



COLOMER LEATHER GROUP

**INCIDENT REPORTING POLICY
COLOMER LEATHER GROUP, S.L.**

First edition

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1. Purpose of the Policy

Colomer Leather Group, S.L. (hereinafter "**CLG**") is committed to the highest standards of business ethics, integrity, transparency and compliance. In accordance with the provisions of the Code of Ethics, all Professionals and Third Parties associated with CLG may freely report, in a secure and confidential manner, any sign or reasonable suspicion of non-compliance with the law or CLG's internal regulations, including the Code of Ethics and other policies and procedures.

To this end, CLG has implemented an Internal Reporting System (the "**Reporting System**") that is based on trust, fairness and Informant protection and provides alternative channels for reporting Incidents to encourage and facilitate the reporting of Incidents, to support and protect Informants and to ensure that such reports are handled in the most appropriate and timely manner.

The implementation of a single Reporting System at Group level benefits all CLG entities, its Professionals and its business partners, as a centralised approach ensures its efficiency and facilitates the reporting of Incidents by Informants. The operation of the Reporting System at Group level is based on the Intragroup Agreement signed between Colomer Leather Group, S.L. and each of its subsidiaries, without prejudice to the autonomy and independence of each company of the Group.

Without prejudice to the other constituent elements (such as the related procedures and training measures, among others), this Policy forms the basis of the Reporting System and defines its general principles.

The purpose of this Policy and the Internal Reporting System as a whole is to ensure that any Incident brought to the attention of CLG is handled in the most appropriate manner to protect the Informant, CLG and other Professionals and Third Parties.

CLG encourages its Professionals and Third Parties to use any of the alternative channels made available to them for reporting Incidents. By doing so, the Informant provides CLG with the opportunity to address the issue in a timely manner and to seek an appropriate resolution.

2. Scope and applicability

This Policy applies to all CLG Professionals, in addition to all Third Parties who deal with CLG.

3. Definitions

Definitions of some of the terms used in this Policy can be found below.



CLG or Group	Colomer Leather Group, S.L. and all its subsidiaries, which are currently Adobinve, S.L.; Grupo Ledexport, S.A.; Pells de Llobregat, S.A.; Pielés Quintana, S.A. and Pielés del Segura, S.A.
Compliance Committee	A supervisory body pursuant to Article 31-bis 2 PC.
Committee Delegate	A natural person with the authority to manage the Reporting System and handle investigation files.
Incident(s)	Any sign, suspicion or reasonable risk of non-compliance with the applicable laws or the internal regulations of CLG, including the Code of Ethics and other policies and procedures, that may have occurred during the course of its business activities.
Informant	Professionals and Third Parties who report an Incident that has come to their attention during the course of their employment, contractual or legal relationship with CLG or, where applicable, during the selection process or pre-contractual negotiations, through any of the channels provided for such purpose in accordance with this Policy.
Policy	This Incident Reporting Policy.
Professional(s)	All employees, senior executives and members of the Governing Bodies of CLG, as well as volunteers, interns and trainees, whether remunerated or not. The following are also considered to be Professionals for the purposes of this Policy: <ul style="list-style-type: none">• persons whose employment or legal relationship has ended; and• persons whose employment relationship has not yet commenced (those in the selection process or pre-contractual negotiations).
Reporting System	CLG's Internal Reporting System.
Third Party/Parties	All Third Parties with which CLG interacts (i.e. suppliers, collaborators and customers, among others).

4. Responsibility for the Internal Reporting System

The Board of Directors of CLG has appointed the Compliance Committee as the body responsible for the Internal Reporting System.



In turn, the Compliance Committee has delegated the powers to manage the Reporting System and process the investigation files to Mr Joan Vilarrasa Folgarolas [the "**Committee Delegate**"], who shall perform his duties independently of the Governing Bodies of CLG.

In cases in which a report of an Incident relates to or questions the conduct or actions of the person responsible for the Internal Reporting System or any professional under his/her direct supervision, it will be dealt with by another investigator (internal or external) appointed by the Compliance Committee (excluding the Committee Delegate).

5. Channels for reporting Incidents

CLG provides its Professionals and Third Parties with alternative channels for the reporting of Incidents.

- All CLG Professionals are required to report any Incident to CLG, through the channel that best suits their needs, regardless of the way in which they became aware of it. CLG Professionals may report Incidents: (i) through the Ethics Channel; (ii) directly to their line manager; or (iii) to the Compliance Committee.
- Third parties may report an Incident: (i) through the Ethics Channel; (ii) directly to their usual contact at CLG; or (iii) to the Compliance Committee.

In those cases in which the Informant has chosen to report an Incident directly to a CLG Professional (i.e. not through the Ethics Channel or the Compliance Committee), that Professional must report it (a) to the Committee Delegate in his/her capacity as the person responsible for managing the Reporting System and handling investigation files; or (b) to the other members of the Compliance Committee if the Incident concerns the Committee Delegate or a Professional under his/her direct supervision.

