

CODE OF ETHICS





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LETTER FROM THE PRESIDENT OF DESPELL, S.A.

DESPELL S.A. is committed to acting respectfully towards all its members, suppliers, customers, legal representatives, sales representatives, as well as any other third party involved. For this reason, through the application of this Code of Ethics, DESPELL takes the step of implementing a crime prevention model or Compliance System in the company.

In carrying out its business activities, DESPELL strives to comply with the laws and national and international conventions in force, in particular the principles stipulated in the International Labor Organization Conventions, the Universal Declaration of Human Rights, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Women's Empowerment Principles.

Finally, DESPELL's commitment to the respect and protection of the environment should be emphasized and, therefore, the company is committed to collaborate only with those suppliers and third parties that agree to comply with the requirements of this Code and that comply with all applicable national and international rules and regulations.

Firmado por ***8083** PERE
TOMAS (R: ****6304*) el día
22/10/2024 con un certificado
emitido por AC Representación

Pere Tomàs Riba
C.E.O of DESPELL, S.A

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I. MISSION

DESPELL S.A. (hereinafter, DESPELL or the company) is a tannery specialized in the production of full grain butts and split bovine leathers for the medium-high to high range footwear and leather goods, saddlery and belts sectors, with 80% of its production destined for export.

The company's mission is to be a benchmark in the sector in terms of regulatory Compliance and to ensure that it has an effectively implemented Compliance System.

II. PURPOSE OF THE CODE OF ETHICS

Through this Code of Ethics, DESPELL shows its full willingness to comply with the law, as well as its commitment to its employees, collaborators, suppliers, Public Administration, third parties and its commitment to the environment.

Through this document, DESPELL is committed to creating a culture of effective compliance of the law.

The purpose of the Code is to indicate the main guidelines that govern the company's business activity, so that it serves as an example for all members of DESPELL, who know how to behave in all kinds of situations, which practices are not tolerated by the company and how to remedy them in the event that they are materialized.

Consequently, DESPELL has created a single compliance body, the Compliance Officer, in accordance with the provisions of section VII of this Code.

III. SCOPE OF THE CODE OF ETHICS

DESPELL's Code of Ethics is mandatory for all its members. Specifically, for all of the following persons:

- Sole Administrator.
- Commercial Director.
- Administration Director.
- Human Resources Director.

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- Production Director.
- Members (workers) of the company.
- Company suppliers.
- Commercial agents.
- Company representatives at national and international level.
- Third parties who regularly interact with DESPELL.

IV. COMMITMENTS

4.1 Commitment to legality

DESPELL is firmly committed to compliance with applicable laws and regulations. For this reason, the company promotes the necessary actions to recognize and promote all behavior that conforms to the principles established in the company's Code of Ethics, as well as the commitments assumed by the company.

4.2 Senior management commitment

DESPELL's Senior Management is committed to facilitate and make available to all members of the company all the necessary means to comply with the mission, vision, values and principles of the company and to act in accordance with the law at all times.

4.3 Commitment to DESPELL's members

DESPELL aims to ensure the maintenance of an appropriate, safe and stable working environment and to ensure the protection of the fundamental rights of the members (i.e. workers) of the company.

DESPELL is also committed to:

- To conduct a respectful and appropriate treatment and recognition of all work performed by the members of the company during their workday.
- Provide workers with all the necessary resources for the correct development of their work.

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- Take all necessary measures to ensure the health and safety of all its members, strictly complying with all regulations on prevention of occupational risks.
- Train members and promote, whenever possible, internal promotion.
- Respect the right of workers to collective bargaining and to create or join trade union organizations, without any kind of reprisal or discrimination.

