of the human being</p> <p><b>POINT VI</b> We seek harmony between fair work and human privacy</p> <p><b>POINT VII</b> We commemorate our forefathers. They taught us to Respect the law, and our story is written in their words</p>	<p><b>POINT IX</b> We welcome fair change in order to experience the best from our time</p>
	<p><b>THE PLAN SECTIONS</b></p> <ul style="list-style-type: none"> <li>• Combating climate change</li> <li>• Procurement and management of raw materials</li> <li>• Regenerative approach</li> <li>• Sustainable supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Brand identity</li> <li>• Made in Italy quality and craftsmanship</li> </ul>	<ul style="list-style-type: none"> <li>• Support for local communities and the surrounding</li> </ul>	<ul style="list-style-type: none"> <li>• Dignity and beauty in workplaces</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity, inclusion and fairness</li> <li>• Health and safety</li> <li>• Protection of human rights and dignity of work</li> <li>• Governance</li> <li>• Ethical business conduct</li> <li>• Human privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Digitalisation and Artificial Intelligence</li> </ul>

The Sustainability Plan is subject to annual monitoring, the outcomes of which are presented and discussed at the meetings of the Company’s Board of Directors, after being evaluated by the Council for Human Sustainability and Humanistic Capitalism. The updating of the Plan, in terms of the redefinition of relevant objectives and targets, meanwhile takes place every two years.

THE VALUE CHAIN

The Company is responsible for the design, production and sale of its collections through the physical and digital retail chain and the wholesale and franchise channels.

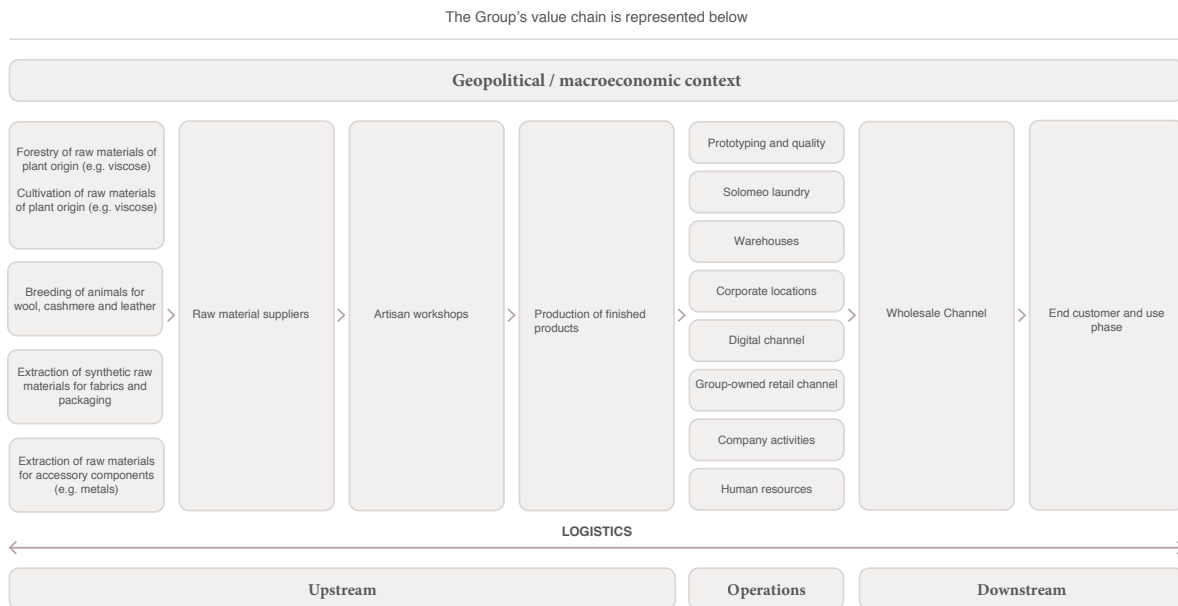
The process starts with the creativity phase at the Style and Design Office, a creative team comprised of more than 60 people who work together with more than 100 tailors on a daily basis. The creative process involves defining the style of collections, designing the products and choosing the materials in accordance with quality and sustainability standards.

Once approved, the designed models are passed to the Company’s Prototype Department, which is a highly specialised workplace with more than 100 masters and technicians. The validated prototypes together form the basis for the development of the samples of the collections.

The products are produced in the laboratories of the small craft enterprises that represent the external production system. During each phase, repeated and rigorous quality checks are carried out directly by the Company to ensure the absolute quality of the finished product. These laboratories process the raw materials that were carefully sourced and selected by the Company. The first level of the supply chain is therefore comprised mainly of these two categories - suppliers of raw materials and artisan companies that produce the final product starting from the yarns and fabrics, accessories and components. This production phase has incoming and outgoing logistical flows that permit controls to be performed on the semi-finished product.

Upstream of the raw material suppliers, there are the people who cultivate, raise or extract the raw materials necessary for creating the products and the related packaging. The downstream chain is instead comprised mainly of the channels that sell the collections, namely the physical and digital retail channel, and the wholesale and franchise channels. The end customers who use the products represent the final link in the value chain. The entire downstream value chain has logistical flows that differ depending on the customer and the geographical areas. The geopolitical and macroeconomic context of the countries concerned represents a factor capable of affecting the activities of the Casa di Moda both upstream and downstream.

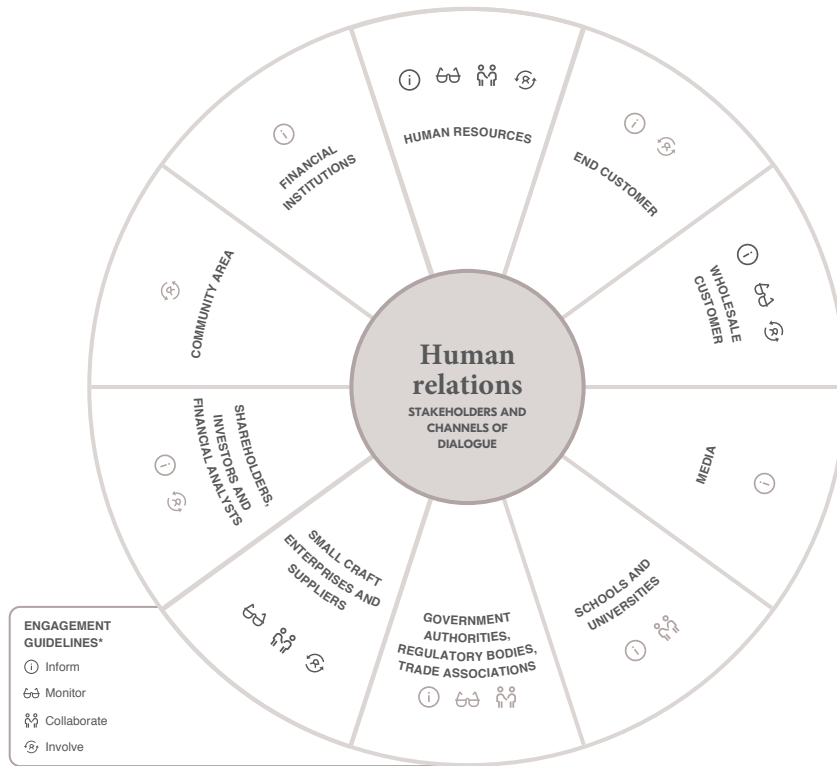
**Figure 2: The value chain of the Casa di Moda**



**SBM-2 Interests and views of stakeholders**

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

Figure 3: Our stakeholders



The company approach to the dialogue with stakeholders is defined in the Human Relations Policy (ref. “MDR-P Policies of the Casa di Moda”), which aims to define the principles and values that must guide moments of dialogue with all stakeholders, direct the methods of involvement and identify the internal functions responsible for the engagement and relative reporting process.

To make the Human Relations Policy operative, we formalised a Stakeholder Engagement Plan, with the following objectives:

- Promote strategic, continuous stakeholder engagement;
- Identify areas of improvement;
- Plan the best solutions in terms of engagement initiatives, differentiated by category of stakeholder;
- Provide a mechanism for evaluating the opportunities for engagement that have arisen.

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

In addition to the informal and ordinary methods of dialogue, since 2022 the company has organised ad hoc occasions every year to directly involve representatives of various stakeholder categories, based mainly on the topics of Human Sustainability. Until now, this has involved representatives from human resources, schools and universities, the Public Administration and professional associations, artisan companies and raw material suppliers, wholesale customers, the financial and regional community (ref. Sections “S1-2 Processes for engaging with own



workforce and workers' representatives about impacts", "S2-2 Processes for engaging with value chain workers about impacts", "S3-2 Processes for engaging with affected communities about impacts" and "S4-2 Processes for engaging with consumers and end-users about impacts").

Stakeholders are also involved annually in the process of developing the Double Materiality analysis. The results of these analyses are reported to the Chief Executive Officers and the Board of Directors for final approval.

In particular, in 2025 the Casa di Moda involved a representative sample group of human resources, raw material suppliers, artisan laboratories and wholesale customers.

Specifically, dedicated days were organised for employees in Italy, while online workshops were organised for employees of foreign subsidiaries. Raw material suppliers, artisan laboratories and wholesale customers were involved through specific questionnaires.

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

- Involvement in the Double Materiality analysis process;
- Reinforcement of the dialogue and relationship created over time.

The Casa di Moda has also developed tools to support the monitoring of engagement activities, with the aim of mapping the activities carried out every six months and assessing the effectiveness of the engagement by each function. The results of this six-monthly summary are then shared, as an aggregate, with the Council for Human Sustainability and Humanistic Capitalism, as well as with the administration, management and control bodies.

Listening to stakeholder inputs, which are collected through information channels as well as the procedures described above, allows the company to continuously include the assessments of its interlocutors in the internal decision-making and strategic processes.

**SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

The material impacts, risks and opportunities (hereafter also "IROs") refer to all the ESRS Standard Topics and to two specific disclosures (i.e. workplaces, generational shift). These IROs are primarily social in nature, and in second place environmental, also taking into account any dependence on strategic raw materials. The identified impacts are connected to the business model and are taken into consideration in the analysis for defining company strategies. Among the impacts that emerged, those of a potential nature prevail, which are equally distributed among those that concern own operations and the value chain. The impacts and risks within the value chain require continuous management of the collaboration with suppliers and artisan laboratories, both from a social and environmental point of view, aimed at a constant consolidation of relations. This also includes a high degree of control of the purchased raw materials. To mitigate the negative impact due to greenhouse gas emissions, the Group has developed a Carbon Strategy whose targets have been approved by the Science Based Target initiative (SBTi)<sup>3</sup>. The initiatives for the requalification and safeguarding of the territories generate positive impacts in Italy and abroad while also increasing the allure and exclusivity of the brand, generating opportunities in terms of reputation as they promote commercial development while positioning the brand within the exclusive high-end of the market.

The main impacts on a level of own operations concern employees. As garment production is mainly carried out by an external production structure, the environmental impacts attributable to own operations are modest. In addition to guaranteeing compliance with current regulations, the Company undertakes to implement additional virtuous measures, to the extent of its control.

Multiple risks derive from internal issues, such as risks related to corruption, generational shift, the violation of integrity of personal data, failure to respect the parameters of accessibility and inclusion towards end customers. Specific internal controls have therefore been defined and implemented, in terms of dedicated resources, governance structures and dedicated projects.

Further areas of risk are linked to external factors, such as the occurrence of extreme climatic events with effects on the entire value chain, from supply of raw materials to logistical flows, or the evolution of the relevant regulatory framework. With regard to these risks, the company establishes monitoring units and adopts timely corrective actions should they arise.

The Casa di Moda has also identified a positive impact and a risk connected to specific disclosures. The positive impact concerns the increase in employee wellbeing through the promotion of the beauty of the workplaces, which is an important principle of the company's philosophy that guarantees that operational activities, both in the offices as well as in the production departments, are carried out in curated and visually appealing workplaces. The risk concerns the potential compromising of brand positioning as a result of inadequate management of the generational shift on a governance level. In 2025, there were no recorded financial effects resulting from the occurrence of sustainability-related risks and opportunities identified as relevant.

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<sup>3</sup> For further details on targets, see paragraph "E1-4 Targets related to climate change mitigation and adaptation".



The relevant topics, impacts, risks and opportunities are detailed below.

**Table 1: List of the relevant Topics, Impacts, Risks and Opportunities<sup>4</sup>**

Description	E1		Time period	Sub-topic or sub-sub-topic of reference
	Potential/ Actual Impact	The value chain		
<b>Negative Impacts</b>				
Generation of greenhouse gas due to the production and transformation of the raw materials used for the Collections	Actual	Upstream	Long term	Climate change mitigation
Generation of greenhouse gas due to the upstream and downstream transport and distribution of the raw materials and semi-finished goods necessary for the Collections	Actual	Upstream Downstream	Long term	
Increase in greenhouse gas emissions due to high energy consumption both at corporate locations and sales points, and also along the value chain	Potential	Upstream Own operations Downstream	Medium term	Energy
<b>Risks</b>				
Disruption of business continuity (e.g. warehouse operations/business support activities) due to extreme natural events	N.A.	Own operations	Short term	Adaptation to climate change
Regulatory changes concerning combating climate change (e.g. Green Deal & Fit for 55) and absence of company governance/strategy concerning the climate	N.A.	Own operations	Medium term	Climate change mitigation
Compromise of the image/reputation of the Brunello Cucinelli brand due to failure to reach the objectives of climate change mitigation	N.A.	Own operations	Long term	

<sup>4</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.



E2				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Negative impacts				
Air pollution due to the business activities of the Casa di Moda, in particular the Solomeo site, and of the value chain which could be involved in the release of polluting substances	Potential	Upstream Own operations Downstream	Medium term	Air pollution
Water pollution due to inadequate management of wastewater discharges by small craft enterprises and suppliers	Potential	Upstream	Medium term	Water pollution
Environmental pollution caused by the use of chemical substances of concern, especially hazardous substances, by the Casa di Moda and by small craft enterprises and suppliers during production activities	Potential	Upstream Own operations	Medium term	Substances of concern
Risks				
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of pollution	N.A.	Own operations	Medium-term	Water pollution Substances of concern
E3				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Negative impacts				
Inefficient management of water resource consumption during the production activities of the Casa di Moda and along the supply chain	Potential	Upstream Own operations	Medium-term	Water consumption
Inefficient management of water withdrawals, above all in areas water-stressed areas, during the production activities of the Casa di Moda and along the supply chain	Potential	Upstream Own operations	Medium-term	Water withdrawals
Inadequate treatment of wastewater discharges by small craft enterprises and suppliers which can lead to contamination of surrounding waters	Potential	Upstream	Medium-term	Water discharges
Risks				
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of the consumption of water resources	N.A.	Own operations	Medium-term	Water consumption



E4				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Positive impacts				
Improvement of the local biodiversity conditions in territories of the Himalayas where the regenerative agriculture project "Himalayan Regenerative Fashion Living Lab" is ongoing	Actual	Upstream	Medium-term	Impacts on the extent and condition of ecosystems
Negative impacts				
Deterioration of biodiversity conditions resulting from the cultivation, breeding, and deforestation practices necessary for the production of raw materials	Actual	Upstream	Long-term	Soil degradation, Desertification, Soil sealing
Opportunity				
Reputational benefits and greater attractiveness towards investors by means of the positive external effects generated by the regenerative agriculture project "Himalayan Regenerative Fashion Living Lab", which is of international importance	N.A.	Own operations	Medium-term	Impacts on the extent and condition of ecosystems

E5				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Positive impacts				
Implementation of strategies for the promotion of circularity, with particular reference to the longevity of the garments, repair techniques, and the recovery of production waste	Actual	Upstream Own operations Downstream	Long-term	Inflows of resources, including use of the resources Outflows of resources connected to products and services
Negative impacts				
Inadequate management of waste in the activities of the Casa di Moda and along the supply chain, characterised by insufficient attention to recovery and recycling practices	Potential	Upstream Own operations	Long-term	Waste
Risks				
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of pollution	N.A.	Own operations	Medium-term	Waste



S1				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
The Casa di Moda favours the hiring of employees on permanent and full-time contracts, in order to ensure the financial stability, trust, and loyalty of staff	Potential	Own operations	Short-term	Secure employment
The Casa di Moda organises its activities with a view to guaranteeing respect for fair working hours, always in compliance with international reference standards	Actual	Own operations	Medium-term	Working hours
Increase in employee wellbeing through the promotion of the company welfare plan and the provision of appropriate contractual conditions (for example, recognition of remuneration commensurate with experience, and company benefits)	Potential	Own operations	Medium-term	Adequate wages
Personal and professional growth of human resources through the creation of continuous improvement pathways and targeted training, favouring the development of vertical and transversal skills	Actual	Own operations	Medium-term	Training and skills development
As well as ensuring compliance with legislation pertaining to trade union matters (e.g. freedom of association, collective bargaining) and prohibiting intimidation, threats and discrimination towards workers' representatives, the Casa di Moda actively promotes open and transparent relations between employees and management	Potential	Own operations	Medium-term	Freedom of association, existence of labour boards and workers' rights to information, consultation and participation Collective bargaining, including the percentage of workers covered by collective bargaining agreements
Promotion of a corporate culture aimed at preventing discrimination, harassment and abuse of any type, while promoting the principle of equal opportunities in all aspects of the work relationship	Actual	Own operations	Medium-term	Measures to counter violence and harassment in the workplace
<b>Negative impacts</b>				
Limited attention to aspects of work-life balance with possible impacts on the overall wellbeing of employees, overlooking their need for satisfaction and quality of life	Potential	Own operations	Medium-term	Work-life balance
Work-related injuries and/or work-related ill health when performing work activities and/or related to interference (e.g. specific risks of the location), in reference to the human resources of the Casa di Moda	Actual	Own operations	Medium-term	Health and safety
Limited possibilities for personal and professional growth among the female workforce due to the presence of a pay gap between men and women	Potential	Own operations	Long-term	Gender equality and equal pay for equal work



S1				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Insufficient satisfaction of human resources' expectations in terms of opportunities for personal and professional growth, which can reduce motivation, compromising overall performance	Potential	Own operations	Medium-term	Training and skills development
Lack of respect for values of diversity and inclusion or equal opportunities within the Casa di Moda, also with reference to persons with disabilities	Potential	Own operations	Medium-term	Employment and inclusion of persons with disabilities Diversity
Compromise of the confidentiality/availability/integrity of the personal data of human resources due to internal factors (i.e. non-conformity of procedures, including the ability to meet the requests from data subjects, governance, applications in terms of privacy) and/or external factors (e.g. suppliers responsible for processing data for which the Casa di Moda is the data controller)	Potential	Own operations	Medium-term	Privacy
<b>Risks</b>				
Difficulties in finding specific resources and/or skills in the market or attracting them, mainly related to the increasing market demand for flexibility	N.A.	Own operations	Medium-term	Work-life balance
Risk of losing key skills/knowledge	N.A.	Own operations	Medium-term	Work-life balance
Labour law disputes	N.A.	Own operations	Medium-term	Health and safety
Undermining of employee motivation due to the failed/reduced application of diversity and inclusion values in the company, with negative consequences on the achievement of company objectives	N.A.	Own operations	Medium-term	Gender equality and equal pay for equal work Employment and inclusion of persons with disabilities Diversity
Internal skill/knowledge level not aligned with the needs of the organisation, which can be traced back to the training phase (core business)	N.A.	Own operations	Medium-term	Training and skills development
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to external factors (e.g. suppliers responsible for processing the data for which Brunello Cucinelli is the data controller)	N.A.	Own operations	Short-term	Privacy
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to internal factors	N.A.	Own operations	Short-term	



S2				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
Promotion of a safe and respectful work environment to counter cases of violence and harassment, through the reinforcement of the wellbeing and dignity of all workers along the supply chain	Potential	Upstream	Short-term	Measures to counter violence and harassment in the workplace
<b>Negative impacts</b>				
Work-related injuries and/or work-related ill health when performing work activities due to a failure to carry out safety checks during production and logistical activities	Potential	Upstream	Medium-term	Health and safety
Failure to respect the principles of equal opportunities, diversity and inclusion along the supply chain, also with reference to the inclusion of persons with disabilities	Potential	Upstream	Short-term	Employment and inclusion of persons with disabilities Diversity
Violation of human rights and fundamental labour rights along the supply chain, with particular reference to the phenomena of child labour	Potential	Upstream	Short-term	Child labour
Violation of human rights and fundamental labour rights along the supply chain, with particular reference to the phenomena of forced/mandatory labour	Potential	Upstream	Short-term	Forced labour
Failed or partial protection of the privacy of personal data of workers in the supply chain	Potential	Upstream	Short-term	Privacy
<b>Risks</b>				
Compromise of the image/reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of health and safety	N.A.	Own operations	Short-term	Health and safety
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group to protect the principles of equal opportunities, diversity and inclusion	N.A.	Own operations	Short-term	Employment and inclusion of persons with disabilities Diversity



S2				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of the forced / mandatory labour and child labour	N.A.	Own operations	Short-term	Child labour Forced labour
S3				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Positive impacts				
Positive impacts on the local economy in territories of the Himalayas where the regenerative agriculture project "Himalayan Regenerative Fashion Living Lab" is ongoing	Actual	Upstream	Medium-term	
Support for territorial development and the promotion of the local artistic and cultural heritage, through the launch of various initiatives and activities with the local community	Actual	Upstream Own operations Downstream	Long-term	Impacts related to the territory
Development, promotion and dissemination of the quality and craftsmanship that reside in the territory deriving from the exclusivity and allure of the brand	Actual	Own operations	Long-term	
Opportunity				
Reputational benefits deriving from the lasting support activities for the territories and local communities	N.A.	Own operations	Long-term	Impacts related to the territory



S4				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
The Casa di Moda guarantees access to quality information regarding its products, in line with regulations governing traceability and transparency, using appropriate channels to interact with external players	Actual	Downstream	Short-term	Access to quality information
<b>Negative impacts</b>				
Failed or partial protection of the confidentiality of personal data of customers, including the ability to meet the requests from data subjects	Potential	Downstream	Short-term	Privacy
Negative consequences for customers, caused by the only-partial respect of health and safety criteria of products sold and/or injuries incurred by customers inside a sales point	Potential	Downstream	Short-term	Health and safety Personal safety
Failed or partial protection of the confidentiality of personal data of end customers under 18 years of age resulting from the collection of personal data at sales points	Potential	Downstream	Short-term	Privacy Protection of children
Harm to customers caused by misleading or inaccurate statements by the Group regarding business practices, products and/or the supply chain	Potential	Downstream	Short-term	Responsible business practices
<b>Risks</b>				
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to external factors (e.g. suppliers responsible for processing the data for which Brunello Cucinelli is the data controller)	N.A.	Own operations	Short-term	Privacy
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to internal factors	N.A.	Own operations	Short-term	
Litigation with customers/associations (i.e. class action)	N.A.	Own operations	Short-term	Health and safety Responsible business practices



G1				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
International-level protection of whistle-blowers against any retaliation, coupled with incentives to report unlawful or irregular behaviour	Actual	Upstream Own operations Downstream	Short-term	Management of supplier relations
The Casa di Moda has generated and continues to generate higher turnover than the rest of the market, even in periods of crisis, guaranteeing a solid and enduring relationship with the artisan companies with which it works	Actual	Upstream	Medium-term	Management of supplier relations
Implementation of internal programmes of awareness-raising and training on risky and improper practices, like corruption and manipulation of markets	Actual	Own operations	Short-term	Prevention and identification including training
<b>Negative impacts</b>				
Failure along the supply chain to observe the practices necessary to guarantee animal welfare	Potential	Upstream	Medium-term	Animal welfare
Harm to the interests of investors due to market abuses/failure to respect current regulations	Potential	Own operations	Medium-term	Accidents
<b>Risks</b>				
Acts of corruption in relationships with public authorities (e.g. Inspection agencies, Customs Agency, Revenue Office) and private authorities (e.g. suppliers/intermediaries)	N.A.	Own operations	Medium-term	Corporate culture
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of animal welfare	N.A.	Own operations	Medium-term	Animal welfare
Offence of abuse of privileged information (e.g. insider trading)	N.A.	Own operations	Medium-term	Accidents
Failure to respect current regulations pursuant to Legislative Decree 231/2001 on EU restrictive measures (with particular reference to those issued in relation to the Russian-Ukrainian conflict)	N.A.	Own operations	Short-term	Corporate culture

**Specific impact, risk and opportunity disclosures<sup>5</sup>**

<b>Workplaces</b>				
<b>Description</b>	<b>Potential/ Actual Impact</b>	<b>The value chain</b>	<b>Time period</b>	<b>Sub-topic or sub-sub-topic of reference</b>
<b>Positive impacts</b>				
Increase in employee wellbeing by promoting the beauty of the workplaces	Actual	Own operations	Medium-term	/
<b>Generational shift</b>				
<b>Description</b>	<b>Potential/ Actual Impact</b>	<b>The value chain</b>	<b>Time period</b>	<b>Sub-topic or sub-sub-topic of reference</b>
<b>Risks</b>				
Compromise of brand positioning as a result of inadequate management of the generational shift	N.A.	Own operations	Medium-term	/

**RESILIENCE OF THE COMPANY STRATEGY AND MODEL**

The company has performed a qualitative analysis of the resilience of its own company model as regards its ability to face the material impacts and risks and take advantage of the relevant opportunities. This initial analysis covers a one-year period, in line with the Industrial plan and with the analysis of the compatibility of the objectives of the Industrial plan with the company risk profile with respect to global and sector trends.

The result demonstrates a solid level of resilience with respect to the impacts, risks and opportunities. The ability to mitigate the negative impacts and continue realising positive impacts has been analysed in consideration of the objectives of the Industrial plan, the Sustainability plan (including the SBTi targets), the results of the 2025 ERM risk profile, and the analysis of the compatibility of the objectives of the Industrial plan. In particular, the impacts related to climate change are monitored within the scope of the trajectory of emissions validated by SBTi; the impacts related to the supply chain, both environmental and social, are managed through the supplier qualification and selection processes; the business strategy, which is based on the absolute quality of the fashion garments, guarantees positive impacts thanks to maximum durability and the repair service offered by the company; the impacts related to employees (e.g. training, privacy, diversity, workplaces) are managed using multiple activity flows, whose resources are provided by the Industrial plan.

The company's resilience to risks is assessed at least once a year by the Board of Directors through the internal control and risk management system (ref. ESRS 2 IRO-1).

<sup>5</sup> The column "Potential/Actual Impact" does not apply to the risks and opportunities.



In 2025, the Company carried out the following activities in order to assess its ability to manage risks:

- annual risk assessment, with the involvement of all the risk owners operating within the Company and the main subsidiaries of the Group;
- vertical analysis of the compatibility of the short-term strategic objectives with the risk profile defined by means of the risk assessment, with the global and sector trends for the 2025-26 period, and with the possible risks emerging from these trends;
- vertical analysis of the risks connected to climate change, aimed at assessing the company’s ability to face the physical climate risks in different scenarios and take advantage of possible insights regarding transition risks and/or opportunities.

Based on the analyses performed, the Board of Directors found no elements to lead them to believe that the audit and risk management system is not effective and adequate as regards the characteristics of the Company and its risk profile.

The Company's ability to take advantage of opportunities was assessed on a basis consistent with the approval of the Industrial plan, which includes planning and the related economic resources required to provide continuity to the numerous initiatives for which the Casa di Moda is known as a benchmark of ethical luxury and from which significant reputational benefits derive.

## GOVERNANCE

### **GOV-1 The role of the administrative, management and supervisory bodies**

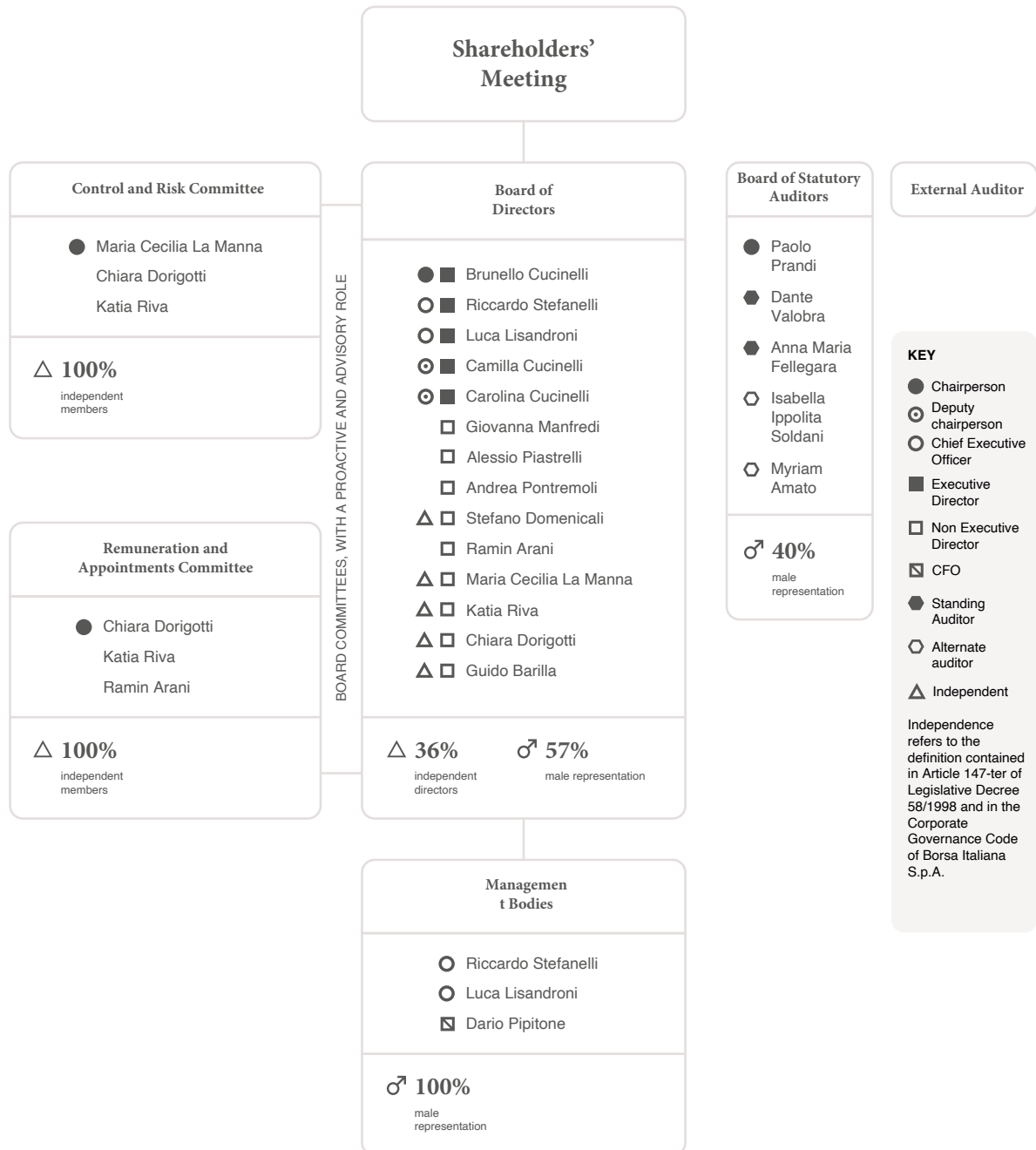
The corporate governance system is divided into the following bodies.

Administrative bodies	Board of Directors
Management bodies	Chief Executive Officers (CEOs); Chief Financial Officer (CFO)
Control bodies	Board of Statutory Auditors, External Auditors

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



Figure 4: The corporate governance structure





The responsibilities of the Group's governance bodies with regard to the impacts, risks and opportunities are stated in the "Procedure for defining the Double materiality process pursuant to ESRS" and in the "Procedure for collecting the data necessary for the purposes of Consolidated Sustainability Reporting pursuant to Legislative Decree 125/2024". They are interpreted more specifically in multiple company policies, in particular the Human Relations, Environmental, Human Sustainability, Diversity & Inclusion, Biodiversity, and Anti-Corruption policies, for which the administrative, management and supervisory bodies and/or the internal managerial functions are responsible for their implementation.

The Chief Executive Officers are responsible for the process for identifying and assessing the impacts, risks and opportunities connected to sustainability issues related to both the company and the value chain. Company directors actively participate in the assessment of IROs and the Board of Directors has the final responsibility for approving the results of the Double Materiality analysis. The following functions participate in this process:

- Administration, Finance and Control, reporting to the CFO;
- Human Sustainability, reporting to the CEOs;
- ERM & Internal Audit, reporting to the Board of Directors.

The Board of Statutory Auditors, pursuant to Article 10 (1) of Legislative Decree 125/2024, supervises the observance of the provisions of the Decree and reports on this in the annual report to the Shareholders' Meeting. The external auditors verify compliance of the Double Materiality process pursuant to ESRS.

In relation to the sustainability objectives, the Board of Directors is ultimately responsible for the approval of the objectives contained in the Sustainability Plan.

The Council for Human Sustainability and Humanistic Capitalism performs a preliminary, propositional and advisory support role, ensuring the coordination, monitoring and preparation of proposals for updating the content of the Sustainability plan.

The Chief Executive Officers contribute to the process by performing a preliminary technical validation of the objectives before they are submitted to the BoD for final approval.

This governance structure guarantees an integrated decision-making process in which the ultimate strategic responsibility lies with the BoD, supported by the technical expertise and preliminary contributions of the other bodies.

Responsibilities regarding sustainability are distributed among the various administrative, management and supervisory bodies, with particular reference to the Chairman of the Board, the Chief Executive Officers, the CFO, some directors, members of the Board of Statutory Auditors as well as the external auditors. The members of the Board of Directors, which include the Chief Executive Officers, also currently include managers of the Company and Independent Directors with many years of experience and expertise in the fashion and luxury sector or in listed companies<sup>6</sup>. Furthermore, on a level of internal company functions, the Human Sustainability team is specifically dedicated to managing sustainability topics, with a proactive and advisory role that benefits the BoD and related internal advisory committees. Within the scope of the implementation of the Sustainability Plan, the team coordinates and monitors the progress of the objectives and targets set by the Plan, in consultation with the corporate functions directly involved and reporting to the Chief Executive Officers. The Company has also relied on a network of expert sustainability advisors for many years.

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<sup>6</sup> For further details on the technical and specific skills of each member, refer to the CVs published on the Company's Investor Relations website, at the following link: <http://investor.brunellocucinelli.com/it/governo-societario/consiglio-di-amministrazione>.



For further information on the role of the administrative, management and supervisory bodies, refer to section “G1 GOV-1 The role of the administrative, management and supervisory bodies”.

### **GOV-2 Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies**

The BoD, the Chief Executive Officers, the CFO and the Board of Statutory Auditors are informed at least annually on the material impacts, risks and opportunities by means of information flows managed by the Enterprise Risk Management & Internal Audit function and the Human Sustainability team. Furthermore, the latter also provides periodic updates to the same bodies regarding the results and effectiveness of the policies, actions, metrics and objectives.

Starting from 2024, the Enterprise Risk Management & Internal Audit function, with the support of consultants, also carries out an annual session, with the direct involvement of at least one CEO, for more in-depth analysis of the strategic risks, including emerging ones, that can have an impact on the Group’s Industrial plan in the short-term.

### **GOV-3 Integration of sustainability-related performance in incentive schemes**

The incentive systems and remuneration policies connected to sustainability issues are regulated within the Company Remuneration Report<sup>7</sup>.

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

The remuneration policy provides for the payment of a fixed remuneration and a variable remuneration, to which performance metrics related to sustainability are added.

For the definition of the variable components intended for the Chief Executive Officers, the remuneration policy distinguishes between short-term components (with an annual time frame), connected to the achievement of short-term performance objectives, also of a non-economic nature (e.g. ESG), consisting (primarily) in a cash remuneration, and medium- and long-term components connected to the achievement of medium-to long-term performance objectives (objectives of at least 24 months), consisting also in financial instruments (equity-based). The short-term variable remuneration envisaged for CEOs is associated 60% with economic performance (turnover) and 40% with Human Sustainability goals.

The six goals linked to Human Sustainability topics include a commitment to combat climate change, the protection of biodiversity, and the dissemination of inclusive values with a view to supporting the growth of a fair and respectful work environment.

### **GOV-4 Statement on due diligence**

The Company implements its due diligence activities with the objective of identifying, assessing and managing its negative impacts on the environment and on people, as well as the risks deriving from these aspects, in reference both to their own activities as well as those related to the value chain.

The following table shows the disclosure requirements for sustainability reporting as well as the fundamental elements of our due diligence process.

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<sup>7</sup> The Company Remuneration Report can be consulted online at the following link: <https://investor.brunellocucinelli.com/it>

**Table 2: Due diligence**

Fundamental elements of due diligence	Paragraphs in the Sustainability Report
a) Integrate due diligence into governance, strategy and the company model	GOV-1 The role of the administrative, management and supervisory bodies GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-3 Integration of sustainability-related performance in incentive schemes SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
b) Involve the stakeholders in all the fundamental phases of due diligence	SBM-2 Interests and views of stakeholders
c) Identify and assess the negative impacts	GOV-1 The role of the administrative, management and supervisory bodies SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
d) Intervene to address the negative impacts	E1-3 Actions and resources in relation to climate change policies E2-2 Actions and resources related to pollution E3-2 Actions and resources related to water and marine resources E4-3 Actions and resources related to biodiversity and ecosystems E5-2 Actions and resources related to resource use and circular economy S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions



Fundamental elements of due diligence	Paragraphs in the Sustainability Report
e) Monitor the effectiveness of the measures and communicate	E1-5 Energy consumption and mix E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions E2-4 Pollution of air, water and soil E2-5 Substances of concern and substances of very high concern E3-4 Water consumption E4-5 Impact metrics related to biodiversity and ecosystems change E5-4 Resource inflows E5-5 Resource outflows S1-6 Characteristics of the undertaking's employees S1-7 Characteristics of non-employee workers in the undertaking's own workforce S1-8 Collective bargaining coverage and social dialogue S1-9 Diversity metrics S1-10 Adequate wages S1-11 Social protection S1-12 Persons with disabilities S1-13 Training and skills development metrics S1-14 Health and safety metrics S1-15 Work-life balance S1-16 Compensation metrics S1-17 Incidents, complaints and severe human rights impacts G1-4 Confirmed incidents of corruption or bribery

### GOV-5 Risk management and internal controls over sustainability monitoring

The Casa di Moda has defined an internal control and management system for the risks connected to the sustainability reporting process. The system, which has been updated based on the reporting requirements defined by the CSRD and ESRS, benefits from the company's experience in terms of risk control and management acquired within the context of preparing the sustainability reports prior to the CSRD obligation.

Two interconnected procedures have been defined within the scope of sustainability reporting process governance, the "Procedure for collecting the data necessary for the purposes of Consolidated Sustainability Reporting pursuant to Legislative Decree 125/2024" and the "Procedure for defining the Double materiality process pursuant to ESRS", which regulate the processes for the definition, collection, preparation and approval of the sustainability disclosure subject to reporting. For further information, refer to the section "G1 GOV-1 The role of the administrative, management and supervisory bodies".

In particular, the data collection and validation process includes three control levels: the first is performed by the data owners and the contact persons performing the operations; the second is performed by the Administration, Finance and Control team and the Human Sustainability team, also by means of reconciliation with other company information sources; the third is performed by the Internal Audit team, whose checks are subject to specific reporting to the administrative and control bodies.

With specific reference to the calculation of the organisation's carbon footprint, which includes the analysis of the so-called Scope 3 related to the value chain, the Company has already been subjecting its own GHG emission inventory to Limited Assurance by third parties for many years. Also for 2025, the inventory of GHG emissions will be subject to Limited Assurance by a third party.

In 2024, the company started a significant and group-wide digitalisation process with the purpose of transforming company processes and information systems, which will also apply to the sustainability reporting processes.



## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities**

The process of identifying impacts, risks and opportunities was based, as in the previous year, on analyses carried out on multiple categories of documentary sources: macro trends and sector reports, economic-financial results, and the Group's 2024 Consolidated Sustainability Report, ESG rating and Group risk rating, ESRS, ex-TCFD and TNFD framework, a selection of peers, and regulatory sources. Furthermore, the value chain of the Casa di Moda was analysed by mapping the constituent categories of actors and, for each of them, the sector, the measurement of relevance and the type of relation with the Casa di Moda, the specific activity performed and the geographical location was identified for each of them.

Each impact was identified in consideration of the connections with the risks and opportunities that can derive from them. Furthermore, each impact, risk and opportunity, identified from a long-list, was associated with one or more sub-sub-topics defined by the ESRS, or with sustainability topics not covered by the ESRS.

The nature (effective or potential), the area of the value chain in which it falls, the connected geographic factors, the relative business reports in the case of upstream and/or downstream impacts, the time period of the effects, and any correlation with human rights were identified for every impact.

The time period of the financial effects on the organisation was identified for every risk and opportunity.

The process of assessing the impacts, risks and opportunities is carried out through the involvement both of company management as well as some stakeholder categories. Management was involved through interviews concerning their area of responsibility (e.g. impacts, risks and opportunities connected to the sub-sub-topic "health and safety of the own workforce" were evaluated by the RSPP). The involved stakeholders were selected in accordance with the company's Stakeholder Engagement Plan and with the methodological requirements of the ESRS: they comprised a representative sample group of human resources, raw material suppliers, artisan companies and wholesale customers, both Italian and foreign. Each of them was requested to prioritise the impacts based on their own areas of responsibility (e.g. the employees considered only those impacts connected to the company's own workforce). The tools used were face-to-face focus groups and digital interviews and surveys. Both the management and the stakeholders had the opportunity to offer an assessment of additional impacts, risks and opportunities.

The relevance of the impacts was assessed using a metric based on probability and severity parameters. Three separate dimensions of severity were analysed, the extent, scope and, only in the case of negative impacts, the irreparable nature. Each impact was traced to an area of reference (e.g. environment, person, etc.), to each of which specific metrics correspond. The severity of the impact is calculated as the average of the values for the extent, scope and, if applicable, the irreparable nature. In case of impacts connected to human rights, a stricter materiality threshold was applied, which places more weight on severity than on the probability of occurrence. The probability is assessed in relation to the potential positive and negative impacts (in addition to risks and opportunities).

The risks are identified and assessed using the Enterprise Risk Management (ERM) process, through annual Risk Assessment procedures. This process, which is regulated by the ERM guidelines approved by the BoD, was integrated into the Double Materiality analysis as required by the relative procedure. According to the methodology defined by the Company, the assessment process is based on interviews with the risk owners performed by the ERM & Internal Audit function with the support of specialised consultants. During these interviews, the risks are identified and assessed by the Risk Owner on an inherent level (i.e. regardless of the internal control system used by the Company), regarding their probability and extent, in accordance with the metrics approved by the CEOs and based on economic-financial criteria as well as qualitative criteria.



Risk identification and assessment can include aspects connected to the topics mapped by the ESRS. Any link, also in terms of causality, with these topics (and/or the impacts already mapped by the same owners or other owners) is addressed by the ERM & Internal Audit team during the Risk Assessment, together with the other teams identified in the Double Materiality procedure, with the methods defined therein. This possible link is subject to validation by the responsible Risk Owners.

The opportunities, to the extent in which they are connected to ESG topics, are identified and assessed during the Double Materiality process based on qualitative metrics (mainly based on reputational criteria) as well as quantitative metrics (based on economic-financial criteria).

The risks are prioritised at the end of the risk assessment activities, in consideration of the residual level of the risk. The risks related to sustainability are included in this prioritisation, without prevalence when attributing the priority of treatment.

Nevertheless, based on the ERM guidelines, if a risk has an assessment with a residual level that exceeds the Risk Appetite determined by the Company for its category, the management of reference is required to define a plan that aims to return the risk profile within the limits defined by the BoD.

The procedure for performing the Double Materiality analysis regulates the method for integrating the identification and assessment of the impacts, risks and opportunities. This integration is based on the collaboration of the Administration, Finance and Control, ERM & Internal Audit and Human Sustainability teams. Also from this point of view, the ERM process envisages that validation of the Risk Assessment by the owners include the possible link between the identified risks and impacts. These impacts can also be among the causes or consequences of the risk mapped in the Risk Register.

The identification and assessment of the opportunities is limited to the opportunities connected to the ESG topics specified by the ESRS.

The results of the Double Materiality analysis led to the identification of the relevant information to provide in this report.

## IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability report

ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
2	BP-1	General basis for preparation of sustainability report		79
	BP-2	Disclosures in relation to specific circumstances		79
	GOV-1	The role of the administrative, management and supervisory bodies	Gender diversity in the board, paragraph 21 (d)	96-97
Percentage of independent members of the board of directors, paragraph 21 (e)			96-97	



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
				99
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		99
	GOV-3	Integration of sustainability-related performance in incentive schemes		99
	GOV-4	Statement on due diligence		99
	GOV-5	Risk management and internal controls over sustainability reporting		101
			Involvement in activities connected to activities in the fossil fuel sector, paragraph 40 (d) (i)	79
	SBM-1	Strategy, business model and value chain	Involvement in activities connected to the production of chemicals, paragraph 40 (d) (ii)	79
			Participation in activities connected to controversial weapons, paragraph 40 (d) (iii)	Not applicable
			Involvement in activities connected to the cultivation and production of tobacco, paragraph 40 (d) (iv)	Not applicable
	SBM-2	Interests and views of stakeholders		82
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		85
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		102
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability report		103
	Policies MDR-P	Policies adopted to manage material sustainability matters		114
	Actions MDR-A	Actions and resources in relation to material sustainability matters		117
	Metrics MDR-M	Metrics in relation to material sustainability matters		117
	Targets MDR-T	Tracking effectiveness of policies and actions through targets		118



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
E1	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes		122
	E1-1	Transition plan for climate change mitigation	Transition plan to reach climate neutrality by 2050, paragraph 14	122
			Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	122
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		122
	ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities		124
	E1-2	Policies related to climate change mitigation and adaptation		125
	E1-3	Actions and resources in relation to climate change policies		127
	E1-4	Targets related to climate change mitigation and adaptation	GHG emission reduction targets, paragraph 34	128



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion	
E1-5	Energy consumption and mix		Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	129	
			Energy consumption and mix, paragraph 37	129	
			Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	129	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions		Gross GHG emissions intensity, paragraphs 53 to 55	130	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits			Not applicable as the Casa di Moda does not use carbon credits	
E1-8	Internal carbon pricing			Not applicable as the Casa di Moda does not use an internal carbon pricing system	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities			Phase-in	
E2	ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities		137	
			E2-1	Policies related to pollution	138
			E2-2	Actions and resources related to pollution	138
			E2-3	Targets related to pollution	139



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
	E2-4	Pollution of air, water and soil	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	140
	E2-5	Substances of concern and substances of very high concern		140
	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities		Phase-in, except for 40b: during the period of reference, the Casa di Moda did not have operating expenses (Opex) or capital expenditures (Capex) in conjunction with major deposits and incidents
E3	ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		141
	E3-1	Policies related to water and marine resources	Water and marine resources, paragraph 9 Dedicated policy, paragraph 13 Sustainable oceans and seas, paragraph 14	142 Not applicable Not applicable
	E3-2	Actions and resources related to water and marine resources		142
	E3-3	Targets related to water and marine resources		143
	E3-4	Water consumption	Total water recycled and reused, paragraph 28 (c) Total water consumption in m3 per net revenue on own operations, paragraph 29	143 143
	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities		Phase-in



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
E4	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		145
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		145
	ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	E4 paragraph 16 (a) (i)	145
			E4 paragraph 16 (b)	145
			E4 paragraph 16 (c)	145
	E4-2	Policies related to biodiversity and ecosystems	Sustainable land / agriculture practices or policies, paragraph 24 (b)	Not applicable
			Sustainable oceans / seas practices or policies, paragraph 24 (c)	Not applicable
			Policies to address deforestation, paragraph 24 (d)	146
	E4-3	Actions and resources related to biodiversity and ecosystems		148
	E4-4	Targets related to biodiversity and ecosystems		149
E4-5	Impact metrics related to biodiversity and ecosystems change		The Company has not identified sites in biodiversity-sensitive areas that it is negatively affecting. Furthermore, the Casa di Moda does not directly contribute to the impact drivers of land-use change, freshwater-use change and/or sea-use change	
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities		Phase-in	



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion		
E5	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		150		
			E5-1	Policies related to resource use and circular economy	150	
			E5-2	Actions and resources related to resource use and circular economy	152	
			E5-3	Targets related to resource use and circular economy	153	
			E5-4	Resource inflows	153	
			E5-5	Resource outflows	Non-recycled waste, paragraph 37 (d)	155
					Hazardous waste and radioactive waste paragraph 39	155
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Phase-in			
S1	ESRS 2 SBM-2	Interests and views of stakeholders		172		
			ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Risk of incidents of forced labour, paragraph 14 (f)	172
					Risk of incidents of child labour, paragraph 14 (g)	172



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
			Human rights policy commitments, paragraph 20	176
S1-1		Policies related to own workforce	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	176
			Processes and measures for preventing trafficking in human beings, paragraph 22	176
			Workplace injury prevention policy or management system, paragraph 23	176
S1-2		Processes for engaging with own workers and workers' representatives about impacts		178
S1-3		Processes to remediate negative impacts and channels for own workers to raise concerns	Grievance/complaints handling mechanisms, paragraph 32 (c)	179
S1-4		Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		183
S1-5		Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		185
S1-6		Characteristics of the undertaking's employees		185
S1-7		Characteristics of non-employee workers in the undertaking's own workforce		188
S1-8		Collective bargaining coverage and social dialogue		188
S1-9		Diversity metrics		189
S1-10		Adequate wages		189
S1-11		Social protection		190
S1-12		Persons with disabilities		190
S1-13		Training and skills development metrics		191



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion	
S1-14	Health and safety metrics		Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	193	
			Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	193	
S1-15	Work-life balance metrics			194	
S1-16	Compensation metrics (pay gap and total compensation)		Unadjusted gender pay gap, paragraph 97 (a)	195	
			Excessive CEO pay ratio, paragraph 97, (b)	195	
S1-17	Incidents, complaints and severe human rights impacts		Incidents of discrimination, paragraph 103 (a)	196	
			Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	196	
Specific disclosure	Workplaces			197	
S2	ESRS 2 SBM-2	Interests and views of stakeholders		199	
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	199	
			Human rights policy commitments, paragraph 17	202	
	S2-1	Policies related to value chain workers	Policies related to value chain workers, paragraph 18	202	
			Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	202	
			Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	202	
	S2-2	Processes for engaging with value chain workers about impacts			203
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns			203



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
				204
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		206
S3	ESRS 2 SBM-2	Interests and views of stakeholders		207
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		207
	S3-1	Policies related to affected communities		208
	S3-2	Processes for engaging with affected communities about impacts		209
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns		209
	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		209
	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		211
	S4	ESRS 2 SBM-2	Interests and views of stakeholders	
ESRS 2 SBM-3		Material impacts, risks and opportunities and their interaction with strategy and business model		212



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
S4-1	S4-1	Policies related to consumers and end-users	Policies related to consumers and end-users, paragraph 16	214
			Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	214
	S4-2	Processes for engaging with consumers and end-users about impacts		215
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		215
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Human rights issues and incidents, paragraph 35	216
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		217	
G1	GOV-1	The role of the administrative, management and supervisory bodies		218
	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		220
	G1-1	Corporate culture and business conduct policies	United Nations Convention against Corruption, paragraph 10 (b)	221
			Protection of whistle-blowers, paragraph 10 (d)	Not applicable
	G1-2	Management of supplier relations		223
G1-3	Prevention and detection of corruption and bribery		224	



ESRS Standard	Disclosure obligation	Description of the disclosure obligation	List of the information specified in the transversal and thematic standards deriving from other EU legislative acts	Page/ Reason for the exclusion
G1-4		Confirmed incidents of corruption or bribery	Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	225
			Standards of anti-corruption and anti-bribery, paragraph 24 (b)	225
G1-5		Political influence and lobbying activities		Non-material topic
G1-6		Payment practices		Non-material topic
Specific disclosure	Generational shift	Generational shift		226

### MDR-P Policies of the Casa di Moda<sup>8</sup>

The Casa di Moda has a broad and structured policy system for the protection of the environment and the main stakeholder categories<sup>9</sup>, in line with ethical business conduct.

The Code of Ethics lies at the base of the entire body of internal policies and defines the rules, values and principles that form the basis of Group operations, and takes on a role of guiding the behaviours and actions of all stakeholders.

The adoption and application of the Code of Ethics is essential for the achievement of the Company's primary objective, which is the creation of value for all the Group's stakeholders.

It is an integral part and reference ethical framework of Brunello Cucinelli's Model 231, formalising a coherent system of organisational, management and control principles, provisions and procedures.

The Company policies are presented below.

<sup>8</sup> For more information about the Policies of the Casa di Moda, refer to the Governance section of the website, at the following link: <https://investor.brunellocucinelli.com/it/servizi/archivio-generale/governance/umana-sostenibilita>.

<sup>9</sup> The policies must be brought to the attention of all stakeholders, including the employees of all Group companies, through suitable communication channels, including publication on the corporate website and on the corporate intranet, and translated into pertinent languages to guarantee effective dissemination. Once properly informed, all the stakeholders are required to comply with the principles contained therein.



