

# ORGANISATION, MANAGEMENT AND CONTROL MODEL

Pursuant to Legislative Decree 231 of 8 June 2001 of  
Prada S.P.A.



## MP — ACT

Approved by resolution of the Board of Directors of  
18 December 2025

PRADA Group

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# — Definitions

The following definitions refer to the terminology used in this Model. They are supplemented by any further definitions contained in the Special Sections of the Model or in the individual documents attached thereto.

**Senior Executives:** individuals holding representative, administrative or management offices in the Company with financial and functional autonomy, as well as individuals exercising, also de facto, management or control over the Company.

**Activities at risk or Sensitive Activities:** activities carried out by the Company in the scope of which the commission of predicate offences could abstractly take place.

**Independent Contractors:** all independent contractors considered as a whole, i.e. Consultants, Suppliers, Partners, persons acting in the name and/or on behalf of Prada S.p.A. by virtue of a mandate contract or any other contractual relationship of professional collaboration, including atypical contracts.

**Consultants:** persons acting in the name and/or on behalf of Prada S.p.A. by virtue of a mandate contract or any other contractual relationship of cooperation.

**CCNL:** the National Collective Bargaining Agreements applied by the Company.

**Code of Ethics:** the Group's code of ethics adopted by the Company and approved by the Board of Directors of Prada S.p.A., as well as the relevant updates.

**Legislative Decree 231/2001 or the Decree:** the Legislative Decree 231 of 8 June 2001, which came into force on 4 July 2001, as amended and supplemented.

**Whistleblowing Decree:** legislative decree 24 of 10 March 2023 "Implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national law".

**Recipients:** Company Officers, Employees of all ranks of the Company (including those defined below in this document as "Senior Executives" or "Subordinates" pursuant to Decree 231), as well as Consultants, Suppliers, and in general all parties with whom the Company has any form of contractually regulated collaboration that takes place within the scope of activities at risk pursuant to the Decree.

**Employees:** persons having a working relationship with the Company regulated by a contract (including executives, interns, temporary workers, and contract workers).

**Entity(ies):** legal persons, companies or associations, including those without legal personality.

**Company Officers:** directors, supervisory bodies, liquidators, Employees of Prada S.p.A.

**Suppliers:** all suppliers of goods and services to Prada S.p.A. (including suppliers under procurement contracts).

**Group or Prada Group:** Prada S.p.A. and its subsidiaries and affiliates.

**HSE:** Health & Safety structures which oversee legislation and case law on health, safety and environmental issues, with tasks of coordination, support, monitoring and preventive control of health, safety at work and environmental activities.

**Persons in charge of a public service:** Article 358 of the Italian Criminal Code provides that "...persons in charge of a public service are those who, for whatever reason, perform a public service. Public service must be understood as an activity regulated in the same form as the public function, but characterised by the lack of the powers typical of the latter, and with the exclusion of the carrying out of simple organisational tasks and the provision of purely practical work...". The Lawmaker defines "public service" making reference to two criteria, one positive and one negative.

According to the first criterion, the "service", in order to be defined as public, must be regulated by rules of public law; the second criterion specifies that the public service, in order to be defined as

such, must be devoid of the powers of a certifying, authorising and deliberative nature that are typical of the "public function". The lawmaker also provides that the performance of "mere tidy tasks" or the "performance of purely material work" can never constitute "public service".

With reference to the activities that are carried out by private entities on the basis of a concession relationship by a public entity, it shall be held that, for the purposes of classifying the entire activity carried out within the framework of that relationship as a "public service", it is necessary to ascertain whether the individual activities are subject to public law provisions, not being the existence of an authoritative act engaging the individual sufficient.

In order to facilitate the identification of a public entity, case law has developed certain "revealing indices", mainly applied in relation to cases concerning state-controlled joint stock companies. Among the most relevant indices are:

- **a.** the subjection (of the Company) to the State's or other public bodies' supervision and direction for social purposes, as well as the power to appoint and dismiss directors;
- **b.** agreements and/or concessions with the public administration;
- **c.** financial contribution by the State;
- **d.** the public interest within the economic activity.

On the basis of the foregoing, in order to determine whether or not a person has the status of "person in charge of a public service" one must have regard to the legal nature of the entity, but also to the functions actually performed by the person, which must consist in the care of public interests or the satisfaction of needs in the general interest.

**Organisation Model or Model:** the organisation, management and control model adopted by Prada S.p.A. pursuant to the Decree.

**Corporate Bodies:** the Board of Directors, the Board of Statutory Auditors, the committees and their members.

**Supervisory Board or SB:** a collegial body, with autonomous powers of initiative and control, responsible for supervising the functioning, compliance, and updating of the Organisation Model, pursuant to Article 6, paragraph 1, letter b, of the Decree.

**Special Section:** a section of the Model in which, following to the risk assessment activities, the types of offences from which the Entity may abstractly incur liability are identified, the activities at risk and the main persons and departments involved in these activities are identified, the principles of conduct and company procedures to be followed by all Recipients are indicated, as well as the control measures put in place by the Company in order to prevent and avoid the commission of the predicate offences.

**Partners:** Prada S.p.A.'s contractual counterparts, both natural persons and legal entities, with whom the Company enters into any form of contractually regulated collaboration (temporary business associations, joint ventures, consortia, collaboration in general), where they are intended to cooperate with the Company in the context of Activities at risk.

**Prada or the Company:** Prada S.p.A., with registered office in Milan, Via Antonio Fogazzaro, No. 28, acting as parent company of the Prada Group.

**Control measures:** the set of rules and procedures prepared by the Company for the prevention of predicate offences.

**Public Administration:** any legal entity that is responsible for public interests and that carries out legislative, judicial or administrative activities under public law and/or authoritative measures.

It should be noted that the Italian Criminal Code does not provide any provision defining public administration; however, the Ministerial Report on the Italian Criminal Code, doctrine and case law, leaning towards a substantive approach, consider all those entities that carry out "the activities of the State and other public entities" to be part of the "Public Administration".

In the context of crimes against the Public Administration, the definitions of "Public officials"

(Article 357 of the Criminal Code), "Persons in charge of Public Service" (Article 358 of the Criminal Code), and "Persons performing a public service" (Article 359 of the Criminal Code) are important.

**Public Official:** pursuant to art. 357(1) of the Italian Criminal Code, a public official "for the purposes of criminal law" is a person who exercises "a legislative, judicial or administrative public function". The second paragraph also makes it clear that "...the administrative function governed by public law and authorising laws and characterised by the shaping and carrying out of the will of the public administration or by its performance by means of authoritative or certifying powers shall be deemed as public...».

The aforementioned regulatory definition limits the administrative function "externally", by using a formal criterion, which refers to the nature of the discipline, specifying that the administrative function is public if it is provided for by "public law", i.e. by those rules aimed at the pursuit of a public purpose and the protection of a public interest, which, as such, are contrasted with the rules of private law.

The second paragraph of Article 357 of the Italian Criminal Code, on the other hand, provides for some of the main criteria identified by case law and doctrine to differentiate the notion of "public function" from that of "public service". In particular, following a substantive approach, "public functions" are defined

as all those administrative activities that respectively and alternatively constitute the exercise of (a) decision powers; (b) authoritative powers; (c) certifying powers. On the other hand, le lawmaker has not carried out a similar defining activity to specify the notion of "regulatory function" and "judicial function".

**Predicate Offences or Offences:** a list of the offences provided for in the Decree, the commission of which by Senior Executives or Employees could give rise to the liability of the Company.

**Risk assessment:** an activity carried out by external professionals appointed by the Company, aimed at identifying and "mapping" the sensitive activities and corporate functions that could theoretically be exposed to the risk of one of the Predicate Offences being committed. This activity is carried out by studying company procedures and further documentation provided by the Company, conducting interviews with each of the various corporate functions concerned, analysing with them the most relevant profiles linked to the performance of the relevant sensitive activities, and identifying and/or implementing the safeguards to be adopted to prevent the risks of offences being committed.

# General Section

## — 1. Entities' Criminal Liability

### 1.1. Legislative Decree 231/2001

Legislative Decree no. 231 of 8 June 2001, which came into force on July 4th of the same year, introduced into the Italian legal system the "Regulations governing the administrative liability of legal entities, companies and associations, including those without legal personality", thus implementing Articles 11 and 14 of Delegated Law No. 300 of 29 September 2000, by means of which the Government had been entrusted with the task of fulfilling the obligations, assumed at international level, of adapting to the conventions signed on the subject of the liability of entities for offences and, in particular:

- the Brussels Convention of 26 July 1995, on the protection of European Communities' financial interests;
- the Brussels Convention of 26 May 1997, on the fight against corruption involving EU officials or officials of EU countries;
- the OECD Convention of 17 December 1997, combating bribery of foreign public officials in international business transactions.

Such Decree, by not applying the old principle "societas delinquare non potest", has introduced a formal administrative liability for entities (which is, however, similar in substance to criminal liability, as to the proceedings and sanctioning) for offences committed in the interest or to the advantage of the entity by persons functionally connected to the latter.

In particular, the rationale of the regulations was to place alongside the criminal liability of the natural person, who materially committed the offence, also a form of liability for the entity that, culpably or even intentionally, made the offence possible.

Therefore, it is not a question – as is the case in other legal systems – of a form of absolute liability (responsabilità oggettiva) automatically ascribable to

the company every time an offence is committed in its interest or to its advantage, as set out in the catalogue of predicated offences, but, on the contrary, it is rather a liability that stems from a reprimand linked to an organisational and control deficit within the entity itself, which has in some way favoured, if not actually encouraged, the commission of the predicate offences by the natural persons functionally connected to it.

### 1.2. Recipients of the Decree

Article 1 of the Decree provides for the persons the Decree shall apply to, by identifying the recipients of the regulation as "entities endowed with legal personality" (e.g., incorporated associations and foundations endowed with legal personality, as well as corporations, which have perfect patrimonial autonomy under our legal system) and "companies and associations also without legal personality" (such as unincorporated associations, committees, etc.).

By express provision of Article 1(3), however, the Decree does not apply to the State, public territorial bodies (regions, provinces, municipalities, etc.), other non-economic public bodies, and bodies that perform functions of constitutional importance (such as, for example, trade unions and political parties).

