

Plan for the Prevention of Corruption and related infractions

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1. Introduction

Following the approval by the Portuguese Government of the “National Anti-corruption Strategy 2020-2024”, Decree Law no.109-E/2021 of 9th December was published which created the National Anti-Corruption Mechanism (MENAC) and established the General Regime of Prevention of Corruption applicable in Portugal (hereinafter "RGPC").

This regime envisaged, among other provisions, a set of comprehensive duties for both public and private entities operating in the Portuguese territory to (i) promote and reinforce awareness within the private and public organisations regarding the corruption phenomenon (ii) involve the private sector in preventing, detecting, and combating corruption and (iii) strengthening the link between public and private institutions.

Within the scope of the rules provided for in the RGPC, entities must ensure the implementation of a regulatory compliance program for the prevention of corruption and related offences with the following requirements:

- Appointment of a Compliance Officer responsible for the execution and enforcement of the anti-corruption regime,
- Adoption and implementation of a Plan for the prevention of risks of corruption and related offences (PPR),
- Adoption of a Code of Conduct,
- Implementation of an internal reporting channel,
- Implementation of a training program on policies and procedures related to the prevention of risks of corruption and related infractions,
- Implementation of internal control procedures, and
- Implementation of a third-Party risk evaluation system.

Notwithstanding any future revisions to this Plan, Parfois Portuguese companies are **Barhold, S.A.**, (“Barhold”) and **Barata & Ramilo, S.A.** (B&R) operating under the Parfois trademark (hereinafter “**Parfois**”) which fall under the scope of the new anti-corruption regime.

Parfois is committed to ensuring compliance with the new obligations and duties arising from this anti-corruption regime and to acting under the best business practices on anti-corruption as well as with future guidelines issued by the relevant supervisory authorities. Parfois adopts the following Plan for the Prevention of Risks of Corruption and related offences covering both entities. This Plan intends to identify and mitigate any potential underlying corruption and related offences risks to which the companies may be exposed.

The corruption and related offences applicable to Parfois Companies are listed in Attachment 1 of this Plan.

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2. About Parfois

Parfois is a global women's fashion accessories brand, aiming to be the best women's fashion accessories brand in every market it decides to operate. That is only possible with a team of talented, passionate, ambitious, and committed professionals.

In Portugal, Parfois carries out its activity through the companies Barata & Ramilo, S.A. and Barhold, S.A. These companies operate both the wholesale of clothing and accessories, the focus of the business, as well as the management and operation of information systems and equipment and other miscellaneous investment activities under the normal development of Parfois activity.

Parfois has an international presence in over 70 countries through both the franchising and consignment model with more than 1000 stores opened worldwide.

3. Mission and values

All employees, directors and managers comply with the general principles of conduct as set out in Parfois Code of Conduct. Namely, Parfois is fully committed to performing its activity within the applicable legal framework and in observance of the highest ethical standards, such as:

- **Honesty and Integrity**
Parfois employees are expected to perform their activities with transparency and loyalty, having in mind the protection of the corporate assets and the best interests of the company.
- **Quality and Innovation**
Parfois is focused on enhancing the quality and diversity of its products while striving for innovation and continuous improvement.
- **Customer orientation**
The customer's best interests are at the root of Parfois' business decisions, which aim to create customer satisfaction and develop client loyalty.
- **Protection of the safety and health of its workers**
Parfois' workers are the key asset of Parfois Group. In this sense, Parfois is fully committed to promoting a safe and stable environment, in which workplace harassment combat measures and applicable regulations in this matter are strictly respected.
- **Transparency in financial information**
Parfois' financial information and accounting documents describe and reflect accurately, truthfully, and transparently the nature of the underlying businesses.

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- **Information Security**

Parfois compromises with the safeguard of sensitive information from any disruptive or unauthorised use, understanding the central role of data security and data treatment to a sustained business.

- **Data Protection**

Parfois takes very seriously the treatment of personal data and implements different mechanisms to safeguard the collected information.

- **Intellectual Property**

Parfois respects registered intellectual and industrial property rights and sensitive or confidential information of others and shall not copy, plagiarize or use designs and brands outside the latest design inspiration and fashion trends.

