



fagorederlangroup

CODE OF **CONDUCT**

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HUMANITY
AT WORK

MONDRAGON

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1.	INTRODUCTION	4
2.	SCOPE OF APPLICATION AND DUTY OF COMPLIANCE	5
3.	GENERAL RULES OF CONDUCT	6
3.1	Undertake responsible professional conduct	6
3.2	Respect the law as well as the internal rules and contracts by which Fagor Ederlan Group is bound	6
3.3	Promote the image and reputation of Fagor Ederlan Group	7
4.	PERSONS	8
4.1	Respect for Human Rights and Persons	8
4.2	Prohibition of forced and arduous labour	8
4.3	Prohibition of trafficking of human beings and protection of foreign citizens	8
4.4	Prohibition of child labour and protection of minors	9
4.5	Work Conditions	9
4.6	Wages and benefits	9
4.7	Equal opportunities and non-discrimination	10
4.8	Freedom of Association, Collective Bargaining and external Activities	10
4.9	Continuous training	10
5.	OCCUPATIONAL HEALTH AND SAFETY	11
6.	ANTI-CORRUPTION POLICY	13
6.1	Prevention of private and public corruption	13
6.2	Exports	14
6.3	Prevention of money laundering and financing of terrorism	14
6.4	Prevention of counterfeit parts	14
6.5	Protection of free competition, the market and consumers	14
6.6	Conflicts of Interest	15
7.	ENVIRONMENT AND ENERGY MANAGEMENT	16
8.	INTERACTION WITH COMMERCIAL PARTNERS AND THIRD PARTIES	18
8.1	Fulfilment of duties with the Public Administration	18
8.2	Relations with Suppliers, Customers and Stakeholders in general	18
9.	INFORMATION MANAGEMENT	19
9.1	Information Security Policy	19
9.2	Protection of privacy. Use of personal data	19
9.3	Processing and protection of Confidential Information. Professional secrecy	20
9.4	Veracity and accuracy of the true and fair view of Fagor Ederlan Group	20
10.	PROTECTION AND USE OF FAGOR EDERLAN GROUP PROPERTY	21
10.1	Responsible use of Fagor Ederlan Group assets and resources	21
10.2	Protection of computer security and intellectual and industrial property	21
11.	APPLICATION OF THE CODE. COMMUNICATIONS AND FOLLOW-UP	22
11.1	Entry into force	22
11.2	Interpretation of the Code of Conduct	23
11.3	Compliance Committee	23
11.4	Breach and communication to the Ethics Channel	23
11.5	Confidentiality of communications and prohibition of retaliation	24
11.6	Processing of communications	24

1. INTRODUCTION

Fagor Ederlan Group aims to ensure that its conduct and that of those Persons who form part of it comply with current legislation and with the Ethical Principles established in this Code of Conduct.

This Code of Conduct falls within the Compliance Program of **Fagor Ederlan Group** and aims to:

- > Serve as a guide for the actions of Persons within their professional activity in **Fagor Ederlan Group** and in their relations with other Persons in **Fagor Ederlan Group**, as well as with Suppliers, Interested Parties, Customers, Public Administration and society in general.
- > Prevent the commission of criminal behaviour and any unlawful conduct of Persons in the performance of their professional activity.

The Code of Conduct also aims to consolidate the business culture that already exists within **Fagor Ederlan Group**.

Fagor Ederlan Group shall not tolerate any act contrary to this Code of Conduct. The real and effective application of the Ethical Principles established in this Code of Conduct shall be ensured, and any Breaches of such shall be managed by the Compliance Committee through the Ethics Channel.



2.

SCOPE OF APPLICATION AND DUTY OF COMPLIANCE

The Ethical Principles and the Standards of Conduct contained in the Code of Conduct and in the Compliance Program as a whole are binding for all Persons who form part of **Fagor Ederlan Group**.

