



Code of Ethics

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Presentation of the Company

In 1989 Prof Giuseppe Lisciani, Medal for Merit in Education awarded by the President of the Italian Republic, founded Liscianigiochi S.r.l., today S.p.A., which designs, develops and produces toys and games created to improve the lives of children and their families. The Company has a unique editorial background in the European panorama as it was born as a publishing house working in pedagogy and teaching. This exclusive *know-how* has meant it has been able to create over time its own highly effective didactic method, one that is today recognised and appreciated all over the world.

Thanks to its experience in the field, Liscianigiochi daily takes advantages of its know-how in designing and manufacturing High Level Educational products and contents of great added value, closely studying various pedagogical currents and proposing innovative learning tools. Over time, the corporate brands have earned themselves a top spot in the global toys market: the secret behind this success resides in the peculiarity of the educational strategies used, in the quality of the toys and the Company's ability to bring innovation to all the product categories. The Company also owns other successful historical brands, such as *Carotina*, *I'm a Genius*, *Ludoteca* and the *Hi-Tech Educativo*, as well as more recent brands like *Crazy Science*, *Giocare Educare Montessori* and *Kids Love Monsters*. The Company is also a licensee for some of children's favourite characters including: *Barbie*, *Peppa Pig*, *Bing*, *Masha and Bear*, and lots of *Walt Disney* characters.

The Made in Italy name, the strong attention to the customer and the pronounced sensitivity towards the environment and safety guarantee top tier control and are an important factor in customer loyalty.

Liscianigiochi toys improve the quality of life of all the family, offering toys and games created to unite and interact in times of play and growth, for both adults and even the youngest members of the family. The Company's main goal is to contribute to improving the quality of children's future life offering a fun and educational play experience, which contemporarily also represents an opportunity for quality time to be shared in the family, the search for which is constantly blended with its dedication to guaranteeing their collaborators' wellbeing, personal and professional satisfaction and emotional involvement in the importance of the social role played by the Company.

The Code of Ethics (from hereon in "Code") presents the moral values to which the Company aspires daily in the undertaking of business activities. The organisation participates with a profound sense of responsibility and moral integrity in the process of child development and their families as the direct recipients of the Company's core business.

1. Addressees

The Code of Ethics lays out the general and binding principles of conduct that must be followed by all those who, directly or indirectly, permanently, or temporarily, come into a relationship with the Company and work in the name and on behalf of the same.

Specifically, the addressees of the Code of Ethics are:

- The social organs and their components;
- The management;
- Employees;
- Agents and brokers;
- External collaborators;
- Suppliers of goods and/or services;
- Anyone coming into a relationship with the Company, even occasionally, and working in the Company's name and on its behalf.

The Company requires of all those who cooperate in business activities the commitment to observe and ensure others, each within the ambit of their functions and responsibilities, observe the corporate rules and regulations established in this Code: in no way does the conviction to act in advantage or interest of the Company justify the adoption of behaviour that is contrary to the principles of this document. Everyone must aspire to the principle of the Code of Ethics to protect and preserve the integrity of the corporate legacy, reputation and image of the Company and are obliged to act in the maximum correctness and integrity offering professionalism, competence, and transparency.

The Code of Ethics is an integral part of the Organisational Model former Legislative Decree 231/2001 (from hereon in "Model") approved by the Liscianigiochi S.p.A. Board of Directors and obliges the addressees to follow the rules of conduct that are relevant to the ends of reasonable prevention of the misdemeanours identified in Legislative Decree 231/2001. Inobservance of the principles contained within the Code of Ethics and, more generally in Model 231, constitutes a disciplinary offence and is punishable according to that provided for by the sanctioning system taken on by the Company.

2. Ethical principles

Corporate moral integrity

Liscianigiochi S.p.A. daily pursues their economic, productive, and social objectives in respect of the ethical principles laid out below.

The Company promotes said values so that they may define the identity and model of inspiration for all its collaborators. Moral integrity, lawfulness, and ethics are cornerstones in conducting the business affairs and factors relevant to the Company's success.

The business activity is undertaken in respect of the current Laws and Regulations in Italy and in all countries where the Company works, as well as in conformity with the principles indicated in the Code of Ethics. The obtainment and maintenance of the "Legality Rating" testify to the importance attributed to working within the law. This is associated with the commitment to promoting and distributing principles between employees, collaborators and corporate suppliers who are required to scrupulously respect the normative framework of reference.