### 1.3. Predicate Offences

The entity's liability, if any, must be considered limited exclusively to the offences referred to in Articles 24 et seq. of the Decree, i.e. the "Predicated Offences".

The original version of the Decree limited itself to identifying, as predicate offences, certain cases aimed at protecting the public administration and its assets. Over the years, however, the legislator, also in order to comply with the various international law regulations that have been adopted in the meantime, has enhanced the number and type of offences from which the liability of the entity may arise.

As of the date of approval of this Model, the categories of Predicate Offences are as follows:

- offenses committed in dealings with the Public Administration (Articles 24 and 25);
- cybercrimes (Article 24-bis);
- offences involving counterfeit currency, public credit cards, revenue stamps, and identification instruments or marks (art. 25-bis);
- corporate offences (Article 25-ter, including cases of corruption between private individuals and incitement to corruption between private individuals);
- offences committed with the purpose of terrorism or subversion of the democratic order (Article 25-quater);
- practices involving female genital mutilation (Article 25-quater.1);
- offences against the individual person (Article 25-quinquies);
- crimes and administrative offenses of market abuse (Article 25-sexies);
- cross-border offences (introduced by Law no. 146 of 16 March 2006);
- offences of manslaughter and serious or very serious injury committed in violation of occupational health and safety regulations (Article 25-septies);
- offences of receiving stolen goods, money laundering, and use of money, goods, or benefits of illegal origin, as well as self-laundering (Article 25-octies);
- crimes involving non-cash payment instruments and fraudulent transfer of funds (Article 25-octies.1 c.p.);
- crimes against industry and commerce (Article 25-bis.1);
- organised crime offences (Article 24-ter);
- offences relating to copyright infringement (Article 25-novies);
- offences of inducing someone not to make statements or to make false statements to the judicial authorities (Article 25-decies);
- environmental offences (Article 25-undecies);
- offences involving the employment of third-country nationals whose residence permits are irregular, facilitating the illegal entry of foreigners into the territory of the State, and aiding and abetting illegal immigration (art. 25-duodecies);
- offences of racism and xenophobia (Article 25-terdecies);
- fraud in sports competitions, illegal gambling or betting, and gambling using prohibited devices (Article 25-quaterdecies);
- tax offences (Article 25-quinquiesdecies);
- smuggling and excise offences (Article 25-sexiesdecies);
- crimes against cultural heritage (Article 25-septiesdecies);
- recycling of cultural property and devastation and looting of cultural and landscape heritage (Article 25-duodecies);
- offences against animals (Article 25-undecies);
- cross-border offences (introduced by Law no. 146 of 16 March 2006).

A detailed list of Predicate Offences provided by the Decree can be found in Annex A of the Model, which is constantly updated by the Company to incorporate the latest news and/or regulatory changes.

### **Attempted offences (Article 26)**

Pursuant to Article 26 of the Decree, the entity's administrative liability for criminal offences also exists when the predicate offences are committed in the form of an attempted offence (Article 56 of the Italian Criminal Code), i.e. when the natural person has merely carried out "...acts that are clearly and unequivocally intended to commit a crime..." including among those provided in the Decree.

In these cases, the Decree provides that the amount of the monetary sanctions and the duration of the disqualification measures, provided for in such cases, are reduced by between one third and one half and that, when the agent "...voluntarily prevents the action from being carried out or the event from taking place", no sanctions are imposed.

The latter is nothing more than a particular case of the so-called "active withdrawal" provided for in Article 56, paragraph 4, of the Italian Criminal Code, in which the exclusion of sanctions is justified by the interruption of any relationship of identification between the entity and the persons who claim to act in its name and on its behalf.

### **Offences committed abroad and cross-border offences**

Pursuant to Article 4 of the Decree, it is provided that "in the cases and under the conditions laid down in Articles 7, 8, 9 and 10 of the Italian Criminal Code" (i.e. for all those cases in which the Italian Criminal Law recognises the State's jurisdiction over offences committed abroad by natural persons<sup>1</sup>), entities having their head office in Italy are also liable for offences committed abroad, provided, however, that the State of the place where the offence was committed does not prosecute the offence.

Law no. 146 of 16 March 2006, which ratified the United Nations Convention against Transnational Organised Crime, adopted by the General Assembly

on November 15th and May 31st, 2001 respectively, also provided, in Article 10, that entities are subject to liability under the Decree in relation to certain crimes of association<sup>2</sup> if these are characterised by transnationality.

In particular, under Article 3 of the above-mentioned law, an offence is to be considered "**transnational**" when an organised criminal group is involved in its commission and when it is punishable by imprisonment of no less than a maximum of four years, as well as when, alternatively: 1) it is committed in more than one State; 2) it is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State; 3) it is committed in one State but has substantial effects in another State.

### **Offences committed in Italy by foreign companies**

A particularly topical issue, on which the Italian Supreme Court has recently issued a ruling, is the jurisdiction of the Italian courts, for the purposes of the liability of the body pursuant to the Decree, in the hypotheses of the predicate offence committed in Italy by companies having their registered office and exercising their organisational and management activities in foreign countries.

With regard to these hypotheses (unlike Article 4, concerning offences committed abroad by companies having their head office in Italy), the Decree did not provide for specific rules, which had initially led to the assumption that, in this respect, the Italian courts would not have jurisdiction over any criminal liability attributable to the entity.

However, case law has clarified that, with regard to the criminal liability of entities, if the predicate offence was committed on Italian territory, national jurisdiction applies to the administrative offense of the legal entity even if the latter has its sole registered office abroad, because the place where the offence was

1 These are, in particular, offences against the personality of the Italian State, offences of counterfeiting the seal of the Italian State, offences of counterfeiting currency which is legal tender in the territory of the State, offences committed by public officials in the service of the State (Article 7 of the Italian Criminal Code), as well as other political offences not provided for in Article 7 of the Italian Criminal Code (Article 8 of the Italian Criminal Code), offences committed abroad by an Italian citizen for which the Italian Law provides for a penalty of life imprisonment or imprisonment of no less than three years (Article 9 of the Italian Criminal Code), and of offences committed by a foreigner abroad, punishable by life imprisonment of no less than a minimum of one year, and provided that the foreigner is on State territory (Article 10 of the Italian Criminal Code).

2 These include, in particular, the offences of criminal conspiracy, mafia - type offences, conspiracy to smuggle foreign processed tobacco, conspiracy for trafficking of narcotic drugs or psychotropic substances and migrant smuggling.

committed, which determines the jurisdiction of the court hearing the case, is where the predicate offence was committed<sup>3</sup>.

## 1.4. Prerequisites of liability

The requirements for attributing administrative liability for crimes committed by entities, in line with the provisions of the government report accompanying the Decree, are commonly divided into objective and subjective requirements.

### 1.4.1. Objective requirements

#### The commission of a predicate offence

In accordance with the principle of legality, Article 2 of the Decree provides that an entity cannot be held liable for a fact constituting an offence if its administrative liability in relation to that offence, as well as the relevant sanctions, have not been expressly provided for by a law that came into force before the fact was committed.

Therefore, the first objective requirement necessary for the entity to be held liable for the offence is that one of the predicate offences, whether committed or attempted, as set out by Articles 24 et seq. of the Decree, must have been provided for by a law that came into force before the fact was committed.

#### The perpetrator of the predicate offence

For the purposes of liability to be ascertained, it is also necessary that the offences under the Decree were committed by persons having a qualified relationship with the entity. Pursuant to Article 5 of the Decree, in fact, the entity is liable exclusively for predicate offences **committed** in its interest or to its advantage **by**:

— persons performing representative, administrative or management functions in the entity or one of its organisational units having

financial or functional autonomy (so called "**Senior Executives**");

- persons who exercise, even de facto, the management and control of the entity (so-called "**De Facto Senior Executives**");
- persons subject to the management or supervision of one of the aforementioned persons (so-called "**Subordinates**").

As regards the identification of Senior Executives, an objective-functional criterion not based on the formal qualification but on the activity concretely performed shall be applied, thus including not only those persons who commonly represent the top of the corporate structure (such as, for instance, the sole director or the board of directors as a whole), but, in compliance with the principles of personal nature of criminal liability and effectiveness, also all those persons who express the will of the entity and define the company's management policies.

With regard to persons subject to the management or supervision of the Senior Executives, this category too has been interpreted over time in an extensive sense, since it cannot be limited to employees alone, but must also include all those persons who are self-employed or even independent contractors (such as, for example, agents, consultants, suppliers and other persons having contractual relations with the company), who, in the performance of an assignment and under the management and control of senior executives, have committed a predicate offence in the interest or to the advantage of the entity<sup>4</sup>. In relation to the predicate offences committed by employees, it should also be noted that Article 7 of the Decree provides that the entity may be held liable for such conduct only if the commission of the offence was made possible by failure of persons with management powers to comply with their management and supervisory obligations (Article 7, Legislative Decree no. 231/01).

3 Italian Supreme Court 8 January 2021, 32899.

4 The forerunner of this broad interpretation was a well-known order issued by the Court of Milan, Preliminary Investigating Magistrate's Office on April 27, 2004, which ordered a well-known multinational company—subject to administrative liability proceedings under the Decree on charges of corruption—to be prohibited from contracting with the public administration for one year as a precautionary measure. On that occasion, the Court had assessed the serious indications of unlawful conduct not only by two of its employees, but also by an external consultant whom the company had engaged, without the latter's lack of involvement in the company's organizational chart being in any way relevant for the purposes of excluding the entity's liability.

### **Autonomy of the entity's liability**

By virtue of the principle of "autonomy of the entity's liability", provided for by Article 8 of the Decree, the liability of the entity is autonomous with respect to particular subjective conditions of the natural person perpetrating the offence and to particular procedural events concerning the predicate offence.

In particular, Article 8 establishes that the entity cannot benefit from the non-punishability of the natural person who materially committed the predicate offence or from failure to identify the latter, as well as from causes of extinction of the predicate offence other than amnesty.

### **Interest or advantage**

A further objective requirement, necessary for the entity to be held liable, is set out in the aforementioned Article 5 of the Decree, which expressly requires that the predicate offence committed by the Senior Executives or Employees must be committed in the **interest** or to the **advantage** of the entity.

In this regard, it is worth noting that in case law, these two criteria have been understood as distinct from each other and ascertainable from two different perspectives.

