IMPACT REPORT 2023 & SUSTAINABILITY STRATEGY

Where it all begins



Message to stakeholders

Giovanni, Giuditta and Guido Gramigni

Lanificio Bisentino's roots go back to the post-World War II period: it was then that our grandparents decided to start producing fabrics and blankets, in an Italy where everything had to be rebuilt and many things had to be reinvented.

The will, faith and enthusiasm with which they conceived this company have become part of their DNA and have reached us. They are the lifeblood that still today gives strength to our work and our commitment to build an ever more resilient and evolved company.

In these seventy years the fashion market has undergone epochal changes and the challenges that manufacturing companies face today are very different from those of the past. Among these is the challenge of sustainability, which we wanted to embrace firmly by starting, a few years ago, to make choices that led in the direction of a lower environmental impact and greater control over raw materials and our production chain. This Report illustrates the direction taken and explains, through the Sustainability Strategy 2030, where we want to reach in the near future.

It is a new beginning, but with deep and honest roots.



Why this Report

January 2023 saw the entry into force of the Corporate Sustainability Reporting Directive (CSRD), a new sustainability reporting directive for European companies which modernises and strengthens the rules on the social and environmental information that companies are required to report. Reporting is the tool that ensures that all stakeholders have access to the information they need to assess the impact of companies on people and the environment and that investors can evaluate the financial risks and opportunities arising from climate change and other sustainability issues.

Lanificio Bisentino is currently not subject to mandatory reporting, but it has nevertheless chosen to share its sustainability strategy and performance with its stakeholders by publishing its second Impact Report prepared with reference to the GRI* (Global Reporting Initiatives) standard. The following pages illustrate the 2030 sustainability strategy, as well as the performance measured during the reporting period 1.1.2023 - 31.12.2023.

bility strategy 2030

Performance 2023

^{*}Following the entry into force of the CSRD, the European Union also adopted in July 2023 the new European Sustainability Reporting Standards (ESRS), developed by EFRAG with constant work on alignment with the main international standards, such as GRI and ISSB.

Contents

The company

- **05** Where we are today
- **06** Changing form without changing essence
- **07** Our history
- **08** Starting from the essentials: our raw materials
- **09** Seeking contemporaneity
- 10 The spinning mill
- The horizontal production model 11
- Governance and Business Ethics 13
- 14 2023 at a glance

Sustainability Strategy 2030

- For sustainable development 16
- Priorities for the textile sector 17
- A common goal 18
- The materiality matrix 19
- 20 Our sustainability strategy 2030

2023 Performance

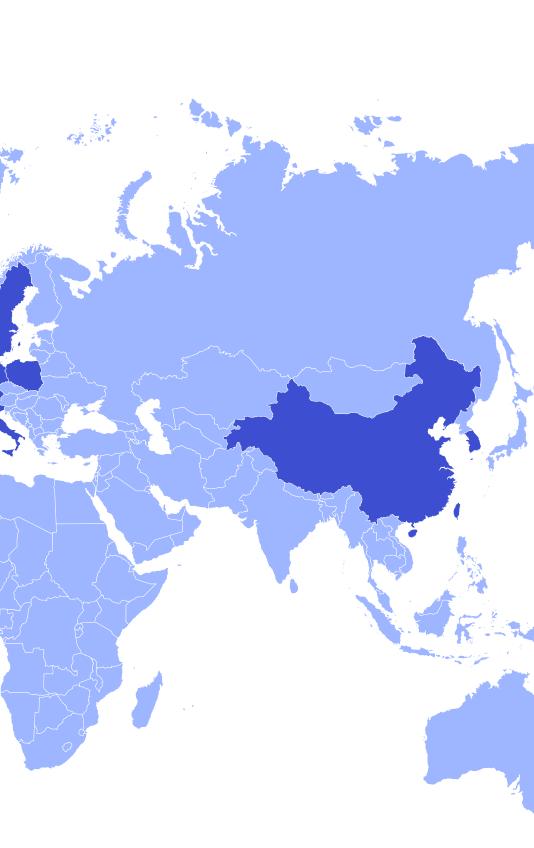
- Tracked and responsible supply chain 27
- 31 Choosing sustainable materials
- Towards circularity to reduce environmental impact 33
- People at the heart of change 39
- Community engagement for shared growth 41
- 42 Appendix

erformance 202

Where we are today

Lanificio Bisentino is a family business with over 75 years of experience in making woven fabrics from natural fibres.

The historical and established commercial presence in Italy has been combined for years with important work in international markets, including: Italy, Spain, South Corea, Germany, France, Sweden, United States, Poland and China*. The company's headquarter is located in the Tuscan countryside, among the vineyards of Comeana in Prato, a place surrounded by textile know-how.



*These are the largest markets, i.e. with a turnover of more than EUR 100,000 in 2023

Performance 2023

Changing form without changing essence

The story of Lanificio Bisentino is the story of a family-run company that has been able to valorise its origins and sense of belonging without compromising innovation but, on the contrary, being capable of embracing novelty.

Over time, and across three generations, the company has turned its ability to identify, select and process natural fibres, particularly mohair and alpaca, in a real strength.

Moreover, over the years the governance has evolved by acquiring other existing companies and founding new ones in a continuous evolution in search of an increasingly efficient set-up capable of fostering growth and providing customers with always better products. This ability to change shape without changing the company DNA is the primary condition for a long-lived history that has enabled the development of a large industrial group comprising two other companies of which Lanificio Bisentino* is the majority shareholder:

• Filatura di Spicciano: a company specialising in carded spinning, which makes most of the yarns for Bisentino

• Manifattura Big: a company specialising in the design, development and production of textile fashion accessories. * Lanificio Bisentino is in turn 70% owned by the financial holding company Gramigni & Gramigni which is legally responsible for its management and control.

The company





THE GROUP

2019 - 2022:

the 2000s

and 2010s

the third generation of the

family joined the company

with Giuditta, Giovanni and

Guido Gramigni.

THE ORIGIN OF LANIFICIO BISENTINO

In the immediate post-war period, brothers Guglielmo and Mario Gramigni together with their cousin Rolando Nincheri, founded the Lanificio Bisentino in Prato, a manufacturing company specialising in the production of fabrics and blankets.

WOMENSWEAR

The second generation of the family, consisting Giampiero and Andrea Gramigni, sons of Mario, and by Paolo, son of Guglielmo, directs the production mainly towards carded fabrics for women's clothing, using both regenerated wool and scraps of pure combed wool carpets.

LAUNCHING NEW FIBERS

Lanificio Bisentino is the first company to pioneer the carded spinning of mohair fibre, which had never been realised until then, and which achieved enormous market success and became its trademark.

THE NEW VENTURE

Lanificio Bisentino founded Ellebi Italia, the first company in the history of the Prato district to produce textile accessories, particularly scarves.

NEW ACQUISITION

Lanificio Bisentino acquired a majority stake in Filatura di Spicciano, which had already been participated by its shareholders since the 1970s. Lanificio Bisentino now holds the 72% of the company.