4.4 Principles

The principles that govern all of DESPELL's performance are the following:

- **Equal opportunities and prohibition of discrimination:** DESPELL forbids any discrimination within the company on the grounds of birth, race, sex, religion, opinion or any other personal or social circumstance, guaranteeing in all cases the right to equality provided for in Article 14 of the Spanish Constitution.
- **Prohibition of child labor, forced labor or illegal, clandestine and undeclared work:** The use of forced labor, slavery, servitude or human trafficking by the company and its suppliers is strictly prohibited. Illegal, clandestine and undeclared work is also prohibited..
- **Confidentiality and professional secret:** The company protects its respective business secrets, as well as personal or sensitive data and reserved information about its employees, suppliers and customers, ensuring that all its members and other personnel who have access to them, make appropriate use of them during the employment relationship and even after it ends.

Therefore, it is strictly forbidden the inappropriate use of such information for personal or third-party benefit.

DESPELL will make careful use of social networks and the Internet, ensuring confidentiality and respect for business secrecy in all its public statements. In addition, the company will provide in a transparent manner, clear and accurate information about the methods and resources used, refraining from any misleading information.

- **Respect for the environment:** Respect for the environment is guaranteed in all of the company's manufacturing processes, ensuring the reduction of waste and pollution. Likewise, DESPELL acts in all cases to promote cooperation with its

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suppliers to ensure the application of good environmental practices throughout the supply chain.

Therefore, DESPELL expects its suppliers and third parties to share this commitment to reduce environmental impact by promoting the use of green technologies and renewable energies.

- **Transparency:** DESPELL's fundamental principle is to act transparently in all its business and financial practices.
- **Health and safety:** The company ensures that the work environment has the hygiene and conditions to ensure that the business activity is carried out in a safe and healthy manner, avoiding accidents or bodily harm or ensuring that they are mitigated as far as possible.

For this reason, the use of gloves, glasses, ear protectors, appropriate clothing and footwear, and other protective elements is extremely mandatory according to the different phases of production and, in any case, in accordance with DESPELL's Occupational Risk Prevention Plan.

- **Prohibition of harassment and abuse:** DESPELL members will be treated with respect and dignity. Therefore, no form of corporal punishment, physical, sexual, verbal or psychological harassment, and no form of abuse will be permitted or practiced.
- **Respect for working hours and freedom of association:** DESPELL will in all cases respect the maximum legal limits established by applicable laws and regulations on working hours, as well as the standards set by the International Labor Organization. Consequently, excessive working overtime will not be imposed.

The right of workers to collective bargaining and to join trade union organizations will also be respected, and they will not be subject to sanctions, discrimination or harassment.

- **Protection of intangible assets:** The company will take the necessary measures to protect its resources and assets, in particular intellectual property rights. Likewise, DESPELL undertakes to fight against falsifications, among other measures, by destroying finished products bearing distinctive signs belonging to a competitor or customer.

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- **Zero tolerance for the consumption of drugs and/or alcohol in the workplace:** The consumption of drugs and alcohol is strictly prohibited during working hours, as well as on company premises or during any activities related to the company. This rule aims to ensure a safe, healthy, and productive work environment for all employees.

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4.5 Gifts and invitations

As a general rule, DESPELL members may not give or accept gifts and invitations for amounts exceeding 150 euros (€150).

For lunches or dinners with clients or potential clients, suppliers or representatives of the company, a maximum amount of 150 euros (€150) per guest is established.

Exceptionally, gifts in excess of 150 euros (€150) may be given, received or invited to lunches or dinners, when these, cumulatively: (i) are considered to be of a symbolic nature in accordance with social customs, (ii) are given openly and with full transparency, when local law or the custom of the country where they are found authorizes this practice, (iii) are intended to reflect consideration and gratitude; and (iv) are not given in exchange for consideration.

In any case, gifts or invitations to events, trips, lunches or dinners that are prohibited by applicable regulations or that may influence the decision making of DESPELL, a representative, supplier or any third party related to the company are prohibited.

