



Policy Statement on Conflict Minerals

POL042

Policy

Internal Audit & Compliance

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1	26/04/2022	Initial version of the document	Verónica Prieto	Enrique Sangil
2	08/01/2024	Compliance Model policy update	Enrique Sangil	Compliance Committee

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1. PURPOSE

This Conflict Minerals Policy of the Gonvarri Industries Group (hereinafter "GONVARRI INDUSTRIES" or the "GI Group"), aims to identify, assess and mitigate the risks of adverse impacts that may be associated with the extraction, trade and export of minerals from conflict-affected and high-risk areas, known as conflict minerals. "Conflict minerals" generally refers to the 3TG's regardless of the location or origin of the minerals or derived metals.

Additionally, it should be noted that Gonvarri Industries is committed to only purchase products and services from companies that share our values on working conditions, human rights, business ethics and environmental responsibility, so this policy covers a part of a much broader objective.

2. SCOPE OF APPLICATION

This Policy is applicable to all the companies that make up the GI Group, which are majority owned, directly or indirectly, by its parent company, Gonvarri Corporación Financiera S.L., and to all Gonvarri Industries personnel in the exercise of their functions and responsibilities, and in all professional areas in which they represent the GI Group, understanding as such the Group's directors, managers, employees and collaborators, regardless of their position, responsibility or geographical location.

In those companies of the GI Group where there is no majority shareholding, but there is a significant influence of its parent company, GONVARRI INDUSTRIES will promote principles and guidelines consistent with those set out in this Policy and will maintain appropriate information channels to ensure adequate knowledge of them.

In any case, the actions of the GI Group respect the legislation in force in each jurisdiction, so that in some of them the principles set out in this policy may be replaced by more restrictive laws and regulations in force.

3. TERMS AND DEFINITIONS

Conflict Minerals:

The following are considered as conflict minerals (also known as 3TG): Cassiterite (mineral from which tin is extracted, used in electronic devices for soldering, coatings and also as a stabilizer in plastics), Columbite-tantalite or coltan (mineral of high conductivity from which tantalum is extracted, used for the manufacture of electronic devices), Wolframite (mineral from which tungsten or wolfram is extracted, used in wires for electrical and soldering devices and Gold (used in jewelry and electronics).

Conflict Zones:

The name "minerals from conflict zones" refers to the profits obtained from the sale that finance armed groups in the zones, as well as human rights abuses and the impact of extraction on the environment. However, any product or service acquired by Gonvarri Industries is subject to compliance with the Group's objectives and values in relation to human rights, environmental protection, the fight against corruption, business ethics, protection of workers' rights and compliance with the law, among others.

4. CODE OF ETHICS AND CONDUCT

The Code of Ethics and Conduct of the GI Group is an express statement of the values, principles and behavioral guidelines to be adopted by all employees and collaborators of the GI Group in the performance of their professional activities, including compliance with all laws and regulations on economic sanctions, international trade restrictions, as well as regulations on conflict minerals.

5. OUR COMMITMENT

The U.S. Securities and Exchange Commission ("SEC") issued the "Conflict Minerals Rule," which requires publicly traded companies to report annually the presence of conflict minerals (tin, tungsten, tantalum and gold or "3TG") originating from the Democratic Republic of Congo ("DRC") or adjacent countries ("Included Countries"¹). The objective of the SEC's regulation is to assist in the resolution of civil conflict and human rights violations in the DRC region.

Similarly, on May 17, 2017, the European Union adopted Regulation (EU) 2017/821 establishing supply chain due diligence obligations relating to minerals from conflict zones, so as to prevent the financing of armed groups and security forces in resource-rich areas.

GONVARRI INDUSTRIES supports the goal of ending violence, human rights violations and environmental devastation and is therefore committed to complying with any requirements under the Conflict Minerals Regulation.

As part of this commitment, the GI Group is committed to purchasing only products and services from companies that share our values on working conditions, human rights, business ethics and environmental responsibility.

As a result of our commitment to responsible sourcing of minerals/materials used in our products, we recognize that we have a responsibility to respect human rights and not contribute to conflict.

GONVARRI INDUSTRIES is therefore committed to consistently apply this Policy in the responsible sourcing of minerals from conflict-affected areas, as they represent conflict-sensitive sourcing practices and Supplier awareness from the point of extraction to the end user.

Specifically, GONVARRI INDUSTRIES is committed to comply with the applicable requirements under the conflict minerals laws and to implement the internal processes required to comply with the obligations set forth in the legislation.

