

SUSTAINABILITY REPORT

2023

MADE WITH THE SUPPORT OF PROCESS FACTORY



LETTER TO STAKEHOLDERS

CEO'S LETTER

This should be a letter addressed to the stakeholders, but this first sustainability report represents the beginning of a change, a generational transition that will project our company into the coming decades.

The initiative to present our activity in a new way and compare it with the outside world based on ESG (Environmental, Social, and Governance) principles was strongly driven by our younger team members, and for this reason, I want to address this letter to them and to those who, alongside them, work daily to turn these concepts into reality, through different ways of operating, collaborating, and proposing solutions.

The ability to seize changes at the right time and the opportunity to face them with the most suitable people: our young people. It is from these two points that the transformation of our company began a few years ago, backed by a great and ancient tradition of recycling the

materials we use, primarily wool.

We have dedicated ourselves to enhancing the fabrics produced with recycled wool and cashmere, designing patterns and processes that have inspired the creativity of the leading fashion brands, our usual clients. At the same time, we have built our future on sustainability: we did not want to leave this topic solely in the hands of consultants or managers, but we wanted to foster a growing awareness among all the people in the company, making them participants in guiding the production processes on this path, which will be a long journey marked by constant change.

The young team we have built in all sectors (design, production, sales, management) brings enthusiasm to the more experienced staff, from whom they draw the necessary skills, and it is thanks to this continuous exchange that the company grows and evolves.

It is true that profit, will always remain

LETTER TO STAKEHOLDERS

the goal of industrial activity like ours; however, it must and will increasingly be closely tied to environmental and social aspects, first within the company and subsequently extended to all the relationships and external connections linked to our operations.

To make these goals concrete, we will need to work partly on the numbers and, at the same time and in equal measure, on all those aspects that cannot be quantified with precision. I think of what has already been achieved in terms of communication and social collaborations with schools, institutions, and museums, the internal and external spaces made available to all employees for their breaks and for working in the best conditions. I think of the photovoltaic systems that power both the factory and the vehicles used for transporting people and materials.

As we well know, there is still much to be done: for every one of our actions, there is a consequence, a series of social

and environmental impacts on which, each time, we must learn to reflect and evaluate.

We are aware of the changes ahead, and we are preparing to face them, even exploring new paths, on a journey that is still partially uncharted: our will, our commitment, and mutual collaboration will give us the strength to look ahead with confidence.

MAURIZIO BELLANDI

Preface

Bellandi Highlights performance

1.0 BELLANDI

1.1 The Organization Today and Yesterday

1.2 Missions and Values

1.3 Initiatives and Certification

1.4 The Governance Model

1.4.1 *The Model*

1.4.2 *Sustainability Governance*

1.4.3 *The Responsible Management of Relationships*

1.5 The Company

1.5.1 *The Production Model*

1.5.2 *The Target Market*

1.5.3 *Turnover and Investments*

2.0 BELLANDI'S SUSTAINABILITY

2.1 Sustainability Policies

2.2 The Materiality Assessment

2.2.1 *Context and Relevant Topics*

2.2.2 *Materiality Analysis*

2.3 The 2030 Agenda: Bellandi's Goals for a Sustainable World

3.0 CREATION AND DISTRIBUTION OF VALUE

4.0 THE RESPONSIBLE PRODUCTION

4.1 Ethics, Compliance, and Business Integrity

4.2 Quality, Safety, and Product Innovation

4.3 Traceability of the Supply Chain

4.4 Responsible Supply Chain Management

4.5 Use of Sustainable Materials

5.0 THE ENVIRONMENTAL SUSTAINABILITY

- 5.1 Emissions, Atmosphere, and Climate Change
- 5.2 Chemical Substances Management
- 5.3 Circular Economy and Good Waste Management Practices
- 5.4 Energy Efficiency and Renewable Energy

7.0 SUPPORT AND DEVELOPMENT OF THE LOCAL COMMUNITY

6.0 OUR PEOPLE

- 6.1 Our Approach
 - 6.1.1 *Compensation Policies and System*
 - 6.1.2 *Our Resources*
- 6.2 Well-being of Human Capital and Employee Support
- 6.3 Enhancement and Development of Professional Growth
- 6.4 Health and Safety Protection for Employees

8.0 THE SUSTAINABLE FUTURE OF BELLANDI: Objectives, Projects, and Initiatives

9.0 GRI CONTENT INDEX

PREFACE

This Sustainability Report represents the first exercise in non-financial reporting for Bellandi S.p.A. to transparently present its performance and initiatives in the field of sustainability.

The purpose of the Sustainability Report is to disseminate information related to the economic, environmental, and social performance and impacts resulting from Bellandi S.p.A.'s production activities, to provide an account of the actions taken, maximise transparency towards relevant stakeholders, and voluntarily initiate an annual reporting process on ESG performance, setting improvement objectives.

The document has been prepared with reference to the GRI Standards in the version of the GRI Universal Standards 2021.

The qualitative and quantitative information reported within the document refers to the period from January 1 to December 31, 2023, offering

comprehensive information and, where possible, comparisons with the previous year's performance.

The company's management has identified the contents of the document based on the results of dialogue with stakeholders. The most important topics and impacts for the organisation and its stakeholders have been reported to fully and accurately represent the sustainability context in which Bellandi S.p.A. operates. The list of reported indicators and their placement within the Report are presented in the GRI Content Index provided at the end of the document.

This document has been reviewed by the Sustainability Manager and was subsequently approved by the Bellandi's Board of Direction President on July 10, 2024.

The preparation process for the document involved the cross-functional participation of the main company departments and

PREFACE

the completion of the following activities:

- Identification of the scope and period to be reported;
- Identification of material topics, as detailed later in the dedicated chapter;
- Definition of the non-financial indicators to be reported;
- Identification of the company functions to be involved;
- Collection, processing, and consolidation of qualitative and quantitative data to be included in the Report;
- Drafting of the document to be submitted for validation by the company leadership.

For the above activities, Bellandi made use of the support of Process Factory S.p.A.

The 2023 Bellandi Sustainability Report has not been subject to third-party assurance.

For any information, questions, or further clarification on the topics covered in the document, you can contact the following email address:
giuliafantaccini@bellandi.it

This reporting project has also helped to further spread a methodology of work and attention to measurement, data collection, and dissemination—fundamental requirements for establishing a complete sustainability reporting process.

2023 BELLANDI HIGHLIGHTS PERFORMANCE

REVENUE	33.548.763 €
PRODUCTION REVENUE	35.410.463 €
DISTRIBUTED ECONOMIC VALUE	98 %
NUMBER OF COUNTRIES SERVED	32
SUSTAINABLE RAW MATERIALS USED	28 %
% OF RAW MAT. FROM RECYCLING PROCESSES	18 %
% OF RAW MATERIALS FROM THE EU	85 %
ENERGY CONSUMPTION	1817,6 Gj
EMISSIONS tonCO2 eq	127,18
RENEWABLE ENERGY USAGE	8,5 %
SUPPORTED SDGs	14
IDENTIFIED MATERIAL TOPICS	10
STAKEHOLDERS INVOLVED	10
TRAINING HOURS DELIVERED	300
% OF FEMALE EMPLOYEES	53%

1.0 BELLANDI SPA

- 1.1 The Organization Today and Yesterday
- 1.2 Missions and Values
- 1.3 Initiatives and Certification
- 1.4 The Governance Model
- 1.5 The Company



The organization today and yesterday

1.1

Bellandi S.p.A. is a company operating in the textile sector, specialised in the production of fabrics. The company is headquartered at Via dell'Industria, 50 in Montemurlo (Po), with two operational sites located at Via dell'Industria 50 and Via Labriola 179, 59013, also in Montemurlo (Po).

The transformation of wool into fabric is a form of art, and it is something Bellandi has always strived to do at its best. The goal is not only to offer the best quality-price ratio but also to add a touch of healthy romanticism, ensuring that every fabric is the result of deep passion, knowledge, and love. These are the values passed down from the founder, Paolo Bellandi, the forefather of the family, who established the company in Prato in the early 1960s. Since the 1990s, his sons Luca and Maurizio have developed and grown the company, and now it has been passed on to the third generation of the family. This story closely mirrors the history of Prato itself—one built on willpower, sacrifice, dedication, passion, and innovation. Today, these values

are complemented by professionalism, expertise, and openness to new ideas and goals.

Drawing from the past (the recycling of fabrics in Prato is a centuries-old tradition) to project into the future, adapting to a changing world—this has been Bellandi's mission. Over the decades, the company has invested in and created facilities and plants with respect for the environment, expanding its product range to meet the increasingly selective and demanding needs of its clientele.

Throughout the decades, the company has achieved significant success in the textile market, becoming globally recognised for producing high-quality wool fabrics. Research and development play a crucial role at Bellandi: a young, enthusiastic team of fabric designers collaborates with a technical production team to swiftly and effectively implement all the rigorous requirements of this ever-evolving and fast-paced industry.

Missions and Values

1.2

Bellandi’s mission is to meet the needs of its clients with a harmonious balance between quality and sustainability, considering each individual’s contribution as the core of its continuous development. Bellandi’s vision is to offer a high-quality product that stands the test of time, as durability is central to the concept of sustainability. This approach has guided the company over the years, distinguishing it in the market for its commitment to responsible and environmentally conscious production.

In addition to products’ quality, Bellandi places particular emphasis on the essential role of its people. The team, many of whom have been with the company for over twenty years, is a valuable asset that contributes to the cohesion and success of the business. The rediscovery of quality, natural fabrics that are beautiful and long-lasting represents a great opportunity to showcase Bellandi’s artisanal skills.

The company’s mission, vision, and values guide and inspire every decision and

action, confirming its commitment to sustainable and high-quality production. These principles are at the heart of daily work at Bellandi and drive every strategic business decision. Today, sustainability is not just a market requirement but a real opportunity for growth and continuous improvement. The drafting of the sustainability report symbolises transparency and accountability.

Looking to the future, the company focuses on innovation and sustainability, aiming to raise awareness of more conscious consumption. Dedication, attention to detail, high-quality standards, and the constant pursuit of new challenges make Bellandi a cutting-edge company that is always evolving.

Certifications and Initiatives

1.3

The Bellandi team integrates a focus on sustainability into its operational approach. This principle, constantly driven by continuous research, is a catalyst for the company’s growth and development, enabling it to pursue increasingly ambitious goals in terms of social responsibility and environmental sustainability.

The company has adopted a range of initiatives and obtained certifications, both at the corporate level and for its products, demonstrating its commitment to high standards of excellence. Bellandi is dedicated to using certified sustainable raw materials in its production processes, showcasing a concrete commitment to sustainability. The company holds eight sustainability certifications, underscoring its dedication to these principles. Hereinafter, a list of the initiatives/ certifications adopted by Bellandi.



The Governance Model

1.4

- 1.4.1 The Model
- 1.4.2 Sustainability Governance
- 1.4.3 The Responsible Management of Relationships



The Governance Model

1.4

- 1.4.1 The Model
- 1.4.2 Sustainability Governance
- 1.4.3 The Responsible Management of Relationships

Bellandi is a company established as a limited company (S.p.A.), with an administrative system governed by a Board of Directors (BoD) in office until revoked. The highest governing body is the BoD, established in 2015 and office until revoked, composed of five members:

- Maurizio Bellandi - Chairman of the BoD - with powers of ordinary and extraordinary administration, holding 46.30% of the company's shares - oversees every aspect of the company, with a particular focus on commercial aspects and collections.
- Luca Bellandi - Vice Chairman - with powers of ordinary and extraordinary administration, holding 46.30% of the company's shares - manages and oversees all organisational aspects of the company, with a focus on human resources.

- Alessandro Barni - Executive Director - with specific powers in the commercial sector, holding 4.63% of the company's shares - handles the company's technical- commercial aspects, with a focus on stylistic direction.
- Roberto Oliva - Executive Director - with specific powers in the commercial sector, holding 2.77% of the company's shares - responsible for purchasing raw materials, as well as being plant manager and head of production facilities at partner companies.
- Carlo Antonelli - Executive Director - Chief Administrative and Financial Officer.

