

SUPPLIER CODE OF CONDUCT

BIMBA Y LOLA

VERSION CONTROL

Version	Date	Author	Changes made
1.0	2017	Procurement department	Initial version.
2.0	15/04/2021	Sustainability	Detailed information regarding sustainability.

RELATED DOCUMENTS

Name	Relation	Last version
Policy on Compliance and Criminal Risk Prevention	Supplementary	2021
Manual on Compliance and Criminal Risk Prevention -general-	Supplementary	2021
Manual on Compliance and Criminal Risk Prevention -special-	Supplementary	2021
Code of Ethics	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 & LOLA STUDIO, S.L. and its subsidiary companies (hereinafter referred to as BIMBA Y LOLA or the Group) are committed to conducting its business following the strictest ethical, social and environmental regulations, standards and principles. As a globally represented company, we are obliged to ensure that our products are made, distributed, sold and collected in such a manner that respects workers' wellness, minimizes environmental impact and fulfils all national and international laws and regulations.

This Supplier Code of Conduct (hereinafter referred to as 'the Code') has been created in order to establish a stable relationship between BIMBA Y LOLA and our supply chain providers (hereinafter referred to as the 'Suppliers'), across all business areas. Therefore, the Code applies to any supplier providing its products/services to BIMBA Y LOLA, directly or indirectly (when the supplier has been explicitly nominated by Bimba y Lola), as well as to all their supply chain/subcontractors. It is the suppliers' responsibility to ensure that its entire supply chain partners acknowledge and are compliant with this Code.

The Code sets the minimum requirements for our Suppliers to drive their business and spread our values and principles along its own supply chain. Should national regulations or any other applicable law or any other commitments undertaken or applicable, including collective bargaining agreements, govern the same issue, the provision which offers greater protection for workers and environment, shall apply, to the extent permitted by law. We expect from our Suppliers their full commitment and dedicated efforts into its continuous improvement, even beyond this Code.

It must be noted by Suppliers, as will be explained below in further detail, that BIMBA Y LOLA reserves the right to enforce the Code application by means of announced or unannounced audits conducted directly by any authorized party or any company of the Group.

This Code does not supersede or replace any requirements included in BIMBA Y LOLA Supplier Manual. This Code is also aligned with the Code of Ethics of BIMBA Y LOLA.

2. LEGAL COMPLIANCE AND ETHICAL BUSINESS BEHAVIOUR**2.1. Compliance with statutory national and international laws**

Suppliers shall comply with all applicable national and international laws and regulations, industry minimum standards, ILO and UN Conventions, OECD Conventions and any other relevant statutory requirements, whichever requirements are more stringent, even if they are not expressly referred to in this Code.

This also includes compliance with local and international trade control and customs laws under which Suppliers are doing business.

2.2. Anti-corruption

Suppliers shall comply with any applicable internal or national anti-corruption provisions stipulated, to prevent either public or private corruption. BIMBA Y LOLA strongly prohibits any form of bribing, extortion and/or embezzlement.

As a general rule, Suppliers will not offer any invitation, present or any other kind of compensation to BIMBA Y LOLA employees in the course of our business relationship. Under no circumstances, will Suppliers offer, apply and/or accept bribes to obtain business advantages with BIMBA Y LOLA.

Suppliers shall avoid conflict of interest situations in their business relationship with the Group.

2.3. Anti-trust

Suppliers shall conduct its business observing anti-trust regulations and international standards for fair competition.

As part of fair competition, Suppliers shall not, in any way, hinder the business relationship of BIMBA Y LOLA with other competitors.

2.4. Confidentiality of information and personal data

Any information received by Suppliers as a result of their commercial relationship with BIMBA Y LOLA shall be kept confidential, both during the term of the agreement and subsequently after its termination.

Any breach of these confidential obligations by the Suppliers shall entitle BIMBA Y LOLA to claim any rights and remedies that may correspond.

In the same way, Suppliers shall comply with applicable personal data legislation.

2.5. Suppliers anonymous complaints

Suppliers shall establish a proper system to enable their employees to make anonymous complaints kept strictly confidential, that may be related but no restricted to unlawful activities and breaches of this Code of Conduct. Identity of the person that communicates any possible breach will be strictly confidential. This system must provide the tools to evaluate such complaints by Suppliers management and ensure that corrective and preventive measures are taken, by means of a root cause analysis.

