



Ω Rifo

Common Framework  
for Responsible  
Purchasing Practices

## Principle 1: integration and reporting

Both our Commercial and Sustainability teams are aware of the RPP and cooperate for implementing them in daily purchasing decisions and activities. We work closely with our suppliers and weekly visit those located in our district to see the production process of our products and check the working conditions in our suppliers' factories. During the visits, we have the opportunity to directly talk with the people employed by our suppliers and gather their feedback regarding ongoing and planned orders.

To further ensure that all our productions occur in total respect of human rights, we have engaged a third party certification body, Bureau Veritas, to audit our suppliers. Together with Bureau Veritas we have defined a checklist, covering the following topics:

- Regulatory Compliance
- Forced and child labor
- Working environment (health and safety)
- Working hours
- Remuneration
- Environment

Our commitment towards responsible production has also been integrated in our Code of Ethics and the violation of the ILO principles in our production chain has been addressed as a risk to be monitored in our ESG Risk Management Policy. We annually share in our Sustainability Report the results of the audits conducted by Bureau Veritas to provide evidence of the working conditions in our supply chains.

## Principle 2: equal Partnership

We ask all our suppliers to sign a [Code of Conduct](#) to ensure they are aligned with our core values (quality, sustainability, responsibility) and actively inform them about our commitment to RPP and labour rights. We have established a close relationship with them, based on cooperation, mutual trust and continuous dialogue. Our goal is to involve an increasing number of suppliers in our production in order to increase our positive impact on the local economy and create new job opportunities in our district. For this reason, we aim at establishing long-term and strategic relationships with our suppliers, with regular and ongoing two-way communication and feedback. We transparently share with them our production plans in advance and adjust them based on their capacity in order to avoid negative impacts on working conditions.

## Principle 3: Collaborative Production Planning

We establish equal partnerships with our suppliers so that we can both share problems and needs. The production planning is done collaboratively between our Commercial Team and our suppliers. Thanks to close and frequent communication, any changes are immediately communicated and a new production plan is set accordingly.

In addition, we are committed to avoid overproduction for two main reasons:

- 1) We want to produce only what people need;
- 2) We don't want to follow the fast pace of fast fashion and thereby overburden our suppliers with excessive production orders.

For these reasons, we are committed to produce small quantities, set in accordance with our suppliers.

## Principle 4: Fair Payment Terms

Our Accounting Team is very precise in respecting the payment terms agreed with suppliers. Payment terms do not exceed 60 days and are always mutually agreed upon, before orders are placed.

## Principle 5: sustainable Costing

We are committed to fair and transparent prices of our products as we think they reflect the value of the product itself, including fair labour costs of our suppliers. For this reason, we are open to accept the premium prices set by our suppliers, compared with industry standards, as we think they contribute to cover their responsible business conduct, both in terms of environmental and social requirements.