CHANGE OF SET-UP

Ellebi Italia ceases to be an independent company and becomes Lanificio Bisentino's in-house department for the production of scarves and accessories

ONE MORE BIG STEP

Lanificio Bisentino founded Manifattura BIG from the merger of its in-house scarf department (formerly Ellebi Italia) and Gibiwear, another historical scarf manufacturer in the district. Three years after its foundation, in 2022, Lanificio Bisentino acquired 100% of Manifattura Big

Starting from the essentials: our raw materials

In almost 80 years of history Lanificio Bisentino specialised in the processing of natural fibres in particular mohair, alpaca, wool and cashmere.

This is why, over the years, the company has built important and strategic partnerships with international suppliers, thanks to which it can purchase material directly at the origin of the supply chain and guarantee continuity and consistently high quality.

This attention to raw material can also be easily observed in the company's historical archive where the articles made in the various eras are kept and where the Lanificio's customers still find inspiration for the creation of new garments.

Choosing to work only with certain fibres and with specific suppliers, means reducing the 'ingredients' that make up the 'recipe' of our fabrics: this has allowed us to enhance the essentials and grow in creative design, focusing on each material, its characteristics and potential

Guido Gramigni

Head of Product Development and Member of the Board of Directors



A profound knowledge of natural fibres has enabled the new generation of the family, now at the head of the company, to take this quality product to a more contemporary level. This is due also to research of unique finishes and innovations leading towards a more sustainable approach.

Some examples: high-performance product; animals' welfare

Seeking contemporaneity

special finishes or innovative blends

to transform a classic product into a

certification and choice of raw

materials with a lower environmental

and social impact and which guarantee

• guarantee of complete traceability

down to the origin of all materials used

The spinning mill

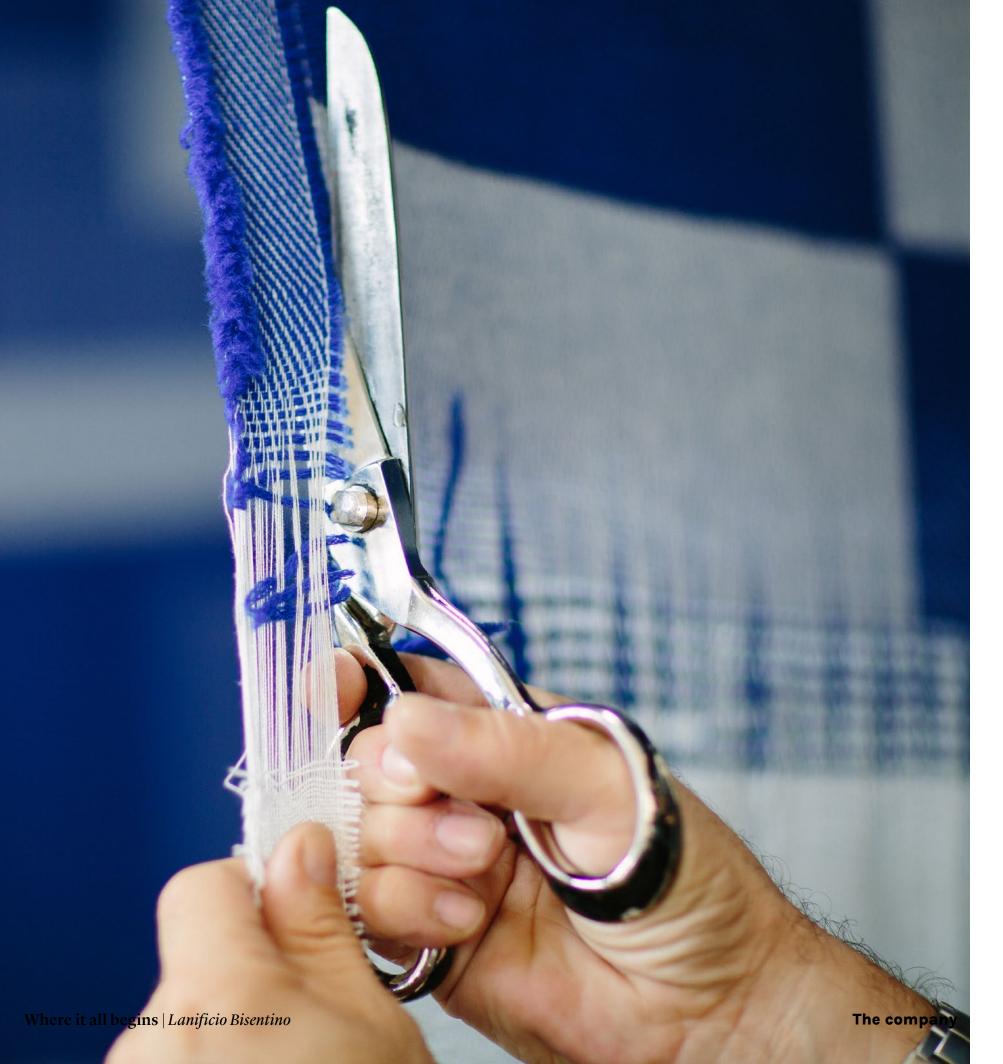
Lanificio Bisentino processes most of its fibres into yarn at Filatura di Spicciano, the spinning mill of the Group.

The correct management of this process is fundamental to ensuring the quality of the fabric and this is why the company supports the Filatura's investments in development and innovation.

The renewal of Filatura di Spicciano

Between 2021 and 2022, major investments were made at Filatura di Spicciano in order to renew the machinery and ensure better energy efficiency. In fact, part of the rings (very energy-intensive machines) have been replaced with a newly designed intermittent spinning machine, which allows a lower consumption of electricity. In 2022, the new machinery became fully operational and there was a significant reduction in the incidence of energy consumption (Kwh) in relation to turnover. In fact, it went from an incidence of 92.5% in 2021, to 68% in 2022, to reach 57.8% in 2023, thus a percentage reduction of 34.7% compared to 2021.

Sustainability strategy 2030



The horizontal production model

Lanificio Bisentino is historically located in a district that has made the **horizontal production model** its strength over the years: the company, which carries out the research and creative development of fabrics in-house, outsources the remaining manufacturing processes to specialised partners (as shown in the next page), overseeing these processes with its own personnel at the subcontractors' facilities.

