

CODE OF CONDUCT



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1. INTRODUCTION

FAMOSA's code of conduct is a declaration of the basic rules that must govern the behavior of all the staff ("employees") of the FAMOSA Group companies ("FAMOSA"). It is a set of rules related to ethical business practices which, based on compliance with current legislation, is supported by corporate values in order to express FAMOSA's commitment to ethics and corporate responsibility in all its operations.

This code is applicable to each and every one of the persons who work at FAMOSA. It is FAMOSA's wish that the principles governing this Code also be shared by its customers, suppliers, stakeholders and other groups of persons who interact with the company and hold certain rights or legitimate interests (hereinafter, all the above shall be jointly referred to as "interest groups", to the extent that the values, principles and rules set out in the Code apply to them and FAMOSA has the authority to enforce them.

The reputation and present and future success of FAMOSA are dependent on all its staff taking personal and individual responsibility for the practical application of the Code. Together, they must demonstrate that FAMOSA is a company rooted in solid values. A company that contributes value to its stakeholders, that responds to the expectations of its interest groups and that its employees are proud to belong to.

The Code sets out the rules to follow in the event of conflicts of interest as well as providing information on obtaining guidance, assistance in applying it and more detailed rules related to certain aspects.



Thus, the objectives of this Code are to help the employees of FAMOSA take the correct action in the face of difficult decisions and to publish the ethical undertakings of FAMOSA with respect to all its interest groups. This will generate a feeling of trust and forge positive relationships between all the persons related to the company.

In the event that an employee is in doubt about whether an activity is permitted or not, about whether certain situations are in keeping with this Code or about how to apply the Code in a specific situation, they should consult the Code Compliance Officer (who is identified in Chapter 6).

This Chapter set outs both the values of FAMOSA and the external commitments acquired by the company in relation to ethics, human rights and good commercial practices.



1.1 FAMOSA'S VALUES



1.2 MAIN GUIDING PRINCIPLES OF THE UN ON BUSINESS AND HUMAN RIGHTS

FAMOSA has adopted the guiding principles of the UN on business and human rights. They ensure protection, respect and the correction of all negative impacts on human rights.



1.3 ETHICAL GUIDELINES GOVERNING ADVERTISING TO CHILDREN

As a member of the Spanish Association of Toy Manufacturers (AEFJ), FAMOSA has signed the Self-Regulatory Code for advertising toys to children (CAPIJ), the first self-regulatory ethical code on advertising targeted at children.

The CAPIJ is part of the framework of the strategy to protect minors implemented by the AEFJ since 1993, with the objective of promoting the right to commercial communication and free competition of toy manufacturers while safeguarding the interests of children. By means of this code, the AEFJ aims to establish a series of rules that will act as guidance for its member toy manufacturers in the development, execution and dissemination of advertising to children.





As a signatory of this code, FAMOSA:

- Declares its public commitment to respecting the general advertising legislation and the legal provisions established on the protection of minors, regardless of the media or carrier used to disseminate its advertising
- In all its commercial communications targeted at minors, the company undertakes to comply with the rules set out in this Code, which specify and extend the scope of the legal obligations applicable to the advertising and promotion of toys targeted at minors, for the sake of the public interest, consumers and the market.

2. SCOPE OF APPLICATION AND COMPLIANCE

2.1 OBLIGATED PARTIES

The Code shall apply to all companies forming part of the FAMOSA Group and shall be binding on all its employees, executive officers and managers.

Likewise, the Code of Conduct has been made available by FAMOSA and must be known by all its interest groups. Compliance with its rules, as may apply, by all those interest groups with which FAMOSA has contractual relations, is considered an essential obligation and breach thereof shall be considered a ground for the termination of the referred contractual relationship.

The scope of application of the Code may be extended to any other person related to the company if, due to the nature of such a relationship, their actions may in any way affect FAMOSA's reputation and its trademarks.



Company Management is responsible for establishing the cases in which said extension shall apply and the scope thereof.