Persons who form part of **Fagor Ederlan Group** shall be required to know and comply with the content of this Code of Conduct and the Ethical Principles contained therein.

The Code of Conduct is applicable to the Controlled Companies and, as far as possible, to the rest of the companies partially or wholly owned by **Fagor Ederlan Group**.

The Code of Conduct will be extended, as far as possible, to the Suppliers, Interested Parties and Customers of the **Fagor Ederlan Group**.

The Code of Conduct shall apply, as far as possible, to the activities developed by **Fagor Ederlan Group** in any geographical area, both local and international.





3. GENERAL RULES OF CONDUCT

3.1 Undertake responsible professional conduct

The conduct of Persons of **Fagor Ederlan Group** shall be based on professionalism and integrity.

- > Professionalism is diligent, responsible, prudent and efficient performance.
- > Integrity is loyal, honest performance exercised in good faith, with respect for oneself and for others when undertaking the professional activity, corresponding to the trust placed in the Person

Persons shall apply the Ethical Principles established in this Code of Conduct for themselves and others, and shall not exercise their professional activity for purposes other than those entrusted to them.

3.2 Respect the law as well as the internal rules and contracts by which Fagor Ederlan Group is bound

All Persons shall perform their professional activities with respect to the laws in force in all territories where **Fagor Ederlan Group** operates.

Persons shall comply with this Code of Conduct as well as the Controls that form **Fagor Ederlan Group** Compliance Program.

Persons shall respect the obligations assumed by **Fagor Ederlan Group** in their contractual relations with third parties, as well as the uses and good practices of the countries in which they conduct their professional activity.

Ignorance of legislation, the Code of Conduct, Controls or contracts that bind **Fagor Ederlan Group**, nor claims that it is a widespread violation within **Fagor Ederlan Group**, shall not justify a breach of such.

Instructions or orders contrary to the law, the Code of Conduct, the Controls or the contracts that bind **Fagor Ederlan Group** which may be received in the course of professional activity do not exonerate Persons who following such instructions or orders.

Managers and those who manage or direct teams of Persons shall:

- > Be fully knowledgeable of the law, the Code of Conduct, the Controls and the contracts that affect their respective areas of activity.
- > Be models of **Fagor Ederlan Group** conduct.
- > Oversee and ensure that Persons who depend on them receive adequate information and training to allow them to know and comply with the law, Code of Conduct, Controls and contracts linked to **Fagor Ederlan Group** that directly affect them.

In case of doubt regarding the application and interpretation of a standard or contract, Persons should consult with their direct superior or, ultimately, with the Compliance Committee.

3.3 Promote the image and reputation of Fagor Ederlan Group

Fagor Ederlan Group has a sound reputation thanks to its extensive experience and a loyal reliable work team, committed to the Ethical Principles and know-how that go to form the culture of **Fagor Ederlan Group**.

All Persons shall do their utmost to safeguard the image and reputation of **Fagor Ederlan Group** in all of their professional endeavours. Likewise, they should ensure that Suppliers, Interested Parties and Customers also respect and make correct proper use of the corporate image and reputation.





4. PERSONS

4.1 Respect for Human Rights and Persons

Fagor Ederlan Group recognizes the fundamental principles of the Declaration of Human Rights, as defined by the United Nations, 1984.

All Persons at all professional levels shall promote relations based on mutual respect, integrity, cordiality, trust, collaboration and effort in teamwork, fostering a respectful work environment in order to achieve a positive working environment.

Lack of respect and consideration, offence, defamation, intimidation, abuse, harassment or any type of psychological, physical or sexual aggression are unacceptable and will not be allowed or tolerated at work.

4.2 Prohibition of forced and arduous labour

Fagor Ederlan Group:

- > Shall not use force (*).
- > Shall not compel its employees to carry out forced labour or slavery.

* Forced labour may be considered as work which is done under threat of punishment or confiscation of belongings (such as ID, passport, etc.) and for which the person has not volunteered.

