

OVS

OVS S.p.A. - Labour and Human Rights Policy

Introduction	3
International and European reference framework	3
National and internal reference framework	4
1. Labour practices	5
1.1. Employment contract and terms	5
1.2. Working hours, rest breaks, annual leave and public holidays	5
1.3. Rights to maternity and parental leave	6
1.4. Equitable compensation	6
1.5. Freedom of association, right to organisation and to collective bargaining	7
1.6. Company welfare plan	7
1.7. Notice, probationary period and dismissal and disciplinary action	7
2. Human Rights	9
2.1. Diversity discrimination and inclusion	9
2.2. Harassment and violence	10
2.3. Child labour	10
2.4. Forced, bonded, prison and clandestine labour	10
3. Health and safety	12
3.1. Health and safety at work	12
3.2. Workplace safety management system	12
3.3. Risk assessment and identification of measures for health and safety protection	13
3.4. Emergency management and first aid	13
3.5. Periodic safety meetings	14
3.6. Health monitoring activities	14
3.7. Training and informative activities	14
3.8. Coordination and control activities in case of tasks assigned to third parties	15

Introduction

OVS S.p.A. OVS intends to play a significant role in the economic development and welfare of the communities in which it operates.

OVS is committed to promoting the respect for human rights and ecosystems of our planet, in the conduct of its business, requiring that all those who collaborate with the group share this vision whether they are employees, partners, shareholders and, in general, any entity with which a cooperation is established.

OVS and its subsidiaries conform their operational conduct, both in Italy and abroad, to this policy document that sets out the guidelines for conduct, values and ethical business principles that are to be then interpreted in practice consistently with the laws of the countries in which each subject operates.

By applying the core values of our corporate culture, we want to define and track the objectives to continuously improve our social and environmental impact, to find the best sustainable options for our products and to engage our customers in choosing inclusive and honest fashion.

This document is inspired by and aligned with the objectives of the United Nation's Sustainable Development Goals. These are a guide and a clear representation of the commitments that each party must pursue in order to establish and consolidate any business relationship and cooperation with OVS.

In defining the following policy, OVS has sought to establish the principles that apply in full compliance with the spirit of the Law and its regulations, because compliance is a mandatory requirement in carrying out all our activities.

International and European reference framework

In developing their own corporate policies OVS has taken account of the following references:

- the United Nations (UN) International Charter of Human Rights
 - Universal Declaration of Human Rights;
 - International Covenant on Civil and Political Rights;
 - International Covenant on Economic, Social and Cultural Rights;
- the fundamental conventions of the International Labour Organization (ILO) – No. 29, 87, 98, 100, 105, 111, 138, 182 – and the Declaration on Fundamental Principles and Rights at Work;
- the UN Convention on the Rights of the Child;
- the ILO Conventions No. 107 and No. 169 on the Rights of Indigenous and Tribal Peoples;
- the European Convention on Human Rights.

Furthermore, the following private sector standards and voluntary initiatives were taking into consideration in their latest versions:

- the Sustainable Development Goals of the United Nations;
- the 10 Principles of the Global Compact;
- the Organization for Economic Cooperation and Development (OECD) Guidelines for multinational enterprises;
- the Tripartite Declaration of Principles concerning Multinational Enterprises and the ILO Social Policy;

National and internal reference framework

The OVS corporate policies are developed in accordance with the following internal regulatory references

- Code of Ethics
- Model 231 (organisational and management model of ex Legislative Decree No. 231 of 8 June 2001)
- CCNL national contract for commercial services
- CCNL - DMO Federdistribuzione contract

1. Labour practices

1.1. Employment contract and terms

Compliance with applicable regulations is a mandatory requirement for all the activities of OVS.

In all employment contracts the law, the collective agreement (where present) and integrations defined by the company contract must be strictly applied and ensure compliance with the spirit of the legislation.

Every worker must have free access to a written employment contract in their own language, in which all the conditions are formalised.

The employment relationship must be voluntary and free, fees or required payments of any kind to ensure the activation of an employment contract must not be applied.

