

Befesa Compliance Policy

December 2014

Executive Summary

Befesa considers that compliance risk must be identified, managed and reported upon by management and the board of directors. This compliance policy provides guidance to Befesa Medio Ambiente and its group companies (hereafter, **Befesa**, or the **Company**) on how to establish, maintain and report upon an effective compliance management system. An executive summary of the policy is set out below.

1. Compliance Management System ("CMS")

Befesa shall have a Compliance Management System ("**CMS**") which fulfills the minimum requirements below.

2. Commitment

Management of Befesa shall communicate a clear commitment to compliance ("tone from the top") and must always set an example for compliant behavior.

3. Agenda of the management

Compliance should be regular topic on the agenda of management meetings (at least twice a year).

4. Compliance Officer(s)

A senior person must be designated to act as "Compliance Officer". Befesa should consider designating a "Chief Compliance Officer" and Compliance Officers for the respective legal entities, business units or regions (who then report to the Chief Compliance Officer).

5. Compliance Committee / Money Laundering Reporting officer ("MLRO")

Befesa shall consider establishing a Compliance Committee to support the Compliance Officer and MLRO.

6. Identification/assessment of risks and Compliance Hotline

The CMS must be based on a documented process where relevant compliance risks are identified and assessed. Identification and assessment of risks should be repeated at

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regular intervals (every two years) or ad hoc in response to any extraordinary event. This could be part of an Enterprise Risk Management Program.

7. Development of preventive measures (Compliance Policies/ Guidelines)

Befesa shall develop or, as the case may be, review existing compliance relevant documents (taking into account the results of the risk identification and assessment) including:

- a) Code of Conduct.
- b) Antitrust Guideline/Policy;
- c) Anti-Corruption/Anti-Bribery Guideline Policy;
- d) Quality, Environmental, Health and Safety and Sustainability Policies as appropriate; and
- e) Further guidelines if required after risk assessment.

8. Training

Employees should receive basic compliance training and employee attendance at such training should be documented. All employees that are senior managers, in marketing/sales/purchasing (if have external contacts), or in finance/controlling, or active in trade or business associations should receive specific antitrust and anti-corruption/anti-bribery compliance training.

9. Investigations

Any suspicion of a compliance breach should be promptly investigated.

10. Compliance audits

Annual compliance audits addressing and investigating compliance issues can be conducted. The audit plan should be officially approved by the management. The compliance auditor must be provided with sufficient resource.

11. Whistle-blowing system

Befesa shall consider establishing an effective whistle-blowing system. The system should allow for anonymous reporting of non-compliance issues (subject to legal restrictions).

12. Sanctions for non-compliant behavior

Compliance breaches require an appropriate sanction regardless of the status of the relevant employee (including e.g. non-payment of bonuses, legal action or dismissal).

13. Reporting

The Compliance Officer should provide compliance reports to the Board of Directors of Befesa at regular intervals (initially semi-annually and later at least annually) or ad hoc in response to an extraordinary compliance event.

14. Audit and certification of the CMS

The CMS can be audited by a third party at regularly.

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1. Purpose of the Befesa's Compliance Policy

The Befesa Compliance Policy (the "Policy") provides general guidance to Befesa Medio Ambiente and its, directly or indirectly, subsidiaries and group companies (hereafter, Befesa, or the "Company") on what compliance means, why it is important, the role of the Board and Management in ensuring compliance and the establishment of an effective Compliance Management System ("CMS").

The Policy is supplemented by supporting information and documents ("Supporting Documents") which provide further information that may be helpful in connection with the implementation of a CMS and contain basic templates for certain compliance documents.

2. What is "Compliance"?

2.1 Befesa expects each subsidiary and group company to conduct its business and operations in a way which is compliant with all relevant laws and regulations and to implement internal guidelines, policies and procedures to ensure that it remains compliant with those laws and regulations.

2.2 Those guidelines, policies and procedures address specific areas of risk including,

- a) bribery and corruption;
- b) antitrust laws;
- c) environmental, health and safety risks;
- d) anti-money laundering laws and regulations (including reporting of suspicious transactions in respect of counterparties to transactions).
- e) data protection / privacy laws and regulations.