4.3 Prohibition of trafficking of human beings and protection of foreign citizens

Fagor Ederlan Group undertakes to protect foreign citizens through compliance with the corresponding laws relating to aliens.

Persons who form part of **Fagor Ederlan Group** shall not collaborate in matters by which a person who is not a national may enter, stay or transit in the State in a way that breaches the applicable law concerning the entry or transit of foreigners.

4.4 Prohibition of child labour and protection of minors

Fagor Ederlan Group shall not engage children (*) and shall maintain a record stating the date of birth of all workers.

In the event that the presence of any minor is detected in our plants, the Department of Social Management shall be informed in order to terminate the corresponding contract and the causes shall be analysed and the relevant corrective and preventive actions shall be defined.

* In accordance with the International Labour Organization (ILO) Convention on the Minimum Age for Admission to Employment 1973, any person under 15 years of age shall be considered a child, except in cases where local laws consider a higher age or compulsory schooling, in which case the older age shall apply.

Local laws may permit the employment of persons aged between 13 and 15 or 12 and 14 for tasks that:

- > Do not harm the child's health or development; and
- > Do not disrupt school attendance or educational programs.

4.5 Work Conditions

Employment contracts: compliance with current legislation

- > Employees of **Fagor Ederlan Group** shall be engaged in accordance with the legislation in force in each country and duly recorded in the form of a written contract (or valid document).

Work day and overtime

- > The work day or work schedule of **Fagor Ederlan Group** workers shall not exceed the legal limit under any circumstances.

Leave

- > **Fagor Ederlan Group** employees shall receive leave in accordance with the legislation in force in each country (sick leave, holidays, maternity leave, official holidays and equivalent).
- > It should be ensured that employees are sufficiently trained to perform their work safely.

4.6 Wages and benefits

Wages

- > **Fagor Ederlan Group** shall pay to its employees, at least, minimum inter-professional salary, according to the applicable legislation of each country (based on the hours that the Law establishes have to be worked).
- > Wages shall be paid on a regular basis in accordance with the task performed and the applicable legislation of each country.

Payment of overtime

- > **Fagor Ederlan Group** employees shall be paid for overtime in accordance with legal requirements.

Benefits

- > **Fagor Ederlan Group** shall provide its employees with those benefits to which they are entitled by law (health insurance, social security, pensions and equivalent).

4.7 Equal opportunities and non-discrimination

Fagor Ederlan Group recognizes existing cultural differences and different standards applicable in each country.

Providing the same opportunities in access to work and professional promotion is an Ethical Principle for **Fagor Ederlan Group**, ensuring at all times the absence of discrimination based on sex, sexual orientation, race, disability, illness, religion or any other circumstance likely to give rise to discrimination.

4.8 Freedom of Association, Collective Bargaining and external Activities

Fagor Ederlan Group respects the social and public activities conducted by the Persons who form part of it, as long as they do not interfere with their professional activity.

Fagor Ederlan Group respects the right to organize, freedom of association and collective bargaining in the workplace.

The involvement of Persons with political parties or other entities, institutions or associations for public purposes shall be conducted in a purely personal manner, thus avoiding any relationship with **Fagor Ederlan Group**.

4.9 Continuous training

Fagor Ederlan Group shall provide Persons with the means to further their knowledge and skills in order to promote career advancement. In particular, there shall be ongoing training in matters relating to Corporate Social Responsibility, Social Affairs and Anti-Corruption Policy.

All Persons shall carry out the training courses that **Fagor Ederlan Group** puts at their disposal in accordance with the functions and professional activities that they undertake within **Fagor Ederlan Group** and they shall endeavour to make maximum use of such.





5. OCCUPATIONAL HEALTH AND SAFETY

Fagor Ederlan Group carries out the relevant actions in matters of occupational risks, with a focus on prevention and continuous improvement.