Should the CLG Professional not comply with his/her obligation to duly forward the Incident received, he/she will not be included within the scope of the Reporting System and compliance with the guarantees and rights provided therein cannot be guaranteed.

Irrespective of who receives the report of the Incident and the obligation to inform the relevant persons mentioned above, the confidentiality of the content of the Incident and the identity of the Informant shall be ensured and the potential recipients shall be trained on how to ensure such confidentiality, among other basic principles and concepts governing the management of Incidents.

Regardless of the channel chosen, the Informant shall receive an acknowledgement of the receipt of the report within seven (7) calendar days of it being received, unless this could potentially compromise the confidentiality of the report.

5.1. Content of reports

To ensure the rigour of the investigation and the confidentiality of the processing of the report, it must contain at least the following information:

- Identification of the Informant. Providing identifying information (including full name, company, country and the preferred means of communication for contacting the Informant) allows for better and more efficient management of cases. Nevertheless, all reports will be kept anonymous.
- A description of the Incident and, where possible, the evidence supporting the report and, to the extent possible, an indication of the internal CLG policy that is believed to have been breached.



- Details of the person(s) who is/are alleged to be responsible for the Incident, in a manner that enables them to be accurately identified.

Reporting the facts as soon as possible after they occur or become apparent will assist in the proper investigation of such facts.

5.2. Ethics Channel

The Ethics Channel is available 24 hours a day and allows Professionals and Third Parties to report their concerns in writing. The Ethics Channel can be accessed via the following direct link to the secure and confidential external platform: <https://colomer.whistlelink.com/>.

The Ethics Channel is hosted on an outsourced platform hosted by an independent external provider, which provides greater guarantees of security and confidentiality for Informants.

Incident reports will be handled by the Committee Delegate, unless the allegations of the Incident relate to or question the conduct or actions of the Committee Delegate or a professional under his/her direct supervision, in which case they will be handled by another (internal or external) investigator appointed by the Compliance Committee (other than the Committee Delegate) to ensure the impartiality of the Committee Delegate.

5.3. External channels

Without prejudice to the right of Professionals and Third Parties under the applicable law to report Incidents externally to the competent authority, CLG encourages Informants to preferentially use the internal channels described above in order to manage Incidents in the best and most expedient manner. In any case, the list of competent local authorities can be found on the CLG website. In Catalonia, the Anti-Fraud Office (*Oficina Antifrau de Catalunya*)¹ has been designated as the competent authority.

6. Guiding principles and guarantees

6.1. Good faith

Any reporting of an Incident through the channels set out in Section 5 must be made in good faith. Use of the various communication channels in bad faith may result in CLG taking disciplinary and, where appropriate, legal action against the Informant.

An Informant will be deemed to have acted in good faith if he/she has reasonable grounds to believe that the information provided is true, even if he/she cannot provide conclusive evidence.

6.2. Security measures, confidentiality and anonymity

Regardless of the channel used to report an Incident, the CLG Internal Reporting System has appropriate technical and organisational security measures in place to prevent the risk of disclosure, unavailability, loss or destruction of information.

CLG guarantees the confidentiality of the identity of the Informant in good faith whenever possible and at all stages of the process, which will not be disclosed to third parties, to the

¹ Link to the website of the *Oficina Antifrau de Catalunya*: <https://www.antifrau.cat/en>

parties involved in the Incidents or to their hierarchical superiors, except as required by law or with the express consent of the Informant. In this case, only the information that is absolutely necessary will be shared with as few people as possible.

Similarly, the obligation of confidentiality extends to the content of the Incidents received and, where appropriate, to subsequent communications between the Informant and CLG.

The actions of the Committee Delegate and of any Professional or Third Party appointed by the Committee to conduct an internal investigation, or of any alternative party who may replace the Committee Delegate, shall at all times be guided by the principles of integrity and impartiality and shall scrupulously respect the confidentiality and privacy of the individuals involved in any complaint or investigation process.

Although CLG allows anonymous reporting of Incidents and guarantees that all Incidents, whether anonymous or not, will be dealt with, CLG encourages Informants to include their identifying details with the report, as this will allow for better and more efficient management of said report.

6.3. Non-Retaliation

CLG strictly prohibits its Professionals from intimidating or discouraging other Professionals from reporting an Incident. Likewise, CLG will not tolerate any form of retaliation against an Informant who reports an Incident in good faith and in accordance with the internal rules of CLG.

CLG therefore undertakes to prevent, investigate and take action against any direct or indirect retaliation, threat of retaliation or attempt to retaliate against:

- the Informant, for merely reporting the Incident in accordance with the internal rules of CLG, or using an external channel, or having made a public disclosure in accordance with applicable law; or
- any other Professional who assists or participates in the process (for example, as a witness or by providing information).

Retaliation includes, but is not limited to, discriminatory or adverse treatment, demotion or unfair denial of promotion, change in working conditions or termination of contract.

CLG will take all measures it deems necessary to protect Informants from retaliation and to maintain the integrity and fairness of an investigation. Any Professional who retaliates against or personally harms an Informant may be subject to disciplinary action, up to and including dismissal.