On the one hand, in fact, the criterion of interest expresses a teleological assessment of the offence, to be ascertained "ex ante", i.e. at the time of the commission of the offence and according to a subjective assessment; therefore, this requirement represents the perpetrator's intention to bring a benefit to the entity through the commission of the offence, being it irrelevant that this benefit is then actually achieved<sup>5</sup>.

On the other hand, the advance shall be deemed as an objective criterion, to be as "ex post", on the basis of the effects concretely deriving from the commission of the offence<sup>6</sup>.

The special cases of exclusion of liability and attenuated liability provided for by the Decree in Articles 5, paragraph 2, and 12, paragraph 1, letter a) respectively are closely linked to the objective requirements of the entity's interest and advantage set out above.

The former provision expressly provides that the entity must in any case not be held liable if it is proved that the senior executives or subordinates who materially committed the predicate offence acted solely in their own interest or in the interest of third parties (Article 5 paragraph 2).

Case law has clarified that this exemption from liability also applies where the offence has produced an actual advantage for the entity: the fact that the perpetrators of the offence acted solely in their own interest or in the interest of third parties, in fact, determines the lack of organic identification between the subject and the entity and the offence committed, while granting an advantage to the entity can no longer be considered to be related to the entity's own doing, but must be considered to be a fortuitous advantage, not attributable to the will of the legal entity<sup>7</sup>.

If, on the other hand, the perpetrator committed the offence predominantly (but not exclusively) in their own interest or that of third parties, and the entity did not derive any benefit or derived only a minimal benefit, the administrative penalty may be reduced in accordance with Article 12, paragraph 1, letter a) of the Decree.

### **1.4.2. Subjective requirements**

Meeting all the objective requirements set out in the above sections is a necessary but not sufficient condition for the entity to be held liable. As a matter of fact, for the purposes of liability, the Decree also requires the fulfilment of additional subjective requirements, aimed at ascertaining independent culpability on the part of the entity, which takes

<sup>5</sup> See Italian Supreme Court, Criminal Joint Divisions, Judgement of 24 April 2014 no. 38343; ex multis, Italian Supreme Court, Criminal Division, IV Division, Judgement of 3 March 2021, no. 22256.

<sup>6</sup> Ibidem.

<sup>7</sup> See ex multis, Italian Supreme Court, I Criminal Section, Judgement of 26 June 2015 no. 43689; Italian Supreme Court, II Criminal Section, Judgement of 23 December 2020, no. 37381.

the form of a deficit in the organization or activity, compared to a model of diligence required of the company as a whole.

More precisely, the Decree diversifies the methods for ascertaining the liability of the entity depending on the perpetrator of the predicate offence.

The commission of a predicate offence by one of the **Senior Executives** is generally sufficient to engage the liability of the entity, unless the latter, which has a specific burden of proof, can demonstrate the exempting conditions indicated in Article 6, paragraph 1, of the Decree, namely:

- **a** - the adoption and effective implementation, prior to the commission of the offence, of organisation and management models capable of preventing offences of the kind committed and meeting a set of complex requirements under paragraph 2 of the aforementioned Article 6;
- **b** - entrusting an internal body, endowed with autonomous powers of initiative and control, with the task of supervising the functioning, observance and updating of the aforementioned models;
- **c** - the fact that the commission of the offence was made possible because the perpetrators fraudulently circumvented the organisation and management models;
- **d** - failure or insufficient supervision by the body referred to in letter b).

In other words, therefore, in order for the entity to be exempted from liability, it is necessary to draw up and implement preventive organisation plans, endowed with the utmost **efficacy**; plans that are, however, circumvented by the Senior Executive committing the offence.

There is a **rebuttable presumption** (or *iuris tantum*, which admits, therefore, proof to the contrary) that the offence belongs to the organisation and to the company's policy itself, with a real reversing of the burden of proof which, contrary to the general rules of criminal proceedings, falls on the entity subject to the proceedings.

The perspective is diametrically reversed, however, when the perpetrator of the predicate offence is a **person subject to the others' management**. In this case, Article 7 of the Decree provides that the liability of the entity exists only if the commission of the offence was due to the failure to comply with the management and control obligations that the entity should have ensured; this circumstance, in line with the general principles governing the distribution of the burden of proof in criminal proceedings, must be proved in court by the public prosecution, without any presumption that the offence was attributable to the entity.

By express provision of Article 7, in the event that the predicate offence is committed by an employee, liability is in any case ruled out if the entity, before the offence is committed, has **adopted and effectively implemented** an organisation, management and control model capable of preventing offences of the same kind as the one that has occurred.

## 1.5. Sanctions

The determination of liability under the Decree exposes the entity to various types of penalties, which, based on the principle of legality referred to in Article 2 of the Decree, are expressly identified by the Legislator.

In this regard, Article 9 of the Decree provides for the applicability of the following penalties to the entity:

- **a - fines;**
- **b - disqualification measures;**
- **c - publication of the ruling;**
- **d - confiscation.**

Ascertaining that an offence has been committed always leads to the application of a fine to the entity, to the extent specified by law, as well as to the confiscation of the price or profit of the offence, including for equivalent amounts.

In addition to the fine, the Decree also provides for the possibility of imposing disqualification measures on the entity - which may also be applied as a

precautionary measure, where the conditions set out in Article 45 of the Decree are met – as well as the publication of the ruling.

### 1.5.1. Fines

The quantification of the fines applicable under the Decree is based on a system of determination by “quotas”: for each offence, in fact, the law abstractly provides for a minimum number and a maximum number of quotas that can be imposed, similarly to the statutory framework that traditionally characterise the penalty system relating to natural persons.

Article 10 of the Decree provides that, in general, the number of quotas that can be imposed can never be less than one hundred or more than one thousand, and the amount of each quota must be between a minimum of approximately €258.00 and a maximum of approximately €1,549.00.

Within these statutory ranges, once the judge has established the entity's liability, he or she determines the fine applicable in the specific case, following the criteria set out in Article 11, namely:

- for the purposes of determining the number of quotas, take into account the seriousness of the offence, the degree of the entity's liability, any activity carried out to eliminate or mitigate the consequences of the offence and/or to prevent the commission of further offences;
- for the purposes of determining the amount of the individual quota, the economic and financial conditions of the entity are taken into account, so that the constitutional principle of proportionality is respected and the effectiveness of the sanction is guaranteed.

Pursuant to Article 12 of the Decree, it is also established that the fine shall be reduced:

- **1. by half if:**
  - a** - the perpetrator committed the offence primarily in his/her own interest or in the interest of third parties and the entity obtained no or minimal benefit from it;
  - b** - the financial harm caused is particularly slight;

- **2. from one third to one half if, before the opening statement of the first instance trial (paragraph 2), one of the following conditions occurs:**

- a** - the entity paid full compensation for the harm and eliminated the harmful or dangerous consequences of the crime or has effectively taken steps in that regard;
- b** - an organisation model suitable for preventing offences of the type that has occurred has been adopted and implemented;

- **3. from one half to two thirds**, if both these conditions of Article 12, paragraph 2 are fulfilled.

### 1.5.2. Disqualification measures

In the cases provided for by law, the criminal court may apply the following disqualification measures to the entity, identified by the Decree in Article 9, paragraph 2:

- disqualification from the exercise of business activity;
- suspension or revocation of the authorisations, licenses and concessions involved in the commission of the offence;
- prohibition on contracting with the public administration;
- exclusion from benefits, loans, grants or subsidies and the possible revocation of those already granted;
- prohibition on advertising goods or services.

Similarly to fines, the criminal court may impose disqualification sanctions on the entity only when there is an express statutory provision providing for them in relation to the predicate offence actually committed. Unlike fines, however, disqualification measures apply only when at least one of the following conditions laid down in Article 13 is met:

- **a** - the entity has obtained a significant profit as a result of the offence and the offence was committed by Senior Executives or Subordinates

and the commission of the offence was facilitated by serious organisational deficiencies;

- **b** - in cases of repeated offence.

In any case, the disqualification measure, pursuant to the last paragraph of Article 13, without prejudice to the particular cases provided for in Article 25, paragraph 5<sup>8</sup>, of the Decree, has a **duration** of no less than three months in the minimum and no more than two years in the maximum.

Given the widespread nature of this type of sanctions, they must be applied in a targeted and timely manner: indeed, they must refer specifically to the **sector of activity** of the entity in which the offence was committed (Article 14) and must be adapted in accordance with the principles of adequacy, proportionality and subsidiarity<sup>9</sup>.

Pursuant to Article 14, paragraphs 3 and 4, of the Decree, disqualification measures may also be applied jointly, but the – more serious – disqualification from the exercise of business activity must only be applied if the imposition of other disqualification measures proves inadequate.

Where the prerequisites exist for the application of a disqualification sanction leading to the interruption of the entity's activity, the court, instead of applying the measures, may order, under certain conditions, the continuation of the activity, appointing a **judicial commissioner** (Article 15).

Article 16 of the Decree provides for the possibility of del imposing **definitive** disqualification sanctions, such as:

- permanent disqualification from the exercise of business activity, if the entity has derived a significant profit from the offence and a ruling has already been issued, at least three times in the last seven years, imposing a temporary disqualification, or if the entity (or one of its

organisational units) is permanently used for the sole or predominant purpose of enabling or facilitating the commission of offences for which it is held liable under the Decree;

- the prohibition on contracting with the public administration or the prohibition on advertising goods or services, when the entity has already been sentenced to the same penalty at least three times in the last seven years.

Finally, Article 17 of the Decree provides for the exclusion of the application of disqualification measures where, prior to the declaration of the opening of the first instance hearing, the following conditions are met:

- **a** - the entity paid full compensation for the harm and eliminated the harmful or dangerous consequences of the offence or has effectively taken steps in that regard;
- **b** - the entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisation models capable of preventing offences of the same kind as the one that has occurred;
- **c** - the entity made the profit obtained available for confiscation.

### 1.5.3. Publication of the ruling

Pursuant to Article 18 of the Decree, the court may also order, when imposing a disqualification sanction on the entity, the publication of the ruling.

The publication of the sanctioning decision, whether an excerpt or in full, is carried out in the manner and in the places defined in Article 36 of the Code<sup>10</sup>, as well as by posting in the municipality where the entity has its head office.

8 This rule, together with the subsequent paragraph 5 bis, provides for an exceptional regulatory framework for the application of disqualification measures with regard to certain offences committed against the Public Administration, and was recently amended by Law No. 3 of 9 January 2019 (the so-called "Spazzacorrotti" Law).

