

MADE IN MILAN
ITALY
SINCE 1938

Candiani
DENIM

CORPORATE POLICY



CORPORATE POLICY

Founded in 1938, Candiani SpA, hereafter referred to as Candiani, was born as a small textile weaving company producing traditional fabrics for workwear. For more than 80 years, we have lived and worked in the small town of Robecchetto con Induno, a short distance between Milan and the Alps, in the heart of a nature reserve, the Valle del Ticino Park. Being deeply rooted in this community has meant responsible production—attention to the environment and the generation of families who have helped make us what we are today—represents not a choice but a lifestyle.

After four generations, Candiani has expanded to become one of the largest denim producers in Europe by continuing to build on our family work ethic and sustainability ideals. We are more committed than ever to ensuring that our supply chain, production, and products can provide a positive impact for the benefit of present and future generations

Candiani's Commitment to the Environment, Quality, and Social Responsibility

Candiani has identified the priority objectives of this Policy, which are based on an Integrated Management System in line with the Organization and Management Model referred to in Legislative Decree 231/01 and subsequent amendments, and according to the following standards, to fully satisfy both customers and employees and to continually improve their business performance:

ISO 14001:2015 (Environment)

SA8000:2014 (Social Responsibility)

ISO 9001:2015 (Quality)

ISO 45001:2018 (Safety at work)

Furthermore, with the adoption of the ZDHC “Zero Discharge of Hazardous Chemicals” international program, Candiani, as ZDHC Contributors, has also committed to reducing the environmental pollution generated by the textile industry. Candiani prioritizes eliminating all hazardous MRSL chemicals from the entire production chain (from supply to finished product).

The Candiani management guarantees to comply with the environmental and safety laws in the workplace, the principles contained in the ILO Conventions and Recommendations (International Labor Organization), UN Conventions and Declarations on human and child rights to research continuous improvement in the protection of the environment, of employees and collaborators through a socially responsible commitment and in the performance of company processes.

The priority objectives of this Policy are aligned with Candiani's Sustainability Strategy, a Blueprint for the Future, both of which are built upon four key pillars: Lasting Legacy, Intelligent Ingredients, Trailblazing Technologies, and Trusted Transparency.

Lasting Legacy

We are located in a nature reserve park, the Parco del Ticino, which is as rich in biodiversity as it is in textile-making heritage. We are committed to preserving and respecting both: the habitat that makes our home unique and all the people and their expertise that make our product one-of-a-kind.

To uphold this pillar, Candiani will:

- **Safeguard biodiversity** by preventing, mitigating, and compensating any potential adverse impacts on biodiversity and ecosystems, by taking proactive action to protect the plant and animal species in the surrounding Valle del Ticino Park, and by working with raw material suppliers that undertake similar approaches.
- Ensure the **highest health and safety standards for our workers** by providing safe and healthy working conditions for the prevention of injuries and occupational diseases, eliminating dangers and reducing risks in the workplace.
- Create a positive and enabling work environment that **values our employees** that offers a fulfilling work experience with personal and professional growth opportunities
- Contribute to the **sustainable development and economic vitality** of the local community and the entire region by supporting local initiatives and providing gainful employment opportunities.
- Engage directly in the development of the Integrated Management System, particularly through measurable annual objectives, **pursuing continuous performance improvements** with the prevention and prompt management of any environmental or safety incident through the implementation of prevention and intervention procedures, and by checking and analyzing periodically for non-conformities, complaints, and reports found.
- **Educate employees** who work in the interest of Candiani, providing them with an awareness that one's work has an impact on significant environmental aspects, of the risks associated with their work, of developing their active sense of shared social responsibility, and by deepening the operational skills of the personnel who manage chemicals with constant training according to the ZDHC program.

Intelligent Ingredients

Like any good recipe, good denim starts with good ingredients. We are committed to knowing our suppliers and ensuring traceability, sourcing as local as possible, and using only high-quality, innovative raw materials which are better for people and the planet while always promoting responsible consumption of our natural resources.

