



BONOTTO  
Sustainability Report  
2023

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# Chairman & CEO Letter

Responsibility has been at our core since 1912 and today, being part of the Ermenegildo Zegna Group since 2016, we feel this responsibility more than ever.

Bonotto S.p.A. is a fourth-generation textile manufacturer based in Colceresa (Vicenza). Over the years, it has grown to become one of the best-in-class for fine wool textile production.

Today the Company is well known for its concept of “Slow Factory” and its compelling vision of manufacturing as art, with its slow, steady process that inspires the whole factory processes yet assures cutting-edge technology and the highest quality of products and materials. The interplay between art and business, artistic creativity and innovation always represented the core of the company’s industrial activity.

In 2023, Bonotto’s attention towards the research and development of high-quality and long-lasting materials, have been mainly focused on reducing their environmental impact.

The introduction of alternative fabrics such as biodegradable polyester and bio-based ones, produced from plant-based oils, have resulted in a successful combination of tradition and innovation.

Our commitment to quality, craftsmanship and innovative expertise continues to be our living tradition, linking past, present and future.

# Our Company

Bonotto S.p.A. (the Company) is a fourth-generation textile manufacturer founded by Luigi Bonotto in 1912, when it specialized in straw hats.

By the early 1970s, thanks to the leadership of Nicola Donazzan and Luigi Bonotto II (grandson of the founder), Bonotto was transformed into a jewel of fine wool textile production that has grown along with the Italian fashion industry.

The Company expanded rapidly, becoming a full-cycle textile manufacturer employing over two hundred master craftsmen, or “artists” as Luigi—who was interested in avant-garde art—preferred to call them. Today, led by Lorenzo and Giovanni Bonotto (the sons of Luigi Bonotto II), the Company has become an influential player in the global fashion industry and is well known for its concept of the “Slow Factory”.

In 2016, the Ermenegildo Zegna Group acquired 60% of Bonotto’s share capital, weaving global

management expertise in business processes and brand communication into the Bonotto story.

Bonotto’s key strength is its faith in a compelling vision of manufacturing as art; the slow, steady process of art as inspiration for the factory.

This in contrast to the rise of mass production techniques of the 1960s and 70s that so diminished the integrity of the Italian textile industry.

Giovanni Bonotto, Creative Director, feels strongly about how such techniques devalue the products, and the people who make them. He is now a global ambassador for a new way of manufacturing ... or rather, an old way of manufacturing, hence his concept of the “Slow Factory”, which pays homage to the modes of production of his great-grandfather’s generation, rather than the overly mechanized and computerized modes of today.

## OUR ACTIVITIES



## KEY HIGHLIGHTS 2023

€ 25.657m

Revenue in 2023  
+5% vs. 2022

35%

Traceable top priority raw  
material purchased\*

**SUSTAINABLE  
FIBER ALLIANCE  
(SFA)**

certification obtained in 2023

## SERVICED MARKETS 2023

NORTH AMERICA  
4%

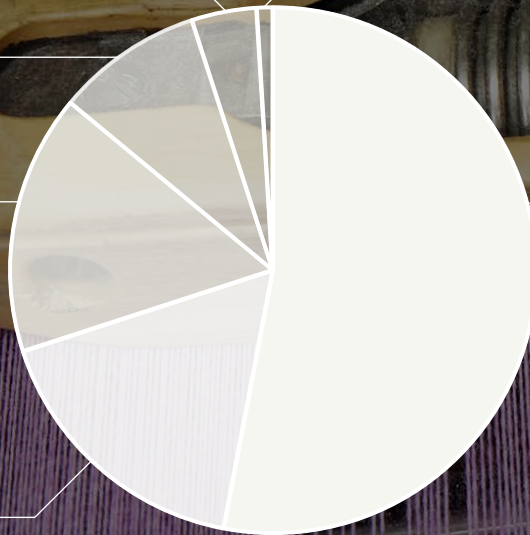
FRANCE  
9%

REST OF EUROPE  
16%

ASIA  
17%

OTHER  
1%

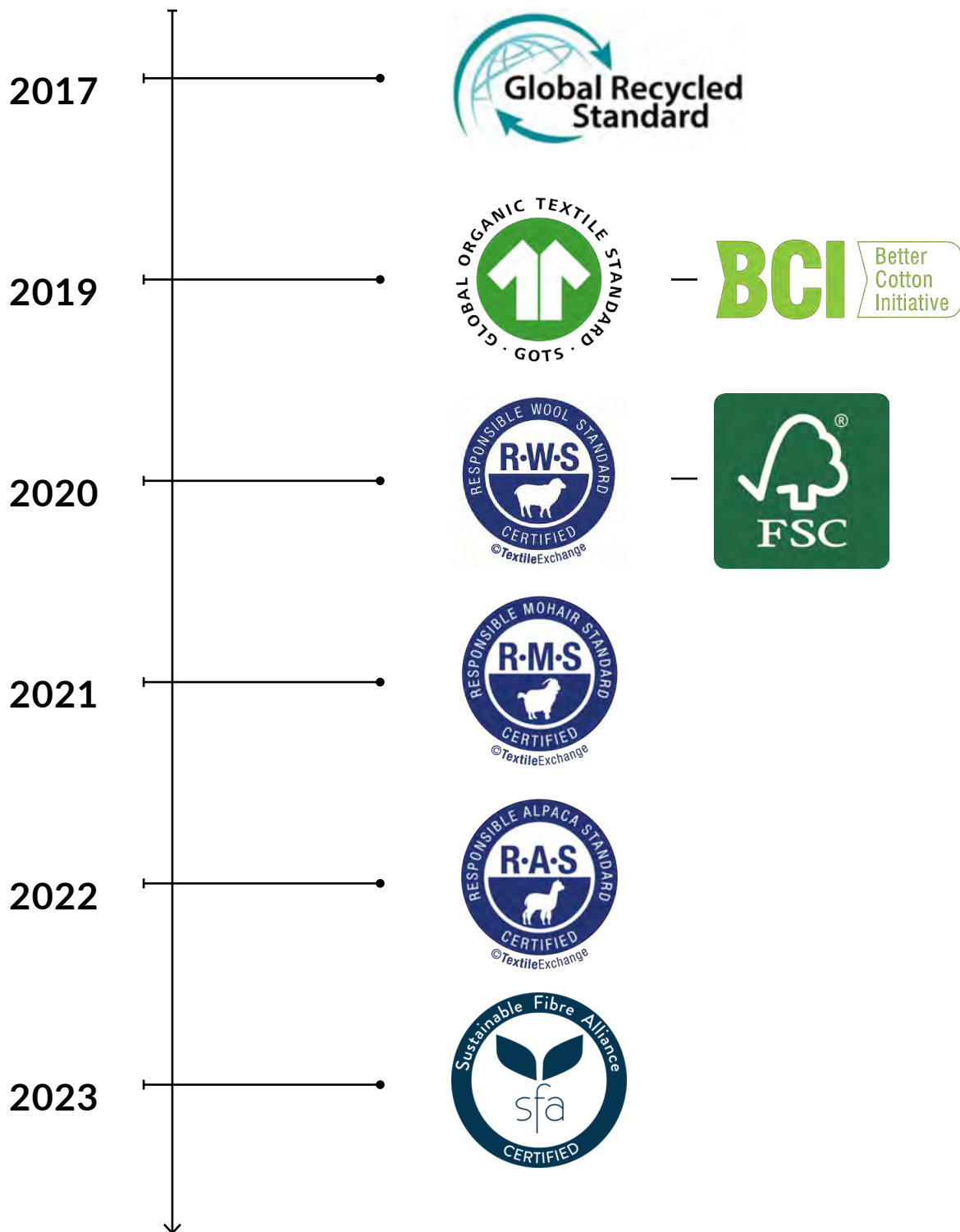
ITALY  
53%



\* Includes wool, cashmere, cotton, leather, man-made cellulose, polyester and linen.



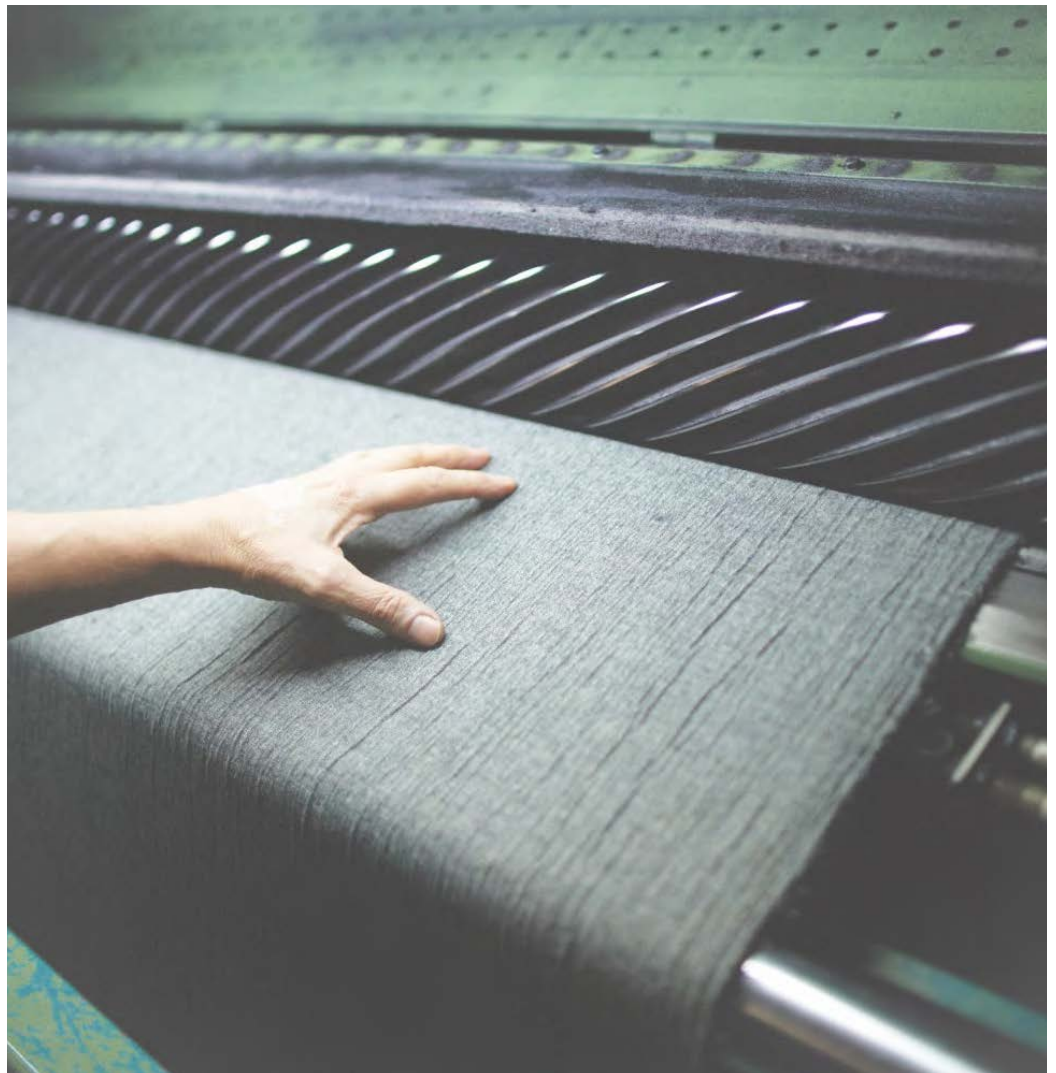
### Certifications



## THE SLOW FACTORY

**“I enjoy rasping old irons, looking for the scent of fabrics, giving history memory to the products, building them according to the ancient craft technique, that of the 1400s, which we cannot repudiate, because we are masters of the art”**

**GIOVANNI BONOTTO**  
Artistic Director



## Our craftsmanship provides best-in-class textiles

The process of textile manufacturing is complex and multifaceted, starting with warping and weaving, the initial stage of creating the fabric. Skilled artisans or advanced machinery intertwine one or more yarns, often crafting captivating patterns and utilizing diverse raw materials like blends and patterned fibers to establish the fabric’s structural foundation.

