Canepa Tessitura Serica spa Greenpeace Detox Solution Commitment 09 September 2013 v1-1

In line with CANEPA TESSITURE SERICA SPA´s long-term sustainability program CANEPA TESSITURE SERICA SPA recognizes the urgent need for eliminating industrial releases of all hazardous chemicals (1). According to its approach based on prevention (2) and the Precautionary Principle (3) CANEPA TESSITURE SERICA SPA is committed to zero discharges (4) of all hazardous chemicals from the whole lifecycle and all production procedures that are associated with the making and using of all products CANEPA TESSITURE SERICA SPA produces and / or sells (5) by 01 January 2020.

We recognise that to achieve this goal, mechanisms for disclosure and transparency about the hazardous chemicals used in our global supply chains are important and necessary, in line with the 'Right to Know principle' (6). In line with this principle we will increase the public availability and transparency of our restricted substance list and audit process and will set up public disclosure of discharges of hazardous chemicals in our supply chain.

CANEPA TESSITURE SERICA SPA also commits to support systemic (i.e. wider societal and policy) change to achieve zero discharge of hazardous chemicals (associated with supply chains and the lifecycles of products*)* within one generation (7) or less. This commitment includes sustained investment in moving industry, government, science and technology to deliver on systemic change and to affect system change across the industry towards this goal.

The 2020 goal also demands the collective action of industry, as well as engagement of regulators and other stakeholders. To this end, CANEPA TESSITURE SERICA SPA will work with other companies in the apparel sector and other brands we sell, as well as material suppliers, the broader chemical industry, NGOs and other stakeholders to achieve this goal.

CANEPA TESSITURE SERICA SPA understands the scope of the commitment to be a long term vision – with short term practice to be defined by the following individual action plan:

Individual action plan

1. Supply-chain disclosure

In line with CANEPA TESSITURE SERICA SPA´s commitment to the public's 'right to know' the chemical substances used within its global supply-chain and the products it sells, CANEPA TESSITURE SERICA SPA will be taking the following actions:

1. publish its updated 'Restricted Substances List' via Clean Production Action's "Greenscreen" process and audit processes (including detection limits(4) by no later than the end of January 2014, and annually thereafter.

2. begin public disclosure of discharges of hazardous chemicals (beginning with, at least, the 11 priority chemical groups as per endnote 8) and detection limits as per endnote 4) in its supply chain via full facility transparency (i.e. location and individual data of each facility) of individual facility level disclosure of chemical-by-chemical use and discharges data, to be achieved via an incremental process, beginning with the following actions:

i) by no later than end of January 2014, at least (and all of their facilities, using an online platform via the Institute for Public and Environmental Affairs – IPE – platform* and the data collection template agreed with same) all of our "global south" (including China) suppliers (and all of their facilities), and the rest of our global supply-chain, using the IPE platform and the data

collection template agreed with same – and by no later than 01 April 2014, IPE Detox discharge disclosure that equate to at least 40% of our global production);

ii) by no later than the end of October 2014, any additional suppliers (and all of their facilities - in addition to the facilities in i) above), prioritising additional suppliers in other parts of the "global south" using the IPE platform and the data collection template agreed with same (and all of their facilities) - in addition to the facilities in i) above, and the rest of our global supply-chain (and all of their facilities) as per the IPE disclosure platforms, terms and conditions above (that equate to at least 80% of our total global production).

* we will publicise the link to all data as per above timelines via the IPE platform – as per **Corporate_Disclosure_Data_Form_ENG_FINAL Q1 0320 and Disclosure data protocol v1.3 - or a more recent version.**

2. APEO elimination policy

We recognise the intrinsic hazardousness of all APEOs, and therefore acknowledge it is a priority to eliminate their use across our global supply chain. There are multiple supply-chain pathways for potential APEO contamination (including chemical formulations) and will enhance both training and auditing of our supply-chain in conjunction with other global brands, as well as ensure our suppliers have the latest information on APEOs, highlighting where there is a risk that APEOs may enter into the undocumented contamination of chemical supplier formulations.

