



OVS GROUP

Sustainability - Linked Bond

Framework

October 2021

OVS

CONTENTS

2	General
2	About us
3	OVS Sustainability Strategy - Our Agenda
5	Stakeholders & Materiality
6	Governance
7	Achievements & Recognitions
9	Sustainability-Linked Bond Framework
10	Selection of Key Performance Indicators (KPIs)
14	Calibration of Sustainability Performance Targets (SPTs)
17	Security characteristics
19	Reporting
20	Verification & Second Party Opinion

General

About us

OVS S.p.A. ("OVS") is the leading group in Italy in the clothing market for the woman, men and children segments. OVS also owns the UPIM brand, which is positioned in the value segment of women's, men's and children's apparel market in Italy and it is primarily a family store. OVS Group includes also the brands BluKids, Stefanel, Piombo and CROFF.

OVS operates according to a business model typical of vertically integrated retailers, offering products created in-house, but also acting as a platform that can accommodate a selection of third party brands, more or less known, always synergistic with its internal proposal.

OVS operates through its own sales network and digital channels throughout Italy and in some foreign countries with stores (directly operated or franchising), proprietary websites integrated with the physical network, and market places with which it collaborates, especially abroad.

The Group consists of OVS S.p.A. and its subsidiary companies operating abroad, in the management of more than 1,800 stores worldwide and in the control of product development and manufacturing operations, thanks to the collaboration and support of approximately 6,000 employees.

OVS wants sustainable fashion to become the new normal. For this to happen, we make fashion accessible to everyone.

We are committed to communicating our sustainability choices so that everyone can understand them and make informed decisions on their purchases. We do our part to address global challenges such as the climate crisis, because we believe that it requires everyone's contribution. We work as a priority to reduce the impact of the materials we use. We promote a circular economy system by making targeted investments throughout our value chain. We promote the continuous improvement of all our suppliers, leveraging transparency as a key to change. We put people at the centre: we want to be a benchmark for inclusiveness and the enhancement of diversity.

Through our Sustainability Linked Bond we want to involve Group's investors in the process of transformation and regeneration of OVS but also of the whole fashion industry.



upim



Blukids





The footprint of the fashion industry is huge. Its impacts are not just on the environment, but also people-related, especially in a supply chain that is still very much based on manual labor and located in countries where working and environmental conditions may be still barely regulated. However, for these same reasons, our business has the potential to have a major positive impact by contributing significantly to improving the environmental, economic and welfare conditions of people along the supply chain.

OVS' sustainability strategy has always been an integral part of its business model and is based on the commitment of each corporate function to consider the environmental and social footprints that are inevitably generated by our actions and activities.

Over the years, this has allowed us to launch a series of initiatives linked to social responsibility and the reduction of environmental footprint. In particular, since 2016, with the #wecare program, OVS has consolidated the actions already undertaken into a structured strategic path, setting its sustainability choices on the scientific framework and sustainable innovation principles developed by The Natural Step, a Non-Governmental Organization founded in Sweden in 1989.

These principles provide a concrete and understandable definition of sustainability and are necessary, sufficient and universal to describe a sustainable future.



SUSTAINABILITY PRINCIPLES FROM “THE NATURAL STEP” FOR A SUSTAINABLE SOCIETY

1.

Nature is not subject to the increased concentration of substances extracted from the Earth's crust (e.g. heavy metals and fossil fuels)

2.

