

Due Diligence GOTS by Infinity srl

Edition 1 - rev. 0

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The due diligence process is a continuous, dynamic, and risk-based activity that companies must undertake to identify, prevent, mitigate, and account for actual and potential negative impacts on human rights, labor rights, the environment, and ethical business conduct.

Phase One: Integration of due diligence into policies and management systems

This phase requires Certified Entities to establish and implement a Responsible Business Conduct Policy (RBC Policy).

Infinity has defined and formalized its corporate conduct policy in the document

Principles and Policy on Responsible Business Conduct in relation to the following:

- Principles and Code of Conduct
- Human and labour rights
- Environmental protection
- Consumer and client protection
- Prohibition of bribes and corruption
- Responsible procurement practices
- Transparency of accounting records
- Confidentiality of personal information
- Reporting of violations (Whistleblowing)
- Policy on Responsible Business Conduct

The company is committed to using due diligence in its decision-making processes regarding issues related to GOTS standard criteria, following these six steps:

1. Integration of the due diligence process into its policies and management systems.
2. Identification of actual or potential negative impacts associated with its activities, through risk assessment.
3. Development of strategies to cease, prevent, or mitigate negative impacts.
4. Monitoring of the implementation of due diligence and its results.
5. Communication of information related to how impacts have been addressed.
6. Adoption of any remediation actions for damages.

Sustainability Policy: The company pursues a Policy of Transparency and Sustainability that serves as a guide for business decisions, integrating environmental, social, and economic responsibility. This policy includes objectives such as legislative compliance, considering environmental impact from the design phase, and chemical risk management.

Governance Structure: A Sustainability Committee has been established, composed of the two Directors of the company, and is responsible for implementing Due Diligence within the company.

Internal Mechanisms: The company has set up a "mailbox" in a location easily accessible to all staff for anonymous reporting of violations of this document.

The company is committed to taking appropriate measures to protect people who make reports from retaliation, discrimination, or penalties and to treat all information received regarding violations of this document with the utmost seriousness, taking the necessary actions.

Reports can also be submitted to the following email address: direzione@infinitysrl.com.

Stakeholder Engagement: The company is committed to disseminating the principles of its Sustainability Policy both internally and externally to clients, suppliers, associations, and institutions.

Phase Two: Identification of actual or potential negative impacts

This phase aims to recognize and assess the actual or potential adverse impacts associated with the Certified Entity's operations and its supply chain. The scoping exercise for risk of harm conducted within the company has identified the following evaluation elements:

Analysis of Sustainability Topics: Infinity conducts an annual analysis to identify priority sustainability topics for the company and its external stakeholders, classifying the impacts (positive/negative, actual/potential) and evaluating their relevance.

This analysis is summarized in the table attached to this document.

Identified Risks: The most relevant topics include Economic Performance, Human Resources, product-related risks, Supply Chain-related risks, and Corporate Well-being and Welfare.

Supplier Evaluation: A careful evaluation of the main suppliers is conducted regarding the use of chemical substances and water analysis.

All suppliers are in Italy, and almost all are GOTS-certified, thus respecting the most stringent criteria for environmental protection.

Targeted Audits: The company carries out targeted audits along the supply chain to verify the impact on the environment, health, and safety of workers.

Phase Three: Cessation, prevention, or mitigation of negative impacts

This phase involves concrete actions to address negative impacts once they have been identified.

Chemical Substances Management: Infinity does not directly perform any process that involves the use of chemical substances. Therefore, this risk is not directly present but is only a potential and indirect risk related to non-compliance in the supply chain. To address this risk, Infinity's managers are in continuous contact with the managers of trusted partners, enabling them to be aware of any anomalies in a very short time.

Environmental Management: All energy sources used directly by Infinity come from 100% renewable sources. The company's vehicles are currently internal combustion (gasoline) and electric (hybrid). In the future, the company is evaluating the transition to 100% electric propulsion vehicles.

Circularity and Waste: Almost all laser printers have been replaced with low-energy-consumption inkjet printers, significantly reducing their environmental impact. The company intends to continue this process as old printers need to be replaced.

Responsible Purchasing Practices: The company is committed to selecting high-quality and durable raw materials certified according to recognized standards such as GOTS, OCS, FSC, GRS, and RWS. Non-compliant suppliers are offered support to improve or are replaced if chemical tests fail.

Traceability: The company's computerized management system already guarantees the traceability of internal and outsourced production processes. A new generation cloud-based program is being studied to update the entire company's IT management system, which will be integrated with a blockchain that will certify the origin of the products.

Phase Four: Monitoring of implementation and results

This phase allows the Certified Organization to adapt and improve its strategies and actions by tracking its performance in addressing adverse impacts.

Monitoring of Environmental Performance: Infinity carefully monitors its direct energy consumption (electricity and natural gas). A solar panel system shared with all the owners of the building where Infinity's headquarters is located is currently under construction, which will significantly reduce the building's environmental impact.

Verifications and Controls: The Sustainability Committee keeps risks related to the internal production process and the supply chain under constant control.

Worker Involvement: Workers are actively involved in monitoring efforts. Infinity promotes employee well-being through Corporate Welfare tools and a stimulating work environment.

Phase Five: Communication on how impacts are addressed

Transparency is a fundamental principle in the due diligence process, the main goal is to build trust, improve accountability, and promote learning.

Public Report: Infinity publishes an updated corporate Due Diligence report annually on its website to inform stakeholders. This report includes information on policies, identified risks, actions taken, and aggregated results.

Stakeholder Engagement: Workers are involved daily in being informed about the results achieved and the ways in which difficulties are managed. Other stakeholders are informed through the publication of the Due Diligence document on the company's website.

Information Transparency: The "Principles and Policy on Responsible Business Conduct" document is shared with staff, clients, and suppliers. Product Certification (GOTS, OCS, GRS) are publicized.

Complaint Mechanisms (Communication): The guarantees on Whistleblowing and the company's internal anonymous reporting tool allow for the communication of critical issues.

Phase Six: Providing for or cooperating in remediation when appropriate (Grievance Mechanisms)

This phase requires Certified Organizations to provide for or cooperate with a legitimate process for the remediation of negative impacts they have caused or to which they have contributed.

Operational-Level Mechanisms: The guarantees on Whistleblowing and the company's internal anonymous reporting tool are used to receive and manage complaints related to internal offenses.

This is a functional and effective mechanism for complaints at the operational level.

Management of Supply Chain Non-Conformities: In case of persistent gaps with suppliers, the company reconsiders its supplier base, pricing models, and purchasing practices. If suppliers fail chemical tests, they are supported to improve their performance or are replaced.

Contribution to Remediation and Community: Infinity makes donations and collaborates on social inclusion and cultural promotion projects, in direct collaboration with the ONLUS cooperative "Spagnolli e Bazzoni," thereby contributing to community well-being.

External Grievance Mechanisms (ICEA): ICEA, as a certification body, manages complaints and appeals related to ICEA services and the certification process, providing a formal channel to address non-conformities and negative impacts. The Organization can appeal against ICEA's decisions.