PIACENZA GROUP

GARDENING THE FUTURE

CORPORATE RESPONSIBILITY 2025

WE ARE PIACENZA GROUP

CORPORATE RESPONSIBILITY 2025

PIACENZA GROUP

PIACENZA 1733

LANIFICIO F.LLI CERRUTI DAL 1881

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LETTER TO STAKEHOLDERS

A cura di
ETTORE PIACENZA
General Manager and Co-CEO

Dear Stakeholders,

Sharing our Sustainability Report with you, now in its seventh edition, is a source of great pride. It gives us an opportunity to take stock of what we have achieved, the commitments we have made and how we intend to fulfil them. This publication is our first consolidated Report, designed to provide a unified account of the journey and performance of all Group companies.

Against a still complex and uncertain economic and geopolitical backdrop, we have continued resolutely along the path we have embarked upon, seeking to combine manufacturing excellence, social responsibility and environmental protection.

Achieving this balance requires continuity, a methodical approach and the ability to improve step by step. During the year, we consolidated our Group identity by further vertically integrating the supply chain and bringing together the businesses acquired in recent years. This enables us to oversee quality, traceability and sustainability more effectively throughout the value chain.

On the environmental front, we made significant progress. Completing the transition to electricity from renewable sources at all sites, installing a photovoltaic system at the former Lanefil facility on Via Nazionale and strengthening our environmental management systems are tangible evidence of our commitment to climate change mitigation.

At the same time, we continue to work on reducing emissions throughout the value chain, recognising the central role of indirect emissions in our overall emissions profile.

We also devoted considerable attention to resource management, promoting a circular approach through initiatives designed to enhance material reuse and reduce waste across our production processes, with a view to increasing resilience and operational efficiency.

This approach also encompasses our commitment to reducing waste and material losses both upstream, where we are exploring and investing in regenerative agriculture projects, and downstream in the value chain, by producing fabrics from production offcuts while maintaining high quality standards. Our aim is to reduce raw material waste, which unfortunately remains a significant environmental issue for our industry.

People remain central to our work. In 2025, we continued to invest in skills, training and well-being, strengthening our commitment to inclusion and gender equality while maintaining a strong focus on certifications and the workplace environment.

The supply chain was also a key area of focus: we strengthened dialogue with suppliers and partners through engagement activities and our vendor rating project. Our digital transformation is likewise advancing decisively.

The evolution of our enterprise management system and the integration of the Group's information systems are strategic levers for efficiency, data quality and our ability to respond to future challenges. Our ties with the local area and its communities also remain strong, supported by local initiatives and collaborations with institutions, schools, associations and partners.

Looking ahead, we know that the challenges will grow, but we are convinced that they can become opportunities when approached with seriousness and a long-term vision. We therefore invite you to continue sharing your comments and suggestions with us: your perspective is essential to our improvement.

With gratitude,
Ettore Piacenza
General Manager and Co-CEOEttore Piacenza
Direttore Generale e CO-CEO

EXECUTIVE SUMMARY - GROUP OVERVIEW

Piacenza Group has its roots in the heart of the Biella textile district, where Francesco Giovanni Piacenza established a business in Pollone in 1623 that would evolve over the centuries into Fratelli Piacenza S.p.A. Throughout this evolution, the commitment to safeguarding manufacturing excellence, quality and the bond with the local area has remained constant.

Over more than four centuries, the Group has established itself as **an international benchmark in the textile sector** through an industrial model based on the selection of premium, natural and traceable raw materials, continuous innovation and a responsible approach to the environment and people. **F.lli Piacenza S.p.A. SB** is led by Carlo Piacenza alongside the family's younger generations, who help strengthen the company's strategic vision and competitive positioning.

The family is currently represented by its fourteenth and thirteenth generations: Vasiliy, Ettore and Felice, who respectively hold the roles of Brand Manager, General Manager and Special Projects & Heritage Manager.

With more than 500 employees, the Group operates through a complete, integrated production process covering the entire value chain, from the selection of noble fibres such as cashmere, fine wools and other natural materials through to the manufacture of the finished product.

Advanced technologies, artisanal expertise and rigorous quality standards enable the Group to meet the needs of a constantly evolving global market while preserving the identity and tradition of the Biella area.

EXECUTIVE SUMMARY - PRESENTAZIONE DEL GRUPPO

In 2022, the acquisition of Lanificio F.lli Cerruti, a historic company founded in 1881 and recognised worldwide for the excellence of its worsted fabrics, further strengthened the Group's industrial system.

The integration of the two businesses has enhanced complementary expertise, combining Cerruti's manufacturing and creative tradition with Piacenza's centuries-old experience and entrepreneurial vision.

> “Piacenza Group is the custodian of a tradition in which meticulous attention to raw materials, premium blends and noble fibres speaks the language of excellence.”
>
> **Ettore Piacenza,**
> *General Manager and Co-CEO*

The Group operates through two main divisions: one dedicated to womenswear and menswear fabrics, and the other to menswear and accessories.

- The fabrics division works with leading Italian and international fashion houses to create exclusive products using premium fibres and innovative techniques.

- The Piacenza 1733 brand identifies the apparel offering, available through selected retail outlets worldwide and aimed at high-end customers.

The business model is predominantly B2B, serving luxury brands, apparel manufacturers, retailers and tailors, while the B2C component is developed through retail and online channels.

LANIFICIO F.LLI PIACENZA

Founded in Pollone in 1733, in the heart of the Biella textile district, Lanificio Fratelli Piacenza is one of Italy's oldest manufacturing companies. Its history brings together family tradition, research into noble fibres and continuous innovation in production processes.

Today, the company has consolidated its position in the luxury textile sector, complementing the creation of fine fabrics with the manufacture and sale of finished products in a journey that embodies the excellence of Made in Italy.

LANIFICIO F.LLI CERRUTI

LANIFICIO
F.LLI CERRUTI
DAL 1881

Founded in Biella in 1881, Lanificio F.lli Cerruti is a historic example of Italian textile excellence, deeply rooted in the Biella area.

Established with a focus on producing innovative, high-quality fabrics, Lanificio F.lli Cerruti achieved international renown through the vision of Nino Cerruti, a key figure in menswear and the interpreter of an elegant, contemporary and natural style.

Today, the company continues to manufacture its fabrics entirely in Biella, preserving its expertise, tradition and manufacturing culture.

LANIFICIO PIEMONTESE

LANIFICIO PIEMONTESE

Founded in Biella in 1972, Lanificio Piemontese was established with a strong specialisation in the production of high-quality fabrics, with a particular focus on womenswear. From the 1990s onwards, the company strengthened its presence within the international fashion system, developing offerings that combine textile tradition with aesthetic research.

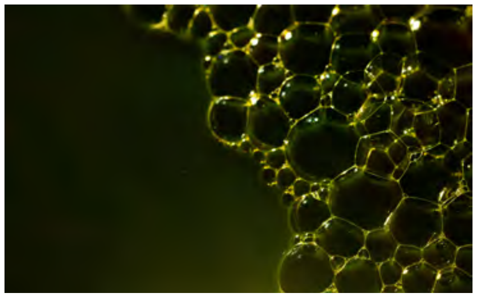
Alongside its more traditional products, Lanificio Piemontese develops experimental fabrics and innovative offerings, including jacquards, fil coupé and damasks. It has been part of Piacenza Group since 2020, contributing luxury fabrics intended for leading international brands to the Group's portfolio.

GROUP CERTIFICATIONS

Piacenza Group also ensures the excellence and sustainability of its products through major international certifications, including the Sustainable Fibre Alliance standard for cashmere and the Responsible Animal Fibre (RAF) standards for animal fibres: the Responsible Wool Standard (RWS), Responsible Mohair Standard (RMS) and Responsible Alpaca Standard (RAS).

Through Global Recycled Standard (GRS) certification, the Group keeps pace with circular economy requirements, while ISO 14001:2015 certification supports control of its companies' Environmental Management Systems (EMS).

These certifications confirm the Group's focus on animal welfare, the responsible origin of fibres and the use of recycled materials. Participation in initiatives such as Roadmap to Zero and the adoption of advanced chemical management practices further demonstrate the Group's commitment to reducing environmental impacts and promoting a transparent, traceable supply chain.



PROCESSES, STRATEGIES AND OBJECTIVES

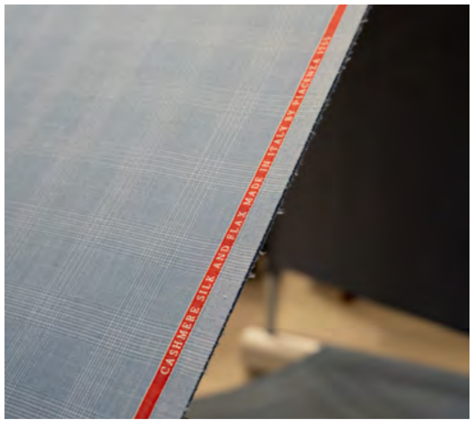
The main business processes include:

- Prototyping and product development;
- Sample collection production;
- Order management;
- Quality control throughout all production stages.

Support processes include:

- Sales management;
- Administration;
- Human Resources;
- Sustainability;
- Occupational health and safety and environmental management;
- IT data management;
- Marketing.

The Group has always considered it a priority to offer high-quality products and services, operating in compliance with applicable legislation and paying particular attention to the health and safety of its employees and contractors, as well as to environmental protection.



PROCESSES, STRATEGIES AND OBJECTIVES

Sustainability is an integral part of the business model: fabrics are developed using certified and traceable raw materials, while the supply chain is monitored systematically to ensure safe products that comply with national and international standards. As expressed in the corporate Vision and values, sustainability is a purpose underpinning business development. It is articulated through the Group's five cornerstones of sustainable commitment - the '5 Pillars' - which encompass its main strategic priorities and ESG objectives.

In January 2025, Fratelli Piacenza S.p.A., the Group's parent company, became a **benefit corporation**, incorporating specific common-benefit purposes into its Articles of Association.

This development reinforces the Group's commitment to operating **responsibly, sustainably and transparently** towards people, the local area, the environment and all stakeholders, while anticipating the growing expectations of the market and European legislation.

PROCESSES, STRATEGIES AND OBJECTIVES

The motto **'Gardening the Future'** encapsulates this philosophy of creating lasting value for people, communities, the supply chain and the local area, with future generations in mind. As a Società Benefit, Fratelli Piacenza S.p.A. pursues common-benefit purposes across three main areas:

- **Communities:** initiatives supporting local communities, civil society, the local area and organisations involved in the value chain, with a focus on environmental protection, education, culture, healthy lifestyles, inclusion and the enhancement of the company's heritage;
- **People:** protecting and valuing employees, promoting a safe, inclusive and rewarding working environment, supporting personal growth and physical and psychological well-being;
- **Supply chain:** promoting sustainable production and consumption models, improving environmental impacts throughout the production cycle, implementing responsible sourcing policies, and offering high-quality, traceable products.

PROCESSES, STRATEGIES AND OBJECTIVES

THE 5 PILLARS

PLANET

- Water and energy savings
- Sustainability reporting
- Reduction, reuse, recycling and recovery
- Carbon footprint
- LCA

PEOPLE

- Health and safety
- Ethics
- Welfare
- Promoting diversity

PRODUCT

- Special Collection
- Art & Nature
- Green/ innovative design
- Research & Development

PROCESS

- Management systems and certifications

PARTNERSHIP

- Support for emerging designers
- Local sponsorships
- Safeguarding culture
- Educational partnerships

1.0

ESRS2 GENERAL DISCLOSURES

1.1
SCOPE AND REPORTING BOUNDARY

This Sustainability Statement covers the **2025 financial year**, from 1 January to 31 December 2025, and has been prepared on a voluntary basis.

For the first time, the document has been prepared on a consolidated basis, with a view to preliminary alignment with the **Corporate Sustainability Reporting Directive (CSRD**), transposed into Italian law by Legislative Decree No. 125/2024, and in accordance with the **European Sustainability Reporting Standards (ESRS).**

The reporting boundary is the same as that adopted for the Group Financial Statements and includes Fratelli Piacenza S.p.A. Società Benefit[1], Lanificio Piemontese S.r.l., Lanificio F.lli Cerruti S.p.A. and Piacenza 1733 Asia Ltd. The data and information presented therefore relate to the Group as a whole.

As 2025 is the first year of sustainability reporting on a consolidated basis, the information relates exclusively to this financial year and does not include comparative data.

The reporting scope considers impacts, risks and opportunities throughout the value chain, including both activities directly attributable to the Group and relationships with its main business counterparties, including suppliers and customers.

Some quantitative indicators may be subject to a degree of approximation, as they are based on assessment assumptions and **estimation processes.** Where applicable, significant assumptions are disclosed in the methodological notes accompanying the individual metrics to ensure transparency and understandability.

The **time horizons** adopted are consistent with the ESRS: short term means one year, medium term means a period of two to five years, and long term means more than five years.

No information subject to disclosure restrictions on confidentiality grounds was identified during the 2025 financial year.

[1] Fratelli Piacenza S.p.A. Società Benefit directly holds 100% of the share capital of the other three companies and may therefore be considered the parent company.

1.1
SCOPE AND REPORTING BOUNDARY

The disclosures required under Article 8 of Regulation (EU) 2020/852 concerning the EU Taxonomy are not included in this document, as the Group-level eligibility and alignment assessments are still being completed.

The Sustainability Statement is the result of a participatory process involving the corporate functions and, in particular, senior management.

Function managers contribute the data within their respective areas and ensure its accuracy, while the Head of Sustainability verifies overall consistency and coordinates the analysis of supporting evidence used to define objectives.

1.2
THE GROUP'S VALUE CHAIN

Piacenza Group's value chain extends across a complex system of actors and activities covering the entire supply chain, from the selection of **raw materials** to the consumer's final use of the product. The model is built on quality, traceability and sustainability, which are central to ensuring product excellence and consistency with the Group's values.

Upstream, the value chain begins with suppliers of raw materials and yarns, selected to ensure high quality standards and, wherever possible, environmental and social sustainability criteria. These activities are complemented by the procurement of **packaging materials** and the use of auxiliary **services such as logistics and maintenance.**

Some processing stages are entrusted to **specialised contractors**, including:
- **worsted and woollen spinning;**
- **warping;**
- **weaving;**
- **carbonising;**
- **singeing;**
- **accessory manufacturing.**

These collaborations are a structural element of the supply chain and are managed with a view to stable partnerships, quality control and operational continuity. **Inbound logistic**s covers the transport and management of raw materials, packaging and semi-finished products to the Group production sites.

Internal operations include **the coordination of production activities**, integrating directly performed stages with outsourced work to ensure **consistency, efficiency and finished-product quality.**

People management plays a central role through the attraction, selection and training of qualified professionals who are essential to preserving corporate know-how and supporting continuous innovation.

In the course of their production activities, Group companies generate industrial waste, including materials requiring specific management methods. Treatment is entrusted to authorised third parties responsible for recycling, disposal and safe management in compliance with applicable environmental legislation.

1.2
LA VALUE CHAIN DEL GRUPPO

Downstream, products are supplied through several sales channels. The main customers include apparel manufacturers, primarily in the luxury segment, retailers, tailors and end consumers.

Sales and marketing activities focus on enhancing the product, corporate identity and supply-chain traceability, in keeping with the Group's exclusive positioning.

During use and at end of life, products are designed to **ensure durability and lasting quality, promoting responsible consumption.**

The Group is also paying increasing attention to circular economy initiatives such as reuse and recycling, with the aim of reducing environmental impacts beyond the sales stage.

1.2
STAKEHOLDER ENGAGEMENT

Fratelli Piacenza's complex value chain is integrated with a broad ecosystem of **stakeholders**. The Group considers it a priority to maintain strong, lasting relationships with them based on continuous dialogue.

Stakeholder engagement is central to creating shared value and enables projects and initiatives to be shaped around the expectations identified.