2.3 Environmental, Social and Governance (ESG) covers very wide aspects of any business, but the main areas are below.

- a) Environmental – including climate change, energy efficiency, hazardous waste, recycling, site pollution and, sustainability.
- b) Social – such as welfare, health and safety risks for employees, community investment, public perception, diversity, human rights and consumer protection; and

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- c) Governance – which includes general compliance with laws/regulations, rights, duties and responsibilities of management /board(s) /shareholders /stakeholders, training programs, communication, processes/procedures, reporting, transparency, ethics, accountability, and data protection.

3. Why a CMS?

3.1 Primary reasons for implementing an effective CMS are highlighted below.

- a) Achieve Long Term Success - there is now greater evidence supporting a nexus between performance on compliance/ESG issues and financial performance that can lead to stronger the Company core, greater profits and high value exits.
- b) Strong Business Ethics Culture - guidance in respect of proper and correct behaviour for management and employees.
- c) Liability & Fines - to avoid criminal/civil liabilities, penalties and fines being imposed on the Company.
- d) Legal Claims - to prevent damages claims by third parties against the Company.
- e) Staff Protection - to help protect employees, contractors and visitors on site.
- f) Keeping Focus on Adding Value - to prevent internal resources (including management resources) being absorbed by fighting against compliance-related claims and investigations instead of devoting resources to the business and its success.
- g) Reputational Risk - to prevent the reputation of the Company being impaired, securing the value of the Company.
- h) Blacklisting - to avoid a “blacklisting” of the Company due to any breach of laws and regulations.
- i) Customers - to maintain and secure business with major customers who require the business of their suppliers to be compliant with all relevant laws and regulations.
- j) Protect Management - to prevent members of management being sued by the Company for failing to fulfil their responsibilities.

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- k) Environment - to ensure the efficient use of resources and to minimise the impact on the Company on the environment and to ensure an on-going licence to operate.
 - l) Supply Chain Management - to ensure supply chain risk is minimised by ensuring responsible and ethical business practices are present in global supply chains.
 - m) Exit Opportunities - to ensure the Company is managing risk effectively in advance of exit scenarios such as a total or partial sale of the Company refinancing or capital market solutions such as an IPO.
 - n) Potential purchasers expect target companies to have an effective CMS in place, and may have reservations about proceeding with a purchase if the Company cannot demonstrate it is managing compliance risk effectively.
- 3.2 An effective CMS thus helps to secure and increase the value of the Company and protect management against personal liability.

4 Duties and Responsibilities

- 4.1 Compliance begins at the top.
- 4.2 Management of the Company is responsible for developing and implementing an effective CMS which has adequate policies and procedures in place to ensure compliance with all relevant laws and regulations and actively engages with ESG issues.
- 4.3 In addition, the Company shall consider the appointment of a Compliance Officer (a senior manager directly reporting to the managing body). But even after having appointed a Compliance Officer, the Management remains ultimately responsible for the Company having an effective CMS.
- 4.4 Befesa may also consider that a Compliance Committee is necessary.
- 4.5 In order to ensure that the CMS is effective, there must instead a process designed and implemented to detect potential non-compliance issues. The Company must therefore to ensure that a proper audit compliance process is established and undertaken.

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4.6 The roles and functions of each of the above organisational elements is further expanded upon below.

Board of Directors

4.7 The Board of Directors of Befesa should ensure that Management implements an effective CMS so that the Company has processes in place for addressing compliance in an appropriate way and that those processes are working effectively.

4.8 This responsibility may be delegated to a specific member or committee of the Board of Directors, that reports to the full board.

4.9 As a minimum, the Board of Directors should ask not only for regular compliance reports from Management and the Compliance Officer, but must also study compliance audit reports and follow up any material non-compliance issues raised.

4.10 In addition, the Board of Directors may conduct independent interviews with the Compliance Officer and compliance auditor.

4.11 If in connection with its general activities, the Board of Directors comes across a potential non-compliance issue, it should investigate the issue immediately.