To ensure proper auditing and compliance with regulations, the company has a Board of Statutory Auditors, which performs the statutory financial control activities. The Board is composed of three

The Governance Model

1.4

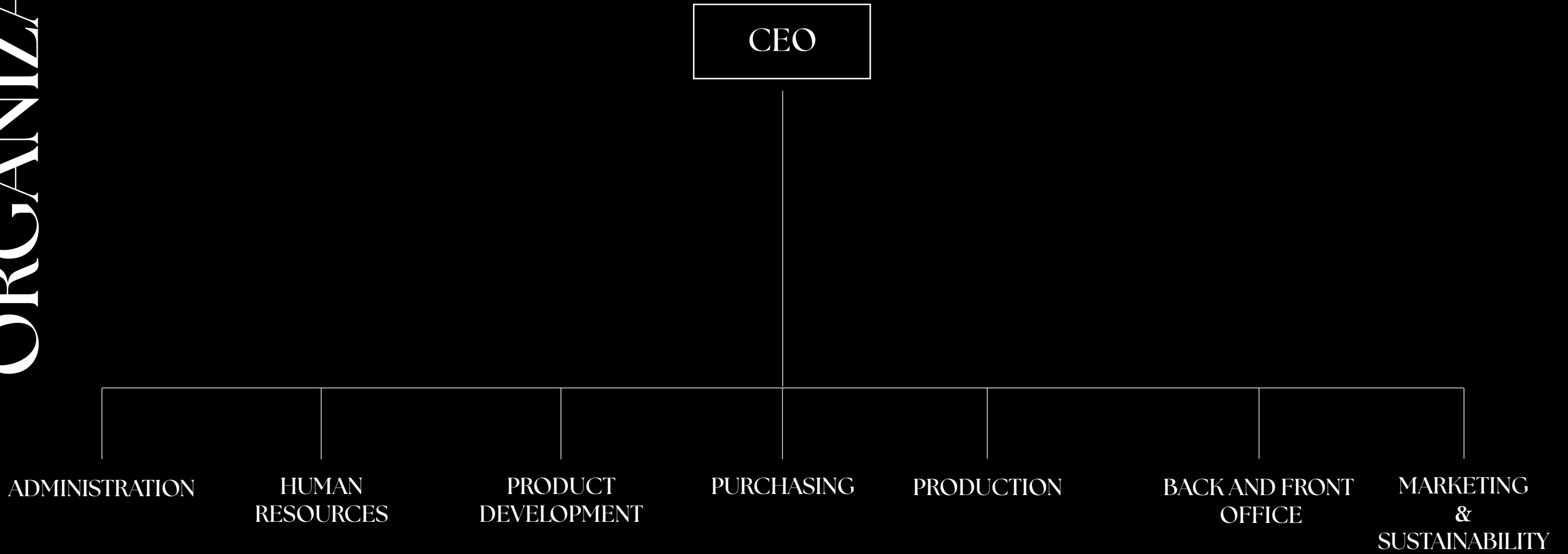
- 1.4.1 The Model
- 1.4.2 Sustainability Governance
- 1.4.3 The Responsible Management of Relationships

full members and two alternates, whose task is to monitor compliance with the law and the company’s bylaws, as well as the adequacy of its administration and accounting. Bellandi is affiliated with various national and industry associations, as well as being a member of significant international entities. In particular, it is part of:

- Unione Industriale Pratese
- Confindustria Toscana Nord
- Sistema Moda Italia
- Textile Exchange
- Pura Energia
- Cobat Tessile
- BCI (Better Cotton Initiative)

Through these associations, the organisation gains access to resources, information, and networking opportunities that support growth and innovation in its industry.

ORGANIZATIONAL CHART



The Governance Model

1.4

1.4.1 The Model

The Board of Directors (BoD) directly manages all matters related to the company’s objectives, values, and strategies concerning its economic and sustainable development, as well as the management of the company’s economic, environmental, and social impacts.

- Responsibilities within the company are assigned through delegations to each board member according to their specific expertise. Annually, they present goals and strategies for achieving them in each area related to the company’s activities.
- Each member of the BoD is supported by an internal team responsible for implementing the approved strategies and monitoring the achievement of the set goals for the current year. This is then verified and measured through KPIs obtained by processing data from the management control system.

The company’s commitments to sustainability and responsible production are integrated into all phases of the organisation. The organisational strategies are aligned with a vision of a sustainable future, which is reflected in both short-term and long-term objectives. Operational policies outline guidelines for responsible resource use, reducing environmental impact, and promoting ethical business conduct. The operational

procedures explain how production processes and material management are carried out in compliance with company commitments.

Bellandi understands that fulfilling these commitments extends beyond internal operations and involves commercial relationships with suppliers, customers, and other stakeholders. Sustainability standards are communicated to suppliers, who are encouraged to adhere to them. Relationships with customers are based on transparency and the provision of accurate information regarding the sustainable aspects of products. Furthermore, the company proactively seeks collaborations with companies that share similar sustainability values. Management assesses the effectiveness and efficiency of the company’s management system through the review of functional managers’ activities to identify necessary actions for maintaining, updating, and improving the Management System in the following period, setting corresponding objectives. This continuous review process is essential for ensuring optimal company management and ongoing progress toward higher standards.

The Governance Model

1.4

1.4.2 The Sustainability Governance

The organisation has formally appointed a dedicated figure for sustainability matters who oversees various certifications, receives projects from the Board of Directors (BoD) to be undertaken, and manages their operational development. The President and all members of the BoD play a key role in the company's sustainable development and in identifying ESG impacts. They also engage in specific activities related to promoting sustainability issues within the local area and with companies in their supply chain. The composition of the BoD includes directors with diverse yet complementary professional experiences and skills, ensuring that ESG risk analysis is integrated into every decision-making process of the company's operations. The President has signed the Sustainability Policy and has not delegated authority in this area.



The Governance Model

1.4

1.4.3 The Responsible Management of Relationships

Bellandi places great importance on establishing an open dialogue with its stakeholders. Every ongoing project is regularly shared with the entire staff and employees.

The company has implemented a procedure for anonymous reporting through the “Complaint Box,” ensuring that employees can submit reports anonymously without fear of retaliation. The complaint box is regularly checked by the Human Resources manager, who is committed to investigating every report received.

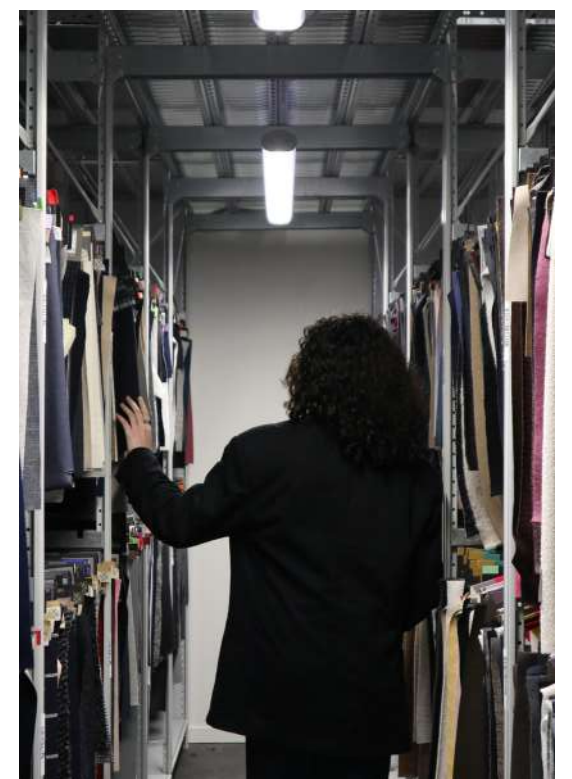
The policies adopted by Bellandi are communicated transparently and made accessible both internally and externally. First, they are posted on notice boards to ensure widespread awareness among all employees and external visitors who may access the company. Additionally, documentation regarding the policies is shared with the company’s suppliers.

This ensures that the guidelines and regulations are easily accessible to anyone with a direct relationship with the company, contributing to consistency and compliance in daily operations. Upon specific request, the policies can also be provided to the company’s clients, demonstrating Bellandi’s commitment to transparency and collaboration with its business partners. In this way, the organisation ensures that its policies are communicated effectively and that all stakeholders are informed and aware. Regarding any reports of non-compliance with laws and regulations, none have been raised during the reporting period.

The Company

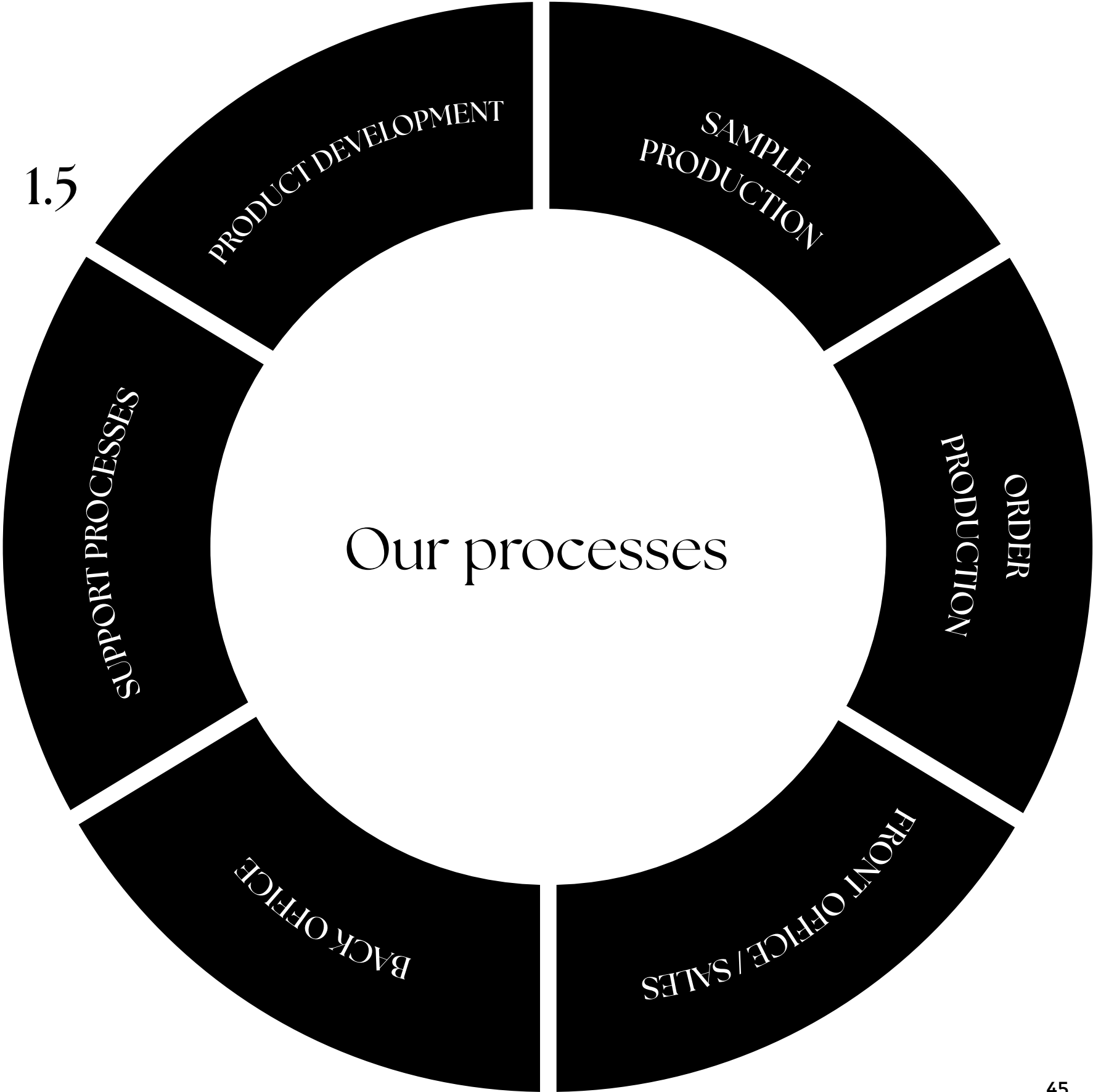
1.5

- 1.5.1 The Production Model
- 1.5.2 The Target Market
- 1.5.3 Turnover and Investments



The Company

1.5.1 The Production Model



The Company

1.5.1 The Production Model

1.5

In 2023, Bellandi produced approximately two million meters of fabric. The company is strongly committed to social and environmental sustainability, starting from the purchase of certified raw materials that ensure the protection of people and the environment.

The main processes carried out by the company are:

- **Product Development:** The product development process involves design, material selection, and performance testing to ensure that the product meets quality standards and satisfies customer needs. The product office develops two collections per year in addition to creating exclusive items for customers.
- **Sample Production:** Once the product development is completed, the sample production phase begins. The samples are then presented at industry fairs

and sent to agents and customers worldwide as a reference point. This process is essential for showcasing fabric features, designs, and new creations to promote the products.

- **Order Production:** After the customer has reviewed the sample and customised the products according to their needs, the order production takes place. Thanks to local production (KMO), constant quality control is guaranteed at every stage of the process, minimising risks and errors.
- **Front Office/Sales:** The sales team provides direct customer assistance, offering support and information in a timely and effective manner. Thanks to their constant presence in the field, they can better understand customer needs and offer personalised solutions to meet their demands.

The Company

1.5

1.5.1 The Production Model

- **Back Office:** This role is crucial throughout these processes as it maintains constant contact with customers, managing communications, requests, and any changes to orders.
- **Support Processes:**
 - Sales Management
 - Administration
 - Human Resources
 - Sustainability, Workplace Safety, and Environmental Management
 - Marketing

These processes work in tandem with technical functions during all phases of work, providing adequate tools, resources, and work environments. The company selects the finest raw materials from different parts of the world, such as Australia, New Zealand, and America. This practice leads to greater variety and quality in the final

products offered and demonstrates its commitment to sourcing the best resources available on the global market. As for production processes, there are affiliated companies that form the backbone of production, most of which are located in the same geographical area as the company. This offers advantages in terms of logistical coordination and control, as it facilitates supervision and communication.

The Company

1.5

1.5.1 The Production Model

The product that Bellandi offers is exclusively fabric, and it consists of three divisions:

- **Bellandi Manifattura Lane:** This is the company’s heritage brand, dedicated to the production of high-quality wool fabrics primarily designed for outerwear. Each fabric tells a story of artisanal tradition and timeless quality, offering a range of materials known for their performance and durability.
- **Bel&Co:** This is Bellandi’s lifestyle line, offering jersey fabrics that combine comfort and style. Its product range stands out for its versatility and freshness, offering modern and fashionable solutions for any occasion.
- **Duemilagori:** This is an innovative and “trend-setting” brand featuring unique and cutting-edge fabrics that elevate luxury casual wear. Each

fabric is designed to stand out for its originality while maintaining the timeless elegance that distinguishes Bellandi, representing a blend of style and quality.

Bellandi Manifattura Lane

Bel&Co

Duemilagori

The Company

1.5



1.5.2 The Target Market

	CLIENTS	REVENUE
TOTAL	392	33.548.763
ITALY	107	3.928.506
ABROAD	285	29.620.257

The Company

1.5.2 The Target Market

1.5

Bellandi's target market is the ready-to-wear sector, serving both large retailers and luxury fashion houses, with an established presence in Europe, the United States, and the Far East. In 2023, the company strengthened its commercial presence in 32 countries.

During the reporting year, the company invested significant resources in the purchase of raw materials from Italian suppliers, amounting to a total of €7,378,338, of which €6,153,397 came from local suppliers (area 1).