Fagor Ederlan Group shall provide its partners and employees with safe, clean, healthy work places and processes in compliance with the applicable legislation in each country.

Persons shall be provided with the means necessary to conduct their professional activity with the appropriate measures of safety, ergonomics and hygiene, so as not to endanger the life, health or physical integrity of themselves or others.

Persons shall respect the preventive measures applicable in matters of occupational safety and health at all times, using the resources established by **Fagor Ederlan Group** and ensuring that the members of their teams perform their activities under safe conditions.



The **Fagor Ederlan Group** has an Occupational Health and Safety Policy by which it undertakes to have safe, healthy workplaces and processes, for all people in the group, as well as people involved with Occupational Health and Safety to ensure “Zero Accidents”, and to such ends it makes the following commitments:

- > Have a Management System based on ISO 45001 as an essential element for the protection and improvement of Occupational Health and Safety that, in addition to respecting current legislation and requirements, allows for the continuous improvement of work conditions and promoting the health of its workers, prevention of workplace violence and favourable organizational environment, regularly assessing existing occupational risks (safety, hygiene, ergonomic and psychosocial), establishing emergency actions and effectively managing all accidents and incidents.
- > Eliminate hazards and reduce Occupational Health and Safety risks by duly incorporating the relevant resources into the Strategy and Management Plans, providing safe machines, ergonomic workposts, distribution of the appropriate workload, personal and collective protective equipment, means for safe handling of chemicals and fire protection systems.
- > Integrate the management of Occupational Risk Prevention at all levels of the organisation, defining the resulting responsibilities and providing the means and proper training to guarantee the success of such endeavours.
- > Develop a Preventive Culture by which all people in the group , commit themselves to Occupational Health and Safety in an independent, proactive fashion.
- > Inform, involve and consult workers on the established objectives and achievements made.
- > Establish training programmes and provide channels for participation so that all those at **Fagor Ederlan Group** take responsibility for carrying out actions designed to comply with the Policy, Objectives and Management System.



6. ANTI-CORRUPTION POLICY

6.1 Prevention of private and public corruption

Fagor Ederlan Group is opposed to unlawfully influencing the will of those outside of **Fagor Ederlan Group** in order to obtain certain benefit or advantage. Acts of corruption, bribery or extortion are expressly prohibited, including the direct or indirect offer or promise of any kind of unlawful advantage.

No action that might constitute influence peddling may be taken and particularly the activities summarized below:

- > Direct influence on a public official or authority.
- > Indirect influence by accepting an offer from a third party.
- > Influence through the services of a third party.

Consequently, Persons in their relations with Suppliers, Interested Parties, Customers as well as Public Administration, both national and third countries and international organizations, shall behave in such a way as not to incite an individual, authority or public official to transgress their duties of impartiality or any legal precept.

Gifts or presents are intended to promote the brand image of **Fagor Ederlan Group**. No gift or present may be given or accepted directly or indirectly in the course of the professional activity to unlawfully influence relations with **Fagor Ederlan Group**.

The presentation and acceptance of gifts and presents shall be permitted when they are of limited or symbolic worth and may be considered customary business courtesies.



Invitations from third parties to cover living, accommodation or travel expenses shall not be accepted unless fully justified and previous authorization has been obtained from the Compliance Officer.

These prohibitions also extend to persons closely linked by family ties or friendship to the individual, authority or public official concerned.

6.2 Exports

Within the framework of export control, the cross-border exchange of goods is subject to prohibitions, restrictions, approvals by authorities or other supervisory measures.

In import and export activities, the **Fagor Ederlan Group** complies with all the regulations relating to the import and export of goods, services and information imposed by the applicable legislation, as well as by the internal regulations of the **Fagor Ederlan Group** and the external regulations imposed by other operators, and all its suppliers have the duty to comply with them.

It is absolutely forbidden to do business with persons or companies that appear on official sanction lists of the corresponding countries, regardless of the delivery process. Any actions that could be related to smuggling are expressly forbidden.

