VALENTINO

Detox Commitment Update

2020-2021

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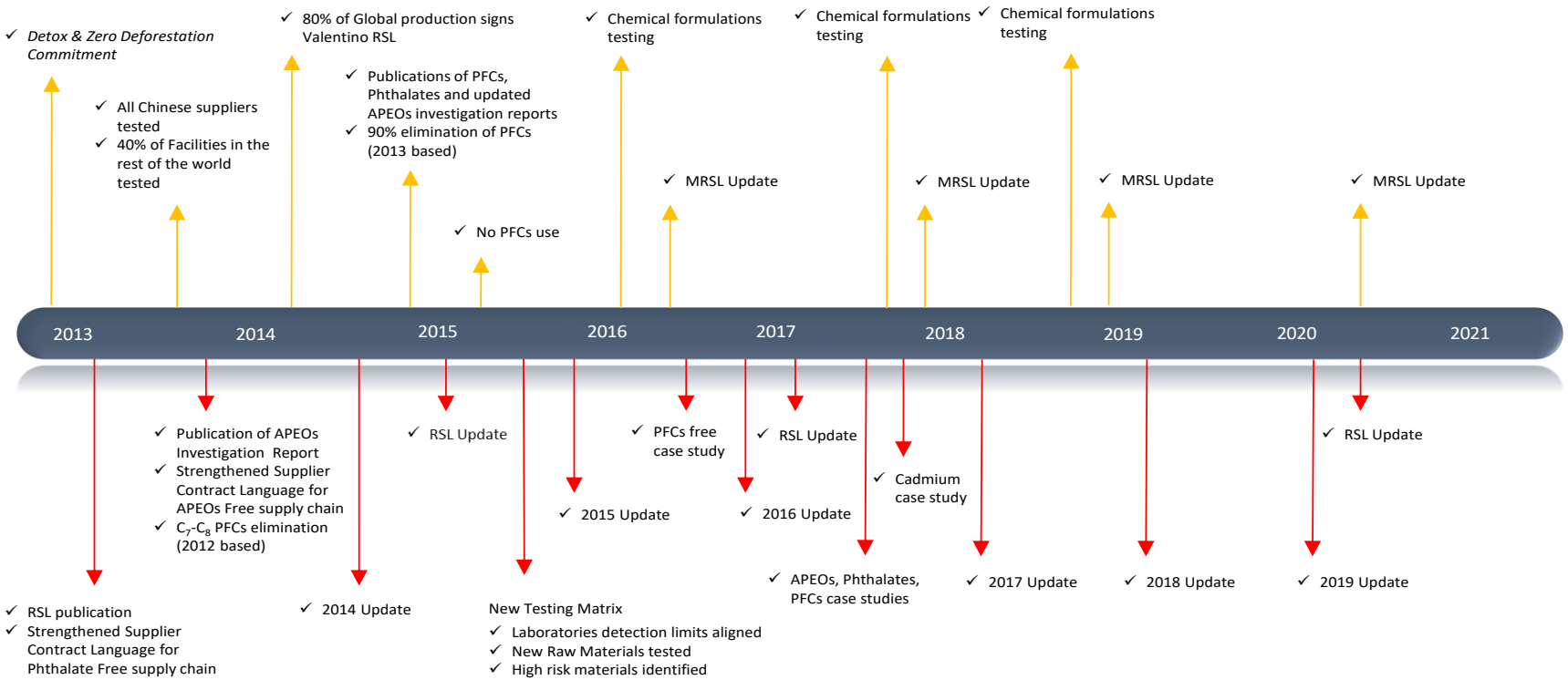
Commitment overview

Further to VALENTINO SPA's (VSPA) Detox Commitment of February 6th 2013, and in line with the public's "right to know", this document discloses the actions undertaken by VSPA in the supervision of its global supply chain up to the end of 2021.

As of 2013, VSPA has performed a series of steps in order to achieve the commitment objectives. The timeline below shows the principal milestones on this path.



Implementation

For Valentino, Detox is a 360° project and process.

Activities start from product concept, raw materials selection, then research, prototypes, sampling and production. Suppliers, partners, as well as Valentino employees, are active participants in the Detox process; goals, training, audit/test results and knowledge are shared with them in order to fully achieve the elimination target.

To deepen, plan and implement these activities, Valentino has built a product compliance team, boasting highly qualified team members, with a background from chemical engineering and environmental sciences along with a long-lasting experience in the apparel sector. Furthermore, Valentino partnered with worldwide recognized testing and certification entities, Associations/Organizations, etc.

Interactions with suppliers were developed and strengthened in a structured way, since working with them is key to meet our goals. A comprehensive chemical management approach, with a deeper knowledge of the possibilities, pros and cons of available formulations, allows to better control pollution, hazard and, last but not least, reduce the use of resources, costs and possible problems in production.

Therefore, we perform different kinds of activities, dealing with Environmental and Chemical Management audits, assessments, wastewater testing, chemical formulations testing, research, products/articles testing, corrective actions, follow-up, disclosure and training.

Tools

With this aim, we worked and created tools to:

Tools – Page 1

Enforce supplier contracts and preventing issues

Our Detox requirements (such as RSLs etc.), together with the code of ethics and other key business documents, are integral parts of the supplier contracts. From the beginning, suppliers are made aware of our requirements and are requested to propose and produce compliant articles/treatments, adopt a clean factory approach and allow audit/water testing, when needed.

Enhance product testing

Pre-tests on new articles/suppliers are performed regularly in order to prevent problems and find alternative solutions. Screening for hazardous substances in articles is conducted on a seasonal basis within the scope of Valentino's product compliance procedure and in order to verify previous steps efficiency. The screening process is based on the "Testing Packages" created for each type of substrate/treatment. Each package contains multiple groups of substances that have to be tested depending on the materials/treatments involved, applying the best available techniques for the tested substances. All results are discussed with the suppliers and problems and relative implementations are shared and made available to the various players.

Report & Monitor

To share results implementations and achievements with all the supply chain actors and on our website.

Provide training and technical support

Technical support from us and our testing and consultancy/auditing partners is given to our suppliers in order to solve problems, identify corrective actions and improve procedures and performance. See research case studies, investigations etc. on our website.
Introductive meetings are organized with new suppliers to explain our goals and all suppliers are monitored to guarantee their compliance and share knowledge/lessons learned. Training sessions are carried out internally, to Valentino employees and, as per our commitment, to other stakeholders.

Develop research & case studies

Please refer to the specific session on our website (https://www.valentino.com/experience/it/corporate-information/)

Create and query an interactive database

An interactive database related to articles, chemicals, water test and suppliers results was developed in order to elaborate data and rapidly query them to find solutions/compliant materials. The database is also used to elaborate and publish data and reports in an easy and transparent way.

Tools – Page 2

Enhance environmental controls through audits, water testing, chemicals testing

To achieve its goals, Valentino reinforces its programme assigning assessments and environmental audits at relevant wet-process suppliers to selected Service Providers. Audits consist on the following main activities:

a. Check List (last update: 2021)
b. Water Sampling and Testing
c. Chemicals Testing

For more details, please refer to "Environmental Controls Guidelines" on our website at:
https://www.valentino.com/experience/it/corporate-information/

a. Check List

It is composed of three (3) main sections:

Section 1 - Production plant registry
Section 2 - Focus Areas:

- Environmental Management
- Permits
- Emissions/Waste
- Resources Use
- Chemical Management

Section 3 - Audit results, corrective actions and score

In 2021 "sustainability aspects" (for instance, adoption of recognized indicators for the environmental performance, targets for reduction of the waste, process upcycling, use of sustainable packaging etc.) were added to some of the Focus Areas in Section 2.

b. Water Sampling and Testing

Water tests aim at sampling and testing production process incoming and untreated discharge waters, where appropriate. Each additional sampling point is assessed on a case-by-case basis (sludges, additional sources of untreated water, etc.). All water samples are tested to check the presence of the 11 priority chemical groups and additional substances. This kind of screening process helps identifying the use of these chemicals in the manufacturing processes

c. Chemicals Testing

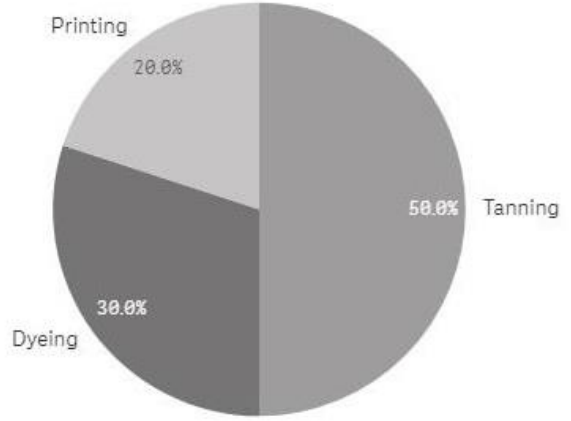
Chemical formulations to be tested are selected considering chemicals composition, materials to be treated (for instance fabric, leather, etc.), type of use in the production process (auxiliary/colorant/finishing agents, etc.), documentation availability, frequency and amount of use in the supply chain, as well as peculiarities and refinement of specific intended effects. Specific chemicals are sampled during audits/follow-up or case studies as well. Depending on the kind of production, Service Providers are requested to sample suspect and/or the most used chemical products from the audited company chemical inventory. Starting from April 2016, a deeper «Chemical formulations screening/testing» has been seasonally scheduled and performed and the results are available at https://www.valentino.com/experience/it/corporate-information/

Reporting - Wet-Processes Suppliers Map

As per our commitment, we published and asked our wet-suppliers to yearly publish the water-testing data, starting from 2013. Wet-suppliers locations, geographical distribution and wastewater data are published in the wet-supplier map.

Data are published on our website and we ask our suppliers to publish them, where feasible, on the IPE. The updated map and incoming water, untreated water, treated water and sludge data details coming from testing at wet-processes mills are available on our website at: http://valentino-dev.4me.it/cloudlink/connectors/resources/download/get/valentino/CS-CSJQ4E/IT/vspa_wastewater_test_results-pdf. Taking into consideration seasonal variations, published data represent more than 80% of the active global wet-suppliers volumes involving tier 1 and tier 2/3 suppliers. The map is intended to be yearly updated (with the exception of 2020, when audits were not performed for safety reasons, mainly due to the Pandemic situation). See it in the next page.

Wet processes data include not only textile dyeing mills, but also tanneries and printings (in some years, even weaving facilities and relevant galvanic processes). Results are shared with suppliers and yearly elaborated, connected and integrated with testing data on products and chemicals, in order to schedule improvements, monitor progress and report in our yearly updates on our website. Suppliers made an important and active part of the process in order to prevent/avoid problems.



