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## Modern Slavery Statement

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### Introduction

It continues to be a priority for CANALI to ensure that we trade ethically, source responsibly and work to prevent modern slavery and human trafficking throughout our organisation and in our supply chain. This statement highlights the key activities we have undertaken during this financial year to combat modern slavery in our organisation and supply chain.

### Business

We are CANALI USA INC, CANALI MADISON LLC, CANALI BEVERLY HILLS LLC, and our associated company is CANALI S.P.A. UNIPERSONALE, having its head office in Italy.

We are a leading company in the production of luxury tailored garments and supporter of typical Italian male elegance (the “Products”), since 1934. Canali S.p.A. has been promoting the artisan traditions of products and made in Italy, focusing its attention on the quality of fabrics, attention to detail, as well as on the constant innovation and creativity of its sartorial tradition.

CANALI USA INC, CANALI MADISON LLC, CANALI BEVERLY HILLS LLC purchases the Products from its associated entity CANALI S.P.A. UNIPERSONALE, that is the manufacturer of the Products and sells these luxury and high-quality Products under CANALI trademarks, both online (CANALI USA INC) and offline (CANALI MADISON LLC, CANALI BEVERLY HILLS LLC), in the United States of America.

### Supply Chain

CANALI S.P.A. UNIPERSONALE is the manufacturer of most of the Products bearing the CANALI trademarks.

For some Products, CANALI relies on external suppliers; its Supply Chain is founded on the long-lasting collaboration with a large number of small suppliers, mostly located in Italy, on which CANALI can rely on to deliver high level of artisanship and craftsmanship.

### Policies and Practices

We have appropriate policies and practices in place that underpin our commitment to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business. These policies and practices, which set out what CANALI expects from its employees, internal business, and external suppliers, reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. We periodically review and update all our policies.

Key policies and practices are:

- **CODE OF ETHICS** (“Code of Ethics” or “Code of Conduct”). Available [here](#).

CANALI recognizes the dignity of the person and the respect for people and rules as primary values through a behaviour based on honesty, integrity, loyalty, correctness, and mutual trust.

Strongly convinced that ethics represents an essential and indispensable element of its business, CANALI has adopted and disseminated its Code of Conduct, with which the corporate bodies, management, employees, external suppliers and all those who contribute in any way to the activities of the CANALI Companies are required to comply.

To all the staff of Canali S.p.A. knowledge and respect of the contents of the Code of Ethics is required. This forms an integral part of their contractual obligations. The staff must observe the rules of the Code of Ethics and report immediately any violation of the principles laid down therein to their superiors and/or to the Supervisory Body.

- **CONTRACTUAL CLAUSES FOR EXTERNAL SUPPLIERS**

# CANALI

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CANALI requires its suppliers to do their business ethically, acting in full compliance with the relevant laws, including all national, local and international laws relating to the management of their businesses and in full respect of its values, including the dignity of the person, through a behaviour based on honesty, integrity, loyalty, correctness and mutual trust.

Strongly convinced that ethics represents an essential and indispensable element of its business, CANALI has inserted specific contractual clauses in its General Conditions of Purchase with external suppliers, providing that they shall comply with the principles, provisions and rules contained in our Code of Ethics and in our Organizational, Management & Control Model (the “**Model**”).

Failure to comply with these provisions constitutes a serious breach to external supplier’s contractual obligations and gives rise to CANALI’s right to exercise the contractual remedies toward the supplier up to the immediate termination of the relationship with the supplier.

## • **ORGANIZATIONAL, MANAGEMENT & CONTROL MODEL**

CANALI has adopted the Model to ensure that the criminal offences are prevented. The offence of placing or holding any person in conditions of slavery or servitude as well as the offence of illicit intermediation and labour exploitation (so called “caporalato”) are included among the criminal offences and therefore addressed in the Model. CANALI has appointed a Supervisory Board, overseeing the functioning and the observance of the Model.

Failure to comply with these provisions constitutes for both CANALI’s staff and external suppliers a serious breach of their contractual obligations and gives rise to CANALI’s right to exercise respectively its disciplinary authority toward the staff and its right to exercise the contractual remedies toward the supplier up to the immediate termination of the relationship with the supplier.

## **Due Diligence Processes For Slavery And Human Trafficking**

Prior to entering a new relationship with an external supplier, CANALI requires them to sign CANALI’s General Conditions of Purchase, where they are informed, recognize and accept:

- to fully abide by CANALI’s Code of Ethics and Model;
- CANALI’s right to inspect their adherence to the principles set out in the Code of Ethics and in the Model, to conduct compliance audits, directly and/or through third parties, at any time;
- CANALI’s right to exercise the contractual remedies in case of their breach of the Code of Ethics and/or of the Model up to the immediate termination of the relationship with the supplier.

CANALI has adopted a mechanism for whistleblowing, where any person and/or corporate body, including but not limited to management, employees, external suppliers, clients, customers, users of the Website, any all those who contribute in any way to the activities of the CANALI Companies, etc., who becomes aware or suspects of any violation of the Code of Conduct, of the Model, of internal guidelines, principles and policies, and/or of any applicable laws and regulations is invited to raise and share in good faith their concern. The whistleblowing mechanism is an online interface available on CANALI Website that provides a fully confidential and secure way of reporting. All the reporting received are promptly examined and managed and all the consequent eventual actions are taken in case it results there is a breach or violation.

## **Training**

To ensure a high level of understanding of CANALI’s values and ideals provided in the Code and in the Model, including the understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff.