



EXECUTIVE SUMMARY

SUSTAINABILITY REPORT 2025



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1. ZBLB: 175 YEARS OF TEXTILE LEGACY

Since 1850, the Company has combined excellence in the production of high-quality carded and combed yarns, while maintaining strong local roots and fostering an advanced corporate welfare model. Nowadays, ZBLB is a contemporary and entirely verticalized production-industrial facility, oriented towards the future and sustainability, as well as operating on global markets both by delivering its products on a world-wide scale and through a network of agents and branches abroad.



In 2025, Zegna Baruffa Lane Borgosesia S.p.A. celebrated the 175th anniversary through the issuance of a commemorative

stamp by the Istituto Poligrafico e Zecca dello Stato and MIMIT (Ministry of Enterprises and Made in Italy), marked by official ceremonies held in Rome and Borgosesia.



Borgosesia (VC)

Historic headquarters and main plant dedicated to combed yarns, dyeing and finishing processes.



Vigliano Biellese (BI)

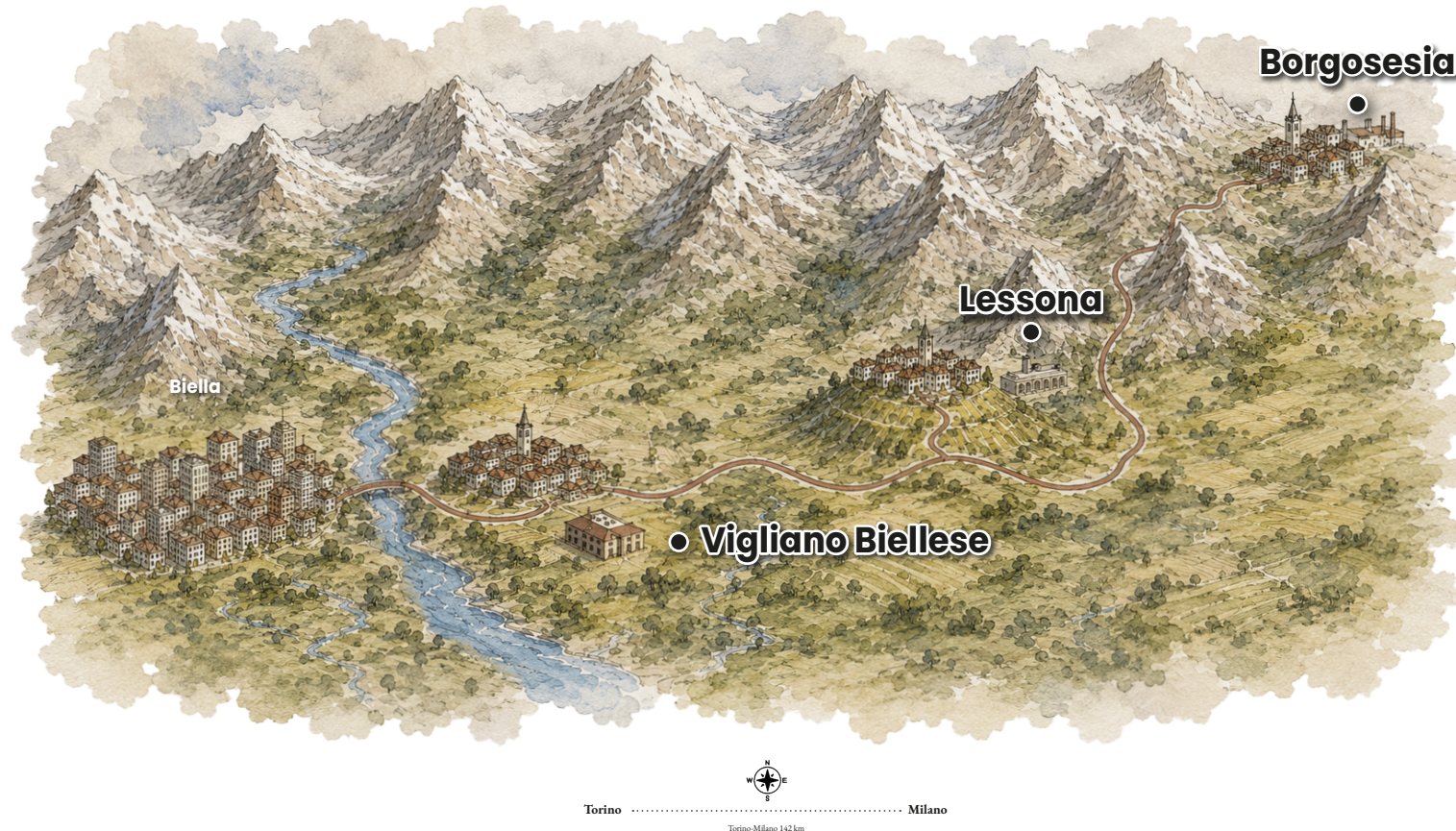
Production site for carded yarns and dyeing operations.