2.6. Whistleblowing related to BIMBA Y LOLA

Any enquiry or possible breach made by the Group or any of its employees regarding this Supplier Code of Conduct must be communicated through the corporate whistleblowing channel, which is available in <https://www.byl.studio/> and compliance@bimbaylola.com.

Inquiries made via the whistleblowing channel will be handled by Group Compliance Committee.

Identity of the person that communicates any possible breach will be kept strictly confidential. Complaints can also be anonymous.

BIMBA Y LOLA will never take any action, in the form of reprisal, against any person that communicates a possible breach in good faith.

3. LABOUR

Suppliers shall meet the highest standards to secure the human rights of workers. BIMBA Y LOLA respects human rights and has zero tolerance with any situation where human rights may be infringed or abused.

Suppliers shall respect the human rights of workers and meet the requirements set forth.

With reference to International Labour Organization (hereinafter, ILO) Conventions:

3.1. Child labour

Child labour is strictly prohibited. Suppliers shall not exploit children in any way. Workers must be at least 16 years of age and, in case that local regulation establishes a higher minimum age, the older shall apply, including regulations regarding compulsory education.

As per ILO Minimum Age Convention: The minimum age for admission to any type of employment or work, which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons, shall not be less than 18 years. This includes night work and/or any kind of hazardous task.

Suppliers shall establish robust age verification procedures, which must not be in any way disrespectful or degrading to employees.

Apprenticeship programs must also be consistent with ILO Minimum Age Convention 138. Suppliers will create the necessary mechanisms to avoid, identify and mitigate any harm to young workers, paying special attention to young people's access to effective complaint mechanisms, as well as to training plans and programs on Health and Safety at Work as for every employee. Suppliers shall ensure the working day does not affect their attendance to school, their participation in approved career guidance by the competent authority or their ability to participate in training or instruction programs.

These principles aim to protect minors from any form of exploitation. If children are found to be working in the workplace, and in order to preserve children wellness, BIMBA Y LOLA will be entitled to demand Suppliers to immediately correct the situation and proactively seek measures to ensure the protection of the affected children. If necessary, Suppliers will try to provide decent work for the adults in the affected child's family. BIMBA Y LOLA also reserves the right to terminate the business relation and to communicate the issue to corresponding legal authorities.

3.2. Forced labour

Forced labour is prohibited.

Workers should act on a voluntary basis, meaning that all forms of forced labour, including servitude, slavery, forced labour including prison labour, indentured labour, bonded labour, are strictly prohibited.

Suppliers shall not violate/infringe the free choice of employment by demanding deposits or withholding wages or identity documents. Suppliers shall provide at worker's request secure storage for their documents.

Freedom of movement of workers cannot be restricted in any case, even if Suppliers provide residential facilities to its employees.

Suppliers shall allow workers to rescind/terminate their contracts of employment, in the terms established in the contract or, in any case, with reasonable notice according to the applicable law.

Suppliers shall ensure workers are not subjected to inhuman or degrading treatment, corporal punishment, mental or physical coercion and / or any kind of abuse.

3.3. Support the freedom of association and collective bargaining

Suppliers shall respect the right of workers to form unions freely and democratically, will not discriminate against workers because of their union membership, and will respect workers' rights to bargain collectively. Suppliers will not obstruct or object to such legitimate activities.

Suppliers shall not prevent worker representatives from accessing, or interacting with, workers in the workplace. Suppliers shall not discriminate against or penalise worker representatives or trade union members because of their activities.

When operating in countries where union activity is not permitted, to the extent permitted by law, Suppliers shall provide the appropriate communication channels between BIMBA Y LOLA and their employees to ensure the fulfilment of the present Code.

Suppliers must implement conflict resolution mechanisms that allow for the resolve of internal disputes and worker complaints.

3.4. No form of discrimination, degrading or inhuman treatment in the workplace

Suppliers shall not discriminate, exclude or have certain preferences towards people based on gender, age, religion, race, caste, birth, social origin, disability, ethnicity and national origin, nationality, membership of a union or any other legitimate organization, opinion or political affiliation, sexual orientation, family responsibilities, marital status, illnesses, pregnancy or any other condition that could give rise to discrimination.

Suppliers shall not engage in or tolerate and shall ensure workers are not subjected to any kind of harassment, bullying, punishment or abuse.

Suppliers should proactively provide health controls to their workers to preserve their health conditions. The results of those medical controls shall not be disclosed by the doctor and, in any case Suppliers cannot discriminate workers based on health reasons.