When making decisions regarding the import or export of goods and services, due consideration is given to whether this decision may be subject to export control. In case of doubt, advice is sought from the relevant department.

6.3 Prevention of money laundering and financing of terrorism

At all times **Fagor Ederlan Group** shall comply with the applicable national and international laws concerning the laundering of money and the financing of terrorism.

Customer identification, information and internal control measures established for such purposes shall be applied and it shall cooperate fully with the authorities responsible for the fight against money laundering or the financing of any illegal activities.

6.4 Prevention of counterfeit parts

The **Fagor Ederlan Group** develops, implements and maintains effective methods and appropriate processes in its products to minimise the risk of introducing counterfeit parts and materials into the products it delivers.

6.5 Protection of free competition, the market and consumers

Persons shall avoid any type of conduct that may constitute an abuse or an unlawful restriction of competition. In relation to the involvement of **Fagor Ederlan Group** in any organizations, the necessary operational principles to ensure respect for the free formation of prices resulting from the practice of such acts shall be observed and, in general, compliance with current law.

There shall be no unfair behaviour or misleading or denigrating advertising concerning the Activity of **Fagor Ederlan Group** nor that of its competitors or third parties.

6.6 Conflicts of Interest

Persons within **Fagor Ederlan Group** should avoid any situation that may lead to a Conflict of Interest.

A Conflict of Interest shall be deemed to exist in situations where the personal interest of a Person within **Fagor Ederlan Group** and the interest of the Company itself conflict or is influenced or distorted. Personal interest shall exist when the matter directly affects the Person or another linked to that Person.

Others linked to the Person may include the person's spouse or analogous relationship; ascendants and descendants and siblings of the Person or the spouse (or person of analogous relationship) of the Person; as well as companies or businesses in which the Person or persons related to them are in control or hold a management or administration position or, directly or indirectly, have a significant influence on the financial and operating decisions of said companies or businesses.

The Person affected by a Conflict of Interest shall refrain from intervening in or influencing any decision-making processes affected by the Conflict of Interest, participating in the meetings at which such decisions are raised and accessing information that affects the said Conflict of Interest.





7. ENVIRONMENT AND ENERGY MANAGEMENT

Fagor Ederlan Group follows a sustainable development model that makes the development of its Activity compatible with the protection of the environment, complying with established legislation and with a focus on prevention and continuous improvement, making the necessary means and training available to all Persons.

Within the scope of their responsibilities, Persons shall be actively and responsibly committed to the conservation of the environment, respecting the legal requirements, and following the recommendations and procedures established by **Fagor Ederlan Group** in order to reduce the environmental impact of their activity. In particular, Persons should endeavour to minimize the environmental impact derived from the use of the installations, assets and resources made available to them by **Fagor Ederlan Group**.

The **Fagor Ederlan Group** has an integrated Environment and Energy Efficiency Policy. It is committed to Sustainable Development, with the protection of the Environment and energy efficiency being a fundamental element in contributing to it, and to this end it assumes the following commitments:

- > Possess a Management System that, in addition to respecting current legislation and other voluntary commitments, allows the implementation and continuous improvement of the Management System and thus contributes to the improvement of environmental and energy performance.
- > Incorporate resources, aimed at preserving air and water quality, being key elements for life, as well as reducing greenhouse gases, into the Strategy and Management Plans.
- > Focus our actions with a Preventive nature, taking environmental requirements and energy efficiency criteria into account from the design projects and procurement of facilities and services.
- > Improve process efficiency in order to minimise the consumption of natural resources, energy and raw materials.
- > Establish the following priority areas of protection:
 - Air emissions, with stricter internal limits for the most relevant emissions and reduction of greenhouse gases through efficient use of all resources.
 - Waste: establish guidelines to reduce consumption of materials and recover the waste produced.

