

TOD'S

Gruppo **TOD'S**

**GUIDELINES ON COMPLYING WITH REGULATIONS
REGARDING THE ADMINISTRATIVE LIABILITY OF
ENTITIES AND ANTICORRUPTION FOR THE
FOREIGN COMPANIES OF THE TOD'S GROUP**

APPROVED BY THE BOARD OF DIRECTORS ON 13/03/2023

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INTRODUCTION

PURPOSE OF THE DOCUMENT

The purpose of this document is to define, implement and disseminate the tools that the Foreign Companies of the TOD'S Group must adopt in order to strengthen, where appropriate, organisational, management and control measures for the prevention of the risks of non-compliance, with particular reference to the areas covered by the Anti-Corruption Laws and Legislative Decree 231/2001 "*Administrative liability of entities arising from offences*".

TOD'S is aware of the need to ensure conditions of propriety and transparency in the conduct of business and corporate activities, in order to protect its position and image, the expectations of its shareholders and the work of its employee. It is also aware of the importance of adopting a system for the management and prevention of violations of rules, regulations or standards aimed at preventing the commission of unlawful conduct by its directors, employees and collaborators subject to management or supervision by the Company.

Without prejudice to the general principle, according to which all TOD'S Personnel must behave in a way that is consistent with the principles and rules defined by company procedures, the management of TOD'S S.p.A. and its Subsidiaries is committed to raising awareness and disseminating, in a timely and effective manner, these rules and principles within their structures.

SCOPE OF APPLICATION AND APPROVAL

This guidance document has been approved by the Board of Directors of TOD'S S.p.A. and its adoption and implementation is mandatory for all its Subsidiaries.

Foreign Subsidiaries are defined as companies controlled directly or indirectly by the parent company TOD'S S.p.A., the administrative offices or predominant activities of which are not in Italy.

This document shall apply to TOD'S S.p.A. from 13/03/2023. Foreign Subsidiaries shall ensure the timely implementation of these guidelines, adapting them, where necessary, to their own corporate and local peculiarities, in line with their own management autonomy.

Any amendments and/or updates to the document shall be approved by the Board of Directors and promptly communicated to the Recipients.

COMPLIANCE GUIDELINES

A) PURCHASES OF GOODS AND SERVICES AND MANAGEMENT OF CONSULTANCIES

Relations with suppliers and consultants

- Defining and guaranteeing criteria of competition, cost-effectiveness, transparency, propriety and professionalism in the choice of suppliers of goods/services and consultancy.
- Favouring suppliers, collaborators or consultants in the purchasing process on the indication of private or public third parties is prohibited.
- Requesting or accepting money or other forms of benefit from an employee or representative of the counterparty when supplying goods or services, or giving or promising money or other forms of benefit to an employee or representative of a counterparty in order to grant or obtain an undue advantage for oneself and/or for the Group are prohibited.
- Ensuring the adequate storage of all documentation providing evidence of internal procedures and the purpose of the purchase, as well as guaranteeing the traceability and documentation of the phases of the decision-making process relating to relations with suppliers

Conflict of interest (suppliers and consultants)

- Taking on commitments and the management of relations with current and potential suppliers and consultants must be carried out in compliance with the Group's guidelines on conflicts of interest and business management.

Due diligence of counterparties (suppliers and consultants)

- An audit is required to assess the nature and scale of risks associated with engaging in relations with suppliers, aimed at detecting and analysing potential "red flags" (e.g. insufficient, false or inconsistent information provided).
- Ascertaining, through the available means, the propriety, reliability, existence and identity of suppliers.

B) MANAGEMENT OF MONETARY AND FINANCIAL FLOWS

Monetary and financial flows

- All financial transactions, as well as all incoming and outgoing movements of money, must be carried out by those with adequate powers, subject to authorisation, and must always be justified, traced and recorded.
- The banking system must be used for incoming and outgoing transactions, which allows the traceability of financial transfers, subject to authorization, in compliance with the existing system of powers and proxies.
- Cash must be received and used in compliance with the provisions of the regulations in force.
- Making payments to or accepting collections from third parties that are not adequately justified by appropriate supporting documentation is prohibited.

- Making payments to or accepting collections from the current accounts of banks operating in countries entered on the black list of "tax heavens" and in favour of offshore companies are prohibited, unless authorised in compliance with the system of powers and proxies.
- Making payments and/or money transfers to ciphered, anonymous current accounts or current accounts opened in credit institutions without physical establishments is prohibited.

Intragroup transactions

- Intragroup transactions must be carried out based on specific contracts governing the procedures for settling transactions and related charges.
- Compliance must be ensured by means of agreements in relation to the processing and definition of intragroup transfer prices.

C) RELATIONS WITH PUBLIC BODIES AND SUPERVISORY AUTHORITIES

Relations with the Public Administration

- Relations with the Public Administration must always be conducted in the strictest observance of the applicable legal provisions, the principles of transparency, honesty and fairness, impartiality and collaboration, and cannot in any way compromise the integrity and reputation of the TOD'S Group.
- Relations with the Public Administration are exclusively reserved to the designated, authorised personnel, in compliance with the roles assigned and the powers conferred.
- In relations with the Public Administration, Group companies must not improperly influence the decisions of officials or those making decisions on their behalf.
- Any form of deception that could mislead the Public Administration, including by producing false or altered documents or data, or by omitting required information, in order to influence its decisions, is prohibited.
- Accepting undue requests for money or services or goods in kind coming, directly or indirectly, from exponents, bodies, representatives, members, employees and consultants of public departments, Public Administrations and, in any case, from any public official, is prohibited.
- Using contributions, subsidies, public funding for purposes other than those for which they were obtained is prohibited.

Facilitation payment

- Facilitation payments constitute a form of corruption and are therefore prohibited, in any form whatsoever, regardless of any laws or customs of the country in which the TOD'S Group operates.
- It is prohibited to offer, promise, give, pay or authorize anyone to offer, promise, give or pay, directly or indirectly, an economic advantage or other benefit of any kind to any person acting in the name of or on behalf of the Public Administration.

Conflict of interest (relations with the Public Administration)

- In the event of conflicts of interest arising in the context of relations with the Public Administration, the person concerned must promptly inform his or her immediate superior or the internal contact and activate the formal reporting required.

D) DISCOUNTS, GIFTS, SPONSORSHIPS AND DONATIONS

Gifts and entertainment expenses

- The management of gifts by TOD'S Group companies, in relation to the initiatives implemented by them as part of their commercial, marketing and communication strategies, must be limited to the cases laid down by company procedures and are reserved exclusively to the designated corporate departments and the authorised personnel.
- It is prohibited to give, offer, accept or receive gifts as part of the activities carried out for the Companies of the Group, with the exception of those of modest value that are part of normal courtesy or commercial practices and, in any case, provided that they do not compromise the integrity and reputation of the parties or may be interpreted, by an impartial observer, as aimed at acquiring improper advantages.
- Any form of reimbursement of expenses to persons not employed by the Company is prohibited, unless laid down in the contract/letter of appointment (e.g. consultants/testimonials), and in any case on presentation of an invoice by that person.
- Every act of gift-giving must be traceable through the company's digital systems.

Donations and sponsorships

- Donations and sponsorships, in favour of foundations, institutions, organizations or bodies dedicated to carrying out social and/or cultural activities must be made in full compliance with the law and internal procedures and must not compromise the integrity and reputation of the TOD'S Group in any way.
- All initiatives must be authorised and formalized in appropriate documentation that unambiguously identifies the counterparty of the initiative and the underlying reasons for the disbursement.
- The contribution disbursement process, if made in cash, must be carried out through authorised banks/financial intermediaries.
- It is prohibited to offer or pay sponsorships and give donations, if they could be interpreted as aimed at influencing independent judgement or obtaining preferential treatment or improper advantages.
- It is prohibited to make donations and engage in sponsorship outside the company guidelines and without the approval of the authorised parties identified in company procedures.
- All transactions must be properly tracked and archived.

Due Diligence of Counterparties (Beneficiaries of Initiatives)

- The beneficiary of the initiative must be subject to prior verification activities to ascertain its credibility and propriety.

E) PERSONNEL SELECTION, HIRING AND MANAGEMENT

Personnel selection and hiring

- Within the scope of personnel selection, hiring and management activities, Recipients must operate in the best interest of the Companies of the Group, making decisions with transparency, reliability and impartiality, according to the criteria of honesty, fairness and good faith.
- It is mandatory to formalize the hiring of personnel through a contract or letter formally approved by subjects with appropriate powers and implicitly containing a reference to the principles of conduct by which the Company abides.
- Favouring, in the hiring process, employees and collaborators on the specific recommendation of third parties, private or public, in exchange for favours, payments or other advantages for themselves or for the Group, is prohibited.
- All activities must be adequately tracked and formalized, guaranteeing the retention of the relative documentation in a special archive.

Conflict of interest (candidates for selection)

- The process for the selection and hiring of personnel must be carried out in compliance with the principle of segregation between the requesting departments and the person making the selection; the absence of conflicts of interest between the person making the selection and the candidate must be ensured.

Personnel management

- The payment of any bonuses must be made based on objective, defined, formalised and shared criteria, and adequate levels of authorisation. Sufficient measures must be taken to prevent them from indirectly representing or encouraging corrupt activities.
- Expenses claims must only be paid when authorised and with supporting documentation, within the limits of and in compliance with the provisions of company procedures.
- Reimbursements for travel expenses for purposes other than those for which such reimbursements are intended are prohibited.
- All activities must be adequately tracked and formalised, ensuring that the relative documentation is retained in a special archive.

F) SALES MANAGEMENT

Customer relations

- All commercial relations must be managed in compliance with the principles of fairness and transparency, both when negotiating agreements and when implementing them.
- Giving or promising money or other forms of benefit to customers with the intention of making a sale on particularly advantageous terms is not permitted.
- It is prohibited to request or accept money or other benefits for applying conditions, not justified by the contractual relations, to the advantage of customers, or to facilitate irregularities or fraud.
- The application of prices, as well as discounts, promotions and gifts to customers, must be carried out in compliance with the approval levels and traceability criteria defined by company procedures.
- The traceability and documentation of the decision-making process relating to customer relationships must be ensured.

Conflict of Interest (business partners)

- In the conduct of business activities and the wide range of relations established by and with Group companies, situations where the parties involved in transactions are or may be in conflict of interest must be absolutely avoided.

Due Diligence (business partners)

- An appropriate audit or "due diligence" must be carried out aimed at assessing the nature and extent of the risks associated with engaging in relations with business partners, in order to detect and analyse potential "red flags" (e.g. insufficient, false or inconsistent information provided).
- It is necessary to ascertain, through the available means, that business partners are reputable and trustworthy before doing business with them.

G) HEALTH AND SAFETY REQUIREMENTS

Fulfilment and management of health and safety obligations

- The company personnel and the company departments involved in the management of the "health and safety in the workplace" system must carry out the tasks assigned to them in compliance with the delegated powers and proxies conferred as well as existing company procedures, taking care to inform and train the personnel who, in carrying out their activities, are exposed to risks connected with health and safety.
- Employees involved in the activities of the Company's plants, stores and other corporate offices must take care of their own health and safety and that of other people in the workplace, observing the measures, procedures and operating instructions provided by the Company.
- All employees, in accordance with their training and experience and the instructions and means provided, must:
 - refrain from imprudent conduct with regard to the protection of their own health and safety.
 - comply with the regulations laid down for the purpose of collective and individual protection, implementing in particular all appropriate controls and activities to safeguard the health and safety of collaborators, suppliers and/or outsiders who may be present in the workplace.
 - correctly use the machinery, equipment, tools, dangerous substances and preparations, means of transport and other work equipment, as well as the protection devices made available.
 - undergo the required periodic health checks and complete the required training, carefully studying the material provided.
 - immediately report to the appropriate levels (according to the responsibilities assigned) any anomalies in the means and devices referred to above, as well as any other dangerous conditions of which they may become aware.