2.2 PARTIES RESPONSIBLE FOR ITS ENFORCEMENT

The Code Compliance Officer shall ensure the correct communication of the Code to all employees and to all those persons who, for any reason, must be bound by the Code rules. All the employees of FAMOSA are obliged to know and comply with the Code in order to facilitate its implementation within the FAMOSA Group, including the reporting of possible non-compliances to the Code Compliance Officer.

All the employees of FAMOSA have the following obligations:

- They must know the Code of Conduct and make their decisions based on said principles and the policies that stem from those principles; and
- They must report any sign of processes and actions that contravene the provisions of this Code of Conduct.



The executives and managers of FAMOSA also have the following obligations:

- They must communicate the Code to their teams.
- They must ensure compliance by example.
- They must support their staff in any ethical dilemma that could arise.
- They must correct deviations detected in complying with the Code.
- They must establish mechanisms to ensure compliance with the Code in their areas of responsibility in an appropriate and timely manner.
- They must inform the Code Compliance Officer about processes and actions that could contravene the provisions of the Code.

No-one, regardless of their position in the company, is authorised to ask any recipient of the Code to contravene the provisions of the Code.

No employee or obligated party may justify a conduct that is contrary to the Code or constitutes malpractice based on the order of a superior or ignorance of the content of the Code.

2.3 COMPLIANCE WITH THE CODE

FAMOSA shall take the necessary steps to enforce the set of values, principles and rules set out in this Code by disseminating its content among the recipients and clearing up any doubts that may exist regarding its application.

Failure by the executives, managers and other employees of FAMOSA to observe the Code and the rules arising from the implementation of the duly-communicated specific policies may give rise to the opening and initiation of the procedures foreseen for this purpose in the corresponding legislation, including dismissal.



2.4 COMPLIANCE WITH THE LAW AND REGULATORY LIMITS

The business activity of FAMOSA and its employees is regulated by the law. Observance of all applicable laws and regulations must never be questioned. Furthermore, employees shall observe, comply with and enforce all internal rules and regulations, as they apply to each particular situation. These internal rules and regulations apply specifically to FAMOSA and may transcend legal requirements.

Under no circumstances shall the application of the Code content infringe the applicable legal provisions, and if any such circumstance is detected, the Code content must be adapted to what is set out in such legal provisions.

The content of the Code shall take preference over that of any internal rules that could contradict it, unless said rules establish stricter conduct requirements.

The Code does not modify the employment relationship existing between the respective FAMOSA company and its employees or create any contractual right or obligation.



3. ETHICAL PRINCIPLES

All actions taken by employees and other parties bound by this Code as a consequence of their relationship with FAMOSA shall be guided by ethical values, including those set out in this Chapter.

3.1 COMPETITION DEFENCE AND COMMERCIAL LAW



FAMOSA is ready to compete successfully in the current commercial sector and will always do so in accordance with all applicable competition defence and anti-trust laws and principles of fair trade. For this reason, the employees must always observe the following rules:

- The commercial policy and prices shall be established independently and never agreed formally or informally with competitors or other unrelated parties, whether directly or indirectly.
- Customers, territories and product markets shall never be shared out between FAMOSA and its competitors, but will always be the result of fair competition.
- Customers and suppliers shall be treated fairly by FAMOSA.
- All employees, and in particular, those who engage in marketing, sales and purchase activities, or those who are in frequent contact with competitors, must be familiar with the applicable competition laws.



Failure by the executives, managers and other employees of FAMOSA to observe the Code and the rules arising from the implementation of the duly-communicated specific policies may give rise to the opening and initiation of the procedures foreseen for this purpose in the corresponding legislation, including dismissal.

In discharging their professional duties, no employee shall consciously cooperate with others in violating any national or international law, or collaborate with them in performing any actions or omissions that might put the principle of legality at risk, or that, if known, could damage the company's reputation.

In the event of doubt, please contact the Code Compliance Officer.