Upon activation of the employment contract and during its development the employee must not be requested to sign a resignation letter that the employer can use when needed, or sign otherwise damaging documents and not consistent with the will of the worker themselves.

1.2. Working hours, rest breaks, annual leave and public holidays

OVS recognizes the right of every worker to be able to enjoy established working hours, a weekly rest, paid annual leave and the possibility of enjoying public holidays. The company promotes a healthy work-life balance allowing for adequate physical and mental well-being.

If it is not possible to take the day off for a public holiday, compensatory time off must be granted before the end of the calendar year or the holiday not granted must be paid.

In reference to the weekly working hours and overtime, OVS accepts the provisions of ILO Conventions 001, 014, 106 and 030, and the collective bargaining, ensuring the implementation of measures providing greater attention to the protection of workers.

OVS does not permit:

- working hours exceeding 48 hours of ordinary work and 12 hours of overtime a week, according to local applicable laws.
- working hours for workers between the minimum legal age and eighteen years of age to exceed 40 hours per week or 8 hours per day.
- In order to ensure the health and safety of workers, OVS provides:
- a minimum continuous rest of 11 hours between two shifts, unless explicitly provided otherwise and regulated by law and the contract;
- a minimum of 24 consecutive hours of rest over a period of seven consecutive days, unless explicitly provided otherwise and regulated by law and the contract.

Overtime must be arranged in a consensual way and paid to a greater extent compared to ordinary working hours, in accordance with the conditions and procedures prescribed by law and by the contract.

OVS recognizes the right to enjoy annual paid leave, as determined by the collective agreements, and in any case not less than the provisions of ILO Convention No. 132.

Those who have been employed for less than a year, but have already worked at least six months, have the right to enjoy a proportionate period of paid holidays.

1.3. Rights to maternity and parental leave

The fashion industry has a predominantly female workforce: for this reason OVS places a significant emphasis on the parental leave policy to support a better work-life balance.

OVS considers safeguarding motherhood vital, such as the right to health and safety for both working women and children.

In line with the legislation, maternity leave must be guaranteed in order to protect mothers in the period before the birth and for the first months of the newborn's life.

The maternity leave must be guaranteed for a minimum mandatory twelve-week period, except

- absence from work for the two months preceding the expected date of delivery indicated in the medical certificate of pregnancy;
- absence from work for the period between the expected date of birth and the birth itself and for 3 months after birth;
- the right to choose to work until the ninth month of pregnancy, provided that the medical specialist of the national health service, and the company doctor for health protection and prevention in the workplace, certify that this will not be detrimental to the health of the pregnant woman and the unborn child, so the five months of maternity leave can be taken after the birth.

OVS guarantees the right to a further parental leave for a total period of 10 months absence from work (even for non-consecutive periods) due either to the mother or father, to be divided between the two parents and to be enjoyed in the first 12 years of the child's life.

OVS guarantees the reinstatement at work, in their role, upon return from maternity leave unless this is incompatible with the need to care for the child in the first period following the return to work.

OVS is continually working to reduce the risk of any interruption of employment due to the difficulties of combining work and family commitments. In light of that, OVS allows its employees, both women and men, to reduce their working hours to benefit from part-time formulas, based on the provisions of national contract.

1.4. Equitable compensation

For OVS acting in full compliance with the spirit of the law, as well as its regulatory dictates, is fundamental. Therefore, OVS always promotes decent work for all women and men, and believes that all workers should receive a fair wage and a clear payslip in line with the collective contracts and local laws.

OVS believes that an equitable remuneration can only exist if there are no structural differences in remuneration between the sexes, so no wage discrimination between the sexes, for the same role and seniority, is permitted.

The wages of all workers must correspond at least to the minimum wage provided for by national law or by any collective agreement, if better than the minimum wage prescribed by law.

Where there is an authoritative standard for determining the minimum wage level aligned with the cost of living (so-called "living wage") that is higher than the previously described limits, OVS agrees to use such a standard as a minimum compensation threshold. Also it ensures that wages are always in line with market trends.

