

INTRODUCTION

It is an honour for me to present the Ethical Code of JJ GIL S.L., this represents our commitment as an organization to our goal to go beyond and be more than just a successful business. Corporate Social Responsibility is an aspect of JJ GIL that permeates through everything we do.

At JJ GIL we believe that the social responsibility of a company is much more than a declaration of intentions, these intentions must be converted into reality. JJ GIL is a participant in Global Compact, an initiative from the United Nations under which the participants undertake to comply with 10 principles based on the defence of human rights, labour and environmental issues, as well as the fight against corruption. We have pledged to work with this initiative and within these principles.

This commitment to a global corporate project is driven from our core, and possibly, even more strongly since the relocation to our current headquarters. It is a reflection of our commitment to sustainable production and respect for the environment, our employees and society in general.

Faced with an increasingly dispersed industry, our factory is a commitment to innovation and constant collaboration with specialized, similar thinking, companies that allow us to evolve;

- Generating roots, full affinity, knowledge sharing and integration with all of your suppliers.
- Minimizing risk by providing quality products.
- Leadership through the management of values and of business culture.
- Building, strengthening and extending reputation and positive public opinion.

Our headquarters represent an opportunity in work management. The concept behind the design and architecture of our building leads to a more flexible workflow; it is less hierarchical, less formal and encourages more communication, which results in an improvement in everyone's quality of life and health.

Our Code of Ethics is adhered to at all events and seminars, and in all communications in which JJ GIL participates. We attend conventions and training forums on architecture, sustainability, design and empowerment of territorial culture, which is exemplified in the company's ethical principles.

Alongside this, we collaborate on social projects carried out by associations and companies with the aim of enhancing the creativity and development of people with various disabilities,

in order to assist them with their personal development and opportunities in the labour marketplace.

JJ GIL also promotes and sponsors annual sports events in support of local associations.

Finally, among other projects whose purpose is corporate social responsibility, JJ GIL continuously promotes the protection of the Environment.

In review, we are continuously improving the process of informing employees, customers, collaborators, prescribers and business and institutional communities linked to our company of our commitment to this Code of Ethics.

This communication has been distributed through various media such as print, web, social networks and official documents. We are at your disposal for any related questions or queries.

Francisco Gil Herrero

Chief Executive Officer

JJ GIL SL

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1. The company

1.1. Data sheet

COMPANY NAME: JJ GIL SL

ADDRESS: CALLE PINTOR GOYA, 26, SAX (ALICANTE), 03630

Web: www.possum.es

ACTIVITY: Manufacture of men's belts and accessories.

1.2. About us

JJ GIL, is a company with over 60 years experience. Throughout our history, we have anticipated market changes. We are currently one of the most important belt manufacturers in Spain and are beginning to have an international influence. Currently, we have a presence in over 30 countries. We design, develop and manufacture belts under our own brand, as well as for other nationally and internationally recognised brands from the world of fashion.

JJ GIL specializes in the creation of belts and accessories for men, and is focused on satisfying our client's needs, adapting to their tastes and the trends of the present day. We research, design, produce and market products that make the final user feel good, and comfortable. They are products born from our own market research and the world of fashion, which is so dynamic, and complicated to adapt to the production philosophy of a factory.

We started as a family business based in the town of Sax in Alicante, and our facilities are still located here. Since then we have developed our local roots and collaborated with the best professionals to achieve a successful formula. Additionally we have constantly reinvested and accomplished continued improvement. The result is a company recognized today as one of the leading Spanish belt manufacturers with an international presence in over 30 countries.

2. How we work

2.1 Present

JJ Gil specializes in the manufacture of belts and accessories for men. Our products have a presence in every market; large stores, online customers, traditional retail, other belt manufacturers, etc ... this proves we are a true specialist in our product. Our philosophy of continuous improvement forces our organizational structure to reinvent itself for each client, each season, and for each new product, meaning we accumulate a unique balance of experience and knowledge.