Additionally, €4,791,861 was allocated for the purchase of raw materials from foreign suppliers within the European Union.

Finally, the company invested €2,120,340 in the purchase of raw materials from suppliers located outside the European Union.

These investments demonstrate the company's commitment to promoting a diversified, sustainable, and responsible supply chain to create long-term economic value for all stakeholders.

The total number of suppliers involved (in textile processes and activities) in the production and creation of the product is 85, with a total economic value of €11,372,635 in 2023, of which €10,661,592 came from local suppliers (81 suppliers).

¹ The local area refers to the Prato textile district, including the provinces of Prato, Florence, and Pistoia.

The Company

1.5

1.5.3

Turnover and Investments

84.369 €	222.450 €
Investments in Research and Development	Investments in Facilities and Equipment
64.597 €	85.000 €
Investments in Software and Innovations	Investments in Organization

In 2023, the company achieved a turnover of €33,548,763, divided into €3,928,506 from Italian customers and €29,620,257 from foreign customers.

During 2023, Bellandi recorded several investments aimed at enhancing its physical resources, as well as promoting innovation and the development of processes and products, bringing the total investments for the year to €456,416.

- Investments in Equipment and Machinery: The company invested €222,450 in replacing two diesel cargo vehicles with electric vehicles powered by the energy produced by the company's photovoltaic system and in upgrading and replacing part of the lighting systems.
- Investments in Organization: The company invested €85,000 in training

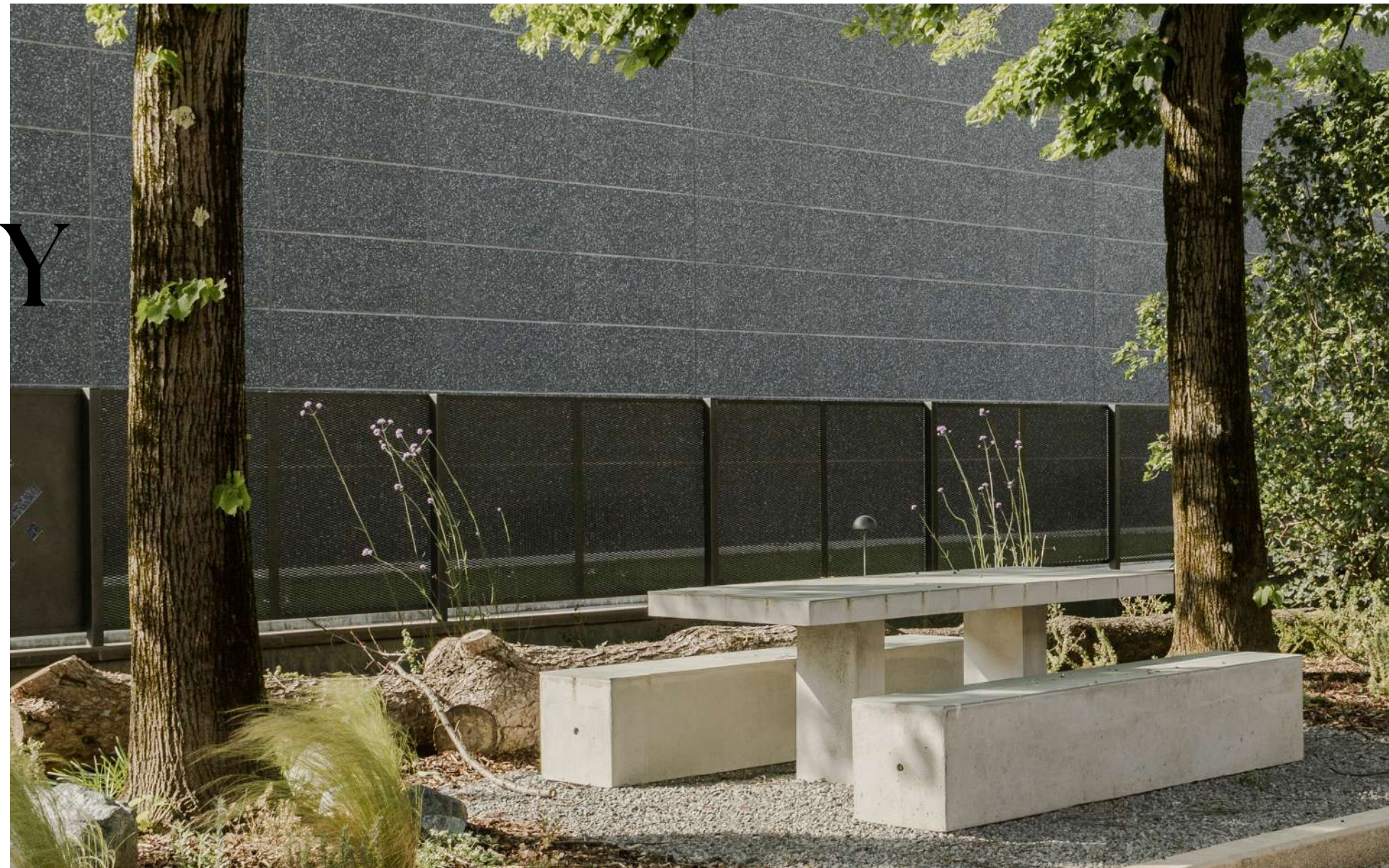
courses, specific consultations, and employee well-being, including the creation of a new cafeteria for employees.

- Investments in Software and Innovation: The company invested €64,597 in adopting a new accounting program and replaced barcode scanners for the sample and warehouse departments to make the work of staff more accurate and efficient.
- Investments in Research and Development: The company invested €84,369, focusing on research into innovative fabrics, experimenting with fibres and production processes.

2.0

BELLANDI'S SUSTAINABILITY

- 2.1 Sustainability Policies
- 2.2 The Materiality Assessment
- 2.3 The Agenda 2030: Bellandi's goals
for a Sustainable World



2.0

BELLANDI'S SUSTAINABILITY

At Bellandi, the focus on sustainable development and social responsibility is expressed through a constant commitment to improving the quality of life in the community and territory where the company operates. This commitment is driven by a comprehensive and proactive approach that embraces corporate ethics, social and economic development, as well as environmental principles. It involves not only employees but also customers, the supply chain, and the entire community. Through concrete initiatives, Bellandi promotes corporate volunteer projects, youth training programs, and environmental awareness activities. The company actively collaborates with schools, local authorities, and non-governmental organisations to create a more cohesive and conscious social fabric. These projects aim not only to provide immediate support but also to build skills and capabilities that can have a lasting impact over time. Bellandi's social responsibility is, therefore, realised in tangible actions

that foster the development of a more equitable and sustainable society. Moreover, Bellandi's commitment to environmental sustainability is reflected in the adoption of eco-friendly production practices and the implementation of innovative technologies to reduce its ecological footprint. The company invests in renewable energy, waste reduction, and responsible management of natural resources, ensuring that every stage of production meets high environmental standards. This integrated approach ensures that economic growth is harmonised with environmental protection, creating a virtuous development model that inspires and engages all players in the production chain.

Sustainability Policies

2.1

The textile and fashion industry is constantly evolving, subject to numerous regulatory changes and requirements, both in Italy and internationally. For this reason, the company has long invested in continuous improvement to strengthen its competitiveness.

Over the years, significant initiatives have been promoted through which the company has concretely committed itself to social, economic, and environmental issues. This has resulted in the issuance of a sustainability policy that outlines the principles of social and environmental responsibility.

In particular, Bellandi's Transparency and Sustainability Policy has defined key objectives for managing and reducing environmental impacts:

- Implement a chemical risk management system aimed at reducing the environmental impact caused by the use of harmful chemicals

for both humans and the environment in the production processes and supply chain, in line with advancements in technical knowledge through the implementation of the ZDHC MRSL.

- Ensure constant monitoring and improvement of the quality of wastewater directly and indirectly connected to our production.
- Inform and train employees on the sustainability initiatives carried out by the company through periodic meetings to stimulate research and innovation.
- Pursue legislative compliance by consistently collaborating with partners and suppliers who share the same values and strategic goals and can respond to the increasingly challenging demands of the market.

Sustainability Policies

2.1

- Adopt cutting-edge management techniques and tools aimed at the continuous improvement of sustainability performance.
- Periodically share the results achieved and the new improvement objectives with stakeholders.
- Manage waste from the production process correctly and responsibly.
- Prioritise local partners to minimise environmental impacts related to the movement of materials throughout the production cycle.
- Prefer, where possible, raw materials with lower environmental and social impact, such as recycled, regenerated, certified, traceable raw materials, organic, and/or connected to sustainable initiatives, specifically:
 - Commit to valuing products made with recycled materials in compliance with environmental and social criteria throughout every stage of the production chain through adherence to the GRS (Global Recycled Standard).
 - Commit to meeting strict animal welfare and land management requirements through adherence to the RWS (Responsible Wool Standard).
 - Commit to meeting high-level environmental and social criteria across the entire organic textile supply chain through adherence to the GOTS (Global Organic Textile Standard).
 - Commit to verifying the presence and quantity of organic material in a final product and trace the flow of raw materials from source to final product through adherence to the OCS (Organic Content Standard).
 - Commit to promoting products made with flax fibres, grown in Europe without artificial irrigation and GMO-

Sustainability Policies

2.1

free, guaranteeing complete traceability through adherence to the European Flax Standard.

- Consider the environmental impact of our activities right from the design phase of the collection, with a view towards sustainable/circular design.
- Limit the purchase of materials derived from activities using cruel methods of animal husbandry or raw material extraction.

In the social-ethical field, Bellandi S.p.A. is committed to respecting workers' rights by the Universal Declaration of Human Rights and the main conventions of the International Labour Organization (ILO), national legislation, and the conditions outlined by national collective bargaining agreements, in terms of:

- Freedom of association and the right to collective bargaining
- Child labour

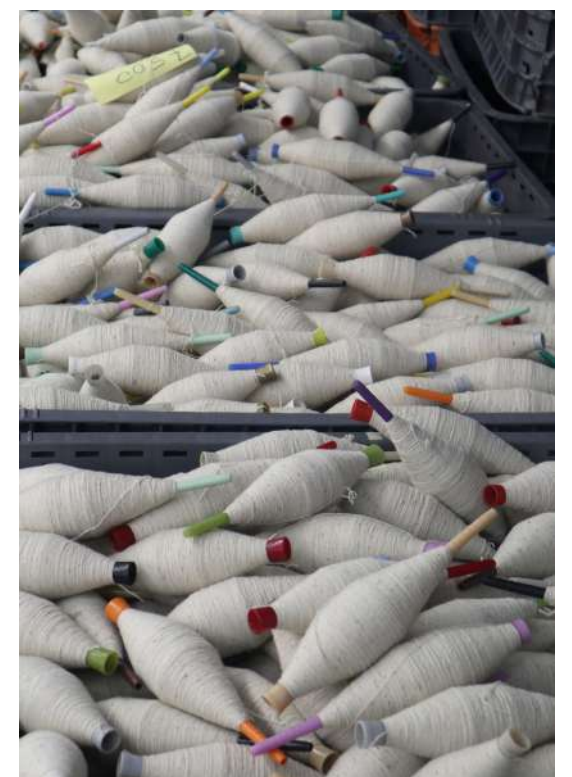
- Underage labour
- Forced labour
- Health and safety
- Prevention of any form of discrimination and abuse
- Regularity and transparency in employment contracts, work hours registration, and the payment of due wages

The company is also committed to prioritising partnerships with collaborators who pursue the same social goals in compliance with applicable regulations. The policy is communicated to internal stakeholders (through initial delivery, posting on the company noticeboard, and providing training to new hires) as well as to external stakeholders through targeted communication. Bellandi is committed to complying with high European standards and social responsibility through adherence to the rules and standards established. Moreover, the company undergoes annual social and environmental audits requested by stakeholders.

The Materiality Assessment

2.2

- 2.2.1 Context and Relevant Topics
- 2.2.2 Materiality Analysis

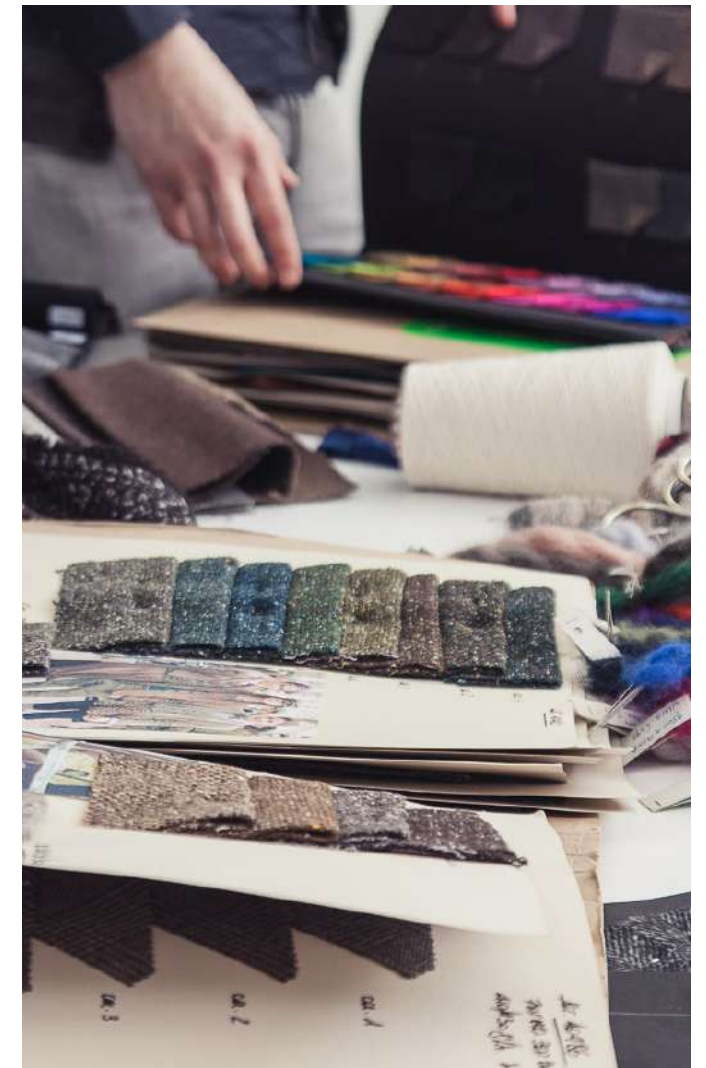


The Materiality Assessment

- 2.2.1 Context and Relevant Topics
- 2.2.2 Materiality Analysis

2.2

In the reporting process, the materiality assessment is a key element aimed at defining the most relevant sustainability topics for Bellandi and its stakeholders. To achieve this, the company has followed a structured methodological approach that includes identifying and evaluating sustainability issues within its specific context and assessing them based on strategic importance, relevance, and the expected impact from the perspective of both stakeholders and the company itself. The material topics, along with the results achieved and future objectives, are aligned with the SDGs (Sustainable Development Goals) of the 2030 Agenda, thus ensuring Bellandi's activities are also aligned with a common path toward global sustainability. This approach allows Bellandi to address sustainability issues comprehensively, ensuring that its efforts not only meet stakeholder expectations but also contribute to broader, globally recognised goals.



