

Sustainability Report Year 2022



COLOMBO

Table of contents

Our 2022	3
History and values	6
Introduction to the Sustainability Report	9
Governance	16
Value chain	19
Personnel	25
Environment	33
Supply chain	48
Colombo Boutiques	53
Our goals for 2023	57
Methodology note	59

Our 2022

Goals achieved and new ambitious projects, an end and a beginning: we started from our achievements in the past year in order to plan our 2023. 2022 was characterised by growth, both in terms of production and in terms of turnover and was in line with the trends recorded in recent years. New and more modern machinery has been installed, the workforce has increased and the numerous targets set for the year in terms of reducing environmental impacts were achieved.



A turnover of **103 Mln** Euros

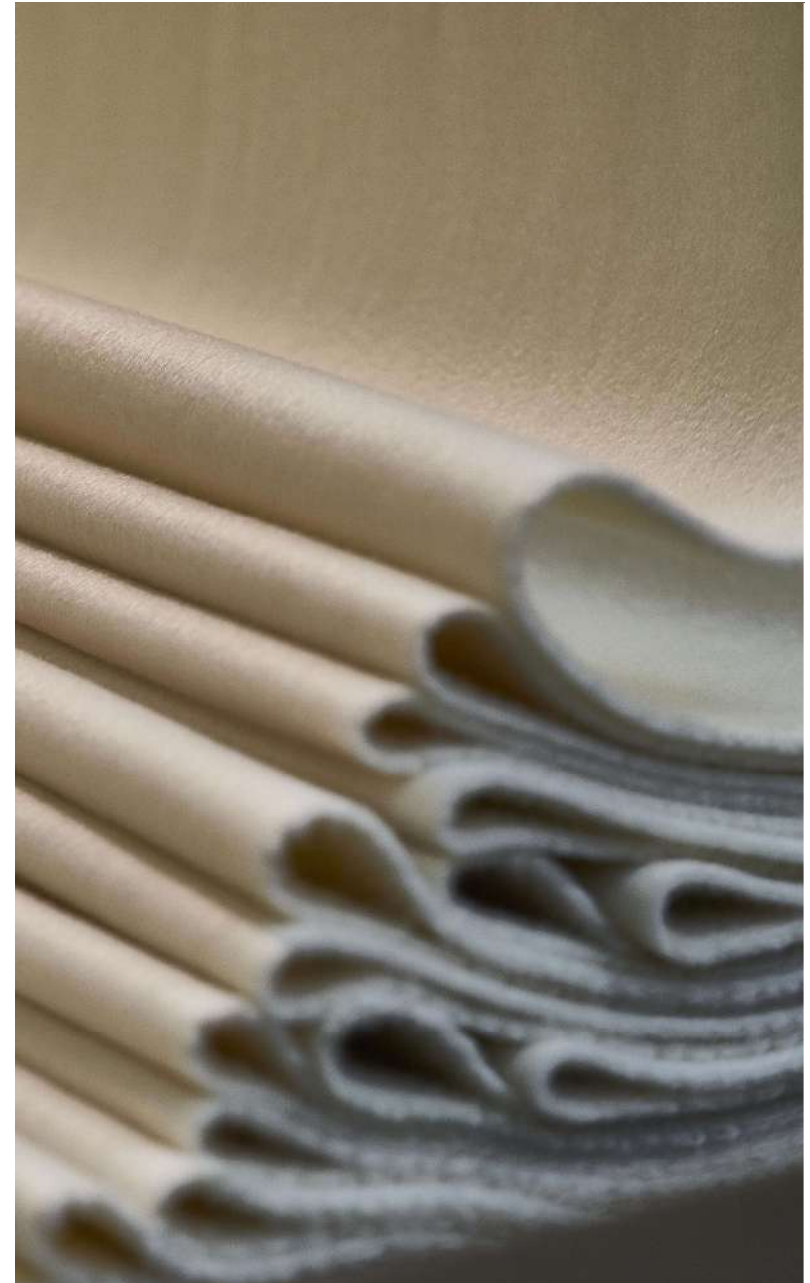
+ 5,8% of the workforce
+ 20 new recruits under 30
57% women



+ di 4.941
hours training

-208 tonCO₂
-13% tonCO₂/product unit
11 projects completed

+38% photovoltaic panels installed
-20,6% H₂O consumed
-83% sewage sludge



Projects envisaged in the 2021 Sustainability Report and completed



Projects scheduled for 2022	Progress
Overhauling the air-conditioning system in the weaving and warping departments	<i>Completed</i>
Overhauling the suction system of the trimming machines	<i>Completed</i>
Recovering the drums and tanks which contained chemicals	<i>Completed</i>
Sewage treatment plant renovation changes	<i>Completed</i>
Shutting down the unused transformer	<i>Completed</i>
Installing a belt press at the purifier outlet	<i>Completed</i>
Installing a new photovoltaic system on the roof of the Borgosesia production facility	<i>Completed</i>
Installing a new photovoltaic system on the roof of the Lissone production facility	<i>Completed</i>
Refurbishing the heating system serving the store in Romagnano	<i>Completed</i>
Installing a new Air Handling Unit (AHU) heat pump serving the store in Lissone	<i>Completed</i>
Complete re-lamping of the Borgosesia production facility	<i>Completed</i>

For future generations

An ancient proverb tells us that we do not inherit the Earth from our ancestors, we borrow it from our children. Our company has great respect for tradition, but above all we are a company that looks to the future: of the product, the market, the people, the new generations and the Planet.

We have accelerated further along the road towards sustainability, strengthened by our way of doing business that integrates business needs with respect for the environment and attention to social impacts.

The Company's solidity, together with a forward-looking strategy and the extraordinary strength of people, now in their third generation, who are driven by professionalism and passion, enable us to fulfil our commitments to future generations every day.

Determination. Passion. Tenacity. These are the characteristics which have always distinguished our work, and which have enabled us to address new challenging goals.

With this in mind, and above all in a supply chain as complex as that of textiles, our Company has strengthened its responsibility in building alliances with all the relevant key players with two major cornerstones: the quality of our products and sustainable innovation.

The commitment that our role as a world leader in the production of noble fibre fabrics requires of us is not limited to optimising our processes and our energy consumption. It includes being a guarantor for the entire economic cycle, it includes working with farmers to improve breeding techniques to make them more sustainable for the future, it includes working with all our partners to maximise the positive impacts which we can generate for the environment and society.



Roberto Colombo



History and values

Values become culture, and culture becomes quality

There are words which day after day lose their meaning, due to continuous, excessive, and unregulated use. Words like luxury and quality, with all the adjectives which accompany them and often end up giving a completely different meaning, such as, accessible luxury to enoble products which are simply well-made. One need only meet the Colombo family to rediscover the sense of expression that should be handled with caution. An ideal of perfection that demands will. This is represented by the delicate balance that arises from the contrasts of fast-slow, modernity-tradition and is the sign of this particular style that transforms the luxury of cashmere, guanaco, vicuña in personal pleasure, without ostentation. "One might say moral" because the entire path leading to these masterpieces is developed according to ethical criteria, respect for nature and man that is first of all self-respect and a code of conduct that Luigi left to future generations. It was 1938 and Luigi was eleven years old when his father Roberto, who was seriously ill, handed him this moral testament that his grandchildren still respect. Because this also happens in a land of Calvinist rigour, where work is the value that affects life and behaviour, but where one knows how to work with the heart.

Giusy Ferrè

It all began with a passionate man who not only gave this company a name, but deep-rooted values transmitted over time, the foundations on which the Colombo culture is based. From an early age Luigi Colombo turned his interest towards the niche sector of precious fibres, which are still the heart of production today, Noble fibres. Cashmere, kid cashmere, kid wool, vicuña, and camelhair are skilfully processed and transformed into precious fabrics in the historic headquarters of Lanificio Luigi Colombo, in the Borgosesia production facility.

Luigi's sons joined the company in the 1970s. Having laid the foundations, consisting of solid entrepreneurial skills, with the generational transition also came the company's international affirmation and collaborations with high fashion brands. Important and continuous investments in technology and constant research and development work to support a workforce rich in precious craftsmanship, have been the guidelines for the company's growth that has enabled great results to be achieved in recent years. And with these great results the first awards also arrived in 1995: the company was awarded by the European Union as the fastest growing company in the previous five years and for having the lowest average age in Europe, and was included as the only textile company in the Europe 500.



In 1997 Roberto Colombo received the Best European Medium-Sized Entrepreneur award as a result of the growth and the work carried out by all the staff, in 1999 he received the Entrepreneur of the Year award for the Research and Development category. In 2012 in Shanghai, he was presented with a special award at the Messe Frankfurt, the organising body of the Intertextile Trade Fair, where Mr. Colombo was one of the pioneers of the event. In 2013 one of the fabrics created by Lanificio Colombo was awarded “the most innovative and best in the world” at the Première Vision Awards. In 2016 Roberto Colombo was awarded the prestigious title of Knight of Work (“Cavaliere del Lavoro”) by the President of the Republic. And again, in 2019 at the Première Vision Awards Lanificio Colombo was the winner of the prestigious Gran Jury Prize, for the product with the most technological and innovative content with characteristics of modernity and extreme luxury. Today, in 2023, we work every day with the same commitment and the same passion that enabled us to achieve these results; our values have not changed: true values which have always been deeply rooted and transmitted over time; values which become culture, culture that becomes quality. These are values which speak of wisdom in the choice of the raw materials, corporate know-how, ties with the territory, and the bond between people.

Discover more
on our website

Introduction to the Sustainability Report

+ than 100

questionnaires sent out

Data collection campaign

1

Materiality assesment

Assessment of the

SIGNIFICANCE
and **PROBABILITY**

of the impacts

*Interweaving the
threads creates the whole*

GOVERNANCE 3 material topics

SOCIAL 3 material topics

ENVIRONMENTAL 4 material topics

Identification of
material topics

3

Alignment with **SDGs**

4



The attention dedicated to our product, to our staff and to our territory have always been the pillars of the company. Three pillars which go hand-in-hand with the concept of sustainability. Therefore, the idea of sustainability has gradually and naturally become part of our daily life, merging with the values which have always been part of our being. Sustainability is a complex, all-embracing term that encompasses multiple aspects. For us, sustainability represents the will to continue to grow while respecting those who drive our growth and our surroundings. The heart of Lanificio Colombo is our product, our goals are its quality and preciousness, the result of the care and wisdom of those who work to produce it, from the selection of the raw material to the careful control of the finished product, passing through all the complex processing stages, from spinning to weaving, to dyeing and finishing. For this reason, two other pillars play a fundamental role in our sustainability policy along with economic sustainability, which is essential to ensure a future and a growth outlook: social responsibility and respect for the environment. Moreover, these are the same three dimensions included in the 2030 Agenda for Sustainable Development adopted by the United Nations, the core of the 17 Sustainable Development Goals¹. The Sustainability Report is the natural consequence of the desire to demonstrate in this sense that for some time now it has been a fundamental part of the daily life of Lanificio Colombo's employees.



¹ The Sustainable Development Goals better known as SDGs, set in the 2030 Agenda by the United Nations and signed by 193 UN Member Countries represent the heart of the 2030 Agenda that provides a shared project for the peace and prosperity of the people and the planet, now and in the future.

Materiality analysis

The preparation of a survey aimed at identifying the material issues formed the basis for defining the issues on which to focus the 2022 Sustainability Report, and on which to direct our attention more in the sustainability strategy for 2023. The primary element of the analysis was to consider the company's goals, together with those of our *stakeholders*². The data collection campaign promoted by the company to support the analysis was fundamental for this purpose. More than 100 questionnaires were sent to all those who experience the company's environment and collaborate with Lanificio Colombo on the issue of sustainability, in order to involve as many of our stakeholders as possible: employees, suppliers, customers, but also the community in which Lanificio Colombo operates and the financial institutions with which it collaborates..