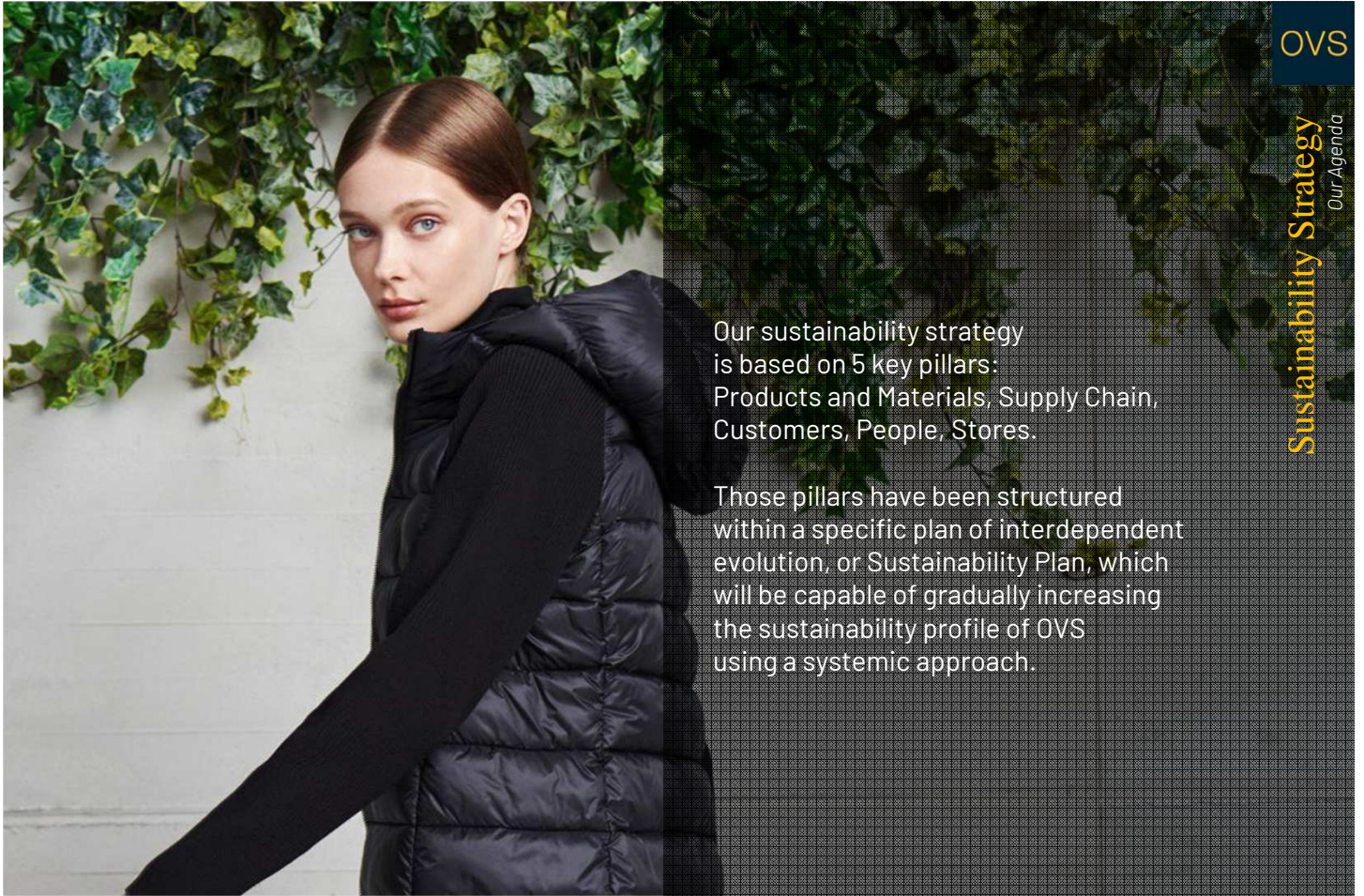
Nature is not subject to increased concentrations of substances produced by human activity (e.g. waste and pesticides)

3.

Nature is not deteriorated faster than it needs to regenerate itself (e.g. deforestation and construction)

4.

The satisfaction of people's basic needs is ensured by promoting health, participation, development of skills, impartiality and empowerment of the individual



Our sustainability strategy is based on 5 key pillars: Products and Materials, Supply Chain, Customers, People, Stores.

Those pillars have been structured within a specific plan of interdependent evolution, or Sustainability Plan, which will be capable of gradually increasing the sustainability profile of OVS using a systemic approach.

The Plan comprises four commitment area, each with specific commitments and actions in the short, medium and long term:

1. Products and supply chain:
creating products that have a positive impact on the world and the people who live in it, minimizing the consumption of natural resources and taking care of the people who work in the supply chain and the environment in which they live.

2. People:
promotion of an inclusive working environment, capable of enhancing the diversity of each person and making them ambassadors of the OVS sustainability philosophy.

3. Stores and locations:
stores and physical meeting places that reflect OVS' commitment and choices in the management and construction of locations, aimed at minimizing the footprint of the business.

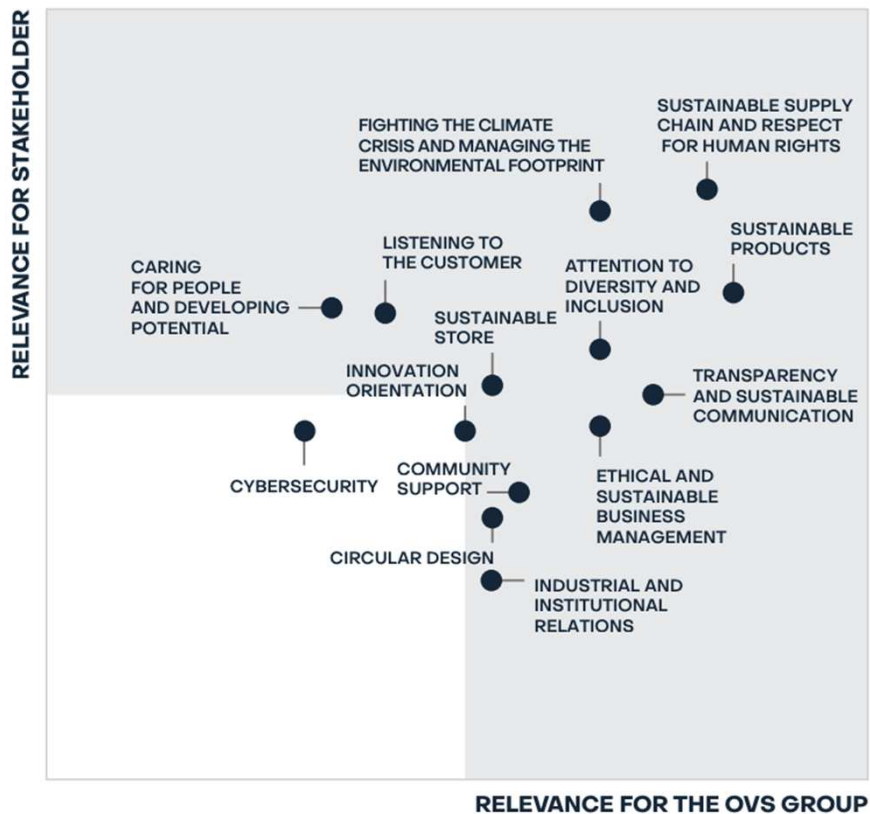
4. Customers:
transparent and inclusive approach to guide customers in the development of a culture of sustainability