4.12 Individual members of the Board of Directors shall ensure that their compliance activities are well documented. Compliance shall therefore be part of the agenda of the Board of Directors meetings, which should take place at regular intervals. Board minutes should reflect compliance matters discussed and actions points going forward.

Management

4.13 Management must demonstrated a clear commitment to ensuring compliance and should communicated this commitment throughout the organization. If there is any doubt as to the potential legality of a business transaction then the Company must not pursue this transaction.

4.14 Management is responsible to ensure that: (i) appropriate guidelines and policies are developed, issued and continuously monitored and reviewed; (ii) employees and directors are properly trained with respect to those guidelines and policies; (iii) compliance matters are made subject to compliance audits; and (iv) non-compliance issues are appropriately sanctioned.

4.15 Sufficient resource should always be made available to adequately deal with compliance matters (in particular in terms of time and budget).

Compliance Officer

4.16 In-house counsel or head of internal audit can assume the role of Compliance Officer. This role shall be taken on in addition to the other responsibilities of that particular individual.

4.17 The Board may designate a Chief Compliance Officer and various Compliance Officers who are responsible for the compliance issues of a certain company, region or business unit and who (functionally) report to the Chief Compliance Officer.

4.18 The person acting as Compliance Officer should (i) have a legal understanding of compliance issues; (ii) be reliable and trustworthy; and (iii) hold a senior position within the hierarchy of the PC.

4.19 Typically the Compliance Officer should:

- i. ensure that appropriate policies and procedures are put in place;
- ii. be the contact person if employees have questions regarding compliance matters;
- iii. implement appropriate training for employees with respect to the Befesa's Code of Conduct and other material compliance matters,
- iv. review the Code of Conduct and the Befesa's other compliance guidelines and policies at regular intervals and propose amendments or additional compliance guidelines or policies to the extent required;
- v. inform the organisation about important legal developments which may cause non-compliance issues;
- vi. if any non-compliance issue is suspected, investigate the issue;
- vii. ensure that non-compliance issues which he/she becomes aware are resolved;
- viii. be responsible for proposing compliance audits to management and for proposing which matters should be made subject of a compliance audit;

- ix. provide regular or ad hoc compliance reports to management and have a reporting line to the supervisory board/board of directors and
- x. be given the responsibility of informing the Board of Directors if management has failed to deal with a non-compliance issue.

4.20 The responsibilities and tasks delegated to the Compliance Officer should be well defined and documented. This can be done by an appointment letter from management addressed to, and countersigned by, the Compliance Officer.

4.21 The Compliance Officer must be provided with adequate resources to fulfil his or her duties properly.

Money Laundering Reporting Officer (MLRO)

4.22 If it is appropriate to appoint an MLRO (and this will depend on the jurisdiction in which the Company is operating), the MLRO should be responsible for carrying out any preliminary investigations of any suspected money laundering and report the matter to the relevant authority. The MLRO should also carry out regular assessments of the adequacy of systems and controls to ensure that the risk of money laundering is managed effectively and reported on to the board at least once a year.

4.23 Employees should know their clients and customers and, on a continuing basis, consider whether they are undertaking suspicious transactions. If any employee has any reason to be suspicious about possible money laundering they should notify the MLRO, if appointed, or the Compliance Officer

4.24 The Company is encouraged to take a risk based approach to their anti-money laundering systems and controls. The Company should consider, where appropriate, undertaking identify checks and gathering sufficient information to clearly understand the form and nature of the particular customer's business, the individuals behind it and the real purpose of its engagement with the Company. Furthermore, the Company is obliged to ensure that employees are aware of the different forms of money laundering and financing of terrorism as well of the Company's obligations under the relevant legislation. Where appropriate, the Company should therefore conduct training sessions on anti-money laundering on a regular basis.

Compliance Committee

4.25 The Board of Directors should consider to establish a Compliance Committee (or similar body), in addition to a dedicated Compliance Officer, to ensure that all relevant compliance matters are adequately covered.

4.26 Members of the Compliance Committee (in addition to the Compliance Officer) might include, for example, representatives of the legal department, internal audit, IT department, finance department, business controlling, EHS, customs/export control department, the data protection officer, but also representatives of the business (or various business lines) who know how the business is run and what the relevant business practices are.