The stakeholder identification process involved corporate management and was based on an analysis of relationships with the local area, the relevant industry and parties that are material to the Group's operations. This identified the actors who influence, or are influenced by, Fratelli Piacenza's activities, services and performance.

When the Board of Directors approves the Sustainability Statement each year, stakeholder views and interests are reviewed to verify that they remain current and consistent with the development of business activities. The main stakeholder categories mapped, together with a summary of engagement methods and expected outcomes, are set out below.

STAKEHOLDER	ENGAGEMENT METHODS	EXPECTED OUTCOMES
Ownership	Family shareholders serve on the Board and hold operational roles	Promote and define the Group medium- and long-term ESG strategy
	Periodic sustainability updates to the Board	Support sustainability-related business decisions
Local community	Collaboration with local bodies Sponsorships	Enhance the Group reputation Preserve the area cultural and economic fabric
Board of Directors	Periodic meetings Four members hold operational roles	Support sustainability-related business choices and decisions
Trade associations	Participation in working groups and meetings at several levels (SMI-UIB) Participation in the senior bodies of the UIB Wool Section	Facilitate common supply-chain solutions and share best practices.
Financial institutions	Surveys and questionnaires assessing the Group ESG maturity Participation in events and conferences	Facilitate access to certain credit facilities

STAKEHOLDER	ENGAGEMENT METHODS	EXPECTED OUTCOMES
Employees	Meetings between union representatives and management Listening channels Interacta Welfare programmes Performance assessment Continuous training Suggestion boxes	Improve retention and reduce turnover Foster collaboration Improve employee well-being and work-life balance.
Suppliers	ESG performance assessments Meetings Support in developing a sustainability culture	Improve supplier selection and partner relations Improve ESG performance across the value chain through agreed action plans.

STAKEHOLDER	ENGAGEMENT METHODS	EXPECTED OUTCOMES
Customers	Continuous dialogue, including on technical developments Frequent company visits	Improve Group ESG performance and support customer acquisition and growth
Institutions and public authorities	Continuous dialogue on the economic needs of the area, businesses and the Group Participation in European research programmes.	Develop innovative technologies that provide a competitive market advantage
Trade unions	Continuous dialogue through monthly meetings with management on employee matters	Foster collaboration and support improvement projects, including work-life balance, vulnerable people, diversity and inclusion
Consumers	Social-media communication campaigns, including product ESG topics Information through the website	Build customer loyalty and reach ESG-conscious consumer segments

1.3
GOVERNANCE BODIES AND RESPONSIBILITIES

BOARD OF DIRECTORS
(strategic direction, approval of plans and ESG oversight)

CHIEF EXECUTIVE OFFICERS AND MANAGEMENT
(economic, environmental and social management)

INTERNAL SUSTAINABILITY COMMITTEE
(monitoring of projects, IRO and ESG objectives)

The Group's governance is represented by the main bodies of the parent company, Fratelli Piacenza S.p.A. Società Benefit: the Board of Directors, Supervisory Body, Board of Statutory Auditors and Independent Auditors.

THE BOARD OF DIRECTORS HAS SEVEN MEMBERS:
- 1 independent Chair,
- 3 Chief Executive Officers
- 3 non-executive Directors.

Five members belong to the Piacenza family and have many years of direct experience in the textile sector.

Gender composition: six men and one woman.

With the support of the Chief Executive Officers, the Board oversees the Group's economic, environmental and social responsibilities.

It discusses ESG matters annually when the Sustainability Statement is prepared.

There are no employee representatives and no remuneration systems linked to ESG objectives.

The Supervisory Body, comprising three external members, reports to the Board annually.

1.3
GOVERNANCE BODIES AND RESPONSIBILITIES

CHIEF EXECUTIVE OFFICERS AND MANAGEMENT

- The Chief Executive Officers manage the Group's main economic, environmental and social responsibilities.

  Operational responsibilities are divided among General Management, Administration, Finance and Control, Plant Management, the HSE/ Chemical Manager, and the Head of Sustainability and Traceability.

- General Management, entrusted to Ettore Piacenza, oversees ESG matters and reports directly to the Board of Directors.

  Management activities are entrusted to the Chief Executive Officers and executives responsible for the main business areas: Menswear Fabrics, Womenswear Fabrics, Apparel, Administration, Finance and Control, and Plant Operations.

INTERNAL SUSTAINABILITY COMMITTEE

ESG oversight is coordinated by General Management, which reports directly to the Board of Directors.

Internal discussion of sustainability matters takes place at least once a year as part of the Sustainability Statement process.

Depending on project progress, the relevant function managers are involved, including the HSE Manager and Sustainability Manager.

The Committee supports the monitoring of ESG initiatives and alignment between sustainability objectives, operational activities and corporate strategy.

1.4
COMMITMENT TO SUSTAINABILITY

Piacenza Group refers to the United Nations **Sustainable Development Goals** (SDGs) when defining its strategic sustainability objectives. The SDGs provide an international framework for promoting global development, human well-being and environmental protection through the joint contribution of institutions, businesses and civil society by 2030.

The Group considers all 17 Goals when defining its ESG priorities and identifies the areas in which it can make the most meaningful contribution: from responsible production and climate action to protecting people and reducing inequalities.

Through this Sustainability Statement, Piacenza Group aims to strengthen alignment between its sustainability objectives and the SDGs, linking corporate initiatives and targets to the most relevant Goals, as illustrated in the following sections.

In preparing the Statement, assessing material impacts, risks and opportunities, and defining objectives, the Group adopted the time horizons established by the ESRS:

- **SHORT TERM:**
  one year;
- **MEDIUM TERM:**
  between one and five years;
- **LONG TERM:**
  more than five years.

These horizons are consistent with the Group's investment timelines, planning processes and corporate vision.

1.4
COMMITMENT TO SUSTAINABILITY

Set out below is a summary of the objectives that Piacenza Group had set itself for the year 2025.

- OBJECTIVE NOT ACHIEVED
- OBJECTIVE ACHIEVED
- ACTIONS IMPLEMENTED TO ACHIEVE THE OBJECTIVE
- MAINTENANCE OF ACTIONS PREVIOUSLY UNDERTAKEN

SUSTAINABLE DEVELOPMENT GOALS

MATERIAL TOPIC	SDGs	PILLARS	OBJECTIVE	STATUS	COMMENT
G1 – BUSINESS CONDUCT			Conversion of the company into a Società Benefit	✓	Effective from January 2025
			Obtain ISO 14001 certification for the Via Nazionale and Via Cernaia 40 sites	↑	The former Lanefil site obtained ISO 14001 certification
E1 – CLIMATE CHANGE			Develop a transition plan with Scope 1 and Scope 3 emission-reduction targets	↑	The transition plan will be approved by the Board in May 2026
			Purchase grid electricity backed by Guarantees of Origin for all Group units	✓	100% of Group electricity purchased from third parties is certified as renewable
			Install a photovoltaic system at the former Lanefil site on Via Nazionale	✓	Installation of a 470 kW system completed

MATERIAL TOPIC	SDGs	PILLARS	OBJECTIVE	STATUS	COMMENT
E5 – RESOURCE USE AND CIRCULAR ECONOMY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		Source certified raw materials from regenerative agriculture	✓	5% of purchased raw materials comes from regenerative agriculture
S1 – OWN WORK FORCE	3 GOOD HEALTH AND WELL-BEING		Obtain ISO 45001 certification	↑	Priority was given to ISO 14001, also extended to F.lli Cerruti; ISO 45001 was postponed
	10 REDUCED INEQUALITIES		Provide at least one diversity and inclusion course for the entire workforce	✓	One initiative completed
	3 GOOD HEALTH AND WELL-BEING		Hold three health-protection events	✓	Three events completed
	4 QUALITY EDUCATION		Provide 10 training hours per employee.	✓	10.5 hours per employee delivered

MATERIAL TOPIC	SDGs	PILLARS	OBJECTIVE	STATUS	COMMENT
S2 – WORKERS IN THE VALUE CHAIN	17 PARTNERSHIPS FOR THE GOALS		Calculate vendor ratings for suppliers and contractors	TBD	More than 70% of suppliers and contractors involved
			Close at least 50% of improvement actions arising from ESG audits by 31 December	✓	50% of corrective actions completed
S3 – AFFECTED COMMUNITIES	4 QUALITY EDUCATION 11 SUSTAINABLE CITIES AND COMMUNITIES		Host four school visits	✓	Five visits
			Deliver at least one lesson per year at an upper-secondary school		Three lessons
			Hold three events with local bodies		Three events
S4 – CONSUMERS AND END-USERS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		Improve product traceability, achieving full raw-material traceability by 2025	↑	100% of raw materials are traceable

The table below outlines the objectives that Fratelli Piacenza has set for the near future.

MATERIAL TOPIC	SDGs	PILLARS	OBJECTIVE	KPI 2025	KPI OBJECTIVE	TARGET YEAR
G1-BUSINESS CONDUCT			ISO 14001 certification for the Via Cernaia 40 site	No certification	Certification obtained	2026
E1-CLIMATE CHANGE			Develop a transition plan with Scope 1 and 3 emission-reduction targets	No transition plan	Transition plan in place	2026
E3-WATER AND MARINE RESOURCES			Upgrade the treatment plant at the Pollone site	Treatment plant in place	Plant expanded	2027
			Increase recycled water from 10% to 20% [m^3 recycled water / m^3 water withdrawn]	10%	20%	2027

MATERIAL TOPIC	SDGs	PILLARS	OBJECTIVE	KPI 2025	KPI OBJECTIVE	TARGET YEAR
E5-USE OF RESOURCES AND THE CIRCULAR ECONOMY			Source certified raw materials from regenerative agriculture	5%	5%	2026
S1-OWN WORK FORCE			Obtain ISO 45001 certification	No certification	Certification obtained	2027
			Provide at least one annual diversity and inclusion course for the entire workforce	1 initiative/ year	1 initiative/ year	2026
			Create management training to develop female leadership, including online delivery for high-potential women	Not delivered	1 course delivered	2027
			Hold three health-protection events	3 events	3 events	2026
			Provide 10 training hours per employee	9.6 hours	10 hours	2026
			Close the gender pay gap	86%	100%	2030

MATERIAL TOPIC	SDGs	PILLARS	OBJECTIVE	KPI 2025	KPI OBJECTIVE	TARGET YEAR
S2- WORKERS IN THE VALUE CHAIN			Calculate vendor ratings for suppliers and contractors	70% involved	>70% involved	2025
			Close at least 50% of ESG-audit improvement actions by 31 December	50% of corrective actions completed	50% completed	
S3- COMMUNITIES AFFECTED			Host five school visits	5	5	2026
			Deliver four lessons per year at upper-secondary schools, differentiating school years	3	4	2026
			Hold five events with local bodies	3	5	2026
S4- CONSUMERS AND END-USERS FINAL			Achieve the ZDHC Intermediate level	Basic	Intermediate	2027

1.4
COMMITMENT TO SUSTAINABILITY

ERP DEVELOPMENT AND INFORMATION-SYSTEM INTEGRATION

In 2025, the Group focused a significant share of its transformation efforts on the **enterprise resource planning (ERP)** system, as a prerequisite for improving the consistency of processes and data across the companies within the reporting boundary. This ongoing transformation is one of the Group's main **digitalisation** priorities, requiring substantial resources and supporting the objective of progressively standardising information systems across Group companies.

The strategy defined in 2025 provides for securing and stabilising the existing ERP, including technological and programming-language upgrades, and progressively integrating the various Group companies into a common management platform. The ERP development programme has been planned over a multi-year horizon, with the integration of F.lli Cerruti scheduled for 2027.

Once the ERP has been stabilised, the Group intends to launch **artificial-intelligence** pilot projects for highly manual activities, such as filing and document management.

1.5
DOUBLE MATERIALITY ASSESSMENT

Beginning with the 2024 reporting year, Fratelli Piacenza decided to focus this document on the material topics identified through the **double materiality assessment.**

Applying the methodology defined by the **European Sustainability Reporting Standards (ESRS)**, Piacenza Group identified the sustainability matters most relevant to the undertaking and connected them with strategic considerations and the nature of the business. This represents the culmination of a structured methodological process begun in previous years and updated during 2025.

The material topics, like the results achieved and future objectives, were also linked to the Sustainable Development Goals (SDGs) of the 2030 Agenda, aligning Piacenza Group activities with a pathway that integrates different sustainability frameworks.
Material topics were defined through a structured process. Following initial stakeholder engagement, key company representatives carried out an in-depth review and assessment of the topics. Through a structured discussion, the Piacenza Group project team assessed the impacts generated by the company on the environment and people - the **"inside-out"** perspective.

The impacts generated by the undertaking on the external context, considered over short-, medium- and long-term horizons throughout the value chain, may be positive or negative, actual or potential. This work was supplemented by an assessment of sustainability-related risks and opportunities that may have positive or negative effects on the company's financial performance, following the "outside-in" perspective.

1.5
DOUBLE MATERIALITY ASSESSMENT

The financial materiality assessment also examined possible financial effects connected with the impacts identified, dependencies on different forms of capital and sustainability initiatives, distinguishing consistently between risks and opportunities.

The analysis identified sustainability impacts, risks and opportunities, collectively referred to as IRO, that are relevant both at company level and throughout the value chain. Impacts were assessed according to:

- **SCALE**
  The severity of the positive or negative impact and its potential effect;

- **SCOPE**
  The extent of the impact across the Group value chain;

- **IRREMEDIABLE CHARACTER**
  The degree to which a negative impact can be reversed;

- **LIKELIHOOD**
  The probability that the impact will occur.

Risks and opportunities were assessed based on their connection with the impacts identified and two parameters:

- **MAGNITUDE OF FINANCIAL EFFECTS**
  The estimated economic impact based on internal and external analysis;

- **LIKELIHOOD OF OCCURRENCE**
  The probability that the financial effect will occur, calculated using historical and market data.

A specific paragraph is dedicated to each material topic in this document.

The main topics identified and their associated impacts, risks and opportunities are summarised below.