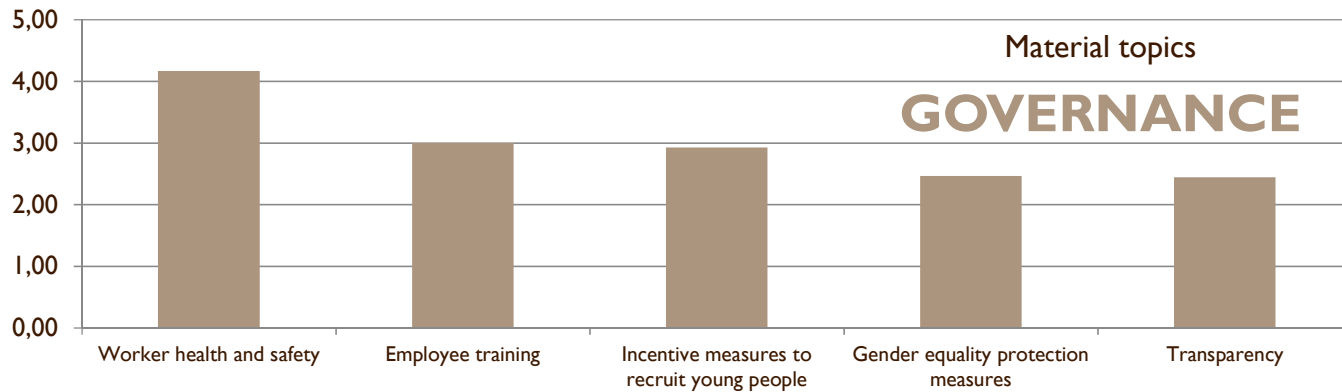
I nostri stakeholders



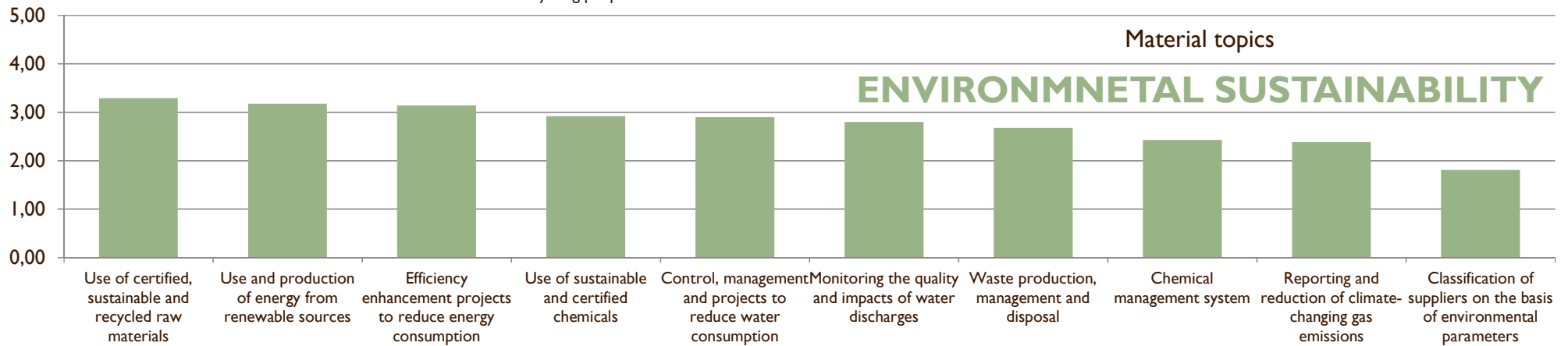
**+ than 100
questionnaires
sent to our
stakeholders**

The numerous responses received are evidence of the growing sensitivity to the issue of sustainability among all our stakeholders, a trend that is increasingly dominant in the “super-luxury” markets. The result of the analysis led to the identification of the issues to which our stakeholders are most sensitive. Real or potential positive and negative impacts were then associated with each of these issues.

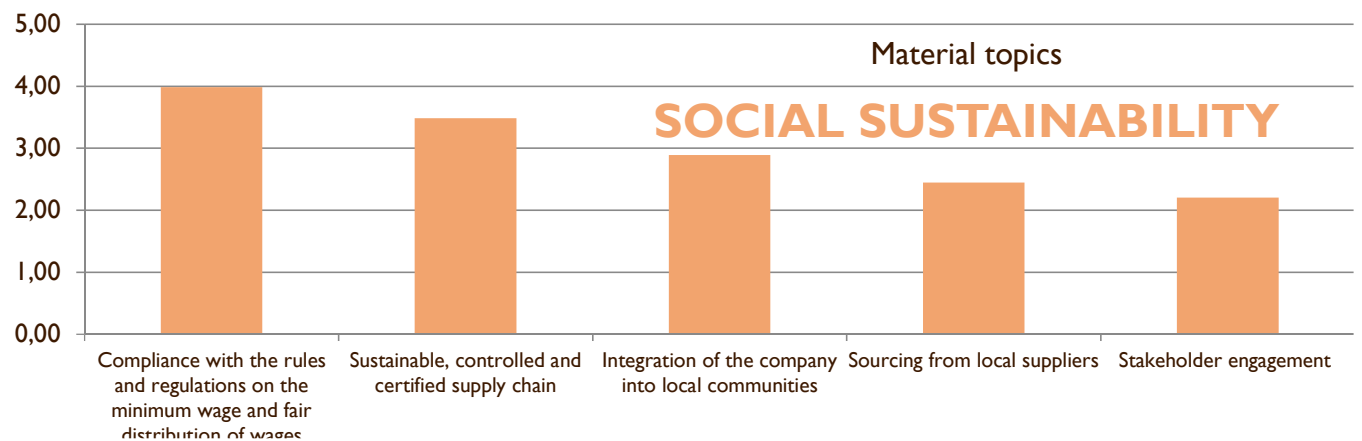
² Stakeholders are all those subjects, individuals or organisations, actively involved in an economic initiative (project, company), whose interest is negatively, or positively influenced by the outcome of the execution, or the performance of the initiative and whose action or reaction, in turn, influences the stages, or the completion of a project, or the fate of an organisation.



The opinion of our stakeholders matters



The graphs show the results on the relevance of the material issues, obtained by processing the answers to the questionnaires sent out and by normalising the score obtained by each issue so as to obtain a score on a scale from 1 to 5



The significance and the probability of occurrence for potential impacts were assessed for each impact. The impacts which obtained a higher score correspond to the so-called material issues and these are the core around which our sustainability strategy for 2023 has been built. The analysis revealed a greater sensitivity towards issues such as a sustainable and certified Supply Chain, compliance with minimum wage rules and regulations and integration of the company into local communities with regard to corporate **governance**. Towards issues such as Gender Equality Protection Measures, Workers' Health and Safety and Employee Training with regard to **social sustainability**. Towards Monitoring the quality and impact of water discharges, the Use and production of energy from renewable sources, Efficiency enhancement projects to reduce energy consumption and Waste production, management and disposal, with regard to **environmental sustainability** to which they are added.

GOVERNANCE



Sustainable, controlled and certified supply chain

By its very nature, the textile sector, and in particular, that of noble fibres, is characterised by a very extensive supply chain in geographical terms. The search for raw materials in distant lands implies coming into contact with different situations. A sustainable, controlled and certified supply chain is a guarantee of respect for these situations, workers' rights, decent working conditions, respect for animals and the ecosystem in which they live.

Compliance with the trade category CCNLs

The National Collective Labour Agreements (CCNLs) are employment contracts concluded by associations representing the workers, which differ according to the trade category and the organisations representing the employers' interests; they represent fundamental tools for the protection and enhancement of workers.

Integration of the company into local communities

A company can do a great deal for the area in which it operates. Investing in the local community means believing in its development, giving opportunities and prospects for growth to young people in the area.

The **materiality analysis** is a fundamental tool to identify **material issues**, namely, those issues which best reflect the organisation's possible significant impacts, or which influence the stakeholders' assessments and decisions in some way. The analysis results are reported by macro category – Governance, Social and Environmental Sustainability, based on the scores obtained.

SOCIAL SUSTAINABILITY



Protecting gender equality

Inclusiveness enriches. Embedding the concept of equality in the corporate culture, ensuring equal opportunities and remuneration equity, protecting parenthood and work-life balance are all essential aspects for business growth.

Workers' health and safety

The protection of workers' health and safety have assumed crucial importance in business management, since the entry into force of Legislative Decree No. 626 in 1994 first and then with Legislative Decree No. 81/08.

Employee training

Training is a key factor from a dual point of view: safety training is essential for a safe working environment; the acquisition of new skills is an irreplaceable tool for the professional growth of employees.

ENVIRONMENTAL SUSTAINABILITY



Monitoring the quality and impacts of water discharges

Water is a precious resource. Returning as much water as possible to nature is crucial to preserving the water resource and its integrity and minimising a company's environmental impact.

Use and production of energy from renewable sources

The electrification of processes is currently recognised as one of the tools for mitigating climate change, the production from renewable sources being a key factor.

Efficiency enhancement projects to reduce energy consumption

Reducing before satisfying, reducing energy consumption is one of the first steps to reduce the company's impacts in terms of emissions.

Waste production, management and disposal

Careful separate collection and proper waste disposal represent the basis for limiting the impacts associated with waste management.

Sustainable, controlled and certified supply chain	   
Compliance with trade category National Collective Labour Agreements (CCNLs)	
Gender equality protection measures	
Workers' health and safety	
Employee training	 
Integration of the company into local communities	 
Monitoring the quality and impacts of water discharges	   
Efficiency enhancement projects to reduce energy consumption Use and production of energy from renewable sources	   
Waste production, management and disposal	  



Each of the issues has been associated with one or more of the 17 **Sustainable Development Goals** (or SDGs) identified in the 2030 UN Agenda, so that they can also be easily placed in a broader context.

Governance

Quality is the set of details





231 Organisational Model

Lanificio Colombo implemented an Organization, Management and Control model in 2016, based on the guidelines of Law No. 231/01 (art. 6), with reference to the special parts relating to Safety, Environmental crimes and Whistleblowing.

A **Supervisory Board** (SB) was appointed and can be reached via an anonymous reporting mailbox – it should be noted that no reports or violations of the Organisational Model were received during the reporting year. In addition, the **Corporate Code of Ethics** was also drafted with the implementation of Law No. 231/01, and is available on the website: www.lanificioLuigicolombo.it, the Code of Ethics incorporates all of the corporate policies on Environmental, Social and Governance (ESG) aspects. The key points of the 231 Model are represented by the protection of the environment and opposition to any form of discrimination of both gender and origin.

Responsible growth

2022 was a year of significant growth for Lanificio Colombo that once again proved itself to be a solid and competitive entity on the market. The 2022 financial year generated an economic value of about Euros 105 million and a positive financial position of about Euros 5 million.

7% of the economic value generated, including reserves and depreciation was retained, while the remaining 93% was redistributed.

- 70% to suppliers for the cost of supplies and provision of services intended for business development;
- 15% to human resources for wages and salaries and severance pay (TFR);
- 7.7% to the public administration in the form of direct and indirect taxes and social security charges;
- 0.3% to lenders with the payment of financial charges for the capital granted.

While remaining faithful to its core values, Lanificio Colombo has always looked to the future and the desire to combine tradition and craftsmanship typical of the textile sector, especially the processing of Noble fibres, with innovation that translates into the search for increasingly efficient and innovative solutions and the continuous updating of our machinery and systems/facilities.

Value chain

The choice of raw material

From fibre to fabric

Il prodotto

Cashmere

Cammel

Wool

Vicuña

+ than 200
machines

50% of the range of machinery has been renewed over the last 7 years

+ than 600
created in 2022

The dream takes shape

The choice of raw material

A quality product originates from a highly selected raw material and this is precisely how the story of our product begins: with a careful selection. The search for the best Noble fibres – cashmere, camel, alpaca, vicuña and wool – leads to distant lands, from Australia, to China and Mongolia, to Peru and Argentina. Each raw material is purchased in the territory that ensures the best quality: in those lands where the animals are reared in the way that best meets the criteria of sustainability, respecting the environment that surrounds them, exploiting the land extensively rather than intensively, and taking care of their well-being, safeguarding all the biological phases of their life. The search for and acquisition of raw materials are very delicate steps, not only because the raw material is the starting point of the entire production chain, but also because they involve coming into contact with distant situations and this must be done with caution and respect for the communities with which one interacts and the ecosystem in which they live. This is precisely one of the key aspects of sustainability in the company: having a sustainable, controlled and certified supply chain.

After harvesting, or shearing in the case of wool, the fibres are then subjected at origin to an initial cleansing process in order to eliminate the major impurities (soil, plants, organic impurities and various residues). In fact, the first treatment takes place in long washing tanks where the fibres are mechanically advanced to the last stage where they are pressed so they lose most of their water content, and are then left to dry and subsequently packaged for transport. The fibres are then ready for the long journey that takes them from the distant lands of origin to Valsesia, the historic headquarters of Lanificio Colombo where the transformation begins.