2.2. Passion

Meeting the needs of our clients, adapting to their tastes and the trends of the moment has been, since our creation, one of our primary obsessions. We have invested substantial resources in search of effective solutions, studying the present and imagining the future. In this process there have been no failures, only difficulties to overcome. This is because we are people of action and, in short, at JJ GIL we know that the best engine for our business is passion.

Our company started in 1955 as a small leather goods manufacturer (wallets and purses) in the attic of a bakery in Sax. A few years later, in the 70's, we became known for our crocodile skin belts which were being sold in the thousands, especially in the Balearic Islands due to the great influx of German tourism. A decade later, JJ Gil now manufactures for clients such as Galerías Preciados and El Corte Inglés.

By the end of the 80's, we were the first manufacturers to sell belts through a catalogue. Thanks to this we had almost 1,800 clients in Spain. By the 90s, JJ Gil was, for 2 consecutive years, the company that exported the most leather goods to the USA from the region of Valencia.

Due to its rapid growth, the company underwent a radical transformation, the materials and our production system were the centre of this transformation, and this helped us to become one of the most well-informed companies in Europe. Our facilities can fabricate any type of belt, from the most sophisticated and elegant models to handmade braided or exotic leather belts.

In 2003 we moved to our new and modern facilities occupying more than 7,500 square metres and the most technologically advanced equipment available.

2.3. People

At JJ Gil we know that a company's ability to generate value depends to a large extent on its choice of people. That is why we are committed to professionals that are willing to take ownership of corporate projects, people who are passionate about their work, and people who look for a way to achieve and grow every day. We offer them a great package of care and confidence, quality training and an excellent work environment, our working conditions are the best available.

On the other hand, our organizational structure is designed to promote collaboration, so that teams work to the same objective together in harmony. Only then, with passion and confidence, with teamwork and individual spark is it possible to achieve creativity and innovation.

2.4. Our land

The reality of JJ Gil is notable in the land that gave birth to us and in which we are established: Sax, a town located in the "Alto Vinalopó" region, in the province of Alicante. It is surrounded by mountains but open to the Mediterranean, the sea that we use as a way of understanding life, work and business relations.

Our region has experienced a strong process of industrialization since the mid 20th century; in 2001 this represented 63% of the population, while agriculture only represented 1.6%. Industrial activity covers several sectors, such as food, paints, ceramics, cardboard packaging, etc ... but it is the manufacture of footwear and leather goods, and also blinds, which makes up the majority.

2.5. Values

2.5.1 Style

At JJ Gil we believe there is a new way of working that is changing the world. There is a new style that promotes collective intelligence using cooperation and feeding the creation of networks with which to share tasks, interests and fervour. This is a new method of

envisaging work that requires flexibility, values diversity and promotes personal development.

We know, because this is the way we work, searching for continuous improvement through teamwork, where the employee is the key to the production process and by extension, to the final product.

2.5.2 Commitment and service

At JJ Gil, we always base our commercial relationships on trust, transparency and efficiency. Our commitment to our profession converts into a wide range of support for customers and advertising, and innovative tools taking advantage of new technologies.

We work to provide the best possible logistic service, an organizational and logistical effort delivering the requested product to the client's hands at just the right time and place.

2.6. Quality

We believe customers are not satisfied unless they have a reliable product. Therefore, because we want our workers to take care of their tasks and have to worry about their equipment, all our tools and machinery go through a continuous process of preventive maintenance to a very high level. Because we want every detail to follow the worker's gestures naturally, each and every time.

This quality is endorsed by the wide range of customers, which JJ Gil is accustomed to serving. This fact forces us to research and become experts in all of the possible raw material that we may need, adapting them to the customer's needs, so that the level of quality delivered exceeds their expectations.

2.7. Responsibility

JJ Gil is a socially responsible company. We believe that the social responsibility of a company is much more than a declaration of intentions: it must be translated into deeds. That is why JJ Gil scrupulously complies with the 10 principles of the Global Compact (The Global Compact, proposed by the United Nations) based on the defence of human rights, labour and environmental rights as well as fighting against corruption.