9 Italian Supreme Court, VI Criminal Division, Judgement no. 20560, of 2010.

10 Pursuant to Article 36 of the Italian Criminal Code, the sanctioning decision "shall be published by posting in the municipality where it was issued, in the municipality where the crime was committed and in the municipality of the last residence of the convicted person" as well as "on the website of the Ministry of Justice".

#### 1.5.4. Confiscation of the price or profit

Pursuant to Article 19 of the Decree, sentences imposed on the entity "shall always be accompanied by the confiscation, also for equivalent value, of the price or profit of the offence, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith".

When it is not possible to confiscate the assets that directly constitute the price or profit of the crime, confiscation may apply to sums of money, assets, or other benefits of equivalent value to the price or profit of the crime (known as "confiscation by equivalent").

#### 1.5.5. Precautionary measures

Article 45 of the Decree provides for the possibility of applying the **disqualification sanctions** laid down in Article 9, paragraph 2, as a precautionary measures, if the following conditions are met:

- serious evidence to believe that the entity is liable for an administrative offense resulting from a crime;
- well-founded and specific elements that give rise to a real danger that offenses of the same nature as those being prosecuted will be committed.

In this case, disqualification measures are applied to the entity by the court, at the request of the public prosecutor.

As a precautionary measure, **preventive seizure** may also be ordered, pursuant to Article 53, of things which, constituting the price or profit of the offence or their monetary equivalent, are liable to confiscation pursuant to Article 19 of the Decree. In order to impose the preventive seizure, the court must assess the merits of the charge and find serious indications of liability of the entity<sup>11</sup>.

Finally, pursuant to Article 54 of the Decree, the judge may apply the **preventive seizure** against the entity if there is "well-founded reason to believe that the guarantees for the payment of the fine, the costs of the proceedings and any other sum due to the Treasury are lacking or an in danger of being lost".

## — 2. Organisation Model

### 2.1. Function and legal effects of the Organisation Model

The Organisation Model has a **preventive-precautionary function** with respect to the potential commission, by persons functionally linked to the company, of the various types of offences to which the liability of the entity under the Decree extends.

As already set out in the previous section, its adoption and effective implementation is of particular relevance, as it may constitute a cause of exemption of the entity from liability.

This exemption from liability operates differently depending on whether the perpetrator of the offence is a senior executive in the entity's structure or a subordinate.

As a matter of fact, if the offence has been committed by the latter, the mere adoption of a Model constitutes a (rebuttable) presumption that the entity is not liable: this means that the burden of proof that the organisation model adopted is not effective lies with the Public Prosecutor (Article 7).

On the contrary, if the predicate offence was committed by a senior executive of the entity, the adoption of the organisation model constitutes only one of the elements that must exist and of which the entity must provide proof in order for its liability to be ruled out: that is, the entity must prove that the offence was committed despite the adoption by the entity of an effective organisation and management model, and that the commission of the criminal offence was the result of evasive behaviour on the part of the Senior Executive (Article 6).

### 2.2. Content of the Organisation Model

The Decree itself provides for the indispensable requirements and contents for the Model to be said to have been effectively adopted, requiring, in Article 6, paragraph 2, that it must:

11 Italian Supreme Court, VI Criminal Division, Judgement no. 34505 of 2012.

- "identify the activities in the context of which the Offences may be committed;
- provide specific protocols to plan training and implementation of the entity's decisions regarding the crimes to be prevented;
- determine ways of managing financial resources suitable for preventing the commission of offences;
- impose obligations to inform the body charged with overseeing the functioning of and compliance with the models;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model".

The **risk mapping** phase represents the first and most critical step in the drafting of an effective Model and consists in identifying the sensitive activities carried out by the company within the scope of which the risk of the abstract commission of criminal offences is rooted, as well as the operating methods through which the commission of such offences is conceivable.

This first phase is followed by the activity of drawing up an effective **prevention and control system**, in which **safeguards** and **operational rules** are defined to guarantee the correct formation of the entity's decisions, as well as their faithful application in the context of the activities considered sensitive under the Decree.

The entity must identify, in a precise manner, the persons vested with **decision-making** powers as well as the criteria that must be applied in taking decisions; it must also define the **authorisation powers**, consistently with the responsibilities assigned and must, finally, outline a clear **segregation of duties and functions** within the Company.

The Decree also places particular emphasis on the specific activity of **financial resource management**, imposing comprehensive regulation within the Model: the rationale behind this legislative choice is rooted in the fact that, as a rule, the unlawful use of funds by the company is achieved by concealing their actual management.

In order to prevent such distortions, it is essential to provide, within the Model, rules of conduct aimed at guaranteeing the **traceability** of decision-making and financial flows, which make it possible, if necessary, to quickly ascertain "ex post" the path taken by the money, as well as the reasons that led the agent to carry out a given transaction.

Article 6, letter d, provides that, once the body appointed to supervise the observance and functioning of the Model has been identified – in compliance with the principles of autonomy and independence – it shall provide for timely and regular **information**, in order to ensure the effectiveness of the control and to make it possible, where necessary, to intervene promptly.

Moreover, Article 6, letter e, in order to **effectively implement** the Model, requires an adequate disciplinary system to act as the main deterrent to ensure compliance with the provisions and procedures contained in the Model itself.

The following paragraph 2 bis, supplementing the provisions of the previous paragraph regarding the typical content of a Model, requires that reporting channels and a prohibition on retaliation be provided for in accordance with the Whistleblowing Decree.

The Organisation Model must also interact with other risk prevention and management systems within the company, which, if well-structured and integrated with each other, maximize prevention and ensure substantial fungibility of content (see section 3.3 below).

## 2.3. Tools for drafting the Organisation Model

Article 6, paragraph 3, of the Decree provides for the possibility of drafting Organisation Models on the basis of **codes of conduct** drawn up by the trade associations representing the entities, through an approval procedure involving, *inter alia*, the Ministry of Justice.

It should be noted, however, that compliance with these codes of conduct, which serve as guidelines for the definition of the Model, does not automatically exempt the entity that adopts them from liability:

These documents, in fact, consist of simple general guidelines aimed at promoting a uniform approach and raising awareness of certain specific issues. As such, they are insufficient to ensure the efficiency and effectiveness of the Model.

Each entity, in fact, has the obligation to draw up and adopt a Model that takes into account its organisational and management peculiarities, the size and nature of the undertaking, and the type of business activity carried out.

Among these codes of conduct, in the scope of the Italian legal system, the following guidelines shall be mentioned: "Confindustria Guidelines to draft organisation, management and control models", recently amended and approved by the Ministry of Justice on 8 June 2021, which aim at "offering undertakings that have chosen to adopt an organisation and management model, a series of hints and measures, essentially drawn from company practice, considered in abstract to be suitable to respond to the requirements outlined in Decree 231"<sup>12</sup>.

## 2.4. Features of an effective Organisation Model

In light of the above, an Organisation Model can be said to be **effective** if it is:

- **specific**, i.e. drawn up considering the type, size, activity and history of the entity;
- **up-to-date**, i.e. constantly updated to meet the changing needs of the organisation and new and/or changing regulations;
- **dynamic**, i.e. if it ensures continuous control of the prevention system, by researching, updating and identifying new risks and carrying out periodic checks on the activities or areas of sensitive business activities;
- **effective**, i.e. effectively implemented within the entity, by means, on the one hand, of compliance with communication and information obligations

vis-à-vis personnel as well as of differentiated training of the same, distinguishing between training addressed to employees in general and more specialised training with reference to those who work in specific risk areas, to the supervisory board and to those in charge of internal control, and, on the other hand, by means of the provision of an adequate disciplinary system.

## 2.5. Organisation Model and Code of Ethics

Finally, it is worth noting that, although not required by Legislative Decree 231/2001, the Code of Ethics is an essential tool to draft a Model, as it is a document aimed at affirming a principle of self-regulation for the purpose of preventing offences and promoting a culture of legality. The Code of Ethics, in fact, sets out the values and requirements that underpin the entity's corporate policy and is designed to guide the individual conduct of Employees and regular Business Partners.

## 2.6. Organisation Model and Groups of companies

The Decree does not address the issue of the relationship between administrative liability for offences and corporate groups; however, the phenomenon of corporate groups represents a widespread organisational solution in the Italian economic framework, which is why this topic has been widely discussed both in doctrine and case law and by the trade associations representing entities.

In particular, it was dealt with by the Confindustria guidelines, which focused on i) the possibility of holding a group liable under the Decree – excluding it, ii) the possibility of holding a parent company liable for the offence committed within the subsidiaries, and iii) the safeguards that the parent company and the subsidiaries can equip themselves with to avoid incurring a liability charge under the Decree.

With regard to group liability, case law<sup>13</sup> provides that, in order for the holding company to be liable, it must have pursued a specific interest or gained an actual advantage, as the criterion of group interest

12 Guidelines to draft Organisation, Management and Control Models pursuant to Legislative Decree no. 231 of 8 June 2002, Introduction, \ Confindustria, June 2021.

cannot be applied in a generic and automatic manner; Furthermore, the person acting on its behalf must have actually collaborated with the perpetrator of the predicate offence, as a generic reference to the role of parent company and therefore to the management and coordination functions exercised is not sufficient to establish the liability of the company.

Belonging to a group cannot, therefore, automatically imply the parent company's liability for crimes committed by its subsidiaries.

Similarly, in judgment no. 52316 of 2016, the Italian Supreme Court of Cassation stated that "as regards criminal liability of entities, where the predicate offence has been committed by a company that is part of a group or business combination, liability may extend to associated companies only on condition that:

- the interest or advantage of one company is also accompanied by the interest or advantage of another company;
- the natural person perpetrator of the predicate offence is in possession of the subjective qualification required, pursuant to Article 5 of Legislative Decree 231, for the purposes of jointly charging the administrative offence as a crime".

In conclusion, therefore, the holding company/ parent company may be held liable for the offence committed in the activity of the subsidiary if: i) a predicate offence has been committed in the direct interest or advantage not only of the subsidiary but also of the parent company; ii) natural persons functionally connected to the subsidiary have participated in the commission of the predicate offence by making a causally relevant contribution in terms of complicity in the offence, proven in a concrete and specific manner.