Lessona (BI)

Facility specialized in fine carded yarns, sample development and research into fancy and sustainable yarns.

The production facilities in the Biellese-Valsesian area



2. MAIN ACHIEVEMENTS 2025

ENVIRONMENT

98% of raw materials are **natural and renewable**

Decarbonisation and energy efficiency projects

-9% electricity consumption per unit of product, -18% water withdrawn per unit of product, -14% total waste per unit of product compared to 2024

Calculation of the **Organisation Environmental Footprint and Product Environmental Cashwool®**

INNOVATION

The “EXCELLENCE” implementation level on the application of the **CHEM 4Sustainability®** protocol has been confirmed.

Collaboration with Itoitex: Development of wool and washi yarns, a paper fiber obtained from FSC forests' pulp waste.

Approximately **90% of chemicals** used in the manufacturing process are LV3 registered on the ZDHC Gateway, the highest level of compliance under **ZDHC certification program**.

SUPPLY CHAIN

Achievement of the “EXCELLENCE” level of the **4sustainability Chain certification**

42% of products are made with raw materials **certified** according to sustainability standards such as RWS, Nativa Precious Fiber, Engraw – Land to market, SFA cashmere.

PEOPLE

Partnership with Cascina Oremo: a unique organization for the support and development of the individual in the Biella area

Support for the project **I Bambini delle Fate**

Development of an effective and engaging **inter-company communication tool: FILO**

3. SUSTAINABLE INNOVATION

The product design was driven by sustainable innovation. R&D expanded the product portfolio with Paper Wool, a lightweight and sustainable yarn developed through the integration of plant-based Washi as a result of the collaboration with Itoitex.

DIRECT
Washi
Innovative Paper Yarn

Itoitex



ZBLB strengthened its partnership with Spiber by integrating the use of Brewed Protein™ biotechnological fibre in spinning processes. Both, these collaborations reinforce the Company's commitment to innovative, high-performance materials and low environmental impact.

 **Spiber**

4. COMMITMENT TO THE ENVIRONMENT

The management of energy consumption and emissions

In 2025, total energy consumption amounts to **247,732 GJ**, of which about **34% will come from renewable sources**, thanks to the purchase of **100% of the electricity needs certified** through certificates of origin for a total of **83,183 GJ** (for details, see Table GRI 302-1 in the annex).

Photovoltaic

During 2025, Zegna Baruffa Lane Borgosesia consolidated the commitment to the energy green-transition through the new generation photovoltaic system installed at the Borgosesia plant. In the first year of operation, it generated 1.12 GWh of renewable energy, avoiding approximately 280–300 tonnes of CO₂ emissions, equivalent to more than 19,000 trees.

The initiative reflects the Company's efforts to reduce the environmental impact and strengthen energy resilience, paving the way for further investments in energy efficiency and sustainability.