Moving on to the finishing stage, the fabric undergoes a series of treatments to attain the desired characteristics. These treatments, encompassing washing, fulling, shearing, napping, stone washing, and dyeing, determine the fabric’s color, texture, softness, and overall aesthetic, rendering each textile distinctively unique.

Finally, the process ends with quality assurance and packaging, where quality control measures are applied

to ensure the fabric meets stringent standards. Upon passing inspection, the fabric is meticulously packaged and stored in warehouses, primed for distribution to customers or manufacturers for the creation of a diverse range of end-products.

This extensive process involves a harmonious blend of craftsmanship, cutting-edge technology, and quality assurance, resulting in a vast array of textiles that enrich our daily lives and express fully the philosophy of the “Slow Factory”.

In 2023, this dedication to quality and excellence has allowed Bonotto to broaden its reach, catering to a more discerning and upscale clientele. This expansion enriches Bonotto’s tradition of crafting textiles that are not only steeped in quality but also resonate with the luxury market’s ethos.



## The Slow Factory: a manifesto that challenges industrial standardization and mass production

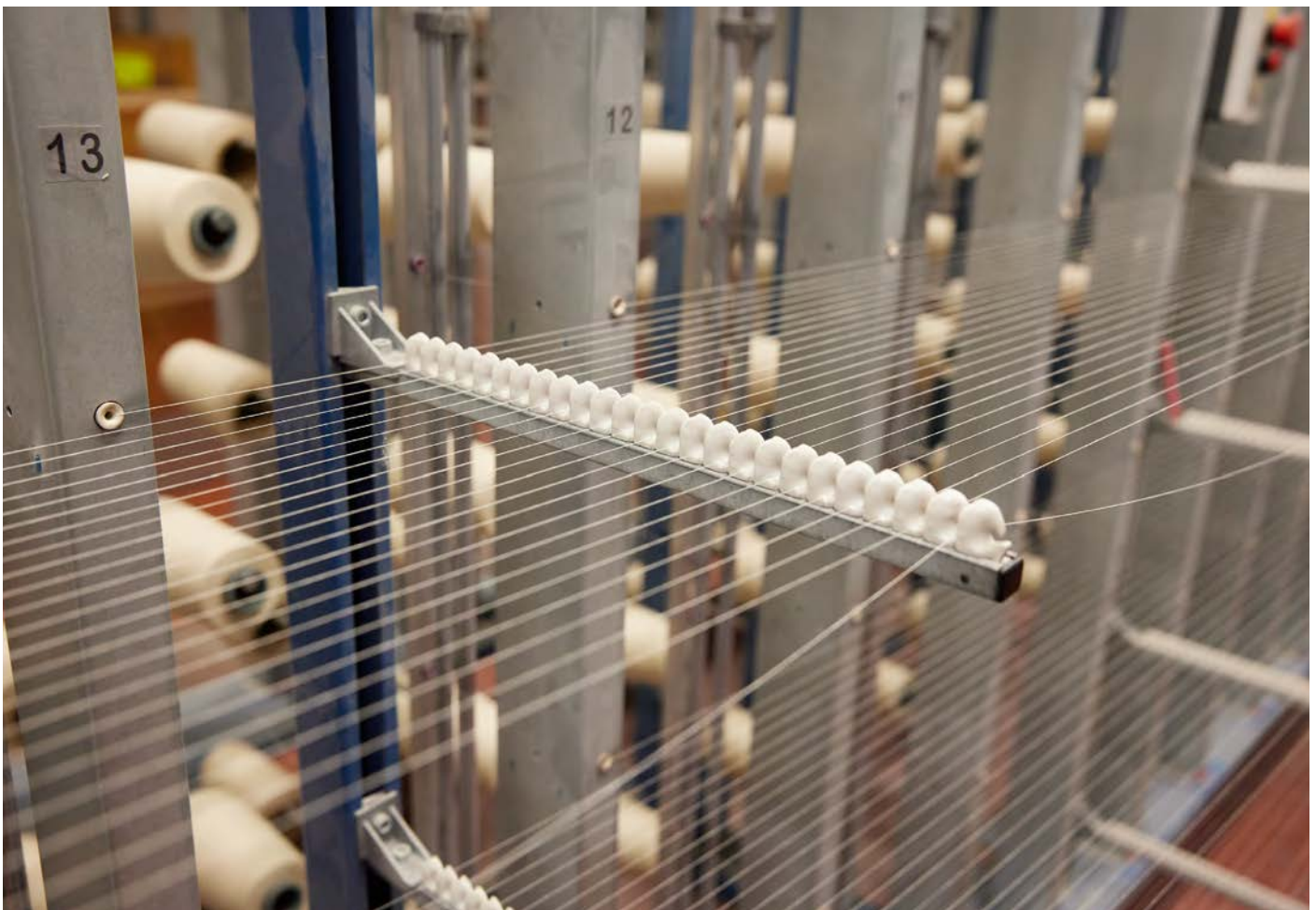
Bonotto prefers mechanical machinery to electronic ones, and automation is banned. Old, neglected looms are brought back to life so they can work their “slow” magic. This approach restores the luxury of craftsmanship, and the authenticity of hand-made works, reflected in the ancient romance of the Veneto landscape, a place dense with creativity and design. The quality of a fabric is enhanced by the length of time it takes to make it.

The factory is no longer a physical place with prefabricated walls; it is a territory of the mind, with its histories and memories. Bonotto's is a modern vision of work and enterprise, inspired by both old-fashioned technologies and by mould-breaking creative design. The result is fabrics like those of the past, durable, rich and precious; made in a time when man and machine related more naturally to each other.

Art is an abiding theme at Bonotto, influencing how the organization is run and how fabrics are produced. From

the late 1960s to today Bonotto has hosted countless artists, many of whom donated works to the Company. Yoko Ono and Marcel Duchamp are just two of the many who visited.

Duchamp's art was an inspiration for the Fluxus movement, of which Yoko Ono was a famous proponent. The Bonotto family is Italy's leading collector and patron of the Fluxus movement, an experimental art movement of the 60s and 70s which emphasizes process over product. Fluxus art involves a Zen-like attention to that which has been backgrounded and whose functionality has been taken for granted. This way of seeing the world has influenced Bonotto to adopt a softer, freer, more flexible approach to the business of production. Work is first and foremost a cultural process and then a business, not the other way around. Today, Fluxus art is collected and protected by the Bonotto Foundation, headquartered in Colceresa at our production site.



## Our Dedication to Innovation

In 2023, our commitment to research and development was steadfast as we sought to redefine the standards of luxury through innovation and sustainability. Our efforts were concentrated on sourcing and creating materials of exceptional quality while minimizing their ecological footprint, reflecting our dedication to both luxury and environmental responsibility. Through these endeavors, Bonotto is not only solidifying its position in the luxury.

As part of this initiative, we intensified our exploration into a diverse range of materials, focusing on blends of silk, wool, and cotton for our PE collection.

These luxurious fabric combinations not only elevate the elegance of Bonotto's offerings but also align with our vision of luxury that is both opulent and environmentally conscious.

Simultaneously, our AI collection welcomed the introduction of reversible fabrics, a hallmark of luxury craftsmanship. These fabrics, meticulously crafted through intricate weaving techniques, showcase our commitment to pushing the boundaries of creativity while minimizing waste and maximizing utility. Each piece in this collection is a testament to our dedication to innovation and craftsmanship.



## FONDAZIONE BONOTTO

Fondazione Bonotto was established to promote the Bonotto family's collection. The Bonotto family began collecting these works in the early seventies and continues to do so today. The collection includes audio documents, videos, posters, books, and magazines themed around Fluxus art, as well as verbal-visual research developed during the late fifties.

Fondazione Bonotto promotes and develops a new way for **art**, **business** and **contemporary culture** to relate. These three pillars define the success of the Bonotto family.

For further information about Fondazione Bonotto, please visit:  
[www.fondazionebonotto.org](http://www.fondazionebonotto.org)

### 2023 Initiatives

1. Celebration of the **"Foundations' 10th anniversary"**, featuring collaboration with the Venice Hotel.
2. Presentation of the theatre show **"Storie di un pedone bianco che si innamora di una regina nera"**.
3. **"ZZZOOOMMM!!! Su Giovanni Fontana. Testi, voci, visioni."**; theatrical performance organized in Teatro di Porta Portese, Rome.



# Our ESG Strategy



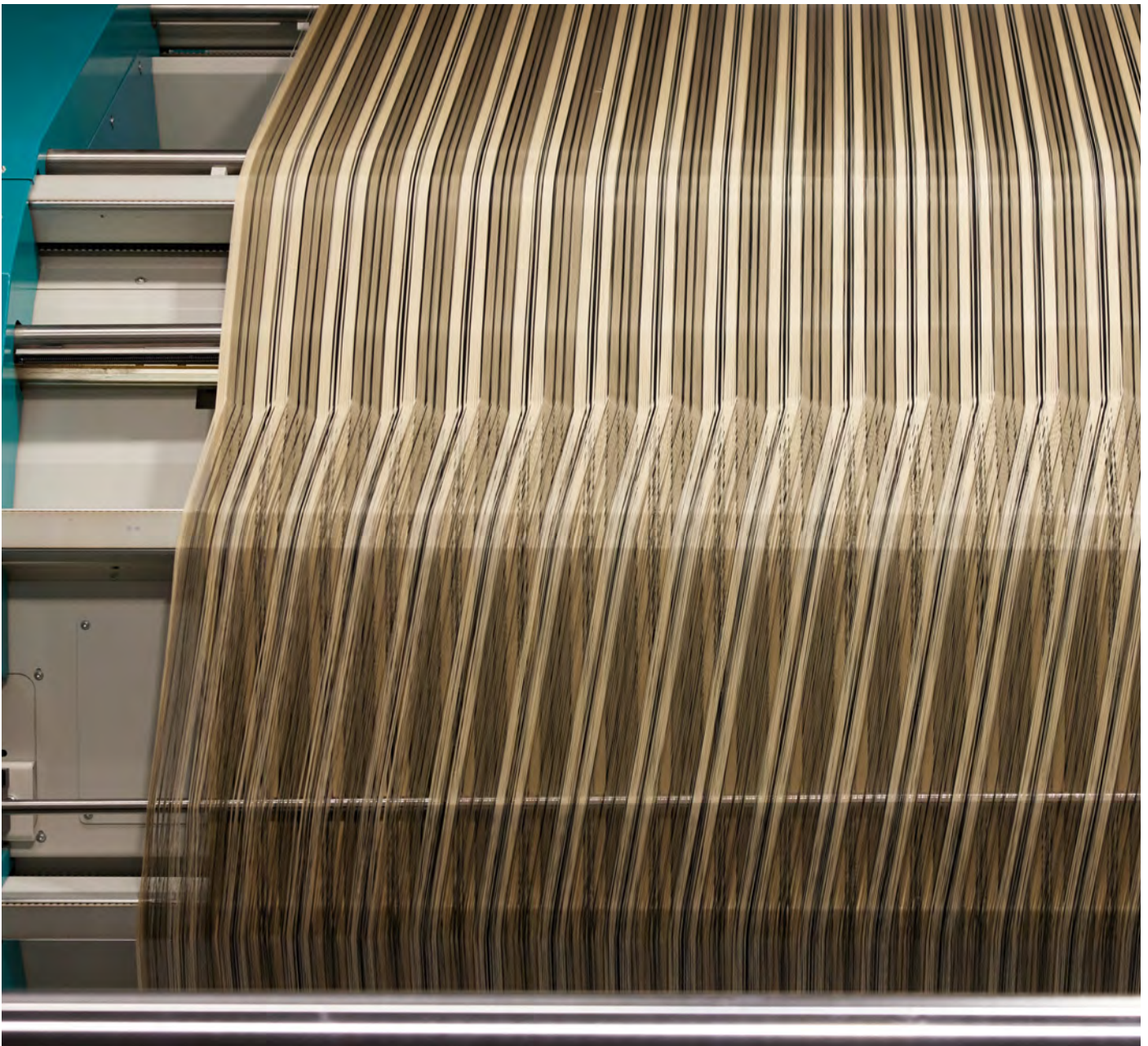
Bonotto joined the Ermenegildo Zegna Group (sometimes abbreviated as the Group here) in 2016.