The measures most commonly identified as effective in ensuring that, within groups of companies, charges under the Decree cannot be brought against the parent company for events occurring within subsidiaries are those described below.

Firstly, each subsidiary must independently assess and manage the risks identified in accordance with the Decree and, consequently, prepare and update its own Organisation Model.

The adoption by each group company of its own Model and the appointment of a Supervisory Board:

- allows the development of a model that effectively reflects the organizational reality of the individual company, with accurate identification and management of specific crime risks;
- proves the effective autonomy of the individual company within the group, reducing the possibility of upward liability to the parent company.

All this, of course, does not exclude the possibility for the parent company to provide guidelines on how to implement organizational models, a code of conduct, common principles for the disciplinary system, and implementation protocols (etc.). However, this information from the parent company must be implemented by the individual companies in the group and adapted to their organizational system.

13 Italian Supreme Court, 20 June 2011, 24583; Italian Supreme Court, 27 September 2016, 52316; Italian Supreme Court, 11 April 2025, 14343.

# — 3. Prada's Organisation, Management and Control Model

## 3.1. Description of Prada's corporate structure

Prada is the holding company of the Prada Group, which consists of a plurality of companies and carries out design, production and distribution of leather goods, clothing, footwear and accessories and ranks among the world leaders in the luxury sector.

The Group owns some of the most prestigious brands in the luxury sector, (Prada, Miu Miu, Church's, Car Shoe, Luna Rossa, Marchesi 1824, Versace) with which it offers its products worldwide, distributing in more than seventy countries through a distribution network consisting of multiple mono-brand boutiques, a direct e-commerce channel as well as selected e-tailers and department stores worldwide and also owning production facilities.

As of June 20th, 2011, the Company placed 20% of its shares on the Main Board of the Stock Exchange of Hong Kong Limited ("the Hong Kong Stock Exchange") and is, therefore, currently subject, in addition to the Italian regulations dictated by the Italian Civil Code, to application of the Code on Corporate Governance Practices and, more specifically, to the rules governing the listing of financial instruments on the Hong Kong Stock Exchange ("the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited").

The Company's Board of Directors is entrusted with the role of governance and coordination of the Company's business activities, which is also carried out through specific delegated powers assigned to the operational members in their respective areas of responsibility.

In accordance with the Articles of Association, the following committees have been established within Prada's Board of Directors: the Audit and Risk Committee, the Remuneration Committee, the

Nomination Committee, the Sustainability Committee and the Inside Information Disclosure Committee.

The Audit and Risk Committee is responsible for providing the Board of Directors with an independent opinion on the effectiveness of the Company's financial reporting process and its internal control and risk management system, as well as supervising both the external and internal audit processes and coordinating the activities of the Internal Audit Department.

## 3.2. Prada's Organisation Model

In line with the regulatory requirements described above and in order to prevent and avert liability hypotheses pursuant to the Decree, Prada has decided to adopt a Model equipped with all the features identified by Article 6, paragraph 2, of Legislative Decree 231/2001, updating it over time (as indicated at the end of this General Section).

This initiative was taken in the belief that the adoption of the Model – notwithstanding the provisions of the Decree, which indicate it as an optional and not mandatory element – can be an effective tool to protect the Company and to raise the awareness of all those who work in the name and on behalf of Prada, so that they have, in the performance of their activities, correct and straightforward behaviours, such as to avoid the risk of committing the offence indicated in the Decree.

The Model, in particular, aims at setting up a structured and organic system, in which, with reference to the activities considered sensitive under the Decree, the principles of conduct and the control activities to be complied with are provided for in order to prevent the commission of the diverse types of offence relevant under Legislative Decree 231/2001. In this regard, due consideration was given, among other things, to the guidelines drawn up on the subject by trade associations and case law in the field of administrative liability of entities.

To this end, the Company considered it appropriate to:

- identify all the activities within the scope of which there is an abstract possibility of committing the offences indicated in the Decree;

- adopt specific procedures regulating the process of formation and implementation of the Company's decisions in relation to the offences to be prevented;
- define the principles that must guide the Recipients of the Model in the performance of business activities considered sensitive;
- with specific reference to the management of financial resources, provide for rules of conduct and methods for tracing transactions, including by reference to existing company procedures;
- implement the principle of segregation of powers, roles and company departments;
- ensure the definition of authorisation powers consistent with the responsibilities assigned;
- outline a control system aimed at verifying compliance by the Recipients of the Model with the rules of conduct defined therein (in addition to those described in the above-mentioned company procedures);
- raise awareness and disseminate, at all levels of the company, the rules of conduct and the relevant safeguards provided for by the Model and company procedures;
- adopt a specific and suitable disciplinary system to prosecute and sanction non-compliance with the organisational measures provided for;
- assign to the Supervisory Board specific tasks to supervise the effective and correct implementation of the Model.

Once again, in order to protect the Company from the risks of challenge under the Decree, the Model intends to:

- ensure, by monitoring the activities considered sensitive and the system of safeguards and controls relating to them, timely intervention by the Company aimed at preventing and combating the commission of predicate offences;
- reiterate that such forms of unlawful conduct are strongly condemned by Prada, since they are

contrary not only to the provisions of the law, but also to the ethical - social principles that the Company promotes and ensures;

- transmit to all the Recipients of this Model the awareness that they may incur, in the event of violation of the prescriptions described therein and in the company procedures referred to therein, in the commission of an offence, with consequences that, in addition to affecting them personally, also affect the Company pursuant to the Decree.

### 3.3. 231 control measures

The Company has a set of organizational governance and control tools which, where applicable, are referred to in the Model to supplement the principles and rules set out therein.

#### Code of Ethics

It should be noted that the Company has a **Code of Ethics**. Although this document does not constitute a structural element of the Model from a regulatory standpoint, it is to be considered fully incorporated herein, as it sets forth all of the values and guidelines that inspire the Prada Group and which all Recipients of the Model are required to faithfully observe.

#### Company regulatory framework

The Company's procedural system comprises a set of rules (guidelines, group policies, operational procedures, instructions, etc.) that regulate the responsibilities and methods of execution of the activities and phases that constitute the company's processes, including those deemed relevant—based on risk assessment activities—in relation to Predicate Offences.

#### Tax Control Framework

In order to ensure more effective prevention of tax risks relevant to the Decree, Prada has decided to implement an internal control system called the Tax Control Framework ("TCF"), formalized within the scope of the cooperative compliance regulations provided for in Article 3 of Legislative Decree 128/2015 and containing the set of rules, procedures, organizational structures, and controls aimed at enabling the detection, measurement, management, and control of tax risk, understood as the risk of

violating tax regulations or conflicting with the principles and purposes of the legal system (abuse of rights).

Through the TCF, the Group Tax Department, assisted by the Administration Function in specific areas, analyzes and controls tax risks relating to the Company, coordinating with other Functions/Departments responsible for decisions concerning the governance/management of the Group. Many of the TCF's controls and procedures – although adopted from a different perspective than those of the Decree – are referred to in the sections of the Model dedicated to tax offenses due to their suitability for countering the risks (tax and otherwise) that emerged during the risk assessment carried out for the purposes of the Decree.

### **Sustainability**

The Company is committed to achieving ESG objectives that are also set in accordance with developments in European and international legislation in this area. A sustainability report is published annually in accordance with the main international standards for reporting on sustainability issues (e.g. GRI Standards).

The sustainability report covers various environmental, social, and governance aspects, the monitoring and supervision of which are also relevant to the Model.

### **Management and control of the supply chain**

The Company has implemented a supply chain governance and compliance system aimed at ensuring transparency and compliance with ethical and regulatory standards throughout the supply chain. The system provides for checks carried out by the company departments involved in the supplier selection and management processes, as well as checks by a dedicated team (Supplier Audit Team), made up of company employees belonging to the Internal Audit department reporting to the Executive Vice President of the Board of Directors (a factor that ensures the independence of the control function). In monitoring risks related to the supply chain, the Internal Audit function is supported by the Compliance function, the Audit and Risk Committee, and the Supervisory Board. The checks carried out by the Supplier Audit Team consist of: (i) checks carried out before starting to work with the supplier or, with reference to the relevant sub-suppliers, before the supplier assigns work attributable to the

Company; (ii) announced on-site inspections; and (iii) unannounced on-site inspections. It should be noted that inspections are also carried out both at first-tier suppliers and at their sub-suppliers that are part of the supply chain.

Inspections are focused on: (i) analysis of the adequacy of production capacity, (ii) labor regulations, (iii) occupational health and safety and environmental regulations, (iv) administrative and accounting regulations, and (v) product security and storage.

In addition to monitoring activities, an important phase consists of managing non-conformities identified during audits, which are subject to intensive monitoring characterized by: (i) regular meetings between the Supplier Audit Team and the relevant industrial division, (ii) continuous and formalized dialogue with suppliers (including notifications of non-conformities found and the related resolution times), as well as (iii) discussion sessions with suppliers to support them in the corrective and improvement process.

Starting in June 2024, a Supplier Audit Committee was established, which meets monthly with the aim of being informed about the progress of audits in the supply chain and their results. This committee is composed of the Chief Executive Officer, the Internal Audit Director, and the Controlling Director, and includes the participation of the General Counsel when necessary.

The measures described above play an essential role in preventing the risks of committing the predicate offences provided for in the Decree within the supply chain and, in particular, the sensitive activities indicated in the Special Sections of the Model, prepared on the basis of the Risk Assessment.

### **Health and Safety at work**

Finally, with regard to negligent offences relating to health and safety at work, Article 6 of the Decree refers to the provisions of Article 30 of Legislative Decree 81/2008 (Consolidated Labour Act), which requires that the model ensures "a company system for the fulfilment of all legal obligations relating to:

- a - compliance with the technical and structural standards laid down by law relating to equipment, facilities, workplaces, and chemical, physical, and biological agents;

- **b** - risk assessment activities and the preparation of the resulting prevention and protection measures;
- **c** - organizational activities, such as emergencies, first aid, contract management, periodic safety meetings, and consultations with workers' safety representatives;
- **d** - health surveillance activities;
- **e** - worker information and training activities;
- **f** - supervision activities with regard to workers' compliance with safety procedures and instructions;
- **g** - acquisition of documentation and certifications required by law;
- **h** - periodic checks on the application and effectiveness of the procedures adopted".