**Distribution of
energy consumption
in 2025**

65%

Natural gas

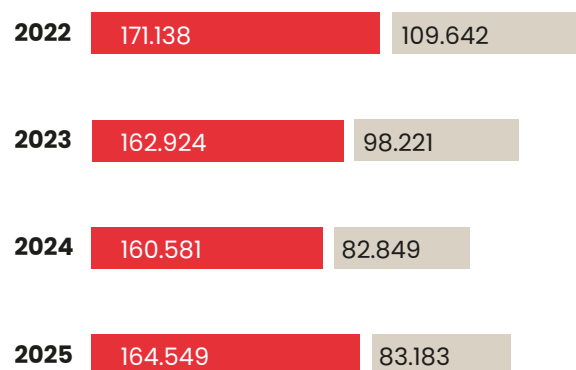
34%

Electricity
100% renewable
sources

1%

Fuels for company
vehicles

Reduction in energy consumption (GJ) from 2022 to 2025



 Natural gas consumption
  Electricity consumption (100% from renewable sources)

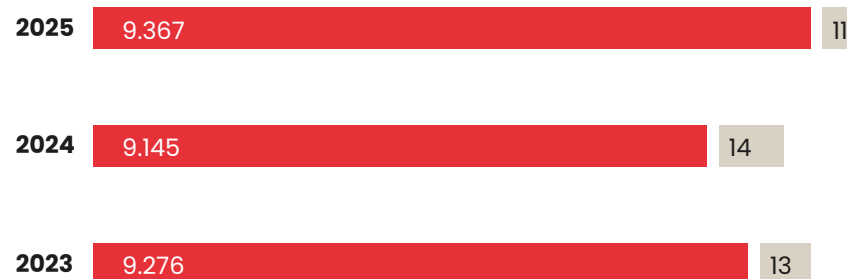
From 2022 to 2025
energy consumption
was reduced by

12%

Focus: OEF – Organisation Environmental Footprint

The 2025 OEF analysis update made it possible to estimate, based on internationally recognized methodology, the overall environmental impact of the Company's activities, considering both air emissions and use of water resources. In particular, the study highlighted the pre-eminent consistency of "Scope 3" total emissions, i.e. indirect ones deriving from the value chain third parties.

Total Market-Based Scope 1 and Scope 2 emissions (ton CO₂e) from 2023 to 2025

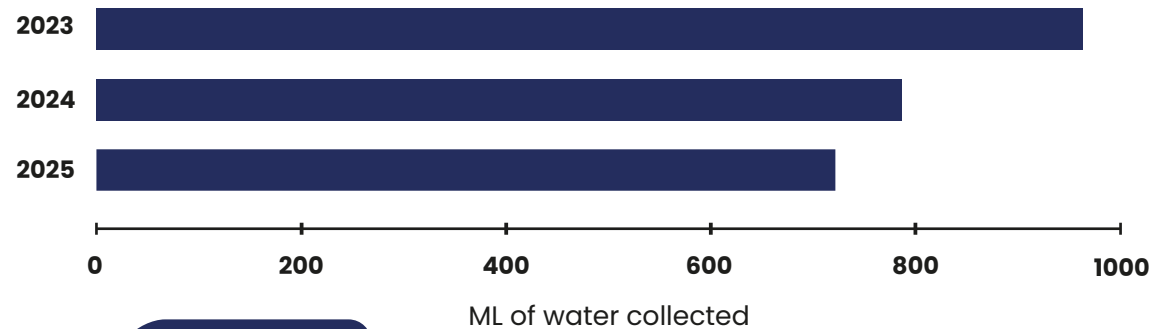


 Scope 1
  Scope 2 (Market-based)