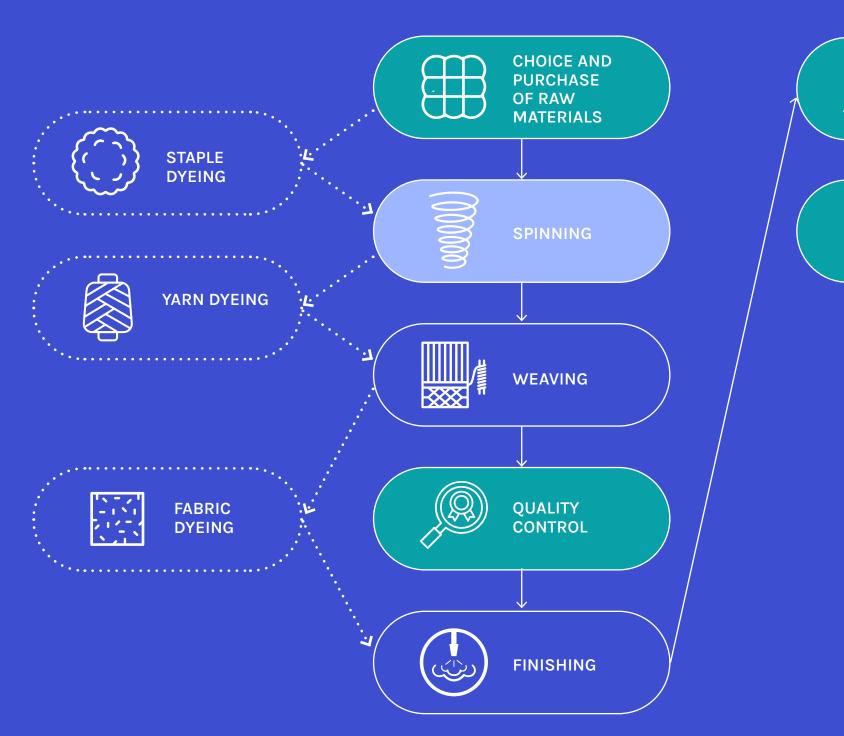
This 'horizontal' model has allowed the growth in the territory of very high and distinctive skills for each production process, from spinning to finishing.

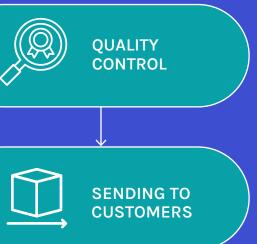
Today, the strategic partnership of Lanificio Bisentino with the excellences of the territory allows the company to guarantee the **high quality** of its fabrics as well as to experiment with new treatments and processes, making use of solid and reliable know-how.

Sustainability strategy 2030

The horizontal production model

This infographic represents the main manufacturing processes carried out by the company, internally and externally







Governance and Business Ethics

Lanificio Bisentino adopts a corporate governance system where the management body is the Board of **Directors** (BoD), of which Giuditta, Guido and Giovanni Gramigni are members, the latter acting as Chairman of the Board.

The Board of Directors is responsible for defining the corporate strategy and monitor its results over time, carrying out an appropriate assessment of the risks associated with the business to ensure its continuity and reliability, allocating annual budgets, managing human resources, deciding on investment policies and extraordinary operations.

It is always up to the Board of Directors to approve the list of material topics and the company's Sustainability Strategy, as well as to review the information reported in this report.

As required by current legislation, the company has also appointed a Board of auditors (composed of 3 statutory auditors and 2 alternate auditors appointed), who is responsible for supervising compliance with the law and the articles of association, as well as auditing the financial statements and business continuity.

All processes, from production to the financial one, are then regulated and controlled on a daily basis through established practices and clear internal governance.

Since 2012, Lanificio Bisentino has developed and adopted its own **Code of Ethics**, an integral part of its management and control model. Its purpose is to elevate the business management and professional activity beyond mere compliance with legislation, seeking and promoting a higher standard of behaviour, which positively influences the working environment with a view to honesty and transparency.

2023 at a glance

2023

-6,9%

PRODUCTION

353.000 m

THE BUSINESS

2023

+11,5%

TURNOVER

9.099.435 €

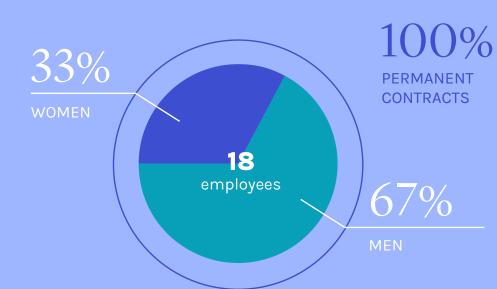


PROCESSED CARRIED OUT BY SUBCONTRACTORS AUDITED FOR EHS COMPLIANCE

91%

OF WET PROCESSES CARRIED OUT BY ZDHC® OR

CHEM 4SUSTAINABILITY® CERTIFIED SUPPLIERS





RECOVERED INTERNALLY

100%

100%

TUSCANY

OUT BY SUPPLIERS

THE PLUS



For sustainable development

The Sustainable Development Goals (SDGs) were adopted by all member countries of the United Nations in 2015 and represent a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity.

The SDGs are considered to be the **framework** for the definition and implementation of sustainability strategies in every sector.



Priorities for the textile sector

The significant environmental and social impact associated with the textile sector (as shown on the left) has meant that, for several years now, major global and multi-stakeholder initiatives have been working to outline the main priorities for companies operating in this field

GFA* ha identificato 5 priorità GFA* identified 5 key priorities for the sector⁽¹⁾, which in 2023 were declined into a **2030 strategy**⁽²⁾. These priorities concern a safe and respectful working environment that guarantees an **adequate wage** system, as well as a more respectful use of resources (water, energy, chemicals, soil) and of materials with a lower impact, up to the transition to a circular business model.

* Global Fashion Agenda (GFA) is a non-profit organisation that promotes industry collaboration on sustainability in fashion to accelerate impact (www. globalfashionagenda. org).

(1-6) For more on these points, see the references in the Appendix.

Impact in numbers THE FASHION SECTOR

Causes 2 to 8% of global greenhouse gas emission ⁽³⁾

consumpts 215 trillion litres of water for the global annual production ⁽³⁾

causes 20% of global water pollution (4)

employs 300 million throughout the global value chain⁽⁵⁾ where there are still **problems** with respect for human rights and inadequate wages

use less than 1% recycled raw materials, produced from textile waste or scrap⁽⁶⁾

A common goal

Incoming regulations in the world of fashion, following the European Green Deal as well as the launch of the European Strategy for Sustainable and Circular Textiles ⁽⁷⁾, are pushing the sector towards dialogue and cooperation to tackle complex challenges.

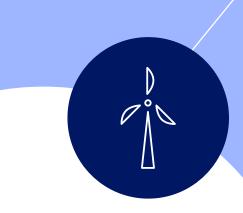
n line with these directions. UNEP (United Nations Environment Programme) published in 2023 a shared roadmap towards sustainability and circularity of the textile value chain⁽³⁾, which puts at the centre the collaboration and joint action of all the different stakeholders required to achieve the goals.

(3-7) For more on these points, see the references in the Appendix.

Where it all begins | Lanificio Bisentino

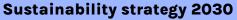
IMPROVED PRACTICES WITH REGARD **TO PRODUCTION PROCESSES, DESIGN AND CARE OF PRODUCTS AND A JUST TRANSITION**

The roadmap ⁽³⁾ identifies 3 properties to achieve change of the system



INFRASTUCTURE INVESTIMENT





Performance 2023

The materiality matrix

The Lanificio Bisentino materiality matrix was developed with the direct engagement of the company management and through a benchmark analysis of reports and studies developed by sector experts and multi-stakeholder initiatives.

The company aims for the future to directly involve an initial stakeholder group, for the purpose of updating the matric.