3.2 RELATIONS WITH CUSTOMERS AND CONSUMERS

FAMOSA seeks success on the market by providing quality products and services, complying with all the applicable laws to ensure the safety of the market and protection of customers and consumers.

The mission of the FAMOSA Group is based on satisfying the needs of its customers and consumers, paying special attention to children. In particular, FAMOSA is committed to respecting the right of children and their families, and of its customers and consumers to receive quality products that are not harmful to health and cause no damage, and to receive complete information about the products supplied to them.



To that end, the employees and management of FAMOSA undertake to:

- Strictly comply with all internal rules and procedures established for the management of customer and consumer relations;
- Efficiently provide quality products that meet the reasonable needs and expectations of customers and consumers, within the limits established by its contractual obligations;
- Furnish accurate information about the products and services provided, so that customers and consumers can make their decisions based on facts;
- Be clear and truthful in all commercial communications with customers and consumers; and
- Strictly comply at all times with the principles and procedures established by FAMOSA in relation to product safety.

3.3 RELATIONS WITH COMMERCIAL PARTNERS AND WITH THE MARKET

FAMOSA seeks to attain its objectives through the provision of products and services that are competitive, innovative and of the highest quality, strictly complying with all applicable market protection laws.

To that end and pursuant to the Code of Conduct principles, all employees shall:

- Cooperate with FAMOSA's commercial partners, within the scope of their contractual obligations;
- FAMOSA shall provide accurate, complete information about products, complying with the principles of transparency and corporate confidentiality; and
- Be clear, complete and truthful in all its commercial communications with the market.



3.4 RELATIONS WITH SUPPLIERS



Within the framework of their duties and obligations, all affected employees and interest groups shall ensure that FAMOSA's suppliers continuously and constantly conduct themselves in accordance with the ethical principles and standards of the Code of Conduct.

With respect to compliance with ethical-social principles, FAMOSA shall ensure that the selected suppliers are properly certified in relation to their ethical manufacture commitment, by international systems that have recognised prestige and are widely used, such as:

- ICTI CARE, the commercial practices programme of the International Council of Toy Industries (ICTI): (Caring, Awareness, Responsible, Ethical) that promotes ethical manufacturing processes in the supply chain, and whose Commercial Practices Code is set out in Annex 1 to this Code of Conduct
- The Business Social Compliance Initiative (BSCI), a social management system that enables a company to analyse, control and reduce the social impacts of its activities. The BSCI is based, among others, on the conventions of the ILO (International Labour Organisation), the Universal Declaration of Human Rights and the OECD Business Directives, with its principles being: the right to freedom of association and collective bargaining, non-discrimination, decent pay, fair working hours, health and safety at work, no child labour, special protection for young workers, no precarious or forced labour, protection of the environment and ethical business conduct.

In the event of any justified doubt arising about the ethical conduct of a supplier or their compliance with the principles of this Code, FAMOSA will take the appropriate actions immediately.

In staff selection or supply processes and in general, in all relations with providers of goods and services, and within the framework of their obligations, the affected employees and interest groups shall:

- Strictly comply with all internal supplier selection procedures and rules and the management of supplier relations;
- Not prevent any supplier who meets the selection requirements from competing to provide products or services to FAMOSA, by adopting objective criteria of transparency and fairness in the selection criteria processes;
- Select suppliers based on the needs of FAMOSA, in order to obtain the best possible conditions in terms of quality, safety and the cost of the offered goods;
- Obtain the maximum possible collaboration of suppliers to continuously guarantee that the needs of FAMOSA and its customers and consumers are met in terms of quality, safety, costs and delivery times, in accordance with, or exceeding, expectations;
- Maintain an open, honest dialogue with suppliers, in line with good commercial practices; and
- Report or denounce any supplier conduct that enters into conflict with the provisions of the Code, in the manner set out in Section 5.3 of this document



3.5 RELATIONS WITH COMPETITORS



In managing its commercial relations and transactions, FAMOSA is inspired by the principles of good faith, legality, honesty, transparency, efficiency and respect for the market and competitors.