From fibre to fabric



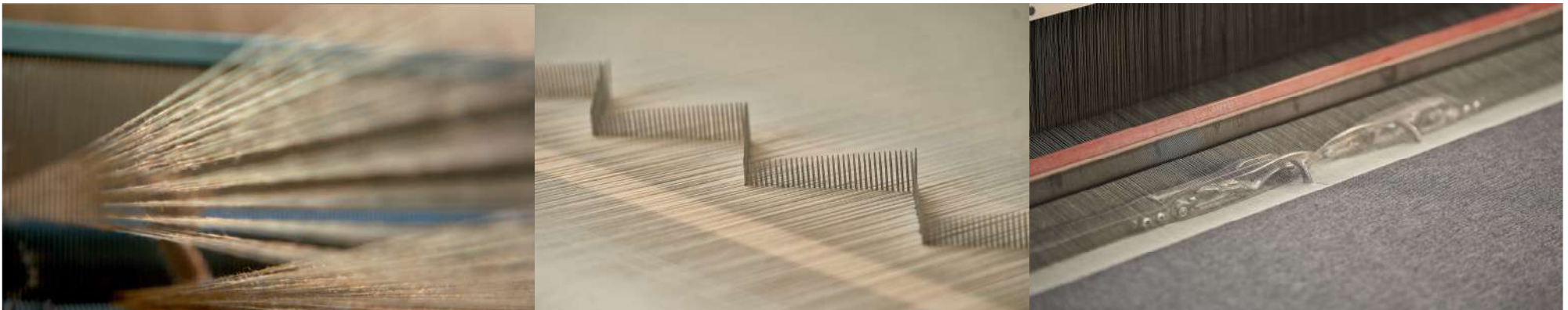
Lanificio Luigi Colombo was established and developed at the foot of Monterosa, where the Valsessera and Valsesia merge their waters, under the imposing backdrop of the circle of mountains. Lanificio Colombo is located at the entrance of Borgosesia, and developed along the course of a river, the Sessera, like many textile companies in the area. Water, after all, has historically been the driving force of the textile industry: the first form of energy used in industrial textile production processes was obtained from water. Respect for the increasingly precious resource of water is a fundamental part of Lanificio Colombo's strategy for sustainability. Being aware that our business is closely linked to the land in which it developed, protecting and maintaining the land have naturally become an integral part of the Colombo culture. Therefore, love for the product and love for the land merge within the company.

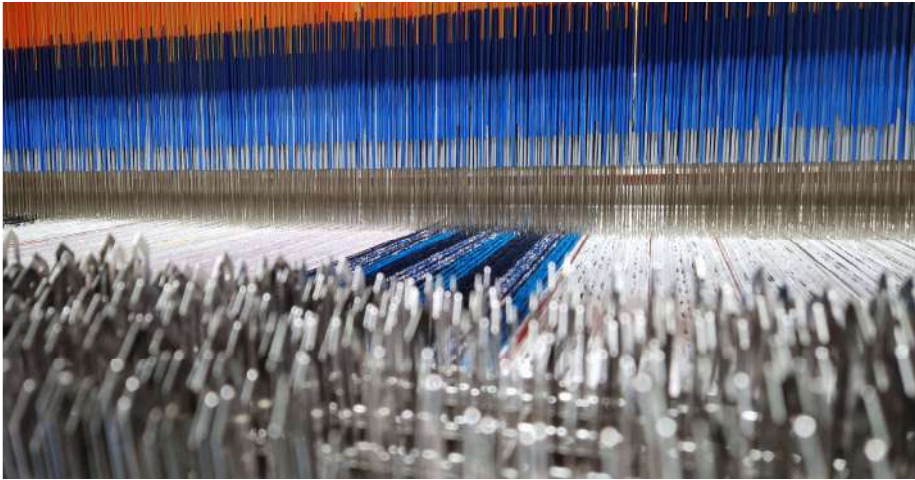
A thorough quality control is carried out immediately after the raw material arrives: in fact, all the raw material stored in our warehouse is analysed in our in-house laboratory. Once the controls have been passed, it is time for the transformation from fibre to yarn. The fibres, which have been pressed into bales, are opened, cleaned and paralleled, according to the principles of preparation for carded or combed spinning. Lastly, they are given a twist by means of spinning machines, thus obtaining a strong, elastic and even yarn, just sufficient to be able to weave the yarn. The yarn must have specific characteristics depending on the finished product to be made, these characteristics will be checked in the laboratory at the time of reception, before being stored in the warehouse.

The process can then develop along two distinct paths: dyeing the yarn followed by the warping and weaving phase, or the weaving phase followed by piece dyeing, to then end in both cases with ennobling the fabric in the finishing department.



The yarn is ready for use once its quality has been verified and accepted. The fabric is a weave of threads, the warp threads which develop its length with other threads which are inserted transversely, the weft. The threads which will form the fabric's warp are initially prepared to load the looms: the threads are transferred from the spools and are wound onto large cylinders called warp beams; the correct arrangement and tension of each thread is the starting point for the fabric's production. Once ready, the warp beams are duly prepared and transferred to the next department, the weaving department, the heart of the production activity, where the pieces take shape. The effect of the weft and warp weave is created and studied by the designers and its implementation is entrusted to the experience of the male and female weavers. This is the way the fabric is produced: whether raw or patterned, from now on it will follow a precise processing route through the dyeing and finishing departments to be ennobled. Jacquard-type looms have recently been acquired as part of the weaving department, the Jacquard-type looms enable the creation of fabrics which have particularly complex designs, thanks to the possibility of processing individual yarns.





Jacquard looms

Jacquard looms are looms to which a special device is applied that enables single threads to be handled instead of sections, as in a traditional loom. Thanks to this solution it is possible to make very complex multi-colour designs. It is therefore possible to recreate not only geometric patterns but also floral, optical and other patterns.

The dyeing department is an extremely important and delicate department. It is located in a completely new portion of the ad hoc building, completed in 2018 and designed to house the machines and systems/facilities, this is where colour takes centre stage. The dyeing baths are also designed with the use of spectrophotometric systems so as to optimise the dyeing result and achieve the highest levels of uniformity and colour fastness using chemicals in the smallest possible quantities, while simultaneously minimising the environmental impact. Dyeing with the use of natural dyes is also carried out to this end and at the specific request of customers. In fact, the appropriate limited use of chemical products is one of the aspects which form part of the company's sustainability strategy, since the care and strict control of the products used ensures high levels of product quality, on the one hand, and a reduction in the environmental impact linked to production, on the other hand.

The last processing stage is finishing, and it is that stage of ennobling the fabric that enables effects to be obtained which make our fabrics unique, thanks to the expertise given by the experience handed down from generation to generation, by working the pieces using baths and the skilful use of steam, embellishing the fabric with the so-called feel, the tactile sensation that only those who are thoroughly familiar with fabrics know how to treat and appreciate. The finishing cycle is long and complex, extending over many stages under the constant control of the workers in charge of the processing activities. Traditionally, the finishing stage consists of an initial wet part for the cleaning, fulling and drying operations and a second dry part for the final finishing with the continuous refinement of the effects gradually obtained via the following operations: raising and raising using vegetable thistles, which are among the most characteristic operations of our cycle, topping and decatizing (to name just a few), up to final stabilisation obtained using steam. The cycle is completed by the numerous quality controls which are performed along the entire operational chain up to final approval.



The thistle

There are three finishing operations, one of the most special and characteristic operations is raising using vegetable thistles, which enables the most valuable fabrics to be given a distinctive softness and fluffiness. Nature itself provides the key tool to achieve this effect: namely, the dried flowers of the vegetable thistle, used since antiquity precisely for “carding”, namely, to untangle and clean the wool. Thanks to its shape, the dried thistle flower, whose surface has elastic and hooked points, delicately extracts the hair from the fabric without ruining it and with a delicacy and effectiveness that is difficult to replicate in the similar operation carried out with more modern technological tools, called raising, in which the same effect is sought using seals covered with fine metal hooks.

The product

The finished pieces are the result of the long production cycle, the pieces leave the production facility and are destined for high fashion Brands to produce luxury garments and accessories. The Luxury Collection was then the result of extending the textile division, and represents a production line for the manufacture of clothing, kid cashmere knitwear, soft accessories and luxury outerwear designed by Colombo.

Discover more
on our website

Personnel

402 employees

22 conversions to open-ended employment contracts

54 new recruits

57% women

15 foreign employees

17 employees belonging to protected categories

BONUS 2022

1.200 € net

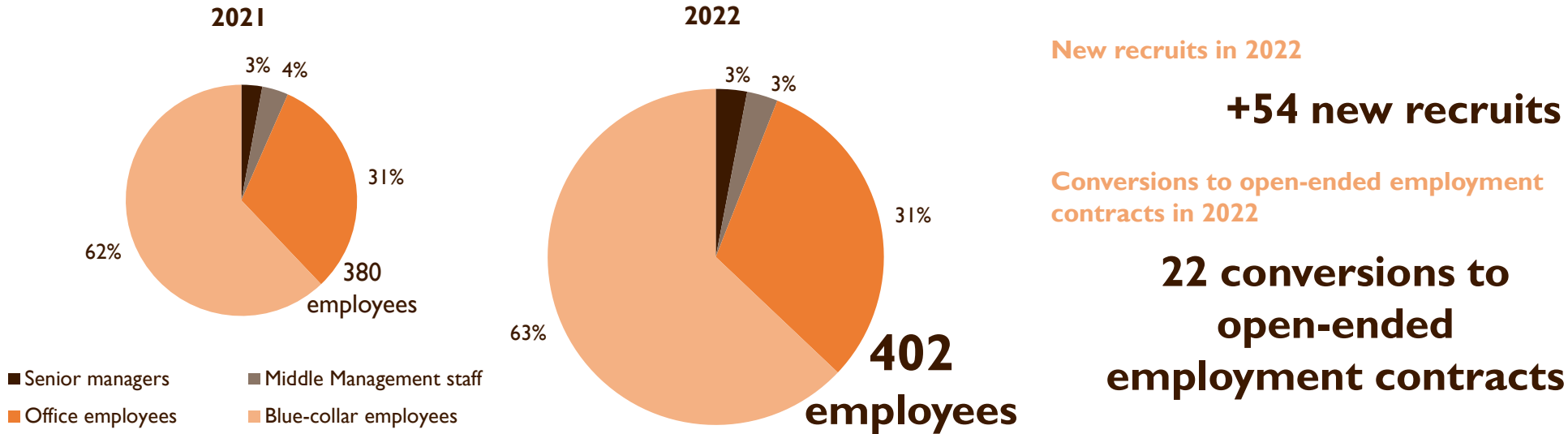
to all our employees

4.941 hours
training

The testimony of people who love noble fibres for passion and lifestyle

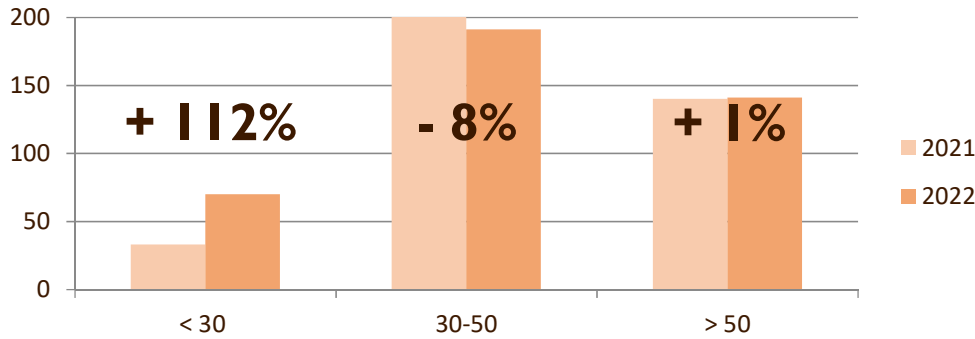
Not only raw material and machinery, but above all People: the experience of each of our employees, the commitment and passion that each of them puts into their work are fundamental for Colombo products. Taking care of our employees and investing in their professional training represent the pillars of our growth.

Our workforce grew in 2022 and reached a total of 402 employees³, of which 174 men and 228 women, with a turnover of 1.2% in 2022. The average age of the personnel is decreasing, in line with the trend of recent years, with an average age of 42 in 2022 and an average age of the new recruits of 33. The recruitment of young people in order to prepare for a generational change as smoothly as possible is and will always be a key point of the strategy for new recruits.