This commitment, to the search for a global corporate society is very recent; however, JJ Gil's support to different charitable causes and our support for sport, culture and respect for the environment is established and has been ongoing for some time.

We also believe in the importance of solidarity and union, that is why we are active members of different business associations in which we strive to define objectives, share knowledge, create standards, strengthen the sector and its national and international presence.

2.8. Sustainability

We advocate respect for the environment; we are committed to sustainable development. Our commitment to sustainability has grown with us to be part of our way of thinking and working. To begin with, we demand that our suppliers comply with environmental requirements in accordance with JJ Gil's policy and work with them until they achieve this. Our materials are also selected so that they do not harm the environment.

In the productive processes, we have effectively implemented plans to reduce hazardous substances, packaging and waste, until they represent a negligible percentage in each kilo of processed product.

Also, thanks to our photovoltaic installation, a production of 160,000 kW / year is generated, avoiding the emission of 190,000 kg of CO₂ into the atmosphere. If this energy were generated by traditional means, it would take 9,500 trees to absorb this amount of CO₂.

3. The ethical commitments of JJ Gil

3.1. Values and transparency

JJ Gil monitors the transparency of its actions and is committed to disclosing its ethical and review policies. JJ Gil has established open communication channels for all relevant parties, to receive their suggestions, analyze them and review their practices.

JJ Gil is entirely committed to support and respect fundamental Human Rights. JJ Gil promotes equality and is against discrimination among its employees and collaborators (suppliers with which there are collaboration agreements for the manufacture of products or delivery of services).

3.1.1. Disclosure commitments and review of its ethical policy

JJ Gil has made the contents of their ethical commitment public, so it is available to their employees and other relevant parties, this document is freely available and can be consulted without any controls or restrictions.

In addition, JJ Gil actively disseminates its Code of Ethics, including it in its training programs for both employees and collaborators.

JJ Gil seeks to provide transparent and accurate information to all interested parties. JJ Gil has created an Ethics Committee that periodically reviews its commitments and makes decisions about situations in the case of possible conflict. JJ Gil follows all of the decisions approved by this committee and ensures that they are met.

3.1.2. Transparent relations with society

3.1.2.1. Dialogue with interested parties

The participation of all interested parties is very important to our company. To facilitate easy contact with us, various channels of communication are available, such as e-mail, telephone or social media networks.

Communications received by JJ Gil, which may affect its Code of Ethics, are studied individually and responded to. All suggestions are reviewed and evaluated to determine if we could improve in our policies and procedures.

All communications respect and comply completely with data protection legislation. All aspects related to this requirement have been analyzed and adequate means have been put in place to prevent inappropriate use of personal data. Likewise, an adequate policy has been established so that any member of the organization, or persons working on their

behalf, who has access to personal data, do so in accordance with the company's code of ethics and current legislation.

3.1.2.2. Relations with the competition

JJ Gil complies punctually and rigorously with mercantile legislation. JJ Gil fights against unfair trade practices, fraud in public or private tenders and industrial espionage.

3.2. Employees

Our people are one of the axes around which JJ Gil revolves. Through our commitment to our workers, JJ Gil has the following objectives, to:

- Foster talent
- Increase productivity
- Increase flexibility in the face of market uncertainty
- Optimize costs to gain competitiveness
- Promote collective intelligence
- Promote the flow of information

To achieve the objectives set, JJ Gil has established strategic lines of action:

1. Increase the quality both in the physical environment and the services offered. A reflection in policies for sustainable work spaces, such as flexible working, fits in the same way with the company's sustainability commitments.
2. Creation of a Professional Development Program for all employees.
3. Develop strategies to harmonise family and professional life.
4. Avoid any practice of discrimination.

All new employees receive initial training on the culture of JJ Gil and the Code of Ethics that they must know, respect and practice. Each new employee is assigned a mentor who will verify they learn and understand the importance of these values.