H) MANAGEMENT OF ENVIRONMENTAL IMPACTS

Management of production activities

- Strict compliance with environmental regulations is mandatory.

It is necessary:

- To commit adequate resources to the continuous improvement of processes and activities so that they are as compatible as possible with environmental protection.
- To develop and implement programmes to educate and train staff on environmental issues.

Managing the collection, transport and disposal of waste, including by outsourcing such activities to third-party companies.

- Suppliers and other parties outside the Company (e.g. collaborators, consultants, other third parties), where required by rules and regulations, based on the nature of the goods and services provided, must provide evidence of their compliance with environmental protection regulations.

I) MANAGEMENT OF OBLIGATIONS FOR THE PROTECTION OF INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS

Research and development for the creation of new models and designs

It is mandatory when carrying out activities of development and research of new models and designs, as well as all the activities of verification and control connected to them, to abide by the principle of legality and implement the internal, Community and international rules for the protection of industrial property.

It is prohibited to reproduce, promote or offer for sale the models and ornamental designs of others that could lead to confusion over the identification or origin of the product. It is also prohibited to use the identifying names or trademarks of the products of others, in the absence of a valid license or outside the limits laid down by the respective contracts.

Managing product data sheets (and the underlying product bill of materials) and labels, including translation into foreign languages

- It is mandatory:
 - To ensure high quality standards, in compliance with competition and market protection regulations.
 - To provide true, accurate and complete information about the origin and quality of the products for sale.
 - To carry out controls on the quality, provenance, characteristics and origin of products to be subsequently marketed.

It is prohibited to declare an untrue origin of a product that is different from the actual one; this principle is respected at every stage of processing, from the production and labelling of the goods to distribution.

Direct dissemination of copyright works to the public in commercial establishments and on websites

- It is mandatory:
 - To ensure compliance with internal, EU and international regulations for the protection of intellectual property and promote the proper use of all creative works, including computer programmes and databases.

- To diligently carry out the administrative formalities necessary to ensure the correct use of intellectual works, including photos, videos or music, as part of the management of all activities aimed at promotion.

It is prohibited to use, disseminate and/or transmit, through internet sites or other digital tools, third-party works protected by copyright, in the absence of contractual agreements in writing with the respective owners for the economic exploitation of those works.

L) DIGITAL SYSTEMS MANAGEMENT

Management of tools, devices and systems

- Personnel must access the company's information system only through the identification codes assigned, changing them periodically whenever the system requires it.
- Access to the information systems is allowed on the basis of unique access credentials for employees and in compliance with a correct profiling of users with respect to the task carried out. Access shall be promptly blocked when employees leave the workforce.
- Personnel must behave in such a way as to protect the information system, in order to prevent the access of third parties, when they leave their workstations.
- Personnel must refrain from any conduct aimed at overcoming or circumventing the protections of the company's information system or those of others.
- All company servers and laptops must be periodically updated and protected by antivirus programs against the risk of intrusion.

Data and Information Management

- Access to information on company servers and databases, including clients, must be restricted by appropriate authentication tools.
- Personnel must refrain from disseminating information received by the Company for the use of the company's IT equipment and access to corporate data, systems and applications.
- Personnel must refrain from any conduct (including negligence) that could compromise the confidentiality and integrity of company information and data.
- Personnel must keep the identification codes assigned to them confidential, refraining from communicating them to third parties who could thereby gain unauthorised access to confidential company data.
- Personnel must be extremely careful in the use of their access credentials and avoid giving them to third parties, including when filling in online forms.
- Personnel must be extremely careful in the management and use of attachments to e-mails or other communication channels of dubious origin (Phishing).
- Personnel must not use alternative connections to those provided by the Company in the performance of their work.

Management of software and programmes

- Personnel cannot install programmes without having previously informed the company department responsible for managing IT infrastructure and/or cyber security.

