

## BENETTON GROUP MODERN SLAVERY POLICY

### Definition of Slavery, Servitude, Forced or Compulsory Labour and Human Trafficking

#### POLICY STATEMENT

Benetton Group has zero-tolerance approach to modern slavery, a phenomenon that comprehends slavery, servitude, human trafficking and forced or compulsory labour. As stated in our **Code of Ethics**, we are committed to acting with correctness and transparency in all our business relationships. We expect and we formally ask to our partners to share this value. We do not knowingly work with any partner involved with slavery or human trafficking.

We believe that protecting the rights of all the people we work with is an organizational duty. Benetton Group formalized this commitment with the establishment of internal procedures and with the signature of the **United Nations Global Compact**. This act engages the Group in the promotion of the provisions of the International Labour Organization (ILO) concerning the abolition of slavery and forced labour, and of the UN Sustainable Development Goals (SDGs).

#### RESPONSIBILITY FOR THE POLICY

Management at all levels is responsible for ensuring those reporting to them understand and comply with this policy.

The responsible figures for the reception of complaints and reporting are the Control, Risk and Sustainability Committee, the Internal Audit Director and the Supervisory Body.

Regarding the supply chain, the Supply Chain Sustainability function is entrusted with the task to monitor the compliance of our suppliers with the social and environmental standards defined by the Group, through the adoption of Higg Facility Social and Labor Module (Higg FSLM), provided by Sustainable Apparel Coalition – the largest international alliance among fashion brands and textile producers. The Higg FSLM module is required to finished garment producers, with particular attention to those located in regions where respect for human rights and workers is considered more at risk.

Benetton Group is very sensitive to the protection of human rights and periodically updates its risk assessment with specific attention to issues such as child and forced labour.

In 2015, the Board of Directors established the Sustainability Committee, entrusting it with the definition and superintendence of corporate sustainability strategy, which comprehends the implementation of Benetton Code of Conduct for Manufacturers. Here, the zero-tolerance attitude of the Group regarding modern slavery is stated.

## COMPLIANCE WITH THE POLICY

Employees are required to avoid any activity that might lead to a breach of this policy. Employees that believe or suspect an unlawful behavior or a breach of an internal policy, comprising the Code of Ethics, has occurred are asked to notify it to their manager or to report it following our **Whistleblower mechanism**.

The Code of Ethics of Benetton Group, as well as the Whistleblower Procedure, are accessible through our websites, both the public and the internal one.

We have implemented our **Code of Conduct** that enlists the social and environmental values that we demand to be present in every aspect of our business. As part of our contracting procedure, we ask to all our suppliers and subcontractors, as well as any other partner, to share this commitment and to comply with the terms of the Code, which include the rejection of any form of forced labour.

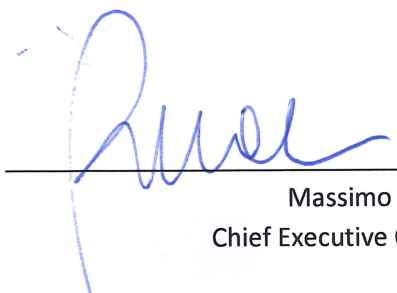
The Supply Chain Sustainability function requires Higg FSLM or another equivalent approved audit protocol to finished goods suppliers regularly and at the beginning of the commercial relationship; according to the results achieved by the factory and the need to correct procedures identified as critical in previous verification, the renewal is asked on six-monthly or annual basis.

The first step requires suppliers to compile a self-assessment module, which is then subject to on-site verification by internationally recognized audit firm qualified as Verification Body. The supplier is asked to facilitate access to any administrative document or person and to the workplace and dormitories. With a view to continuous improvement, Benetton Group establishes also an internal periodic monitoring activity through the request of corrective actions plans; additionally, suppliers are provided with a manual, the **Guidelines for Benetton Group Code of Conduct for Manufactures**, to support them in the operational implementation of the requirements of the Code of Conduct.

## BREACHES OF THE POLICY

Suppliers that show poor social performance are guided in remediation process and Benetton Group shares the responsibility of resolution of the non-compliances through collaboration and business continuity. If critical non-compliances are detected or if a supplier shows an unwillingness to cease unacceptable practices, the commercial relationship between the factory and Benetton Group will be definitively ceased.

Benetton Group considers critical non-compliances the presence of child or forced labour, episodes of discrimination, coercion and harassment, impediment to association, absence of workers' contracts, violation of migrant workers' rights, unsafe buildings, unauthorized use of sub-contractors and prevention of access to documents, people, and working environment.



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