In particular, FAMOSA seeks success on the market by providing quality products and services, complying with all the applicable national and international laws to defend fair competition.

Specifically, and within the national and international regulatory framework that regulates competition, the activities of FAMOSA and the conduct of its employees and interest groups who in any way act on its name and on its behalf shall be inspired by absolute autonomy and total independence in relation to the conduct of FAMOSA's competitors in relevant markets.

FAMOSA is a member of the Spanish Association of Toy Manufacturers (AEFJ) and may participate in other national or international category associations, whose meetings are an opportunity to encounter competitors in the sector. These situations could lead to the discussion of topics conflicting with national or international regulations regarding competition. In such a case, the representative of FAMOSA shall refrain from taking part in the conversation or interrupt it and, as appropriate, leave the meeting, promptly reporting the event to the Code Compliance Officer as set out in Section 5.3



3.6 PRODUCT SAFETY

FAMOSA acknowledges that its market reputation is directly and strictly related to the marketing of products that are safe and of the highest quality.

FAMOSA undertakes that each of the products it places on the market strictly complies with the applicable legislation on safety.

FAMOSA designates and assigns human and financial resources to the implementation and development of its processes, policies and internal management systems for the purpose and objective of ensuring the continuous improvement of its product safety processes, in order to ensure that end consumers or users, especially children and their families, purchase safe, high quality products.

In this sense FAMOSA cooperates with the AEFJ and its members, leading national and international companies in the sector, in order to define, implement and ensure that others implement best practices, norms and technical standards in the reference market, in compliance with the relevant regulations.



3.7 FIGHT AGAINST BRIBERY AND CORRUPTION

FAMOSA's employees shall behave in a legitimate and honest manner, and shall be trustworthy in all negotiations in which the company has an interest, in all cases complying with the acquired commitments.

No employee shall offer or promise improper personal, commercial or financial favours, either directly or through intermediaries, or any other type of favour in order to win or obtain business or any other benefit from a third party, whether public or private. Neither shall any employee accept any benefits of this type in exchange for preferential treatment by a third party. Likewise, employees shall refrain from behaving in a way that could give rise to the suspicion of displaying any such conduct or attempting to do so.

Employees are informed that the offer or delivery of improper benefits in order to influence the decision of the receiver may not only give rise to the application of disciplinary sanctions, but also result in the filing of criminal charges.



3.8 FIGHT AGAINST FRAUD AND THE PROTECTION OF ASSETS

Employees must never become directly or indirectly involved in fraudulent actions or behave dishonestly in a way that implicates or poses a risk to the resources, assets or financial and accounting records of FAMOSA or any third party related to the company. Not only could this give rise to the application of disciplinary sanctions, it could also result in the filing of criminal charges.

The financial records of FAMOSA constitute the basis for the running of the company business and allow the company to fulfil its obligations with respect to its different interest groups. Therefore all financial records must be accurate and in accordance with the accounting principles of FAMOSA.

All FAMOSA's employees shall do their best to protect the assets of FAMOSA against loss, damage, incorrect use, theft, fraud, embezzlement and destruction.

The above obligations refer to both tangible and intangible assets, including trademarks, know-how and intellectual property, confidential information and information systems.



Employees shall make use of the computer tools (hardware and software) placed at their disposal by FAMOSA (email, office applications, Internet, fixed telephones, mobile telephones, fax, etc.) in conditions that are in keeping with the job requirements and with the functions they perform, and they may only access the systems they are authorised to access, and with the opportune licences at all times.

To the extent permitted by current law, FAMOSA reserves the right to control and supervise the way in which the employees use its resources, including the right to inspect emails, data and files housed in computer servers, communication networks and other data carriers owned by the company.

