

Benetton's commitment to sustainability

Benetton has always been synonymous with knitwear, colour and quality, but also with sustainability, a value the company has steadfastly promoted over the course of thirty years of communication campaigns in defence of human rights and through the control of the supply chain not only in terms of competitiveness and transparency, but also in terms of ethical, environmental and employment law principles.

UNITED COLORS
OF BENETTON.

Benetton is committed to being globally responsible - to current and future generations - from a social, environmental and economic point of view. It also intends to grow together with local communities, in Italy and in all the countries where it operates.

Many fashion brands are rushing to integrate sustainability into their strategies. In the case of Benetton, it is a question of promoting a concept that has always been part of the Group's identity. To do this, Benetton implements a series of activities aimed at making products and stores increasingly sustainable, reducing the impact on the environment, and carefully monitoring the entire supply chain.

MATERIALS

Natural, recycled, regenerated, certified by global authorities in the field of sustainability: the materials used by Benetton in its collections are all environmentally friendly.

Wool of excellence

Benetton has taken steps to certify the quality of its wool, an easily recyclable and biodegradable material that is also hard-wearing and can be washed in a more energy-efficient manner.

The quality of the products **made with Italian yarns of 100% extrafine Merino and Shetland wool** is certified by **Woolmark**, the global authority in the field of wool.

Furthermore, as the ambassador of Italian knitwear in the world, in 2017 Benetton Group was the first European fashion company to join the **International Wool Textile Organization (IWTO)**. This position allows Benetton Group to exert influence on topical issues such as recycling, quality of the yarn, traceability, and animal welfare, thus helping render the wool supply chain increasingly sustainable and transparent.

BCI Cotton

The Benetton Group has been a member of the **BCI (Better Cotton Initiative)**, the world's largest program dedicated to the sustainability of cotton, since 2017.

Following BCI guidelines we began sourcing cotton grown and harvested by farmers who have been trained to **minimize the use of fertilizers and pesticides**, use water and soil in a **sustainable** way and promote principles of **fairness in labor relations**.

Our goal is that **by 2025**, our collections contain only **100% sustainable cotton** (including organic, recycled and BCI).

Sustainable cotton

Organic cotton comes from **non-genetically modified plants**, treated exclusively with natural products. Such cotton makes no use of **chemical fertilisers and pesticides** and therefore generates a **lower environmental impact** compared to conventional cotton.

United Colors of Benetton procures organic cotton from **certified supply chains**, which are controlled by independent bodies that trace the entire manufacturing process, from the plant to the packaging of the finished garment, from the collection of cotton to the production of the thread and fabric.

Recycled cotton

Recycled cotton comes from **pre-consumption scraps (remains from production) and post-consumption scraps (finished fabrics and pieces at the end of their life cycles)**. Once they are collected and divided by color, scraps are then cut into small pieces, unraveled and reused for new production of already colored yarn.

All United Colors of Benetton garments in recycled cotton contain at least 20% recycled cotton, sourced from **certified supply chains**.

Certified down

In May 2017, Benetton Group obtained **Responsible Down Standard (RDS)** certification, which guarantees that the feathers and down used for its collections are sourced exclusively from geese and ducks destined for food production, in compliance with the principles and criteria of **animal welfare**.

RDS independently verifies, through evaluations carried out by third party and specialised bodies, all aspects concerning the husbandry and care of animals, including **the traceability** of feathers and down from the source to the final product.

Regenerated nylon

A selection of items from the United Colors of Benetton beachwear collection is made from **ECONYL®**, a 100% **regenerated nylon fibre made from nylon waste and offcuts**. ECONYL® offers the same level of performance as nylon, but does not involve the use of virgin raw material.

Recycled wadding

The wadding that you find inside United Colors of Benetton garments is made of **recycled polyester** and comes exclusively from **certified supply chains**. In particular, it is obtained by recycling common **plastic food bottles (PET)**.

In addition to **safeguarding non-renewable resources**, such as oil, and **reducing the amount of plastic** that's headed to landfills, recycling polyester requires **far less water and energy** than producing virgin polyester.

The new **Eco-Recycle** jacket from United Colors of Benetton is padded with **recycled wadding**.

Pure linen

Linen is an **ancient plant fiber**, naturally sustainable. In addition to being fresh and hypoallergenic its cultivation requires **much less water** than that of other fibers, **and almost no chemicals**.

Linen is also an extremely resistant fiber, which gives life to **garments made to last long**. This is why linen is widely used in United Colors of Benetton collections. It is also **completely recyclable**, as are the waste materials generated from its transformation process.

Sustainable viscose

Viscose is an **artificial fiber of natural origin**, derived from the **wood pulp of trees**.

Ours comes from two suppliers that have distinguished themselves globally for their contribution to **forest conservation**, the use of new, alternative fibers, and solid **procurement, transparency and traceability** policies. Furthermore, it is produced using production processes with **low environmental impact** and is entirely **biodegradable**.

Paper from FSC-certified forests

Benetton Group stores use **shopping bags made with eco-friendly paper** printed with water-based inks and sourced from a paper mill certified by **Forest Stewardship Council (FSC)**. Catalogs and brochures are also made of paper certified by FSC, the global organization that identifies products from forests controlled and managed according to criteria of social and environmental sustainability.