The "material" topics are identified as those aspects that reflect significant economic, environmental **CHEMICAL** and social impacts for an MANAGEMENT organisation. GHG Relevance for stakeholders **EMISSION** 12 1011 WATER MANAGEMENT 8 **HEALTH & RELATIONS WITH** SAFETY **INSTITUTIONS AND** COMMUNITIES



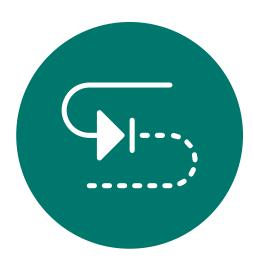
Relevance for the company

Performance 2023

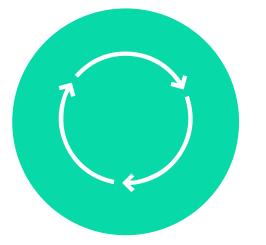
Our sustainability strategy 2030

Based on its own founding values, the materiality matrix developed as well as the strategic priorities of its target market. Lanificio Bisentino has developed its own Sustainability Strategy, which it shares on these pages.

The strategy identifies 5 priorities. With reference to each of these is indicated a 2030 target and a set of actions oriented to its achievement, always with a clear reference to the SDGs.



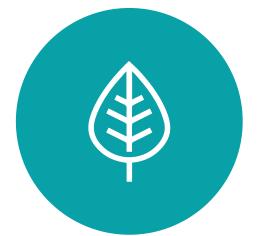
RACKED AND RESPONSIBLE SUPPLY CHAIN





TOWARDS CIRCULARITY TO REDUCE ENVIRONMENTAL IMPACT

PEOPLE AT THE HEART OF CHANGE



CHOOSING **SUSTAINABLE** MATERIALS



COMMUNITY ENGAGEMENT FOR SHARED GROWTH



Ensure digitally traceable production in each step and manufactured by assessed and qualified partners

PRIORITY 1:

Tracked and responsible supply chain

ACTIONS

 \cdot Investing in IT tools to digitising and optimising every steps up to the finished product;

• Adopt qualification and data collection tools for the supply chain, aimed at the elaboration of an ESG rating of each supplier;

 Require wet-processing subcontractors to obtain and maintain ZDHC certification with Progressive or Aspirational level;

• Collaborate with many different stakeholders in order to ensure the continuous improvement of the EHS performance of the district supply chain, including through third-party assurance audits;

• Implementation of a product informative system, for the communication of technical and sustainability characteristics.





Offering only products made according to eco-design principles, with a lower environmental and social impact

.

PRIORITY 2:

Choosing sustainable materials

ACTIONS

• Increasing the volume of purchased sustainable and/or certified raw materials and packaging;

· Invest in research and development in order to monitor and test market innovations in materials and treatments for sustainable design;

 Increase the number of sustainable and/or certified finished products offered in the collection.

SDGS





Be strategic partners for our clients who wish to adopt circular business models

PRIORITY 3:

Towards circularity to reduce environmental impact

ACTIONS

 Investing in research and development for the optimisation of waste management and the implementation of 'zero waste' working models;

 Increase research&development activities as well as collaborations with clients aimed at the development of services for the recycling of unsold/unusable products and textile waste:

• Invest in product LCA in order to measure properly the difference impact, over the entire product life cycle, associated with the use of recycled material;

· Adopt offsetting practices for direct and indirect emissions into the atmosphere, where not further optimisation is possible.





Ensuring high standards of employee welfare and attractiveness for young talent

PRIORITY 4:

People at the heart of change

ACTIONS

- \cdot Protect the health and safety in the workplace;
- Promoting welfare policies and skills development;
- Improve internal communication;
- · Valuing diversity and promoting inclusion.





Strengthen partnerships with local institutions aimed at the growth of the district and the well-being of the local community

PRIORITY 5:

Community engagement for shared growth

ACTIONS

• Collaborating with schools and universities for the enhancement of the new generations;

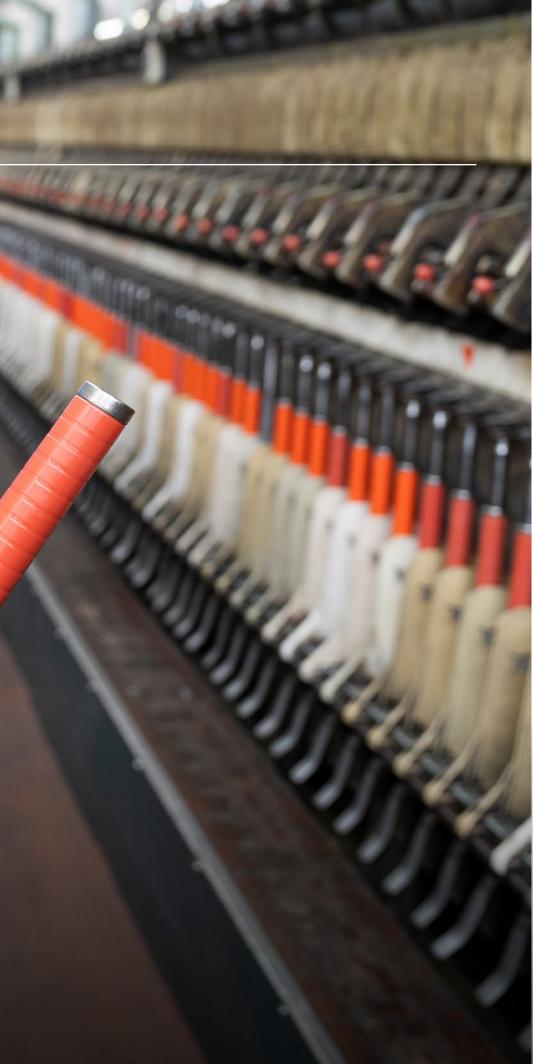
• Increase collaborations with territorial organisations dedicated to the growth and training of fragile and disadvantaged people;

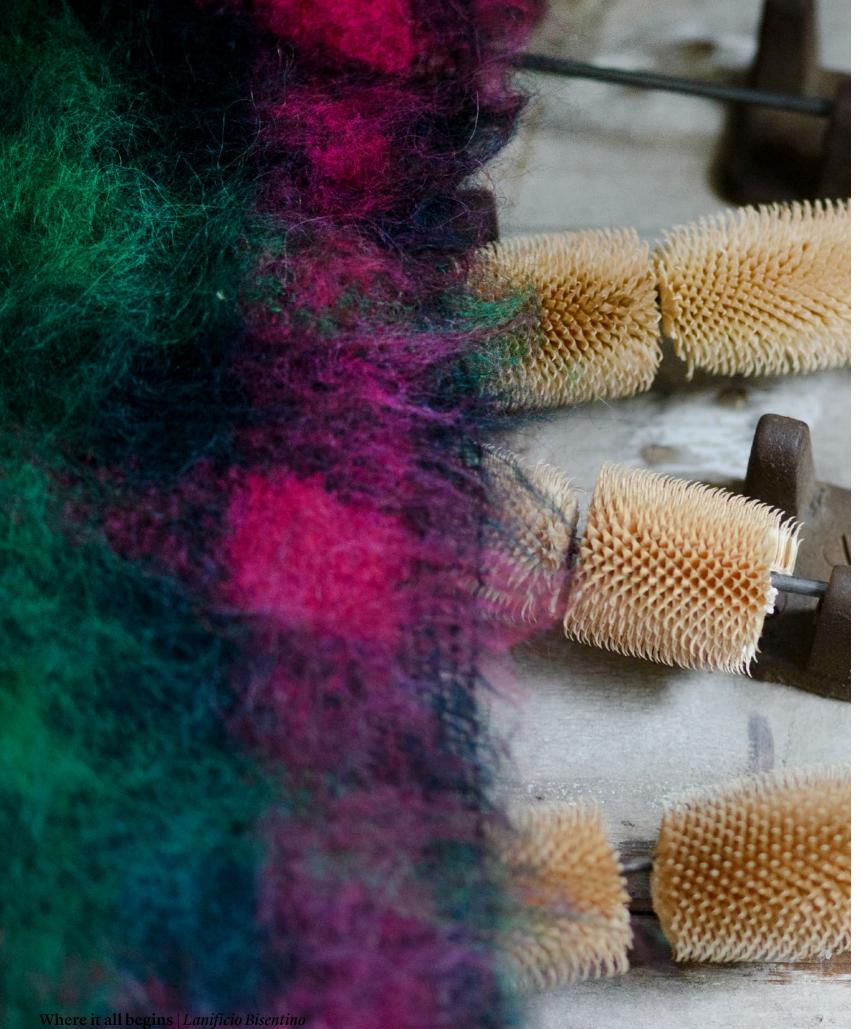
• Increase donations to inititives and organisations dedicated to supporting the territory and local communities.