The Ermenegildo Zegna Group was founded as a wool mill in 1910 in Trivero, Italy, by Ermenegildo Zegna, the grandfather of the current CEO and Chairman of the Board. Today the Ermenegildo Zegna Group is a leading global luxury group listed on the New York Stock Exchange (The listing took place on December 20, 2021).

In May 2022 the Group unveiled its new ESG strategy, consisting of 3 commitments, defined in 27 targets.

For a deep dive on the Group sustainability strategy and advancements on its commitments, please refer to the Group's Sustainability Report<sup>1</sup>.

Bonotto's sustainability strategy aligns with the Group vision. Building on the initiatives launched in 2022, Bonotto remains dedicated to steadfastly pursuing these goals by closely monitoring crucial metrics to attain its objectives. Bonotto, in partnership with the Group, encourages learning and skills development, builds trust-based relationships, recognizes diversity, and is committed to human improvement through a culture of beauty.



<sup>1</sup> The Group's Sustainability Report is publicly available on the corporate website, to access it please visit this [link](#).



Bonotto has over 110 years' history deeply rooted in the local community. Further, Bonotto is an exemplar of the Group's efforts to expand its value chain within Italy. The Company embraces the Group's dedication to achieving exceptional quality and craftsmanship. In relation to the Group's strategy, the Company is working to guarantee a more transparent and fair value chain by purchasing certified animal fibers, in line with the Group's Animal Welfare Policy published in 2022<sup>2</sup>.

In 2023, 35% of Bonotto's top-priority raw materials<sup>3</sup> were sourced from traceable origin and from lower-impact sources, in compliance with the requirements of the certifications on responsible raw material sourcing.

Furthermore, regarding chemical management, Bonotto achieved, already in 2022, the ZDHC Foundational level certificate, which was maintained in 2023.

The scope of the Company's operations has allowed Bonotto great influence in nurturing Italian craftsmanship and know-how.

Since the 1970s Bonotto has eschewed a "business as usual, profit before all else" approach. By balancing "profit", with "people" and "process", Bonot-

to pioneered a different value system for business. Today, Bonotto embraces diversity, ensuring the workplace is inclusive for people of varying backgrounds and atypical lifestyle choices. This, of course, comes naturally to an organization that has embraced avant-garde art, and the boundary-pushing artists who create it. In 2023 we began training programs for staff, to promote diversity and inclusion. This is in recognition of the need to reach targets, and to ensure that our workplace is welcoming for those who might feel marginalized for their lifestyle choices, or for belonging to a minority community.

In 2023, Bonotto sourced 40% of its electricity from renewable sources, contributing to the Group's goal to achieve 100% electricity from renewable sources in Europe and the US by 2024.

**Our production philosophy is what represents us best, and the environmental challenges inspire us to combine this philosophy with a more conscious use of energy and resources.**



<sup>2</sup> The Group's Animal Welfare Policy is publicly available on the corporate website at this [link](#).

<sup>3</sup> Includes wool, cashmere, cotton, leather, man-made cellulose, polyester and linen.

# Our ESG Commitments

The second Bonotto Sustainability Report explains the Company's philosophy. Sustainability stands at the forefront of our Company's strategy and culture. We boast a strong commitment to sustainability, and this report serves as a testament to our continuous endeavors in fostering positive change towards a socially responsible future for the industry. Bonotto has carefully considered the materiality analysis conducted by the Ermenegildo Zegna Group. This reflective process has led us to pinpoint key sustainability topics that are vital to our operations and to the legacy we aim to build.

After careful evaluation, the following topics were identified as crucial to Bonotto:

## **GOVERNANCE**

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**Sustainable Sourcing & animal welfare**

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**Data privacy & cybersecurity**

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**ESG culture, integrity & trasparenza**

## **SOCIAL**

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**Human & labor rights**

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**Employee wellbeing**

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**DE&I (diversity, equity & inclusion)**

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**Education & training**

## **ENVIRONMENT**

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**Water & chemical management**

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**Packaging & plastic pollution**

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**Circularity, durability & eco-design**

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**Carbon emissions & energy management**

## GOVERNANCE

Bonotto protects the interests of all its stakeholders through transparent and effective governance. Our system of administration and control promotes integrity and transparency, enables the creation of long-term value for shareholders and other stakeholders, and supports the accountability of the industry.

The governance model adopted by the Company, as set out in the Articles of Association, is structured according to the traditional administration and control model, and consists of the following bodies:

- Shareholders' Meeting
- Board of Directors
- Board of Statutory Auditors

The Board of Directors as of 31.12.23 was composed of 5 members: 1 Chairman, 2 Executive Directors, 2 Non-Executive Directors.

Since 2019 the Company voluntarily adopted a Model of Organization, Governance and Control under Legislative Decree 231/2001 (model 231). Adopting model 231 involves implementing a governance and control system that protects the Company against the risk of crime committed by any qualified representative of the Company in interest or to advantage of the Company itself. In Italy, model 231 is the main legislative tool for preventing crime under the decree 271/01 within organizations, giving organizations an added layer of assurance to help prevent crime and to signal their sincerity in doing so to the justice system.



BOARD COMPOSITION BY GENDER AND AGE TIER		
	Gender	Age Tier
<b>Chairman of the Board of Directors</b> Franco Ferraris	Male	>50
<b>Executive Directors</b> Giovanni Bonotto Lorenzo Bonotto	Male Male	>50 >50
<b>Non-Executive Directors</b> Paolo Zegna di Monte Rubello Franca Calcia	Male Female	>50 >50

Bonotto adopted model 231 not only to prevent crime and reduce its corporate administrative responsibility, but also to raise staff awareness to prevent potential crime, improve governance and ensure compliance with ethical standards. Adopting the model entailed a raft of changes within the Company, including the

implementation of controls, the redefinition of responsibilities and accountability, segregation of duties, and the adoption of procedures to mitigate the risk of crimes. These measures were supported by extensive staff training.

## Code of Ethics

As part of the Ermenegildo Zegna Group, Bonotto has adopted the Group's Code of Ethics (the Code), published on the Group's corporate website<sup>4</sup>.

Bonotto upholds and adheres to principles and values such as legality, integrity, equality, impartiality, transparency, correctness, reliability, professionalism, confidentiality, human resources, human rights, health and safety, environmental protection, and fair competition.

To instill and promote these principles and values throughout the organization, the Code of Ethics serves as the foundation of the Company's governance model. It offers crucial guidance to executives, employees, and stakeholders on conducting their roles responsibly and ethically, ensuring adherence to laws and regulations.

The Code of Ethics is communicated to employees and third parties in a thorough and appropriate manner. Online training of the Code is regularly provided to employees to ensure proper understanding and adoption of ethical and compliant behavior. Employees are mandated to inform third parties with whom they have business dealings about the provisions of the Code with which they must comply.

Furthermore, to incorporate such principles into day-to-day business practices, Bonotto adopted the Group's Supplier Code of Conduct, as well as specific policies related to anti-corruption, anti-money laundering and sanctions, as well as diversity, equity and inclusion.

In 2023, Bonotto had zero non-compliance issues with laws and regulations, and zero legal actions against it for corruption, anti-competitive behavior, anti-trust, or monopoly practices.

## Whistleblowing

The Misconduct Reporting Policy<sup>5</sup>, adopted by the Group in December 2021 marks a pivotal step in promoting transparency and accountability within the organization. This policy is designed to empower all members associated with the Group to confidentially report any misconduct they encounter, free from concerns of retaliation. It lays out clear protocols for reporting, follow-up procedures, and protections for whistleblowers.

In line with the Group's values, Bonotto actively cultivates an open environment where employees and stakeholders are encouraged to voice their concerns. An extensive awareness campaign accompanied by mandatory training sessions was launched across the Group to ensure widespread understanding of the Misconduct Reporting Policy. To facilitate an efficient reporting process, the Group has implemented user-friendly communication channels, including a multilingual web portal and a dedicated hotline, both operational 24/7. These platforms, managed independently, guarantee confidentiality and enable direct communication between whistleblowers and the investigative team.

Under this policy, whistleblowers can submit reports through the designated channels or seek guidance from their supervisors or HR representatives without fear of retaliation. Bonotto and the Group emphasize that individuals acting in good faith will not face adverse consequences in the workplace.

Whistleblowers are encouraged to stay updated on their reports by periodically accessing the web portal or hotline and providing any additional information necessary for thorough investigations. This approach guarantees transparency and accountability throughout the reporting and investigative processes.

By upholding these principles and fostering a culture of openness, Bonotto aligns itself with the Group's commitment to maintaining a safe, ethical, and integrity-driven work environment.

<sup>4</sup> For more information see: [Group's Code of Ethics](#).

<sup>5</sup> For more information see: [Misconduct Reporting Policy](#).

## Group Code of Conduct for Suppliers

The Group’s Supplier Code of Conduct establishes a set of fundamental standards for all suppliers and subcontractors.