Figure 5: Presentation of company policies

Policy	Contents and objectives	Scope of application	Monitoring and most senior level responsible	Reference regulations	Reference ESRS
<b>Human Sustainability Policy "In Harmony with Creation"</b>	<p>Approved in 2021, it represents the philosophical framework of the Casa di Moda. It is embodied in the commitments that the Group has defined internally and in its relations with external stakeholders and which also constitute the cornerstones of the strategy expressed in the Sustainability Plan.</p> <p>In this sense, the Policy represents the frame of reference for the processes of management of impacts, risks and opportunities related to sustainability.</p>	<p>The recipients of the Human Sustainability policy are all those who act in the name of and/or on behalf of the Group or in its interest. For example: corporate bodies and their members, employees, collaborators, raw material suppliers and small craft enterprises, consultants and all our other partners.</p>	<p>The Council for Human Sustainability and Humanistic Capitalism is also directly responsible for implementing, coordinating, monitoring and updating the contents of this Policy.</p> <p>It is approved by the Board of Directors, which holds the ultimate responsibility for strategic decisions and projects on sustainability issues.</p>	<p>United Nations General Assembly Resolution 217A (III)</p> <p>Universal Declaration of Human Rights, A/RES/217(III) (10 December 1948)</p> <p>United Nations General Assembly Resolution 70/1, Transforming our World: the 2030 Agenda for Sustainable Development, A/RES/70/1 (25 September 2015)</p> <p>United Nations Framework Convention on Climate Change</p> <p>2015 Paris Agreement</p> <p>UN Global Compact, The Ten Principles (24 June 2004)</p> <p>Organisation for Economic Cooperation and Development, OECD Guidelines for Multinational Enterprises (25 May 2011)</p> <p>International Labour Organisation, Conventions on fundamental labour rights and principles</p>	<p>E1 – Climate change</p> <p>E2 – Pollution</p> <p>E3 – Water and marine resources</p> <p>E4 – Biodiversity and ecosystems</p> <p>E5 – Resource use and circular economy</p> <p>S1 – Own workforce</p> <p>S2 – Value chain workers</p> <p>S3 – Affected communities</p> <p>G1 – Business conduct</p>
<b>Human Relations Policy</b>	<p>Adopted in 2021, it is based on the core value of sharing, which permeates the company philosophy and working method. It embraces all the subjects involved within the value creation chain with the aim of implementing a strategic approach capable of preserving enduring human relations. The Policy contains principles and values that must guide the moments of dialogue with all stakeholders and represents the frame of reference for the management of all sustainability impacts, risks and opportunities connected to the management of relations with stakeholders pertaining to the Casa di Moda. The wide variety and heterogeneity of the categories of stakeholder with whom we interact requires us to use tools and channels of dialogue that take into account the specificities and interests of each type. Stakeholder communication and engagement is mainly developed through informal channels of dialogue, which are based on direct relations between the relevant corporate functions and individual stakeholders. The frequency of dialogue varies depending on the type of stakeholder and the channel activated: there may be annual occasions for discussion, as well as interactions characterised by a daily continuity, capable of adapting to the needs of the stakeholders.</p> <p>Informal channels of dialogue are then complemented by periodic formalised moments of engagement (focus groups or questionnaires).</p>	<p>The recipients of the Policy are all the Group's Regions and all the functions identified as responsible for engagement with the different categories of Stakeholders, who are considered the direct recipients of its contents and are Employees, End-customers, Wholesale customers, Media, Public Administration, Regulatory Bodies, Trade Associations, Schools and Universities, Community and territory, Small craft enterprises and suppliers, Financial community (shareholders, investors and financial analysts), Financial Institutions.</p>	<p>The Council for Human Sustainability and Humanistic Capitalism is directly responsible for implementing, coordinating, monitoring and updating the contents of this Policy.</p> <p>The Policy is approved by the Company Board of Directors (BoD). Ultimate responsibility for strategic decisions and projects on sustainability issues lies with the BoD itself, which has a role in defining and guiding the Group's sustainability policies implementation activities.</p> <p>The Group is committed to periodically monitoring the effectiveness of its stakeholder engagement processes, assessing in particular the following dimensions: i) commitment; ii) objectives; iii) inclusiveness, in terms of internal functions and stakeholder categories involved; iv) operational methods of engagement; v) level of stakeholder participation.</p>	<p>Universal Declaration of Human Rights of 1948</p> <p>Conventions fundamental labour rights and principles of the International Labour Organisation (OIL)</p> <p>AA1000 Stakeholder Engagement Standard (2015)</p> <p>ESRS of CSRD, with specific reference to the principle of "stakeholder inclusiveness".</p>	<p>S1 – Own workforce</p> <p>S2 – Value chain workers</p> <p>S3 – Affected communities</p> <p>S4 – Consumers and end-users</p>



Policy	Contents and objectives	Scope of application	Monitoring and most senior level responsible	Reference regulations	Reference ESRS
<b>Environmental Policy “We always act as loyal guardians of Creation”</b>	<p>Adopted by the BoD on 29 August 2023, the policy identifies combating climate change as one of the main areas of intervention on environmental matters, in terms of climate change mitigation and adaptation, with particular reference to carbon footprint calculation and climate strategy, with a target for the reduction of emissions validated by SBTi.</p> <p>We are committed to ensuring that environmental protection is always recognised as a core principle of company activities. The Policy defines the main guidelines on which specific actions and strategies are based for the achievement of environmental objectives.</p>	<p>It covers all the company's activities, both direct and indirect. With reference to the supply chain, the Casa di Moda is committed to monitoring partners' alignment with the provisions set forth in the Policy. Where possible, direct suppliers are requested to implement the same checks with their own suppliers.</p> <p>The main stakeholders affected by the policy are producers and suppliers of raw materials and craft workshops, human resources and other collaborators, and consultants.</p>	<p>The Council for Human Sustainability and Humanistic Capitalism is also directly responsible for implementing, coordinating, monitoring and updating the contents of the Policy. It is approved by the Board of Directors, which holds the ultimate responsibility for strategic decisions and projects on sustainability issues.</p> <p>The monitoring of the impacts of the Casa di Moda's activities is subject to specific reporting within the Consolidated Sustainability Reporting.</p>	<p>United Nations Rio Declaration on Environment and Development (1992)</p> <p>Ten Principles of the United Nations Global Compact (Principles VII, VIII and IX)</p> <p>United Nations 2030 Agenda for Responsible Development</p> <p>Sustainable Development Goals (SDGs) SDGs #7 – Affordable and clean energy, #12 - Responsible consumption and production, #13 - Climate action and #15 - Life on land</p> <p>2015 Paris Agreement</p> <p>EU Green Deal</p> <p>OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023)</p>	<p><i>E1 – Climate change</i></p> <p><i>E2 – Pollution</i></p> <p><i>E3 – Water and marine resources</i></p> <p><i>E4 – Biodiversity and ecosystems</i></p> <p><i>E5 – Resource use and circular economy</i></p>
<b>Diversity and Inclusion Policy</b>	<p>Adopted in 2021, it is structured around five pillars: “dignity of labour”, “culture of diversity”, “inclusive leadership” and “equal opportunities” and “inclusive communication”</p> <p>For each pillar, the Policy defines specific actions that we are committed to implementing.</p> <p>We are committed to ensuring that the principles and commitments expressed within this policy underpin the entire professional life of our collaborators - both employees and non-employees - and are extended to the Group's relations with the outside world, with the aim of promoting their universality.</p>	<p>The Policy applies to all companies of the Brunello Cucinelli Group, as well as in relations with third parties entertained by those acting in the name of and on behalf of the companies in the Brunello Cucinelli Group.</p>	<p>The Council for Human Sustainability and Humanistic Capitalism is also directly responsible for implementing, coordinating, monitoring and updating the contents of the Policy.</p>	<p>United Nations Universal Declaration of Human Rights</p> <p>Convention n. 111 on Discrimination of the International Labour Organisation (OIL)</p> <p>Sustainable Development Goals (SDGs) #5 – Gender equality and Goal #10 – Reduced inequalities</p>	<p><i>S1 – Own workforce</i></p> <p><i>S2 – Value chain workers</i></p>
<b>Privacy Policy System</b>	<p>The Policy system deals with the processing of personal data, based on the principles of correctness, lawfulness, transparency, purpose limitation and storage, minimisation and accuracy, integrity and confidentiality, and the principle of accountability.</p> <p>Personal data will therefore be processed in accordance with the legal provisions of the Regulation and the confidentiality obligations therein.</p> <p>Processing of personal data means any operation, automated or otherwise, applied to such data, such as collecting, storing, modifying, consulting, using, sharing, comparing, limiting or deleting.</p>	<p>The Policy applies to all business Regions, as well as to the entire value chain, in the area of confidentiality and personal data protection. The stakeholders identified as recipients of the Policy are: employees, customers, and suppliers.</p>	<p>Pursuant to Article 24 GDPR: The data controller is responsible for implementing appropriate technical and organisational measures to ensure and demonstrate compliance with the GDPR. “Controller” means the Company and, more specifically, the senior management of the company (Board of Directors, CEOs) which is, by law, the highest level responsible for regulatory compliance with regard to the protection of personal data.</p> <p>The Data Controller reserves the right to amend or simply update the content, in part or in full, also due to changes in the applicable legislation.</p>	<p>Article 13 of Legislative Decree 196/2003</p> <p>EU Regulation 679/2016</p>	<p><i>S1 – Own workforce</i></p> <p><i>S4 – Consumers and end-users</i></p>



Policy	Contents and objectives	Scope of application	Monitoring and most senior level responsible	Reference regulations	Reference ESRS
<b>Biodiversity Policy</b>	<p>Approved on 10 December 2025, the policy formalises the commitment to the protection of the diversity of Creation as a key element of the company's vision of Environmental Sustainability and Humanistic Capitalism.</p> <p>The document underlines the will to preserve ecosystems, promote a responsible use of natural resources, and integrate into company processes an approach that promotes regeneration, respect for natural cycles and minimisation of environmental impacts.</p> <p>The Policy thus proposes to guide the organisation in the conscious management of the effects on biodiversity, soil consumption and ecosystem services, constituting a reference framework for real estate choices, procurement of raw materials, relations with the territory, and the development of regenerative practices along the entire value chain.</p>	<p>The Policy applies to all those acting in the name of, on behalf of, or in the interest of the Casa di Moda, including corporate bodies, human resources, employees, raw material suppliers, small craft enterprises, consultants and other partners involved in the Group's activities.</p> <p>The Policy extends its scope of application to subsidiaries, relationships with third parties, and all interactions which, whether directly or indirectly, may affect the preservation of biodiversity and environmental heritage.</p>	<p>The monitoring of environmental performance and commitments in relation to biodiversity takes place through periodic monitoring and reporting processes, included in the Consolidated Sustainability Reporting.</p> <p>The Council for Human Sustainability and Humanistic Capitalism is also directly responsible for implementing, coordinating, monitoring and updating the contents of the Policy, while the Facility Management team is tasked with managing the environmental aspects relating to the operational facilities.</p> <p>The Policy comes into effect after approval by the Board of Directors and can be updated to ensure compliance with evolving regulations, international best practice, and organisational requirements.</p>	<p>European Union Biodiversity Strategy for 2030</p> <p>Rio Declaration of 1992</p> <p>Ten Principles of the United Nations Global Compact (with particular attention to principles VII and VIII)</p> <p>2030 Agenda Sustainable Development Goals, SDG#15 – Life on land</p> <p>2015 Paris Agreement</p> <p>European Green Deal</p> <p>OECD Guidelines for Multinational Enterprises (2023)</p>	<i>E4 – Biodiversity and ecosystems</i>

**MDR- A Actions and policies of the Casa di Moda**

The actions of the Casa di Moda related to the current year are reported in the specific disclosure sections of each ESRS.

**MDR-M Metrics of the Casa di Moda**

The metrics in this document are identified by precise names and/or descriptions and, depending on the cases, detailed information is provided about the applied methodologies, significant assumptions adopted and any limits to the methodologies themselves. The details regarding the individual metrics are provided in the specific disclosure sections of each ESRS.

The metrics related to the Group's GHG emissions inventory are validated by an external body.

Furthermore, the metrics for the year of reference are used to evaluate the services and the effectiveness in relation to the material impacts, risks and opportunities.

**MDR-T Targets of the Casa di Moda**

The 2024-2028 Sustainability Plan of the Casa di Moda, “In Harmony with Creation”, was created based on the qualitative and quantitative short, medium and long-term objectives and targets (ref. “SBM-1 Strategy, business model and value chain”). To guarantee consistency and transparency, the targets presented in this report correspond to those contained in the Sustainability Plan. This alignment makes it possible to offer a clear and unequivocal vision of the strategic targets considered, ensuring the traceability of commitments undertaken.

The purpose of the Plan is to continue defining the strategic objectives of sustainability, taking into account the context in which the Casa di Moda operates, the demands of the main stakeholders and the framework defined by the United Nations 2030 Agenda and the correlated Sustainable Development Goals (SDGs).

The targets of the Casa di Moda relate to the topics of climate change, the use of resources and the circular economy, the management of the workforce, workers in the value chain, and business conduct.

In relation to the targets defined in the previous reporting year, the following tables provide a detailed illustration of the progress made and the corresponding level of achievement. Also presented are the targets approved by the Board of Directors on 10 December 2025, to be pursued over the course of 2026. These are principally annual targets, with the exception of SBTi targets, included in the first table.



**Figure 6: Presentation of the Company targets**

ESRS	Unit of measurement		Target description	Target year	Scope
<b>E1 Climate change</b>	%	Relative	SBTi target: 70% reduction in GHG Scope 1 and 2 emissions compared to 2019 <sup>(a)</sup>	2028 (ongoing)	Own operations
	%	Relative	SBTi target: 22.5% reduction of GHG Scope 3 emissions compared to 2019 <sup>(b)</sup>		Upstream Own operations Downstream

ESRS	Unit of measurement		2025 Target		2026 Target		
			Target description	2025 Result	Target description	Target year	Scope
<b>E1 Climate change</b>	%	Relative	-	-	Transition of 85% of consumption of European facilities to green energy <sup>(c)</sup>	2026	Own operations
	%	Relative	-	-	At least 60% of diesel oil used for the company fleet of organic origin (HVO) <sup>(d)</sup>		Own operations
	%	Relative	-	-	In line with previous years, involvement of at least 150 raw material suppliers, who account for about 95% of the raw materials purchased by the Group, through the completion of a quali-quantitative self-assessment questionnaire on environmental topics <sup>(e)</sup>		Upstream
<b>E2 Pollution</b>	n	Absolute	-	-	Periodic and preventive checks of all new raw materials included in the Collections to ensure their compliance with product safety standards with respect to the use of chemicals considered potentially harmful and therefore specifically regulated	2026	Upstream
<b>E3 Water and marine resources</b>	n	Absolute	-	-	Periodic chemical-biological sampling and analysis of wastewater in order to check its compliance with the legal limits set forth by Legislative Decree 152/06. Constant monitoring through further testing of several important parameters, at least once a month, with the support of external laboratories	2026	Own operations
<b>E4 Biodiversity and ecosystems</b>	n	Absolute	-	-	Study and implementation of a new project linked to biodiversity issues	2026	Own operations



ESRS	Unit of measurement		2025 Target		2026 Target		
			Target description	2025 Result	Target description	Target year	Scope
<b>E5 Resource use and circular economy</b>	%	Relative	Fabric packaging: at least 25% comprised of fabric packaging produced as part of the "Noble Cycle" project	✓	Fabric packaging: at least 40% comprised of fabric packaging produced as part of the "Noble cycle" project <sup>(f)</sup>	2026	Upstream Own operations
	%	Relative	Paper/cardboard: at least 90% of purchased product certified, in line with previous years	✓	Paper/cardboard: at least 90% of purchased product certified, in line with previous years <sup>(g)</sup>		Upstream Own operations
	%	Relative	-	-	Cardboard: at least 30% of purchased product comprised of cardboard produced as part of the "Noble cycle" project <sup>(h)</sup>		Upstream Own operations
	%	Relative	-	-	Paper: at least 8% of purchased product comprised of paper produced as part of the "Noble cycle" project <sup>(f)</sup>		Upstream Own operations
	n	Absolute	-	-	Delivery of a further 3 workshops on the topics of sustainability, circularity and technological innovation related to the production of textile materials for strategic company offices		Own operations
<b>S1 Own workforce</b>	n	Absolute	Delivery of a further 2 workshops on the topic of Diversity and Inclusion	✓	Delivery of a further 4 workshops on the topic of Diversity and Inclusion	2026	Own operations
	n	Absolute	Extension of the Group Privacy Model to at least 4 more foreign regions	✓	Delivery of 3 workshops for the retail population on topics of sustainability		Own operations
	n	Absolute	-	-	Delivery of 4 workshops for the corporate population on topics of sustainability		Own operations



ESRS	Unit of measurement		2025 Target		2026 Target		
			Target description	2025 Result	Target description	Target year	Scope
<b>S2 Value chain workers</b>	%	Relative	In line with previous years, involvement of raw material suppliers, who account for about 95% of the Group's raw materials, through the completion of a qualitative self-assessment questionnaire (section dedicated to personnel)	✓	In line with previous years, involvement of at least 150 raw material suppliers, who account for about 95% of the Group's raw materials, through the completion of a qualitative self-assessment questionnaire on social topics <sup>(a)</sup>	2026	Upstream Own operations
	%	Relative	Audit activities on at least 90% of small craft enterprises, in line with previous years	✓	Audit activities on at least 90% of small craft enterprises, in line with previous years <sup>(k)</sup>		Upstream Own operations
<b>S3 Affected communities</b>	n	Absolute	-	-	In line with previous years, support for at least: one local sports association and one music association, a collaboration project with schools/universities, an association involved in issues of health and prevention	2026	Own operations
<b>G1 Business conduct</b>	n	Absolute	Delivery of 2 workshops on the topic of anti-corruption and ethical business conduct	✓	Delivery of a further workshop on the topic of anti-corruption and ethical business conduct	2026	Own operations

(a) The absolute value of Scope 1 and 2 emissions which represents the base year of the target, equals 3,844 t CO<sub>2</sub>e.  
 (b) The absolute value of Scope 3 emissions which represents the base year of the target, equals 71,001 t CO<sub>2</sub>e.  
 (c) As at 31.12.2025, 81% of energy consumption of the Group's European facilities comes from renewable sources.  
 (d) As at 31.12.2025, 62% of diesel oil used for the company fleet is of organic origin (HVO)  
 (e) In 2025, 160 raw material suppliers were involved, representing approximately 95% of the overall expenditure for raw materials. Of these, the suppliers who represent around 60% of the expenditure also completed quantitative sections relating to environmental and social topics.  
 (f) As at 31.12.2025, 25% of fabric packaging purchased by the Casa di Moda derives from the project "Noble Cycle".  
 (g) As at 31.12.2025, 91% of paper/cardboard packaging purchased by the Casa di Moda is FSC certified.  
 (h) As at 31.12.2025, 23% of fabric packaging purchased by the Casa di Moda derives from the project "Noble Cycle"  
 (i) The gradual procurement of this new type of product will start from 2026.  
 (j) See point (e).  
 (k) As at 31.12.2025, the audit activity involved 99% of the small craft enterprises.



## ENVIRONMENTAL INFORMATION

### E1 CLIMATE CHANGE

#### GOVERNANCE

##### **ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes**

With reference to the financial year 2025, for the remuneration of the members of the administrative, management and supervisory bodies of the Casa di Moda, the short-term variable remuneration envisaged for CEOs is associated 40% with Human Sustainability goals. The definition of this variable component took climate-related considerations into account. Specifically, the climate-related ESG targets are represented by the preparation of the Carbon Disclosure Project (CDP) questionnaire, the progressive transition towards green energy, and the updating of the Group's Carbon Strategy.

#### STRATEGY

##### **E1-1 Transition plan for climate change mitigation**

Within the scope of the Sustainability Plan "In Harmony with Creation" (2024-2028), the Casa di Moda decided to develop a transition plan for climate change mitigation by 2026. Moreover, in line with the provisions of the Group's Carbon Strategy, the Casa di Moda has defined specific targets for the reduction of direct (Scope 1) and indirect (Scope 2 and 3) emissions generated by the Group. In 2023, these targets, which were defined in line with the actions necessary to keep the global temperature increase to 1.5°C in accordance with the objectives of the Paris Agreement, were approved by the Science Based Targets Initiative (SBTi)<sup>10</sup>.

##### **ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

The analysis of risks related to climate change has become a crucial component of the company's management strategy. As a result of the Double Materiality analysis performed by the Casa di Moda, the physical and transition risks indicated in the table below were defined which, if not managed in a suitable manner, can lead to negative effects both locally as well as globally, highlighting the need for effective adaptation and mitigation policies and strategies.

**Table 3: Physical and transition climate-related risks**

Significant climate-related risk	Physical risk	Transition risk
Disruption of business continuity (e.g. warehouse operations/business support activities) due to extreme natural events	x	
Regulatory changes concerning combating climate change (e.g. Green Deal & Fit for 55) and absence of company governance/strategy concerning the climate		x

<sup>10</sup> For more details on the targets, refer to paragraph "MDR-T Targets of the Casa di Moda".



In consideration of this, in the period between the end of 2024 and the start of 2025, the Casa di Moda conducted an analysis of its own resilience to climate change, based on scenarios applicable to the Group's business model. The analysis is based on scientifically recognised sources, such as the IPCC<sup>11</sup> AR5 and AR6 reports, and is consistent with the guidelines of the Network for Greening the Financial System (NGFS).

The analysis also considered the Shared Socioeconomic Pathways (SSP1, SSP2, SSP5), which define different macroeconomic, technological and political contexts:

- SSP1 – Sustainability (aligned with IEA Net Zero): sustainable development, global cooperation, rapid abandonment of fossil fuels;
- SSP2 – Middle of the Road: gradual transition, moderate climate policy;
- SSP5 – Fossil-fuelled Development: economic growth based on fossil fuels, low regulation.

The time periods considered are medium-term (2030) and long-term (2050). These horizons are consistent with those commonly adopted in international climate scenarios and with the European Union's target to achieve climate neutrality by 2050, a horizon that is also aligned with the Net Zero target defined by the Group.

The result of the analysis demonstrated that the company is strongly capable of managing the negative effects deriving from possible physical risks related to climate change. Therefore, following this analysis, it was not necessary to change the Company's strategy.

With reference to the physical climate risks, an analysis was performed based on scenarios RCP 2.6 and RCP 8.5<sup>12</sup> identified by the IPCC in order to evaluate the possible consequences for the company in terms of *business continuity*, in light of the chronic and acute physical risks:

- i. along the supply chain, related specifically to the production sites of the Italian artisan companies. Specifically, the identified physical risks were: landslide risk for the regions of Umbria and Tuscany, flood risk for the regions of Tuscany and Veneto, heat waves, drought and heavy rain;
- ii. at the Solomeo site and the production facilities in Penne. Specifically, the identified physical risks were: heat waves, drought and heavy rain;
- iii. at the logistics site located in the United States (USA). Specifically, the identified physical risks were: heavy rain and storms, also with serious problems related to the cold waves that occurred in the past;
- iv. in terms of dependency on strategic materials such as cashmere and cotton. Specifically, for cotton, droughts represent the main acute climate risk, threatening the yield and quality of the fibres. As concerns cashmere, the dzud, a climatic phenomenon that affects central Asia, with hot and dry summers followed by severe winters, represents the main acute climate risk, threatening the survival of the animals and the quality of the fibres.

This analysis enabled better identification and more detailed assessment of the physical and transition risks linked to climate change, incorporated in the Double Materiality analysis.

In 2025, the Company also launched a *deep dive* with a view to quantifying the negative economic effects on the Company potentially deriving from the main physical climate risks to which the supply chain is exposed, with a focus on artisan companies based in the Italian region of Umbria. The findings will be available during the coming financial year.

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<sup>11</sup> Intergovernmental Panel on Climate Change.

<sup>12</sup> RCP 2.6, scenario of strong mitigation in line with heating limited to approximately +1.5°C–2°C, useful for evaluating the transition risks associated with ambitious policies (e.g. European Green Deal, Fit for 55, ESG regulations); RCP 8.5, high-emission scenario, representative of a trajectory without effective mitigation, useful for evaluating long-term acute and chronic physical risks.



MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

**ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities**

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model” of ESRS 2.

**Table 4: List of impacts, risks and opportunities relevant to the topic of climate change<sup>13</sup>**

Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Negative impacts</b>				
Generation of greenhouse gas due to the production and transformation of the raw materials used in the Collections	Actual	Upstream	Long-term	Climate change mitigation
Generation of greenhouse gas due to the upstream and downstream transport and distribution of the raw materials and semi-finished goods necessary for the Collections	Actual	Upstream Downstream	Long-term	
Increase in greenhouse gas emissions due to high energy consumption both at corporate locations and sales points, and also along the value chain	Potential	Upstream Own operations Downstream	Medium-term	Energy
<b>Risks</b>				
Disruption of business continuity (e.g. warehouse operations/business support activities) due to extreme natural events	N.A.	Own operations	Short-term	Adaptation to climate change
Regulatory changes concerning combating climate change (e.g. Green Deal & Fit for 55) and absence of company governance/strategy concerning the climate	N.A.	Own operations	Medium-term	Climate change mitigation
Compromise of the image/reputation of the Brunello Cucinelli brand due to failure to reach the objectives of climate change mitigation	N.A.	Own operations	Long-term	

<sup>13</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.  
The assets analysed are the sites and facilities of the Casa di Moda and those of the direct suppliers of the supply chain.



Although these evaluations were performed without formal consultation with the affected communities, for all the environmental topics covered in the document (E1 *Climate change*, E2 *Pollution*, E3 *Water and marine resources*, E4 *Biodiversity and ecosystems*, E5 *Resource use and circular economy*), the Casa di Moda maintained a constant dialogue with the territory and its communities. It has always considered it to be a priority and a precise moral duty to actively contribute towards improving the quality of life and economic, social, cultural, civil and medical-scientific development of the areas in which it operates through targeted initiatives and collaborations that support the wellbeing and growth of the local communities.

With reference to the analysis conducted on climate-related physical risks, refer to section “ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model”.

### **E1-2 Policies related to climate change mitigation and adaptation**

The **Human Sustainability Policy** (ref. “MDR-P Policies of the Casa di Moda”) defines the value-based principles and strategic directions that guide the operations of the Casa di Moda, affirming its awareness of the significance of the current environmental challenges, and reiterating the objective of acting by limiting the generation of negative impacts as far as possible.

Furthermore, in order to guarantee full consistency with the company values and promote the reduction of environmental impacts and the improvement of energy efficiency, the Casa di Moda has adopted the Environmental Sustainability Policy “We always act as loyal guardians of Creation”.

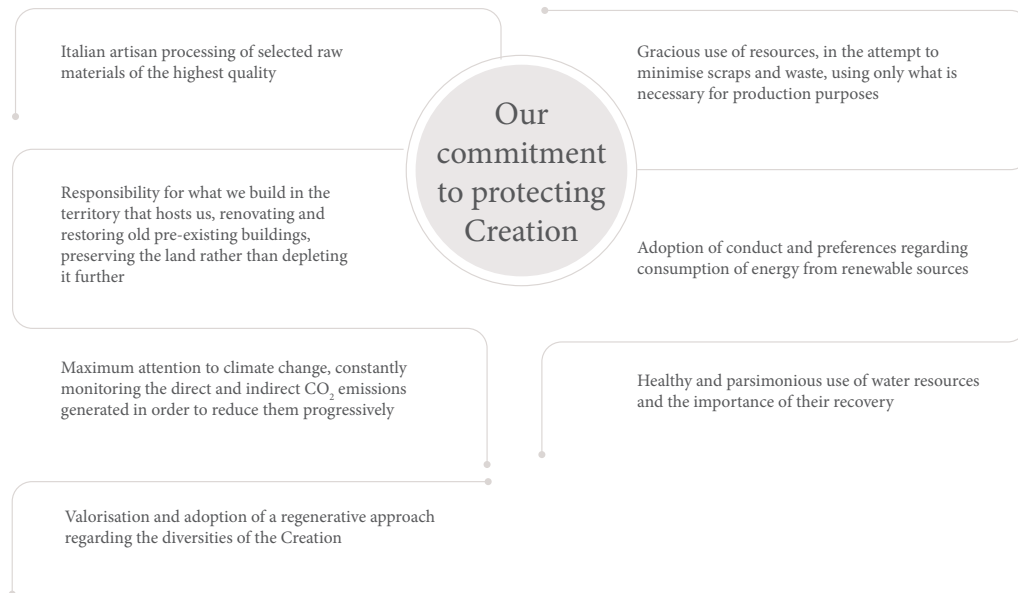
For further details, refer to the section “MDR-P Policies of the Casa di Moda”.

In particular, the aforementioned Policies define the commitments related to the mitigation of climate change, and to energy, with the objective of acting by limiting the generation of negative impacts as far as possible through the reduction of energy consumption and greenhouse gas emissions.

The aforementioned Policies do not currently define commitments related to adaptation to climate change.

**Environmental Sustainability Policy “We always act as loyal guardians of Creation”<sup>14</sup>**

The Policy formalises the Casa di Moda's commitment to pay maximum attention to the balance between give and take in relations with Creation in order to ensure that new generations live in a world that can offer better possibilities than those available today.



The Policy identifies macro-categories of impacts generated directly as well as indirectly.

The direct impacts relate to energy consumption, fuel consumption for company-owned vehicles, water withdrawals and discharges associated predominantly with the activities of the laundry department in Solomeo and the generated waste.

The indirect impacts relate to the purchase of raw materials, including the farming and breeding practices necessary for the production of these materials, the consumption of energy, water and raw materials connected with the work performed at the external artisan laboratories, including their generation of waste, the energy consumption of franchise and multi-brand customers, and logistics.

Equally, the environmental risks also include the physical and transitional risks related to climate change and the reputational risks deriving from environmental factors. The relative opportunities are mainly reflected in terms of reputational benefits and greater attractiveness to customers and investors in virtue of the positive external effects generated in the territories of reference and the demonstrated attention towards reducing the environmental impacts throughout the life cycle.

With particular reference to the supply chain, the Casa di Moda is committed to monitoring partners' alignment with the provisions set forth in the Policy. Where possible, direct suppliers are requested to implement the same checks with their own suppliers. Therefore, in terms of impact along the entire value chain, the Casa di Moda invites its own supply chain to identify, analyse and prioritise environmental risks in order to adopt the necessary measures in time in order to prevent them and/or reduce the expected impact.

<sup>14</sup> Note that the Environmental Sustainability Policy of the Casa di Moda does not include invasive alien species, as there are no direct impacts on them. Furthermore, currently no policies are adopted regarding the sustainability of oceans and seas, nor policies to address deforestation.



### E1-3 Actions and resources in relation to climate change policies

In line with previous years, in 2025 the Casa di Moda publicly reported its commitments and results achieved in relation to the topic of climate change through the questionnaire Climate Disclosure Project (CDP) Climate Change. During the year of reference, a score of B was achieved.

Over the course of the year, the Casa di Moda carried forward various projects and initiatives<sup>15</sup> as part of its constant commitment to reduce its impact on the planet and on people.

In particular, 2025 saw the conclusion of the project to **double** the size of the factory at **Solomeo**, the original company headquarters. The new building rises at the gates of the hamlet on a reclaimed and redeveloped former industrial site, without consuming new land, in line with a vision focused on protecting the landscape and maintaining ties with the local community. Furthermore, the year also saw the completion of works on the “**beautiful factories**” of **Penne**, in Abruzzo, and **Gubbio**, in Umbria.

All the new facilities are built in accordance with the criteria necessary for obtaining LEED® certification -Leadership in Energy and Environmental Design<sup>16</sup>.

The construction project places particular attention on the selection of the utilised materials, the use of renewable energy (photovoltaic), the wellbeing of people, the quality of the working conditions at the facilities and the environmental and landscape requalification of the territory.

The investments made for the construction of the new production hubs are reported in Note 3 “Property, plant and equipment” in the Notes to these Consolidated Financial Statements.

In 2025 the Casa di Moda recorded a decrease in the consumption of energy from fossil sources, against a growing use of energy from renewable sources. This result was made possible thanks to an increase in the purchase of electricity produced from renewable sources certified with a Guarantee of Origin (GO), combined with an expansion of the use of HVO<sup>17</sup> fuel to power vehicles in the company fleet.

This initiative contributes towards reaching the objectives defined in the Group’s Environmental Policy “We always act as loyal guardians of Creation”, which monitors their effectiveness.

Throughout the year, the company carpooling service launched in 2024 and dedicated to employees in Italy continued. In particular, staff can make use of an application designed to facilitate the organisation of shared journeys to and from work: through the platform, they can contact colleagues and coordinate shared commutes, thus helping to reduce emissions while at the same time promoting new personal and professional connections among colleagues.

<sup>15</sup> The implementation of these initiatives is not conditioned by resource constraints.

<sup>16</sup> LEED® is a voluntary certification programme that can be applied to any type of building (both commercial and residential) and concerns the application of construction methodologies oriented towards sustainability, so that the building’s performance over its entire life cycle, from design to construction, can be based on efficiency indicators both from an environmental point of view and in terms of the wellbeing of the people living/working inside.

<sup>17</sup> HVO, an acronym for Hydrotreated Vegetable Oil, is a type of biofuel derived mainly from agricultural waste and scraps, from waste vegetable oils and animal fats subjected to a process of hydro-treatment and hydrogenation. It is a renewable fuel which is compatible with modern diesel engines.

**Table 5: Overview of Climate Change actions**

Actions performed in 2025	Actions planned for 2026
<ul style="list-style-type: none"> <li>• Completion of the new production hub near Solomeo according to the guidelines of LEED certification</li> <li>• Completion of the new production hub at Penne according to the guidelines of LEED certification</li> <li>• Completion of the new production hub at Gubbio according to the guidelines of LEED certification</li> <li>• Energy efficiency interventions in some of the buildings owned by the Pinturicchio production company</li> <li>• Gradual increase in the amount of green electricity certified by Guarantees of Origin (GO) in Europe</li> <li>• Continuation of the company carpooling service</li> <li>• Use of biodiesel (HVO), with reduced emissions impact for vehicles in the company fleet that are compatible with its use</li> </ul>	<ul style="list-style-type: none"> <li>• Continuation of the company carpooling service</li> <li>• Continuation of the use of biodiesel (HVO), with reduced emissions impact for vehicles in the company fleet that are compatible with its use</li> <li>• Definition of an Environmental transition plan</li> </ul>

## METRICS AND TARGETS

### E1-4 Targets related to climate change mitigation and adaptation

The awareness of current environmental trends and the commitment to combating climate change centres the monitoring, management, and definition of emissions reduction objectives, orienting the strategic choices and actions that will be implemented over the coming years according to an “emissions approach” and no longer a “consumption approach”.

As always, the commitment to improving the global climate is an integral part of the corporate culture. For this purpose, the indispensable principle that the Company has adopted is a production model based on a high level of manual skills and craftsmanship, which guarantees low emissions. The plan adopted by the Casa di Moda for reducing CO<sub>2</sub> emissions reflects this commitment, with the objective of contributing towards maintaining global warming within 1.5°C, as defined by the 2015 Paris Agreement.

The company has defined objectives for reducing greenhouse gas emissions (GHG) in order to manage the climate-related impacts, risks and opportunities in compliance with the existing regulatory framework. These objectives have been defined on the basis of the calculation of the carbon footprint, performed in compliance with the GHG Protocol, and subsequently validated by the Science Based Targets initiative (SBTi) in 2023.

In addition to what is described in paragraph “MDR-T Targets of the Casa di Moda”, to which reference is made for more information, the targets presented and validated by the Casa di Moda foresee:

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



These targets were published on the SBTi website and are constantly monitored by the Casa di Moda, also through the annual calculation of the Group's GHG inventory. The reduction targets do not envisage the use of offset credits, with the exception of the net-zero target, for which residual emissions are to be neutralised using removal credits.

The Casa di Moda aims to meet its targets of reducing greenhouse gas emissions through a combination of decarbonisation levers, which include the improvement of energy efficiency, a reduction of consumption, the transition towards alternative fuels, and the use of renewable energy.

### E1-5 Energy consumption and mix

The table below summarises our energy consumption, highlighting the different energy sources used.

**Table 6: Energy consumption and mix<sup>18</sup>**

	Unit of measurement	2025	2024
Consumption of fuel from coal and coal products	MWh	0	0
Consumption of fuel from crude oil and oil products	MWh	1,254	2,991
Consumption of fuel from natural gas	MWh	5,803	6,159
Consumption of fuels from other non-renewable sources	MWh	0	0
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	MWh	9,225	9,159
<b>Total consumption of energy from fossil sources</b>	<b>MWh</b>	<b>16,282</b>	<b>18,308</b>
Fossil source share of total energy consumption	%	60	68
<b>Consumption from nuclear sources</b>	<b>MWh</b>	<b>0</b>	<b>0</b>
Nuclear source share of total energy consumption	%	0	0
Consumption of fuels from renewable sources, including biomass (also includes industrial and urban waste of biological origin, biogas, renewable hydrogen, etc.) <sup>19</sup>	MWh	1,867	241
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	MWh	9,028	8,399
Consumption of self-produced renewable energy without use of fuels	MWh	176	158
<b>Total consumption of energy from renewable sources</b>	<b>MWh</b>	<b>11,071</b>	<b>8,798</b>
Renewable source share of total energy consumption	%	40	32
<b>Total energy consumption</b>	<b>MWh</b>	<b>27,353</b>	<b>27,106</b>

<sup>18</sup> The data regarding some monthly consumption figures of natural gas and electricity, heat, steam and cooling from fossil fuels, purchased or acquired, is partially estimated. Furthermore, the consumption of natural gas and fuels is expressed in MWh following the conversion made in line with the 2025 DEFRA conversion factors.

<sup>19</sup> This consumption includes the amounts associated with the use of HVO biodiesel for the company fleet.



With reference to self-produced energy, refer to the table below.

**Table 7: Energy production, from renewable and non-renewable sources**

	Unit of measurement	2025	2024
Energy production from non-renewable sources	MWh	0	0
Energy production from renewable sources	MWh	304	158

With reference to energy intensity<sup>20</sup>, it is 19 MWh/€mln.

**Table 8: Energy intensity (total energy consumption in relation to net revenues)**

	Unit of measurement	2025	2024
Total energy consumption	MWh	27,353	27,106
Net revenues <sup>21</sup>	€ mln	1,408.0	1,278.5
<b>Energy intensity</b>	<b>MWh/€mln</b>	<b>19</b>	<b>21</b>

The Group companies operate in the retail trade sector (NACE Section G), classified as a high climate impact sector<sup>22</sup>, and all the revenues generated and energy consumption are attributed to these activities.

### E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

The GES emissions total calculated for 2025 for the Brunello Cucinelli Group and attributable to the activities of Brunello Cucinelli and its value chain is expressed in tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e)<sup>23</sup>.

Detailed below are the Gross Scope 1 direct GHG emissions (GHG Scope 1), the Gross scope 2 indirect GHG emissions, associated with the consumption of electricity purchased from the grid (GHG Scope 2), and the Gross scope 3 indirect GHG emissions (GHG Scope 3) related to the value chain (upstream and downstream) of Brunello Cucinelli<sup>24</sup>.

**Table 9: Total GHG emissions**

	Unit of measurement	Emissions 2025	Emissions 2024
Total GHG emissions (location-based)	t CO <sub>2</sub> e	141,335	122,005
Total GHG emissions (market-based)	t CO <sub>2</sub> e	139,992	119,999

20 Energy intensity is calculated as the ratio of total energy consumption to the value of revenues for the year (Euro million).

21 The revenues correspond to what is reported in Note 27 "Revenues" of the notes to these Consolidated Financial Statements.

22 The sectors with a high climate impact are those listed in sections A to H and in section L of NACE (as defined in the delegated regulation (EU) 2022/1288 of the Commission).

23 Possible limitations are indicated explicitly in the text.

24 The calculation does not include biogenic emissions.

**Scope 1 gross GHG emissions (GHG Scope 1)**

The direct emissions (GHG Scope 1) derive from stationary combustion and mobile combustion, process emissions and fugitive emissions.

As regards the Scope 1 emissions, the preliminary data used for the calculation correspond to what is indicated in the maintenance reports for the air conditioners part of the Group assets and to the previously described energy consumptions. There are no Scope 1 GHG emissions covered by emission share exchange regulatory systems (e.g. ETS, Emission Trading Scheme).

**Table 10: Scope 1 total GES emissions**

	Unit of measurement	Emissions 2025	Emissions 2024
Totals	t CO <sub>2</sub> e	1,532	1,886

**Scope 2 gross GHG emissions (GHG Scope 2)**

The indirect emissions (GHG Scope 2) derive from energy consumptions of all facilities coming from external supply (electricity). The calculation of the indirect emissions from electricity consumption (GHG - Scope 2) was performed using both the “location-based” approach as well as the “market-based” approach:

- The location-based method calculates the emissions deriving from the consumption of electricity coming from the grid, applying average national emissions factors for the production of electricity.
- The market-based method considers the renewable purchased electricity. Following this approach, an emissions factor equal to zero is applied to any share of renewable energy purchased with Guarantees of Origin (GO) certificates. The remaining purchased energy is calculated using an emissions factor that considers the residual market mix, reflecting the share of energy produced from non-renewable sources.

The primary data used for the calculation corresponds to the previously reported consumption of electricity (ref. “E1-5 Energy consumption and mix”). The Brunello Cucinelli Group has acquired the Guarantees of Origin for the consumption deriving from its own production and commercial operations in Italy and some foreign locations. The purchase of these instruments has made it possible to avoid approx. 3,842 tCO<sub>2</sub> of GHG emissions generated by the Group.

The following table shows the Scope 2 emissions according to the location-based and market-based methodology.

**Table 11: Scope 2 total GES emissions**

	Unit of measurement	Emissions 2025	Emissions 2024
Purchase of electricity - location-based	t CO <sub>2</sub> e	5,846	6,168
Purchase of electricity - market-based	t CO <sub>2</sub> e	4,503	4,163

The reported GHG emissions related to the entire perimeter of the companies that are controlled operatively by Brunello Cucinelli, which corresponds to the Group's consolidated scope.

***Emission factors and methodology***

The Scope 1 and Scope 2 GHG emissions were calculated following the standards, requirements and guidelines provided by the GHG Protocol Corporate Standard (version 2004). The following emission factors were used for calculating the emissions:

- Scope 1: emission factors supplied by the Department for Environment, Food and Rural Affairs (DEFRA - UK). Furthermore, the emissions factors supplied by ISPRA (Italian Institute for Environmental Protection and Research) were used.



- Scope 2 location-based: emission factors supplied by Terna and, in the specific case of the calculations related to USA values, the values supplied by Green-e were used.
- Scope 2 market-based: emission factors supplied by Terna, by the Association of Issuing Bodies (AIB) and, in the specific case of the calculations related to USA values, the values supplied by Green-e were used.

### Scope 3 gross GHG emissions (GHG Scope 3)

In 2025, the Scope 3 indirect GHG emissions amounted to 133,957 tonnes of CO<sub>2</sub>e and represent the predominant share of the Group's overall carbon footprint.

The majority of emissions can be attributed to three main categories: the purchase of goods and services, capital goods, and the transport and distribution of materials and products, which represent approximately 89% of Scope 3 emissions.

**Table 12: Scope 3 total GES emissions<sup>25</sup>**

	2025 emissions (t CO <sub>2</sub> e)	2024 emissions (t CO <sub>2</sub> e)
1. Purchased goods and services	73,591	67,650
2. Capital goods	28,725	18,553
3. Energy consumption not included in Scope 1 and Scope 2 emissions	1,420	1,371
4. Transport and distribution of purchased goods	18,953	14,894
5. Waste generated in operations	23	7
6. Business travel	3,005	3,855
7. Employee commuting	3,246	2,684
9. Transport and distribution of sold goods	2,935	3,169
14. Franchises and multibrand	1,979	1,674
15. Investments	80	93
<b>Totals</b>	<b>133,957</b>	<b>113,950</b>

The Scope 3 GHG emissions were calculated following the standards, requirements and guidelines provided by the GHG Protocol Corporate Standard (version 2004).

The calculation methodologies, main estimates and limitations of the models and sources of emission factors used are reported below.

<sup>25</sup> Categories 3.8, 3.10 and 3.13 do not apply to the business activities of the Casa di Moda; categories 3.11 and 3.12 are not material for the Group.

**Table 13: Methodologies for calculating Scope 3 GES emissions**

	Calculation method	Emission factors
<b>1. Purchased goods and services</b>	The multiplication between the quantities of purchased material and each emission factor selected from the Ecoinvent database.	
	For the emissions for leather deriving from animal breeding, an ad hoc emission factor was selected from the technical report of the United Nations - Organisation for Industrial Development.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2025
	For the emissions of small craft enterprises, the energy consumption data was multiplied by the DEFRA, MATTM and AIB emission factors, taking the incidence of Brunello Cucinelli on their revenues into account. For the small craft enterprises that did not provide data, emissions were reportioned based on the total number of employees during the year of reporting.	EPA – United States Environmental Protection Agency Association of Issuing Bodies (AIB) 2024 MATTM
	For the greenhouse gas (GHG) emissions related to the purchase of services, the total expense in 2025 was multiplied by the EPA emission factors.	
<b>2. Capital goods</b>	The value related to the GHG emissions associated with capital goods was calculated based on the values of the following financial statement items: land, buildings, leasehold improvements, plant and machinery, industrial and commercial equipment, historic collection, other assets and fixed assets under construction and payments on account.	EPA – United States Environmental Protection Agency
	These values were converted into USD and multiplied by the corresponding EPS emission factors, obtaining the final value in tonnes of CO <sub>2</sub> e.	



<b>3. Energy consumption not included in Scope 1 and Scope 2 emissions</b>	Generation of fuel: multiplication of fuel consumption by the DEFRA emission factors related to the pre-combustion processes.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2021, 2025
	Generation of electricity: multiplication of electricity consumption by the DEFRA national emission factors related to the pre-combustion processes connected with the fuel used for the generation of electricity.	Terna 2024 Association of Issuing Bodies (AIB) 2024
	Electricity transmission and distribution losses: multiplication of electricity consumption by the DEFRA emission factors related to the transmission and distribution losses that occur in the national grid.	Green-e 2025 MATTM
<b>4. Transport and distribution of purchased goods</b>	The emissions data was collected directly from suppliers or calculated based on the information shared directly by them. In the absence of precise data provided by carriers, emissions were reportioned based on the weight transported during the year of reporting.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2025
<b>5. Waste generated in operations</b>	Multiplication of the quantity of waste by the DEFRA emission factors related to the type of waste and disposal method.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2025
<b>6. Business travel</b>	By plane or train: multiplication of the distance travelled by the the specific DEFRA emission factors based on travel information provided by the travel companies and the internal management systems. By private jet: multiplication of the distance travelled by the specific emission factors provided by DEFRA. By car: multiplication of the distance travelled by the DEFRA emission factors.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2025
<b>7. Employee commuting</b>	Multiplication of the km travelled by the days of work on site during the year and the DEFRA emission factors per type of vehicle/means of transport utilised. Commuter data was collected using a specific questionnaire.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2025



<b>9. Transport and distribution of sold goods</b>	The emissions data was collected directly from suppliers or calculated based on the information shared directly by them. In the absence of precise data provided by carriers, emissions were repropotioned based on the weight transported during the year of reporting.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2025
<b>14. Franchises and Multibrand</b>	Multiplication of the energy consumption index of reference by the surface area, the number of days open and the emission factors, as follows: - the emissions generated by consumption of electricity were calculated using the Green-e and AIB emission factors; - the emissions generated by consumption of natural gas were calculated using the emission factors listed in MATTM; - the additional emissions generated by other types of fuel were calculated using the DEFRA emission factors.	Terna 2024 Association of Issuing Bodies (AIB) 2024 Green-e 2025 MATTM
<b>15. Investments</b>	The energy consumption and fuel consumption were multiplied by their respective emission factors. Only a percentage (corresponding to the shareholding) of the total emissions was attributed to the Brunello Cucinelli Group.	DEFRA (Department for Environmental, Food & Rural Affairs) – 2025 Association of Issuing Bodies (AIB) 2024 MATTM

With reference to the emissions intensity<sup>26</sup>, it is 100 tCO<sub>2</sub>eq/€mln (location-based) and 99 tCO<sub>2</sub>eq/€mln (market-based).

<sup>26</sup> Emissions intensity is calculated as the ratio of total energy consumption to the value of revenues from sales for the year (Euro million).

**Table 14: Emissions intensity (total emissions in relation to net revenues)**

	Unit of measurement	2025	2024
Total GHG emissions (location-based)	tCO <sub>2</sub> eq	141,335	122,005
Total GHG emissions (market-based)	tCO <sub>2</sub> eq	139,992	119,999
Net revenues <sup>27</sup>	€ mln	1,408.0	1,278.5
<b>Intensity (location-based)</b>	<b>tCO<sub>2</sub>eq/€mln</b>	<b>100</b>	<b>95</b>
<b>Intensity (market-based)</b>	<b>tCO<sub>2</sub>eq/€mln</b>	<b>99</b>	<b>94</b>

<sup>27</sup> The revenues correspond to what is reported in Note 27 “Revenues” of the notes to these Consolidated Financial Statements.



## E2 Pollution

### MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

#### ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

The Casa di Moda carries out its activities at its headquarters in Solomeo and its locations in the different countries where it operates, comprised mainly of boutiques. The processes at the in-house laundry located in Solomeo use a limited and carefully managed quantity of chemicals.

Considering the specific nature of the sector in which the Group operates, the Double Materiality analysis also includes potential impacts linked to the supply chain. As regards the direct suppliers, they are mainly located in Italy. Specifically, the production of garments for the Casa di Moda is entrusted to artisan laboratories, located exclusively in Italy.

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model” of ESRS 2.

**Table 15: List of impacts, risks and opportunities relevant to the topic of pollution<sup>28</sup>**

Description	Potential/Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Negative impacts</b>				
Air pollution due to the business activities of the Casa di Moda, in particular the Solomeo site, and of the value chain which could be involved in the release of polluting substances	Potential	Upstream Own operations Downstream	Medium-term	Air pollution
Water pollution due to inadequate management of wastewater discharges by small craft enterprises and suppliers	Potential	Upstream	Medium-term	Water pollution
Environmental pollution caused by the use of chemical substances of concern, especially hazardous substances, by the Casa di Moda and by small craft enterprises and suppliers during production activities	Potential	Upstream Own operations	Medium-term	Substances of concern
<b>Risks</b>				
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of pollution	N.A.	Own operations	Medium-term	Water pollution Substances of concern

<sup>28</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.

The assets analysed are the sites and facilities of the Casa di Moda and those of the direct suppliers of the supply chain.



### **E2-1 Policies related to pollution**

The concrete commitments made by the Casa di Moda regarding pollution are divided into the following policies: the **Environmental Sustainability Policy** “**We always act as loyal guardians of Creation**” and the **Human Sustainability Policy** “**In Harmony with Creation**”.

In particular, the **Environmental Sustainability Policy** makes the Casa di Moda responsible for rigorous management of environmental impacts, recognising pollution as a priority area for monitoring and control. Accordingly, the Casa di Moda affirms its commitment to the most responsible management of production processes and to an expansion of the monitoring of environmental performance in the supply chain.

At the same time, the **Human Sustainability Policy** ascribes an ethical and cultural dimension to this commitment, viewing the protection of Creation as a moral duty. In this perspective, pollution is an affront to the natural balance and to the territory, to be prevented through prudent behaviour consistent with the precautionary principle. The Casa di Moda favours the use of natural materials, limiting the use of polluting substances and promoting a more harmonious and respectful relationship with nature.

Refer to the section “MDR-P Policies of the Casa di Moda” for pertinent in-depth information. In particular, the aforementioned policies define the commitments related to air and water pollution and the constant monitoring of the use of chemicals, proceeding, where necessary, from the point of view of a gradual phase out of those considered potentially harmful, in collaboration with our direct suppliers.

Note that the Company’s activities do not present material risks regarding accidents and emergency situations that are able to cause significant harm linked to pollution.

As regards the activities of the value chain, when stipulating the contract with its suppliers, the Company shares the Framework Agreement (ref. “S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns”) which contains the rules of conduct with which they must comply, including those related to the observance of all current laws and regulations on health and safety in the workplace.

### **E2-2 Actions and resources related to pollution**

The environmental provisions require working with respect for Creation, by adopting behaviour that takes care of and protects the environment, and in observance of the environmental regulations and standards provided by applicable laws.

In 2025, in line with company strategy and in continuation of previous years, the Casa di Moda shared the following regulations and standards with its suppliers during the contract phase:

- Standards that regulate the use in the fabric and tannery industry of certain materials and substances for the protection of health of people and the environment, such as the REACH Regulation of the European Union (2007) on the use of chemical substances, Californian Law Proposition 65 and the Chinese GB Standards;
- The Restricted Substances List (RSL) defined by the Company and shared with suppliers as of 2020, which is updated on a six-monthly basis. The RSL aims to regulate and progressively reduce the use of chemical substances used in the processing of materials that may be harmful to human health and the environment, and thus ensure greater safety of the final product;



- Directive 2001/95/EC called the “General Product Safety Directive”;
- Compliance with standards controlling the “fire risk” or the “mechanical risk”, with particular concern for the garments for the children’s collection.

In addition to regulations and shared standards, in line with previous years, in 2025 the Casa di Moda continued and strengthened this activity, also availing of the distribution of a structured questionnaire to raw material suppliers. Through this process, in relation to the topics of pollution and the use of substances of concern, the Group has been able to collect, among other things, information relating to product certifications, certifications of materials, and the management systems implemented. In addition, the possession of Single Environmental Authorisation (A.U.A.) is monitored, ensuring that suppliers subject to this operate in compliance with current provisions on emissions.

In particular, over 50% of suppliers analysed<sup>29</sup> declare that they adopt the ZDHC MRS� (Manufacturing Restricted Substances List) as an internal production standard, applied also to the related supply chain, and possess a structured control plan for chemical parameters in compliance with ZDHC RSL or PRSL for purchased material and for the finished product.

This oversight of the supply chain allows the Company to maintain continuous monitoring of the environmental performance of its partners and to promote increasingly responsible and transparent production practices.

In 2025, also in consideration of increasing regulatory attention in relation to PFAS (Per- and polyfluoroalkyl substances), the Group strengthened its oversight through a structured activity of monitoring, testing and technical verification of products. Detailed analyses were carried out with the support of specialised partners and laboratories, with a view to evaluating the presence of any restricted substances and promptly intercepting possible regulatory developments. At the same time, internal processes of data collection and control were consolidated to support the functions involved in development, distribution and marketing. This approach allows the Casa di Moda to operate with a view to prevention, ensuring a high level of compliance in international markets.

For 2026, the Group plans to continue with the implementation of a series of initiatives regarding pollution. Carrying on from previous years, it intends to share the relevant regulations on pollution with suppliers when stipulating the contract, and to continue promoting compliance with the rules of conduct outlined in the Code of Ethics, and to continue testing activities aimed at verifying product conformity with relevant current regulations.

## METRICS AND TARGETS

### **E2-3 Targets related to pollution**

Refer to the contents of paragraph “MDR-T Targets of the Casa di Moda” for in-depth information. It is the Company’s intention to further expand the periodic and preventive checks on raw materials to ensure their compliance with product safety standards with respect to the use of chemicals considered potentially harmful and therefore specifically regulated.

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<sup>29</sup> For further details, refer to the section “G1-2 Management of supplier relations”.



The Company undertakes to guarantee compliance with the rules of conduct of the Code of Ethics also by its suppliers of raw materials and small craft enterprises, which they are required to sign when stipulating any agreement. Furthermore, also the Framework agreement must be signed, which defines the rules of behaviour, commitments and duties to be respected.

**E2-4 Pollution of air, water and soil**

The Solomeo site is subject to and in possession of the Single Environmental Authorisation (A.U.A.) for the water and air matrices. In fact, due to the business activities carried out, this site could be potentially involved in the release of polluting substances with specific reference to these two matrices. For this purpose, the Casa di Moda monitors its own activities and analyses the pollutants emitted by the Solomeo site on an annual basis.

The analyses carried out in 2025 certify that no polluting substances were released into the air and that the pollutants released into the water do not exceed the applicable threshold value indicated in Annex II of Regulation (EC) No166/2006. The ground is not included in the matrices potentially affected by site activities.

**E2-5 Substances of concern and substances of very high concern**

In line with the business activities conducted by the Casa di Moda, there are no substances of concern that leave the Casa di Moda system in the form of emissions, products or parts of products or services.

With reference to the supply chain, upon stipulation of the Framework Agreement, the direct suppliers of the Group commit to observing the RSL shared by the Casa di Moda and prepared in line with the current regulations on the management of substances of concern and of very high concern.



## E3 WATER AND MARINE RESOURCES

### MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

#### ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

As concerns water withdrawals, the impact is limited to the operation of the laundry at the Solomeo headquarters, located in a water-stressed area<sup>30</sup>. Regarding the activities of the laundry, the water is drawn from wells owned by the Company. In addition to these activities, there is also the consumption of water for civil use in the Group's offices and stores, with water provided in this case by the public water supply.

With reference to wastewater discharges, all discharges, including those associated with the laundry activities, flow into the public sewerage system, therefore the volume of water discharged virtually coincides with the volume withdrawn, meaning that water consumption is negligible.

Considering the specific nature of the sector in which the Group operates, the Double Materiality analysis also includes potential impacts linked to the supply chain.

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model" of ESRS 2.

**Table 16: List of impacts, risks and opportunities relevant to the topic of water and marine resources<sup>31</sup>**

Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Negative impacts</b>				
Inefficient management of water resource consumption during the production activities of the Casa di Moda and along the supply chain	Potential	Upstream Own operations	Medium-term	Water consumption
Inefficient management of water withdrawals, above all in areas water-stressed areas, during the production activities of the Casa di Moda and along the supply chain	Potential	Upstream Own operations	Medium-term	Water withdrawals
Inadequate treatment of wastewater discharges by small craft enterprises and suppliers which can lead to contamination of surrounding waters	Potential	Upstream	Medium-term	Water discharges
<b>Risks</b>				
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of the consumption of water resources	N.A.	Own operations	Medium-term	Water consumption

<sup>30</sup> The assessment of areas subject to water stress was carried out using data made available by the WRI Aqueduct tool.

<sup>31</sup> The column "Potential/Actual Impact" does not apply to the risks and opportunities.

The assets analysed are the sites and facilities of the Casa di Moda and those of the direct suppliers of the supply chain.



### **E3-1 Policies related to water and marine resources**

Refer to the section “MDR-P Policies of the Casa di Moda” for in-depth information regarding the **Environmental Sustainability Policy “We always act as loyal guardians of Creation”** and the **Human Sustainability Policy “In Harmony with Creation”** which define the concrete commitments of the Casa di Moda in terms of water and marine resources.

In particular, the aforementioned Policies define water as a primary and indispensable resource, and specify the Company's commitments to a responsible and economical use of water, as well as water withdrawals, with particular reference to those linked to the laundry at the Solomeo headquarters.

To prevent any possible negative impacts related to the use of water resources in its supply chain, the Casa di Moda carries out structured mapping of the water consumption of its main raw material suppliers and small craft enterprises.

Currently, the aforementioned Policies do not contain provisions regarding wastewater discharges; nonetheless, the Casa di Moda adopts systems dedicated to the recovery and treatment of water used.

### **E3-2 Actions and resources related to water and marine resources**

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

In line with previous years, in 2025, for the second consecutive year, the Casa di Moda reported its commitments and obtained results regarding the topic of water resources through the questionnaire Climate Disclosure Project (CDP) Water Security. During the year of reference, a score of B was achieved.

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

With a view to reducing water withdrawals and optimising production processes, the Group has implemented specific technological solutions aimed at the recovery and reuse of water. In particular, thanks to two osmosis systems installed in the laundry department at the Solomeo site, the Casa di Moda can treat and reuse part of the wastewater generated by its activities. The amount of water recovered is estimated every six months, based on the technical characteristics and efficiency of the plant. The treated water is then reused, helping to significantly reduce waste. These systems undergo periodic maintenance, and for this purpose the Group adopts a monitoring plan which, for next year too, includes interventions on at least a monthly basis.

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

The Casa di Moda has a contract with a company specialised in chemical-biological water analyses, which performs the checks at a frequency that is higher than what is required by the regulation, guaranteeing constant monitoring.

For next year, the Group intends to adopt a system dedicated to the traceability of the use and recycling of water in the laundry at the Solomeo site, with the goal of further improving management and monitoring of water resources.

With reference to the supply chain, in 2025 the Casa di Moda further strengthened its oversight of water resource management, adopting an approach based on economic relevance and exposure to potential environmental impacts. In particular, in line with previous years, the main raw material suppliers were involved through a structured questionnaire. Through this process, with regard to the topics of water resources and their management, the Casa di Moda was able to collect, among other things, information on the volume of water withdrawn, wastewater discharges, and the treatment methods adopted.



The survey conducted revealed that 50% of suppliers analysed<sup>32</sup> declare that they carry out an assessment of the impact of recorded water consumption. In particular, some of the suppliers involved go beyond mere monitoring of consumption, in some cases calculating their own Water Footprint, in others establishing water consumption reduction targets and drafting dedicated efficiency plans.

This initiative represents a first step towards understanding the level of attention and operational practices of suppliers in water resource management.

## METRICS AND TARGETS

### **E3-3 Targets related to water and marine resources**

Refer to the contents of paragraph “MDR-T Targets of the Casa di Moda” for in-depth information. The impacts on the water matrix are limited to the operation of the laundry at the Solomeo headquarters and to civil use. The company is committed to observing statutory parameters and, for that purpose, chemical-biological sampling and analysis of the waste water are performed periodically in order to check compliance with the legal limits envisaged by Legislative Decree 152/06.

### **E3-4 Water consumption**

Total water consumption is negligible<sup>33</sup>, as the volume of water withdrawn virtually coincides with that discharged. As a result, in line with the previous year, the water intensity indicator is also inconsequential.

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<sup>32</sup> For further details, refer to the section “G1-2 Management of supplier relations”.

<sup>33</sup> The volume of water withdrawn is essentially equal to that discharged into the sewerage system, with the exception of a small amount which, after recycling treatment, is used for irrigation.



The following table shows data relating to the Group's use of water resources.

**Table 17: Water resources<sup>34</sup>**

	Unit of measurement	2025	2024
<b>Water withdrawals<sup>35</sup></b>	<b>m<sup>3</sup></b>	<b>36,905</b>	<b>44,400</b>
Withdrawals from wells	m <sup>3</sup>	7,298	12,632
Withdrawals from public water supply	m <sup>3</sup>	29,607	31,768
<b>Water volume</b>			
Recycled water <sup>36</sup>	m <sup>3</sup>	4,379	7,540
Reused water	m <sup>3</sup>	0	0
Total water volume	m <sup>3</sup>	4,379	7,540
Total volume of stored water	m <sup>3</sup>	0	0
Changes in stored water	m <sup>3</sup>	0	0

<sup>34</sup> Note that the table has been revised with respect to the previous year of reporting, following a different interpretation of the definitions of the metrics.

<sup>35</sup> Water withdrawal data are estimated for most shops and commercial offices abroad and for the sites in Turin, Rome, Milan, and Florence. Note that in order to ensure a more truthful representation of water withdrawals in these locations, a consumption of 30 litres per person per day was considered.

<sup>36</sup> This refers to treated water from the osmosis system installed at the Solomeo plant.



## E4 BIODIVERSITY AND ECOSYSTEMS

### STRATEGY

#### **E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model**

The resilience analysis of the Casa di Moda included all the impacts identified by the Group, including those related to biodiversity. The time periods taken into consideration in the analysis are in the short-term and, for the moment, a process of engaging company stakeholders with these topics has not been started.

For more information about the description of the resilience analysis of the strategy and business model of the Casa di Moda, refer to the paragraph “Resilience of the company strategy and model” related to the section “ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model”.

#### **ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

The Group’s Italian production sites are located in areas classified, according to the Natura 2000 network, as “not protected”. With particular reference to the Solomeo site, the Casa di Moda has contributed over the years to a progressive requalification of the surrounding territory, as well as to the creation of various parks at the site and nearby, which contribute towards the preservation and continuous renewal of local biodiversity.

The nature of the activities carried out at the site, which are artisan and not industrial, does not generate relevant environmental impacts on local habitats.

On the other hand, Casa di Moda is committed to actively contributing towards the ambitious project “Himalayan Regenerative Fashion Living Lab”, aimed at restoring degraded landscapes and recovering traditional artisan skills in some areas of the Himalayas, facing the global challenges related to climate change and the loss of biodiversity, in order to support local economies. For more information, refer to chapter “S3 *Affected communities*”.

### MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

#### **ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities**

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model” of ESRS 2.



**Table 18: List of impacts, risks and opportunities relevant to the topic of biodiversity and ecosystems<sup>37</sup>**

Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
Improvement of the local biodiversity conditions in territories of the Himalayas where the regenerative agriculture project “Himalayan Regenerative Fashion Living Lab” is ongoing	Actual	Upstream	Medium-term	Impacts on the extent and condition of ecosystems
<b>Negative impacts</b>				
Deterioration of biodiversity conditions resulting from the cultivation, breeding, and deforestation practices necessary for the production of raw materials	Actual	Upstream	Long-term	Soil degradation, desertification, soil sealing
<b>Opportunity</b>				
Reputational benefits and greater attractiveness towards investors by means of the positive external effects generated by the regenerative agriculture project “Himalayan Regenerative Fashion Living Lab”, whose significance is international	N.A.	Own operations	Medium-term	Impacts on the extent and condition of ecosystems

The dependencies and impacts related to biodiversity were taken into consideration for the purpose of analysing the resilience of the strategy and business model. Furthermore, with regard to the analysis of resilience to climate change, it considered phenomenon related to biodiversity, such as the threats to the survival of the species on which the Casa di Moda depends for its strategic raw materials. In light of the available information, including the classification among “non-protected” areas according to the Natura 2000 network, the Company has concluded that currently measures for mitigating biodiversity are not required.

**E4-2 Policies related to biodiversity and ecosystems**

The topics regarding the protection of biodiversity and ecosystems are included in the **Biodiversity Policy** and the **Environmental Sustainability Policy**.

The Biodiversity Policy represents a declaration of the commitment of the Casa di Moda to protect, promote and regenerate biological diversity, considered a vital heritage of Creation and an essential prerequisite of Environmental Sustainability. The policy is based on an ethical and humanistic vision that integrates respect for natural cycles into the Group’s strategic and operational choices, guiding the organisation towards a harmonious balance between company activities, the environment, and local communities.

This outlines a system of concrete commitments that include the protection of territories and the *genius loci* through building projects that respect the landscape and are oriented towards regeneration, the development of production hubs based on sustainability criteria, the promotion of replanting projects and environmental regeneration, and the adoption of a regenerative approach along the entire value chain, with particular attention to raw materials, the protection of ecosystems, and collaboration with international initiatives to combat biodiversity loss.

<sup>37</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.



The Policy also affirms the importance of careful and responsible procurement, aimed at guaranteeing quality, traceability and the reduction of impacts, supporting a growth model that preserves the richness of Mother Earth.

The Environmental Sustainability Policy recognises that the biological richness of the planet represents an essential heritage for the resilience of ecosystems and for the continuity of production activities, and for this reason it integrates the protection of biodiversity right from the first stages of planning and procurement of raw materials.

The Casa di Moda is committed to respecting natural cycles and enhancing the resources offered by Mother Earth, paying particular attention to the potential impacts that its activities can produce on the territories and habitats where its yarns, fabrics and leathers come from. This commitment translates into the careful selection of raw materials, the protection of animal welfare, the increasing traceability of products, and the promotion of regenerative agricultural practices that boost soil quality and the vitality of ecosystems.

The document also underlines the importance of increasing awareness of biodiversity matters along the value chain, favouring collaboration with suppliers, local communities and national and international organisations to improve the management of environmental impacts and support sustainable development paths.

In this framework, biodiversity is not viewed as a separate element, but as a transversal component of the company philosophy, profoundly connected to all the most important production and strategic choices. Attention to the longevity of the garments, to their reparability, and to reducing the pressure on natural resources indirectly contributes to preserving ecosystems, testifying to the Casa di Moda's commitment to being a guardian of Creation and its desire to leave better conditions for future generations.

With full awareness that operations can generate direct and indirect environmental impacts, the governance of the Casa di Moda requires the clear and precise identification as the starting point for controlling the monitoring and also requires intervention, if necessary, with actions for improvement.

Paying particular attention to the key concept of impact, the identification of the priority areas of impact is guided by the identification of the relevant risks and opportunities with reference to the environmental matrices that are significant for the Casa di Moda, according to an approach that centres on analysis of the entire value chain.

In addition, the Company is committed to reducing soil consumption as much as possible and to do so, all building projects are carried out according to the principle of respect for occupied land and the valorisation of the surrounding peripheries according to the ideal of "pleasant peripheries".

In fact, the real estate choices made by the Company are always carefully considered and oriented towards land reclamation and the recovery of pre-existing buildings, with full respect for the local natural and urban territory, implementing building choices that reflect the *genius loci* and do not have a significant impact, also from an aesthetic point of view.

For in-depth information regarding the environmental impacts of the activities of the Casa di Moda, refer to the paragraph "ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities".

In addition, the Human Sustainability Policy that guides the strategy of the Casa di Moda concerns topics connected to the growing traceability of the textile products, in order to provide customers with information about the design, manufacture and production of the products collected through the contribution of the value chain of the fashion industry.



At the same time, the Company promotes an ever-growing awareness of biodiversity matters, working with local communities and national and international organisations to favour the conservation of ecosystems. This approach is part of a broader vision that combines the protection of nature with the desire to guarantee the continuity and longevity of resources, also through regenerative agricultural practices aimed at improving the environments that raw materials come from.

Refer to the section “MDR-P Policies of the Casa di Moda” for in-depth information regarding the **Environmental Sustainability Policy** “We always act as loyal guardians of Creation” and the **Human Sustainability Policy** “In Harmony with Creation”, which define the concrete commitments of the Casa di Moda in terms of biodiversity, soil consumption and ecosystem services.

Currently, the aforementioned Policies do not contain references to topics of soil desertification and sealing.

### **E4-3 Actions and resources related to biodiversity and ecosystems**

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

The Company considers the potential environmental impacts deriving from the procurement of raw materials starting from the design and development stage of the collections. It also promotes the continuous growth of awareness and internal expertise on the topic of biodiversity and the protection of ecosystems. In this area, it collaborates with local communities and associations, also supporting the adoption of regenerative agricultural practices.

It is within this framework that the Casa di Moda supports the project “**Himalayan Regenerative Fashion LivingLab**”, which the Group signed up to in March 2022, also pledging an economic commitment in support of the initiative. The project arose from the collaboration between the *Fashion Task Force* of the Sustainable Markets Initiative (SMI) and the Circular Bioeconomy Alliance (CBA) and continued to enjoy the support of the Casa di Moda in 2025. The main objective is to restore degraded landscapes in the Himalayas and recover the traditional artisan and textile skills of local communities, with a view to generating a positive impact on local economies and contributing to the global response to the challenges of climate change and the loss of biodiversity.

The decision to support this initiative stems from an awareness of the fragile state of mountain ecosystems and the rich biodiversity that characterises these environments, a natural heritage exposed to a growing risk of degradation. At the same time, the Casa di Moda recognised the social value of the project, with its ability to promote sustainable development and improve the living conditions of the populations involved.

Through this initiative, the Group confirms its contribution to the regeneration of territories, the protection of biodiversity, and support for local communities, in line with the humanistic vision that has always characterised the company philosophy.

In 2025, no use was made of biodiversity compensation measures.

However, in addition to having continued to offer its support to the project “Himalayan Regenerative Fashion Living Lab”, the Casa di Moda completed the **Carbon Disclosure Project (CDP) Forests** questionnaire, which also includes information on the protection of biodiversity. In particular, the new section dedicated to deforest-



ation, which in 2025 obtained a score of B-, focuses, among other things, on the supply chain associated with the leather products purchased by the Company.

In this context the Group has kept a close watch on the evolution of the applicable regulatory framework in relation to the **EU Deforestation Regulation (EUDR)**, analysing the obligations introduced in terms of traceability, geolocation of areas of origin and management of the risk of deforestation, in order to assess the implications for its own supply chain.

In compliance with the Biodiversity Policy approved in 2025, the Group will proceed with the implementation of the strategy and the development of the commitments outlined in the Biodiversity Policy, through the continuation of the project “Himalayan Regenerative Fashion Living Lab” and the launch of a new project dedicated to the protection and promotion of biodiversity.

## METRICS AND TARGETS

### **E4-4 Targets related to biodiversity and ecosystems**

Refer to the contents of paragraph “MDR-T Targets of the Casa di Moda” for in-depth information. The guidelines relating to topics of Biodiversity and ecosystems are contained in the Biodiversity Policy and the Environmental Sustainability Policy.



## E5 RESOURCE USE AND CIRCULAR ECONOMY

### MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

#### ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model” of ESRS 2.

**Table 19: List of impacts, risks and opportunities relevant to the topic of resource use and circular economy<sup>38</sup>**

Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
Implementation of strategies for the promotion of circularity, with particular attention to the longevity of the garments, repair techniques, and the recovery of production waste	Actual	Upstream Own operations Downstream	Long-term	Inflows of resources, including use of the resources Outflows of resources connected to products and services
<b>Negative impacts</b>				
Inadequate management of waste in the activities of the Casa di Moda and along the supply chain, characterised by insufficient attention to recovery and recycling practices	Potential	Upstream Own operations	Long-term	Waste
<b>Risks</b>				
Compromise of the image / reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of pollution	N.A.	Own operations	Medium-term	Waste

#### E5-1 Policies related to resource use and circular economy

The topics of waste management and the circular economy are dealt with in the **Environmental Sustainability Policy** as they are connected to the environmental impacts generated by the activities of the Casa di Moda. The document recognises that waste produced in internal processes represents a significant environmental matrix, and extends scrutiny to include waste deriving from work carried out by small craft enterprises, thus highlighting an approach that considers the entire life cycle of each product.

<sup>38</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.  
The assets analysed are the sites and facilities of the Casa di Moda and those of the direct suppliers of the supply chain.



With this in mind, treatment of waste is not limited to its operational management, but is part of a broader vision oriented at prevention and circularity, whereby planning and production aim to reduce the generation of waste upstream. Indeed, the regenerative approach promoted by the Casa di Moda encourages the production of “timeless goods”, designed to be repaired and handed down, thus helping to reduce the pressure on natural resources and to cut the volume of waste generated over the long term.

The Policy underlines the importance of favouring the recovery of materials and energy as opposed to disposal, including within this approach the role of partners in the supply chain, who are invited to adopt increasingly sustainable management practices. The supply chain dimension is of strategic value: in fact, the Casa di Moda encourages suppliers and small craft enterprises to promptly identify environmental risks and to adopt appropriate measures to mitigate them, promoting solutions aimed at improving the efficiency of processes and reducing waste, also through a more responsible use of materials and packaging.

As concerns the production of our products, mainly natural fibres are used, from cashmere to wool, from cotton to linen. Furthermore, in terms of renewable resources, the Company is promoting a progressive transition towards electrification and the supply of electricity from renewable sources.

The Casa di Moda is committed to ensuring a high degree of care through its continuous proposals for solutions with a lower environmental impact regarding packaging (both for internal logistics as well as for sales), through the use of materials with certified origin and/or recycled materials. Furthermore, it constantly monitors the use of chemicals, gradually phasing out, where necessary, those considered potentially hazardous, in collaboration with its raw material suppliers.

The Group works to achieve increasing traceability of the textile products, with the objective of providing customers with information about the design, manufacture and production of the products collected through the contribution of the entire value chain of the fashion industry. Over the course of 2025, the Casa di Moda continued to strengthen its traceability activities along the supply chain, promoting greater structuring and systematisation of product information along the value chain. The initiatives launched are part of the process of gradual alignment with the European regulatory framework on the Digital Product Passport (DPP).

Finally, as regards waste, the Group prioritises the recovery of material and energy with respect to disposal practices, also along the value chain.

This information is contained in the **Environmental Sustainability Policy** “We always act as loyal guardians of Creation” and the **Human Sustainability Policy** “In Harmony with Creation”. Refer to the section “MDR-P Policies of the Casa di Moda” for further details on these policies which formalise the commitment of the Casa di Moda in relation to use of resources and the circular economy.

In particular, the aforementioned Policies define the commitments regarding the procurement and consumption of raw materials produced in compliance with applicable regulations, the maximisation of the value of the resources, the management of waste, the progressive abandonment of virgin resources, the increase in recycled resources, and the use of renewable resources.



## E5-2 Actions and resources related to resource use and circular economy

A careful selection of the highest quality of raw materials, supply based on a solid relationship of trust with breeders and suppliers, scrupulous attention during all phases of producing the garments are also key elements for obtaining an efficient use of resources in order to avoid waste, and to obtain the highest quality and durability of Brunello Cucinelli's products.

For this purpose, the Casa di Moda manufacturers its products in extremely close collaboration with the suppliers of raw materials and with the artisan laboratories, and with them it aims to define a shared path of improvement to guarantee the highest environmental standards. In addition to assessing the performance of its suppliers in terms of sustainability, it collaborates with them in projects for the recycling of production offcuts in order to reduce waste.

Specifically, with reference to offcuts produced while processing the fabric, the year of reference saw the continuation of the project “Noble cycle - Recovery of production offcuts”, running since 2022, which involves 50 small craft enterprises engaged in the cutting and processing of raw materials.

The aim of the project is to prevent these offcuts from becoming waste destined for landfill, instead promoting a recovery process that gives production offcuts a second life through the creation of new materials (yarn, fabric, paper, cardboard) that can be used by the Casa di Moda to create packaging items to protect its goods, in full accordance with the principles of circularity.

As regards fabric packaging (garment covers, shoe covers, coat hanger covers) a valid alternative to cotton has been found which can be used to produce new fabric comprised 50% of processing offcuts.

As part of the project, in 2025 the Casa di Moda also launched an experimental phase for the production of paper and cardboard comprised in part of secondary raw material obtained from the recovery of textile production offcuts. The tests returned positive results, confirming the full functionality of the solutions developed and their compliance with company expectations. For these reasons, in 2026 the Casa di Moda will continue to develop the project, while also launching the introduction and progressive procurement of this new product type.

In 2025 the company also launched a project for the packaging of hung garments, aimed at the production of cases made entirely from recycled paper and cardboard.

In order to reduce the volume of paper/cardboard used for packaging, the Group is constantly engaged in analysis activities regarding new solutions and alternative materials, also considering the application of circularity logic.

Accordingly, the commitment to circularity and the conscious use of resources are also reflected in the garment design stage. The garments of the Casa di Moda are designed based on the concept of “longevity by design”. In line with this concept, the garments are produced to transcend both time and seasons, made to last as long as possible and to be passed down to future generations, placing importance on the value and appeal of safeguarding them. To make this possible, the Group provides all its customers with an exclusive, free-of-charge repair service that is offered globally and without any time constraint, with the objective of continuing to ensure the longevity of garments over time.

In 2025, this vision was transformed into the actions described in the table below, targeted mainly at its own operations and the upstream value chain, in Italy, during the phase of production, purchase and internal logistics, which impacts suppliers, *wholesale* and *retail* customers, end customers, other business partners and logistics companies. The implemented and future actions contribute towards reaching the targets defined in the Group's Environmental Policy.

**Table 20: Overview of the actions regarding the use of resources and the circular economy<sup>39</sup>**

Actions performed in 2024	Actions planned for 2025
<ul style="list-style-type: none"> <li>• Continuation of the worldwide free garment repair service: 3,939 garments repaired</li> <li>• Continuation of the project “Noble cycle - recovery of production offcuts” and study of new types of packaging derived from the processing of offcuts</li> <li>• Packaging of hung garments: purchase of trunks made entirely of recycled paper and cardboard</li> <li>• Packaging of semi-finished goods: testing of possible new solutions</li> <li>• Detailed study of the main product certifications present in the market related to the raw materials strategic for the Casa di Moda</li> </ul>	<ul style="list-style-type: none"> <li>• Continuation of the worldwide free garment repair service</li> <li>• Continuation of the project “Noble cycle - recovery of production offcuts” and study of new types of packaging derived from the processing of offcuts</li> </ul>

## METRICS AND TARGETS

### E5-3 Targets related to resource use and circular economy

In line with the company philosophy of the value and appeal of safeguarding and reuse on which the company’s activities for the production of its products are based, the Company has defined<sup>40</sup> targets connected to the management of waste and the flow of resources (inflows and outflows) for managing the impacts, risks and opportunities related to resource use and the circular economy. Refer to the section “MDR-T Targets of the Casa di Moda” for more information.

The company targets aim to improve the characteristics of product repairability and recyclability, while at the same time reducing the use of virgin raw materials through the recovery and enhancement of production offcuts.

### E5-4 Resource inflows

The high quality of Brunello Cucinelli products is intrinsically connected to a careful selection of materials, mainly attributable to two macro-categories: raw materials used for the production of garments (yarns, fabrics and leathers) and the composition accessories (chain, zip, zip/metre, buttons/press studs, ribbons, labels, buckles/rivets/metal), and material for packaging<sup>41</sup>. In addition to these materials, the Company purchases stones and metals for jewellery.

With reference to the raw materials used for the Men’s, Women’s and Children’s collections, the yarns include cashmere, an iconic raw material of the brand which in 2025 accounted for 28% in weight of the total yarns purchased, some of the finest wools such as mohair and camel, lightweight wool, linen, silk and cotton. There are also fabrics, such as denim, and leathers.

<sup>39</sup> The implementation of these initiatives is not conditioned by resource constraints.

<sup>40</sup> Ecological thresholds were not taken into consideration when defining the targets.

<sup>41</sup> The cascade principle does not apply to the Group’s resource inflows.



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

In the name of sustainability, for gifts shipped via the e-commerce channel we opted for a box produced from FSC®-certified sources and an inner box designed to be kept and reused over time thanks also to the self-assembling structure, which allows it to be flattened and stored in very little space. Furthermore, all the bags used for packaging are no longer made of virgin plastic of fossil origin, but are obtained from biomass sources and are compostable.

The Ready to Wear collection is integrated by the Eyewear and Fragrances collections, for which eyeglasses and perfumes are purchased that are produced through license agreements with leading Italian partners present internationally.

The following table shows the inflow of materials and products, both technical and biological. Those of natural origin are considered organic, and those that are not able to re-enter the biosphere are considered technical. Those of natural origin include cashmere, wool, cotton and leather, with reference to the collections; paper and cardboard for packaging, and cotton for fabric packaging; linen and clay for lifestyle. Technical materials include, for example, polyester, polyamide in reference to the collections and polyester and brass for the composition accessories; plastic for packaging and polyester for fabric packaging.

**Table 21: Inflows of materials and products**

		Materials			
		2025		2024	
	Unit of measurement	Technical	Of natural origin (biological)	Technical	Of natural origin (biological)
Leather	kg		216,597		190,919
Yarn	kg	31,979	168,564	29,832	174,919
Fabrics <sup>42</sup>	kg	93,753	652,669	93,015	639,300
Composition accessories <sup>43</sup>	kg	50,796	15,962	49,287	8,693
<b>Total</b>	<b>kg</b>	<b>176,528</b>	<b>1,053,792</b>	<b>172,134</b>	<b>1,013,831</b>
		Products			
		2025		2024	
	Unit of measurement	Technical	Of natural origin (biological)	Technical	Of natural origin (biological)
Packaging	kg	319,619	1,262,024	372,141	1,508,172
Fabric packaging <sup>44</sup>	kg	5,916	90,351	19,271	15,145
Lifestyle	kg	6,280	7,036	5,219	8,013
Stones and metals	kg	75		119	
<b>Total</b>	<b>kg</b>	<b>331,890</b>	<b>1,359,411</b>	<b>396,751</b>	<b>1,531,330</b>

42 It is not possible to trace the following quantity of material, technical or biological, back to its origin: 25 kg.

43 It is not possible to trace the following quantity of material, technical or biological, back to its origin: 7,705 kg.

44 It is not possible to trace the following quantity of material, technical or biological, back to its origin: 13,234 kg.



Products with certification and/or recycled origin							
	Unit of measurement	2025			2024		
		Total recycled	% FSC certified	% of recycled origin	Total recycled	% FSC certified	% of recycled origin
Paper and cardboard	kg	728,059	91	63	612,885	94	33
Fabric packaging	kg	28,279	n.a.	26	22,003	n.a.	19

The data shown above derives from internal management systems and is based on direct measurements.

Furthermore, with regard to resource inflows, these include the buildings used at the headquarters for production and logistics, the equipment, plants and machinery used for production and logistics, and the shop furnishings<sup>45</sup>.

### E5-5 Resource outflows

The following tables provide detailed information regarding resource outflows, including waste, connected to the relevant impacts, risks and opportunities. The data shown derives from internal management systems and is based on direct measurements.

In the production model adopted by the Casa di Moda, the items, mostly items of clothing and accessories, are conceived as “timeless goods”, which can be passed down to future generations thanks to the intrinsic quality of the materials, the robustness of the craftsmanship, and the repair service guaranteed by the Casa di Moda. The choice of materials represents the distinguishing feature of the process: indeed, the Casa di Moda favours natural fibres such as cashmere, wool, cotton and linen, selected with great care from qualified suppliers so as to ensure outstanding aesthetic and functional performance, coupled with a lower environmental impact along the life cycle of the products.

**Table 22: Percentage of recyclable content in packaging**

	Unit of measurement	2025	2024
Paper and cardboard	%	100	100
Plastic	%	100	100
Cotton (fabric packaging)	%	100	100
Polyester (fabric packaging)	%	100	100

**Table 23: Total quantity of waste produced by own operations**

	Unit of measurement	2025	2024
<b>Total quantity of produced waste</b>	<b>kg</b>	<b>755,091</b>	<b>606,162</b>
Hazardous waste diverted from disposal	kg	2,977	1,099
Hazardous waste directed to disposal	kg	3,180	1,269
<b>Total hazardous waste</b>	<b>kg</b>	<b>6,157</b>	<b>2,368</b>
Non-hazardous waste diverted from disposal	kg	519,033	580,894
Non-hazardous waste directed to disposal	kg	229,901	22,900
<b>Total non-hazardous waste</b>	<b>kg</b>	<b>748,934</b>	<b>603,794</b>
Total quantity of non-recycled waste	kg	233,081	24,169
Percentage of non-recycled waste	%	31	4

<sup>45</sup> More information can be found in the Consolidated Financial Statements (ref. Property, plant and equipment).

**Table 24: Waste produced by type and method of disposal<sup>46</sup>**

2025				
	Unit of measurement	Diverted from disposal	Directed to disposal	Total
<b>NON-HAZARDOUS WASTE</b>				
Paper and cardboard	kg	6,780	13,869	20,649
Components removed from discarded equipment (other than those in item 16 02 15) (toner)	kg	317		317
Sludge from the biological treatment of industrial wastewater (other than those indicated in item 19 08 11)	kg		147,920	147,920
190814 Sludge from other treatments of industrial wastewater, other than those indicated in item 190813	kg		10,260	10,260
Dryer filters	kg		280	280
Paper and cardboard packaging	kg	293,001		293,001
Wooden packaging	kg	60,000		60,000
Mixed material packaging	kg	57,740		57,740
Plastic packaging	kg	21,534		21,534
Wood	kg	26,650		26,650
Edible oils and greases	kg	289		289
Fabric products	kg	4,560	8,090	12,650
Screening residues	kg		600	600
Waste from processed textile fibres	kg	21,800		21,800
Aqueous liquid waste (other than those mentioned in item 161001)	kg		6,060	6,060
Bulky waste	kg	23,900		23,900
Urban waste not otherwise specified	kg	4	4,354	4,358
040109 Waste from manufacturing and finishing operations	kg	1,530		1,530
Spent printer cartridges	kg	928		928
170904 mixed waste from building and demolition activities, other than those in items 170901, 170902 and 170903	kg		38,469	38,469
<b>HAZARDOUS WASTE</b>				
Sludge or solid waste containing other solvents	kg		2,960	2,960
Packaging containing residues of hazardous substances	kg	1,783		1,783
Metal packaging	kg	14		14
Contaminated absorbent materials	kg		220	220
Materials containing asbestos	kg			0
Mineral motor oils	kg	560		560
Fluorescent tubes	kg			0
160213 discarded equipment, containing hazardous components (1) other than those in items 160209 and 160212	kg	620		620

<sup>46</sup> Waste management by the Casa di Moda takes place in compliance with the Single Environmental Act Legislative Decree 152/2006. With reference to 2025, it was not possible to provide detailed quantities regarding the various recovery operations (e.g. preparation for reuse, recycling, other recovery operations) to which the waste was subjected.



2024				
	Unit of measurement	Diverted from disposal	Directed to disposal	Total
<b>NON-HAZARDOUS WASTE</b>				
Paper and cardboard	kg	7,360		7,360
Components removed from discarded equipment (other than those in item 16 02 15) (toner)	kg	99		99
Sludge from the biological treatment of industrial wastewater (other than those indicated in item 19 08 11)	kg		18,000	18,000
Dryer filters	kg		300	300
Paper and cardboard packaging	kg	287,643		287,643
Wooden packaging	kg	41,320		41,320
Mixed material packaging	kg	63,510		63,510
Plastic packaging	kg	36,038		36,038
Wood	kg	77,400		77,400
Edible oils and greases	kg	150		150
Fabric products	kg	9,231		9,231
Screening residues	kg		340	340
Waste from processed textile fibres	kg	25,880		25,880
Aqueous liquid waste (other than those mentioned in item 161001)	kg		4,260	4,260
Bulky waste	kg	31,390		31,390
Urban waste not otherwise specified	kg	6		6
Spent printer cartridges	kg	867		867
<b>HAZARDOUS WASTE</b>				
Sludge or solid waste containing other solvents	kg		940	940
Packaging containing residues of hazardous substances	kg	837		837
Metal packaging	kg	22		22
Contaminated absorbent materials	kg		180	180
Materials containing asbestos	kg		134	134
Mineral motor oils	kg	240		240
Fluorescent tubes	kg		15	15

The composition of the waste produced by the Casa di Moda is characterised to a large extent by waste of biogenic origin, consisting largely of paper, cardboard and wood, which represents the largest group of materials generated.



## THE EUROPEAN TAXONOMY

Published on 22 June 2020 in the Official Journal of the European Union, with entry into force on 12 July 2020, the Regulation (EU) 2020/852 – EU Taxonomy Regulation (hereinafter the “Taxonomy” or the “Regulation”) establishes a uniform system for the classification of economic activities considered environmentally sustainable, in relation to the contribution they can make to the six core environmental objectives established by the European Union:

- a) climate change mitigation (CCM);
- b) climate change adaptation (CCA);
- c) sustainable use and protection of water and marine resources (WTR);
- d) transition to a circular economy (CE);
- e) pollution prevention and control (PPC);
- f) protection and restoration of biodiversity and ecosystems (BIO).

This regulatory tool, issued by the European Commission, aims to promote the implementation of the European Green Deal and to help Europe achieve climate neutrality by 2050 by directing investments towards activities and projects that are environmentally sustainable, capable of significantly contributing to the achievement of the environmental targets set by the European Union.

The Regulation is directed towards companies that are not obligated to prepare sustainability reporting, according to the new EU Directive 2022/2464, known as the Corporate Sustainability Reporting Directive (CSRD), which was implemented in Italy through Legislative Decree 125/2024.

Companies falling within the scope of the Regulation are obliged to report information relating to the percentage<sup>47</sup> of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with the economic activities considered eligible, with the obligation to conduct an alignment analysis for all the environmental objectives, in compliance with the provisions of the Climate Delegated Act<sup>48</sup> and the Environmental Delegated Act<sup>49</sup>.

In addition, on 8 January 2026 the Delegated Regulation 2026/73 of 4 July 2025 was published in the Official Journal of the European Union, introducing simplification measures for the reporting of eligible activities that are aligned with the European Taxonomy. Specifically, the new Delegated Act introduces some significant changes to the analysis, including the possibility to adopt a materiality threshold below which the corresponding activities can be excluded from the admissibility evaluation, the simplification of the reporting tables and the “Do No Significant Harm” (DNSH) requirements envisaged for the pollution reduction target. This act, applicable from 1 January 2026, gives companies the power to adopt the measures already introduced with reference to reporting for 2025<sup>50</sup>. With reference to the current financial year, the Brunello Cucinelli Group chose not to adopt the simplifications

<sup>47</sup> According to the procedures indicated in the Disclosures Delegated Act (EU) 2021/2178).

<sup>48</sup> Delegated Regulation (EU) 2021/2139, adopted on 4 June 2021 and entering into force on 1 January 2022. Through Delegated Regulation (EU) 2022/1214 “Complementary Delegated Act”, adopted on 15 July 2022 and entering into force on 1 January 2023, the Commission amended the Climate Delegated Act in 2022 by introducing activities and related technical screening criteria for energy generation from nuclear and natural gas. During 2023, Delegated Regulation (EU) 2023/2485 was published. This made a number of amendments to the Climate Delegated Act, both in terms of new activities and in terms of technical screening criteria.

<sup>49</sup> Delegated Regulation (EU) 2023/2486, adopted on 27 June 2023 and entering into force on 1 January 2024.

<sup>50</sup> Pursuant to Article 4 of the Delegated Regulation 2026/73, the amendments introduced shall be applicable from 1 January 2026 and with regard to the reporting year, the commencement of which is set on that date. Nonetheless, companies may elect to apply the amendments already for the reporting year commencing between 1 January and 31 December 2025.



envisaged by the Delegated Regulation 2026/73, maintaining the structure and approach of the analysis already applied in previous financial years.

The delegated acts provide the criteria for defining if a certain economic activity contributes substantially to the pursuit of one of the six targets defined by the acts themselves, and if it does not cause significant harm to any other target. In particular, in accordance with the provisions of the Regulation, in order to be considered “environmentally sustainable” (and therefore aligned), an activity must meet the following criteria:

- **Meet the substantial contribution criteria** defined in the Regulation for each type of activity. Identified on a scientific basis and specific to each of the objectives, these criteria describe the conditions to be met in order to contribute substantially to the achievement of the objectives.
- **Do No Significant Harm (DNSH)** to any of the other objectives not significantly impacted.
- **Respect minimum social safeguards**, recognising the importance of human rights and international standards.

The criterion of substantial contribution and the DNSH criteria are defined according to a high level classification such as “Technical screening criteria”.

#### THE ELIGIBILITY AND ALIGNMENT ANALYSIS OF THE CASA DI MODA

In line with what was carried out during the previous year, for the 2025 year of reporting, the Brunello Cucinelli Group updated the analysis of its economic activities in order to assess their possible eligibility for the six environmental objectives of the Taxonomy.

From the analysis conducted, it emerged that there are no revenue streams attributable to economic activities considered eligible according to the Delegated Acts. With reference to capital expenditure (Annex 1 of EU Delegated Regulation 2021/2178, par. 1.1.2.2 point (c)<sup>51</sup>), the analysis instead identified economic activities eligible with respect to the objectives of climate change mitigation (CCM), sustainable use and protection of water and marine resources (WTR) and transition to a circular economy (CE).

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<sup>51</sup> In particular, the activities listed in points 7.3 to 7.6 of the Climate Delegated Act as well as other economic activities listed in delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2), and 15(2) of Regulation (EU) 2020/852, are related to the purchase of goods from Taxonomy-aligned economic activities and to individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas savings, provided that these measures are implemented and made operational within 18 months.



In particular, eligible activities in relation to 2025 are given below:

Objective	Economic activity	Associated projects
Climate change mitigation	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Purchase of company vehicles
	7.1 Construction of new buildings <sup>52</sup>	Construction of new facilities at Corciano
	7.2 Renovation of existing buildings <sup>53</sup>	Renovation of stores, offices and other Group facilities
	7.3 Installation, maintenance and repair of energy efficiency equipment	Implementation of thermal insulation systems in buildings; installation, maintenance and efficiency optimisation of ventilation and air conditioning systems; replacement of traditional lighting systems and lamps with smart lighting systems and LED lamps.
	7.4 Installation, maintenance and repair of charging stations for electric vehicles in the buildings (and car parking facilities associated with the buildings)	Installation of charging stations for the Group's electric vehicles at Penne and Corciano
	7.6 Installation, maintenance and repair of technologies for renewable energies	Installation and expansion of photovoltaic plants
	7.7 Acquisition and ownership of buildings	Acquisition and rental of properties
	9.3 Professional services related to the energy performance of buildings	Consultancy services in respect of the study of the Solar Reflectance Index of the new facilities at Corciano
Sustainable use and protection of water and marine resources	2.2 Municipal wastewater treatment	Expansion and maintenance of sewers and drainage pipes
Transition to a circular economy	3.3 Demolition of buildings and other structures	Demolition of Group buildings
	4.1 Provision of IT/OT data-driven solutions and software	Purchase of information systems for the management of orders and shipments, the collection and processing of data related to equipment, products and infrastructure, and for the tracing of products and materials

<sup>52</sup> The projects identified are also eligible with respect to the objective "Transition to a circular economy" (CE), with reference to activity 3.1 – Construction of new buildings.

<sup>53</sup> The projects identified are also eligible with respect to the objective "Transition to a circular economy" (CE), with reference to activity 3.2 – Renovation of existing buildings.



## VERIFICATION OF TECHNICAL SCREENING CRITERIA

The Brunello Cucinelli Group subsequently assessed the alignment of eligible economic activities with respect to the targets identified above, verifying their compliance with the Technical screening criteria and with the Minimum Social Safeguards.

### **Substantial contribution**

For the purposes of assessing alignment, for each of the economic activities considered eligible with respect to the targets identified above, compliance with the **substantial contribution criteria** was verified<sup>54</sup>.

#### ***Activity 6.5 (CCM): Transport by motorbikes, passenger cars and light commercial vehicles***

Following the analysis conducted by the Group concerning the purchase of ELVs (electric L-category vehicles) in 2025, the expenditure was evaluated as aligned with the substantial contribution criteria.

#### ***Activity 7.4 (CCM): Installation, maintenance and repair of charging stations for electric vehicles in the buildings (and car parking facilities associated with the buildings)***

Following the analysis conducted by the Group, the project linked to the installation of new charging columns at the Penne and Corciano sites was evaluated as aligned with the substantial contribution criteria.

#### ***Activity 7.6 (CCM): Installation, maintenance and repair of technologies for renewable energies***

Following the analysis conducted by the Group, the activity performed in 2025 in relation to the installation of photovoltaic panels at the Penne and Gubbio sites of Pinturicchio S.r.l. and at one of the new buildings at the Solomeo Headquarters was evaluated as aligned with the substantial contribution criteria.

#### ***Activity 9.3 (CCM): Professional services related to the energy performance of buildings***

Following the analysis conducted by the Group in relation to the expenditure relating to consultancy services for the Solar Reflectance Index project for the new buildings at Corciano, the activity was evaluated as aligned with the substantial contribution criteria.

#### ***Activity 4.1 (CE): Provision of IT/OT data-driven solutions and software***

Following the analysis conducted by the Group concerning the purchase of information systems for the remote collection and processing of data related to the equipment, products and infrastructure, and for the tracing of products and materials, the activity was considered aligned with the substantial contribution criteria.

With reference to the other activities assessed as eligible and belonging to the climate target of Climate change mitigation (CCM) and the other environmental targets of Sustainable use and protection of water and marine resources (TWR) and Transition to a circular economy (CE) summarised in the previous table, in the absence of sufficient elements for a complete assessment of the fulfilment of the substantial contribution criteria envisaged for each of the activities, assuming a precautionary approach, these were evaluated as not aligned.

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<sup>54</sup> Articles 10, 11, 12, 13, 14, 15, 16, and 19 of EU Regulation 852/2020.



## Do No Significant Harm (DNSH)

For each eligible economic activity with respect to the targets identified above, the Brunello Cucinelli Group subsequently assessed its compliance with the “**Do No Significant Harm**” (DNSH) criteria<sup>55</sup> in order to ensure that these economic activities do not cause significant harm to other environmental objectives.

In light of the verifications conducted, and considering the partial availability of the information required by the Delegated Acts, it was not possible to demonstrate full compliance with the DNSH criteria for the eligible economic activities identified.

In particular, the economic activities analysed must meet the criteria set out in Appendix A of the Climate Delegated Act, which envisage an analysis to identify and assess vulnerabilities to physical climate risks, following specific procedures indicated in the same Delegated Act, including the development of an adaptation plan for the most significant climate risks.

Between the end of 2024 and the start of 2025, the Group conducted an analysis to assess its own physical and transition risks in relation to its own premises, including production and logistics sites, and its supply chain. The analysis was based on climate scenarios applicable to the Brunello Cucinelli business model and utilised scientifically recognised climate scenarios, including AR5 and AR6 of the IPCC. For further information regarding the analysis carried out, refer to paragraph “ESRS 2 SBM-3 Impacts, risks and opportunities and their interaction with strategy and business model” of chapter “E1 *Climate change*”.

However, with respect to the provisions of Appendix A of Regulation 2020/852, given that the adaptation plan for identified climate risks is still under development, it was not possible to attest full compliance with the criteria for the year of reference.

## Minimum Social Safeguards

The Brunello Cucinelli Group has verified compliance with the **Minimum Social Safeguards**<sup>56</sup>, which define minimum protection measures to ensure that an economic activity is carried out with respect for human and labour rights in line with the OECD Guidelines for Multinational Enterprises and with the United Nations Guiding Principles on Business and Human Rights, including the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and eight fundamental ILO conventions, as well as the International Bill of Human Rights.

The assessment also took into account the interpretative guidance issued by the Platform on Sustainable Finance (PSF), an advisory body established pursuant to Article 20 of the Regulation, in the document “Final Report on Minimum Safeguards”, published in October 2022, as well as the European Commission’s communiqué of June 2023, with respect to indicators of negative sustainability effects.

The document was drafted with the aim of providing essential information to support companies and investors manage the practicalities of minimum guarantee requirements. However, this does not represent an official legal interpretation.

In carrying out its activities, the Brunello Cucinelli Group operates and requires its employees, external collabora-

<sup>55</sup> Article 17 of Regulation “EU) 852/2020.

<sup>56</sup> Article 18(1) of Regulation (EU) 2020/852.



tors and business partners to operate in compliance with its Code of Ethics. This defines the set of rules of conduct, principles and values that guide the Company's operations in order to guarantee the correct functioning, integrity and reputation of its business activities.

The Code of Ethics, which has been approved by the Board of Directors, applies in a binding manner to all stakeholders considered relevant to the Company, and is an integral part of the Organisation, Management and Control Model (pursuant to Legislative Decree 231/2001).

In line with the principles of the Code of Ethics, the Board of Directors has adopted the Human Sustainability policy "In harmony with Creation" and the Diversity and Inclusion Policy. These policies represent additional tools that the Brunello Cucinelli Group has implemented to guarantee its commitment to respecting values and human rights and to prevent any episodes of discrimination that could compromise the right of equal opportunity.

Furthermore, the Brunello Cucinelli Group has established the Council for Human Sustainability and Humanistic Capitalism with the objective of disseminating the sustainability principles, with particular focus on ethical, environmental and social aspects, including human rights. In order to guarantee equal opportunities and to value and include all the people in the Group, while respecting the dignity, freedom and autonomy of each individual, the Group has adopted policies based on meritocracy and the recognition of fair remuneration.

Additional tools for ethical business management include the Whistleblowing Procedure, which regulates the process of reporting potential conduct that is in breach of the 231 Model and the Code of Ethics and other Policies adopted internally.

The Group is also committed to ensuring dialogue with all stakeholders, and has defined a "Human Relations" Policy, published on the Investor Relations website and approved by the Board of Directors, which ensures responsible and inclusive communication with key stakeholders.

With regard to safeguarding the interests of its customers, the Group is additionally dedicated to overseeing production procedures and operating in accordance with prevailing regulations pertaining to the quality and safety of its products. Furthermore, it ensures adherence to the stipulations of the General Data Protection Regulation (GDPR) by disclosing the Privacy Policy to customers via its website.

Through its Anti-Bribery Policy, available online, the Group affirms its commitment to combating all forms of corruption and unlawful practices. Furthermore, the Casa di Moda demonstrates a strong dedication to advocating for a range of anti-corruption training initiatives. These endeavours aim to enhance knowledge regarding corruption concerns, the potential hazards that employees and the organisation may encounter, and the proper protocols for reporting suspected illicit activities.

The Group operates on the national and international market in full compliance with national and EU antitrust and tax regulations.

The Company undertakes to ensure that the rules of conduct specified in the Code of Ethics and in the Group's Policies are also complied with by its suppliers of raw materials and small craft enterprises, who are required to sign the Code when stipulating any form of agreement.

Nevertheless, the Company maintains a conservative and prudential approach and concludes that the existing procedures implemented throughout the Group and, in particular, with suppliers and small craft enterprises, although satisfactory and in line with market and corporate standards, fail to completely satisfy every criterion essential for acknowledging the alignment of identified eligible activities.



## Disclosure of Taxonomy KPIs

In accordance with Delegated Regulation (EU) 2021/2178 issued by the European Commission, for each of the economic activities assessed as eligible and aligned to the technical requirements defined by the Taxonomy, the Brunello Cucinelli Group calculated the relevant share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx). Specifically:

- for the calculation of Turnover, the amount of revenues deriving from the sale of products and provision of services was considered in compliance with IAS 1 par. 82(a) and the Directive 2013/34/EU which defines, as regards the denominator, “Net Turnover” as the revenues deriving from the sale of products and provision of services as net of VAT, returns and other additional taxes;
- CapEx take into account the sum of all additions during FY 2025 to tangible and intangible balance sheet items including capitalised assets related to R&D and rights of use arising from IFRS 16;
- OpEx take into account the sum of operating expenses associated with R&D, maintenance of production facilities, day-to-day servicing of Company assets and short-term leasing.

From the analyses conducted, no revenue items were identified that could be associated with eligible economic activities with respect to both the *Climate Delegated Act*, and the *Environmental Delegated Act*. Therefore, compared to the total turnover in 2025 (€1,407.951 thousand), the ineligible share is 100%.

On the basis of the provisions of paragraph 1.1.3. of the Delegated Regulation, the Group considers the value of the denominator of the KPI relating to OpEx, as required under the Regulation and amounting to €35,958 thousand, corresponding to approximately 3.6% of the Group’s total OpEx, as not material to the business model. For this reason, the Group did not carry out the analyses for the calculation of the numerator for that KPI.

In reference to CapEx, even if in this case the Group has considered the investments as not aligned with the objectives identified, amounts were still identified regarding eligible economic activities with respect to the two delegated acts.

## Accounting Policy

According to the Annexes to the Delegated Regulation, the percentage of Turnover, CapEx and OpEx associated with eligible and aligned activities must be calculated. To fulfil this regulatory obligation, as mentioned in the previous paragraphs the Group has identified its eligible activities and calculated the three KPIs required by the Regulation, having also assessed the alignment of these activities with the technical screening criteria provided by the *Climate Delegated Act* and the *Environmental Delegated Act*. The analyses conducted in order to adhere to the disclosure obligations of the Delegated Regulation are described below, indicating the methodologies applied and the accounting items considered for calculating the three KPIs.



## TURNOVER

In accordance with the Delegated Regulation, the Group considered the following values for the calculation of the Turnover Ratio:

- **denominator:** net turnover from the sale of goods and the provision of services after deducting sales discounts and VAT directly related to turnover. In order to avoid any possible double counting, intercompany items have been eliminated and do not contribute to the determination of the KPI. As a result, the denominator (€1,407,951 thousand) of the KPI corresponds to the item “Revenues”, presented in Note 27 – Revenue from Group's Consolidated Financial Statements - and is in line with the provisions of IAS 1, par.82(a);
- **numerator:** the share of net turnover (taken into account for the calculation of the denominator) associated with eligible and aligned activities. For this assessment, the approach taken involved identifying, through general accounting, potential revenue components associated with eligible economic activities. For the year 2025, the Brunello Cucinelli Group did not assess any directly performed activities as eligible. Therefore the numerator of the Turnover indicator is zero.

## CAPEX

For the purpose of calculating the denominator of the KPI relating to CapEx, this considered the additions incurred in the reporting period relating to tangible assets (land and buildings, leasehold improvements, plant and machinery, commercial industrial equipment and other assets, fixed assets under construction and historical collection), intangible assets (concessions licences and trademarks and fixed assets under construction and payments on account) and Right of Use Assets (RoU of buildings and motor vehicles) and to investment property, including the additions arising from business combinations during the year. The approach used for the extraction of the above-mentioned figures involved a timely analysis of the general accounts showing the investments made during the year by all companies within the scope of consolidation.

In accordance with the Delegated Regulation, the Group considered the following values for the calculation of CapEx:

- **denominator:** for the calculation of the denominator, the Group considered the increases in plant, property and equipment accounted for in accordance with the accounting standard IAS 16 – note 3 to the Annual Financial Report, intangible assets accounted for in accordance with the accounting standard IAS 38 – note 1 to the Annual Financial Report, increases in the rights of use accounted for in accordance with the accounting standard IFRS 16 – note 2 to the Annual Financial Report, and investment property in accordance with the accounting standard IAS 40 – note 4 to the Annual Financial Report. This analysis returned a total value referring to the financial year 2025 of: €420,978 thousand.
- **numerator:** for the purpose of determining the numerator, CapEx related to the purchase of outputs from eligible economic activities Taxonomy-aligned and individual measures that enable activities to reduce their emission profile were considered. In this regard, the Group included the following values in the numerator of the KPI, referring to the data of the consolidated financial statements in accordance with accounting standards IAS 16 “Property, Plant and Equipment”, IFRS 16 “Leases” and IAS 38 “Intangible Assets”:
  - for Activity 2.2 - Municipal wastewater treatment – additions to plant, property and equipment related to plants regulated by accounting standard IAS 16, paragraph 73 (e), point i) and iii);
  - for Activity 3.1 - Construction of new buildings – additions to plant, property and equipment related to plants regulated by accounting standard IAS 16, paragraph 73 (e), points i) and iii);
  - for Activity 3.2 - Renovation of existing buildings – additions to property, plant and equipment related to plants regulated by the accounting standard IAS 16, paragraph 73 (e), points i) and iii);



- for Activity 3.3 - Demolition of buildings and other structures - additions to property, plant and equipment related to plants regulated by accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 4.1 – Provision of IT/OT data-driven solutions and software – additions to intangible assets related to software regulated by the accounting standard IAS 38, paragraph 118 (e), point i);
- for Activity 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles - increases in Motorcycle rights of use regulated by the accounting standard IFRS 16, paragraph 53 (b) and increases in property, plant and equipment regulated by the accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 7.1 - Construction of new buildings – additions to plant, property and equipment related to plants regulated by accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 7.2 - Renovation of existing buildings - additions to property, plant and equipment related to plants regulated by the accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 7.3 – Installation, maintenance and repair of energy efficiency equipment – additions to property, plant and equipment in relation to plants regulated by the accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in the buildings (and car parking facilities associated with the buildings) – additions to property, plant and equipment regulated by the accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 7.6 - Installation, maintenance and repair of technologies for renewable energies - additions to property, plant and equipment in relation to plants regulated by the accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 7.7 – Acquisition and ownership of buildings - additions to the rights of use regulated by the accounting standard IFRS 16, paragraph 53 (b) and additions to property, plant and equipment in relation to plants regulated by the accounting standard IAS 16, paragraph 73 (e), points i) and iii);
- for Activity 9.3 – Professional services related to the energy performance of buildings – additions to intangible assets in relation to professional services regulated by the accounting standard IAS 38, paragraph 118 (e).

Additionally, note that the retrieval of the data pertaining to the aforementioned categories was executed promptly, utilising the information contained in the general accounts currently in use in the companies included in the scope of consolidation.



## OPEX

In accordance with the Delegated Regulation, the Group considered the following values for the calculation of OpEx:

- **denominator:** for the calculation of the denominator, a detailed analysis of the Group's chart of accounts was carried out, identifying the items that can be associated with the cost categories expressly mentioned in the Delegated Regulations. Specifically:
  - *Short-term leases;*
  - Costs incurred during the year related to maintenance and repairs on buildings and IT equipment. Costs related to employees involved in maintenance and repair activities and also maintenance commissioned to third-party companies were taken into account for this category;
  - Costs associated with the day-to-day servicing of assets, i.e. costs associated with the reorganisation of facilities and buildings;
  - R&D costs not capitalised and, specifically, related to the performance of design and aesthetic conception activities aimed at the study of new products.

The outcome of these analyses resulted in a value of €35,958 thousand, representing approximately 3.6% of total operating expenses. As stipulated in the Delegated Regulation, therefore, the OpEx KPI is to be considered non-material.

In light of the guidance provided by the European Commission and the Disclosure Delegated Act (§ 1.1.3.2 of Annex I), it was determined that it would be inappropriate to provide an indication of the value of the numerator of the relevant KPI. This is because the value of the denominator is marginal compared to the overall operational expenditure (3.6%).



**Table 25: Share of turnover derived from products or services associated with economic activities Taxonomy-aligned - Disclosure for 2025**

Financial Year 2025		Year	Criteria for substantial contribution										DNSH (Do No Significant Harm) criteria					
Code	Turnover	Share of turnover 2025	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Social Safeguards	Share of turnover Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.), 2024	Qualifying activity category	Transition activity category
			k€	%	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No N/A/M	Yes/No	%
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																		
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
of which enabling	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	A	
of which transitional	-	0%						0%	0%	0%	0%	0%	0%	0%	0%	0%		T
<b>A.2 Activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned)</b>																		
Turnover of activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)	-	0%														0%		
A. Turnover of activities Taxonomy-eligible (A.1+A.2)	-	0%														0%		
<b>B. ACTIVITIES NOT TAXONOMY-ELIGIBLE</b>																		
Turnover of activities not Taxonomy-eligible	1,407,951	100%														100%		
Total (A+B)	1,407,951	100%														100%		



**Table 26: Share of capital expenditure from products or services associated with economic Taxonomy-aligned activities - 2025 disclosure**

Financial Year 2025		Year		Criteria for substantial contribution							DNSH (Do No Significant Harm) criteria								
Economic activities	Code	CapEx	Share of CapEx 2025	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Social Safeguards	Share of CapEx Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2), 2024	Qualifying activity category	Transition activity category
		k€	%	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	Yes/No/N/AM	%	A	T
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
of which enabling		-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	A	
of which transitional		-	0%						0%	0%	0%	0%	0%	0%	0%	0%	0%		T
<b>A.2 Activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned)</b>																			
Municipal wastewater treatment		2.2 (WTR)	1,322	0.31%													0.001%		
Demolition of buildings and other structures		3.3 (CE)	7.75	0.002%													0.01%		
Provision of IT/OT data-driven solutions and software		4.1 (CE)	326	0.08%													0.01%		
Transport by motorbikes, passenger cars and light commercial vehicles		6.5 (CCM)	819	0.19%													0.58%		
Construction of new buildings		7.1 (CCM) / 3.1 (CE)	242	0.06%													1.19%		
Renovation of existing buildings		7.2 (CCM) / 3.2 (CE)	14,495	3.44%													2.87%		
Installation, maintenance and repair of energy efficiency equipment		7.3 (CCM)	6,349	1.51%													2.14%		
Installation, maintenance and repair of charging stations for electric vehicles in the buildings (and car parking facilities associated with the buildings)		7.4 (CCM)	87	0.02%													0%		
Installation, maintenance and repair of technologies for renewable energies		7.6 (CCM)	258	0.06%													0.02%		
Acquisition and ownership of buildings		7.7 (CCM)	280,734	66.69%													69.08%		
Professional services related to the energy performance of buildings		9.3 (CCM)	55	0.01%													0%		
CapEx of activities Taxonomy-eligible <sup>57</sup> but not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)		304,695	72.38%	72%	0%	0.3%	0.08%	0%	0%								76.10%		
CapEx of activities Taxonomy-eligible (A.1+A.2)		304,695	72.38%	72%	0%	0.3%	0.08%	0%	0%								76.10%		
<b>B. ACTIVITIES NOT TAXONOMY-ELIGIBLE</b>																			
CapEx of activities not Taxonomy-eligible		116,283	27.62%																
Total (A+B)		420,978	100%																

57 The percentage and absolute values, indicated in the columns “CapEx” and “Share of CapEx 2025” respectively, indicate the amount of CapEx associated with eligible activities that are not aligned with the activities envisaged by the European Taxonomy. As it only includes eligible activities that were present in the year 2024, the percentage value of the total CapEx for 2024 which is Taxonomy-eligible but not environmentally sustainable (A.2) does not equal the sum of the percentages of the reported rows.



Share of Capex/Total Capex		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	72%
CCA	0%	0%
WTR	0%	0.31%
CE	0%	4%
PPC	0%	0%
BIO	0%	0%

**Table 27: Share of operating expenses arising from products or services associated with economic activities Taxonomy-aligned - disclosure 2025**

Financial Year 2025		Year	Criteria for substantial contribution										DNSH (Do No Significant Harm) criteria					Share of OpEx Taxonomy-aligned with (A.1) or Taxonomy-eligible (A.2), 2024	Qualifying activity category	Transition activity category
Economic activities	Code	OpEx	Share of OpEx 2025	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Social Safeguards	Share of OpEx Taxonomy-aligned with (A.1) or Taxonomy-eligible (A.2), 2024	A	T	
		k€	%	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	Yes/No N/AM	%	A	T	
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																				
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
of which enabling		-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	A		
of which transitional		-	0%					0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		T	
<b>A.2 Activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned)</b>																				
OpEx of activities Taxonomy-eligible but not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)		-	0%														0%			
A. OpEx of activities Taxonomy-eligible (A.1+A.2)		-	0%														0%			
<b>B. ACTIVITIES NOT TAXONOMY-ELIGIBLE<sup>58</sup></b>																				
OpEx of activities not Taxonomy-eligible		-	N/A														N/A			
Total (A+B)		35,958	100%														100%			

58 On the basis of the provisions of paragraph 1.1.3. of the Delegated Regulation, the Group considers the value of the denominator of the KPI relating to OpEx required under the Regulation as not material to the business model. For this reason, the Group did not carry out the analyses for the calculation of the numerator of the KPI for OpEx.

**Table 28: Activities related to nuclear and fossil gases - Complementary Delegated Act (Delegated Regulation 2022/1214)**

Line	Activities related to nuclear energy	
1	The company carries out, finances or has exposure to the research, development, demonstration and implementation of innovative systems for generating electricity that produce energy starting from nuclear processes with a minimum quantity of waste from the fuel cycle.	No
2	The company carries out, finances or has exposure to the construction and safe operation of new nuclear plants for the generation of electricity or process heat, also for the purposes of district heating or for industrial processes, such as the production of hydrogen, improvement of their safety, with the aid of the best technologies available.	No
3	The company carries out, finances or has exposure to the safe operation of existing nuclear plants that generate electricity or process heat, also for district heating or for industrial processes, such as the production of hydrogen starting from nuclear energy and the improvement of their safety.	No
<b>Activities related to fossil gases</b>		
4	The company carries out, finances or has exposure to the construction or operation of plants for the production of electricity that use fossil gaseous fuels.	No
5	The company carries out, finances or has exposure to the construction, requalification and operation of plants for the combined generation of heating/cooling and electricity that use fossil gaseous fuels.	No
6	The company carries out, finances or has exposure to the construction, requalification and operation of plants for the generation of heat that produce heating/cooling using fossil gaseous fuels.	No



## SOCIAL INFORMATION

### S1 Own workforce

#### STRATEGY

##### **ESRS 2 SBM-2 Interests and views of stakeholders**

The Group integrates the requests of its stakeholders, including Human Resources, in its decision-making process in a significant manner, constantly promoting the provided opinions and contributions. This feedback has had a direct impact on the definition of the targets and the content of the company's sustainability strategy, confirming its commitment towards an open dialogue.

The importance of this approach is confirmed in the Human Relations Policy (ref. MDR-P Policies of the Casa di Moda) and is reinforced further through engagement activities that are in line with the Group's Stakeholder Engagement Plan.

Given the variety and heterogeneity of the stakeholders involved, the Casa di Moda adopts appropriate instruments and communication channels that foster direct dialogue between company functions and their counterparts. This continuous and dynamic dialogue makes it possible to focus on stakeholder requests during the company's decision-making process, promoting respect for human rights and the interests of all involved actors.

With regard to the engagement of human resources, refer to the section "SBM-2 Interests and views of stakeholders" of ESRS 2.

##### **ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

The core of the corporate philosophy leads to the company always placing the human being at the centre of everything, respecting their moral and economic dignity.

All of its own workers on which the Casa di Moda could produce relevant impacts are taken into consideration in this report.

In particular, the following types of employees are present in the Group: Executives and Managers; White collar - no Sales; White collar - Sales; Blue collar.

As concerns instead the types of workers who are not employees, reference is made to: Self-employed workers (contingent, physical persons with a VAT no.), Workers provided by third-party companies (temporary employees, trainees, interns from the School of Contemporary High Craftsmanship and Arts in Solomeo).

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model" of ESRS 2.



**Table 29: List of impacts, risks and opportunities relevant to the topic of the own workforce<sup>59</sup>**

Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
The Casa di Moda favours the hiring of employees on permanent and full-time contracts, in order to ensure the financial stability, trust, and loyalty of staff	Potential	Own operations	Short-term	Secure employment
The Casa di Moda organises its activities with a view to guaranteeing respect for fair working hours, always in compliance with international reference standards	Actual	Own operations	Medium-term	Working hours
As well as ensuring compliance with legislation pertaining to trade union matters (e.g. freedom of association, collective bargaining) and prohibiting intimidation, threats and discrimination towards workers' representatives, the Casa di Moda actively promotes open and transparent relations between employees and management	Potential	Own operations	Medium-term	Freedom of association, existence of work councils and workers' rights to information, consultation and participation Collective bargaining, including rate of workers covered by collective bargaining agreements
Promotion of a corporate culture aimed at preventing discrimination, harassment and abuse of any type and promotion of the principle of equal opportunities in all aspects of the work relationship	Actual	Own operations	Medium-term	Measures to counter violence and harassment in the workplace
Increase in employee wellbeing through the promotion of the company welfare plan and the provision of appropriate contractual conditions (for example, recognition of remuneration commensurate with experience, and company benefits)	Potential	Own operations	Medium-term	Adequate wages
Personal and professional growth of human resources through the creation of continuous improvement pathways and targeted training, favouring the development of vertical and transversal skills	Actual	Own operations	Medium-term	Training and skills development
<b>Negative impacts</b>				
Limited attention to aspects of work-life balance with possible impacts on the overall wellbeing of employees, overlooking their need for satisfaction and quality of life	Potential	Own operations	Medium-term	Work-life balance
Work-related injuries and/or work-related ill health when performing work activities and/or related to interference (e.g. specific risks of the location), in reference to the human resources of the Casa di Moda	Actual	Own operations	Medium-term	Health and safety
Limited possibilities for personal and professional growth among the female workforce due to the presence of a pay gap between men and women	Potential	Own operations	Long-term	Gender equality and equal pay for equal work

<sup>59</sup> The column "Potential/Actual Impact" does not apply to the risks and opportunities.



Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Insufficient satisfaction of human resources' expectations in terms of opportunities for personal and professional growth, which can reduce motivation, compromising overall performance	Potential	Own operations	Medium-term	Training and skills development
Lack of respect for values of diversity and inclusion or equal opportunities within the Casa di Moda, also with reference to persons with disabilities	Potential	Own operations	Medium-term	Employment and inclusion of persons with disabilities Diversity
Compromise of the confidentiality/availability/integrity of the personal data of human resources due to internal factors (i.e. non-conformity of procedures, including the ability to meet the requests from data subjects, governance, applications in terms of privacy) and/or external factors (e.g. suppliers responsible for processing data for which the Casa di Moda is the data controller)	Potential	Own operations	Medium-term	Privacy
<b>Risks</b>				
Difficulties in finding specific resources and/or skills in the market or attracting them, mainly related to the increasing market demand for flexibility	N.A.	Own operations	Medium-term	Work-life balance
Risk of losing key skills/knowledge	N.A.	Own operations	Medium-term	Work-life balance
Labour law disputes	N.A.	Own operations	Medium-term	Health and safety
Undermining of employee motivation due to the failed/reduced application of diversity and inclusion values in the company, with negative consequences on the achievement of company objectives	N.A.	Own operations	Medium-term	Gender equality and equal pay for equal work Employment and inclusion of persons with disabilities Diversity
Internal skill/knowledge level not aligned with the needs of the organisation, which can be traced back to the training phase (core business)	N.A.	Own operations	Medium-term	Training and skills development
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to external factors (e.g. suppliers responsible for processing the data for which Brunello Cucinelli is the data controller)	N.A.	Own operations	Short-term	Privacy
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to internal factors	N.A.	Own operations	Short-term	



In particular, as concerns the negative impacts, refer to the table below.

**Table 30: Nature of the negative impacts on the own workforce**

Nature of the impact	Negative impact	Sub-sub topic
Generalised or systemic	Limited attention to aspects of work-life balance	Work-life balance
	Limited possibilities for personal and professional growth among the female workforce due to the presence of a pay gap between men and women	Gender equality and equal pay for equal work
	Insufficient satisfaction of human resources' expectations in terms of opportunities for personal and professional growth, which can reduce motivation, compromising overall performance	Training and skills development
	Lack of respect for values of diversity and inclusion or equal opportunities within the Casa di Moda, also with reference to persons with disabilities	Employment and inclusion of persons with disabilities
Connected to single incidents	Work-related injuries and/or work-related ill health when performing work activities and/or related to interference (e.g. specific risks of the location), in reference to the human resources of the Casa di Moda	Health and safety
	Lack of respect for values of diversity and inclusion or equal opportunities at the Casa di Moda	Diversity
	Compromise of the confidentiality/availability/integrity of the personal data of human resources due to internal factors (i.e. non-conformity of procedures, including the ability to meet the requests from data subjects, governance, applications in terms of privacy) and/or external factors (e.g. suppliers responsible for processing data for which the Casa di Moda is the data controller)	Privacy

For more details, refer to the mapping of impacts, risks and opportunities provided in “ESRS 2 IRO-2 Disclosure Requirements in ESRS covered by the undertaking’s sustainability report”.



## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **S1-1 Policies related to own workforce**

The principles and values that characterise the corporate culture and business model, and that guide the relationship with human resources, are regulated in the Code of Ethics. Specifically, as concerns labour rights, the Code of Ethics is based on respect for the personality and dignity of every individual, the valorisation of meritocracy, recognition of fair remuneration and the offer of a path that promotes professional skills, the valorisation of the innovative and entrepreneurial spirit of everyone, as well as the definition of roles, responsibilities, delegations, and access to information, so that each member of the organisation is able to suitably and intentionally make the decisions for which they are responsible in the interest of the Company and the Group. It also has the objective of preventing discrimination, harassment and abuse of any type and promoting the principal of equal opportunities in all aspects of the work relationship.

The Casa di Moda acts in accordance with the United Nations Guiding Principles on Business and Human Rights, the OECD Guiding Principles and the Ten Principles of the United Nations Global Compact (UNGC). In this context, the Company complies with the requirements of the Modern Slavery Act, which is published on the Company's investor site, in order to oppose all forms of exploitation. Furthermore, a whistleblowing procedure has been established which offers a safe and reserved channel for reporting any violations concerning human rights and the working conditions.

The Code of Ethics is based on the broad and structured policy system adopted by the Casa di Moda to protect its workforce. Specifically, this system is made up of the **Diversity and Inclusion Policy, the Human Sustainability Policy “In Harmony with Creation”, the Human Relations Policy, and the Privacy Policy System.**

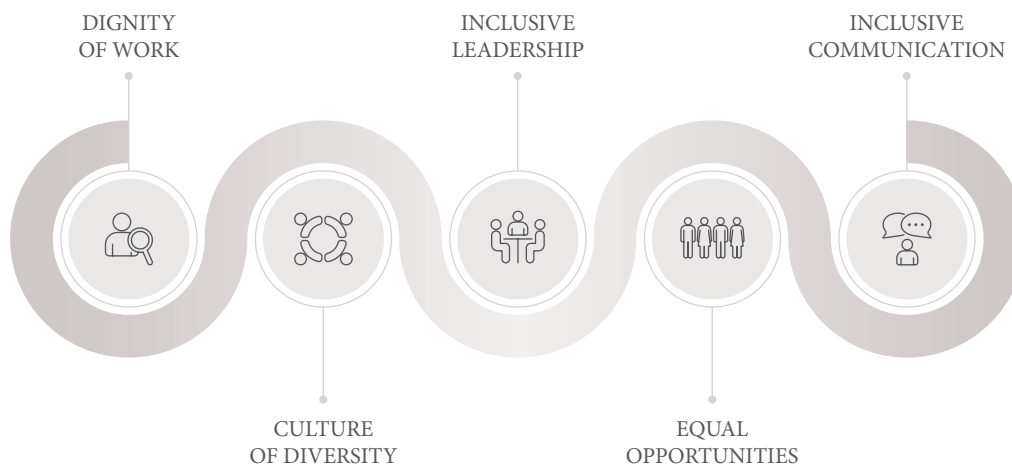
In particular, these Policies define the commitments related to adequate wages, work-life balance, health and safety, gender equality and equal pay for equal work, training and skills development, employment and inclusion of persons with disabilities, diversity, and privacy.

### Diversity and Inclusion Policy

The Diversity and Inclusion Policy formalises the Company's commitment to understanding, welcoming and valuing the uniqueness of each person in all organisational and management processes.

The Casa di Moda promotes inclusion of, respect for, listening to, and valuing of all employees, regardless of their gender identity, age, different physical and psychophysical abilities, whether visible or not, their sexual orientation, different cultures, nationalities, social-economic origins, ethnicities, religions to which they belong and with which they identify

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



The Diversity and Inclusion Policy concerns the own workforce overall, paying particular attention to vulnerable categories such as female workers and persons with disabilities. In particular, as concerns women, the Group:

- Promotes gender balance in top positions and for the relative responsibilities;
- Enhances company welfare plans that support inclusion;
- Creates career paths that account for diversity;
- Is committed to closing the pay gap between men and women.

Furthermore, as regards persons with disabilities, the Group:

- Ensures selection methods that account for different physical and mental abilities;
- Promotes a one-to-one assessment system that also considers aspects concerning the protection and inclusion of diversity;
- Provides working methods that meet the needs of everyone, especially the most vulnerable categories;
- Guarantees workplaces that are increasingly accessible and safe for persons with disabilities, through specific tools and technical supports;
- Defines retention plans for different talents that are inclusive and that permit everyone to feel part of a community.



To promote increasing awareness of the key aspects regarding Diversity and Inclusion, an internal training course was launched in 2022.

Specifically, 2025 saw the continuation of training workshops dedicated to topics of diversity and inclusion, first launched in 2023 to support e-learning training. These moments of exchange in 2025 concerned the topics of the relationship between generations, the gender gap, and the use of inclusive language.

To create a climate that fosters positive interactions between people and ensures that no one feels excluded, the Company takes significant measures to reduce language barriers within the workplace.

The Casa di Moda has the mandatory objective of acting to prevent all forms of discrimination, prejudice and harassment in the workplace – be it verbal, physical, visual or otherwise – even if not done consciously, that can create a hostile environment for an individual. No discriminatory episodes occurred during 2025.

In alignment with the provisions of the Human Relations Policy (“MDR-P Policies of the Casa di Moda”) and with the strategic assessment carried out from the point of view of the extent of the dependency and influence of stakeholders, the Company decided to continue the activity of direct engagement of its stakeholders, involving a representative sample of its own workforce also in 2025 (ref. “S1-2 Processes for engaging with own workers and workers’ representatives about impacts”).

With reference to the right to privacy, we also have a **Privacy Policy** system intended for the entire own workforce of the Casa di Moda, as well as suppliers and customers.

Refer to the section “MDR-P Policies of the Casa di Moda” for in-depth information regarding the aforementioned Policies, which define the concrete commitments of the Casa di Moda regarding the own workforce Policy.

### **S1-2 Processes for engaging with own workers and workers’ representatives about impacts**

As regards the involvement of human resources at the Casa di Moda, this takes place directly with the own workforce and is regulated by the principles enshrined in the Human Relations Policy (ref. “MDR-P Policies of the Casa di Moda”). The functions involved in the processes and the connected responsibilities are described in the section “SBM-2 Interests and views of stakeholders”.

In particular, in July 2025 ad hoc days were organised for a representative sample group of employees in Italy and carried out according to the LEGO Serious Play® facilitation method: a tool based on “serious play” through which it is possible to foster the development of creative thinking and increase the sense of collaboration by engaging participants in an interactive, fun and reflective manner.

Similarly, online workshops were organised for a representative sample group of employees of foreign subsidiaries.

The objectives underpinning the engagement activities organised were first and foremost consistent with the principles enshrined in the Human Relations Policy as a source of inspiration for dialogue with stakeholders. The aim of the engagement was active listening to the expectations, requests and suggestions concerning what the Group is doing with regard to Sustainability.

From a wider point of view, this engagement normally takes place during the phase of evaluating the effectiveness of the mitigation measures. This process consists in analysing and collecting opinions from the participants on the actions adopted by the Casa di Moda to reduce their negative impacts, thereby evaluating the implemented strategies. Moreover, this engagement, which is an annual activity, makes it possible to identify potential areas of improvement, to make the Company sustainability strategy increasingly effective, and to strengthen the Company's commitment to increasingly sustainable development.



The engagement activities organised for human resources in 2025 showed very active participation and a strong consistency of perception and satisfaction on the part of the participants.

The Company also guarantees the fair involvement of the entire company population, adopting the same approaches for the entire workforce in order to ensure an inclusive and representative process.

With reference to the internal sharing of insights arising from engagement with the various stakeholder categories, the relevant functions are tasked with collecting the issues raised by their counterparts, performing an initial assessment and prioritisation thereof, and entering the information in a database to be shared with the Human Sustainability team on a six-monthly basis. This team is responsible for transmitting the material analysed to the Council for Human Sustainability and Humanistic Capitalism for assessment<sup>60</sup>.

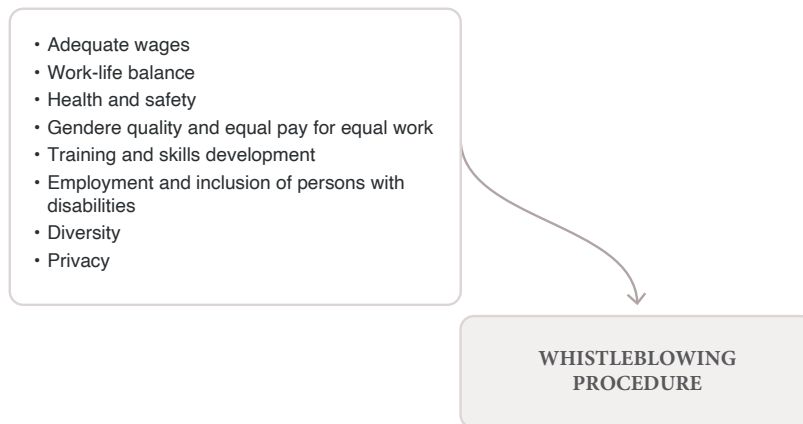
As regards specific involvements concerning the diversity topic, reference is made to the activities organised in alignment with the Diversity and Inclusion Policy (ref. “S1-1 Policies related to own workforce”).

Finally, no conflicts of interest took place within the workforce during the financial year 2025.

**S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns**

The Casa di Moda has implemented various processes to remedy the negative impacts and numerous channels through which its own workers can raise concerns. These tools, which are summarised below, are analysed and described in detail in the following sections.

*Figure 7: Relation between the process/channel and relevant sub-sub topics*



<sup>60</sup> The same management method applies for all types of stakeholder engagement, not only for the own workforce. This information therefore applies also for sections “S2 - Value chain workers”, “S3 - Affected communities” and “S4 - Consumers and end-users”.

The Company has adopted a **Whistleblowing Procedure**, updated and in force since 2023.

The Company has included training activities in the Sustainability Plan concerning ethical business conduct, anti-corruption and privacy, to be completed also with the support of the Supervisory Body pursuant to Legislative Decree 231/2001 (“SB”).

These activities were started in 2024 and continued in 2025 with face-to-face and online initiatives. With regard to the latter, the Company’s Learning & Development Function prepared a training module, together with the SB, dedicated to whistleblowing, which was made available to all employees via the Company’s Sympo e-learning platform. This publication was accompanied by an informative email. The rate of completion of the e-learning course on whistleblowing will be monitored by the SB.

For more information, refer to paragraph “G1-1 Corporate culture and business conduct policies”.

**Figure 8: Relation between the process/channel and relevant sub-sub topics**



In addition to the whistleblowing procedure, in the event of critical issues/negative incidents reported by stakeholders, the Company puts in place all organisational, technical and procedural measures necessary to remedy what has occurred.

In particular, the **Diversity and Inclusion Policy** (ref. “MDR-P Policies of the Casa di Moda” and “S1-1 Policies related to own workforce”) provides the right to report any problematic or unacceptable behaviours that violate the principles defined in the document itself.

All the recipients of the Policy have the right, but also the moral obligation, to report any problematic behaviour that is in breach of the principles outlined in the document.

Reports may be made in two main ways and channels:

- informally, by directly contacting one’s department manager (also the HR office);
- formally, including anonymously, to the email address provided for in the Whistleblowing Procedure pursuant to Legislative Decree no. 24/2023.

In both cases, the whistle-blower is guaranteed protection against any retaliatory or discriminatory act against them, whether direct or indirect.

Every breach of the Policy shall give rise to a disciplinary procedure that involves different levels of measures depending on the seriousness of the breach, through to dismissal and termination of the employment contract with the Company in the most serious cases.

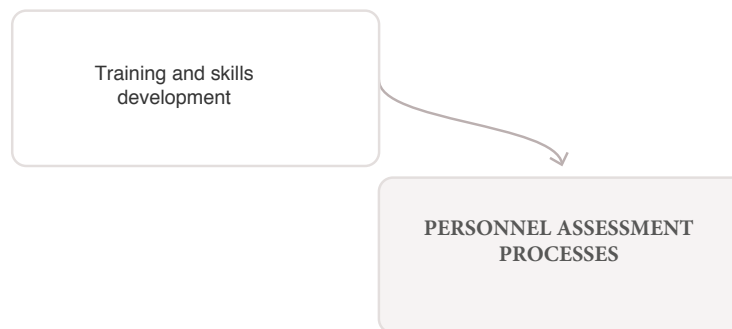


At local level, **specific grievance procedures** are also in place – such as in the UK, China, Russia and the United Arab Emirates – in line with the provisions of the current Employee Handbooks. Unlike whistleblowing, these procedures entail direct – and not anonymous – contact with HR departments.

Furthermore, a dedicated email address is available to contact the HR team.

Finally, in the case of any critical issues communicated during the **one-to-one discussions with the Human Resources Department**, solutions can include updates to the Employee Handbook, targeted measures, or the start of coaching/mentoring programs.

*Figure 9: Relation between the process/channel and relevant sub-sub topics*



With particular reference to training and skills development, in addition to the aforementioned channels, an integral part of the development programs are also the **personnel assessment processes** that are based on constant interaction and on constructive discussion between the manager and the employees in relation to the work performed and all the aspects of life for the human resources at the Casa di Moda.

The activity is contextualised within the functional aspects and geographical areas where the Group operates. In particular, each manager – with the support of the headquarters' Human Resources Department – engages in one-to-one dialogue with their staff, reviewing the activities carried out and sharing results, achievements and medium-long term objectives.

The assessments are qualitative and/or quantitative.

The review is for all staff members of the various Regions; the process is managed by sharing evaluation forms which set out individual objectives along with a self-assessment section, in addition to the manager's review.

This type of review is not linked to the individual's salary or to reward mechanisms, rather it is an opportunity for constructive dialogue and to set future goals. Indeed, the form contains a dedicated section where the resource has the opportunity to indicate any of their own needs, so that future planning can take this input into account.

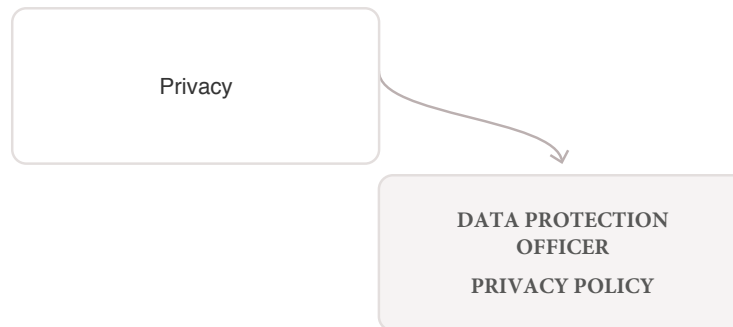
This is followed by the final sharing of feedback between the managers and resources involved, often with the participation of the Human Resources Department. The feedback the employee receives does not conclude the performance review, rather it is the start of a process to pave the way for future development.

**Figure 10: Relation between the process/channel and relevant sub-sub topics**



As regards health and safety, where required, in Italy a Prevention and Protection Service Manager (RSPP) is in charge of identifying workplace hazards through constant inspections, particularly of production departments. In most of the European and non-European locations analysed, any hazards and critical situations in terms of occupational health and safety are reported to the relevant store manager, who then informs either the local HR Managers or directly the Human Resources Department in Italy.

**Figure 11: Relation between the process/channel and relevant sub-sub topics**



Finally, channels are mentioned that human resources can use to raise concerns about privacy and protection of personal data.

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

The company has prepared specific tools that allow human resources to send requests or reports concerning data protection and privacy. These figures include the **Data Protection Officer (DPO)** and the **Privacy Manager**<sup>61</sup>

<sup>61</sup> Note that, in the last months of 2025, the figure of a Privacy Manager was introduced, with operational and coordination functions in relation to the protection of personal data, alongside and in support of the compliance activities previously overseen by the DPO, respecting the distinct nature and role of the two figures.



(whose dedicated contact addresses are provided in the Company's Privacy Notice) (ref. “MDR-P Policies of the Casa di Moda”). Both channels are made known to employees to manage requests concerning the processing of personal data.

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

The mechanism for management of complaints relating to the protection of personal data is based on a structured process, made available to employees through a dedicated procedure published on the Company intranet. Specifically, requests concerning the protection of personal data and the privacy rights of data subjects are recorded and traced in the register of data subject requests. If they are sent to the dedicated addresses, they are analysed to identify the involved data and the right that was exercised, following a structured process that includes the registration, analysis, involvement of the responsible functions, updating of the procedure and response during the timeframe indicated by law.

In 2025, the Company further developed its privacy management through dedicated channels, training initiatives and mandatory courses regarding GDPR, including specific training on Data Breaches, which is available in nine languages. Induction meetings continued for new hires and targeted training sessions for retail and corporate staff.

To increase awareness of data security, the course “Cyber Security Awareness” was made available on Sympo, which is mandatory for all employees. The information is available via the Company intranet.

In the next year, the Group plans to introduce new training programs dedicated to its own value chain on the topic of privacy.

#### **S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

Human resources are the engine of our Casa di Moda and ensure its value and continuity over time. Therefore the promotion of the dignity and wellbeing of everyone, enhancing individual skills and personalities with the awareness of the value of everyone’s knowledge, has always been a priority objective the company pursues.

The daily management of the relationship with human resources is based on an internal strategic and operational organisation that involves significant cooperation between managers in the head office in Solomeo and the various regions where the Group operates.

Specifically, the coordination of the relationship between the Company and its collaborations and the development of the strategic lines concerning various aspects of life in the company is the responsibility of the Human Resources Committee.

On an operating level, the Human Resources Manager manages and supervises the processes in order to implement the guidelines of the Committee: all the activities included in the life cycle of the people in the company, in terms of attraction, selection, organisation, management, training and development are the responsibility of this function. An HR director is appointed in the main regions, reporting functionally to the Human Resources Department located at the Solomeo headquarters and hierarchically to the Chairman, or the Managing director, of the various local structures. Their role is to implement key aspects of the corporate culture and human resource management defined at Solomeo, taking into account the peculiarities of the various national systems.



In particular, in 2025 the Company implemented the actions specified in the table below. These initiatives<sup>62</sup> contribute towards reaching the targets defined in the Diversity and Inclusion Policy and in the Code of Ethics, with specific reference to the sections "Valorisation of human resources" and "Dignity and wellbeing of the individual".

**Table 31: Overview of actions concerning the own workforce<sup>63</sup>**

Actions performed in 2025	Actions programmed for 2026
<ul style="list-style-type: none"> <li>• Additional training courses on Diversity and Inclusion</li> <li>• A contribution aimed to support access to books, cinema, theatre, training courses and scholastic services both in Italy as well as in the majority of the foreign sites ("Let culture flourish" bonus)</li> <li>• Provision of a supplementary insurance policy for its employees in Italy to supplement the benefits provided by the category fund under the CCNL (SANIMODA and Fondo Est), which provides employees, including their families, with additional prevention packages and benefits<sup>64</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional training courses on Diversity and Inclusion</li> <li>• Distribution of the "Let culture flourish" bonus</li> <li>• Presence of supplementary insurance policy to supplement the benefits provided by the category fund</li> </ul>

Furthermore, as concerns **Training and skills development**, the Casa di Moda is committed to pursuing the following actions in the near future:

- Continued support for the development of managerial skills at different organisational levels, through training and strategic sharing that orient people to translate a service leadership model into coherent decisions and behaviours;
- Support individual growth through coaching;
- Promote the interfunctional collaboration with joint methodological workshops by departments;
- Promote generational integration with cultural awareness actions and specific workshops on inclusive communication, bias and stereotypes;
- Continue the involvement of the retail population in training programs concerning relations with the customer, which valorise the central importance of human relationships and promote the development of verbal and non-verbal communication skills, using a theoretical neuropsychological model.

With reference to the topic of **Health and safety**, the use of equipment such as forklifts and electric pallet trucks is the main source of risk identified for the safety of the workers involved. Therefore, in order to reduce the use of this equipment, part of the shelves are purposely set at heights of 1.50 m, with the added benefit of allowing more natural light into the work areas.

<sup>62</sup> The resources dedicated to managing impacts are: governance structures, dedicated functions and relative economic resources assigned for internal and external cost. All of these initiatives are included in the Company's own operations, with particular attention to employees on a global level.

<sup>63</sup> The implementation of these initiatives is not conditioned by resource constraints.

<sup>64</sup> As far as healthcare and prevention is concerned, the insurance provided by the category fund is currently in place for the Italian offices: FASI, for Executives; SANIMODA, for employees covered by the CCNL National Collective Labour Agreement for the garment and clothing industry of Brunello Cucinelli S.p.A. and the remaining employees of the artisan factories Max Vannucci, Pinturicchio and Dorica Vestis. Whereas resources covered by the CCNL for the trade sector have access to FONDO EST. Supplementary health insurance cover was included in addition to the two aforementioned category funds, which also cover operations and major operations, for which an additional ceiling is made available over and above that of the fund to cover the costs of operations for both our employees and their families.



All employees are regularly informed about health and safety at work through specific communications, training (generic and/or specific) and, where applicable, Employee Handbooks. In addition to mandatory training activities, non-mandatory training courses have also been implemented, which include, for example, training regarding ergonomics and physiotherapy, which are dedicated to the professional categories of drivers, warehouse employees and inspectors who are employees of Brunello Cucinelli S.p.A. And Pinturicchio S.r.l.

Finally, with regard to the **Privacy and protection of personal data**, the figure of the DPO was established in order to monitor observance of the regulations and provide assistance for the management of the risks related to personal data processing. The Privacy Manager is responsible for the central coordination of the activities related to privacy carried out by the various Group companies. The creation of the Human Privacy Committee has also made it possible to optimise the Company's organisational structure on a privacy level, better defining the role of the DPO, of the Privacy Manager, and the relationships with the CEOs and other company functions, and also to ensure greater involvement of the offices with decision-making powers regarding issues inherent to privacy and data protection.

The identified actions are defined as necessary in compliance with the GDPR and are submitted to the attention of the Human Privacy Committee and then the CEOs for approval.

The Company monitors and assesses the efficiency of all the identified actions and the initiatives undertaken to promote its own workforce using qualitative tools, such as continuous dialogue with individuals, the structured collection of feedback and periodic moments of exchange. These methods make it possible to determine any significant elements resulting from the effects of the initiatives that were implemented, in relation to the identified material IROs, and to direct possible corrective or improving actions.

## METRICS AND TARGETS

### **S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

Including the results obtained during discussions with its human resources, the Company has defined targets also regarding the diversity and inclusion topic in order to manage the impacts, risks and opportunities connected to its own workforce.

Refer to the section "MDR-T Targets of the Casa di Moda" for more information.

### **S1-6 Characteristics of the undertaking's employees**

The quantitative details regarding the own workforce of the Casa di Moda are presented below, as extracted and reprocessed by the Group's internal management systems.



In 2025, the Group's human resources numbered 3,539 people<sup>65</sup>, with the majority of the workforce concentrated in Italy (53%). 63% of human resources are women and 37% are men.

**Table 32: Number of employees<sup>66</sup> based on gender**

Gender	Unit of measurement	Number of employees <sup>67</sup> 2025	Number of employees <sup>68</sup> 2024
Men	no.	1,323	1,207
Women	no.	2,213	2,116
Other <sup>69</sup>	no.	0	0
Not communicated	no.	3	3
<b>Total employees</b>	<b>no.</b>	<b>3,539</b>	<b>3,326</b>

**Table 33: Number of company employees in countries in which the company has at least 50 employees that represent at least 10 % of the total number of employees<sup>70</sup>**

Country	Unit of measurement	Number of employees 2025	Number of employees 2024
Italy	no.	1,883	1,816
France	no.	79	66
United Kingdom	no.	83	73
Canada	no.	73	71
Mainland China	no.	291	267
Japan	no.	186	182
Hong Kong	no.	76	66
Middle East/Dubai	no.	69	50
USA	no.	520	472

65 If an employee of one of the Group companies (e.g. Brunello Cucinelli S.p.A.), hired with a permanent contract, is suspended (therefore the contract is not ended) before the end of the year (including December), in order to be temporarily hired at another Group branch, this employee must be counted only with reference to the workforce of the company that hired them with the fixed term contract (e.g. Max Vannucci S.r.l.). Therefore, the resource in question will be included in the overall number of employees as at 31 December in the aforesaid company, but will neither be counted in its turnover, as this concerns a suspension, nor will they be counted in the workforce of the company of origin.

66 For the distinction between employees and workers who are not employees at the Casa di Moda, refer to "S1, ESRS 2 SBM-3 Impacts, risks and opportunities and their interaction with strategy and business model".

67 The number of employees is presented as the number of persons as at 31/12/2025. The FTE (Full Time Equivalent) equals 3,327.5 as at 31 December 2025, as reported in the paragraph "Operating costs" of the Report on Operations of the Board of Directors.

68 The number of employees is presented as the number of persons as at 31/12/2024. The FTE (Full Time Equivalent) equals 3,101.4 as at 31 December 2024, as reported in the paragraph "Operating costs" of the Report on Operations of the Board of Directors.

69 Gender specified directly by the employees.

70 This table only considers the Countries in which the sites have more than 50 employees or represent at least 10% of the total workforce. As a result, the following countries are not included: Austria, Belgium, Germany, Greece, Monaco, Russia, Spain, Switzerland, Australia, Kuwait, Macao, Mexico, Singapore and Taiwan.



Furthermore, in 2025, 86% of our human resources are employed on a permanent contract and 95% work full time.

**Table 34: Number of employees based on type of contract, divided by gender**

	Unit of measurement	2025					2024				
		Women	Men	Other	Not communicated	Total	Women	Men	Other	Not communicated	Total
Number of employees	no.	2,213	1,323	0	3	3,539	2,116	1,207	0	3	3,326
Number of employees with a permanent contract	no.	1,890	1,165	0	3	3,058	1,803	1,061	0	3	2,867
Number of employees with a fixed term contract	no.	317	156	0	0	473	313	146	0	0	459
Number of employees with variable hours <sup>71</sup>	no.	6	2	0	0	8	0	0	0	0	0
Number of full-time employees	no.	2,098	1,275	0	3	3,376	1,999	1,163	0	3	3,165
Number of part-time employees	no.	115	48	0	0	163	117	44	0	0	161

**Table 35: Number of employees based on type of contract, divided by region**

	Unit of measurement	2025				2024			
		Italy	Europe	Non-Europe	Total	Italy	Europe	Non-Europe	Total
Number of employees	no.	1,883	356	1,300	3,539	1,816	288	1,222	3,326
Number of employees with a permanent contract	no.	1,796	342	920	3,058	1,705	277	885	2,867
Number of employees with a fixed term contract	no.	87	14	372	473	111	11	337	459
Number of employees with variable hours <sup>70</sup>	no.	0	0	8	8	0	0	0	0
Number of full-time employees	no.	1,807	326	1,243	3,376	1,746	261	1,158	3,165
Number of part-time employees	no.	76	30	57	163	70	27	64	161

During this year, 472 people left the Casa di Moda.<sup>72</sup> In 2025, the negative turnover of the Group equalled 13.3%<sup>73</sup>, in line with the previous year.

71 “Variable hours” refers to the number of employees with non-guaranteed hours. This refers to those employees for whom a minimum or fixed number of working hours per day, week or month are not guaranteed, but who must be available to work based on the needs of the organisation.

72 The following cases were not included in the termination count:

a. Contracts that ended due to their expiration;

b. Temporary contracts (personnel hired to meet temporary needs: e.g. maternity leave, seasonal work) that ended due to their expiration.

The methods for managing two particular cases are described below:

a. If an employee retires and the next day is rehired, they must not be included in the count of total terminations;

b. Employees whose contract is terminated, due to resignation or retirement, on 31 December of the year of reporting, they must not be included in the calculation of terminations that took place during that year. These resources will instead increase the total number of resources as at 31 December in the company workforce and will be counted in the turnover rate the following year.

73 The negative turnover is calculated by comparing employees with a permanent contract with employees with a fixed term contract who, on a voluntary basis, as a result of dismissal or retirement during 2025, left the Group with respect to the total number of employees as at 31 December 2025.

**S1-7 Characteristics of non-employee workers in the undertaking's own workforce**

As concerns workers who are not employees<sup>74</sup>, there are 144 in 2025, of whom 15% are self-employed workers and 85% are workers provided by companies that perform labour recruitment and provision of personnel activities.

**Table 36: Number of workers who are not employees<sup>75</sup>**

	Unit of measurement	2025	2024
Number of self-employed workers	no.	21	22
Number of workers provided by companies who provide labour recruitment and provision of personnel services	no.	123	202
<b>Total</b>	<b>no.</b>	<b>144</b>	<b>224</b>

**S1-8 Collective bargaining coverage and social dialogue<sup>76</sup>**

The National Collective Labour Agreement (CCNL) for the garment and clothing industry applies to all employees in Italy, with the exception of the sales staff, to whom the CCNL for the tertiary sector applies. Also in the European Region, in 2025 the percentage of employees covered by collective bargaining agreements was 100%. There are no collective bargaining agreements for non-European locations.

Therefore, the overall percentage of employees covered by collective bargaining agreements is 58%.

Rate of coverage	Collective bargaining coverage		Social Dialogue	
	Employees – EEA (for countries with > 50 employees who represent > 10 % of total workforce)	Employees – non EEA (estimate for regions with > 50 employees who represent > 10 % of total workforce)	Representation in the workplace (only EEA) (for countries with >50 employees who represent >10% of the total workforce)	
0-19%	-	USA	Italy	
20-39%	-	-	-	
40-59%	-	-	-	
60-79%	-	-	-	
80-100%	Italy	-	-	

74 For the distinction between employees and workers who are not employees at the Casa di Moda, refer to “S1, ESRS 2 SBM-3 Impacts, risks and opportunities and their interaction with strategy and business model”.

75 Note, furthermore, that the number of workers who are not Group employees is expressed in Headcount.

76 For this indicator, no historical data relating to 2024 is recorded, since 2025 represents the first year of reporting, following its identification as a material topic in the Double Materiality analysis updated in 2025.

**S1-9 Diversity metrics**

With reference to Executives and Managers, there were 148 in 2025 (48% women, 52% men) representing 4% of the company population.

**Table 38: Distribution by gender at the top management level, as a number and as a percentage<sup>77</sup>**

2025						
	Unit of measurement	Women	Men	Other	Not communicated	Total
Executives and Managers	no.	71	77	0	0	148
Number of employees	no.	2,213	1,323	0	3	3,539
Percentage of Executives and Managers	%	3	6	0	0	4
2024						
	Unit of measurement	Women	Men	Other	Not communicated	Total
Executives and Managers	no.	70	78	0	0	148
Number of employees	no.	2,116	1,207	0	3	3,326
Percentage of Executives and Managers	%	3	6	0	0	4

As concerns distribution by age, the majority (60%) of the company population lies within the age range of 30 to 50, followed by human resources below the age of 30 (21%) and those above the age of 50 (19%).

**Table 39: Distribution of employees by age range**

Employees	Unit of measurement	2025	2024
<30 years	no.	729	704
30 < x < 50 years	no.	2,126	1,992
>50 years	no.	684	630
<b>Total</b>	<b>no.</b>	<b>3,539</b>	<b>3,326</b>

**S1-10 Adequate wages**

To adequately remunerate our human resources, we adopt policies based on meritocracy and fair remuneration according to their roles, responsibilities and delegations.

In 2025, we analysed the salaries paid by our Company: we collected in-depth data for all countries in which we operate and mapped the Countries in which there is a minimum wage, considering in that case that the remuneration is suitable in light of company compliance with the laws of those Countries. In those without a minimum wage, we adopted reference parameters in line with those of the *Wage Indicator Foundation*<sup>78</sup>, in order to compare them with the remuneration offered by our Casa di Moda. The analysis shows that all the wages applied within our Group exceed the reference parameters, confirming our commitment to guaranteeing fair remuneration to all

<sup>77</sup> "Top management" considers the following contractual categories at the Casa di Moda: Executives and Managers.

<sup>78</sup> The *Wage Indicator Foundation* is a global, independent, non-profit organisation that collects, analyses and shares independent and accessible information about the labour market in 206 countries.



resources.

### S1-11 Social protection<sup>79</sup>

The Group guarantees that, in the majority of countries where it operates, all employees are covered by social protection systems, through public programs or company benefits, against loss of income deriving from illness, unemployment, work-related injuries and acquired disability, parental leave and retirement. In particular, this coverage is fully ensured in Austria, Belgium, Canada, China, France, Germany, Greece, Japan, Hong Kong, Italy, Macao, Mexico, Monaco, United Kingdom, United States, Russia, Spain, Switzerland and Taiwan.

In some countries, there are nonetheless specific exceptions: in Australia, Dubai and Kuwait the coverage does not include unemployment; in Singapore, cases of illness, unemployment and parental leave are not fully covered.

### S1-12 Persons with disabilities

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

There are 99 people who fall into vulnerable categories<sup>80</sup>, of whom 69 women and 30 men.

**Table 40: Number of employees with disabilities, by gender**

2025						
	Unit of measurement	Women	Men	Other	Not communicated	Total
Persons with disabilities	no.	69	30	0	0	99
Number of employees	no.	2,213	1,323	0	3	3,539
<b>Percentage of persons with disabilities</b>	<b>%</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>3</b>
2024						
	Unit of measurement	Women	Men	Other	Not communicated	Total
Persons with disabilities	no.	66	27	0	0	93
Number of employees	no.	2,116	1,207	0	3	3,326
<b>Percentage of persons with disabilities</b>	<b>%</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>3</b>

<sup>79</sup> For this indicator, no historical data relating to 2024 is recorded, since 2025 represents the first year of reporting, following its identification as a material topic in the Double Materiality analysis updated in 2025.

<sup>80</sup> Vulnerable categories include employees who belong to protected categories, as specified by Law 104/92. Furthermore, we respect the provisions of Law 68/1999, which promotes the insertion and integration into the working world of persons with disabilities through targeted support and placement services.

**S1-13 Training and skills development metrics**

In 2025, the annual performance review process, which is in line with the objectives fixed by management, was performed involving almost the entire company population, with the exception of the production area<sup>81</sup>. For more details, refer to the following table.

**Table 41: Percentage of performance reviews performed, by employee category**

Employee category	Unit of measurement	2025	2024
<b>Executives and Managers</b>			
Women	%	90	95
Men	%	93	56
Other	%	-	-
Not communicated	%	-	-
<b>White Collar - no Sales</b>			
Women	%	90	68
Men	%	94	66
Other	%	-	-
Not communicated	%	-	-
<b>White Collar - Sales</b>			
Women	%	83	86
Men	%	77	83
Other	%	-	-
Not communicated	%	100	100
<b>Blue Collar</b>			
Women	%	94	54
Men	%	88	50
Other	%	-	-
Not communicated	%	-	-

As concerns instead training, 81,157<sup>82</sup> hours of training were provided in 2025, which is an average of around 23 training hours per employee, on a Group level.

81 As regards Italy, the only company included was Brunello Cucinelli S.p.A., in consideration of the fact that in the companies Max Vannucci S.r.l., Dorica Vestis S.r.l. And Pinturicchio S.r.l., the periodic process of performance assessment has not yet been formally implemented.

82 Only the hours of workers employed as of 31/12 were counted, in order to provide a significant overview of the ratio between hours of training and total number of employees.

**Table 42: Hours of training, by employee category**

2025					
Hours of training, by employee category	Unit of measurement	Women	Men	Other	Not communicated
<b>Executives and Managers</b>					
Total executives and managers	no.	71	77	0	0
Total hours of training, by gender	no.	2,672	2,797	0	0
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>38</b>	<b>36</b>	<b>0</b>	<b>0</b>
<b>White Collar - no Sales</b>					
Total White Collar - no Sales	no.	560	343	0	0
Total hours of training, by gender	no.	14,179	10,782	0	0
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>25</b>	<b>31</b>	<b>0</b>	<b>0</b>
<b>White Collar - Sales</b>					
Total White Collar - Sales	no.	914	549	0	3
Total hours of training, by gender	no.	26,174	15,458	0	0
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>29</b>	<b>28</b>	<b>0</b>	<b>0</b>
<b>Blue Collar</b>					
Total Blue Collar	no.	668	354	0	0
Total hours of training, by gender	no.	4,194	4,902	0	0
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>6</b>	<b>14</b>	<b>0</b>	<b>0</b>
<b>Total employees, by gender</b>	<b>no.</b>	<b>2,213</b>	<b>1,323</b>	<b>0</b>	<b>3</b>
<b>Total hours of training, by gender</b>	<b>no.</b>	<b>47,219</b>	<b>33,939</b>	<b>0</b>	<b>0</b>
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>21</b>	<b>26</b>	<b>0</b>	<b>0</b>



2024 <sup>83</sup>					
Hours of training, by employee category	Unit of measurement	Women	Men	Other	Not communicated
<b>Executives and Managers</b>					
Total executives and managers	no.	70	78	0	0
Total hours of training, by gender	no.	1,324	1,521	0	0
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>0</b>
<b>White Collar - no Sales</b>					
Total White Collar - no Sales	no.	555	312	0	0
Total hours of training, by gender	no.	10,557	6,729	0	0
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>19</b>	<b>22</b>	<b>0</b>	<b>0</b>
<b>White Collar – Sales</b>					
Total White Collar - Sales	no.	851	486	0	3
Total hours of training, by gender	no.	23,063	7,747	0	26
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>27</b>	<b>16</b>	<b>0</b>	<b>9</b>
<b>Blue Collar</b>					
Total Blue Collar	no.	640	331	0	0
Total hours of training, by gender	no.	5,357	4,974	0	0
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>8</b>	<b>15</b>	<b>0</b>	<b>0</b>
<b>Total employees, by gender</b>	<b>no.</b>	<b>2,116</b>	<b>1,207</b>	<b>0</b>	<b>3</b>
<b>Total hours of training, by gender</b>	<b>no.</b>	<b>40,302</b>	<b>20,972</b>	<b>0</b>	<b>26</b>
<b>Average hours of training, by gender</b>	<b>no.</b>	<b>19</b>	<b>17</b>	<b>0</b>	<b>9</b>

### S1-14 Health and safety metrics

The company does not currently have a certified workplace health and safety management system on a Group level.

In general, the precautions and control measures adopted ensure that the risk of injury remains low.

As far as Italy is concerned, where 53% of the company population is concentrated, the assessment, monitoring and reporting of workplace hazards that may constitute an injury risk are carried out in the Risk Assessment Document (RAD), drafted and periodically updated in compliance with Legislative Decree 81/08. This system, which is fully compliant with national regulations on the protection of health and safety in the workplace, makes it possible to identify and analyse potential risks, favouring the definition of preventative and improvement solutions, which may be either organisational or in the form of training. In this way, employees operating in Italy are protected by a structured safety management model, based on internal processes that are fully aligned with current regulations.

<sup>83</sup> Note that the data relating to 2024 presented in the table have been revised compared to the previous Report, following the identification of an arithmetical error.



In 2025, 56 work-related injuries occurred, including commuting accidents, among employees and 4 commuting accidents among non-employee workers, respectively, with an overall rate of recordable work-related injuries equal to 9 and 24.

The table below provides a snapshot of the work-related injuries that occurred and the respective rates for the year in progress.

**Table 43: Number and rate of work-related injuries**

	Unit of measurement	2025	2024
<b>Employees</b>			
Number of work-related injuries	no.	56	43
<b>Rate of work-related injuries<sup>84</sup></b>	<b>no.</b>	<b>9</b>	<b>9</b>
<b>Workers who are not employees</b>			
Number of work-related injuries	no.	4	2
<b>Rate of work-related injuries<sup>85</sup></b>	<b>no.</b>	<b>24</b>	<b>16</b>

Furthermore, in 2025 no deaths occurred within the workforce of the Casa di Moda, including the category of workers who are not employees.

The Company continuously monitors the risk of work-related illness, even if its incidence is very low. In 2025, there were no cases of work-related illness.

There were also 715<sup>86</sup> days lost due to work-related injuries and work-related illness for employees.

### S1-15 Work-life balance metrics

The following tables show the number of employees with entitlement to leave for family reasons, and those who made use of it during the year in question.

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

Note that for the following foreign companies, in the absence of precise data, the hours worked have been estimated, using as reference the average number of days worked during the year: Canada, USA, Mexico, China, Hong Kong, Macao, Australia.

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

86 The number of days lost due to work-related injuries and work-related illness was collected only for the Italian sites: Brunello Cucinelli S.p.A., Dorica Vestis S.r.l., Max Vannucci S.r.l., Pinturicchio S.r.l. In 2026, the Group is committed to boosting the data collection system by including foreign companies, which are currently excluded.

**Table 44: Number of employees with entitlement to leave for family reasons<sup>87</sup>**

2025						
	Unit of measurement	Women	Men	Other	Not communicated	Total
Employees with entitlement to leave	no.	2,198	1,309	0	3	3,510
Number of employees	no.	2,213	1,323	0	3	3,539
<b>Percentage of employees with entitlement to leave</b>	<b>%</b>	<b>99</b>	<b>99</b>	<b>0</b>	<b>100</b>	<b>99</b>
2024						
	Unit of measurement	Women	Men	Other	Not communicated	Total
Employees with entitlement to leave	no.	1,983	1,127	0	3	3,113
Number of employees	no.	2,116	1,207	0	3	3,326
<b>Percentage of employees with entitlement to leave</b>	<b>%</b>	<b>94</b>	<b>93</b>	<b>0</b>	<b>100</b>	<b>94</b>

**Table 45: Number of employees who made use of leave for family reasons<sup>88</sup>**

2025						
	Unit of measurement	Women <sup>89</sup>	Men	Other	Not communicated	Total
Employees who took leave	no.	186	61	0	0	247
Number of employees	no.	2,213	1,323	0	3	3,539
<b>Percentage of employees who took leave</b>	<b>%</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>7</b>
2024						
	Unit of measurement	Women	Men	Other	Not communicated	Total
Employees who took leave	no.	185	76	0	0	261
Number of employees	no.	2,116	1,207	0	3	3,326
<b>Percentage of employees who took leave</b>	<b>%</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>8</b>

**S1-16 Compensation metrics (pay gap and total compensation)**

Given the principle of uniqueness of each person underpinning the company organisation, and the related values of equity and inclusion, the company's remuneration policies aim to understand, enhance and include all people in the Group.

Shown below is the average gender pay gap for the Group, which was calculated considering the average pay difference between men and women for each level of classification. The 2025 data show that in several categories female remuneration is in line with or above that of males, while in the Executives and Managers Category there remains a gender pay gap in favour of men, albeit with an improvement compared to the previous year.

87 The countries in which the right to leave is not guaranteed for 100% of the company population: Australia, Singapore and USA.

88 The table makes reference to the following types of leave: maternity leave, paternity leave, parental leave and leave for caregivers pursuant to national legislation or the collective bargaining agreements.

89 The cases of "early maternity leave", for example due to health problems, are not considered in the calculation of employees who used family leave during the year, as the worker needed to refrain from work to protect her health and that of the child.

**Table 46: Gender pay gap**

Employees, by professional category	Unit of measurement	2025		2024	
		Gross hourly pay <sup>90</sup>	Total annual pay <sup>91</sup>	Gross hourly pay	Total annual pay
Executives and Managers	%	16	27	43	40
White Collar - no Sales	%	0	3	12	4
White Collar - Sales	%	-4	-6	-2	2
Blue collar	%	8	0	34	14

In 2025, the ratio between the highest fixed remuneration and the median annual remuneration of all Group employees has a value of 57.

### S1-17 Incidents, complaints and severe human rights impacts

We manage any incidents of discrimination and presented complaints through the formal channels described in section “S1-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns”, as well as through the Whistleblowing Procedure (ref. “G1-1 Corporate culture and business conduct policies”).

Each report or complaint is handled with maximum confidentiality. We constantly monitor all fines and penalties to guarantee their timely identification and management.

In 2025, no fines or penalties were recorded for discrimination and no complaints were presented through the whistleblowing channel. Furthermore, no serious incidents occurred involving human rights in our workforce, nor were there any resulting penalties, fines or compensation in this regard.

**Table 47: Episodes of reported discrimination and presented complaints**

	Unit of measurement	2025	2024
Total number of episodes of discrimination	no.	0	0
Number of complaints presented using the whistleblowing channel	no.	0	1
Total amount of fines, penalties, compensation for damage due to the complaints	€	0	0
Severe incidents concerning human rights	no.	0	0

90 Reference is made to the base salary.

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



## SPECIFIC DISCLOSURE: WORKPLACES

### STRATEGY

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The workplaces in which the human resources of the Casa di Moda operate have always represented a central element of the business and the company philosophy. The care devoted to the quality of work environments, also seen as promoting the beauty of the places where operational activities are carried out, constitutes an identity principle that reflects the Company vision with regard to the economic and moral dignity of the individual, and the value of labour.

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table with the results from the Double Materiality analysis is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model” of ESRS 2.

With particular reference to the positive material impact identified in the social sphere, it concerns the improvement of employee wellbeing through the promotion of the beauty of workplaces, a principle that is applied in offices as well as in production departments. The design, management and maintenance of work spaces is intended to guarantee curated, harmonious and functional environments in which operational activities are carried out in conditions that are in keeping with the founding values of the Company.

The attention devoted to the aesthetic and functional quality of workplaces helps to strengthen people’s sense of belonging, motivation and overall wellbeing, with a positive impact on the quality of the work experience. This approach is also recognised by stakeholders as a distinctive and defining element of the Company philosophy, capable of sustaining over time the alignment between strategy and business model.

**Table 48: List of impacts, risks and opportunities relevant to the topic of the workplace**

Description	Potential/Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Positive impacts				
Increase in employee wellbeing by promoting the beauty of the workplaces	Actual	Own operations	Medium-term	/

### MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

#### MDR-P Policies

The Casa di Moda policy system includes and promotes respect for the dignity and beauty of the workplaces, which is a fundamental aspect of the company’s philosophy.

Refer to the section “MDR-P P Policies of the Casa di Moda” for in-depth information about the **Human Sustainability Policy “In Harmony with Creation”**.

**MDR- A Actions and resources**

The Casa di Moda operates with the firm belief that in order to promote people's wellbeing, it is vital to ensure a fair balance between work and free time dedicated to the individual, where everyone can enjoy their right to disconnect. At the same time, we are committed to ensuring that everyone's work takes place in well-kept and visually appealing as well as liveable workplaces, considering also the different physical and mental abilities present.

This applies not just to our offices and boutiques, but also to our production departments. With regard to working hours – at Solomeo the working day is from 8 am to 5.30 pm, with an hour-and-a-half lunch break –, the Company believes that everyone must work the right amount of time, and then be able to dedicate the rest of the day to their private life.

At Solomeo, employees do not clock in or out; the lunch break allows employees to use the company restaurant and outdoor areas, or return to their homes and have lunch with their families.

As for the work environment, in addition to complying with regulatory hygiene and safety standards, the company's aim is to represent - through the architecture of the company premises - a configuration of spaces that enhances the sense of connection with the surrounding environment and at the same time encourages meeting and interaction between human resources, leading to higher quality of work and comfort in terms of personal wellbeing. In fact, indicators are constantly monitored for air quality, internal temperature and natural light.

The focus on the aesthetics of both indoor and outdoor spaces ensures that every employee has the opportunity, during the working day, to raise their eyes and look at the Company park and the sky above the surrounding area.

The "beautiful factory" reimagines the traditional factory setting, transforming it into a space that offers conditions conducive to personal wellbeing, where the climate of mutual respect and esteem generates responsibility, igniting greater creativity.

**METRICS AND TARGETS****MDR - T Tracking effectiveness of policies and actions through targets**

While the Casa di Moda did not define measurable targets in this regard, it confirms its intention to continue its initiatives directed towards the beautification of the work environments, in line with its company philosophy, considering it an essential element for the dignity and valorisation of the human resources.



## S2 VALUE CHAIN WORKERS

### STRATEGY

#### **ESRS 2 SBM-2 Interests and views of stakeholders**

The Group systematically integrates stakeholders' concerns into its decision-making process, consistently valuing the opinions and contributions gathered. This feedback has had a direct impact on the definition of the targets and the content of the company's sustainability strategy, confirming its commitment towards an open dialogue. The importance of this approach is confirmed in the Human Relations Policy (ref. MDR-P Policies of the Casa di Moda) and is reinforced further through engagement activities that are in line with the Group's Stakeholder Engagement Plan.

In this area, the dialogue also extends to workers in the value chain, including raw material suppliers and small craft enterprises, recognised as significant interlocutors with regard to the impacts, risks and opportunities connected to company activities. Inputs from these subjects are considered within the broader system of stakeholder engagement and assessment, as described at paragraph "SBM-2 Interests and views of stakeholders" of ESRS 2.

Given the variety and heterogeneity of the stakeholders involved, the Casa di Moda adopts appropriate instruments and communication channels that foster direct dialogue between company functions and their counterparts. This continuous and dynamic dialogue makes it possible to focus on stakeholder requests during the company's decision-making process, promoting respect for human rights and the interests of all involved actors.

#### **ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

The types of value chain workers are presented in the section "SBM-1 Strategy, business model and value chain" of ESRS 2.

In the context of our Casa di Moda, the suppliers of raw materials and small craft enterprises represent the categories of workers of primary importance within our value chain. These actors play a crucial role, both for the quality and sustainability of our products, as well as for the social and economic impact of our business model.

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

As of today, we collaborate with 267 raw material suppliers to support Brunello Cucinelli's collection, which in 2025 was represented 82.4% by clothing and 17.6% by accessories.

96.5% of our suppliers operate in Italian territory, and 3% are located in Europe – in particular Spain, Portugal, France and Great Britain – with 0.5% in Japan, from where we receive the supply of denim.

As regards cashmere, our main supplier is Cariaggi Lanificio S.p.A. – located in the Marche region – with whom we have had an excellent business relationship for more than 30 years.

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



With reference instead to our external production structure, today there are 426 medium-small sized artisan companies – all used in a continuous manner –, selected on the basis of skills and the traditions of their territory and of which more than half work exclusively for our Company.

We value a short production chain – as in the case of the supply of raw materials mainly purchased from Italian suppliers – located exclusively in Italy, with approximately 70% of the companies located in Umbria (approximately 300 artisan companies in Umbria with whom we collaborate continuously).

For the remaining approximately 30% the Company works with some laboratories in districts of excellence for the specific types of processing: in Tuscany, Marche, Abruzzo, Lazio, Lombardy and Veneto regions. The greater geographical distance from these companies does not undermine the value-based and relational proximity we constantly strive to establish with each of them.

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model” of ESRS 2.



**Table 49: List of impacts, risks and opportunities relevant to the topic of workers in the value chain<sup>92</sup>**

Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
Promotion of a safe and respectful work environment to counter cases of violence and harassment, through the reinforcement of the wellbeing and dignity of all workers along the supply chain	Potential	Upstream	Short-term	Measures to counter violence and harassment in the workplace
<b>Negative impacts</b>				
Work-related injuries and/or work-related ill health when performing work activities due to a failure to carry out safety checks during production and logistical activities	Potential	Upstream	Medium-term	Health and safety
Failure to respect the principles of equal opportunities, diversity and inclusion along the supply chain, also with reference to the inclusion of persons with disabilities.	Potential	Upstream	Short-term	Employment and inclusion of persons with disabilities Diversity
Violation of human rights and fundamental labour rights along the supply chain, with particular reference to the phenomena of child labour	Potential	Upstream	Short-term	Child labour
Violation of human rights and fundamental labour rights along the supply chain, with particular reference to the phenomena of forced/mandatory labour	Potential	Upstream	Short-term	Forced labour
Failed or partial protection of the privacy of personal data of workers in the supply chain	Potential	Upstream	Short-term	Privacy
<b>Risks</b>				
Compromise of the image/reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of health and safety	N.A.	Own operations	Short-term	Health and safety
Compromise of the image/reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group to protect the principles of equal opportunities, diversity and inclusion	N.A.	Own operations	Short-term	Employment and inclusion of persons with disabilities Diversity
Compromise of the image/reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group in terms of the forced/mandatory labour and child labour	N.A.	Own operations	Short-term	Child labour Forced labour

In particular, as concerns the negative impacts, refer to the table below.

<sup>92</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.

**Table 50: Nature of the negative impacts related to workers in the value chain**

Nature of the impact	Negative impact	Sub-sub topic
Generalised or systemic	Work-related injuries and/or work-related ill health when performing work activities due to a failure to carry out safety checks during production and logistical activities	Health and safety
	Failure to respect the principles of equal opportunities, diversity and inclusion along the supply chain, also with reference to the inclusion of persons with disabilities	Employment and inclusion of persons with disabilities
	Violation of human rights and fundamental labour rights along the supply chain, with particular reference to the phenomena of child labour	Diversity
	Violation of human rights and fundamental labour rights along the supply chain, with particular reference to the phenomena of forced/mandatory labour	Child labour
	Failed or partial protection of the privacy of personal data of workers in the supply chain	Forced labour Privacy

The analysis of the risk related to child, forced or bonded labour in the Company's value chain is limited to Italy, considering that the direct suppliers operate mainly in the national territory. The strictness of the Italian regulations concerning the protection of labour significantly reduces the exposure to these risks.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### S2-1 Policies related to value chain workers

The Casa di Moda has a broad and structured policy system that concerns suppliers and small craft enterprises.

Refer to the section “MDR-P Policies of the Casa di Moda” for in-depth information regarding the **Diversity and Inclusion Policy**, the **Human Sustainability Policy “In Harmony with Creation”** and the **Human Relations Policy**, which define the concrete commitments regarding Workers in the value chain of the Casa di Moda.

In particular, the aforementioned Policies define the commitments related to health and safety, employment and inclusion of persons with disabilities, diversity, child labour and forced labour.

In 2025, no serious incidents were recorded involving human rights connected to the workforce in the value chain (including child labour, forced labour and human trafficking), nor were there any violations of the principles contained in the reference documents upon which the Policies of the Casa di Moda are based, such as the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

The company undertakes to guarantee compliance with the rules of conduct outlined in its Code of Ethics, also by suppliers of raw materials and small craft enterprise, who are required to sign this Code when stipulating any agreement.

**S2-2 Processes for engaging with value chain workers about impacts**

As regards the involvement of suppliers and small craft enterprises at the Casa di Moda, this takes place directly with the workers in the value chain and is regulated by the principles enshrined in the Human Relations Policy (ref. “MDR-P Policies of the Casa di Moda”).

From a wider point of view, this engagement normally takes place during the phase of evaluating the effectiveness of the mitigation measures. This process consists in analysing and collecting opinions from the participants on the actions adopted by the Casa di Moda to reduce their negative impacts, thereby evaluating the implemented strategies. This engagement takes place every year.

The relationship is developed through individual or collective meetings, including the annual convention dedicated to sharing the results and expectations and for reinforcing topics related to company values and philosophy.

Within the scope of managing the relationship with its suppliers and for the purpose of an increasingly precise monitoring of their compliance and their level of maturity regarding ESG, the Group has started a progressive process for mapping the suppliers of raw materials and for collecting their primary qualitative-quantitative data in a completely digitalised manner. Furthermore, annual audits are carried out at the artisan laboratories that collaborate with the Group (ref. section S2-4).

Furthermore, the Casa di Moda has a dedicated function for management of the daily activities of suppliers.

**S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns**

From a preventive and prudential point of view, in order to avoid the occurrence of negative impacts, when stipulating the contract the Company shares the Framework Agreement that contains the rules of conduct that must be observed, as well as specific commitments and duties.

In particular, the provisions related to social aspects concern:

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

Within the scope of the supplier and small craft enterprise rules of conduct, provisions are included on the safety of workers, as well as regarding forced labour and child labour. As concerns the safety of workers, taking into account the specific risks present in their sector, suppliers are required to ensure a healthy and safe work environment for their workers to avoid incidents or injuries that can be caused by or connected with the handling of work equipment. The suppliers must also have systems in place to identify, avoid or neutralise any threat to the health and safety of their employees with respect to the applicable standards.

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



Combating active and passive corruption is also included in the requirements and responsibilities of suppliers and artisan workshops. In fact, as indicated in our Anti-Corruption Policy (ref. “G1-1 Corporate culture and business conduct policies”), the Group reserves the right to end a contractual relationship with third parties whose business conduct and practices are contrary to the provisions of the Policy.