Transparency and reliability

Liscianigiochi S.p.A. guarantees transparency, traceability, and verifiability of all operations.

Employees, agents, and collaborators are required to act towards their counterparts with clarity, correctness, and diligence so that the corporate image may remain serious, dependable, and of the highest level of ethical standards.

Quality

The pursuit for continuous improvement in terms of quality, customer satisfaction and the sustainability of the product permeate throughout the Company's activity. Experience, focus on customers, constant research for innovative materials and modern technologies are the components of said policy.

The Quality Management System adopted by the Company in conformity with ISO standard 9001:2015 testify to its commitment to continuous improvement.

Centrality, development, and valorisation of human resources

Development of human capital represents an essential factor for the success of the Company. The sensitivity and design capacity of the collaborators respond to children's and families' changing needs in educational toys.

Liscianigiochi S.p.A. valorises all the human resources that participate in the business process; it protects and stimulates ideas, involving them in fulfilling the corporate goals and favours, as much as possible, its active participation in corporate decisions.

Dignity, impartiality, and rejection of all discrimination

Liscianigiochi S.p.A. rejects every form of discrimination and guarantees that all col-

laborators are ensured equal opportunities, equal dignity, and impartiality of treatment. In the interior career progress, every corporate decision is taken in consideration of its baggage of professional capacity and skills.

All forms of discrimination based on age, gender, health, nationality is prohibited, as well as on political opinions and religious beliefs. The Company requires from its representatives, employees, and collaborators of every hierarchical level the respect of said principle, avoiding discriminatory and opportunistic conduct.

Diversity and equal opportunities

The international nature of the Company's production typology can only promote and welcome diversity by recognising in it a fertile opportunity for growth and valorisation.

Honesty and fairness

All professional and human relationships are based on a sharing of the Company's mission, objectives and strategies and are based on correctness, collaboration, loyalty, and mutual respect. Workers are required to adopt ethical behaviour in their actions and are prohibited from pursuing personal or corporate interests that are in conflict with the regulatory provisions and principles set out in the Code of Ethics.

Safety in the workplace

The Company guarantees all employees:

- a safe and healthy working environment;
- working conditions that respect the individual dignity of each person;
- adequate safety equipment;
- adoption of safety measures necessary for the physical and psychological integrity of the staff.

Product safety

Lisciani games are made in compliance with all regulatory provisions regarding product safety regulations in force in Europe and in all countries in which the Company operates.

Moral integrity

Liscianigiocchi S.p.A. disapproves of any behaviour of employees, collaborators and suppliers that runs against the moral integrity of its customers.

It recognises and shares international ethical principles regarding the human rights of workers and the fight against corruption.

In no case can the pursuit of personal or corporate interest justify any conduct that is inconsistent with the principles set forth in this document.

Compliance with environmental, social, and economic standards

Liscianigiochi S.p.A. is certified by the FSC® Chain of Custody, demonstrating that it is part of a transformation chain that supports the protection of forests, ecosystems and the people who depend on them. Furthermore, the Company is committed to the defence of workers' rights:

- repudiating child labour, all forms of forced or compulsory labour and any discrimination in respect of employment and occupation;
- ensuring support for freedom of association and the effective recognition of the right to collective bargaining.

Environmental sustainability

The Company considers the environment a primary resource to be protected. It operates by minimising its own environmental impact, in line with the vision that aims to improve the quality of the lives of adults of the future.

Currently, 95% of games and toys are produced in recycled and recyclable materials, through the use of innovative low-energy consumption machinery, supplying over 70% of the total demand through renewable sources.