- Responsible management of Chemical Substances, taking the entire life cycle and entire supply chain into account. Apply best practices in the handling, storage of such substances and its management as waste.
 - Promoting the use of renewable energy.
- > Establish training/information programmes so that all people at **Fagor Ederlan Group** take responsibility for carrying out actions designed to comply with the Environmental and Energy Policy, Objectives and Management System.
- > Working closely with customers and the supply chain to reduce the environmental impact generated by our activity and products, as well as encouraging progress in their energy commitments and standards.

Operations conducted by **Fagor Ederlan Group** concerning land development, building or construction shall be carried out with maximum respect to the urban and administrative legislation applicable to each case.





8. INTERACTION WITH COMMERCIAL PARTNERS AND THIRD PARTIES

8.1 Fulfilment of duties with the Public Administration

Relations with authorities, regulators and Public Administration shall be based on the principles of cooperation and transparency.

Fagor Ederlan Group shall fulfil its duties to the various Public Administrations, in particular, those related to Public Finance and Social Security as well as those from which subsidies are received or **Fagor Ederlan Group** may be awarded public contracts.

Behaviour leading toward the avoidance of tax obligations or obtaining benefits to the detriment of the Public Treasury, Social Security and equivalent organizations is expressly prohibited.

It shall be ensured that any grants requested or received from Public Administration are put to appropriate use, avoiding distortion of the conditions for obtaining them or assigning them to different use other than the one for which they were granted. Likewise, access to funds and credits of public source without prior authorization of **Fagor Ederlan Group** Financial Department is strictly prohibited.

Fagor Ederlan Group, whether by itself or through intermediaries, shall refrain from making any donation or contribution, even in the form of a loan or advance, which involves the illegal financing of political parties or candidates.

8.2 Relations with Suppliers, Customers and Stakeholders in general

All Persons shall apply criteria of quality, opportunity, cost and sustainability in the selection processes of Suppliers, Customers and Stakeholders in general always acting in the interests of **Fagor Ederlan Group**.

Compliance with the Code of Conduct is an obligation for Suppliers, Customers and Stakeholders in general of the **Fagor Ederlan Group**. The **Fagor Ederlan Group** reserves the right to terminate any contract that does not comply with the provisions of this Code of Conduct.

Suppliers must manage all aspects relating to the Sustainability of their own suppliers.

Suppliers of the **Fagor Ederlan Group** must guarantee the prohibition of reprisals to the Communicating Persons in their respective Ethical Channels.



9. INFORMATION MANAGEMENT

9.1 Information Security Policy

Information is a resource that has become crucial to our business. Protecting information and the TI systems with which we manage it are now fundamental tasks to achieve our objectives. **Fagor Ederlan Group's** commitment to our information and its protection is manifested:

- > Implementing a Management System, as a tool to comply with current legislation, our contractual and corporate commitments and have a framework in which to ensure the information according to our needs.
- > Taking the necessary technical and organizational measures so that the information is available when needed, only to those who need it, and remains correct at all times.
- > Identifying the risks to which our information is exposed, establishing plans to reduce them, thus improving our security.
- > Restricting access to information, so that each person can access the information they need for their work and no unauthorized person can do so.
- > Making mechanisms available to employees to report any situation that could jeopardize information security so that it can be resolved quickly with the least damage to the cooperative.
- > Establishing awareness programs so that everyone in **Fagor Ederlan Group** understands their responsibilities in terms of information security and can comply with the actions foreseen for the fulfilment of this Policy.

9.2 Protection of privacy. Use of personal data

Fagor Ederlan Group respects a Person's right to privacy, in all of its forms, as well as a Person's personal communications through the Internet and other means of communication. In particular, the privacy and rights related to personal data shall be respected.

Consequently, **Fagor Ederlan Group** undertakes not to disclose personal data, save with the consent of the interested parties and in cases of legal obligation. In no case may personal data be processed for purposes other than those for which they are legally or contractually provided.