The Materiality Assessment

2.2.1 Context and Relevant Topics



ENVIRONMENT

- Pollutant Emissions and Climate Change Impacts
- Energy Efficiency and Renewable Energy
- Circular Economy and Best Waste Management Practices
- Chemical Substance Management
- Water Resource Management
- Biodiversity Protection
- Use of Sustainable Materials



SOCIAL

- Responsible Supply Chain Management
- Diversity and Inclusion
- Health and Safety Protection for Employees
- Support and Development of the Local Community
- Enhancement and Development of Professional Growth
- Well-being of Human Capital and Employee Support



GOVERNANCE

- Ethics, Compliance, and Business Integrity
- Creation and Distribution of Value
- Product Quality, Safety, and Innovation
- Traceability and Responsible Supply Chain Management

Starting from an analysis of the specific sector, sustainability trends in Bellandi’s area of operations, the company’s characteristics, and a comparison with similar entities, the relevant topics were identified. These topics were then used as a foundation for engagement with stakeholders and for materiality assessment. Below are the key themes identified:

2.2

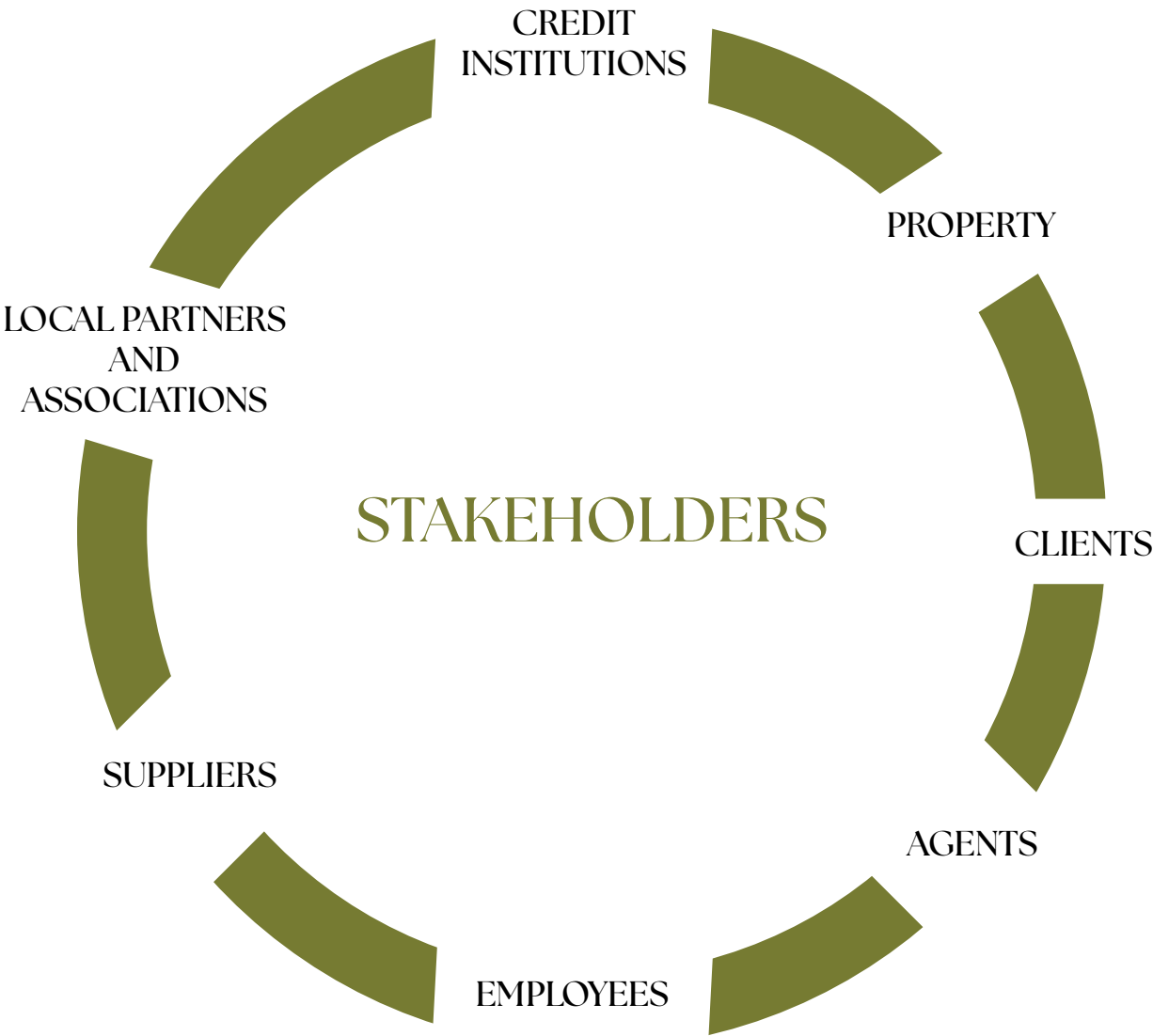
The Materiality Assessment

2.2

2.2.1 Context and Relevant Topics

STAKEHOLDERS

For this initial year, each of the seven stakeholder categories mentioned above was involved through a sustainability questionnaire designed to explore the relevance of the presented topics based on their respective perspectives and expected impact. From the analysis of the 62 responses obtained, a priority scale was developed based on the stakeholders' views. This scale was taken into consideration by Bellandi's working group to integrate their relevant topics.



The Materiality Assessment

2.2

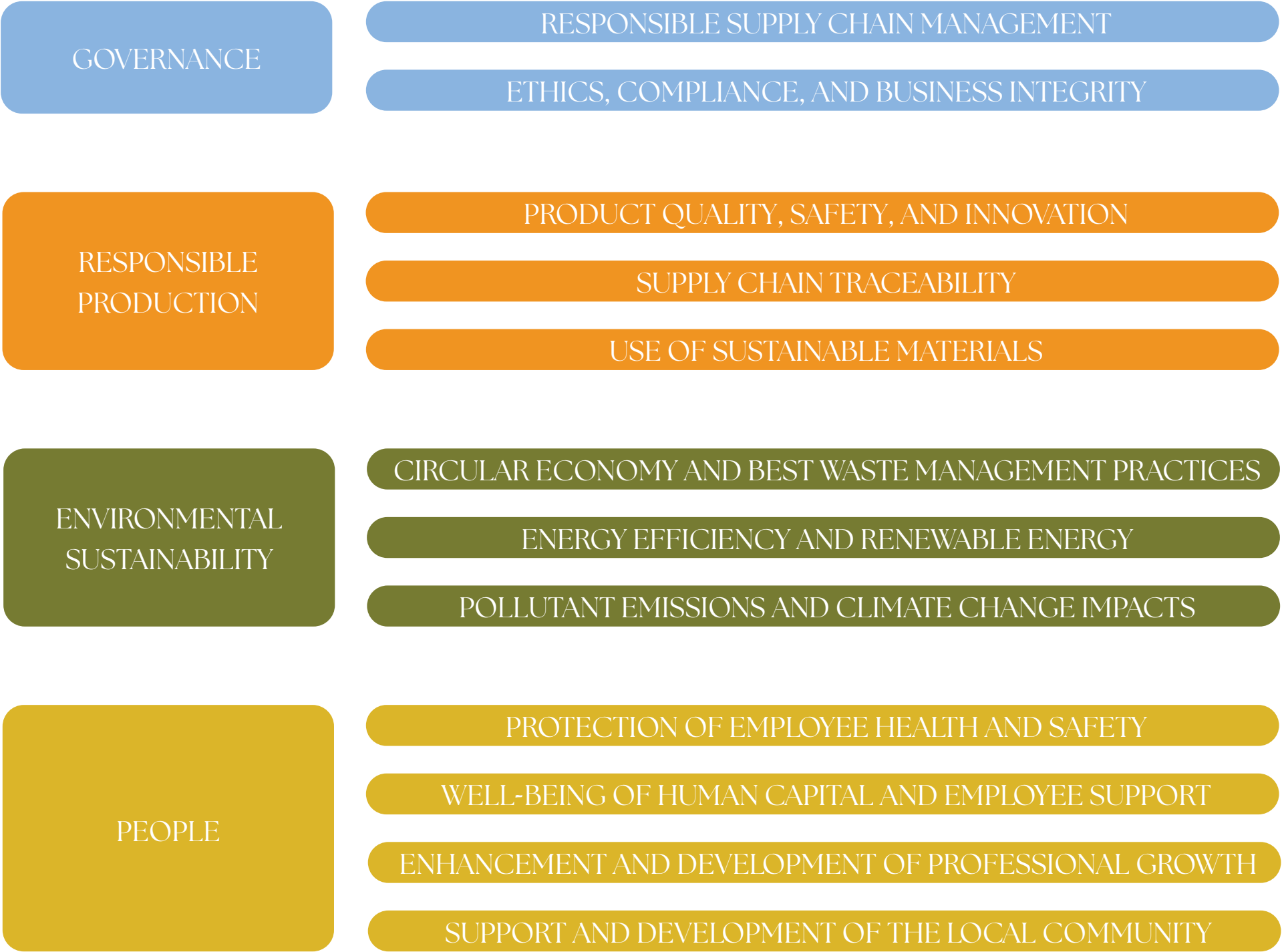
2.2.2 Context and Relevant Topics

The results gathered from stakeholder engagement were further analysed and evaluated by the working group, which conducted an assessment of the probability and impact of the relevant topics on the company’s business, following an “outside-in” logic. Based on this evaluation, two additional themes were incorporated into the initial materiality analysis: “Support and development of the local community” and “Ethics, compliance, and business integrity.”

On the following page, the details of the material topics are provided.

The materiality analysis process will be

regularly updated to ensure the content remains valid and reflects any changes that may occur over time. In the document, each material topic is addressed in detail in the subsequent paragraphs. Additionally, despite not being considered a material topic, a dedicated chapter on “Chemical Management” has been included. This topic was addressed because Bellandi outsources all activities involving chemical substances to local operations, closely overseeing the processes through the implementation of the 4sustainability® protocol.



The 2030 Agenda: Bellandi's Goals for a Sustainable World

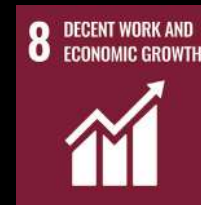
2.3

The 2030 Agenda for Sustainable Development is an action plan for people and the planet, signed in September 2015 by the governments of the 193 UN member states. The Agenda sets out 17 Sustainable Development Goals (SDGs) and 169 related targets within a comprehensive action program that is guiding the world towards a sustainable future. Everyone, from individual citizens to public, private, and non-profit organisations, is called upon to contribute to the achievement of these development goals.

In response to the need for sustainable development and given the importance of the 17 SDGs defined by the UN's 2030 Agenda, Bellandi has chosen to link each material topic to its corresponding Sustainable Development Goals. This approach highlights the company's contribution to these goals and serves as a foundation for continuous improvement. By aligning its sustainability efforts with the SDGs, Bellandi seeks to make a meaningful impact and drive progress toward global development objectives.



CREATION AND DISTRIBUTION OF VALUE



“Creation and distribution of value” refers to the company’s ability to generate profits and how those profits are fairly allocated among various stakeholders (such as salaries, payments to suppliers, dividends, etc.).

ETHICS, COMPLIANCE, AND BUSINESS INTEGRITY



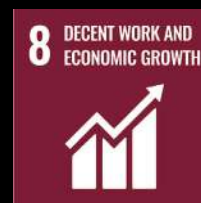
“Ethics, compliance, and business integrity” refers to adherence to ethical conduct standards, regulatory requirements, and market norms in which the company operates, including actions aimed at preventing corruption risks.

PRODUCT QUALITY, SAFETY, AND INNOVATION



“Product quality, safety, and innovation” refers to the system of controls implemented by the company to ensure quality and safety standards for its products and processes, as well as the use of raw materials and procedures aimed at achieving product quality standards.

RESPONSIBLE SOURCING OF RAW MATERIALS



“Responsible sourcing of raw materials” refers to the selection and evaluation of raw material suppliers based on factors related to social conditions and environmental protection, rather than solely economic criteria, in accordance with recognized international standards.

POLLUTANT EMISSIONS AND THEIR IMPACT ON CLIMATE CHANGE



“Pollutant emissions and climate change impacts” refers to the company’s commitment to reducing pollutant emissions and implementing projects aimed at decreasing both direct and indirect greenhouse gas emissions.