As an integral part of Model 231, our partners are also subject to the Company’s Whistleblowing Procedure (ref. “G1-1 Corporate culture and business conduct policies”) aimed at regulating reports regarding illicit conduct or reports of possible irregular, commissive or omissive conduct that represents or could represent a violation, or incitement to the violation, of laws or regulations, the Code of Ethics or Model 231, including any potential breaches of the confidentiality of suppliers’ information. Therefore, it is the duty of the recipients of the procedure to report this conduct if they believe it could cause any type of harm to the Group, using the reporting channels provided by the Company.

Reports received through the dedicated channels are managed through a structured process that entails referral, preliminary assessment of admissibility, internal verifications where required, and the adoption of measures deemed necessary to remediate the critical issues identified. Where confirmed, violations can lead to the implementation of corrective actions, measures to mitigate negative impacts and, in the most serious cases, the adoption of contractual provisions in respect of involved parties, up to and including termination of employment.

The Whistleblowing Procedure protects the identity of both the whistle-blower and all parties involved, with protection against any retaliation, ensuring a safe and effective use of the reporting channels, also by workers in the value chain, including raw material suppliers and small craft enterprise.

Underpinning the effectiveness of the reporting channels is an internal oversight system that ensures the proper management of reports and the traceability of activities carried out, as well as the dissemination of information regarding the available channels to business partners. Monitoring of the system’s operation helps to bolster the Group’s ability to intercept potential critical issues in a timely manner, and to intervene appropriately along the entire value chain.

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

#### **S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action**

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

With reference to small craft enterprises, during 2024, the Workshop and Supplier Information function, continuing its usual activities of checking compliance and from the point of view of continuous and constant monitoring, increased its workforce. The purpose of this is to guarantee and, where necessary, increase the constant monitoring of the production chain.



396 small craft enterprises were audited during 2025.

Of these, 388 (99% of all small craft enterprises with which we currently work) are still within the audit scope as at 31 December 2025. For the remaining 8 small craft enterprise, the audit was interrupted following the termination of the business relationship.

As confirmation of the effectiveness of the activities carried out, 6 new non-conformities were found in 2025, which are added to the 6 that were already identified the previous year, for a total of 12 positions being analysed during 2025.

The collaborative spirit that characterises our compliance activity makes it possible to identify and agree on plans for remediation during the year with 4 small craft enterprises, so that the relative non-conformities can be completely resolved.

There were no cases of non-conformity that led the Casa di Moda to terminate the collaboration with the small craft enterprise, while in 2 cases the small craft enterprises decided to close down their business and, as a result, terminate their collaboration with the Casa di Moda.

For the 6 remaining cases, an in-depth and progressive assessment is still in progress to determine if the adjustment path proposed by the small craft enterprises satisfies the necessary compliance criteria.

The supplier selection phase is of fundamental importance.

Suppliers are selected based on the highest quality, reliability and capacity for material innovation. Furthermore, in observance of the relevant regulations, we are committed to guaranteeing that the selection processes take place in compliance with the principles and laws on the protection of competition, ensuring the maximum transparency and efficiency of the process and that they are based on the promotion of equal participation opportunities and the impartiality of assessment of the supplier who meets these requirements.

With regard to the supply chain, in 2025 the Casa di Moda expanded its oversight, inviting its main raw material suppliers to complete a structured questionnaire aimed at collecting, among other things, quantitative data on social issues such as the provision of adequate training, the number of work-related injuries, and any penalties received. Specifically, an in-depth analysis conducted on one group of suppliers<sup>93</sup> revealed that almost all have a structured training plan in place, developed based on internal requirements and personnel assessments, and that no supplier received penalties relating to social matters in 2025.

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<sup>93</sup> For further details, refer to the section “G1-2 Management of supplier relations”.



As regards this year, the Casa di Moda concentrated on the actions specified in the table below.

**Table 51: Overview of the actions regarding workers in the value chain<sup>94</sup>**

Actions performed in 2025	Actions planned for 2026 <sup>95</sup>
<ul style="list-style-type: none"> <li>• During stipulation of the contract with new suppliers, the Company shared the Framework Agreement</li> <li>• 396 audit on Group small craft enterprises</li> <li>• 160 suppliers of raw materials involved through the compilation of the section dedicated to personnel present in the qualitative-quantitative self-assessment questionnaire</li> <li>• Study of the system for the implementation of the due diligence processes according to the CSDDD directive</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing of the framework agreement when stipulating the contract with new suppliers</li> <li>• Constant monitoring of the production chain and customary annual checks on small craft enterprises with a view to continuous and constant improvement</li> </ul>

## METRICS AND TARGETS

### **S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The Company has defined specific targets for its supply chain.

Refer to the section “MDR-T Targets of the Casa di Moda” for more information.

With a view to strengthening its commitment to social responsibility and compliance with current regulations, the Company intends to expand its self-assessment questionnaires, introducing specific sections dedicated to topics of key importance such as health and safety in the workplace, the prevention of child labour and forced labour, the promotion of diversity, as well as increased employment opportunities and inclusion.

<sup>94</sup> The implementation of these initiatives is not conditioned by resource constraints.

<sup>95</sup> The indicated actions contribute towards reaching the Corporate Sustainability Due Diligence Directive (CSDDD).



## S3 AFFECTED COMMUNITIES

### STRATEGY

#### **ESRS 2 SBM-2 Interests and views of stakeholders**

The Group integrates the requests of its stakeholders, including affected communities, in its decision-making process in a significant manner, constantly promoting the provided opinions and contributions. This feedback has had a direct impact on the definition of the targets and the content of the company's sustainability strategy, confirming its commitment towards an open dialogue.

The importance of this approach is confirmed in the Human Relations Policy (ref. MDR-P Policies of the Casa di Moda) and is reinforced further through engagement activities that are in line with the Group's Stakeholder Engagement Plan.

Given the variety and the heterogeneity of the communities involved, the Casa di Moda adopts instruments and dialogue channels suitable for promoting a direct discussion between company functions and the stakeholders. This continuous and dynamic dialogue makes it possible to focus on stakeholder requests during the company's decision-making process, promoting respect for human rights and the interests of all involved actors.

With regard to the affected communities, refer to the section "SBM-2 Interests and views of stakeholders" of ESRS 2.

#### **ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

The Casa di Moda has always believed that the growth path the Company has taken can continue to develop in a sustainable and respectful manner, also thanks to the "spirit of the sites" in which it exists, always keeping the ideal of safeguarding intact.

The Group therefore recognises its own responsibility regarding the territory and the local communities that host the Company's activities and with which it collaborates in specific development and enhancement projects.

With particular reference to the positive impacts identified as relevant, these result from the activities linked to the hamlet of Solomeo, with specific reference to the activities connected to the Industrial Park and the Beauty Park, the School of Contemporary High Craftsmanship and Arts, and the "Himalayan Regenerative Fashion Living Lab" project. In this context, an opportunity was identified for the Casa di Moda to strengthen its relationship of trust with stakeholders thanks to the constant support activity in favour of local communities and territories.

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model" of ESRS 2.

**Table 52: List of impacts, risks and opportunities relevant to the topic of affected communities<sup>96</sup>**

Description	Potential/Actual Impact	Value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
Positive impacts on the local economy in territories of the Himalayas where the regenerative agriculture project “Himalayan Regenerative Fashion Living Lab” is ongoing	Actual	Upstream	Medium-term	
Support for territorial development and promotion of the local artistic and cultural heritage, through the launch of various initiatives and activities with the local community	Actual	Upstream Own operations Downstream	Long-term	Impacts related to the territory
Development, promotion and dissemination of the quality and craftsmanship that reside in the territory deriving from the exclusivity and allure of the brand	Actual	Own operations	Long-term	
<b>Opportunity</b>				
Reputational benefits deriving from the lasting support activities for the territories and local communities	N.A.	Own operations	Long-term	Impacts related to the territory

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### S3-1 Policies related to affected communities

The Code of Ethics defines the rules, values and principles underpinning the operations of Brunello Cucinelli S.p.A. and its subsidiaries, and acts as a guide to the behaviour and actions of all stakeholders relevant to the Company (ref. “MDR-P Policies of the Casa di Moda”). The document underlines the Group’s responsibilities with regard to the community and support of the territory. The Company operates with attention to the needs of the community and the territories in which it works, contributing to the promotion of the quality of life and economic, social, cultural and civil development, offering constant support to the cultural activities and local associations.

With specific reference to the territory of Umbria, the Casa di Moda pledges an unwavering commitment to preserving the beauty, uniqueness and vitality of the hamlet of Solomeo and the surrounding areas, devoting great efforts to the recovery of spaces, the restoration of peripheries, and the enhancement of the territorial fabric. The Brunello and Federica Cucinelli Foundation is also involved in this process, working alongside the company to promote cultural and social initiatives designed to generate widespread value.

Refer to the section “MDR-P Policies of the Casa di Moda” for in-depth information regarding the Human Relations Policy and the Human Sustainability Policy “In Harmony with Creation”.

The above-mentioned Policies, prepared in accordance with the guiding principles of the United Nations, contain the commitments regarding the impacts related to the territory.

<sup>96</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.



### **S3-2 Processes for engaging with affected communities about impacts**

Involvement with the local communities involves meetings with the representatives of the local associations and moments of discussion that are essential for understanding the real needs of the territory. This process is regulated by the standards established in the Human Relations Policy (ref. “MDR-P Policies of the Casa di Moda”).

The functions involved in the processes and the connected responsibilities are described in the section “SBM-2 Interests and views of stakeholders” of ESRS 2.

### **S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns**

Even though the Double Materiality analysis did not indicate any material negative impacts in reference to the topic of affected communities (ref. “ESRS 2 SBM-3 Impacts, risks and opportunities and their interaction with strategy and business model”), the Casa di Moda has provided dedicated channels in order to remedy any critical issues that could arise in the future or to collect concerns and offer assistance. These channels include the whistleblowing channel and informal communication with company functions, guaranteed by constant dialogue. For more information, refer to paragraph “G1-1 Corporate culture and business conduct policies”.

All of the adopted channels ensure the possibility of dialogue with the reporting parties, including anonymous ones, as well as with any other stakeholders potentially involved. Furthermore, the Company has its own reporting channels which it makes available, including a whistleblowing channel, also in the area of business relationships, ensuring that these tools are suitably publicised in contracts shared with counterparties. This measure ensures transparency and accessibility, strengthening the commitment to ethical conduct along the entire value chain.

To date, the Company has not adopted specific training or monitoring initiatives to evaluate awareness of the whistleblowing channels among the affected communities; however, the company is committed to ensuring these tools remain clearly communicated and easily accessible, both internally and in its relationships with partners and suppliers.

### **S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions**

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

In this context, the following actions were performed in 2025:

- Continuation of courses offered by the School of Contemporary High Craftsmanship and Arts, as well as implementation of training courses to support “small entrepreneurship”.
- Start of the second phase of the Himalayan Regenerative Fashion Living Lab project as part of the Sustainable Markets Initiative Fashion Taskforce.
- Continuation of the evaluation of the impact generated by the “Major Works”, that is the main operations carried out by the Casa di Moda to support the territory and the local communities by applying the Social Return on Investment (SROI) methodology.



Manual skills and high craftsmanship are the founding elements of the Casa di Moda, and therefore the School of Contemporary High Craftsmanship and Arts in the Hamlet of Solomeo was established in 2013, representing the place where technical knowledge, craftsmanship, mastery as well as ethics, dignity and a sense of responsibility are handed down from generation to generation, based on the example of Italian Renaissance workshops. The School of Contemporary High Craftsmanship and Arts was founded with the purpose of encouraging young people to understand the true value of manual work, and not leave the precious traditions.

On an international level, in 2022 the Casa di Moda joined, and made an economic commitment to support, the project “Himalayan Regenerative Fashion Living Lab” which was developed as a result of a partnership between the Fashion Task Force of the Sustainable Markets Initiative (SMI) - established by King Charles III of the United Kingdom - and the Circular Bioeconomy Alliance (CBA).

The Casa di Moda is participating in this project, first of all, because there is the desire to revive, in a contemporary manner, the traditional artisan knowledge that is rooted in one of the most noble and beautiful lands such as the Himalayas and with the intention to contribute to the creation of benefits for future generations.

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

2025 saw the launch of planting projects aimed at restoring degraded pasturelands and strengthening the food and fodder security of communities, alongside moments of direct dialogue with affected communities focused on the main challenges and opportunities.

At the same time, the production of pashmina by the local cooperative continued with renewed vigour, confirming its role as not only a vital economic resource for the livelihood of families, but also a precious artisan heritage that cherishes centuries-old traditions and at the same time opens up new prospects of growth and future for the entire community.

During the year, the first results of the collaboration with local communities and all the actors involved in the initiative were presented, taking the form of two models of scarf in “Himalayan Cashmere”, incredibly light and timeless in style, produced in Italy in a limited number of garments.

Symbolising the values of regeneration, inclusivity and respect that inspired the project, the scarves were displayed in Casa Cucinelli spaces in Milan, Rome, Paris, London, New York and Hong Kong.

Since 2022, in-depth analysis has been carried out to measure and evaluate the positive impacts – in terms of social benefits for the communities concerned – generated by the initiatives implemented by our Casa di Moda, in the knowledge that the value of these actions naturally far exceeds any kind of numerical measurement. To understand the social value that the Casa di Moda contributes to the benefit of its territory, the Social Return on Investment (SROI) calculation has been selected as the analysis method. The calculation of the SROI ratio is based on a formula that subtracts the costs sustained (by the Casa di Moda or the stakeholders) from the social value generated by the project, the result of which is then divided by the invested capital. In 2025, the analysis continued with the focus on the “Major Works” created in Solomeo, Umbria and internationally.



Carrying on the initiatives described, the Group acknowledges its own responsibility to the territory and local communities, orienting its activities to take their requirements into account and striving to help promote quality of life, as well as the economic, social, cultural and civil development in the area.

During 2025, no problems or incidents were reported concerning human rights in relation to the local communities or the territory.

## METRICS AND TARGETS

### **S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

In 2025, the Casa di Moda defined specific targets for local communities and the territory. Refer to the contents of paragraph “MDR-T Targets of the Casa di Moda” for in-depth information.



## S4 CONSUMERS AND END USERS

### STRATEGY

#### **ESRS 2 SBM-2 Interests and views of stakeholders**

The Group systematically integrates stakeholders' concerns into its decision-making process, consistently valuing the opinions and contributions gathered. This feedback has had a direct impact on the definition of the targets and the content of the company's sustainability strategy, confirming its commitment towards an open dialogue.

The importance of this approach is confirmed in the Human Relations Policy (ref. MDR-P Policies of the Casa di Moda) and is reinforced further through engagement activities that are in line with the Group's Stakeholder Engagement Plan.

Given the variety and heterogeneity of the stakeholders involved, the Casa di Moda adopts appropriate instruments and communication channels that foster direct dialogue between company functions and their counterparts. This continuous and dynamic dialogue makes it possible to focus on stakeholder requests during the company's decision-making process, promoting respect for human rights and the interests of all involved actors.

#### **ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

The focus that the company places on the individual has a natural continuation in its relationships with the customer. The relationship created over time with customers is centred on an approach that recognises the uniqueness of each individual and characterised by care, respect and integrity.

The end customers of the Casa di Moda are individuals who desire and seek exclusivity, fine products of the highest quality, distinguished by a distinctive and recognisable style, expressing a form of luxury that can be defined as "gentle".

With respect to the trust that connects the Casa di Moda with its customers and with the objective of always guaranteeing maximum transparency, the Company provides access to precise and easy to understand information regarding its products and services through specific dialogue channels and on the labels that accompany the products, provided in compliance with current regulations.

The digital dimension is given the same level of care, quality and courtesy that has always characterised the Company based in Solomeo in the special relationship cultivated each day with its customers to the digital dimension, as a demonstration of a continuous, active sharing of its values.

The Casa di Moda aims to protect the privacy of all its customers without invading their personal sphere and works to safeguard the personal data of all.

With specific reference to safeguarding the privacy of minors, in line with the company strategy and with the objective of reducing potential risks connected to managing this type of data, personal information is not collected for this specific category. Furthermore, even though the collections include Children's lines, the Casa di Moda does not have advertising campaigns dedicated to them.

The Casa di Moda's collections, regardless whether for adults or children, are created and produced with the aim of ensuring maximum safety for those for whom they are intended. For this purpose, it is guaranteed that all materials used are free of potentially harmful substances.



The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model” of ESRS 2.

**Table 53: List of impacts, risks and opportunities relevant to the topic of consumers and end users<sup>97</sup>**

S4				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
The Casa di Moda guarantees access to quality information regarding its products, in line with regulations governing traceability and transparency, using appropriate channels to interact with external players	Actual	Downstream	Short-term	Access to quality information
<b>Negative impacts</b>				
Failed or partial protection of the confidentiality of personal data of customers, including the ability to meet the requests from data subjects	Potential	Downstream	Short-term	Privacy
Negative consequences for customers, caused by the only-partial respect of the criteria of health and safety of products sold and/or injuries involving customers within the sales point	Potential	Downstream	Short-term	Health and safety Health and safety of individuals
Harm to customers caused by misleading or inaccurate statements by the Group regarding business practices, products and/or the supply chain	Potential	Downstream	Short-term	Responsible marketing practices
Failed or partial protection of the confidentiality of personal data of end customers under 18 years of age resulting from the collection of personal data at sales points	Potential	Downstream	Short-term	Privacy Protection of children
<b>Risks</b>				
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to external factors (e.g. suppliers responsible for processing the data for which Brunello Cucinelli is the data controller)	N.A.	Own operations	Short-term	Privacy
Penalties and/or compensation for damage deriving from the compromise of confidentiality/integrity/availability of personal data due to internal factors	N.A.	Own operations	Short-term	
Litigation with customers/associations (i.e. class action)	N.A.	Own operations	Short-term	Health and safety Responsible business practices

The main instruments the Company uses to evaluate risks to which its end customers can be exposed are the Double Materiality analysis and the ERM process, as well as the constant monitoring of the applicable regulatory changes.

<sup>97</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.



In particular, as concerns the negative impacts, refer to the table below.

**Table 54: Nature of the negative impacts on consumers and end users**

Nature of the impact	Negative impact	Sub-sub topic
Generalised or systemic	Failed or partial protection of the confidentiality of personal data of customers, including the ability to meet the requests from data subjects	Privacy
	Negative consequences for customers, caused by the only-partial respect of the criteria of health and safety of products sold and/or injuries involving customers within the sales point	Health and safety, Personal safety
	Harm to customers caused by misleading or inaccurate statements by the Group regarding business practices, products and/or the supply chain	Responsible business practices
	Failed or partial protection of the confidentiality of personal data of end customers under 18 years of age resulting from the collection of personal data at sales points	Protection of children

For more details, refer to the mapping of impacts, risks and opportunities provided in ESRS 2 IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability report.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### S4-1 Policies related to consumers and end-users

The Company bases its behaviour, also in its relations with customers, on the principles of transparency, reliability, correctness, integrity, professionalism, legality, impartiality and quality.

In addition to the unwavering pursuit of quality in garments, the Casa di Moda is committed to ensuring that the products meet the expectations and requirements of the market, in compliance with current laws and with particular attention to safety. Furthermore, the Group condemns the use of any advertising and/or communication tool aimed towards deceiving customers, in any way, about the quantity, quality, source and origin of the offered products and services, and prohibits any practice that is misleading, elusive or incorrect in advertising communications, guaranteeing maximum transparency and correctness.

In this regard, the Company strictly observes the provisions of the Code of Ethics and the in-house procedures concerning relations with customers, providing them with accurate, complete and truthful information regarding the contractual conditions and terms, including, if necessary, the Privacy Statement.

Particular attention is placed on the suggestions and complaints received from customers, adopting behaviour that is based on availability, respect, courtesy and privacy, in line with the company's values and principles.

Refer to the section "MDR-P Policies of the Casa di Moda" for in-depth information regarding the **Human Relations Policy**, which provides the guidelines and practices of dialogue with the end customers of the Casa di Moda.



In particular, the Human Relations Policy, which was prepared in compliance with the guidelines of the United Nations, defines the commitments regarding privacy, non-discrimination, access to products and services and responsible business practices. The Casa di Moda declares that no violations of the principles of the United Nations Global Compact were identified downstream of the value chain, nor any violations of the OECD Guidelines for multinational enterprises which concern consumers and/or end users.

At present, the aforementioned Policy does not contain specific provisions concerning health and safety, personal safety, or the protection of children.

#### **S4-2 Processes for engaging with consumers and end-users about impacts**

The relationship with end customers is developed through face-to-face meetings in the boutiques and the “Casa Cucinelli” sales spaces, with trunk shows and dedicated events, through a digital presence, the user experience (e.g. the corporate and e-commerce website) and social media, customised experiences at Solomeo, customer service, the newsletter and instant messages, phone calls and video calls.

In addition to the traditional channels of e-mail and telephone, in recent years, in fact, new communication channels have been activated that allow immediate dialogue between Customer Care and the customer, including the live chat within our online boutique and instant messaging channels WhatsApp and WeChat. Notwithstanding the acknowledged usefulness of these technologies, the individual remains at the core of our relationship with customers, and we are also pleased to note a growing preference among our clientèle for tools that foster human connections. In fact, our customers increasingly choose to visit boutiques and to engage with Customer Care through synchronous communication channels.

The process of engaging with end customers is regulated by the standards established in the Human Relations Policy (ref. “MDR-P Policies of the Casa di Moda”).

#### **S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

The Casa di Moda has adopted specific measures for preventing the potential negative impacts identified and has adopted appropriate measures to mitigate the risks deriving from possible regulatory non-compliance with or the compromise of personal data following loss, theft, destruction or alteration of the collected information. In compliance with European data protection legislation, the Company guarantees the safeguarding of privacy and the protection of the personal data of its customers, thanks to the support of the Data Protection Officer (DPO) and the Privacy Manager.

In addition to these measures, the Casa di Moda makes available dedicated tools for reporting any concerns regarding privacy, including the Privacy Policy and the whistleblowing channel. The relative procedure regulates specific measures for the protection of whistle-blowers, guaranteeing their privacy and protecting against any form of retaliation, in line with applicable regulations and the principles of integrity and transparency adopted by the Company. For more information concerning privacy, refer to the paragraph: “S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns”; and for information concerning whistleblowing, refer to: “G1-1 Corporate culture and business conduct policies”.

The Casa di Moda guarantees support to customers worldwide, through CRM, Customer Care channels and those in use at the boutiques. During 2025, the customary induction meetings were continued with new CRM resources as well as with boutique staff (Store Managers, Client advisors) and one-to-one talks were conducted with the corporate offices considered strategic in terms of processing the personal data of end customers. Furthermore, the channels were monitored in 2025 through a performance analysis of the in-house CRM channels.



As indicated, the Company offers a Customer Care service in 8 different languages, which operates in sites located in Solomeo, New York and Shanghai. This allows us to guarantee a service that is aligned with the needs of customers in different time zones and geographical areas, guaranteeing the same functionality across the various different offices and above all the same approach and the same “tone of voice” in our contacts with end customers all over the world. Furthermore, the whistleblowing channel, which provides a secure and confidential method for reporting any violations or improper behaviour, can be accessed publicly directly through the corporate website (ref. “G1-1 Corporate culture and business conduct policies”).

Finally, in line with the new Regulation (EU) 2023/988 – General Product Safety Regulation (GPSR), the Company ensures the availability of an electronic contact channel for consumer requests relating to products, detailed both on physical garment labels and online in the information made available on distance-selling channels.

#### **S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

The Casa di Moda has adopted specific measures concerning the privacy and protection of the personal data of its end customers by implementing a structured model that includes training on privacy, report monitoring and request management. These initiatives involve company operations, with an impact - downstream of the value chain - on end customers, worldwide.

The indicated actions contribute towards reaching the objectives defined in the Group Sustainability Plan and are fully compliant with GDPR.

The process of managing reports concerning privacy is constantly monitored and, during 2025, no critical issues were identified, confirming the effectiveness of the implemented system.

To mitigate any negative impacts and relevant risks concerning privacy, specific training was developed for the offices not directly involved in managing the personal data of customers.

With regard to non-discrimination and access to products and services, the measures required by the regulation are implemented in order to ensure an inclusive purchasing experience.

The Data Protection Officer (DPO) and Privacy Manager perform a central role in preventing relevant negative impacts, in line with the Privacy Policy (ref. “MDR-P Policies of the Casa di Moda”).

During 2025, no serious problems or incidents were reported concerning human rights connected to end customers.

For more information on privacy and protection of personal data, refer to the paragraphs concerning confidentiality and protection of personal data covered in the chapter “S1 *Own workforce*”.

Within the scope of a broader system for the protection of consumers and end users, the Casa di Moda has also strengthened the management of risk connected to reports relating to the quality of products. In particular, this includes the monitoring of any disputes linked to issues of labelling, product quality, and any possible impact on customer health, through structured processes for the collection, analysis and management of reports, and the involvement of the competent functions, in order to guarantee compliance with current regulations on product safety and consumer protection.



## METRICS AND TARGETS

### **S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The Casa di Moda has not fixed specific targets concerning end customers.

However, in keeping with its Sustainability Plan “In Harmony with Creation”, the approach adopted is oriented towards customer relations designed to guarantee the customary high standards of quality, safety, transparency and responsibility along the entire life cycle of the product.

For more information, refer to the paragraph “SBM-1 Strategy, business model and value chain”, and the Sustainability Plan “In harmony with Creation”.



## GOVERNANCE INFORMATION

### G1 Business conduct

#### GOVERNANCE

##### **GOV-1 The role of the administrative, management and supervisory bodies**

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

The company's Corporate Governance system complies with the so-called "traditional model" and is comprised of the following bodies:

- Shareholders' Meeting;
- Board of Directors (BoD);
- Board of Statutory Auditors;
- External Auditors;

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

The Board of Directors plays a central role in the company organisation and is responsible for defining and pursuing the strategic targets of the Group and for ensuring the existence of the controls necessary for monitoring its performance. Pursuant to Article 15 of the Articles of Association, the Board of Directors is responsible for the ordinary and extraordinary management of the company and for that purpose it has been granted with the widest powers of administration, with the exception of what is reserved by law and by the Articles of Association to the Shareholders' Meeting.

In addition to the powers that by law and according to the articles of association are reserved to the Board of Directors, including the responsibilities indicated in paragraph four of Article 2381 of the Italian Civil Code, the Board of Directors has the following responsibilities: the definition of strategic, industrial and financial plans for the Company and the Group; approval of the forecast budget of the Company or the Group; the approval of agreements and making decisions of a strategic nature, both regarding Brunello Cucinelli S.p.A. as well as the companies that are part of the Group. It also monitors the implementation of the measures adopted within the scope of Human Sustainability.

It performs these functions by examining the periodic reports and, in particular, upon approval of the strategic plans. The Board also promotes dialogue with shareholders and other relevant stakeholders.

The BoD currently has 14 members whose term of office started with the appointment by the Shareholders' Meeting of April 2023, and will remain in office until the approval of the Company's financial statements at 31 December 2025. The members of the Supervisory Board were appointed at the same time, and will remain in office until the same effective date of the BoD. Directors are appointed according to the principles of diversity, guaranteeing gender balance, competence – managerial and professional, including of an international nature, valorising the different physical and psychophysical abilities, as well as the different age groups and seniorities – and independence.



The Shareholders' Meeting introduced the discipline of increased voting rights<sup>98</sup> on 27 April 2023.

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

The Entrepreneur Brunello Cucinelli holds the role of Executive Chairman of the Company, as well as Creative Director, maintaining strategic oversight with management and representation powers for the implementation of the coordination, supervision and strategic planning of the activities of the Company and the Group. The Chairman is supported by Camilla Cucinelli and Carolina Cucinelli, both of whom were appointed as Vice-Presidents of the Company in July 2024.

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

The members of the Board of Directors currently include managers of the Company and Independent Directors with many years of experience and expertise in the fashion and luxury sector or in listed companies. In carrying out its functions, the Board of Directors is assisted by two Board committees that provide advice and make proposals.

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

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

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

The CRC also operates as the related party transactions committee.

In particular, the Remuneration and Appointments Committee periodically assesses the suitability and concrete application of the remuneration policy, presents proposals or opinions to the BoD regarding remuneration and formulates opinions to the BoD regarding the optimal composition of the latter and the committees.

**The Council for Human Sustainability and Humanistic Capitalism**, set up with the aim of integrating the sustainability of business operations in the definition of strategies, including based on an analysis of the materiality of the factors that may affect the generation of value in the long term, has preliminary functions of a propositional and advisory nature in the evaluation and decision-making processes concerning sustainability issues. Furthermore, its task is to support the Board of Directors in coordinating activities and disseminating the culture of Human Sustainability and Humanistic Capitalism within the Group.

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<sup>98</sup> The introduction of the increased voting rights allowed the company to encourage medium-long term investments and promote the stability of the shareholding group, providing the shareholders who intend to invest for a longer term to have a greater say in company decisions. Furthermore, the Board of Directors believes that the increased voting rights mechanism is suitable for countering the negative effects resulting from the possible volatility of the stock, connected to *short-termism*.



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

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

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

This Council is a type of steering committee with a mixed structure, and is formed by 3 employees and 7 directors of the Company, as well as the Company Chairman, Brunello Cucinelli, who chairs the Council.

The Council for Human Sustainability and Humanistic Capitalism is also directly responsible for implementing, coordinating, monitoring and updating the contents of the Human Sustainability Policy, as well as for implementing the Sustainability Plan. It promotes the continuous integration of national and international best practices into the Company's sustainability governance and environmental, social and governance factors into corporate strategies, monitoring the Group's positioning with respect to the financial markets on sustainability issues and initiatives aimed at local communities and stakeholders. On an operational level, the Council is supported by the Human Sustainability Team, which also plays a proactive and advisory role in this area for the Council and the BoD. Within the scope of the implementation of the Sustainability Plan, it coordinates and monitors the progress of the objectives and targets set by the Plan, in consultation with the corporate functions directly involved and reporting to the Chief Executive Officers (CEOs). The ultimate responsibility for strategic decisions and sustainability initiatives lies with the BoD.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities**

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model of ESRS 2".



**Table 55: List of impacts, risks and opportunities relevant to the topic of business conduct<sup>99</sup>**

Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
<b>Positive impacts</b>				
International-level protection of whistle-blowers against any retaliation, coupled with incentives to report unlawful or irregular behaviour	Actual	Upstream Own operations Downstream	Short-term	Protection of whistle-blowers
The Casa di Moda has generated and continues to generate higher turnover than the rest of the market, even in periods of crisis, guaranteeing a solid and enduring relationship with the artisan companies with which it works	Actual	Upstream	Medium-term	Management of supplier relations
Implementation of internal programmes of awareness-raising and training on risky and improper practices, like corruption and manipulation of markets	Actual	Own operations	Short-term	Prevention and identification including training
<b>Negative impacts</b>				
Failure to observe, along the supply chain, the practices necessary to guarantee respect for animal welfare	Potential	Upstream	Medium-term	Animal welfare
Harm to the interests of investors due to market abuses/failure to respect current regulations	Potential	Own operations	Medium-term	Corporate culture
<b>Risks</b>				
Acts of corruption in relationships with public authorities (e.g. Inspection agencies, Customs Agency, Revenue Office) and private authorities (e.g. suppliers/intermediaries)	N.A.	Own operations	Medium-term	Corporate culture
Undermining of the image/reputation of the Brunello Cucinelli brand due to supplier/small craft enterprise activities that violate the applicable standards and/or the additional commitments taken on with the Group to ensure animal welfare	N.A.	Own operations	Medium-term	Animal welfare
Offence of abuse of privileged information (e.g. insider trading)	N.A.	Own operations	Medium-term	Accidents
Failure to respect current regulations pursuant to Legislative Decree 231/2001 on EU restrictive measures (with particular reference to those issued in relation to the Russian-Ukrainian conflict)	N.A.	Own operations	Short-term	Corporate culture

**G1-1 Corporate culture and business conduct policies**

In line with the commitment of the Casa di Moda to promote an ethical business culture, we have developed an Anti-Corruption policy as a tool to guarantee ethical business management and the application of principles such as compliance with laws, honesty, transparency, correctness and good faith. This Policy expresses the corporate provisions aimed at combating corruption, while promoting the dissemination of a responsible and conscious culture, and preventing and discouraging the commission of unlawful conduct at all levels.

<sup>99</sup> The column “Potential/Actual Impact” does not apply to the risks and opportunities.



All employees have been informed about the adoption of the Anti-Corruption Policy. Furthermore, the procedures pursuant to Article 154 bis of the Consolidated Law on Finance (TUF), also referenced in Model 231, have been published on the company intranet and are available to all Group employees. Over the course of 2025, a seminar was also organised, with the support of the SB, focusing on the topics of prevention of corruption. Moreover, with the support of the ERM & Internal Audit function, three workshops were organised on “Ethical Conduct”, as part of a dedicated pathway for managers on positive error culture, while webinars were also made available to various company departments on administrative-accounting procedures (procedures that incorporate safeguards aimed at preventing certain forms of corruption).

The Anti-Corruption Policy, like Model 231, is referenced also in contracts with the main suppliers and with external collaborators (including the small craft enterprises). The Company’s objective is to also communicate the contents and principles of the Model to those who, while not bound by employment relationships, contribute – even only occasionally – toward achieving the targets of the Casa di Moda by virtue of other contractual relationships.

Pursuant to the provisions of Model 231 of the Company in relation to the offences specified in Articles 24 and 25 of Legislative Decree 231/2001, the internal Company functions that are at greatest risk of corruption and bribery (excluding cases between private parties) are: Chief Executive Officers, Administration, Finance and Control, Human Resources, Production, Facility Management, Legal and Corporate Affairs. No incidents have occurred in this regard.

The commitment of the Casa di Moda to promote its business culture can also be seen through the adoption of clear and transparent mechanisms for identifying, reporting and managing any concerns regarding illegal behaviour or behaviour that is not aligned with the company Code of Conduct or other similar internal regulations. In particular, the Whistleblowing Procedure represents the key tool employed by the Casa di Moda to regulate the possibility open to any individual - physical and legal persons who have or have had contractual relationships with the company - to report any complaints about improper conduct that is not aligned with the principles and provisions contained in company documents.

Reports may be made anonymously or by name, the latter being recommended in order to allow a more effective and efficient investigation, always ensuring the complete protection of the whistle-blower or of anyone cooperating with the investigation against any acts of retaliation. The Internal Audit Manager is appointed as the person to receive the reports and manage them and has the duty to involve the Supervisory Board when required. In the case that the Internal Audit Manager is one of the people involved in the report, the platform permits forwarding the report directly to the Board of Statutory Auditors.

There are multiple channels provided for reporting (e.g. e-mail, physical letter, registered letter, the “Whistleblowing notification” application, which can be accessed in the “Corporate governance / Whistleblowing” section of the Group's investor site, ANAC web portal, etc.).

The report management model adopted by the Company is extended to all the subsidiaries that have adopted a whistleblowing procedure pursuant to the applicable regulations.

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

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



Further critical issues may be communicated to the highest governing body by the CEOs (competent for the establishment and maintenance of the ICRMS, as per the Corporate Governance Code), as well as through other information flows coming, directly or indirectly from other corporate functions.

In particular, the communication and training activities related to Model 231 were adapted according to the recipients and implemented according to the principles of completeness, clarity, accessibility and continuity to permit full awareness of the company's provisions that must be observed as well as of the ethical rules that must inspire the conduct of everyone. Training takes place through periodic meetings organised by the Supervisory Board with the Company's employees who could potentially commit the type of predicate offence under consideration. These occasions also allow for an in-depth examination of the impact of the relevant regulations on the company's business.

The company has also defined its own policy aimed at ensuring that the Group's operations in Russia and Belarus are always in compliance with its own rules of conduct and applicable regulations. To this end, on 10 December 2025, the Board of Directors approved a policy titled "Enhanced Trade Compliance Procedure", also as an integral part of Legislative Decree 231/2001; this is relevant both with regard to mitigating the risk of breaches of the restrictive measures imposed by the EU in relation to the Russia-Ukraine conflict, and for the purpose of preventing potential harm to investors' interests that may arise from related non-compliance. For further information, refer to the Report on Operations of the Board of Directors, paragraph "Main risks and uncertainties", and the Report on Corporate governance and ownership structures.

Finally, even though specific policies concerning animal welfare are not available, the Casa di Moda attributes great value to the traceability of the production chain, constant dialogue with local communities and the relationship of trust created over time with the suppliers. The latter perform periodic inspections of the farms to monitor the quality standards and ensure compliance of the best raw material selection practices (ref. Environmental Policy, "E1-2 Policies related to climate change mitigation and adaptation").

### **G1-2 Management of supplier relations**

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

With reference instead to the external production structure, a short production chain is promoted, located exclusively in Italy and comprised of small-to-medium sized artisan companies, selected based on the skills and tradition of their territory and of which more than half work exclusively for the Casa di Moda.

Over the years, the Group has witnessed a progressive growth in the size of the workshops with which it collaborates, as well as an increase in the share of work reserved to the Group by those artisan companies that work with multiple customers. Over time, the artisan workshops have recorded a higher increase in turnover with the Group than the rest of the market, as well as stability in production orders.

As concerns the payment practices with business partners, the Group makes payments to its suppliers in compliance with the times defined by the contractual agreements.



There is a careful selection phase at the basis of the solid and trust-based relationship that connects the Casa di Moda with its suppliers. Furthermore, during contract stipulation the Company shares the Framework Agreement that contains the rules of conduct that must be observed, as well as specific commitments and duties regarding environmental and social issues. These are in line with the Group's values and principles (ref. S2 “ESRS 2 SBM-3 Impacts, risks and opportunities and their interaction with strategy and business model”).

With the aim of further strengthening its processes for managing relationships with its raw material suppliers, the Casa di Moda launched a mapping activity to gather primary qualitative-quantitative data relating to these suppliers, through the sharing of a questionnaire. Moreover, this completely digitalised process aims to monitor their compliance and their level of maturity, also from an environmental, social and ethical point of view.

First launched in 2023, in 2025 the project involved 160 raw material suppliers, representing approximately 95% of the overall expenditure for raw materials. Of these, the suppliers who account for around 60% of the expenditure also completed quantitative sections relating to environmental and social topics. The information gathered was analysed further by the Casa di Moda and regarded, among other subjects, energy and water consumption, the CO<sub>2</sub>e emissions of plants, work-related injuries and any penalties received.

As regards the activities carried out by the Workshop and Supplier Information function in 2025 to verify the compliance of small craft enterprises, refer to the paragraph “S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions”.

### **G1-3 Prevention and detection of corruption and bribery**

The system for preventing, identifying and managing allegations or cases of corruption and bribery is regulated in the Whistleblowing Procedure, whose reporting mechanism and other more detailed information can be found in paragraph G1-1. The Company promotes recipients' awareness of the Whistleblowing Policy through its publication on the company website. Furthermore, in order to promote knowledge of this Policy, the Human Resources office of the Group ensures that it is distributed as effectively as possible (e.g. via publication on the company intranet).

In addition to these safeguarding measures, the Group promotes awareness and understanding of the principles and regulations of the Code of Ethics through dedicated training courses, as a further tool for the prevention and combating of corrupt practices.

As envisaged by the Sustainability Plan, in 2025 the Company continued the training program concerning Ethical Business Conduct, Privacy and Anti-Corruption, combining face-to-face training with e-learning instruments, also with the direct participation of the Supervisory Body pursuant to Legislative Decree 231/2001.

Specifically, starting in 2024, a whistleblowing course was made available on the Group's Sympo e-learning platform, which aims to raise employee awareness of ethical conduct, prevention of corruption, and reporting of illegal acts, showing the user how to utilise the channels for submitting reports with complete protection of the confidentiality of the reporting party.

The following table shows the number of functions at risk included in the training programs, and the percentage of participation with respect to the total of the functions.

**Table 56: Functions at risk and training**

	Unit of measurement	2025	2024
<b>Number of functions at risk included in the training programs</b>	no.	5	6
<b>Total functions at risk</b>	no.	6	6
<b>Percentage of functions at risk considered in the training programs</b>	%	83	100

Note that in 2025 the Group did not make any contributions to political parties, lobbying activities or other initiatives that did not pursue associative purposes.

## METRICS AND TARGETS

### **G1-4 Confirmed incidents of corruption or bribery**

The Group operates on the national and international market in full compliance with national and EU antitrust regulations. The annual monitoring processes carried out by the Casa di Moda did not identify established cases of violation of the law or cases of non-compliance regarding corruption during 2025, also thanks to the controls implemented by the Group.

There were also no convictions for violations of law, nor confirmed incidents of corruption or bribery for the year in progress.

Refer to the section “MDR-T Targets of the Casa di Moda” for more information.



## SPECIFIC DISCLOSURE: GENERATIONAL SHIFT

### STRATEGY

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The management of the generational shift within corporate governance represents a fundamental topic for the Casa di Moda, whose philosophy contemplates the ability to continue generating value in the long term.

The process adopted for identifying and evaluating the impacts, risks and opportunities related to them is described in detail in ESRS 2 IRO-1; thanks to the process described therein, the Casa di Moda has examined the connections of the identified impacts and dependencies with the risks and opportunities that can result from these impacts. The complete table of the Double Materiality results is instead presented in the section “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model of ESRS 2”.

The Company's strategy concerning the generational shift is directed towards guaranteeing a harmonious transition that is consistent with the founding values of the Casa di Moda. Through careful and forward-looking planning, the Company adopts a succession model that balances experience and innovation, ensuring brand continuity and conserving its distinctive identity.

The intention is to manage the generational shift by following two main pillars. The first, called *generational pact* makes it possible to replace key management figures in advance, guaranteeing competitiveness and stability in the market at the same time. The second, called the *safeguarding pact*, ensures the unity of management and the entrepreneurial vision of the Casa di Moda in the future.

**Table 57: List of impacts, risks and opportunities relevant to the topic of the generational shift<sup>100</sup>**

Topic: Generational shift				
Description	Potential/ Actual Impact	The value chain	Time period	Sub-topic or sub-sub-topic of reference
Risks				
Compromise of brand positioning as a result of inadequate management of the generational shift	N.A	Own operations	Medium-term	/

<sup>100</sup>The column “Potential/Actual Impact” does not apply to the risks and opportunities.



## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### **MDR-P Policies**

In the Corporate governance and ownership structure report, the theme of generational shift is examined in depth, illustrating the strategies and structures adopted by the Casa di Moda to ensure a smooth transition that is consistent with the Company's founding values, as well as with the principles of managerial continuity and preservation of key competencies.

Corporate governance assigns a central role to the Board of Directors, which, in compliance with the Principles and Recommendations of the Corporate Governance Code, periodically assesses the adequacy of its own composition, functioning, and the competencies represented within it, also with a view to ensuring the long-term sustainability of the Company leadership. These assessments, carried out through structured self-assessment processes conducted at least every three years in advance of the renewal of the administrative body, are aimed at ensuring a balanced mix of skills, diversity, and independence, in line with the strategic needs of the Company and the Group.

For more information, refer to the Corporate governance and ownership structure report published on the investor website of the Casa di Moda.

### **MDR- A Actions and resources**

In implementation of the principles described above, in 2013 the Board of Directors defined the guidelines for the "Generational shift" program, which aims to facilitate the succession of the positions of responsibility in the most important offices that make up the company's organisational structure, through the selection, hiring and training of a new generation of managers. The objective of the program is to train young, prepared and highly motivated employees, thereby fulfilling the purposes of conserving company knowledge and providing continuity in company management.

The program requires each company employee who is the manager of an office to participate in training initiatives and tutoring programs for the workers in their office, allowing them to identify a "second in charge" who, following a three-year probationary period, can become the office manager. The investiture of the young employee in the role as the second in charge does not guarantee their future appointment. In fact, under the program, the appointment of the candidate to office manager takes place when the manager reaches the age of 60. This process applies also for the selection of candidates for the positions of CEO (Chief Executive Officer), CFO (Chief Financial Officer) and COO (Chief Operating Officer).

In particular, without prejudice to the Board of Directors' authority to delegate its powers, the candidate for the position of CEO shall be selected from within company management following trial period, during which the candidate's aptitude and suitability for a role with such a high level of responsibility can be suitably assessed. Unlike other positions, the mandatory handover of the position at the age of 60 does not apply to the CEO of a Company.



At the same time, to preserve the unity of company management over time, in 2014 Brunello Cucinelli established an irrevocable trust, transferring his entire share, which equals 100% of share capital, in Foro delle Arti S.p.A. to Esperia Trust Company S.r.l. (Banca Esperia Group). The trust was established to ensure that the entrepreneurial initiatives started by the entrepreneur Brunello Cucinelli are transferred in the future to his descendants, with the aid of a trustee who will be responsible for implementing these intentions with full continuity of the activities carried out, and guaranteeing unity and cohesion of company management. The direct beneficiaries of the trust are his daughters Camilla and Carolina Cucinelli. The document also makes provision for the appointment of a committee of experts comprised of five members (two of which are the daughters) to assist the trustee in a largely advisory role. The trust also ensures the continuation of all the non-profit activities of social and cultural interest promoted by the entrepreneur in keeping with his philosophy of life, his love of Italy, and his commitment to the territory of Umbria.

This trust does not change the rules of corporate governance or the assigned powers and responsibilities within Brunello Cucinelli S.p.A.

## METRICS AND TARGETS

### **MDR - T Tracking effectiveness of policies and actions through targets**

The Casa di Moda has not defined measurable targets in this regard.



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**FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER  
2025**

<i>(Euro/000)</i>	NOTES	31 December 2025	<i>of which with related parties</i>	31 December 2024	<i>of which with related parties</i>
<b>NON-CURRENT ASSETS</b>					
Right of use	1	716,286	857	611,641	1,185
Intangible assets	2	21,925	438	16,432	125
Property, plant and equipment	3	342,156	17,758	268,840	18,411
Investment property	4	10,300		9,766	
Non-current financial lease receivables	5	2,428		2,421	
Other non-current financial assets	6	47,525	16,750	44,588	15,348
Deferred tax assets	26	111,357		103,273	
Non-current derivative financial assets	13	337		53	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,252,314</b>		<b>1,057,014</b>	
<b>CURRENT ASSETS</b>					
Inventories	7	398,341		369,953	
Trade receivables	8	101,622	169	82,092	150
Tax receivables	9	10,141		3,955	
Other receivables and other current assets	10	44,177		46,635	
Current financial lease receivables	5	1,195		945	
Other current financial assets	11	993		695	
Cash and cash equivalents	12	202,848		182,050	
Current derivative financial assets	13	10,629		1,554	
<b>TOTAL CURRENT ASSETS</b>		<b>769,946</b>		<b>687,879</b>	
<b>TOTAL ASSETS</b>		<b>2,022,260</b>		<b>1,744,893</b>	



<i>(Euro/000)</i>	NOTES	31 December 2025	<i>of which with related parties</i>	31 December 2024	<i>of which with related parties</i>
<b>SHAREHOLDERS' EQUITY</b>					
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>					
Share capital	14	13,600		13,600	
Share-premium Reserve	14	57,915		57,915	
Other reserves	14	339,471		298,945	
Net profit attributable to Parent company shareholders	14	135,034		119,478	
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>		<b>546,020</b>		<b>489,938</b>	
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>					
Capital and reserves attributable to non-controlling interests	14	11,030		7,620	
Net profit attributable to non-controlling interests	14	6,955		9,035	
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>		<b>17,985</b>		<b>16,655</b>	
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>564,005</b>		<b>506,593</b>	
<b>NON-CURRENT LIABILITIES</b>					
Employee benefit liabilities	15	3,345		3,836	
Provisions for risks and charges	16	4,001		3,372	
Non-current payables towards banks	17	220,604		155,192	
Non-current financial lease liabilities	18	671,780	604	572,715	968
Non-current financial liabilities	19	4,273		3,270	
Other non-current liabilities	20	120		136	
Deferred tax liabilities	26	9,674		7,924	
Non-current derivative financial liabilities	13	411		1,296	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>914,208</b>		<b>747,741</b>	
<b>CURRENT LIABILITIES</b>					
Trade payables	21	177,107	4,514	169,217	5,208
Current payables towards banks	22	175,294		124,676	
Current financial lease liabilities	18	115,405	364	106,134	356
Current financial liabilities	23	725		1,244	
Income tax payables	24	7,617		6,723	
Other current liabilities	25	66,292	1,546	65,694	900
Current derivative financial liabilities	13	1,607		16,871	
<b>TOTAL CURRENT LIABILITIES</b>		<b>544,047</b>		<b>490,559</b>	
<b>TOTAL LIABILITIES</b>		<b>1,458,255</b>		<b>1,238,300</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>2,022,260</b>		<b>1,744,893</b>	

**CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2025**

	NOTES	Year ended 31 December			
		2025	<i>of which with related parties</i>	2024	<i>of which with related parties</i>
<i>(Euro/000)</i>					
<b>Revenues</b>	<b>27</b>	<b>1,407,951</b>	<b>188</b>	<b>1,278,540</b>	<b>188</b>
Costs of raw materials and consumables	28	(121,099)	(12,434)	(101,800)	(13,577)
Costs for services	29	(595,737)	(10,261)	(560,361)	(9,161)
Payroll costs	30	(255,367)	(8,823)	(233,492)	(10,573)
Other operating expenses	31	(25,614)		(21,079)	
Other operating income	32	5,404	149	3,271	420
Costs capitalized	33	1,735		2,417	
Depreciation and amortization	34	(180,612)		(153,004)	
Impairment of assets and other accruals	35	(8,877)		(2,821)	
<b>Total operating costs</b>		<b>(1,180,167)</b>		<b>(1,066,869)</b>	
<b>Operating Income</b>		<b>227,784</b>		<b>211,671</b>	
Financial expenses	36	(84,634)		(67,559)	
Financial income and from equity investments	37	55,546	1,990	35,625	2,052
<b>Profit before taxes</b>		<b>198,696</b>		<b>179,737</b>	
Income taxes	26	(56,707)		(51,224)	
<b>Net profit</b>		<b>141,989</b>		<b>128,513</b>	
Net profit attributable to Parent company shareholders	14	135,034		119,478	
Net profit attributable to non-controlling interests	14	6,955		9,035	
Basic earnings per share (Euro per share)	38	1.98650		1.75713	
Diluted earnings per share (Euro per share)	38	1.98650		1.75713	

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31  
DECEMBER 2025**

<i>(Euro/000)</i>	Year ended 31 December		
	NOTES	2025	2024
<b>Net profit (A)</b>		<b>141,989</b>	<b>128,513</b>
<i>Other items of comprehensive income:</i>			
<b>Other items of comprehensive income that will later be reclassified on the income statement</b>		<b>(13,557)</b>	<b>(6,335)</b>
<i>Cash flow hedge</i>		13,275	(19,342)
Tax effect		(3,186)	4,630
<b>Effect of changes in cash flow hedge reserve</b>	<b>14</b>	<b>10,089</b>	<b>(14,712)</b>
Translation differences on foreign financial statements		(20,885)	8,895
Profit / (Losses) on net investment in a foreign operation		(3,633)	(681)
Tax effect		872	163
<b>Other items of comprehensive income that will not later be reclassified on the income statement</b>	<b>14</b>	<b>416</b>	<b>565</b>
Remeasurement of defined benefit plans (IAS 19)		547	744
Tax effect		(131)	(179)
<b>Total other comprehensive income, net of tax (B)</b>		<b>(13,141)</b>	<b>(5,770)</b>
<b>Total comprehensive income net of tax (A) + (B)</b>		<b>128,848</b>	<b>122,743</b>
<i>Attributable to:</i>			
Parent company shareholders		122,884	113,159
Non-controlling interests		5,964	9,584

**CONSOLIDATED CASH FLOWS STATEMENT AS AT 31 DECEMBER 2025**

(Euro/000)	Year ended 31 December		
	NOTES	2025	2024
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit		141,989	128,513
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>			
Income taxes	26	56,707	51,224
Depreciation and amortization	34	180,612	153,004
Provisions for Employee benefit liabilities	15	382	328
Provisions for risks and charges/bad debts and impairment of assets		8,743	2,511
Change in other non-current liabilities		(16)	(73)
(Gain) / Loss on disposal of fixed assets		105	(179)
(Gain) / Loss from participations		(1,402)	(1,415)
Other non-monetary items IFRS 16		(7,858)	4,293
Interest expense	36	13,171	8,684
Interest on lease liabilities	36	27,075	20,277
Interest income	37	(3,814)	(1,544)
Interest on lease assets	37	(85)	(59)
Payment of Employee benefit liabilities	15	(307)	(363)
Payments of provisions for risks and charges	16	(113)	-
Net change in deferred tax assets and liabilities	26	(9,398)	(21,590)
Change in fair value of financial instruments	13	(12,234)	5,243
<i>Changes in operating assets and liabilities:</i>			
Change in trade receivables	8	(31,798)	(4,034)
Change in inventories	7	(59,110)	(72,574)
Change in trade payables	21	29,454	(4,301)
Interest expense paid		(13,415)	(8,260)
Interest on lease liabilities paid		(27,075)	(20,277)
Interest income received		3,814	1,544
Interest on lease assets received		85	59
Income taxes paid		(65,404)	(81,088)
Change in Other current assets and liabilities		12,499	29,007
<b>NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES (A)</b>		<b>242,607</b>	<b>188,930</b>



(Euro/000)	Year ended 31 December		
	NOTES	2025	2024
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in Property, plant and equipment	3	(127,513)	(90,194)
Investments in Intangible assets	2	(14,173)	(9,184)
Investments in Other non-current financial assets	6	(3,050)	(6,352)
Investment property	4	(787)	(433)
Changes in the scope of consolidation		-	(3,951)
Disposal of Property, plant and equipment		227	1,168
<b>NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES (B)</b>		<b>(145,296)</b>	<b>(108,946)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long-term loans received	17	180,000	211,000
Repayment of long-term loans	17	(87,687)	(38,367)
Net change in short-term financial debt		23,136	(3,099)
Net change in long-term financial debt		1,434	1,266
Lease liabilities payments	18	(113,116)	(102,531)
Lease receivables collections	5	1,172	2,980
Dividends paid		(68,781)	(66,102)
Purchase of treasury shares		(7,973)	(11,657)
<b>NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES (C)</b>		<b>(71,815)</b>	<b>(6,510)</b>
<b>TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)</b>		<b>25,496</b>	<b>73,474</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (E)</b>		<b>(4,698)</b>	<b>1,632</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)</b>	<b>12</b>	<b>182,050</b>	<b>106,944</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)</b>	<b>12</b>	<b>202,848</b>	<b>182,050</b>



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2025

<i>(Euro/000)</i>	NOTES	Share capital	Legal reserve	Additional paid-in capital	Translation reserve	Other reserves	Net profit	Total shareholders' equity attributable to parent company shareholders	Total shareholders' equity attributable to non-controlling interest	Total shareholders' equity
<b>Balance as at 01 January 2025</b>	14	13,600	2,720	57,915	3,048	293,177	119,478	489,938	16,655	506,593
Net profit							135,034	135,034	6,955	141,989
Other items of the Consolidated statement of comprehensive income					(22,581)	10,431		(12,150)	(991)	(13,141)
<b>Total comprehensive result</b>		-	-	-	(22,581)	10,431	135,034	122,884	5,964	128,848
Allocation of the profit for the year	14					119,478	(119,478)	-		-
Dividends paid	14					(63,920)		(63,920)	(4,861)	(68,781)
Stock grant reserve	14					5,077		5,077		5,077
Purchase of treasury shares	14					(7,973)		(7,973)		(7,973)
Other changes						14		14	227	241
<b>Balance as at 31 December 2025</b>	14	13,600	2,720	57,915	(19,533)	356,284	135,034	546,020	17,985	564,005

<i>(Euro/000)</i>	NOTES	Share capital	Legal reserve	Additional paid-in capital	Translation reserve	Other reserves	Net profit	Total shareholders' equity attributable to parent company shareholders	Total shareholders' equity attributable to non-controlling interest	Total shareholders' equity
<b>Balance as at 01 January 2024</b>	14	13,600	2,720	57,915	(4,865)	257,804	114,617	441,791	11,822	453,613
Net profit							119,478	119,478	9,035	128,513
Other items of the Consolidated statement of comprehensive income					7,913	(14,232)		(6,319)	549	(5,770)
<b>Total comprehensive result</b>		-	-	-	7,913	(14,232)	119,478	113,159	9,584	122,743
Allocation of the profit for the year	14					114,617	(114,617)	-		-
Dividends paid	14					(61,880)		(61,880)	(4,222)	(66,102)
Stock grant reserve	14					6,830		6,830		6,830
Assignment of treasury shares	14					(4,962)		(4,962)		(4,962)
Purchase of treasury shares	14					(5,279)		(5,279)		(5,279)
Other changes						279		279	(529)	(250)
<b>Balance as at 31 December 2024</b>	14	13,600	2,720	57,915	3,048	293,177	119,478	489,938	16,655	506,593



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**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31  
DECEMBER 2025**

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## 1. BASIS OF PREPARATION

### 1.1 CONTENT AND FORM OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Brunello Cucinelli Group were prepared on a going concern basis and in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and in force at the date of the Financial Statements. The IFRS are understood to also be all the reviewed international accounting standards (“IAS”), all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as the Standing Interpretations Committee (“SIC”).

The notes to the Consolidated Financial Statements have been supplemented with the additional information requested by CONSOB and the measures it issued to implement Article 9 of Italian Legislative Decree 38/2005 (resolutions no. 15519 and 15520) of 27 July 2006 and Communication no. DEM/6064293 of 28 July 2006, pursuant to Article 78 of the Issuers’ Regulation, of the EC document of November 2003 and, where applicable, of the Italian Civil Code.

The Consolidated Financial Statements as at 31 December 2025 have been prepared in accordance with Article 154-ter of Italian Legislative Decree 58/98, as well as the relevant provisions of Consob, and comprise the Consolidated statement of financial position, the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated cash flows statement and the Consolidated statement of changes in Shareholders’ equity, as well as these Notes.

On 18 February 2026, the Board of Directors of Brunello Cucinelli S.p.A. approved the Consolidated Financial Statements and ordered that they be made available to the public, in the manner and within the time envisaged by the provisions of the laws and regulations in force. These Consolidated Financial Statements were audited by PricewaterhouseCoopers S.p.A. in accordance with Legislative Decree 39/2010 in execution of the shareholders’ resolution of 19 April 2021.

The consolidated financial statements are presented in Euro, the currency used by the Parent Company Brunello Cucinelli S.p.A., and all figures are rounded to thousands of Euro, unless otherwise indicated.

The items in the consolidated statement of financial position are presented in order of liquidity, where:

- Non-current assets consist of items that are expected to be recovered after more than 12 months;
- Current assets consist of items that are expected to be recovered after no more than 12 months;
- Non-current liabilities consist of items that are expected to be settled after more than twelve months, including provisions for risks and charges and employees termination indemnities;
- Current liabilities include payables that are expected to be settled in the Group’s normal operating cycle or in the 12 months following the end of the year.