Stakeholders & Materiality

One of the fundamental guidelines of the strategic plan is based precisely on stakeholder involvement, because OVS plays a crucial role in informing people and creating awareness in clothing choices.

For this reason, OVS aims at making its stakeholders the protagonists of a world that works to give everyone the freedom to wear an innovative and sustainable Italian style every day, through involvement in the initiatives carried out.

OVS always considers the point of view of its stakeholders through constructive dialogue and productive discussion. During 2020, as in previous years, OVS carried out specific structured moments of surveying stakeholder perceptions on the most significant issues (“materials”) for OVS sustainability, with the aim of improving the ability to capture emerging trends on the national and international market.



This framework has been developed taking into account the materiality assessment, focusing on the issues deemed most relevant by our stakeholders: environmental impacts related to our operations and products, as well as the evolution of our supply chain.

Governance

Sustainability Governance

Sustainability Governance is enhanced by OVS' Control, Risks and Sustainability Committee, which has been entrusted with the supervision of sustainability issues related to the performance of corporate activities and the assessment of the Non-Financial Statement (NFS). This Committee was established on 23rd July 2014 and is on the Board of Directors. On 4th August 2020, the Board of Directors appointed the current Committee, which consists of 3 Directors, all of whom hold non-executive positions and the majority of whom meet the independence requirements of the Consolidated Law on Finance (TUF) and the Corporate Governance Code.

The Committee provides support and advice to the Board of Directors on sustainability issues, meaning the processes, initiatives and activities aimed at monitoring OVS' commitment to sustainable development throughout the entire value chain.



The Committee also examines the relevant contents of the NFS, for the purposes of the internal control and risk management system. Furthermore, it is a task of the Committee to assess sustainability policies aimed at ensuring the creation of value over time for the shareholders and all other stakeholders, in the medium to long term, in accordance with the principles of sustainable development. It analyses the guidelines, objectives, and resulting processes concerning sustainability and non-financial reporting submitted annually to the Board of Directors. In this regard, during 2020, the Board of Directors formally approved the new Group Sustainability Plan, after evaluation by the Committee itself. Moreover, the Group's sustainability department (cross-functional and within each OVS' division) is dedicated to the operational management of sustainability actions and issues, and it reports to the Committee periodically.

Achievements & Recognitions



Fashion Transparency Index

OVS has climbed the transparency ranking and is now at the top of the Fashion Transparency Index by Fashion Revolution, a global movement that encourages the fashion industry to respect human rights and the environment at every stage in the production cycle.

OVS scores highest in 2021 with 78% of targets achieved. The Index analysis ranks 250 of the world's leading fashion brands and retailers (identified on the basis of turnover and brand awareness), assessing

their degree of transparency in disclosing actions taken to respect human rights and environmental policies.

Moreover, OVS is investing in projects with the aim of making the production chain increasingly transparent. Through suppliers involvement at an aggregate level and through specific technologies we are enabling individual consumers to quickly access to the environmental impact of each garment generated by the production process (EcoValore).



ESG Ratings

OVS has been ranked as one of the top performers worldwide in the apparel sector by many ESG rating agencies. To mention one of the most reputed ESG rating agencies, in March 2021, OVS S.p.A. received an ESG Risk Rating of 11.22 (12.99 in 2020) that was rated as "Low Risk" by Sustainalytics, meaning a low risk of suffering material financial impacts from ESG factors.

This result places OVS S.p.A. in 5th place (15th in 2019) out of 180 - where the company with the lowest level of risk is in 1st place - in the "Textile & Apparels" sector assessed by Sustainalytics.

The confirmation of the risk category is the result of the correct and effective management of ESG issues within the Group's strategy.

Circular Fashion System Commitment Report

Thanks to the OVS "EcoValore" project, which allows for each product sold to track the CO₂ emissions, the water consumption and the circularity index, the 2020 Circular Fashion System Commitment Report of Global Fashion Agenda, has selected OVS among the ten most relevant and innovative best practices for the implementation of product circularity initiatives.