Prevention of corruption

The Company will not tolerate any corrupt act carried out or suffered; therefore, by way of example but not limited to, all employees are prohibited from:

- giving and/or receiving, for oneself or for others, gifts, or other benefits, except those customary or of modest value undertaken occasionally within the ambit of normal relations of courtesy and within the ambit of local and international customs;
- make or promise financial donations to subjects linked to Public Administrations, customers, suppliers, business partners (including potential ones), or to a third party connected to them by ties of kinship or affinity or indicated or appreciated by them, to promote or favour the interests of the Company even as a result of illicit pressure;
- exert undue pressure or interference of any kind towards any public official or person in charge of a public service, Italian or foreign, in order to obtain any advantage or interest for the Company;
- hire or promise to hire people related by kinship or affinity with subjects linked to Public Administrations, customers, suppliers, business partners (even potential ones) or in any case, indicated or appreciated by them, to promote or favour the interests of the Company even as a result of illicit pressure;
- grant other advantages of any nature or resort to different forms of aid or

contributions which, under the guise of supply assignments, consultancy assignments, sponsorships or advertising in favour of people related by kinship or affinity with subjects linked to Public Administrations, customers, suppliers, business partners (even potential ones), or, in any case, indicated or welcomed by them, follow the same purposes as prohibited above or which may result in the same consequences.

Prevention of Money-Laundering

Liscianigiochi S.p.A. complies with national and international regulations regarding the prevention and fight against money laundering and terrorist financing. The foundation of commercial or financial relationships with any counterparty presupposes the compliance with the same regulations and observance of the provisions contained within the present document.

The Company expressly prohibits any conduct attributable to the crimes of corruption, receiving, laundering and use of money, goods, or utilities of illicit origin, as well as self-laundering (Art. 25-octies, Legislative Decree nr. 231/2001).

3. External relations

3.1 Relations with customers and consumers

Over its 30 years on the market, Liscianigiochi S.p.A. has won over the trust of consumers by offering safe, innovative and high-quality products.

The relationships established with the market have always been aimed at:

- developing educational principles for children and their families;
- responding to legitimate customer expectations;
- acting with the utmost correctness and transparency towards stakeholders;
- promoting informed choices by consumers by providing accurate information about the products offered;
- ensuring truthfulness and clarity in commercial communications;
- complying with all internal rules and procedures to correctly manage all customer relations.

3.2 Relations with Public Administration, Institutions and Associations

In the execution of its typical business activities, Liscianigiochi S.p.A. does not participate in public tenders nor is it financially supported by public bodies.

In the event of any controls, inspections and/or checks by the Public Administration, of any type and within any corporate ambit, Liscianigiochi staff will undertake to collaborate with Public Officials providing all the information, including documentation, necessary for the correct execution of the inspections.

It is prohibited to:

- obstruct the monitoring of Public Officials in any way;
- make false statements (or induce others to make false statements);
- hide documentation and act uncooperatively.

Considering the social declaration that the corporate purpose of the Company represents, it is not unusual for the Company to carry out charitable activities supporting schools, institutions and public or private organisations that carry out non-profit educational and/or charitable activities without these constituting forms of corruption in any way.

Furthermore, Liscianigiochi S.p.A. - if deemed appropriate - may opt to support social and/or local charity initiatives and the promotion of values and moral and ethical principles that inspire it, avoiding however any potential situations of conflict of interest.

In principle, the Company does not provide any contributions, benefits or advantages to political parties or workers' trade unions, nor to their representatives or candidates,

notwithstanding compliance to the applicable directive of reference. It also refrains from any form of pressure exerted either directly and/or indirectly on political and/or trade union representatives.

In order to better protect workers' rights and the growth of economic democracy, the Company undertakes to maintain positive and continuous relations with trade union and workers' protection organisations.

3.3 Relations with Suppliers

In its procurement of goods and/or services, the Company undertakes to:

- scrupulously observe the internal procedures for the selection and management of relations with suppliers;
- ensure that suppliers adopt the criteria of correct conduct indicated in this code;
- not arbitrarily exclude any supplier who meets all requirements required for supply;
- respect the principles of impartiality, independence and confidentiality;
- scrupulously comply with the contractual commitments and conditions set out;
- adopt conduct that is oriented towards legality, transparency and honesty;
- foster solid and long-lasting relationships, based on complete information and on mutual trust;
- select suppliers based on Company needs with the aim of obtaining the best possible conditions in terms of quality, time, and cost of supplies;
- include a contractual clause in contracts that guarantees the sharing of principles of correct behaviour and compliance with this Code of Ethics and of any applicable administrative procedures.