9.3 Processing and protection of Confidential Information. Professional secrecy

Fagor Ederlan Group considers information and knowledge as one of its main assets and essential for business management, and therefore subject to special protection.

In general, non-public information held by **Fagor Ederlan Group** shall be deemed Confidential Information.

Persons shall use the Confidential Information with the utmost caution and shall provide sufficient means to protect it, without its content being disclosed to third parties unless expressly authorized by the Person or the relevant competent body of **Fagor Ederlan Group** or in the case of legal or judicial requirement.

Obtaining information from third parties shall be done legally. Persons shall reject any information obtained inappropriately or in breach of the confidentiality under which it is maintained by its rightful owners.

When Confidential Information belongs to third parties outside **Fagor Ederlan Group**, Persons shall comply with the confidentiality agreements signed by **Fagor Ederlan Group** with such third parties.

In case of termination of employment, whether ordinary or special, with **Fagor Ederlan Group**, the Person's duty of confidentiality shall be maintained and they shall return all means or devices used to store the Confidential Information.

9.4 Veracity and accuracy of the true and fair view of Fagor Ederlan Group

- > The economic and financial information of **Fagor Ederlan Group** shall faithfully reflect its true situation, in accordance with generally accepted accounting principles and applicable international financial reporting standards.
- > No Person shall conceal or distort the information contained in the records and accounting reports of **Fagor Ederlan Group**, which shall be truthful and accurate.
- > **Fagor Ederlan Group** undertakes to transmit reliable information that provides an accurate picture of **Fagor Ederlan Group**.



10. PROTECTION AND USE OF FAGOR EDERLAN GROUP PROPERTY

10.1 Responsible use of Fagor Ederlan Group assets and resources

Fagor Ederlan Group provides Persons with the assets and resources necessary for them to perform their professional activity, included among which are **Fagor Ederlan Group** computer systems and equipment, installations and financial resources.

Persons shall protect and preserve **Fagor Ederlan Group** assets and resources from any loss, damage, theft or improper use that could adversely affect the interests of **Fagor Ederlan Group**.

Persons shall use the said **Fagor Ederlan Group** assets and resources in a responsible manner, in accordance with the guidelines established in the Controls or **Fagor Ederlan Group** standards and instructions so that they can perform their professional activity in an efficient way to make the best use of their time and the assets and resources that **Fagor Ederlan Group** places at their disposal.

10.2 Protection of computer security and intellectual and industrial property

Rash or reckless use of the assets and resources poses a serious risk for **Fagor Ederlan Group** and the Persons who form part of it. Consequently, **Fagor Ederlan Group** endeavours to protect IT security and prohibits the use of any unauthorized software and the downloading, installation and use of programs or applications whose use is illegal or pose the risk of introducing an element that may jeopardize the security of the computer systems.

Fagor Ederlan Group is committed to the protection of intellectual property, industrial property and trade secrets, both its own and those of third parties.

All Persons shall respect the legitimate owners of intellectual property and industrial property rights as well as those of trade secrets, whether belonging to the Company itself, the Persons or third parties. Consequently, all Persons shall protect the information subject to such rights, in each case obtaining the licenses or authorization from the legitimate owners of such rights.



11. APPLICATION OF THE CODE. COMMUNICATIONS AND FOLLOW-UP

11.1 Entry into force

This Code of Conduct has been in force since its approval by the Governing Board of **Fagor Ederlan Group**, i.e. December 16th, 2021, and shall remain in force save express agreement to repeal, revise, update it or until such time that a new code comes into force to replace it.

Any breach of the code shall be brought to the attention of the Compliance Committee, which constitutes the competent body to ensure compliance with this Code of Conduct and its correct application.

A breach may be understood as a violation of the Code of Conduct or any Control included within the Compliance Program) through wrongful or irregular behaviour that might lead to **Fagor Ederlan, S.Coop.** or to any of its Controlled Companies being accused of an offence.