2021 % of suppliers sorted by type of wet-processing

Reporting - Wet-Processes Suppliers Map: Italy

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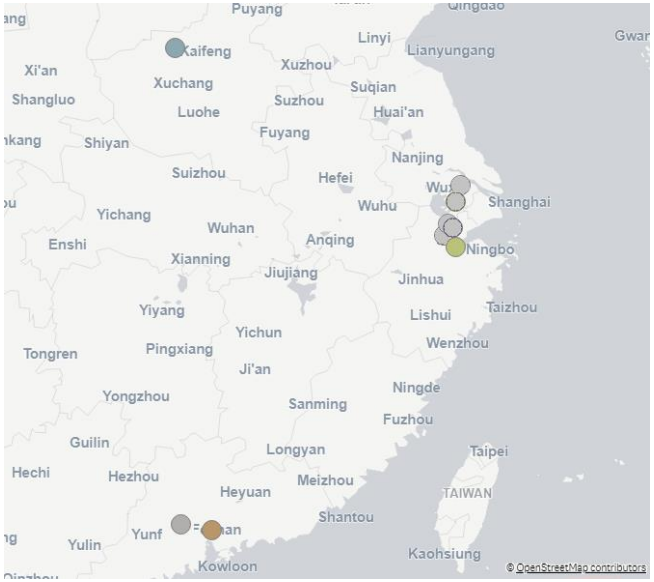
Reporting - Wet-Processes Suppliers Map: other countries



- SITE 69
- SITE 74
- SITE 95
- SITE 81
- SITE 82
- SITE 96

Inactive:

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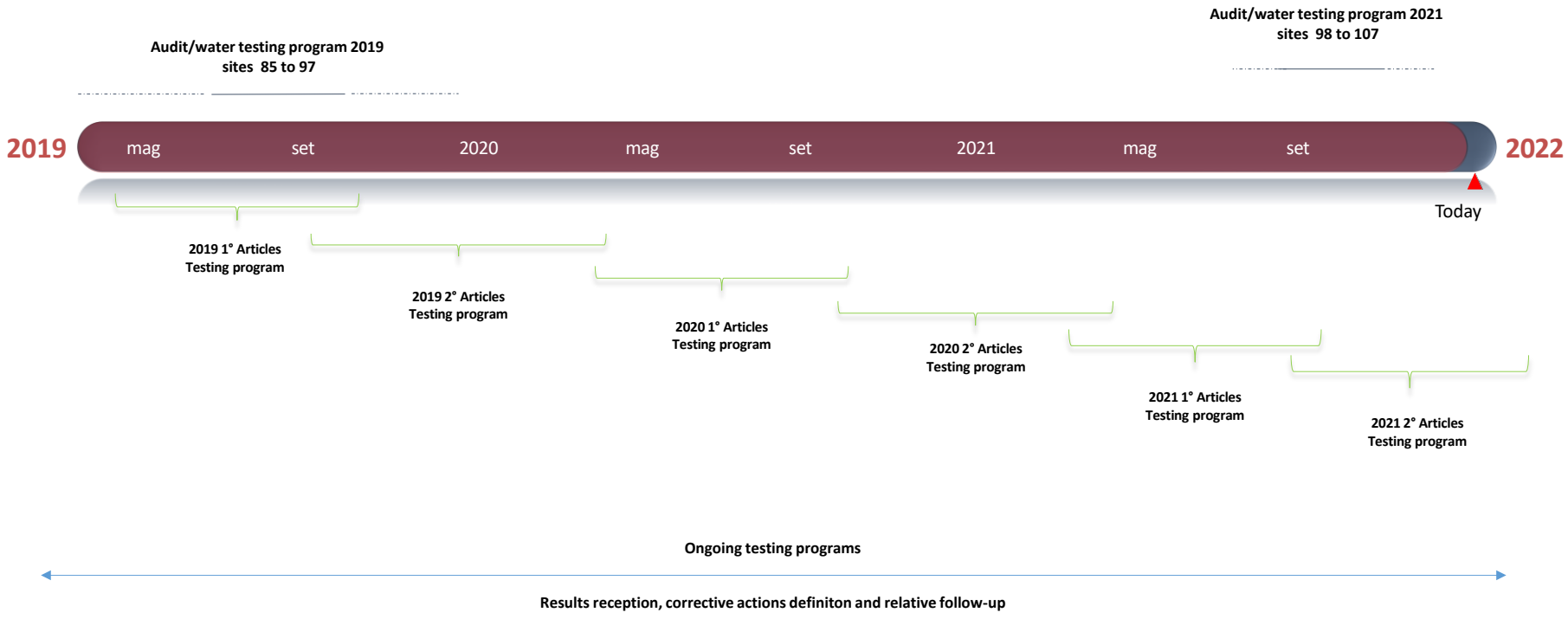
- SITE 10
- SITE 11
- SITE 13
- SITE 15
- SITE 17

Reporting – 2020-2021 Campaign

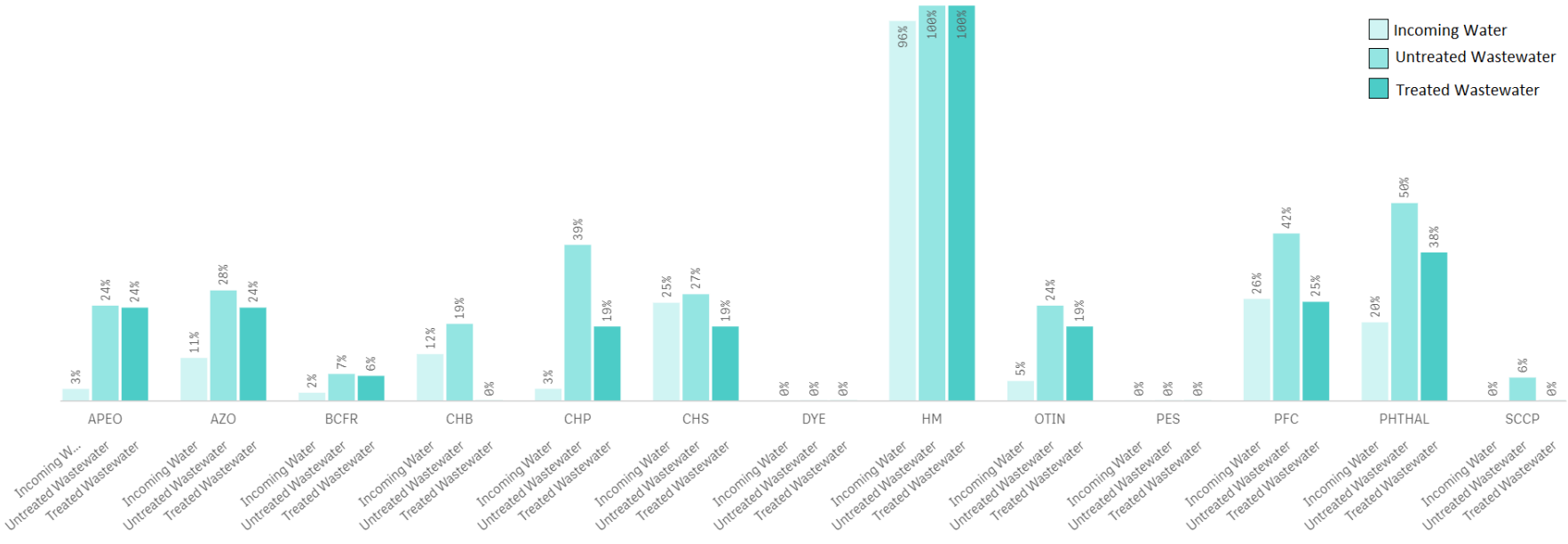
As per our procedures, we keep on monitoring and improving our supply chain by audits and testing on articles, water and chemicals. Please find below the ongoing activities in detail (in 2020 there were no audits due to Covid-19 pandemic).



Reporting – Overall results

As of today, thanks also to the training and communication programs developed from 2013 onwards, all active audited sites achieved adequate score, **with more than 90% of them earning "Good" – "Very Good" scores**. Data output of waters and articles testing campaigns[1] on specific groups of substances (APEOs, Azo Colourants, PFCs, Phthalates and Heavy Metals) have been elaborated through the interactive database and compared in the following pages. Results and outputs will be considered in the next campaigns/activities.

Percentage of tested sites where each substances group was detected, detailed per water sampling point[2] from 2013 to 2021



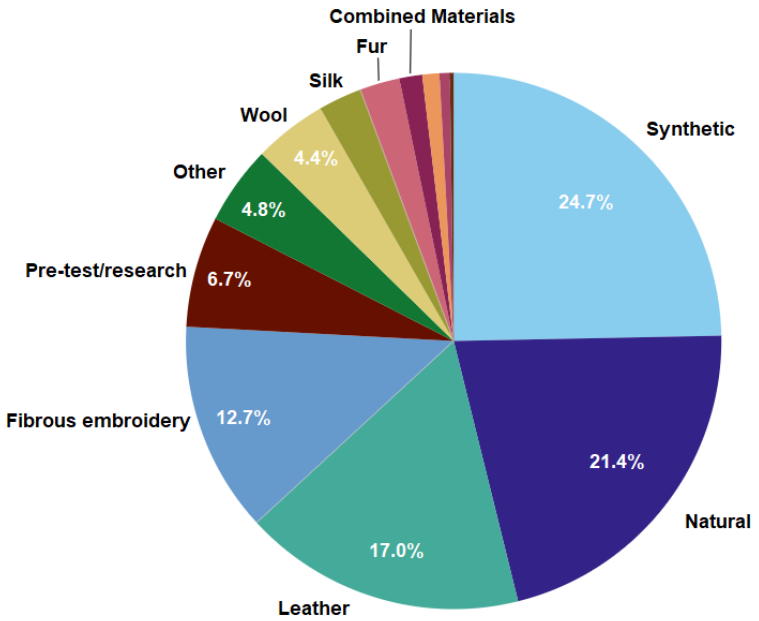
The results analysis shows that many groups of substances are detected in incoming water as well as in outcoming wastewater. As already noted in previous campaigns, Heavy Metals are almost always found in both incoming and untreated waters.