1.5. Freedom of association, right to organisation and to collective bargaining

OVS recognises the value of collective bargaining as a privileged instrument for the determination of the contractual conditions of its employees, as well as for the regulation of relations between the company's management and the trade unions.

OVS believes that one of the key commitments of a responsible employer is to have and support a constructive dialogue in the workplace based on communication, trust and respect. It is through the exchange of ideas, information and knowledge that good working conditions are created so that both workers and the business can benefit.

OVS is committed to the principles of freedom of association and the workers' right to collective bargaining and freedom of association, in accordance with local laws and practices.

Where local laws and practices restrict these rights, OVS is committed to ensure that their own employees have the chance to enjoy these rights.

OVS condemns any discrimination against workers and employees who exercise these rights, respecting the freedom of opinion and expression of all parties involved.

1.6. Company welfare plan

In order to contribute to the protection and welfare of the people who work for OVS, the company provides a corporate welfare plan to supplement the provisions of the law and the collective agreement.

The measures that benefit the OVS workers are (in addition to holidays, leave, parental leave, leave for illness / accident as provided for by legislation):

- Health/welfare sector: integrative health fund, supplementary welfare agreement for the payment of severance pay, health insurance to cover medical expenses, medical clinic on the premises, sick leave, smoke-free company premises;
- Social services: catering (with coverage of 70% of the cost), take away service for dinner, promotions through partner companies for health & wellness, culture and leisure, shopping and gym conventions, tax assistance; OVS product purchases with payments in instalments, "OVS baby shower" for all new parents, bank on premises, post and parcel collection on premises, free parking.

1.7. Notice, probationary period and dismissal and disciplinary action

OVS, in full respect of regulatory requirements, within an ethical and productive setting, ensures the following conditions.

Notice

The notice of workers employed part-time is of the same duration as that of full-time workers and is calculated in calendar days regardless of the duration and the articulation of work period. It is calculated from the first and sixteenth day of each month. OVS applies the notice periods provided for in the collective agreement.

Probationary period and dismissal

The probationary period is established in accordance with the collective agreement for management and level one and must be counted in calendar days. The days for the remaining levels are working days. During the probationary period, the employee's salary may not be less than the minimum

contract amount established by the qualification attributed to the worker. During the probationary period, the employment relationship may be terminated at any time by either side without prior notice and with the right to severance indemnities and accrued additional monthly payments and unused holidays.

In the case of dismissal or resignation, the employee is entitled to holidays proportionate to the number of months of actual work in the year in question.

Disciplinary actions

OVS reserves the right to implement the following disciplinary actions for failures on the part of employees to comply with duties, depending on the extent of the shortcomings:

- verbal warning for minor deficiencies;
- written warning in the case of the recurrence of the violations above;
- fine not exceeding the amount of 4 hours of normal remuneration;
- suspension from work without pay for up to 10 days;
- disciplinary dismissal without prior notice and with other consequences of reason and law.

OVS is obliged to inform all workers of the provisions for disciplinary matters contained in the regulations or in company agreements, by posting them in a place accessible to all.

2. Human Rights

2.1. Diversity discrimination and inclusion

OVS views “diversity” situations positively and they are even more important in light of the internationalisation process that the group is carrying out.

OVS recognises the value of all people and is committed to providing equal employment opportunities without discrimination of any kind with regards to ethnicity, religion, opinions, nationality, gender, physical condition, age and social status.

In addition to condemning and sanctioning conduct that is contrary to these principles, OVS is committed to creating and maintaining an inclusive work environment where respect for human rights is the priority and there is no room for discrimination.

Consistent with the above, OVS is committed to promoting an inclusive environment tailored to the needs of everyone, where everyone can best express their potential, recognising the expression of different points of view and the personal contribution of each person as an element of enrichment and development.