The format for the consolidated Income statement classifies revenues and costs by nature.

The Consolidated cash flows statement has been prepared using the indirect method and is presented in accordance with IAS 7, classifying cash flows into operating activities, investment activities and financing activities.

The Consolidated Financial Statements have been prepared on the basis of the historical cost principle, taking into account value adjustments where appropriate, with the exception of those items which, according to IFRS, must be measured at fair value.



Note that with reference to Consob Resolution No. 15519 of 27 July 2006 and Communication No. DEM6064293 of 28 July 2006, the financial statements present information on significant related party transactions in order to provide a more complete disclosure, and income and expense arising from non-recurring events or transactions, if significant, are shown separately in the comments provided by management and in the financial disclosures.

## 2. SCOPE OF CONSOLIDATION

The Consolidated Financial Statements present the financial position, results and cash flows of the Parent Company Brunello Cucinelli S.p.A. and its Italian and foreign subsidiaries, together identified as the Brunello Cucinelli Group, as at 31 December 2025.

These Consolidated Financial Statements have been prepared on the basis of the accounting situations of the Company and its subsidiaries, suitably adjusted to comply with IFRSs.

Control is obtained when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. More specifically, the Group has control over an entity if and only if it has all of the following:

- power over the investee (meaning it has existing rights that give it the current ability to direct the relevant activities i.e., the activities that significantly affect the investee's returns);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of its returns.

If the Group holds less than the majority of the voting rights (or similar rights), it considers all the facts and circumstances relevant for establishing whether it controls an investee, including:

- contractual agreements with other holders of voting rights;
- rights resulting from contractual agreements;
- the Group's voting rights and potential voting rights.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The Group consolidates a subsidiary from the date it gains control of that subsidiary until the date that control ceases. The assets, liabilities, revenues and expenses of the subsidiary acquired or disposed of during the period are included in the Group's Consolidated statement of comprehensive income from the date on which it gains control until the date it no longer exerts control.

All intercompany balances and transactions, including any unrealised profits or losses deriving from transactions with companies of the Brunello Cucinelli Group, are eliminated.

Acquisitions of subsidiaries are recognised under the purchase method, which involves allocation of the cost of the business combination to the fair value of the assets, liabilities, and contingent liabilities acquired at the acquisition date and the inclusion of the result of the acquired company from the acquisition date to the end of the period.

Profits and Equity attributable to non-controlling interests represent the part of profit or loss and equity relating to the net assets not held by the parent company's shareholders and are shown in the Consolidated income statement, the Consolidated statement of comprehensive income and the Consolidated statement of financial position separately from the result and equity of the Group.



As at 31 December 2025, the Brunello Cucinelli Group does not have any stakes in joint ventures (defined as a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, pursuant to IFRS 11).

As far as equity investments in associate companies are concerned (companies in which the Group holds at least 20% of the voting rights or exercises significant influence over financial and operating policies, but not control or joint control), as at the date of these Consolidated Financial Statements, the Group holds a 24.5% equity investment in the share capital of Cariaggi Lanificio S.p.A. (with registered office in Cagli (PU) - Italy and share capital of €7,000 thousand).

The following table provides summary information on the Company’s subsidiaries and associate companies as at 31 December 2025, consisting of the company’s name and registered office and the percentage of share capital held directly and indirectly by the Brunello Cucinelli Group:

Company name	Location	Currency	Share capital in currency	Controlling interest	
				Direct	Indirect
<b>Equity investments in subsidiaries</b>					
Brunello Cucinelli Europe S.r.l.	Corciano, Solomeo hamlet (PG) – Italy	Euro	100,000	100.00%	
Max Vannucci S.r.l.	Corciano (PG) – Italy	Euro	118,000		75.50%
Pinturicchio S.r.l.	Corciano, Solomeo hamlet (PG) – Italy	Euro	1,000,000		100.00%
Logistica e Distribuzione S.r.l.	Milan – Italy	Euro	100,000		51.00%
Dorica Vestis S.r.l.	Corciano, Solomeo hamlet (PG) – Italy	Euro	50,000		60.00%
Brunello Cucinelli Austria GmbH	Vienna – Austria	Euro	35,000	2.00%	98.00%
Brunello Cucinelli Belgium S.r.l.	Brussels – Belgium	Euro	20,000		100.00%
Brunello Cucinelli (England) Ltd.	London – United Kingdom	Pound sterling	12,600,700	99.99%	0.01%
Sarl Brunello Cucinelli France	Paris – France	Euro	13,400,000	98.54%	1.46%
SAS Brunello Cucinelli France Resort	Paris – France	Euro	6,800,000	98.53%	1.47%
Brunello Cucinelli GmbH	Düsseldorf – Germany	Euro	200,000		100.00%
Brunello Cucinelli Hellas SA	Athens – Greece	Euro	25,200	1.00%	99.00%
SAM Brunello Cucinelli Monaco	Principality of Monaco	Euro	12,054,000	98.76%	1.22%
OOO Brunello Cucinelli RUS	Moscow – Russia	Rouble	635,500,000	100.00%	
Brunello Cucinelli Retail Spain SL	Madrid – Spain	Euro	200,000	5.00%	95.00%
Brunello Cucinelli Suisse SA	Lugano – Switzerland	Swiss franc	223,000	1.79%	98.21%
Brunello Cucinelli Canada Ltd.	Vancouver – Canada	Canadian dollar	10,445,100	100.00%	
Brunello Cucinelli USA Inc.	Ardsley (NY) – USA	US dollar	1,500	100.00%	
Market Service US, Inc.	New York – USA	US dollar	50,000		51.00%
Brunello Cucinelli Messico S.de R.L. de C.V.	Mexico City – Mexico	Mexican peso	78,264,286	98.00%	2.00%
Brunello Cucinelli (Sichuan) Fashion Co., Ltd.	Chengdu – China	Renminbi	200,000,000	100.00%	



Company name	Location	Currency	Share capital in currency	Controlling interest	
				Direct	Indirect
Brunello Cucinelli Hong Kong Ltd.	Hong Kong – China	Hong Kong dollar	2,000,000	100.00%	
Brunello Cucinelli (Macau) Fashion Co., Ltd.	Macao – China	MOP/Hong Kong dollar	22,847,312	98.00%	2.00%
Brunello Cucinelli Japan Co., Ltd.	Tokyo – Japan	Japanese yen	330,000,000	99.00%	
Brunello Cucinelli Singapore Pte. Ltd.	Singapore	Singapore dollar	300,000	100.00%	
Brunello Cucinelli Taiwan Ltd.	Taipei – China	Taiwan dollar	100,000	100.00%	
Brunello Cucinelli Middle East LLC	Dubai – United Arab Emirates	Dirham	300,000	51.00%	
Brunello Cucinelli Kuwait for Readymade and Novelty Clothes' Retail WLL	Kuwait City – Kuwait	Kuwaiti dinar	100,000	51.00%*	
Brunello Cucinelli Australia Pty Ltd.	Sydney – Australia	Australian dollar	1,000	100.00%	
<b>Equity investments in associate companies</b>					
Cariaggi Lanificio S.p.A.	Cagli – Italy	Euro	7,000,000	24.50%	

(\*) Percentage of ownership held by virtue of voting agreements with the minority shareholder.

The following changes were made to the scope of consolidation during 2025:

- Establishment of Brunello Cucinelli Messico S.de R.L. de C.V. fully controlled by the Group. The subsidiary directly manages the shop in the prestigious department store Palacio De Hierro in Mexico City;
- Establishment of Brunello Cucinelli Australia Pty Ltd. fully controlled by the Group. The subsidiary directly manages the shop in Sydney.



### 3. ACCOUNTING STANDARDS

#### INTRODUCTION

The Consolidated Financial Statements have been prepared in accordance with the general criteria of reliable and truthful presentation of the Group's financial position, results of operations and cash flows, in compliance with the general principles of a going concern, accrual basis of accounting, consistency of presentation, relevance and aggregation, prohibition of offsetting and comparability of information.

#### DISCRETIONAL ASSESSMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

In accordance with the applicable accounting standards, the preparation of the consolidated financial statements of the Brunello Cucinelli Group requires the Directors of the Company to make discretionary assessments, estimates and assumptions based on complex and/or subjective judgements, historical experience and other factors that are believed to be reasonable with respect to the present circumstances and the knowledge available at the balance sheet date. The use of these accounting estimates affects the carrying amount of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as the amount of revenues and expenses during the reporting period. Actual results may differ from those estimated due to the uncertainty surrounding the assumptions and conditions the estimates are based on. Estimates and associated assumptions are revised on an ongoing basis.

The main processes used in making such discretionary estimates and measurements relate to the recognition and measurement of the following items.

#### **Depreciation and Amortization of Rights Of Use, Intangible Assets and Property, Plant and Equipment**

The depreciation and amortization of rights of use, intangible assets and property, plant and equipments with a finite useful life require discretionary estimates to be made by the Directors. Such estimates are reviewed at every balance sheet date to ensure that the carrying amounts reflect the best estimates of the costs to be incurred by the Group, and in case of significant variations the amounts are revised and updated.

#### **Right-of-use asset and Lease liability – IFRS 16**

Following the initial application of IFRS 16, significant accounting estimates are made with respect to:

- the identification of the lease term, with particular reference to the measurement of the effects of the renewal option at the end of the non-cancellable period and an assessment of commercial practice regarding the property leases existing in the various legislations.
- the determination of the discount rate for all leases not containing an implicit interest rate; in particular, the Group has calculated an incremental borrowing rate (IBR) to be used to discount future lease payments, identifying each country as a portfolio of lease agreements with similar features and determining the relative IBR as the rate of a risk-free instrument of the respective country in which the lease agreement is stipulated, based on the various contractual deadlines, increased by the Group's credit spread.

**Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases and for unused tax losses to the extent that it is probable that sufficient taxable profit will be available against which these losses can be utilised. The directors are required to make a discretionary assessment to determine the amount of deferred tax assets that can be recognised, based on an estimate of the likely timing and amount of future taxable profits.

**Recoverable amount of non-financial assets**

The recoverability of non-financial assets is tested when events or changes in circumstances indicate that the carrying amount is not recoverable. Events that may lead to a write-down of non-financial assets are changes in business plans and changes in market prices that may result in lower operating performance, at least annually for goodwill and intangible assets with an indefinite useful life.

In order to evaluate if there is an indication that an asset may have lost value, company management considers information both coming from external information sources as well as from internal information sources.

The decision as to whether or not to recognise an impairment loss and the quantification of such impairment loss depend on management's assessment of complex, uncertain factors, including changes in discount rates, the impact of inflation, forecasts of global or regional supply and demand conditions, the impact of legislative and regulatory changes, etc. The definition of CGUs and the identification of the appropriate level of grouping of CGUs for the purpose of assessing the recoverability of non-financial assets requires management's judgement. In fact, CGUs are defined by considering, among other things, the ways in which management controls operating activities (e.g. for legal entities) or makes decisions about keeping the company's assets and activities operational or disposing of them. The expected cash flows used to determine the recoverable amount are quantified in light of the information available at the time of the estimate on the basis of subjective judgements about the performance of future variables – such as prices, costs, demand growth rates, production profiles – and are discounted using a rate that takes into account the risk inherent in the asset concerned.

With regard to the impairment test, see the paragraph "6.1 Impairment" below in these Notes to these Consolidated Financial Statements.

**Employees termination indemnities and supplementary termination indemnity provision**

The valuation of employees termination indemnities and the agents' termination indemnity provision was done using actuarial valuations. These valuations require assumptions to be made about discount rates, future wage increases (for employees termination indemnities only), staff turnover and mortality rates. Because of the long-term nature of these plans, these estimates are subject to a degree of uncertainty.

**Allowance for bad and doubtful debts**

The allowance for bad and doubtful debts represents management's best estimate of the amount required to adjust receivables to their estimated realisable value on the basis of information available at the date of preparation of the financial statements. The Group uses the simplified approach and recognises the expected losses on all trade receivables on the basis of their residual duration by establishing a criterion for determining the allowance based on the past loss experience of individual Group companies, adjusted also to take account of specific forecasting factors relating to creditors and the economic environment. The amount of expected losses is sensitive to changes in circumstances and the expected economic conditions.

**Value adjustments to Inventories**

The provision for inventory write-downs reflects management's estimate of the expected loss in value of materials or products from past seasons, taking into account their expected use and realisable value. The determination of the value of the provision also takes into account the donation programme related to the "Brunello Cucinelli for Humanity" project.

**Derivative financial instruments**

The measurement of derivative instruments recognised as assets and liabilities requires the use of estimates and assumptions. The way in which fair value is determined and the risk inherent in derivative contracts to hedge currency risk and interest rate risk is managed are illustrated in the specific paragraph on "Derivatives" in these Notes. The estimates and assumptions considered are reviewed constantly and the effects of any changes are recognised immediately in the financial statements.

Estimates and assumptions are made by directors with the support of the corporate functions and, where appropriate, of independent professionals, and are reviewed on a periodic basis.

**Share-based payments**

Share-based payments require estimates to be made with respect to the fair value of the instruments granted and the likelihood of realising the vesting conditions attached to them. These estimates are made by management and periodically updated.

**BUSINESS COMBINATIONS AND GOODWILL**

The business combinations are recorded using the acquisition method. The consideration transferred in a business combination is determined at the date control is assumed, and is equal to the fair value of the assets transferred, the liabilities incurred, and any equity instruments issued by the acquirer. The consideration transferred also includes the fair value of any contractually agreed contingent consideration assets or liabilities that are contingent on the occurrence of future events. Costs directly attributable to the transaction are recognised in the income statement when incurred.

At the date control is acquired, the shareholders' equity of investee companies is determined by attributing to the individual identifiable elements of the assets and liabilities their fair value, except in cases where IFRS provisions establish a different measurement criterion. Any difference between the consideration paid and the fair value of the net assets acquired, if positive, is recognised as goodwill; if negative, it is recognised in the Income Statement. In the case of assumption of control that is not total, the portion of Shareholders' equity of non-controlling interests is determined on the basis of the share of current values attributed to assets and liabilities at the date of assumption of control, excluding any goodwill attributable to them. If control is assumed in stages, the acquisition cost is determined by adding the fair value of the previously held equity interest in the acquiree and the amount paid for the additional stake. The difference between the fair value of the investment previously held and its carrying amount is recognised in the income statement. Furthermore, upon assumption of control, any amounts previously recognised in other comprehensive income are recognised in the income statement or in another shareholders' equity item, if a reversal to the income statement is not envisaged.



When the values of the acquiree's assets and liabilities are determined provisionally in the period in which the business combination is completed, the recognised values are adjusted retrospectively, no later than 12 months after the acquisition date, to take account of new information about facts and circumstances that existed at the acquisition date.

For the purpose of the consistency analysis, at the acquisition date goodwill acquired in a business combination is allocated to the individual cash-generating units of the Group, or groups of cash-generating units that should benefit from the synergies of the combination, regardless of whether other assets or liabilities of the Group are assigned to such units or groupings of units. Each unit or group of units to which goodwill is allocated:

- a) Represents the lowest level within the Group at which goodwill is monitored for internal management purposes.
- b) Is no broader than the segments identified on the basis of the Group's sector reporting format, determined on the basis of IFRS 8 – "Operating Sectors".

When goodwill is part of a Cash-Generating Unit (so-called group of Cash-Generating Units) and part of the internal business of that unit is sold, the goodwill associated with the asset sold is included in the carrying amount of the asset to determine the gain or loss arising from the sale. The goodwill sold in such circumstances is measured on the basis of the relative values of the asset sold and the portion of the unit held.

When the sale concerns a subsidiary, the difference between the sale price and the net assets plus the accumulated translation differences and goodwill is recognised in the income statement.

## EQUITY INVESTMENTS IN ASSOCIATE COMPANIES

An associate is a company over which the Group exercises significant influence. Significant influence means the power to participate in determining the financial and operating policies of the investee without having control or joint control thereover.

The considerations made to determine significant influence are similar to those required to determine control over subsidiaries. The Group's investments in associate companies are valued using the equity method.

Under the equity method, an investment in an associate is initially recognised at cost. The carrying amount of the investment is increased or decreased to recognise the investor's share of the investee's profits and losses realised after the acquisition date. Goodwill pertaining to the associate is included in the carrying amount of the investment and is not subject to a separate impairment test.

The statement of profit/(loss) for the year reflects the Group's share of the associate's profit/(loss) for the year. Any changes in the other components of the consolidated statement of comprehensive income relating to these investees are presented as part of the Group's consolidated statement of comprehensive income. Furthermore, if an associate company recognises a change with a direct charge to shareholder's equity, the Group recognises its share, the Group recognises its share, where applicable, in the Consolidated statement of changes in Shareholders' equity. Unrealised gains and losses arising from transactions between the Group and associate companies are eliminated in proportion to the share held in those associate companies.

The Group's aggregate share of the associate's profit/(loss) for the year is recognised in the statement of profit/(loss) for the year after operating income/(loss) and represents the net profit/(loss) after tax and the share of the associate's other shareholders.



The financial statements of associate companies are prepared on the same date as the Group's financial statements. Where necessary, the financial statements are adjusted to bring them into line with Group accounting standards.

Subsequent to the application of the equity method, the Group assesses whether it is necessary to recognise an impairment of its investment in associate companies. The Group assesses at each financial statement date whether there is objective evidence that investments in associates are impaired. In this case, the Group calculates the amount of the loss as the difference between the recoverable amount of the associate and the carrying amount of the associate in its financial statements, and recognises this difference in the statement of profit/(loss) for the year under the item "Effects of the valuation of investments using the equity method".

Upon the loss of significant influence over an associate, the Group measures and recognises the residual investment at fair value. The difference between the carrying value of the investment at the date of loss of significant influence and the fair value of the residual investment and consideration received is recognised in the income statement.

#### OPERATIONS UNDER COMMON CONTROL

Business combinations involving entities under common control that are merely reorganizational in nature are recognised on a going-concern basis in the financial statements of the companies involved, without recognising any economic effects.

#### INTANGIBLE ASSETS

Intangible assets are capitalised at acquisition cost when it is probable that use of the asset will generate future economic benefits and its cost can be measured reliably.

Intangible assets acquired through business combinations are recorded at the fair value defined on the acquisition date, if this value can be reliably determined. Internally generated intangible assets are not capitalised, and the related expenditure is reflected in the income statement in the period that the expenditure is incurred in.

Intangible assets with a finite useful life are amortised on a straight-line basis over their estimated useful life and are subject to impairment tests whenever there are indications of a possible impairment, following the rules described below.

The residual useful life is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or the manner in which the future economic benefits related to the intangible asset are achieved by the Group are recognised by modifying the period and/or the amortization method and treated as changes in accounting estimates. The amounts of amortization of Intangible assets with a defined life are recognised on the income statement in the cost category consistent with the function of the intangible asset.



An intangible asset is eliminated at the time of disposal (i.e. on the date on which the buyer gains control of it) or when no future economic benefit is expected to flow from its use or disposal. Any profit or loss deriving from the elimination of the asset (calculated as the difference between the net consideration of the disposal and the book value of the asset) is included in the income statement.

The estimate of the useful life of intangible assets with a finite useful life is as follows:

	Years
Trademarks	18
Software	3-5
Licenses	5
Other intangible fixed assets	3-12

#### **Concessions, licences and trademarks**

The item, classified under Intangible assets, includes the costs incurred for the registration of the Group's trademarks.

#### **Research and development costs**

Research costs are allocated in the Income statement in the year in which they are incurred. Development costs incurred for a given project are recognised as intangible assets when the Group can demonstrate:

- The technical possibility of completing the intangible asset so that it is available for use or sale.
- The intention to complete the asset and the capacity and intention to use or sell it.
- The manner in which the asset will generate future economic benefits (income from the sale of products or services, cost savings or other benefits deriving from the use of the asset).
- The availability of resources to complete the asset.
- The ability to reliably measure the cost attributable to the asset during development.

After initial recognition, developed assets are measured at the decreased cost of accumulated amortization or impairment losses. The amortization of assets begins when development is complete and the asset is available for use. Developed assets are amortised with regard to the period of expected benefits. During the development period, the asset is audited annually for impairment.

#### **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment acquired separately are recognised at historical cost, including ancillary costs directly attributable and necessary for putting the asset into service for the use it was purchased for. This cost includes the costs of replacing part of the machinery and systems when they are incurred, if they comply with the recognition criteria.



With regard to buildings, the historical cost is represented by the fair value determined at the date of transition to IFRS (1 January 2008), as permitted by IFRS 1, and shown net of depreciation and any impairment losses.

Property, plant and equipment acquired through business combinations are recognised at the fair value determined on the acquisition date.

Costs of improvements, modernisation and transformation of tangible assets are recognised as assets when it is probable that they will increase the expected future economic benefits of the asset.

Maintenance and repair costs that are not likely to enhance and/or prolong the residual life of the assets are recognised in the year they are incurred, otherwise they are capitalised.

Property, plant and equipment are shown net of accumulated depreciation and any impairment losses determined as described below. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset for the company, which is an estimate of the period over which the asset will be used.

Depreciation of Property, plant and equipment begins when the asset is ready for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended.

The value to be depreciated is represented by the carrying amount reduced by the presumed net disposal value at the end of its useful life, if significant and reasonably determinable. Any changes to the depreciation schedule arising from a revision of the useful life of the asset, the residual value or the manner in which the economic benefits of the asset are obtained are recognised prospectively.

Non-removable leasehold improvements are depreciated over the shorter of the useful life of the improvements and the lease term.

The estimate of the useful life of the main classes of tangible assets is as follows:

	Years
Buildings	33
(of which Leasehold improvements)	Based on the duration of the lease
Plant and machinery	8
Industrial and commercial equipment	4
Other assets	4-8

If components of the Property, plant and equipment have different useful lives, these components are accounted for separately. Land, whether free of or annexed to buildings, is recognised separately and is not depreciated as it has an indefinite useful life.

The book value of Property, plant and equipment is subjected to verification, in order to detect any possible impairment if events or changes in the situation indicate that the carrying amount cannot be recovered, following the rules described below.



The book value of an item of Property, plant and equipment and any significant component initially recognised is eliminated at the time of disposal (i.e. on the date on which the buyer gains control of it) or when no future economic benefit is expected to flow from its use or disposal. The profit/loss that emerges at the time of the accounting elimination of the asset (calculated as the difference between the net book value of the asset and the consideration received) is recognised in the income statement when the item is eliminated from the accounting.

**Collection archive**

For each collection, the Company holds on to one garment for each item that is considered significant and saleable. These products are used as a source of inspiration by the style office when creating new collections.

These assets are classified under Property, plant and equipment, recorded at historical production cost and depreciated over 10 years.

Increases in the value of these assets are recorded in the income statement under the item Increases in fixed assets for internal works.

**INVESTMENT PROPERTY**

According to IAS 40, tangible assets held for income and not for operations are classified in a special class called Investment property and are accounted for at cost. The assets included in this category consist of land and/or buildings (or parts of buildings) held by the owner or lessee under a financial or operating lease agreement for the purpose of leasing them.

These types of properties are classified separately from the other properties owned. Investment property is shown net of accumulated depreciation and any impairment losses. The useful life of the Group's investment property is 33 years.

The book value of investment property is subjected to audit in order to detect any possible impairment if events or changes in the situation indicate that the carrying amount cannot be recovered. Losses are accounted for in the income statement under the item "Impairment of assets and other accruals". Such losses of value are restored if the reasons that generated them cease to exist.

Investment properties are eliminated from the financial statements when they are sold (i.e. on the date on which the buyer gains control of them) or when the investment is permanently unusable and no future economic benefits are expected to flow from its sale. The amount of consideration to be taken into account in determining the gain or loss arising from the cancellation of an investment property is determined in accordance with the requirements for determining the price of the transaction in IFRS 15.

**NON-CURRENT ASSETS HELD FOR SALE**

Non-current assets held for sale are classified as such if the book value of the asset itself will be recovered mainly through a sale rather than through its continuous use. For this to occur, the asset must be available for immediate sale in its current condition or subject to conditions that are customary for the sale of such assets, and the sale must be highly likely.



Non-current assets held for sale are initially recognised at the lower of their carrying amount – if not classified as held for sale – and their fair value net of selling costs.

## LEASES

When signing a contract, the Group evaluates whether it is, or contains, a lease. In other words, if the contract confers the right to control the use of an identified asset for a period of time in return for consideration, such a right exists if the contract gives the lessee the right to manage the asset and obtain substantially all the economic benefits arising from its use.

### **The Group as lessee**

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease payment liabilities and right of use assets that represent the right to use the asset underlying the contract.

#### ***i) Right of use assets***

The Group recognises right of use assets at the date on which the lease commences (meaning the date on which the underlying asset is available for use). Right of use assets are measured at cost less accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability. A right of use asset is initially measured at the amount of the lease liability plus any initial direct costs and lease payments at or prior to commencement less any incentives received. Right of use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the right of use asset. The lease term is determined taking into account the non-cancellable period of the contract, and where there is reasonable certainty also the periods covered by the extension options or related to the non-exercise of the early termination options.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right of use asset reflects the fact that the lessee will exercise a purchase option, the lessee must depreciate the right of use asset from the effective date until the end of the useful life of the underlying asset.

On each financial closing date, the Group assesses whether there are any indications of loss of value of the Rights of Use, and if such indications do emerge an impairment test is performed.

#### ***ii) Lease liability***

At the date of commencement of the lease, the Group measures the lease liability at the present value of the lease payments due for the lease but not yet paid at that date. Payments consist of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate and amounts expected to be payable by the lessee under residual value guarantees. Lease payments also include the exercise price of a purchase option that the Group is reasonably certain to exercise and payments for terminating the lease if the lease term assumes that the Group will exercise the lease termination option.



Variable lease payments that do not depend on an index or rate are recognised as costs in the period (unless they were incurred for the production of inventories) in which the event or condition that generated the payment occurs. When calculating the present value of payments due, the Group uses the marginal rate of financing at the start date if the implicit interest rate is not easily determinable. After the effective date, the amount of the lease liability is increased to take into account interest on lease liabilities and decreases to take into account payments made. Moreover, the carrying amount of lease payables is redetermined in the event of any changes in the lease or revision of the contractual terms for the modification of payments. It is also redetermined in the event of changes in the valuation of the purchase option of the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments.

***iii) Short-term leases and leases where the underlying asset has a low value***

The Group has elected the recognition exemption for short-term leases (that is leases with a term of 12 months or less from the date of commencement and not containing a purchase option). The Group has additionally elected the recognition exemption for low-value leases where the underlying asset is office equipment, the value of which is considered immaterial. Lease payments for short-term leases and low-value leases are recognised on a straight-line basis in profit or loss over the lease term.

**The Group as lessor**

Those leasing contracts that substantially leave all risks and rewards linked to ownership of the asset to the Group are classified as operating leases. Lease income from operating leases must be recognised on a straight-line basis throughout the lease term, and is included among revenues in the income statement due to their operational nature. Initial negotiating costs are added to the book value of the leased asset and recognised on the basis of the duration of the contract on the same basis as rental income. Unexpected rents are recognised as revenues during the period in which they accrue.

Leases that substantially transfer all the risks and rewards of ownership of an underlying asset are classified as finance leases. Where finance leases exist, the Group recognises a receivable equal to the net investment in the lease in the consolidated statement of financial position and recognises finance income over the lease term on a basis that reflects a constant periodic rate of return on the net investment in the lease. The interest rate used to value the net investment in the lease is the interest rate implicit in the lease. In the case of a sub-lease, if the interest rate implicit in the sub-lease cannot be readily determined, the Group uses the discount rate for the main lease (adjusted for any initial direct costs associated with the sub-lease) to measure the net investment in the sub-lease.

**IMPAIRMENT**

On each financial closing date, the Group assesses whether there are any indications of loss of value of Intangible assets, Right of use, Property, plant and equipment and Other non-current financial assets. If such indicators do emerge, an impairment test is performed.

If the carrying value of the assets exceeds the recoverable value, they will be written down to reflect the recoverable value. The recoverable value is the higher of the fair value, net of the cost of disposal, of an asset or Cash-Generating Unit net of the cost of sale or value in use, and is determined for each individual asset, except where that asset generates cash flows that are not largely independent of those generated by other assets or asset groups, in



which case the Group will estimate the recoverable value of the individual Cash-Generating Unit (hereinafter also “CGU”) to which the asset belongs, represented by the smallest identifiable set of assets that generate cash inflows that are largely independent of those generated by other assets.

In determining value in use, the Group discounts to present value the expected future cash flows arising from the use of the Cash-Generating Unit and, if material and reasonably determinable, from its disposal at the end of its useful life, net of disposal costs, using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the asset.

Specifically, the discount rate used is the Weighted Average Cost of Capital (WACC) adjusted for the specific country risk where the Cash-Generating Unit being valued is located. WACCs are differentiated according to the riskiness expressed by the countries the business operates in.

Expected cash flows are determined on the basis of reasonable and supportable assumptions representing the best estimate of future economic conditions that will occur over the remaining useful life of the Cash-Generating Unit, giving greater weight to external indications.

For the purposes of estimating the value in use, the future cash flows are taken from the business plans approved by the Board of Directors, which represent the Group’s best possible estimate based on the financial conditions in the Plan period. The Plan projections usually cover a period of three years. The long-term growth rate used to estimate the terminal value of the asset or unit is determined on the basis of the average of the most recent research by the financial community on the Company. Future cash flows are estimated by referring to current conditions. The estimates do not, therefore, take into account the benefits of future restructuring operations that the Company has not yet implemented, or future investments or the optimization of the business or its units.

If the book value of an asset or CGU – including the goodwill attributed to it – is higher than its recoverable value, the asset has suffered a value impairment and will therefore be written down to the recoverable value. The impairment loss is allocated first to goodwill up to its amount. Any excess of the impairment loss over goodwill is allocated pro rata to the carrying amount of the assets constituting the Cash-Generating Unit, up to the amount of the recoverable amount of the assets with finite useful lives.

Value impairments for operational assets are recognised on the income statement in the cost category consistent with the function of the impaired asset. On each closing date, the Group will also assess whether there are any indications that the previous value impairments have been reduced. If such indicators exist, it will re-estimate the recoverable value. The value of a previously written-down asset may only be restored if there have been changes to the estimates used to determine the recoverable value of the asset after the final recognition of a loss in value. In such a case the book value of the asset will be changed to the recoverable value, but the value thus increased may not exceed the book value which would have been determined net of the depreciation if no loss in value had been recorded in previous years. Any recovery in value is recorded as income on the income statement. After a recovery of value has been recognised, the depreciation of the asset will be adjusted in future years in order to distribute the modified book value net of any residual values, on a straight-line basis for its remaining useful life. Impairment of goodwill may not be recovered for any reason.



## FINANCIAL INSTRUMENTS

### Recognition and valuation

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

#### *Financial assets*

#### **Initial recognition and valuation**

Upon initial recognition, financial assets are classified as appropriate according to the subsequent measurement method, namely amortised cost, fair value recognised in the consolidated statement of comprehensive income and the fair value recognised in the income statement.

The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses for their management. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs in the case of a financial asset not at fair value in the income statement. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined in accordance with IFRS 15.

#### **Subsequent valuation**

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value recognised in the consolidated statement of comprehensive income with reclassification of accumulated gains and losses (debt instruments).
- Financial assets at fair value recognised in the consolidated statement of comprehensive income without reversal of accumulated gains and losses at the time of elimination (equity instruments).
- Financial assets at fair value recognised in the income statement.

#### **Financial assets at amortised cost (debt instruments)**

Financial assets are classified in this category if they meet the following requirements: (i) the asset is held under a business model whose objective is to own the asset for the purpose of collecting contractual cash flows; and (ii) the contractual terms of the asset provide for cash flows consisting solely of principal and interest payments on the principal amount to be repaid. These are mainly trade receivables, financial assets and other assets.

Trade receivables that do not contain a significant financial component are recognised at the price defined for the related transaction (determined in accordance with IFRS 15 Revenues from Contracts with Customers).

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is eliminated, modified or revalued.

The Group's financial assets at amortised cost include trade receivables and security deposits.

**Financial assets at fair value in OCI (debt instruments)**

Financial assets are classified in this category if they meet the following requirements: (i) the asset is held within the context of a business model whose objective is reached by collecting contractual cash flows as well as by selling the asset itself; and (ii) the contractual terms of the asset provide for cash flows consisting solely of principal and interest payments on the principal amount to be repaid.

These assets are initially recognised in the balance sheet at their fair value plus any incidental costs directly attributable to the transactions that generated them.

For debt instrument assets measured at fair value in OCI, interest income, changes due to exchange differences and impairment losses, together with adjustments, are recognised in the income statement and are calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recognised in OCI. Upon elimination, the cumulative change in fair value recognised in OCI is reclassified in the income statement.

Group debt instrument assets measured at fair value in OCI include investments in listed debt instruments included in other non-current financial assets.

**Investments in equity instruments**

On initial recognition, the Group may irrevocably choose to classify its equity investments as equity instruments recognised at fair value in OCI when they meet the definition of equity instruments in accordance with IAS 32 “Financial instruments: Presentation” and are not held for trading. The classification is determined for each individual instrument.

Gains and losses achieved on these financial assets are never reversed in the income statement. Dividends are recognised in the income statement when the right to payment has been approved, except when the Group benefits from such revenues as recovery of part of the cost of the financial asset, in which case such gains are recognised in OCI. Equity instruments recorded at fair value in OCI are not subject to impairment tests.

The Group has chosen to irrevocably classify its unlisted investments in this category.

**Financial assets at fair value recognised in the income statement**

Financial instruments at fair value with changes recognised in the income statement are recognised in the consolidated statement of financial position at fair value and net changes in fair value are recognised in the statement of profit/(loss) for the year.

This category includes derivative instruments and listed investments that the Group has not irrevocably chosen to classify at fair value in OCI. Dividends on listed investments are recognised as other income in the statement of profit/(loss) for the year when the right to payment has been established.

The embedded derivative contained in a non-derivative hybrid contract, in a financial liability or in a main non-financial contract is separate from the main contract and accounted for as a separate derivative if: its economic characteristics and the risks associated with it are not closely correlated to those of the main contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value recognised in the income statement. Embedded derivatives are measured at fair value, with the changes in fair value recognised in the income statement. A restatement occurs only if there is a change in the terms of the contract that significantly changes the cash flows otherwise expected, or a reclassification of a financial asset to a category other than fair value in the income statement.

**Derecognition**

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is first derecognised (e.g. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred the right to receive cash flows from the asset to a third party or has assumed the contractual obligation to pay them in full and without delay and (a) it has substantially transferred all risks and rewards of ownership of the financial asset, or (b) it has not substantially transferred or retained all risks and rewards of the asset, but it has transferred control over it.

In cases where the Group has transferred the rights to receive cash flows from an asset or has entered into an agreement under which it maintains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-throughs), it shall assess whether and to what extent it has retained the risks and rewards inherent in possession. If it has not substantially transferred or retained all risks and benefits or it has not lost control over it, the asset continues to be recognised in the Group's financial statements to the extent of its residual involvement in the asset itself. In this case, the Group also recognises an associated liability. The transferred assets and associated liabilities are valued to reflect the rights and obligations that remain attributable to the Group.

Where the entity's residual involvement is a guarantee on the transferred asset, the involvement is measured on the basis of the lesser of the amount of the asset and the maximum amount of consideration received that the entity may have to repay.

**Impairment**

The Group records a write-down for expected losses for all financial assets represented by debt instruments not held at fair value recognised in the income statement. Specifically, impairment provisions apply to all financial assets measured at amortised cost and at fair value recognised in the consolidated statement of comprehensive income, whereas financial assets measured at fair value recognised in the income statement are excluded.

The Group uses the simplified approach and recognises the expected losses on all trade receivables on the basis of their residual duration by establishing a criterion for determining the allowance based on the past loss experience of individual Group companies, adjusted also to take account of specific forecasting factors relating to creditors and the economic environment.

In the absence of a reasonable expectation of recovery, trade receivables are fully written down.



## ***Financial liabilities***

### **Recognition and initial valuation**

Financial liabilities are classified upon initial recognition as financial liabilities at fair value in the income statement, as mortgages and loans, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognised at fair value plus directly attributable transaction costs in the case of mortgages, loans and payables.

The Group's financial liabilities include trade payables and other payables, mortgages and loans, including bank overdrafts and financial derivatives.

### **Subsequent valuation**

For the purposes of subsequent valuation, financial liabilities are classified into two categories:

- Financial liabilities at fair value recognised in the income statement.
- Financial liabilities at amortised cost (financing and loans).

### **Financial liabilities at fair value recognised in the income statement**

Financial liabilities at fair value with changes recognised in the income statement include liabilities held for trading and financial liabilities initially recognised at fair value with changes recognised in the income statement.

Liabilities held for trading are all those assumed with the aim of extinguishing or transferring them in the short term. This category also includes derivatives entered into by the Group that are not designated as hedging instruments in a hedging relationship as defined by IFRS 9. Embedded derivatives, separated from the main contract, are classified as financial instruments held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit/(loss) for the year.

Financial liabilities are recognised at fair value in the income statement from the date of first recognition only if the criteria of IFRS 9 are met. At initial recognition, the Group did not designate financial liabilities at fair value in the income statement.

### **Financial liabilities at amortised cost (financing and loans)**

After the initial measurement, financing is measured using the amortised cost criteria, using the method of the effective interest rate. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortization process.

The amortised cost is calculated by taking into account the discount or premium on the acquisition and the fees or costs that form an integral part of the effective interest rate. Amortization at the effective interest rate is included among the financial expenses in the statement of profit/(loss) for the year.

This category generally includes receivables and interest-bearing loans.

**Derecognition**

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled. If an existing financial liability is replaced by another of the same provider under substantially different conditions, or if the conditions of an existing liability are substantially modified, this exchange or modification is treated as a derecognition of the original liability accompanied by the recognition of a new liability, with any differences between the accounting values recorded in the statement of profit/(loss) for the year.

**Offsetting of financial instruments**

A financial asset and financial liability can be offset and the net balance shown in the consolidated statement of financial position if there is a current legal right to offset the recognised amounts and there is an intention to settle the net residual, or realise the asset and at the same time settle the liability.

***Derivatives and Hedge Accounting*****Initial recognition and subsequent valuation**

The Group uses derivative financial instruments including foreign currency forward contracts and interest rate swaps to hedge its currency exchange risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive, and as financial liabilities when the fair value is negative.

For hedge accounting purposes, there are three types of hedges:

- Fair value hedge when hedging against exposure to changes in the fair value of the asset or recognised liability or unrecognised irrevocable commitment.
- Cash flow hedge when hedging against exposure to variability in cash flows attributable to a particular risk associated with all recognised assets or liabilities or with a highly probable planned transaction or foreign currency risk on an unrecognised irrevocable commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.

The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets the requirements for hedge effectiveness (including an analysis of the sources of hedge ineffectiveness and how the hedging relationship is determined). The hedging relationship meets the eligibility criteria for accounting for hedging transactions if it meets all the following hedging effectiveness requirements:

There is an economic relationship between the hedged item and the hedging instrument.

The effect of the credit risk does not prevail over the changes in value resulting from the aforementioned economic relationship.

The hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge that amount of hedged item.



Transactions that meet all the qualifying criteria for hedge accounting are accounted for as follows:

#### *Fair value hedges*

The change in the fair value of hedging derivatives is recognised in the income statement. The change in the fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in the consolidated statement of comprehensive income.

With regard to fair value hedges related to items accounted for at amortised cost, each adjustment to the book value is amortised in the statement of profit/(loss) for the year over the residual period of the hedge using the effective interest method. The amortization thus determined may begin as soon as an adjustment exists but may not extend beyond the date on which the hedged item ceases to be adjusted as a result of changes in fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the income statement.

When an unrecognised irrevocable commitment is designated as a hedged item, the subsequent cumulative changes in its fair value attributable to the hedged risk are accounted for as assets or liabilities and the corresponding gains or losses are recognised in the statement of profit/(loss) for the year.

#### *Cash flow hedging*

The portion of profit or loss on the hedging instrument relating to the effective hedging portion is recognised in the consolidated statement of comprehensive income in the “cash flow hedge” reserve, while the ineffective portion is recognised directly in the income statement. The cash flow hedge reserve is adjusted to the lesser of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward contracts on currencies to hedge its exposure to exchange rate risk relating to both planned transactions and commitments already established. The ineffective portion of forward exchange contracts is recognised in financial income and expenses.

The Group designates only the spot component of forward contracts as a hedging instrument. The forward component is cumulatively recognised in the consolidated statement of comprehensive income in a separate item. Amounts accumulated among other components of consolidated statement of comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial component, the amount accumulated in shareholders' equity is removed from the separate component of the shareholders' equity and included in the cost or other carrying amount of the hedged asset or liability. This is not considered a reclassification of the items recognised in OCI for the period. This also applies in the case of a hedged planned transaction of a non-financial asset or a non-financial liability that subsequently becomes an irrevocable commitment to which fair value hedge accounting applies.

For any other cash flow hedge, the amount accumulated in OCI is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows impact the income statement.

If the cash flow hedge accounting is discontinued, the amount accumulated in OCI must remain so if the future cash flows hedged are expected to occur. Otherwise, the amount must be immediately reclassified in the income statement for the year as a reclassification adjustment. After suspension, once the hedged cash flow occurs, any accumulated amounts remaining in OCI must be accounted for depending on the nature of the underlying transaction as described above.

*Hedges of a net investment in a foreign operation*

Hedges of a net investment in a foreign operation, including hedges of a monetary item accounted for as part of a net investment, are accounted for in a manner similar to cash flow hedges. Gains or losses on the hedging instrument are recognised among other components of the consolidated statement of comprehensive income or the effective portion of the hedge, while the remaining (ineffective) portion are recognised in the statement of profit/(loss) for the year. Upon disposal of the foreign asset, the cumulative value of these comprehensive gains or losses is transferred to the statement of profit/(loss) for the year.

## INVENTORIES

Inventories are measured at the lower of purchase and/or production cost, determined using the weighted average cost method, and their net realisable value. The purchase cost is inclusive of the ancillary costs related to purchases of the period; the production cost includes the costs of direct allocation and a portion of the indirect costs reasonably attributable to the products. The net realisable value is estimated sales price less estimated costs for completion and estimated costs to execute the sale.

Where necessary, provision is made for materials or products, taking into account their expected use and realisable value.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short-term demand deposits, in the latter case with an original term no longer than three months. Cash and cash equivalents are recorded in the financial statements at nominal value and at the spot exchange rate at the end of the year if in foreign currency.

## PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised when: (i) there is a probable existence of a present obligation, either legal or constructive, as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation.

Provisions are recorded at the value representing the best estimate of the amount that the company would rationally pay to settle the obligation or to transfer it to third parties at the balance sheet date.



When the Group considers that a Provision for risks and charges will be partially or completely reimbursed, for example in the case of risks covered by insurance policies, compensation is recognised distinctly and separately in the assets if and only if it is practically certain. In this case, the cost of any provision is presented in the income statement net of the amount recognised as compensation.

If the effect of discounting the monetary value is significant, the provisions are updated using a pre tax discount rate that can reflect the specific liability risks. When the discounting is carried out, the increase in the provision due to the passing of time is reported as a financial expense.

Provisions are periodically updated to reflect changes in estimates of costs, timing and discount rate; revisions are charged to the same income statement item that previously accounted for the provision.

#### SHARE-BASED PAYMENTS

In accordance with IFRS 2, the total amount of the current value of stock grants at the allocation date is recognised in full in the statement of profit/(loss) for the year, with a balancing entry in a special shareholders' equity reserve. In the case of a "vesting period" in which certain conditions (achievement of targets) must be met for the grantees to become entitled to the right, the cost recognised in the statement of profit/(loss) for the year, determined on the basis of the current value of the shares at the grant date, spread over the relevant service period.

#### EMPLOYEES TERMINATION INDEMNITIES

Post-employment benefit plans, whether formal or not, are classified as "defined benefit plans" and "defined contribution plans", depending on their characteristics.

Italian legislation (Article 2120 of the Italian Civil Code) provides that on the date on which an employee terminates the employment contract with the Company, he/she receives a severance indemnity called TFR. The calculation of this indemnity is based on certain items that form the annual remuneration of the employee for each year of work (appropriately revalued) and on the length of the employment relationship. According to Italian civil law, this indemnity is reflected in the financial statements according to a calculation method based on the indemnity accrued by each employee at the financial statement date, hypothesising that all employees terminated their employment contracts on that date.

The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) addressed the issue of the Italian TFR and concluded that, in application of IAS 19, it must be calculated according to a methodology called the Projected Unit Credit Method ("PUCM"), according to which the amount of the acquired benefit liability must reflect the expected date of resignation and must be discounted.



The actuarial assumptions and their effects take into account the regulatory changes introduced by the Italian legislature, which have provided for the option for the employee to allocate the TFR accrued from 1 July 2007 to INPS or to supplementary pension funds.

The net obligation of the Group deriving from defined benefit plans is calculated by estimating the amount of future benefit that employees have accrued in exchange for the work done in the current and previous years. This benefit is discounted to calculate the present value. Actuarial gains and losses related to defined benefit plans, accumulated up to the previous year and reflecting the effects deriving from changes in the actuarial assumptions used, are recognised in full in the consolidated statement of comprehensive income.

The actuarial valuation of the liability was entrusted to an independent actuary.

The Group's obligation deriving from defined contribution plans is limited to the payment of contributions to the State or to an asset manager or a legally separate entity (so-called fund), and is determined on the basis of the contributions due.

## REVENUES AND COSTS

### **Revenues from contracts with customers**

IFRS 15 requires revenues to be recognised for an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services to the customer.

The Group applied IFRS 15 from the mandatory effective date (1 January 2018), using the method of full retrospective application. In applying IFRS 15, the Group considered the following points:

#### *a) Sale of goods*

Revenues from the sale of goods are recognised when control of the goods passes to the customer. Generally, this occurs:

- For the wholesale channel, at the time of shipment.
- For the retail channel, at the time of delivery of the goods to customers, where sales are usually paid directly at the cash register or via credit card.
- For the e-commerce channel, when the customer gets control of the shipped goods.

In some geographical areas, the Group sells its products through department stores that act as agents and charge back to the Group the fees for the services rendered (rental of the premises, promotional events, marketing, etc.) in relation to the value of the goods sold to the end customer. In fact, in these contracts the department store is not considered as the main party responsible for fulfilling the promise to supply the goods to the end customer.

Moreover, the department store does not have the discretionary power to define the price of the goods sold to customers.

Consequently, for these types of contracts the application of IFRS 15 provided for the presentation of the actual revenues from sales and the separate indication of the costs of the services rendered by the department store, the latter being services distinct from those for the sale of products to the end customers.

The Group noted that the recognition of revenues occurs when control of the asset is transferred to the customer, generally upon delivery of the asset (revenue recognition at a point in time).



*b) Variable consideration – right of return*

The Group recognises the right of return only in residual and ancillary cases with respect to the ordinary performance of the commercial relationship with its customers. When a contract with a customer provides for a right of return of the goods, the Group uses the expected value method to estimate the goods that will not be returned, in accordance with IFRS 15.

Revenues are presented net of returns, which also include the estimate made to take into account returns that will arise after the end of the financial year but which are related to the revenues of the financial year.

**Royalties**

Royalty revenues are recognised on an accrual basis in accordance with the terms and amounts envisaged in the licence agreement, generally based on sales volumes.

**Public grants**

Public grants are recognised when it is reasonably certain that they will be received and all conditions relating to them are met. Grants related to cost components are recognised as revenues, but are systematically distributed between financial years so as to be proportionate to the recognition of the costs they intend to offset. The grant related to an asset is recognised as revenue on a straight-line basis, over the expected useful life of the specific asset. Where the Group receives a non-monetary contribution, the asset and its grant are recorded at nominal value and released to the income statement on a straight-line basis over the expected useful life of the asset in question.

**Costs**

Costs are recognised when they are related to goods and services sold, consumed or allocated when their future useful lives cannot be determined.

In accordance with IAS 38, advertising and research costs are fully allocated to the income statement when the service was rendered and delivered to the Group.

Costs are recorded on the basis of their nature considering the principles applicable under IFRS.

**FINANCIAL INCOME AND EXPENSES**

Financial income and expenses include all financial items recognised in the income statement for the period on an accrual basis, including interest expense accrued on borrowings, calculated using the effective interest method, foreign exchange gains and losses, gains and losses on derivative financial instruments (in accordance with the previously defined accounting policies), and interest arising from the accounting treatment of leased assets (IFRS 16) and employee-related provisions (IAS 19).



## INCOME TAXES

Income taxes for the period include the determination of both current and deferred taxation. They are recognised in full in the income statement and included in the result for the period, except when they are generated by transactions that are transferred in the current or another period through other changes in the consolidated statement of comprehensive income directly to shareholder's equity. In this case, the related deferred taxes are also recognised directly in shareholder's equity.

### **Current taxes**

Current taxes reflect an estimate of the tax burden determined by applying the regulations in force in the countries that the Brunello Cucinelli Group operates in. The liability for current taxes is calculated using the rates in force or substantially approved at the reporting date.

Current tax payables are classified in the consolidated statement of financial position net of any advance tax paid.

### **Deferred taxes**

Deferred taxes are calculated on the deductible temporary differences (deferred tax assets) and taxable (deferred tax liabilities) resulting at the reporting date between the tax values taken as reference for assets and liabilities and the values reported in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profit will be available against which temporary deductible differences and carried forward tax assets and liabilities can be utilised.

The value of deferred tax assets to be reported in the financial statements is reviewed at each closing date of the financial statements and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to allow all or part of this credit to be used.

Unrecognised deferred tax assets are reviewed annually at the closing date of the financial statements and are recognised to the extent that it has become probable that the taxable profit is sufficient to allow these deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured according to the tax rates expected to be applied in the year in which these assets are realised or these liabilities are extinguished, considering the rates in force and those already enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are charged directly to the income statement, with the exception of those relating to items recognised directly in Shareholders' equity, in which case the relevant deferred taxes are recognised consistently without being charged to the income statement.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets with current tax liabilities, and the deferred taxes refer to the same tax entity and the same tax authority.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



## EARNINGS/(LOSS) PER SHARE

Basic profit/(loss) per share is calculated by dividing the Group profit/(loss) of the Group by the weighted average number of shares in circulation during the period. To calculate diluted profit/(loss) per share, the weighted average number of shares in circulation is modified assuming the conversion of all potential shares having a dilutive effect. The net profit is also adjusted to take into account the effects of the conversion net of taxes.

Profit/(loss) diluted by share coincide with basic profit since there are no outstanding shares or options other than ordinary shares.

## OPERATING SEGMENTS

For the purposes of IFRS 8 Operating Segments the Group's business is conducted in a single operating segment.

IFRS 8 defines an operating segment as a component:

- That undertakes entrepreneurial activities that generate revenues and costs;
- Whose operational results are periodically reviewed at the highest decision-making level;
- For which separate financial statement information is available.

The Group has identified a single operating segment, linked to the concept of “brand”. The Group identifies itself in a single brand, “Brunello Cucinelli”, and this representation is consistent with the way management makes its decisions, allocates resources and defines its communications strategy.



## 4. CHANGES IN ACCOUNTING STANDARDS, NEW ACCOUNTING STANDARDS, CHANGES IN ESTIMATES AND RECLASSIFICATIONS

### 4.1 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective.

An amendment was applied for the first time in 2025 but did not have any impact on the Group's consolidated financial statements.

#### ***Lack of exchangeability - Amendments to IAS 21***

The amendments to IAS 21 *Effects of the variations in foreign exchange rates* specify how an entity should determine if an exchange rate is convertible and how it must determine the spot exchange rate when it is not convertible. The amendments also require information to be provided that permit the users of the financial statements to understand how the currency that cannot be converted into another currency influences, or could influence, the economic result, the statement of financial position and the financial flows of the entity.

The amendments are applicable starting from financial years beginning on or after 1 January 2025. When applying the amendments, the entity cannot redetermine the comparative information.

These amendments did not have any impact on the Group's Financial Statements.

### 4.2 ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The standard and interpretations that, as of the date of preparation of the these Consolidated Financial Statements were already issued but not yet in force, are illustrated below. The Group intends to adopt these standard and interpretations, if applicable, when they come into force.

#### ***IFRS 18 Presentation and Disclosure in Financial Statements***

In April 2024, IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for the presentation of the Income statement, including specific totals and subtotals. Furthermore, the entities must classify all the costs and revenues in the income statement into five categories: operational, investment, borrowings, income taxes and discontinued operations, where the first three categories are new. The standard also requires providing a disclosure based on the new definition of the performance indicators defined by management (management-defined performance measures (MPMs)), cost and revenue subtotals, and includes new provisions for the aggregation and disaggregation of financial information based on the roles identified for the Primary Financial Statements (PFS) and the notes.

Furthermore, changes were introduced to IAS 7 Statement of cash flow, which include the change in the starting point for determining cash flows from operating activities based on the indirect method; from the profit or loss to the operational profit or loss and the removal of the right to classify the cash flows from dividends and interest. Furthermore, consequential changes were made to multiple other accounting standards.



IFRS 18, and the changes to the other standards, are effective for financial years that start on or after 1 January 2027, but anticipated application is permitted, providing that this is disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify the impacts the changes will have on its financial statements and the accompanying notes.

#### ***IFRS 19 Subsidiaries without Public Accountability: Disclosures***

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the provisions for the recognition, measurement and presentation in the other IFRS accounting standards. To be eligible, at the end of the financial year the entity must be a subsidiary as defined in IFRS 19, may not have “public accountability” and must have a parent company (last or intermediate) that prepares the consolidated financial statements, which are publicly available, in accordance with the IFRS accounting standards. IFRS 19 will become effective for financial years that start on or after 1 January 2027, with the possibility of advanced application.

As Group shares are listed publicly, the Group is not eligible for the application of IFRS 19.

#### ***Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7***

In May 2024, the IASB has issued the amendments to IFRS 9 and IFRS 7, denominated *Amendments to the Classification and Measurement of Financial Instruments*. The amendments include:

- a clarification according to which a financial liability is cancelled on the “date of settlement” and the introduction of an accounting policy option (if specific conditions are satisfied) for cancelling financial liabilities regulated by means of electronic payment systems prior to the date of settlement;
- additional information about how to evaluate contractual cash flows for financial activities with environmental, social and governance (ESG) characteristics or similar;
- clarifications about what are the characteristics of a “non recourse” instrument (non-recourse feature) and what are the characteristics of the contractually connected instruments;
- the introduction of disclosure obligations for financial instruments with contingent characteristics and additional disclosure requirements for equity instruments classified at fair value instruments that are charged to the consolidated statement of comprehensive income (OCI).

The amendments apply for annual periods beginning on or after 1 January 2026, and advanced adoption is permitted only for the classification of the financial assets and their relative disclosure.

The Group does not expect that these amendments will have a significant effect on the Consolidated Financial Statements of the Group.

#### ***Annual Improvements to IFRS Accounting Standards - Volume 11***

In July 2024, the IASB issued nine amendments with a limited scope as part of the periodic maintenance of IFRS. These amendments include clarifications, simplifications, corrections or changes aimed to improve the coherence of the following principles: IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial Instruments: Disclosures* and the relative *Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statement of Cash Flows*.

The amendments are effective for administrative periods that start on or after 1 January 2026. Advanced adoption is permitted, which must be suitably disclosed.

It is not expected that these amendments will have a significant impact on the Consolidated Financial Statements of the Group.



## 5. TRANSLATION OF FINANCIAL STATEMENTS IN A CURRENCY OTHER THAN THE EURO AND TRANSLATION OF FOREIGN CURRENCY ITEMS

The consolidated financial statements are presented in euros, the functional and presentation currency adopted by the Company. As required by IAS 1, the amounts were represented in thousands of Euros.

Each Group entity establishes its own functional currency which it uses to measure the items included in the individual financial statements. Transactions in foreign currency are initially recognised at the exchange rate (referring to the functional currency) at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate ruling at the closing date of the financial statements.

All exchange differences are recognised in the Income statement.

Non-monetary items, measured at historic cost in foreign currency, are translated at the exchange rates at the date of the initial recognition of the transaction.

The financial statements of foreign companies being consolidated are translated into euros using the current exchange rate method, under which the exchange rate at the balance sheet date is used for the translation of the balance sheet items, the historical exchange rates for the shareholders' equity items and the average exchange rate of the year for the income statement items.

Translation differences are recognised directly in shareholders' equity and presented in a separate reserve. On the sale of a foreign company the cumulative exchange differences in shareholders' equity are recognised in the income statement.

The following table shows the exchange rates used for calculating the amounts in Euro that are expressed in foreign currency in the financial statements of subsidiaries (currency amount per Euro):

	Average exchange rates		Closing exchange rates	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
US dollar	1.1300	1.0824	1.1750	1.0389
Swiss franc	0.9370	0.9526	0.9314	0.9412
Japanese yen	169.0435	163.8519	184.0900	163.0600
Renminbi	8.1185	7.7875	8.2262	7.5833
Pound sterling	0.85679	0.84662	0.8726	0.82918
Hong Kong dollar	8.8104	8.4454	9.1464	8.0686
Canadian dollar	1.5787	1.4821	1.6088	1.4948
Rouble	94.30514	100.4052	93.6076	115.6804
Singapore dollar	1.4756	1.4458	1.5105	1.4164
Taiwan dollar	35.1488	34.7483	36.8620	34.0566
Dirham	4.1499	3.9750	4.3152	3.8154
Kuwaiti dinar	0.3467	0.3322	0.3617	0.3201
Mexican peso	21.6705	*	21.1180	*
Australian dollar	1.7518	*	1.7581	*



## 6. COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 6.1 IMPAIRMENT

On each financial closing date, as required by IAS 36 and internal procedures, the Group assesses whether there are any indications of loss of value of non-current assets (€1,252.3 million at 31 December 2025), mainly comprised of:

- Right of use (€716.3 million as at 31 December 2025), which also includes compensation paid to the lessee in accordance with industry practice in order to take over a lease contract for a store located in a strategic position (so-called key money);
- Intangible assets (Euro 21.9 million at 31 December 2025);
- Property, plant and equipment (Euro 342.2 million at 31 December 2025);
- Investment property (Euro 10.3 million at 31 December 2025);
- Other non-current financial assets (Euro 47.5 million at 31 December 2025);
- Deferred tax asset (Euro 111.4 million at 31 December 2025).

#### **Impairment Test structure**

The impairment test starts from the identification of the Cash Generating Unit (CGU) or group of CGUs to which goodwill, property, plant and equipment and intangible assets with finite useful lives of the Group should be allocated. This assessment is complex and requires the application of technical and professional judgement by Management. Taking into account the organizational structure and type of business, the way in which management controls the operations of the Company and the Group, and makes decisions on whether to keep operational or dispose of assets or the group of assets and services that generate economic benefits, in line with previous years and in the absence of organizational and/or structural changes at a Group level, the management has identified the individual legal entities controlled by the Group or the set of assets pertaining to the individual legal entities controlled by the Group as the smallest group of assets capable of generating cash flows that are largely independent of those generated by other assets or groups of assets.