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

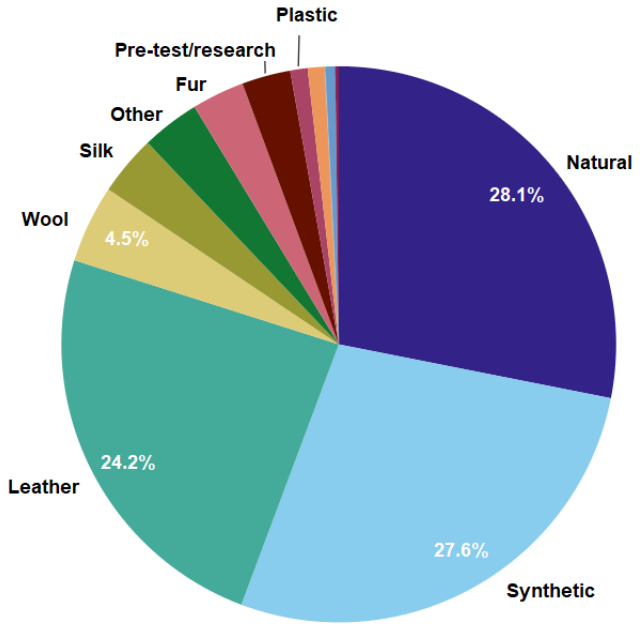
Reporting – Overall results (2020-2021)

Investigated Substances Groups (2020-2021) vs type of material

Test on APEO's Group



Test on PFCs Group

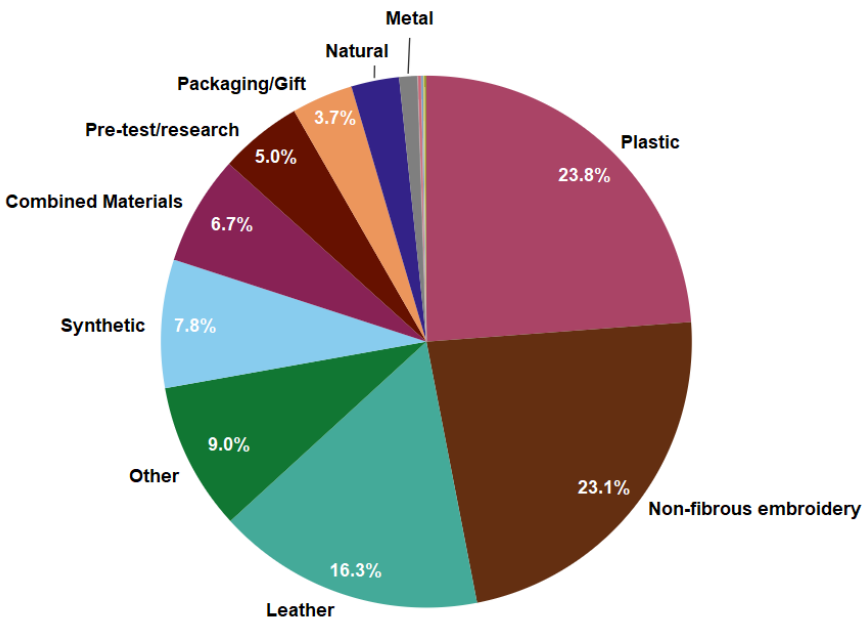


1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

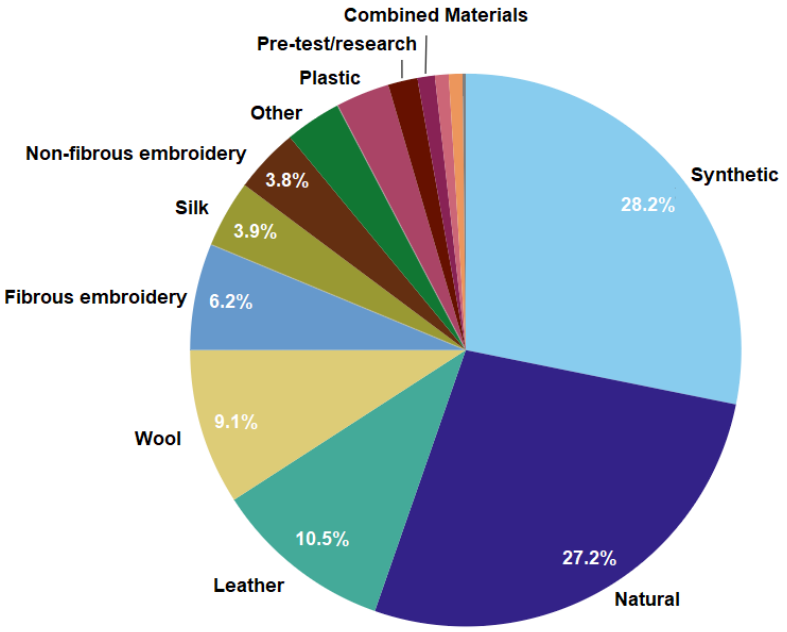
Reporting – Overall results (2020-2021)

Investigated Substances Groups (2020-2021) vs type of material

Test on Phthalates Group



Test on Azo Group

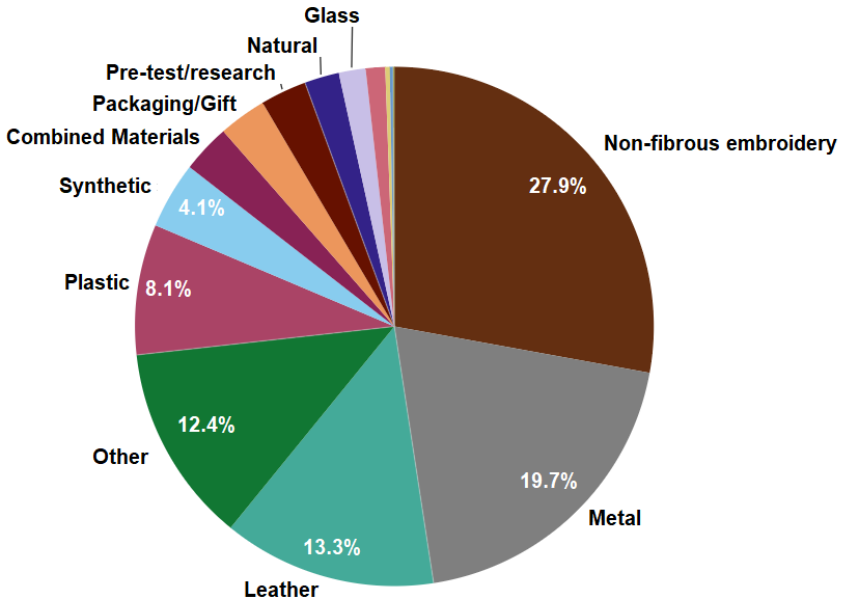


1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

Reporting – Overall results (2020-2021)

Investigated Substances Groups (2020-2021) vs type of material

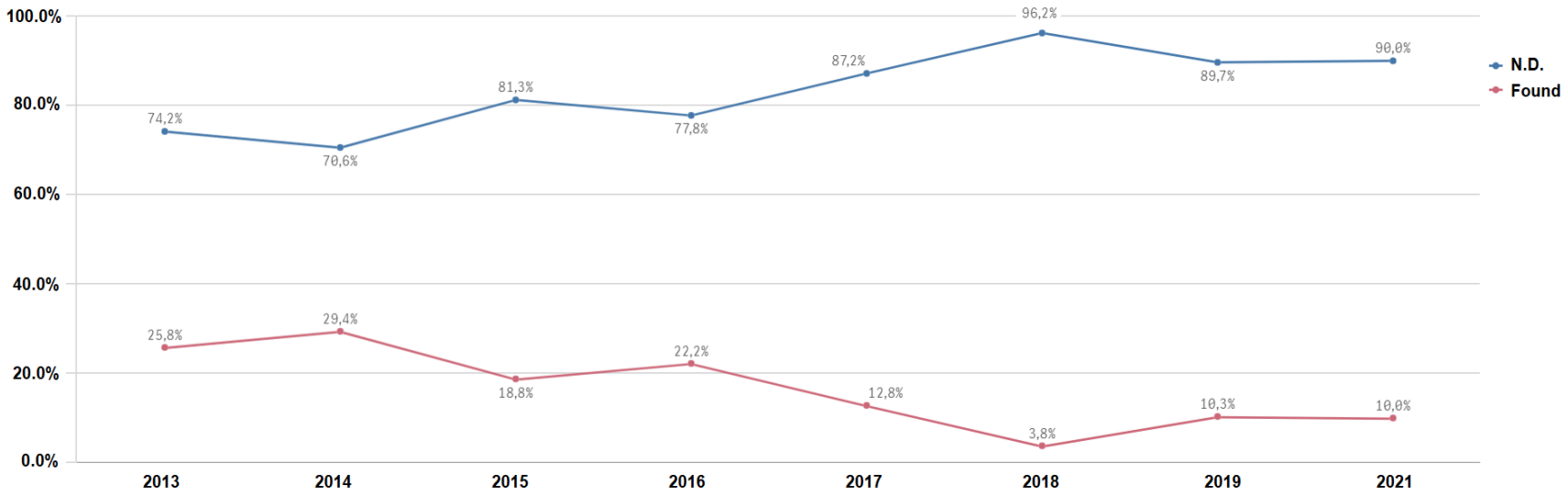
Test on Heavy Metals Group



1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

Reporting – Focus on Substances Groups – APEOs

APEOs[1] trend in Waters[2] (Years 2013-2021) is shown below:

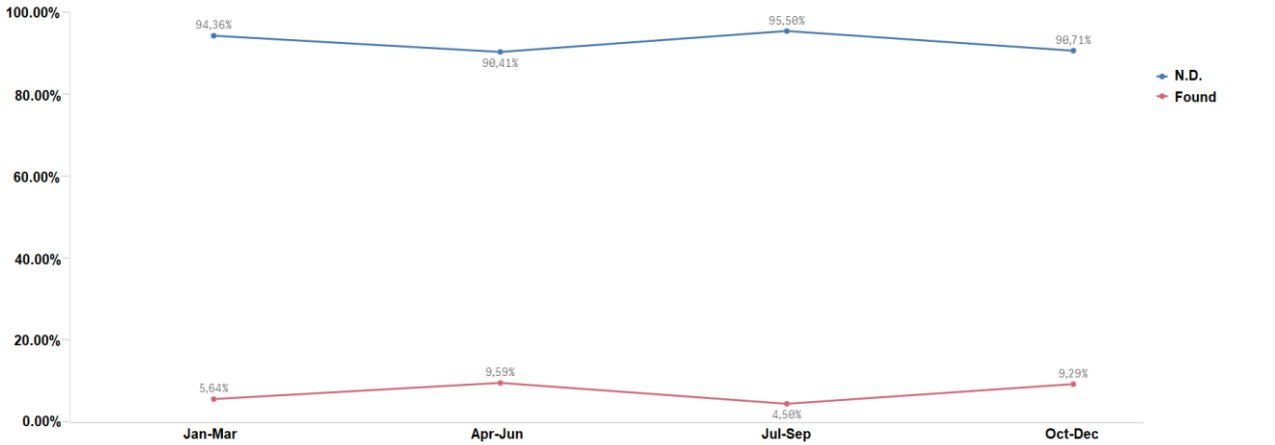


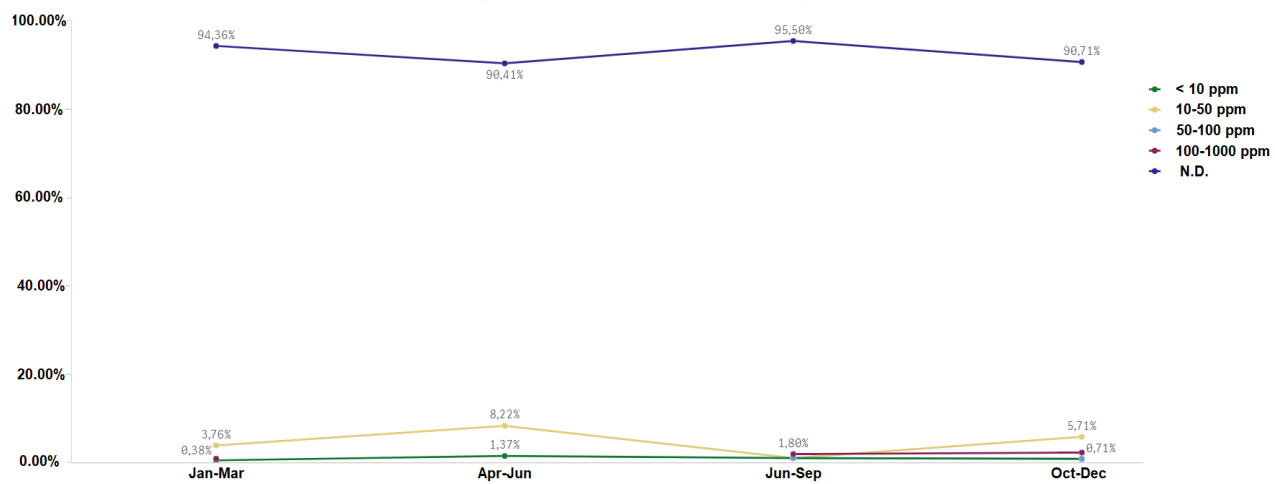
Lines represent the average trend (Not Detected in blue, Found in Red) considering Incoming Water, Untreated Wastewater and (where analyzed) Treated Wastewater. Valentino eliminated the use of APEOs. About 90% of the audited sites in 2021 shows not detected levels in waters. The graph also shows a clear APEOs reduction trend in waters from the earlier audit campaigns to nowadays.

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

Reporting – Focus on Substances Groups – APEOs

APEOs[1] trend in Articles* (Year 2020) is shown below:





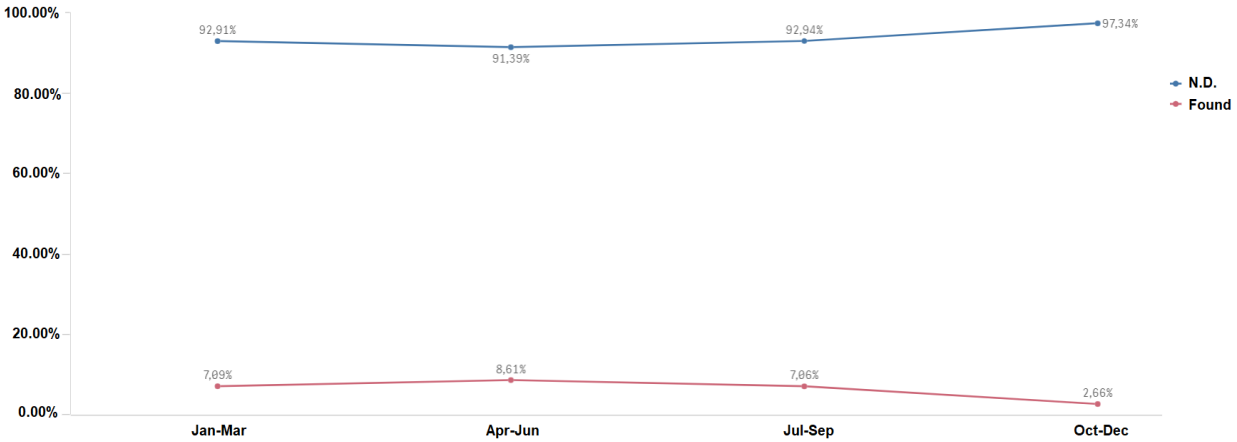
Trend in articles graphs show how APEOs in 2020 are only found in traces due to contaminations (higher traces are mostly found in recycled materials).

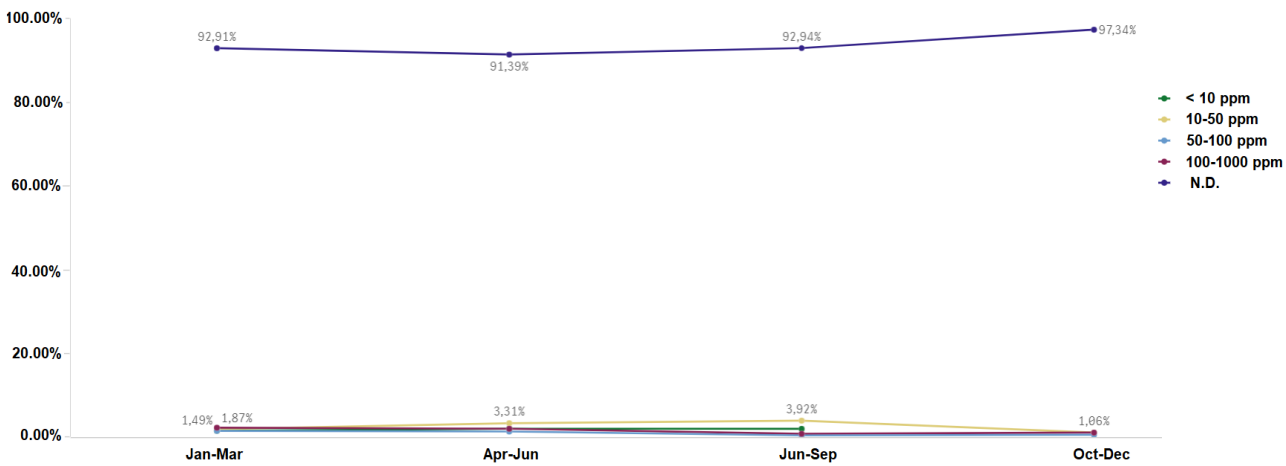
>600 tests performed on APEOs Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Focus on Substances Groups – APEOs

APEOs[1] trend in Articles* (Year 2021) is shown below:





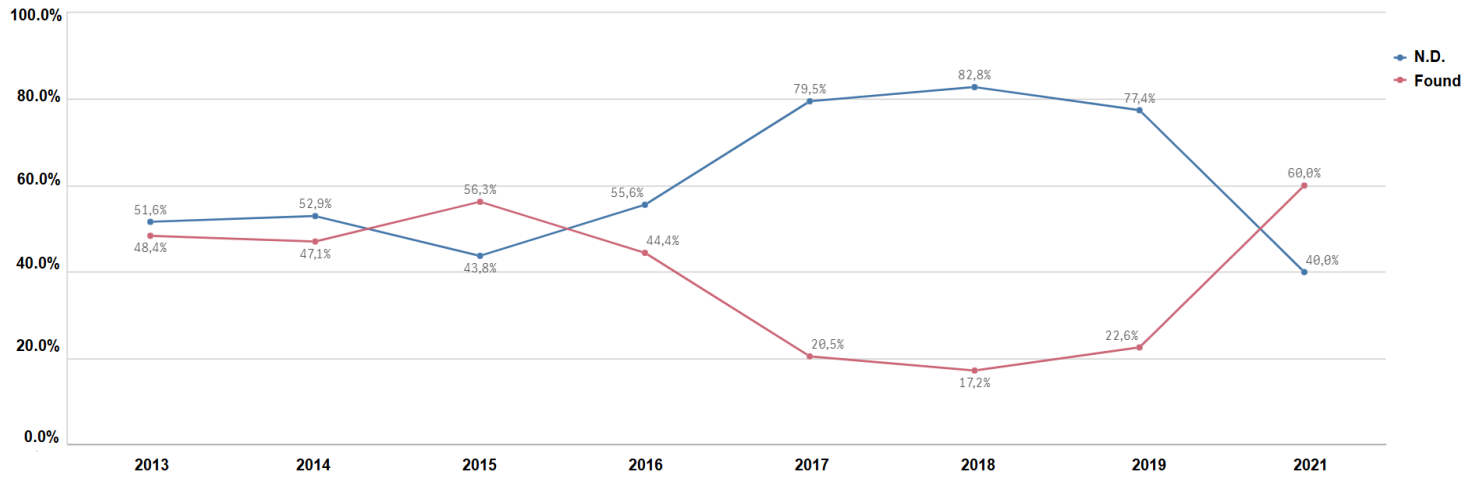
Trend in articles graphs show how APEOs in 2021 are only found in traces due to contaminations (higher traces are mostly found in recycled materials).

900 tests performed on APEOs Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Focus on Substances Groups – PFCs

PFCs[1] trend in Waters[2] (Years 2013-2021) is shown below:



Lines represent the average trend (Not Detected in blue, Found in Red) considering Incoming Water, Untreated Wastewater and (where analyzed) Treated Wastewater. There is a clear PFCs reduction trend in waters from the earlier audit campaigns to 2019. In 2021 we notice an increase in the detected PFCs. This increase in mainly due to:

- Presence in incoming water (for preexisting contamination which cause an intrinsic persistence in nature);
- Presence in untreated water (which is the water before any treatment intended to eliminate substances).