Therefore, the Special Section of the Model dedicated to relevant cases concerning health and safety at work has been prepared in accordance with this regulatory provision.

### 3.4. Recipients of the Model

The provisions contained in this Model must be considered binding for all Company Officers, including Employees of all ranks of the Company, as well as consultants, suppliers and, in general, all persons with whom the Company has entered into any form of collaboration agreement that takes place within the scope of the activities at risk under the Decree.

In particular, with regard to persons who have entered into a contractual relationship with Prada, they are required to sign a specific contractual clause, undertaking to comply with the principles of conduct provided for by the Model or, in any case, principles that are consistent with the rules of conduct on which the Company's business is based.

### 3.5. Structure of the Model

In order to draft an adequate and effective Model with respect to its own corporate structure, Prada has organised an ad hoc internal work team for the purpose of drafting and updating the Organisation Model pursuant to the Decree, assisted by external consultants with expertise in corporate compliance and responsibilities pursuant to the Decree.

Following prior analysis and study of the Company's structure, corporate documentation and the various existing procedures, a mapping of sensitive activities pursuant to the Decree was carried out, consisting of planning and conducting interviews with all the Company's departments, which made it possible to identify the risks of abstract commission of offences, the functions involved and the relevant hypothetical methods of implementation.

Having identified the Sensitive Activities and the relevant risk profiles, an analysis and an assessment of the safeguards already adopted by the Company to prevent the aforementioned risks were carried out, as well as their update, implementation and adjustment to the issues emerged during Risk Assessment and the regulatory, jurisprudential, and organizational updates that, over time, have affected the Decree and the Company.

The entire activity described above has led to the adoption of a Model which, taking into account the type, size and business activities carried out by the Company, the internal system of separation of powers and the existing system of controls to prevent risk, is structured and articulated according to the following scheme:

#### — General Section

In the General Section of the Model, after defining and outlining the administrative liability for offences pursuant to the Decree and the main and essential characteristics of an efficient and effective Organisation Model, Prada's corporate structure is described, indicating the main elements that distinguish it at a structural and organizational level.

This description of the Company has been used to define an Organisation, Management, and Control Model that is specific to Prada and compliant with the basic principles and objectives set out in the Decree and in the Guidelines issued by the relevant bodies. The tasks and functions of the body responsible for monitoring the effective adoption and functioning of the Model (the Supervisory Board) were also defined, as well as the information flows directed to the latter.

Finally, the Company has identified the methods by which it undertakes to make available and bring to the attention of its Employees, Consultants, and all persons who have any form of contractually regulated collaboration with the Company, by conveying to them the need for its effective implementation and informing them that specific consequences have been identified and provided for within the disciplinary system adopted by the Company in the event of any violation.

#### **Special Section**

The Special Section of the Model is structured by "crime category" and is divided into more sections, each referring to a specific category of Predicate Offences that are considered relevant based on the risk assessment activity.

Each part of the special section, after indicating and defining the specific types of crime considered, identifies the activities that, following the risk assessment, have emerged as sensitive with regard to the abstract commission of such crimes and describes (including by referring to the risk assessment sheets mentioned above) the principles of conduct that the Recipients of the Model are required to adopt in the performance of their duties, as well as the measures that the Company has taken to monitor their effective application and compliance.

#### **Annexes to the Organisation Model**

- **ANNEX A** – List of Predicate Offences
- **ANNEX B** – Information flows

### **3.6. Obligations to update the Model**

The management body is responsible for the drafting of the Organisation Model, in compliance with the provisions of Article 6, paragraph 1, letter a, of the Decree; thus, subsequent amendments and additions of a substantial nature are exclusively delegated to Prada's Board of Directors, which adopts them by means of a specific resolution.

The Company undertakes to ensure a regular and timely adjustment of the Model to the regulatory, operational and/or organisational changes that may occur within Prada.

In this regard, the task of the Supervisory Board, as better specified below, is to constantly monitor that the Model is up-to-date and promptly report to the Company's Board of Directors the need for amendments and additions.

## **— 4. Supervisory Board**

### **4.1. Prada's Supervisory Board**

As already clarified, Article 6 of Legislative Decree 231/2001 states that, in order for the entity to be exempt from liability, it must, *inter alia*, have identified a Supervisory Board (SB) that is independent and vested with autonomous powers of initiative and control, and which is entrusted with the task of supervising the effective and adequate functioning of the Model and ensuring that it is constantly updated.

In accordance with the aforementioned regulatory provisions, Prada has its own Supervisory Body, composed of a collegiate body appointed by resolution of the Board of Directors and vested with powers, duties, and functions identified in a specific regulation.

In order for the Supervisory Board to adequately perform the function it is entrusted with and to guarantee, therefore, the effectiveness of the system of safeguards put in place by the Company to prevent the commission of the Predicate Offices, Prada shall ensure that the Supervisory Board and its members meet the following requirements:

- **a - autonomy and independence;**
- **b - competence and professionalism;**
- **c - impartiality and integrity;**
- **d - effectiveness;**
- **e - continuity of action;**
- **f - appropriate composition.**

#### **a - Autonomy and independence**

The requirements of autonomy and independence concern both the composition of the Supervisory Board and its place in the organisation chart of the entity. As a matter of fact, the Supervisory Board must not be in any way directly or indirectly involved in the company processes and management activities that are the subject of its control. Moreover, the Supervisory Board has the highest possible hierarchical position, answering for its actions exclusively to the Board of Directors, which has the power to dismiss it or change its composition only in certain, strictly provided for cases.

#### **b - Competence and professionalism**

The members of the Supervisory Board must be in possession of specific technical and professional skills in the field of corporate compliance and criminal liability of legal persons, as well as in relation to the specific activity carried out by the entity.

#### **c - Impartiality and integrity**

This requirement is ensured by the provision of two specific causes of ineligibility or disqualification, namely:

- **a - the existence of a conflict of interest, of any nature whatsoever, with the supervisory function;**
- **b - having been convicted of any of the offences covered by the Decree, as well as any other intentional offence that would make the**

person unsuitable to serve as a member of the Supervisory Board.

#### **d - Effectiveness**

The Supervisory Board shall effectively exercise the powers conferred upon it by the Board of Directors: for this purpose, the Supervisory Board keeps track of all control activities carried out internally by filing them in network folders and/or e-mail boxes.

#### **e - Continuity of action**

The Supervisory Board shall:

- ensure the continuity of the supervision of the Model, with the necessary powers of investigation, intervention and expenditure;
- ensure that the Model is implemented and regularly updated.

Given the need to access company information/documents, the Supervisory Board may, in carrying out its duties, call upon the managers of the various departments concerned and, where necessary, seek the specific expertise of external professionals.

As indicated above, the SB is vested with all the powers necessary to perform its activities, including the freedom of initiative and control within the entity, as well as the autonomous use of the expenditure budget allocated to it.

## **4.2. Term of office and replacement of the members of the Supervisory Board**

The term of office of the Supervisory Board, as decided by the Board of Directors, is three years. Members may be re-elected. Members who take office during a term already in progress will remain in office until the end of that term.

At the time of appointment, candidates for membership of the Supervisory Board must submit a self-declaration to the Board of Directors certifying that there are no impediments to their appointment.

Anyone who has been convicted, even if not definitively, for one of the offences referred to in the Decree is not eligible for appointment as a member of the Supervisory Board.

The following circumstances shall result in automatic forfeiture of office:

- the appointment to executive or delegated positions in the Board of Directors;
- the ownership of significant shareholdings in the Company's share capital;
- the loss of the requirements of integrity, supervening incapacity, resignation, and death.

Except in cases of automatic forfeiture, members of the Supervisory Board may not be dismissed by the Board of Directors except for just cause.

The following constitute just cause for revocation:

- a conviction of the Company pursuant to Decree 231 or a plea bargain, which has become final, where the records show that the Supervisory Board failed to exercise adequate supervision, in accordance with the provisions of Article 6, paragraph 1, letter d) of Decree 231;
- breach of the confidentiality obligations incumbent on the Supervisory Body;
- failure to attend more than three consecutive meetings without justified reason;
- in the case of persons within the company structure, any resignation or dismissal.

In the event of resignation, incapacity, death, revocation, or forfeiture, including automatic forfeiture, of a member of the Body, the Chairman, or the most senior member, is required to promptly notify the Board of Directors, which shall take the necessary decisions without delay and appoint a new member of the SB, who shall remain in office until the expiry of the term of office conferred on the other members.

#### **4.3. Functions and powers of the Supervisory Board**

Prada's Supervisory Board, in accordance with the provisions of the Decree, is entrusted with the following duties:

- supervise compliance with the provisions of the Model by directors, representatives, Employees, independent contractors, and in general by all those who work in the name and on behalf of the Company;
- verify the constant adequacy and updating of the Model.

These duties consist of a number of specific tasks briefly summarised below:

- providing for the criteria for reporting in its own favour for the purpose of identifying and regularly monitoring "risk areas" and "sensitive processes";
- verifying the drafting, regular maintenance and effectiveness of the required documents;
- conducting checks on the company's business activities by triggering the control procedures, with the support of the relevant operational management in charge of the function;
- carrying out periodic checks on specific transactions or acts concluded within the "activity areas at risk";
- promoting the dissemination and understanding of the Model, through training and education activities;
- identifying, collecting, processing and storing all information relevant to compliance with the Model;
- defining with the Board of Directors the tools for implementing the Model and periodically check its adequacy;

- conducting internal audit as regards violations of the Model;
- submitting requests for the imposition of sanctions against those responsible for any violations of the Model.

It is also the task of the Supervisory Board to:

- periodically verify – with the support of the other responsible company departments – the delegation of powers system in force, applicable within the scope of Sensitive Activities provided for by the Model, recommending appropriate changes if the management authority and/or qualification is not included in the authority granted;
- carry out periodic verification activities of the Model, aimed at assessing its functioning and updating;
- take care of the creation of a database (hard copy or electronic) concerning the controls carried out, training and information activities, and relevant documentation pursuant to the Decree.

The Supervisory Board prepares an annual plan of supervisory activities, which may be updated or amended during the year in relation to emerging needs, the results of activities carried out, or specific reports. In planning and carrying out audits, the Supervisory Board coordinates with the Internal Audit function and, when deemed appropriate, makes use of the activities carried out by the latter in order to ensure adequate synergies and effective monitoring of 231 matters.

