



TOD'S GROUP SUSTAINABILITY POLICY

Approved by the Board of Directors of Tod's S.p.A. on 06/03/2023¹

¹ This Policy updates and replaces the previous Sustainability Policy approved by the Board of Directors of Tod's S.p.A. on 23/01/2019.

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I. SCOPE

TOD's Group (hereinafter also denoted the "Group" or "TOD'S") **Sustainability Policy** has been developed with the objective of promoting the spread of social / environmental accountability standards that have long guided Group activities and business strategies. The respect for such principles - together with the values of equality and impartiality, transparency and reliability, honesty, ethics, good faith and privacy, as cited within the Code of Ethics before - is something imperative, both within the Group as well as with any parties with whom the Group interacts in its ordinary course of business.

This Policy is aligned with the principles of the United Nations Global Compact on the protection of human rights, labour standards, environmental protection and anti-corruption and the Sustainable Development Goals (SDGs) that the Group pursues through its Sustainability Plan.

2. RECIPIENTS

The recipients of this Sustainability Policy are the corporate bodies, employees (without exception), contractors (including but not limited to consultants, agents, representatives, brokers, etc.), and anyone who works with TOD'S Group companies in any capacity.

The Group's main internal and external stakeholders, including employees, customers, suppliers and external laboratories, shareholders, investors and the financial community, territory and community, media and influencers, governmental and supervisory bodies, schools, universities, design institutes and industry associations, are taken into account in the drafting and application of this Policy.

3. COMMITMENT

For the TOD'S Group, sustainability means conducting its activities with an eye to the future and focusing its business strategy on creating value for stakeholders in the medium and long-term.

In line with the pillars of the Sustainability Plan, the Policy reaffirms the Group's focus on the following areas:

- Welfare, protection and valorisation of people and their uniqueness
- Traceability and sustainable supply chain
- Protection of the environment and ecosystems
- Ecodesign and circularity
- Solidarity towards communities and territories

- Supporting the cultural and artistic heritage

3.1 Welfare, protection and valorisation of people and their uniqueness

TOD'S considers its people to be its most precious resource and is committed to caring for their health, safety, well-being and 'know-how'.

Passion, excellence, integrity and respect, collaboration and empathy, courage and innovation: these are the organisational values that guide people's activities in achieving business objectives and managing human relations.

In line with the principles set forth in the Code of Ethics and the Policy for the Protection of Diversity, Equity and Inclusion, TOD'S promotes the values of inclusion and full equality between persons at all stages of the employment relationship, from the selection stage to the end of the relationship.

The Group is committed to facilitating a balanced management of the relationship between family and professional life, promoting the well-being of employees.

The wellbeing of people is also pursued through the promotion of adequate health and safety conditions in the workplace, in all the Group's locations, in full compliance with the regulations in force in the various countries in which it operates, in line with the Group's Occupational Health and Safety Policy.

The Group supports initiatives and projects for training and strengthening the skills of its people, including through the development of partnerships and collaborations with universities, industry associations and design institutes, also promoting projects aimed at supporting research and innovation on sustainability issues in the fashion industry.

TOD'S also supports internal and external projects aimed at developing craft skills and 'know-how' among young people.

3.2 Traceability and sustainable supply chain

The uniqueness of Group products has long been based on the values of craftsmanship, creativity, tradition, innovation, quality, and promoting Made in Italy as a brand - essential values running from

purchasing to processing, through to product distribution, demanding the same degree of care of all trade partners, be they suppliers or external workshops.

TOD'S is interested in qualification, monitoring and sustainable growth programmes for its suppliers in order to integrate environmental and people protection and valorisation instances throughout the production cycle, from raw materials to the finished product.

TOD'S carries out audits of issues at production chains spanning the environment, social issues, human rights, health and safety and ethics. Furthermore, the Group seeks constant monitoring of compliance with the limits in the use of chemicals potentially harmful to people and the environment, with the aim of managing their progressive reduction in the supply chain, according to an integrated approach of prevention, precaution and maximum transparency.

In order to ensure joint adherence to the objective of Made-in-Italy excellence, quality, and the fight against counterfeiting, the Group is committed to building and maintaining ongoing relationships with suppliers based on mutual trust. These long-lasting relationships shall be predicated on loyalty, ethics, and professionalism.