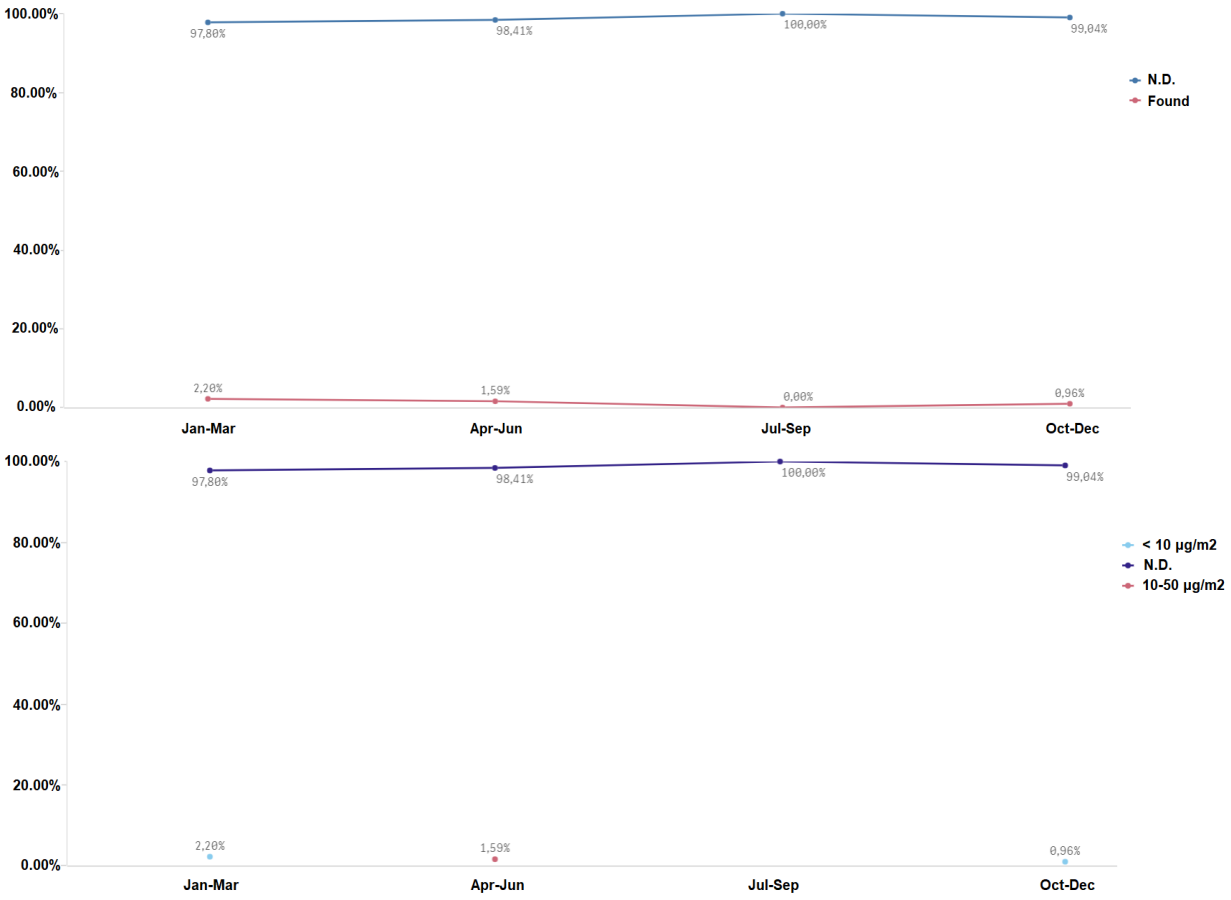
All suppliers were promptly notified and supported in order to identify the source and fix the problem. We keep working with them on finding possible substitutes, also considering that:

- Some chemical products are sold as PFCs-Free but they only avoid the use of PFOS and PFOA;
- Some fails are related to volatile PFCs that also cause cross contaminations.

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

Reporting – Focus on Substances Groups – PFCs

PFCs[1] trend in Articles* (Year 2020) is shown below:



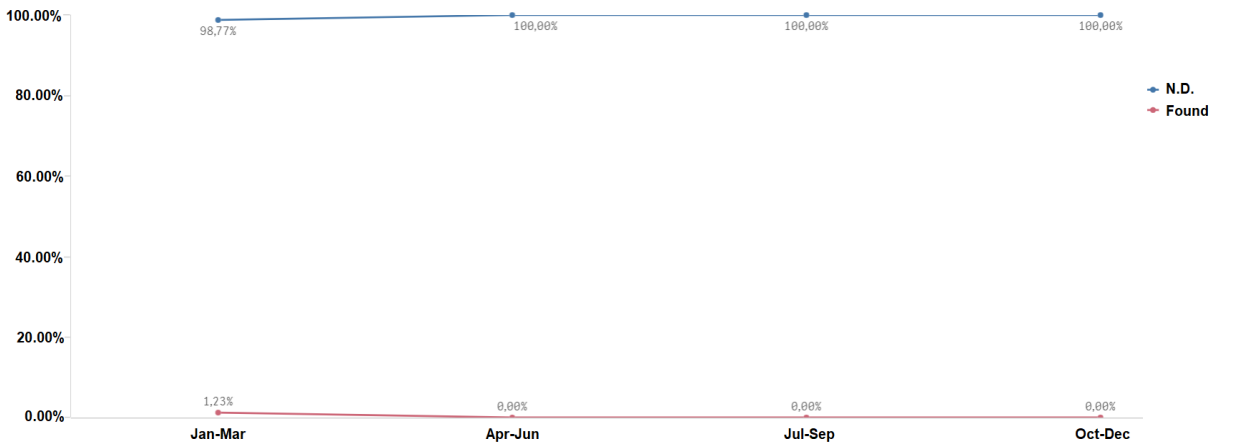
Valentino eliminated the use of PFCs. Considering the concentration ranges, trend in articles graphs show how in 2020 they are only found in traces ascribable to contaminations.

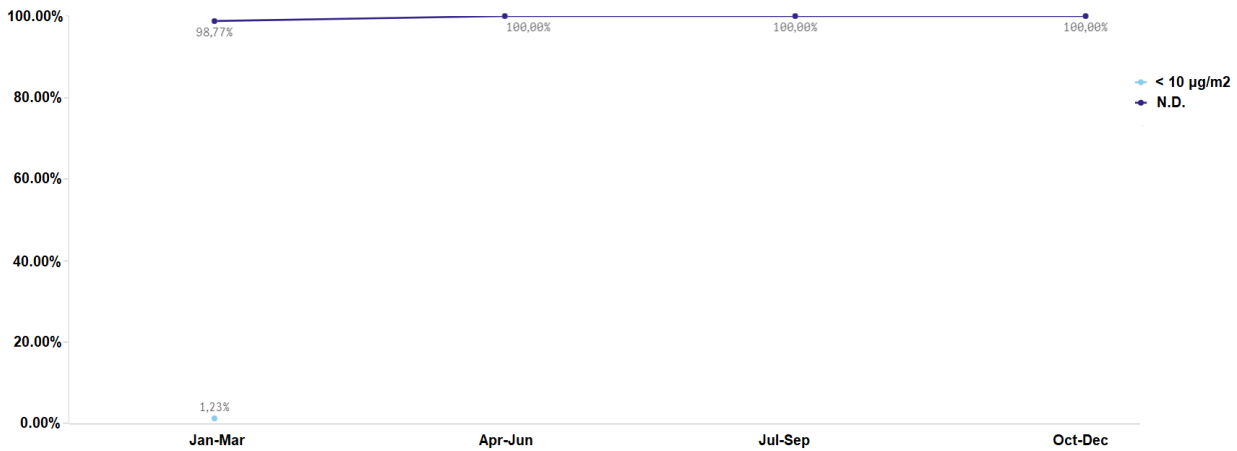
About 500 tests performed on PFCs Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Focus on Substances Groups – PFCs

PFCs[1] trend in Articles* (Year 2021) is shown below:





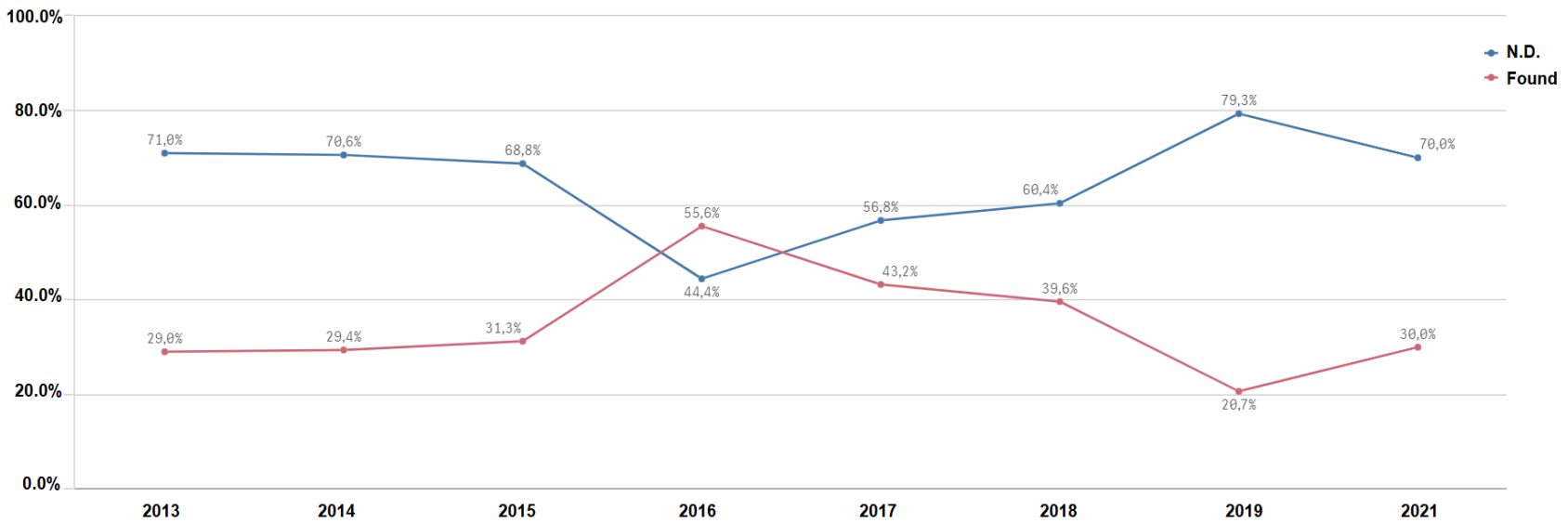
Valentino eliminated the use of PFCs. Considering the concentration ranges, trend in articles graphs show how in 2021 they are only found in traces ascribable to contaminations.

>550 tests performed on PFCs Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Focus on Substances Groups – Phthalates

Phthalates[1] trend in Waters[2] (Years 2013-2021) is shown below:



Lines represent the average trend (Not Detected in blue, Found in Red) considering Incoming Water, Untreated Wastewater and (where analyzed) Treated Wastewater. The graph shows an irregular trend in waters from the earlier audit campaigns to nowadays. The best performance was achieved with the suppliers audited in 2019. Considering 2021, all suppliers were promptly notified and supported in order to identify the source and fix the problem.