The Supervisory Board is therefore vested with the following powers and entrusted with the following duties:

- 1. knowing the Model and assessing its suitability to prevent the offences indicated in the Decree.**

Upon taking office, the members of the Supervisory Board must carry out an analysis of the Model, expressing an opinion on its suitability to prevent the commission of the offences indicated in the Decree. However, the mere change in the structure and/or composition of the Supervisory Board, in the absence of a specific

need to adapt or update the Model, does not require renewed approval of the latter;

- 2. promoting knowledge of the Model.**

The Supervisory Board promotes all the initiatives necessary for the dissemination and effective knowledge of the Model by the Recipients;

- 3. monitoring risk areas.**

The Supervisory Board must carry out targeted periodic checks on specific operations or acts performed within the areas at risk;

- 4. providing for a system of confidential reporting.**

The Supervisory Board shall collect, process and store all relevant information in order to ascertain the effectiveness and adequacy of the Model;

- 5. verify and update the Model.**

The Supervisory Board shall carry out checks on the functionality and up-to-dateness of the Model, assessing, periodically or when the need arises, the need to update it.

All activities carried out by the SB in the performance of its duties are not subject to the control of any other body or structure within the Company.

The SB—as mentioned above—has adopted specific regulations to ensure the best possible management of its operations.

#### **4.4. Reporting obligations of the Supervisory Board**

In order to guarantee its full autonomy and independence in performing its functions, the Supervisory Board reports directly to the Company's Board of Directors and the Board of Statutory Auditors.

In particular, the Supervisory Board reports to the Board of Directors and the Board of Statutory Auditors on the implementation of the Model, the results of the supervisory activity carried out and any appropriate action to implement the Model:

- at least once a year to the Chief Executive Officer;

- on a regular basis to the Board of Directors and at least twice a year by means of a written report;
- periodically to the Board of Statutory Auditors, or at its request;
- occasionally to the Board of Statutory Auditors, in cases of alleged violations by top management or Board of Directors members, and it can receive requests for information or clarifications from the Board of Statutory Auditors.

  

- Board with an update on, for instance, the activities carried out by the various departments with the view to implementing the Model, the safeguards implemented to protect against relevant risks pursuant to the Decree, changes to the existing system of delegated powers and proxies, and any violations detected;
- those which, on the other hand, may originate from any Senior Executives and/or Subordinates of the Company (to be understood in the widest sense, as described in the above paragraphs) and concern the reporting of unlawful conduct relevant under the Decree or any other violation of the Model, integrated by the Recipients of the latter.

## — 5. Information flows to the Supervisory Board

Article 6, paragraph 2, letter d) of the Decree, in identifying the multiple conditions whose occurrence exempts the entity from liability, also provides for "information obligations towards the body responsible for supervising the functioning and observance of the models".

The provision of such information flows, which enable the Supervisory Board to be regularly and continuously updated on the Company's management and operations, constitutes an essential element for the Supervisory Board to adequately perform its task of monitoring the effective implementation of the Model.

To this end, the Company has provided that, in addition to the documentation expressly indicated in each single Special Section, in accordance with the procedures contemplated therein, any other information pertaining to the implementation of the Model and to any violations of the prescriptions therein must be brought to the attention of the Supervisory Board.

In particular, among the information flows provided for towards the Supervisory Board, reference shall be made to:

- those of the Board of Directors and the various company departments, which may be periodical or event-driven and provide the Supervisory

With regard to the disclosure obligations listed above, considering that reports of unlawful conduct relevant under the Decree or violations of the Model fall within the scope of the Whistleblowing Decree, such reports may be made and handled in accordance with the whistleblowing system implemented by the Company (and described in paragraph 5.2 below).

The Supervisory Body assesses the reports received and determines any action to be taken, listening to whistleblower and/or the person responsible for the alleged violation and/or any other person it deems useful, providing written justification for any conclusions reached.

### 5.1. Information flows of the Board of Directors and corporate departments

The Board of Directors and all company departments, according to their competences, are required to promptly inform the Supervisory Board of any circumstance or information relevant to the Decree and to the effective implementation of the Model.

In particular, they must always communicate to the Supervisory Board all information concerning:

- any decisions relating to the application for, disbursement and use of public funds;
- measures and/or news concerning the existence of criminal proceedings, even against unknown

persons, for facts potentially involving the Company's business activities;

- measures and/or news concerning the existence of significant administrative proceedings or civil disputes relating to requests or initiatives by Independent Administrative Authorities, the financial administration, local administrations, Public Administration, concerning contracts, requests for and/or management of public financing;
- requests for legal assistance submitted by Senior Executives or Employees of the Company in the event of the commencement of criminal or civil proceedings against them;
- the results and conclusions of commissions of inquiry, inspections, audits or other internal reports that reveal allegations of liability for the commission of offences included in the list of predicate offences identified by the Decree;
- information on the effective implementation of the Model at all company levels;
- disciplinary proceedings initiated and conducted, any penalties imposed or decisions to dismiss such proceedings, with the relevant reasons;
- other relevant events in relation to the Sensitive Activities indicated in the Special Sections.

The above persons must also transmit to the Supervisory Board all documents, regularly updated, concerning the system of proxies and powers of attorney in force at Prada.

To this end, the Company has implemented a procedure regulating information flows towards the Supervisory Board from the Board of Directors and the corporate functions/departments, establishing the owner, subject matter and timing of the flows (for a list of periodic flows to the SB, please refer to Annex B).

The recipients of the Organisation Model may transmit information flows falling within the scope of the Supervisory Board of Prada S.p.A. via a dedicated email address: [organismo.vigilanza@prada.com](mailto:organismo.vigilanza@prada.com)

The Supervisory Board may collect the information flows referred to in Annex B or carry out further investigations through constant consultation with the Legal & Compliance, Internal Audit and Risk Management departments, as well as through face-to-face meetings with the heads of the company departments (e.g. Supplier Audit Team, CISO, IT, HR, etc.).

## 5.2. Whistleblowing

With reference to the so-called "whistleblowing" provided for by Article 6, paragraph 2-bis of the Decree, the Company provides for an internal reporting channel, a prohibition on retaliation and a disciplinary system in accordance with the Whistleblowing Decree.

Violations that can be reported under the Whistleblowing Decree are those that the whistleblower has become aware of in the context of an employment/business relationship with the Company and that harm the public interest or the integrity of the Public Administration or the Company and are expressly indicated in the Whistleblowing Decree; these include reports of unlawful conduct relevant under Decree 231 or violations of Model 231.

The above reports must be made in good faith and in compliance with the Whistleblowing Decree.

In accordance with the provisions of the Whistleblowing Decree, the Company provides internal reporting channels that allow reports to be made both in writing and orally (ensuring, including through encryption, the confidentiality of the whistleblower and the person involved, as well as the content of the report and related documentation) and has identified the manager of the reports in an Ethics Committee formed by the heads of the following departments: HR, Legal & Compliance, Internal Audit, Security and CSR ('**Ethics Committee**').

In order to regulate the use of the internal reporting channel and the management of reports, as well as to provide clear information on the violations that can be reported and the conditions for making reports, the Company has adopted a specific Procedure called '**Whistleblowing Policy**', published on the Company's website, to which reference should be made for further details: <https://www.pradagroup.com/it/group/corporate-governance/whistleblowing.html>.

In order to make sure that the report is managed pursuant to the Whistleblowing Decree, the whistleblower shall make it in accordance with the provisions of the Whistleblowing Policy, and, in case of doubts, the Ethics Committee (or the persons supporting it in compliance with the provisions of Decree 231 and ANAC (Italian National Anti-corruption Authority)guidelines) will have the possibility of asking the whistleblower if he or she wants to make the report within the scope of whistleblowing safeguards.

Otherwise, the whistleblowing report will be managed as an "ordinary report"/information flow.

In compliance with the confidentiality obligations provided for by the Whistleblowing Decree and in accordance with the provisions of the Whistleblowing Policy, the Ethics Committee shall inform the Supervisory Board of any reports concerning conducts that may be considered as offences pursuant to the Decree and/or violations of the Model.

In the event of reports of unlawful conduct that are relevant pursuant to Legislative Decree 231 or violations of the Model received directly by the Supervisory Board - through other reporting channels - the same will have to consider transmitting them to the Ethics Committee (giving notice to the whistleblower) so that reports are managed in accordance with the Whistleblowing Policy.

The Company has endeavoured to inform all the Recipients of the Model of the existence of the communication channels described above and to explain how they can be used, as well as the forms of protection and liability provided for both the whistleblower and the person involved in the report. To this end, special corporate information has been prepared and disseminated, and ad hoc operating instructions have been drawn up, which are available and can be consulted on the Company intranet.

### **5.3. Confidentiality obligations and whistleblower protection**

The members of the Supervisory Board guarantee confidentiality of any information disclosed to them, in particular if concerning alleged violations of the Model.

The members of the Supervisory Board shall also refrain from using confidential information for purposes other

than those mentioned above and however for purposes that are not in line with the functions of a supervisory body, except in case of express and informed consent.

In any case - as already mentioned - Prada adopts all measures required to ensure prohibition of any direct or indirect form of retaliation or discrimination against the whistleblower or persons connected to him/her for reasons related, either directly or indirectly, to the report.

In particular, the adoption of discriminatory measures and any act of retaliation may be communicated to ANAC (through the channel available on the Authority's website).

All information collected and each report received or prepared by the SB are kept for 5 years in a special repository kept by the SB in hardcopy or electronic format. The rules set by the above-mentioned decree and the Whistleblowing Policy must be complied with for the collection and storage of information relating to a report transmitted in accordance with the Whistleblowing Decree and shared with the Supervisory Board.

## **— 6. Dissemination of the Model and Personnel Training**

In accordance with the Decree, Prada has defined a communication and training plan aimed at ensuring the correct dissemination and knowledge of the Model and the rules of conduct contained therein, towards employees already present in the company and those to be hired, with different degrees of in-depth analysis depending on the different level of involvement on the same in activities at risk.

The information and training system is the responsibility of the Human Resources Department (which keeps track of it) and is supervised and supplemented by the Supervisory Board.

In relation to the communication of the Model, Prada organised specific training meetings with the Top Management, during which the Decree and the Model adopted were illustrated, and prepared a specific online training intended for all personnel with employee, middle manager or executive status. Furthermore, the Model and the Code of Ethics have been published on the company intranet, so as to ensure their dissemination to all Recipients.

