



Responsible and Ethical Governance Policy

At Morliny Foods, we are committed to conducting business with the highest standards of integrity, transparency, and accountability. Our governance framework is designed to ensure compliance with all applicable laws, regulations, and international standards, while fostering a culture of ethical decision-making. This policy supports our CSRD reporting obligations on governance and ethical practices.

COMMITMENTS

1. Responsible Governance

- Ensure strong governance structures with clear roles, responsibilities, and accountability mechanisms at the board and executive levels.
- Promote ethical leadership, with board-level oversight of sustainability and ESG (Environmental, Social, Governance) issues.
- Incorporate ethical considerations into strategic decision-making and risk management processes.
- Ensure full compliance with all applicable national and international laws, including anti-corruption, anti-money laundering, and fair competition regulations.
- Uphold fair competition by adhering to antitrust laws and avoiding practices such as price-fixing, market allocation, or abuse of market power.
- Ensure fair business practices, responsible marketing and truthful communication about our products and operations.

2. Zero Tolerance for Corruption and Bribery

- Prohibit any form of bribery, corruption, extortion, or embezzlement in our operations and supply chain.
- We regularly conduct thorough risk assessments to identify and assess corruption risks globally, enabling us to perform targeted compliance activities and controls to minimize the likelihood of corruption among our employees and business partners.
- Require employees and business partners to report any unethical behavior through a confidential whistleblower system.
- Our Code of Conduct sets out zero-tolerance policy for any form of corrupt activity.



3. Risk Identification and Assessment

- Conduct regular social risk assessments across operations and supply chains, to identify complex and emerging risks, ensure mitigation processes and controls are in place and provide timely and effective reporting.
- Invest in training programs to enhance employee and supplier awareness of social risk management practices.
- Use a materiality assessment to prioritize risks based on their likelihood, severity, and impact on stakeholders.
- Incorporate social risks arising from climate-related events (e.g., heat stress for workers or resource scarcity affecting communities) as outlined by TCFD.
- Risk Identification and Assessment covers risks related to:
 - Climate Change and Environment,
 - Human rights violations,
 - Labor practices (e.g., child labor, forced labor, workplace safety),
 - Community engagement and impacts,
 - Social risks arising from climate change or supply chain disruptions (as per TCFD recommendations),
 - Product quality and food safety,
 - Animal Welfare/Biosecurity/Epidemic,
 - Supply Chain,
 - Government Regulations and Policies, Planning and Strategy,
 - Litigation,
 - Competitor Activity,
 - Customer Relations,
 - Information Security and Cybersecurity.

4. Political Engagement

- We engage with public relevant stakeholders on a wide range of policy issues, including but not limited to agriculture, grain and livestock production, animal disease, renewable energy, rural communities, labor, tax reform and international trade. We advocate for consistent policies at all levels to help us achieve our business, environmental, and employment objectives.
- We participate in legislative and regulatory processes both as an individual company and through industry associations.



5. Community Engagement Oversight

Morliny Foods partners with our employees and operations leaders, as well as local officials, business leaders, nonprofit organizations and residents, to identify and address areas of need.

We are committed to supporting and strengthening the local communities where our team members live, work and raise their families. Our community engagement programs are addressing mainly the following area:

- Combating food insecurity
 - Contribute to food security by donating surplus products to food banks and other charitable organizations.
- Advancing education opportunity
 - Invest in initiatives that promote education, healthcare, and infrastructure development in local communities.
 - Provide educational resources and awareness campaigns to promote sustainable agricultural practices and animal welfare within the community.
- Local Community engagement
 - Acknowledge and respect the rights, cultures, and traditions of local communities.
 - Support local employment by prioritizing hiring from the communities where we operate.
 - Partner with local suppliers, farmers, and businesses to strengthen the regional economy.
 - Establish transparent and ongoing dialogue with local communities, including residents, NGOs, and government authorities.

6. Stakeholder Engagement and Transparency

- Foster open, transparent, and constructive engagement with all stakeholders, including employees, customers, suppliers, regulators, and communities.
- Provide regular disclosures on governance practices, anti-corruption measures, and ethical performance in line with CSRD and European sustainability reporting standards (ESRS)..
- Engage with internal and external stakeholders, including employees, unions, communities, and NGOs, to identify and address social risks effectively.



- Maintain grievance mechanisms for stakeholders to report social risks and concerns confidentially.

7. Supply Chain Responsibility

- Require all suppliers and contractors to comply with our Code of Conduct, which incorporates ethical business practices, anti-bribery standards, and human rights principles.
- Conduct regular supplier audits to ensure adherence to ethical standards and address violations promptly, to identify potential social risks, including poor labor conditions and community impacts.

8. Data Privacy Policy

We have a confidentiality and data protection mechanism that describes procedures for the collection and management of personal and sensitive data from customers and third parties for the following purposes:

- Addressing legal requirements from competent authorities.
- Conducting studies for internal control purposes.
- Informing about the range of new products and/or services, as well as benefits, discounts, promotions, market studies, notifications of changes in conditions, and, in general, all advertising derived from the products and/or services.
- Analysis of the usage of our products and/or services.
- Fulfillment of our terms and conditions arising from a legal relationship.

Our Privacy Policy meet the requirements established in the General Data Protection Regulation (GDPR), applicable at European Level.

9. Whistleblower Protection

- Establish a secure, anonymous whistleblowing mechanism for reporting unethical behavior, fraud, or violations of company policy.
- Protect whistleblowers from retaliation and ensure thorough, impartial investigations of all reported concerns.

10. Employee Training and Awareness

- Provide regular training on ethical business practices, anti-bribery policies, and governance standards for all employees, including leadership and supply chain partners.
- Promote a culture of ethics and integrity through ongoing communication and leadership example-setting.



11. Transparency and Reporting

- Report on governance and risk management activities in compliance with CSRD and European sustainability reporting standards (ESRS), including metrics on labor rights, human rights due diligence, and community impacts.
- Regularly disclose information on community engagement activities and their outcomes in our sustainability and CSRD-compliant reports.
- Share progress on key performance indicators (KPIs), such as local employment rates, community investments, and grievance resolutions.

Implementation and Accountability

This policy is overseen by the ESG Committee, which reports directly to the Board of Directors. Compliance is monitored through internal audits, third-party assessments, and stakeholder feedback. Non-compliance is subject to corrective actions, up to and including termination of employment or business relationships.

Review

This policy is reviewed annually to ensure alignment with changes in laws, regulations, ISO standards, and stakeholder expectations. Updates are reported to the Board of Directors and reflected in our annual sustainability report.



Luis Cerdan

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