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

Reporting – Focus on Substances Groups – Phthalates

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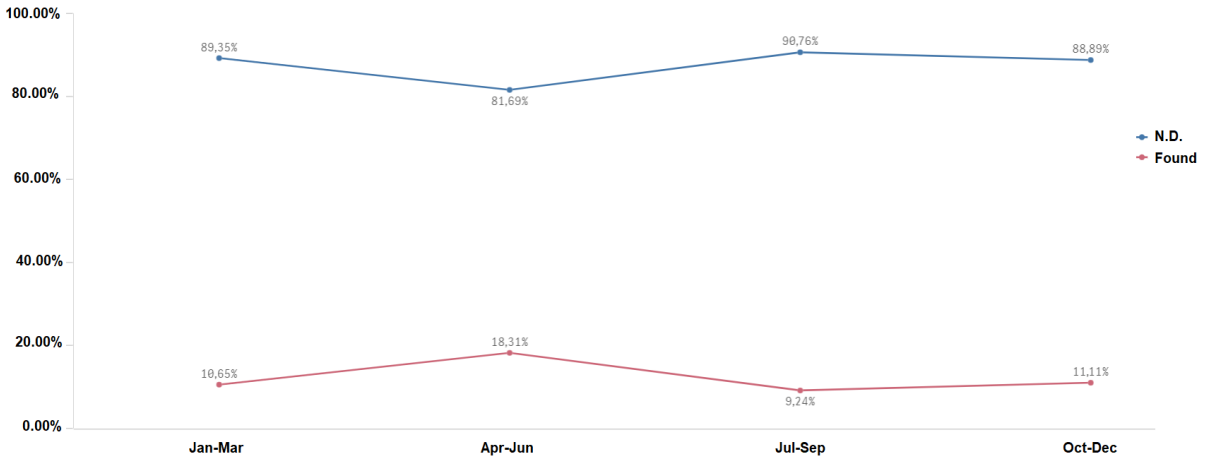
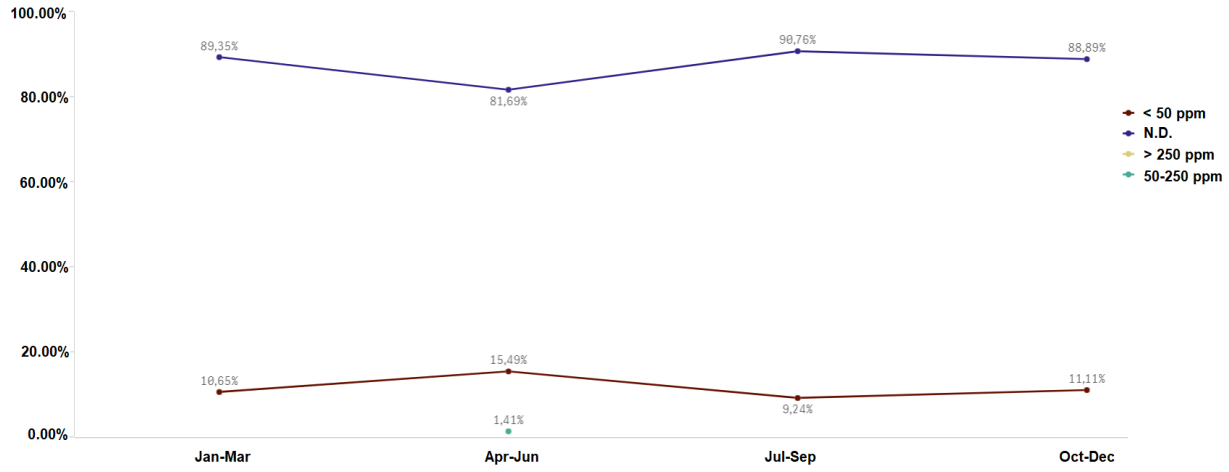




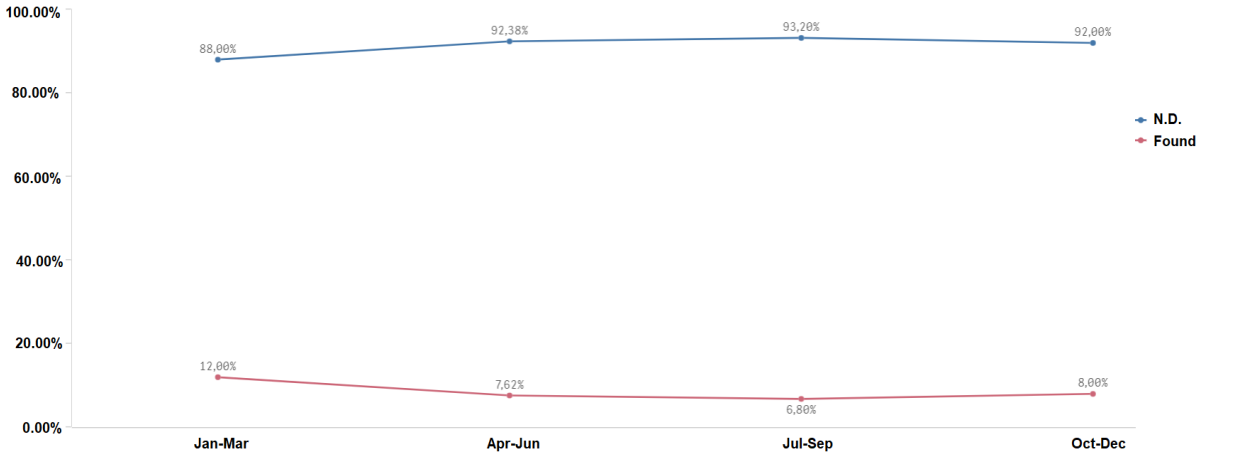
Considering the concentration ranges, phthalates are found mainly as contaminants at very low concentrations in articles.

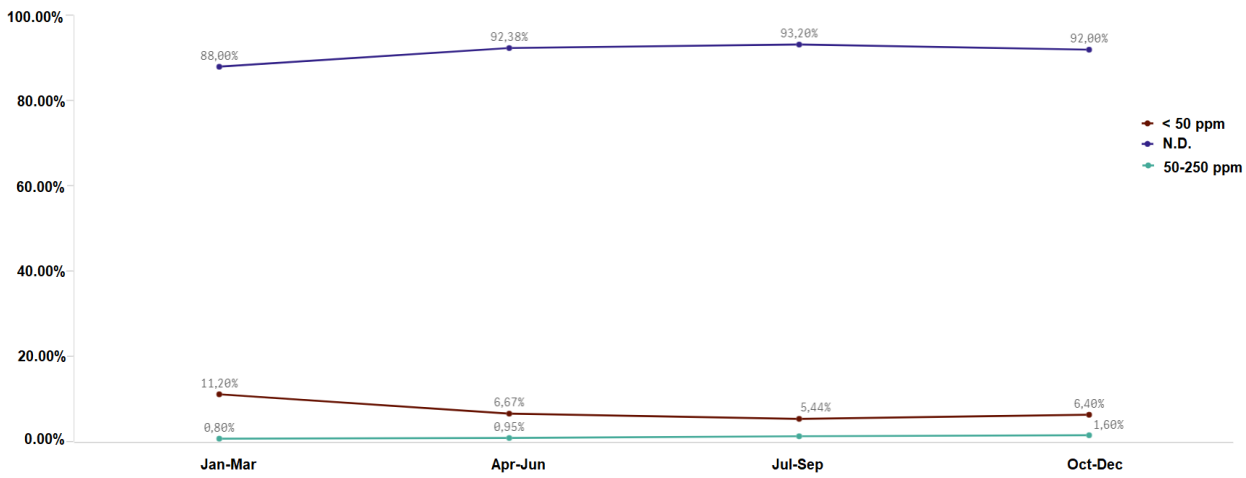
>530 tests performed on Phthalates Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Focus on Substances Groups – Phthalates

Phthalates[1] trend in Articles* (Year 2021) is shown below:





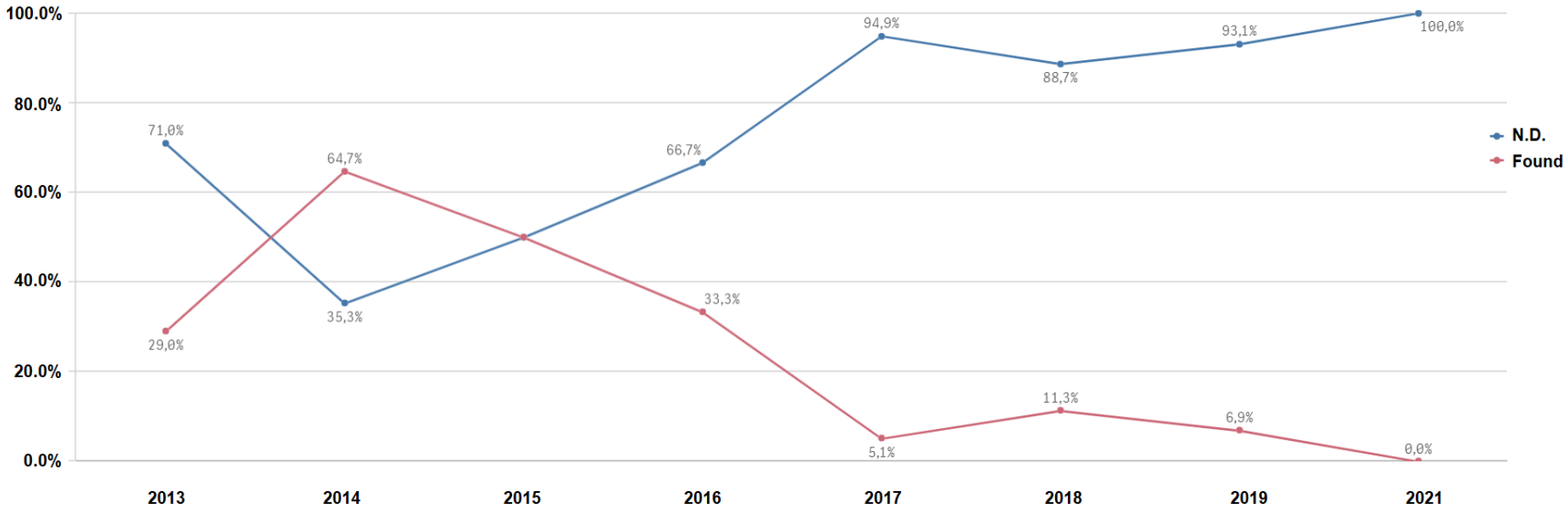
Considering the concentration ranges, phthalates are found mainly as contaminants at very low concentrations in articles.

>550 tests performed on Phthalates Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Focus on Substances Groups – Azo

Azo[1] trend in Waters[2] (Years 2013-2021) is shown below:



Lines represent the average trend (Not Detected in blue, Found in Red) considering Incoming Water, Untreated Wastewater and (where analyzed) Treated Wastewater. Valentino eliminated the use of Azo colourants. The graph above shows that 100% of the audited sites in 2021 has not detected levels of azo colourants in waters.