3.9 RESPECT FOR THE RIGHTS OF PERSONS



FAMOSA respects the personal dignity, privacy and personal rights of each employee, and is committed to promoting and maintaining a workplace where no situations of discrimination or harassment exist. Relations between all employees shall always be based on respect for dignity and non-discrimination of persons. One basic principle of action in FAMOSA is ensuring equal opportunities in accessing jobs and in professional promotion, ensuring at all times the absence of situations of discrimination for reasons of gender or sexual orientation, race, religion, ethnic origin, age, civil status or social class.

Therefore, all employees intervening in staff recruitment, selection or promotion processes shall be guided objectively with respect to their actions and decisions, based on an open-minded attitude to diversity and with the aim of identify those persons who best fit the profile and needs of the job, in all cases promoting equal opportunities.



On the other hand, harassment, abuse, intimidation, disrespect and a lack of consideration or any type of physical or verbal aggression are unacceptable and will not be permitted or tolerated at work.

All those employees with staff under their supervision shall promote and ensure that such situations do not occur, using all available means.

All employees, especially those who perform management functions, shall at all times promote relations based on respect for the dignity of others, inclusion, fairness and mutual cooperation at all professional levels, fostering a respectful labour environment in order to ensure a positive work environment.

Any employee who feels that these principles are not complied with in their work area may inform the Code Compliance Officer of their concerns.

3.10 OCCUPATIONAL RISK PREVENTION

FAMOSA believes the occupational health and safety of its employees is a fundamental factor in achieving a comfortable and safe work environment, and permanent improvement of working conditions is a critical objective. At FAMOSA, compliance with safety standards is an essential employment condition and promoting a safety culture is everyone's responsibility.

Considering all the above, FAMOSA's employees must at all times respect the applicable health and safety preventive measures, making use of the resources provided by the organisation and ensuring that the members of their teams and the subcontracted personnel for whom they are responsible perform their activities in conditions of complete safety.



3.11 PROTECTING THE ENVIRONMENT

Within the scope of their competencies, the employees of FAMOSA actively and responsibly undertake to protect the environment, respecting the legal requirements, heeding the recommendations and procedures established by the company to reduce environmental impacts on their activities, and helping improve the environmental sustainability goals included in the respective protocols established by the Quality and Environment Area.



3.12 COLLECTIVE RIGHTS

The employees of FAMOSA shall respect internationally-recognised rights of syndication, association and collective bargaining and the activities carried out by organisations representing the workers, in accordance with the functions and competencies legally assigned to them, with which they shall maintain relations based on mutual respect, in order to promote an open, transparent and constructive dialogue that enables the consolidation of the objectives of social peace and job stability.



4. BEHAVIOUR GUIDELINES

4.1 CONFLICTS OF INTEREST

A conflict of interest arises when the personal interests of an employee compete with those of FAMOSA in making a decision. In this situation, it is difficult for the employee to devote their efforts to defending the best interest of the company. When faced with an ethical dilemma of this type within the scope of their activity in FAMOSA, the employee is obliged to put the interests of the company before their own personal interests or those of others.

Whenever possible, employees must avoid conflicts of interest. In the event of a conflict of interest occurring, or if an employee is faced with a situation that could involve or give rise to a conflict of interest, that employee must inform their supervisor, manager or the Code Compliance Officer.

Similarly, it is important to avoid the appearance of a conflict of interest existing, as the mere appearance of conflict could be as harmful to the reputation of FAMOSA as a real conflict of interest. In particular, employees who are responsible for commercial transactions carried out on behalf of FAMOSA, for instance, the purchase or contracting of goods and services, must be aware of and alert to the possibility of conflicts of interest arising when they make their decisions.



4.2 LIMITATIONS IN RELATION TO STAFF RECRUITMENT AND DEVELOPMENT

When hiring staff in FAMOSA, the decision factors used shall be their qualifications, performance, skills and experience. Persons related directly to employees of FAMOSA may only be hired by the company if the recruitment is based solely on the above decision factors. No persons may be recruited for a department in which their relatives are working and no hierarchical or functional relations may exist between relatives without the approval of General Management and Human Resources.

These recruitment principles shall apply to all aspects of the employment relationship, including remuneration, promotions and transfers and also in the case that the relationship takes place after the date on which the respective employee joined the company.