The duration of the initial training varies according to the position. On average, this training lasts between one and four weeks. Throughout the training period, new employees learn all of our processes, our culture, values and principles.

In coherence with this principle, JJ Gil organizes different informal events with our employees and collaborators. Through these events, JJ Gil transmits its Business Culture and its commitment to the principles of the Global Compact.

JJ Gil has carried out a review of the organization that considers the needs of the different employees according to their personal characteristics and circumstances. We have a human resources policy to face the medium and long term challenges of the company, including the commitments subscribed in this CSR Report.

3.2.1. Dialogue and participation

3.2.1.1. Labour rights.

JJ Gil provides workers with the necessary means to fulfil their labour rights. All the workers of the company are covered by a Collective Agreement. In order to improve the working conditions of the workers, the company is analyzing the possibility of drawing up its own Collective Agreement.

In terms of harmonising family and work life, the company has established channels that facilitate maternity, maternity / paternity leave and work timetables catering for employees in these situations.

The company has well-established mechanisms to receive, evaluate and monitor the concerns, suggestions and criticisms of employees. Channels of communication with employees are kept open, but it is above all in the daily meetings that take place in the morning (Top 5 meetings) when the interactive relationship between company and employee is demonstrated.

We have organized the positions in JJ Gil optimised for teamwork, collaboration and promotion of creativity. Open-plan workspaces have been created, so that we work as a team, depending on which project is being developed, in an organizational structure without hierarchical levels.

3.2.1.2. Participatory management

JJ Gil has defined a program to stimulate the participation of employees with suggestions, so that they can propose new ideas, improvements in processes and activities, and review the procedures.

All employees have unrestricted access to their records, training, reviews, suggestions and evaluation meetings that the company keeps. So that they are able to review their contributions and any that the company has incorporated.

3.2.2. Respect the individual

There are no circumstances under which forced or coerced labour is accepted. It should be noted, that the entire production of JJ Gil's products is carried out in Spanish territories. In the case of subcontracted products or services, these are contracted out through agreements with collaborators at local, regional or national level, respectively. Only where production is not possible within Spain is it contracted with companies from other countries, provided that there is evidence that human and labour rights are protected in those countries.

At present, the entire production of JJ Gil's products is in Spain. However all agreements signed with suppliers include clauses respecting the legislation, which in case of non-compliance, would cancel the contract automatically and unilaterally by JJ Gil.

Regarding collaborators, JJ Gil checks a variety of criteria related to company management, such as technical and financial competence, human resources policy and environmental commitment, amongst others. JJ Gil also supports its collaborators, so that they comply with the commitments acquired with our company.

JJ Gil has established practices that favour reduction of working hours in cases of childcare. Leave for maternity / paternity have also been established, in accordance with current legislation.

Because 100% of JJ Gil's manufacturing is done in Spain, this is not a risk factor for our company. In this sense, JJ Gil scrupulously complies with the legislation, and no contract is made that violates it.

Regarding subcontracted work, following the culture and principles of JJ Gil, no work is subcontracted to other countries. The subcontracting is done with local or regional companies. With these companies, long-term collaboration contracts are signed and codes of conduct are established, which include compliance with these principles. Due to the closeness of this relationship, JJ Gil can verify the commitment of his collaborators. There has never been any case of failure to comply with this principle.

As for suppliers, most of them are located in Spain, except in some cases where products are supplied from countries belonging to the European Union, which ensures compliance with the legislation related to this principle. JJ Gil is vigilant in the origin of their purchases, and no breach of this principle has been detected either.

JJ Gil avoids behaviours that may be discriminatory and values ethnic and cultural richness. JJ Gil expressly prohibits any discriminatory practice that may affect a worker based on sex, age, culture, etc ... and ensures this prohibition both in its internal scope and to all employees of the company.