To uphold this pillar, Candiani will:

- Promote the **responsible consumption of natural resources** and invest in R&D activities that realize alternative, innovative materials with a reduced impact on the environment.
- Prioritize the research on and use **regenerated and regenerating materials** by working closely with suppliers to co-create the next, best-in-class, bio-based alternatives.

- **Select ingredients based on their social and environmental impact** along the entire value chain by ensuring full traceability of all materials used and by expecting the highest social and environmental standards from our suppliers.
- **Expand preferred fiber sourcing** by prioritizing cotton cultivated in regenerative farming systems and other innovative natural and bio-based alternatives to synthetics.
- Consider the **circularity of raw materials** and devise end-of-life strategies for products to promote a neutral or positive impact on the environment.
- Elevate **post-industrial and post-consumer waste** and by-products that are superior in quality and aesthetics compared to their conventional counterparts.

Trailblazing Technology

Evolution is part of our DNA. We aim to continually push boundaries by developing and discovering state-of-the-art solutions to minimizing the environmental impact of our products and production while driving these changes industry-wide.

To uphold this pillar, Candiani will:

- Offer products of the **highest quality and safety standards** by investing in continuous technological improvements and state-of-the-art innovations.
- Invest in the research and development of production processes and technologies that allow us to **minimize any potential adverse impact on the environment** in terms of energy and water efficiency, promoting the adoption of renewable energy, and reducing/offsetting our greenhouse gas emissions, ensuring high standards of air and industrial water quality.
- Pursue best practice approaches by implementing **energy management** and **emissions, water management, and waste management**.
- Promote recycling/reuse/upcycling initiatives for raw materials, products, and packaging by investigating and investing in **circular and regenerating production processes** and technologies.
- Pursue **continuous research in the development of the finished product** in line with the principles of sustainability and circularity.

Trusted Transparency

We want to tell the real story of how denim is made. We have opened our doors for a first-hand look at our production, and we are committed to supporting the next generation of designers and fashion professionals while educating brands and end-consumers on what we consider sustainable denim production.

To uphold this pillar, Candiani will:

- Place **customer care at the center of our work** and drive positive change by utilizing technologies and techniques that respond to our client's specific needs and guarantee to **monitor and improve customer satisfaction** periodically.

- Provide end-consumers with **transparent information** about our products and production processes, allowing them to make informed decisions, continue to impact positively, and open our doors to clients, universities, and others for educative purposes.
- Enhance the sustainable performance of our production processes and in the laundry stage for our clients by **reinforcing the feedback between wash performance, our R&D**, and production and working closely with clients to create a sustainable wash recipe for their later use.
- **Involve contractors and suppliers** in the adoption of good practices regarding safety, environment, and social responsibility.
- Provide **transparency of our supply chain** by sourcing as locally as possible and establishing lasting relationships with all suppliers near and far.
- **Utilize a blockchain-based platform** for full traceability from raw material sourcing to ex-works of the finished fabric.

To achieve these goals, Candiani places the utmost attention on ensuring the business is conducted in line with the highest standards of **business ethics and integrity**.

Governance and Scope

The Global Manager is responsible for the definition and execution of Candiani's sustainability strategy and the supervision of its implementation. The sustainability management team, composed of those with decision-making functions pertinent to sustainability, is responsible for supporting the implementation of the commitments included in this Policy and providing strategic guidance throughout all stages of the process. Furthermore, to ensure the compliance and enforcement of the above commitments, each function involved in implementing sustainability-related initiatives and actions will be assigned specific, measurable, achievable, relevant, and time-bound objectives. The Sustainability Manager is in charge of monitoring and evaluating the progress made and communicating it to all our internal and external stakeholders.

The present Policy will be periodically reviewed to ensure it remains relevant and ambitious – and that it applies to all of our business operations, including our affiliate companies and brands. We will ensure that the Policy is communicated, understood, and upheld along our entire supply chain.

Alberto Candiani
President Candiani Denim SpA



June 2021

CORPORATE POLICY