Sustainability-linked bond framework

OVS has aligned this Sustainability Bond Framework with the Sustainability-Linked Bond Principles (SLBP, June 2020 edition), established by the International Capital Markets Association (ICMA). The five core components of the SLBP are:

1. Selection of Key Performance Indicators (KPIs)
1. Calibration of Sustainability Performance Targets (SPTs)
1. Bond characteristics
1. Reporting
1. Verification



All data and information reported in the Framework are related to the Italian company OVS S.p.A., as the Italian perimeter represents more than 90% of the OVS Group's operations, and refers to apparel housebrand garments.

This document was drafted by OVS SpA with the support of Nativa Srl Benefit Corporation.

Sustainalytics will provide a Second Party Opinion on this Sustainability-Linked Bond Framework, which will be made publicly available at OVS Group's website.

Selection of the Key Performance Indicators (KPIs)

KPIs' selection and the related baseline

The KPIs that have been selected for the Sustainability-Linked Bond are aligned with OVS sustainability path and mirror the main topics included in the OVS' strategic plan, such as:

- **Driving our supply chain towards sustainable targets** with the aim of minimizing social footprints throughout the entire chain, thanks to careful control of working conditions and respect for human rights, and in order to guarantee a complete traceability of the purchased products.
- **Increasing the sustainability of our stores** by designing and managing points of sale in full respect of planet and people, following the logic of green design and energy efficiency and ensuring the safety and the wellbeing of the customers at the same time.
- **Fighting the climate crisis** through initiatives that reduce OVS' value chain carbon footprint with special reference to the consumption of natural resources, including water, and the production of waste, also related to product packaging.

OVS adopted a Carbon reduction strategy following the guidelines provided by Science Based Targets Initiative (SBTi). The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), which drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets.

As set by SBTi recommendations, the baseline for the KPIs has been set at fiscal year 2019 (from February 1st 2019 to January 31st 2020). As for FY 2020, OVS' operations and related consumptions have been significantly impacted by the Covid-19 pandemic; for this reason the 2019 baseline is considered the most reliable.

Our KPIs

KPI 1: Scope 1 and Scope 2 GHG-emissions related to the central warehouse, headquarter office and directly operated stores located in Italy.

Scope 1 being GHG-emissions from OVS own operations while Scope 2 being indirect GHG emissions from consumption of purchased electricity and heat used in OVS own operations. Scope 1 and Scope 2 definitions are aligned with the GHG Protocol Corporate Standard.

Historical KPI 1 Performance*

Emissions (tCO ₂ e)	2018	2019	2020
Scope 1	10.747	11.780	8.779
Scope 2	9.533	8.009	9.862
Total	20.280	19.789	18.641

*Compared to the data published in OVS Sustainability Reports, the total emissions over the three years have been recalculated according to an improved methodology. Scope 1 and Scope 2 emissions related to KPI 1 include the emissions related to the distribution center (which was previously excluded from the annual reporting).

KPI 2: Scope 3 GHG-emissions related to purchased goods and services (raw materials, processing and packaging) and upstream transportation and distribution (only related to apparel house brand garments).

Scope 3 definitions are aligned with the GHG Protocol Corporate Standard.

Historical KPI 2 Performance*

Emissions (tCO ₂ e)	2018	2019	2020
Purchased goods and services	282.933	268.678	194.147
Upstream transportation and distribution	24.872	27.231	31.494
Total	307.805	295.909	225.641

**In OVS Sustainability Reports, Scope 3 emissions may differ from the table above due to an improved methodology and inclusion of other components in Purchased goods and services, previously not inventoried and related to packaging.*

KPI 3: Percentage of Higg Tier 1 housebrand apparel suppliers production volume and related verified production volume.

The production volume is defined as ordered quantities valued at retail price.

Historical KPI 3 Performance

%	2018	2019	2020
Higg Tier 1 housebrand apparel suppliers production volume	50%	44%	86%
Higg FEM verified suppliers production volume	18%	27%	31%
Higg FSLM verified suppliers production volume	0%	1%	6%

The Higg Index is a suite of assessment tools promoted by the Sustainable Apparel Coalition, enabling measurement and comparison of sustainability performances (environmental and social) across the entire apparel industry.

Higg FEM Verified supplier means a Tier 1 Housebrand apparel supplier who completed a third party verification on the Higg FEM module (Facility Environmental Module), related to environmental practices .
 Higg FSLM Verified supplier means a Tier 1 Housebrand apparel supplier who completed a third party verification on the Higg FSLM module (Facility Social and Labour Module), related to social practices and working conditions.

Since 2018, beside the internal audit and verification program, OVS adopted the Higg modules to enhance the level of transparency and to adopt a supply chain evaluation framework which is in common with other industry's brands. Thanks to the information reported on the platform, OVS can have an overview of the performance of its supply chain, make its own benchmarks and identify intervention priorities in order to define targeted action plans and support suppliers through a positive change.



This allows OVS to focus its people's activity on cases where direct action is deemed necessary, while continuing to monitor the entire supply chain, rewarding or phasing out suppliers according to their ESG performance.