- It is prohibited to engage in any conduct aimed, in general, at reproducing or duplicating computer programmes protected by copyright or databases on the fixed memory of the computer, without having acquired the relevant rights.

M) PREPARATION OF FINANCIAL STATEMENTS, EXTRAORDINARY TRANSACTIONS AND RELATIONS WITH AUDITORS AND SHAREHOLDERS

Bookkeeping

Each employee, to the extent of his or her responsibilities and in relation to the tasks assigned to him or her, is required to:

- provide the utmost cooperation in ensuring that management information is correctly and promptly represented in the company's accounting system and retain all supporting documentation, so that it can be retrieved and consulted by the parties responsible for control activities.
- ensure adequate control over the routine and evaluation accounting entries, which must be carried out accurately, correctly and truthfully, and comply with the accounting standards of reference, taking care to include true accounting data on assets and liabilities, representing transactions actually incurred, supported by adequate documentary evidence.

It is prohibited to enter in the accounts transactions at incorrect values, whether assets or liabilities, that do not actually correspond to the contents of appropriate supporting accounting documentation. It is prohibited to conceal or destroy all or part of the accounting records or documents that must be retained by law.

Collecting, aggregating and evaluating the accounting data necessary for the preparation of the draft Financial Statements, as well as the reports attached to the financial statements

Correct, transparent and collaborative conduct, in compliance with the law and internal company procedures, is mandatory in all activities aimed at drawing up the financial statements and other company communications (financial and non-financial), in order to provide shareholders and the public with true and correct information about the Company's economic and financial situation and in the field of sustainability.

- It is prohibited to represent or transmit false or incomplete data or that in any way do not correspond to reality for drawing up and representing in financial statements, reports or other corporate communications concerning the economic, equity and financial situation of the Company and in the field of sustainability.
- It is prohibited to omit data and information required by law and to conceal significant facts about the Company's economic and financial situation and in the field of sustainability.

Management of tax obligations

It is mandatory for personnel in the departments involved to:

- monitor the development of the applicable tax regulations and strictly observe all the rules imposed by law and all applicable tax provisions.
- carry out checks on the completeness, correctness and truthfulness of the data needed to calculate taxes.
- retain tax documents, attachments to tax returns in compliance with the provisions of current legislation.

It is prohibited to indicate, for the purpose of evading/avoiding income tax or value added tax, in declarations relating to such taxes, assets for an amount lower than the actual amount or fictitious or non-existent liabilities or fictitious credits and withholding taxes.

Management of property activities

- Property activities, such as, for example, the purchase, lease, sale, fitting out and restructuring of points of sale, must be managed in compliance with specific procedures, with particular reference to the negotiation of agreements.
- The management of negotiations and taking on commitments for property purchases or leases and the related investments must be carried out by specially delegated subjects and in compliance with the principles of fairness and transparency, ensuring the traceability of the commercial agreements agreed with the counterparties.

MANAGEMENT OF REPORTS

All Recipients, should they become aware of alleged violations of these Guidelines or conduct that does not comply with the rules adopted by the TOD'S Group, must promptly inform the Whistleblowing Department, which shall check that the report is well-founded, if necessary interviewing the person who made the report and/or the alleged perpetrator.

Reports must be submitted using the specific IT platform available at the following link <https://areariservata.mygovernance.it/#!/WB/tods>.

Roles, procedures and responsibilities concerning the management of the whistleblowing system are defined in the “Whistleblowing management (whistleblowing channel)” procedure, which should be referred to for the details.

Any reports lacking the elements defined in the procedure mentioned above will not be taken into consideration; clarifications may also be requested if necessary, which the whistleblower will not be able to refuse to provide without justification.

Whistleblowers will be guaranteed protection against any form of retaliation, discrimination (direct or indirect) or penalisation for reasons directly or indirectly linked to the report. The confidentiality of the whistleblower’s identity will also be guaranteed, without prejudice to legal obligations and the protection of individual rights.

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