



SUSTAINABILITY POLICY **OF CORPORACIÓN FINANCIERA ALBA, S.A.¹**

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I. Introduction

The Board of Directors of CORPORACIÓN FINANCIERA ALBA, S.A. (the "Company") is assigned responsibility for the design, evaluation and review of the Company's corporate governance system, and the approval of Policies setting out its operational instructions for its directors, executives and employees.

Among its corporate policies, the sustainability policy is intended to foster a culture at the group serving to enhance personal well-being, to promote the economic and social development of the communities where the company has a presence, and create long-term sustainable value for shareholders and investors, employees, clients, suppliers, creditors, and for society at large (the "stakeholders"), as well as protecting the environment.

The Board of Directors believes that the Company must follow best practice in environmental, social and corporate governance terms, maintaining an ethical commitment based on the conviction that this is essential in order to fulfil the corporate interest and to improve its actions and impact on society.

II. Object

This Policy establishes the principles and guidelines in the field of sustainability, so as to steer the Company's activities towards a business management model that combines long-term profitability with social justice and protection of the environment, focused on creating value for the different stakeholders, and fulfilling the company's strategies and objectives.

¹ Approved by the Board of Directors at its meeting held on 12 November 2020.

Through this Sustainability Policy, the Company essentially offers the following commitments:

- Undertake its activities at all times in a transparent and responsible manner.
- Maximise sustainable, long-term, shared value creation for its shareholders and for all other stakeholders, and society at large.
- Identify, prevent and correct any possible negative impacts from its actions.

The fundamental activity of Corporación Financiera Alba, S.A. is investment in the capital stock of listed and unlisted companies, and real estate assets. Its main responsibility in terms of sustainability is therefore to ensure the utmost diligence and integrity throughout the investment process, covering all aspects from the Investment Policy to the selection of assets and effective engagement in the management of the companies in which it holds a stake. Sustainability in investments is highlighted in particular through the following responsible investment principles:

- Long-term vision. The Company aims in its investments to ensure the creation of sustainable value in the long term.
- Management responsibility. Those assets where the Company believes that it will have the greatest capacity for influence and transformation are selected.
- Mitigation of non-financial risks. Consideration is given to social and environmental aspects, respect for human rights and good governance, both because of their alignment with the Company's values, and because of their potential impact on the portfolio.

The Investment Policy likewise takes into account as a selection criterion for potential investments that the companies have appropriate environmental, social and corporate governance standards in place, avoiding sectors that could potentially be controversial on reputational grounds, for example. The monitoring of investee companies does not focus solely on their positive financial results, but also such aspects as these companies' long-term commitment, the absence of conflicts of interest and adhesion to principles of sustainability, social responsibility and good governance.

Sustainable activity is held to exert a multiplier effect, resulting in a highly positive contribution to society. The aim here is to help create more transparent and better-governed markets, by linking financial markets to the real economy and generating opportunities and economic prosperity for Spanish society.

Sustainability represents a commitment to the stakeholders present at the Company, with a particular focus on human capital, and the aim is therefore to create an agreeable working environment.

Likewise, the values governing the Company have helped to foster culture and art, supporting creativity and talent at the service of the general public.

III. Scope of application

The scope of application of this Policy is Corporación Financiera Alba, S.A. and the companies belonging to its group.

At those investee companies that do not belong to the group, the Company will dedicate its best efforts through its representatives on their governing bodies to align their own policies with those of the Company, in order for them to follow principles and guidelines consistent with those established in this Sustainability Policy.