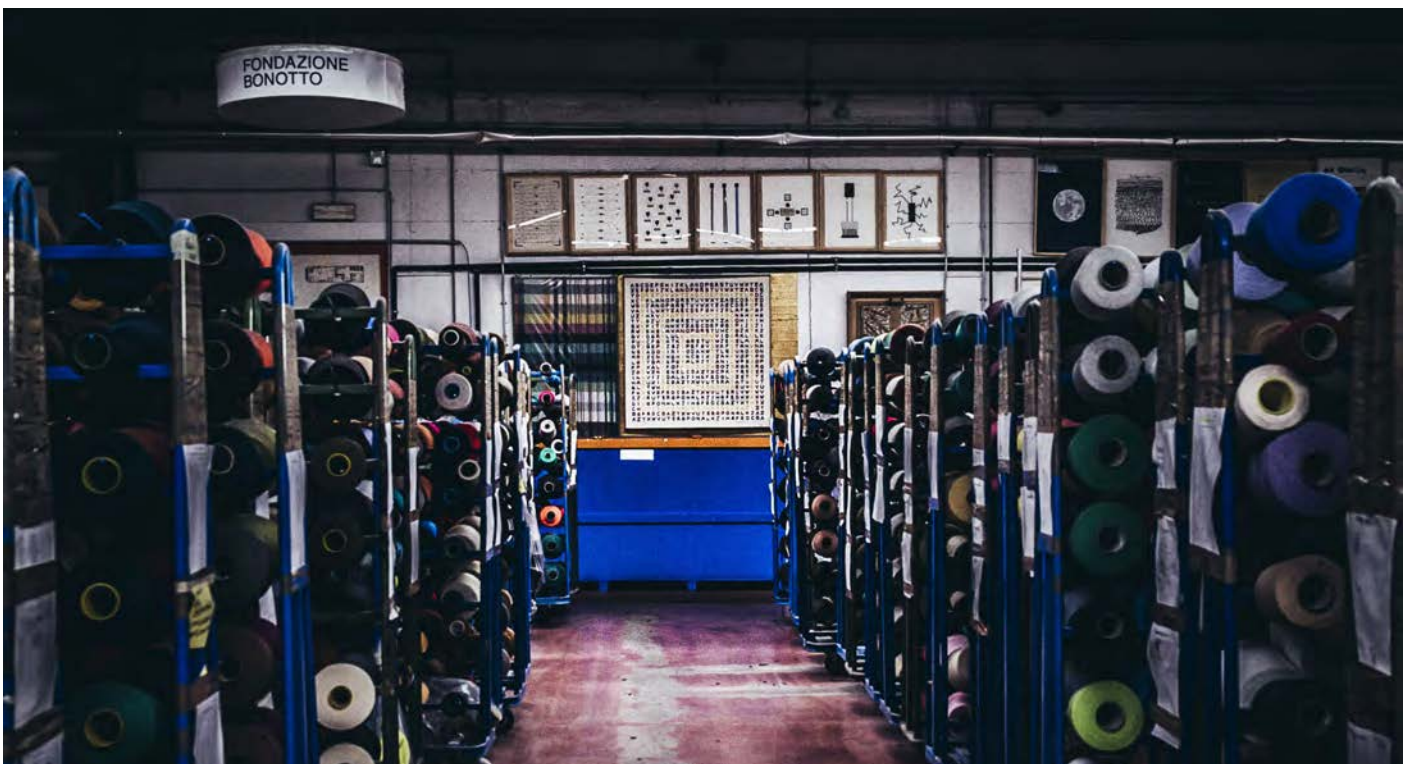
The Supplier Code of Conduct covers a wide range of environmental obligations, including compliance with both national and local wastewater discharge regulations, among other provisions. Further, it covers the protection of human rights, employee wellbeing, and employee safety. In short, we ensure that not only Bonotto, but the companies that supply Bonotto, are socially responsible organizations.

In 2024, Bonotto plans to adopt the updated Group Code of Conduct for Suppliers, which is currently being revised to meet further elevated standards reflecting evolving industry norms, regulatory demands, and heightened customer expectations. This updated Code of Conduct for Suppliers will raise the Company’s expectations for all stakeholders across the supply chain.

## Human Rights

SMETA, the world’s most widely used social audit, assesses adherence to international social standards and commitment to employees’ health and wellbeing, with a focus on improving the work environment <sup>6</sup>. In 2023, Bonotto underwent announced and unannounced audits by third party clients and from certifying entities. We also underwent the standard renewal audits for our existing certifications (GRS, GOTS, RAF, FSC) and successfully obtained the SFA certification for cashmere. We underwent three audits by various brands, and in each case, only minor observations were raised. This reaffirms the effectiveness of the control system implemented within our Company.

During 2023, the Group conducted audits targeting environmental and labor rights concerns within Bonotto’s supply chain. This proactive approach highlights our steadfast commitment to ethical and sustainable principles, aimed at promoting fair labor practices and ensuring the welfare of workers throughout our supplier base. Working alongside a third-party auditor, Bonotto performed comprehensive audits on selected suppliers, with a particular emphasis on health and safety protocols.



<sup>6</sup> SMETA (Sedex Members Ethical Trade Audit) 4 Pillar is a set of protocols for high-quality audits to be used in conjunction with current established practices for performing ethics audits; further information at this [link](#).

## SOCIAL

We believe in vertical integration, which means much of our value chain is managed within Bonotto rather than being outsourced. We value our workforce for its artisanal and craftsmanship excellence. Sustaining and indeed growing this intellectual capital is key to our strategy. By adding value to the lives and livelihoods of our employees, our brand reaps the benefits of their fine work. We are committed to improving the lives of our employees and of the communities they come from, to protecting human rights, and contributing to human and social capital.

Our culture is inclusive and fair; no one faces discrimination based on age, gender, sexual orientation, social status, race, language, nationality, political opinions, union membership, or religious beliefs. Everyone can grow, contribute, and succeed in their profession. We care for the wellbeing of our employees, including those facing health issues or special circumstances, by promoting work-life balance and overall employee welfare.

To consolidate our commitment to employee welfare, in 2023, we launched a special welfare initiative, providing our employees with shopping vouchers. This gesture is part of our ongoing effort to support

the overall wellbeing of our workforce, including those facing health issues or special circumstances, by promoting work-life balance and overall employee welfare.

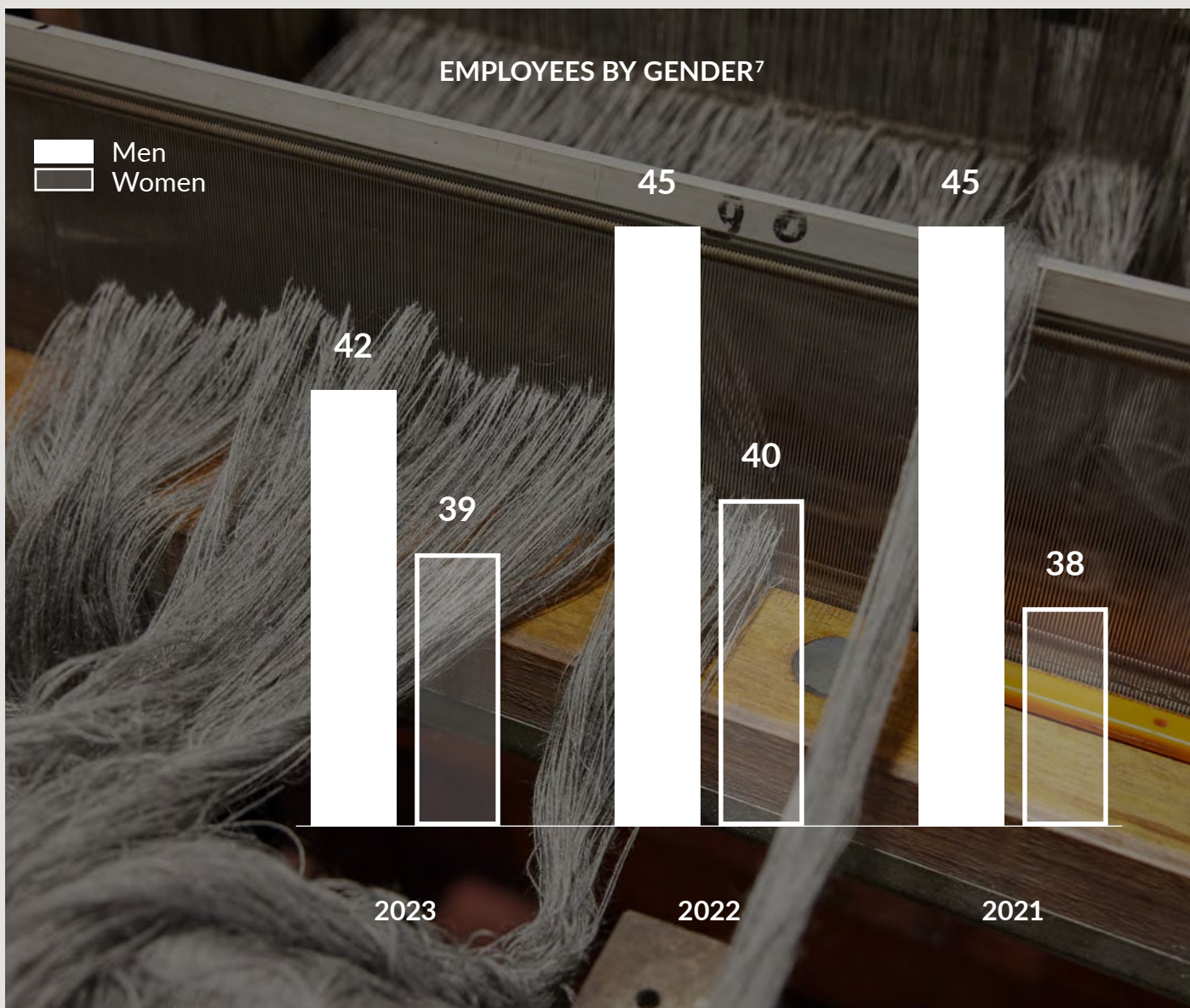
### Our Workforce

Our skilled workforce, through their artisanal expertise, enhances the value of our brands. Our 81 employees (as of 2023) add value to the craftsmanship excellence of the Group. 100% of our employees are covered by collective bargaining agreements, which regulate relations between employers and workers and facilitate agreement on working conditions.

Bonotto's overall composition has remained largely unchanged since 2022, with women employees composing more than 48% of the overall headcount.

Furthermore, we strive to improve diversity, equity and inclusion (DE&I) within the Company and in line with the Group's strategy. At the beginning of 2023 the Company started conducting training initiatives dedicated to raising awareness and educating employees on DE&I.





### WORKFORCE – BONOTTO

	At 31 December 2023	At 31 December 2022	At 31 December 2021
<b>Workforce</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
Employees	81	85	83
Non-employees <sup>8</sup>	5	0	0
<b>Total</b>	<b>86</b>	<b>85</b>	<b>83</b>

<sup>7</sup> Please note that the categories ‘Other’ and “Not disclosed”, considered at the Group level, is not applicable to Bonotto and was therefore not included in this representation.

<sup>8</sup> The category “Non-employees” for FY 2023 include only temporary workers.



### EMPLOYEES BY TYPE OF EMPLOYMENT (PERMANENT CONTRACT VS. FIXED TERM) BY GENDER

	At 31 December 2023			At 31 December 2022			At 31 December 2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent contract	42	39	81	43	36	79	44	36	80
Fixed-term contract	0	0	0	2	4	6	1	2	3
<b>Total</b>	<b>42</b>	<b>39</b>	<b>81</b>	<b>45</b>	<b>40</b>	<b>85</b>	<b>45</b>	<b>38</b>	<b>83</b>

In 2023, Bonotto employed a total of 42 men and 39 women. All employees in both categories were on permanent contracts in 2023, compared to 93% in 2022. This complete transition to permanent contracts for

our entire workforce reflects our commitment to investing in our people, developing their professional skills, and fostering a long-term, stable work environment.

### EMPLOYEES BY TYPE OF EMPLOYMENT (PART-TIME VS. FULL-TIME) BY GENDER

	At 31 December 2023			At 31 December 2022			At 31 December 2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	42	36	78	45	39	84	45	34	79
Part-time	0	3	3	0	1	1	0	4	4
<b>Total</b>	<b>42</b>	<b>39</b>	<b>81</b>	<b>45</b>	<b>40</b>	<b>85</b>	<b>45</b>	<b>38</b>	<b>83</b>

As of the end of 2023, 3 employees were working part-time. Our compensation policy is aligned with the Group's policy, which allows for a suitable balance of fixed and variable salary, allowing us to

reward initiative and to promote talent, while ensuring a dignified salary package to lower-earning employees. These matters are covered in detail in the Group's HR policies<sup>9</sup>.