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

Reporting – Focus on Substances Groups – Azo

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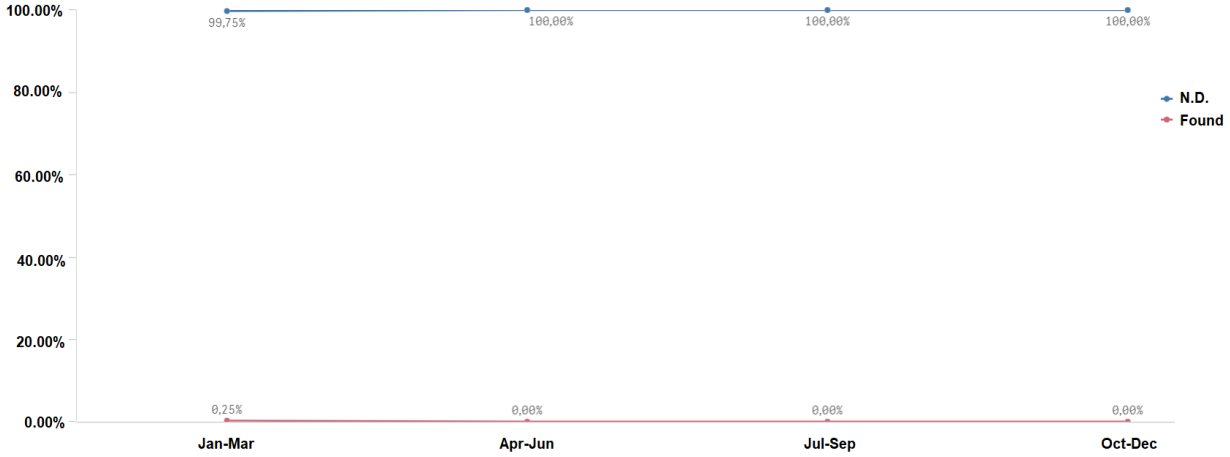
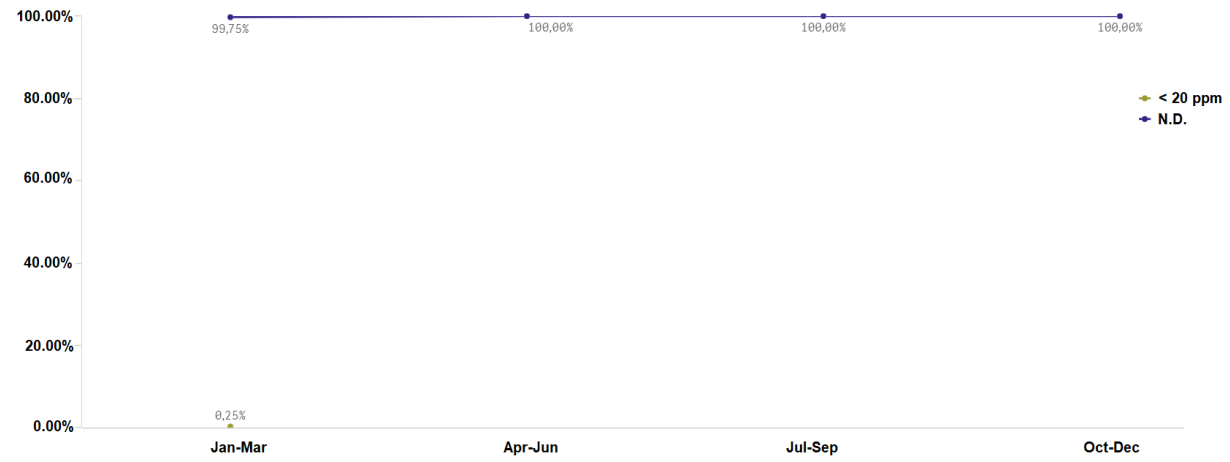




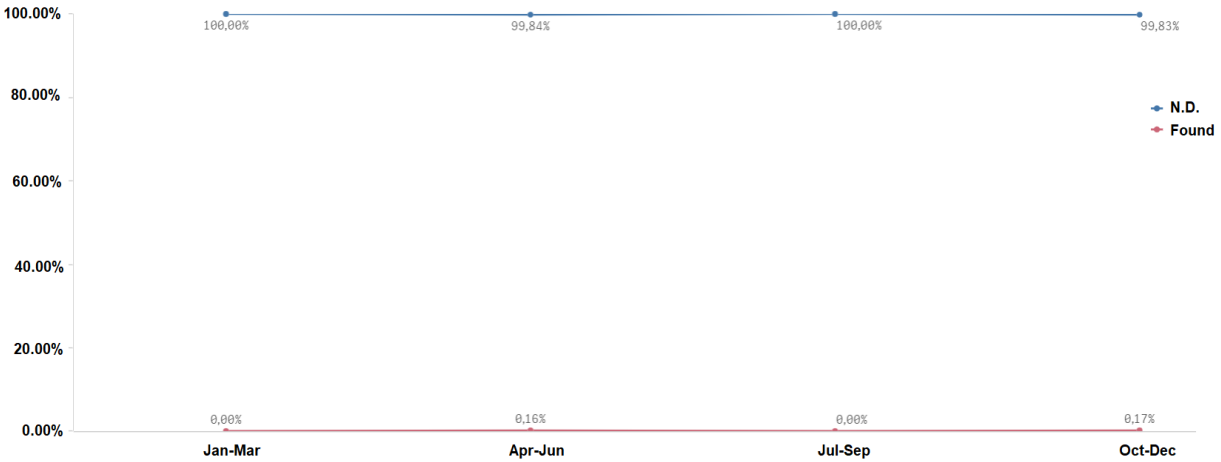
Trends in articles graphs show no azo colourants are found in 2020.

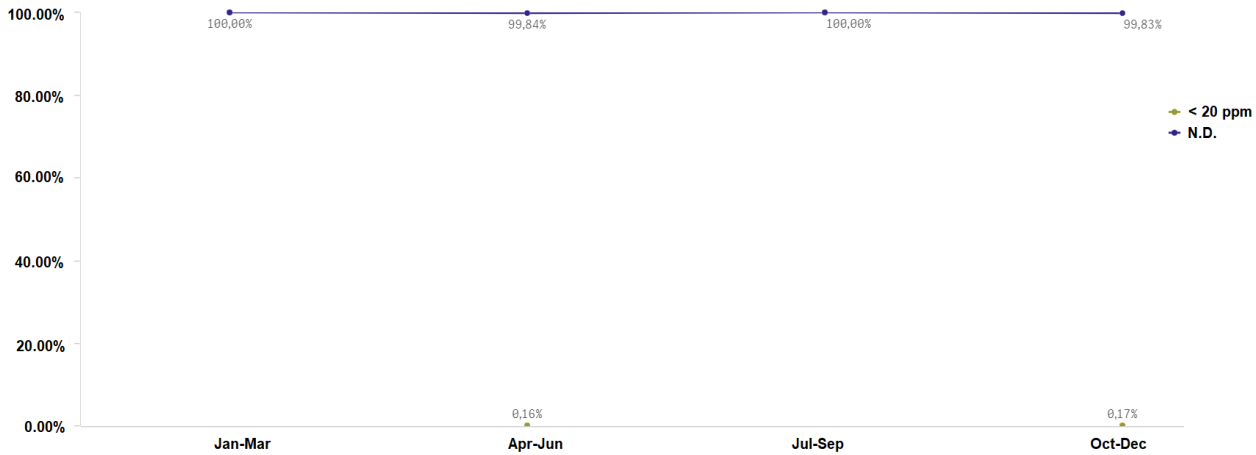
>3000 tests performed on Azo Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Focus on Substances Groups – Azo

Azo[1] trend in Articles* (Year 2021) is shown below:





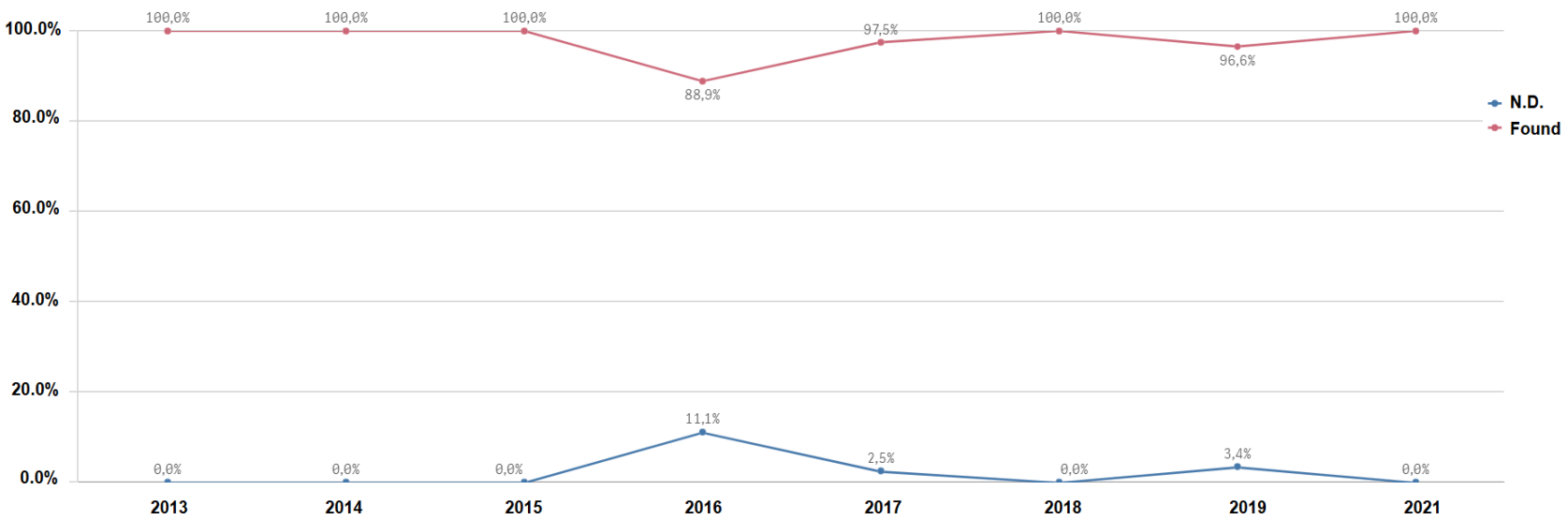
Trends in articles graphs show no azo colourants are found in 2021.

