



TOD'S GROUP SUPPLIER CODE OF CONDUCT

(APPROVED BY THE BOARD OF DIRECTORS FOR THE COMPANY AT ITS 7/8/2019
MEETING)

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I. INTRODUCTION

TOD'S GROUP¹ (hereinafter also denoted "The Group") has always striven, and shall continue to strive for equality, non-discrimination, transparency and reliability, honesty, fairness, good faith, and confidentiality in its operations. These values are likewise cited in the Group's Code of Ethics, available online at: <https://www.todsgroup.com>). Adherence to these values is an essential goal, both within the Group, as well as in any interaction with any third party as part of official Group business. Within that context, interactions with parties in the supply chain become crucially important.

With that in mind, the Group decided to implement a Supplier Code of Conduct (hereinafter also denoted the "Code"), which sets forth the principles and rules of conduct with which the Group demands compliance to ensure just, equitable, and sustainable working conditions along its own supply chain.

The Code was inspired by those principles set forth in the Fundamental Conventions of the ILO (International Labour Organization)² and in the UN's Declaration of the Universal Rights of Man.

a) Scope and Recipients

The instant Code shall apply to all external laboratories (supply chain managers), to all subcontractors for whom TOD's Group companies act as supply chain managers, as well as to suppliers providing strategic raw materials - leathers, soles, accessories, and components (hereinafter, also denoted the "recipients").

¹ TOD'S Group means parent company TOD'S S.p.A. and its subsidiaries

² The Fundamental Conventions are included within the ILO's Declaration of fundamental labour principles and rights, adopted in Geneva in 1998. Such Conventions are predicated on certain standards relating to fundamental rights, to freedom of association and a substantive right to bargain collectively, an elimination of any form of forced or compulsory labour, and the actual abolition of child labour, and the elimination of any discrimination in hiring and career advancement.

Recipients shall be in turn required to inform, share, and provide details to their own employees, suppliers, and outsourcers regarding the principles, rules, and requirements set forth in the Code, and to warrant compliance by such parties.

b) Tracking and Transparency along the Supply Chain

The external laboratories (supply chain managers), all subcontractors for whom TOD's Group companies act as supply chain managers, and suppliers providing strategic raw materials shall be required to ensure transparency and tracking along their entire supply chain, providing the names of their subcontractors, and the location for all manufacturing sites for materials and products to the Group. Recipients shall be prohibited from any partial or full assignment or delegation to any third party of any service contemplated under their supply agreement with TOD's Group absent authorisation from the Group to assign and/or delegate any portion of the operations subject to the supply agreement.

Appearing below are those principles, rules, and requirements with which compliance is requested up and down the entire Group supply chain, especially with respect to governance, products liability, corporate social responsibility, and a focus on workers, environmental protection, and animal health and welfare.

2. GOVERNANCE

a) Statutory and Regulatory Compliance

Recipients shall be required to operate in compliance with all applicable statutes and regulations in the jurisdiction where their operations are based, as well as with those principles set forth within the Supplier Code of Conduct, and pursuant to any duties assumed as against the Group. Should any conflict arise between the provisions set forth in the instant document, and the provisions in any applicable statute or regulation, Code

recipients shall be required to comply with the more restrictive provision, provided no legislation is thereby violated.

b) Business Integrity and Ethics

Recipients shall be required to ensure the utmost ethics in the performance of their business activities, and to operate according to principles of equality and non-discrimination, transparency and reliability, honesty, fairness and good faith, confidentiality, as well as in a manner that respects individual dignity.

Recipients shall further be required to abstain from practices involving unfair competition, or other scenarios that fall short of those standards set by applicable anti-trust laws and regulations.

c) Combating Bribery, Corruption, and Money Laundering

Recipients shall be required to warrant compliance with anti-bribery and anti-corruption laws; they shall not tolerate any form of solicitation of bribery, fraud, or any prohibited commercial practice.

Recipients shall be required to refrain from giving, offering, accepting, or receiving any gratuity as part of one's job duties in the Group - except for those of de minimus value attributable to common courtesy or trade practices, and provided they do not in any way compromise the integrity and reputation of the parties, or which might be construed by an impartial observer, as intended to secure an undue advantage.

Recipients shall not, in any manner, nor under any circumstances, be implicated in situations relating to laundering money sourced from illicit or criminal operations, and shall pledge to comply with all anti-money-laundering laws and regulations.

d) Conflicts of Interest

Recipients shall be required to avoid any situation wherein parties to the transaction have or might have a conflict of interest shall be avoided. "Conflict of interest" shall include situations wherein a Recipient pursues an interest other than that of the Group, or carries out activities that might, in any case, interfere with his/her ability to make decisions exclusively in the interest of TOD's Group companies, or wherein such Recipient gains personal advantage through a TOD's Group business deal.

