

FILATURA PAPI FABIO S.P.A.

TRANSPARENCY AND SUSTAINABILITY POLICY

Growth, transparency, and sustainability are what in which we would like to distinguish ourselves, basing our strategies on the belief that ethic and profit cannot be in contrast. In fact, there is no long-term economical development disconnected with the social and environmental one.

Inspiring to and aligning with the Sustainable Development Goals, adopting 4sustainability® Commitment, we commit to transparency towards the market and to contribute to the generation of a global positive change, undertaking a clear environmental and social responsibility.

Transparency

For Filatura Papi Fabio S.p.A. transparency concept directly refers to relevant information made available to all the parts and actors of the value chain in a standardized way allowing common understanding, accessibility, clarity, and comparison. Transparency is the necessary assumption to ensure the traceability requisite on products, processes and suppliers belonging to its own value chain.

Environmental responsibility

Filatura Papi Fabio S.p.A. sets the goal to reduce the environmental impact derived from its own business using a monitoring-oriented approach as well as performance continuous improvement, starting from the compliance with current legislation with constant attention to innovation, research, and development.

In particular, to reduce the environmental impact Filatura Papi Fabio S.p.A. would like to constantly decrease the release of polluting agents in production processes and therefore in the environment ensuring the respect of limits related to hazardous chemical substances presence for both men and environment and becoming more and more strict over the semi-processed/final product supplied to the customer.

Fully aware that the sustainability goals implementation is uniquely possible with a collaborative approach we constantly search for partnership with entities sharing the same attention for environmental and people protection and innovation-oriented values.

Filatura Papi Fabio S.p.A. has therefore defined the following macro-objectives for environmental impact reduction:

- implement a chemical risk management system for the environmental impact reduction due to the use of hazardous chemical substances for both men and environment in production process and along the supply chain as a function of the subject technical knowledge progress through the ZDHC MRSL implementation;
- guarantee to constantly monitor and improve the wastewater quality directly or indirectly connected to our production;
- inform and train employees on the activities carried out by the company in the sustainability field using meetings and periodic briefings in order to promote research and innovation;
- search for regulatory compliance constantly going towards partners and suppliers sharing the same values and strategic goals and able to answer to increasingly challenging market demands;
- adopt techniques and cutting-edge management tools towards performances continuous improvement in the sustainability field;
- periodically share with stakeholders the reached results as well as the new set improvement goals;

- correctly and responsibly manage waste coming from the production process;
- consider as a priority to work with district partners in order to minimize environmental impacts due to materials handling along the production cycle;
- prefer whenever possible raw materials with reduced environmental and social impact such as raw material recycled or regenerated, certified, traced and tracked, organic and/or connected to sustainability initiatives;
 - I. limit raw material purchases coming from activities using bloody breeding or raw material uptake methods;
 - II. ii. to prefer the purchase of RWS-certified raw materials, which guarantees the complete traceability of the wool fibers contained in our yarns, throughout the supply chain, from the farmer to the finished product to the end consumer;
 - III. iii. promote the purchase and use of waste and recycled materials, with the aim of minimizing the consumption and waste of resources and raw materials, through the adoption of the Global Recycle Standard (GRS);
- consider the environmental impact of our activities starting from the collection design in the perspective of sustainable/circular design;
- search for production and management solutions providing a higher production processes effectiveness to reduce and/or minimize energy and water and CO2 emissions in the atmosphere. Prefer about that the purchase of new machineries which guarantee a higher innovation and efficiency level finalized in the reduction or minimization of related consumptions and impacts;
- search for and prefer solutions for reducing waste production reduction and/or increasing reuse and recycling practices;

Considering the above objectives, we decided to concentrate our efforts to address the topic of the evaluation and management of the chemical risk deriving from the systemic use of chemical products. We therefore adopted the **4sustainability® Chemical Management Protocol**, implementing with a structured methodology the ZDHC MRSL (www.roadmaptozero.com), monitoring the supply chain and periodically measuring the application level in a transparent way.

Social responsibility

In the ethical-social sphere, Filatura Papi Fabio S.p.A. commits to respect labours rights according to the Universal Declaration of Human Rights and to respect the core conventions of the International Labour Organization (ILO), the national legislation and conditions set out by the national negotiation about:

- Freedom of association and right to collective bargaining
- Child labour
- Employment of children
- Forced labour
- Health and Safety
- Prevention of any discrimination and abuse phenomenon
- Regularity and transparency in employment contracts, recording of working hours, payment of due wages.

The company is also committed to prefer relationships with partners pursuing the same social goals in compliance with the applicable regulations and to verify whenever possible the right application of them inside the business partners.

The company thereby activates for the disclosure of the entire content of this policy within the organization so that it is known and followed at all levels. At the same time all the tools have been prepared for the disclosure

of these purposes to the external subjects with which the company comes into contact. Mainly customers and suppliers because directly connected to the manufacturing process also including reference associations, communities and public institutions in order to raise awareness towards sustainability issues.

Gaggio Montano, 27/11/2024

The Management

FILATURA PAPI FABIO S.p.A.