3.2.3. Respect towards the worker

3.2.3.1 Redundancy procedure

JJ Gil considers our workers our most important asset and tries to avoid redundancy where possible, so before making any redundancy, in order to reduce expenses, other alternatives are analyzed. If after exploring every option, redundancy is still necessary, incentives and support will be offered to help those affected find alternative jobs or training.

3.2.3.2 Commitment to professional development and employability

JJ Gil has a training program open to all workers, in which training in skills necessary for the job is prioritised. Employees can make training requests that are analyzed and assessed by the Human Resources Manager, according to the employee's professional profile, the needs of the company and their suitability.

3.2.3.3. Care for health, safety and working conditions

JJ Gil is committed to the protection of its employees and complies with Occupational Risk Prevention legislation. External audits are carried out periodically in this area to verify compliance. Currently, the company is developing a mobility and road safety plan to achieve maximum improvement in the movement of workers, inside and outside of the workplace.

At JJ Gil we encourage our employees to practice sport, we encourage and promote amateur sports amongst our employees. Thus, JJ Gil sponsors various local sporting events, in which its employees can actively participate.

3.2.3.4. Retirement planning

JJ Gil provides information to our employees on guidance, advice and preparation for the best possible retirement. In accordance with our human resources policy, in those cases where it is viable, we support employees who wish to take early retirement, offering advice

and providing the means to make this possible, respecting current legislation and promoting new employees to those jobs.

3.2.4. Employee Performance Indicators

Ref.	Aspect: COMPANY / WORK RELATIONSHIPS	Value
JJ4	% workers covered by collective agreement	100%
Ref.	Aspect: HEALTH AND OCCUPATIONAL SAFETY	Value
	Total number of accidents with sick leave	0
	Total number of accidents while travelling with sick leave	0
	Total number of accidents while travelling without work absence	0
	Total number of days lost due to accident	0
	No. of sick leave due to common illness	8
	Total number of days lost due to common illness	48
Ref.	Aspect: NON-DISCRIMINATION	Value
GH4	Total number of incidents of discrimination and measures adopted	
Ref.	Aspect: UNDERAGE WORKERS	Value
GH6	Identified activities that entail a significant risk of being the source of episodes of forced, or non-consensual work, and the measures adopted to contribute to their elimination	0.0
Ref.	Aspect: FORCED LABOUR	Value
GH7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to their elimination	0.0

3.3. Environment

3.3.1. Corporate strategy committed to the environment

Although our manufacturing process does not have a very harmful impact on the environment, protection of the environment is integral to the company's Culture and Values. Protection of the environment is a very important aspect in the development of our corporate strategy.

Our employees, through the Environmental Management System of the company, are aware of the environmental processes to follow to avoid any unnecessary environmental impact. This strategy is also made available to our suppliers and collaborators so that they can manufacture products according to the defined specifications that minimize environmental impact.

3.3.2. Use of technologies to reduce our carbon footprint

Our company works continuously in the development and incorporation of new technologies to decrease the impact of our manufacturing processes on the environment. For this development we analyze the life cycle of the company's products, identifying the points they generate greater consumption or emissions. In this way, the company focuses on reducing

the impact on those processes that can most improve the environmental impact of the company.

During the year, new production lines have been launched, in which the optimization of resources applying the most up to date technologies and above all, considerably reducing the emission of industrial waste and the use of auxiliary raw materials that have chemical contents (tails, dyes, etc ...)

3.4. Suppliers

For JJ Gil, the development of our local community is very important. The industrial activities in Spain and, in particular, traditional industries, have opted to re-locate their production to countries with less environmental restrictions and cheap labour. One of the reasons that has forced the industry to make this decision is the difficulty of competing with other countries in low cost products. As a result, some industrial sectors have lost manpower and, even worse, in a large percentage, the qualified workforce.

JJ Gil, could not meet our social commitment without considering this serious problem in the current industry. As we have done in the past, the success of our strategy must be linked inseparably to local development and our community. JJ Gil always uses local suppliers, right from the beginning.

