

**COMPLIANCE AND CRIMINAL RISK
PREVENTION POLICY**

BIMBA Y LOLA

VERSION CONTROL

Version	Date	Author	Changes made
1.0	2017	Compliance Committee	Initial version
2.0	2021	Compliance Committee	Update according to criminal risk prevention model

APPROVALS

Governing body	Entity	Date
Board of Directors	BIMBA & LOLA STUDIO, S.L.	2017
Board of Directors	BIMBA & LOLA STUDIO, S.L.	2021

RELATED DOCUMENTS

Name	Relation	Last version
Manual on Compliance and Criminal Risk Prevention -general -	Supplementary	2021
Manual on Compliance and Criminal Risk Prevention -special-	Supplementary	2021
Surveillance and monitoring guide	Supplementary	2021
Code of Ethics	Supplementary	2021
Supplier Code of Conduct	Supplementary	2021
Policy for use of the Whistleblowing Channel and Whistleblower Protection	Supplementary	2023
Practical guide for Management of the Internal Whistleblowing System and the Whistleblowing Channel	Supplementary	2023

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1. PREAMBLE

BIMBA Y LOLA¹ (hereinafter, “**BIMBA Y LOLA**”, the “**Group**” or the “**Companies**”) is committed to implementing a strong **culture of ethical principles, compliance, good corporate governance, transparency, integrity, quality, excellence and customer-focus business model, decision making and activity in all areas.**

To that end, in compliance with the applicable criminal laws, the Group has a compliance and criminal risk prevention model (hereinafter, the “**Compliance and Criminal Risk Prevention Model**” or the “**Model**”), consisting of various items that permit the criminal risks that may be realized in its various managements, departments and business areas to be identified and analyzed in depth, and of the policies, procedures and controls put in place by the Group for the effective prevention, detection and mitigation of such risks.

This compliance and criminal risk prevention policy (hereinafter, the “**Compliance and criminal risk prevention policy**” or the “**Policy**”) is the reference framework of the Model and is compulsory, *inter alia*, in the professional relationships and activity performed by the directors, officers and employees of the Group (hereinafter, the “**Staff**”), in the discharge of their labor duties.

Due to its compulsory nature, the Staff must know both the spirit and meaning of this Policy, which provides the main basis for compliance and criminal risk prevention in BIMBA Y LOLA. Compliance with this Policy shall be monitored by the Board of Directors and the parties responsible for the management of the Group, through the **Compliance Committee or the Compliance Officer.**

¹ The scope of application of this Manual is limited to section “IV. 2. Subjective scope of application of the Manual”. Nevertheless, although other foreign companies belonging to the BIMBA Y LOLA group, these foreign companies are outside the scope of application of the Compliance and Crime Risk Prevention Model.

2. PURPOSE OF THE POLICY

The purpose of this Policy is to establish a compliance culture in BIMBA Y LOLA that permits the development of a diligent professional behavior and demonstrates the strong condemnation of the Group of any kind of unlawful act, criminal or any other nature, which shall never be justified as a benefit for the organization.

For this purpose, this Policy establishes the criteria and guidelines to develop a diligent, responsible and efficient professional behavior focused on excellence and integrity, and according to the principles contained in the Code of Ethics.

3. SCOPE OF APPLICATION

This Policy is binding on and applies to all members of the managing bodies of the Group, officers and employees of BIMBA Y LOLA (the Staff).

In addition, people acting on behalf of BIMBA Y LOLA without being part of its organization, shall observe the provisions set in the present Policy and they will use their best efforts to promote the compliance of the Policy in the companies to which they belong and from which they represent the Group.

4. GENERAL PRINCIPLES OF THE COMPLIANCE AND CRIMINAL RISK PREVENTION MODEL

Notwithstanding the provisions of the Code of Ethics, the Compliance and Criminal Risk Prevention Model of BIMBA Y LOLA is inspired on the following **general principles**:

- **Compliance with the law and the internal regulations:** observance of the Law and zero tolerance of the perpetration of unlawful acts is one of the essential principles of BIMBA Y LOLA. The Staff is under the prevailing and unavoidable duty to observe both legislation in force and the internal regulations applicable in the performance of their tasks and their professional duties.
- **Independence and transparency in relationships with third parties:** Independence and transparency are inexcusable values for BIMBA Y LOLA. The Staff shall act always impartially, with an objective and independent criterion and uninfluenced by any external pressure or private interest.
- **Respect for the prestige and good standing of BIMBA Y LOLA:** BIMBA Y LOLA consider its prestige and good standing to be one of the most valuable assets of the Group. The Staff shall contribute to generate the perception of an honest company, respectful of the market and its stakeholders.

Staff shall also act with the maximum care and due diligence to preserve the prestige and good standing of BIMBA Y LOLA, in all their professional activities, including public events.

- **Adequate policies and procedures:** The Group has in place procedures and protocols adequate for its activity and structure in order to reasonably prevent the various risks arising from its activity.
- **Ongoing surveillance and monitoring:** The Staff, particularly those holding responsible positions, shall promote and participate in the processes established for self-control and verification of the policies, procedures and protocols of BIMBA Y LOLA.
- **Human and financial means:** The Group shall ensure that the Compliance Committee or the Compliance Officer has sufficient resources to discharge its duties, such as the supervision, surveillance and monitoring effectively.
- **Obligation to report potential unlawful conducts:** To prevent or, as the case may be, detect any unlawful conduct that may occur in BIMBA Y LOLA, the Staff is under the obligation to report potential risks or infringements of the internal regulations of the Group and/or any action that may be deemed unlawful or criminal of which they may be aware or suspect, through the whistleblowing Channel of BIMBA Y LOLA.
- **Consequences of the infringement of the internal regulations of BIMBA Y LOLA:** The infringement by the Staff of the provisions of the Compliance and criminal risk prevention Model, and of the rest of the internal regulations, that may generate criminal risk, may give rise to disciplinary penalties under the applicable labor laws, notwithstanding any administrative fine or criminal penalty that may be imposed.