- **Sustainability**

Parfois carries out its business to contribute to the sustainable development of the communities of all locations in which it operates, respecting the economic, social, and environmental best practices in this regard.

Moreover, Parfois has a zero-tolerance policy to corruption and any other conduct which may expose Parfois to unlawful practices and have negative consequences to the organisation, whether economic, operational, or reputational.

Accordingly, Parfois undertakes to carry out its activity in strict compliance with the laws and regulations in force, as well as to promote, develop and maintain an adequate ethical culture and to act in accordance with the best practices in the fight against corruption.

4. Plan for the Prevention of Corruption and related offences

4.1 Scope

This Plan directly applies to the entire corporate group of Parfois in Portugal, namely Barata & Ramilo, S.A. and Barhold, S.A. and each of the key function areas.

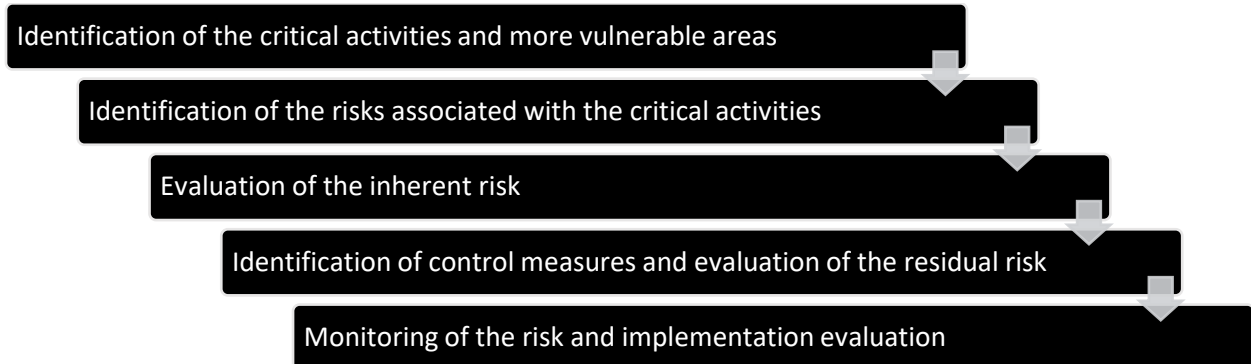
This Plan envisages:

- The areas of activity of the Company with risk of committing acts of corruption and related infractions,
- The probability of occurrence and foreseeable impact of each situation, to allow the risks to be classified,
- The preventive and corrective measures to reduce the probability of occurrence and impact of the risks and situations identified,
- In situations of high or maximum risk, the most exhaustive prevention measures, with priority being given to their execution,
- The general person responsible for executing, controlling, and revising the PPR, which may be responsible for regulatory compliance.

4.2 Identification and assessment of the corruption and related offences risks

4.2.1 Methodology

The identification and assessment of corruption and related offences risks which Parfois may be exposed to, follows the methodology described herein:



- I. **Identification of the critical activities within the Company more vulnerable to the corruption risks and related infractions**, in accordance with the rules which govern these processes, when applicable, and the best practices on corruption and related offences risk assessment.
- II. **Identification of the risks associated with critical activities**, through: (i) basic description of the corruption risks associated with the activity; (ii) identification of the general criteria for identifying corruption risk in each activity; (iii) identification of the key activities and processes exposed to

corruption risks; (iv) identification of the risk events associated with the activities and processes and the (v) assignment of activities and risk events in the function areas of the Company.

III. Evaluation of the risks according to a scale of low (L), medium (M) or high (H) risk, depending on the probability of occurrence and the degree of impact, and subsequent attribution of an overall risk level (inherent risk).

The inherent impact:

This exercise aims to identify the natural corruption and related offences risk which the company is exposed to regarding the internal processes and not taking into consideration any potential controls which mitigate or control the risks.

When assessing the inherent impact, that is, the direct and indirect consequences to the organization caused by the exposure to the concrete risk, the organisation has considered the potential:

- **economic impact**, namely whether there is an underlying fine and/or ancillary penalty and if the risk is susceptible to cause financial losses or damages to the equipment's used in the pursuit of the activity,
- **reputational impact**, when the risk is prone to provoke a distrust for business partners and stakeholders (i.e., clients, investors, employees, etc) of the Company or cause a loss of business opportunities, and
- **operational impact**, whether the verification of this risk is susceptible to halt/disrupt the operation of the company.