Suppliers shall not encourage or tolerate discrimination in the workplace. This includes the recruitment, hiring, training, working conditions, allocation of work, remuneration, promotions, discipline, dismissals and retirement.

All disciplinary procedures must be in writing and verbally explained to workers in clear and understandable terms and shall be in accordance to the applicable law and the Human Rights Declaration.

The only permissible basis for differentiation of workers will be their ability and willingness to perform the work.

3.5. Decent living wage, paid on time, legality of employment conditions

Suppliers shall pay fair living wages. Suppliers shall comply with this principle when they respect the right of workers to receive a fair remuneration according to the minimum established by law or collective bargain agreement, that is sufficient to provide them and their families with a decent life, as well as to receive legal social benefits, without prejudice to the specific expectations presented later.

Suppliers shall initiate recognized work relations, in conformity with national legislation and practices, on the basis of a recognised and documented employment relationship. This implies, as a minimum a written employment contract, which includes easily understandable information about conditions of employment and wages, and a solo detailed payslip for each pay period, which includes sufficient information for the employee to understand the sum being paid and how wages are calculated.

Suppliers shall not evade their legal obligations under the employment relationship.

Suppliers shall remunerate workers with wages, paid overtime, benefits and paid holidays, at a minimum according to applicable law and/or industry benchmark standards and/or collective agreements.

Wages and other remuneration shall be paid promptly, in full, in legal tender and on schedule according to local regulations.

Suppliers shall not make deductions from wages that are not covered by national legislation, nor may they do so as a disciplinary measure.

3.6. Working hours

Suppliers shall define by contract the number of normal working hours. This number must be in accordance with national legislation or collective agreements or benchmark industry standards, whichever affords greater protection to ensure the health, safety and welfare of workers.

Workers shall not, on a regular basis, be required to work in excess of 48 hours per week, excluding overtime. In case local law establishes a reduced working time, such law prevails.

Suppliers shall not resort to overtime on a regular basis, applying extra hours responsibly and in exceptional circumstances. It must be noted and accepted that overtime is voluntary, therefore workers are not obliged to work extra hours. In any case, those extra hours shall be remunerated according to the relevant legislation.

Suppliers must give workers appropriate rest breaks during the working day. Workers must also be granted at least one day off per seven-day period and legal holidays.

4. SAFE AND HYGIENIC WORK ENVIRONMENT

4.1. Forbidden production processes

Sandblasting is prohibited in all BIMBA Y LOLA product lines. This is to avoid the risk of silicosis affecting workers exposed to abrasive blasting with silica, a risk that is difficult to control.

This ban applies to, but it is not limited to, the usage of aluminium oxide, aluminium silicate, silicon carbide copper slag and garnet for blasting. Suppliers shall not use, subcontract or possess any sandblasting facilities.

4.2. Safe and clean working conditions

Suppliers shall provide a safe, clean and healthy workplace, ensuring proper conditions of light, ventilation, hygiene, fire prevention and security measures. In case of residential facilities, these shall also be clean, safe, with enough light, ventilation, hygiene, fire prevention and security measures, and must cover the workers' basic needs.

Vulnerable workers, including but not limited to young workers, pregnant women, new mothers and disabled workers shall, receive particular consideration.

Suppliers shall establish procedures to regulate occupational health and safety in cooperation with workers. Active cooperation between management and workers and / or their representatives is essential to develop and apply systems that guarantee a safe and healthy working environment. This can be achieved through the creation of Occupational Health and Safety Committees with clear assignment of responsibilities.

Suppliers shall ensure that necessary precautions are taken to prevent accidents and injuries from occurring at work or in the workplace, including but not limited to adequate medical assistance, internal procedures for root cause analysis, and documentation of preventive and corrective actions taken.

Suppliers shall adopt appropriate measures to ensure maximum and safety standards of the equipment and buildings they use, including residential facilities for workers, when these are owned or provided by the employer.

Suppliers shall develop and implement emergency plans, including documented procedures detailing, among others, appropriate fire detection and extinction systems, emergency exits and recovery plans.

Suppliers shall provide workers with regular health and safety training at work. Suppliers shall keep a record of such trainings.

Suppliers shall provide access to clean toilet facilities, split by gender, with adequate supplies such as soap and washing water, potable water and, if applicable, hygienic food storage and preparation facilities. In addition, Suppliers shall always provide all workers with free Personal Protective Equipment (PPE), when needed.