ENERGY EFFICIENCY AND RENEWABLE ENERGY



“Energy efficiency and renewable energy” refers to the company’s commitment to reducing its energy consumption, improving process efficiency, generating energy from renewable sources, and purchasing certified “green” energy.

USE OF SUSTAINABLE MATERIALS



“The use of sustainable materials” refers to the focus on selecting sustainable raw materials, whether certified, produced according to sustainable practices, recycled, or regenerated, while reducing, where possible, the use of non-renewable materials.

CHEMICAL SUBSTANCE MANAGEMENT



“Chemical substance management” refers to the company’s commitment to the proper handling of chemical products to reduce the presence of toxic and harmful substances, as well as monitoring discharges and pollutants generated throughout the production process.

CIRCULAR ECONOMY AND BEST WASTE MANAGEMENT PRACTICES



“Circular economy and best waste management practices” refers to the company’s ability to use raw materials derived from waste products of other processes or from recycled materials, as well as its focus on reducing waste production and ensuring proper recovery or disposal of waste.

PROTECTION AND SAFETY OF EMPLOYEES



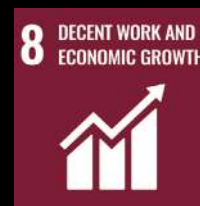
“Protection and safety of employees” refers to all aspects related to the health and safety of workers, including prevention, training, risk management, and reduction, as outlined in Legislative Decree 81/2008.

WELL-BEING OF HUMAN CAPITAL AND EMPLOYEE SUPPORT



“Welfare of human capital and employee support” refers to all aspects related to human resource management aimed at ensuring well-being (such as compensation, incentives, welfare services, etc.), as well as services and benefits that the company can provide to staff to improve employees’ work-life balance.

ENHANCEMENT AND DEVELOPMENT OF PROFESSIONAL GROWTH



“Enhancement and development of professional growth” refers to practices for attracting and developing talent, valuing internal employees, providing specialized training, and maintaining the company’s artisanal savoir-faire.

SUPPORT AND DEVELOPMENT OF THE LOCAL COMMUNITY



“Support and development of the local community” refers to the commitment to promote and sustain the economic and social well-being of the community and the area in which the company operates.

3.0 CREATION AND DISTRIBUTION OF VALUE



		2023
ECONOMIC VALUE GENERATED		33.060.497
ECONOMIC VALUE DISTRIBUTED		32.397.467
Employees		1.615.588
Suppliers		29.997.897
Financiers		640.258
Public Administration		128.724
Community		15.000
Stakeholders		0
ECONOMIC VALUE RETAINED		663.030

4.0

THE RESPONSIBLE PRODUCTION

- 4.1 Ethics, Compliance, and Business Integrity
- 4.2 Quality, Safety, and Product Innovation
- 4.3 Traceability of the Supply Chain
- 4.4 Responsible Supply Chain Management
- 4.5 Use of Sustainable Materials



Ethics, Compliance, and Business Integrity

4.1

Within Bellandi's corporate documentation, the **Transparency and Sustainability Policy** and the **Code of Ethics** play a fundamental role. These documents form the guiding framework that directs the company towards achieving its strategic objectives while fully respecting universal principles of Social Responsibility. Additionally, they recognise the inseparable link between economic goals and sustainability objectives, highlighting the importance of an integrated approach to corporate issues.

Bellandi is firmly committed to not supporting, even within its supply chain, disciplinary practices that do not comply with applicable regulations. This commitment demonstrates the company's consistency in promoting ethical and responsible behaviour at every stage of its business operations. The Code of Ethics is distributed upon request to clients and suppliers.

In the interest of greater transparency, the following achievements for the reporting year 2023 are highlighted:

- No cases of corruption were identified.
- No legal actions were initiated against the organisation for anti-competitive behaviour, antitrust violations, or monopolistic practices.
- No non-compliance was found regarding regulations or voluntary codes concerning the health and safety impact of the products offered by the company.
- No privacy violations or data breaches involving clients were reported.
- No instances of non-compliance with confidentiality and information protection principles were observed.

Quality, Safety, and Product Innovation

4.2

Quality, safety, and customer satisfaction are cornerstone principles for Bellandi. Every process is carefully monitored to ensure the production of high-level products, which is a crucial element constituting an essential prerequisite for sustainable growth.

The collection design is approached with a priority on the sustainability, safety, and durability of new products. The use of raw materials is filtered based on the potential for obtaining sustainability certifications for the finished product. The design also considers the resource consumption required for the production of each new item, prioritising materials with lower environmental impact.

Moreover, extreme attention is paid to the origin of raw materials, particularly those sourced from areas that do not meet ethical requirements regarding human rights and child labour. Over the years, Bellandi has enriched and refined its offering by investing in new technologies, research, and development to present itself to clients as a reliable and cutting-edge partner. Achieving high-quality standards means addressing customer needs in terms of functionality, reliability, and safety. To

this end, product certifications (GOTS, GRS, etc.) represent fundamental tools capable of guaranteeing and promoting a corporate culture focused on quality. The company operates in a Business to Business (B2B) model and does not sell finished products to end consumers. For this reason, there are no mandatory labelling procedures for outgoing goods. Regarding returns to suppliers due to non-compliance, this amounts to 12,630 kg of raw material. In contrast, returns from customers due to non-compliance result in 9,856 mt of fabric, representing 0.51% of total production.

During the year 2023, there were no cases of non-compliance regarding mandatory or voluntary regulations related to the health and safety of products and/or services sold. Furthermore, no cases of non-compliance concerning product information or marketing communications were identified, nor were there any instances of failing to adhere to mandatory or voluntary standards regarding the health and safety of sold products.

Traceability of the Supply Chain

4.3

In 2023, the company established relationships with 132 raw material suppliers and 85 textile processing suppliers. Additionally, 46 are the of suppliers for packaging and other consumable materials.

For outsourced processes, specialised suppliers are employed for spinning, warping, and especially for high-risk operations such as dyeing. With a total of 85 processing suppliers, 81 of which are local, the company aimed to build a solid connection with the local territory. Regarding purchases related to packaging and other consumable materials, machinery, and equipment, the company invests nearly entirely in local suppliers.

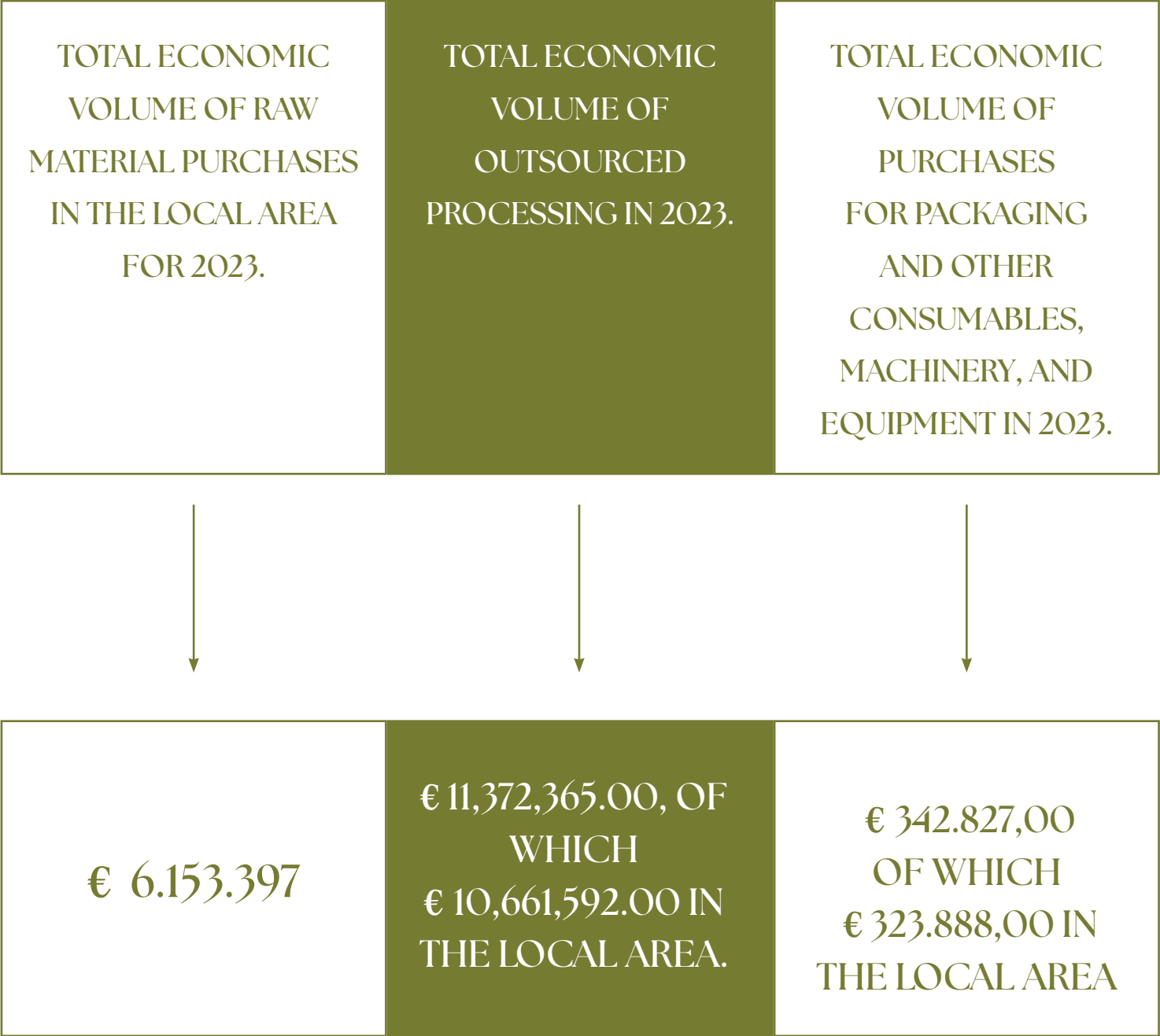
To assess the indirect environmental impacts stemming from suppliers, an evaluation system is utilised, with particular attention given to those managing critical environmental aspects

or holding specific permits, for which targeted documentation is requested to verify authorisations and certifications.

For high-risk suppliers, the company may conduct audits to ensure the proper management of environmental aspects during the provision of services or supplies.

Traceability of the Supply Chain

4.3



The local area refers to the Prato textile district, including the provinces of Prato, Florence, and Pistoia.

Responsible Supply Chain Management

4.4

In pursuing its mission of operational excellence and corporate sustainability, Bellandi recognises the fundamental importance of suppliers. Its strategy for responsible supply chain management focuses on adopting ethical, sustainable, and transparent practices throughout the entire supply chain, thus ensuring the long-term success of the company and adherence to the values that guide it.

The choice of suppliers is essential for ensuring the quality and reliability of the materials used and the processes that Bellandi outsources. In addition to cost evaluation, the company places particular emphasis on quality, innovation, and the environmental and social impact of suppliers' operations. Bellandi seeks partners who share its values of social and environmental responsibility, ensuring consistency between the company's mission and the practices of its suppliers. Bellandi favours suppliers

that hold internationally recognised certifications, such as the Global Organic Textile Standard (GOTS), which attest to the adoption of sustainable practices and adherence to responsible production standards.

With the implementation of the Chem pillar of the 4sustainability® framework, a specific Commitment request is sent to suppliers based on the type of supply (raw materials, high- risk processing) for responsible management of their production processes. The supplier's certification must be provided in written form. The completion of a sustainability assessment questionnaire may also be requested.

The supplier rating calculation is based on a risk management approach that combines a series of specific variables according to the type of supplier involved in the calculation. After the first year, the perceived reliability of suppliers is recalculated by referencing the rating

Responsible Supply Chain Management

4.4

associated with the supplier from the previous year.

During the sample development/special developments phase, Bellandi applies the following principles for a proper supplier selection and the initiation of the pre-qualification process to have an as complete a picture as possible regarding raw materials at the time of production realisation:

- Prefers already qualified suppliers with a HIGH rating;
- Always inform the supplier, including for samples, about the existence of a Corporate Transparency and Sustainability Policy and the consequent need to adhere to the corporate Commitment;
- Conducts chemical/physical tests on the materials used according to market requirements and in compliance with

customer PRSL³;

- Qualifies and includes raw material suppliers destined for production in the system.

Purchase orders and processing directives are made in writing using a standard form, which is made available to all personnel who need to use it. This form includes a clause referencing the internal specifications as well as any specific customer requests.

³ Acronym for Product Restricted Substances List. A P-RSL outlines the chemical restrictions applicable to finished products.

	TYPE OF DECLARATION	ASSESSMENT
SUPPLIERS OF CHEMICAL PRODUCTS	Certification of products listed in Gateway, including any relevant certifications or, ultimately, a declaration of compliance of the purchased chemical products with the MRSL ZDHC (current version) and its related addendum.	-
RAW MATERIAL SUPPLIERS / TRADERS	Declaration of conformity: I) of the materials delivered to the internal PRSL; II) of the production processes carried out in accordance with the MRSL ZDHC (current version) and its related addendum.	
SUPPLIERS OF HIGH-RISK PROCESSING	Certification of: I) development of an internal Chemical Inventory; II) compliance of the production process with the current ZDHC MRSL or relevant addendum; III) review of the internal PRSL to align production techniques accordingly.	
MEDIUM RISK PROCESSING SUPPLIERS	Certificate of compliance of the production process with the current ZDHC MRSL and its relevant addendum.	
LOW RISK PROCESSING SUPPLIERS	Certificate of non ^{sub} use of chemicals or certificate of compliance of the production process with the current ZDHC MRSL or relevant addendum, specifying the chemicals used.	

Use of Sustainable Materials

4.5

The company implements a procurement policy aimed at using materials that meet sustainability criteria and are certified for their origin and environmental quality. This choice not only contributes to environmental preservation but also results in more responsible production, aligning with the values of planet protection and corporate social responsibility. In its production process, the company uses raw materials, primarily fibre, raw yarn, and dyed yarn, totaling 1,000,000 kg.

