

## VALENTINO STATEMENT

### ON UK MODERN SLAVERY ACT 2015, CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010 AND AUSTRALIA MODERN SLAVERY BILL 2018

This statement is made pursuant to the UK Modern Slavery Act 2015, the California Transparency in Supply Chains Act of 2010 and the Australia Modern Slavery Bill 2018 and sets out the measures that Valentino S.p.A. (**"Valentino"**) have adopted to ensure that any form of trafficking in persons, slavery, slavery-like practice and any form of child labor is not taking place in Valentino business and in its supply-chain. This statement refers to the fiscal year ended on 31st December 2018 and is made by Valentino also on behalf of its Subsidiaries, Valentino England Ltd, V.F.G. UK Ltd, Valentino U.S.A. Inc., V.F.G. U.S.A. Inc. and Valentino Australia PTY Ltd included. Kindly go to Valentino official website [www.valentino.com](http://www.valentino.com) in the section "Corporate Information" to find additional information on Valentino and its Subsidiaries.

Valentino and its subsidiaries (the **"Group"**) have since long time approved, adopted and implemented a Code of Ethics, which is binding across the Group and to all those who, directly or indirectly, permanently or temporarily, establish relations with the Group, or in any way act to achieve its objectives, in all countries in which the Group operates and, more specifically, to its supply-chain. Valentino have also implemented contract models and procedures with its supply-chain aimed at preventing, monitoring and reducing any risk of human trafficking, slavery and slavery-like practices.

We believe that protecting the dignity and rights of all human beings is paramount to good business. Therefore all actions, operations and negotiations and, in general, the conduct engaged in by the Group employees and more generally by Valentino suppliers (the **"Suppliers"**) in performing their work or providing services for and/or on behalf of the Group must always be inspired by the highest levels of correctness and fairness in terms of management, completeness and transparency of information and legitimacy, in both formal and substantial terms, must always occur in due compliance with all applicable laws and regulations and in full respect for the ethical principles of protecting health, safety and the environment.

In order to ensure that the Code of Ethics and the above principles are duly complied with by any third party and more specifically the Suppliers, Valentino have developed and implemented ad hoc contractual standards that include provisions whereby the failure by the relevant third party (and Supplier) to observe the principles and the provisions contained in the Code of Ethics, shall constitute a breach of the obligations of the relevant agreement and shall entitle Valentino to adopt appropriate protection measures, including the termination of the agreement.

Moreover, in the contract formats developed by Valentino with its Suppliers, Valentino have inserted specific provisions aimed at ensuring the fair treatment of the personnel employed by the Supplier and requiring the full compliance by this latter of any applicable law and regulation on (i) health and safety at workplace and (ii) labor salaries, social securities and insurance contributions payment; Valentino also reserves the right to conduct specific audits at the Supplier's plants to check the due compliance of the above laws and the Code of Ethics by the Supplier, failing which Valentino may elect to immediately terminate the contract. Valentino.

Valentino verifies through specific audits the respect of provisions requested to our suppliers and the respect of values set out in Valentino Code of Ethics. The audits are performed with the support of a check-list defined using the SMETA guidance and inspired to ILO and SA8000 principles.

Beyond audit Valentino works to establish long term relationship with suppliers that share the same principle and values in doing business.

The corporate body for the application of the Code of Ethics in the Group is the Ethics Committee (whose members are the Human Resources Director, the Director of Legal Affairs and the Chief of Group Internal Audit), having the duty to investigate on any report or claim brought by any Group's employee or any third party regarding the possible violation of the Code of Ethics and, based on the nature and seriousness of the violation, to appropriately report the outcome of such investigation to the Board of Director or the Supervisory Board for the adoption of any appropriate corrective measure. The Ethics Committee also acts as referee for the interpretation of the Code of Ethics.

In addition to the above, Valentino has adopted and effectively implemented since early 2006 an organization and management model (the "**Model**") suitable to prevent the occurrence of certain criminal offences provided for by Legislative Decree No. 231 dated 8 June 2001 (the "**Decree 231/01**"), which introduced in the Italian legislation the administrative/criminal liability of the legal entities for certain categories of crimes and offenses committed by the top management and its subordinate staff, collaborators or suppliers in the interest of or to the advantage of the company. Among those crimes for which Valentino may be deemed liable under Decree 231/01 there are: the offences against the individuals (enslavement and any slavery-like practices; labour illegal intermediation and labour exploitation); use of illegal foreign workers and illegal immigration; homicide or personal injury derived from the violation of the applicable laws on the health and safety at workplace. The latest version of Valentino Model has been approved by the Board of Directors on May 28, 2018 and is available on Valentino official website [www.valentino.com](http://www.valentino.com) in the section "Corporate Information".

Specific training sessions for Directors and Executive with reference to the Code of Ethics have been held during 2018. On line training will be delivered in 2019 to all Valentino Employees.

In addition, sessions to share audit results and updates are done periodically with the BU Directors, production and purchase responsible. In 2019 the aim is to deliver specific training to improve the awareness on Valentino Code of ethics, code of conducts and all matters which refer to Human Right and ethics to all personnel that deal with our supply chain

We briefly report for ease of reference some extracts of Valentino Code of Ethics.