5. TERMS OF THE COMPLIANCE AND CRIMINAL RISK PREVENTION MODEL

The Compliance and Criminal Risk Prevention Model of BIMBA Y LOLA is the compilation of the procedures and controls existing in the Group to prevent, detect or permit reaction to the realization of criminal risks. It consists mainly of the following items:

- **Model monitoring and surveillance body:** The Board of Directors appoints an internal body (Compliance Committee or Compliance Officer) to ensure the correct operation of the Model of BIMBA Y LOLA.
- **Compliance and Criminal Risk Prevention Policy:** Contained in this document.
- **BIMBA Y LOLA Compliance and Criminal Risk Prevention Manual:** it establishes the model for organization, prevention, management and control of criminal risks in BIMBA Y LOLA and its purpose is to promote a compliance culture and to implement monitoring rules and procedures to minimize the risk of unlawful conduct on the part of BIMBA Y LOLA Staff.
- **Method for assessment and identification of criminal risks:** it is the basis for identification of criminal risks, in accordance with the activity performed by BIMBA Y LOLA, and their assessment and prioritization.
- **Code of Ethics:** BIMBA Y LOLA have a Code of Ethics, binding on all Staff, containing the ethical values and principles of the Group, and the specific guidelines of action to mitigate and prevent the realization of potential criminal risks. This document is a key item with regard to matters of ethics and professional responsibility of BIMBA Y LOLA.
- **Whistleblowing Channel:** BIMBA Y LOLA has developed a proper tool to enable the employees to communicate and/or submit any knowledge, enquiry or suspicion of unlawful conducts and/or that may imply the realization of a criminal risk. The Staff shall report, through the procedures enabled for that purpose, any conduct, fact or information that they may deem gives rise to a criminal offence. The handling of this Channel is strictly confidential.
- **Training activities on compliance and criminal risk prevention:** BIMBA Y LOLA have put in place a specific training plan on matters of compliance and criminal risk prevention targeted to all Group Staff.
- **Surveillance and monitoring system:** It permits the ongoing validation of the Compliance and Criminal Risk Prevention Model in BIMBA Y LOLA, verifying regularly the effectiveness of the existing policies, procedures and controls, and their evolution, for the Group to make available a general view of the activity performed with regard to this matter, permitting it to take the steps necessary to ensure that it performs its criminal risk prevention, management and control functions adequately and efficiently.
- **Disciplinary system:** The Staff of BIMBA Y LOLA are bound by the Code of Ethics and the policies and procedures of the Group and, thus, any conduct contravening such obligation shall give rise to the application of disciplinary measures under the applicable labor laws.
- **Economic-financial management Model:** BIMBA Y LOLA has in place controls and procedures in the financial and economic context that ensure that its accounting books, transactions and, in general, the financial management of the Group, are absolutely transparent and reliable.

In addition, as regards to the budget, a sufficient economic heading is provided to facilitate the correct and effective compliance with the Model.

All these legal, operating and training instruments together make up the Compliance and Criminal Risk Prevention Model of BIMBA Y LOLA.

6. WHISTLEBLOWING

The Staff subject to this Policy is under the **obligation to report**, through the corporate whistleblowing channel, any infringement or violation related either to the Policy or to the rest of the applicable internal regulations that they may know or suspect.

If such irregular conducts are verified, BIMBA Y LOLA shall apply, proportionately and appropriately, the relevant disciplinary penalties, with no reprisal against the reporting party acting in good faith.

7. COMMITMENT OF THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT AND PROCEDURES FOR DISSEMINATION

The Board of Directors of BIMBA Y LOLA has assumed the monitoring of the principles and good practices for compliance, establishing and disseminating a preventive culture based on the principle of zero tolerance of unlawful acts and fraud, and ensuring that the Staff comply with applicable legislation, respect good practices of the sectors and territories in which BIMBA Y LOLA performs its activity and observe the principles of corporate social responsibility of the Group.

This Policy reinforces the commitment of the Board of Directors and officers of BIMBA Y LOLA to defend compliance with the law and to convey and disseminate the principles contained in the Compliance and Crime Risk Prevention Model.

8. INFRINGEMENTS OF THE POLICY

The Staff of BIMBA Y LOLA is responsible for compliance with this Policy. Nevertheless, directors and officers will be responsible for publicizing the content of the Policy and for supervising its compliance in each of their respective areas.

The infringement of the provisions of this Policy may imply the application of the appropriate disciplinary measures, all the above in compliance with the disciplinary system of BIMBA Y LOLA.

9. REVIEW, APPROVAL AND DISSEMINATION OF THE POLICY

This Policy, and the Compliance and Criminal Risk Prevention Model of BIMBA Y LOLA, shall be subject to ongoing review and improvement, particularly where the legal, social, corporate or other circumstances so require. In any case, they shall be reviewed annually.

This Compliance and Criminal Risk Prevention Policy has been approved by the Board of Directors of Bimba & Lola Studio, S.L. on April 29, 2021, and has been made available to the Staff through the appropriate means.