4.6 Commitments with third parties

4.6.1 Commitments with Public Administration

DESPELL assumes commitments with the public administrations, always abiding by the principle of transparency and undertakes, among others, to:

- Maintain a transparent performance with the public authorities.
- Not to accept or offer any bribe and to fight against any kind of corruption, criminal conduct or money laundering.
- Not to make financial contributions to political parties and their foundations.

4.6.2 Commitments with suppliers

DESPELL is responsible for the relationships it maintains with its suppliers (mostly leather or chemical products) and is committed to:

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- Strictly comply with deadlines, agreed quantities and deliver them in the optimum conditions for their commercialization.
- Establish market prices, bribery being totally prohibited, as well as any other anti-competitive practice.
- Ensure that suppliers comply with the company's Code of Ethics and corporate social responsibility.
- Collaborate only with suppliers that comply with the requirements of the company's Code of Ethics and with the principles stipulated in the International Labor Organization Conventions, the Universal Declaration of Human Rights, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Women's Empowerment Principles. In the event of non-compliance with these bodies of law by the Supplier subsequent to the conclusion of a business relationship, DESPELL shall ensure the termination of the business relationship.
- Refrain from entering into business relationships with suppliers who do not ensure respectful treatment of the environment.
- Comply with the confidentiality requirements established in the legislation on protection of personal data and ensure the professional secret.

4.6.3 Commitments to customers and the market

DESPELL is responsible for the relationships it maintains with its customers and is committed to:

- Strictly comply with deadlines, agreed quantities, and deliver them in optimal conditions.
- Establish market prices, bribery being totally prohibited, as well as any other anti-competitive commercial practice.
- Refrain from entering into business relationships with those customers who do not ensure a respectful treatment with the environment.
- To comply with the confidentiality requirements established in the legislation on personal data protection and to ensure professional secret.

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4.6.4 Commitment to the environment

DESPELL acts diligently to protect the environment, in full cooperation with its suppliers, in order to ensure the use of best practices throughout the supply chain.

Accordingly, the company expects its suppliers to ensure respect for the environment and to do their utmost to reduce the environmental impact of their business activities through the use of green technologies.

For the sustainability and care of the environment, DESPELL is committed to the following principles and guidelines in relation to the business activity:

- Fight against climate change and respect for present and future natural resources.
- Comply with the legal requirements applicable to DESPELL's activities in all areas and with any other commitment we voluntarily acquire.
- To make an effort in the continuous improvement of the manufacturing processes with the aim of increasing the satisfaction of our customers and preventing the pollution of our environment.
- Properly manage the chemicals used by DESPELL and therefore the staff using chemicals must have training to ensure proper use of chemicals, as well as the mandatory use of appropriate protective equipment.
- Reduce water consumption and the number of effluents.
- Use energy from renewable sources as far as possible.
- Minimize, separate and classify waste for its correct management.
- Avoid, as far as possible, the intentional use of chemical substances that are not included in the ZDHC Manufacturing Restricted Substances List (ZDHC MRSL).
- Ensure compliance with the mandatory use of protective equipment.
- Promote environmental awareness among company members.

Therefore, DESPELL requires its suppliers to strictly comply with local and international environmental regulations and standards, to have the required environmental licenses and to strive to ensure:

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- Implementation of an environmental management system.
- Improvement of the environmental performance of its production sites and tools, in particular through the appropriate treatment of its waste, the elimination of air, water and soil pollution, the reduction of greenhouse gas emissions, favoring the use of renewable energies, the reduction of its water and energy consumption and the appropriate management of hazardous chemicals.
- Implementation of biodiversity preservation measures to ensure traceability and regulatory compliance of raw materials and substances used.
- Implementation of best practices throughout its supply chain in favor of respect for animal welfare.
- Contribution to the continuous improvement of the environmental performance of products supplied to DESPELL.
- Ensuring that staff whose activities have a real impact on the environment have received the necessary training, are competent and have the necessary means to perform their duties effectively.

V. CORRUPTION

Corruption means the use of prohibited practices to obtain any benefit or advantage for the company, for itself or for a third party.