>3100 tests performed on Azo Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Other substances trend – Heavy Metals

Heavy Metals[1] trend in Waters[2] (Years 2013-2021) is shown below:

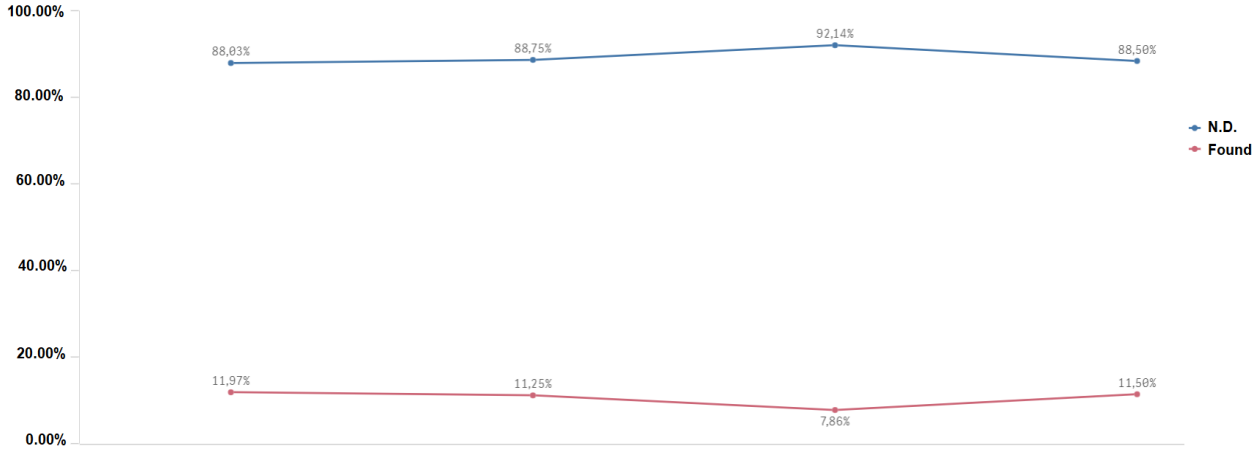


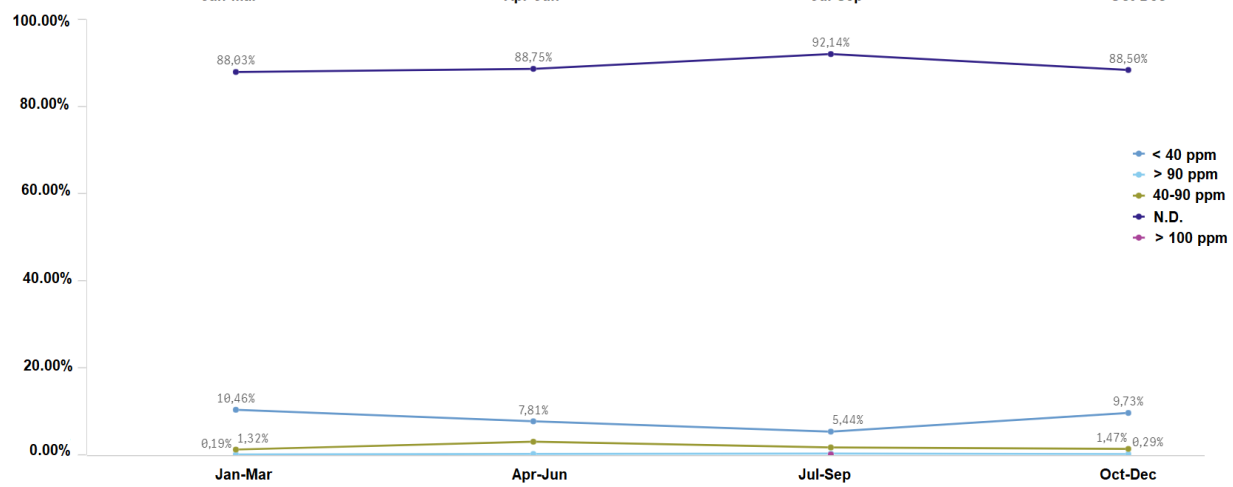
Lines represent the average trend (Not Detected in blue, Found in Red) considering Incoming Water, Untreated Wastewater and (where analyzed) Treated Wastewater. The graph above shows that almost 100% of the audited sites has detected levels of heavy metals in waters. This means that heavy metals represent one of the most challenging groups to eliminate.

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details
2 - See "wastewater" file at https://www.valentino.com/experience/it/corporate-information/ for complete sampling sites results (treated waters and sludges included).

Reporting – Other substances trend – Heavy Metals

Heavy Metals[1] trend in Articles* (Year 2020) is shown below:





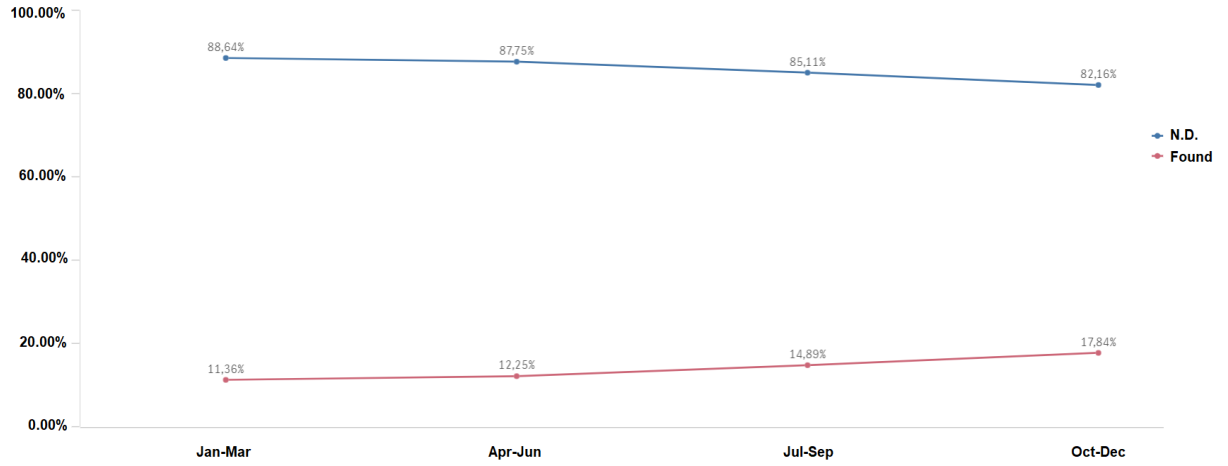
Trends in articles graphs show that heavy metals (focus on Pb and Cd) are found in low concentrations that may reflect unintentional contamination.

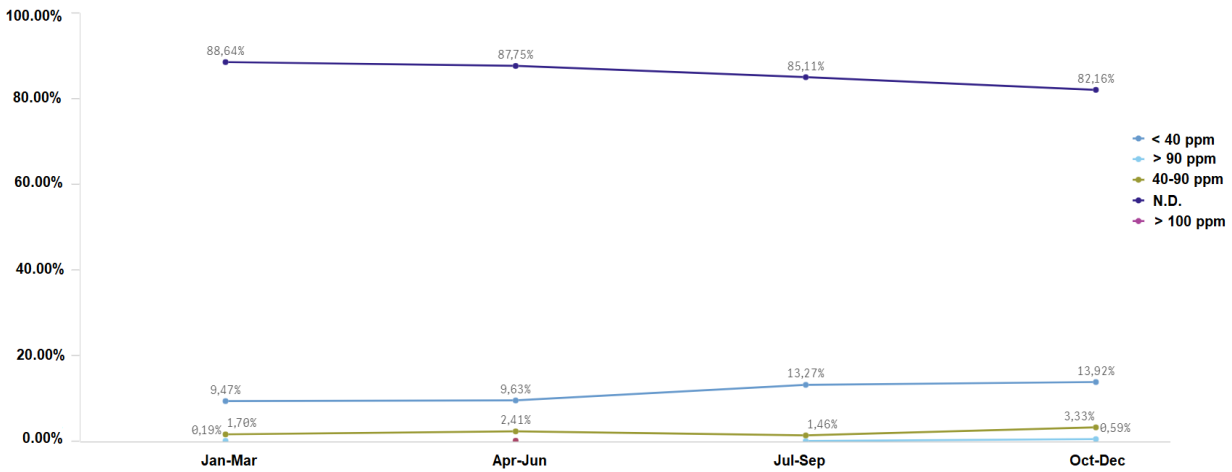
>2700 tests performed on Heavy Metals Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Reporting – Other substances trend – Heavy Metals

Heavy Metals[1] trend in Articles* (Year 2021) is shown below:





Trends in articles graphs show that heavy metals (focus on Pb and Cd) are found in low concentrations that may reflect unintentional contamination.

>2600 tests performed on Heavy Metals Group

1 - See PRSL e MRSL at https://www.valentino.com/experience/it/corporate-information/ for analytical details

Conclusions

Since 2013, and as per its commitment, Valentino and its suppliers have identified replacements and collaborated in developing substitution case studies and in looking for the root-cause of possible findings in different articles, as per the studies/investigations/updates published on our website (https://www.valentino.com/experience/it/corporate-information/). However, the complete elimination of these compounds, which are characterized by an intrinsic persistence in nature and are used in different fields that go beyond the textile industry or mere water-repellent treatments (e.g. PFCs), deserves deep thoughts and controls.

Trend data are published with absolute objectivity and transparency, and they are the result of the ongoing activities aiming at carefully controlling and monitoring the entire supply chain, making it aware of possible contaminations and informed of available alternatives. Possible residual problems are due to the fact that they can be found as contaminants in different kinds of formulations and materials and therefore in multiple processes. Due to a wide use of this substances in the past, they are still found in higher concentrations into recycled materials.

Therefore, the prohibition of use is to be followed by monitoring and control actions, through a careful and meticulous testing of chemical products, raw materials, finished garments, treatments, discharge waters and through environmental audits. The testing on articles must not be limited to specific treatments (e.g. PFCs in water-repellent materials), but must consider all kinds of processes and materials, such as other fabrics, leathers and different kinds of trims. Once the analytes under test are detected in the different matrixes analyzed, all suppliers are promptly notified and supported in order to identify the source and fix the problem.

To reduce these instances, we committed to raising awareness among the suppliers on possible contaminations and on a clean factory approach. Suppliers that use, handle and transform materials and/or garments coming from various suppliers that are not committed to clean processes must pay attention to contaminations as well.

Possible problems to consider usually come from:

- The use of these chemicals in trims and articles that do not need them (e.g. water-repellent treatments or plastificants)
- Absence of worldwide updated, targeted and uniform legislations
- Possible cross-contaminations in traces, even volatile (e.g. FTOH), from chemicals, materials and environment
- Undeclared low concentrations in chemicals (Please also see the chemicals tests and case studies on our website)
- The use of recycled materials produced in the past with different requirements and that at the moment cannot meet Detox parameters
- Possible presence in incoming waters (please also see our website).

Next steps

The data obtained during these years clearly show that a progress has been achieved, but the road to the zero discharge of hazardous chemicals is still inevitably long and extremely challenging. Obtaining it is the result of a continuous and concerted hard work of the entire fashion industry and it is also dictated by the development of new techniques in this special field.

Valentino will create a Sustainability Committee in 2022. The aim of the Committee is operating as a Project Management Office of the various initiatives, identifying them, evaluating the impacts and analyzing costs and benefits. The Committee will be the authority in charge of developing a new Sustainability Strategy, because for Valentino "make sustainability" is not an additional element of the business, but a different way of making business.

As representative of the fashion industry, we need to also consider "a circular way of thinking", which includes some aspects like these:

- Increasing the longevity of our products;
- Promoting the multiple use of a product (please refer to the specific website https://www.valentino-vintage.com);
- Designing products containing recycled/bio-based materials (please refer to the specific session on our website https://www.valentino.com/en-us/experience/valentino-garavani-open-for-a-change-sneakers).