The platform allows OVS to improve and extend the external verification program relying on third-parties accredited by the Sustainable Apparel Coalition (see Higg FSLM verifiers list at <https://www.sumerra.com/programs/slcp/active-vb-list/>, and Higg FEM verifiers list at <http://howtoHigg.org/verifiers>) and to cooperate within the industry coalition to push progress and transparency among suppliers, identifying specific actions for each supplier and production facility.

KPIs calculation methodology

KPI 1 and KPI 2 (Scope 1, 2 and 3) definition and calculation was conducted by OVS in collaboration with UNISMART foundation of the University of Padua. The methodology adopted is aligned with GHG Protocol Corporate Standard. The boundaries of the calculation of the KPI 2 are related to housebrand apparel products only.

KPI 1 is defined as Scope 1 and 2 GHG-emissions. Scope 1 includes stationary combustion emissions (i.e. natural gas, diesel fuel), mobile combustion of the company fleet (i.e. LPG, petrol, diesel) and fugitive emissions from central warehouse, headquarter office and directly operated stores located in Italy. Scope 2 includes indirect GHG emissions from consumption of purchased electricity and district heating used in the central warehouse, headquarter office and directly operated stores located in Italy.

KPI 2 is defined as scope 3 GHG-emissions. Scope 3 emissions include "Purchased goods and services" (raw materials, garment manufacturing, packaging manufacturing) and "Upstream transportation and distribution". All emission categories are based on the GHG Protocol. Calculations are based on a combination of direct and indirect data (from Ecolinvent database) related to the goods purchased in each fiscal year.

KPI 3 is defined as: (i) the percentage of Production Volume from Tier 1 suppliers registered on the Higg platform; (ii) the percentage of Production Volume from Tier 1 suppliers who completed a verification by a third party on both FEM and FSLM modules. Points (i) and (ii) are to be considered as complementary and not as alternatives.

KPI contribution to the UN Sustainable Development Goals (SDGs)

OVS is committed to the UN Sustainable Development Goals (SDGs) both through its strategy, and the KPIs selected as described above.

In particular OVS can influence the achievement of SDG no. 7 (Affordable and clean energy), SDG no. 9 (Industry, innovation and infrastructure) and SDG no. 12 (Responsible Consumption and Production), as shown in the graphic besides.



KPI 1 can contribute to the achievement of target 7.3:

By 2030, increase substantially the share of renewable energy in the global energy mix



KPI 2 can contribute to the achievement of target 9.4:

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



KPI 3 can contribute to the achievement of target 12.2:

By 2030, achieve the sustainable management and efficient use of natural resources

Calibration of the Sustainability Performance Targets (SPTs)

All SPTs have been defined following the recommendations and guidelines of the ICMA. In particular, OVS has conducted a benchmarking activity in relation to:

- OVS past performance in the last 3 years (FYs 2018, 2019 and 2020), in order to apply a forward-looking approach on the KPI
- Trends and performances in the fashion industry, in order to compare and align targets to the sector standards
- Science-based scenarios and recognized Best-Available-Technologies or other proxies in order to determine relevant targets across environmental and social themes

SPTs have been selected based on their level of ambition, which means they lead to a material improvement in the respective KPIs - beyond a "Business as Usual" trajectory - and their consistency with OVS overall strategic sustainability strategy.

SPT 1: OVS is committed to reducing its absolute Scope 1 and 2 CO₂e emissions by 21% in 2024 from a 2019 base fiscal year.

The scope 1 and 2 reduction targets are aligned with a global temperature rise of well below 1.5 °C and follows the recommendations set by the Science Based Targets initiative. Those targets have been submitted to SBTi and their approval is in progress.

Since 2017, OVS started a program to source only electricity from renewable certified sources. This program allowed to reduce Scope 1 and Scope 2 emissions from a 2016 baseline by approximately 85% in 2019. Today, all the electricity purchased by OVS S.p.A. is renewable both for headquarters and directly operated stores in Italy.

The target will be reached through all the functional plans and initiatives OVS has defined in its sustainability strategy.

OVS is working to reduce the remaining part of Scope 1 and Scope 2 emissions from other sources, according to several approaches:

- Increase the use of solar PV systems for headquarters, warehouse and directly operated stores.
- Improve the energy efficiency at all the facilities, completing the swap to LED bulb lighting and through a program aimed at monitoring energy uptake in every store, with a dedicated team.
- Engage landlords in moving to renewable electricity for premises where OVS is not the counterpart of the energy supply contracts.
- Continue to review the car fleet, favoring vehicles with a lower environmental impact (e.g. hybrid or electric cars). The new car policy sets a maximum emission limit, updated every year, that cannot be exceeded and includes a hybrid model for each vehicle class. It is expected to be fully deployed to all the car fleets by 2024.
- Replace high emitting heaters with more efficient ones in the stores.

SPT 2: OVS is committed to reducing its absolute Scope 3 CO₂e emissions from “Purchased goods and services” (raw materials, garment manufacturing, packaging manufacturing) and “Upstream transportation and distribution” by 21% in 2024 from a 2019 base fiscal year.

