

Environmental, Social & Governance (ESG) Policy

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Approved by: **Ash Modha** (President/CEO)



At Mondetta, we are committed to conducting our operations in an environmentally and socially responsible and sustainable manner. We recognize the significant impact that the apparel industry can have on the environment and believe it is our duty to minimize our ecological footprint and be socially responsible. Furthermore, we believe that truly desirable products come from ethical and responsible business; therefore, we are now making substantial efforts to ensure Mondetta is at the forefront of the sustainable clothing movement. This policy outlines our commitment to sustainability and serves as a framework for integrating environmental and social considerations into all aspects of our business.

I. **Compliance with Environmental and Social Laws and Regulations:**

We will comply with all applicable environmental and social laws, regulations, and standards. We will continuously monitor changes in legislation and strive to exceed the minimum requirements to promote environmental and social sustainability.

II. **Resource Conservation:**

We are committed to conserving natural resources by minimizing waste, water usage, and energy consumption throughout our operations. We are committed to implementing measures to optimize resource efficiency, such as using energy-efficient equipment, reducing packaging, and promoting recycling and reuse. In our office space and warehouses, we have taken steps to reduce our energy, water, and paper consumption. All lighting has been converted to high-efficiency LED lighting. Low-flow faucets have been installed in the washrooms and a new high-efficiency washer and dryer have replaced the previous set. An office initiative to reduce paper use via printing has been put in place. Paper is tracked monthly and a significant decrease in consumption continues to be noted on an annual basis. **Moreover, we actively promote recycling of paper, glass, metal, and plastic by sorting waste. All the bins in the main kitchen areas are labelled to promote recycling efforts.** We have also nudged our suppliers to disclose their energy and water use via Worldly's Higg Facility Environmental Module (FEM) and work towards resource conservation. We will continue to work on finding ways to reduce our environmental impact within our local community as well as within our global supply chain.

III. **Sustainable Material Sourcing:**

We will strive to source materials that have a lower environmental impact, such as organic cotton, recycled fabrics, and sustainable fibers. We will work closely with our suppliers to promote sustainable practices, including ethical and responsible manufacturing. The fabrics, textiles, and materials used in our products undergo stringent screenings and checks at every phase of production to ensure our sustainability claims are completely verifiable. To achieve that standard of textile sustainability, we rely on several internal and external processes and partners. We manage sustainable material sourcing through three mechanisms:

a) **Certifications & Standards**

- Sourcing certified responsible wool and down via the Responsible Down Standard (RDS) and Responsible Wool Standard (RWS).

- Utilizing sustainable Global Organic Textile Standard (GOTS) / Organic Content Standard (OCS) certified organic cotton.
- Utilizing Global Recycled Standard (GRS) / Recycled Claim Standard (RCS) certified materials and packaging.
- Ensuring that sewn products are being produced under lawful, humane and ethical conditions via the Worldwide Responsible Accredited Production (WRAP) Certification.
- Eliminating environmentally harmful substances right at the start of the textile supply chain through Bluesign®, OEKO-TEX® or ISO14001 certification.
- All paper products that our shipments are packed in must be Forest Stewardship Council (FSC) certified and chlorine free.

b) Disclosure & Policies

- Making disclosures to ensure commitment to responsible sourcing and providing consumers with the ethical products they value through Transparency One.
- Disclosing paper use to support provincial recycling initiatives via provincial packaging and paper stewardship.
- Follow the Restricted Substances List (RSL), Banned Chemical and Dye Stuff Specifications, and the Substances of Very High Concern (SVHC) policies.

c) Tracking

- Worldly's Higg Modules for the standardized tracking of value chain sustainability. Mondetta expects suppliers to complete the first 3 modules by 2023 – Which is designed to ensure continuous improvement and tracking: (a) environmental footprint; (b) supply chain transparency; (c) social footprint.
- Using Treet to encouraging circular economy by tracking and product re-sale

We will continue to work towards strengthening all three mechanisms for sustainable material sourcing by adding more certifications & standards, disclosures & polices, and tracking processes.

IV. Emissions Reduction:

We will strive to minimize greenhouse gas emissions from our operations, value chain, and transportation activities. We have partnered with Greenly to calculate our emissions and have set 2023 as a baseline year to define science-based targets for achieving net-zero certification by 2035. We will regularly monitor all three scopes of our emissions and set targets for reduction. The key actions, corresponding to the targets, are focused on reducing emissions related to energy use (in corporate offices), product purchase, warehouse spaces, and transportation/freight.

V. Materiality, Continuous Improvement and Measurement:

We believe in the power of collaboration and will actively engage our internal and external stakeholders to promote our ESG agenda. We will prioritize the ESG issues via stakeholder engagement using materiality analysis. Furthermore, we are committed to continuous improvement in our ESG performance. We will set measurable goals and regularly monitor, assess, and report our progress. We will conduct internal audits, seek external certifications where applicable, and communicate transparently with our stakeholders about our sustainability efforts.

VI. Transparency and Communication:

We will maintain open and transparent communication regarding our environmental performance, challenges, and achievements. We will regularly communicate our sustainability initiatives and progress through various channels, including our website, social media, and

annual reports.

VII. Employee Engagement and Training:

We will provide training and awareness programs to our employees to ensure they understand and actively participate in our ESG initiatives. We will foster a culture of environmental & social responsibility and encourage employee suggestions and ideas for improving our environmental performance.

By adhering to this ESG Policy, we aim to minimize our ecological and social impact and contribute to a more sustainable future. We invite our stakeholders to join us on this journey toward environmental stewardship, a greener future, and social responsibility.

Vendor Confirmation Letter

The understanding is an Owner, Managing Director, Director, or Officer authorized to represent the company will sign this agreement on behalf of the company identified below.

I acknowledge receipt of the **Mondetta's Environmental, Social, Governance (ESG) Policy. (Dated 4th August 2023, Edition 04).**

I understand that this specification applies to Mondetta Canada Inc. and all its subsidiaries and divisions and is not to be reproduced, in part or in whole, without written permission from Mondetta Canada Inc.

I have read and understand fully the importance of compliance to the procedures and policies set in this manual and agree to comply with them.

Please type or print

Date: _____

Company Name: _____

Company Address: _____

Telephone #: _____

E-mail Address: _____

Fax #: _____

Name of Company Officer: _____

Signature of Company Officer: _____

Company Seal:



Please be sure to complete and sign this form and return via e-mail to the below contact within 14 days.

Asif Khan
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