2023 PERFOMANCE

Being on track





A 100% local production

In 2023 Lanificio Bisentino collaborated with 45 subcontractors, including 1 company of the Bisentino Group (Filatura di Spicciano) for the production of its textiles*.

Overall, 100% of 2023 Bisentino's production was carried our by subcontractors located in Tuscany, between the provinces of Prato, Pistoia and Arezzo.

* Only subcontractors where at least 500 kg were processed in 2023 are included Furthermore, in 2023 the company started a new digital project focused on the implementation of an **IT platform for data collection**, evaluation and supplier tracking. The platform will enable timely, periodic and customisable data collection by Lanificio Bisentino, as well as the other companies in the Bisentino Group, from all its subcontractors. The objective is to make the measurement of environmental impact more efficient as well as the communication of data to its customers faster, while at the same time allowing the elaboration of a supply chain ESG rating.



Health & safety in the supply chian

Lanificio Bisentino's supply chain is stable and periodically monitored by third parties for the verification of compliance with Environment, Health and Safety (EHS) regulations.

In 2023, 75% of production was carried out at subcontractors that have passed EHS audits*: these audits are carried out by certification bodies, such as ICEA and Control Union, to verify compliance with environmental and social legal requirements, in order to maintain or obtain GRS (Global Recycled Standard) or GOTS (Global Organic Textile Standard*) certifications. This % refers to the main manufacturing processes, details of which are presented on the right.

*For the calculation, the total kg processed in 2023 by each subcontractor was taken into account (excluding suppliers at which less than 500 kg were processed in the whole year) 79% **SPINNING**

95%

WINDING

97%

DYEING/ **FINISHING**/ PRINTING



Where it all begins | Lanificio Bisentino



TWISTING

39%

WARPING/ **WEAVING**

> % of manufacturing processes carried out in 2023 at subcontractors that have passed EHS audits.

Responsible Chemical Management

Lanificio Bisentino pays particular attention to the finishing stages in its creative research and has always been attentive to the use of chemicals in its supply chain.

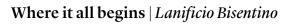
For this reason the company requires its subcontractors to adopt the ZDHC MRSL and implement an appropriate Chemical Management system.

In 2023 Lanificio Bisentino also obtained both the Supplier to Zero ZDHC certificate level 1 and the **HIGG FEM verification** through in-house audit.

In 2023, **91% of wet processes (finishing, dyeing, washing) were carried out by 6 subcontractors, all certified Supplier to Zero ZDHC® or CHEM 4sustainability®**.

The latter is an ambitious protocol for the elimination of toxic and harmful substances from manufacturing processes, aligned with ZDHC's Supplier to Zero Programme. In particular, 3 suppliers were rated 'Advanced' and 2 even 'Excellence', indicating a high level of knowledge of the topic and true commitment to industry best practices.



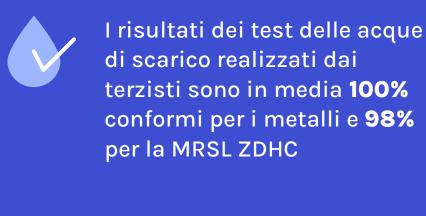


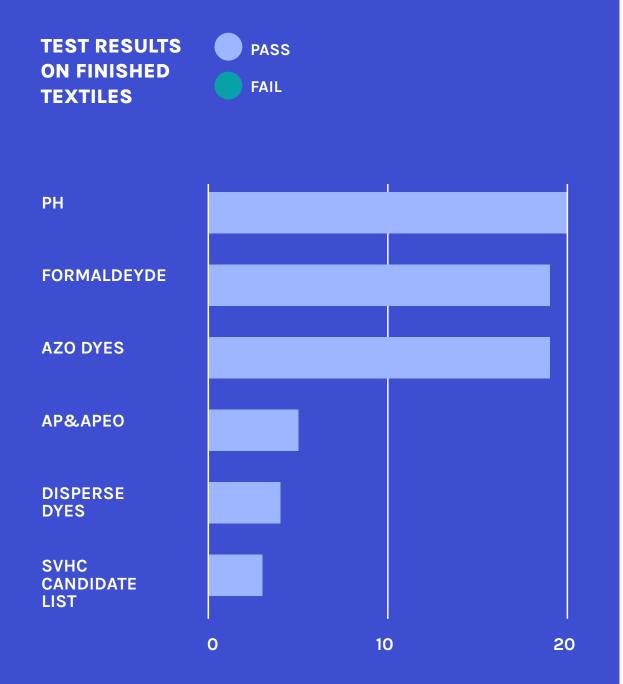




OF WET PROCESSES CARRIED OUT BY ZDHC[®] SUPPLIER TO ZERO OR 4SUSTAINABILITY[®] CHEM CERTIFIED SUPPLIERS.

CERTIFIED





Responsible Chemical Management

In order to control the correct use of chemicals by subcontractors, the monitoring of production outputs, as wastewater and textiles, is crucial. In 20 out k their stan addit regul The t comp 100% heav MRS Furth that

In 2023, **100% of the wet processes were carried** out by subcontractors that annually perform their own wastewater tests according to the ZDHC

standards, thus sharing the Clearstream report, in addition to carrying out the tests required by Italian regulations.

The test results show show an excellent level of compliance of the wastewater, with an average of

100% conformity with regard to the presence of heavy metals, and 98% conformity with regard to MRSL parameters.

Furthermore, the tests carried out on the articles that the company delivers to its clients show complete **compliance of the textiles on 6 different parameters**, as the graph on the left shows.



Certifications as a key factor

The profound knowledge of natural animal fibres has led Lanificio Bisentino to adopt 4 different certification standards to document the lower impact of materials and the complete traceability:

• GRS (Global Recycled Standard), to guarantee the use of recycled fibres; • RWS (Responsible Wool Standard), RMS (Responsible Mohair Standard) and **RAS** (Responsible Alpaca Standard) to guarantee animal welfare and proper land management.