The inherent probability:

Simultaneously, when assessing the inherent probability of the materialisation of risks, namely, the greater or lesser degree of certainty regarding the occurrence of the identified risk, the following illustrative factors were taken into consideration:

- **frequency of the specific activity** when developing the company's business,
- **reiteration of the risk**, namely whether this risk has materialised in the organisation in the past; and
- **the risk diversity**, the number of functional areas where this risk can be materialised.

In addition, an accelerating driving factor was to be added, where the criminal infraction could be committed negligently (in a non-intended manner).

IV. Identification of preventive controls and measures implemented in the Company to mitigate the overall inherent risk and evaluation of risks according to a scale low (L), medium (M) or high (H) risk (residual risk)

The residual risk

A second assessment of the risk was conducted after the mapping and description of the existing corrective and mitigation measures implemented under the anti-corruption and related offences risk management system of Parfois.

When assessing the internal controls, the following criterion were considered:

- **automatization level of the control**, depending on the manner in which the control is carried out, namely, manual, automatic and semi-automatic control.
- **the nature of the control**, the purpose of the control and
- **the adequacy of the control**, whether the control environment is fully implemented and is considered sufficient to prevent or mitigate the specific risk.

The result of this assessment is the vulnerability of the company or the residual risk which means the risk which persists after the implementation of the preventive or mitigation controls in the organization.

V. Monitor the implementation of the control measures identified and implement any corrective measures deemed necessary.

As a next and consequent step, the Company shall continue to monitor the risks identified and the implementation process of the control measures to ensure that these fully reflect the current situation of the Company, and in the case where a certain risk is considered high, a plan for its mitigation is developed and implemented.

Simultaneously, Parfois takes the appropriate measures to address and mitigate any risks, related to corruption or not, that it may be exposed.

Notwithstanding the eventual action plans designed to mitigate specific risks, Parfois in the normal developing of its activity strives and takes the necessary actions to ensure that its internal control system is updated and suitable to address any risks, corruption related or not, that it may be exposed.

Moreover, Parfois shall develop the periodic evaluation assessments of the Plan and elaborate the respective reports on a timely manner as described herein.

4.2.2 Areas of activity of Parfois with risk of committing acts of corruption and related infractions

For the purpose of this exercise, Parfois has identified the key internal areas which are exposed to corruption and related offences risks through the mapping of the activities that are carried out by each area and the analysis of underlying specific corruption and related offences risks. The internal areas are further detailed internally and Parfois promptly makes this information available to its employees and the competent authorities.

4.2.3 Control Mechanisms

During the risk identification exercise Parfois mapped out its existing control mechanisms to prevent and eventually mitigate the exposure to corruption and related offences.

These controls can be divided into general controls and operational controls and can be preventive or detective in nature. The general controls are applicable and enforceable by all employees, directors, and management and to mitigate the overall risk of corruption of the companies and its key functions. On the other hand, specific/operational controls are those which address specific corruption risks which the companies are eventually exposed to or targeting certain function areas.

Parfois implements the following general controls:

- Code of Conduct
- Code of Ethics and Good Conduct on work harassment (i.e., “Política Prevenção Assédio”)
- Internal reporting channel in compliance with Law no. 93/2021 of 20 December and appointment of an independent committee responsible for receiving, analysing, and following up with the reports.
- Appointment of a Compliance officer.
- Definition of a corporate governance structure in matters of anti-corruption compliance.
- Anti-corruption Policy that clearly establishes the limitations on gifts, donations, sponsorships, and relations with public entities.
- Training programs.

Simultaneously, Parfois implements the following specific controls on anti-corruption which mitigate specific areas of activity:

- Power mandates limited in duration detailed, and adapted considering the specific activities to be carried out on behalf of the Parfois Company and requiring more than one representative when the operation entails significant amounts or responsibilities.
- Definition of limitations on cash transactions in compliance with Law no. 92/2017 of 22 August and means of payment accepted.
- Prohibition of non-documented or confidential expenditure and implementation of control and organised accounting procedures.
- Written procedures covering employees’ expenses and travel management.