However, different training activities to raise awareness of the regulations referred to in the Decree shall be provided, in terms of content and delivery methods, according to the Recipients' position within the Company, the level of risk of the area in which they operate and whether or not the Recipients are Company Representatives.

Failure to attend training activities without justification by Company Representatives and Employees constitutes a violation of the principles contained in this Model and, therefore, may be subject to sanctions in accordance with the Disciplinary System set out in Chapter 7. By means of a specific contractual clause, Prada requires third parties (Suppliers, Consultants, Partners, etc.) to comply with its Model or, in any case, to observe rules of conduct and corporate compliance procedures that are consistent with those adopted by the Company, undertaking to make this Model available to the latter at the time of the execution of the agreement.

representatives, employees of the Company, as well as external consultants and all those who have contractual relationships with Prada must observe.

In order to ensure the effectiveness of these provisions, the Company provides that any violations of the Model shall be sanctioned in accordance with the following procedures and principles.

First of all, it shall be clarified that the disciplinary system will be applicable in the event that violations of the Model are ascertained, regardless of the initiation or outcome of any criminal proceedings.

The seriousness of the breach will be assessed according to:

- **1.** the intentional nature of the conduct or degree of negligence, imprudence or inexperience, with regard also to the foreseeability of the event;
- **2.** the overall conduct of the perpetrator, also with reference to previous infringements;
- **3.** the tasks performed and the functional position held by the perpetrator.

In accordance with the provisions of the Whistleblowing Decree, it should be noted that violations of the Model punishable by sanctions also include any breach of measures protecting the whistleblower, as well as making reports that turn out to be unfounded through intent or gross negligence, or other violations provided for by the Whistleblowing Decree<sup>14</sup> and the Whistleblowing Policy.

By way of example, but not limited to, each of the following conducts constitutes a violation:

- **1.** non-compliance, including through omission conduct and in possible concurrence with others, with the general rules of conduct and procedures set out in the Code of Ethics and the Model;
- **2.** failure to submit and/or irregular drafting of the documentation required by the procedures and protocols;
- **3.** violation or avoidance of the control systems provided for by the Model, carried out in any way, including the removal, destruction or alteration of

## — 7. Disciplinary System

Article 6, paragraph 2, of the Decree includes, among the essential elements for the effectiveness of the Model, the adoption by the entity of a disciplinary system capable of sanctioning the violations of the measures and prescriptions contained therein.

As already stated, the principles contained in the Model and the rules/procedures of conduct that refer to it form, in fact, a set of rules which all members of the company

documentation relating to procedures, as well as obstruction of controls and any other hindrance to the persons and bodies in charge of control functions;

— **4.** failure by hierarchical superiors to supervise the conduct of their subordinates with regard to the correct and effective application of the principles contained in the Model;

— **5.** any other conduct, commission or omission, which harms or endangers Prada's interest in the effective and correct implementation of the Model.

The Supervisory Board shall be informed both of the violations and of any sanctions applied as their result.

The exercise of disciplinary power against Prada Employees – which shall be carried out in compliance with Article 7 of law 300/1970 and the applicable collective bargaining agreements – shall be the responsibility of the bodies and/or internal departments of the Company which have, or have been vested with, the exercise of such power.

Recipients of Prada's disciplinary system are all Company's Employees, as identified by articles 2094 et seq. of the Italian Civil Code, including workers belonging to the management.

In particular, new organisational measures may be adopted against managers pursuant to Article 2103 of the Italian Civil Code, as well as, where appropriate, termination of the employment relationship pursuant to Articles 2118 and 2119 of the Italian Civil Code. In any case, the imposition of sanctions must take into account the applicable provisions of the national collective bargaining agreements (CCNL) of the relevant category and may not conflict with the general principles referred to therein as well as with the legal provisions dictated by the Workers' Statute as well as with other regulations in force in the industry.

With regard to independent contractors pursuant to Article 2222 of the Italian Civil Code (self-employed workers) or pursuant to Article 409 of the Italian Civil Code (quasi-subordinate workers), who provide their services in favour of the Company and, in general, with regard to external consultants, as well as to all those who have contractual relationships with Prada, ascertained violations of the Model may even lead to the termination of the contract.

The disciplinary sanctions that can be imposed are set out more in detail below:

#### — **Disciplinary sanctions imposed on employees**

The violation of the law, of the provisions of Prada's Code of Ethics and of the provisions of this Model, as well as the violations provided for by the Whistleblowing Decree committed by Employees of the Company, as well as, in general, behaviours likely to expose Prada to the application of administrative sanctions provided for by the Decree, may result in the application against such persons, on the basis of the criteria set out above – in compliance with the limits set forth in Article 2106 of the Civil Code and Articles 7 and 18 of Law 300/1970 – of dismissal or sanctions other than dismissal provided for by Articles 62 (Disciplinary measures), 63 (Procedure for the imposition of disciplinary measures) and 64 (Dismissal) of the National Collective Bargaining Agreement for Leather and Substitutes (CCNL Pelli e succedanei) as well as, when applicable, the National Collective Bargaining Agreement for Commerce (CCNL Commercio), the National Collective Bargaining Agreement for Industrial Executives (CCNL Dirigenti Industria), the National Collective Bargaining Agreement for Pilots (CCNL Piloti).

#### — **Executives**

In light of the trust that characterizes the employment relationship with executives, the violation of the provisions of the law, of the provisions of the Code of Ethics and of the provisions set forth in this Model, as well as the

14 The Whistleblowing Decree provides for sanctions against those liable for the following conduct: 1) taking retaliatory actions in relation to reports; 2) hindering or attempting to hinder the making of reports; violating confidentiality obligations established by the Whistleblowing Decree and Policy; 3) failing to establish reporting channels according to the requirements set by the Whistleblowing Decree; 4) failing to adopt a procedure for making and managing reports or failing to comply with the Whistleblowing Decree; 5) failing to verify and analyse received reports. In addition, a disciplinary sanction is foreseen for the whistleblower when it is ascertained that they have: (i) even with a first-instance judgment, criminal liability for defamation or calumny or for the same offences committed through the report to the judicial or accounting authority, or (ii) civil liability, for the same title, in cases of fraud or gross negligence.

violations provided for by the Whistleblowing Decree committed by Prada executives, and, in general, conducts that may result in the Company to be subject to the enforcement of the administrative sanctions provided for by the Decree, may lead to the application – in compliance with Articles 2118 and 2119 of the Italian Civil Code as well as with Article 7 of Law 300/1970 – of the measures set forth in the collective bargaining agreement for the category (CCNL-DAI), against such persons. Ascertainment of any violations, as well as inadequate supervision and failure to provide timely information to the Supervisory Board, may also result in the precautionary suspension from work for employees with managerial status, without prejudice to the manager's right to remuneration, as well as the assignment to different tasks in compliance with Article 2103 of the Italian Civil Code.

#### **Self-employed workers, external consultants and partners**

Contracts that Prada enters into with self-employed workers, external consultants and partners must contain a specific representation that they are aware of the existence of the Code of Ethics and the Model, as well as the policies and other Group regulations, and an obligation to comply with the latter, or, if the party is foreign or does business abroad, to comply with international and local laws on preventing risks that could cause Prada to be liable as a result of the commission of the crimes. Contracts with the above persons must contain a specific withdrawal and/or termination clause associated with non-compliance with such obligations, with the Company retaining the right to compensation for damages incurred as a result of such conduct, including damages caused by the application of the sanctions provided for in the Decree.

#### **Directors**

Given the responsibility of the Directors, in the event of violations of the provisions of the Code of Ethics, the Model and the prescriptions of

the Whistleblowing Decree by one of them, the Supervisory Board shall inform the Board of Directors, the Audit Committee and the Board of Statutory Auditors. It will be then up to Board of Directors to assess the situation and take the measures deemed appropriate, in compliance with the regulations in force.

It should be noted that, in accordance with recent case law<sup>15</sup>, in the event that the Company is identified as the entity accused in a proceeding under Decree 231 and in such proceeding the legal representative of the Company is directly involved as a suspect for the predicate offence of the administrative liability attributed to the entity, the appointment of the Company's defence lawyer would not be made by said legal representative, but by another person or persons, vested with the appropriate powers.

#### **Measures against Statutory Auditors**

In the event of a violation of the provisions of the Code of Ethics and the requirements set forth in this Model, as well as violations provided for by the Whistleblowing Decree committed by one or more statutory auditors, the Supervisory Board (SB) shall inform the entire Board of Statutory Auditors and the Board of Directors, who will take appropriate measures, including, for example, convening the Shareholders' Meeting in order to adopt the most suitable measures provided by law.

#### **Measures against members of the Supervisory Board**

In the event of a breach of this Model, the provisions of the Code of Ethics, and the requirements established by this Model, as well as violations provided for by the Whistleblowing Decree committed by one or more members of the Supervisory Board, the other members of the Supervisory Board or any of the Statutory Auditors or Directors shall immediately inform the Board of Statutory Auditors and the Board of Directors of the event.

<sup>15</sup> Italian Supreme Court., 9 October 2024, no. 38890; Italian Supreme Court, 28 March 2024 no. 13003. However, the Supreme Court has clarified that the prohibition for the legal representative applies only when, at the time of the appointment of the defence lawyer, he/she is still formally accused (or under investigation). If, on the other hand, his/her situation has already been determined by a final ruling – even due to statute of limitations – such incompatibility does not exist. (Italian Supreme Court., 6 May 2025, no. 16932).

Such bodies will take appropriate measures, including, for example, the revocation of the appointment of the SB members who have violated the Model (and the documents referred to therein, including the Whistleblowing Policy and the Code of Ethics) and the consequent appointment of new members in their place, or the revocation of the appointment of the entire board and the consequent appointment of a new Supervisory Board.

With reference to Employees, it should be noted, finally, that, in light of recent case law, adherence to the principles and rules contained in the Code of Ethics and in the Model (or referenced by it) will constitute an element of professional evaluation that may have implications for career or salary progression; in particular, adherence to the principles and rules of the Model (or referenced by it) shall constitute one of the requirements on which any variable compensation/incentive/MBO compensation plans are based.

In the event of Employees granted with a power of attorney to externally represent the Company, the imposition of the sanction may also entail the revocation of the power of attorney.