Bellandi has decisively embraced the principle of sustainability by integrating recycled materials into its production (183,831 kg). This choice, along with the purchase of GRS-certified materials, not only reduces the use of virgin natural resources but also contributes to decreasing the environmental impact, promoting the closing of the materials' life cycle. The certifications presented

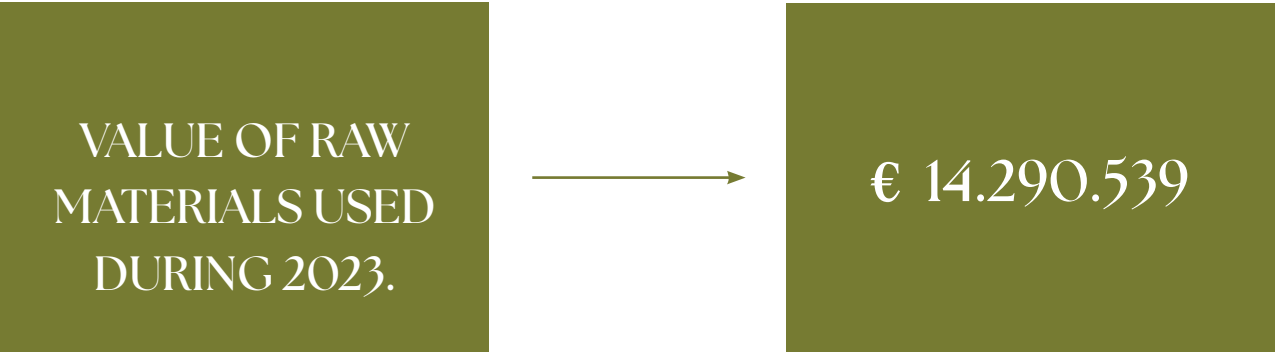
in the dedicated chapter are essential pillars in promoting a corporate culture oriented toward quality excellence and sustainability.

The following page provides details on the raw materials used with sustainability characteristics for the year 2023. One of the key aspects of this sustainability strategy is product traceability; the production of Bellandi's items is fully traceable concerning both the raw materials used and the various processes they undergo through the company's management system.

For certified items, the company can also provide the Transaction Certificate for the relevant supplies.

Use of Sustainable Materials

4.5



SUSTAINABLE RAW MATERIAL USED	28,44%
RAW MATERIALS DERIVED FROM RECYCLING PROCESSES	18%

RAW MATERIAL	KG
GRS	173.079
OCS	10.056
GOTS	4.149
RWS	71.963
EUROPEAN FLAX	25.195
TOTAL	284.442

5.0 THE ENVIRONMENTAL SUSTAINABILITY

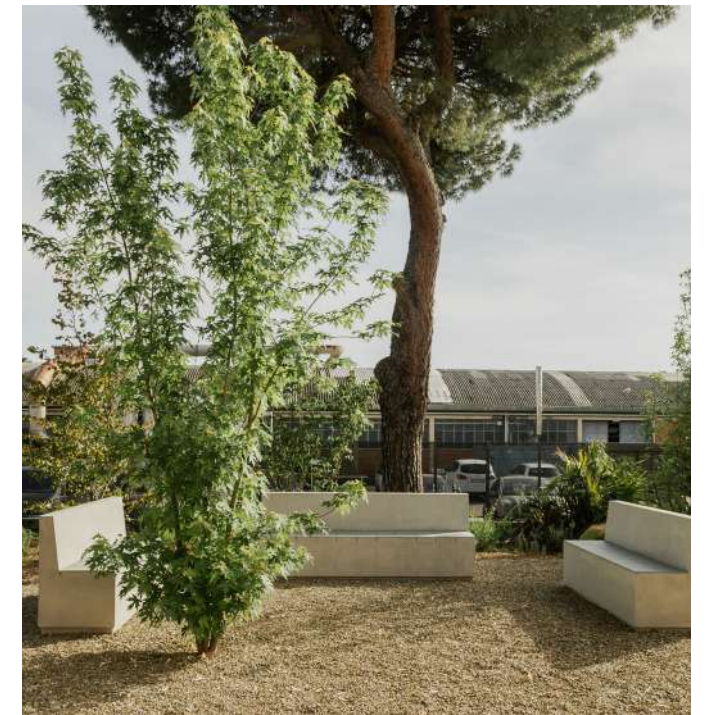
- 5.1 Emissions, Atmosphere, and Climate Change
- 5.2 Chemical Substances Management
- 5.3 Circular Economy and Good Waste Management Practices
- 5.4 Energy Efficiency and Renewable Energy



5.0 THE ENVIRONMENTAL SUSTAINABILITY

The safeguarding of the environment is one of the focal points of Bellandi's operations. Respecting, conserving, and protecting the ecosystem, along with minimising environmental impact, inspire and guide the company's activities. Bellandi fully understands that these principles are essential for ensuring the consistency, progression, and sustainable advancement of its initiatives.

In the following paragraphs, detailed information will be provided focusing on each relevant environmental aspect to achieve the objectives of reducing impacts.



Emissions, Atmosphere,
and Climate Change

5.1

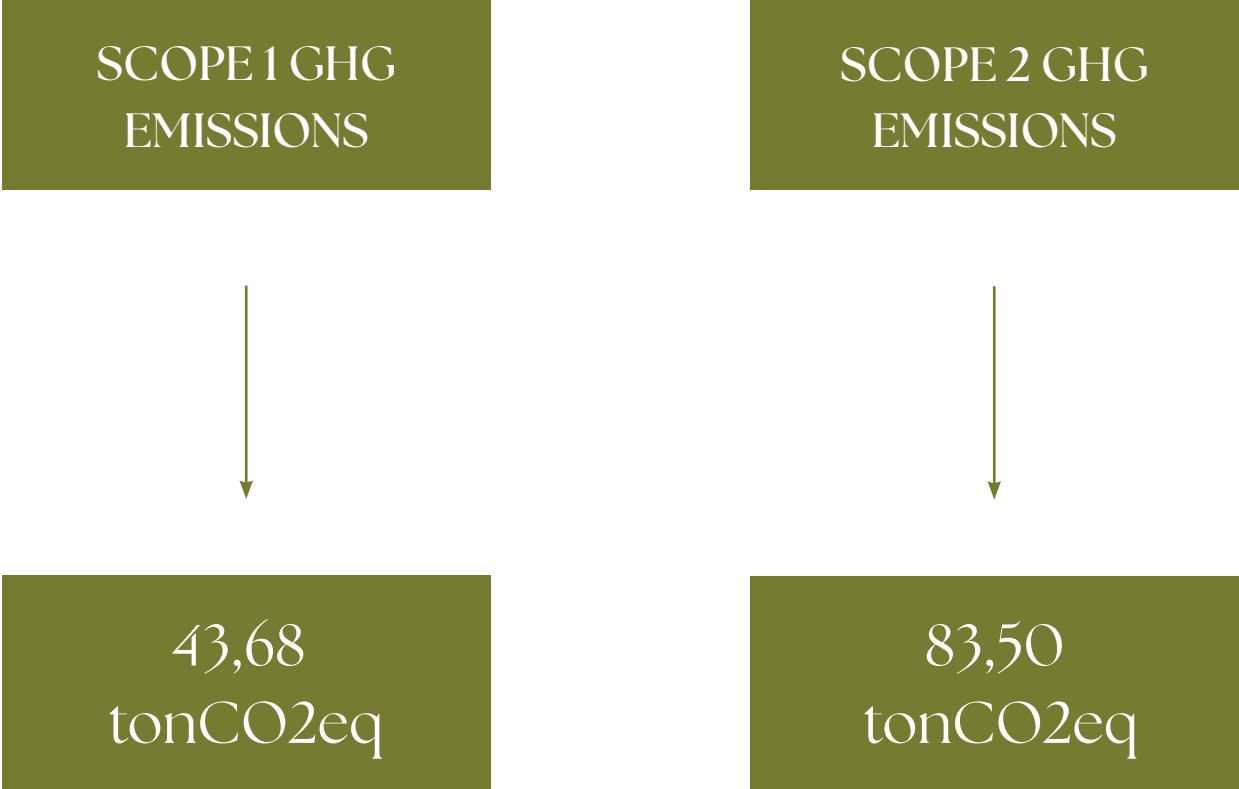
As part of the sustainability journey undertaken by Bellandi, an initial accounting of scope 1 and 2 emissions has been conducted.

DIRECT EMISSIONS OF TYPE 1

Bellandi’s direct emissions result from the consumption of natural gas for heating and production processes, as well as fuel used for company vehicles.

INDIRECT EMISSIONS OF TYPE 2

Scope 2 emissions are those associated with the consumption of electricity, which the company obtains from its electricity supplier through the national distribution grid [market-based principle].



Emissions, Atmosphere,
and Climate Change

5.1

ENERGY SOURCE	SOURCE
Electricity[market based]	1 kWh Electricity, low voltage {IT} market for Cut-off, U - SORGENIA
Electricity from FV	Electricity, low voltage {IT} electricity production, photovoltaic, 570kWp open ground installation, multi-Si Cut-off, U
Heating Oil	UK Government GHG Conversion Factors for Company Reporting DEFRA 2023
Natural Gas	UK Government GHG Conversion Factors for Company Reporting DEFRA 2023
Diesel for Transportation	UK Government GHG Conversion Factors for Company Reporting DEFRA 2023
Gasoline for Transportation	UK Government GHG Conversion Factors for Company Reporting DEFRA 2023

Chemical Substances Management

5.2

The implementation of proper chemical management represents a fundamental pillar for Bellandi. This practice involves the adoption of rigorous procedures and protocols covering the entire lifecycle of chemicals, from their acquisition to proper disposal. This ensures not only compliance with safety and environmental regulations but also protects the health of workers and prevents potential negative impacts on health and the environment. To achieve this goal, Bellandi has adopted the Chemical Management Protocol 4sustainability®, which effectively implements the MRSL ZDHC (www.roadmaptozero.com) and periodically measures the level of application transparently. The project includes:

- The appointment of an internal Chemical Manager with the management team;
- Mapping the supply chain to identify categories of chemical risk;
- Applying a PRSL (Product Restricted Substances List) for purchases, which indicates the limits for the presence of chemicals that must be monitored in inputs;

- Implementing the MRSL ZDHC (Manufacturing Restricted Substances List) within the organisation and at external chemical risk processes;
- Creating the Chemical Inventory and qualifying chemical products according to ZDHC's Conformance Guidance;
- Defining an internal Chemical Management procedure to ensure, among other things, compliance with internal standards and controlled processes;
- Engaging suppliers on common goals through training activities, remote assessments, and on-site audits;
- Training the involved personnel;
- Collecting information in management systems to ensure traceability;
- Establishing a statistical sampling and control plan through risk-based testing;
- Using a data management platform for continuous evaluation of performance;

Chemical Substances Management

5.2

- Constant reporting to identify elimination and improvement plans.

To obtain the implementation level of the 4sustainability CHEM framework, the company was measured and evaluated through a specific assurance activity conducted via a checklist containing the following sections:

- EHS (Environment-Health & Safety);
- Management System;
- Chemical Risk;
- Raw Materials Risk;
- Supply Chain Assessment;
- Process Management;
- Output Management;

In 2023, Bellandi achieved the Advanced level.
 Bellandi does not directly use chemicals and, therefore, ensures that the chemicals used in outsourced processes comply not only with current health and safety regulations but also with the limits set by the MRSL ZDHC. The average compliance level of the chemical inventory for external processing is approximately 77.32%.
 The company also requires its wet processing operations to conduct wastewater analyses according to the ZDHC Wastewater Guideline to verify that

the aforementioned chemicals fall within permissible limits and that its production processes are not harmful to humans or the environment.
 Finally, Bellandi is constantly monitored in the management of the entire system according to the 4sustainability® Protocol to ensure the advancement of system performance and guarantee the accuracy of the implemented measures.
 The chemical risk management system adopted by Bellandi also requires that an annual plan for controlling incoming raw materials be defined. The number and type of tests to be performed are assessed for each supplier based on their respective rating and the chemical risk associated with the type of raw material supplied, including requests to meet requirements stipulated by other certifications (e.g., GOTS).

2023

Number of chemical tests performed on virgin raw materials

Search for APEO	9
Search for Organotin Compounds	3
Search for Aromatic Amines	2
Pesticides	10
Search for Chlorophenols and Ortho-phenylphenol (OPP)	10
Formaldehyde	2
Heavy Metals	2

2023

Number of chemical tests performed on recycled raw materials

Search for APEO	10
Search for Aromatic Amines	6
Heavy Metals	6
Search for Chlorophenols and Ortho-phenylphenol (OPP)	10

From the analyses conducted on the raw materials, two non-conformities were identified, which were managed according to the company's internal procedures, with the care and responsibility stipulated by the protocol. Bellandi consistently performs tests on the finished product

based on specific production needs, customer requests, and periodic internal sampling to ensure its characteristics before shipment.

2023

Number of chemical tests performed on the finished product

Search for Aromatic Amines	4
Search for Disperse Dyes	2
Search for Formaldehyde	3
pH	4
Search for APEO's	7
Search for AP's	2

Circular Economy and Good Waste Management Practices

5.3

The adoption of principles related to the circular economy and the implementation of good waste management practices are fundamental for promoting a sustainable and responsible development model at Bellandi. The circular economy is based on maximising resource use through the reduction, reuse, recycling, and recovery of materials, thereby avoiding waste and excessive waste production. This approach helps preserve natural resources, reduce environmental impact, and promote sustainable resource management.