<sup>9</sup> For more information on the Group's HR policies, please consult the Zegna Responsibility document, publicly available at this [link](#).

## BREAKDOWN OF EMPLOYEES PER CATEGORY ACCORDING TO GENDER <sup>10</sup>

	At 31 December 2023			At 31 December 2022			At 31 December 2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top executive	4	0	4	4	0	4	2	0	2
Management	5	0	5	5	0	5	5	0	5
Office sole contributor	15	14	28	15	13	28	19	14	33
Blue-collar	18	25	43	21	27	48	19	24	43
<b>Total</b>	<b>42</b>	<b>39</b>	<b>81</b>	<b>45</b>	<b>40</b>	<b>85</b>	<b>45</b>	<b>38</b>	<b>83</b>

In 2023, more than half (53%) of our workforce was composed by blue-collar workers, reflecting the fact that most of our activities revolve around production

processes, while the rest was made up of office workers, management and top executives.

## BREAKDOWN OF EMPLOYEES PER CATEGORY ACCORDING TO AGE GROUP

	At 31 December 2023				At 31 December 2022				At 31 December 2021			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Top executive	0	0	4	4	0	0	4	4	0	0	2	2
Management	0	4	1	5	0	5	0	5	0	2	3	5
Office sole contributor	1	6	22	29	0	4	24	28	1	8	24	33
Blue-collar	2	15	26	43	0	13	35	48	5	14	24	43
<b>Total</b>	<b>3</b>	<b>25</b>	<b>53</b>	<b>81</b>	<b>0</b>	<b>22</b>	<b>63</b>	<b>85</b>	<b>6</b>	<b>24</b>	<b>53</b>	<b>83</b>

The Company places a high value on experience as a pillar of success. We take pride in our mature workforce, whose average age hovers around 50, reflecting their dedication and long-standing

commitment to our firm. This year, we have seen a slight decrease in the overall number of employees, but notably, there's been a small increase in team members under 30.

<sup>10</sup>Please note that the terminology for employee categories in management positions has changed from 2022, due to a Group reclassification of professional categories; employees in management positions were grouped into two separate categories: "Top executive" and "Management".

## EMPLOYEES, NEW HIRES AND TURNOVER

	At 31 December 2022	2023		At 31 December 2023
	Employees	Employees turnover	Employees new hires	Employees
<b>Total</b>	<b>85</b>	<b>7</b>	<b>3</b>	<b>81</b>
Men	45	4	1	42
Women	40	3	2	39

In 2023, there were 3 new hires, consisting of 1 man and 2 women, all aged under 50 years. The overall new hire rate for the year was around 4%. In 2023, the Company had a turnover rate of approximately 9%.

## EMPLOYEES NEW HIRES BY AGE GROUP AND GENDER

	At 31 December 2023			At 31 December 2022		
	Men	Women	Total	Men	Women	Total
<30	1	0	1	0	0	0
30-50	0	2	2	3	5	8
>50	0	0	0	0	0	0
<b>Tot.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>8</b>

## EMPLOYEES TURNOVER BY AGE GROUP AND GENDER

	At 31 December 2023			At 31 December 2022		
	Men	Women	Total	Men	Women	Total
<30	0	0	0	1	0	1
30-50	0	1	1	1	2	3
>50	4	2	6	1	1	2
<b>Tot.</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>6</b>

**NEW HIRES RATE BY AGE GROUP AND GENDER <sup>11</sup>**

	At 31 December 2023			At 31 December 2022		
	Men	Women	Total	Men	Women	Total
<30	33.33%	—%	33.33%	—%	—%	—%
30-50	—%	11.76%	8.00%	3.52%	5.88%	9.40%
>50	—%	—%	—%	—%	—%	—%
<b>Total</b>	<b>2.3%</b>	<b>5.1%</b>	<b>3.7%</b>	<b>3.5%</b>	<b>5.9%</b>	<b>9.4%</b>

**TURNOVER RATE BY AGE GROUP AND GENDER <sup>12</sup>**

	At 31 December 2023			At 31 December 2022		
	Men	Women	Total	Men	Women	Total
<30	—%	—%	—%	1.17%	—%	1.17%
30-50	—%	5.88%	4%	1.17%	2.4%	3.52%
>50	12.90%	9.09%	11.32%	1.17%	1.17%	2.34%
<b>Total</b>	<b>9.5%</b>	<b>7.7%</b>	<b>8.6%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>7.0%</b>

<sup>11</sup> Please note that FY2023 and FY2022 data in the table are not comparable due to a change in the calculation methodology of employees new hire rates. For 2023 data, the rates of employee new hires were calculated using the gender-age breakdown of the Group employees at 31.12.2023 as the denominator, while for 2022 data the rates of employee new hires were calculated using the total global head count of the Group employees at 31.12.2022 as the denominator.

<sup>12</sup> Please note that FY2023 and FY2022 data in the table are not comparable due to a change in the calculation methodology of employees turnover rates. For 2023 data, the rates of employee turnover were calculated using the gender-age breakdown of the Group employees at 31.12.2023 as the denominator, while for 2022 data the rates of employee turnover were calculated using the total global head count of the Group employees at 31.12.2022 as the denominator.

## Career Development

At Bonotto, we prioritize the advancement of our employees’ careers, taking into account skills crucial to our business operations. We are dedicated to initiatives that enhance and expand the abilities of our workforce, fostering rewarding interactions among colleagues. Internal networking is actively encouraged, facilitating discussions on work-related matters across different departments.

In crafting training and development paths, we consider a multitude of factors including participants’ personalities, aptitudes, roles, and levels of seniority. Our programs are meticulously tailored to individual needs, spanning from group training sessions to personalized coaching sessions.

We offer a comprehensive range of training programs, both mandatory and voluntary, covering areas such as health and safety (H&S), compliance, job role induction, and technical product knowledge as per job requirements. Additionally, cybersecurity training is provided in alignment with the Group’s overarching training objectives.

Furthermore, in our ongoing efforts to enhance the soft skills of our workforce, managerial coaching and performance improvement initiatives were in-

troduced during the review period. Training sessions were delivered through various mediums, including face-to-face and remote platforms.

Recognizing the importance of continuous skill development, particularly for our blue-collar workers, we ensure ongoing on-the-job training, although these activities are not formally recorded in our management system. Dedicated training sessions tailored to each department are made available to all personnel.

In 2023, there was a significant increase in our average training hours, primarily driven by intensified focus on health and safety training for our employees (+145%). However, our emphasis extended beyond mandatory safety protocols to encompass a holistic understanding of our Environmental, Social, and Governance (ESG) objectives. This inclusive approach engaged all employees, irrespective of their roles or job descriptions.

These concerted efforts yielded positive outcomes, as evidenced by the substantial increase in average training hours, particularly for our blue-collar workforce. This underscores our unwavering commitment to enhancing the skills of the invaluable workforce essential to our production processes.

### AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY <sup>13</sup>

	At 31 December 2023			At 31 December 2022
	Men	Women	Total	Total
Top executive	1.14	0	1.14	1.50
Management	5.10	0	5.1	4.00
Office sole contributor	7.89	4.75	6.60	1.93
Blue-collar	9.82	5.08	7.44	2.75
<b>Total</b>	<b>7.72</b>	<b>4.96</b>	<b>6.09</b>	<b>2.49</b>

<sup>13</sup> For FY 2022 it was not possible to track the breakdown of hours of training by gender.

## Health & Safety

Ensuring the wellbeing of our employees is of utmost importance to us. As part of our commitment to health and safety, we provide business travel insurance to all employees, covering urgent medical expenses for those traveling on behalf of Bonotto. Moreover, we take extensive measures to protect them from workplace accidents.

To prevent any mishaps, we collaborate with experts to carefully identify potential hazards and apply effective mitigation strategies. Additionally, strict adherence to local health and safety regulations is a top priority for us. Regular internal and third-party health and safety inspections are conducted, to ensure compliance and to maintain a safe working environment for everyone.

The Company has a structured health and safety system, in line with D.Lgs 81/2008 (an Italian legislative decree that makes workplace safety the employer's responsibility). The business processes and inherent risks are outlined in detail in the Company's DVR (Document of Risk Assessment).

The investigation is carried out regularly by the maintenance manager, who is also the Company's representative for workers' health and safety, along with the Health and Safety Manager (RSPP<sup>14</sup>). The RSPP occasionally conducts on-site visits to assess the situation and ensure that measures implemented to preserve employees' health and safety are adequate and effective. The RSPP is always accompanied by the Employee's Safety Representative (RLS<sup>15</sup>), and once a year, the competent medical professional also attends these visits.

Additionally, we have an annual mandatory meeting, where sensitive cases are analyzed, attended by the Employer, RSPP, ERLS, Production Manager, CFO, and Controller.

Furthermore, the Company appointed a qualified doctor, whom employees consult with annually or biennially (once every two years). This same doctor conducts an annual medical inspection to assess the hygienic and sanitary conditions of the Company's premises. Before being hired, every employee must undergo a standard medical examination, which determines whether the person has the suitable characteristics to carry out the required job or if any limitations are noted. All workers receive mandatory safety training as required by regulations and when new machinery or equipment is installed, proper on-the-job training is always provided to the employees using them.

In mitigating occupational health and safety incidents, and associated hazards and risks, we take a ground-up approach. Risk is reduced through close communication between employees and their supervisors in all areas of the Company. Each work area averages only 6 to 8 employees, a small enough number for us to build trusting relationships between employee and supervisor, whereby all are free to communicate their concerns about potential risks and stop work if need be.

Regarding work-related injuries or fatalities, there have been none in 2023, continuing the trend of zero incidents over the past three years. These results point to the success of our workplace safety culture.

The number of hours worked by employees in FY 2023 was 134,400.



<sup>14</sup> From Italian, Responsabile del Servizio di Prevenzione e Protezione.

<sup>15</sup> From Italian, Rappresentante dei Lavoratori per la Sicurezza.