Fagor Ederlan Group shall provide Persons with the means necessary to facilitate their knowledge and understanding of those laws and standards most relevant to the performance of their professional duties as well as the principles of conduct contained in this Code.

11.2 Interpretation of the Code of Conduct

In the event of a discrepancy between this Code of Conduct and any Control contained with the Compliance Program, the Code of Conduct shall take precedence. Similarly, interpretation of the Controls shall be done in accordance with the spirit and purpose of this Code of Conduct.

The Compliance Committee is responsible for interpreting the content of the Code of Conduct. Its interpretive criteria are binding for all concerned.

Any doubts that may arise regarding the interpretation of the Code of Conduct shall be resolved by the Compliance Committee, through communication with the Compliance Officer.

11.3 Compliance Committee

The Compliance Committee, chaired by **Fagor Ederlan Group** Compliance Officer, exercises competence over all the matters pertaining to the Compliance Function. The composition, operation, functions and other aspects relative to the Compliance Committee are regulated under the Regulations for the said Committee.

The Compliance Committee develops and proposes the set of Controls that go to form **Fagor Ederlan Group** Compliance Program, compliance with which shall be compulsory for all Persons.

11.4 Breach and communication to the Ethics Channel

Any breach of this Code of Conduct may lead to employment-related or corporate sanctions, without prejudice to administrative or criminal sanctions that may also arise from such breaches.

Any Person who has knowledge of a Breach shall report such directly through the Ethics Channel. Failure to report a known Breach shall be considered an infringement of this Code of Conduct.

Concealment of a fact or incident concerning a breach of the Code of Conduct or the Controls by which it is governed shall not be considered as an act in the interest of **Fagor Ederlan Group**.

The sender shall be informed about the progress of the report made to the Ethics Channel.

11.5 Confidentiality of communications and prohibition of retaliation

Fagor Ederlan Group guarantees the confidentiality of the identity of Persons who make reports to the Ethics Channel.

All communications and procedures related to the Ethics Channel shall be managed in following with the requirements of personal data protection regulations. Nevertheless, the data of persons who make reports to the Ethics Channel may be disclosed to administrative or judicial authorities insofar as they are required as a result of any procedure arising from the report.

It is forbidden to adopt any action against a Person belonging to **Fagor Ederlan Group** that constitutes retaliation or any kind of negative consequence for having made a report. Retaliation against whomsoever has made the said report shall be considered an infringement of this Code of Conduct.

The prohibition of retaliation described in the previous paragraph shall not prevent disciplinary measures from being taken, if applicable, should an internal investigation establish that the report is false and has been made in bad faith.

11.6 Processing of communications

A record of all communications received through the Ethics Channel shall be kept.

Upon receipt of a reported breach, an internal investigation shall be initiated, unless the communication is manifestly lacking any foundation or refers to issues outside of the Code of Conduct and Controls. Under such circumstances, receipt of the communicated report and the decision not to initiate an investigation shall be recorded in the corresponding Communications Registry. This decision shall not preclude subsequent initiation of an investigation should additional information be received.

During the course of an internal investigation, the Compliance Committee may collect all information and documentation it deems necessary from any areas or businesses of **Fagor Ederlan Group**.

In the event that the report affects a member of the Compliance Committee, this person shall not participate in the process and the rules on Conflicts of Interest stated in Section 6.6 shall apply.

The said procedure shall end with a ruling by the Compliance Committee that shall contain a Corrective Action or Proposal which, where appropriate, shall be approved by the Governing Board or the corresponding administrative body. The Proposal shall establish, where appropriate, the corresponding disciplinary measures based on applicable employment-related legislation and, in particular, the Workers' Statute and applicable collective agreements and/or the Internal Rules of Procedure and any other social-working standards applicable to the Persons that form part of **Fagor Ederlan Group**, all without prejudice to the administrative or criminal sanctions which, where applicable, may also ensue.

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