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### **Scope and recipients of the Code of Ethics**

The Code of Ethics applies to all companies in the Group, in Italy and abroad, and is therefore binding on the conduct of all "Recipients", subject to the mandatory provisions of law applicable to the individual Group companies.

The term "Recipients" refers to all subjects covered by the provisions of this Code of Ethics, and who are identified as:

- directors and members of the corporate bodies of the Group companies, Directors-General and any other person in a senior position, meaning any person invested with functions of representation, administration or

management or who exercises, even de facto, management and control of the company or any of its units or divisions ("Company Representatives");

- all employees of the Group companies, including term or part-time workers and similar ("Employees");
- all those who, directly or indirectly, permanently or temporarily, establish relations with the Group, or in any way act to achieve its objectives, in all countries in which it operates ("Partners");

All those who, permanently or temporarily, provide – in whatever form – goods and/or services to Group companies ("Suppliers") are also bound by the provisions of this Code of Ethics – in those parts applicable to them – in their relations with the Group.

All Recipients are required to be familiar with the Code of Ethics, comply with its provisions both in relations amongst themselves (internal relations) and in relations with third parties (external relations), actively contribute to its implementation and report any shortcomings to the competent reference function.

All actions, operations and negotiations and, in general, the conduct engaged in by Group employees and more generally by the Recipients in performing their work or providing services for and/or on behalf of the Group are therefore inspired by the highest levels of correctness in terms of management, completeness and transparency of information, legitimacy, in both formal and substantial terms, and the clarity and truthfulness of accounting according to current regulations and internal procedures.

## **Commitments of Valentino**

The Company ensures, including through the designation of specific internal functions:

- the widest possible dissemination of the Code of Ethics among Group companies and its effective implementation by them, including through inclusion, in their respective contracts, of special clauses that establish an obligation to comply with its provisions;
- the updating of the Code of Ethics as required to reflect evolving civil sensibilities, the business environment and regulations of relevance to the Code of Ethics itself;
- the investigation of all reports of violations of the standards of the Code of Ethics;
- the assessment of the facts and the subsequent implementation, in the event of proven violations, of appropriate sanctions;
- that no one may suffer any retaliation whatsoever for having provided information regarding possible violations of the Code of Ethics or of the reference standards.

## **Obligations of the employees**

All employees are required to be familiar with the rules of the Code of Ethics and reference standards that regulate activities carried out as part of their duties. Group employees are required to:

- refrain from conduct contrary to these rules;

- consult their superiors and/or the Ethics Committee for clarification on how to apply them;
- promptly report to their supervisor and/or the Ethics Committee any information obtained directly or reported by others, concerning a possible violation or any request received to violate them.

## **Contractual value of the Code of Ethics**

Compliance with the Code of Ethics is an essential part of the obligations of Employees of Group Companies, also pursuant to Article 2104 of the Italian Civil Code.

A violation of the Code of Ethics may constitute a breach of the primary obligations of the employment relationship or a disciplinary offence, with all legal consequences, including with regard to the preservation of the employment relationship and may result in legal action for compensation of damages caused by that infringement.

For non-employee recipients (such as partners and suppliers), compliance with the Code of Ethics is a requirement for the continuation of the business, professional or collaborative relationship with the Group.

## **Relationships with Suppliers**

In order to ensure respect for the individuals, the Group, in choosing its suppliers (especially in countries "at risk", as defined by any officially recognized organization) shall be inspired by criteria that guarantee the respect for the fundamental rights of the workers, the principles of equal treatment and non-discrimination and the protection of safety and health at the workplace, asking that they not adopt any manufacturing practice that may result in harm to the health of the workers ("sandblasting", etc.) and prohibiting them to adopt or use in any manner any form of hard or child labor. To ensure compliance with these requirements, the Group reserves the right to conduct inspections at the suppliers to ensure the professionalism and integrity necessary for the continuation of the collaboration.

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The following are the specific provisions included in Valentino standard contracts with its Suppliers:

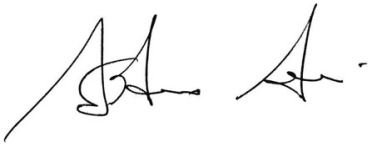
### **"Personnel**

1. The Supplier ensures that personnel employed in the manufacturing process of the Products is suitably qualified, technically prepared to perform the activities and regularly employed.
2. The Supplier declares to pay its employees' salaries and the social security and insurance (including the accident insurance) contributions due in accordance with the sector's prevailing collective contract and applicable laws. The Supplier shall comply with all laws on safety and protection in workplaces.
3. The Supplier hereby authorises Valentino, also throughout third parties duly appointed, to have access to its production plants or laboratories in order to verify the compliance with all laws on labour, safety and protection in workplaces as well as on social and environmental protection as specified above and with the Valentino's Code of Business Ethic. On such purpose, Valentino guarantees that each inspection will be conducted with respect to the

confidentiality. Following said inspections, Valentino reserves the right to adopt all the necessary remedies in order to protect its own right included but not limited to the termination of the Agreement forthwith with immediate effect pursuant to article 1456 Italian Civil Code and without prejudice to any request for damages, including image damages.”

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Approved by the Board of Directors on May 15, 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Stefano Sassi', written in a cursive style.

Stefano Sassi

Valentino S.p.A. Chief Executive Officer