Compliance Audit

4.27 The Board of Directors may involve another organisational unit with the undertaking of compliance audits, the most likely being the internal audit department which could audit compliance matters in addition to its other matters.

4.28 Alternatively, outside professionals (for example, a law firm which specialises in compliance audits or one of the bigger audit firms which also conduct compliance audits) can be engaged.

4.29 The Compliance Officer should propose, on an annual basis, a compliance audit plan to management, which should describe selected compliance matters to be made subject to an audit.

4.30 The results of the compliance audit should be reported to management. An executive summary along with the audit report should go to the Board of Directors.

5. Establishing an Effective CMS

5.1 In order to establish an effective CMS, the Company must take into consideration the following steps:

- 1) identification and assessment of risks;
- 2) development of preventive measures;
- 3) implementation;
- 4) detection, response and monitoring of effectiveness;

- 5) reports; and
- 6) continuous improvement of the CMS.

Identification and Assessment of Risks

5.2 In order to initiate the establishment of any effective CMS compliance risks to which the Company is exposed must be identified and assessed.

5.3 The legal environment in which the Company operates must be identified. Befesa and all Subsidiaries are subject to laws and regulations regarding tax, anti-trust, anti-bribery and corruption, employment, environmental protection and health and safety, but these laws and regulations impact on different companies in different ways depending on the nature of their business.

5.4 All the Company business processes have to be analysed to identify laws and regulations that are applicable to each of those processes. This analysis should evaluate the possibility of any potential breach of the relevant laws or regulations occurring and the potential damage or impact that may result. The Company therefore should evaluate risks specific to it based on factors such as its size, geography or industry.

5.5 The above analysis should be documented in a way which briefly: (i) describes the relevant business processes of the Company (ii) identifies for each process the relevant laws and regulations; (iii) describes potential breaches; and (iv) evaluates the potential impact or damage resulting from any breach

5.6 The identification and assessment of risks is a step which should be repeated and documented at regular intervals (preferably on a bi-annual basis).

Development of Preventive Measures

5.7 Once the risk identification and assessment process has been completed, the appropriate preventive measures addressing the relevant risks have to be developed.

5.8 One of the basic compliance instruments which Befesa shall have is a Code of Conduct. This basic document sets out the Company's main rules and guidelines regarding appropriate business behaviour which employees of the Company must comply with.

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5.9 The Company shall also establish and implement more detailed and specific guidelines or policies for specific areas which bear major risks including, in particular, antitrust compliance policies, anti-bribery/anti-corruption policies and ESG policies.

Bribery and corruption are criminal offences that apply to individuals, companies and partnerships punishable by imprisonment and/or an unlimited fine. Bribery and corruption can also cause serious damage to the reputation of the Company.

5.10 If the Company runs a new business, it should be necessary to develop further guidelines addressing specific risks to which the Company may be exposed. This might include establishing further guidelines for screening business partners and associates.

Implementation

5.11 The practical implementation of the CMS will begin by the announcement of the CMS which should make clear that it is fully supported by the Company, its board and management.

5.12 The Code of Conduct, guidelines and policies as well as other preventive measures which have been developed will also be clearly announced and introduced to each director, officer and other employees of the PC. It is recommended that the relevant documents are not only electronically distributed, but that at least the core documents, such as the Code of Conduct, are distributed in hard copy to directors, officers and other employees, and that all of these acknowledge receipt of the respective documents, and even acknowledge that they constitute part of their employment agreement.

5.13 As far as new employees are concerned, a process within Human Resources should be established so that each new employee receives a copy of the core documents and acknowledges their receipt (welcome packet).

5.14 Employees must be able to fully understand all compliance documents. It will therefore be necessary to have the core documents (in particular the Code of Conduct) translated into the main languages used in the PC.

5.15 Distribution of hard or soft copies of the relevant compliance documents may not, however, be sufficient by itself. A training program should be developed and employees should be obliged to attend.