3. PRODUCTS LIABILITY

a) Product safety and quality

External laboratories (supply chain managers), the sub-contractors for whom TOD's Group companies are acting as supply chain managers, and those supplying raw materials, shall be required to abide by all applicable national, EU, and international laws and standards regarding the chemical safety of supplied materials.

Furthermore, they shall ensure adherence to the technical specifications expressly cited in those documents executed as part of the management of the supply arrangement with TOD's Group, with specific albeit not exclusive reference to the "RSL - Restricted Substance List".

b) Intellectual Property

Recipients, as a matter of statutory and regulatory compliance, shall ensure adherence to all internal procedures and applicable law established to protect industrial and intellectual property. Recipients shall promote the proper use, with respect to any purpose and regardless of the form taken, of all trademarks, distinctive marks, and any creative work, including software programmes and databases, to safeguard the creator or author's inalienable and proprietary interests in the same.

Recipients shall be required to use their best efforts to protect the Group's intellectual-property rights and the products relating thereto; therefore, they shall be prohibited from any act or omission for the purpose of counterfeiting, altering, duplicating, copying, or disseminating (regardless of the form, and absent a specific legal right to do so) of the work of another. Recipients shall therefore be restricted from copying, except insofar as permitted under the Contract, any article or object using moulds, materials, models, or trademarks belonging to the Group, or which regardless resemble those used by the latter, or of any other symbol of any kind held by the Group; they shall further undertake to alert the Group of any violation, counterfeiting, and/or imitation of the trademark rights held by the latter and the relative figurative elements of which it has actual knowledge.

4. CORPORATE SOCIAL RESPONSIBILITY AND A FOCUS ON WORKERS

a) Child Labour

All external laboratories (supply chain managers), all subcontractors for whom TOD's Group companies act as supply chain managers, as well as suppliers providing strategic raw materials shall be restricted from employing minors under the age of sixteen (16), and those for whom school is compulsory, except insofar as permitted by any applicable law or regulation. Minors under the age of eighteen (18) shall not work any night shift, nor be assigned to any dangerous post or duty which, by its very nature or because of the circumstances under which it is carried out, might interfere with such minors' education, or harm their physical, mental, spiritual, moral, or social wellbeing.

b) Forced Labour

Recipients shall refrain from utilising involuntary labour, along with any form of forced or compulsory labour, imprisonment, slavery, indentured servitude, or human trafficking.

Recipients shall be restricted from activities including but not limited to: restricting the freedom of movement of their employees, and withholding the personal identification of the same, or requesting the payment of a “security deposit” as a condition of employment. Employees must be at liberty to terminate their own employment, subject to any notice requirements applicable to the particular case.

c) Working Conditions

All illegal conduct or any form of abuse, threat, or hostility to persons or to company property in the workplace shall be strictly prohibited.

Recipients shall respect the dignity of each and every person; no incident of physical, sexual, psychological, or verbal abuse shall be tolerated. All forms of coercion, pressure, threat, corporal punishment, intimidation, and exploitation is strenuously prohibited.

Any implementation of disciplinary measures and fines shall comply with applicable law; such fine amounts shall not exceed universal standards applicable to human rights, and shall therefore not be excessive in nature.

d) Non-discrimination

No person shall be subject to any form of discrimination in any aspect of their work life (including but not limited to hiring, promotion, compensation, termination from the job, retirement and supplemental benefits packages) based on their race, colour, sex, language, religion, political beliefs, national, social, or ethnic origin, mental or physical disability, sexual orientation, gender identity, marital status, age, union beliefs, pregnancy, or any other personal characteristic unrelated to the job.

e) Freedom to Unionise; Right to Collective Organisation and Bargaining

Recipients shall be required to respect and to allow their workers to bargain collectively, and to form and to belong to the union organisation of their choice, without any sanctions, discrimination, or retribution being applied by the employer.

f) Compensation and Benefits

Recipients shall be required to pay their employees for all hours worked in accordance with applicable law. Workers shall have the right to receive compensation at a level commensurate with minimum salary levels, or as required under any collective bargaining agreement, whichever is higher.

Workers shall have the right to receive wages at a level that ensures their basic needs might be met, as well as a free and dignified existence for themselves and their family.

g) The Work Day

All external laboratories (supply chain managers), all subcontractors for whom TOD's Group companies act as supply chain managers, as well as suppliers providing strategic raw materials shall be required to comply with all applicable laws, regulations, and collective-bargaining agreements in terms of the workday and overtime pay, including breaks, rest periods, holidays, and various other types of leave. Should national legislation be silent on such matters or provide lesser protection, the work week (including any voluntary overtime) shall not exceed sixty (60) hours.

