

Milior 1895

CHARTER OF SUSTAINABILITY VALUES

Foreword

Milior is a leading company and an integral part of the Prato textile district. Founded in 1895, Milior produces a full range of products, accompanying the various collections over the years with innovative approaches and continuous research into new materials and finishes. Milior, in addition to pursuing the goals of research and innovation, has adapted its production to the new standards of sustainability, acquiring the most important certifications and producing eco-sustainable fabrics meeting the requirements of sustainable and circular production.

Milior aware of the importance of the commitments made to the market and to current regulations, in order to share and communicate its values and principles of sustainability, has adhered to the Commitment 4sustainability® and drafted this "Charter of Sustainability Values" (hereinafter the Charter of Values) intended for all personnel, directing all company activities.

Milior by signing the Commitment 4sustainability®, commits to:

- - always put the founding values of 4sustainability® first: ethics, legality, transparency, anti-corruption, respect for the environment, people and human rights;
- - involve its value chain in the implementation of current and future initiatives;
- - communicate and report on its initiatives in a fair, comprehensive and transparent manner;
- - promote sustainability awareness and education to its employees and, to the extent possible, to its suppliers and the local communities in which it operates;
- - use the 4sustainability® label in accordance with the general conditions and guidelines for use received.

It is fundamental for Milior that all the different realities (direct suppliers, distributors, third-party processing...) with which it collaborates directly and indirectly for the production of its articles share the same principles and practices to ensure sustainable production and carry on a valuable collaboration - beyond mere compliance with national and international regulations - in the areas of workers' rights, environment, health and safety.

This document describes the core values that Milior has decided to implement in its sustainability strategy and that it requires its partners and suppliers to adopt and defend in order to achieve the common project of sustainable production. For this reason, we require that the document be signed by the Supplier as formal proof of its commitment to operate in accordance with the requirements described within it, in the form in which they are applicable to its business context.

1. TRACE – Process traceability and supply chain monitoring

Milior requires its suppliers to manage traceability information of its production and supply chain, as well as the origin of the raw materials used. The traceability information must go as far as documenting the identification and traceability of production batches of each component/material at its various processing stages.

With a perspective towards extended supply chain responsibility, the Supplier is also required to assess its supply chain on the basis of the social and environmental requirements shared in this document and to monitor over time in a structured manner (through audits and/or remote support) the activities and improvements made.

2. PEOPLE – Organizational welfare and social responsibility

All suppliers are required to comply with company social responsibility and worker health and safety requirements described below.

Prohibition of forced labor. The Supplier must ensure that all workers have a free choice of labor. Any form of forced labor and slavery is strictly prohibited. Workers may not be subjected to degrading treatment, corporal punishment, and mental and/or physical coercion.

Prohibition of child labor. The use of child labor is strictly prohibited for all suppliers. Child labor is defined as work performed by children under the minimum age (14, 15 or 16) established for the various types of activities by national legislation in accordance with international standards and, in any case, work likely to impair the education and full development of the child.

Formal employment relationship. The relationship between the employer and the employee must be formalized by means of a contract drawn up in writing, including the rights and duties of the employee and defining the terms for the assignment of the contract.

Freedom of Association. The Supplier must guarantee workers the right to collective bargaining, the creation of or membership in union structures of their choice, without thereby receiving sanctions, discrimination or abuse from the employer.

Worker health and safety The Supplier shall ensure that all workers operate in a safe and healthy working environment in compliance with applicable regulations. The Supplier shall implement appropriate measures to prevent accidents and damage to health arising from, related to, or occurring in the course of work by reducing, as far as reasonably practicable, the causes of risks inherent in the work environment in order to prevent and manage accidents and damage to health.

Fair Remuneration. The Supplier shall guarantee to all workers a minimum wage defined on the basis of national legal standards or industry reference standards, as prevalent, as well as respect for the right to appropriate remuneration sufficient to meet the basic needs of workers and their families and, if necessary, to recognize an additional share of remuneration.

Standard Working Hours. The Supplier shall comply with national laws and industry standards on working hours, vacations and vacations. The number of hours worked shall in no way exceed 48 hours per week with a maximum of eight hours per day as defined by the International Labor Organization (ILO).

Prohibition of discrimination. The Supplier shall treat all workers fairly, avoiding any discriminatory practices - with particular reference to remuneration, recruitment, access to training, promotions, dismissals or retirements - based on sex, race, caste, nationality of origin, religion, age, disability, marital status, sexual orientation, union or political party membership.

Prohibition of mistreatment and abuse in the workplace. The Supplier must guarantee all workers the right to respectful and dignified treatment. No form of physical, mental, verbal, sexual abuse, corporal punishment or other forms of intimidation shall be carried out against them.

Organizational well-being and continuous improvement. The Supplier is required to consider more agile forms of work, applying ways to improve the organization of work, its reconciliation with private life and the reduction of travel. It should also evaluate new work models to increase productivity and improve the welfare of workers.

3. PLANET – Conscious use of resources for environmental impact reduction

Milior aims to reduce the environmental impact resulting from its own activity and that of its supply chain.

To this purpose, the Supplier commits to always act in compliance with international, transnational and national environmental laws, obtaining the permits required by current legislation (e.g., air emission permit, discharge permit, etc.) and applying appropriate waste management practices.

The Supplier also undertakes to measure its energy consumption and related emissions in order to evaluate policies and projects to reduce them, in accordance with the common commitment to combat climate change and reduce related environmental impacts.