Water Consumption Monitoring

Water withdrawal in 2023–2025



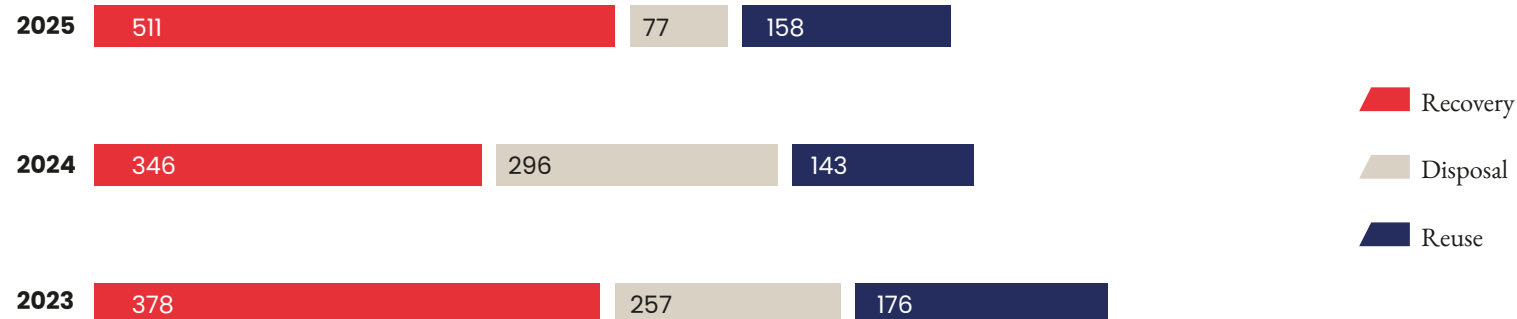
-25%
vs 2023



90% of waste
is sent for reuse,
recycling or recovery.

Waste management

Waste by destination (tones)





Biodiversity

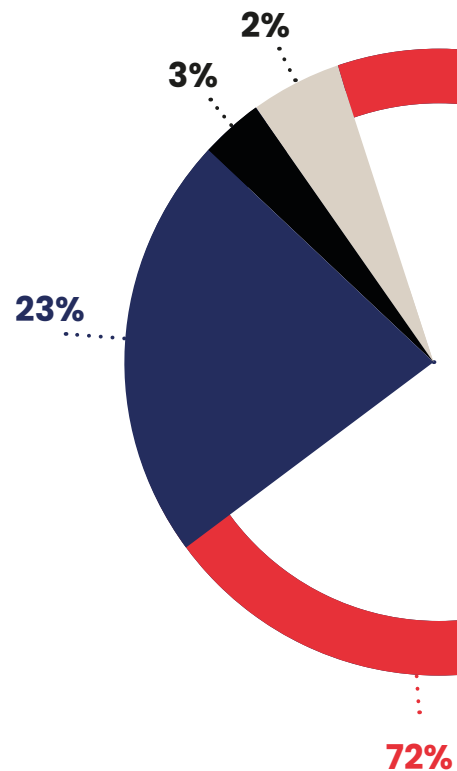
In light of the current market sensitivities, the Company has established partnerships with **Engraw** and **Nativa Precious Fibre**, two important companies in the field of certified “regenerative” wools. This model safeguards soil and ecosystems, supports biodiversity, and mitigates the impacts of intensive practices and land degradation.



The fibers come from farms managed according to strict criteria: rotation of pastures, regeneration of land, conservation of natural habitats and animal well-being. This approach promotes responsible management practices that enhance soil fertility and support greater diversity of plant and animal species.

5. COMMITMENT TO THE ENVIRONMENT

Distribution of Company workforce



- Blue collars 72%
- White collars 23%
- Executives 3%
- Managers 2%

97%

Permanent contracts

542

Employees

56%

Women



In 2025, ZBLB introduced FILO, a new intranet platform for internal communications and safety management. The platform consolidates company information, training materials and online courses, improving risk monitoring and reporting. FILO is accessible via totem, PC and smartphones.

Since 2025, ZBLB has supported I BAMBINI DELLE FATE, contributing to inclusion projects to the benefit of people on the autism spectrum and other disabilities through a locally based fundraising model.