Respect for human rights and principles of ethical, social and environmental responsibility are fundamental characteristics in the relationship with raw material suppliers and external laboratories. These principles are also expressed in the Group's Supplier Code of Conduct, which refers to the principles set out in the ILO (International Labour Organisation) Conventions and the UN Universal Declaration of Human Rights.

3.3 Protection of the Environment and Ecosystems

The TOD'S Group is active in setting, and transparently communicating, objectives and targets for reducing its climate impact, in line with the main international standards. Similarly, it seeks to progressively reduce the footprint on water and biodiversity generated by its value chain.

Furthermore, in line with its environmental Policy TOD'S pledges to minimise / optimise the impact its business operations have on the environment, both with respect to its manufacturing sites as well as its shops, and invites all recipients of this document to hold themselves to the same standard.

In particular, the Group is constantly striving to improve its energy profile, also by favouring the increasing use of energy from renewable sources. By the same token, the impact on water resources is likewise managed and monitored with a view toward continual optimisation.

The Group has also been actively involved in the development of sustainable mobility plans for employees, in order to promote solutions that foster environmental sustainability and social well-being.

Finally, in view of its international vocation and the size of its distribution network, the Group is keen to reduce the environmental impact of its transport and logistics activities, while respecting service quality levels aimed at customer satisfaction. TOD'S encourages the use, whenever possible, of logistical carriers with less environmental impact.

3.4 Ecodesign and Circularity

The TOD'S Group is continuously researching ecodesign and circular production processes, involving its supply chains.

TOD'S intends to launch initiatives to assess and measure the environmental profile of products, including by means of life cycle assessment and the increasing use of certified raw materials.

The organisation pays attention to the responsible management of the waste it produces, favouring its recycling and the reduction of quantities to be landfilled, also by supporting recovery and upcycling initiatives. In addition, TOD'S encourages the promotion of initiatives for end-of-life management of products and after-sales care and repair services in order to extend their durability.

The Group intends to obtain a reduced consumption of materials such as paper and plastic, favouring the use of recycled and recyclable materials, as well as the use of certified alternatives with a lower environmental impact.

3.5 Solidarity towards communities and territories

In line with the Policy for Philanthropy, solidarity and community support initiatives, the TOD'S Group has always shown its commitment to the most fragile, to protecting children, to young people and to supporting women, in compliance with the principles of integrity and transparency set out in the Group's Code of Ethics and Anti-Corruption Policy.

TOD'S is aware of its role as a key player in promoting the socio-economic development of the territory and supporting the most fragile and, since its foundation, has been supporting initiatives to grow the communities it operates in and generate development and value for their territories.

The redistribution of the value generated and distributed to the communities and territories in which - and thanks to which - the Group operates represents an opportunity for TOD'S to combine competitiveness with the creation of social value in the long term. Therefore, the Group seeks to link local needs with corporate objectives, to the point of identifying projects and initiatives that respond to shared interests, in order to generate a concrete and measurable positive impact on communities. The Group is also oriented towards sharing the value generated over so many years of history and excellence, including through collaboration on projects and initiatives with an international scope, with the aim of leaving no-one behind.

3.6 Supporting the cultural and artistic heritage

Supporting Italian culture, celebrating the Italian spirit and promoting the image of Italy around the world have always been important objectives for the TOD'S Group, which promotes a range of initiatives designed to protect Italy's historical and cultural heritage. The aim of such projects is to promote its image and spread its values.

7. METHOD OF APPLICATION

The Group undertakes to ensure the possible maximum circulation of this Sustainability Policy through the use of informational, training, and awareness-raising tools with respect to its content. Furthermore, the Group is responsible for keeping this Policy updated over time, and for disclosing and disseminating any amendments to the Recipients. The Group considers stakeholder engagement to be fundamental and is committed to continuously reporting its social, environmental and economic performance within sustainability reporting processes and tools, made available to stakeholders on the corporate website.

This Policy is also made available through publication on the company website at www.todsgroup.com.

8. CONCLUSIONS

This document has been drafted in accordance with the principles and rules established in the Group's Code of Ethics, and in other official documents, which delve further into the issues discussed herein.