Our commercial relationships are based on respect and compliance with the agreements adopted with our suppliers, we see this as a long-term relationship, and in some cases goes beyond only professional fronts.

The company is responsible for dealing with complaints and claims from customers or other parties, not only about the company, but also about the suppliers with whom we maintain commercial agreements. Recently, procedures have been established to jointly analyze these communications with collaborators and make appropriate decisions.

3.4.1. Selection and Validation of providers

JJ Gil requires its suppliers to comply with the legislation and specific criteria of corporate social responsibility. This commitment is reflected in the written agreements signed with each of them.

JJ Gil prioritizes local development over economic benefits, so it avoids relocation of factories and promotes the generation of the economy in the region. To do this, it establishes supplier selection processes in which local factories or at least Spanish factories are preferred. This commitment, in addition to favouring local economies, is also more environmentally friendly, by avoiding long distance transportation.

3.4.2. Partnerships with Collaborators

JJ Gil establishes strategic alliances with long-term collaborators (suppliers). These alliances include pacts for the joint development of the companies, so that the relationship is stable and lasting over time. The criteria allows for the future growth of both parties.

Whenever possible, JJ Gil develops agreements with Collaborators in the local community, to promote the development of the region. JJ Gil requires its suppliers pay fair salaries, within the average salary levels of the market in which the collaborators operate. JJ Gil establishes specific training programs for supplier's employees to improve their competences.

To ensure compliance with the agreements established with the collaborators, JJ Gil supervises their activities, maintains very close contact with them, visiting their facilities and work centres on a regular basis.

3.5. Consumers and customers

3.5.1. Social dimension of consumers

3.5.1.1. Marketing and communication policy

Commercial communications are made taking into account the values and principles of JJ Gil.

We do not carry out any communication campaign in which particularly sensitive groups, such as children, women or minority groups, appear in prejudiced, violent, disrespectful or dangerous situations. Before launching any communication campaign, it is carefully reviewed to ensure that the values and principles of JJ Gil are met and that the laws of consumer protection, free competition or any other relevant legislation are not violated.

Likewise, JJ Gil analyzes the environmental impact that their communications can have, using the most environmentally friendly alternatives in each case.

Communications for consumers are periodically reviewed and updated to ensure that they are true. JJ Gil has audit procedures and monitor sensitive communications, such as those that offer environmental data. For this, they use quality standards that ensure the accuracy and quality of the information provided.

3.5.1.2. Excellence in customer service

In terms of customer service, the company has established various channels to collect, analyze and respond to customer suggestions, complaints and claims.

Periodically we conduct surveys to assess the satisfaction of the service (both direct from the factory and our agents or distributors). During this year the quality of the services provided by our agents has been assessed, achieving a very high level of satisfaction worldwide.

3.5.2. Products and services

JJ Gil products have all the necessary measures for safe use. Through labelling that is incorporated into the product, users can review the characteristics of each product, the composition of the components and the most appropriate way to recycle.

JJ Gil takes special care to ensure that the company's products do not cause harm to its consumers. For this, we work together with suppliers, collaborators and distributors to continuously improve our products and services. Components, procedures, technologies and products are replaced as new more efficient, safer and greener options are available.

3.6. Government and society

3.6.1. Political transparency

JJ Gil has established a Code of Good Practices in which our policy against corruption, extortion and bribery is outlined. In order to communicate its Code of Good Practices, a document has been prepared to be widely disseminated among employees. As part of the code of ethics, all employees agree not to accept any type of gift or incentive from suppliers or other parties. A discipline procedure has been put in place for these cases.

3.7. Social leadership

JJ Gil has always supported local associations and actively participates in associations and work groups contributing with human and / or financial resources that have a positive impact on corporate social responsibility in their sector.

Some of the Associations and Institutions which we support and have had an active part in are; AVECAL (Valencian Association of Footwear Entrepreneurs), AEFA (Association of Family Business), INESCOP (Technological Institute of Footwear and Related Products) and AEISAX (Association of Industrial Companies of Sax).