In the Biella area, the Company supports the Banca del Tempo Sociale project, fostering inclusion and social interaction between students and young people in vulnerable situations.

The numbers of 2025:

37

applied students

472

hours of volunteer work

30

engaged students

10

vulnerable young participants



ZBLB also supports the Cascina Oremo multidisciplinary centre, which brings together a range of integrated services for families and schools.

People were supported in 2025:

88 total (5 children 0-5 years old, 48 children 6-12 years old, 14 young people 13-18 years old, 11 young adults and adults 18+, 10 parents)

6. THE SUSTAINABLE SUPPLY CHAIN

Zegna Baruffa Lane Borgosesia's production takes place in its Italian plants and in 2025 amounted to **1,895 tons of yarn**.

The Company has always adopted a focus on the **international market**, opening numerous commercial hubs abroad dedicated to the promotion and support of customers, satisfying the needs of 1,600 customers divided into 3 macro-categories:



**FASHION
INDUSTRIES**



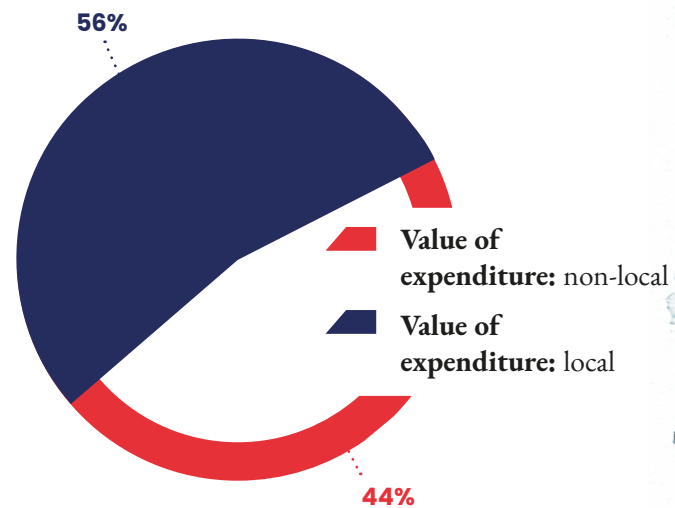
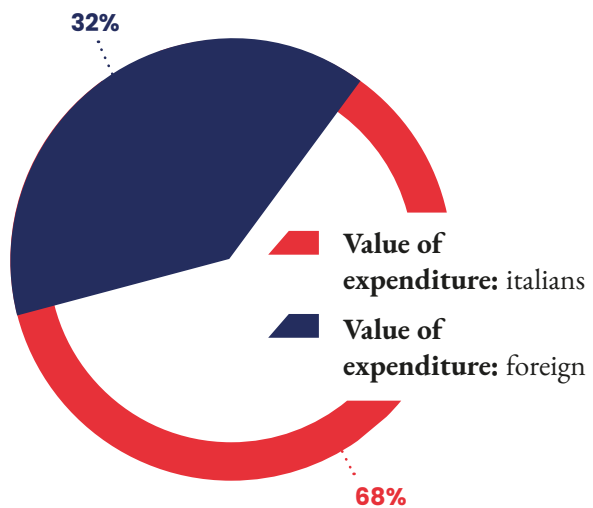
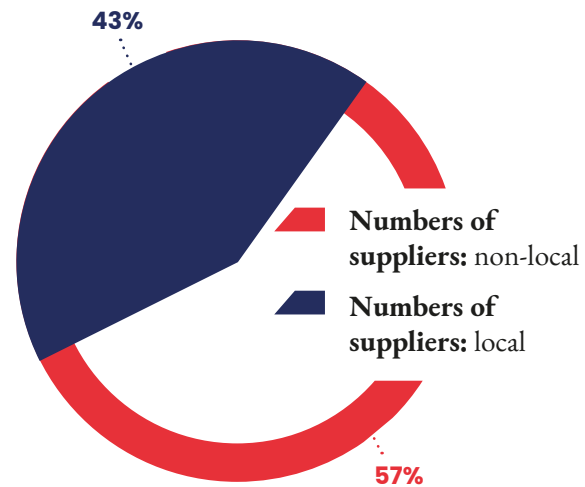
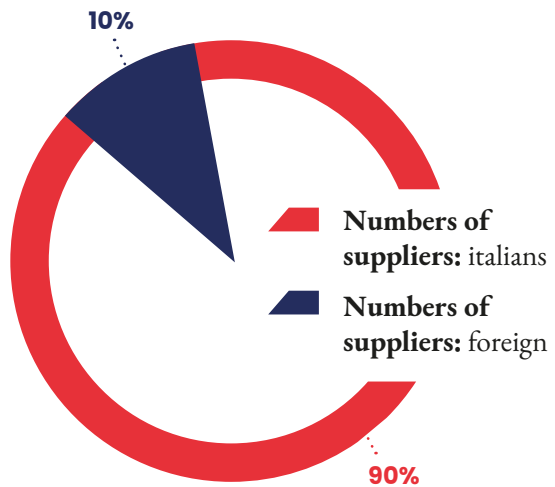
**TEXTILE
DESIGNER**