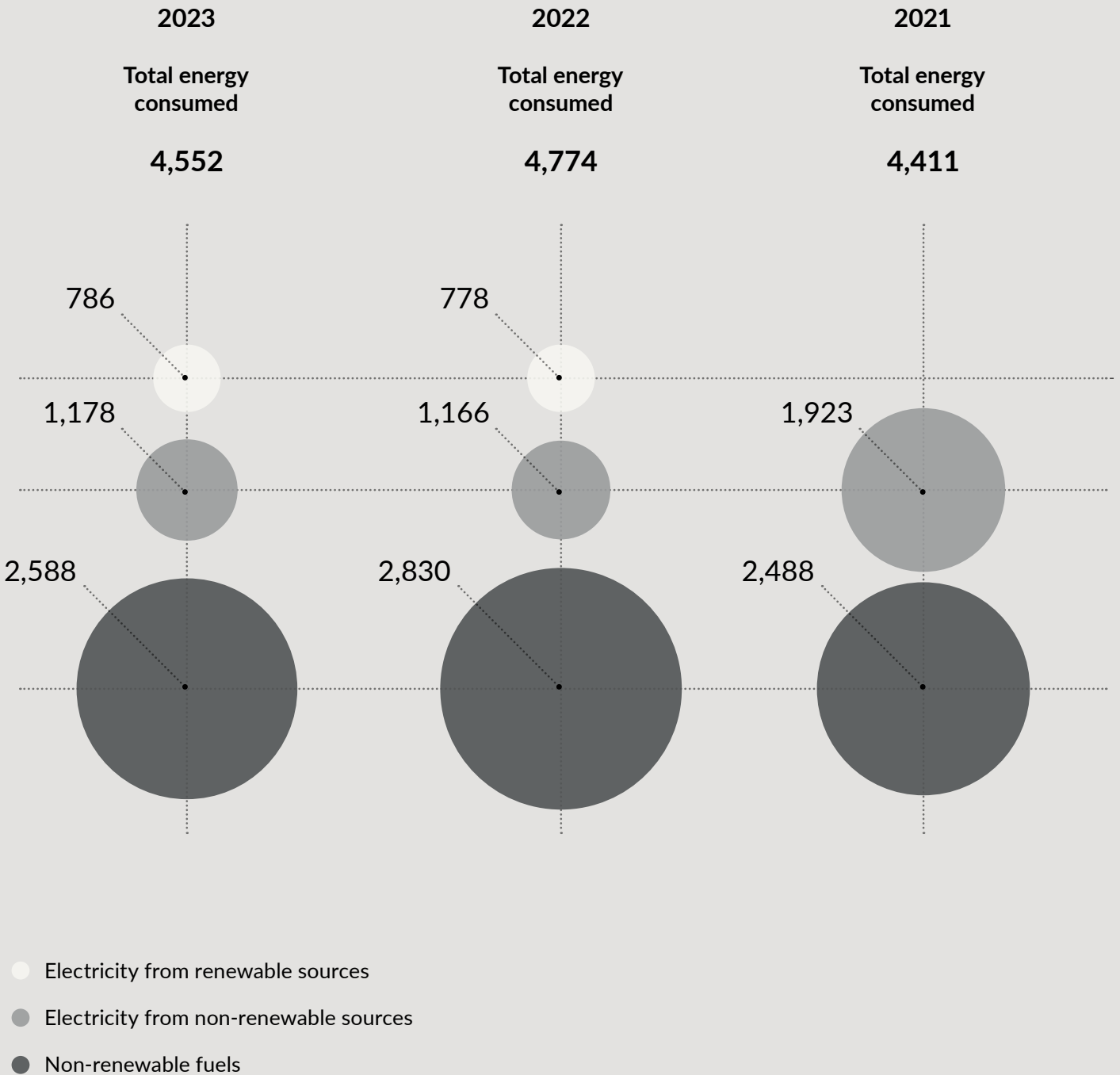


## ENVIRONMENT

At Bonotto we understand the importance of sustainability and environmental responsibility, and we address these issues earnestly. This report outlines the measures and initiatives we have taken to reduce our environmental impact, save resources, and

promote best practices across our operations. We are deeply committed to pursuing the goals that the Group has set, and we will keep on monitoring our efforts and our contribution to these goals.

### ENERGY CONSUMED BY THE COMPANY (GJ)





Bonotto's energy consumption decreased by approximately 5% in 2023 compared to 2022. Energy consumption consisted of non-renewable fuels (natural gas, diesel) of about 2,588 GJ, and electricity of about 1,964 GJ. Overall, there has been stability in the consumption of energy from all sources compared to 2022.

Natural gas is the main fossil fuel we consume (2,075 GJ), used exclusively for heating the offices and the production site. In 2023, consumption of natural gas decreased slightly (12%) from 2022; since our consumption is solely related to the central heating system and not to industrial processes, the decrease was likely achieved due to milder external temperatures compared to the previous year.

Fossil fuel (diesel) was also consumed in transportation, accounting for 513 GJ. Fuel consumption is calculated taking yearly mileage of vehicles into account. In 2023 the consumption of diesel increased by 12%.

The Company's electricity consumption was 1,964 GJ for 2023, roughly equivalent to 0.54 GWh. Of this 1,964 GJ, 786 GJ came from renewable sources, purchased through certificates of Guarantee of Origin. Continuing our commitment to increasing the purchase of renewable electricity, Bonotto has remained consistent with 2022, maintaining a 40% level compared to the Group's target for 2027 (100% electricity from renewable sources in all operations). Bonotto's goal is to reach 100% electricity sourced from renewable sources by 2024, reaching the Group's target in advance.

The energy consumption trend of Bonotto can be understood through the energy intensity ratio. While the energy consumed within the organization slightly increased in 2022, the significantly higher increase in revenues, resulting from Bonotto's expansion of operations, led to an overall decrease in the energy intensity ratio. The ratio decreased from 0.194 GJ/k€ in 2022 to 0.177 GJ/k€ in 2023.

#### ENERGY INTENSITY RATIO (GJ/K € REVENUE)

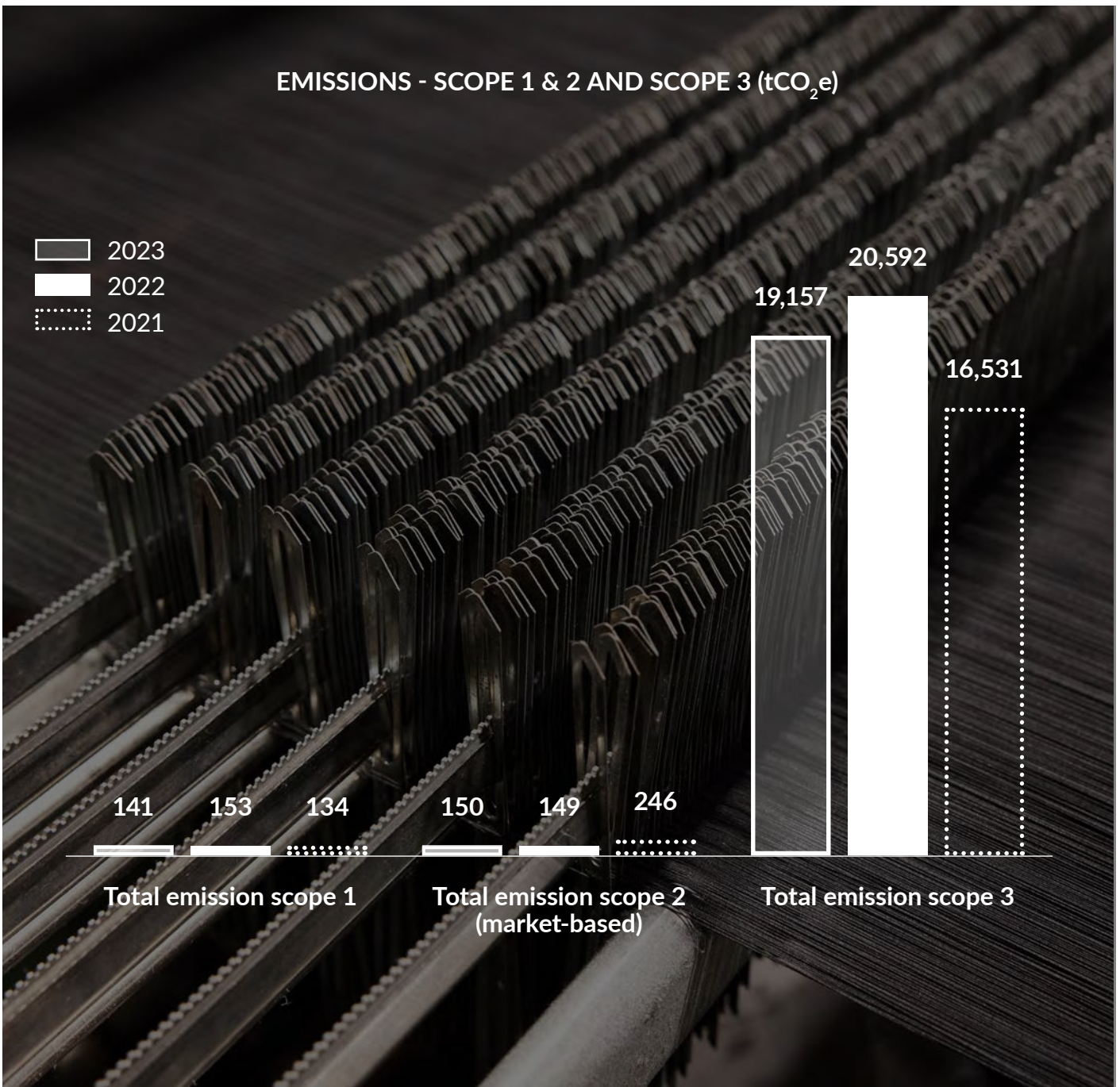
	2023	2022	2021
Total energy consumed (GJ)	4,552	4,774	4,411
Total revenues (k €)	25,657	24,552	17,764
<b>Energy intensity ratio (GJ/k €)</b>	<b>0.177</b>	<b>0.194</b>	<b>0.248</b>

### Bonotto's Carbon Footprint

The Group, along with Bonotto, began formally assessing carbon emissions in 2021. Scope 1 refers to the emissions directly generated by the Company from operations that are owned or controlled by the organization. As for Scope 2, these indirect emissions come from the electricity, steam, heat, or cooling that the company purchases and consumes. Scope 2 emissions are assessed using two methods: location-based and market-based.

The location-based method reflects the average emissions intensity of the national grids where the company's energy consumption occurs. In contrast, the market-based method accounts for emissions from electricity that Bonotto has specifically chosen.

In 2023, our combined Scope 1 and Scope 2 market-based emissions amounted to 291.41 tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e).



In comparison to the previous year, Bonotto experienced a slight decrease in scope 1 emissions in 2023, coinciding with our decreased consumption of natural gas. Emissions marginally increased by 0.67% for

the year when applying the market-based approach, mainly due to a refinement of the emission factors employed in the calculation.

### EMISSIONS - SCOPE 1 & SCOPE 2 (tCO<sub>2</sub>e)

	2023	2022	2021
<b>Total emissions scope 1</b>	<b>141</b>	<b>153</b>	<b>134</b>
Total emissions scope 2 (location-based)	132	170	171
Total emissions scope 2 (market-based)	150	149	246
<b>Total emissions scope 1 &amp; scope 2 (location-based)</b>	<b>291</b>	<b>323</b>	<b>305</b>
<b>Total emissions scope 1 &amp; scope 2 (market-based)</b>	<b>273</b>	<b>302</b>	<b>380</b>

### Scope 3 Emissions

Scope 3 emissions constitute those emissions generated from activities along Bonotto's value chain that are not directly owned or controlled by the Company.

It's crucial to highlight that as part of its commitment to the Science Based Targets initiative, the Group updated its methodology for calculating scope 3 emissions for both 2023 and 2022.

According to the calculation, scope 3 emissions for 2023 were 19,157 tonnes of CO<sub>2</sub>e. The table below

shows the emissions generated for each category considered in the analysis.

In 2023, Purchased goods and services (category 1) was the most significant, accounting for around 94% of the total emissions. Both Downstream transportation and distribution (category 9) and Processing of sold products (category 10) activities accounted for less than 3% of estimated scope 3 emissions, while the remaining categories cumulatively accounted for less than 1%.