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
E1 - CAMBIAMENTI CLIMATICI	Climate change mitigation	Negative impact	Activities and processes carried out by Fratelli Piacenza and throughout the value chain emit GHGs and contribute to worsening climate change	Entire value chain	Short, medium and long term
E1 - CAMBIAMENTI CLIMATICI	Energy	Negative impact	Energy consumption contributes to the depletion of finite natural resources such as coal, oil and natural gas, as well as habitat destruction, land degradation and soil erosion. Fratelli Piacenza uses electricity and natural gas at levels that classify it as both energy- and gasintensive; electricity is also consumed throughout the value chain	Entire value chain	Short, medium and long term
E1 - CAMBIAMENTI CLIMATICI	Climate change adaptation	Risk	Higher costs and/or disruption to the rawmaterial supply chain due to a reduction in areas suitable for livestock farming as a result of climate change	Upstream	Medium and long term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
E1 - CLIMATE CHANGE	Climate change mitigation	Risk	Financial risk associated with intensifying extreme weather events, potentially resulting in higher insurance premiums	Upstream and own operations	Medium and long term
E1 - CLIMATE CHANGE	Energy	Risk	Economic/financial risk arising from the need for higher investment and expenditure to replace current technologies with effective alternatives that improve process energy efficiency	Own operations	Medium and long term
E3 - WATER AND MARINE RESOURCES	Water	Negative impact	Fratelli Piacenza activities and processes require high water withdrawals which, if overexploited, deplete local water resources potentially available for other uses. Water is withdrawn from wells and intakes in the stream beside the plant. Upstream processes, including wool washing, also involve high withdrawals and consumption	Upstream and own operations	Short, medium and long term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
E3 - WATER AND MARINE RESOURCES	Water	Risk	Higher costs arising from reduced groundwater availability due to drought	Own operations	Short, medium and long term
E3 - WATER AND MARINE RESOURCES	Water	Risk	Economic/financial risk due to investments required for efficient water use, reuse and/or storage measures	Own operations	Short, medium and long term
E5 - RESOURCE USE AND CIRCULAR ECONOMY	Waste	Negative impact	Wastewater-treatment sludge may harm the environment if not correctly managed and disposed of. Qualitycontrol, verification and packaging also generate solid waste and disposal to landfill. Waste generation and related impacts occur throughout the value chain	Entire value chain	Short, medium and long term
E5 - RESOURCE USE AND CIRCULAR ECONOMY	Resource outflows related to products and services	Oppor-tunity	Cost reductions and revenue from reusing some waste, remnants and offcuts in certain processes and, to a lesser extent, reselling them to other textile companies	Own operations	Short, medium and long term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
E5 – RESOURCE USE AND CIRCULAR ECONOMY	Waste	Risk	Higher costs associated with disposing of waste to landfill as the availability of disposal sites declines	Upstream e Own operations	Short, medium and long term
S1 – OWN WORKFORCE	Working conditions	Negative impact	Failure to manage occupational health and safety may result in workplace accidents, injuries or fatalities	Own operations	Short, medium and long term
S1 – OWN WORKFORCE	Working conditions	Positive impact	Role-specific and crossfunctional training contributes to enhancing and developing Fratelli Piacenza workers	Own operations	Short and medium term
S1 – OWN WORKFORCE	Working conditions	Positive impact	Appropriate welfare measures and policies contribute to employee well-being	Own operations	Short, medium and long term
S1 – OWN WORKFORCE	Equal treatment and opportunities for all	Negative impact	Failure to address genderrelated pay differences could contribute to discrimination and undermine trust between the company and employees	Own operations	Short and medium term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S1 - OWN WORKFORCE	Equal treatment and opportunities for all	Negative impact	Failure to respect diversity and equal opportunities may lead to discrimination based on gender, sexual orientation, religion or ethnicity, negatively affecting human capital	Own operations	Short and medium term
S1 - OWN WORKFORCE	Working conditions	Risk	Economic risk arising from difficulty recruiting qualified staff and possible turnover in key positions	Own operations	Short, medium and long term
S1 - OWN WORKFORCE	Working conditions	Risk	Economic/financial and reputational risk associated with higher accident rates and noncompliance with applicable legislation (Legislative Decree 81/08)	Own operations	Short, medium and long term
S2 - LAVORATORI NELLA VALUE CHAIN	Other work-related rights	Negative impact	Human-rights violations, including forced and child labour, affecting valuechain workers, particularly suppliers operating in high-risk geographical areas with weak regulation	Own operations	Short, medium and long term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S2 – WORKERS IN THE VALUE CHAIN	Working conditions	Negative impact	Failure to manage health and safety throughout the value chain may lead to workplace accidents, injuries or fatalities	Upstream and downstream	Short and medium term
S2 – WORKERS IN THE VALUE CHAIN	Working conditions	Risk	Reputational and economic risk associated with traders dealing directly with livestockfarming communities and potentially using their stronger bargaining position to increase profits at the expense of farmers and Fratelli Piacenza	Upstream	Short and medium term
S2 – WORKERS IN THE VALUE CHAIN	Working conditions	Oppor-tunity	Economic opportunity to bring in-house operations and processes currently outsourced to contractors	Upstream	Long term
S2 – WORKERS IN THE VALUE CHAIN	Working conditions	Risk	Economic risk of contractors ceasing operations and disrupting supply due to growing difficulties concerning production times and costs and compliance with sustainability regulation	Upstream	Short and medium term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S2 – WORKERS IN THE VALUE CHAIN	Working conditions	Risk	Higher costs and/or rawmaterial supply disruption due to fewer people choosing livestock farming as a career	Upstream	Medium and long term
S2 – WORKERS IN THE VALUE CHAIN	Working conditions	Risk	Economic and reputational risk arising from violations of human or labour rights throughout the value chain	Upstream	Short, medium and long term
S3 – AFFECTED COMMUNITIES	Communities' economic, social and cultural rights	Positive impact	Fratelli Piacenza directly and indirectly supports communities and areas where it operates through social projects and initiatives and by training and developing talented young people	Upstream and downstream	Medium and long term
S3 – AFFECTED COMMUNITIES	Communities' economic, social and cultural rights	Positive impact	Fratelli Piacenza indirectly supports the communities and areas in which livestock farmers operate	Own operations	Medium and long term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S4 – CONSUMERS AND END-USERS	Information-related impacts	Opportunity	Reputational and economic opportunity from product certifications that meet the expectations of sustainability-conscious customers and end consumers, strengthening existing relationships and attracting new market segments	Downstream	Short, medium and long term
S4 – CONSUMERS AND END-USERS	Information-related impacts	Risk	As product certifications proliferate, the complexity of administrative processes and inventory constraints may prevent the Group from meeting customer requests for product differentiation	Downstream	Short, medium and long term
S4 – CONSUMERS AND END-USERS	Personal safety	Risk	Economic and reputational risk associated with noncompliance with chemicals legislation, such as REACH, potentially harming consumers and/or endusers	Own operations	Short, medium and long term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
G1 – BUSINESS CONDUCT	Animal welfare	Negative impact	Certain livestock-farming practices, such as mulesing sheep in Australia, may adversely affect animal health.	Own operations	Short and medium term
G1 – BUSINESS CONDUCT	Management of supplier relationships, including payment practices	Positive impact	Fratelli Piacenza uses supplier contracting practices that favour longterm collaboration, helping build a robust production sector	Upstream e Own operations	Short and medium term
G1 – BUSINESS CONDUCT	Corporate culture	Risk	Reputational and economic risk associated with inaccurate communication of sustainability initiatives and supply-chain traceability (greenwashing)	Own operations	Short and medium term

Following the Group double materiality assessment, ESRS E2 - Pollution and ESRS E4 - Biodiversity and ecosystems were assessed as not material. This outcome reflects the specific characteristics of the Group operating model. For Pollution (E2), no additional significant impacts relating to pollutant emissions to air, water or soil were identified that would constitute material risks or effects separate from those already addressed through overall environmental management and production processes. For Biodiversity and ecosystems (E4), the assessment identified limited direct interaction between Group activities and areas of high natural value or particular biodiversity sensitivity.

2.0

ESRS E1 - CLIMATE CHANGE

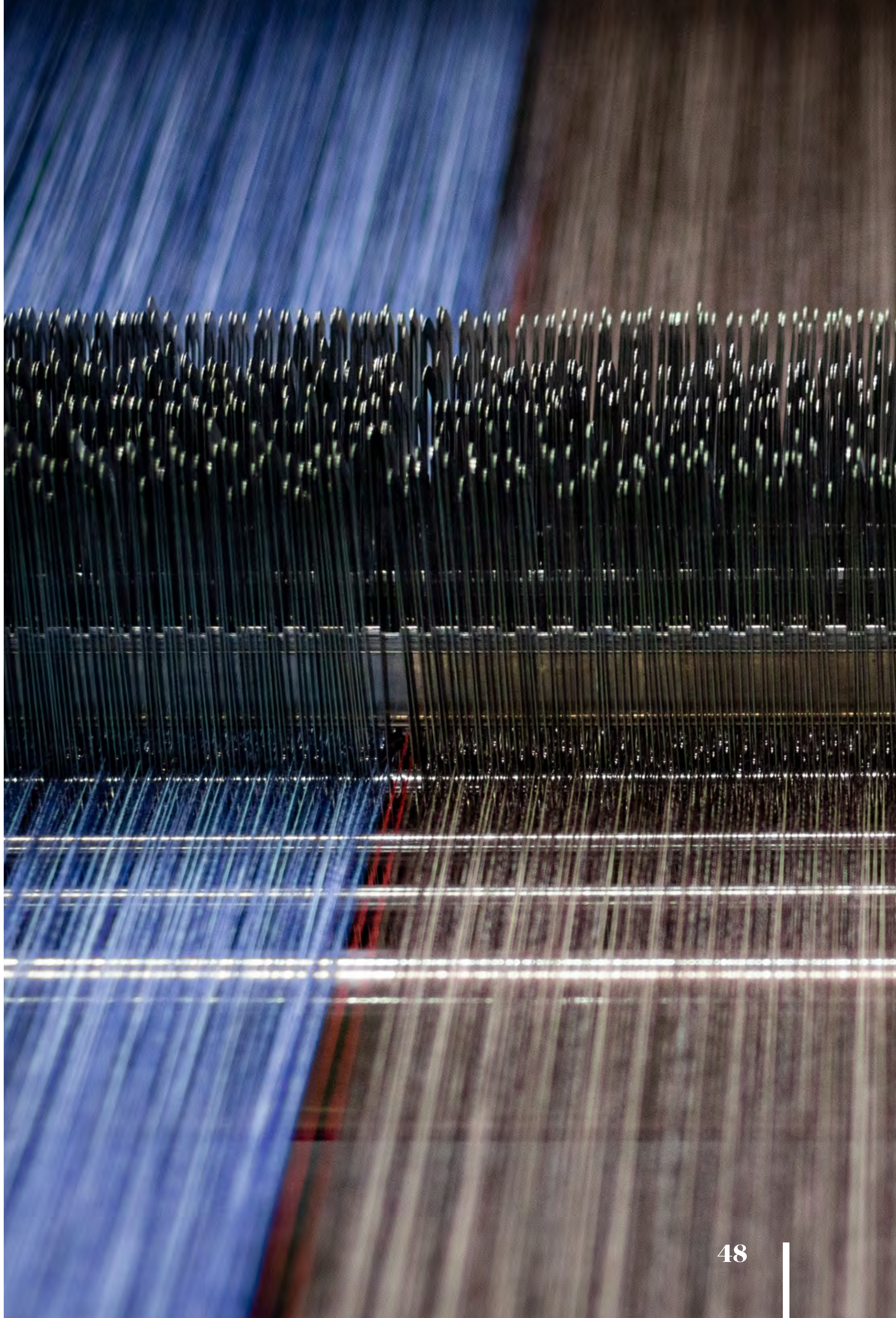
2.0
ESRS E1 - CLIMATE CHANGE

In the textile world, every **fibre** is born from the meeting of **materials, energy and manufacturing expertise**. Today, however, this meeting takes place within a rapidly changing climate, making the relationship between production activities, energy consumption and greenhouse gas emissions increasingly evident.

For Piacenza Group, addressing climate change therefore means recognising the impacts generated by its activities while also assessing the Group ability to adapt to future scenarios characterised by growing physical risks, regulatory pressures and potential effects on the value chain.

The energy needed to power production processes, emissions associated with direct and indirect activities, and the effects of climate change on the availability and quality of raw materials make climate issues closely connected with business continuity and the long-term sustainability of the business model.

To understand these interconnections, Piacenza Group carried out a **double materiality assessment**, which identified **energy, climate change mitigation and climate change adaptation as material subtopics.**



The impacts, risks and opportunities identified are set out in the table below:

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
E1- CLIMATE CHANGE	Climate change mitigation	Negative impact	Activities and processes carried out by Piacenza Group and throughout the value chain emit GHGs and contribute to worsening climate change	Entire value chain	Short, medium and long term
	Climate change adaptation	Risk	Financial risk associated with intensifying extreme weather events may result in higher insurance premiums	Upstream and own operations	Medium and long term
	Energy	Risk	Higher costs and/or raw-material supply disruption due to a reduction in areas suitable for livestock farming as a result of climate change	Upstream	Medium and long term
		Negative impact	Energy consumption depletes finite natural resources and contributes to habitat destruction, land degradation and soil erosion. Piacenza Group uses electricity and natural gas at energy- and gas-intensive levels; consumption, particularly electricity, also occurs throughout the value chain	Entire value chain	Short, medium and long term
		Risk	Economic/financial risk from the investment and expenditure required to replace current technologies with effective energy-efficient alternatives	Own operations	Medium and long term

2.0
ESRS E1 - CLIMATE CHANGE

In 2024, Piacenza Group conducted a **climate resilience analysis** to assess the organisation ability to maintain operational continuity and the robustness of its business model over time under an evolving climate scenario.

The analysis forms part of the broader assessment of impacts, risks and opportunities identified through double materiality and supported understanding of the possible strategic implications of climate change.

In 2025, the resilience analysis was reviewed and confirmed in light of available information and evidence that had emerged, with no material changes compared with the previous year assessment.

The analysis considered both **physical and transition risks**, using a conservative climate scenario (RCP 8.5) and assessing potential implications over short-term (20-30 years), medium-term (more than 50 years) and long-term horizons (to 2100).

Physical risks included **acute and chronic risks**, particularly extreme climate events such as severe heatwaves and exceptional weather events, as well as gradual changes including higher long-term average temperatures.

The assessment examined the exposure of Group production sites and infrastructure and the potential effects on operational continuity, equipment efficiency and workplace safety.

Transition risks were also examined, including developments in European climate and energy legislation, growing market expectations and technological changes associated with the transition to lower-carbon production models.

2.0
ESRS E1 - CLIMATE CHANGE

Piacenza Group recognises that progressive alignment with emissions-reduction and energy-performance objectives may require additional investment in plant, production processes and monitoring systems.

The analysis also considered indirect exposure along the value chain, particularly the availability and quality of animal-origin raw materials.

Climate-related effects on ecosystems and livestock farming may create long-term sourcing risks and greater raw-material cost volatility.

Financial effects arising from climate risks were assessed within the double materiality process and integrated into the company financial-risk matrix.

Overall results indicate that Piacenza Group currently has a business model capable of addressing the main climate risks identified, supported by a progressive and prudent approach to investment and operational management.

RISK TYPE		CLIMATE RISK	DESCRIPTION	ADAPTATION STRATEGY
Physical	Acute	Drought	Higher temperatures and lower annual rainfall will cause more frequent and severe droughts. Not material for office buildings	Increase the proportion of treated water returned to production
Physical	Acute	Extreme rainfall	More frequent and intense rainfall events are expected despite lower annual precipitation	Design and maintain drainage systems
Physical	Acute	Heatwaves	Potential impacts on worker health and safety	Thermal insulation of buildings
Physical	Acute	Wildfires	Higher temperatures, drought and fewer rainy days will raise wildfire risk around the site	Adopt and update the Fire Emergency Plan; install fire barriers, fire doors and all legally required fire-prevention equipment
Physical	Chronic	Temperature change	Higher average temperatures may compromise worker well-being and safety	Thermal insulation of buildings
Physical	Chronic	Hydrological or precipitation variability	Lower rainfall and changes in the hydrological cycle will progressively increase droughts and extreme rainfall	Assess rainwater-harvesting systems; design and maintain drainage systems
Physical	Chronic	Scarcity of resources and raw materials	Climate variation may alter biodiversity and reduce raw-material availability, potentially halting production at plants importing raw materials and yarns	Diversify the supplier base; facilitate product disassembly; promote repairability

RISK TYPE		CLIMATE RISK	DESCRIPTION	ADAPTATION STRATEGY
Physical	Chronic	Land-use change	Climate change will reduce the space available for resources, lowering raw-material availability and affecting plants importing raw materials and yarns	Increase recycling
Transition	Rregulatory	Regulatory compliance risk	Risk associated with regulatory compliance	-
Transition	Market	Market	Risk associated with the company competitiveness in the market	-
Transition	Rreputational	Corporate reputation risk	Risk associated with corporate reputation, particularly among customers	-
Transition	Tecnological	Technology risk competitiveness risk	Risk associated with technological innovation and research into new materials from a circular-economy perspective.	-

2.0
ESRS E1 - CLIMATE CHANGE

Management of climate-related impacts, risks and opportunities is guided by the **Integrated HSE, Social and Chemical Management Policy** adopted by Piacenza Group[2].

Updated in 2025, the **Policy sets out the principles for responsible environmental management** and commits the Group to:

- Promote efficient and responsible energy use;
- Prevent and reduce environmental impacts associated with its activities;
- Pursue continuous improvement in environmental and climate performance.