DESPELL shows in this Code of Ethics its **zero tolerance for corruption and influence trafficking**, as well as for any corrosive practice or bribery and against any other unfair practice within the scope of its activities.

In addition, the company will always strive to **avoid situations that generate conflicts of interest**.

For this reason, the company is governed by all anti-corruption regulations and prohibits, among others, the following behaviors:

- Donation to political parties.
- Bribery of any public official.

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- Giving gifts or presents to public officials.
- Granting an unjustified advantage in order to influence the decision of a third party, whether in the public or private sector.
- Failure to take the necessary measures to prevent the company's operations from being used as a vehicle for money laundering.
- Abuse of a dominant position in the market and disrespect for competition.

VI. ACCEPTANCE AND ACCOMPLISHMENT

Compliance with the company's Code of Ethics is required for all members of DESPELL. Therefore, all persons who join the company in the future must accept the values, principles, standards and guidelines established in this Code.

In case of doubt about the interpretation or application of the Code, all members of the company, as well as any third party interested or affected by it, may turn to the Compliance Officer to resolve any doubt or disjunctive

Finally, DESPELL prohibits any behavior contrary to the provisions of this Code and recalls that, under no circumstances, ignorance of the existence of the Code of Ethics will cover any conduct contrary to it.

VII. COMPLIANCE OFFICER

A Compliance Officer has been designated within the company. This is the member of DESPELL who has been assigned the functions in the area of Criminal Compliance.

According to section 5.3.2 of UNE-ISO 37301:2021, the Compliance function must be responsible for the operation of the Compliance management system, which means that, among other duties, the Compliance Officer will perform the following functions:

- To facilitate the identification of compliance obligations.
- To document the assessment of compliance risks.
- To align the compliance management system with compliance goals.

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- To ensure compliance with the Compliance System.
- To analyze and evaluate the performance of the Compliance System and act in case of identifying any need for corrective or coercive action.
- To guarantee the existence and proper functioning of the Ethics Channel.
- To ensure the correct training of all DESPELL members and collaborators regarding the internal documentation that configures the Compliance System.
- Advise the Senior Management in making decisions that may entail a criminal risk or consequence.
- Advise any other member of DESPELL regarding any doubt arising in Compliance matters.

VIII. ETHICAL CHANNEL

8.1 Introduction

DESPELL makes available to all its members, as well as to all third-party collaborators, an Ethics Channel that allows them to report cases in which there are reasonable grounds to believe that a violation of the Company's internal regulations has been committed or attempted.

The Ethical Channel consists fundamentally of:

- i) An anonymous form accessible from the Company's website: www.despell.es, as of January 2023.
- ii) A physical mailbox located at DESPELL's headquarters.
- iii) Alleged wrongdoing or any other irregularity may also be reported by sending an e-mail to the following address: canaleticdespell@gmail.com.

In any case, this will be a visible process that guarantees the confidentiality of the complainant, who in no case will suffer any reprisals for having reported a fact in good faith.

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8.2 Internal investigations and non-compliance situations

In the event of reported breaches of standards, DESPELL will initiate the appropriate internal **investigations** to find out what actually happened, after hearing the member concerned.

Once the investigations have been completed, preliminary conclusions will be drawn. In the event that there is sufficient evidence to prove a breach committed by a member of DESPELL, the company will act in accordance with the disciplinary regime provided for by the **State Collective Agreement for the tanning, belting and industrial leather and fur tanning industries**, taking into account the principle of proportionality.

IX. ENTRY INTO FORCE

This Code of Ethics is effective as of the date of its approval, that is, November 11th, 2022.

X. SIGNATURE OF SENIOR MANAGEMENT

Firmado por ***8083** PERE
TOMAS (R: ****6304*) el día
22/10/2024 con un certificado
emitido por AC Representación

Pere Tomàs Riba
C.E.O de DESPELL, S.A

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