The scope 3 reduction target is aligned with a global temperature rise of well below 1.5 °C and follows the recommendations set by the Science Based Targets initiative. This target has been submitted to SBTi and its approval is in progress.

In 2020, OVS achieved a Scope 3 emissions reductions higher than expectations and overperformed the trend line up to 2024. However, the target is consistent with the level of ambition set by ICMA as FY 2020 cannot be considered a normal course of business due to a sharp contraction of OVS operations during national lockdown periods (due to Covid-19 pandemic), which had slowed production and shipment of goods. In 2021, the recovery of the market and activities led to an increase in consumption and, consequently, environmental impacts. For these reasons, given the extraordinary nature of fiscal year 2020, OVS maintained the target against the 2019 baseline.

The target will be reached through all the functional plans and initiatives OVS has defined in its sustainability strategy.

OVS is working to reduce the Scope 3 emissions thanks to the following approach:

- Increase the use of more sustainable materials and lower impact production and treatments processes. Raw materials and processing determine about 80% of OVS Scope 3 emissions related to product development and transportation. For this reason, OVS intends to put its efforts into the process of replacing the main components of its garments - in particular cotton, viscose, polyester and polyamide - by opting for organic and/or recycled solutions
- Collaborate with and support OVS' suppliers, adopting new low emitting technologies and renewable energy sources. This will be done also thanks to their involvement in the Higg platform which allows OVS not only to monitor and benchmark suppliers emissions but also to intervene when necessary to support the improvement plan
- Reduce emissions from transport by progressively moving away from a fast fashion approach and consequently enriching its offer through long standing and cross-seasonal products. This allows OVS to decrease the need for fast product in-bound shipping thus reducing the usage of air freights and related CO₂ emissions
- Replace existing virgin plastic packaging materials with recycled or renewable materials

SPT 3: OVS is committed to involve 100% of its Tier1 suppliers on Higg platform and to purchase at least 80% of the production volume from suppliers with both Higg FEM and FSLM modules verified by a third party by 2024.

Higg platform is a reliable tool that allows OVS to measure the sustainability profile of each supplier, in addition to external certifications and the findings of the internal audit program. Higg requires each supplier to complete FEM (Facility Environmental Module) to assess their environmental performance and FSLM (Facility Social and Labour Module) to assess their social & labour performance. Both modules can be verified by a third party verification body accredited by the Sustainable Apparel Coalition. Through this tool, OVS considers the supplier's ability to reduce environmental footprints, to ensure adequate working conditions and evaluates the supplier's degree of transparency and commitment to a continuous improvement in sustainability practices.

In order to ensure that detailed information is verified and shared by other players in the supply chain, OVS is gradually replacing the internal audit process with a supplier assessment system based on the Higg platform. This allows OVS to focus its people's activity on cases where direct action is deemed necessary, while continuing to monitor the entire supply chain.

The involvement of all suppliers in such a multi-stakeholders initiative enhances their awareness on environmental and social impacts and supports them in activating the improvement process.

OVS has already defined an internal policy not to accept any new supplier who is not an active user of Higg and it is working with the current suppliers according to the following approach:

- Provide specific support in terms of training and awareness sessions
- Promote the use of Higg FEM and FSLM scoring system within the industry, by participation to dedicated events and workgroups
- Collaborate with other brands of the Sustainable Apparel Coalition to push the transition to Higg as a unique evaluation platform
- Gradually replace its internal audit program with the external verification on Higg. In each sourcing country, OVS will engage with third-party verification bodies to establish one or more frame agreements. This will allow its suppliers to reduce the costs of verification services through operational synergies within the same production area.

Security characteristics

For the security issued under this Framework, there will be three Trigger Events related to the three separate KPIs described in this document so that the rate of interest for the security on the relevant issue date shall be increased by the relevant step-up margin. During the term of the security, zero, one, two or three step up events may potentially occur such that the related combination of step up margins, may be applicable for the remaining term of the security.

In particular, each Trigger Event will result in a coupon step-up, up to a maximum step-up margin applying to the relevant security for any interest period commencing on or after the interest payment date immediately following the Notification Deadline (i.e. the date falling 120 days after January 31st in each reporting year) after the Reference Year (i.e. the year starting on February 1st 2024 and ending on January 31st 2025) and until maturity.

The Trigger Events are the result of an observation as to whether, or not, each of the three KPIs individually has achieved their respective SPTs. A step-up of the coupon shall be triggered if:

- A KPI has not achieved the SPT on the target observation date, or
- the reporting on such KPIs does not meet the requirements as set out in the reporting section of this Framework, or
- the verification (as per the verification section of this Framework) of the SPTs has not been provided and made public by the time of the Reporting End Date.