5. ENVIRONMENTAL RESPONSIBILITY

Suppliers will develop their activities following principles of sustainability and environmental protection. Suppliers shall comply with current environmental legislation and promote rational usage of natural resources.

5.1. Animal treatment

Animal cruelty is strictly forbidden. Examples of animal cruelty practises are mulesing and live-plucking down, among others. Suppliers shall not use, supply, sell and/or process materials obtained from sources proven or suspected of animal cruelty practises.

Materials from endangered species as per de Cites Convention and the IUCN Red List are not allowed by Bimba y Lola.

5.2. Environmental protection

Suppliers shall place a constant emphasis and commitment to environmental friendliness and shall meet applicable local and national standards and legal requirements. Likewise, Suppliers shall also meet international standards in this area.

Suppliers shall comply with this principle by adopting the necessary measures to avoid environmental degradation.

Suppliers shall assess any significant environmental impact of their operations and adopt effective policies, procedures and adequate measures in order to avoid, minimize and/or mitigate adverse effects on the community, natural resources and the environment in general.

Suppliers shall obtain all required environmental licenses and keep them duly updated.

5.3. Chemical usage

Suppliers are responsible to ensure that no chemical or chemical formulation or any other substance included in the Supplier Procedures Manual is used in production. All products supplied to BIMBA Y LOLA shall meet the health and safety standards established that Manual.

6. CODE OF CONDUCT IMPLEMENTATION

Suppliers shall fulfil the objectives stipulated in this Code of Conduct. Suppliers shall undertake to adopt the necessary measures to respect the principles of the Code of Conduct, especially in those regions and / or subcontractors where there is a greater risk of non-compliance with the Code. In any event, Suppliers must be seriously committed to early detection, monitoring and rectification of breaches and failures in their supply chain, and be open to a constructive relationship with those interested parties who are genuinely concerned about the fulfilment of this Code.

6.1. Management system

Suppliers shall define, implement and document an effective management system that allows to proactively manage compliance with the Code. This may include risk assessment procedures, appointment of clear responsibilities, provision of ongoing trainings to direct and indirect staff to ensure appropriate level of knowledge of this Code, controls for correct implementation of the Code and documentation to prove proper due diligence.

Suppliers shall disclose the Code to their employees and its entire supply chain. Employees should also be aware of its content. A copy, translated into the local language, shall be displayed in a place that is accessible to all employees.

Suppliers are expected to conduct regular internal evaluations to evaluate the compliance of this Code both by its direct staff and its supply chain partner.

As stated in the preamble of this Code, Suppliers are responsible for ensuring compliance with the Code throughout the entire supply chain during the term of the agreement signed with BIMBA Y LOLA.

6.2. Monitoring and transparency

Suppliers shall ensure that appropriate procedures are in place to maintain written evidence that support their business decisions, in order to be able to maintain traceability of its actions and activities. This will also act as a system to prevent any kind of violation of the principles described in this Code.

When a BIMBA Y LOLA audit takes place, the auditor will have access to all documentation and all necessary provisions to this purpose at any time. Suppliers shall offer complete cooperation and allow unrestricted access to workers, records, work areas and accommodation, if any.

Suppliers shall collect accurate information on their activities, structure and performance, and provide it in accordance with applicable regulations and industry benchmark practices.

Suppliers and Suppliers' direct and indirect employees will not participate in the falsification of such information, nor in any act of misrepresentation of their role in the supply chain.

6.3. Production Traceability

With the goal of improving transparency of Group supply chain, Suppliers authorises BIMBA Y LOLA to publish their Company name and the addresses of its production facilities.

6.4. Consequences of non-compliance

If violations of the Code of Conduct were to be detected, BIMBA Y LOLA will be entitled to demand Suppliers to develop an improvement plan and execute it within a given time, which may vary depending on the nature of the offense.

In case of serious offenses, for example but not limited to child labour, forced labour, bribery and use of forgeries, and/or if Suppliers continuously fail to carry out improvement plans, BIMBA Y LOLA reserves the right to terminate the business relationship with the Supplier, including the cancellation of orders that are in process without any penalty, and report the issue to corresponding legal authorities.

BIMBA Y LOLA will find Suppliers liable for any damages and costs incurred, including loss of profits derived from their breaching the Code of Conduct.