These principles provide the framework for addressing the negative impacts identified through double materiality - particularly GHG emissions and energy consumption - and managing physical and transition climate risks.

The Policy guides operational choices and investments, ensuring consistency between the relevant IRO and actions taken during the reporting periods.

In line with the Policy and identified IRO, Piacenza Group has defined climate-related improvement objectives, reported under ESRS 2 - General Disclosures and progressively integrated into operational management.

2 The Integrated HSE Policy is available at: https://www.piacenza1733.com/wp-content/uploads/2026/04/Politica-Integrata-aziendale-01.01.26-signed.pdf

Priorities include:

- Exclusive use of electricity from renewable sources as a direct lever for mitigating indirect energy-related emissions;
- Development of renewable self-generation solutions to reduce exposure to transition risks and energy-cost volatility;
- A structured pathway towards a climate transition plan, identifying emissions-reduction actions and trajectories for Scope 1, Scope 2 and Scope 3.

In 2025, these objectives were put into practice by completing the transition to 100% renewable electricity backed by **Guarantees of Origin** and commissioning the **photovoltaic system** at the former Lanefil site on Via Nazionale. Completion of the Piacenza **Group GHG emissions inventory** was also a key milestone towards defining the future climate transition plan.

Piacenza Group has launched a structured process to define a Climate Transition Plan, with the aim of making its approach to greenhouse-gas emissions reduction progressively more systematic and planned, in line with its business model and relevant climate scenarios.

Activities during the reporting period focused first on defining **the methodological approach to the Plan**, drawing on the consolidated Group GHG emissions inventory and a preliminary analysis of possible medium- and long-term emissions-reduction pathways.

This work supported an initial structured view of **decarbonisation trajectories** potentially applicable to the Group operating context, although no targets had been formally adopted as at the reporting date.

The principal decarbonisation levers relevant to Piacenza Group were also identified on a preliminary basis for the different emission scopes. For **direct emissions** (Scope 1), the analysis focused on improving the efficiency of the most energy-intensive production processes and progressively upgrading plant technologies.

For **indirect emissions from purchased energy** (Scope 2), assessments addressed stronger energy-procurement strategies and potential opportunities to increase renewable-energy self-generation.

For **indirect value-chain emissions** (Scope 3), the levers considered included supplier engagement, raw-material sourcing and optimisation of transport and logistics, recognising the central role of these emissions in the Group overall emissions profile.

As at the reporting date, the Piacenza Group Climate Transition Plan had not yet been formally adopted.

The year 2025 was dedicated to setting the approach and developing the supporting analyses. Completion and submission to the governance bodies for approval are planned for 2026.

More detailed quantitative information on reduction targets and specific emissions pathways will be provided in future reporting periods once the Plan has been finalised.

2.1
ENERGY

Energy consumption is one of the most significant aspects of Piacenza Group environmental and climate impacts.

The Group production activities require electricity and natural gas to power industrial processes, auxiliary services and plant infrastructure, resulting in some production sites being classified as energy- and gas-intensive.

Over the years, Piacenza Group has progressively improved its energy performance by integrating efficiency and consumption-reduction considerations into operational decisions and investment.

In 2025, this pathway took the form of targeted energy-efficiency measures, also defined using evidence from interviews with technical and operational functions.

At the Cerruti plant, major work was carried out on the compressed-air production and management system. **Obsolete compressors were replaced** with inverter-equipped units able to modulate operation according to actual production demand.

The overall system configuration was also revised, improving reliability and reducing electricity use by auxiliary services. **Old-generation dryers were replaced** with more efficient on-demand solutions featuring automatic standby when there is no load.

The **LED relamping** programme also continued in 2025 at Group plants, including the Cerruti site and the Via Nazionale facility. These measures reduced lighting-related electricity consumption and improved working conditions.

2.1
ENERGIA

A further major measure was the **photovoltaic system installed** at the Via Nazionale plant and commissioned in 2025. It covers part of the site electricity demand through renewable self-generation, helping reduce environmental impacts and strengthen Group energy autonomy.

At certain plants, the Group also introduced **power-quality systems** designed to improve plant energy efficiency.

Dedicated hardware and software reduce harmonics and distortion in the internal grid, producing a more stable signal closer to an ideal sine wave.

This limits energy losses, improves electrical-system performance, reduces ineffective consumption and increases machinery reliability.

All grid electricity purchased in 2025 was covered by **Guarantees of Origin**, ensuring that renewable sources accounted for 100% of Group purchased electricity consumption.

Piacenza Group operates in a high climate-impact sector: under Commission Delegated Regulation (EU) 2022/1288, textiles are identified by NACE code C13, “Manufacture of textiles”.

The Group’s energy consumption for 2025 is reported below.energetici del Gruppo avvenuti nel corso del 2025.

ENERGY METRIC (MWh)	2025
Total energy consumption	52.062
Total fossil energy consumption	43.294
Share of fossil sources in total energy consumption	83%
Petroleum products: petrol	310
Petroleum products: diesel	655
Natural gas	42.329
Purchased electricity from fossil sources	-
Total renewable energy consumption	8.767
Share of renewable sources in total energy consumption	17%
Purchased electricity from renewable sources	8.319
Self-generated non-combustible renewable energy	448
Total energy production	4.218
Non-renewable energy production	3.770
Renewable energy production	448

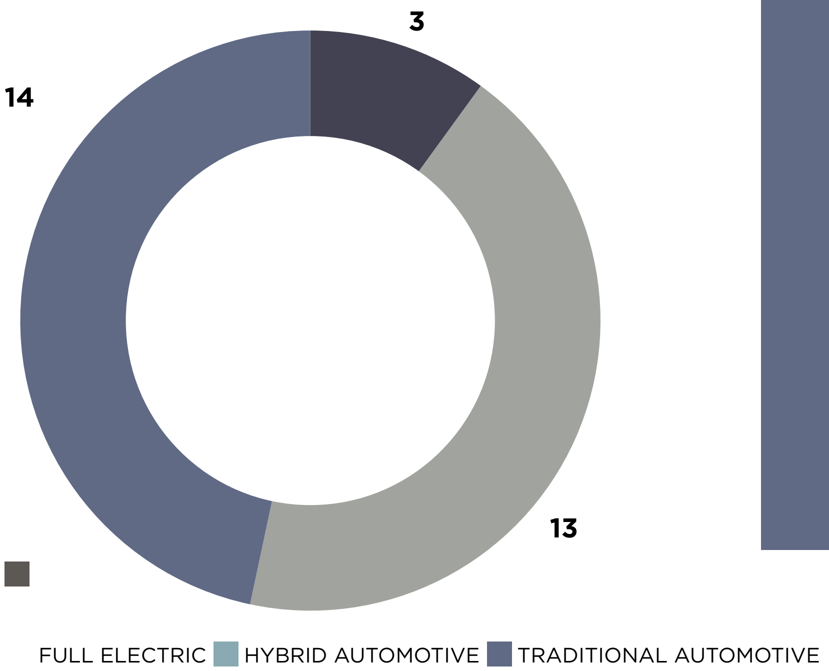
ENERGY INTENSITY (MWh)	
Energy intensity for activities in high climate-impact sectors (MWh/€m)	487
Total energy consumption for high climate-impact activities (MWh)	52.062
Net revenue (€m)	107

Piacenza Group total energy consumption in 2025 was 52,062 MWh, 83% of which came from fossil sources. Thanks to the purchase of Guarantees of Origin covering 100% of the Group electricity consumption, renewable energy represented 17% of the total in 2025.

2.2
CLIMATE CHANGE MITIGATION

In 2025, Piacenza Group completed the comprehensive calculation of its greenhouse-gas emissions inventory, which had begun in 2024. In accordance with the GHG Protocol, emissions were divided into three categories: direct emissions from sources owned or controlled by the company (Scope 1); indirect emissions from purchased energy (Scope 2); and other indirect value-chain emissions, including purchased raw materials and transport (Scope 3).

VEHICLE FLEET COMPOSITION



The transition of the company vehicle fleet, launched in 2023 with the introduction of lower-impact vehicles, is continuing.

The fleet currently consists of 30 vehicles: 10% are fully electric and 43% are hybrid.

This development helps contain atmospheric emissions by reducing the use of conventional fuels and increasing consumption efficiency, particularly in urban settings.

Below is a summary table of the Piacenza Group's GHG emissions inventory for 2025. Absolute data are presented in tonnes of CO_2 equivalent (tCO_2e). Emissions intensity is the ratio between emissions in the reporting year and Group net revenue in millions of euros (tCO_2e/€m).

EMISSIONS (tCO_2e) 2025	2025
Scope 1 GHG emissions	8.779
Scope 2 GHG emissions - location-based	1.700
Scope 2 GHG emissions - market-based	-
Scope 3 GHG emissions	66.973
3.1 Purchased goods and services	63.613
3.3 Fuel- and energy-related activities not included in Scope 1 or 2	1.787
3.4 Upstream transport and distribution	88
3.5 Waste generated in operations	18
3.6 Business travel	126
3.7 Employee commuting	190
3.9 Downstream transport and distribution	1.151
Total GHG emissions - location-based	77.452
Total GHG emissions - market-based	75.752
Emissions intensity - location-based (tCO_2e/€m)	725
Emissions intensity - market-based (tCO_2e/€m)	709
Net revenue (€m)	107

2.2
CLIMATE CHANGE MITIGATION

GHG emissions were calculated using **emission factors** drawn from scientific literature and international sources and applied to data collected annually. Scope 3 emissions were reported for the categories considered relevant and applicable to the Piacenza Group operating context.

In 2025, Scope 2 market-based emissions were reduced to zero through the purchase of Guarantees of Origin covering all electricity consumption by Group companies.

Scope 3 emissions account for approximately 88% of total GHG emissions calculated using the market-based approach. Within Scope 3, Category 3.1 “Purchased goods and services” is the principal contributor, representing 95% of Scope 3 and 84% of total emissions.

3.0

ESRS E3 – WATER AND MARINE RESOURCES

3.1
WATER

Water is essential to the textile industry and is used at every stage of production. From raw-material treatment to dyeing, water is fundamental to creating the fabrics that distinguish Piacenza Group.

Business activities and processes involve water withdrawals which, if not properly managed, could reduce availability for local communities and other sectors andcompromise the quality of surface water and aquifers.

The double materiality assessment identified impacts, risks and opportunities associated with water management, including withdrawals, discharges and consumption.

The analysis showed that the company primarily sources surface water and groundwater, while municipal mains water is used exclusively for sanitary purposes.

The Group recognises water-related risks and opportunities, including potentially higher costs caused by reduced groundwater availability during drought and the possible need for investment in more efficient water use, reuse and/or storage measures.

3.1
WATER

Specifically, the impacts, risks and opportunities identified are as follows:

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
E3- WATER AND MARINE RESOURCES	Water	Negative impact	Fratelli Piacenza activities and processes require high water withdrawals which, if overexploited, deplete local resources potentially available for other uses. Water is withdrawn from wells and intakes in the stream beside the plant. Upstream processes such as wool washing also involve high withdrawals and consumption	Upstream and own operations	Short, medium and long term
	Water	Risk	Higher costs due to reduced groundwater availability during drought	Own operations	Short, medium and long term
	Water	Risk	Economic/financial risk due to investment required for more efficient water use, reuse and/or storage measures	Own operations	Short, medium and long term

3.1
WATER

Consistent with the factors identified, the Group adopts an approach based on responsible water use, focusing on optimising consumption, mitigating water-scarcity risk and maintaining appropriate effluent-quality levels.

Although there is currently no dedicated policy for managing water-related impacts, risks and opportunities, these matters are incorporated into the **Integrated HSE, Social and Chemical Management Policy**, which guides the Group in reducing the environmental impacts of its sites.

The HSE Policy identifies sustainability and respect for and protection of the environment among its guiding principles. Its objectives include pollution prevention in relation to water discharges, waste reduction and responsible water use.

To mitigate risks associated with water-resource depletion and business continuity, Piacenza Group monitors water availability in the areas where its sites operate.

No production site is located in a high water-stress area. According to the World Resources Institute Aqueduct 4.0 Water Risk Atlas3, the sites are in an area classified as having medium-high water-stress risk, with values between 20% and 40% 4.

[3] The tool is available at the following link: HYPERLINK “https://www.wri.org/data/aqueduct-water-risk-atlas”Aqueduct Water Risk Atlas | World Resources Institute
4 The threshold levels defining an area as having high or extremely high water stress are 40–80 per cent and over 80 per cent, respectively. The source is the “United Nations World Water Development Report 2023: Partnerships and Cooperation for Water”, available at the following link HYPERLINK “https://unesdoc.unesco.org/ark:/48223/pf0000384819”United Nations World Water Development Report 2023: Partnerships and Cooperation for Water – UNESCO Digital

3.1
WATER

According to ISPRA[5] national water-severity map, updated on 2 May 2025, the same sites are located in areas of normal water severity, meaning that the capacity to meet the water needs of natural and human systems is not currently critical.

To address potential risks associated with reduced water availability, supply sources have been diversified over time through abstraction from shallow groundwater and underground wells. The Group also carries out periodic plant maintenance and internal checks by dedicated personnel, including in connection with ISO 14001 certification.

At the Pollone plant, work is planned to expand and upgrade the treatment system, increasing the share of water recycled and returned to production from the current 10% to 20%, measured as cubic metres of recycled water divided by cubic metres withdrawn. Completion is scheduled for 2027.

These actions demonstrate opportunities connected with innovative technologies, water savings and water recycling, contributing to lower environmental impacts and greater operational efficiency.

To manage potential water-pollution impacts, the Fratelli Piacenza Pollone and Lanificio F.lli Cerruti plants have biological wastewater-treatment systems. Production effluents are equalised in storage tanks, biologically treated and then further filtered through sand and activated-carbon filters before final discharge.

Depending on treatment-plant operations, part of the treated water is recovered and conveyed to the company tank for reuse.funzione dell’attività dell’impianto di depurazione.

[5] Available at https://www.isprambiente.gov.it/pre_meteo/idro/SeverIdrica.html

3.2
CONSUMO IDRICO

In 2025, total water consumption was 130,983 m^3 and was entirely attributable to the Pollone plant (14,254 m^3) and Fratelli Cerruti (116,729 m^3). Water-withdrawal data were determined using meters, utility bills and estimates of mains-water consumption.

Water discharges were similarly measured using outlet meters. For offices, water discharge was assumed to equal withdrawals.

The Pollone plant withdraws surface water and groundwater for production processes, while municipal mains water is used only for sanitary purposes.

Recycled or reused water is attributable exclusively to Pollone, which returns part of the treated wastewater to production. Stored water refers to the capacity of the Pollone water tower and the tanks at the Fratelli Cerruti plant.

WATER METRIC	UNIT	2025
Total water withdrawal	m^3	406.148
Total water discharge	m^3	275.165
Total water consumption	m^3	130.983
Total recycled or reused water	m^3	22.099
Total stored water	m^3	1.504
Water-consumption intensity	m^3/M€	1.226
Net revenue	M€	107

4.0

ESRS E5 –
RESOURCE USE AND
CIRCULAR ECONOMY

4.0
ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Piacenza Group pays constant attention to the responsible management of **natural resources** and efficient **material** use throughout the production cycle, from **raw-material** selection to the **outputs** generated by industrial processes.

The Group approach focuses on **protecting product quality, reducing waste** and progressively adopting solutions consistent with **circular-economy principles**, in line withcustomer expectations and the evolving regulatory and market environment.

The double materiality assessment identified impacts, risks and opportunities associated in particular with waste management - especially wastewater-treatment and packaging waste - and opportunities to reuse and enhance the value of waste and residual materials.