4. CHEM – Toxic and harmful chemical substances elimination from production process

Milior is aware that, among the most significant impacts related to its production activities, a major role is played by the use of chemicals in several of its processing cycles. In this regard, the Supplier is required to progressively eliminate chemicals that are toxic and harmful to humans and the environment from production processes (internal and/or external), through the application of a risk assessment and management system in line with the ZDHC program (<https://www.roadmaptozero.com>).

The Supplier is required to evaluate the adoption of MRSL ZDHC implementation protocols, such as 4sustainability® (www.4sustainability.it), Bluesign®, Leather Working Group (LWG), or others, to demonstrate the level of implementation of the pathway for elimination of toxic and harmful substances from production cycles.

5. MATERIALS - Conversion to the use of materials with lower impact for sustainable production

Milior is aware of the social and environmental impact referable to the raw material extraction phase, and aims to gradually introduce fibers and materials with sustainable characteristics into production. The Supplier is required to give preference, where possible, to the procurement of raw materials from suppliers who comply with social and environmental responsibility requirements in line with this Charter of Values, if necessary also equipping themselves with product certifications or marks.

It is strictly prohibited to supply cotton from Uzbekistan, Turkmenistan and Xinjiang due to the conditions of forced labour and child labour found in these producing countries.

The company requires the Supplier to consistently seek cotton sourcing from entities/interlocutors committed to preserving the environment during cultivation, to support farmers in implementing low environmental impact techniques (e.g. irrigation, pesticide and fertilizer use, biodiversity protection, etc.).

With this in mind, Milior prefers cotton from the BCI initiative and GOTS-certified cotton, which will be specifically requested by the purchasing department with the relevant documentation/transaction certificate.

The Supplier, as part of the services to be supplied, undertakes to purchase raw material of animal origin from farms that respect animal welfare according to the relevant national standards and regulations. The Supplier is required to select producers who apply "good animal husbandry" practices, i.e., who do not carry out any kind of cruelty and mistreatment of animals in accordance with the principles expressed in the 5 freedoms of animal welfare:

<https://webarchive.nationalarchives.gov.uk/20121010012427/http://www.fawc.org.uk/freedoms.htm.>

In line with animal welfare principles, Milior prefers to source RWS-certified protein fibers.

Milior aims to limit the impact on forests by preserving especially endangered forests. For this reason, the Supplier is required to source cellulosic raw material that is FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certified. It is also preferable for the Supplier to purchase artificial cellulosic raw material from producers who have obtained a positive assessment (Green t-shirt) according to the audit guidelines of CanopyStyle, an international organization with the objective of promoting a responsible sourcing model for cellulosic-derived fibers. Milior also wants to set the goal of progressively integrating raw material derived from industrial processes with reduced environmental impact (i.e. Lyocell)

It is required that the Supplier gives preference to the procurement of certified pre/post-consumer recycled raw material both in the presence of synthetic and protein GRS (Global Recycle Standard) fibers.

In case of the need for certified raw material/processing, the purchasing/disposition department will inform the supplier in the agreed manner and timeframe and, if necessary, will request the relevant documentation or product transaction certificate (TC).

Milior prefers the use of primary and secondary packaging with a focus on sustainability attributes, for example:

- recycled/reused plastic packaging (e.g., plastic wrap, plastic tissue)
- paper and cardboard from recycled and/or FSC/PEFC-certified material
- reuse of packaging wherever possible (e.g., pallets)
- packaging free of toxic and harmful chemicals (e.g., phthalate/PVC-free plastics)

6. CYCLE - Development of reuse, recycling, and sustainable design practices.

Milior supports and prefers Suppliers who are committed to implementing good practices and structured projects for a progressive transition to a circular economy model that has as its key objectives the minimization of waste through recycling, reuse, and recycling practices and the constant application of sustainable design practices in product development. For this reason, Suppliers are invited to inform of ongoing projects and to consider possible future collaborations.

Violation of Charter of values

Milior requires the Supplier to comply with the minimum requirements of compliance with the law and current regulations in terms of social and environmental responsibility and to commit to the voluntary requirements and standards expressed in the points above.

Remote Assessment. Milior reserves the right to monitor its supply chain by sending self-assessment questionnaires. Milior has chosen to use the 4sustainability® assessment, with the aim of gathering evidence and more detailed information on the activities carried out by the Supplier with reference to the requirements described in this Charter, as well as to promote a policy of increasing transparency within its supply chain. This activity of gathering evidence and information through self-assessment is always carried out while respecting the confidentiality of data and attention to the intellectual property of each supplier.

On-site audits. Milior reserves the right to verify and confirm compliance with the requirements set forth in this document by conducting verification audits at the direct Supplier by its own personnel or by third parties engaged by it.

The Supplier must keep track of the documentation necessary to demonstrate compliance with this Charter of Values and must make itself available to receive audit visits and provide the necessary evidence to the personnel who will conduct the audits. The Supplier also agrees to implement any corrective actions that will be determined as a result of the audit.

The Supplier Charter of Values is currently in effect in its first version, approved in Prato (Italy) the 25th of October 2023. By signing this document, the Supplier agrees to comply with it.

The signing of the following document represents the subscription to the "Charter of Values version 1.0 - 2023" described in the previous paragraphs.

The Supplier agrees to send this signed and stamped document within 30 days of receipt.



4sustainability

For any questions or information, the Supplier may contact Elisabetta Coveri or Nila Gonnelli at the email: sustainability@milior.com

Date _____

Company Name _____

Company address _____

Fiscal code _____

Signed and stamped for acceptance

NOTES OF NON-APPLICABILITY

Report any points of non-applicability of this Charter of Values in order to achieve greater transparency and supply chain collaboration.

This Charter of Values was produced in collaboration with Process Factory Srl with reference to the Charter of Values and Assessment 4sustainability®.