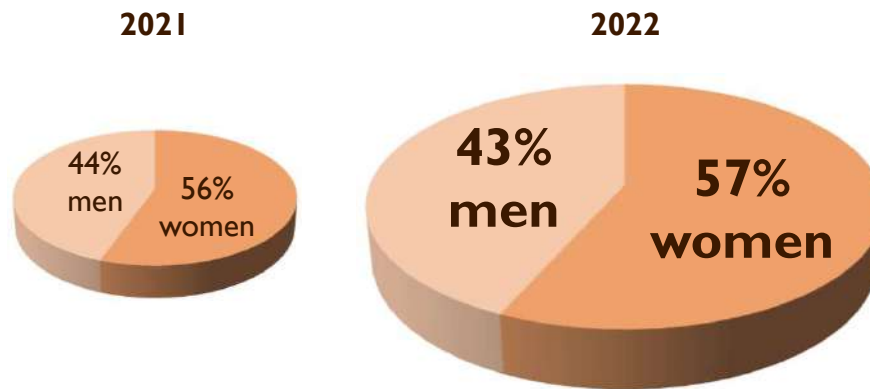
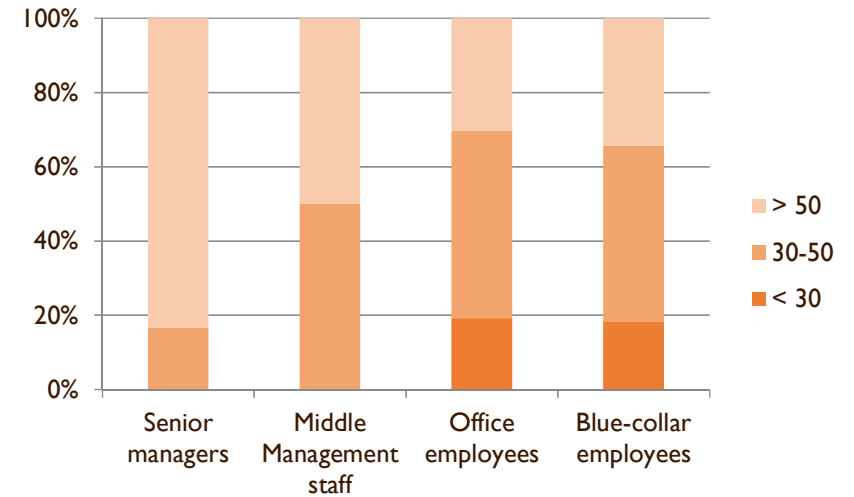
89% of employees recruited with open-ended employment contracts

³Data at 31/12/2021 and at 31/12/2023.



Average age of recruits
in 2022
33 years old

15 foreign employees
17 employees belonging to protected categories



Gender equality

Company welfare

The protection and well-being of employees are of primary interest to Lanificio Colombo. In 2022 all employees were given energy bill bonuses amounting to € 1,000 net, and petrol vouchers were given totalling € 200 to support the staggering increase in energy and methane prices and the consequent high energy bills. In addition to these bonuses there were also the agreements entered into with local stores for the benefit of employees.

A company solidarity fund was also set up starting from 2018, together with the company Unified Trade Union Representative Bodies (RSUs), which is increased year by year: the fund is intended for employees or their family members who may find themselves facing serious health problems.

Energy bills BONUS
1 000 €



Fuel BONUS
200 €



Company solidarity fund

The company solidarity fund is the flagship of the Colombo Welfare scheme. The Company has had a company solidarity fund since 2018 intended to make annual provisions for employees and their families in the event of serious health problems.

Provisions in 2022	36.500 €
For the benefit of employees and family members	12.400 €
Fund allocation as at 31/12/2022	106.000 €



Workers' health and safety

A safe, healthy and orderly working environment is a guarantee for better efficiency, quality and well-being for the people who work there. The current and complex risk assessment document is the result of an in-depth analysis of issues related to the environment, the production process, the machinery and the activities performed, based firstly on Legislative Decree No. 626 of 1994, and then on Legislative Decree No. 81/08. The introduction of an **Occupational Management and Safety System** (OMSS) in the company is a tool for monitoring safety procedures and supervising their application. The system's constant updating is the responsibility of the company's Prevention and Protection Service Manager (PPSM) and respective staff, also with the contribution of qualified external consultants. The control of regulatory deadlines and the monitoring of substantial changes in the production process generate continues plans for improvement. Each update is shared with the employer, the company Workers' Safety Representatives (WSRs) and the company medical officer who is entrusted with reviewing the health protocol. Employees are duly involved by means of regular meetings with the representatives and by collecting anonymous opinions and suggestions through collection boxes located in the various departments. In constantly pursuing the idea of minimising risks for its employees, the manual handling of sodium carbonate bags used in the finishing operation was definitively eliminated in 2021 and in 2022 a specific bench was activated to check the so-called "double-faced" fabrics, thereby considerably reducing the number of fabric handling operations. Innovative solutions for warehouse management and to minimise repetitive activities in the production departments are being studied for 2023. A new pumping system equipped with an emergency generator, the construction of a water reserve tank and the installation of an automatic fire extinguishing system to serve the yarn warehouse are the basis of the Fire Prevention Certificate (FPC). The safety measures adopted by the company and the continuous education, information and training programmes have ensured that in recent years the number of accidents has been reduced to a minimum and there have been no cases of occupational illnesses or serious accidents/ injuries.

Number of accidents/injuries	2021	2022
<40 days of absence	2	4
>40 days of absence	0	0

Accident/injury rate ⁴	2021	2022
<40 days of absence	0,52	0,99
>40 days of absence	0	0

⁴ The accident/injury rate refers to the number of accidents/injuries for every 100 employees, calculated by multiplying the number of accidents/injuries by 100 and dividing the result by the total number of employees in the reference year.

Employee training

Having trained and knowledgeable personnel means creating a better working environment, reducing production times, increasing the quality of the final product and laying the foundations for solid company growth. Employee training at Lanificio Colombo has always been important, just as it has assumed a role of primary importance in the employment market with the introduction of Legislative Decree No. 81/08. The company is focusing more and more on increasing the skills and knowledge of its employees through training courses not only related to health and safety issues, but also related to the skills of individual tasks. An example of this are the dedicated courses on the finishing production processes and courses for designers on the most developed three-dimensional CAD software to study and design fabrics. Innovative courses on the use and adjustment of finishing machinery in cooperation with professors from the Textile Clothing and Fashion Institute (T.A.M.) in Biella were initiated in 2022.



Safety training and information are even more fundamental, which is the reason the training required by Legislative Decree No. 81/08 and by the state/region agreements is performed regularly and very often combined with internal training depending on the task. The company has created a team of internal trainers for this purpose, with the aim of transmitting to employees the information resulting from the risk assessment document and its updates. Specific and general training, on the other hand, tends to be carried out in the presence of qualified external consultants.

**Number of
trained
employees**

	2021	2022
Women	225	80
Men	218	140
TOTAL	443	220

	2021	2022
Women	14.765	1.198
Men	12.356	3.744
TOTAL	27.121	4.941
AVERAGE NUMBER OF HOURS training per employee	71,4	12,3

Hours of training

12,3 average number of
hours training

Environment

Reduction of emissions compared to 2021

-159 tonCO₂



Water

-20,6% of consumption

- **100% purification** of the water used in processing operations
- **92%** of the water withdrawn is **returned to the river**



Electricity

- **Re-lamping**
>1000 lamps changed from neon to led
- **Photovoltaic system**
+38% installed power



Waste

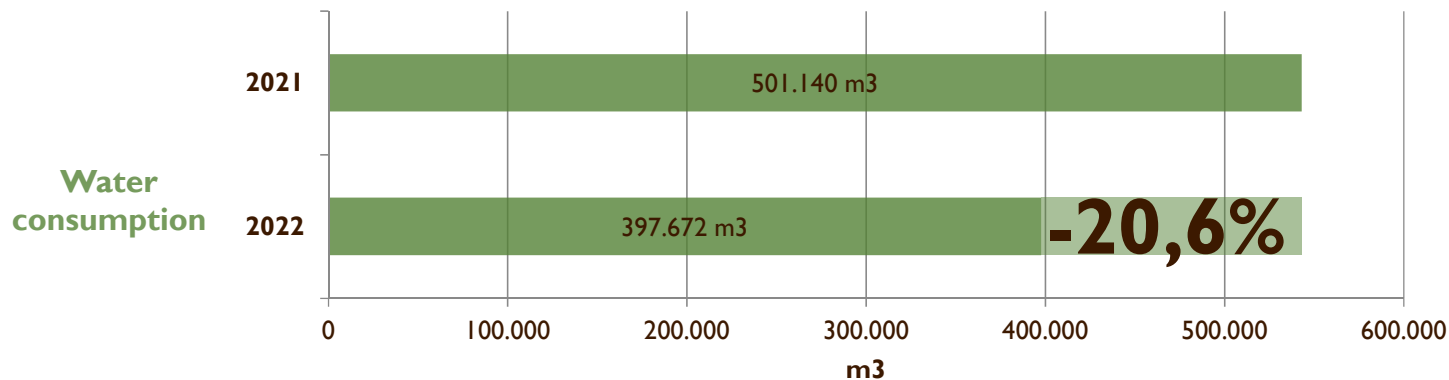
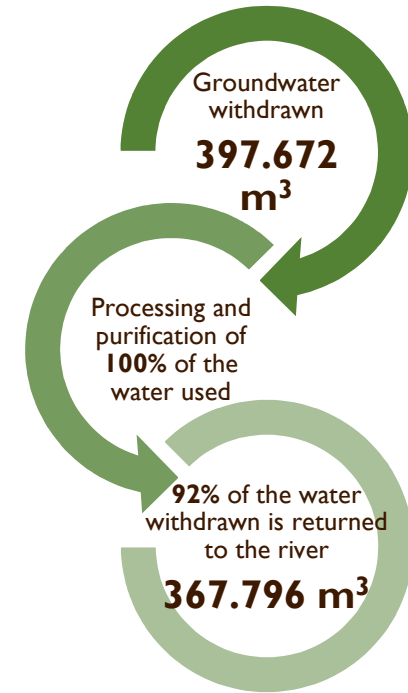
-83% sewage sludge

Lanificio Colombo has grown together with the territory in which the company was established, at the entrance to Valsesia, a land of mountains, at the foot of Monte Rosa. Respect and love for the land have been part of Colombo's DNA, since the company was first established. In recent years this distinctive characteristic has combined well with the growing attention paid to environmental sustainability which has now become, on the one hand, a moral duty towards our planet and future generations, and on the other hand, a requirement to be able to meet the demands of a market that is rightly also increasingly attentive to these aspects. All three of the main energy sources, steam, electricity and methane gas are used in Lanificio Colombo. Added to these, is the consumption of water, which, in addition to the production of steam, is essential in much of the processing on the pieces. Controlling and monitoring of consumption have been and will be the basis for the efficiency enhancement projects carried out and currently being studied in the company with the aim of reducing Lanificio Colombo's environmental impact. No critical issues were recorded following the numerous audits carried out by our customers and the inspections performed by inspection bodies during 2022, confirming the Company's commitment and attention towards the environment.



Water

The total amount of water drawn from the aquifer in 2022 amounted to 397,672 m³, 100% of the water used in the processing was purified and 92% was returned to Nature downstream of the processes⁵. Reducing water consumption has been one of the objectives we have been working on over the past year, since we are aware of how water is and will increasingly be a precious commodity. A system to **recovery** the cooling **water** of the dyeing department machinery has been implemented in order to reduce consumption: by passing exclusively through heat exchangers, the water that leaves the heat exchangers is absolutely uncontaminated, and therefore, suitable for re-use. Instead of being sent to the purification plant, the water can therefore be safely transferred to a collection tank from which it can be withdrawn again for other industrial uses. This solution also reduces the energy consumption due to the pumps used to draw water from the well. A comparison between the annual consumption before and after the intervention shows a reduction in the water withdrawn for use by Lanificio Colombo of more than 20%.



0,34 m³/unit of finished product

-36,76% compared to 2021

⁵ All water consumption data are the result of processing periodic measurements obtained thanks to internally implemented monitoring procedures.