Bellandi, due to the type of internal processing, does not produce waste; however, it has started to use “production scraps” from companies part of the group and/or purchased them on the market as incoming material. Good waste management practices, on the other hand, include the proper

separation of waste, the promotion of recycling and composting, and the reduction of non-recyclable waste production. These practices help reduce waste accumulation in landfills, limiting environmental pollution and promoting responsible resource management.

In total, 93,493 kg of waste have been disposed of. Bellandi does not produce hazardous waste. Throughout the year, the company has carefully managed a variety of waste that, instead of being sent for disposal, has been recovered. The total amount of paper and cardboard is designated for recovery.

CER CODE	Code Description CER (secondo D.L 77/2021)	KG
cod. 150101	Paper and cardboard packaging	33.515
cod. 040222	Waste from processed textile fibers	59.885
cod. 080318	Used toner cartridges (non-hazardous)	93

Circular Economy and Good Waste Management Practices

5.3



The SustainaBel® boxes, made from recyclable paper, are used for shipping samples and are designed to be reused as much as possible.

For production, Bellandi uses recyclable packaging to deliver fabrics safely and sustainably.



Energy Efficiency and Renewable Energy

5.4

Periodically and whenever there are significant changes to applicable energy regulations, processes, infrastructure, equipment, or the achievement of improvement objectives, the energy data is updated. The process involves the following steps:

- Periodic checks of the cost components in invoices.
- Verification of supply conditions compared to other operators.
- Supplier change if more convenient.
- Verification of rates during the billing phase.

Specifically, the designated person (a member of the Board of Directors) regularly receives reports containing detailed analyses of the cost components of energy carriers and a comparison between the calculated consumption value and revenue for validating the energy bills received from suppliers. They commit to updating energy performance indicators and conducting consumption checks to have the necessary data to identify irregularities that may require corrective actions.

During 2023, the electricity taken from

the power grid amounted to 270,106 kWh.

Regarding renewable energy production, Bellandi S.p.A has had a photovoltaic system since 2012, consisting of 312 mono-crystalline panels of 245 watts, with a total installed capacity of 76.5 kW. This system has allowed the company to generate 70,796 kWh, of which over 80%, equal to 56,756 kWh, were consumed, while the remaining 14,040 kWh were fed into the national grid.

During the period in question, natural gas/methane consumption was recorded at 2,519 Smc. For internal gasoline consumption, 1,485 litres were used, designated for company vehicles. Similarly, for internal diesel consumption, 15,302 litres were utilised, as well as for company transport vehicles. Below is the summary of energy consumption in GJ.

2023

	GJ	% sul totale
Natural Gas	90,4	5,0 %
Company fleet consumption (Diesel, Gasoline, ...)	601,1	33,1 %
<i>Purchased electricity</i>	972,4	
<i>Self^{own} generated renewable electricity</i>	204,3	
Total electricity consumed	1.126,2	62,0 %
TOTAL ENERGY CONSUMPTION	1.817,6	100 %
<i>Of which Renewable Energy</i>	204,32	8,5 %

6.0 OUR PEOPLE

- 6.1 Our Approach
- 6.2 Well-being of Human Capital and Employee Support
- 6.3 Enhancement and Development of Professional Growth
- 6.4 Health and Safety Protection for Employees



Our Approach

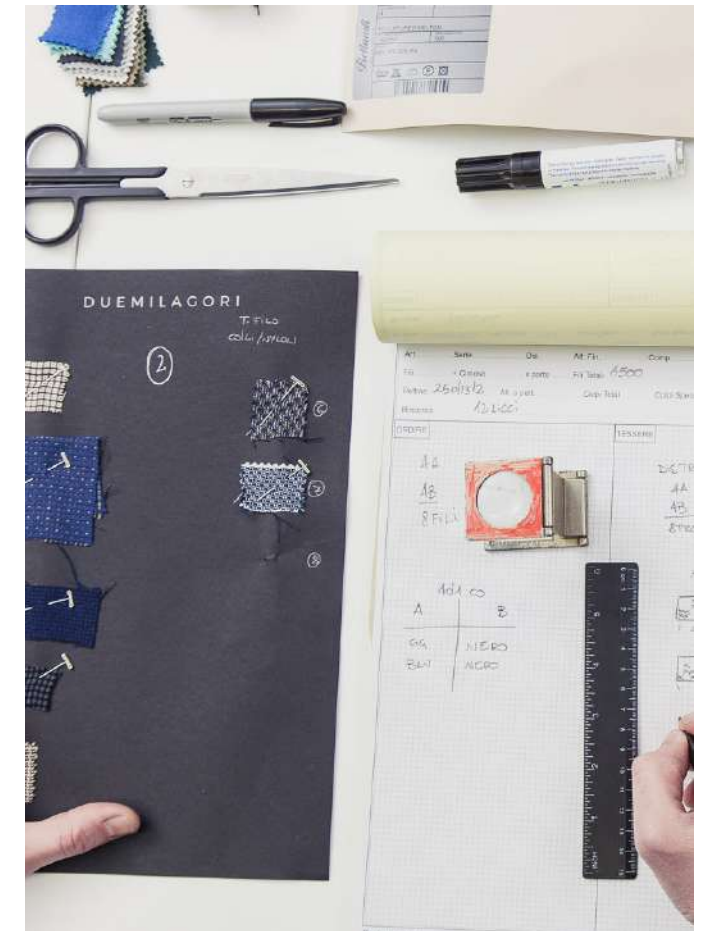
- 6.1.1 Policies and Compensation System
- 6.1.2 Our resources

6.1

To ensure products of excellent quality and achieve business success, it is essential to rely on a skilled and motivated workforce.

This is why the Company is committed to constantly safeguarding the health and safety, professional development, and well-being of its employees, recognising the importance of a safe and healthy work environment through targeted policies and procedures.

Staff members can address any reports to their direct supervisors or directly to board members or ownership. There is also the option to make anonymous reports. In the reporting year, there were no written reports or significant verbal reports; all normal clarifications were resolved without the need for further action.



Our Approach

6.1.1 Policies and Compensation System

6.1

Bellandi’s commitment to its employees is reflected in the recognition and appreciation of all staff without any form of distinction.

The remuneration for the management team is established at the time of their appointment, with the possibility of a discretionary variable compensation determined by the shareholders’ meeting during the approval of the annual financial statements. The compensation policy is entirely defined and managed by the majority shareholders, who hold full decision-making powers regarding this matter.

For other employees, the company follows the guidelines outlined in the National Collective Bargaining Agreement (CCNL) for Textiles, Clothing, and Fashion, which outlines the relevant

classification levels.

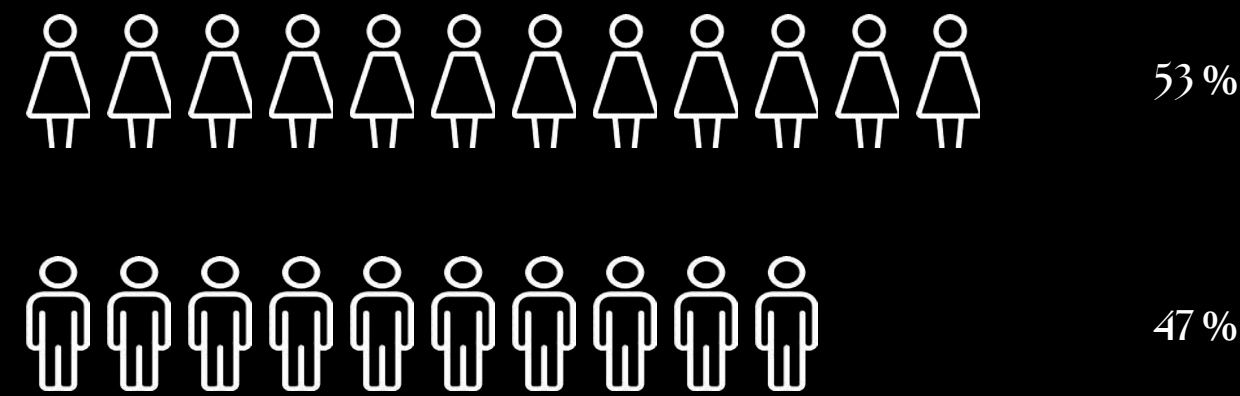
As of December 31, 2023, Bellandi employed a total of 32 employees, compared to 30 employees on December 31, 2022. During 2023, 2 new employees were hired, and there were no departures.

Our Approach

6.1

6.1.2

Our resources



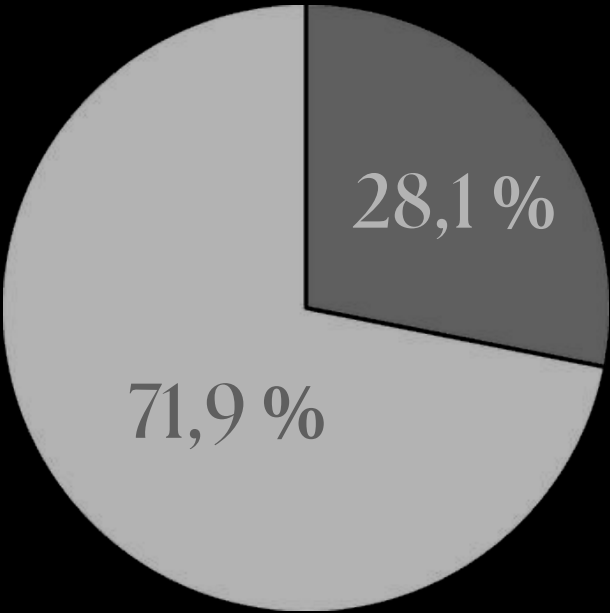
	FEMALE	MALE	TOTAL
Employees	17	15	32
Permanent employees	17	15	32
Temporary employees	0	0	0
Interns	17	15	32
Employees in other forms of employment	2	2	4
Full-time employees	16	12	32
Part-time employees	1	3	4

Our Approach

6.1

6.1.2

Our resources



	NUMBER	%
Administration and offices	9	28,1 %
Production, Warehouse, and Logistics	23	71,9 %
Average age of employees	49	

Well-Beign of Human
Capital and Employees
Support

6.2

The implementation of appropriate working practices at Bellandi not only leads to improvements in business performance in terms of efficiency and resource optimisation but also involves the concrete application of all health and safety standards mandated by regulations.

All employees regularly participate in specific training courses on these topics. Being sensitive to the needs of people means, for Bellandi, recognising them as individuals beyond their professional roles.

All employees (both full-time and part-time) are hired by the provisions of the National Collective Bargaining Agreement (CCNL), which includes the option to access private medical assistance, thereby supplementing preventive services beyond what is provided by the National Health System.

During the year, there were no parental leaves taken.

HIRING	2023
Permanent Hiring	2
Temporary Hiring	0
Other forms of hiring	0

Enhancement and
Delevop of Professional
Growth

6.3

At Bellandi, significant attention is paid to recognising qualifications, experience, and individual capabilities. This approach ensures that each worker is positioned in the most suitable role and receives fair compensation for the same position without any form of discrimination.

Training and development opportunities are fundamental pillars for the professional and personal growth of employees. For this reason, the company invests in training initiatives, as evidenced by the total of over 300 hours of training provided in 2023 (with an average of 10.2 hours per worker). The training programs are not limited to health and safety issues; they also delve into aspects related to social and environmental responsibility.

The training interventions, carefully planned and organised by the company to enhance the professional profiles of its employees, are an integral part of a broader strategy aimed at strengthening skills and promoting individual development.

The training programs aimed at increasing skills and supporting professional transitions included:

- Sustainability training provided by the consulting firm Process Factory;
- ZDHC training;
- Internal alignment and training activities on ZDHC delivered by Process Factory.

Number of training hours for women	175
Number of training hours for men	151
Average training hours per employee	10,5

Healthy and Safety protection for employees 6.4

Bellandi is continuously dedicated to ensuring the health and safety of its staff.

Recognising the importance of a safe and healthy work environment, the company adopts targeted policies and procedures to prevent workplace accidents and promote organisational well-being. The health and safety of employees are protected by strictly adhering to current regulations, as well as providing training and updates for all staff, alongside regular medical check-ups.

Through these activities and the implementation of safety protocols, Bellandi is committed to creating a work environment that supports the physical and mental health of its people.

The adoption of adequate work practices not only leads to improved business performance in terms of efficiency and resource optimisation but

also reflects the concrete application of all health and safety standards required by law.

For a proper risk assessment, the Employer, with the assistance of the Health and Safety Prevention Manager (RSPP), conducts an analysis of the work activity and the environment in which it takes place (production department, warehouses, office, etc.). Specifically, the risk containment process in the workplace develops through:

- Identifying hazards present in the workplace/job position.
- Identifying and estimating the magnitude of specific risks based on clearly defined and, where possible, objective criteria.
- Analysing possible solutions.

Healthy and Safety protection for employees 6.4

Regarding emergency procedures, Bellandi has implemented an Emergency and Evacuation Plan. This plan provides all the necessary information about actions to be taken in dangerous situations. Workers have various options for reporting risk situations: they can address their supervisor, the Workers' Safety Representative (RLS) or use the suggestion boxes available in the company.

Additionally, the company plans internal audits conducted by external consultants throughout the year, highlighting them during the management review meeting. Bellandi has appointed its Competent Doctor, who is constantly updated on changes to Risk Assessment Documents, new hires, job changes,

and significant injuries. The Competent Doctor prepares the Health Surveillance Plan, which schedules medical visits. Furthermore, workers can request additional medical check-ups.

Worker consultation occurs through the involvement of Workers' Safety Representatives (RLS) during periodic meetings, review meetings, and incident and injury analyses. The company has disseminated its Policy to all employees and ensured that all training hours required by health and safety regulations have been completed.

During the year 2023, no injuries occurred.