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
E5-RESOURCE USE AND CIRCULAR ECONOMY	Waste	Negative impact	Wastewater-treatment sludge may harm the environment if not correctly managed and disposed of. Quality-control, verification and packaging activities also generate solid waste and disposal to landfill. Waste generation and related impacts occur throughout the value chain	Entire value chain	Short, medium and long term
	Waste	Risk	Higher costs associated with waste disposal to landfill as the availability of disposal sites declines	Upstream and own operations	Short, medium and long term
	Resource outflows related to products and services	Opportunity	Opportunity Cost reductions and revenue from reusing some waste, remnants and offcuts in certain processes and, to a lesser extent, reselling them to other textile companies	Own operations	Short, medium and long term

Resource and material management is guided by the **Integrated HSE, Social and Chemical Management Policy,** which sets principles and commitments concerning environmental protection, pollution prevention, waste reduction and material recovery wherever technically and economically feasible.

The Policy guides the Group operational choices in managing raw materials, packaging and waste and supports monitoring of the objective of efficient resource use, including through increased sourcing of certified raw materials from sustainable and regenerative practices.

4.1
PURCHASE VOLUMES AND USE OF RAW MATERIALS AND PACKAGING

RAW MATERIALS

The raw materials used by Piacenza Group are central to its manufacturing identity and positioning in the luxury-fabric segment.

Fibre and material selection is guided by high quality standards, supply-chain traceability and continuity of supply, all of which are considered essential to ensuring finishedproduct quality and stable industrial processes. Sustainability is increasingly integrated into sourcing decisions in response to growing market and customer demands for transparency and responsibility throughout the value chain.

Product quality and durability are also key to efficient resource use, as they reduce waste, non-conformities and process yield losses, thereby lowering the overall impact of production.

In 2025, Piacenza Group strengthened its oversight of raw materials by reinforcing supplier selection and monitoring and promoting, where technically and operationally feasible, certified materials from supply chains with sustainability characteristics.

Further information on certifications is provided in Section 8.2, Product certifications.

4.1
PURCHASE VOLUMES AND USE OF RAW MATERIALS AND PACKAGING

The premium raw materials used in the Group processes fall into three main categories:

FIBRE

YARN

FABRIC

Total purchases during the reporting period show the scale and composition of the principal inflows associated with Group activities and place resource use in the context of production volumes.

MATERIA PRIMA ACQUISTATA	UNITÀ DI MISURA	2025
Wool	kg	728.777
Cashmere	kg	127.909
Alpaca	kg	44.075
Silk	kg	30.130
Angora	kg	1.840
Polyamide	kg	12.853
Cotton	kg	22.670
Viscose	kg	7.351
Linen	kg	5.278
Other (inc. vicuña and mink)	kg	36.076
Total	**kg**	**1.017.411**

In 2025, the Group purchased approximately 1,017 tonnes of raw materials, of which 72% was wool and 18% cashmere. Alongside purchase volumes, Piacenza Group monitors the sustainability characteristics of the raw materials used, particularly applicable product and supply-chain certifications. This information supports assessment of how sustainability criteria are integrated into sourcing decisions and the progressive increase in certified raw materials.

4.1
PURCHASE VOLUMES AND USE OF RAW MATERIALS AND PACKAGING

Another sustainability characteristic is whether raw materials are natural or synthetic. Natural fibres are generally considered more sustainable because they are renewable and biodegradable and have a lower average environmental footprint than synthetic fibres[6].

The Group also analyses origin and the agricultural practices associated with raw materials, with the medium- to long-term objective of increasing sourcing from supply chains that adopt sustainable and regenerative practices, in line with its objective for certified raw materials from regenerative agriculture.

	2025
Virgin raw materials purchased with renewable characteristics - natural fibres	997.206
Share of total eaw materials	98%

PRODUCTION VOLUME

Raw-material information is supplemented by production-volume and quality-indicator data, enabling resource use to be related to Group production performance and highlighting the role of product quality in reducing waste and non-conformities.

[6] he United Nations has recognised natural fibres as supporting sustainable development: https://digitallibrary.un.org/record/4032270?ln=en&v=pdf

4.1
PURCHASE VOLUMES AND USE OF RAW MATERIALS AND PACKAGING

PACKAGING

Piacenza Group primarily uses plastic and paper/cardboard packaging purchased from Italian suppliers. Consistent with the Integrated HSE, Social and Chemical Management Policy, the Group has progressively increased its adoption of packaging solutions with sustainability characteristics, while respecting technical productprotection and logistics requirements.

The total quantities used in 2025 show the relevance of these materials within Group inflows and their distribution by material type.

	UNIT	2025
TOTAL PACKAGING USED	kg	182.297
PAPER	kg	136.209
PLASTIC	kg	28.898
WOOD	kg	17.130
METAL	kg	60
PACKAGING WITH SUSTAINABILITY CHARACTERISTICS - FSC PAPER AND RECYCLED PLASTIC (CARTA FSC E PLASTICA RICICLATA)	kg %	66.836 37%

4.1
PURCHASE VOLUMES AND USE OF RAW MATERIALS AND PACKAGING

With regard to sustainability characteristics, Piacenza Group gives preference, for the most significant material flows, to recycled plastic - particularly polyethylene - and paper and cardboard with the highest possible recycled content. FSC-certified paper is also required to support responsible forest-resource management.

The Group has also adopted a more structured approach to environmental packaging labelling, providing information that goes beyond the minimum requirements applicable in the B2B context to encourage correct end-of-life management of packaging throughout the value chain.

The Group recognises that growing demand for recycled materials, particularly certain plastics, may create supply-availability challenges. These aspects are therefore monitored continuously as part of sourcing and supplier-relationship activities.

4.2
WASTE GENERATION

Upstream decisions concerning raw-material selection and process quality control directly affect the quantity and types of waste generated by production activities.

Piacenza Group production activities generate several waste streams, including textile waste; wastewater-treatment waste, particularly sludge; municipal-type waste such as paper, cardboard, plastic and mixed packaging; and industrial waste such as contaminated rags, unusable chemicals, end-of-life equipment and metal materials.

Waste is managed in compliance with applicable legislation and the Integrated HSE Policy, with the aim of progressively reducing the quantities generated and, in particular, the share sent for disposal.

In 2025, to safeguard traceability and correct management, the Group adopted digital tools for waste administration in line with the entry into force of the RENTRI system, strengthening control of material flows and the availability of real-time data.

The quantitative data on waste generation in 2025, broken down by type and disposal method (recovery/disposal), are set out in the table below.

WASTE TYPE	TREATMENT / DESTINATION	UNIT	QUANTITY
NON-HAZARDOUS WASTE	Diverted from disposal through recycling	t	211
NON-HAZARDOUS WASTE	Sent for disposal to landfill	t	203
	Total non-hazardous waste generated	t	414
HAZARDOUS WASTE	Diverted from disposal through other recovery operations	t	4,5
HAZARDOUS WASTE	Sent for disposal through other disposal operations	t	0,5
	Total hazardous waste generated	t	5
	Total waste generated	t	419
Total waste diverted from disposal (Recycling or other recovery)		t	216
Total waste sent for disposal		t	203

4.2
WASTE GENERATION

In 2025, of approximately 419 tonnes of waste generated, just over 216 tonnes were sent for recovery, including 4.5 tonnes of hazardous waste, with the remainder being non-hazardous.

The Group has identified wastewater-treatment waste as an area requiring attention. Monitoring and assessment activities are under way to ensure appropriate disposal and recovery solutions and reduce the associated operational and environmental risks.

CIRCULAR ECONOMY PROJECTS

Alongside waste management, the Group promotes circulareconomyand waste-reduction initiatives in collaboration with customers and partners.
These include recovering and reusing processing remnants and selected waste, which are subsequently reintegrated into production cycles as new raw material or yarn while respecting the quality requirements of the reference market.

These projects are not driven by commercial-development or product-positioning objectives. They express an ethical commitment to reducing environmental impacts and promoting responsible resource use throughout the value chain.

Circular solutions are therefore pursued not to create new business lines or immediate competitive advantages, but to make a tangible contribution to reducing waste and enhancing the value of materials already in existence.

4.2
WASTE GENERATION

The Group works with luxury-segment customers on closed-loop projects. Residual materials generated downstream of production - particularly fabrics that have already been cut - are collected by the customer and returned to the Group. They are transformed back into raw material through spinning and reused to manufacture the same item in specific variants.

This approach reintegrates materials that would otherwise become waste, reduces the need for virgin resources and supports more efficient raw-material management. The Group is considering extending similar initiatives to other strategic partners.

Looking ahead, the Group aims to enhance the value of wool and cashmere fabric pieces which, without intervention, would be sent for disposal or to low-value markets, but could instead be recovered and returned to production.

The Group is studying blended **wool-nylon** yarns containing recycled material for new fabrics for which market demand exists. For **cashmere**, it is developing solutions that incorporate regenerated fibres within defined technical thresholds into **pure-cashmere** products.

5.0

ESRS S1 – OWN WORKFORCE

5.0
ESRS S1 – OWN WORKFORCE

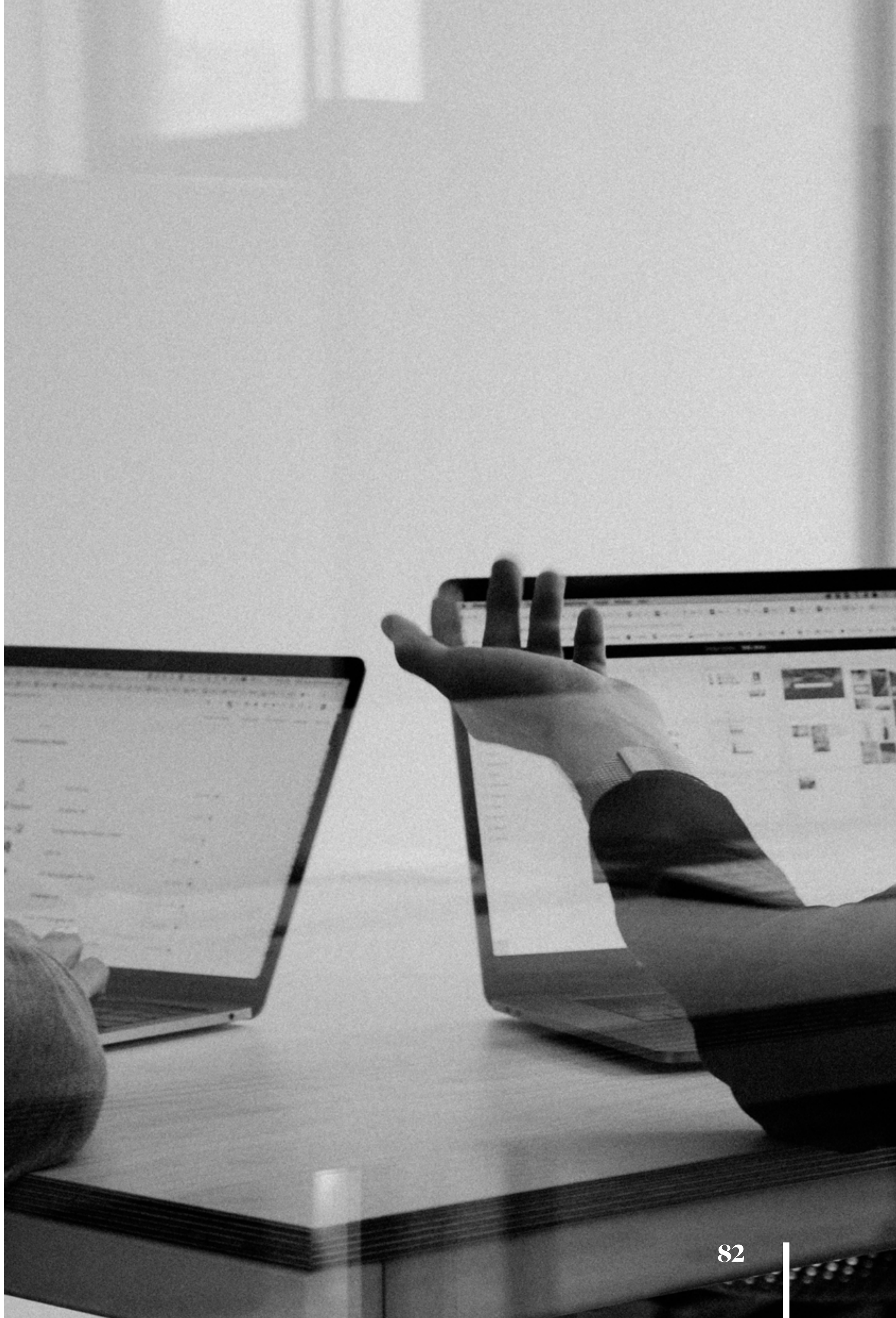
The double materiality assessment carried out by Piacenza Group identified impacts, risks and opportunities connected with the Group workforce, guiding the corporate strategy towards protecting and valuing people.

The main topics identified concern working conditions and equal treatment and opportunities for all Group employees.

Regarding working conditions, Piacenza Group recognises potential negative impacts including workplace accidents, the risk of non-compliance with applicable safety legislation and dependence on qualified personnel in the event of turnover.

At the same time, the company recognises the positive impacts of promoting employee well-being and investing in both role-specific and cross-functional training.

With regard to equal treatment and opportunities, the company is aware of potential negative impacts connected with discrimination and gender pay disparities.



ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S1- OWN WORK FORCE	Working conditions	Negative impact	Failure to manage occupational health and safety may result in workplace accidents, injuries or fatalities	Own operations	Short, medium and long term
	Working conditions	Positive impact	Role-specific and crossfunctional training contributes to enhancing and developing Piacenza Group workers	Own operations	Short and medium term
	Working conditions	Positive impact	Appropriate welfare measures and policies contribute to employee wellbeing	Own operations	Short, medium and long term
	Working conditions	Risk	Economic risk arising from difficulty recruiting qualified staff and possible turnover in key positions	Own operations	Short, medium and long term
	Working conditions	Risk	Economic/financial and reputational risk associated with higher accident rates and non-compliance with applicable legislation, including Legislative Decree 81/08	Own operations	Short, medium and long term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S1- OWN WORK FORCE	Equal treatment and opportunities for all	Negative impact	Failure to respect diversity and equal opportunities may lead to discrimination based on gender, sexual orientation, religion or ethnicity, negatively affecting human capital	Own operations	Short and medium term
	Equal treatment and opportunities for all	Impatto negativo	Failure to address genderrelated pay differences could contribute to discrimination and undermine trust between the company and employees	Own operations	Short and medium term

> "People of value create products of value."
>
> Ettore Piacenza, Co-Chief Executive Officer

Understanding the risks and opportunities associated with people management is the first step in defining policies that guide action, build trust and promote change. For Piacenza Group, these policies are dynamic tools that translate the central role of people into tangible choices:

- **Integrated HSE, Social and Chemical Management Policy,** establishes the company commitment to a safe and healthy workplace; continuous training on quality, health, safety and sustainability; prevention of all discrimination, child labour and forced labour; gender and pay equality; compliance with the national collective bargaining agreement; and worker well-being, including through initiatives of the corporate Foundation.

- **Gender Equality Policy,** promotes an inclusive, fair workplace that respects diversity through a management system compliant with UNI/PdR 125:2022. It provides actions to ensure equal opportunities in HR processes, professional development, remuneration and work-life balance, combating discrimination, harassment and stereotypes and promoting female empowerment and inclusion at every organisational level[7].

- **Leave and Parenthood Policy,** defines operational procedures for taking leave, the request process and internal communications, and provides guidance supporting employees returning to work, including realignment programmes, mentoring and access to part-time work. It is supplemented by updated information for mothers and fathers summarising rights and work-life balance tools, including leave, breastfeeding provisions and principal cases, and reflects regulatory updates during the period.