In addition to reducing consumption, management of the water inside and exiting Lanificio Colombo is also constantly monitored. The water used in the industrial processes comes from an aquifer in the bed of the Sessera stream, after being used in the numerous processes of Lanificio Colombo all the water is channelled to our biological sewage treatment plant, where it is treated before being returned to the river. Once transferred to the collection tank downstream of the processing activities, the water is then pumped to the oxidation tanks, where the reactions necessary to eliminate all the pollutants present in the water take place, thanks to the action of the activated sludge. Next, the water is transferred in sequence to two sedimentation tanks where the solid part, the so-called sewage sludge is separated and collected. Lastly, the water is transferred to three sand filters and finally to two activated carbon filters before being discharged into the river. The outgoing water is subject to weekly checks, entrusted to an external laboratory, to ensure that all the relevant parameters are under control. The sewage treatment plant is one of the company's main engines, which is why it was completely upgraded in 2021 through extraordinary maintenance work that reduced its consumption. The sewage treatment plant is able to meet the company's needs, with a purification capacity of approximately 2,000 m³ per day, thereby ensuring compliance with all the limits imposed by Legislative Decree No. 152/06 and above all, of the ecosystem into which the water is discharged. Lanificio Colombo also monitors the wastewater from 2020, in compliance with the Zero Discharge of Hazardous Chemicals (ZDHC) Wastewater Guidelines.

Wastewater analysis⁶

	Legal limit	2021	2022
BOD5	40 mg/l	23,5 mg/l	20 mg/l
COD	160 mg/l	60,5 mg/l	44,29 mg/l
Suspended solids	80	25,6	19,49
Surface-active agents	2 mg/l	1,04 mg/l	0,56 mg/l
pH	5.5 – 9.5	7,2	6,98

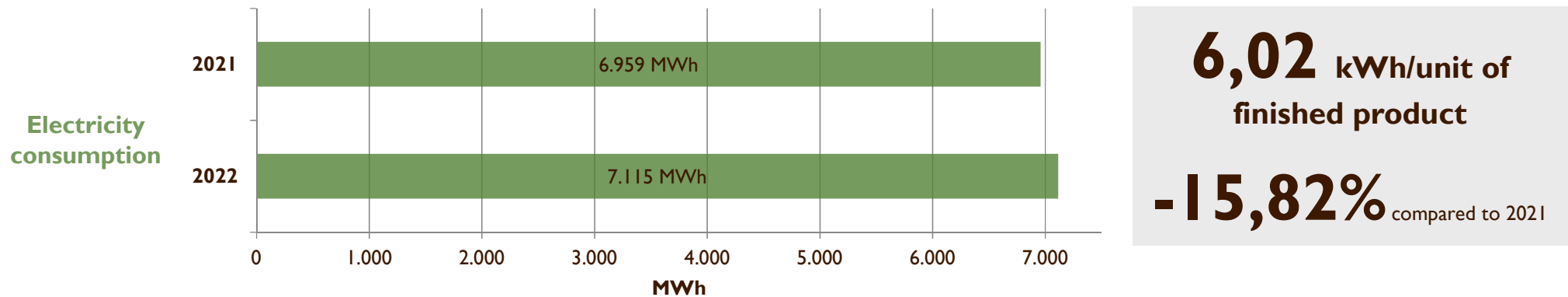
⁶ The parameters reported are the most relevant among those to be monitored, pursuant to Legislative Decree No. 152/06, the value represents an average of the results of the analyses carried out during the year.



ZDHC, an acronym for Zero Discharge of Hazardous Chemicals, and is a programme established on 21st November 2011, as a coordinated industry response to the campaign launched by Greenpeace. It was set up as a foundation and represents a global multi-stakeholder initiative joined by numerous collaborators in the fashion and footwear sector, manufacturers, chemical companies and multiple brands. The programme aims to reduce the chemical footprint of the clothing and footwear industry by gradually phasing out hazardous chemicals and moving towards the implementation and dissemination of sustainable textile chemistry.

Electricity

Another very important energy source in terms of consumption is the electricity that powers the numerous machines present in the company. The total electricity consumed in 2022 was approximately 7,000 MWh, slightly higher (2%) than in 2021 when consumption was 6,959 MWh⁷.



Photovoltaic panels were already installed on the roof of the production facility in 2011 for a total of 197 kW peak power, in order to partially cover the energy needs. A framework agreement was entered into in December 2021 with SEA, EsCo of Plenitude to improve the production facility's energy performance: part of the agreement includes the installation of a new photovoltaic system and re-lamping the production facility.

⁷ The data on electricity consumption are obtained from the utility bills.



Therefore, a **new photovoltaic system** was installed on the roof of the dyeing department in September 2022, for a total of 75 kWp, in addition to the existing 197 kW system. It is estimated that in total the installed power will enable the self-production of clean energy for an average of 273,397 kWh, equal to 4% of Lanificio Colombo’s electricity consumption. Exploiting renewable sources to meet its needs will also contribute to reducing the company’s impact in terms of emissions, with an annual reduction in CO2 emissions of 71 tons of CO2 equivalent.

+75 kW_p installed

Re-lamping the production facility also progressed during the same month, and was finally completed at the beginning of February. As a result of this operation, all of the neon lights in the company were replaced with more efficient and high-performance LED lamps, for a total of more than 1,000 lighting fixtures. Furthermore, presence sensors were installed in the rooms which are used less frequently in order to minimise the number of hours they remain switched on. The result is a reduction in the installed power, and consequently, in energy consumption for lighting by more than 40%, amounting to 88 tons of CO2 equivalent.



-40% installed power for lighting

4% of electricity requirements from self-production from renewables
54% of electricity from renewable sources

The results

New photovoltaic system	+75 kWp Estimated coverage of requirements 4%	Estimated emission reduction 71 tonCO₂
Re-lamping intervention	Installed power -72 kW equal to 40% of the installed power for lighting	Estimated emission reduction 88 tonCO₂

Riduzione stimata delle emissioni

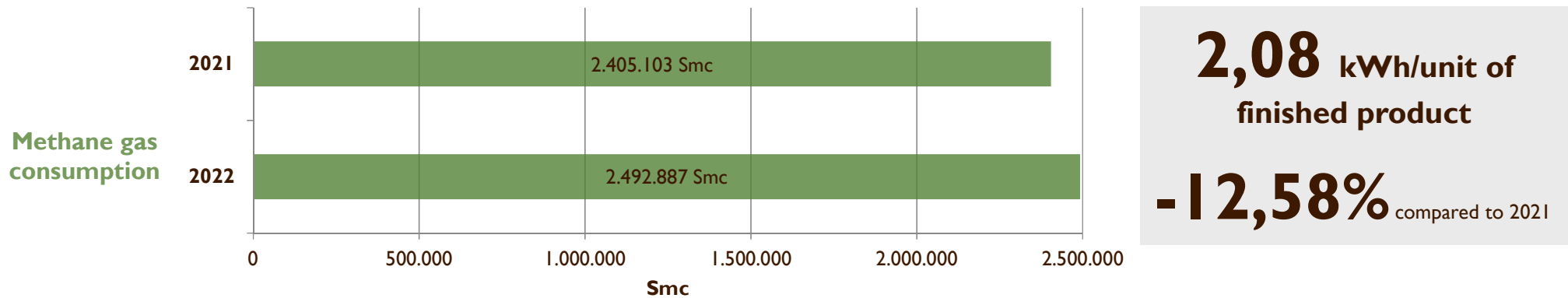
-159 tonCO₂/year⁸

⁸ The estimate was obtained by multiplying the reduction in consumption by the emission factor of national electricity production and electricity consumption indicated in the report: “Efficiency and decarbonisation indicators of the national energy system and electricity sector” published by the Higher Institute for Environmental Protection and Research (“Istituto Superiore per la Protezione e la Ricerca Ambientale” (ISPRA)).

Methane

Methane gas represents one of the major consumption items in the company together with water. In many processes, especially in the finishing department, the production of steam is essential to give the fabric the right feel. Optimising the processes in which methane gas is used will be one of the key points of the company's sustainability strategy for 2023. Particular attention will be given to efficiency enhancement projects of the thermal power plant and for heat recovery.

In 2022, consumption remained in line with that of the previous year, 2.40 million standard cubic meters in 2021 and 2.49 million in 2022⁹.



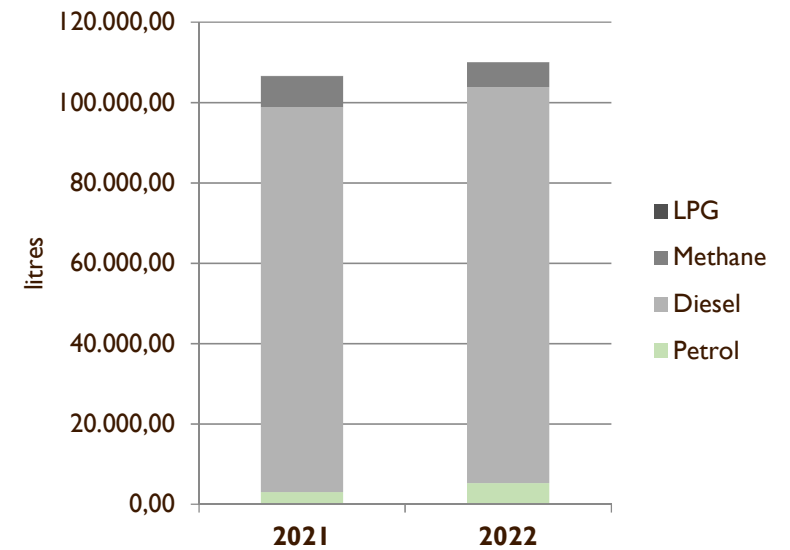
⁹ The data on methane gas consumption are obtained from the utility bills.

Automotive fuels

In addition, the fuel consumption to transport goods and employees with company vehicles must also be taken into account. Fuel consumption¹⁰ remained stable between 2021 and 2022, with diesel consumption dominating the total, mainly related to journeys by company-owned lorries.

Fuel consumption

	2021	2022
Petrol	2.959,62 litres	5.219,92 litres
Diesel	95.821,03 litres	98.550,79 litres
Methane gas	7.725,62 litres	6.137,17 litres
GPL	25,76 litres	55,28 litres
TOTAL	106.532,03 litres	105.020,09 litres



¹⁰ Fuel consumption was calculated on the basis of the fuel invoices; any conversion factors to standardise the measurement units and make quantities comparable were taken from the fuel data sheets made available by the fuel distributors.

Chemical management

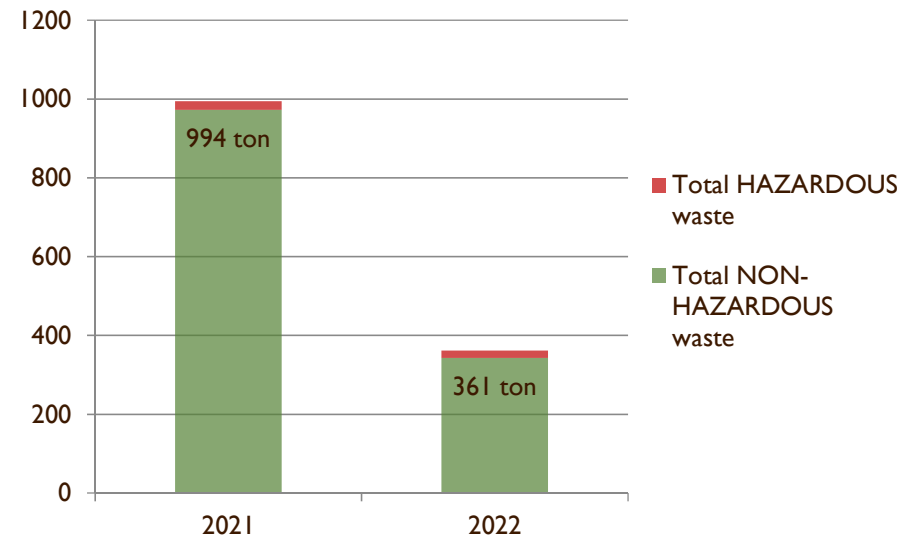
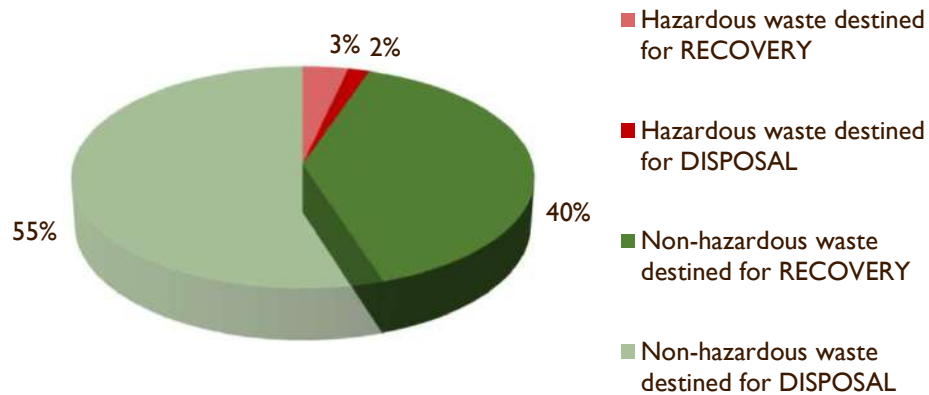
By their very nature, the company's in-house production processes involve the use of chemicals and dyes: for this reason, a Chemical Management System was implemented between 2020 and 2021 to ensure a more aware, safe and sustainable use of the products, starting from the control of the purchased products and ending with the disposal of the containers which contained them. The management procedure was developed on the basis of the guidelines defined by the ZDHC. The first check is made prior to the purchase: the authorisation to purchase and to enter the production facility is subject to the verification of certain environmental sustainability requirements, such as compliance with REACH (Registration, Evaluation and Authorisation of CHemicals), BlueSign or GOTS (Global Organic Textile Standard) certifications, registration on the Gateway portal of ZDHC, with Level 1 or Level 3, which is the highest.

