



CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010 DISCLOSURE

AND

UK MODERN SLAVERY ACT STATEMENT

This statement is made pursuant to the California Transparency in Supply Chains Act of 2010 and to Section 54 of the Modern Slavery Act 2015.

The disclosure is intended to set out the steps Loro Piana has taken to ensure slavery and human trafficking is not taking place in its supply chain and its own business, as well as identifying further steps which Loro Piana intends to implement in order to enhance the scrutiny of its supply chain.

This statement is valid for the financial year ending on December 31, 2017.

ABOUT LORO PIANA

The Loro Piana family began trading wool fabrics in the second half of the Nineteenth Century. The company then started its own manufacturing processes, focusing on high-end products and becoming the eastern world's foremost cashmere manufacturer and the world leader in innovation and the pursuit of excellence in the textile industry.

Loro Piana employs about 3,000 people and manufactures its products in nine facilities (eight of which in Italy).

Loro Piana is currently structured into two business divisions: the Textile Division, which produces top quality fabrics, yarns and textiles for interior design and home décor that are sold to exclusive stylists, tailors, interior designers and architects, and the Luxury Goods Division which offers high-end garments for men, women and children, leather goods, accessories and gifts that are distributed through 150 single-brand stores and a select network of multi-brand stores worldwide as well as through e-commerce.

Loro Piana belongs to the multinational group LVMH, the market leader in the luxury and high-end goods sector, present in all of the main markets in Europe, Asia, Africa, America and Oceania.

SUPPLY CHAIN

Loro Piana supply's chain is comprised of suppliers based throughout the world that provide raw materials and services related to the textile and clothing manufacturing processes.

Loro Piana strives to do business with reputable suppliers committed to Loro Piana's ethical standards and business practices and expects its suppliers to act in a manner compatible with standards that contribute to Loro Piana's worldwide reputation.



Loro Piana, has implemented a number of policies, due diligence processes and training to ensure that the business is conducted in an ethical and transparent manner.

POLICIES ON SLAVERY AND HUMAN TRAFFICKING

Loro Piana is committed to acting ethically and with integrity in all its business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in its supply chains. For this purpose, it has introduced a number of policies that include:

Organization, Management & Control Model ("Model") adopted on March 24, 2017, pursuant to the Legislative Decree No. 231/01 that has introduced an administrative liability of entities as regards certain types of criminal offences perpetrated in their interest or to their advantage by executives or persons under their management or supervision. To ensure that the criminal offences under the Legislative Decree are prevented, Loro Piana has adopted the Model and has appointed a Supervisory Body, overseeing the functioning and observance of the Model adopted by the Company.

Code of Ethics which reiterates the LVMH Code of Conduct and commitment to act to the highest standards of integrity, respect and engagement in their behaviors and in the way they conduct business every day, everywhere.

Suppliers Code of Conduct that is an expression of Loro Piana's principles and values, requires strict compliance with these standards on the part of all its suppliers, their factories, production facilities, subcontractors, as well as their own suppliers. Suppliers are particularly required to comply with the laws, regulations and usual practice in terms of work in force in their own countries, and in particular the rules considered by Loro Piana as fundamentally important relating to forced labor, child labor, harassment and abuse, discrimination and wages and benefits, freedom of association, health and safety and working hours.

Procurement Policy that sets out the rules to be followed to select and approve suppliers in compliance with all applicable laws and regulations.

DUE DILIGENCE

Prior to starting a business relationship with higher risk direct suppliers, Loro Piana requires that supplier to sign and acknowledge the Suppliers Code of Conduct which includes provisions on the prohibition of slavery and human trafficking.

Loro Piana also actively manages contracts and monitor existing supplier's performance to provide assurance that our requirements are met. This includes checking for general legislative compliance of labor standards and fair rates of pay to safeguard against modern slavery and human trafficking. In particular, Loro Piana reserve itself the right to check adherence to these principles and to conduct compliance audits at any time without prior notice. For this purpose all the suppliers and their approved subcontractors shall, as far as practicable, supply the necessary information and grant access to the Loro Piana's representatives who seek to verify compliance with the requirements of the Suppliers Code of Conduct. The Suppliers shall also keep



proper records to prove compliance with the Suppliers Code of Conduct and, as far as practicable, provide access to complete, original, and accurate files to Loro Piana's representatives. Failure to comply with such requirements constitutes a serious breach and results in the imposition of sanctions, to be determined in conformity with the Disciplinary System of the Model, ranging from the payment of penalties up to the immediate termination of the relationship with the Supplier upon prior written notice.

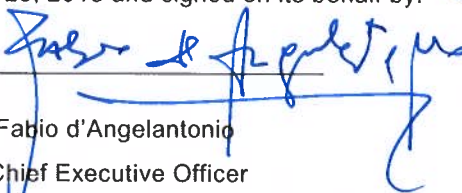
TRAINING/INFORMATION

Employees of Loro Piana who are directly responsible for suppliers are made aware of the policies on human trafficking such as forced labor and child labor, and required to comply with them. Specific training is also being rolled out for these employees. The employees are also required to report any known or suspected violation, and are subject to disciplinary measures in case of non-compliance with this requirement. For this purpose Loro Piana, to facilitate such reporting, has opened an email box dedicated that ensure the confidentiality of communications and accepts as well report sent by mail, even anonymously.

Loro Piana's commitment to prohibiting slavery, servitude, and the use of forced labor in its supply chain is an ongoing process. The steps taken so far form part of a long term program to uncover and tackle the issue of forced labor.

Loro Piana will continue to assess its business and supply chains to ensure that risks of modern slavery are considered.

Approved by the Board of Directors on March 23, 2018 and signed on its behalf by:



Fabio d'Angelantonio
Chief Executive Officer
Loro Piana S.p.A.