



**Animal Welfare & Forests
Conservation Policy**

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CHAPTER 1

INTRODUCTION TO THE POLICIES

Fashion is one of the sectors with the highest environmental risk related to textile production processes and waste. The sector's huge footprint is embedded in the entire value chain, which extends from the cultivation of raw materials to the end-of-life of products. Teddy is aware of the impacts related to its business and how its evolution can no longer be separated from adopting sustainability as a guiding principle.

1.1. Our mission

Teddy's strategic path is highly consistent and in continuity with its corporate values. We set the goal of moving forward with the work we had initiated in the previous years in sustainability, relaunching it with a higher level of ambition. In particular, Teddy is committed to operating in a way that respects the ecosystems of our planet and demands that all those working with the group operate likewise.

1.2. The purpose of the policies

The policies we are going to present have been developed from the group's values, which guide the decision-making process towards greater understanding, diffusion and application of the company's ethical culture. Teddy, through these policies, aims to promote the integration of sustainability practices in all its relations with stakeholders to enable activities to be carried out in full respect of the environment, ecosystems and the community through a common path of sustainable growth. Our collaborators are also required to guarantee compliance and fulfilment of activities in accordance with the policies.

CHAPTER 2

ANIMAL WELFARE POLICY

2.1. Our commitment

Teddy is committed to acting ethically with regard to animal welfare and to embarking on a path of improvement involving the entire value chain. Teddy constantly endeavours to stay up-to-date with current regulations and standards to ensure compliance with animal welfare practices. Furthermore, Teddy favours the transition to alternative fibres where available and promotes the responsible sourcing of all animal-derived materials.

2.2. Raw materials of animal origin

Raw materials of animal origin involved in the production of garments and accessories must comply with the following rules:

- products from animals slaughtered exclusively for their skin, shell, horns, bones, feathers or down must not be used;
- slaughtered animal products must come from species bred for food;
- not to use practices that are cruel to animals or have adverse impacts on ecosystems or protected animal species;
- do not use raw materials from endangered species listed in the annexes of the Washington Convention (CITES);
- treat animals with care, respect and dignity, as required by the Five Freedoms principles of animal welfare.

In detail, the measures foreseen by the Five Freedoms standards for animal care and welfare are as follows:

- freedom from hunger and thirst: ensuring immediate access to fresh water and a diet that maintains full health and vigour;
- freedom from discomfort: providing a bright, sheltered environment with a comfortable resting area;
- freedom from pain, injury or disease: providing adequate medical treatment and medication;
- freedom to express normal behaviour: by providing sufficient space, adequate facilities and the company of one's peers;
- freedom from fear and distress: by providing conditions and treatment that avoid mental suffering.

2.3. Supply chain compliance

Teddy is committed to spreading awareness, promoting transparency and uniformity, ensuring that all actors meet international performance standards and that all operations are compliant and supported by certifications. We ask our suppliers to sign the Animal Welfare Declaration, where they declare that they abide by the principles of Five Freedoms and operate according to the above-mentioned rules. Furthermore, where the supply includes animal skins, our suppliers must sign the declaration of non-inclusion stating that the fibre does not come from animal species protected by the "Washington Convention" which, in Italy, was ratified by law no. 874 of 19/12/75 and subsequent amendments.

CHAPTER 3

FORESTS CONSERVATION POLICY

3.1. Our commitment

This policy embodies Teddy's commitment to the conservation of forests and biodiversity. Teddy is committed to ensuring the responsible sourcing and minimal environmental impact of the raw materials employed. Teddy continuously encourages the reduction in use of virgin natural resources and ensures that all raw materials used in its products and packaging do not affect ecosystems.

3.2. Responsible sourcing of raw materials

Teddy promptly verifies the impact that the raw materials used to manufacture its products have on the environment and is committed to improving the efficiency of raw material use. Supplies of paper and/or packaging material must preferably be sourced from certified raw materials or guaranteed responsible forestry and supply chain management.

3.3. Supply chain compliance

At Teddy, we are aware that it is our duty to ensure that the impact our business generates on the environment is constantly decreasing, in order not to compromise the ability of future generations to access the same resources we have today. To this end, we are committed to continuously monitoring and improving processes in our supply chain that could have a negative impact on the environment. All manufacturers and suppliers in our supply chain are required to comply with the principles set out in our Code of Conduct, which include aspects such as resource management, chemical management, waste management, GHG emissions, deforestation, and animal welfare. Teddy is committed to promoting a sourcing of materials of plant or animal origin (e.g. viscose, paper or leather) that are not derived from supply chains that contribute to deforestation.