Each product present in the company is also associated with its own Safety Data Sheet, and in the case of new products the product is analysed to identify potential health and safety hazards, or the need for special protective equipment. Operating instructions for the correct handling and use of chemicals are provided to all relevant employees and duly mapped on the company information system. The most commonly used products are dyes, in powder or liquid form, used in the dyeing department, to which are added the finishing products – soaps and auxiliaries. With the construction of the new dyeing department in 2018, Lanificio Colombo focused on reducing the handling of chemical products, by introducing an automatic weighing and colour dissolving machine, thereby improving the distribution of auxiliaries and reducing the risks associated with chemical management. In 2021 all the departments were equipped with containment tanks, spill kits and specific cabinets for hazardous products to conclude the activities which began with the construction of the dyeing department.



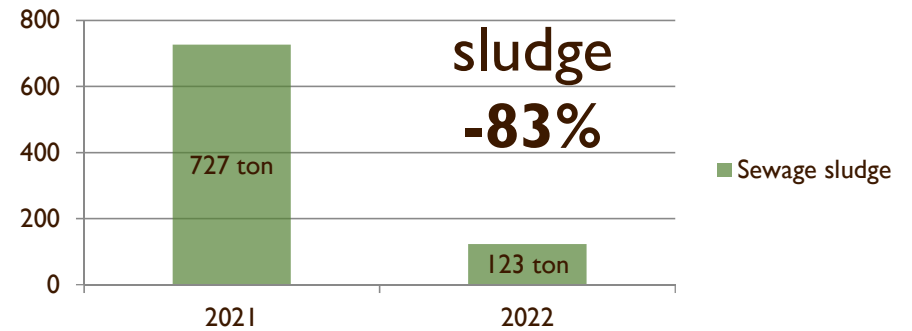
Waste management

Waste management is also an integral part of environmental sustainability. We are aware that the concept of sustainability is based on the reduction, reuse and recycling of waste, and we endeavour to minimise waste production throughout our supply chain and facilitate its recycling, paying great attention to its collection and separation. The waste is separated into hazardous and non-hazardous and separated according to 30 European Waste Catalogue (EWC) codes, and then dispatched for recovery or disposal depending on the type of waste. Whatever their allocated destination, the waste is entrusted to an authorised third-party company that manages the collection and all the subsequent phases.

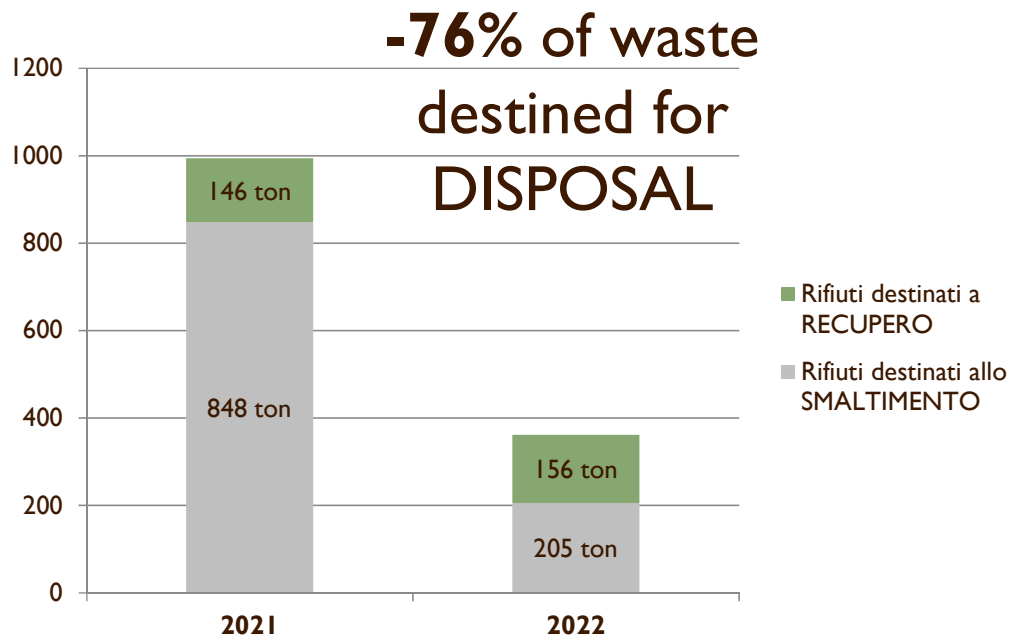


Waste management within the production facility is governed by the internal *Waste Management Procedure*, in compliance with the reference legislation in force: the placing of waste in dedicated areas, one area for each EWC code, performed by trained employees is tracked in the specific register, waste collection is then agreed with specialised companies, and their compliance with the legislative requirements is periodically checked.

An important reduction was achieved in 2022 regarding waste management, following the installation of the belt press system in 2021 downstream of the sewage treatment plant, resulting in an 83% reduction in the weight of sewage sludge to be disposed of compared to 2021, thanks to waste compaction. The wastewater from the sewage treatment plant is collected and, whereas previously it was disposed of, as is, in a liquid form now, thanks to the belt press, the solid part is separated from the liquid part and disposed of as dry waste.



In addition to the above, there is also the waste from textile fibres, from suction systems and processing waste, paper and cardboard and mixed packaging, as well as, plastic, wood and metal, albeit to a lesser extent. On the other hand, hazardous waste mainly consists of end-of-life equipment included in the hazardous category (for example: monitors), packing and contaminated material, mainly the drums and containers of chemical products, and halogenated sludge the production of which is due to particular stages of the production cycle.



Emissions

Atmospheric emissions represent another aspect to consider in relation to impacts and environmental protection. In compliance with current regulations¹¹, Lanificio Colombo has obtained a Single Environmental Authorisation (AUA)¹². The most significant emission points are the thermal power plant and the two methane gas-fuelled drying ovens, one of which is capable of exceeding 150°C, a temperature level necessary for the heat setting process and for this reason is equipped with a pollutant abatement system. The emissions from the thermal power plant are subject to annual checks, while the emissions from the machinery are subject to three-yearly checks – the value shown in the table is the most up-to-date value (2020).

		Parameter	Legal limits	2021	2022
Thermal power plant emissions		NO _x	150 mg/Nm ³	69 – 123 mg/Nm ³	104 – 130 mg/Nm ³
		CO	100 mg/Nm ³	3 – 8 mg/Nm ³	1 – 2 mg/Nm ³
		Parameter	Legal limits	Last analysis values	
Machinery	DLS Stenter machine	Oily mists	10	2,5 – 4,3	
		Non-methane Total Organic Carbon (T.O.C.)	50	5,6 – 6,6	
		NO _x	200 mg/Nm ³	2 mg/Nm ³	
	DLS Heat setting	Oily mists	10	0,4 – 5	
		Non-methane Total Organic Carbon (T.O.C.)	50	4,3 – 7,3	
		NO _x	200 mg/Nm ³	1 – 2 mg/Nm ³	
	TOP AIR Stenter machine	Oily mists	10	0,2	
		Non-methane T.O.C.	50	37,7 – 41,4	
		NO _x	200 mg/Nm ³	2 mg/Nm ³	

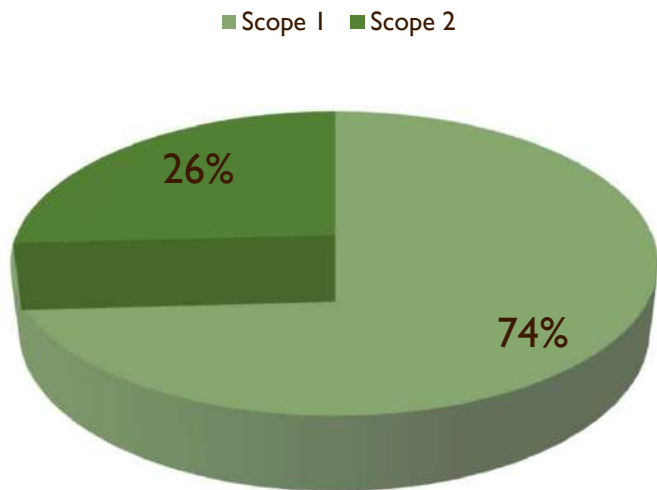
¹¹ Regulatory references: Consolidated Environmental Act, Legislative Decree No. 152 of 3rd April 2006, Executive Decision (D.D.) No. 416 of 7th December 2011 and Executive Decision (D.D.) No. 12 of 22nd December 2014 of the Piedmont Region.

¹² The Single Environmental Authorisation (AUA) is valid for 15 years, and was issued to Lanificio Colombo on 29/05/2015.

In addition to regulatory compliance requirements, emissions were also subject to monitoring and reporting, starting from 2021, in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard*. As a first analysis, the emissions considered for 2021 and 2022 were those relating to **Scopes 1** and **2**. Where **Scope 1** included the emissions generated by:

- the combustion of methane gas in the thermal power plant to produce hot water and steam;
- fuel consumption of company cars, broken down into petrol, diesel, LPG and methane gas;
- F-gas used in the air-conditioning system.

The emissions associated with the electricity purchased to cover the production facility's needs, equal to 7,019 MWh, were considered with regard to **Scope 2**.



Scope 1 - Scope 1 includes the organisation's direct emissions, namely, the emissions which are generated by the company's activities, for example, by internal processing, by the fuel used in the heating plant, or by company cars, or also by air-conditioning systems, or by the machinery.

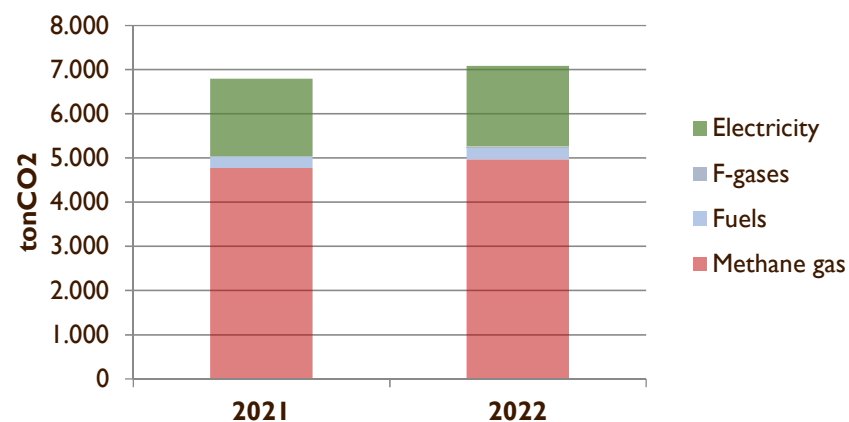
Scope 2 – Scope 2 includes the emissions associated with the consumption of purchased electricity, namely, emissions due to the generation of the electricity itself. Two alternative approaches can be adopted to calculate the emissions, location based and market based, and are different on the basis of the purchased emission factor; the emission factor in the case of the location based approach is the value obtained from the national energy mix, while the emission factor in the case of the market-based approach is calculated on the basis of the supplier's generation mix.