Where it all begins | Lanificio Bisentino

In 2023, market demand for certified fabrics was still low, as can be seen from the fact that certification was requested by customers for only 4% of the articles sold in the year (despite the wide range available). However, the company increased its purchase of certified raw materials by 15% compared to the previous year, from only 3% in 2022 to 18% in 2023*. In fact, Lanificio Bisentino's objective is to pursue this trend by increasing the purchase of certified material annually.

* To perform the calculation, the total kg of raw materials (fibre, yarn and fabric) purchased in 2023 by the company were taken into account, excluding suppliers from whom less than 1000 kg were purchased in the entire year.



LANIFICIO BISENTINO is GRS certified Certified by ICEA ICEA-TX-703

"Only the products which are covered by a valid Transaction certificate are GRS certified'



ANIFICIO BISENTINO is RWS-RMS-RA certified Certified by ICEA ICEA-TX-703

"Only the products which are covered by a valid Transaction certificate are RWS-RMS-RAS certified"





Valuing materials without harming the environment

Lanificio Bisentino believes that taking its products to a more contemporary level, means enhancing natural fibres through research into unique materials and finishes. Some examples of the special projects implemented in recent years, are:

• Project H2O: fabrics made with minimal use of the finishing stage, in order to minimise the environmental impact of the manufacturing process. In these items of the collection the natural fibres, whether vegetable or animal, are not carbonised or causticized (i.e. purified and cleaned of natural impurities by chemical processes) and are presented in their natural colour;



• Natural Dyes: fabrics made with dyes composed of inorganic pigments, derived from the reuse of recycled materials, which are oxidised by immersing them in soils also derived from the recovery of other processes;

 Moretta wool and alpaca: rare raw material from animals that have developed a different pigmentation of the fleece, which is darker. Knowing how to process this type of wool, makes it possible to create fabrics in different shades ranging from beige to dark brown, without the high use of water, chemicals or energy normally required for the dyeing process;

• Finishing with Natural Beeswax:

fabrics usually made of GRS-certified material, finished with waxes of natural origin instead of the synthetic products commonly used in the market.

Where it all begins | Lanificio Bisentino



Beside Programme

In 2023, the Bisentino Group developed the 'Beside Programme', a new service designed to support fashion brands in applying **circular business models** and to offer **practical solutions** for reducing environmental impact in the textile industry.



WHY NOW:

The new Ecodesign Regulation (Espr), approved by the European Parliament on 23 April 2024, will impose from 2030 the eco-design of textile products on the European market, a digital product passport and a ban on the destruction of unsold garments, including transparency on their volumes.

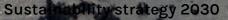
THE ENVIRONMENTAL IMPACT OF FASHION:

Approximately **15 % of the fabrics** intended for clothing end up on the cutting room floor as waste. ⁽⁸⁾

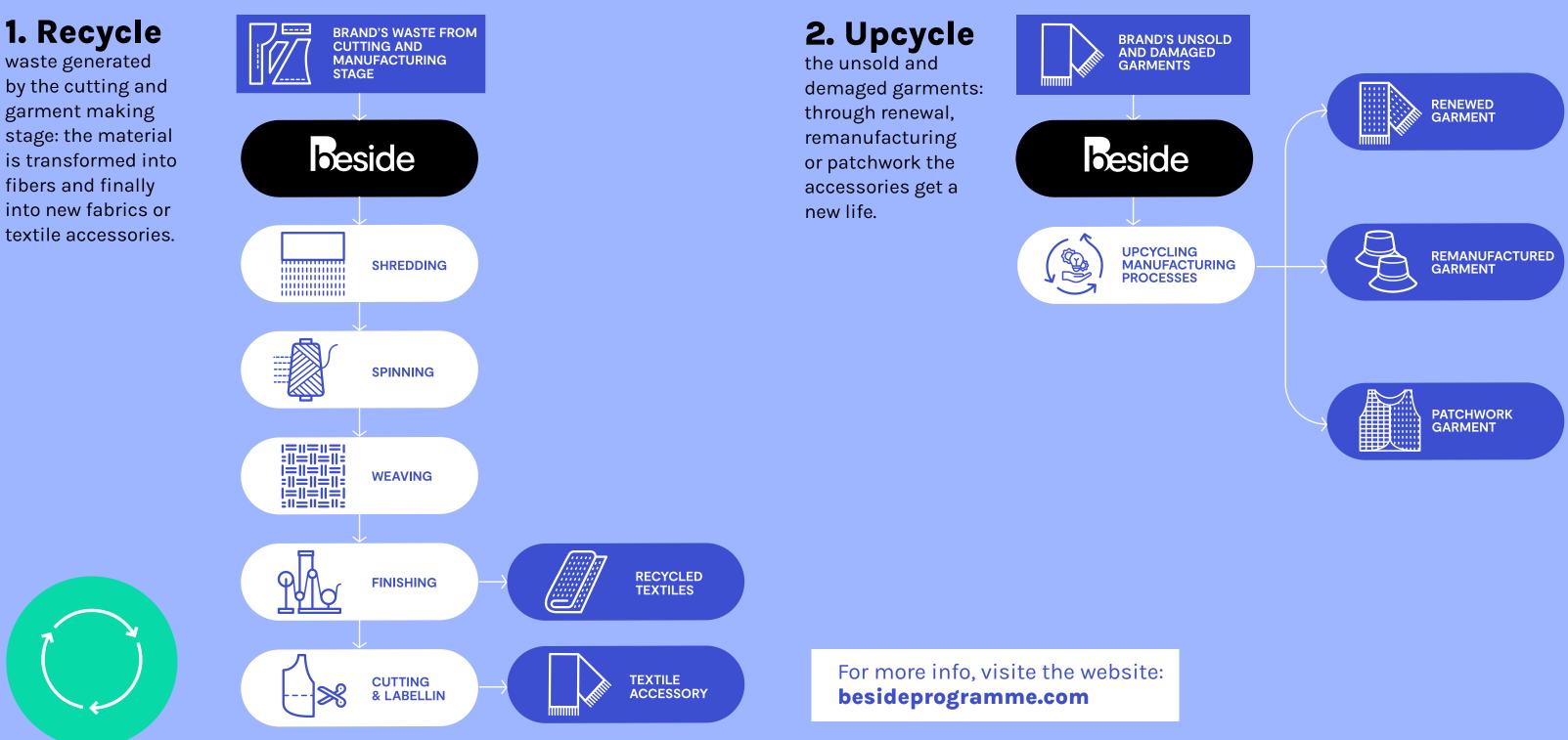
According to available studies, it is estimated that **4-9% of all textile** products placed on the European market are destroyed before use. This means up to 594,000 tonnes of textiles destroyed each year. ⁽⁹⁾

(8-9)For more on these points, see the references in the Appendix.