[7] The Gender Equality Policy is available on the corporate sustainability page: https://www.piacenza1733.com/sostenibilita/

5.0
ESRS S1 – OWN WORKFORCE

- **Code of Ethics**, sets out the company commitment to legality, integrity, non-discrimination, health and safety, the development of human resources, and the prevention of harassment, violence and undeclared work. It promotes a fair, inclusive workplace that respects human dignity and ensures transparency, confidentiality and accountability in individual and organisational conduct.

Consistent with its corporate policies, the Group has defined tangible objectives to guide day-to-day implementation. In line with the SDGs, as described under ESRS 2 - General Disclosures, Piacenza Group continued to strengthen its occupational health and safety management system with the aim of obtaining ISO 45001 certification. It also continued to promote prevention training, including through digital tools, to improve effectiveness and accessibility.

For full details of future objectives, see ESRS 2 - General Disclosures, Section 1.4, Commitment to sustainability.

5.0
ESRS S1 – OWN WORKFORCE

In 2025, Piacenza Group had 555 employees, 45% of whom were women. All employees work in Italy and are covered by the National Collective Bargaining Agreement for the Textile, Clothing and Fashion Industry, which is also used to define the employment terms of all non-employees in the workforce.

The Group employed five non-employees in operational activities through agency work and internships. The data below show the position at 31 December 2025, are drawn directly from the management system and are presented as headcount.

All employees receive adequate remuneration in line with the collective agreement. As required by Italian law, all employees are covered by social protection against loss of income due to illness, unemployment, parental leave, retirement, occupational injury and acquired disability. Non-employees are currently covered by social protection following retirement.

2025	PERSONALE FEMMINILE	PERSONALE MASCHILE	TOTALE PERSONALE
PERMANENT EMPLOYEES	239	294	533
FIXED-TERM EMPLOYEES	8	14	22
EMPLOYEES WITH NON-GUARANTEED HOURS	0	0	0
TOTAL EMPLOYEES	247 (45%)	308 (55%)	555 (100%)

Management comprises 10 employees: two women (20%) and eight men (80%).

5.1
WORKING CONDITIONS

Following the double materiality assessment, Piacenza Group recognises the strategic importance of worker health and safety and the potential impacts and risks associated with workplace accidents. To manage these risks systematically, the Group has developed an operational occupational health and safety management system covering all employees and non-employees, although it is not yet certified. The objective is to obtain ISO 45001 certification[8].

The company approach is based on continuous improvement of production environments through technological and structural measures designed in compliance with applicable legislation and intended to ensure high safety standards for employees, contractors and visitors. The Group also promotes a shared safety culture, requiring every worker to behave responsibly to protect their own safety and that of others. HSE reports are managed through a multi-level system of formal and informal channels: union representatives, the Supervisory Body, direct communications to Management and anonymous suggestion boxes at plants.

Safety matters are discussed at least annually during the periodic meeting attended by the Employer, Worker Safety Representatives, Occupational Physician and Head of the Prevention and Protection Service. Safety governance has three levels: the Chief Executive Officer as Employer; the Plant Manager responsible for operations; and the internal Head of Prevention and Protection, supported by a dedicated HSE office responsible for documentation, health surveillance and occupational safety training.

Six accidents occurred in 2025, resulting in a total of 80 lost days. No worker is exposed to a high risk of occupational disease and no occupational diseases were recorded during the year. Parental leave is available to 100% of employees and supports work-life balance.

In 2025, an internal survey of employees with children examined actual use of leave and monitored needs and usage patterns more closely.

[8] Non-guaranteed-hour arrangements include occasional employees, zero-hours contracts and on-call employees

5.2

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

In 2025, the Group **UNI/PdR 125 gender-equality certification** was reconfirmed following its initial achievement in 2024. This recognition is not a starting point but the result of the organisation ongoing commitment to continuous improvement, in line with the principles of its management systems. Equal treatment and opportunities are integral to corporate culture and are translated into tangible action.

The **Gender Equality Policy**, which defines the Group commitment to an inclusive workplace that respects diversity, was shared with all employees through Interacta, the digital noticeboard introduced in late 2023 to strengthen internal communication and promote digital innovation.

NO REPORTS OF ANY KIND WERE RECEIVED DURING 2025. CONSEQUENTLY, PIACENZA GROUP INCURRED NO FINES, PENALTIES OR COMPENSATION PAYMENTS ARISING FROM INCIDENTS.

5.2
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Accessible from desktop and mobile devices, Interacta enables employees to keep up to date with company news and participate in organisational life through discussion groups and shared spaces. The platform is an integral part of the whistleblowing system.

Its Reports area enables workers to raise issues or improvement suggestions, including HSE- or HR-related discrimination and gender-equality matters.

The Whistleblowing Procedure is also distributed via WebApp and provides a dedicated channel compliant with the Code of Ethics, accessible through both Interacta and the corporate website. All channels and instructions are described in the company regulations, provided before hiring and always available for consultation.

interacta

PEOPLE WITH DISABILITIES

The Group commitment to a fair and inclusive workplace extends to the integration and development of people with disabilities. At 31 December 2025, the workforce included 37 employees with disabilities, equal to 7% of employees.

The company prepares and submits the statutory annual disability-employment report, confirming compliance with legal obligations and transparency towards the competent authorities.

TRAINING AND SKILLS DEVELOPMENT

In 2025, the Group continued investing in training, skills development and digitalisation, both to strengthen cybersecurity safeguards and deliver staff training, including phishing prevention. Alongside health and safety training, strategic hard- and soft-skills programmes were organised.

5.2
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Sessions covered traceability and product certifications, leadership and people management for middle management, and gender-equality training for the entire workforce, including production workers, under UNI/PdR 125. The programme focused on inclusive behaviour and language.

Training particularly involved women, with programmes primarily for office staff on communication, commercial and soft skills and dedicated empowerment initiatives. Managers also attended sustainability-principles training focused on emerging legislation and changes in the socioeconomic context.

New hires received particular attention through an onboarding programme supplemented by classroom training. New colleagues receive essential safety information and an overview of the company and Piacenza family history, HR procedures and sustainability principles.

Collaboration with Città Studi and TAM continued through the third edition of the technical course on textile processing, designed to deepen understanding of production flows and strengthen participants technical skills.

Technical and management training is a strategic lever for mitigating turnover and skills-shortage risks, especially among younger profiles. Dialogue with local educational institutions remains central through career-guidance and placement projects described under ESRS S3 - Affected communities.

The performance-assessment system was strengthened to support individual growth. A structured process launched in 2023 for the direct reports of senior management was extended to the entire workforce in 2025, reaching 100% of employees. There is currently no sustainability-performance incentive system.

5.2
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Overall, training efforts amounted to an average of around 10.5 hours per employee: 9.3 hours per person for men and 11.9 hours for women. To support individual development, the performance appraisal system has been enhanced. In addition to the usual annual review of activities by department heads and senior management, a structured performance appraisal process was launched in 2023, which initially involved the direct reports of the company's first-line managers.

In 2025, the process was extended to the entire workforce, covering 100 per cent of employees. At present, there are no plans for a performance-related incentive scheme in the area of sustainability. Overall, the training commitment amounted to an average of approximately 10.5 hours per employee, or 9.3 hours per capita for men and 11.9 hours for each female employee.

> "Training people means strengthening skills, safety, inclusion and the ability to innovate."
>
> Ettore Piacenza, Co-Chief Executive Officer

REMUNERATION AND GENDER PAY GAP

Family-leave and remuneration policies are based on full application of the National Collective Bargaining Agreement for the Textile, Clothing and Fashion Industry, covering 100% of employees. The agreement ensures fair and transparent working conditions and equal treatment of women and men in base pay and access to rights. Base pay is defined uniformly regardless of gender and is generally supplemented by individual additional payments and performance-related compensation established through secondlevel bargaining.

The Gender Equality Policy adopted in accordance with UNI/PdR 125:2022 requires the maintenance and improvement of processes aimed at greater pay equity, promoting skills, transparency and non-discrimination. Remuneration and benefits are assigned based on responsibility, results achieved and the quality of professional contribution.

In 2025, average gross remuneration was €39,353.42 for male employees and €33,678.11 for female employees, corresponding to a **female-to-male pay ratio of 86%.**

5.2

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

EMPLOYEE BENEFITS

Since the origins of the mill, the Piacenza family has invested in human capital by promoting favourable working conditions and welfare initiatives supporting quality of life both inside and outside the workplace. All Group employees may access a structured benefits system comprising the company canteen and a digital platform for selecting and receiving welfare services, reconfirmed for 2025.

Through the platform, workers may convert their productivity bonus into personalised services. The company has also taken out insurance protecting employees during business travel in Italy and abroad. Established welfare measures include personalised contracts, discounts at local businesses and free membership of SOMS - Società di Mutuo Soccorso di Pollone - for requesting employees. The internal union delegation is regularly involved in decisions on major welfare matters, confirming a participatory approach.

Group-wide initiatives in 2025 included a Health Day focused on psychological support and a dedicated counselling service; Prevention Month, offering free medical screening during working hours, including diabetes-risk assessment and blood tests; optional influenza vaccination; scholarships for high-achieving employees children; paid leave for children starting nursery or preschool; and a one-off birth bonus for new parents.

The Group monitors retention measures and workplace climate through structured surveys and satisfaction questionnaires. Feedback in 2025 was generally positive and identified opportunities to improve communication and organisation.

6.0

ESRS S2 – WORKERS IN THE VALUE CHAIN

6.0
ESRS S2 - WORKERS IN THE VALUE CHAIN

The double materiality assessment identified several material IRO relating to workers in the Group value chain. The first material negative impact concerns potential humanrights violations affecting value-chain workers, directly connected with the risk of penalties or legal proceedings and potential reputational consequences. The second potential negative impact concerns failure to manage health and safety throughout the value chain.

Risks also arise from imbalances in relationships between the company and traders purchasing raw materials from producers, partly connected with the possible decline of livestock farming as younger generations move into other industries. A further set of IRO concerns contractors. Their limited size may make it difficult for them to adapt to future market conditions, while also creating an opportunity for Piacenza Group to bring certain processes in-house. No positive impacts emerged from the double materiality assessment.

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S2 - WORKERS IN THE VALUE CHAIN	Other work-related rights	Negative impact	Human-rights violations, including forced and child labour, affecting valuechain workers, particularly suppliers operating in highrisk geographical areas with weak regulation	Own operations	Short, medium and long term
	Working conditions	Negative impact	Failure to manage health and safety throughout the value chain may result in workplace accidents, injuries or fatalities	Upstream and downstream	Short and medium term
	Working conditions	Risk	Reputational and economic risk associated with traders dealing directly with livestock-farming communities and potentially using their stronger bargaining position to increase profits at the expense of farmers and Piacenza Group	Upstream	Short and medium term

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S2 - WORKERS IN THE VALUE CHAIN	Other work-related rights	Opportunity	Economic opportunity to bring in-house operations and processes currently outsourced to contractors	Upstream	Long term
	Working conditions	Risk	Economic risk of contractors ceasing operations and disrupting supply due to growing difficulties concerning production times and costs and compliance with sustainability regulation	Upstream	Short and medium term
	Working conditions	Risk	Higher costs and/or rawmaterial supply disruption due to fewer people choosing livestock farming as a career	Upstream	Medium and long term
	Working conditions	Risk	Economic and reputational risk arising from violations of human or labour rights throughout the value chain	Upstream	Short, medium and long term

6.0
ESRS S2 - WORKERS IN THE VALUE CHAIN

Partnerships with suppliers and contractors are deeply rooted in Piacenza Group. Given the nature of the products supplied, the value chain is complex and extends to farmers in **Australia, South America** and **South Africa** and nomadic pastures in **China and Mongolia**. It also includes shearers, traders and workers involved in the initial fibre-selection and washing stages. Contractors are primarily located in the Biella area or Tuscany.

Value-chain workers also include personnel from social cooperatives providing cleaning services and companies providing security and concierge services. External maintenance suppliers are shared among Group companies to improve coordination and efficiency. As part of the Piacenza Group value chain, these workers fall within the scope of the Group health and safety policies and diversity and inclusion provisions, consistent with the sustainability strategy promoted across its plants.

Piacenza Group favours **stable, long-term supplier relationships** to preserve and build loyalty in relationships that support supply-chain stability. The Group seeks to assist suppliers in their adaptation and growth journey.

The key document governing supplier relationships is the **Piacenza Group Supplier Code of Ethics**, which defines the ethical principles and compliance requirements applying to parties that work with the Group. Suppliers must uphold fairness, honesty and transparency, incorporated into their contracts. Breaches may result in sanctions up to termination of the contractual relationship.

The Group is committed to decent and fair working conditions and requires the same safeguards from every internal and external party with which it does business. 99

The Code requires suppliers to comply with the laws of the countries in which they operate and with internationally recognised ethical principles and standards, in line with references such as **SA8000** and **major international conventions on human rights and fundamental freedoms.**

These include International Labour Organization conventions, the United Nations Universal Declaration of Human Rights, the UN Convention on the Rights of the Child and the OECD Guidelines for Multinational Enterprises.

Health and safety is expressly addressed: suppliers must provide healthy and safe workplaces for employees, compliant with local and industry rules, including any worker accommodation, and must adopt procedures and training to prevent health and safety risks.

Environmental protection is also covered. Suppliers must adopt sustainable practices to minimise environmental impacts in accordance with ISO 14001 principles, particularly efficient resource management and waste recovery.

Suppliers must comply with personal-data protection laws and handle sensitive information with the highest confidentiality and security. The Group undertakes to communicate and disseminate the Code and promote understanding and application of its ethical principles, including through training initiatives.

Mechanisms are available to report violations while protecting reporter confidentiality. Depending on severity, consequences for non-compliance range from warnings to termination of the relationship.

> “Exploring new horizons: this is how we manufacture products of excellence.”
>
> Ettore Piacenza, Co-Chief Executive Officer

SUPPLIER QUALIFICATION AND VENDOR RATING

In 2020, the Group launched a p**roduction-supply-chain qualification project** on sustainability topics to complement the long-established Quality Control procedure.

Participating suppliers signed a **Sustainability Charter** of Values, committing to reduce environmental and social impacts through good practices and the purchase of certified materials.

As part of continuous improvement and the Group ISO 14001:2015 certification pathway, the qualification process was reviewed in 2024. All Group companies adopted anew supplier and contractor qualification process managed by the Purchasing Office in collaboration with the HSE department and described in the Integrated Management System Procedure. It continued in 2025 without material changes. A further update is planned for 2026, formalising the internal supplier-screening procedure.

This involves collecting **legal and administrative documents**, including Chamber of Commerce registration and company extract, the DURC social-security compliance certificate, and technical-professional suitability for work requiring it. Qualification is completed when suppliers and contractors sign the Group Code of Ethics together with the corporate Policy and Mission.

Commercially, the process concludes with a contract containing clauses allowing Group members, independently or with their customers, to audit external supplier premises.

Suppliers must also provide environmental and social information and meet other ESG requests. The corporate website includes a whistleblowing channel available to third parties.

6.0
ESRS S2 - WORKERS IN THE VALUE CHAIN

Alongside the Code of Conduct and revised qualification process, **direct stakeholder engagement** is the third lever used by the Group to spread sustainability practices throughout its value chain.

Since 2024, meetings have been organised with leading companies closely connected with the Group business to reinforce longstanding partnerships and confirm the importance of a shared growth pathway as the only way to achieve the company objectives.

These meetings presented the **corporate ESG strategy** and launched the supplier sustainability-performance assessment project, known as **Vendor Rating.**

Vendor Rating has **three assessment bands** - Class A, Class B and Class C - based on supplier sustainability performance, measured through a structured questionnaire using environmental and social parameters.

In 2025, the questionnaire was organised around three weighted ESG pillars: **Governance 50%, People 20% and Planet 30%.**

Class A suppliers receive a free pass, with no further intervention required. Class B suppliers are invited to prepare an improvement action plan addressing weaknesses identified through self-assessment. Class C suppliers undergo an audit by the Sustainability or HSE function, followed by preparation and monitoring of an action plan.