In order to calculate the emissions, a specific emission factor was chosen for each of the “sources” under the organisation’s direct control, namely, the emissions which were generated by activities carried out within the organisation – therefore, in the case of Lanificio Colombo , first and foremost, the emissions associated with the consumption of methane gas and electricity linked to the production process to which the fuel consumption of the company’s fleet of vehicles must be added, and lastly, the emissions associated with the F-gases, the fluorinated gases used. The latter, although emitted in very low quantities, should not be overlooked when reporting emissions due to their high impact; for this very reason they are subject to annual checks, pursuant to Presidential Decree No. 146/2018.

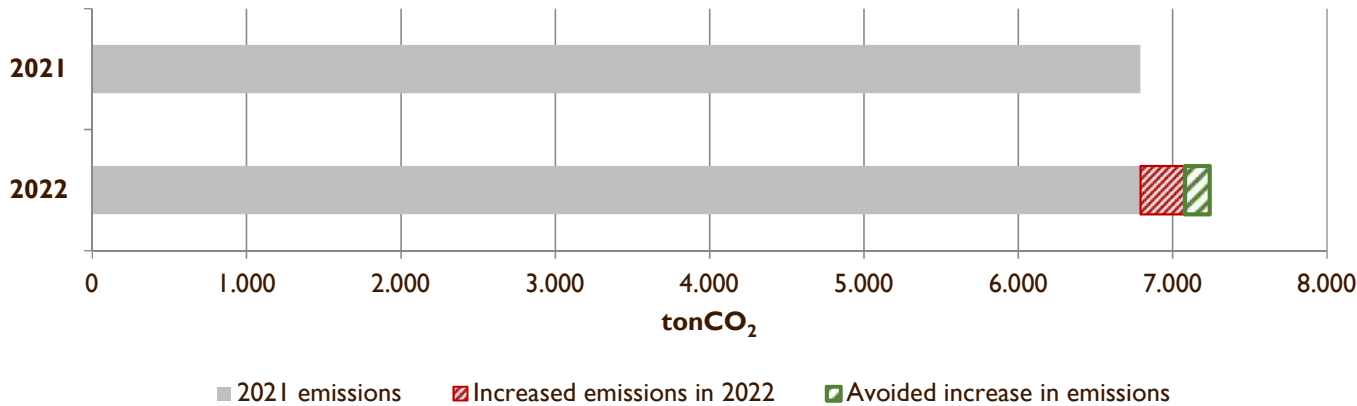
Sources of Emission Factors - FE

	Emission source	EF source	Measurement Unit
Methane gas	Methane gas consumption in the thermal power plant and machinery	Table of national standard parameters – ISPRA (Higher Institute for Environmental Protection and Research)	tCO ₂ /Stdm ³
Automotive fuels	Fuel consumption – company’s fleet of vehicles	Table of national standard parameters - ISPRA	tCO ₂ /ton
F-gases	Replenishment	Global Warming Potential Values - Intergovernmental Panel on Climate Change (IPCC)	tCO ₂ /t _{F-gas}
Electricity	Electricity consumption	Efficiency and decarbonisation indicators of the national energy system and the electricity sector - ISPRA	gCO ₂ /kWh

Scope	Source	2021	2022	
Scope 1	Methane gas	4.769,32	4.963,34	tonCO ₂
	Fuels	258,92	269,32	tonCO ₂
	F-gases	0,00	20,26	tonCO ₂
	Total	5.028,24	5.252,92	tonCO ₂
Scope 2	Electricity	1.763,83	1.828,46	tonCO ₂
TOTAL		6.792,07	7.081,38	tonCO₂

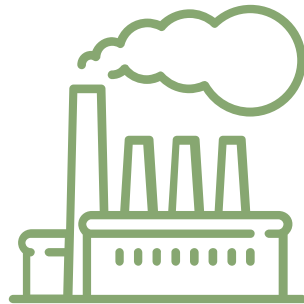


Emissions in 2022 were slightly higher than in 2021, 6,792 tons of CO₂ equivalent (2021) against 7,081 tons of CO₂ equivalent (2022) corresponding to a 4% increase. However, the efficiency enhancement measures implemented in 2022, with an estimated absolute reduction in emissions of 159 tons of CO₂ equivalent, made it possible to contain the extent of the increase in emissions per unit produced, demonstrated by the 13% decrease in the emission indices.



**Emissions avoided
159 tonCO₂**

6,83
kgCO₂/unit of
finished product



2021



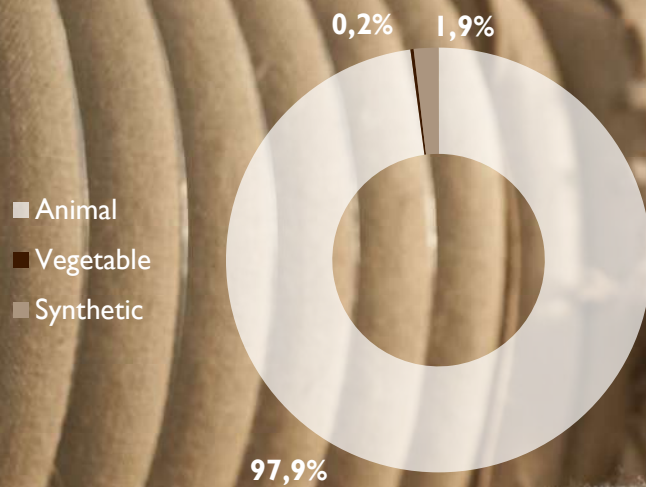
2022

5,94
kgCO₂/unit of
finished product

The goal for the 2023 Sustainability Report is to expand the boundaries of reporting, and also include indirect emissions related to Lanificio Colombo's activities, but for which the Mill is not directly responsible, for example, emissions generated by the transport of goods entering and leaving the Mill, or by waste disposal (Scope 3).

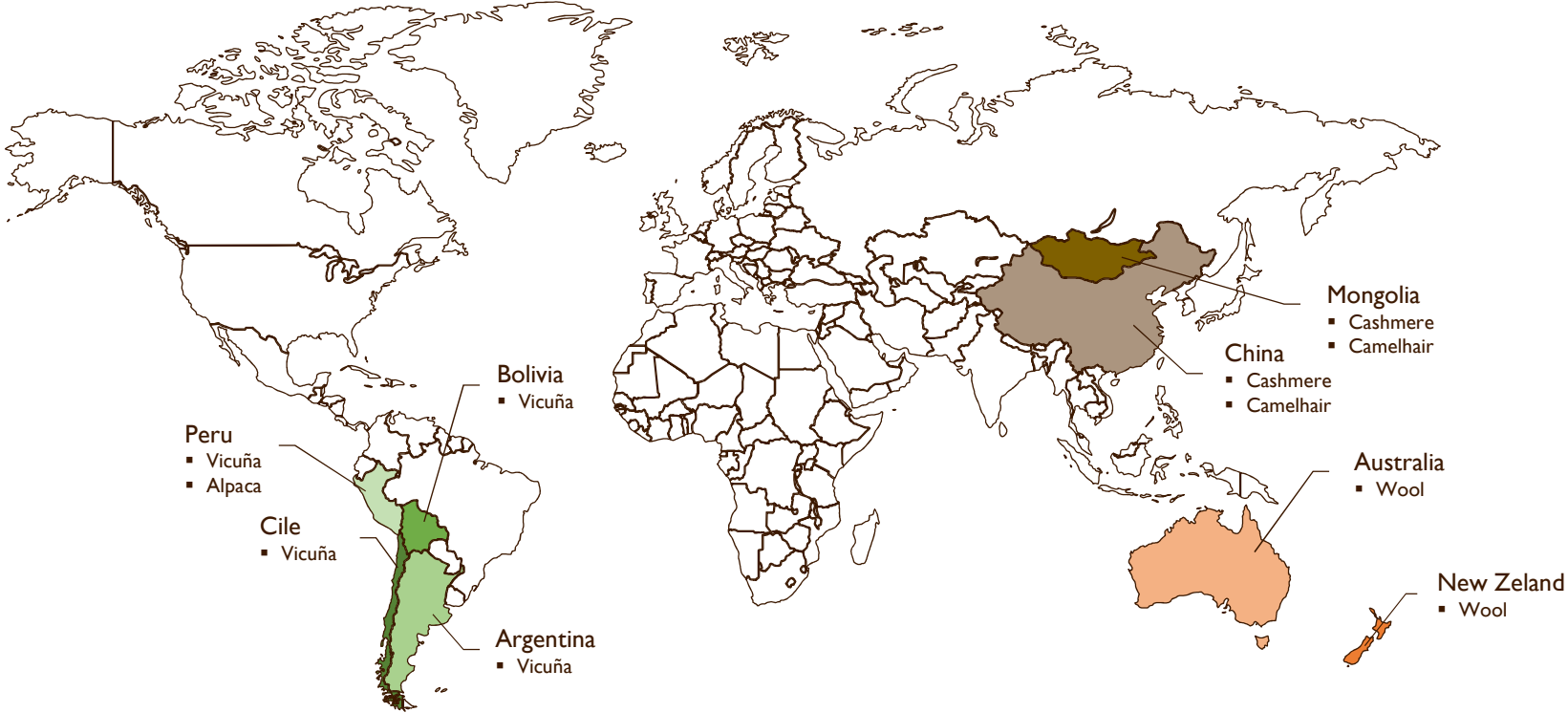
Supply chain

Raw materials and yarn



*Stories of faraway places brought to us
in a warm embrace that is perhaps one
of the last wonders of nature*

The geography of our raw materials



The commitment to reduce emissions is also extended to the imports of our raw materials through the electrification of transport.

	2021	2022
Air	1%	11%
Road	72%	70%
Sea	27%	15%
Rail	-	4%

Cashmere is the prime material in our production. A fibre of animal origin, characterised by extreme fineness, softness and lustre, and is obtained from the undercoat, known as duvet, hidden under the long hair of the *Hircus* goat that inhabits the desert areas and steppes of Mongolia, which are subject to extreme temperature fluctuations. The undercoat is collected using special hooked combs. The optimal period for harvesting cashmere is from May to July, to obtain the best characteristics, and harvesting can be repeated even more than once a year; a fibre with a diameter of about 15 microns¹³. To guarantee the sustainability of the supply chain, Lanificio Luigi Colombo has registered the BIO CASHMERE® trademark for the protection of the whole BIO chain: from the protection of the Cashmere Goats and of the herding communities in Inner and Outer Mongolia, to the traceability of the production process of ecological process. The first example of an integrated and certified noble fibre chain.



BIO CASHMERE® textiles are products made with respect to environmental and social criteria defined by the Global Organic Textile Standard (GOTS) and are certified as biological when containing an amount of natural fibre higher than 95%.



Certified by ICEA
ICEA-TX-1200



Another widely used fibre is **camelhair**; the camel's breeding grounds are Mongolia and China, where the harsh climate stimulates the animal to develop an undercoat, in a similar way to the cashmere coat. The fibre obtained has an average diameter of 18 microns, the best in terms of softness is the undercoat of the youngest camels, called baby camelhair.



¹³ | micron corresponds to one thousandth of a millimetre

Vicuña is one of the most precious Noble fibres and has been considered highly prized since ancient times. It takes its name from the camelid from which it originates and that lives in the wild on the Andes mountain range between Peru, Bolivia, Chile and Argentina. It is among the finest natural fibres which can be spun, with an average diameter of 12/13 microns. In addition to its extraordinary characteristics, what makes vicuña even more precious is its rarity: an adult animal can only produce 250 g of raw material every two years. Precisely for this reason, the harvesting of vicuña is subject to strict controls, in compliance with CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), which aim to ensure the complete traceability of the raw material, from harvesting through export up to the finished product, so that there is complete control over the quantities of fibre harvested and traded.



Peru is also the land of **alpaca** breeding. In contrast to other fibres, alpaca wool is obtained by shearing the animals, (in a similar way to sheep's wool) which are mainly reared on the Andean Mountain Range. A fibre ranging from 18 to 23 microns is obtained from the alpaca.



