## **Profiling Activities**

With your free, optional, specific consent, your Personal Data may be collected and processed by Smith for marketing purposes also based on profiling, ie to evaluate your purchasing behaviour, by analyzing the relative habits and choices, your declared tastes and preferences and those collected during your browsing on Smiht's website, in order to realize and transmit you communications and promotions dedicated to you.

It is not in all our interest to contact our customers without a purpose and to direct massive communications they are not interested in. Through profiling we know our customers better and this allows us to improve their satisfaction. The profiled marketing activities we carry out are, for this reason, always for the benefit of our customers, as they are functional to offer them communications relating to products and services more suited to their needs, respecting their free choice to be or not the recipients and always and in any case in compliance with the legislation aimed at protecting his rights, processing only the data strictly necessary for each purpose with the utmost transparency.

Our goal is to transmit you advertising, promotional initiatives and offers that are of relevance for you, which are possibly tailored to your interests and needs. Thanks to your personal data we create a profile for these purposes that allows us to analyse and predict your preferences and your personal interests in our products/services, so as to offer only those which are more likely to meet your tastes and needs.

We reach these results through the descriptive or predictive analysis, based on multiple selection criteria (age, gender, address, your interactions with customer care, shipping method and payment method chosen, combined with the products purchased, products added in the wishlist, products placed in shopping carts abandoned, the acquired data about your interests/preferences, and the data collected during the navigation on Smith's website and other connected websites as hereafter better detailed) and automated ways (Segmentation/ Cluster Analysis/ Predictive Analysis) of processing of personal data that are subject to periodic review and manual integration with the help and supervision of specialised staff in order to assure and improve constantly, as much as possible, the accuracy. This type of activity carried out by a limited number of people inside Smith and its consultants (the only people having access to your relevant data together – to the strictly necessary extent - with the IT technicians) includes at the moment (in addition to the aggregate-synthetic analysis), specifically:

1) <u>Identification of clusters including only those subjects who have already registered an account or have already purchased Smith products</u> in order to transmit personalized promotional messages to each subject via email (so-called "direct mailing") considered on probabilistic grounds of greater interest for each person and to present to each subject, while browsing on Smith website and on web platforms other than the Smith's website, by using also third-party cookies present on the latter (therefore, after evaluation of his preferences or interests) lawfully used, personalized messages (banners and social feed) different from those intended for other subjects. The banners, social feeds and direct mailings will be customized based on:

- the products/pages/sections/offers of Smith's website by the concerned party most visited previously,

- the products placed in abandoned carts and wishlist,

- the purchase data and other information registered in the Account or in the Guest Payment section, as well as on interactions with customer care;

- on data related to preferences or interests collected by third parties on their platforms.

2) Customizing the user's browsing experience (even if not registered or not logged in the Account) on the web in general based on your previous browsing preferences on Smith's website, making use also of third party cookies present on the same as lawfully used. This with the aim of presenting him, while browsing on sites other than the one of Smith, through personalized messages (banners and social feeds) other than those intended for other persons, products/pages/sections/offers of Smith's website previously visited (so-called "retargeting"), or to propose him personalized messages considered on a probabilistic basis of his greatest interest on the basis of the evaluation of his preferences or relevant interests during previous navigations on Smithis website or on other third party web platforms (see following point 3).

3) Identification of clusters inclusive of only those who have already registered an account or have already purchased Smith products for the purpose of subsequent customization of offers (therefore, after evaluation of their preferences or interests), or in order to send them messages (banners and social feeds) and offers intended only to them. This process is through automated matching of their email addresses on social platforms previously authorized by their users.

4) Creation of clusters starting from the data of those who have already registered an account or have already purchased Smith products in order to build profiles with the same parameters to be applied to third parties to address them (after inclusion in that particular profile), and NOT to Smith customers, personalized offers. Generic Internet users with characteristics / behaviors similar to those of customers or users of the Smith site as summarized in one or more profiles are identified among those who have surfed on sites / platforms of third-party providers responsible for the treatment that Smith uses and who have lecly accepted the release of cookies from them. To these subjects, while browsing the web, Smith's media campaigns (banners) are thus provided, potentially related to their interests / preferences deduced according to probabilistic criteria by their browsing behavior.

The profiling carried out on the Smith's wbsite through cookies and third-party tools other than the digital service providers of Smith appointed as data controllers, is carried out exclusively by third parties which do not communicate to, and do not receive from, Smith personal data of the subjects belonging to the various clusters created, and proceed autonomously to provide to the different subjects on the sites other that the ones of Smith with promotional campaigns of Smith products through personalized messages (banners and social feeds).

For more information on cookies on the Smith's website used for the profiling activities referred to above, <u>click here</u>.

Among the profiling activities mentioned above, those of the predictive type necessarily entail some, by now decidedly minor, degree of uncertainty based on the probabilistic nature of the related techniques.

However, the nature of the data processed (in maximum part provided by the concerned party, updated and limited only to those necessary and relevant) and the accurate methods of processing (based on state-of-the-art technologies, and the human intervention of specialized personnel) - together with the related effects (the submission of personalized offers, with the consent of the concerned party and with the modalities of his choice, on an informed basis), - provide all of you with guarantees and advantages that ensure a proportionate processing of data and a cautious and correct management of the normal risks inherent to data processing and profiling activities.