The KPIs are assigned the following relative weight of the aggregate coupon step-up, as specified in the security documentation of each respective SLB issued under this Framework:

Relative weight of each KPI to the Step-Up Margin

KPI 1	40%
KPI 2	40%
KPI 3	20%

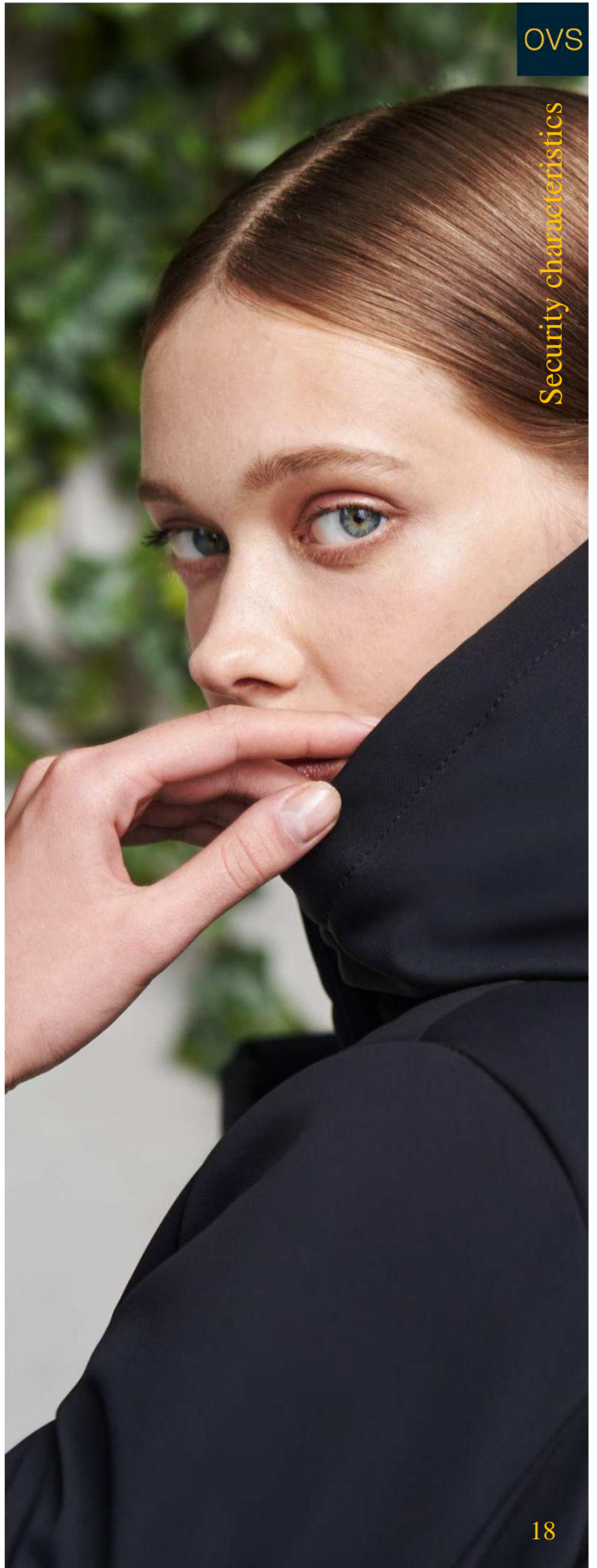
The step-up of the coupons can consequently be 0%, 20%, 40%, 60%, 80% or 100% of the total step-up margin as specified in the security documentation of each respective SLB issued under this Framework.

For the avoidance of doubt, if all three KPIs have achieved their respective SPTs, and reporting and verification for all the SPTs have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of the security issued by OVS Group under this Framework shall remain unchanged.

Fallback mechanism

The levels of CO₂e emissions during the base year 2019 for KPI 1 and 2 will be recalculated to reflect any significant changes in OVS Group's structure (e.g., acquisition, divestiture, mergers, insourcing or outsourcing). Recalculated levels of CO₂e emissions for KPI 1 and 2 will be reported to Science Based Targets initiative. The threshold value for a significant change is a change that impacts the SPT 1 or SPT 2 by 5 percent or more (which threshold for recalculation is in line with the recommendation by the SBTi). Any recalculations of levels of CO₂e emissions during the base-year 2019 for KPI 1 and 2 must be reported in the annual Sustainability-Linked Bond Progress Report (see the "Reporting" section). KPI 3 and its SPT will remain applicable as set out in this Framework regardless of any changes in OVS Group's structure.

The KPIs and SPTs set out in this framework will remain applicable throughout the tenor of the security issued under the Framework, regardless of any changes to OVS Group's sustainability strategy. This includes any changes relating to the OVS' general sustainability targets and ambitions or changes in applicable benchmarks or industry standards. However, any changes to the calculation methodology for a KPI or significant changes in data due to better data accessibility will result in a change of the baseline. Any new or updated Sustainability-Linked Bond Framework, in relation with any subsequent capital markets transactions, shall not have any implications on the security issued under this Framework.