7.0 SUPPORT AND DEVELOPMENT OF THE LOCAL COMMUNITY





Bellandi manages its relationships with the local community through targeted selection criteria and initiatives that promote active involvement and sustainable development. These selection criteria may include a preference for collaborations with local cultural and educational institutions that contribute to the promotion of culture and education within the community. Furthermore, the company prioritises projects that encourage social inclusion and support young talents, thereby strengthening the social and economic fabric of the area. These initiatives not only create value for the company itself but also the surrounding community, contributing to its long-term development and well-being.

The actions taken by the company to engage, develop, and support the local community are numerous and range from collaboration with cultural institutions

to supporting young talent through educational and training projects. Here's how these initiatives have contributed to the social fabric of the community:

- **Collaboration with Centro Pecci and artist Adelaide Cioni:** Bellandi has actively collaborated with the Luigi Pecci Center for Contemporary Art in Prato for the "Centro Pecci Commission" project in partnership with artist Adelaide Cioni. This partnership has not only supported artistic production but also integrated art into the social fabric of the community, providing a space for creative expression and reflection on craftsmanship and human connection.
- **Partnerships with Educational Institutions:** Bellandi has formed significant collaborations with various educational institutions, including Polimoda, Istituto Tecnico Statale Tullio



Buzzi, and PIN (University Pole) of Prato. These partnerships offer students the opportunity to understand the textile production process through guided tours and interactive workshops. These initiatives not only foster the professional development of students but also strengthen the ties between the company and the local educational system.

- **Educational Projects with Centro Pecci:** In collaboration with Centro Pecci, Bellandi has promoted inclusive educational projects, such as workshops for individuals of all ages, including children and people affected by Parkinson's disease. These activities not only encourage social inclusion but also enhance the value of textiles in art and creativity by using fabric as tools for personal and community growth.
- **"BeYourFabric" Initiative with Polimoda and Leather&Luxury:** Bellandi has supported the innovation and creativity of the new generations

through the "BeYourFabric" project, providing young designers with the opportunity to create prototypes using the company's fabrics. This initiative not only stimulates innovation in the fashion sector but also fosters collaboration between industry and academic institutions. Thanks to the "BeYourFabric" contest, the company offered the winning student a chance to complete a 3- month internship at Bellandi.

- **"BellandixTalents" Project:** Through the "BellandixTalents" initiative, the company has provided job opportunities to students who have recently completed their studies via internship programs that, in 2023, resulted in 100% of cases transitioning into apprenticeship contracts. This not only facilitates the entry of young people into the workforce but also fosters the development of specific skills in the textile sector.

8.0

THE SUSTAINABLE FUTURE OF BELLANDI:

Objectives, Projects, and Initiatives



8.0

THE SUSTAINABLE FUTURE OF BELLANDI: Objectives, Projects, and Initiatives

The decision to draft and publish the Sustainability Report, along with other documentation that transparently accounts for sustainability performance (such as certifications, policies, etc.), represents a significant step forward for Bellandi.

The company's journey of sharing and disseminating information will increasingly focus on critical aspects to direct its efforts in response to stakeholders' needs. The principles, values, and sustainable development strategies of the company have indeed led to the establishment of common growth objectives for the upcoming year, which are outlined as follows:

- Conducting due diligence tests
- Continuing activities within the territory and for the community
- Initiatives for personnel, including the creation of a dining and relaxation area
- Improvements in consumption efficiency
- Obtaining new sustainable certifications
- Collaborating with organisations and consortia to enhance the valorisation of textile waste

9.0 GRI CONTENT INDEX

Declaration of Use: Bellandi S.p.A. has prepared this Sustainability Report concerning the GRI Standards for the period from January 1, 2023, to December 31, 2023.

GRI Used: Universal Standards GRI 2021

Applicable Industry GRI Standards: N/A

GRI STANDARD	GRI DISCLOSURE	SECTION OF THE DOCUMENT	SCOPE / NOTES
GRI 2 Material themes 2021	2-1 Organizational Details	- Methodological Introduction - The Organization Yesterday and Today	Bellandi S.p.A.
GRI 2 Material themes 2021	2-2 Entities Included in the Organization's Sustainability Reporting	- Methodological Introduction	Bellandi S.p.A.
GRI 2 Material themes 2021	2-3 Reporting Period, Frequency, and Point of Contact	- Methodological Introduction	Bellandi S.p.A.
GRI 2 Material themes 2021	2-4 Review of Information	- Methodological Introduction	Bellandi S.p.A.
GRI 2 Material themes 2021	2-5 External Assurance	- Methodological Introduction	Bellandi S.p.A.
GRI 2 Material themes 2021	2-6 Activities, Value Chain, and Other Business Relationships	- The Organization Yesterday and Today - Mission and Values - The Company > The Production Model - The Company > The Reference Market - The Company > Revenue and Investments - Value Creation and Distribution - Supply Chain Traceability	Bellandi S.p.A.
GRI 2 Material themes 2021	2-7 Employees	- Our People > Our Resources	Bellandi S.p.A.
GRI 2 Material themes 2021	2-8 Non-Employee Workers	- Our People > Our Resources	Bellandi S.p.A.
GRI 2 Material themes 2021	2-9 Governance Structure and Composition	- The Governance Model > The Model	Bellandi S.p.A.
GRI 2 Material themes 2021	2-11 Chair of the Highest Governing Body	- The Governance Model	Bellandi S.p.A.
GRI 2 Material themes 2021	2-12 Role of the Highest Governing Body in Overseeing Impact Management	- The Governance Model > Sustainability Governance	Bellandi S.p.A.
GRI 2 Material themes 2021	2-14 Role of the Highest Governing Body in Sustainability Reporting	- The Governance Model > Sustainability Governance	Bellandi S.p.A.

GRI STANDARD	GRI DISCLOSURE	SECTION OF THE DOCUMENT	SCOPE / NOTES
GRI 2 Material themes 2021	2-15 Conflicts of Interest	Certifications and Initiatives	Bellandi S.p.A.
GRI 2 Material themes 2021	2-16 Communication of Critical Issues	- The Governance Model > Responsible Management of Relationships - Our People > Our Approach	Bellandi S.p.A.
GRI 2 Material themes 2021	2-19 Regulations Regarding Remuneration	- Our People > Compensation Policies and System	Bellandi S.p.A.
GRI 2 Material themes 2021	2-20 Salary Determination Procedure	- Our People > Compensation Policies and System	Bellandi S.p.A.
GRI 2 Material themes 2021	2-22 Statement on Sustainable Development Strategy	- Letter to Stakeholders - Bellandi's Sustainability: A Holistic Approach - Sustainability Policies	Bellandi S.p.A.
GRI 2 Material themes 2021	2-23 Commitment in Terms of Policy	- Certifications and Initiatives - The Governance Model > Responsible Management of Relationships - Sustainability Policies	Bellandi S.p.A.
GRI 2 Material themes 2021	2-24 Integration of Policy Commitments	- The Governance Model > The Model	Bellandi S.p.A.
GRI 2 Material themes 2021	2-25 Processes to Address Negative Impacts	- The Governance Model > Responsible Management of Relationships	Bellandi S.p.A.
GRI 2 Material themes 2021	2-26 Mechanisms for Requesting Clarifications and Raising Concerns	- The Governance Model > Responsible Management of Relationships	Bellandi S.p.A.
GRI 2 Material themes 2021	2-27 Compliance with Laws and Regulations	- The Governance Model > Responsible Management of Relationships	Bellandi S.p.A.
GRI 2 Material themes 2021	2-28 Membership in Associations	- The Governance Model	Bellandi S.p.A.
GRI 2 Material themes 2021	2-29 Approach to Stakeholder Engagement	- Percorso di materialità > Stakeholders	Bellandi S.p.A.
GRI 2 Material themes 2021	2-30 Collective Agreements	- Our People > Compensation Policies and System	Bellandi S.p.A.

	GRI STANDARD	GRI DISCLOSURE	SECTION OF THE DOCUMENT	SCOPE / NOTES
MATERIALS THEMES	GRI 3 Material themes 2021	3-1 Process for Determining Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 3 Material themes 2021	3-2 List of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
VALUE CREATION AND DISTRIBUTION	GRI 3 Material themes 2021	3-3 List of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 201 Performance economica 2016	201-1 Direct Economic Value Generated and Distributed	- Value Creation and Distribution	Bellandi S.p.A. Maggiori info nel Bilancio Economico - Finanziario
SUPPLY CHAIN TRACEABILITY	GRI 3 Material themes 2021	3-3 List of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 204 Prassi di approvvigionamento	204-1 Proportion of Spend on Local Suppliers	- Responsible Production > Supply Chain Traceability	Bellandi S.p.A.
ETHICS, COMPLIANCE, AND BUSINESS INTEGRITY	GRI 3 Material themes 2021	3-3 List of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 205 Anticorruzione 2018	205-1 Operations Assessed to Determine Corruption Risks	- Responsible Production > Ethics, Compliance, and Business Integrity	Bellandi S.p.A.
	GRI 205 Anticorruzione 2018	205-2 Communication and Training on Anti-Corruption Policies and Procedures	- Responsible Production > Ethics, Compliance, and Business Integrity	Bellandi S.p.A.
	GRI 205 Anticorruzione 2018	205-3 Confirmed Incidents of Corruption and Measures Taken	- Responsible Production > Ethics, Compliance, and Business Integrity	Bellandi S.p.A.
	GRI 206 Comportamento anti-competitivo 2016	206-1 Legal Actions Related to Anti-Competitive Behavior, Trust Activities, and Monopolistic Practices	- Responsible Production > Ethics, Compliance, and Business Integrity	Bellandi S.p.A.

	GRI STANDARD	GRI DISCLOSURE	SECTION OF THE DOCUMENT	SCOPE / NOTES
USE OF SUSTAINABLE MATERIALS	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 301 Materials 2016	301-1 Materials Used by Weight or Volume	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
MANAGEMENT OF CHEMICAL SUBSTANCES	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 3 Materials 2016	301-1 Materials Used by Weight or Volume	- Environmental Sustainability > Management of Chemical Substances	Bellandi S.p.A.
ATMOSPHERIC EMISSIONS AND CLIMATE CHANGE	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 305 Emissions 2016	305-1 Direct Greenhouse Gas (GHG) Emissions (Scope 1)	- Environmental Sustainability > Atmospheric Emissions and Climate Change	Bellandi S.p.A.
	GRI 305 Emissions 2016	305-2 Indirect Greenhouse Gas (GHG) Emissions from Energy Consumption (Scope 2)	- Environmental Sustainability > Atmospheric Emissions and Climate Change	Bellandi S.p.A.
CIRCULAR ECONOMY AND BEST PRACTICES IN WASTE MANAGEMENT	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 306 Waste 2020	306-3 Waste Generated	- Environmental Sustainability > Circular Economy and Best Practices in Waste Management	Bellandi S.p.A.
	GRI 306 Waste 2020	306-4 Waste Not Sent to Landfill	- Environmental Sustainability > Circular Economy and Best Practices in Waste Management	Bellandi S.p.A.
	GRI 306 Waste 2020	306-5 Waste Sent to Landfill	- Environmental Sustainability > Circular Economy and Best Practices in Waste Management	Bellandi S.p.A.
ENERGY EFFICIENCY AND RENEWABLE ENERGY	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 302 Energy 2016	302-1 Energy consumption within the organization	- Environmental Sustainability > Energy Efficiency and Renewable Energy	Bellandi S.p.A.

	GRI STANDARD	GRI DISCLOSURE	SECTION OF THE DOCUMENT	SCOPE / NOTES
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 308 Supplier Environmental Assessment 2016	308-1 New Suppliers Selected Using Environmental Criteria	- Responsible Production > Responsible Supply Chain Management	Bellandi S.p.A.
HUMAN CAPITAL WELL-BEING AND SUPPORT FOR EMPLOYEES	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 401 Employment	401-1 Permanent Hires	- Our People > Well-Being of Human Capital and Employee Support	Bellandi S.p.A.
	GRI 401 Employment	401-2 Benefits for Full-Time Employees Not Available to Temporary or Part-Time Employees	- Our People > Well-Being of Human Capital and Employee Support	Bellandi S.p.A.
	GRI 401 Employment	401-3 Parental Leave	- Our People > Well-Being of Human Capital and Employee Support	Bellandi S.p.A.
PROTECTION OF EMPLOYEE HEALTH AND SAFETY	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 403 Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	- Our People > Protection of Employee Health and Safety	Bellandi S.p.A.
	GRI 403 Occupational Health and Safety 2018	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	- Our People > Protection of Employee Health and Safety	Bellandi S.p.A.
	GRI 403 Occupational Health and Safety 2018	403-9 Work-Related Injuries	- Our People > Protection of Employee Health and Safety	Bellandi S.p.A.
EMPLOYEE DEVELOPMENT AND ENHANCEMENT	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 404 Training and Education 2016	404-1 Average Number of Training Hours per Year per Employee	- Our People > Employee Empowerment and Development	Bellandi S.p.A.

	GRI STANDARD	GRI DISCLOSURE	SECTION OF THE DOCUMENT	SCOPE / NOTES
SUPPORT AND DEVELOPMENT OF THE LOCAL COMMUNITY	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 413 Local Communities	413-1 Operations with Local Community Involvement, Impact Assessments, and Development Programs	- Support and Development of the Local Community	Bellandi S.p.A.
QUALITY, SAFETY, AND INNOVATION OF THE PRODUCT	GRI 3 Material themes 2021	3-3 Management of Material Topics	- Materiality Journey > Materiality Analysis	Bellandi S.p.A.
	GRI 417 Marketing and Labeling 2016	417-2 Incidents of Non-Conformity Regarding Information and Labeling of Products and Services	- Responsible Production > Quality, Safety, and Innovation of the Product	Bellandi S.p.A.
	GRI 418	418-1 Substantiated Complaints Regarding Customer Privacy Violations and Data Loss	- Responsible Production > Ethics, Compliance, and Business Integrity	Bellandi S.p.A.

 Bellandi