4.3 CORPORATE OPPORTUNITIES

Employees shall not compete with the company or obtain any personal benefit from commercial opportunities that may arise for them during their employment (for example, in relation to products, inventions or investments), unless the company has explicitly abandoned its interest in pursuing said opportunity.

If any employee wishes to pursue a commercial opportunity that could be of interest to the company, they must inform their supervisor (manager), who must obtain the decision of Management as to whether or not the company wishes to pursue said opportunity.



4.4 CONFIDENTIAL INFORMATION

All information not known to the public shall be considered confidential information of FAMOSA. This includes trade secrets, business plans, marketing and services, consumer opinions, engineering and production ideas, prototypes, product recipes, designs, databases, records, information on salaries and any other financial information that has not been published.

FAMOSA's continuous success depends on confidential information and on that information not being revealed to third parties. Unless this is required by law or authorised by FAMOSA Management. Employees shall not reveal the company's confidential or permit its disclosure.

This obligation shall continue to exist after the employment relationship has ended. Employees shall do their best to prevent the unintentional disclosure of information, and shall take special care in storing or transmitting confidential information through any channel. In particular, it is forbidden to record images, via any media and in any place (design rooms, showrooms, etc.) of product prototypes, samples or designs before FAMOSA makes them known to the public in general.

FAMOSA respects the right of third parties having a similar interest in protecting their confidential information in the case that others, such as partners in a joint venture, suppliers or customers share confidential information with FAMOSA. Such information shall be treated in the same way as the confidential information of FAMOSA. In this respect, employees shall protect any confidential information they may have obtained during their former employment.

Likewise, employees shall protect all confidential information entrusted to them by the company in relation to customers, stakeholders, employees or suppliers.



4.5 GIFTS AND HOSPITALITY

Employees shall not be influenced in their decisions by receiving favours or improperly try to influence others by delivering favours in the form of physical gifts or displays of courtesy such as invitations, meals, trips or similar.

Employees may only accept gifts and displays of courtesy if their value is reasonable or symbolic, if they are appropriate due to the circumstances or if they do not involve providing a commercial consideration in return. As applicable, employees shall at all times observe the rules and limits established by FAMOSA in the internal policies and procedures regulating this matter.

On the contrary, employees shall not accept or offer gifts, meals or displays of courtesy if such conducts constitute - or may give the impression of constituting - an inadequate influence with respect to the respective commercial relationship.

In the event of having any doubts in this respect, before making the corresponding decision, the employee must seek the advice of their supervisor or the Code Compliance Officer.



4.6 PERSONAL DATA PROTECTION

All personal data stored or exchanged during the day-to-day activities of FAMOSA shall be protected, insofar as such protection is a matter of priority in attaining a maximum standard of quality in implementing the corporate purpose.

Employees shall respect and comply with the applicable personal data protection laws.

FAMOSA and its employees shall apply and comply with the following legislation, to all intents and purposes: The General Data Protection Regulation (GDPR) and/or the applicable data protection regulation in force in its jurisdiction.



4.7 INSTITUTIONAL RELATIONS AND EXTERNAL COMMUNICATION

Employees shall not make comments or spread rumours about FAMOSA or the company's staff through any channels within the framework of their relationship with FAMOSA.

Employees shall maintain an attitude of respect and cooperation with the representatives of public authorities within the scope of their competencies.

Association, cooperation and membership of political parties or any other kind of entity, institution or association for public purposes or purposes exceeding those of the company and contributions or services to these shall only be done in a manner that makes their personal nature clear and avoids any implication with FAMOSA.

Before accepting any public office, employees shall inform their supervisor (manager) and the Code Compliance Officer, in order to determine the possible existence of incompatibilities or restrictions in exercising such offices.