- Search and selection: in the search and selection of staff OVS guarantees the equal treatment of applications received, in accordance with the provisions of the present policy.
- Performance evaluation: the evaluation of performance each OVS company responsible manager operates objectively and excludes from the evaluation all elements referring to family responsibilities, gender, sexual orientation, race, colour, age, pregnancy, marital status, religion, political opinion, nationality, ethnicity, caste, disease, disability, focusing only on job performance.
- All OVS company managers must carefully consider the needs of their employees and the different aptitudes, trying to stimulate the strengths of each person and activating specific training plans for areas of weakness.
- Internal promotions and remuneration policies: to define the plan of remuneration policies of the year, the human resources and organisation department ensures adequate gender representation in MBO incentive plans and half stock options.
- Internal organisation: the establishment of committees and working groups set up within the company for governance requirements or projects must ensure diversity of gender, experience, etc.
- in the organisation of the subsidiaries, while respecting the local cultural peculiarities, OVS ensures that equal opportunities are guaranteed.
- the OVS workforce is representative of the social context in which it operates, thus ensuring the possibility of work for each social category in proportions as close as possible to their level of representation in the local area.

OVS considers ensuring equal opportunities for women working in the extended supply chain a priority, especially in areas of the world where there is a strong discriminatory culture. The OVS mission is to bring improvement and growth to the communities in which it operates, with special attention to women, promoting the expression of their potential with updates and training programmes, in equal measure to men.

2.2. Harassment and violence

For OVS acting in full compliance with the spirit of the law as well as its regulatory dictates is fundamental, following internal policies and procedures with extreme care.

OVS, in line with the ILO Convention 190, recognises that any harassment or violence in the workplace is a severe violation of human rights and constitutes a threat to the development of equal opportunities, and so condemns any kind of abuse or violence within its sphere of influence.

In OVS each person must act with the utmost respect for their colleagues and the people with whom they work directly, avoiding any threatening or harassing behaviour.

To respond decisively to any form of gender-based violence, OVS guarantees women working in the company free legal advice and support in case of violence or harassment.

2.3. Child labour

OVS condemns all forms of child labour¹.

In the activities conducted directly or indirectly by OVS only workers who have reached the minimum age for admission to employment can be employed as provided by local law, in accordance with ILO conventions no. 138 and 142.

OVS works to ensure that all potential young workers, aged between the minimum legal age and 18 years of age:

- are identified in a special register;
- are not used to carry out dangerous activities or work overtime or night shifts.
- do not have their education, health and physical, mental, spiritual, moral and social development adversely affected by work activities.
- are easily identifiable: they must have distinct uniform, a badge, or any other measure deemed appropriate to easily identify them within corporate units.

OVS ensures that all the necessary measures are taken, among its suppliers, to prevent work activities being carried out by persons under the legal age limit and business partners are asked to have operating systems that can ensure that the use of child labour is excluded from the supply chain. In case of infringement of those principles, OVS believes that we must always act in the best interests of the minor, involving their family and/or any specialised associations in all decisions. In such cases, OVS is committed to working with all stakeholders to remove the minor from work ensuring continuity in the economic return to the family and activating educational programmes that allow the child to move on towards training facilities aimed at a job placement upon reaching the minimum legal age.

2.4. Forced, bonded, prison and clandestine labour

OVS does not accept any form of forced or bonded labour, or the use of prisoners² out with social reintegration programmes, either directly or through project or supply contracts or other forms of cooperation.

¹The approach of OVS is based on ILO Conventions 138 and 142, ILO Recommendations 146 and 190, UN Convention on the Rights of the Child. OVS defines a child as "every person under the age of 18 years unless, under the law applicable to the child, the age of majority is reached earlier"

²OVS bases this on and refers to ILO Conventions 29, 105, ILO Recommendations 135.

The use of coercive practices based on threats, the removal of documents or practices related to schemes recognised as equivalent to forced labour (e.g. sumangali) is also prohibited.

Notwithstanding the legal provisions relating to the management of the employment relationship, employees must be free to leave the workplace and/or leave the company without undergoing any constriction.

OVS does not accept that their workers be subject to illegal fines or disciplinary measures that compromise the dignity of the person.