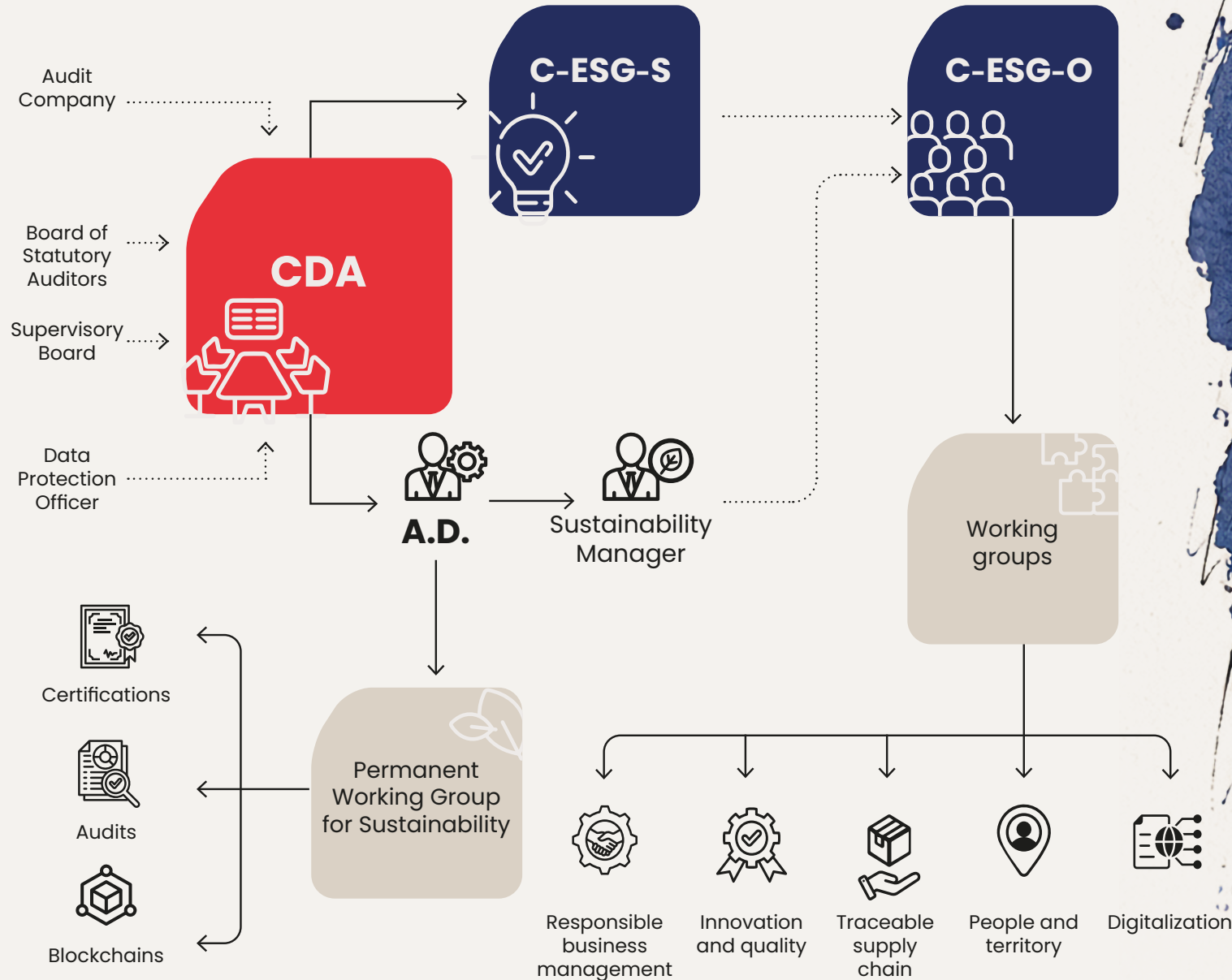
KNITTERS

During 2025, 1,924 tons of raw materials were used. Of these, 98% comes from natural and renewable resources, a significant figure that underlines the Company's concrete commitment to the transition to sustainable supply chains and the reduction of environmental impact.

The sustainable supply chain



7. GOVERNANCE ESG



Strategic ESG Committee

Established by the Board of Directors, it defines sustainability policies and objectives for the C-ESG-O. It is composed of senior company executives, including the CEO and heads of key functions.

Operational ESG Committee

Established by the CEO and coordinated by the Sustainability Manager, it implements strategic guidelines at operational level, develops ESG programmes and projects, and defines KPIs, with the support of the Water, Energy and Chemical Managers.