4.8 TRANSACTIONS WITH RELATED PARTIES

The definition of Related Parties and Transactions with Related Parties are those specified in IAS 24 (International Accounting Standard 24), which states that a party is related if:

- a) Directly or indirectly, via subsidiaries, trustees or nominees:
 - i. It controls the company, is controlled by it or is subject to common control;
 - ii. It has a holding in the company such that it exerts considerable influence over it;
 - iii. It exerts control over the company together with other parties;
- b) It is an associated company;
- c) It is a joint venture in which the company is a partner;
- d) He/she is one of the executives with strategic responsibilities for the company or its parent company;
- e) He/she is a close relative of the parties specified in a) or d);
- f) It is an entity in which one of the parties specified in d) or e) exercises control, joint control or considerable influence or directly or indirectly possesses a holding with no less than 20% of the voting rights;
- g) It is a collective or individual, Spanish or foreign, supplementary pension fund set up for employees of the Company or any other entity related to it and incorporated or promoted by the company itself and over which the company can exert influence.

Commercial or business transactions with related parties shall always be carried out in market conditions and in accordance with current law, and must be reported pursuant to IAS 24.

The sale/purchase of products for sale/resale by the company to the market is not considered a transaction between related parties.

All intended Transactions with Related Parties, regardless of its amount, must first be notified to Famosa Legal Counsel who will seek and manage the approval or refusal by the appropriate Administration Body.



4.9 FINANCIAL AID GRANTED BY FAMOSA

In the event of FAMOSA directly or indirectly granting any economic or financial contribution or aid to a third party, FAMOSA shall pay the greatest attention to the purpose and use of such contributions, in order to avoid becoming involved in transactions with illegal purposes.

4.10 SUBSIDIES AND OTHER PUBLIC BENEFITS REQUESTED BY FAMOSA

In the case that FAMOSA requests any public funding or aid, whether in the form of subsidies, loans with special privileges, tax benefits, deferments or reductions in tax, social security /pension payments or any other corporate obligations, this shall always be done in a legal and transparent manner, and in strict compliance with the applicable regulations.

FAMOSA shall comply with all the conditions established to obtain such aid or benefits and shall only use them for the purposes for which they were requested and obtained, and shall inform the institution granting them of any change in the conditions that must be met in order to obtain said aid or benefits.



5. CODE IMPLEMENTATION PROCEDURE

5.1 IMPLEMENTATION OF THE CODE

In making decisions that could pose a risk to compliance with the principles of the Code, employees shall analyse:

- The legality of the action.
- Their capacity to adopt it.
- The potential impact on interest groups and the news media.
- Compatibility with the principle of business integrity and other suitability criteria.

If they have any doubts, employees should inform their supervisor (manager) and the Code Compliance Officer. These persons shall provide them with information related to:

- Access to training courses
- Additional copies of this Code of Conduct
- A channel through which to submit contributions and suggestions for future updates of this document
- Responses to FAQs

Employees may ask the Legal Department for specific advice on conflicts of interest or other issues.

5.2 RESPONSIBILITIES IN THE EVENT OF BREACH

Each employee is responsible for guaranteeing full compliance with all the provisions of this Code and if necessary, for requesting assistance from their supervisor or the Code Compliance Officer.

Each employee is personally and individually responsible for doing what is right in each case and for guaranteeing the highest standards of integrity for themselves and for the company as a whole, without being able to delegate such responsibility to others.

In the event of doubt, employees must always be guided by the basic principles set out in the Introduction section of this Code.



Failure to comply with the Code may give rise to the application of disciplinary measures, including the possibility of dismissal and, depending on the case, to the taking of legal actions or the application of criminal sanctions.

Breach of the Code by interest groups with which FAMOSA has contractual obligations will have the consequences set out in such contracts and in all cases, shall be considered grounds for the early termination thereof.

5.3 REPORTING OF CONDUCTS THAT ARE ILLEGAL OR CONTRARY TO THE CODE

Employees shall report any practice of action that they think is inadequate or illegal by virtue of this Code to their supervisor (manager) or to the Code Compliance Officer.

