

BENETTON GROUP MODERN SLAVERY POLICY

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

Slavery is the status or condition of a person over whom all or any of the powers attaching to the right of ownership are exercised (Article 1(2), *Slavery Convention* 1926).

Servitude is the obligation to provide services that is imposed by the use of coercion and includes the obligation for a 'serf' to live on another person's property and the impossibility of changing his or her condition (Article 1(2), *Slavery Convention* 1926).

Forced or compulsory labour involves coercion, either direct threats of violence or more subtle forms of compulsion. The key elements are that work or service is exacted from any person under the menace of any penalty and for which the person has not offered him/her self voluntarily (*ILO's Forced Labour Convention 29 and Protocol*, 1930).

Human Trafficking. The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation (Article 3, *UN Trafficking in Persons Protocol*, 2000).

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 and Risk Committee, the Internal Audit Director and the Watchdog Body.

Regarding the supply chain, the CSR function is entrusted with the task to monitor the compliance of our suppliers with the social and environmental standards defined by the Group, through an ad-hoc studied audit program dedicated to finished garment producers, with particular attention to those located in regions where respect for human rights and workers is considered more at risk.

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.

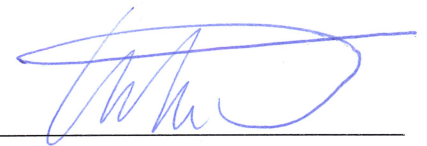
The CSR Audit function carries out **audits** on finished goods suppliers regularly and at the beginning of the commercial relationship; these inspections are repeated every six months as a maximum and every two years as a minimum, according to the results achieved by the factory and the need to correct procedures identified as critical in previous audits.

The audits are unannounced and conducted by globally recognized independent auditing firms. 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, we established also an internal periodic monitoring activity and we provide to our suppliers a manual, the **Guidelines for Benetton Group Code of Conduct for Manufacturers**, 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 excluded from the supplier matrix until they do not prove that at least the critical non-compliances are solved. 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.



Christian Coco

Chairman of the Board of directors