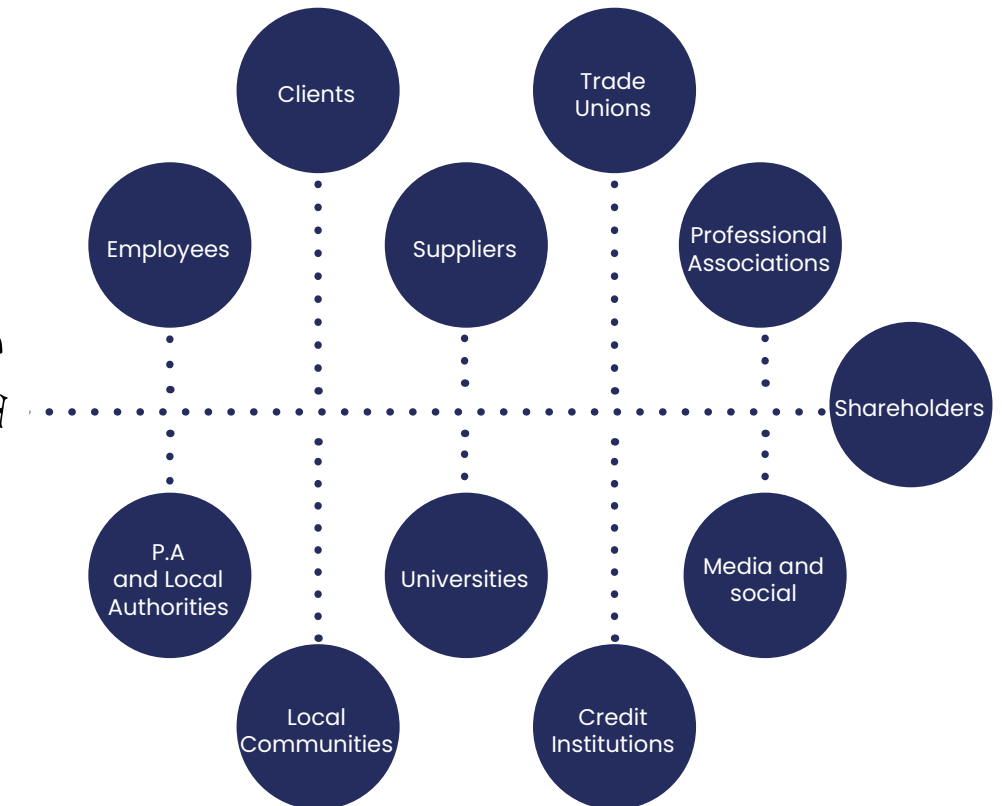
Working Groups

Set up by the CEO with a variable composition, the working groups develop specific projects. The Sustainability Working Group, in particular, supports the Sales function in managing customer ESG requirements and audits.

8. MATERIALITY ANALYSIS

In 2025, ZBLB updated its Materiality Analysis in accordance with the GRI Standards, engaging internal and external stakeholders and conducting a benchmarking exercise against competitors, customers and suppliers. The process confirmed the eleven stakeholder categories. The company ensures the protection of stakeholder rights and maintains ongoing dialogue, with the frequency of engagement varying across groups.

Zegna Baruffa Lane Borgosesia's Stakeholders:



9. OUR PARTNERS FOR SUSTAINABLE GROWTH



Zegna Baruffa Lane Borgosesia S.p.A. adheres to the ZDHC (Zero Discharge of Hazardous Chemicals) Foundation program by adopting the chemical management system compliant with the MRSL (Manufacturing Restricted Substances List). The Company has achieved the “EXCELLENCE” implementation level, which represents an advanced standard of compliance in the responsible management of chemicals along the entire production chain. In addition, it has obtained the 4sustainability® Chain certification at the “Excellence” level, attesting to the accurate and transparent management of information relating to the traceability of products and production conditions along the supply chain.



Zegna Baruffa Lane Borgosesia renewed the Certification that regulates all products in contact with the skin, respecting stringent human-eco-toxicological requirements.



In 2025, the Company renewed its “Responsible Wool Standard (RWS)” product certification, demonstrating that it has an adequate management system for the identification and traceability of certified products and continued adherence to the guidelines and standards provided for by the new Responsible Animal Fiber (RAF) system.