If appropriate, considering the nature of the reported act, Code violation reports may be submitted directly to higher-ranking officers of the company, including the Group CEO.

All reports shall be properly investigated. FAMOSA strictly prohibits the taking of reprisals against any employee in relation to reports submitted in good faith and shall protect the rights of the reported person.

Reports submitted by persons forming part of interest groups may be sent by email to the Code Compliance Officer or by post to the attention of the Compliance Officer, at the following address: FAMOSA – C/ María Tubau 3, 28050 Madrid.

The reports may be sent anonymously, but senders are recommended to identify themselves to facilitate the investigation of the reported acts.



6. VALIDITY AND PERSONS RESPONSIBLE FOR ENSURING COMPLIANCE WITH THE CODE

This Code is a modification made in November 2020 of the Code originally published on 1 March 2014 and firstly amended in July 2018.

During the term of validity of the Code, the Code Compliance Officer is:

Emma Casas Pancorbo (HR Senior Manager)

Email: ecasas@famosa.es

ANNEX 1-ICTI COMMERCIAL PRACTICES CODE (VERSION DEC. 2010)

The "International Council of Toy Industries" (ICTI), an association of associations, undertakes, on behalf of its member companies, to manage its toy factories in a legal, safe and healthy manner. It upholds the principles that its members will not use any child, forced or prison labour (*); that no-one is denied a job because of gender, ethnic origin, religion, affiliation or association and that factories comply with the environmental protection laws. Supply agreements with companies that manufacture on behalf of the ICTI members must also adhere to these principles.

The specific operating conditions to be met by member companies for their contracts to be accepted in advance are as follows:

LABOUR

- That working hours per week, wages and overtime pay practices comply with the standards set by law or, in the absence of a law, address humane, safe and productive working conditions;
- that no one under the legal minimum age is employed in any stage of toy manufacturing; that a minimum age of 14 applies in all circumstances, but notwithstanding the foregoing, that C138 Minimum Age Convention (1973) and C182 Worst Forms of Child Labor Convention (1999) apply;
- that no forced or compulsory (*) labour is employed, that workers are free to leave once their shift ends, and that guards are posted only for normal security reasons.



- that all workers are entitled to sick and maternity benefits as provided by law.
- That all workers are entitled to freely exercise their rights of employee representation as provided by local law.

(*) Many countries admit that prison labour is essential in rehabilitation processes. This provision prohibits the export of goods manufactured by prisoners to countries that prohibit or restrict the import of such goods.

THE WORKPLACE

- that toy factories provide a safe working environment for their employees and comply with or exceed all applicable local laws concerning sanitation and risk protection;
- that the factory is properly lighted and ventilated and that aisles and exits are accessible at all times;
- that there is adequate medical assistance available in emergencies, and that designated employees are trained in first aid procedures;
- that there are adequate and well-identified emergency exits, and that all employees are trained in emergency evacuation procedure;
- that protective safety equipment is available and employees are trained in its use;
- that safeguards on machinery meet or exceed local laws;
- that there are adequate toilet facilities which meet local hygiene requirements, and that they are properly maintained;
- that there are facilities or appropriate provisions for meal and other breaks;
- if a factory provides housing for its employees, it will ensure that dormitory rooms and sanitary facilities meet basic needs, are adequately ventilated and meet fire safety and other local laws;
- that no mental or physical disciplinary practices are employed.



COMPLIANCE

- The purpose of this Code is to establish a standard of performance, to educate, and to encourage commitment to responsible manufacturing, not to punish.
- To determine adherence, ICTI member companies will evaluate their own facilities as well as those of their contractors. They will examine all books and records and conduct on-site inspections of the facilities, and request that their contractors follow the same practices with subcontractors.
- An annual statement of compliance with this Code must be signed by an officer of each manufacturing company or contractor.
- Contracts for the manufacture of toys should provide that a material failure to comply with the Code or to implement a corrective action plan on a timely basis is a breach of contract for which the contract may be cancelled.
- This Code should be posted or available for all employees in the local language.