OVS does not tolerate any form of violation of human rights within the global organisation and supply chain.

3. Health and safety

3.1. Health and safety at work

OVS works to ensure that all local laws regarding health and safety are strictly observed.

OVS has set up a prevention and protection service, as required by law, and in accordance with Article 17, letter b, paragraph 4 of the T.U.S., has appointed a Prevention and Protection Service Manager (PPSM), who fulfils the requirements of professionalism, experience and training.

The skills and specific powers of the PPSM, designated by the employer to whom they are answerable and whose service the employer uses, consisting in the coordination of the prevention and risk protection service, and has the following specific tasks:

- identification of risk factors, assessing risks and identifying workplace health and safety measures, in compliance with current legislation on the basis of specific company knowledge;
- preparation, as applicable, of the preventive and protective measures arising from the risk assessment document (RAD) and the systems for checking these measures;
- elaboration of the safety procedures for the various company activities;
- proposal of employee information and training programmes;
- participation in consultations concerning the protection of health and safety, as well as the annual regular meetings on security;
- provision of the necessary information to workers:
 - on the health and safety risks in the workplace connected to the company activities in general,
 - on the first aid, fire fighting and evacuation procedures
 - the names of the workers engaged in first aid and fire prevention and the assigned doctor

The management methods above are subject to specific indications for the subsidiaries that have to implement them taking into account the specific requirements of local regulations.

3.2. Workplace safety management system

It should be noted in particular that, in line with the provisions of the Consolidated Act on safety (Legislative Decree. 81/2008), the risk prevention and protection service (meaning the set of people, systems and resources, external or internal to the company, aimed at preventing and protecting workers from occupational hazards) has implemented, improving their effectiveness over time, a workplace safety management system that, in addition to the fulfilment of the legal provisions in force, includes conducting a series of activities, coordination meetings and inspections to ensure that the status of worker safety in the working environment is monitored periodically.

In line with the provisions of the Legislative Decree 81/2008, OVS has followed the UNI INAIL guidelines in preparing the procedures of its workplace safety management system.

3.3. Risk assessment and identification of measures for health and safety protection

Employers, in cooperation with the Prevention and Protection Service Manager ("PPSM") and with the professional doctor, after consulting the safety representative (if present), carry out a risk assessment and create the risk assessment documents (hereinafter "RAD") in accordance with applicable laws and the company's safety policy.

These documents are created both for the company headquarters and for each point of sale (or any warehouse) and are stored respectively at the headquarters or point of sale (or warehouse) in question.

The document contains: a report on the assessment of the risks to safety and health at work; the identification of the preventive and protective measures taken on the basis of the assessment and the personal protective equipment used; the programme of measures deemed appropriate to ensure improvement over time of safety levels; the identification of procedures for the implementation of the required measures as well as the corporate organisation roles that must arrange them; the name of the prevention and protection service manager, the workers' representative for safety or the territorial representative and professional doctor who participated in the risk assessment; and finally the identification of tasks that may expose workers to specific risks that require recognised professional skills, specific experience, adequate training and education.

The risk assessment documents are updated whenever there are substantial changes to the work tasks.

OVS periodically assesses the risks associated with work activities, involving trade unions, documenting the analysis carried out, identifying the risks related to the activities and the actions to eliminate them.

3.4. Emergency management and first aid

In consideration of the fact that OVS carries out activities with a low fire risk and with a limited use of manual activities, procedures were adopted for emergency management mainly as a preventive measure, for a prompt request for assistance to the competent bodies (e.g. fire brigade, etc.), to define duties and responsibilities in the management these cases, as well as a rapid evacuation of the premises if necessary.

The emergencies for which the procedures were carried out are: power cut; fire; smoke detector alarm; automatic extinguishing system alarm (sprinklers); earthquake; air conditioning system failure (ventilation).