Where it all begins | Lanificio Bisentino



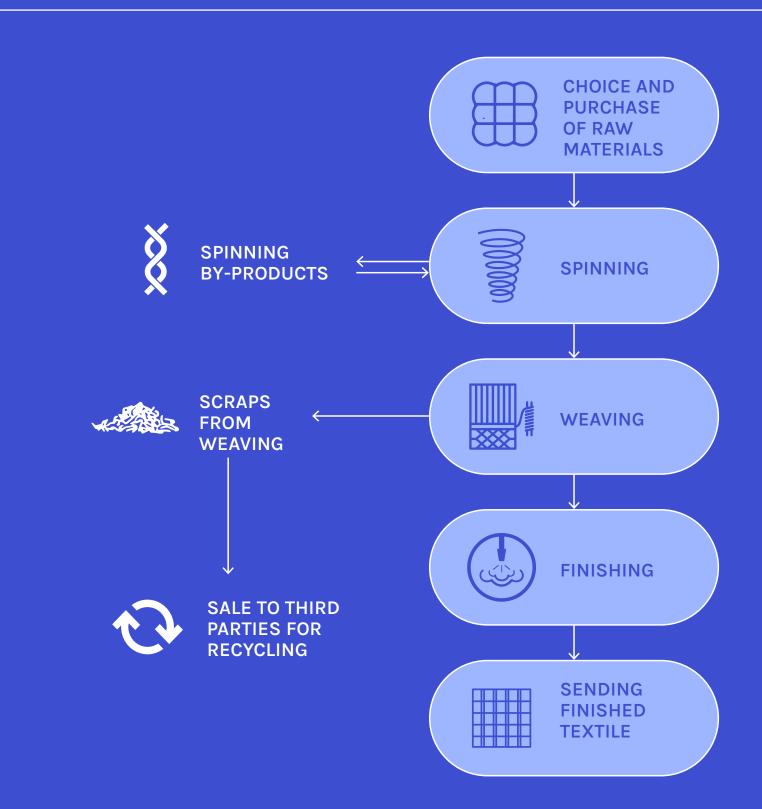
The Beside Programme helps Brands to:



The recycling practices

Lanificio Bisentino has its roots in a textile district in which the unique know-how related to the recycling of natural fibres acquires strategic importance today, also in view of the new regulations coming from the European Union.

The company now recovers internally 100% of its spinning by-products and sends the waste from the weaving process for recycling by sale to third parties. Every year a small volume of waste, which cannot be recycled or by explicit request of customers, is sent for disposal: in 2023 it was 1207 kg.





Where it all begins | Lanificio Bisentino

Consumptions, emissions and offsetting.

The company adopts its own **Environmental Policy** and has applied measures over the years to reduce energy consumption from fossil sources, although not particularly relevant given the nature of the activity. In particular, it has introduced **LED lighting** in all the offices and purchases electricity generated partly from **renewable** sources.



The data on the 2023 corporate consumption has made it possible to calculate, based on of the GHG Protocol, the company emissions, which turn out to be 62,6 T CO2 eq. The data of detail, shown in the tables on the right, are broken down as follows:

• Scope 1: direct emissions, calculated on the basis of the natural gas consumed by the company for heating offices and from the combustion of the fuel used by the company's 5 transportation vehicles.

• Scope 2: indirect emissions from consumption of purchased electricity.

• Scope 3: (partial): the other indirect emissions, of which in this case a partial calculation has been elaborated, including only those linked to the extraction and production of natural gas and purchased diesel fuel.

Consumption year 2023

Electricity
Of which from renewable
Natural gas
Water
Diesel fuel (company v

Emission year 2023

	Calculation item	CO2 eq	TotaleCO2 eq	Significance on total
Scope 1*	Natural Gas consumption*	10.599,84	— 37.351,39	59,61%
	Fuel consumption*	26.751,55		
	Electricity from the grid**	16.334,57		27,2%
Scope 2**	Electricity from renewable sources***	713,63	17.048,20	
Scope 3* (parziale)	Purchase of natural gas*	1.748,97		13,18%
	Purchase of fuel*	6.512,14	- 8.261,11	

*2023 - UK Government GHG Conversion Factors for Company Reporting ** Simapro - Electricity, low voltage {IT}| market for | Cut-off, U ***Simapro - Electricity, low voltage {IT}| electricity production, photovoltaic, 570kWp open ground installation, multi-Si | Cut-off, U

Where it all begins | Lanificio Bisentino

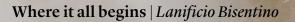
	Unit of measure	2023 Annual consumption
	Kwh	53.180,40
sources	Kwh	10.194,68
	Smc	5.196,00
	Мс	270,90
vehicles)	Litres	10.657,99

Consumptions, emissions and offsetting.

Lanificio Bisentino has decided to offset all of its 2023 emissions resulting from directly used energy

(electricity, methane and fuel) through the Italian initiative Forever Bamboo (www.foreverbambu.com).





Forever Bambù is a leading Italian company, at European level, in the planting and subsequent management of giant bamboo for industrial

use and today owns 197 hectares of cultivated area in Italy. Giant Bamboo (also called, Phyllostachis Edulis or Moso Bamboo) is a versatile, resistant and sustainable material used in the food and industrial sectors. It absorbs 57 times more CO2 than any traditional forest and can replace many polluting resources such as plastic.

The method of cultivation, management and processing of Forever Bamboo is based on a programmed cycle of pre-established and constant cuts, which allows it to absorb a very high quantity of CO2. It complies with the "UNI 156/2024" standard drawn up by the Politecnico di Milano in collaboration with RINA and concerning environmental projects involving Giant Bamboo and the related carbon footprint offsetting projects and subsequent "tokenization" of said quantities of carbon in Stock Tokens, "notarised" on blockchain through N.F.T. The latter were transferred to Lanificio Bisentino spa in a quantity consistent with offsetting the total emissions measured by the company with reference to the year 2023.

Measuring impact through LCA (*Life Cycle Assessment*)

In 2023. Lanificio Bisentino decided to carry out an LCA study on 2 particularly representative articles of its collection, the Adige textile (composed mainly of virgin wool) and the Camomille textile (composed mainly of regenerated postconsumer wool fibre), in order to be able to identify possible areas of improvement for the reduction of environmental impact.



The analysis for the calculation of the environmental footprint of the products under study is carried out by the company Ergo srl (first Spin Off company of the Scuola Superiore di Studi Universitari e di Perfezionamento Sant'Anna in Pisa) according to the ISO 14040/44 standards concerning the life cycle analysis (LCA) of products, taking as reference period 1.1.2023-31-12-2023.

The calculation of the environmental footprint is conducted from **cradle to gate** as the selected products are intermediate products whose destination and downstream processes for transformation into finished products are unknown. Therefore, impacts related to the production and procurement of raw materials, **B2B** packaging materials and fabric production are included in the calculation. On the other hand, the distribution of the fabric to customers, the transformation of the fabric into a finished product, the use of the finished product and the end of life of the product and packaging materials are excluded.

Where it all begins | Lanificio Bisentino



Not just a workplace, but a space for everyone

Lanificio Bisentino has always invested to guarantee its employees a safe place to work, in compliance with national and international regulations, where each person can feel welcome and involved in the company's future vision.