In compliance with the aforementioned commitments, the GI Group has a **"Third Party Management Policy"** which establishes, as part of the approval processes, the obligation of our collaborators to comply with the provisions of the **"Code of Conduct for Suppliers"** or, failing that, the **"Letter of Acceptance of Ethical Principles"**. This Code urges our suppliers to verify that no purchases are made from sources that are present in or use minerals that come from areas affected by high-risk conflicts, unless they have the corresponding independent certification that their extraction has not encouraged armed conflicts and/or human rights abuses in those areas

¹ Republic of Congo, Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Zambia, Angola and Tanzania.

The GI Group is committed to periodically review the commitment of our suppliers by verifying that they have signed our **"Code of Conduct for Suppliers"** or **"Letter of Acceptance of Ethical Principles"**, which includes compliance with these conflict minerals review requirements.

Additionally, as part of the supplier approval processes, GONVARRI INDUSTRIES requests information on the absence of conflict minerals, through **CSR questionnaires**, with an established periodicity between 3 and 5 years, depending on the supplier's characteristics and in compliance with the GI Group's procedures.

GONVARRI INDUSTRIES reserves the right to request additional evidence from its suppliers on the traceability of conflict minerals in their supply chains.

In addition, the GI Group has a **"Trade Sanctions Corporate Policy"**, which establishes minimum compliance standards for economic sanctions applicable worldwide.

In accordance with the provisions of this Policy, the GI Group is committed to identify and evaluate its third parties according to the level of Risk, for the performance of procurement activities, sales, mergers and acquisitions with governments, countries or territories identified under a trade sanctions program and assess their risk in accordance with the risk management policies with third parties. For third parties/transactions considered risky, screening by the **Internal Audit and Compliance Department** will be required.

Furthermore, in accordance with this Policy, the GI Group states its commitment to comply with any requirements under the Conflict Minerals Regulation, with the objective of having a conflict-free supply chain.

The Supplier's willingness to comply with these initiatives will be a deciding factor in new project awards. In the event the GROUP determines that a Supplier has not developed and implemented reasonable measures to comply with this Policy, the GROUP reserves the right to take appropriate action, up to and including termination of the business relationship with the Supplier.

GONVARRI INDUSTRIES will continue to evaluate its policies to ensure compliance with the Conflict Minerals Regulation and make rectifications as necessary.

6. REPORTING POSSIBLE MISCONDUCT

This policy shall be available to directors, managers, employees, collaborators of Gonvarri Industries and other members of the Group. Consequently, all members of Gonvarri Industries must bear it in mind and respect it in all actions carried out in the course of their professional activity.

The correct management of this policy will require the Group to constantly modify and update it. For this reason, its content will be continuously reviewed, as well as all the control measures established, constantly adapting it according to the evolution of the risks and commitments acquired by Gonvarri Industries.

The Group has an internal whistle-blowing channel, the Ethics Channel, which allows for the confidential reporting of any type of irregularity, improper act, behavior contrary to current legislation and/or Gonvarri Industries' internal regulations that is taking place within the Group and that may entail criminal, civil or administrative liability. Likewise, a person in charge of the aforementioned Ethical Channel has been appointed.

This Ethics Channel is available to Group members and third parties, and any irregularity detected by a Group member or collaborator must be reported through:

- <https://gonvarri.i2-ethics.com/> y <http://www.gonvarri.com>
- Email: ethicschannel@gonvarri.com.
- By ordinary mail to the following address: Auditoría Interna y Cumplimiento C/Embajadores s/n. 28053 Madrid.
- Telephone Call Back option: <https://gonvarri.i2-ethics.com/>

In addition, the i2-Ethics platform allows you to ask questions or raise concerns about compliance policies, code of conduct or other regulations.

Any person who becomes aware of a case of violation of applicable laws or of this Policy should report their suspicion immediately, in accordance with the provisions of the Code of Ethics and other internal regulations related to the use of the Ethics Channel.

Any complaint made will be handled as any other in accordance with the provisions of the Code of Ethics and the internal regulations related to the use of the Ethics Channel, guaranteeing the confidentiality of the complainant in the event that he/she identifies him/herself and the non-retaliation.

7. BREACH OF THIS POLICY

Infringing this Policy shall not be tolerated and, should it happen, may lead to disciplinary and other measures, according to their seriousness, always observing applicable jurisdiction.

8. LANGUAGE

This Regulation is published in Spanish and in English. The former will prevail in case of discrepancy between the two.

9. APPROVAL AND ENFORCEMENT DATE

This standard has been approved by Gonvarri Industries Group's Compliance Committee on April 26th, 2022 and comes into force 30 calendar days after its distribution. As of its effective date, any previous arrangements regulating the same content shall be revoked.