EMISSIONS - SCOPE 3 (tCO<sub>2</sub>e)<sup>16, 17</sup>

Process / Activity - tCO <sub>2</sub> e		2023	2022	2021
1	Purchased goods and services	18,034	18,473	14,463
2	Capital goods	29	197	20
3	Fuel and energy-related activities (not included in scope 1 or scope 2)	150 <sup>18</sup>	76	72
4	Upstream transportation and distribution	47	853	1,349
5	Waste generated in operations	2	4	11
6	Business travel	23	25	17
7	Employee commuting	78	89	63
9	Downstream transportation and distribution	497	—	—
10	Processing of sold products	297	875	536
<b>Total scope 3 GHG emissions</b>		<b>19,157</b>	<b>20,592</b>	<b>16,531</b>

<sup>16</sup> Category 1 (Purchased goods and services) emission factors are based on Quantis "World Apparel and Footwear Life Cycle Assessment Database" (WALDB) and Ecoinvent v 3.9.1 database. Category 2 (capital goods) emission factors are based on the 2017 "US Environmentally-Extended Input-Output" (USEEIO) database, adjusted to 2023 inflation rate and the dollar/euro exchange rate. Category 3 (fuel and energy related activity), category 6 (business travel) emission factors are based on Ecoinvent v 3.9.1 database. Category 4 (upstream transportation and distribution) emissions factors are taken from GLEC 2.0, HBEFA v4.2, JEC 2020 and Ecoinvent v 3.9.1 database. Category 5 (waste generated) and category 7 (employee commuting) emission factors are based on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2023). Category 10 (processing of sold products) emission factors are based on Quantis "World Apparel and Footwear Life Cycle Assessment Database" (WALDB).

<sup>17</sup> The following categories were considered not relevant for Bonotto and were not calculated: categories 8 (upstream leased assets), 11 (use of sold products), 12 (end-of-life treatment of sold products), 13 (downstream leased assets), 14 (franchises), and 15 (investments). Category 9 (downstream transportation and distribution) was calculated in 2023 for the first time.

<sup>18</sup> The calculation methodology for the category was updated as the Quantis Scope 3 Evaluator tool, previously used for the calculation in 2022 and 2021 has been discontinued in 2023.

Overall, Bonotto's total scope 3 emissions have decreased slightly but significantly by 7% in 2023 versus 2022. Combined with an increase in total revenues, the scope 3 emission intensity ratio has significantly reduced by 11% in 2023.

Overall, all categories of scope 3 emissions have decreased in 2023 apart from category 3, Fuel and energy-related activities (+50%), and category 9,

Downstream transportation and distribution, which has been calculated for the first time in 2023.

Category 1, Purchased goods and services, remained rather stable in 2023 with a decrease of 2%, while other categories decreased significantly, such as category 2, capital goods (-89%), category 4, Upstream transportation and distribution (-94%), and category 10, Processing of sold products (-43%).

**GHG EMISSIONS INTENSITY RATIO (tCO<sub>2</sub>e/K € REVENUES)**

	2023	2022	2021
Total revenues (k €)	25,657	24,552	17,764
Total emissions scope 1&2 - market based (tCO <sub>2</sub> e) GHG intensity ratio (tCO <sub>2</sub> e/ k €)	273 0.010	302 0.012	380 0.021
Total emissions scope 3 (tCO <sub>2</sub> e) GHG intensity ratio (tCO <sub>2</sub> e/ k €)	19,157 0.747	20,592 0.839	16,531 0.931



# Raw Materials Traceability & Circularity

Bonotto follows the tradition of the Group, producing quality natural fibers that have been appropriately sourced.

Furthermore, Bonotto is committed to contribute to the Group's target of sourcing top priority raw materials (wool, cashmere, cotton, leather, man-made cellulose, polyester and linen) with at least 50% traced to the geography of origin and from lower-impact sources by 2026. In 2023, 35% of Bonotto's share of top-priority raw materials were sourced from traceable origin and from lower-impact sources. This milestone was predominantly accomplished by the procurement of Responsible Wool Standard (RWS) wool, Global Organic Textile Standard (GOTS) cotton, Global Recycle Standard (GRS) polyester, Forest Stewardship Council (FSC) certified man-made cellulosic and Sustainable Fiber Alliance cashmere.

In 2023, 76% of materials purchased by Bonotto were renewable<sup>19</sup>. Animal fibers (wool, silk, cashmere, and other animal fibers) accounted for a third of the total materials purchased by Bonotto. Plant-based fibers (cotton, linen, and other vegetable fibers) are also an important asset for Bonotto, and in 2023 accounted for 29% of purchased materials. Synthetic fibers, mainly consisting of polyester, accounted for 24% of total raw materials. Furthermore, man-made cellulosic

also was a key resource in 2023, accounting for 14% of total materials.

Our long-term relationship with suppliers gives us the leverage and trust to promote best-practice principles in responsible sourcing. Through ongoing engagement, we are raising the standard for certification, transparency, and traceability of our raw materials. Further, we use animal-derived fibers only from species that are not at risk of extinction, and we follow the sourcing requirements as set down in the Group's Animal Welfare Policy<sup>20</sup>.

As part of our sustainable practices, we have successfully incorporated recycled materials in our production cycle, aligning with the Global Recycle Standard (GRS) certification criteria. A significant portion of our fabrics have already achieved GRS certification, indicating potential for further sustainable development. Our approach to packaging, in partnership with a key industry supplier, ensures recyclability rates between 60% and 70%. In 2023, 56% of our polyester came from recycled sources. We also purchased 74% of recycled cashmere, 5% of recycled synthetic fibers and 1% of recycled cotton and recycled wool. This effort is part of our comprehensive strategy to reduce our environmental footprint.

<sup>19</sup> Raw materials considered renewable: animal fibers and skins, vegetable fibers, paper & cardboard, man-made cellulose.

<sup>20</sup> The Group's Animal Welfare Policy is publicly available on the corporate website at this [link](#).

## MATERIALS SOURCED AND SHARE OF CERTIFIED PRODUCT IN 2023

Raw materials	Amount purchased - approximate (metric tonnes)	Standards of certifications	Amount certified - approximate (metric tonnes)	Share certified (% on total amount of raw material category)
Wool	130.74	Responsible Wool Standard (RWS)	27.92	21%
		Global Recycle Standard (GRS)	0.81	1%
Cotton	96.81	Global Organic Textile Standard (GOTS)	30.20	31%
		Global Recycle Standard (GRS)	1.38	1%
Polyester	72.31	Global Recycle Standard (GRS)	40.47	56%
Man made cellulosics	59.85	Forest Stewardship Council (FSC)	32.24	54%
Other Synthetic Fibers	31.07	Global Recycle Standard (GRS)	1.53	5%
Linen	22.64	N/A	0.00	—%
Other Animal Fibers	2.95	N/A	0.00	—%
Silk	2.94	Global Recycle Standard (GRS)	0.10	3%
Other Vegetable Fibers	1.94	Global Organic Textile Standard (GOTS)	1.81	93%
Cashmere	1.21	Global Recycle Standard (GRS)	0.90	74%
Paper & Cardboard	0.97	N/A	0.00	—%
Other	0.17	Global Recycle Standard (GRS)	0.06	36%
<b>Total</b>	<b>423.61</b>		<b>137.41</b>	<b>32%</b>

## Responsible Wool Standard (RWS)

The Responsible Wool Standard (RWS) is a certification program that ensures the welfare of sheep and the responsible management of wool farms. It covers various aspects such as animal welfare, land management, and traceability throughout the supply chain. The RWS prohibits mulesing, a controversial practice in which skin is removed from the rear of sheep to prevent flystrike. Instead, it encourages ethical and sustainable practices that prioritize the well-being of animals and the environment. The standard also requires transparency and documentation to verify that certified wool products meet these rigorous criteria.

## Global Recycled Standard (GRS)

Global Recycled Standard (GRS) is a voluntary international standard that sets requirements for third-party certification of recycled input and chain of custody.

The objectives of the standard are:

- Alignment of recycled definitions across multiple applications;
- Verification of recycled content in products;
- Providing consumers (both brands and end consumers) with a tool to make informed decisions;
- Reducing harmful impact of production to people and the environment;
- Providing assurance that products are processed more sustainably; and
- Driving higher percentages of recycled content in products.

## Global Organic Textile Standard (GOTS)

GOTS is the worldwide textile processing standard for organic fibers. It includes ecological and social criteria, and is backed up by independent certification of the entire textile supply chain. GOTS-certified final products may include fiber products, yarns, fabrics, clothes, home textiles, mattresses, personal hygiene products, food-contact textiles, and more.

## Forest Stewardship Council (FSC)

The Forest Stewardship Council (FSC) certification is a trustworthy and globally recognized standard for responsible forest management. It ensures that forests are managed in a sustainable manner, while also protecting wildlife habitats, respecting indigenous communities' rights, and promoting responsible forestry practices.

The FSC certification ensures that products such as wood and paper are sourced from responsibly managed forests, thereby reducing deforestation and supporting environmental conservation. It also encourages businesses to follow strict social and environmental standards, promoting transparency and accountability in the forestry industry. The FSC label gives consumers confidence that they are purchasing products that contribute to a more sustainable future.

## Sustainable Fiber Alliance Certification (SFA)

The SFA Cashmere Standard defines best practice for responsible cashmere production and lays out the definition of responsible cashmere production with five global principles, which are that herder:

- Ensure the welfare of their goats;
- Safeguard biodiversity and use land responsibly;
- Promote decent work;
- Preserve and enhance fiber quality;
- Operate an effective management system.

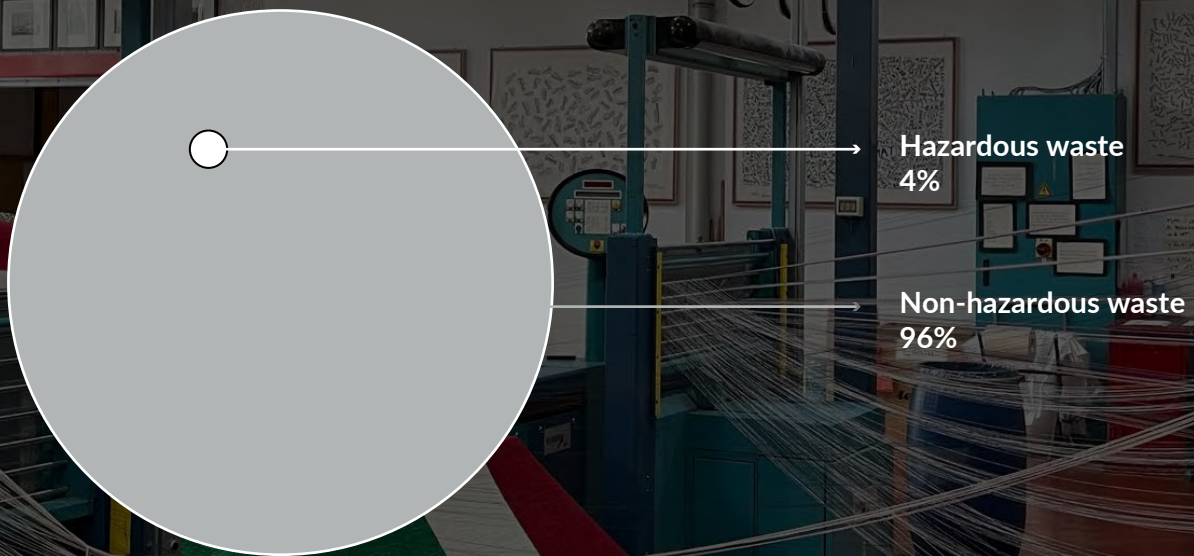


# Waste Management

Effective waste management and more sustainable choices for packaging can help reduce soil and water pollution and prevent biodiversity loss. There are also

health benefits for communities in reducing pollution and plastic contamination.

## WASTE GENERATED IN 2023 (t)



Internal waste production at Bonotto production sites is managed according to local regulations. In 2023, the total waste generated was 105 tonnes, of which about 22% (23t) was recovered through recycling. Hazardous waste, generated in minimal quantities and typically resulting from machinery maintenance and repair, has seen a decrease since 2022.

On the other hand, non-hazardous waste consists mainly of processed textile fibers and waste packaging:

wooden, paper or mixed. This waste is managed and disposed of according to local regulations.