The company has for years adopted its own **Social Responsibility Policy** through which it undertakes to comply with the main conventions and recommendations of the International Labour Organisation (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGP), national legislation and national bargaining conditions in the field of:



- Freedom of association and the right to collective bargaining
- Child labour
- Health and safety in the workplace
- Prevention of discrimination and abuse
- Regularity and transparency in employment contracts, registration of working hours, payment of wages due

In 2023 the company also passed, with full compliance, the ICEA audit required to renew GRS certification (Global Recycled Standard of Textile Exchange) which requires verification of compliance with national regulations concerning workers' rights (e.g. freedom of association and the right to collective bargaining; health and safety; wages; working hours; etc.) as well as compliance with applicable national and local environmental regulations (e.g. waste production and management; noise emissions; emergency management; etc.).



Sustainability strategy 2030

Those who make the difference

On 31.12.2023 Lanificio Bisentino had 18 employees (and no non-employee workers) divided as represented by the graphs on the right.

In 2023 the company counted 4 new hires and 2 exits, including 1 retirement and 1 transfer to another company of the Group (Manifattura Big).

All employees are covered by the **national** collective bargaining agreement (CCNL) Textile Clothing Fashion and have undergone annually mandatory training on occupational health and safety.

During the year Lanificio Bisentino organised also 2 training sessions with its employees from the technical and sales departments (7 people in total) to learn more about the new European and international

regulations in the field of sustainability and to share a company related strategy.

In December 2023, Lanificio Bisentino also introduced a Company Welfare Plan with the purpose of promoting the psychophysical wellbeing of employees and their families through the provision of services and forms of economic support of a welfare, educational, cultural, recreational and sports nature.

In 2023 this Plan envisaged the **allocation** of welfare benefits for an individual value equal to €500 for all full-time workers and €300 for part-time workers, while for the years 2024 and 2025 an Individual Welfare Account linked to the company's annual EBITDA (Gross Operating Margin), calculated following the closure of the company's financial statements and with reference to the period 1/01-31/12, will be activated: in the event of an EBITDA equal to or greater than €250.000 euro the resources allocated to welfare will be equal to a maximum amount equal to 10% of the GOP itself, for a maximum individual amount of 3,000 euro for each full-time worker and 1,000 euro for each

6 WOMEN

56%

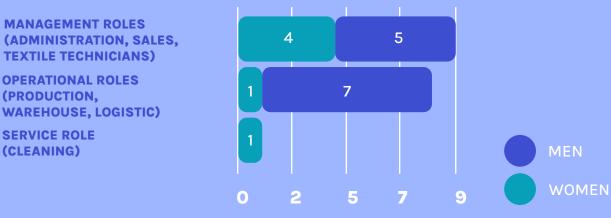
> 50 YEAR

11%

2

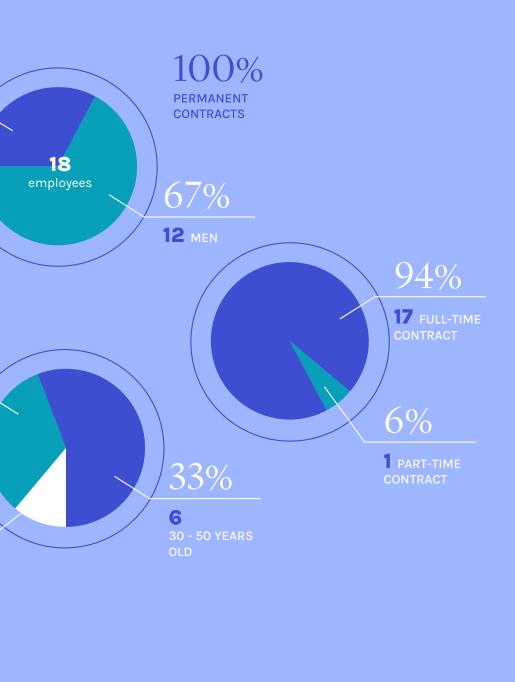
10

33%



OPERATIONAL ROLES (PRODUCTION,

SERVICE ROLE (CLEANING)



In the name of work and inclusion

In the company's beliefs and values there is a strong desire to give back to the area part of the value generated both through economic support and donations, and through collaboration with schools and universities that train the talents of the future.

Lanificio Bisentino supports the **Specialised Higher Education** Courses of PIN (City of Prato -University Hub) and is also a Sponsor of the Master in Digital Marketing organised by the Wem Park laboratory. In 2023, Giovanni Gramigni personally trained the students of the "Sustainable Textile Supply Chain Manager" course and then hosted a student for a 240-hour training internship (April - June 2023).

The company also supports the school-to-work alternation initiatives and in 2023 hosted 3 students, 2 from the 'Tullio Buzzi' ITS and one from the 'Paolo Dagomari' Higher Education Institute in Prato.

Lanificio Bisentino took part in 'Nei nostri panni' (i.e. In our shoes) project: it aims to train people coming from the migrant reception centres, to become "cenciaioli" (traditional practices for the recycling process) and spinners, through paid internships in companies in the district. In June 2023, traineeships were activated for 12 people, one of whom spent about 3 months in Filatura di Spicciano.

At the end of the year, the company also made **donations** for € 2,000 to 4 charitable institutions (Unicef, Noi per Voi, Lilt, Telethon).



Where it all begins | Lanificio Bisentino

Appendix

1. Global Fashion Agenda (2023). Fashion CEO Agenda 2023.

https://globalfashionagenda.org/resource/fashionceo-agenda-2023/

2. Global Fashion Agenda (2023). 2030 Fashion Sector Vision.

https://globalfashionagenda.org/resource/2030-fashion-sector-vision/

3. United Nation Environment Programme (2023). Sustainability and circularity in the textile value chain.

https://www.oneplanetnetwork.org/knowledgecentre/resources/sustainability-and-circularitytextile-value-chain-global-roadmap

4. European Environment Agency (2019/2023). Textiles in Europe's circular economy.

https://www.eea.europa.eu/publications/textilesin-europes-circular-economy

5. Global Fashion Agenda (2023). The GFA Monitor 2023.

https://globalfashionagenda.org/resource/the-gfamonitor-2023/

6. Textile Exchange (2023). Materials Market Report.

https://textileexchange.org/app/uploads/2023/11/ Materials-Market-Report-2023.pdf

7. European Commission (2022); EU strategy for sustainable and circular textiles.

https://environment.ec.europa.eu/publications/ textiles-strategy_en

8. Timo Rissanen (2005). From 15% to 0: Investigating the creation of fashion without the creation of fabric waste.

https://www.academia.edu/3762020/From_15_ to_0_Investigating_the_creation_of_fashion_ without_the_creation_of_fabric_waste

9. European Environmental Agency (2024). The destruction of returned and unsold textiles in Europe's circular economy.

https://www.eea.europa.eu/publications/thedestruction-of-returned-and

Lanificio Bisentino Spa has reported the information mentioned in this GRI Content Index for the period 1.1.2023 - 31.12.2023 with reference to the GRI Standards.

The GRI content index (GRI Content Index) can be found here



Lanificio Bisentino Spa

Via Lombarda 72, 59015 Comeana, Prato info@bisentino.it | www.bisentino.it

Where it all begins | Lanificio Bisentino



"Originality consists of going back to the origins."

ANTONI GAUDÌ