Notwithstanding the foregoing, the mere reporting of an Incident does not exempt an Informant who participated in the reported misconduct from liability, although CLG may take the reporting of the Incident into account when determining the action that will be taken.

Anyone who believes that they have been the victim of retaliation should report it immediately using the communication channels set out in Section 5.



6.4. Data protection

CLG undertakes to at all times process personal data received through the channels described in Section 5 of this Policy and personal data relating to any investigation in accordance with the provisions of the applicable data protection legislation.

Personal data relating to reports of Incidents that are received and internal investigations that are conducted will only be stored for as long as is necessary, always in accordance with the periods stipulated in the applicable legislation and the relevant internal regulations.

7. Register of information

CLG will maintain a complete record of all reports of Incidents received through the Reporting System and the internal investigations resulting from them. In accordance with the provisions of the previous sections, this register will ensure the necessary security and confidentiality and will be managed in accordance with the applicable data protection legislation.

8. Phases of processing reports of Incidents

CLG will ensure that all received reports of Incidents are dealt with in the most appropriate and timely manner, while assessing how best to deal with them and protecting and supporting the Informant in good faith throughout the process.

To this end, CLG will deal with all Incidents received promptly, impartially and diligently, taking appropriate preventative, corrective and disciplinary action where necessary.

The process for handling and investigating Incidents is set out in the Incident Management and Internal Investigations Procedure. It consists of the following stages:



- Receipt and preliminary analysis of the Incident: as a general rule, and except in the event of him/her being unavailable or a conflict of interest, the Committee Delegate is responsible for receiving and conducting a preliminary analysis of the report. Should the nature of the Incident concern his/her own actions or the actions of a Professional under his/her direct supervision, he/she will abstain from participating in all matters relating to the handling of the Incident and the (internal or external) investigator designated by the Compliance Committee will be responsible for the management of the Incident and its investigation.

Following a preliminary analysis, the report will be forwarded to the Compliance Committee, which will take a decision on whether to:

- a) Accept the report and initiate an investigation; or
- b) Dismiss the report without further action for one or more of the following reasons:
 - a. There is no clear evidence that the reported conduct violates internal rules and/or the law.
 - b. The report does not meet the minimum requirements set forth in Section 5.1. of this Policy and the Informant has failed to correct the deficiencies after being requested to do so.
 - c. Due to the nature of the report, the responsibility for processing it lies with another area or department. In such a case, the Compliance Committee shall: (i) inform the Informant as to which area or department is responsible; and (ii) refer the file to the appropriate area or department.
 - d. The reports have been made to a judicial or administrative authority that is in the process of investigating or preparing a decision, or such decision has already been made.



- **Investigation:** if the report is accepted, the Incident will be assigned to the appropriate person for investigation. CLG undertakes to conduct the investigation in an objective, thorough and professional manner and, in any event, the rights of the person who is alleged to be responsible for the Incident to be presumed innocent, to be heard and to defend him/herself will be respected. Therefore, no sanctions may be imposed on said person until the investigation has been completed. Likewise, all Professionals have a responsibility to cooperate with the CLG in order to facilitate its investigative work.
- **Conclusion:** upon completion of the investigation, the Informant shall be notified, whenever possible, of the conclusion of the internal investigation and its outcome. Unless specific applicable laws require shorter deadlines, the investigation process shall be completed within three (3) months of the receipt of the report, except in particularly complex cases that require an extension of the deadline; in such an event the deadline may be extended by up to a maximum of three (3) additional months.

9. Final provisions

9.1. Approval and amendments to the Policy

This Policy has been approved by the Governing Bodies of CLG which has acknowledged this. Any amendment to this Policy must be approved by the Governing Body of CLG.

9.2. Questions and issues

It is the responsibility of the Committee Delegate to resolve any doubts or discrepancies that may arise in relation to the interpretation and application of the content of this Policy.

Similarly, any CLG Professional and/or Third Party who suspects the existence of a breach of this Policy must report it immediately through the communication channels set out in Section 5.

9.3. Communication and training activities

This Policy will be made available to all Professionals and Third Parties on the CLG website. Likewise, the senior executives and members of the Governing Body of CLG, in conjunction with the Committee Delegate, shall raise awareness of and promote strict compliance with this Policy among the CLG Professionals under their supervision and shall take appropriate measures to monitor compliance with this Policy by those under their authority.

At the beginning of their professional relationship with CLG, each Professional shall be informed of the existence of the Internal Reporting System and this Policy as part of their initial training.

In addition, managers and senior executives will be trained on how to identify and manage reports of Incidents and on their roles and responsibilities within the Internal Reporting System.



9.4. Non-compliance with this Policy

All CLG Professionals are responsible for complying with this Policy. Failure to comply with this Policy may result in appropriate disciplinary action, up to and including dismissal or termination of contract, depending on the circumstances. Third Parties who violate the law or this Policy may be subject to lawful termination of the business relationship by CLG, without the possibility of any compensation or other recourse as a result of such termination.

9.5. Related documents

- a) CLG Code of Ethics
- b) Incident Management and Internal Investigations Procedure