In 2025, Zegna Baruffa Lane Borgosesia renewed the SFA Cashmere Certification, which defines best practices for responsible cashmere production.



Zegna Baruffa Lane Borgosesia renews the Global Recycled Standard (GRS) Certification, which guarantees the recycled material content of the product, for 100% replacement of polyamide in the supply chain with recycled polyamide.



The Company has incorporated a LAWER internal traceability system that allows the chemical products used in each wet process to be traced.



Since 2022, Zegna Baruffa Lane Borgosesia has been collaborating with ERCA S.p.A., a company that aims to create next-generation circular chemical solutions.



Zegna Baruffa Lane Borgosesia has started a collaboration with Nativa Precious Fibre and Engraw-Land to Market, both leaders in the field of promoting regenerative agricultural practices in the raw material production.



Membership of Retex.Green, a consortium for the circular economy of fashion promoted by Sistema Moda Italia and the Italian Textile Foundation, which is a candidate to be the first and main national consortium for the management of textile waste.



Zegna Baruffa Lane Borgosesia has joined the Slow Fiber Business Network, promoted by Slow Food, which brings together textile companies committed to ethical, sustainable and transparent production throughout the supply chain.



Zegna Baruffa Lane Borgosesia S.p.A.

SPINNING TRENDS - SINCE 1850

Administrative headquarters and general management

Via Milano, 160 – 13856 Vigliano Biellese (BI) Italy
Tel. +39 015 7001

Registered office

Via B. Sella, 140 – 13835 Valdilana (BI) Italy
VAT number 01734930025
Tax code 01497250132

www.baruffa.com

 ZegnaBaruffaLaneBorgosesia

 @zegna.baruffa.lane

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