Annually, the technical services manager verifies the status of the procedures and transmits a report on the checks to the reviewing body. Within the headquarters and points of sale the company guarantees the correct positioning of the fire safety signage for emergency exits, fire extinguishers and fire hydrants. Moreover, sound systems were installed to emit messages for evacuations, and finally, within each unit there is a medication pack for first aid emergencies.

3.5. Periodic safety meetings

Every year a safety meeting is held involving: employers; the PPSM; the professional doctor; the workers' safety representative (if any); and the supervisory body according to ex legislative decree 231/01 is invited and is in any case updated.

During this meeting, the company checks the relevance of the risk assessment document, accident trends, training and information programmes, and possible actions to be taken regarding safety.

3.6. Health monitoring activities

Health surveillance is carried out by a professional doctor. For each worker who undergoes medical checks, the professional doctor maintains under their own responsibility a medical record that shows the results of the checks carried out and the results of any tests.

The doctor carries out medical examinations: before admission to work in order to establish the absence of contraindications to work that the employee intends to undertake, and to evaluate their suitability for the specific task; periodically during the course of the contract; at the request of the employee; if related to occupational hazards when changing job in order to verify eligibility for the specific task; upon termination of the employment relationship, in the cases provided by law.

Medical examinations, by and at the expense of the company, include clinical and biological examinations and diagnostic tests aimed at establishing risk and if deemed necessary by the professional doctor.

The doctor must visit the work places at least twice a year, in conjunction with the risk prevention and protection service manager.

3.7. Training and informative activities

Depending on the prevention and protection system adopted by the company and in accordance with the provisions of Articles 36 and 37 of the T.U.S., the company carries out suitable training and information programmes, as indicated in the tables above.

The training and information programmes have a particular focus on: (i) the importance of the compliance of recipients' actions with respect to corporate security policy; (ii) the consequences of the behaviours and activities to be implemented; (iii) the consequences in case of deviation from the requirements on safety. The training activities are dealt with by the human resources department and are organised in collaboration with the PPSM and sales management.

The implementation of training is delegated to managers at the store level, with the exception of courses for the security team, coordinated by the technical services and also carried out by means of external consultants. At headquarters training is carried out upon recruitment and is managed by the human resources and organisation manager.

In addition to specific training on issues related to health and safety at work, OVS provides supplementary educational programmes, with voluntary participation, for their employees. These programmes cover training in first aid, healthy lifestyle, healthy eating, reducing dependence on tobacco, and other topics updated annually. Moreover, at the headquarters, there is a medical clinic that is available free of charge to all staff.

3.8. Coordination and control activities in case of tasks assigned to third parties

In compliance with the provisions of Legislative Decree 81/2008, in the case of tasks within the company, or in the production unit, to contractors or self-employed workers, the technical services personnel, consulting the legal and corporate management:

- check, through the register at the Chamber of Commerce, Industry and Crafts, the technical and professional qualification of the contractors or self-employed workers in relation to the subcontracted work or works contract;
- provide the same parties with detailed information on the specific risks in the environment in which they are to work and on preventive and emergency measures in relation to their activities;
- cooperate in the implementation of prevention and protection measures against accidents related to the contracted work;
- coordinate procedures to prevent and protect against risks that workers are exposed to by sharing information so as to eliminate risks that are attributable to the interference between the work of various companies involved in the completion of the overall project.

The integrated risk assessment document (RAD) is attached to all contracts or implementation documentation of the same.

The staff of the contractor company must be provided with a special identification card with a photograph, the worker's name and indication of the employer. Workers are required to display said identification card.

OVS does not allow exceptions to safety and hygiene standards in the workplace:

- the workplace must be safe and healthy;
- the temperature and ventilation of the working environment must be adequate throughout all seasons of the year;
- the illumination must be sufficient in relation to the activity carried out and for all hours of work;
- sanitary services need to be clean, adjusted to the number of workers and separate for men and women;
- workers must have access to health services without unreasonable restrictions.

OVS directly controls production plants, but works with independent suppliers, together with them, collaborating to make improvements to the health and safety standards at work preferably through multi-stakeholder programmes, in accordance with the policies described above.