The process provides for annual assessments, communication of results to suppliers, and action plans and/or audits depending on the rating class. In 2025, Vendor Rating involved more than 60 organisations, including raw-material and yarn suppliers and contractors.

6.0
ESRS S2 - WORKERS IN THE VALUE CHAIN

Targeted action was taken for Class C suppliers in 2025, confirming the need for ongoing support. Looking to 2026, the Group plans to unify procedures, integrate audits and certification renewals, optimise resources and strengthen the consistency of control processes, with expected benefits for ESG performance, competitiveness and reputation.

By year-end 2025, Vendor Rating had been extended to suppliers accounting for 70% of purchasing turnover in the categories identified as relevant, with the ambition to increase this percentage further in coming years.

Fifty per cent of improvement initiatives in supplier action plans had been completed in 2025, with the same target set for 2026. The Sustainability department also continued its customary site inspections to verify requirements for product certifications.

CHALLENGES AHEAD

Piacenza Group has identified three principal upstream value-chain challenges requiring energy and investment in the near future.

The first is the issue of traceability of processes and products as a fundamental prerequisite for accessing international markets. The most frequent request from major groups in the luxury sector concerns, in fact, end-to-end **traceability of the supply chain**, with documentary evidence of the origin of raw materials and the main stages of processing.

This challenge requires intermediaries in the value chain, such as Piacenza Group, to adopt a flexible operational approach, not least due to the variety of tools and portals required by the various brands. In this regard, Piacenza Group has continued to address these issues through internal coordination between the departments involved (sales, sustainability/ compliance and HSE) and has pursued initiatives to refine its internal traceability tools, thereby enabling it to respond promptly and efficiently to the numerous requests from customers.

The drive for greater traceability throughout the entire supply chain also entails an increase in the number of audits to verify **compliance with environmental, social and governance standards.**

End customers are carrying out an ever-increasing number of audits, not only on the contracting company – such as the Piacenza Group – but also further upstream in the chain, extending, where necessary, to the premises of subcontractors.

When these checks involve small subcontractors, who are often less well-organised in terms of sustainability, any issues – particularly in the area of health and safety – are managed by the Piacenza Group as part of the supply relationship.

However, the growing pressure and the costs of the necessary adjustments also represent an opportunity for the Group to strengthen its direct control over certain stages of production, including through the reorganisation and integration of manufacturing processes, as has been the case with certain activities that have been transferred to and integrated into the Cerruti plant (e.g. strengthening the finishing process through new machines and production lines).

6.0
ESRS S2 - WORKERS IN THE VALUE CHAIN

Finally, one of the risks facing the wool industry, from which the Piacenza Group is not exempt, is **the shortage of a new generation of farmers** who are motivated and have the ambition to carry on a centuries-old tradition, in areas that are sometimes difficult in terms of terrain, such as the or very poor, such as the pastures for cashmere goats in Mongolia and China, or subject to the severe consequences of climate change, which have, for example, also taken their toll on the Australian grasslands.

Company visits have therefore also sought to strengthen relationships between the Group and raw-material producers and renew motivation for pastoralism - an activity that may seem remote from fabric manufacturing but is fundamental to the wool industry.

7.0

ESRS S3 – AFFECTED COMMUNITIES

7.1 COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

7.0
ESRS S3 – AFFECTED COMMUNITIES

These words summarise a vision shared throughout the company: Piacenza Group intends to act as a tangible ally of its stakeholders, contributing to the well-being of employees and their families and supporting the communities with which it interacts, both locally and further afield.

The Group philosophy is to protect the local area and make a tangible contribution to the development of communities in the regions where it operates. This includes communities throughout a very extensive value chain, linking the people of Pollone and the entire Elvo Valley with livestock farmers around the world.

The double materiality assessment identified two material positive impacts relating to direct and indirect support for the economic, social and cultural rights of the communities where the Group operates and the livestock-farming communities included in its value chain.

> "We create value for future generations by protecting and supporting communities and local areas: these are the principles of our family."
>
> Ettore Piacenza, Co-Chief Executive Officer

7.0

ESRS S3 – AFFECTED COMMUNITIES

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S3 - AFFECTED COMMUNITIES	Communities' economic, social and cultural rights	Positive impact	Fratelli Piacenza directly and indirectly supports communities and areas where it operates through social projects and initiatives and by training and developing talented young people	Upstream e a valle	Medium and long term
	Communities' economic, social and cultural rights	Positive impact	Fratelli Piacenza indirectly supports the communities and areas in which livestock farmers operate	Own operations	Medium and long term

7.1
COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Piacenza Group attention to the local area and communities is reinforced by its commitment to protecting historical and cultural heritage, as set out in the Integrated HSE, Social and Chemical Management Policy.

The Group Mission includes improving stakeholder well-being through strategies that **protect historical and cultural heritage and empower people, with particular attention to future generations.** This commitment forms part of an approach designed to strengthen awareness of the company impacts and role in the local area. No violations of local-community rights by the organisation have been recorded.

The Group pursues an ethical business model aimed at tangibly enhancing the geographical areas in which it operates, economically by supporting projects that benefit communities and collective well-being, and environmentally through practices that protect and conserve local ecosystems. This takes place through several lines of action

7.1
COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

The relationship maintained by the Piacenza family with communities affected by the production of its fine fabrics throughout the value chain deserves particular mention.

In the mid-nineteenth century, wool industrialist Giovanni Piacenza created **Burcina Park**. On returning from numerous exploratory journeys around the world, family members planted different species, helping make the Park the magnificent green space it is today. In the interest of the community, the Park was donated to the Municipality of Biella in the early twentieth century so that everyone could enjoy it. In 1980, Regional Law No. 29 designated it the "Felice Piacenza" Burcina Park Special Nature Reserve.

At the end of 2024, in collaboration with FAI, the company also contributed to regenerating the centrally located Piazza Vittorio in Biella by planting the area.

Today, the family continues to support the local area through **Fondazione Famiglia Piacenza**, whose purpose is to safeguard the historical and cultural heritage of both the family and the community. It raises awareness of the conservation and enhancement of documents, textile machinery and sample collections for the benefit of the Biella area, particularly the Elvo Valley, where wool processing has ancient origins.

Consistent with this approach, the Group maintains open dialogue with the area through frequent visits and meetings involving schools and visitor groups.

FONDAZIONE
FAMIGLIA
PIACENZA

7.1
COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

PIACENZA GROUP MEMBERSHIPS AND ASSOCIATIONS

Piacenza Group is particularly active in industry and civic **associations** and has strong links with Confindustria. Felice Piacenza was the first president of what is now Unione Industriale Biellese, an association that helped establish Confindustria in 1910.

Following his father Giovanni, Carlo led Unione Industriale Biellese, demonstrating a strong commitment to the area. This commitment has passed to new generations: Ettore Piacenza, the fourteenth generation of Piacenza Group, was appointed chair of the Wool Mills association of Unione Industriale Biellese and received a second term at the end of 2023.

The company actively participates in all technical working groups promoted by SMI - Sistema Moda Italia. Piacenza Group is also a member of Altagamma, Les Hénokiens, IBC - Associazione Industrie Beni di Consumo, the European Platform for the Future of Textiles and Clothing, and the Museimpresa network.

Piacenza Group indirectly benefits communities by **supporting numerous bodies, organisations and start-ups.**

PIACENZA1733 supports **Fondazione Biellezza** and is an active member of Agenzia Lane d'Italia, a local organisation working on projects to recover native wools for environmental and social purposes. Longstanding collaboration has also resulted in dedicated capsule collections.

In 2012, the parent company Fratelli Piacenza S.p.A. was among the founding members of Gomitolo Rosa, a local association promoting **wool therapy** and numerous initiatives. Events for the fifth Wool Day on 9 April 2025 were held at Lanificio Cerruti and included the participation of Felice Piacenza.

7.1

COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Charitable donations are another important form of community engagement. In 2025, support included the reconstruction of Capanna Margherita at Mucrone, a place cherished by the family and many people in Biella, which a group of local entrepreneurs hopes to restore to its former splendour.

Piacenza Group also sponsored the Pollone football team, the BiellaCresce initiative and the Pollone Workers Mutual Aid Society (SOMS). Its longstanding collaboration with Pro Loco Pollone includes the balloon gathering held in the company park.

The Group also makes spaces and services available for local initiatives. It participated in Banca del Giocattolo collection of used toys for donation to people in need. **Cooperation with schools** has always been central.

Piacenza Group was among the companies that promoted and supported the new Textile Upper Secondary School, which opened in Valdilana in 2023. In 2024, the Group Head of Human Resources delivered a lesson on gender equality, also describing the Group certification journey.

7.1
COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Teaching activities begun in schools in 2023 expanded into Piacenza Academy, a project introducing younger children to textiles through meetings for nursery, primary and lower-secondary pupils.

The Group also maintains partnerships with the TAM Higher Technical Institute for Textiles, Clothing and Fashion, the Master in Noble Fibres, Istituto Marangoni and Biyoung.

During Corporate Culture Week, Piacenza Group opened its historical archive to students on the TAM textile-process management course, offering a guided visit among documents, finished garments and evidence of the company evolution.

The Group regularly hosts students on internships and training programmes, and some participants have subsequently joined the company.

7.1
COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

The family is always willing to organise **company visits** for students and visitor groups, making Piacenza Group one of the most visited businesses in the area. In October 2025, it participated in Apriti Moda and "Fabbriche Aperte Piemonte - Inside the heart of industrial Piedmont, discovering the value of those who create value", as well as the special opening for Made in Italy Day on 18 April.

Piacenza Group also opened the mill for the second "Giro d'Impresa", an industrial-tourism initiative organised by Unione Industriale Biellese in May, and exceptionally opened its historical archives to the public for the FAI Autumn Days.

With the same philanthropic spirit, the family has strengthened ties with overseas **raw-material communities** over the years.

Full respect for individual work and fair remuneration extends beyond direct employees to all members of the Andean communities from which Piacenza Group sources valuable vicuña fibre. This partnership also expresses the strong bond with territories and communities that has always characterised the Group business.

8.0

ESRS S4 – CONSUMERS AND END-USERS

8.1
PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS

This chapter describes the safeguards introduced by Piacenza Group for the final stage of its value chain, concerning consumers and end-users.

The double materiality assessment highlighted two key aspects: **risks connected with potential legislative non-compliance and product certifications.**

The growing number of product certifications in the textile sector creates an operational risk due to the management complexity of administrative processes and logistical constraints that could hinder the company ability to meet customer customisation requests.

At the same time, it represents a significant reputational and economic opportunity: adopting recognised certifications helps meet the expectations of increasingly sustainability-conscious consumers, strengthens relationships with existing stakeholders and opens access to new market segments.

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
S4- CONSUMERS AND END-USERS	Information-related impacts for consumers and/or end-users	Opportunity	Reputational and economic opportunity from product certifications that meet the expectations of sustainability-conscious customers and end consumers, strengthening existing relationships and attracting new market segments	Downstream	Short, medium and long term
	Information-related impacts for consumers and/or end-users	Risk	As product certifications proliferate, the complexity of administrative processes and inventory constraints may prevent the Group from meeting customer requests for product differentiation	Downstream	Short, medium and long term
	Personal safety of consumers and/or endusers	Risk	Economic and reputational risk associated with noncompliance with chemicals legislation, such as REACH, potentially harming consum ers and/or end-users	Own operations	Short, medium and long term

The policy document governing the material topic of consumers and end-users is the Integrated HSE, Social and Chemical Management Policy. Customer satisfaction is a cornerstone of the Group Mission and is pursued by understanding customer needs and ensuring the best service and product in compliance with all legal provisions and market requirements.

8.1
PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS

Responsible chemical use is first and foremost a demand from end consumers, but it is also an essential requirement for compliance with increasingly stringent national and international legislation.

To ensure compliance with consumer-protection legislation and product-related legal requirements, Piacenza Group has consolidated its corporate compliance-management process over the years and assigned a dedicated internal resource to these matters.

The chemical management system has significantly improved product impacts on consumer health and on worker health and safety.

8.1
PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS

The risk highlighted by the double materiality assessment primarily concerns chemicals used in three main wet processes:

- Piece dyeing: dyeing large fabric pieces or rolls to ensure precise, uniform colour while maintaining fabric quality and softness.
- Package dyeing: dyeing yarn before weaving, enabling deeper colour penetration and a more intense, durable result.
- Finishing: final fabric treatments that improve appearance, handle, durability and other desired properties.

Waxes and antistatic products are used during warping and weaving. The main chemicals are managed through two automated LAWER kitchens, which dose substances according to set recipes and automatically send them to machine-side tanks.

Substances are stored in dedicated silos equipped with low-level alerts and are replenished manually using a suction pump from the original container. A significant proportion of chemical volumes relates to maintenance products.

For reporting purposes, only products that come into contact with fabric were included.

ROADMAP TO ZERO

8.1
PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS

CUSTOMER RELATIONSHIPS

To improve communication channels with consumers and end-users, Piacenza Group ensures that its contact points remain continuously accessible through the valuable work of the commercial Front Offices, which are the primary interface with customers.

These relationships are strengthened through direct involvement by General Management and Womenswear Sales and Product Development Management, who participate in the principal discussions during customer visits to Group sites.

These meetings enable immediate feedback to be collected on product quality and customer satisfaction more generally.

8.2
PRODUCT CERTIFICATION

The Group adopts a flexible production approach and adapts its processes to meet customer needs and requirements. Research into innovative solutions and expansion of the range of new sustainable products create market opportunities and build end-consumer trust, but also represent a risk because of the numerous opportunities available and the highly varied requests submitted by brands.

Product certifications are the Group principal tool for demonstrating the existence of a robust traceability system, ensuring maximum transparency in the collection of upstream information on sourcing and outsourced processing and its downstream communication.

In 2025, the Group made a wide range of product certifications available to customers:

- **RAF Certification (Responsible Animal Fibre)** is an international framework ensuring that wool and animal fibres come from responsibly managed farms applying rigorous animal-welfare, environmental-sustainability and social-responsibility criteria. At Piacenza Group it comprises the **Responsible Wool Standard (RWS)** [9] for sheep wool, **Responsible Mohair Standard (RMS)** [10] for mohair and **Responsible Alpaca Standard (RAS)** [11] for alpaca fleece, all promoted by **Textile Exchange.** These standards apply at every stage, from farming to the final B2B transaction, ensuring traceability and conformity.

9 For further information, please refer to the Responsible Wool Standard (RWS) – Textile Exchange
10 For further information, please refer to the Responsible Mohair Standard (RMS) – Textile Exchange
11 For further information, please refer to the Responsible Alpaca Standard (RAS) – Textile Exchange

8.2
PRODUCT CERTIFICATION

Piacenza Group sources from certified companies demonstrating that animals are raised in healthy environments, have access to veterinary care and are not subjected to harmful practices, and that farming practices reduce environmental impacts, protect biodiversity and safeguard natural resources. See also the animal-welfare section under ESRS G1 - Business Conduct.

- The principal cashmere certifications are **Sustainable Fibre Alliance (SFA)**[12] and the **Good Cashmere Standard (GCS)**[13]. SFA, developed by the eponymous nonprofit organisation, provides a quality and sustainability seal for Piacenza Group cashmere products. It is based on five principles: effective management, decent work, sustainable land and biodiversity use, animal welfare and improved fibre quality. The Good Cashmere Standard is an independent sustainable-cashmere standard developed by the **Aid by Trade Foundation (AbTF).** Its purpose is to improve cashmere-goat welfare and herder working conditions and protect the environment.

- **The Global Recycled Standard (GRS)**[14], also promoted by Textile Exchange and internationally recognised, supports Piacenza Group in material traceability and compliance with stringent environmental and social requirements. GRS certification balances market requests with the company commitment to high-qualitY production. The Group uses a defined proportion of recycled fibre in products, mitigating the risk that excessive use could impair performance and quality.