4. Internal relations

Liscianigiochi S.p.A. attributes its thirty-year success to the professionalism of its collaborators who, through their experience, dedication and sensitivity intercept the interests of children and transform them into experiences of enjoyable learning.

4.1 Relations with staff

The Company actively participates in the creation of a healthy and proactive working environment, one fuelled by the experience and know-how of the professionals who work there, who represent the basic factor for the success of the Company and contribute to its growth and improvement. At every hierarchical level, all harmful, hostile, and intimidating behaviour is strictly prohibited as is any attitude aimed at negatively interfering with the dignity and moral values and work performance of others.

It is the responsibility of Company management to:

- adopt exclusively merit-based criteria when making any decision relating to a member of the Company staff;
- not to implement, even unintentionally, discriminatory behaviour in the research, selection, and management of relations with staff;
- protect the physical and moral integrity of its collaborators;
- respect and ensure respect for the dignity, honour, and reputation of each individual.

Furthermore, all Directors, Managers, employees, and collaborators must:

- provide their service guaranteeing seriousness, reliability, and professionalism;
- operate diligently, adopting responsible behaviours aligned with values and Company policies;
- contribute through their professional role to the achievement of the Company purposes;
- avoid any act or behaviour that could even potentially produce a detrimental or discriminatory effect on workers (EEC Recommendation 92/131);
- adopt a constructive and proactive attitude, favouring the collaboration and professional growth of collaborators;
- attend and participate in training activities promoted by the Company;
- use Company-owned goods and tools made available for carrying out work activities in a correct, functional manner and exclusively for the purposes for which they are provided;
- respect and safeguard Company assets in terms of tools and movable assets, and prevent any tampering, fraudulent, dangerous, and/or improper use;
- operate in compliance with the laws in force regarding employment, avoiding establishing relations with subjects who lack the necessary conditions for work.

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- avoid disclosing information relating to the organisation or using it in a way that may be harmful.

In accordance with its organisational needs, the Company promotes forms of flexible working to facilitate maternity, paternity, childcare, and the care of the elderly.

5. Financial resources management and accounting transparency

Financial resources management is entrusted directly and exclusively to the administration area, which is also responsible for the Company's accounting transparency.

Financial resources management must:

- adopt the diligence of a correct and responsible leader;
- be in compliance with the principles of fairness, economy, and lawfulness.

The Administrators, internal collaborators and external consultants involved in the administrative, financial, and accounting processes are required to operate in compliance with the principles of completeness, truthfulness, and clarity so that management facts are recorded and represented correctly and timely in the accounts.

Adequate documentation must be archived in the records for each operation, allowing for the correct reconstruction thereof at a later time.

All external consultants who assist the Company in the preparation of the financial statements, in tax and/or social security declarations and in personnel administration are contractually required to respect the provisions of this Code.

They are explicitly prohibited from:

- engaging in conduct aimed at altering the correctness or veracity of the data intended for the preparation of the financial statements and/or other social correspondence required by law or requested by the public authorities;
- obstructing the work of public supervisory authorities or the Company's own control bodies.

They are required to be responsible for the authenticity and originality of the documentation and information provided during the execution of the activities of their particular competence.

6. Conflict of interest

All Addressees of this Code of Ethics must pursue – each while fulfilling their particular role – the interests and general purposes of Liscianigiochi S.p.A.

Therefore, they must refrain from engaging in activities in which they (or their immediate relatives) have or could have interests that conflict with those of the Company, or that may interfere with their ability to make impartial decisions that are in the best interest of Liscianigiochi S.p.A.

Should it prove impossible to avoid a conflict of interest, the person involved must immediately inform the Board of Directors.

By way of example and without limitation, the following cases represent situations of conflict of interest:

- economic and financial interests of the Addressee and/or third parties to whom they are linked by ties of kinship, friendship or courtesy regarding suppliers, customers or competitors;
- use of one's position in the Company or of the information acquired in the undertaking of one's work in the Company to pursue one's own interests and/or those of third parties to whom they are linked by ties of kinship, friendship or courtesy in conflict with the interests of the Company;
- carrying out work activities of any kind directly for customers, suppliers and/or competitors;
- acceptance of money, benefits and/or favours from people, companies or entities intending to establish business relationships with the Company.