In compliance with the impairment procedure, the Group performed an analysis aimed at assessing the recoverability of the right of use assets and intangible and tangible assets attributable to the individual CGUs that showed indicators of impairment as at 31 December 2025.

At 31 December 2025 management has identified impairment indicators, exclusively for CGU Brunello Cucinelli RUS, in consideration of the continuation of the geo-political conflict between Russia and Ukraine.

Management believes that the assets represented by the rights of use do not represent assets capable of generating cash inflows that are largely independent of those deriving from other assets or groups of assets. Therefore, as envisaged by paragraphs 22 and 66 of IAS 36, the determination of the recoverable amount for the purpose of performing impairment tests in the presence of impairment indicators is performed at the level of the smallest Cash-Generating Unit which the asset belongs to (i.e. the individual Cash Generating Unit - CGU). The “rights of use” of each individual CGU are tested for impairment in the presence of a triggering event (for each CGU).



The main assumptions used to calculate the recoverable value include:

- an estimation of future operating flows;
- the Weighted Average Cost of Capital (WACC);
- the nominal long-term growth rate “g”;
- the terminal value.

For the CGUs for which management has identified impairment indicators as at 31 December 2025, the impairment test is performed by comparing the net carrying amount of the CGU (intended as the Net Invested Capital in the CGU) with the recoverable amount (intended as the higher of fair value less costs to sell and value in use, as envisaged by paragraphs 18 and 74 of IAS 36). A model based on discounting the expected future cash flows (Discounted Cash Flow – DCF) generated by the CGU was used to estimate the value in use. In line with the provisions of paragraph 75 of IAS 36, the Net Invested Capital in the CGU (legal entities) used for the purpose of the impairment test was appropriately adjusted in order to make it consistent with the recoverable amount.

As required by paragraph 33, point b of IAS 36, the cash flows used to determine value in use are based on the most recent budgets/forecasts approved by management and do not include projections of any cash inflows or outflows that are expected to arise from future restructuring or improvements or enhancements in business performance. More specifically, the explicit projection period for CGUs tested for impairment at 31 December 2025 is at least five years, in line with industry best practices and what is specified by international accounting standards.

The projections of operating cash flows used for the purposes of the value assessments are based on budgets and plans submitted for approval to the Board of Directors on 10 December 2025 and were prepared on the basis of the most recent economic and financial forecasts available and management’s expectations regarding the performance of the markets the subsidiaries operate in. This assessment is complex and requires the application of technical and professional judgement by Management. Specifically, in the forecast of the expected profitability of the CGUs (and monitored at the level of legal entity), which in turn is influenced by the forecast of the traffic and spending of customers in local markets, as well as by the assumptions underlying the calculation of the discount rate and terminal value.

For the purpose of determining the value in use of the CGU OOO Brunello Cucinelli RUS, we point out that in the definition of the main assumptions underlying the updating of the prospective data – in line with what was carried out to perform the impairment test at 31 December 2023 – elements of prudence were incorporated with respect to the estimate of the economic components to take into account the impact of the conflict, the sanctions in place and the possible resumption of business in the domestic territory, as per ESMA and OIV recommendations.

The present value of cash flows for the years explained in the various plans was supplemented by the Terminal Value, calculated according to the perpetual income methodology, at a growth rate “g” that represents the present value at the last forecast year of all expected future cash flows. In this case, Management considered an average growth rate “g” equal to 4.00% and corresponding to the expected domestic inflation rate provided by an external provider.

For the purpose of discounting cash flows and terminal value, management used a discount rate equal to the Weighted Average Cost of Capital (WACC) which, as required by paragraph 55 of IAS 36, takes into account the time value of money and the risks specific to the business for which estimates of future cash flows have not been adjusted.



The discount rate used for the impairment test of the CGU OOO Brunello Cucinelli RUS was determined as equal to 14.6% for the explicit projection period and equal to 12.0% for the discounting of the Terminal Value to bring it in line with the long-term outlook of the CGU, once the current situation of maximum volatility has passed. These discount rates, net of the tax effect, were considered adequate to reflect the cost of money and the specific risk related to operations, also taking into account the country risk. As in previous years, a “full equity” structure was considered for the test.

**Effects of the impairment test at the reporting date**

Keep in mind, based on the result of the impairment test performed with reference to 31 December 2023, the value of right of use property recorded by the subsidiary OOO Brunello Cucinelli RUS, for a total value amounting to €7,500 thousand, was partially written down.

The impairment test performed with reference to 31 December 2025 did not identify additional impairment losses or revaluations.

**Sensitivity analysis of the impairment test**

In relation to the impairment tests, impairment sensitivity analysis were performed, simulating a change in the growth rate “g” equal to  $\pm 0.5\%$  and a change in WACC equalling  $\pm 0.5\%$ . These sensitivity tests did not point out results that were significantly different than the results of the impairment test.

**Note 1. Right of use**

The composition of Right of Use assets at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Right of use buildings	715,704	610,954	104,750
Right of use equipment	100	140	(40)
Right of use other tangible fixed assets	482	547	(65)
<b>Total right of use</b>	<b>716,286</b>	<b>611,641</b>	<b>104,645</b>

Details of cost, accumulated depreciation and net book value of right of use assets at 31 December 2025 with comparative figures at 31 December 2024 are as follows:

<i>(Euro/000)</i>	31 December 2025			31 December 2024		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Right of use buildings	1,336,396	(620,692)	715,704	1,170,123	(559,169)	610,954
Right of use equipment	281	(181)	100	281	(141)	140
Right of use other tangible fixed assets	1,014	(532)	482	997	(450)	547
<b>Total right of use</b>	<b>1,337,691</b>	<b>(621,405)</b>	<b>716,286</b>	<b>1,171,401</b>	<b>(559,760)</b>	<b>611,641</b>

Right of use assets as at 31 December 2025 amounted to €716,286 thousand and mainly relate to leases for spaces in the Group's boutiques and showrooms, and to a residual extent to leases for offices and logistics, equipment and other assets. This item also includes key money paid by the Group as it is classified as an initial direct cost of leases according to IFRS 16.

The following table show changes in the net book value of the right of use assets for the years ended 31 December 2025 and 31 December 2024:

<i>(Euro/000)</i>	Right of use buildings	Right of use equipment	Right of use other tangible fixed assets	Total right of use
<b>Balance as at 01 January 2025</b>	<b>610,954</b>	<b>140</b>	<b>547</b>	<b>611,641</b>
Increases	280,034	-	310	280,344
Net decreases	(12,568)	-	(2)	(12,570)
Translation differences	(34,253)	-	(12)	(34,265)
Depreciation and amortization	(128,463)	(40)	(361)	(128,864)
<b>Balance as at 31 December 2025</b>	<b>715,704</b>	<b>100</b>	<b>482</b>	<b>716,286</b>



<i>(Euro/000)</i>	Right of use buildings	Right of use equipment	Right of use other tangible fixed assets	Total right of use
<b>Balance as at 01 January 2024</b>	<b>500,252</b>	<b>181</b>	<b>618</b>	<b>501,051</b>
Increases	210,909	-	387	211,296
Net decreases	(7,473)	-	(35)	(7,508)
Translation differences	14,006	-	6	14,012
Changes in the scope of consolidation	356	-	-	356
Depreciation and amortization	(107,096)	(41)	(429)	(107,566)
<b>Balance as at 31 December 2024</b>	<b>610,954</b>	<b>140</b>	<b>547</b>	<b>611,641</b>

The increases recorded during 2025 refer mainly to new rental contracts entered into during the year for new openings and the important expansions of our boutiques realised during the year as well as the new openings planned for the upcoming months, whose leases are already producing the relative effects.

## Note 2. Intangible assets

The composition of intangible assets at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Concessions, licences, trademarks and similar rights	18,018	11,038	6,980
Intangible assets in progress and advances	3,907	5,394	(1,487)
<b>Total intangible assets</b>	<b>21,925</b>	<b>16,432</b>	<b>5,493</b>

Details of cost, accumulated amortization and net book value of intangible assets at 31 December 2025 with comparative figures at 31 December 2024 are as follows:

<i>(Euro/000)</i>	31 December 2025			31 December 2024		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
Concessions, licences, trademarks and similar rights	68,793	(50,775)	18,018	55,704	(44,666)	11,038
Other intangible fixed assets	1,721	(1,721)	-	1,721	(1,721)	-
Intangible assets in progress and advances	3,907	-	3,907	5,394	-	5,394
<b>Total intangible assets</b>	<b>74,421</b>	<b>(52,496)</b>	<b>21,925</b>	<b>62,819</b>	<b>(46,387)</b>	<b>16,432</b>

Intangible assets amounted to €21,925 thousand as at 31 December 2025 and consisted principally of concessions, licenses, trademarks and similar rights for software used in IT and Digital activities to support the business through the renovation and modernisation of the Group's technological platforms, in particular those for the e-commerce website and for digital sales, also in connection with the development of the BrunelloCucinelli.AI project, considered by many to be a "true invention" on a global level for the original intention of combining artificial intelligence and human creativity.



The following table sets out changes in the net book value of intangible assets for the years ended 31 December 2025 and 31 December 2024:

<i>(Euro/000)</i>	<b>Concessions, licences, trademarks and similar rights</b>	<b>Intangible assets in progress and advances</b>	<b>Total intangible assets</b>
<b>Balance as at 01 January 2025</b>	<b>11,038</b>	<b>5,394</b>	<b>16,432</b>
Increases	9,103	3,231	12,334
Net decreases	(19)	-	(19)
Translation differences	(26)	-	(26)
Reclassifications	4,718	(4,718)	-
Depreciation and amortization	(6,796)	-	(6,796)
<b>Balance as at 31 December 2025</b>	<b>18,018</b>	<b>3,907</b>	<b>21,925</b>

<i>(Euro/000)</i>	<b>Concessions, licences, trademarks and similar rights</b>	<b>Intangible assets in progress and advances</b>	<b>Total intangible assets</b>
<b>Balance as at 01 January 2024</b>	<b>10,854</b>	<b>2,970</b>	<b>13,824</b>
Increases	5,631	3,532	9,163
Translation differences	10	(1)	9
Reclassifications	1,100	(1,107)	(7)
Changes in the scope of consolidation	15	-	15
Depreciation and amortization	(6,572)	-	(6,572)
<b>Balance as at 31 December 2024</b>	<b>11,038</b>	<b>5,394</b>	<b>16,432</b>

Capital expenditures in 2025 amounted to €12,334 thousand, of which €11,901 thousand relating to the project to upgrade the information technology and IT/Digital systems, accounted for as to €8,670 thousand under the items “Concessions, licenses, trademarks and similar rights” and as to €3,231 thousand under the items “Intangible assets in progress and advances”.

### Note 3. Property, plant and equipment

The composition of Property, plant and equipment at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	<b>31 December 2025</b>	<b>31 December 2024</b>	<b>Change</b>
Land	29,033	27,386	1,647
Buildings	96,855	57,079	39,776
Leasehold improvements	100,570	80,198	20,372
Plant and machinery	7,213	6,823	390
Industrial and commercial equipment	2,551	2,632	(81)
Other assets	51,994	44,101	7,893
Fixed assets under construction and advances	53,940	50,621	3,319
<b>Total property, plant and equipment</b>	<b>342,156</b>	<b>268,840</b>	<b>73,316</b>



Details of historical cost, accumulated depreciation and the net book value of property, plant and equipment at 31 December 2025 with comparative figures at 31 December 2024 are as follows:

(Euro/000)	31 December 2025			31 December 2024		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Land	29,033	-	29,033	27,386	-	27,386
Buildings	118,851	(21,996)	96,855	76,341	(19,262)	57,079
Leasehold improvements	242,736	(142,166)	100,570	212,523	(132,325)	80,198
Plant and machinery	24,920	(17,707)	7,213	23,257	(16,434)	6,823
Industrial and commercial equipment	8,952	(6,401)	2,551	8,210	(5,578)	2,632
Other assets	120,476	(68,482)	51,994	106,009	(61,908)	44,101
Fixed assets under construction and advances	53,940	-	53,940	50,621	-	50,621
<b>Total property, plant and equipment</b>	<b>598,908</b>	<b>(256,752)</b>	<b>342,156</b>	<b>504,347</b>	<b>(235,507)</b>	<b>268,840</b>

Property, plant and equipment as at 31 December 2025 amounted to €342,156 thousand and is mainly comprised of the value of buildings used for production and the logistics for the main office, the improvements made to leased stores as well as equipment, plants and machinery useful for production and logistics and store furnishings.

The following table sets out the changes in the net book value of Property, plant and equipment for the years ended 31 December 2025 and 31 December 2024:

(Euro/000)	Land	Buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other assets	Fixed assets under construction and advances	Total property, plant and equipment
<b>Balance as at 01 January 2025</b>	<b>27,386</b>	<b>57,079</b>	<b>80,198</b>	<b>6,823</b>	<b>2,632</b>	<b>44,101</b>	<b>50,621</b>	<b>268,840</b>
Increases	1,174	19,654	44,858	2,182	927	24,260	34,458	127,513
Net decreases	-	-	(30)	-	(35)	(248)	-	(313)
Translation differences	-	-	(4,660)	(159)	-	(3,348)	(850)	(9,017)
Impairment of assets	-	-	(165)	-	-	(3)	-	(168)
Reclassifications	473	22,856	5,091	262	-	1,607	(30,289)	-
Depreciation and amortization	-	(2,734)	(24,722)	(1,895)	(973)	(14,375)	-	(44,699)
<b>Balance as at 31 December 2025</b>	<b>29,033</b>	<b>96,855</b>	<b>100,570</b>	<b>7,213</b>	<b>2,551</b>	<b>51,994</b>	<b>53,940</b>	<b>342,156</b>



<i>(Euro/000)</i>	Land	Buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other assets	Fixed assets under construction and advances	Total property, plant and equipment
<b>Balance as at 01 January 2024</b>	<b>22,138</b>	<b>54,339</b>	<b>74,968</b>	<b>5,918</b>	<b>2,426</b>	<b>38,668</b>	<b>14,579</b>	<b>213,036</b>
Increases	5,148	4,058	21,088	1,654	1,024	15,826	41,396	90,194
Net decreases	-	(5)	(102)	(54)	(28)	(246)	(15)	(450)
Translation differences	-	-	1,602	77	-	1,343	318	3,340
Impairment of assets	-	-	(390)	-	-	(190)	-	(580)
Reclassifications	-	-	4,127	40	42	1,455	(5,657)	7
Changes in the scope of consolidation	100	770	54	938	-	97	-	1,959
Depreciation and amortization	-	(2,083)	(21,149)	(1,750)	(832)	(12,852)	-	(38,666)
<b>Balance as at 31 December 2024</b>	<b>27,386</b>	<b>57,079</b>	<b>80,198</b>	<b>6,823</b>	<b>2,632</b>	<b>44,101</b>	<b>50,621</b>	<b>268,840</b>

In 2025 the Brunello Cucinelli Group made investments in property, plant and equipment of €127,513 thousand consisting of the following:

- investments for a total of €20,828 thousand in the items “Land” and “Buildings”, related mainly to the completion, which we considered appropriate to achieve 6 months in advance, of the extremely important project of the three year plan 2024-2026 for the Made in Italy artisan production, with extraordinary investments made during the last two years that made it possible to double our headquarters in Solomeo and construct two new facilities for men’s tailoring in Gubbio and Penne, and, residually, purchase land in areas surrounding the hamlet of Solomeo as well as improvements made to owned buildings;
- €44,858 thousand in “Leasehold improvements”, principally due to new openings and the expansion of DOS and wholesale points of sale as well as improvements to existing boutiques, showrooms and the Casa Cucinelli spaces throughout the world;
- €27,369 thousand, of which €2,182 thousand recognised under “Plant and machinery” (mainly referring to new machinery for production), €927 thousand under “Industrial and commercial equipment” (mainly for investments made at sales points and at Solomeo headquarters), €24,260 thousand under “Other assets” (mainly referring to investments in furniture and furnishings at sales points as well as for ordinary development and upgrading activities for furniture and furnishings, PCs and other ICT hardware, vehicles and equipment and the “historic collection” at the headquarters in Solomeo);
- investments recorded under “Fixed assets under construction and advances” for €34,458 thousand, including work for completing a portion of the expansion of the factory in Solomeo. Additional significant investments for work for the opening of boutiques planned over the upcoming months.

Investments in IT/Digital referred to Property, plant and equipment amounted to €3,336 thousand in 2025.

**Note 4. Investment property**

The composition of investment property at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Investment property	10,300	9,766	534
<b>Total investment property</b>	<b>10,300</b>	<b>9,766</b>	<b>534</b>

This item, amounting to €10,300 thousand, relates to property complexes and building land located in Solomeo, also managed with the aim of being subsequently leased.

The table below shows changes in the net book value of investment property for the year ended 31 December 2025:

<i>(Euro/000)</i>	Total investment property
<b>Balance as at 01 January 2025</b>	<b>9,766</b>
Increases	787
Depreciation and amortization	(253)
<b>Balance as at 31 December 2025</b>	<b>10,300</b>

**Note 5. Current and non-current financial lease receivables**

This item includes subleases identified as “financial leases” that have been classified and accounted for as financial assets for leases.

This item was as follows at 31 December 2025:

<i>(Euro/000)</i>	Non-current	Current	Total at 31 December 2025
Financial lease receivables	2,428	1,195	3,623
<b>Total financial lease receivables</b>	<b>2,428</b>	<b>1,195</b>	<b>3,623</b>

Changes for the years ended 31 December 2025 and 31 December 2024 are as follows:

<i>(Euro/000)</i>	Total financial lease receivables
<b>Balance as at 01 January 2025</b>	<b>3,366</b>
Increases for new leases	1,429
Increases for interest income	85
Decreases for payments received	(1,257)
<b>Balance as at 31 December 2025</b>	<b>3,623</b>



<i>(Euro/000)</i>	Total financial lease receivables
<b>Balance as at 01 January 2024</b>	<b>6,226</b>
Increases for new leases	120
Increases for interest income	59
Decreases for payments received	(3,039)
<b>Balance as at 31 December 2024</b>	<b>3,366</b>

#### Note 6. Other non-current financial assets

The composition of other non-current financial assets at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Security deposits and other financial receivables	30,807	29,272	1,535
Equity investments in associates	16,718	15,316	1,402
<b>Total other non-current financial assets</b>	<b>47,525</b>	<b>44,588</b>	<b>2,937</b>

Other non-current financial assets were equal to €47,525 thousand at 31 December 2025. The balance mainly refers to security deposits related to the sums paid by the Brunello Cucinelli Group in connection with the stipulation of lease agreements for mono-brand shops, which increased due to new lease agreements and the renewal of current rental contracts for mono-brand boutiques and showrooms.

This item also includes €16,718 thousand relative to the investment in the associate company Cariaggi Lanificio S.p.A.

The investment, as specified by Accounting standard IAS 28 for investments in associates, was evaluated using the equity method, recording an increase in value of €1,402 thousand.

#### Note 7. Inventories

The composition of Inventories at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Raw materials and consumables	68,222	61,775	6,447
Work in progress and semi-finished goods	13,367	14,890	(1,523)
Finished goods and merchandise	429,275	392,946	36,329
Inventory write-down provision	(112,523)	(99,658)	(12,865)
<b>Total inventories</b>	<b>398,341</b>	<b>369,953</b>	<b>28,388</b>

For more information on this item, please refer to the Report on Operations of the Board of Directors.

**Note 8. Trade receivables**

Trade receivables as at 31 December 2025 amounted to €101,622 thousand compared with €82,092 thousand at 31 December 2024. For a comment on the changes in Net Working Capital, see the Report on Operations of the Board of Directors.

Trade receivables represent amounts due for the supply of goods and services and are all collectible in the short term, which means that their carrying amount is effectively their fair value at the date of preparation of these consolidated financial statements.

The amount by which receivables in the financial statements have been written down is a reasonable estimate of the impairment arising from the specific non-collectability risk identified in these receivables, as well as the expected loss in value.

Changes in the allowance for doubtful debts during the year ended 31 December 2025 compared with the previous year are as follows:

<i>(Euro/000)</i>	2025	2024
<b>Value at 1 January</b>	<b>6,774</b>	<b>5,017</b>
Changes in the scope of consolidation	-	18
Allocations	8,542	2,021
Uses	(1,249)	(284)
Reclassifications	14	-
Exchange differences	(337)	2
<b>Value at 31 December</b>	<b>13,744</b>	<b>6,774</b>

The provisions for the year, mainly attributed to the write-down of the credit due from the group Saks Global Holdings LLC as a result of their filing for Chapter 11 bankruptcy protection, as better detailed in the paragraph “Significant events after 31 December 2025” of the Report on Operations of the Board of Directors, are included in the item Impairment of assets and other accruals of the Income statement.

In 2025, losses on bad debts were recorded in the income statement for a total of €29 thousand, which together with the uses of the allowance for doubtful debts represented 0.09% of revenues for the year (0.02% in the previous year).

The situation regarding overdue balances is illustrated in the usual ageing table:

<i>(Euro/000)</i>	Situation at 31 December	
	2025	2024
Overdue by:		
0-90 days	6,040	6,607
91-180 days	2,454	3,419
More than 180 days	611	197
<b>TOTAL</b>	<b>9,105</b>	<b>10,223</b>

For more information on this item, please refer to the Report on Operations of the Board of Directors.

**Note 9. Tax receivables**

The composition of tax receivables at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
IRES regional production tax receivables	8,092	3,409	4,683
IRAP regional production tax receivables	1,522	403	1,119
Other tax receivables	527	143	384
<b>Total tax receivables</b>	<b>10,141</b>	<b>3,955</b>	<b>6,186</b>

Tax receivables at 31 December 2025 equals €10,141 thousand, mainly in reference to tax receivables for income taxes recognised by the Parent Company resulting from larger advances paid during the year.

**Note 10. Other receivables and other current assets**

The composition of other receivables and other current assets at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Tax receivables	10,664	17,317	(6,653)
Credit card receivables	8,231	9,620	(1,389)
Accrued income and prepaid expenses	14,411	10,148	4,263
Advances to suppliers	5,479	4,427	1,052
Other receivables	5,392	5,123	269
<b>Total other receivables and current assets</b>	<b>44,177</b>	<b>46,635</b>	<b>(2,458)</b>

Tax receivables amounted to €10,664 thousand as at 31 December 2025 compared to €17,317 thousand as at 31 December 2024.

The item refers mainly to the VAT credit recorded by the parent company and by subsidiaries.

Credit card receivables amounted to €8,231 thousand as at 31 December 2025 compared to €9,620 thousand as at 31 December 2024. The amount refers to payments received through credit cards, which occurred before the end of the year but have not yet been credited to current accounts.



Accrued income and prepaid expenses are attributable to various types of advance payments, which can be summarised in the following types: advance payments for rents not included in the scope of application of IFRS 16, utilities, insurance premiums and, with increasing importance, prepaid costs for advertising and other commercial expenses and fees relating to IT/digital management. Concerning the latter, prepaid fees amounted to €5,449 thousand at 31 December 2025.

Advances to suppliers mainly refer to down payments made to providers of services related to important brand events and to the production chain, with particular regard to *façonisti*, in connection with external processing carried out on Group products.

#### **Note 11. Other current financial assets**

Other current financial assets amounted to €993 thousand as at 31 December 2025, whereas it equalled €695 thousand as at 31 December 2024. This refers to short-term financial assets, including receivables of a financial nature, securities and, residually, to accrued interest income.

#### **Note 12. Cash and cash equivalents**

The composition of cash and cash equivalents at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Bank and postal deposits	201,749	181,013	20,736
Cash in hand	846	1,022	(176)
Cheques	253	15	238
<b>Total cash and cash equivalents</b>	<b>202,848</b>	<b>182,050</b>	<b>20,798</b>

The above amounts can be readily converted into cash, they are not liable to constraints or restrictions and are subject to an insignificant risk of change in value. The Brunello Cucinelli Group believes that the credit risk related to cash and cash equivalents is limited because this item mostly refers to deposits in various leading domestic and foreign banks.

Reference should be made to the Consolidated cash flows statement for details of the sources and applications that generated changes in cash and cash equivalents in the period ended 31 December 2025 compared to those of the previous year.

**Note 13. Derivative financial instruments**

The Brunello Cucinelli Group enters certain derivative contracts to hedge the interest rate risk on its medium- to long-term bank debt and the exchange risk on sales made in currencies other than the Euro.

The Parent Company only takes out these contracts for hedging purposes as the Group's financial management policy does not permit trading in financial instruments for speculative purposes. Derivative financial instruments meeting the requirements of international accounting standards are accounted for using hedge accounting. Changes in the fair value of derivative financial instruments not qualifying for hedge accounting under international accounting standards are recognised in the income statement in the relevant reporting period.

The interest rate and currency derivatives used by the Company are over the counter (OTC) instruments, meaning those negotiated bilaterally with market counterparties, and the determination of the relative current value is based on valuation techniques that use input parameters (such as rate curves, foreign exchange rates, etc.) observable on the market (level 2 of the fair value hierarchy envisaged by IFRS 7).

The following is noted for outstanding financial instruments at 31 December 2025:

- all financial instruments measured at fair value are included in Level 2 (identical situation in 2024);
- there have been no transfers from Level 1 to Level 2 or vice versa in 2025;
- there have been no transfers from Level 3 to other levels or vice versa in 2025.

Derivatives are measured by taking as a reference the interest rates and yield curves observable at commonly quoted intervals.



Details of the composition of Current and non-current derivative financial assets and Current and non-current derivative financial liabilities” at 31 December 2025 are set out below, with comparative figures at 31 December 2024:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Current assets for derivative instruments hedging currency risk	10,573	1,305	9,268
Current assets for derivative instruments hedging interest rate risk:			
- Current assets for derivative instruments hedging interest rate risk accounted for using hedge accounting	56	249	(193)
- Current assets for derivative instruments hedging interest rate risk: not accounted for using hedge accounting	-	-	-
<b>Total current derivative financial assets</b>	<b>10,629</b>	<b>1,554</b>	<b>9,075</b>
Non-current assets for derivative instruments hedging currency risk	-	-	-
Non-current assets for derivative instruments hedging interest rate risk:			
- Non-current assets for derivative instruments hedging interest rate risk accounted for using hedge accounting	337	53	284
- Non-current assets for derivative instruments hedging interest rate risk not accounted for using hedge accounting	-	-	-
<b>Total non-current derivative financial assets</b>	<b>337</b>	<b>53</b>	<b>284</b>
Current liabilities for derivative instruments hedging currency risk	(708)	(16,223)	15,515
Current liabilities for derivative instruments hedging interest rate risk:			
- Current liabilities for derivative instruments hedging interest rate accounted for using hedge accounting	(899)	(648)	(251)
- Current liabilities for derivative instruments hedging interest rate not accounted for using hedge accounting	-	-	-
<b>Total current derivative financial liabilities</b>	<b>(1,607)</b>	<b>(16,871)</b>	<b>15,264</b>
Non-current liabilities for derivative instruments hedging currency risk	-	-	-
Non-current liabilities for derivative instruments hedging interest rate risk:			
- Non-current liabilities for derivative instruments hedging interest rate risk accounted for using hedge accounting	(411)	(1,296)	885
- Non-current liabilities for derivative instruments hedging interest rate risk not accounted for using hedge accounting	-	-	-
<b>Total non-current derivative financial liabilities</b>	<b>(411)</b>	<b>(1,296)</b>	<b>885</b>



The contractual characteristics of derivative financial instruments used to hedge interest risk and their relative fair values at 31 December 2025 and 31 December 2024 are as follows:

(Euro/000)	31 December 2025		31 December 2024	
	current portion	non-current portion	current portion	non-current portion
Derivative assets/(liabilities)	(843)	(74)	(399)	(1,243)
<b>Total fair value of IRS</b>	<b>(843)</b>	<b>(74)</b>	<b>(399)</b>	<b>(1,243)</b>

The contractual characteristics of derivative financial instruments used to hedge currency risk and their relative fair value at 31 December 2025 and 31 December 2024 are as follows:

(Euro/000)	Negative fair value		Positive fair value	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Derivative assets/(liabilities)	(708)	(16,223)	10,573	1,305
<b>Total fair value foreign currency forward contracts</b>	<b>(708)</b>	<b>(16,223)</b>	<b>10,573</b>	<b>1,305</b>

The following table shows the book value of the financial instruments in existence (current loans and non-current loans) shown in the balance sheet, comparing them with their fair value:

(Euro/000)	31 December 2025 Fair Value	31 December 2025 Accounting value
Current and non-current loans	318,064	311,646

As required by IFRS 13, a calculation was made of the credit value adjustment and debit value adjustment for the outstanding derivative financial instruments but the result obtained was not material in terms of recognising the effects in these consolidated financial statements.

#### Note 14. Capital and reserves

Share capital at 31 December 2025 amounted to €13,600 thousand, fully paid, consisting of 68,000,000 ordinary shares.

Shareholders' equity at 31 December 2025 was €564,005 thousand, an increase of €57,412 thousand compared to 31 December 2024, mainly due to the combined effect of the Net profit, net of the payment of dividends totalling €68,781 thousand.

Details of changes in shareholders' equity for the periods ended 31 December 2025 and 31 December 2024 can be found in the Consolidated statement of changes in Shareholders' equity.

The share-premium reserve amounts to €57,915 and is stated net of the listing costs incurred in 2012, which were deducted from shareholders' equity pro rata to the ratio between the number of new shares issued and the number of shares in existence following the IPO, in accordance with IAS 32.



Other shareholders' equity reserves at 31 December 2025 with comparative figures at 31 December 2024 were as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Legal reserve	2,720	2,720	-
Extraordinary reserve	412,190	359,178	53,012
Revaluation reserve	3,060	3,060	-
Cash flow hedge reserve	1,944	(8,145)	10,089
IFRS first-time adoption reserve	(782)	(782)	-
Reserve for effects of IAS19	(150)	(492)	342
Translation reserve	(19,533)	3,048	(22,581)
Stock grant reserve	9,459	16,062	(6,603)
Treasury shares reserve	-	(5,279)	5,279
Consolidated retained profits/(losses)	(69,437)	(70,425)	988
<b>Total other reserves</b>	<b>339,471</b>	<b>298,945</b>	<b>40,526</b>

The change in the “Extraordinary reserve”, equalling €53,012 thousand, is mainly attributed to the destination of the previous year’s profits, as approved by the Shareholders’ Meeting on 29 April 2025, as well as the value of the treasury shares that were purchased during the year by the Parent Company, all of which were assigned free of charge to executive directors and employees of the company and its subsidiaries, in execution of the 2022-2024 Stock Grant Plan. After the above assignment of stock was completed, the 2022-2024 Stock Grant Plan was concluded. The extraordinary reserve also includes the effects previously recognised in the stock grant reserve related to the 2022-2024 Stock Grant Plan.

For more details refer to the following paragraph “Significant events during 2025” in the Report on Operations of the Board of Directors.

The change in the cash flow hedge reserve of €10,089 thousand reflects the items presented in the Consolidated statement of comprehensive income.

The “Translation reserve” consists of the accumulated exchange differences arising from the translation of foreign financial statements expressed in a currency other than the Euro, as well as the exchange differences generated by intercompany loans for which settlement is not planned nor likely to occur in the foreseeable future. As such it is classified and recognised initially in a separate component of shareholders’ equity in accordance with paragraph 15 of IAS 21 “Net Investment in a Foreign Operation”.

With reference to the “Stock grant reserve”:

- On 11 December 2024 the Board of Directors of the Parent Company, in implementation of the resolution approved by the shareholders’ meeting held on 23 April 2024, granted a mandate to Mediobanca – Banca di Credito Finanziario S.p.A. to start a program for the purchase of treasury shares on behalf of the Parent Company for the purpose of the Stock Grant Plan 2022-2024, in an independent manner, in compliance with the applicable regulations and what was dictated by the resolution approved by the shareholders’ meeting. The program for purchasing treasury shares was carried out, making use of the safe harbour pursuant to art. 5 of Regulation (EU) no. 596/2014. During December 2024, the program was started with the purchase of a total of 50,000 treasury shares of the Parent Company.



The program was completed with the purchase of an additional 73,500 treasury shares by the Parent Company in March 2025.

These shares, totalling 123,500, were assigned free of charge to the executive directors and employees in top positions of the company and its subsidiaries, in execution of the 2022-2024 Stock Grant Plan.

After the assignment of stock was completed, the 2022-2024 Stock Grant Plan was concluded and, as a result, the effects previously recorded in the stock grant reserve related to this 2022-2024 Plan were transferred to the extraordinary reserve.

- On 14 March 2024 the Board of Directors of Brunello Cucinelli S.p.A. approved the 2024-2026 Stock Grant Plan submitted for subsequent approval by the Ordinary Shareholders' Meeting on 23 April 2024.

The 2024-2026 Stock Grant Plan provides for the free allocation of Company shares to executive directors and employees of the Company and its subsidiaries if certain performance targets are achieved.

The Board of Directors held on 10 December 2025, in implementation of the aforementioned resolution approved by the shareholders' meeting held on 29 April 2025, granted a mandate to Mediobanca – Banca di Credito Finanziario S.p.A. to start a program for the purchase of treasury shares on behalf of the Parent Company for the purpose of the Stock Grant Plan 2024-2026, in an independent manner, in compliance with the applicable regulations and what was dictated by the resolution approved by the shareholders' meeting.

The program for purchasing treasury shares will be carried out, making use of the safe harbour pursuant to art. 5 of Regulation (EU) no. 596/2014.

As of the date of this Annual Financial Report, no treasury shares were purchased in execution of the 2024-2026 Stock Grant Plan.

As required by IFRS 2, the “equity-settled” stock grant plans are measured at fair value and recognised in the income statement among the costs over the period of the provision of the services by the beneficiaries and offset by a shareholders' equity reserve. The determination of the fair value of stock grants is made on the grant date, reflecting the market conditions existing on that date.

To provide complete information, as at 31 December 2024, the item “Treasury shares reserve” reflected the value of the treasury shares in the portfolio purchased in execution of the 2022-2024 Stock Grant Plan, as better described above with reference to the item “Stock grant reserve”.

For information about the informational documents regarding the Plan, refer to the company website [www.investor.brunellocucinelli.com](http://www.investor.brunellocucinelli.com) in the section “Governance”.

Shareholders' equity attributable to non-controlling interests was €17,985 thousand at 31 December 2025 compared to €16,655 thousand in the previous year and represents minority interests in the Group's subsidiaries.

**Note 15. Employees benefit liabilities**

This item includes of the termination indemnity due to employees of the Group's Italian companies. The liability is set aside by law and discounted to present value by the means described in IAS 19.

The table below shows changes in employees termination indemnities at 31 December 2025 compared with changes in the previous year:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
<b>Present value of obligation at the beginning of the year</b>	<b>3,836</b>	<b>3,672</b>
Revaluation of employee termination indemnity	357	293
Benefits paid	(307)	(363)
Changes in the scope of consolidation	-	947
Financial (income)/expense	25	35
Exchange differences	(19)	(4)
Remeasurement of defined benefit plans (IAS19)	(547)	(744)
<b>Present value of the obligation at year end</b>	<b>3,345</b>	<b>3,836</b>

The item "Remeasurement of defined benefit plans (IAS 19)" reflects the items presented in the consolidated statement of comprehensive income.

The main assumptions used in the calculation of the present value of the Italian employees' termination indemnity were as follows:

**Financial assumptions**

	31 December 2025	31 December 2024
Annual discount rate	3.39%	2.29%
Inflation rate	2.30%	2.30%
Expected staff turnover rate	8.80%	8.80%
Advances rate	1.00%	1.00%

**Demographic assumptions**

	31 December 2025	31 December 2024
Mortality	TABLE RG48	
Retirement age	65 years	

**Turnover rate and termination severance indemnity (TFR) advances**

	31 December 2025	31 December 2024
Advance rate %	1.00%	1.00%
Turnover rate %	8.80%	8.80%

Note that the Group performed a sensitivity analysis on the actuarial assumptions used to determine the liability at 31 December 2025. Specifically, under the same conditions, a change of +10% in the discount rate used would result in a decrease in the balance of the liability equal to €165 thousand, while a change of -10% would result in an increase in the balance of the liability equal to €179 thousand.

**Workforce**

The following table sets out the average number of employees by category, expressed in terms of full time equivalent:

	31 December 2025	31 December 2024
Executives and managers	117.9	112.4
Office and sales staff	2,238.1	2,063.0
Blue-collar workers	971.5	926.0
<b>Total workforce</b>	<b>3,327.5</b>	<b>3,101.4</b>

**Note 16. Provisions for risks and charges**

Provisions for risks and charges mainly relate to the agents' supplementary termination indemnity provision, calculated in accordance with Italian legislation (article 1751-bis of the Italian civil code) and discounted to present value as required by IAS 37.

The following table sets out the changes in provisions for risks and charges for the period ended 31 December 2025 with comparative figures for the year ended 31 December 2024:

<i>(Euro/000)</i>	31 December 2025	31 December 2024
<b>Agents' supplementary termination indemnity – value the beginning of the year</b>	<b>2,400</b>	<b>2,180</b>
Allocations	216	302
Actuarial losses/(gains)	(50)	(82)
<b>Agents' supplementary termination indemnity – balance at year end</b>	<b>2,566</b>	<b>2,400</b>
<b>Other provisions for risks – value at the beginning of the year</b>	<b>972</b>	<b>843</b>
Exchange differences	(131)	60
Allocations	707	69
Uses	(113)	-
<b>Other provisions for risks – value at year end</b>	<b>1,435</b>	<b>972</b>
<b>Total provisions for risks and charges</b>	<b>4,001</b>	<b>3,372</b>



Changes of agents' supplementary termination indemnity provision in 2025 relate to the adjustment of the agents' supplementary termination indemnity provision of existing contractual relationships.

The discount rate used in the actuarial calculation of the provision for agents' severance indemnity as at 31 December 2025 was 3.41%, compared to the 2.34% of the previous financial year.

#### **Note 17. Non-current payables towards banks**

Non-current payables towards banks consists of long-term loans.

The following table provides details of the Brunello Cucinelli Group's outstanding loans at 31 December 2025, showing the portion due within 12 months, between 1 and 5 years and after 5 years:

<i>(Euro/000)</i>	Outstanding balance 31 December 2025	Share within 12 months	Share within 5 years	Share after 5 years
Total medium long-term loans	328,646	108,042	220,604	-
<b>Total non-current payables towards banks</b>	<b>220,604</b>			

Note that there are financial covenants on certain loans, to be calculated on an annual basis on the Consolidated financial statements of Brunello Cucinelli S.p.A..

The financial covenants refer to the Net financial debt/Shareholders' equity ratio or the Net financial debt/EBITDA ratio. As of 31 December 2025, all financial covenants have been met.

Reference should be made to the "Liquidity risk" section in the "Financial risk management" paragraph of these Notes to these consolidated financial statements for details of the repayment plan for all outstanding loans.

Finally note that the payables specified are not encumbered by collateral on company assets.

#### **Note 18. Current and non-current financial lease liabilities**

The application of the IFRS 16 accounting standard has led to the recognition of a financial liability consisting of the present value of residual future payments. The balance at 31 December 2025 breaks down as follows:

<i>(Euro/000)</i>	Non-current	Current	Total at 31 December 2025
Financial lease liabilities	671,780	115,405	787,185
<b>Total financial lease liabilities</b>	<b>671,780</b>	<b>115,405</b>	<b>787,185</b>



Changes for the years ended 31 December 2025 and 31 December 2024 are as follows:

<i>(Euro/000)</i>	<b>Total financial lease liabilities</b>
<b>Balance as at 01 January 2025</b>	<b>678,849</b>
Increases for new leases	280,346
Decreases for early termination of leases	(13,312)
Increases for interest expense	27,075
Decreases for payments made	(140,191)
Foreign exchange gains/(losses)	(8,286)
Translation differences	(37,296)
<b>Balance as at 31 December 2025</b>	<b>787,185</b>
<hr/>	
<i>(Euro/000)</i>	<b>Total financial lease liabilities</b>
<b>Balance as at 01 January 2024</b>	<b>557,895</b>
Increases for new leases	211,349
Decreases for early termination of leases	(7,680)
Changes in the scope of consolidation	356
Increases for interest expense	20,277
Decreases for payments made	(122,808)
Foreign exchange gains/(losses)	4,444
Translation differences	15,016
<b>Balance as at 31 December 2024</b>	<b>678,849</b>

**Net financial debt**

The following table provides details of the structure of the net financial debt of the Brunello Cucinelli Group at 31 December 2025 compared to the situation at 31 December 2024, restated in accordance with the format required by Consob reminder No. 5/21 of 29 April 2021 “Compliance with ESMA Guidelines on disclosure requirements under the Prospectus Regulation”:

<i>(Euro/000)</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
A. Cash	(202,848)	(182,050)
B. Cash equivalents	-	-
C.1. Other current financial assets	(993)	(695)
C.2. Other current financial assets for leases	(1,195)	(945)
<b>D. Liquidity (A+B+C)</b>	<b>(205,036)</b>	<b>(183,690)</b>
E.1. Current financial debt	68,876	62,294
E.2. Current financial lease liabilities	115,405	106,134
F. Current portion of non-current financial debt	108,042	64,274
<b>G. Current financial indebtedness (E+F)</b>	<b>292,323</b>	<b>232,702</b>
<b>H. Net current financial indebtedness (G+D)</b>	<b>87,287</b>	<b>49,012</b>
I.1. Non-current financial debt	225,288	159,758
I.2. Non-current financial lease liabilities	671,780	572,715
J. Debt instruments	-	-
K. Non-current trade and other payable	-	-
<b>L. Non-current financial indebtedness (I+J+K)</b>	<b>897,068</b>	<b>732,473</b>
<b>M. Total financial indebtedness (H+L)</b>	<b>984,355</b>	<b>781,485</b>
<i>of which:</i>		
<i>Net financial debt for the core business</i>	<i>198,365</i>	<i>103,581</i>
<i>Financial lease liabilities</i>	<i>785,990</i>	<i>677,904</i>

For a comment, see the Report on Operations of the Board of Directors.



As required by IAS 7 Statement of Cash Flows the following table sets out changes in liabilities deriving from financing activities:

(Euro/000)	31 December 2024	Monetary flows	Non-monetary flows			31 December 2025
			Exchange rate changes	Changes in Fair Value	Other	
Non-current payables towards banks	155,192	92,313	-	-	(26,901)	220,604
Other non-current financial liabilities	4,566	-	(431)	(885)	1,434	4,684
Current portion of non-current debt	64,274	-	-	-	43,768	108,042
Current and non-current financial lease liabilities	678,849	(140,191)	(45,582)	-	294,109	787,185
Other current financial liabilities	62,294	24,570	(88)	251	(18,151)	68,876
Other current financial assets	(695)	-	-	-	(298)	(993)
Current financial lease receivables	(945)	1,257	-	-	(1,507)	(1,195)
Cash and cash equivalents	(182,050)	(25,496)	4,698	-	-	(202,848)
<b>Net financial debt</b>	<b>781,485</b>	<b>(47,547)</b>	<b>(41,403)</b>	<b>(634)</b>	<b>292,454</b>	<b>984,355</b>

It should be noted that the column “Monetary flows” indicates the flows of the Consolidated cash flows statement, while the column “Other” mainly refers to the effects of reclassification from the “non-current” portion to the “current” portion of outstanding loans, as well as, with respect to the row “Current and non-current financial lease liabilities”, to the amount generated by the effects of increases, decreases and discounted interest relating to contracts falling within the scope of IFRS 16.

#### Note 19. Non-current financial liabilities

The item Non-current financial liabilities, amounting to €4,273 thousand at 31 December 2025, refers to the loan given, for its share, by the minority shareholder to the subsidiaries Brunello Cucinelli Middle East LLC and Brunello Cucinelli Kuwait for Readymade and Novelty Clothes’ Retail WLL, loans that for the proportional part were given by the Group itself.

(Euro/000)	31 December 2025	31 December 2024	Change
Non-current financial liabilities	4,273	3,270	1,003
<b>Total non-current financial liabilities</b>	<b>4,273</b>	<b>3,270</b>	<b>1,003</b>

**Note 20. Other non-current liabilities**

Other non-current liabilities amounted to €120 thousand as at 31 December 2025 compared to €136 thousand as at 31 December 2024. The balance refers completely to the rediscount of the tax credit for investment in capital goods entered by the Parent Company.

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Non current deferred income	120	136	(16)
<b>Total other non-current liabilities</b>	<b>120</b>	<b>136</b>	<b>(16)</b>

**Note 21. Trade payables**

The composition of trade payables at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Trade payables to third-party suppliers	177,107	169,217	7,890
<b>Total trade payables</b>	<b>177,107</b>	<b>169,217</b>	<b>7,890</b>

Trade payables represent amounts due for the supply of goods and services.

For a comment on the changes in Net Working Capital, see the Report on Operations of the Board of Directors.

**Note 22. Current payables towards banks**

The composition of current payables towards banks at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Current portion of medium/long-term loans	108,042	64,274	43,768
Bank advances received and invoices	67,252	60,362	6,890
Accrued interest liabilities	-	40	(40)
<b>Total current payables towards banks</b>	<b>175,294</b>	<b>124,676</b>	<b>50,618</b>

The current portion of medium-/long-term loans refers to the portion of medium and long term bank loans falling due within the next year.

Amounts due to banks for advances relate to advances on trade receivables for financing operations.

For more details, refer to what is indicated in the Report on Operations of the Board of Directors.

**Note 23. Current financial liabilities**

Current financial liabilities as at 31 December 2025 amounted to €725 thousand compared to €1,244 thousand for last year.

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Current financial liabilities	725	1,244	(519)
<b>Total current financial liabilities</b>	<b>725</b>	<b>1,244</b>	<b>(519)</b>

**Note 24. Income tax payables**

Income tax payables as at 31 December 2025 amounted to €7,617 thousand, compared to €6,723 thousand as at 31 December 2024.

The item mainly includes the current tax payable contributed to the consolidation by the subsidiaries.

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
IRES tax payables	207	34	173
IRAP tax payables	45	24	21
Other income tax payables	7,365	6,665	700
<b>Total income tax payables</b>	<b>7,617</b>	<b>6,723</b>	<b>894</b>

**Note 25. Other current liabilities**

The composition of other current liabilities at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Payables to agents	1,572	1,690	(118)
Payables to employees	20,919	21,568	(649)
Social security payables	9,083	8,244	839
Payables of Italian companies for withholding tax (IRPEF, withholdings)	6,515	6,029	486
Payables for current taxes not on income	443	430	13
VAT payables	6,513	7,452	(939)
Accrued expenses and deferred income	334	485	(151)
Advances from customers	14,234	10,625	3,609
Other payables	6,679	9,171	(2,492)
<b>Total other current liabilities</b>	<b>66,292</b>	<b>65,694</b>	<b>598</b>



Amounts due to agents relate to accrued commissions payable by the Brunello Cucinelli Group to its agents but not yet paid at the closing date of each year.

Amounts due to employees consist of balances payable for December wages and salaries, settled during the first few days of January, and the accrual for vacation leave vested but not yet taken. Social security payables refer to contributions on wages and salaries paid in December and on wages and salaries accrued at the end of December but paid during the first days of January.

Taxes withheld by the Italian companies consist of end of year balances for IRPEF and withholding taxes paid in January 2026.

VAT payables relate mainly to the balances of the Group's foreign companies.

Advances from customers refer to advances that Group companies receive before the shipment of goods from some customers, both retail and wholesale, mainly foreign.

## Note 26. Taxes

### INCOME TAXES

The composition of the income tax charge in the consolidated income statement for the years ended 31 December 2025 and 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Current taxes	66,550	71,757	(5,207)
Net deferred taxes	(9,427)	(21,570)	12,143
Prior year taxes	(416)	1,037	(1,453)
<b>Total income taxes in the consolidated Income statement</b>	<b>56,707</b>	<b>51,224</b>	<b>5,483</b>
Income taxes in the consolidated statement of comprehensive income	2,445	(4,614)	7,059
<b>Total income taxes</b>	<b>59,152</b>	<b>46,610</b>	<b>12,542</b>



The reconciliation between the nominal and actual rates of the Brunello Cucinelli Group for the years 31 December 2025 and 31 December 2024 is as follows:

<i>(Euro/000)</i>	Year ended 31 December	
	2025	2024
<b>Profit before taxes</b>	<b>198,696</b>	<b>179,737</b>
IRES rate in force for the year	24.00%	24.00%
<b>Theoretical tax charge</b>	<b>(47,687)</b>	<b>(43,137)</b>
Income taxes with different rates (IRAP)	(6,888)	(6,500)
Effect of the different tax rates of foreign companies	280	(593)
Prior year taxes	416	(1,037)
Other variations	(2,828)	43
<b>Total income taxes in the Income Statement</b>	<b>(56,707)</b>	<b>(51,224)</b>
<i>Actual tax rate</i>	<i>-28.54%</i>	<i>28.50%</i>

#### DEFERRED TAX ASSETS AND LIABILITIES

The composition of deferred tax assets and liabilities at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Deferred tax assets	111,357	103,273	8,084
Deferred tax liabilities	(9,674)	(7,924)	(1,750)

The balance of deferred tax assets is mainly attributable to the tax effect related to the elimination of intercompany margins on inventories, the recognition of deferred tax assets on the write-down reserve for inventory and the deferred taxation recorded on temporary differences generated by the accounting of lease.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profit will be available against which temporary deductible differences and carried forward tax assets and liabilities can be utilised.



A breakdown of net deferred taxes as at 31 December 2025 and 31 December 2024 is as follows:

<i>(Euro/000)</i>	Year ended 31 December						Exchange differences, changes in scope of consolidation and other changes	
	Consolidated statement of financial position		Shareholders' Equity		Consolidated income statement		2025	2024
	2025	2024	2025	2024	2025	2024		
Amortization of intangible assets	5	6	-	-	(1)	(77)	-	-
Depreciation of property, plant and equipment	1,902	1,522	-	-	406	259	(26)	(4)
Allowance for doubtful debts	2,952	1,135	-	-	1,900	(6)	(83)	12
Fair value of derivatives	223	2,576	(2,353)	1,383	-	-	-	-
Deferred rent	5,602	5,675	-	-	608	198	(681)	335
IAS 19 – Employee benefits	70	101	(34)	(179)	3	4	-	-
IAS 37 – Agents' supplementary termination indemnity provision	121	121	-	-	-	-	-	-
Elimination of intercompany margins on inventories	52,808	49,220	-	-	3,588	12,621	-	-
Elimination of the effects of intercompany capital gains	8	8	-	-	-	(1)	-	-
Deferred tax assets on tax losses	1,038	645	-	-	396	406	(3)	50
Unrealised exchange gains and losses	-	-	-	-	-	(2,066)	-	-
Taxed cash transactions	1,222	1,080	-	-	279	856	(137)	47
IFRS 16 – Leases	14,105	12,891	-	-	1,332	2,943	(118)	(84)
Inventory write-down	32,245	28,482	-	-	3,763	6,253	-	-
Others	20,058	20,449	-	-	(1,564)	4,180	1,173	(906)
<b>Gross deferred tax asset</b>	<b>132,359</b>	<b>123,911</b>						
Depreciation of property, plant and equipment	(6,730)	(8,235)	-	-	627	93	878	(476)
Fair value of derivatives	(834)	(1)	(833)	3,247	-	-	-	-
IAS 19 – Employee benefits	(97)	-	(97)	-	-	-	-	-
Net investments in foreign operations	-	-	872	163	(872)	(163)	-	-
IFRS 16 – Leases	(161)	-	-	-	(157)	-	(4)	-
Others	(22,854)	(20,326)	-	-	(881)	(3,930)	(1,647)	944
<b>Gross deferred tax liabilities</b>	<b>(30,676)</b>	<b>(28,562)</b>						
<b>(Cost)/Revenue for deferred taxes</b>					<b>9,427</b>	<b>21,570</b>		
<b>Deferred taxes recognised in shareholders' equity</b>			<b>(2,445)</b>	<b>4,614</b>				
<b>Exchange differences and changes in scope of consolidation</b>							<b>(648)</b>	<b>(82)</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>101,683</b>	<b>95,349</b>						
<i>Represented in the consolidated statement of financial position as follows:</i>								
Deferred tax assets	111,357	103,273						
Deferred tax liabilities	(9,674)	(7,924)						
<b>Net deferred tax assets</b>	<b>101,683</b>	<b>95,349</b>						



## 7. COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

### Note 27. Revenues

The composition of revenues at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Revenues	1,407,951	1,278,540	129,411
<b>Total revenues</b>	<b>1,407,951</b>	<b>1,278,540</b>	<b>129,411</b>

Revenues are earned from the sale of clothing, accessories and the provision of services of the Brunello Cucinelli Group.

For a detailed comment, see the Report on Operations of the Board of Directors.

Revenues may be broken down by geographical area as follows:

<i>(Euro/000)</i>	Year ended 31 December					
	2025	impact %	2024	impact %	Change	% change
Europe	494,920	35.1%	456,587	35.7%	38,333	+8.4%
Americas	520,488	37.0%	476,559	37.3%	43,929	+9.2%
Asia	392,543	27.9%	345,394	27.0%	47,149	+13.7%
<b>Total</b>	<b>1,407,951</b>	<b>100.0%</b>	<b>1,278,540</b>	<b>100.0%</b>	<b>129,411</b>	<b>+10.1%</b>

Revenues may be broken down by distribution channel as follows:

<i>(Euro/000)</i>	Year ended 31 December					
	2025	impact %	2024	impact %	Change	% change
Retail	947,009	67.3%	851,243	66.6%	95,766	+11.3%
Wholesale	460,942	32.7%	427,297	33.4%	33,645	+7.9%
<b>Total</b>	<b>1,407,951</b>	<b>100.0%</b>	<b>1,278,540</b>	<b>100.0%</b>	<b>129,411</b>	<b>+10.1%</b>

In accordance with the accounting standard IFRS 15 the Group recognises revenues for the sale of products at a point in time.

Reference should be made to the Report on Operations of the Board of Directors for comments on revenue performance.

**Note 28. Costs of raw materials and consumables**

The composition of costs of raw materials and consumables for the year ended 31 December 2025 with comparative figures for the year ended 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Costs of raw materials and consumables	180,209	174,400	5,809
Change in inventories	(59,110)	(72,600)	13,490
<b>Total costs of raw materials and consumables</b>	<b>121,099</b>	<b>101,800</b>	<b>19,299</b>

Reference should be made to the Report on Operations of the Board of Directors for comments on this item.

**Note 29. Costs for services**

The composition of Costs for services at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Outsourced work	228,509	223,724	4,785
Advertising and other commercial expenses	96,853	92,348	4,505
Transport and duties	62,417	55,162	7,255
Lease expense	68,282	61,582	6,700
Commissions and accessory charges	11,813	11,127	686
Credit card charges	20,205	18,298	1,907
Outsourcing, training, miscellaneous consultancy and service contracts	21,158	19,539	1,619
Maintenance and security services	16,851	15,239	1,612
Electricity, telephone, gas, water and postal expenses	7,748	7,469	279
Directors' and statutory auditors' fees	7,405	7,298	107
Insurance	3,050	2,604	446
IT and digital maintenance and support	17,083	17,972	(889)
Other general expenses	34,363	27,999	6,364
<b>Total costs for services</b>	<b>595,737</b>	<b>560,361</b>	<b>35,376</b>

The main Costs for services are commented in the Report on Operations of the Board of Directors, to which reference should be made.

The item Outsourced work amounts to €228,509 thousand as at 31 December 2025, up €4,785 thousand compared to €223,724 thousand as at 31 December 2024.

Note that Costs for services also include an amount of €24,727 thousand relating to expenses of an IT/Digital nature as at 31 December 2025 compared to €21,286 thousand at 31 December 2024.



In addition, Outsourcing, training, miscellaneous consultancy and service contracts shown in the table includes, for a residual amount equal to €180 thousand, transfer costs paid by the Parent Company and paid indirectly to the parent company Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.) through a company specialised in the transport sector.

As a result, given the indirect nature of the relationship, this amount was not indicated in the paragraph concerning related party transactions in the notes to the consolidated financial statements.

### Note 30. Payroll costs

The composition of Payroll costs for the year ended 31 December 2025 with comparative figures for the situation at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Wages and salaries	202,486	186,054	16,432
Social security contributions	42,234	37,825	4,409
Employee termination indemnity	5,696	5,168	528
Other payroll costs	4,951	4,445	506
<b>Total payroll costs</b>	<b>255,367</b>	<b>233,492</b>	<b>21,875</b>

Note that Payroll costs include the cost accrued as at 31 December 2025 (overall equal to €4,784 thousand) with respect to the 2022-2024 Stock Grant Plan and the 2024-2026 Stock Grant Plan. For more details about the aforementioned transactions, reference should be made to the section “Significant events during 2025” in the Report on Operations of the Board of Directors and in Note 14 to these Consolidated Financial Statements.

Reference should be made to the Board of Directors’ Report on Operations for a comment on Payroll costs.

### Note 31. Other operating expenses

The composition of Other operating expenses at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Taxes and duties	9,777	9,204	573
Losses on bad debts	29	24	5
Socially useful expenses and donations	3,558	3,142	416
Other operating costs	12,250	8,709	3,541
<b>Total Other operating expenses</b>	<b>25,614</b>	<b>21,079</b>	<b>4,535</b>

The item Other operating expenses amounts to €25,614 thousand as at 31 December 2025, up €4,535 thousand compared to €21,079 thousand as at 31 December 2024.

**Note 32. Other operating income**

The composition of Other operating income at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Other operating income	5,404	3,271	2,133
<b>Total Other operating income</b>	<b>5,404</b>	<b>3,271</b>	<b>2,133</b>

The Other operating income item equals €5,404 thousand and mainly refers to rent income for spaces used by commercial partners not included in the scope of application of IFRS 16, grants and reimbursements received during the year.

**Note 33. Costs capitalized**

The increase of €1,735 thousand in cost capitalized mainly relates to production costs incurred to develop the historical collections and costs for the internal fit-out of the Group's boutique. The value at 31 December 2024 amounted to €2,417 thousand.

**Note 34. Depreciation and amortization**

The composition of Depreciation and amortization at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Depreciation of right of use assets	128,864	107,566	21,298
Amortization of intangible assets	6,796	6,572	224
Depreciation of property, plant and equipment	44,699	38,666	6,033
Depreciation of investment property	253	200	53
<b>Total depreciation and amortization</b>	<b>180,612</b>	<b>153,004</b>	<b>27,608</b>

The increase in the depreciation and amortization charge is linked to the investments made by the Group.

Reference should be made to the Report on Operations of the Board of Directors for comments on depreciation and amortization trends.