Even the selection of wool is the result of experience and careful analysis: wool is one of the most traditionally popular fibres for the production of textiles and in our products, it is skilfully blended with other Noble fibres. The wool used in our production is **Merino wool**, the name derives from the Merino breed of sheep from which it comes. Merino wool is characterised by fineness, softness and unique qualities. Our wools come from Australia and New Zealand, where the breeding of sheep for textile production is a tradition and the knowledge of the breeders enables ever better and controlled wools to be obtained, allowing one of the finest wools in the world to be obtained, our Kid Wool, with a diameter of only 12.8 microns. The wool is certified in compliance with the Responsible Wool Standard (RWS) for the protection of animals and the chain of custody of the wool, from certified breeders to the final product.

Discover more
on our website

Colombo Boutiques

*The comfort and pleasure of
precious fibres*



The boutiques

The design, manufacture and sale of the finished product line are an integral part of our business, together with the production of high fashion fibres. Our stores play a key role, in this respect, where our customers can touch our products at first hand with a total of 12 exclusive, single-brand Colombo stores worldwide. A new showroom was also opened in Milan in October 2022.

As proof of our commitment to sustainability, our stores have also been subject to energy consumption monitoring and major efficiency enhancement measures, just like the Borgosesia production facility.



Colombo worldwide



Boutiques and environment

Lissone

in partnership with Plenitude



- **NEW Air Handling Unit**
- **NEW heat pump**
- **NEW hotovoltaic system**

+71 kW_p

→ Reduction of methane gas consumption

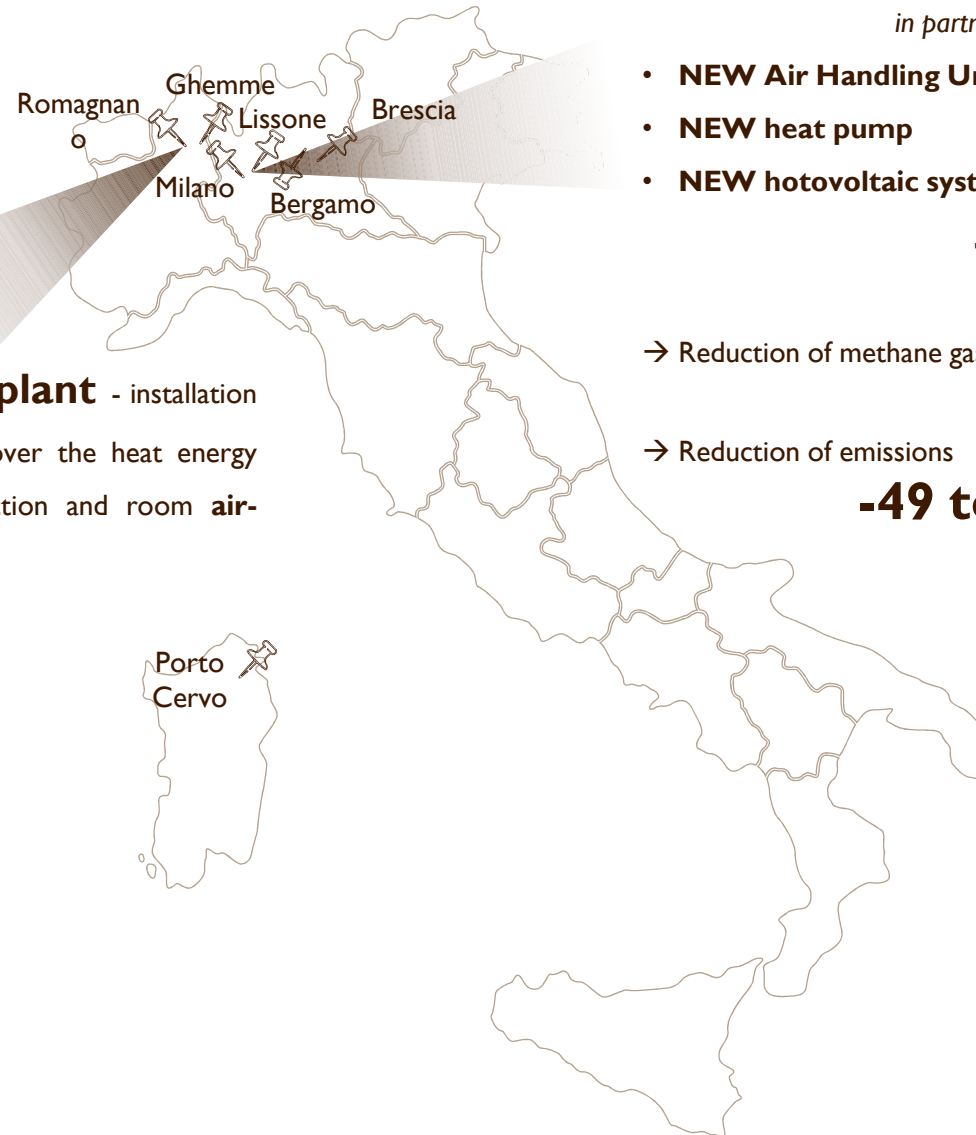
-80%

→ Reduction of emissions

-49 tonCO₂/year

Romagnano

NEW Central Heating plant - installation of two new condensing boilers to cover the heat energy requirements for **hot water** production and room **air-conditioning**.



Discover more
on our website

Our goals for 2023



continuous training – increase in employee training hours



generational turnover – recruitment of young people under 30



projects to raise staff awareness of sustainability issues



extension of company welfare

10% of requirements to be self-produced from renewable sources within **2030** **10%**

30% reduction of water consumption within **2030**¹⁴ - **30%** *to date -20,6%*

30% reduction of electricity consumption within **2030**¹⁴ - **30%**

30% reduction of methane gas consumption **2030**¹⁴ - **30%**

30% reduction in waste production within **2030**¹⁴ - **30%** *to date -62,0%*

Implementing monitoring of our consumptions



Key Performance Indicators (KPIs) to support efficiency enhancement projects



¹⁴ Compared to the baseline year 2021

Projects for 2023

GOVERNANCE

Implementation of an environmental management system	<i>In progress</i>
Creating a supplier rating system based on Environmental, Social and Governance (ESG) criteria	<i>Under study</i>

ENVIRONMENTAL SUSTAINABILITY

Efficient temperature control in the production facilities	<i>In progress</i>
Overhauling the finishing suction system	<i>In progress</i>
Recovery of water exiting the sewage treatment plant	<i>In progress</i>
Recovery of thermal energy from waste	<i>Under study</i>
Preheating from thermal recovery of water for washing and dyeing	<i>Under study</i>
Rephasing the company's electrical system	<i>Under study</i>
Installation of a capillary monitoring system	<i>Under study</i>
Consumption indices per machine	<i>Under study</i>

SOCIAL SUSTAINABILITY

<i>Staff awareness campaigns on safety and sustainability issues</i>	<i>In the definition phase</i>
<i>Awareness-raising and training campaigns in local schools</i>	<i>In progress</i>

Methodology note

Transparency towards all *stakeholders* is an essential principle that guides our Company in all its activities and that also translates into the choice to prepare the Group's Sustainability Report on a voluntary basis every year, the Sustainability Report was prepared for the first time in 2021: the document reports the Company's sustainability process each year, reflecting its continued commitment and the process of improvement undertaken. This Sustainability Report has been prepared with reference to the GRI Standards, a globally recognised guideline for reporting on sustainability, and therefore, according to the key principles of these standards, duly applied to Lanificio Colombo's current situation.



ACCURACY

- Definition of a consistent and replicable internal method for data collection and processing
- Internal comparison to collect qualitative information with competent personnel



CLARITY

Clear presentation of data with reference to sources where useful for a better understanding



COMPLETENESS

Commitment to reporting all the significant information



PROMPTNESS



BALANCE

Objective presentation of the data.



COMPARABILITY

- Application of a consistent and replicable internal method for data collection and processing
- Continuity and uniformity of standards used and reference sources
- Standardisation of data representation to facilitate comparability from year to year



SUSTAINABILITY CONTEXT

Reporting on impacts in terms of environmental and social sustainability, also in order to identify priorities and ideas for improvement



VERIFIABILITY

Preparing the document in a managed and organised manner so that the origin of the data can be easily traced and their truthfulness proven

2021 was chosen as the *baseline* year for comparing and monitoring the trends in the various data and indicators included in the report, and was the first year the Sustainability Report was published.

This Sustainability Report was approved by the Board of Directors on 22nd May 2023. Lanificio Luigi Colombo S.p.a. has reported the information cited in this Global Reporting Initiative (GRI) content index for the period 01/01/2022 – 31/12/2022 with reference to the GRI Standards. The GRI Content Index is detailed below, with reference to the number of the specific Disclosure where the number and title are indicated and the position in which to find the information in the Sustainability Report.

Indice dei contenuti GRI

<u>GRI 2</u>	<u>General Disclosures</u>	2-1	Organizational details	Governance. p. 16
		2-2	Entities included in the organization’s sustainability reporting	Governance. p. 16
		2-3	Reporting period, frequency and contact point	Methodology note, p. 61
		2-4	Restatements of information	Methodology note, p. 61
		2-5	External assurance	Methodology note, p. 61
		2-6	Activities, value chain and other business relationships	Value chain, p. 19
		2-7	Employees	Personnel, p. 25
		2-9	Governance structure and composition	Governance. p. 16
		2-29	Approach to stakeholder engagement	Materiality analysis, p. 11
<u>GRI 3</u>	<u>Material Topics</u>	3-1	Process to determine material topics	Materiality analysis, p. 11
		3-2	List of material topics	Materiality analysis, p. 11
		3-3	Management of material topics	Materiality analysis, p. 11

<u>GRI serie</u> <u>200</u>	201	<u>Economic performance</u>	201-1	Direct economic value generated and distributed	Governance, p. 19
<u>GRI serie</u> <u>300</u>	301	<u>Materials</u>	301-1	Materials used by weight or volume	Value chain, p. 20
	302	<u>Energy</u>	302-1	Energy consumption within the organization	Environment, p. 38
			302-4	Reduction of energy consumption	Environment, p. 39
	303	<u>Water and Effluents</u>	303-1	Interactions with water as shared resource	Environment, p. 36
			303-2	Management of water discharge-related impacts	Environment, p. 37
			303-3	Water withdrawal	Environment, p. 36
			303-4	Water discharge	Environment, p. 37
			303-5	Water consumption	Environment, p. 36
	305	<u>Emissions</u>	305-1	Direct (Scope 1) GHG emissions	Environment, p. 47
			305-2	Energy indirect (Scope 2) GHG emissions	Environment, p. 47
			305-5	Reduction of GHG emissions	Environment, p. 48
305-7			Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment, p. 45	

GRI serie 300	306	<u>Waste</u>	306-1	Waste generation and significant waste-related impacts	Ambiente, p. 43-44
			306-2	Management of significant waste-related impacts	Ambiente, p. 42
			306-3	Waste generated	Ambiente, p. 43
			306-4	Waste diverted from disposal	Ambiente, p. 44
			306-5	Waste directed to disposal	Ambiente, p. 44
	307	<u>Environmental compliance</u>	307-1	Non-compliance with environmental laws and regulations	n.a.
GRI serie 400	403	<u>Occupational Health and Safety</u>	403-1	Occupational health and safety management system	Persone, p. 31
			403-2	Hazard identification, risk assessment, and incident investigation	Persone, p. 31
			403-4	Worker participation, consultation, and communication on occupational health and safety	Persone, p. 18
			403-5	Worker training on occupational health and safety	Persone, p. 32-33
			403-8	Workers covered by an occupational health and safety management system	Persone, p. 31
			403-9	Work-related injuries	Persone, p. 31
			403-10	Work-related ill health	Persone, p. 31
	404	<u>Training and Education</u>	404-1	Average hours of training per year per employee	Persone, p. 33
			404-2	Programs for upgrading employee skills and transition assistance programs	Persone, p. 33
	405	<u>Diversity and equal Opportunity</u>	405-1	Diversity of governance bodies and employees	Persone, p. 28
419	<u>Socioeconomic Compliance</u>	419-1	Non-compliance with laws and regulations in the social and economic area	n.a.	

We would like to thank all the colleagues and stakeholders who participated and contributed to the preparation of our 2022 Sustainability Report for their cooperation.



Lanificio Luigi Colombo S.p.A.

Regione Torame snc

I 3011 Borgosesia (VC)

Italia

sostenibilita@lanificiocolombo.it