Overall waste increased by 18%, primarily because in early 2023 a significant amount of ordinary waste accumulated at the end of 2022 was disposed. Additionally, two special waste disposal initiatives, targeting bulky items and electrical equipment, were undertaken to improve the cleanliness and organization of specific areas within the facility.

**WASTE DIVERTED FROM AND DIRECTED TO DISPOSAL (t) <sup>21</sup>**

	At 31 December 2023				At 31 December 2022			
	Waste diverted from disposal	Waste directed to disposal			Waste diverted from disposal	Waste directed to disposal		
	Recycling	Incineration (without energy recovery)	Other disposal operations	Total	Recycling	Incineration (without energy recovery)	Other disposal operations	Total
Hazardous waste	0	0	4	4	0	0	6	6
Non-hazardous waste	23	78	0	101	32	51	0	83
<b>Total</b>	<b>23</b>	<b>78</b>	<b>4</b>	<b>105</b>	<b>32</b>	<b>51</b>	<b>6</b>	<b>89</b>



<sup>21</sup> Data related to FY 2021 is not available as this indicator started to be disclosed from 2022.

# Water

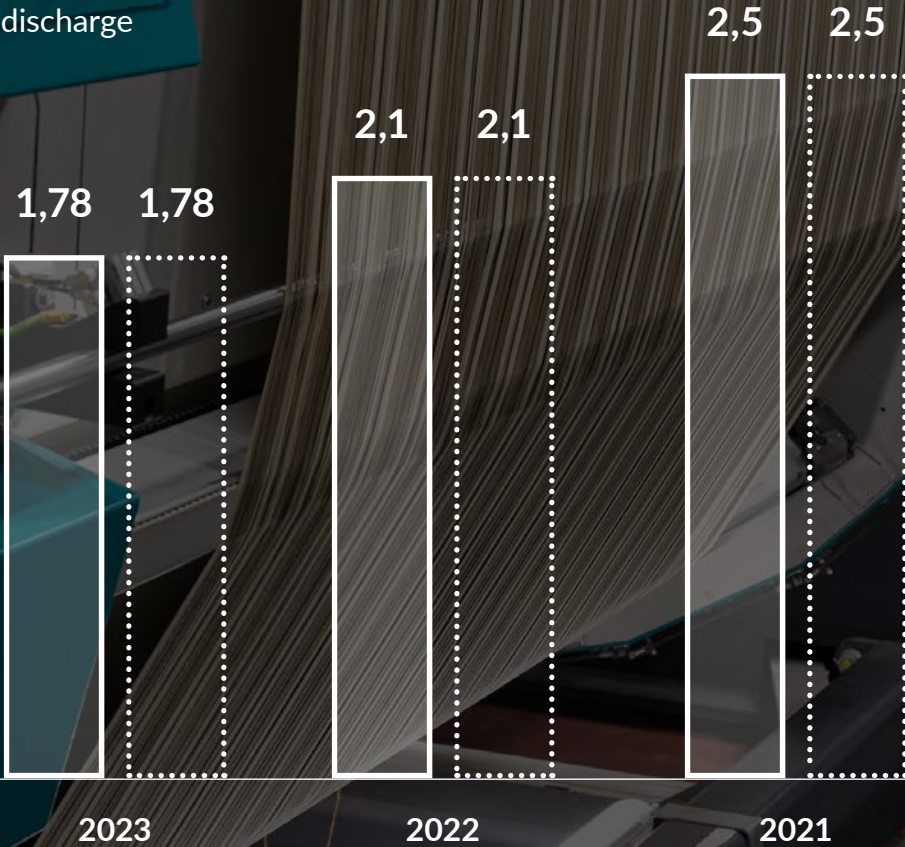
The water withdrawn by Bonotto comes entirely from a third-party water supplier. In 2023, our withdrawal dropped to 1.78 ML, -15% compared to 2022, continuing a positive trend of conscious resource use that began in 2021.

Bonotto's data on water discharge equals water withdrawn. Water is exclusively used for personal purposes, as our production processes do not require water. All water discharged is third-party water, and no water is lost in the atmosphere or through other means.

In terms of chemical management, the Group set its goal to achieving ZDHC (Zero Discharge of Hazardous Chemicals) Foundational compliance level (Manufacturing Restricted Substances List, wastewater) for all Group production sites by 2023. The Group achieved its goal in 2023 with Bonotto already achieving ZDHC Foundation compliance one year in advance of the Group's target.

WATER WITHDRAWAL AND DISCHARGE (ML)

- Freshwater withdrawal
- ⋯ Freshwater discharge



# Methodological Note



This document represents Bonotto S.p.A.'s second Sustainability Report, voluntarily issued since the initiation of these reports in 2022. Our purpose is to provide external and internal stakeholders with an overview of the current situation and future plans concerning Environmental, Social, and Governance actions and performance.

In our effort to report on the Company's sustainability performance with transparency and comparability, the report has been drafted based on a selection of the GRI Sustainability Reporting Standards. Given that we are not using the GRI Standards in full, but only a selection of the ones relevant to our operations, our report is a "with reference to" GRI Standards. We are committed to ensuring full transparency by detailing which GRI Standards and disclosures have been included, in our "GRI Content Index" section.

The indicators included in this report were selected based on their relevance and coherence with the Group's operational scope. Specifically, this report, being voluntary, has not been subject to external third-party assurance.

The reporting perimeter refers to Bonotto S.p.A., with headquarter and operations at Via Louvigny, 39, Colceresa (VI), Italy.

The information and data in this publication pertains to the fiscal year 2023 (from 1 January to 31 December).

Moreover, this document shows the performance trends for the three-year period 2021-2022 and 2023, where available. In case data already disclosed in prior years have been changed, specific mention is made in the text, including the reasons for restatements.

Any exceptions are made explicit in the text of the document. In the "GRI Content Index" section, there is a breakdown of the information reported according to the performance indicators defined by the GRI.

The periodicity of the publication of the Sustainability Report is set according to an annual frequency. This report was prepared in alignment with the Group Sustainability Report, which is publicly available on the corporate website.

For more information regarding the Ermenegildo Zegna Group Sustainability Report and Bonotto Sustainability Report, please contact:

**Massimiliano Pigatto**

Controller & Sustainability Manager, Bonotto S.p.A.  
Email: [massimiliano.pigatto@bonotto.com](mailto:massimiliano.pigatto@bonotto.com)

# GRI Content Index

GRI STANDARD	Description	Page Number	Omissions / Notes
Statement of use	Bonotto S.p.a. has reported with reference to the GRI Standards for the period from 01-01-2023 to 31-12-2023		
<b>GRI 1 USED</b>	<b>GRI 1: Foundation 2021</b>		
Applicable GRI Sector Standard(s)	Not Applicable		
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
GRI 2-1	Organizational details	p. 45	
GRI 2-2	Entities included in the organization's sustainability reporting	p. 45	
GRI 2-3	Reporting period, frequency and contact point	p. 45	
GRI 2-4	Restatements of information		Not applicable
GRI 2-5	External assurance		Not applicable
GRI 2-6	Activities, value chain and other business relationships	p. 8	
GRI 2-7	Employees	p. 24-25	
GRI 2-8	Workers who are not employees	p. 24-25	
GRI 2-9	Governance structure and composition	p. 20	
GRI 2-19	Remuneration policies		<a href="#">Remuneration Policy.pdf</a>
GRI 2-20	Process to determine remuneration		<a href="#">Remuneration Policy.pdf</a>
GRI 2-22	Statement on sustainable development strategy	p. 4	
GRI 2-23	Policy commitments	p. 20-22	
GRI 2-24	Embedding policy commitments	p. 20-22	
GRI 2-26	Mechanisms for seeking advice and raising concerns	p. 20-22	
GRI 2-27	Compliance with laws and regulations	p. 20-22	

GRI 2-30	Collective bargaining agreements	p. 23	
<b>GRI 3: MATERIAL TOPICS 2021</b>			
GRI 3-1	Process to determine material topics	p. 19	
GRI 3-2	List of material topics	p. 19	
<b>SUSTAINABLE SOURCING &amp; ANIMAL WELFARE</b>			
GRI 3-3	Management of material topics	p. 38-40	
GRI 301-1	Materials used by weight or volume	p. 39	
GRI 301-2	Recycled input materials used	p. 39	
<b>INTEGRITY &amp; TRANSPARENCY</b>			
GRI 3-3	Management of material topics	p. 20-22	
GRI 205-3	Confirmed incidents of corruption and actions taken	p. 21	
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<b>CARBON EMISSIONS &amp; ENERGY MANAGEMENT</b>			
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GRI 302-3	Energy intensity	p. 33	
GRI 305-1	Direct (Scope 1) GHG emissions	p. 34-35	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	p. 34-35	
GRI 305-3	Other indirect (Scope 3) GHG emissions	p. 35-37	
GRI 305-4	GHG emissions intensity	p. 37	
<b>WATER &amp; CHEMICAL MANAGEMENT</b>			
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GRI 303-2	Management of water discharge-related impacts	p. 43	
GRI 303-3	Water withdrawal	p. 43	
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GRI 303-5	Water consumption	p. 43	



<b>CIRCULARITY, DURABILITY &amp; ECO-DESIGN</b>			
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GRI 306-1	Waste generation and significant waste-related impacts	p. 41-42	
GRI 306-2	Management of significant waste-related impacts	p. 41-42	
GRI 306-3	Waste generated	p. 41-42	
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<b>DE&amp;I (DIVERSITY, EQUITY &amp; INCLUSION)</b>			
GRI 3-3	Management of material topics	p. 23	
GRI 405-1	Diversity of governance bodies and employees	p. 20, 26, 51	The Board is composed of 80% men and 20% women, considering in the calculation both Non-Executive and Executive Directors
<b>EMPLOYEE WELLBEING</b>			
GRI 3-3	Management of material topics	p. 23, 30	
GRI 401-1	New employee hires and employee turnover	p. 27-28	
GRI 401-2	Occupational health and safety management system	p. 30	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	p. 30	
GRI 403-3	Occupational health services	p. 30	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	p. 30	
GRI 403-5	Worker training on occupational health and safety	p. 30	
GRI 403-6	Promotion of worker health	p. 30	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 30	
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<b>EDUCATION &amp; TRAINING</b>			
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GRI 404-1	Average hours of training per year per employee	p. 29	
<b>HUMAN &amp; LABOR RIGHTS</b>			
GRI 3-3	Management of material topics	p. 22	
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<b>PACKAGING &amp; PLASTIC POLLUTION</b>			
GRI 3-3	Management of material topics	p. 38-42	

## ANNEX

**BREAKDOWN OF EMPLOYEES BY EMPLOYEE CATEGORY,  
BY GENDER AND BY AGE GROUP**

		At 31 December 2023		
		Men	Women	Total
Top executive	<30	0	0	0
	30-50	0	0	0
	>50	4	0	4
	<b>Total</b>	<b>4</b>	<b>0</b>	<b>4</b>
Management	<30	0	0	0
	30-50	4	0	0
	>50	1	0	1
	<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>
Office sole contributor	<30	1	0	1
	30-50	1	5	6
	>50	13	9	22
	<b>Total</b>	<b>12</b>	<b>14</b>	<b>29</b>
Blue collar	<30	2	0	2
	30-50	3	12	15
	>50	13	13	26
	<b>Total</b>	<b>18</b>	<b>25</b>	<b>43</b>
TOTAL	<30	3	0	3
	30-50	8	17	25
	>50	31	22	53
	<b>Total</b>	<b>42</b>	<b>39</b>	<b>81</b>