

Our commitment to society and to the impact of our activity on the environment is a critical factor in measuring our overall performance and our ability to continue operating effectively, while maximising our contribution to Sustainable Development.

Scope

The scope of this policy is to articulate the corporate strategy related to sustainability by communicating, implementing and maintaining commitments to good business and ethical practices as our main contribution to Sustainable Development. These commitments involve our workforce, management teams, customers, suppliers, partners and collaborators in all companies of the Group, both nationally and internationally, and reinforce our corporate values while promoting our culture of legal compliance, ethical conduct and corporate social responsibility.

Compliance with this policy is expressly driven by Company Management and concerns every person working for or on behalf of the Company. Therefore, it is also communicated to our contractors and suppliers and is subject to third-party assessment.

These commitments are fully integrated into our daily work and are permanently reviewed and improved by the Management of Industrias Alegre S.A. and by all those involved in their application.

Objective

This policy formalises and defines these commitments through respect for the following principles:

- Accountability
- Transparency
- Ethical behaviour
- Respect for stakeholder interests
- Respect for the principle of legality
- Respect for international standards of behaviour
- Respect for human rights

Our objective is to provide our customers with quality in a responsible and efficient way, to create value and profitability for our shareholders, to promote an ethical and compliance culture, to foster the professional development of employees, to contribute to the social environments in which we operate, and to use the natural resources required for our activity in a sustainable manner, from a shared value creation approach with all our stakeholders.

We also undertake to apply responsible communication practices as the main vehicle for conveying to our stakeholders the rigour and solidity of our commitment to Sustainable Development.

Corporate Social Responsibility Commitments

With our Customers

Commitment to quality and operational excellence

The vocation of Industrias Alegre S.A. is customer-oriented and focused on meeting their needs. It is our responsibility to become more effective every day and, accordingly, we commit to the highest level of quality, safety and reliability in all our operations. Given the economic implications of our activity and its relevance in the fight against climate change, we also aim to help our customers improve the energy efficiency of their processes through our products and solutions.

We are also committed to preventing counterfeit parts, protecting intellectual property, and complying with applicable export controls and economic sanctions throughout our commercial relationships and supply chain.

With our Shareholders

Commitment to value creation and profitability

We are committed to increasing the value of the Company and providing profitability to our shareholders within a framework of relationships based on loyalty and transparency. To conclude, we conduct our business efficiently and competitively, optimising the responsible use of available resources so that the benefits of our activity revert to those who have placed their trust in our Company.

With our People

Commitment to personal and professional development, work-life balance, diversity, and occupational health and safety

We are committed to ensuring equal opportunities for all our employees, enabling them to develop their talent and professional careers without discrimination, particularly on the grounds of race, gender, political beliefs or religious convictions. We are equally committed to ensuring that work is safe and healthy and to promoting work-life balance, training, teamwork, knowledge sharing, dialogue, creativity and initiative.

This commitment expressly includes the protection of human rights and working conditions across our own operations and supply chain, including the prohibition of child labour, protection of young workers, fair wages and benefits, compliance with working time rules, the prohibition of modern slavery and human trafficking, ethical recruitment practices, freedom of association and collective bargaining, non-discrimination and anti-harassment safeguards, women's rights, diversity, equity and inclusion, and respect for the rights of minorities and indigenous peoples.

We also expect our activity and that of our business partners to respect land, forest and water rights, to prevent forced eviction, and to ensure the appropriate and lawful use of private or public security forces wherever such services are used.

With our Conduct

Commitment to good governance, transparency and ethical behaviour

At Industrias Alegre S.A., honesty and integrity are essential values that must guide our behaviour and help us build relationships based on dialogue and mutual trust with customers, shareholders, employees, suppliers, contractors, Public Administrations and other stakeholders. Accordingly, we decisively apply the principles of good corporate governance, promote an ethical culture, require all collaborators to respect the rules and comply at all times with applicable law, and report rigorously and transparently on our economic and financial position, strategic plans, environmental performance and compliance with our obligations and responsibilities in the social environments in which we operate, within a climate of loyal cooperation and dialogue with public institutions and regulatory bodies.