7. Privacy protection

The protection of privacy and confidentiality of information relating to members, employees, collaborators and third parties is a corporate priority. The Company ensures its counterparties the confidentiality of the information in its possession, notwithstanding all communications required by law.

All employees, collaborators and external parties who work at the Company are prohibited from disclosing any sensitive information relating to it; furthermore, it is prohibited to make any kind of recording (photographic, audio, and/or video) inside the Company and share it externally.

The Company adopts a security system for IT devices that guarantees the appropriate management and protection of the Company's intangible assets.

8. Implementation, monitoring, and possible sanctions

The management of Liscianigiochi S.p.A. applies high moral and ethical values in its daily operations, with the aim of representing a model of inspiration for all the Company's employees and collaborators, both internal and external.

The principles set forth in this Code constitute a consolidated *modus operandi* within the Company reality, the sharing and dissemination of which is necessary in order to ensure that all parties involved are aware thereof.

In line with regulatory developments and organisational, corporate, and financial changes, this document may be subject to revision.

The Company monitors compliance with the Code of Ethics by implementing all necessary activities of prevention and control necessary to ensure that no violations of the same occur.

In the event of confirmed violations of the principles and norms of behaviour and conduct contained in this Code, in compliance with the law on non-contradiction, Liscianigiochi S.p.A. will adopt disciplinary measures proportionate to the seriousness of the facts, the intensity of intent or the degree of guilt and taking into account any recidivism, in accordance with the provisions of the sanctioning system provided in the Model pursuant to Legislative Decree 231/2001.

In the event of violations committed by external Addressees linked to the Company by contractual constraints (agents, collaborators, consultants, suppliers, commercial partners, etc.), the contract stipulated will be immediately terminated, activating the express termination clause pursuant to art. 1456 of the Italian Civil Code provided for this purpose in contracts stipulated by Liscianigiochi S.p.A. The sanctions will be imposed by the Board of Directors or by the *pro tempore* legal representative or by the lawyer with the right to sign in name and on behalf of the Company depending on whether the violation was committed respectively by employees, by individuals holding managerial or top positions or by external persons.

9. Whistleblowing and reporting of certain or suspected illicit behaviour

Anyone suspecting any illicit conduct within any area relevant to the Company can report said conduct to the Supervisory Body using the methods provided for by the Whistleblowing procedure, *via* the following channels:

- a) **in writing**: sending the Whistleblowing Report Form, completed and signed, *via* registered mail to: C.da Villanesi, 42, 66023, Francavilla al Mare (Chieti).

PART 1 of the form, which concerns the personal data of the person making the report, must be filled out and placed in a sealed envelope together with a copy of a valid identification document. This envelope must be placed in a second envelope together with PART 2 of the form, again duly completed and signed. Both envelopes must then be placed in a third envelope with the wording “reserved for the Supervisory Body” on the front. (Remember to print each part of the form separately and seal all the envelopes carefully);

- b) **verbally**: the report can be made verbally by requesting a private meeting with the Supervisory Body at the following telephone number +39 329 8080218.

Any persons making such a report are protected against any form of retaliation, discrimination or penalty and the confidentiality of their identity is guaranteed, notwithstanding all legal obligations and the protection of the rights of the Company or of persons accused wrongly and/or in bad faith.

Any persons making such a report are protected as per Article 6 of Legislative Decree 231/2001:

“The models referred to in letter a) of paragraph 1 provide:

- a) one or more channels that allow the subjects indicated in article 5, paragraph 1, letters a) and b), to submit - in order to protect the integrity of the institution - detailed reports of unlawful conduct that are relevant under this decree and based on precise and consistent factual elements, or violations of the organisational and management model of the entity, of which they have become aware by virtue of the functions performed; such channels guarantee that the person making the report can be sure their identity is kept confidential in the management activities report;*
- b) at least one alternative reporting channel suitable for ensuring, in an information technological manner, the confidentiality of the identity of the person making the report;*

- c) *the prohibition of retaliatory or discriminatory acts, direct or indirect, against the person making the report for reasons related, either directly or indirectly, to the report;*
- d) *in the disciplinary system adopted pursuant to paragraph 2, letter e), sanctions are possible against those who violate the above-mentioned protection measures of the person making the report, as well as against those who fraudulently and with gross negligence make reports that turn out to be unfounded."*