

LANIFICIO DRAGO SPA TRANSPARENCY AND SUSTAINABILITY POLICY

Growth, transparency and sustainability are what in which we would like to distinguish ourselves, basing our strategies on the belief that ethic and profit cannot be in contrast. In fact, there is no long-term economical development disconnected with the social and environmental one.

Inspiring to and aligning with the Sustainable Development Goals, adopting 4sustainability® Commitment, we commit to transparency towards the market and to contribute to the generation of a global positive change, undertaking a clear environmental and social responsibility.

Transparency

For Lanificio Drago transparency concept directly refers to relevant information made available to all the parts and actors of the value chain in a standardized way allowing common understanding, accessibility, clarity, and comparison. Transparency is the necessary assumption to ensure the traceability requisite on products, processes and suppliers belonging to its own value chain.

Environmental responsibility

Lanificio Drago sets the goal to reduce the environmental impact derived from its own business using a monitoring-oriented approach as well as performance continuous improvement, starting from the compliance with current legislation with constant attention to innovation, research and development.

In particular, to reduce the environmental impact Lanificio Drago would like to constantly decrease the release of polluting agents in production processes and therefore in the environment ensuring the respect of limits related to hazardous chemical substances presence for both men and environment and becoming more and more strict over the semi-processed/final product supplied to the customer.

Fully aware that the sustainability goals implementation is uniquely possible with a collaborative approach we constantly search for partnership with entities sharing the same attention for environmental and people protection and innovation-oriented values.

Lanificio Drago has therefore defined the following macro-objectives for environmental impact reduction:

- guarantee to constantly monitor and improve the wastewater quality directly or indirectly connected to our production;
- implement a chemical risk management system aimed at reducing the environmental impact deriving from the use of chemical substances harmful to humans and the environment in production processes and along the production chain, depending on the state of advancement of technical knowledge on this matter, through the implementation of the MRSL ZDHC;
- inform and train employees on the activities carried out by the company in the sustainability field using meetings and periodic briefings in order to promote research and innovation;
- search for regulatory compliance constantly going towards partners and suppliers sharing the same values and strategic goals and able to answer to increasingly challenging market demands;
- adopt techniques and cutting-edge management tools towards performances continuous improvement in the sustainability field;
- periodically share with stakeholders the reached results as well as the new set improvement goals;
- correctly and responsibly manage waste coming from the production process;

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- consider as a priority to work with district partners in order to minimize environmental impacts due to materials handling along the production cycle;
- search for production and management solutions providing a higher production processes effectiveness in order to reduce and/or minimize energy and water and CO2 emissions in the atmosphere;
- define medium-long term reduction objectives for the environmental impact due to its production activity;
- search for and prefer solutions for reducing waste production reduction and/or increasing reuse and recycling practices;
- limit purchases of material from activities that use cruel farming or raw material harvesting methods.

In light of the above objectives, we decided to concentrate our efforts to address the topic of the evaluation and management of the chemical risk deriving from the systemic use of chemical products. We therefore adopted the **4sustainability® Chemical Management Protocol**, implementing with a structured methodology the ZDHC MRS (www.roadmaptozero.com), monitoring the supply chain and periodically measuring the application level in a transparent way. To address the issue of reducing consumption and environmental impacts, we have also adopted the **4sustainability® PLANET Protocol**, which implements feasible projects for the reduction of water consumption, energy consumption and CO2eq emissions into the atmosphere and measures periodically and in full transparency the application level.

Social responsibility

In the ethical-social sphere, Lanificio Drago commits to respect labours rights according to the Universal Declaration of Human Rights and to respect the core conventions of the International Labour Organization (ILO), the national legislation and conditions set out by the national negotiation regarding:

- Freedom of association and right to collective bargaining
- Child labour
- Employment of children
- Forced labour
- Health and Safety
- Prevention of any discrimination and abuse phenomenon
- Regularity and transparency in employment contracts, recording of working hours, payment of due wages.

The company is also committed to prefer relationships with partners pursuing the same social goals in compliance with the applicable regulations and to verify whenever possible the right application of them inside the business partners.

The company thereby activates for the disclosure of the entire content of this policy within the organization so that it is known and followed at all levels. At the same time all the tools have been prepared for the disclosure of these purposes to the external subjects with which the company comes into contact. Mainly customers and suppliers, because directly connected to the manufacturing process, also including reference associations, communities and public institutions, in order to raise awareness towards sustainability issues.

Lessona, 23/10/2023

The Management

La Direzione