IV. General principles, commitments and objectives

The general principles, commitments and objectives defining the Company's sustainability strategy with regard to shareholders, employees, suppliers, social issues, the environment, diversity, tax responsibility, respect for Human Rights and the prevention of corruption and other illegal practices, are as follows:

- Act in accordance with the principle of excellence, promoting best practice in the field of sustainability (environmental, social and corporate governance).
- Comply with the legislation in force in those locations where it operates, adopting international guidelines and commitments on a supplementary and voluntary basis where there is no adequate or sufficient legal structure.
- Support free market practices, rejecting any type of illegal or fraudulent practice, and implementing mechanisms for prevention, oversight and the penalisation of irregularities.
- Ensure the economic sustainability of the Company in the medium and long term, by guaranteeing the generation of economic value both for the Company and for the various stakeholders with which it has a relationship.
- Adopt best corporate governance practice in order to foster transparency, integrity and business ethics, to avoid any involvement in unlawful activities, including corruption, while furthermore acting in accordance with the approved Code of Ethics and Conduct.
- Establish due diligence procedures to detect, prevent and mitigate existing or potential risks and adverse effects in its activities.
- Respect and promote internationally recognised human rights within the sphere of influence of group companies, following and supporting for these purposes the principles of the United Nations Global Compact, ensuring workers' rights and avoiding any practice that would constitute a violation of individual or collective dignity.

- Provide a safe, healthy and stable working environment with respect for equal opportunities, avoiding discrimination and encouraging diversity, training, talent management and work-life balance.
- Contribute to sustainable economic, social and environmental development by facilitating integration within the regions where the Company has a presence, and contributing to social well-being wherever group companies undertake their activities.
- Maintain a firm, preventive commitment to the preservation and enhancement of the natural environment, minimising potential undesired effects of its activities, with a particular focus on climate change and the preservation of biodiversity. The Company's actions will to this end aim to prevent pollution, to promote the sustainable and responsible use of resources and conduct proper waste prevention and management.
- Encourage the identification and exercise of shareholder and investor rights, promoting their informed participation at General Meetings, and acting in a loyal, dutiful and transparent manner towards them, within the context of the corporate interest.
- Promote channels for communication and relationships with the different stakeholders connected with the Company, with the aim of steering its actions so as to offer a response to their needs and expectations, while fostering the creation of shared value.
- Perform its activities in a responsible manner as regards taxation, complying with the applicable regulations, properly cooperating with the tax authorities, reaching business decisions that could have a tax impact with full awareness and in accordance with reasonable interpretations, avoiding the use of opaque or contrived structures for the sole purpose of evading or reducing the tax burden.
- Apply the criteria of corporate responsibility in managing and fostering responsible practices at supplier companies and in real estate business operations.
- Ensure accountability before the different stakeholders through the reliable and rigorous issuance of relevant financial and non-financial information, allowing the established sustainability commitments to be monitored.
- Have in place bodies of governance with the required diversity to eliminate possible biases in decision-making.

V. Monitoring and supervision of the Sustainability Policy.

The Company has in place compliance models, internal auditing activities and a risk management system allowing it to monitor fulfilment of this Policy, the associated risks and how they are handled, as well as non-financial risk

supervision, including issues connected with ethical and business conduct aspects.

The Audit and Compliance Committee is entrusted with monitoring, supervising and proposing revisions of the Company's environmental and social strategy. The Audit and Compliance Committee likewise reviews non-financial information, which includes environmental and social issues, respect for human rights, anti-corruption and anti-bribery, with this information being subject to independent verification where applicable.

VI. Information and communication channels

The Company will ensure that the communication of information is performed in a responsible manner, with full respect for fundamental human rights.

The Company will each year draw up and publish a report on sustainability-related matters.

Aside from this Policy, the Company has in place a Code of Ethics and Conduct, published on its corporate website, which sets out the ethical principles that are to govern its business conduct, the supervision of which is entrusted to the Code of Ethics and Conduct Monitoring Committee, supplemented by a Whistleblowing Channel.

The Company will as its main tool for communication with stakeholders use its corporate website, which includes a Whistleblowing Channel, as well as the website of the Spanish National Securities Market Commission, the CNMV, which is the official channel of information. Relations with stakeholders will likewise be channelled directly by the Investment Department, and via the media, relations with analysts and, where applicable, social media.

Madrid, 12 November 2020