12 Further information: “https://sustainablefibre.org/”SFA | The Sustainable Fibre Alliance
13 Further information “https://thegoodcashmerestandard.org/”The Good Cashmere Standard
14 Further information: “https://textileexchange.org/recycled-claim-global-recycled-standard/”Recycled Claim Standard (RCS) + Global Recycled Standard (GRS) - Textile Exchange

8.2
PRODUCT CERTIFICATION

Like product certifications, Piacenza Group participates in **international initiatives and protocols**. These include **Land to Market**[15], the first and currently most advanced global platform for verified, outcomes-based regenerative sourcing.

This innovative model redefines industry standards by directly and transparently connecting brands and suppliers with raw materials from land whose regeneration is measured using objective criteria. It applies to strategic supply chains such as wool and other fibres or agricultural derivatives. Piacenza Group is among the first supplychain actors to adopt such an advanced approach and actively supports its wider dissemination.

The collaboration translates into a tangible commitment to regenerative production practices by sourcing raw materials assessed under the Ecological Outcome Verification (EOV) protocol, a distinctive approach based on measurable ecological indicators and continuous monitoring of outcomes over time. The system rigorously and transparently verifies key parameters including soil health, biodiversity and ecosystem functionality, going beyond traditional approaches based solely on process requirements.

Through this participation, Piacenza Group strengthens its position as a responsible business and system innovator while helping define future production models. Land to Market represents one of the most advanced and credible responses to global environmental challenges, laying the foundations for structural supply-chain transformation towards practices that not only reduce impacts but create tangible, measurable environmental benefits.

15 Further information: https://www.landtomarket.com/

8.2
PRODUCT CERTIFICATION

To meet customer requirements for the safety and management of hazardous chemicals, Piacenza Group participates in the **ZDHC Zero Discharge of Hazardous Chemicals Programme**, consistent with commitments set out in the Group Integrated Policy.

ZDHC is a global initiative involving brands, suppliers and chemical manufacturers. It aims to eliminate the discharge of hazardous substances throughout the textile, fashion and footwear value chain.

Through the Roadmap to Zero programme, Piacenza Group commits to complying with the ZDHC Manufacturing Restricted Substances List (MRSL), which identifies substances that are prohibited or subject to strict limits not only in finished products but also in production processes.

The company aims to achieve ZDHC Intermediate level by 2027, progressing from its current Basic level.

SUSTAINABILITY R&D PROJECTS

DIGITAL WEAVES

In 2025, Piacenza Group launched a structured project to digitise its textile archive, enhancing the company historical heritage while making its use more sustainable and accessible.

Promoted in collaboration with Fondazione Famiglia Piacenza, the initiative forms part of a broader programme of process innovation and protection of physical assets.

It reduces the physical movement of fabrics and supports their long-term conservation.

The project will create an advanced digital archive based on high-precision scanning technologies capable of capturing not only fabric images but also principal physical and perceptual characteristics, including texture, transparency, elasticity, thickness and drape.

Integrating these parameters allows fabrics to be represented in three-dimensional environments, supporting digital design, simulation and product-development activities.

Digitisation also enables new ways of researching and using the corporate heritage, including advanced data-analysis and artificial-intelligence models. These allow faster, more effective archive consultation and encourage new designs inspired by historical collections.

Operationally, the project makes creative and decision-making processes more efficient, speeds access to information and expands design-exploration opportunities.

It also reduces environmental impacts associated with the physical management of samples by limiting movement, transport and handling.

SUSTAINABILITY R&D PROJECTS

SEISMEC

SEISMEC is among the Research & Development projects financed through tax credits and/or European Community funds in 2024 in relation to consumers and end-users.

The Piacenza Group pilot aims to implement **artificial intelligence technologies** to improve the efficiency and accuracy of quality control for luxury-fashion fabrics.

This is currently performed manually at two separate stages of a highly fragmented production process comprising more than 70 steps.

Existing automated defect-detection solutions are generally suitable for technical or lower-cost fabrics but do not meet the high standards required by luxury fashion.

The pilot aims to close this gap through a microservices architecture customised for Piacenza operations, with real-time interaction between operators and AI through mobile interfaces, voice assistants and augmented reality.

The approach is designed to improve AI performance through human input and encourage worker participation in defining solutions.

The main challenges are the inherent variability of natural fibres, distinguishing real defects from acceptable variations, the cost of existing solutions, extensive production customisation and lack of data standardisation.

9.0

ESRS G1 – BUSINESS CONDUCT

9.0
ESRS G1 – BUSINESS CONDUCT

The parent company has a governance structure comprising the Board of Directors, supported by bodies including the Supervisory Body, Board of Statutory Auditors and Chief Executive Officers.

Over the years, the Group has adopted several safeguards, including the Organisational Model pursuant to Legislative Decree 231/01 and the related whistleblowing procedure, the Code of Ethics and the Supplier Code, to ensure appropriate corporate-governance management with clearly defined management-level responsibilities.

Further details on the role of administrative, management and supervisory bodies and the corporate structure are provided under ESRS 2 - General Disclosures.

Through the double materiality process described under ESRS 2, the Group adopted a structured approach to identifying and assessing material governance- and businessconduct- related impacts, risks and opportunities.

Material impacts include responsible supply-chain management, particularly animal welfare and controversial practices such as mulesing.

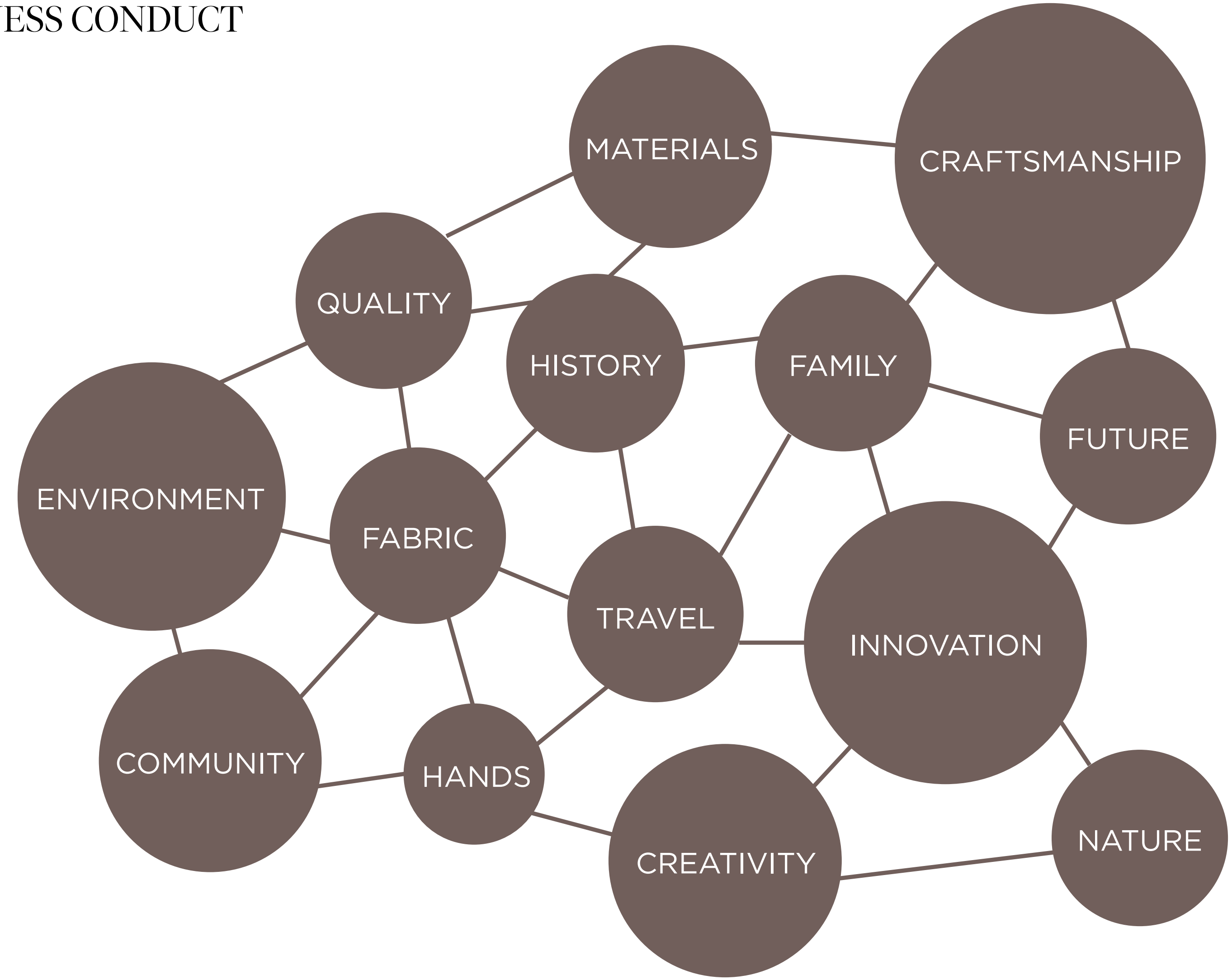
Another important aspect is supplier-relationship management, where Fratelli Piacenza is committed to fair and transparent payment practices that support the strength of the production sector.

The Group also identified reputational risk from inaccurate ESG communications, addressed through measures ensuring transparency and consistency of information.

ESRS TOPIC	ESRS SUBTOPIC	IRO	DESCRIPTION	VALUE CHAIN	EXPECTED TIME HORIZON
G1 - BUSINESS CONDUCT	Animal welfare	Negative impact	Certain livestock-farming practices, such as mulesing sheep in Australia, may adversely affect animal health	Own operations	Short and medium term
	Management of supplier relationships, including payment practices	Positive impact	Fratelli Piacenza uses supplier contracting practices that favour longterm collaboration, helping build a robust production sector	Upstream and own operations	Short and medium term
	Corporate culture	Risk	Reputational and economic risk associated with inaccurate communication of sustainability initiatives and supply-chain traceability (greenwashing).	Own operations	Short and medium term

The Group corporate culture is grounded in a strong family tradition passed down through fourteen generations, which forms **the core of values** around which all business activities are developed. Its mission - to become the benchmark wool textile group - is pursued through a clear, coherent vision focused on creating products of excellence, prioritising quality over quantity and promoting respect for people and the planet. The family active presence in operational and management roles strengthens consistency between founding values and strategic choices. Corporate culture is promoted and shared through constant, transparent communication, including company social-media channels describing life within the business, ongoing projects and its commitment to sustainability and innovation.

9.0
ESRS G1 – BUSINESS CONDUCT



Around the core of values promoted by members of the Piacenza family, the Group has established a series of corporate-governance and business-conduct **safeguards.**

9.0
ESRS G1 – BUSINESS CONDUCT

Active and passive corruption risks are addressed through the Organisational Model pursuant to Legislative Decree 231/01, fully aligned with applicable legal provisions. The Model includes specific procedures for investigating possible corporate offences and a risk table identifying the functions most exposed[16].

Effective implementation of Organisational Model 231 is ensured through appropriate communication and training for employees and relevant third parties. Measures include information upon hiring, specific training, periodic updates and access to the full Model through direct communications or digital tools.

The Group has adopted procedures to prevent and manage active and passive corruption risk in the main at-risk business areas. Dedicated procedures cover financial-flow controls, gifts and charitable donations, and recruitment, ensuring transparency, traceability and consistency with corporate ethical principles.

[16] 16 The Model is available on the corporate sustainability page: “https://www. piacenza1733.

Monitoring and investigation of reports or anomalies are entrusted to the Supervisory Body (ODV), composed exclusively of external members to ensure impartiality and independence from the directly involved management chain. The Supervisory Body records its activities and communicates the outcomes to the administrative, management and supervisory bodies. Its Chair presents an annual report to the ODV.

During the reporting period, the company was not subject to legal proceedings for anti-competitive behaviour, monopolistic practices, corruption or bribery. No legal proceedings were brought against it and it received no complaints concerning non-compliance with customer-data protection legislation.

Alongside Model 231, the Group has implemented a **whistleblowing procedure** enabling internal and external stakeholders to report unlawful conduct or breaches of the Code of Ethics. The platform is accessible directly from the website [17].

New hires are informed about the platform and how to use it during onboarding. Reports may be made anonymously to protect whistleblowers and users and strengthen process security and confidentiality.

17 Whistleblowing platform: https://www.piacenza1733.com/whistleblowing/. Employees may also access the platform directly through the corporate intranet.

9.0
ESRS G1 – BUSINESS CONDUCT

The Fratelli Piacenza Group Code of Ethics is a reference tool for all activities of the Group and its companies. It sets out the principles and conduct criteria governing internal and external relationships in full compliance with applicable legislation, with particular attention to the predicate offences under Legislative Decree 231/2001.

In addition to supplementing legal requirements, the Code reflects the Group intention to adopt high ethical standards in every aspect of day-to-day operations. Corporate conduct and decisions are inspired by integrity, accountability and transparency, even where no explicit legal obligation exists.

The Code, supplemented by sections specifically addressing suppliers, employees and contractors, applies to all personnel and stakeholders that have dealings with the Group.

It encompasses the Group ethical commitments towards shareholders, customers, suppliers, consultants and partners, with sections setting out ethical and behavioural choices across operational and social areas.

Governance and supervisory bodies - particularly directors, executives and the Supervisory Body - play a key role in ensuring consistent application of the Code, promoting updates and setting an example for all personnel.

The Code is made available to customers, suppliers and other third parties through digital tools and the website, and they are required to respect its principles in their dealings with the Group [19].

It is likewise shared with all personnel through direct distribution, digital platforms and training, including e-learning, to ensure full awareness and application.

[19] Documentations available in https://www.piacenza1733.com/sostenibilita/"SOSTENIBILITà – PIACENZA 1733

9.0
ESRS G1 – BUSINESS CONDUCT

MANAGEMENT OF SUPPLIER RELATIONSHIPS

As described under ESRS S2 - Workers in the Value Chain, Piacenza Group carefully selects reliable suppliers with which to build lasting relationships based on shared mission, corporate vision and ESG principles.

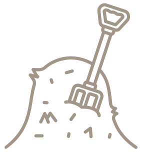
Alongside engagement initiatives such as Supplier Day, the Group puts its commitment into practice through responsible commercial practices.

Particular attention is paid to payment and negotiation terms, which recognise the true value of the work performed and goods purchased. In accordance with signed agreements, the Group adopts timely, transparent payment policies that respect contractual terms.

ANIMAL WELFARE

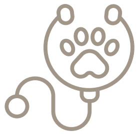
Product certifications also ensure compliance with animal-welfare requirements. The accreditations used by the Group, including **RAF, SFA and GCS,** are designed to ensure that animal fibres used in textile production come from farms respecting high animal-welfare standards.

These certifications are based on principles that include the Five Freedoms, ensuring that animals are treated with dignity and respect:

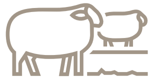


1. FREEDOM FROM HUNGER AND THIRST:
Continuous access to adequate food and water in the quantity and quality required by each species.

2. FREEDOM FROM ENVIRONMENTAL DISCOMFORT:
a protected physical environment with shelter, a comfortable resting area and appropriate temperature.



3. FREEDOM FROM PAIN, INJURY AND DISEASE: Prevention, prompt diagnosis and treatment of health problems, with appropriate care and medicines where necessary.



4. FREEDOM TO EXPRESS NATURAL BEHAVIOUR:
adequate space, suitable facilities and the company of other animals of the same species.

5. FREEDOM FROM FEAR AND DISTRESS:
an environment free from situations that cause psychological suffering, such as loud noises, sudden movements or contact with strangers.

Purchasing and using certified fibres therefore safeguards livestock welfare from the point of origin and expresses the Group commitment in this area.

PIACENZA GROUP

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