In addition to these actions, CANEPA TESSITURE SERICA SPA will enforce its APEO ban with the following actions:

i. initiate an investigation into the current compliance to this requirement, reporting the findings to the public and simultaneously strengthening our supplier contract language to ensure only APEO-free chemical formulations are utilized by the end of January 2014,
ii. work with our supply chain and other global industry leaders, to ensure the most current technological limits of detection are reflected via the lowest detectable limits within our testing regimes.
iii. Document how APEOs have been substituted by safer alternatives and publish these case studies via the online Subsport.org platform.

3. PFCs - Perfluorocarbon / Polyfluorinated Compounds(9) **elimination policy**

Consistent with the precautionary principle and the potential intrinsic hazardousness of all PFCs, CANEPA TESSITURE SERICA SPA commits to eliminate any PFCs in any of the products CANEPA TESSITURE SERICA SPA produces and/or sells. The elimination of all PFCs used by any of the products we sell will be supported by:

i. Across our global supply-chain, eliminate all PFC C8 and C7 (and any longer chain PFCs) by no later than September 2014; eliminate any other PFCs by no later than 01 July 2015;
ii. document how PFCs have been substituted by safer alternatives and publish these case studies via the online Subsport.org platform;
iii. a rigorous system of control to ensure that no traces of PFCs find their way into our supply chain in line with the above;

iv. work in partnership with our supply chain and other global industry leaders to accelerate the move to non-PFC technologies.

4. Phthalate elimination policy

Consistent with the precautionary principle and the potential intrinsic hazardousness of all Phthalates, CANEPA TESSITURE SERICA SPA therefore acknowledges it is a priority to eliminate any Phthalates use across our global supply chain. There are multiple supply-chain pathways for potential Phthalate contamination (including chemical formulations) and will enhance both training and auditing of our supply-chain in conjunction with other global brands, as well as ensure all of our suppliers have the latest information on Phthalates, highlighting where there is a risk that Phthalates may enter into the undocumented contamination of chemical supplier formulations.

In addition to these actions, CANEPA TESSITURE SERICA SPA will enforce its Phthalates ban on any products we produce and/or sell with the following actions:

i. Initiate an investigation into the current compliance to this requirement, reporting the findings to the public by the end of January 2014;

ii. Strengthening our supplier contract language to ensure only Phthalate-free chemical formulations are utilized by the end of January 2014; and

iii. Work with our supply chain and other global industry leaders, to ensure the most current technological limits of detection are reflected via the lowest detectable limits within our testing regimes.

iv. Document how phthalates have been substituted by safer alternatives and publish these case studies via the online Subsport.org platform.

5. Targets for Other Hazardous Chemicals

CANEPA TESSITURE SERICA SPA commits to regularly review the list of chemicals used in the textiles/apparel industry and the latest scientific findings on them and periodically update our chemical policy, at least annually, to further restrict or ban chemicals, as new evidence on their impact becomes available.

In this context, we recognize the need to not only report to the public the evidence of elimination of the 11 groups of hazardous chemicals identified as a priority by no later than 01 January 2015, but also set clear intermediate progress targets on the elimination of hazardous chemicals (beyond these 11 priority chemical groups) and the introduction of non-hazardous chemistry by no later than 01 January 2015 on the road to elimination by no later than 01 January 2020.

CANEPA TESSITURESERICHE SPA is furthermore committed to include in the above mentioned setting of progress targets on the elimination of hazardous chemicals (beyond these 11 priority chemical groups) the elimination from all our processes and all the products we sell the use of methacrylamide by no later than April 2014.

We will also support an industry wide approach to ensure the use of chemicals in the products we sell is managed responsibly and in line with the above commitment and in particular the intrinsic hazards approach. In line with this, CANEPA TESSITURE SERICA SPA commits to reinforce (to be developed in

close consultation with Greenpeace) the work of the sectoral chemical inventory and hazardous substance black list, aiming to establish this inventory, and the black list, based on a credible(10) intrinsically hazardous screening methodology (Clean Production Action's 'Greenscreen'), by no later than December 2013.