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- Written policy regarding the safeguarding of sensitive information and definition of control accesses to the information and implementation of information systems for the management of information accesses.
- Internal rules which govern the attribution of the awards / incentives based on pre-determined and objective criteria and on expense and travel management.

4.2.4 Corruption and related offences risk matrix

Through the methodology described above and taking into consideration the corporate purpose and activities pursued by the companies, Parfois has reached the conclusions which are further detailed internally and which Parfois promptly makes available to its employees and competent authorities.

The overall risk score and exposure to corruption and related offences risks of Parfois is **medium to low**. This score translates the degree of maturity and knowledge of the company's exposure to corruption and related offences risk as well as the opportunities for improvement of the internal control system.

Furthermore, no high or other material risks were identified which justify the enforcement of specific and swift measures.

5. Roles and responsibilities

All employees are expected to comply with the conduct guidelines set out in the Code of Conduct and internal rules on matters of anti-corruption as well as behave in an irreprehensible manner to avoid the exposure of the organisation to corruption risks. The non-compliance with these rules may entail the triggering of disciplinary sanctions.

Parfois has formally appointed a Compliance Officer as the person responsible for the implementation, monitoring and review of the PPR and has allocated the necessary powers and resources to carry out this role.

Without prejudice of other functions assigned to the Compliance Officer in the context of the PPR and the anti-corruption compliance program, it shall be responsible for:

- Drafting of the annual and intermediate evaluation reports regarding the implementation of the PPR, when applicable.
- Monitoring of the implementation of the preventive and mitigation measures set herein.
- When deemed necessary or where a higher risk is associated to a certain activity, specific plans to attenuate specific risks.
- Carry out the periodic review of the PPR, and/or suggest amendments or revisions to the PPR, whenever a relevant change occurs in the attributions or organic corporate structure of the Company that justifies an earlier revision.
- Act as the point of contact with the competent supervisory authority and carry out the necessary interactions, namely through the submission of the mandatory evaluation reports detailed below when duly requested.

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- Ensure the publication and up-to-datedness of the PPR in the intranet and website of the Company.
- Monitor the publication of recommendations and guidelines published by the supervisory authority and the state of the art in the enforcement of the anti-corruption regime.
- Provide any clarifications to employees and directors regarding the actions set forward herein.

The Board of Directors of the Parfois Company, as the ultimate corporate body responsible for fostering a compliance culture in the organisation, commits to set the tone at the top by leading the enforcement of the preventive corruption controls and shall refrain from carrying out any activity which can lead to the involvement of the Company in corruption.

In the implementation of the Plan, the Board of Management of Parfois assumes namely the following responsibilities:

- Appointment of the person responsible for the implementation, monitoring and review of the PPR.
- Formally approve the PPR and any subsequent revisions.
- Formally approve the evaluation reports on the implementation of the PPR.
- Duly cooperate with the Compliance Officer as well as any key managerial persons to ensure a successful implementation of the PPR.

6. Revision and Implementation of the PPR

Parfois commits to review the content of this PPR every three years or whenever one of the following circumstances which may justify the anticipation of the revision, occur: (i) changes to the organic and corporate structure; (ii) pursuit of other activities of Parfois which may increase the corruption risk.

Within ten days of the approval and subsequent reviews, this PPR is duly published through the internal channels and official website of Parfois.

The PPR and its implementation is subject to continuous monitoring by the person appointed for this purpose as described above and entails the drafting of the following evaluation reports:

- **Semi-annual assessment report**, in October, when a high or maximum risk was previously identified.
- **Annual report on the implementation of the PPR**, in April of every year, including a self-assessment of the compliance with the mitigation and corrective measures identified and, if applicable, the envisaged plan to be fully compliant.

These reports shall be made available in Parfois' Intranet and duly disclosed to all employees within ten days of their implementation and their review or preparation.

7. Planned activities 2023-2026

In the effort to carry out the risk assessment exercise as described herein, Parfois has reviewed its existing anti-corruption internal control system and has identified improvement and further development opportunities for its existing control mechanisms.

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Namely, to ensure compliance with the legal requirements envisaged in the anti-corruption regime, Parfois has taken the necessary steps to adopt the key components of an anti-corruption compliance program and will now start the implementation stage of the program.