**Note 35. Impairment of assets and other accruals**

The Impairment of assets and other accruals amount to €8,877 thousand at 31 December 2025 (€2,821 thousand at 31 December 2024) and refer mainly to the provision for doubtful receivables in consideration of the managements evaluation following the voluntary use of Chapter 11 bankruptcy protection by Saks Global Holdings LLC (for more details, refer to the paragraph Significant events after 31 December 2025 of the Report on Operations of the Board of Directors) and, residually, to the agents' supplementary termination indemnity provision and adjustments to the net residual carrying amount for property, plant and equipment recorded upon expansion of the Group boutiques.

**Note 36. Financial expenses**

The composition of Financial expenses at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Lease interest expense	27,075	20,277	6,798
Loans interest expense	9,890	4,867	5,023
Interest expense on advances	3,274	3,809	(535)
Bank interest expense	7	8	(1)
Realised exchange losses	29,186	15,548	13,638
Unrealised exchange losses	5,102	8,056	(2,954)
Exchange losses for leasing	1,871	9,812	(7,941)
Financial expenses on derivative instruments hedging interest rate risk	913	-	913
Financial expenses on derivative instruments hedging currency risk	6,606	4,658	1,948
Miscellaneous financial expense	710	524	186
<b>Total financial expenses</b>	<b>84,634</b>	<b>67,559</b>	<b>17,075</b>

For a comment on the trend of this item, please see the Report on Operations of the Board of Directors where the Financial expenses item is analysed together with the Financial income and from equity investments item.

**Note 37. Financial income and from equity investments**

The composition of Financial income and from equity investments at 31 December 2025 with comparative figures at 31 December 2024 is as follows:

<i>(Euro/000)</i>	31 December 2025	31 December 2024	Change
Lease interest income	85	59	26
Bank interest income	3,814	1,544	2,270
Realised exchange gains	35,485	15,083	20,402
Unrealised exchange gains	2,341	6,549	(4,208)
Exchange gains for leasing	9,795	4,757	5,038
Financial income on derivative instruments hedging interest rate risk	406	1,282	(876)
Financial income on derivative instruments hedging currency risk	1,142	1,648	(506)
Income from equity investments	2,032	2,052	(20)
Other income	446	2,651	(2,205)
<b>Total Financial income and from equity investments</b>	<b>55,546</b>	<b>35,625</b>	<b>19,921</b>

For a comment on the trend of this item, please see the Report on Operations of the Board of Directors where the Financial income and from equity investments item is analysed together with the Financial expenses item.

**Note 38. Basic and diluted earnings per share**

The basic earning per share is calculated by dividing the Net profit attributable to Parent Company shareholders by the weighted average number of ordinary shares of the Brunello Cucinelli Group in circulation during the year, also taking into account the weighted average effect of the treasury shares held by the Company during the financial year of reference.

Diluted earnings per share show no difference to basic earnings per share and diluted earnings per share as there are no convertible bonds or other financial instruments with dilutive effects.

The following table shows the Net profit attributable to the shareholders of the Parent Company and the share information used for the calculation of basic and diluted earnings per share:

	31 December 2025	31 December 2024
Net profit attributable to Parent Company shareholders	135,034	119,478
Number of ordinary shares at the end of the year	68,000,000	68,000,000
Weighted average number of ordinary shares used to calculate basic earnings per share	67,975,949	67,996,131
Weighted average number of ordinary shares used to calculate diluted earnings per share	67,975,949	67,996,131
Basic earnings per share (in Euro)	1.98650	1.75713
Diluted earnings per share (in Euro)	1.98650	1.75713

**Note 39. Commitments and risks**

As at 31 December 2025 the Group had commitments mainly attributable to leases of new points of sale for an amount of €37.2 million.

Also note assets owned by the Brunello Cucinelli Group lent to third parties and mainly related to operating machines and electronic equipment lent at no charge to third-party manufacturers (façonisti) and other third-party companies which use them to produce and supply apparel and services for an amount of €459 thousand.

**FINANCIAL RISK MANAGEMENT**

The Brunello Cucinelli Group is exposed to various types of financial risks connected with its core business. More specifically, the Group is simultaneously exposed to market risk (interest rate risk and exchange rate risk), liquidity risk and credit risk.

Financial risks are managed on the basis of guidelines established by the Board of Directors. The aim is to ensure a liability structure that remains balanced with the composition of assets to maintain adequate levels of solvency.

The most widely used financing instruments are:

- Medium-/long-term loans with a multi-year amortization plan, to cover investments in fixed assets.
- Short-term loans and bank overdrafts to finance working capital.

Furthermore, the Brunello Cucinelli Group subscribes to financial instruments to hedge the risks of fluctuations in interest rates, which could affect the burden of medium-long term financial debt, and of exchange rates that could influence the Group's economic performance.

The average cost of borrowing is linked to the trend of the 3-month and 6-month Euribor rates, plus a spread that depends on the financing instrument used and the Company's rating.

The Brunello Cucinelli Group uses derivative financial instruments to hedge interest rate risk and exchange risk.

Trading in derivatives for speculative purposes is not envisaged.

In the following paragraphs, the various risks are analysed individually, where necessary applying sensitivity analysis to highlight the potential impact on final results deriving from hypothetical fluctuations in the parameters of reference. As required by IFRS 7, these analyses are based on simplified scenarios applied to the final data of the reference periods, and by their very nature cannot be considered indicators of the real effects of future changes in the reference parameters due to a different capital and financial structure and different market conditions, nor can they reflect the interrelationships and complexity of the reference markets.



## INTEREST RATE RISK

The Brunello Cucinelli Group is exposed to changes in interest rates, limited to its own floating rate debt instruments.

Brunello Cucinelli Group's sensitivity to interest rate risk is managed with due regard to its overall exposure: as part of its general policy of optimising financial resources, the Group seeks a balance by resorting to less expensive forms of financing.

It is the Group's policy to hedge its exposure on the medium and long-term portion of debt for market risk arising from interest rate changes. To manage such risk the Company uses derivative instruments such as interest rate swaps.

As at 31 December 2025, there were 25 positions relating to interest rate swap derivative instruments hedging the risk associated with the potential increase in the cost to service payables to banks due to the fluctuation of market rates. The notional value of these positions amounted to €280.3 million with a positive equivalent value of approximately €917 thousand.

As at 31 December 2024, there were 23 positions relating to interest rate swap derivative instruments hedging the risk associated with the potential increase in the cost to service payables to banks due to the fluctuation of market rates. The notional value of these positions amounted to €206.6 million with a positive equivalent value of approximately €1,642 thousand.

The short-term portion of the Payables to banks, which mainly serves to finance the need for working capital, is not subject to hedging of interest risk.

The cost of bank borrowing is linked to the Euribor rate for the period plus a spread that depends on the type of credit line used. The margins applied are comparable to the best market standards. The interest rate risk that the Brunello Cucinelli Group is exposed to mainly derives from outstanding financial payables.

Brunello Cucinelli Group's main sources of exposure to interest rate risk are attributable to short-, medium- and long-term loans and derivative instruments. While the Group has adopted a precise hedging policy, the potential impacts on the Income Statement for 2025 (2024 for comparison) attributable to interest rate risk are as follows:

- Potential change in financial expenses and related differentials on derivative instruments outstanding in 2025.
- Potential change in the fair value of existing derivative instruments.

Potential changes in the fair value of the effective component of existing hedging derivatives produce impacts on Shareholders' Equity.

The Brunello Cucinelli Group has estimated the potential impacts on the Consolidated income statement and on Shareholders' Equity for the 2026 financial year calculated with respect to the situation at the end of the 2025 financial year (impacts on 2025 for comparison calculated with respect to the situation at the end of the 2024 financial year) produced by a simulation of the change in the yield curve of interest rates using internal valuation models based on generally accepted logic. Specifically:

- For loans, these impacts were estimated by simulating a parallel change of +100/-30 basis points (+1%/-0.3%) in the interest rate yield curve, applied only for cash flows to be settled in 2025 (2024 for comparison);
- For derivative instruments, simulating a parallel change of +100/-30 basis points (+1%/-0.3%) in the interest rate yield curve.



With regard to the situation at 31 December 2025, a parallel shift in the yield curve of interest rates equal to +100 basis points (+1%) would produce an increase in financial expenses for the 2025 financial year equal to €1,703 thousand, offset against €1,703 thousand by an increase in the differentials collected against existing derivatives. A parallel shift in the yield curve of interest rates equal to -30 basis points (-0.3%) would produce a decrease in financial expenses equal to €533 thousand, offset against €533 thousand by a reduction in the differentials collected against existing derivatives.

With regard to the situation at 31 December 2024, a parallel shift in the yield curve of interest rates equal to +100 basis points (+1%) would produce an increase in financial expenses for the 2024 financial year equal to €1,288 thousand, offset against €1,284 thousand by an increase in the differentials collected against existing derivatives. A parallel shift in the yield curve of interest rates equal to -30 basis points (-0.3%) would produce a decrease in financial expenses equal to €402 thousand, offset against €402 thousand by a reduction in the differentials collected against existing derivatives.

Interest 31 December 2025			
Loans	Residual debt (€/000)	Impact on the 2025 Income Statement +100 bps (€/000)	Impact on the 2025 Income Statement -30 bps (€/000)
Loans payable	312,117	(1,703)	533
<b>Total loans</b>	<b>312,117</b>	<b>(1,703)</b>	<b>533</b>
Derivative instruments	Residual notional (€/000)	Impact on the 2025 Income Statement +100 bps (€/000)	Impact on the 2025 Income Statement -30 bps (€/000)
Cash flow hedging derivative instruments	280,332	1,703	(533)
<b>Total derivatives</b>	<b>280,332</b>	<b>1,703</b>	<b>(533)</b>
<b>TOTAL</b>		-	-



Interest 31 December 2024			
Loans	Residual debt (€/000)	Impact on the 2024 Income Statement +100 bps (€/000)	Impact on the 2024 Income Statement -30 bps (€/000)
Loans payable	219,804	(1,288)	402
<b>Total loans</b>	<b>219,804</b>	<b>(1,288)</b>	<b>402</b>
Derivative instruments	Residual notional (€/000)	Impact on the 2024 Income Statement +100 bps (€/000)	Impact on the 2024 Income Statement -30 bps (€/000)
Cash flow hedging derivative instruments	206,560	1,284	(402)
<b>Total derivatives</b>	<b>206,560</b>	<b>1,284</b>	<b>(402)</b>
<b>TOTAL</b>		<b>(4)</b>	<b>-</b>

With regard to the situation at 31 December 2025, a parallel shift in the yield curve of interest rates equal to +100 basis points (+1%) would produce an increase in the asset value of existing hedging derivative instruments equal to €5,705 thousand, with an impact only on Shareholders' equity. A parallel shift in the yield curve of interest rates equal to -30 basis points (-0.3%) would produce a decrease in the asset value of existing derivative instruments equal to approximately €1,750 thousand, with an impact solely on Shareholders' equity.

With regard to the situation at 31 December 2024, a parallel shift in the yield curve of interest rates equal to +100 basis points (+1%) would produce an increase in the asset value of existing hedging derivative instruments equal to €3,730 thousand, with an impact only on Shareholders' equity. A parallel shift in the yield curve of interest rates equal to -30 basis points (-0.3%) would produce a decrease in the asset value of existing derivative instruments equal to approximately €1,143 thousand, with an impact solely on Shareholders' equity.

Sensitivity of the fair value of derivatives 31 December 2025										
	Notional value (€/000)	Fair value (€/000)	Net fair value +100 bps	Change in net fair value +100 bps	Impact on the Income Statement +100 bps	Impact on Shareholders' Equity +100 bps	Net fair value -30 bps	Change in net fair value -30bps	Impact on the Income Statement -30bps	Impact on Shareholders' Equity -30 bps
	a	b	c	d = c-b	e = d-f	f	g	h = g-b	i = h-j	j
Cash flow hedging derivative instruments	280,332	(917)	4,788	5,705	-	5,705	(2,667)	(1,750)	-	(1,750)
<b>TOTAL</b>	<b>280,332</b>	<b>(917)</b>	<b>4,788</b>	<b>5,705</b>	<b>-</b>	<b>5,705</b>	<b>(2,667)</b>	<b>(1,750)</b>	<b>-</b>	<b>(1,750)</b>



Sensitivity of the fair value of derivatives 31 December 2024										
	Notional value (€/000)	Fair value (€/000)	Net fair value +100 bps	Change in net fair value +100 bps	Impact on the Income Statement +100 bps	Impact on Shareholders' Equity +100 bps	Net fair value -30 bps	Change in net fair value -30bps	Impact on the Income Statement -30bps	Impact on Shareholders' Equity -30 bps
	a	b	c	d = c-b	e = d-f	f	g	h = g-b	i = h-j	j
Cash flow hedging derivative instruments	206,560	(1,642)	2,088	3,730	-	3,730	(2,785)	(1,143)	-	(1,143)
<b>TOTAL</b>	<b>206,560</b>	<b>(1,642)</b>	<b>2,088</b>	<b>3,730</b>	<b>-</b>	<b>3,730</b>	<b>(2,785)</b>	<b>(1,143)</b>	<b>-</b>	<b>(1,143)</b>

The assumptions regarding the extent of changes in market parameters used for the simulation of shocks were formulated on the basis of an analysis of the historical evolution of these parameters over a 12-month horizon.

#### EXCHANGE RATE RISK

The Brunello Cucinelli Group is exposed to currency risk for the currencies (primarily the US dollar) in which sales are made to subsidiaries and third-party customers, while the cost structure is primarily concentrated in the euro area. This risk exists in the eventuality that the market value of revenues in Euro may decrease in the event of adverse fluctuations in the exchange rate, thereby preventing the desired margin from being achieved.

Due to the geographical composition of the corporate structure, with subsidiaries located in different countries with different currencies, the Group is exposed to exchange rate risk related to intercompany cash flows (mainly dividends, loans, capital transactions).

Finally, the Group is exposed to so-called “translation risk”. This risk implies that assets and liabilities of consolidated companies whose functional currency is different from the euro may have different market values in euros depending on exchange rate fluctuations, the amount of which is reflected in the “Translation reserve” in Shareholders’ equity. The Group monitors the performance of this exposure, against which no hedging transactions were in place at the balance sheet date.

To limit its exposure to the currency risk deriving from its business activities the Brunello Cucinelli Group enters into derivative contracts (forward exchange contracts) that predetermine the conversion rate or a range of conversion rates at future dates.

The forward contracts are stipulated when seasonal price lists in foreign currency are defined on the basis of estimated sales, with the expiry date of the derivative set as the expected collection date of the sales invoices. In particular, the Group sets its selling prices in Euro and calculates the corresponding prices in foreign currency also by taking into account the exchange rates set in forward hedging contracts.

Starting in 2010, the Company adopted cash flow hedge accounting to account for derivative contracts hedging currency risk arising from foreign currency business transactions deemed highly probable. Consequently, the effective component of the change in fair value of derivatives negotiated to hedge highly probable foreign currency transactions is allocated to a specific reserve in Shareholders’ equity. When the hedged transaction takes place, the amounts recognised in the reserve are reclassified to Revenues in the income statement. The ineffective component of this change in fair value is recognised in Financial income and expenses in the income statement. In accordance



with the methods adopted for accounting for hedged items, changes in fair value subsequent to the occurrence of hedged transactions are recognised in Financial income and expenses in the income statement.

The aim of the Company's financial policy is to prevent results from operations from being affected by fluctuations in exchange rates between the stipulation date of forward contracts and the time of invoicing and subsequent collection.

During 2025 the Group reclassified as a decrease in revenues €8,192 thousand previously recognised in the cash flow hedge reserve.

During 2024 the Group reclassified as an increase in revenues €6,774 thousand previously recognised in the cash flow hedge reserve.

The potential effects on the 2026 consolidated income statement (2025 for comparative purposes) arising from currency risk are:

- Write-up/write-down of asset and liability items expressed in foreign currency;
- Change in fair value of outstanding derivatives hedging asset and liability items expressed in foreign currency;
- Change in fair value of the ineffective component of outstanding derivatives highly probable transactions in foreign currency.

The potential effects on 2026 Shareholders' Equity (2025 for comparative purposes) arising from currency risk are:

- Change in fair value of the effective component of outstanding derivatives highly probable transactions in foreign currency.

The Brunello Cucinelli Group has estimated the potential effects on its 2026 consolidated income statement and Shareholders' equity, calculated with reference to the situation at the end of 2025 (2024 for comparative purposes), produced by a shock on the exchange rate market (with reference to currencies in which the Group has significant exposure at each closing date), by using internal assessment models based on generally accepted principles.



Exposure of balance sheet items	FOREIGN CURRENCY EXPOSURE 2025			SENSITIVITY 2025	
	Assets	Liabilities	Equity	Income statement Euro/US dollar exchange rate	
	<i>(US dollar/000)</i>			+ 5%	- 5%
				<i>(€/000)</i>	<i>(€/000)</i>
Trade balances	33,085	(6,013)	27,072	(1,152.0)	1,152.0
<b>Total gross exposure of balance sheet items</b>	<b>33,085</b>	<b>(6,013)</b>	<b>27,072</b>	<b>(1,152.0)</b>	<b>1,152.0</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/US dollar exchange rate	
		+ 5%	- 5%
		<i>(€/000)</i>	<i>(€/000)</i>
Forward sales (Notional Value)	(192,500)	8,191	(8,191)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Swiss franc exchange rate	
	<i>(CHF/000)</i>			+ 5%	- 5%
				<i>(€/000)</i>	<i>(€/000)</i>
Trade balances	-	(928)	(928)	50.0	(50.0)
<b>Total gross exposure of balance sheet items</b>	<b>-</b>	<b>(928)</b>	<b>(928)</b>	<b>50.0</b>	<b>(50.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Swiss franc exchange rate	
		+ 5%	- 5%
		<i>(€/000)</i>	<i>(€/000)</i>
Forward sales (Notional Value)	(9,650)	518	(518)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/British pound exchange rate	
	<i>(GBP/000)</i>			+ 5%	- 5%
				<i>(€/000)</i>	<i>(€/000)</i>
Trade balances	2,638	(3,337)	(699)	40.0	(40.0)
<b>Total gross exposure of balance sheet items</b>	<b>2,638</b>	<b>(3,337)</b>	<b>(699)</b>	<b>40.0</b>	<b>(40.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/British pound exchange rate	
		+ 5%	- 5%
		<i>(€/000)</i>	<i>(€/000)</i>
Forward sales (Notional Value)	(16,750)	960	(960)



Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Japanese yen exchange rate	
				+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	884,092	(359,896)	524,196	(142.0)	142.0
<b>Total gross exposure of balance sheet items</b>	<b>884,092</b>	<b>(359,896)</b>	<b>524,196</b>	<b>(142.0)</b>	<b>142.0</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity	
		Euro/Japanese yen exchange rate	
		+ 5%	- 5%
		(€/000)	(€/000)
Forward sales (Notional Value)	(3,955,000)	1,074	(1,074)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Hong Kong dollar exchange rate	
				+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	524	(13,331)	(12,807)	70.0	(70.0)
<b>Total gross exposure of balance sheet items</b>	<b>524</b>	<b>(13,331)</b>	<b>(12,807)</b>	<b>70.0</b>	<b>(70.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity	
		Euro/Hong Kong dollar exchange rate	
		+ 5%	- 5%
		(€/000)	(€/000)
Forward sales (Notional Value)	(96,600)	528	(528)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Canadian dollar exchange rate	
				+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	3,524	(1,480)	2,044	(64.0)	64.0
<b>Total gross exposure of balance sheet items</b>	<b>3,524</b>	<b>(1,480)</b>	<b>2,044</b>	<b>(64.0)</b>	<b>64.0</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity	
		Euro/Canadian dollar exchange rate	
		+ 5%	- 5%
		(€/000)	(€/000)
Forward sales (Notional Value)	(35,800)	1,113	(1,113)



Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Renminbi exchange rate	
				+ 5% (€/000)	- 5% (€/000)
		(CNY/000)			
Trade balances	85,935	(26,658)	59,277	(360.0)	360.0
<b>Total gross exposure of balance sheet items</b>	<b>85,935</b>	<b>(26,658)</b>	<b>59,277</b>	<b>(360.0)</b>	<b>360.0</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Renminbi exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(336,000)	2,042	(2,042)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/ Rouble exchange rate	
				+ 5% (€/000)	- 5% (€/000)
		(RUB/000)			
Trade balances	-	(10,468)	(10,468)	6.0	(6.0)
<b>Total gross exposure of balance sheet items</b>	<b>-</b>	<b>(10,468)</b>	<b>(10,468)</b>	<b>6.0</b>	<b>(6.0)</b>

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Singapore dollar exchange rate	
				+ 5% (€/000)	- 5% (€/000)
		(SGD/000)			
Trade balances	2	(374)	(372)	12.0	(12.0)
<b>Total gross exposure of balance sheet items</b>	<b>2</b>	<b>(374)</b>	<b>(372)</b>	<b>12.0</b>	<b>(12.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Singapore dollar exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(5,500)	182	(182)



Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Taiwan dollar exchange rate	
				+ 5% (€/000)	- 5% (€/000)
		(TWD/000)			
Trade balances	41,223	(6,015)	35,208	48.0	(48.0)
<b>Total gross exposure of balance sheet items</b>	<b>41,223</b>	<b>(6,015)</b>	<b>35,208</b>	<b>48.0</b>	<b>(48.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Taiwan dollar exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(190,000)	258	(258)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Dirham exchange rate	
				+ 5% (€/000)	- 5% (€/000)
		(AED/000)			
Trade balances	6,414	(5,495)	919	(11.0)	11.0
<b>Total gross exposure of balance sheet items</b>	<b>6,414</b>	<b>(5,495)</b>	<b>919</b>	<b>(11.0)</b>	<b>11.0</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/UAE Dirham exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(96,000)	1,112	(1,112)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Kuwait dinar exchange rate	
				+ 5% (€/000)	- 5% (€/000)
		(KWD/000)			
Trade balances	-	(23)	(23)	3.0	(3.0)
<b>Total gross exposure of balance sheet items</b>	<b>-</b>	<b>(23)</b>	<b>(23)</b>	<b>3.0</b>	<b>(3.0)</b>



Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Mexican peso exchange rate	
	<i>(Mexican Peso/000)</i>			+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	6,497	(3,240)	3,257	(8.0)	8.0
<b>Total gross exposure of balance sheet items</b>	<b>6,497</b>	<b>(3,240)</b>	<b>3,257</b>	<b>(8.0)</b>	<b>8.0</b>

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Australian dollar exchange rate	
	<i>(Australian Dollar/000)</i>			+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	-	(145)	(145)	-	-
<b>Total gross exposure of balance sheet items</b>	<b>-</b>	<b>(145)</b>	<b>(145)</b>	<b>-</b>	<b>-</b>



	FOREIGN CURRENCY EXPOSURE 2024			SENSITIVITY 2024	
	Assets	Liabilities	Equity	Income statement Euro/US dollar exchange rate	
Exposure of balance sheet items	<i>(US dollar/000)</i>			+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	11,503	(9,374)	2,129	103.0	(103.0)
<b>Total gross exposure of balance sheet items</b>	<b>11,503</b>	<b>(9,374)</b>	<b>2,129</b>	<b>103.0</b>	<b>(103.0)</b>

	Notional	Changes in shareholders' equity Euro/US dollar exchange rate	
		+ 5%	- 5%
Exposure arising from highly probable future transactions		(€/000)	(€/000)
Forward sales (Notional Value)	(301,700)	14,520	(14,520)

	Assets	Liabilities	Equity	Income statement Euro/Swiss franc exchange rate	
				+ 5%	- 5%
Exposure of balance sheet items	<i>(CHF/000)</i>			(€/000)	(€/000)
Trade balances	-	(1,083)	(1,083)	(57.0)	57.0
<b>Total gross exposure of balance sheet items</b>	<b>-</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(57.0)</b>	<b>57.0</b>

	Notional	Changes in shareholders' equity Euro/Swiss franc exchange rate	
		+ 5%	- 5%
Exposure arising from highly probable future transactions		(€/000)	(€/000)
Forward sales (Notional Value)	(13,100)	696	(696)

	Assets	Liabilities	Equity	Income statement Euro/British pound exchange rate	
				+ 5%	- 5%
Exposure of balance sheet items	<i>(GBP/000)</i>			(€/000)	(€/000)
Trade balances	2,477	(842)	1,635	99.0	(99.0)
<b>Total gross exposure of balance sheet items</b>	<b>2,477</b>	<b>(842)</b>	<b>1,635</b>	<b>99.0</b>	<b>(99.0)</b>

	Notional	Changes in shareholders' equity Euro/British pound exchange rate	
		+ 5%	- 5%
Exposure arising from highly probable future transactions		(€/000)	(€/000)
Forward sales (Notional Value)	(33,500)	2,020	(2,020)



Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Japanese yen exchange rate	
				+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	933,076	(399,299)	533,777	164.0	(164.0)
<b>Total gross exposure of balance sheet items</b>	<b>933,076</b>	<b>(399,299)</b>	<b>533,777</b>	<b>164.0</b>	<b>(164.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity	
		Euro/Japanese yen exchange rate	
		+ 5%	- 5%
		(€/000)	(€/000)
Forward sales (Notional Value)	(6,190,000)	1,898	(1,898)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Hong Kong dollar exchange rate	
				+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	571	(5,247)	(4,676)	(29.0)	29.0
<b>Total gross exposure of balance sheet items</b>	<b>571</b>	<b>(5,247)</b>	<b>(4,676)</b>	<b>(29.0)</b>	<b>29.0</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity	
		Euro/Hong Kong dollar exchange rate	
		+ 5%	- 5%
		(€/000)	(€/000)
Forward sales (Notional Value)	(151,800)	941	(941)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement	
				Euro/Canadian dollar exchange rate	
				+ 5%	- 5%
				(€/000)	(€/000)
Trade balances	5,077	(541)	4,536	152.0	(152.0)
<b>Total gross exposure of balance sheet items</b>	<b>5,077</b>	<b>(541)</b>	<b>4,536</b>	<b>152.0</b>	<b>(152.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity	
		Euro/Canadian dollar exchange rate	
		+ 5%	- 5%
		(€/000)	(€/000)
Forward sales (Notional Value)	(45,600)	1,525	(1,525)



Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Renminbi exchange rate	
				+ 5% (€/000)	- 5% (€/000)
	<i>(CNY/000)</i>				
Trade balances	74,438	(14,557)	59,881	395.0	(395.0)
<b>Total gross exposure of balance sheet items</b>	<b>74,438</b>	<b>(14,557)</b>	<b>59,881</b>	<b>395.0</b>	<b>(395.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Renminbi exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(437,000)	2,881	(2,881)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/ Rouble exchange rate	
				+ 5% (€/000)	- 5% (€/000)
	<i>(RUB/000)</i>				
Trade balances	-	(5,288)	(5,288)	(2.0)	2.0
<b>Total gross exposure of balance sheet items</b>	<b>-</b>	<b>(5,288)</b>	<b>(5,288)</b>	<b>(2.0)</b>	<b>2.0</b>

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Singapore dollar exchange rate	
				+ 5% (€/000)	- 5% (€/000)
	<i>(SGD/000)</i>				
Trade balances	2	(124)	(122)	(4.0)	4.0
<b>Total gross exposure of balance sheet items</b>	<b>2</b>	<b>(124)</b>	<b>(122)</b>	<b>(4.0)</b>	<b>4.0</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Singapore dollar exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(6,650)	235	(235)



Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Taiwan dollar exchange rate	
				+ 5% (€/000)	- 5% (€/000)
	<i>(TWD/000)</i>				
Trade balances	49,026	(5,987)	43,039	63.0	(63.0)
<b>Total gross exposure of balance sheet items</b>	<b>49,026</b>	<b>(5,987)</b>	<b>43,039</b>	<b>63.0</b>	<b>(63.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Taiwan dollar exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(166,000)	244	(244)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Dirham exchange rate	
				+ 5% (€/000)	- 5% (€/000)
	<i>(AED/000)</i>				
Trade balances	8,039	(3,298)	4,741	62.0	(62.0)
<b>Total gross exposure of balance sheet items</b>	<b>8,039</b>	<b>(3,298)</b>	<b>4,741</b>	<b>62.0</b>	<b>(62.0)</b>

Exposure arising from highly probable future transactions	Notional	Changes in shareholders' equity Euro/Dirham exchange rate	
		+ 5% (€/000)	- 5% (€/000)
Forward sales (Notional Value)	(124,900)	1,637	(1,637)

Exposure of balance sheet items	Assets	Liabilities	Equity	Income statement Euro/Kuwait dinar exchange rate	
				+ 5% (€/000)	- 5% (€/000)
	<i>(KWD/000)</i>				
Trade balances	61	(3)	58	9.0	(9.0)
<b>Total gross exposure of balance sheet items</b>	<b>61</b>	<b>(3)</b>	<b>58</b>	<b>9.0</b>	<b>(9.0)</b>

The assumptions regarding the range of changes in market parameters used to simulate shocks were formulated on the basis of an analysis of the historical trend of such parameters with reference to a 30-60-90 day horizon, in line with the expected length of exposure.



## LIQUIDITY RISK

The Brunello Cucinelli Group manages liquidity risk by strictly controlling the items making up working capital and, in particular, Trade receivables and Trade payables.

The Group strives to obtain good cash generation in order to settle trade payables without jeopardising its short-term cash requirements and to avoid criticalities and strains of available cash.

The following tables provide a stratification of outstanding liabilities for 2025 and 2024 relating to financial instruments by residual maturity:

	Situation as of 31 December 2025					
	Financial liabilities*		Financial lease liabilities**	Trade payable	Derivative instruments	TOTAL
	Principal (Euro/000)	Interest (Euro/000)				
a	b	c	d	e	f = a+b+c+d+e	
Maturity:						
Within 12 months	90,836	8,278	140,576	177,107	889	417,686
Between 1 and 2 years	80,780	5,980	129,886	-	475	217,121
Between 2 and 3 years	70,898	3,806	118,046	-	6	192,756
Between 3 and 5 years	69,132	1,671	209,134	-	(124)	279,813
Between 5 and 7 years	-	-	142,947	-	-	142,947
Due after 7 years	-	-	166,990	-	-	166,990
<b>TOTAL</b>	<b>311,646</b>	<b>19,735</b>	<b>907,579</b>	<b>177,107</b>	<b>1,246</b>	<b>1,417,313</b>

\* Current and non-current financial lease liabilities excluded.

\*\* Undiscounted cash flows from current and non-current financial lease liabilities.

	Situation as of 31 December 2024					
	Financial liabilities*		Financial lease liabilities**	Trade payables	Derivative instruments	TOTAL
	Principal (Euro/000)	Interessi (Euro/000)				
a	b	c	d	e	f = a+b+c+d+e	
Maturity:						
Within 12 months	64,388	6,103	125,797	169,217	(783)	364,722
Between 1 and 2 years	54,541	3,833	111,188	-	(195)	169,367
Between 2 and 3 years	44,419	2,549	101,819	-	(54)	148,733
Between 3 and 5 years	56,118	1,712	163,537	-	-	221,367
Between 5 and 7 years	-	-	118,425	-	-	118,425
Due after 7 years	-	-	157,963	-	-	157,963
<b>TOTAL</b>	<b>219,466</b>	<b>14,197</b>	<b>778,729</b>	<b>169,217</b>	<b>(1,032)</b>	<b>1,180,577</b>

\* Current and non-current financial lease liabilities excluded.

\*\* Undiscounted cash flows from current and non-current financial lease liabilities.

The estimate of future expected expenses implicit to the loans and the future expected differentials implied in derivatives was determined based on yield curve of the interest rates at the dates of reference (31 December 2025 and 31 December 2024).



## CREDIT RISK

Credit risk is the Group's exposure to potential losses arising from the failure by counterparties to meet their obligations.

The Brunello Cucinelli Group's exposure to commercial credit risk refers only to sales made to the wholesale channel, which represents 32.7% of revenues at 31 December 2025: the remaining turnover refers to sales in the retail channel where payment is made in cash or by credit or debit card.

The Brunello Cucinelli Group generally prefers to do business with customers with whom it has established a consolidated relationship over time. It is the Group's policy to carry out checks on the relative credit class for customers requesting extended payment terms both by using information obtainable from specialised agencies and observing and analysing figures for the performance of established customers. In addition, balances are constantly monitored during the year in order to ensure timely action and reduce the risk of loss. As confirmation of this policy, reference should be made to the changes in the provision for bad debts for the years ended 31 December 2025 and 31 December 2024 set out in Note 8 of these consolidated financial statements.

Specifically, note that the percentage ratio of the sum of the utilizations of the provision for bad debts and bad debt losses as compared to revenues (0.09% in 2025 and 0.02% in 2024) support a prudent and sound mindset in credit management.

The carrying amount of Trade receivables in the financial statements is stated net of the provision for bad debts on the basis of the risk that the counterparty will fail to meet its obligations, determined by considering the available information on the solvency of the customer and historical data.

The following tables provide an ageing of trade receivables for the years 2025 and 2024:

<i>(Euro/000)</i>	Situation at 31 December	
	2025	2024
<b>Overdue by:</b>		
0-90 days	6,040	6,607
91-180 days	2,454	3,419
More than 180 days	611	197
<b>TOTAL</b>	<b>9,105</b>	<b>10,223</b>

## OTHER INFORMATION

### RELATED PARTY TRANSACTIONS

The following tables provide details of transactions and balances with related parties. The companies indicated have been identified as related parties because they are directly or indirectly connected with the Brunello Cucinelli Group's shareholders of reference.

Pursuant to Consob Resolution No. 17221 of 12 March 2010, it is acknowledged that during 2025 the Group did not enter into major or material transactions with related parties that significantly affected the Group's financial situation or net profit for the year.

All transactions that are part of the normal operations of Brunello Cucinelli Group companies have been carried out in the exclusive interest of the Group, applying contractual conditions consistent with those theoretically achievable in negotiations with third parties.



Details of the Brunello Cucinelli Group's transactions and balances with related parties at 31 December 2025 are as follows:

<i>(Euro/000)</i>	Revenues	Costs of raw materials and consumables	Costs for services	Payroll costs	Other operating income	Financial income and from equity investments	Intangible assets	Property, plant and equipment	Other non-current financial assets	Trade receivables	Trade payables	Other current liabilities
MO.AR.R. S.n.c.	7	1	103	-	-	-	-	7,398	-	2	41	-
Cariaggi Lanificio S.p.A.	72	12,433	3	-	67	1,990	-	-	16,718	102	4,012	-
AS.VI.P.I.M. Gruppo Cucinelli	-	-	1,090	-	2	-	-	-	-	6	91	-
Clinica di Medicina Rigenerativa	21	-	-	-	26	-	-	-	-	3	-	-
Brunello Cucinelli family	-	-	1,042	1,274	4	-	-	-	-	-	-	70
Directors and Executives with strategic responsibilities	-	-	3,627	7,549	-	-	-	-	-	-	-	1,476
Prime Service Italia S.r.l.	-	-	-	-	2	-	-	-	-	2	-	-
Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.)	13	-	3,632	-	9	-	-	10,353	32	14	251	-
Solomei A.I.	31	-	212	-	24	-	438	-	-	27	-	-
Brunello Cucinelli Foundation	44	-	6	-	8	-	-	-	-	8	-	-
Alghor Capital Partner S.r.l.	-	-	-	-	1	-	-	-	-	1	-	-
Zephyr S.r.l.	-	-	-	-	1	-	-	-	-	1	-	-
Castello di Solomeo S.a.S.	-	-	546	-	3	-	-	7	-	1	119	-
S.C.R.Oratorio Interreligioso S.S.D. A.r.l.	-	-	-	-	2	-	-	-	-	2	-	-
<b>Total related parties</b>	<b>188</b>	<b>12,434</b>	<b>10,261</b>	<b>8,823</b>	<b>149</b>	<b>1,990</b>	<b>438</b>	<b>17,758</b>	<b>16,750</b>	<b>169</b>	<b>4,514</b>	<b>1,546</b>
<b>Total consolidated financial statements</b>	<b>1,407,951</b>	<b>121,099</b>	<b>595,737</b>	<b>255,367</b>	<b>5,404</b>	<b>55,546</b>	<b>21,925</b>	<b>342,156</b>	<b>47,525</b>	<b>101,622</b>	<b>177,107</b>	<b>66,292</b>
<i>% Proportion</i>	<i>0.01%</i>	<i>10.27%</i>	<i>1.72%</i>	<i>3.46%</i>	<i>2.76%</i>	<i>3.58%</i>	<i>2.00%</i>	<i>5.19%</i>	<i>35.24%</i>	<i>0.17%</i>	<i>2.55%</i>	<i>2.33%</i>



The following table sets out the balances at 31 December 2025 arising from the application of the standard IFRS 16 to related party transactions:

<i>(Euro/000)</i>	Right of use	Non-current financial lease liabilities	Current financial lease liabilities	Depreciation and amortization	Financial expenses
Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.)	857	604	364	329	30
<b>Total related parties</b>	<b>857</b>	<b>604</b>	<b>364</b>	<b>329</b>	<b>30</b>
<b>Total consolidated financial statements</b>	<b>716,286</b>	<b>671,780</b>	<b>115,405</b>	<b>180,612</b>	<b>84,634</b>
<i>% Proportion</i>	<i>0.12%</i>	<i>0.09%</i>	<i>0.32%</i>	<i>0.18%</i>	<i>0.04%</i>

Specifically:

- MO.AR.R. S.n.c.: commercial relationships with MO.AR.R. S.n.c., of which Enzo Cucinelli, brother of Brunello Cucinelli, holds 50% of the share capital, mainly relate to the net carrying amount of investments for the furnishing of points of sale and company premises;
- Cariaggi Lanificio S.p.A.: the Parent Company has trade relations with the company Cariaggi Lanificio S.p.A. and essentially concern the purchase of yarn for production. Furthermore, based on the relationship of association between the Parent Company and Cariaggi Lanificio S.p.A. the value of the interest is recorded under Other non-current financial assets as well as financial income deriving from the valuation of the equity investment with the equity method, as required by accounting standards IAS 28;
- AS.VI.P.I.M. Gruppo Cucinelli: this association conducts the surveillance services in the area near the Company's headquarter. It should be noted that Brunello Cucinelli and the Group are both associates;
- Brunello Cucinelli family: this is the remuneration deriving from the employment relationship and the fees for the office of Director of the Parent Company of Brunello Cucinelli and his family members;
- Directors and Executives with Strategic Responsibilities: includes the remuneration paid to Executives with Strategic Responsibilities for the employment relationship, the emoluments for the position of Directors of the Parent Company (including the emoluments of both CEOs) as well as the balances as at 31 December 2025 relating to the 2022-2024 Stock Grant plan and the 2024-2026 Stock Grant plan;
- Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.): a company whose Chairman and Chief Executive Officer is Brunello Cucinelli, which at 31 December 2025 holds 50.05% of the shares in the Parent Company, corresponding, at the date of this Annual Financial Report, to 64.91% of all voting rights as a result of acquisition of effectiveness of the voting increase pursuant to article 127-quinquies of the TUF and the provisions of art. 6 of the Articles of Association (for more details, refer to the paragraph "Shareholders' equity" and paragraph "Significant events after 31 December 2025" of the Report on Operations of the Board of Directors). The reports refer mainly to the net residual carrying amount of instrumental buildings acquired during the previous years and to balances related to outstanding contracts between the parties. They also refer to leases of buildings used by the Company for conducting operations in the area close to the Company's headquarters. The amounts involved and set out in the above table include the effects of applying the accounting standard IFRS 16;



- Solomei A.I. S.r.l.: the relations with Solomei A.I. S.r.l., owned by Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.) and by the CEOs, refer to the implementation, development and maintenance of Brunello Cucinelli's innovative website based on Artificial Intelligence;
- Castello di Solomeo S.a.s.; company owned by Foro delle Arti S.p.A. (formerly Foro delle Arti S.r.l.) and the Chairman Brunello Cucinelli. The relations with the company Castello di Solomeo S.a.s. mainly refer to the supply of high quality oil and wine, which are mainly used for the “artisan events” held by our Group to support the allure of our brand;
- Fondazione Brunello Cucinelli, S.C.R. Oratorio Interreligioso S.S.D. A.r.l., Clinica di Medicina Rigenerativa di Solomeo S.r.l., Algor Capital Partner S.r.l., Zephyr S.r.l. and Prime Service Italia S.r.l.: these are insignificant amounts mainly regarding charge backs for services performed.

#### SIGNIFICANT EVENTS AFTER 31 DECEMBER 2025

Reference should be made to the Report on Operations of the Board of Directors for significant events occurring after the reporting date of these consolidated financial statements.



## COMPENSATION OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS

The amount of remuneration due to the members of the Board of Directors of Brunello Cucinelli S.p.A. as of 31 December 2025 is equal to a total of €4,955 thousand.

The compensation accruing to the Board of Statutory Auditors of Brunello Cucinelli S.p.A. at 31 December 2025 amounted to €191 thousand.

The table below shows the compensation due to members of the Board of Directors for the year ended 31 December 2025 by Brunello Cucinelli S.p.A. and by direct or indirect subsidiaries:

**Board of Directors**

<i>(In Euro)</i>		Year ended 31 December 2025									
Full name	Office held	Term of office	Expiry	Remuneration	Fees for participation in committees	Non-monetary benefits	Bonuses and other incentives	Other remuneration	Other remuneration received from subsidiaries	Overall total	
Brunello Cucinelli	Chairman	01-Jan/ 31-Dec	a)	1,003,000	-	-	-	-	-	<b>1,003,000</b>	
Riccardo Stefanelli	Director and Chief Executive Officer	01-Jan/ 31-Dec	a)	1,073,400	-	-	625,000	-	-	<b>1,698,400</b>	
Luca Lisandrone	Director and Chief Executive Officer	01-Jan/ 31-Dec	a)	1,073,400	-	-	625,000	-	-	<b>1,698,400</b>	
Giovanna Manfredi	Director	01-Jan/ 31-Dec	a)	4,200	-	-	-	-	-	<b>4,200</b>	
Camilla Cucinelli	Director	01-Jan/ 31-Dec	a)	3,000	-	-	-	-	-	<b>3,000</b>	
Carolina Cucinelli	Director	01-Jan/ 31-Dec	a)	3,600	-	-	-	-	-	<b>3,600</b>	
Alessio Piastrelli	Director	01-Jan/ 31-Dec	a)	2,400	-	-	-	-	-	<b>2,400</b>	
Ramin Arani	Director	01-Jan/ 31-Dec	a)	65,400	12,000	-	-	-	-	<b>77,400</b>	
Stefano Domenicali	Independent director	01-Jan/ 31-Dec	a)	64,200	-	-	-	-	-	<b>64,200</b>	
Andrea Pontremoli	Independent director	01-Jan/ 31-Dec	a)	65,400	-	-	-	-	-	<b>65,400</b>	
Maria Cecilia La Manna	Independent director	01-Jan/ 31-Dec	a)	65,400	24,000	-	-	-	-	<b>89,400</b>	
Guido Barilla	Independent director	01-Jan/ 31-Dec		62,400	-	-	-	-	-	<b>62,400</b>	
Chiara Dorigotti	Independent director	01-Jan/ 31-Dec	a)	64,800	30,000	-	-	-	-	<b>94,800</b>	
Katia Riva	Independent director	01-Jan/ 31-Dec	a)	64,800	24,000	-	-	-	-	<b>88,800</b>	

a) with the approval of the 2025 financial statements.

Note that the amounts stated above do not include salaries received as employee income.



The table below summarises the remuneration paid to the members of the Board of Statutory Auditors for the year ended 31 December 2025.

### Board of Statutory Auditors

Full name	Office held	Year ended 31 December 2025			
		Term of office	Expiry	Remuneration	Overall total
Paolo Prandi	Chairperson	01-Jan/31-Dec	a)	75,000	<b>75,000</b>
Anna Maria Fellegara	Standing Auditor	01-Jan/31-Dec	a)	58,000	<b>58,000</b>
Dante Valobra	Standing Auditor	01-Jan/31-Dec	a)	58,000	<b>58,000</b>

a) with the approval of the 2025 financial statements.

### DISCLOSURE PURSUANT TO ARTICLE 149-DUODECIES OF THE ISSUERS' REGULATION

Type of service (Euro/000)	Service provided by	Recipient	Total Fees 2025
Audit	Auditor of the Parent Company	Parent company	458
Other services	Auditor of the Parent Company	Parent company	122
<b>Subtotal</b>			<b>580</b>
Audit	i) Network of the Parent Company auditor	Subsidiary	49
	ii) Other auditors	Subsidiary	189
<b>Subtotal</b>			<b>238</b>
<b>Total</b>			<b>818</b>

### BALANCES OR TRANSACTIONS DERIVING FROM ATYPICAL OR UNUSUAL OPERATIONS

Pursuant to Consob Communication No. DEM/6064293 of 28 July 2006, it should be noted that there were no atypical and/or unusual transactions, as defined in said Communication.

Solomeo, 18 February 2026

**Luca Lisandroni**  
Chief Executive Officer  
Markets Area

**Brunello Cucinelli**  
Chairman of the Board of  
Directors

**Riccardo Stefanelli**  
Chief Executive Officer  
Product and Operations Area



**CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS PER ART. 154-BIS OF LEGISLATIVE DECREE DATED 24 FEBRUARY 1998 NO. 58 (CONSOLIDATED LAW ON FINANCE) AND ARTICLE 81- TER OF CONSOB REG. NO. 11971 DATED 14 MAY 1999 AND AS AMENDED**

- 1) The undersigned Luca Lisandroni, as Chief Executive Officer of the Markets Area, Riccardo Stefanelli, as Chief Executive Officer of the Product and Operations Area, and Dario Pipitone, as the Financial Reporting Officer of Brunello Cucinelli S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998:
  - their adequacy with respect to the company's structure and
  - the effective application of the administrative and accounting procedures for the preparation of the annual consolidated financial statements for the year 1 January 2025 to 31 December 2025.
- 2) No significant aspects arose from applying the administrative and accounting procedures for the preparation of the annual consolidated financial statements as at 31 December 2025.
- 3) We also certify that:
  - 3.1 The annual consolidated financial statements:
    - a) Have been prepared in accordance with the applicable international accounting standards as endorsed by the European Union as per Regulation (EC) No. 1606/2002 European Parliament and Council dated 19 July 2002;
    - b) Correspond with the balances on the books of account and the accounting records;
    - c) Are suitable for providing a true and fair representation of the financial conditions, results and cash flows of the issuer and of companies included in the scope of consolidation.
  - 3.2 The Report on Operations of the Board of Directors includes a reliable analysis of operating performance and results, as well as of the situation of the company and of companies included in the scope of consolidation, together with a description of the principal risks and uncertainties they are exposed to.

Solomeo, 18 February 2026

**Luca Lisandroni**  
Chief Executive Officer  
Markets Area

**Riccardo Stefanelli**  
Chief Executive Officer Prod-  
uct and Operations Area

**Dario Pipitone**  
Manager in charge of preparing  
the Company's financial reports



## CERTIFICATION OF THE CONSOLIDATED SUSTAINABILITY REPORT

The undersigned Luca Lisandrone, as Chief Executive Officer of the Markets Area, as Chief Executive Officer of the Product and Operations Area and Dario Pipitone, as the Financial Reporting Office of Brunello Cucinelli S.p.A. hereby certify, pursuant to art.154-*bis*, para. 5-*ter*, of Italian Legislative Decree 24 February 1998, no.58, that the Consolidated Sustainability report included in the Report on Operations of the Board of Directors was prepared:

- in compliance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and Legislative Decree 6 September 2024, no.125;
- with the specifications adopted pursuant to article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020.

Solomeo, 18 February 2026

**Luca Lisandrone**  
Chief Executive Officer  
Markets Area

**Riccardo Stefanelli**  
Chief Executive Officer Product  
and Operations Area

**Dario Pipitone**  
Manager in charge of preparing  
the Company's financial reports



## INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT



### Independent auditor's report in accordance with article 14 of Legislative Decree 39/2010 and article 10 of Regulation (EU) 537/2014

To the Shareholders of

Brunello Cucinelli SpA

#### Report on the audit of the consolidated financial statements

##### Opinion

We have audited the consolidated financial statements of Brunello Cucinelli Group (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2025, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2025, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/2005.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of this report. We are independent of the

PricewaterhouseCoopers SpA

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Viale Gramsci 15 Tel. 055 2452611 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova**  
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company Brunello Cucinelli SpA (the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Auditing procedures performed in response to key audit matters
<p><b>Evaluation of contingent liabilities and compliance with international sanctions regimes</b></p> <p><i>Paragraph: "Significant events during 2025 – Publication of information by Morpheus Research" and "Operating risks - Risks connected to restrictive union measures (sanction compliance)"</i></p> <p>On 25 September 2025, Morpheus Research, the financial research company which declared holding short positions of Brunello Cucinelli shares, disseminated a report with information regarding the Group.</p> <p>According to the theory set out in the report disseminated by that company, the Brunello Cucinelli group, due to excess inventory, would have been allegedly forced to reduce its inventories by increasing sales in the multi-brand channels, with a resulting increase in the discounts on unsold garments, thus undermining the exclusivity of the brand and, ultimately, leading them to resort the Russian market in violation of the EU regulations.</p> <p>Following the dissemination of the report, short-selling activities were recorded in relation to the</p>	<p>We performed an understanding and assessed the internal control system relating to the compliance with rules laying down restrictions on sales to Russia, including with the support of our experts in processes and international economic sanctions.</p> <p>With the support of internal experts in processes, we performed an understanding and assessed the strengthened Trade Compliance procedure approved by the Board of Directors.</p> <p>We held meetings with management and the experts engaged by the Company.</p> <p>We carried out analytical review procedures on wholesale sales revenues from the year 2021 to 2025 in relation to a list of countries identified based on those which do not apply sanctions and supplemented by those countries that border Russia ("risk countries").</p> <p>We selected a sample of wholesale transactions to Russia and obtained supporting</p>



stock that led the Italian Stock Exchange (*Borsa Italiana*) to temporarily suspend its trading.

The directors confirmed full compliance with the EU sanctions regulations with reference to the operations on the Russian market and engaged independent experts to verify whether the report information was true and to perform a risk assessment activity and a gap analysis aimed at establishing a strengthened Trade Compliance procedure, approved by the Board of Directors at the meeting of 10 December 2025, to further supplement the already existing measures.

The assessment of the existence of contingent liabilities arising from the breach, if any, of EU regulations, as well as the resulting reputational impacts represented a key audit matter because of the complexity of the regulatory sanctions framework and the professional judgment required to estimate possible legal risks.

documentation in order to verify compliance with the export ban on luxury goods worth over Euro 300, in compliance with Regulation (EU) 833/2014 and Annex XVIII thereto.

We selected a sample of wholesale transactions to risk countries and obtained supporting documentation to verify if contracts contained elements suitable to mitigate the risk of triangulation, re-exports to countries subject to sanctions, or improper use of supplies.

With the support of international sanction experts, we performed the following audit procedures:

1. We obtained the report drafted by the experts engaged by the directors and we verified the adequacy of the methodological approach followed by them and re-performed the analyses deemed of most significance.
2. We verified that all Russian counterparties identified were not included in the sanctions lists; this test was performed also in relation to a sample of counterparties headquartered in risk countries.
3. We obtained an extraction of sales revenues and of shipments performed in the year by Brunello Cucinelli SpA and its subsidiary Logistica e Distribuzione Srl and, for a sample of transactions, we obtained the supporting documentation in order to verify compliance with the regulations.

We sent a request for external confirmation to the Company's legal counsels to understand the potential risks on the Company, including updates on contingent liabilities, if any, and we obtained legal opinions, whose conclusions were analysed with the support of the PwC network legal experts in international economic sanctions.

Finally, we verified the completeness and adequacy of the disclosures provided by



management with regard to the risks connected with the operations in Russia.

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#### **Adequacy of the Provision for Inventory Write-downs**

##### *Note 7. "Inventories"*

Final inventories, equal to Euro 398,341 thousand at 31 December 2025, were stated net of the provision for inventory write-downs of Euro 112,523 thousand, equal to about 22 per cent of the inventory value.

The provision for inventory write-downs reflects management's estimate about the expected losses in value for materials or finished products, considering their expected use or realisation value. The determination of the value of the provision takes also into account the donation programme related to the "Brunello Cucinelli for Humanity" project.

Verifying the adequacy of the provision for inventory write-downs was considered as a key audit matter in consideration of the significance of the item, as well as the degree of professional judgement required of management in developing the assumptions around the estimation of the provision.

We met with the corporate function staff of the Brunello Cucinelli group involved in the definition process of the provision for inventory write-downs in order to comprehend the evaluations performed.

We obtained the calculation of the provision for inventory write-downs prepared and verified its mathematical correctness.

We evaluated the adequacy of the assumptions underlying the estimation through a "retrospective analysis", verifying also the consistency of the write-down percentages used by management with the final data of non-current collection inventories.

We also verified the consistency of the write-down percentages applied in comparison with the previous years.

We carried out an analysis on a sample of sales in the subsequent year in order to verify the accuracy of the write-down percentages applied compared with recent seasons/collections.

Finally, we verified the completeness and adequacy of the disclosures provided by management in the explanatory notes with regard to the recoverability of inventory.

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#### **Recognition and measurement of right-of-use assets**

##### *Note 1. "Right of use" and Paragraph 6.1 "Impairment"*

As of 31 December 2025, right-of-use assets and the related financial liabilities, recognised in accordance with IFRS 16 "Leases", totalled Euro 716,286 thousand and Euro 787,185 thousand,

We performed an understanding, assessment and validation of relevant internal controls over the recognition of lease contracts.

We understood and evaluated the reasonableness of the accounting policies and assumptions used by management in the recognition of lease contracts in accordance with



respectively, and relate mainly to leases for spaces in the boutiques and showrooms of the Brunello Cucinelli group. Amortisation and financial charges of the period totalled Euro 128,864 thousand and Euro 27,075 thousand, respectively.

In connection with lease liabilities IFRS 16 provides, with limited exceptions, for the recognition of rights of use as non-current assets, with a corresponding entry under financial liabilities that reflects the present value of future lease payments.

A right-of-use asset is amortised in the income statement over the term of the lease agreement. The financial liability is repaid, together with the financial charges, through the lease payments .

Furthermore, in accordance with IAS 36 "Impairment of assets", management ascertained the presence of indicators of potential impairment, based on the impairment testing procedure approved by the Board of Directors, as well as the presence of indicators that the conditions no longer obtained for recognising impairment losses in previous years.

As of 31 December 2025, management identified indicators of possible impairment exclusively in relation to the Cash Generating Unit ("CGU") connected with the subsidiary OOO Brunello Cucinelli RUS; therefore, they performed the related impairment exercise, which did not unveil any other impairment losses or reversals.

We considered the recognition and measurement of right-of-use assets as a key audit matter, taking account of the significance of the values in question and the high degree of judgement required to determine the main assumptions used as part of the directors' evaluations.

IFRS 16.

We performed tests of details, on a sample basis, of the significant parts of relevant contracts and of the key assumptions, with particular reference to the definition of the term of each lease and the effect of any extension options, used by management for the recognition and measurement of the financial statement items, through the supporting evidence.

With the support of valuation modelling experts from the PwC network, we performed an independent estimation of the discount rate used by management.

Regarding the recoverability of the amounts recognised in the financial statements, we understood and evaluated the procedure to identify possible impairment of right-of-use assets. We verified the correct identification of the CGUs and the presence of impairment indicators, if any.

With reference to the future cash flows expected from the CGU tested for impairment, we tested the alignment of the cash flows with those approved by the Board of Directors of Brunello Cucinelli SpA, we analysed the main assumptions and key hypotheses on which management based their projections and assessed, including with discussions with management, the reasonableness and consistency of the forward-looking data, with particular reference to expected revenues, the results achieved in previous years and the external sources of information.

We analysed, with the support of the PwC network experts in valuation, the method adopted by management to determine the recoverable value of the CGU tested for impairment, we verified the reasonableness of the main assumptions reflected in the valuation model, such as the discount rate and the long-



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term growth rate, we tested the mathematical accuracy of the models used and compared the value in use with the book value of the cash generating unit.

Finally, we evaluated the completeness and adequacy of disclosures provided in the explanatory notes.

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#### **Responsibilities of the directors and the board of statutory auditors for the consolidated financial statements**

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Brunello Cucinelli SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

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#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial



statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit.

Furthermore:

We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial



statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

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#### **Additional disclosures required by article 10 of Regulation (EU) 537/2014**

On 19 April 2021, the shareholders of Brunello Cucinelli SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2021 to 31 December 2029.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

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## Report on compliance with other laws and regulations

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### Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 815/2019

The directors of Brunello Cucinelli SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 815/2019 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the “Commission Delegated Regulation”) to the consolidated financial statements as of 31 December 2025, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2025 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

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### Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/2010 and with article 123-bis, paragraph 4, of Legislative Decree 58/1998

The directors of Brunello Cucinelli SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Brunello Cucinelli group as of 31 December 2025, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability report, and of the specific information included in the



report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998;

- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998 are consistent with the consolidated financial statements of the Brunello Cucinelli group as of 31 December 2025.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability report, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.



Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability report. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 852/2020 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree 39/2010.

Pescara, 1 April 2026

PricewaterhouseCoopers SpA

Signed by

Stefano Amicone

(Partner)

As disclosed by the directors on page 3, the accompanying consolidated financial statements of Brunello Cucinelli SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 815/2019. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT



### Independent auditor's limited assurance report on the consolidated sustainability report in accordance with article 14-bis of Legislative Decree 39/2010

To the Shareholders of

Brunello Cucinelli SpA

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#### Conclusion

In accordance with article 8 of Legislative Decree 125/2024 (the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Brunello Cucinelli group (the "Group") for the year ended 31 December 2025 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Brunello Cucinelli group for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/EU ("European Sustainability Reporting Standards", also the "ESRS");
- the information set out in paragraph "The European taxonomy" of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (EU) 852/2020 (the "Taxonomy Regulation").

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#### Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement

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vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this standard are further described in the “Auditor’s responsibilities for the limited assurance conclusion on the consolidated sustainability report” section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability statements under Italian law.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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**Responsibilities of the directors and the board of statutory auditors of Brunello Cucinelli SpA for the consolidated sustainability report**

The directors of Brunello Cucinelli SpA are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (the “materiality assessment process”) and for describing those procedures in the “IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities” note of the consolidated sustainability report.

The directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph



“The European taxonomy”.

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

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#### **Inherent limitations in the preparation of the consolidated sustainability report**

For the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated sustainability report, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

The disclosure provided about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information on Scope 3 emissions related to the value chain.

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#### **Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability report**

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on



Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise.
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

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#### **Summary of the work performed**

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Brunello Cucinelli SpA responsible for the preparation of the information presented in the consolidated sustainability report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;



- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;
- We reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;



- We obtained management's representation letter.

Pescara, 1 April 2026

PricewaterhouseCoopers SpA

Signed by

Stefano Amicone

(Partner)

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