The individual actions covered above will be reassessed by CANEPA TESSITURE SERICA SPA at regular intervals – at least annually.

6. Within 12 weeks of this agreement, CANEPA TESSITURE SERICA SPA **will publish:**

- Case studies of past hazardous chemical substitutions, and the steps we will take to develop a further number of substitution case studies (e.g. where we are currently substituting any of the 11 groups of hazardous chemicals as per below (8), with more non-hazardous chemicals) via the online Subsport.org platform.

- The steps outlining how we will take forward and lead on the development of the intrinsic hazards screening methodology (to be developed in close consultation with relevant NGO stakeholders, including Greenpeace) .

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(1) All hazardous chemicals means all those that show intrinsically hazardous properties: persistent, bioaccumulative and toxic (PBT); very persistent and very bioaccumulative (vPvB); carcinogenic, mutagenic and toxic for reproduction (CMR); endocrine disruptors (ED), or other properties of equivalent concern, (not just those that have been regulated or restricted in other regions). This will require establishing – ideally with other industry actors – a corresponding list of the hazardous chemicals concerned that will be regularly reviewed.

(2) This means solutions are focused on elimination of use at source, not on end-of-pipe or risk management. This requires either substitution with non-hazardous chemicals or where necessary finding non- chemical alternative solutions, such as re-evaluating product design or the functional need for chemicals.

(3) This means taking preventive action before waiting for conclusive scientific proof regarding cause and effect between the substance (or activity) and the damage. It is based on the assumption that some hazardous substances cannot be rendered harmless by the receiving environment (i.e. there are no 'environmentally acceptable'/ 'safe' use or discharge levels) and that prevention of potentially serious or irreversible damage is required, even in the absence of full scientific certainty. The process of applying the Precautionary Principle must involve an examination of the full range of alternatives, including, where necessary, substitution through the development of sustainable alternatives where they do not already exist.

(4) Zero discharge means elimination of all releases, via all pathways of release, i.e. discharges, emissions and losses, from our supply chain and our products. "Elimination" or "zero" means 'not detectable, to the limits of current technology', and only naturally occurring background levels are acceptable.

(5) This means the commitment applies to the environmental practices of the entire company (group, and all entities it directs or licences) and for all products sold by CANEPA TESSITURE SERICA SPA or any of its subsidiaries. This includes all its suppliers or facilities horizontally across all owned brands and licensed companies as well as vertically down its supply chain.

(6) Right to Know is defined as practices that allow members of the public access to environmental information – in this case specifically about the uses and discharges of chemicals based on reported quantities of releases of hazardous chemicals to the environment, chemical-by-chemical, facility-by-facility, at least year-by-year.

(7) One generation is generally regarded as 20-25 years.

(8) the 11 priority hazardous chemical groups are : 1. Alkylphenols 2. Phthalates 3.Brominated and chlorinated flame retardants 4. Azo dyes 5. Organotin compounds 6. Perfluorinated chemicals 7. Chlorobenzenes 8. Chlorinated solvents 9. Chlorophenols 10. Short chain chlorinated paraffins 11. Heavy metals such as cadmium, lead, mercury and chromium (VI).

(9) Polyfluorinated compounds, such as fluorotelomers, can serve as precursors that degrade to form perfluorinated carboxylic acids, e.g. PFOA

(10) The CPA 'Greenscreen' screening methodology is currently the only process that meets the following necessary requirements:

1. The full criteria and methods applied and full data behind results must be open to public scrutiny

2. The screening methodology approach must take account of the hazards of accessory chemical and/ or breakdown products) which are generated through the use or release of any one particular chemical ingredient.

3. The screening methodology must recognise the importance of physical form e.g. nanomaterials, polymers and whole products where applicable.

4. Where there are legitimate reasons for concern regarding the intrinsic hazards of a chemical, even if information is insufficient to verify those hazards, action must be taken to obtain sufficient information to enable adequate assessment of the chemical. When there is no information on the chemical the `hazardous until proven non- hazardous´ assumption should apply.