Until further review of this PPR, Parfois envisages carrying out, among others, the following activities during the 2023-2026 period:

- Training sessions focused on the Code of Conduct and the Anticorruption Policy of Parfois
- Implementation of prior risk assessment procedures for its suppliers and business partners.
- Provision of anti-corruption contractual clauses in the agreements with third parties when adequate.
- Promotion of awareness-raising campaigns concerning cash transaction limitations.
- Upkeep of documented information to ensure that processes and related controls are conducted as planned and are in accordance with the requirements set out in the applicable anti-corruption policies and procedures in place.
- Monitoring the degree of implementation of the controls proposed within this Chapter and justifications regarding deviations from their planning.

Notwithstanding the planned activities, Parfois shall adopt and implement any anti-corruption measures as it sees fit, due to the beginning any new activities and business which may eventually increase the overall corruption risk of the organisation.

Additionally, the Legal/Compliance Department holds the right to amend the programmed activities in response to the operational reality of Parfois in the normal development of its activities.

Moreover, Parfois commits to monitor and accompany the development of the enforcement of this new regime and any guidelines issued by the competent supervising authority and align their programmed activities accordingly.

8. Attachments

8.1 Attachment I – List of infractions

ARTICLE	DIPLOMA	CRIME OR RELATED INFRACTION	DESCRIPTION
374	Portuguese Penal Code (PPC)	Active corruption	A crime of active corruption is committed by any person who, by himself or through an intermediary, with their consent or ratification, gives or promises to a public official, or to a third party by indication or with the knowledge of the public official, a pecuniary or a non-pecuniary advantage so that the public official will perform any act or omission contrary to the duties of the office.
335	PPC	Influence peddling	A crime of influence peddling is committed by anyone who, either by themselves or through an intermediary, with their consent or ratification, requests or accepts, for themselves or a third party, a pecuniary or non-pecuniary advantage, or the promise thereof, in order to abuse their real or supposed influence over any public entity, whether national or foreign, or when the purpose of such conduct is to obtain any favourable illicit decision.
389-A	PPC	Money laundering	A crime of money laundering is committed by whoever: (i) convert, transfer, aid or facilitate any operation for the conversion or transfer of advantages, obtained by himself or a third party, directly or indirectly, for the purpose of concealing their illicit origin, or of preventing the perpetrator or participant in such offences from being criminally prosecuted or subjected to a criminal reaction; ii) who conceals or disguises the true nature, origin, location, disposition, movement or

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ARTICLE	DIPLOMA	CRIME OR RELATED INFRACTION	DESCRIPTION
			ownership of the advantages, or the rights thereto; and also iii) who, not being the author of the typical illegal act from which the advantages originate, acquires, holds or uses them, with knowledge, at the time of acquisition or at the initial moment of holding or use, of that capacity. The crime of money laundering necessarily presupposes the carrying out of a previous crime, which was at the origin of the illicitly obtained funds, which may or may not have been committed in Portuguese territory under the terms of paragraphs 1 and 4 of the said Article.
7	Law no. 20/2008 of 21 April	Active corruption with prejudice to international trade	A crime of active corruption with prejudice to the international trade is committed by any person who, by himself or herself or through his or her consent or ratification, through an intermediary, gives or promises to a national, foreign or international official, or a national or foreign political office-holder, or to a third party with their knowledge, an economic or non-economic advantage that is not due to him or her, in order to obtain or retain a business, a contract or another undue advantage in international trade.
8	Law no. 20/2008 of 21 April	Private corruption	The crime of passive corruption in the private sector is committed by a private sector employee who, by himself or herself or through his or her consent or ratification by an intermediary, requests or accepts for himself or herself or for a third party, without being due to him or her, an economic or non-economic advantage, or the promise thereof, for any act or omission which constitutes a violation of his or her functional duties. If such