SUPPLIERS

Rules, controls, transparency: those who work with Benetton embrace the brand's commitment to the environment and social justice

Code of Conduct

Each Benetton Group supplier must adhere to the company's Code of Conduct - founded on **respect for human rights** and **the protection of the environment** - and undergo periodic and unannounced audits by external, internationally-recognised auditing companies.

An alliance for sustainability

Since 2017, Benetton Group has been part of the Sustainable Apparel Coalition (SAC), **the largest sustainable production alliance**, whose members are fashion, footwear and textile brands. As a member of the SAC, Benetton Group has adopted the **Higg Index**, a means of measuring a company's sustainability performance and involving suppliers in a process of **continuous improvement** relating to environmental management systems, the use of water and energy, atmospheric emissions and the use of chemicals.

The transparency index

In 2020, for the second year in a row, the report of the **Fashion Transparency Index** confirmed that Benetton is among the clothing brands and retailers that are most committed to disseminating **credible information** on their supply chain and on their **social and environmental impact**.

The brand achieved **the highest score among all Italian brands and placed among the top ten globally**. Among the categories analysed by the index, **traceability** is the one in which Benetton excelled with a **score of 73%**, the fourth best result worldwide.

ENVIRONMENTAL IMPACT

Less waste, energy consumption and harmful chemicals: this is how Benetton is reducing its environmental impact

Leader of detox fashion

In its latest "Destination Zero - Seven Years of Detoxing the Clothing Industry" report, **Greenpeace** included Benetton among the four fashion companies that are driving the change towards **the elimination of polluting chemicals** in production processes.

The recognition attained by Benetton serves as an incentive to other companies and will empower the Group in its efforts to lead the fashion industry in **reducing the environmental impact** of all its processes.

Reduced environmental impact treatments

United Colors of Benetton is committed to creating garments that use reduced-impact treatments and which minimize the use of resources and the introduction of harmful substances into the environment.

Among other things, some of our products are colored with **vegetable and mineral dyes**, with reduced use of added chemicals. As for washes, we use cutting-edge processes that allow us to **reduce water consumption, limit waste and lower CO2 emissions** into the atmosphere.

Dress Safely

Dress Safely is a label found on the products of Undercolors of Benetton and the children's collections of United Colors of Benetton which certifies, among other things, that the garments comply with the most **stringent international safety criteria** regarding the presence of chemicals potentially harmful to health, such as dyes, phthalates, formaldehyde and heavy metals.

Dress Safely garments are not only a **guarantee of quality** (especially for young children); they also prevent the dispersion of harmful chemicals into the environment, therefore helping to reduce the environmental impact of United Colors of Benetton.

Green Campus

From **saving energy to the recycling of waste**, Benetton Group and its employees work together every day to make the Ponzano and Castrette facilities, in the province of Treviso, ever more virtuous and environmentally friendly.

Today, the Benetton Group campus is powered **by 100% renewable energy**. To deter the use of plastic, the company now uses glass bottles and cups made of compostable material for the coffee machines, and has given each employee a free bottle, personalised with their name, which can be filled at the microfiltered water dispensers in the common areas on site.

Sustainable stores

Years ago, Benetton committed to increase the energy efficiency of its distribution network. First steps were to introduce **LED lamps** and high-efficiency air conditioning systems. Now the Group's new shops are going one step further, making abundant use of **natural materials** and **ecological coatings**.

In addition, **7 out of 10 stores** are powered by **certified renewable electricity**, and a further increase in energy efficiency is expected in the future through automated management of all the systems.

In March 2021 United Colors of Benetton will open a **highly environmentally sustainable store** in Florence. The new boutique will showcase the application of advanced research into materials, products and energy-saving automated systems.

Efficient logistics

In 2020, Benetton Group confirmed its commitment to intermodal transport and in general to the use of **vehicles generating a lower environmental impact**, in order to diminish the CO₂ emissions of its logistics and distribution activities. In particular, the Group reduced its use of air transport and increased that of rail and road transport, which is less polluting.

By eliminating its use of pallets, the company has **optimised the storage of packaging on vehicles** and, in this way, removed from the road one out of five trucks needed to transport its goods in Italy and Europe. Through this and other initiatives, Benetton Group reduces by around 511 tons the amount of CO₂ it emits every year.

Benetton Forest

Through an initiative relating to its e-commerce channel, United Colors of Benetton has planted **over 1,500 trees in Kenya**. The project is a collaboration with **Treedom**, an organisation that in 10 years has planted the seeds of more than a million trees in Africa, Latin America, Asia and Italy.

The **Benetton Forest** is cared for directly by local farmers. In addition to partially offsetting the environmental impact of the

company's activities (the forest has saved offset approximately 254,000 kilograms of CO₂), it helps provide environmental, social and economic benefits for the local community.

OUR RECOMMENDATIONS

As a fashion company in today's throw-away society, Benetton's commitment is to produce quality, long-lasting garments. The durability of such garments, however, also depends on the wearer.

Wear. Care. Repair

How do you remove lint from a shirt? How can you **mend a garment**? How can you sew on a **button**? How can you do your **laundry** without shrinking or damaging clothes?

To answer these simple and frequently asked questions, United Colors of Benetton has published "Wear. Care. Repair", **a guide on caring for garments.**

The guide consists of a series of **instructions and video tutorials** that explain how to carry out - at home - some simple operations which, if done frequently and with care, considerably increase a garment's **life cycle** and thereby help to reduce Benetton's environmental impact.

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