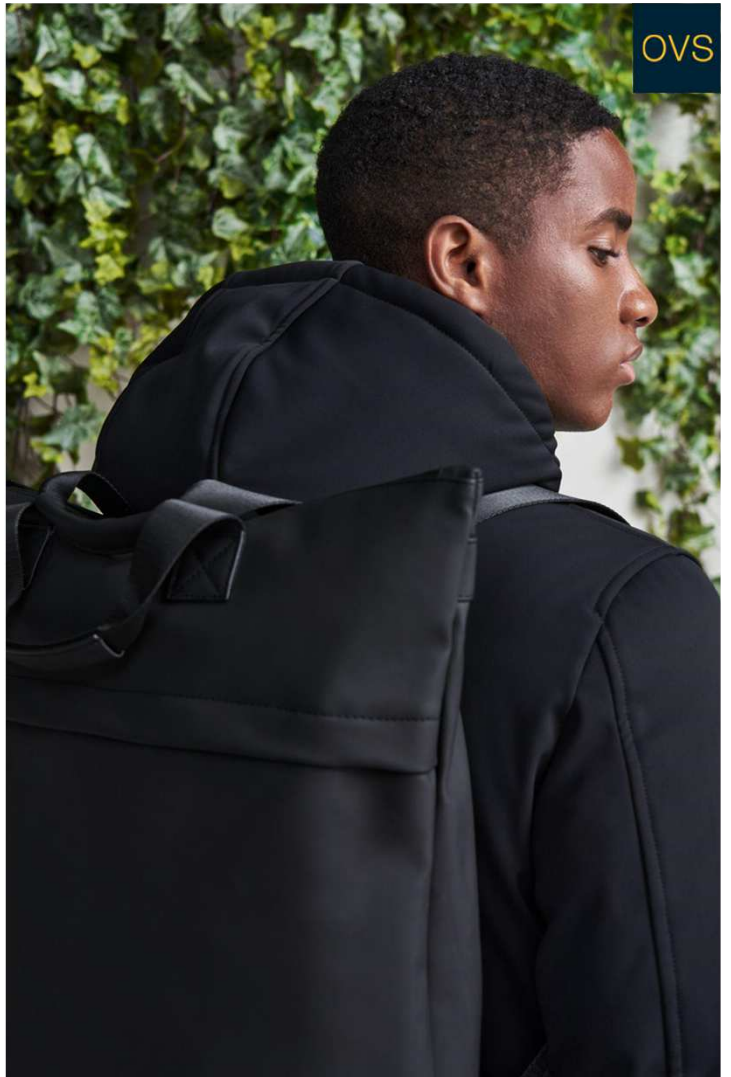


Reporting

In order to provide investors with public updates on the state of art of each KPI, the related targets and any other event occurred during the year relevant to the analysis of the KPIs and SPTs, OVS will publish an annual Sustainability-Linked Bond Progress Report ("SLB Progress Report"). The SLB Progress Report will be included within the Group's Annual Sustainability Report (Non-Financial Statement (NFS)).

The SLB Progress Report will be published no later than 120 days following each fiscal year (ending January 31st) or, in any case, in conjunction with the approval of the Yearly Sustainability Report by the Board of Directors.

The SLB Progress Report will form the basis for evaluating the impact on the security characteristics as outlined in section "Security characteristics".



The SLB Progress Reports will contain all the relevant information needed to assess if any changes to the security characteristics are to be made, including but not limited to:

- Up-to-date information on the KPIs performance, including baselines, where relevant
- The performance level against each SPT for each KPI outlined
- Information about recalculations, if any, of the levels of CO₂e emissions during the base-year 2019 for KPI 1 and 2
- A report relative to the KPIs outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond characteristics, if any.

The performance level against each SPT for each KPI outlined above shall be verified by qualified external reviewer(s) with relevant expertise as described in section "Verification".

Verification & Second Party Opinion

Verification

In order to provide transparency to investors and in alignment with the SLBP, OVS will ensure an external and independent verification by one or more qualified external reviewer(s) with relevant expertise, of its actual performance level against each SPT for each KPI. The verification shall be conducted with limited assurance by the external reviewer(s).

OVS has the discretion to appoint and following appointment, to change the external reviewer(s) subject to fulfilling the requirements set out herein. The ex-ante reviewer of the Sustainability-Linked Bond Framework may differ from the ex-post reviewer(s).

The verification of the actual performance relative to the SPTs shall be made public together with OVS Group's SLB Progress Report on the OVS' webpage no later than 120 days after, January 31st in any reporting year, up to and including the reference year specified in the security specific documentation. The verification, together with the SLB Progress Report, will form the basis for evaluating any change in the financial characteristics of the security issued under this Framework as described in the section "Security Characteristics".

Failure to provide the ex-post verification before the Reporting End Date shall result in an automatic adjustment in the financial characteristics as outlined in the security specific documentation.



Second Party Opinion

Sustainalytics UK Limited have provided a Second Party Opinion on the OVS Sustainability Bond Framework, in accordance with the Sustainability-Linked Bond Principles developed by the International Capital Markets Association (ICMA, June 2020 edition). The document is available on the OVS corporate website starting from October 19th, 2021.