ARTICLE	DIPLOMA	CRIME OR RELATED INFRACTION	DESCRIPTION
			conduct can cause a distortion of competition or a patrimonial damage to third parties, the agent is punished with a prison sentence of between one and eight years.
9	Law no. 20/2008 of 21 April	Active corruption in the private sector	A crime of active corruption in the private sector is committed by any person who by himself or herself or, with his or her consent or ratification, through an intermediary, gives or promises to give to a worker in the private sector, or to a third party with his or her knowledge, an economic or non-economic advantage, which is not due to him or her, in order for him or her to carry out any act or omission constituting a violation of his or her functional duties.
23	Decree Law no. 28/84 of 20 January	Fraudulent misrepresentation of goods	A crime of fraudulent misrepresentation of goods is committed by any person who, with intent to deceive another in business relations, manufactures, transforms, releases for free circulation, imports, exports, re-exports, places under a suspensive regime, holds in deposit or in exhibition for sale, sells or puts in circulation in any other way goods: (a) counterfeit or pirated, falsified or depreciated goods, passing them off as authentic, unaltered or intact. b) Of a different nature or quality and quantity inferior to what they claim to possess or appear to possess.
34	Decree Law no. 28/84 of 20 January	Violation rules on declarations on investigations, manifests,	A crime of violation of the rules on declarations regarding enquiries, manifests, price systems or company movements is committed by any person who, as a result of enquiries or manifests legally

ARTICLE	DIPLOMA	CRIME OR RELATED INFRACTION	DESCRIPTION
		pricing schemes or company movements	established or ordered by the competent minister, for the purpose of knowing the existing quantities of certain goods, refuses to provide declarations or information, provides them falsely, with omissions or deficiencies, or refuses to provide any other elements required for the same purpose.
35	Decree Law no. 28/84 of 20 January	Speculation	<p>A crime of speculation is committed by whoever:</p> <p>a) Sells goods or provides services at prices higher than those permitted by the legal regimes to which they are subject.</p> <p>b) Altering, under any pretext or by any means and with the intention of obtaining illegitimate profit, the prices that would result from the regular exercise of the activity for the goods or services or, regardless of that intention, those resulting from the legal regulations in force.</p> <p>c) Selling goods or rendering services at a price higher than that indicated in labels, tags, placards, or lists drawn up by the seller or service provider itself</p> <p>d) Sell goods that, per unit, should have a certain weight or measure, when they are below that weight or measure, or contained in packages or containers whose quantities are below those mentioned therein.</p>
36	Decree Law no. 28/84 of 20 January	Fraud in obtaining or diverting a subsidy, grant or credit	<p>A crime of fraud in obtaining or diverting a subsidy, grant or credit is committed by any staff member who obtains a subsidy or grant:</p> <p>(a) by providing the competent authorities or entities with inaccurate or incomplete information about himself or herself or a third party and</p>

ARTICLE	DIPLOMA	CRIME OR RELATED INFRACTION	DESCRIPTION
			<p>concerning facts important to the granting of the subsidy or grant.</p> <p>(b) omitting, contrary to the provisions of the legal regime of the subsidy or grant, information on important facts for its award</p> <p>c) Using a document proving the right to the subsidy or grant or important facts for its concession, obtained through inaccurate or incomplete information.</p>
37	Decree Law no. 28/84 of 20 January	Embezzlement of a subsidy, grant or subsidized credit	A crime of embezzlement of a subsidy, grant or subsidized credit is committed by any person who uses the benefits obtained as a subsidy or grant for purposes other than those for which they were legally intended or uses the benefit obtained as a subsidized credit for a purpose other than that provided for in the credit line determined by the legally competent entity.
38	Decree Law no. 28/84 of 20 January	Fraud in obtaining credit	<p>A crime of fraud in obtaining credit is committed by whoever, when presenting a proposal for granting, maintaining, or modifying the conditions of a credit intended for an establishment or company:</p> <p>a) Provides inaccurate or incomplete written information intended to accredit or important for the decision on the application.</p> <p>b) Use inaccurate or incomplete documents relating to the economic situation, namely balance sheets, profit and loss accounts, general descriptions of assets or expert opinions.</p> <p>c) Conceal deteriorations in the economic situation that have occurred in relation to the situation described at the time of the credit application and</p>

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ARTICLE	DIPLOMA	CRIME OR RELATED INFRACTION	DESCRIPTION
			that are important for the decision on the application;
18	Decree Law no. 34/87 of 16 July	Active corruption to a political officeholder	The crime of active corruption is committed by any person who, by himself or herself or through an intermediary, with his or her consent or ratification, gives or promises a holder of political office, or a third party by indication or with his or her knowledge, an economic or non-economic advantage for him or her to perform or refrain from performing any act contrary to the duties of office.