



CORPORATE SOCIAL RESPONSIBILITY POLICY **OF CORPORACION FINANCIERA ALBA, S.A.¹**

The Board of Directors of CORPORACION 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.

The corporate Policies include the Corporate Social Responsibility Policy, which has the aim of fostering a culture of social responsibility at the group, so as to help improve the well-being of people, promote the economic and social development of the communities where it has a presence, and create long-term sustainable value for shareholders and investors, employees, clients, suppliers, creditors, and society at large (the "stakeholders") and the environmental protection.

The Board of Directors understands that the Company must follow best practice in Corporate Social Responsibility and maintain ethical behaviour, convinced that this is fundamental in order to fulfil the corporate interest and to improve its operations and its impact on society.

1. Purpose

This Policy establishes the principles and guidelines regarding corporate responsibility, so as to steer the operations of the Company towards a sustainable business management model that combines long-term profitability with social justice and environmental protection, and focused on the creation of value for the different stakeholders and the fulfilment of its strategies and objectives.

Through the Corporate Social Responsibility Policy, the Company fundamentally gives the following undertakings:

- Perform its activities in a responsible and transparent manner at all times.
- Maximise the creation of long-term sustainable and shared value for its shareholders and 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. As a result, its main social responsibility lies in ensuring the utmost diligence and integrity throughout the investment process, covering all aspects from the Investment Policy to the selection of assets and effective involvement in the

¹ Approved by the Board of Directors at its meeting held on 17 June 2019. This Policy replaces that approved by the Board of Directors at its meeting held on 26 October 2015.

management of its investee companies. This social responsibility in investments is highlighted in particular through the following principles of responsible investment:

- 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.
- Non-financial risk mitigation. Consideration is given to social, environmental, respect of human rights and good governance aspects, both because they are aligned with the Company's values, and because of their potential impact on its portfolio.

Responsible activity is deemed to have a multiplier effect, which results in a highly positive contribution for the Company. The aim of all the above is to help create more transparent and better governed markets, linking financial markets to the real economy and generating opportunities and economic prosperity for Spanish society.

Social responsibility is a commitment to social stakeholders, with a particular focus on human capital, and the aim is therefore to create a great place to work.

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

2. Scope of application

Corporación Financiera Alba, S.A. and the companies of its group. At those investee companies that do not form part of the group, the Company will dedicate its best efforts to promote, through its representatives on governing bodies, the alignment of their own policies with those of the Company, to ensure that they follow principles and instructions that are consistent with those established in this Corporate Social Responsibility Policy.

3. General principles and operational instructions.

The general principles and operational instructions that define the Company's strategy as regards Corporate Social Responsibility are as follows:

- Act in pursuit of the principle of excellence, promoting best practice in the context of corporate responsibility.
- 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, guaranteeing the generation of economic value both for the company itself and for the different stakeholders with which it has a relationship.
- Adopt best practice in terms of corporate governance, with the aim of fostering transparency, integrity and corporate ethics, to avoid any involvement in unlawful activities, 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 arising from its activity.
- 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 and healthy working environment in which equal opportunities are respected, with no discrimination and with support for diversity, training, talent management and work-life balance.
- Contribute to sustainable economic, social and environmental development, by supporting integration within the regions where the group has a presence, and contributing to social well-being where group companies perform their operations.
- Maintain a firm and preventive commitment to conservation and improvement of the natural environment, minimising any undesired effects of its operations, with a particular focus on climate change and the preservation of biodiversity. To this end, the actions of the Company will aim to prevent pollution, achieve rational and sustainable resource usage, and proper waste management.
- Support the identification of shareholders and investors and the exercise of their rights, promoting their informed participation at General Meetings, and acting with regard to them with loyalty, good faith and transparency, 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 criteria of corporate responsibility in management, and foster responsible practices at supplier companies.
- Ensure accountability before the different stakeholders, through the issuance of relevant, reliability and rigorous information, both financial and non-financial allowing for monitoring of the commitments given as regards corporate responsibility.

4. Monitoring and supervision of the Corporate Social Responsibility Policy.

The Audit and Compliance Committee is given responsibility for the monitoring, supervision and proposals for the review of the strategy and practice of the Company as regards Corporate Social Responsibility.

5. Information and communication channels

The Company will each year draw up and publish a report on matters connected with its Corporate Social Responsibility.

Meanwhile, for communication with its various stakeholders, the corporate website of the Company will serve as the main instrument, although the relationship with them will likewise be channelled directly by the Communication and Investment Departments, and through the media, relations with analysts and, where applicable, social media.

Madrid, 17 June 2019