In addition, we are committed to responsible tax policies and to cooperative and transparent relationships with Tax Authorities. We promote anti-corruption, anti-money laundering, data protection and data security, fair competition and anti-trust compliance, appropriate management of conflicts of interest, whistleblowing channels and protection against retaliation. We also require financial responsibility through accurate records and appropriate disclosure of information.

With our Environment

Commitment to reducing environmental footprint and protecting the environment

At Industrias Alegre S.A., environmental preservation is an integrated criterion in the management of our Company and in our decision-making. We identify, assess and manage the environmental impacts arising from our activities and strive to minimise them. We recognise the need to use natural resources in a way that safeguards the development of future generations, especially in relation to the global challenge of polluting emissions. Therefore, we endeavour to use the most efficient technologies available and direct our research and innovation capability towards reducing these impacts and achieving improvements in energy savings.

Our environmental approach also includes the reduction of greenhouse gas emissions, energy efficiency, the promotion of renewable energy, decarbonisation, responsible management of water quality and consumption, air quality protection, responsible chemical management, sustainable resource management, waste reduction, reuse and recycling, biodiversity protection, responsible land use, prevention of deforestation, protection of soil quality and control of noise emissions. Where relevant to our operations or supply chain, we also encourage respect for animal welfare.

With Society

Commitment to the social and economic development of the communities where we operate

We are committed to contributing to the development of the communities in which we operate, approaching our businesses from a shared value creation perspective. This approach emphasises the generation of long-term relationships that provide benefits both for our Company and for the societies in which we maintain operations over time.

With Institutions

Commitment to act lawfully in dealings with institutions and to promote sustainability

At Industrias Alegre S.A., we are committed in all our relations with authorities and public representatives to acting respectfully and to complying with applicable law. Accordingly, the Company has launched a plan to implement a Corporate Compliance System as a measure to minimise the risks arising from article 31 bis of the Spanish Criminal Code and any related international legal framework. Subsequently, the model is intended to be developed in accordance with UNE 19601:2017.

With our Collaborators and Suppliers

Commitment to the active involvement of collaborators in sustainability

Today, the relevance of the supply chain is crucial to ensuring that companies effectively comply with their sustainability commitments. We believe it is essential to guarantee fair conditions for our collaborators that support their sustainability, and we are committed to sharing our sustainability commitments with them and helping them to assume these commitments.

We also promote upstream supplier management by defining and implementing similar standards for our own tier-1 suppliers and by establishing binding requirements for those suppliers to pass these standards along the supply chain.

Performance Monitoring

The review of the CSR policy of Industrias Alegre S.A. is the responsibility of Sustainability Committee. The performance of the application of these principles and the possible associated risks fall within the risk management and control practices of Industrias Alegre S.A. Following ISO 31000 methodology and with the participation of Senior Management and the Management Team, an annual Risk Map is maintained.

Oversight

To carry out this monitoring, the Regulatory Compliance Committee will include in its annual review plan the priority action plans needed to monitor whether they are being carried out as established and whether they are effectively mitigating the risks they are intended to address.

In addition, the Management Board of Directors must identify whether any risk has materialised and, where applicable, the measures adopted to mitigate it.

General Information and Communication Channels

Transparency is a fundamental principle that inspires the communication activities of Industrias Alegre S.A. in relation to its Stakeholders.

Industrias Alegre S.A. has different channels for information, communication, contact and participation, thereby ensuring that stakeholders have appropriate channels through which they can be heard and assisted.

Accordingly, information relating to the Company in the field of corporate social responsibility is disseminated through the following channels:

- Corporate website: www.ialegre.com
- Annual non-financial report
- General Shareholders' Meeting
- Press releases
- Social and professional networks
- Intranet
- Internal communications
- Telephone: +34 96 122 02 00
- E-mail address: ialegre-ethics@ialegre.com
- Whistleblower tool

United Nations Global Compact

Industrias Alegre S.A. includes within its strategic plan the objective of adhering to the United Nations Global Compact for Sustainable Development.

Through this adherence, Industrias Alegre S.A. reinforces its commitment to support and implement ethical principles based on universal declarations and conventions on human rights, labour standards, the environment and the fight against corruption.

Enrique Careaga

CEO Industrias Alegre S.A.