Overtime shall be voluntary. Overtime hours shall be paid pursuant to provisions of applicable statutes and regulations. Should legislation be silent on the manner or afford lesser protection, recipients shall be required to provide overtime pay at a rate higher than base pay.

h) Occupational Health and Safety

Recipients shall be required to ensure working conditions which respect individual dignity, and shall be required to ensure a work environment which is safe and salubrious in accordance with applicable laws regarding workplace accidents, and occupational safety and health.

Recipients shall be required to carry out operations in a safe manner in order to protect the health of their own employees. They shall be required to monitor the performance and efficiency of their own risk management system for all safety concerns on an ongoing basis in order to maintain a safe working environment, with the intent of safeguarding the physical integrity of their own personnel. Recipients shall be required to ensure that all work spaces, machinery, materials, and processing procedures are free of hazards to the health and safety of any worker; furthermore, they shall provide any garment or protection device as may be needed to prevent accidents or other harm to human health; measures apposite to handle emergent situations, including sufficient resources to provide first aid, shall be guaranteed.

Recipients shall provide their employees a sufficient level of training and information on the safety-related risks to which they may from time to time be exposed.

5. ENVIRONMENTAL PROTECTION

Implementation of measures aimed at mitigating the environmental risks of one's own manufacturing processes and products is required. Recipients shall, at a minimum, comply with all environmental laws and regulations in effect in the country where they are operating, including those relating to waste production and hazardous substance generation and disposal, as well as to wastewater and emissions management. Recipients shall be required to operate in compliance with standards aimed at reducing, salvaging, and recycling waste products, and to strive, insofar as possible, to reduce their environmental impact, and for an efficient use of natural resources.

The implementation of environmental-management models, and the securing of certifications under international standards is recommended.

6. ANIMAL HEALTH AND WELFARE

Recipients shall be required to comply with all applicable statutory and regulatory provisions, and those standards set on a national, EU, or international level regarding the welfare of farm animals especially with respect to their transport, stunning, and slaughter.

To that end, recipients shall be required to guarantee healthy food, water, and nutrition to such animals, as well as adequate and sufficient space and physical environs, proper care in case of illness or injury, and the right to be free from fear and stress.

7. PRIVACY

Recipients shall be required to respect the privacy rights of their own employees in accordance with all applicable laws and regulations. Recipients shall therefore warrant the privacy of information in their possession, and shall refrain from using confidential data except when expressly and knowingly authorised, and moreover in strict compliance with all privacy laws.

8. MONITORING AND COMPLIANCE

a) Auditing and Site Visit Methods and Procedures

All external laboratories (supply chain managers), all subcontractors for whom TOD's Group companies act as supply chain managers, as well as suppliers providing strategic raw materials stipulate that TOD's Group, by and through its staff or through any duly appointed or engaged third party, may at any point and without notice conduct

inspections and site visits during the normal workday in order to vet compliance with the provisions of the Supplier Code of Conduct.

Recipients shall grant access to all headquarters, plants, and manufacturing sites where commissioned production cycles are being carried out to any member of Group personnel or any duly authorised or deputised third party.

Should it be requested, Recipients shall allow the Group to collect documentary evidence such as photographs, and to conduct interviews with company directors, employees, and anyone engaged to work on recipient property.

Recipients shall further be required to retain all documents needed to prove compliance with the Code and with applicable law, and to make such documents available during the inspection.

b) Reporting System

Should any recipient be on notice of conduct which does not conform to rules implemented by TOD's Group, or to any suspected violation of the Code, they shall be required to report the same promptly to TOD's Group's Internal Audit Function.

Reports shall be made in writing to:

- email: whistleblowing.internalaudit@todsgroup.com,
- Regular post: 6381 I Sant'Elpidio a Mare (FM), Via Filippo Della Valle, 1 Attn: Head of the Internal Audit Function

TOD's Group pledges to ensure the confidentiality, privacy, and security of all reports received, including with respect to the whistleblower's identity, whilst refraining from any form of retribution, without prejudice to statutory duties incumbent on the Group.

c) Managing and Assessing Non-Compliance

Should any non-compliance with the provisions of the instant Code be found, the recipients shall be required to implement remedial measures and to cure the breach

within a timeframe set by mutual agreement with the Group, and consonant with the type and nature of the non-compliance at issue.

For any unjustified delay or omission in taking remedial action, as well as the reiteration of the discovered non-compliance, the Group reserves the right to deem the incident a material breach of the duties of contractual good faith and fair dealing, a breach of the fiduciary relationship, and just cause to terminate the contract, without prejudice to the right to seek damages at law.

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For any questions or concerns regarding the implementation and application of the Code of Conduct, recipients are encouraged to contact TOD's Group's Industrial Management Office directly.