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- 5.16 E-learning programs, or similar, could be used at regular intervals on an ongoing basis. All affected employees should be made aware of the PC's policies and receive supplemental training on those policies and areas which are of particular relevance to them in light of their role and function within the PC. It may also be required by law that certain employees must undergo some specific training, for example health and safety training if they operate certain types of machinery or vehicles.
- 5.17 It is recommended that all the employees have a wide knowledge of the Code of Conduct and as many as possible attend training on the Code of Conduct. It might be considered appropriate, however, to limit the kind of employees who are required to attend training in respect of more specialized areas. As stated above, this should be determined by reference to the activities which each employee undertakes and the likely exposure to potential risk.
- 5.18 In order to demonstrate the commitment of management to compliance, a strict follow-up system should be established which ensures that the employees actually attend the required training.
- 5.19 As an additional tool to ensure that the organisation is aware of relevant compliance issues, management could request the filing of "compliance statements". For example, management could ask all employees who directly report to management to file a statement, at regular intervals (e.g. on an annual basis), confirming that the subsidiary or business/functional unit headed by them complies with, say, the Company's anti-bribery and corruption policy.
- 5.20 Given that questions around compliance will inevitably arise, the Company should provide a facility whereby employees can raise questions ad hoc. For this purpose a Compliance Help Desk or Compliance Hotline should be established. The Compliance Officer should take responsibility for the desk and be the first point of contact for employees with respect to compliance questions.

Detection, Response and Monitoring of Effectiveness

- 5.21 To ensure the effectiveness of the CMS, it is important that non-compliance issues are detected and then consequently rectified.
- 5.22 Any non-compliance issue and any suspicion of non-compliance must be investigated without delay and then resolved regardless of the person involved.

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Appropriate sanctions for non-compliance should also be imposed without regard to the status of the relevant employee.

5.23 As it may be uncertain whether documents produced in connection with an investigation conducted by in-house counsel are protected against disclosure from enforcement authorities and regulators, the PC should consider engaging an external law firm to conduct the investigation.

5.24 A systematic approach to detect non-compliance issues is also necessary to fulfil the requirement of an effective CMS. The two main methods to detect non-compliance issues are:

- a) regular compliance audits; and
- b) an effective whistleblowing system.

5.25 A whistleblowing system means a system provided by the Company to all employees, and third parties, which report information about an alleged wrongdoing to a defined body. It can be an important source of information about legal, regulatory and operational risks faced by the business.

5.26 In order to ensure the Company best meet their legal obligations in this regard and minimize the risk posed by such disclosures, companies should ensure that they have a whistleblowing policy in place. It is recommended that that policy should:

- a) Clearly set out an appropriate whistleblowing procedure to be followed;
- b) Encourage whistle-blowers to come forward internally; ensure that employees do not suffer any detrimental treatment as a result of raising a concern in good faith (the Company may want to consider an anonymous whistleblowing reporting system);
- c) provide for disciplinary action to be taken in the event of retaliation towards the whistle-blower on the part of other employees;
- d) set out clear steps for ensuring that data protection laws are not breached by the process of information; and

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- e) provide a clear point of contact for anyone wishing to raise a concern (for example this can be internal such as the Compliance Officer or an external body such as a law firm).

In the event that any issue arises, the Company should take local legal advice.

5.27 Due to the potential conflict with data protection rights of affected individuals, the Company may, as indicated above, consider restricting the scope of the issues which are reportable. In some jurisdictions only the breach of selected external laws and regulations can be reported via the whistleblowing system. It is recommended, and subject to local legal restrictions, that the reportable breaches should include at least any potential or actual breaches of:

- (a) anti-trust laws and regulations;
- (b) anti-bribery and corruption laws and regulations;
- (c) health, safety or environmental laws and regulations;
- (d) money laundering law or any other prohibited payments;
- (e) laws relating to fraud or the falsification of documents; and
- (f) other criminal law, such as theft of goods or violation of environmental laws.

Continuous Improvement of the CMS

5.28 A CMS requires continuous review and adaptation in order to ensure that all:

1. relevant risks continue to be identified and properly assessed;
2. preventive measures are well designed and effectively implemented; and
3. efforts are made to ensure its effectiveness is properly monitored.

Audit and Certification of the CMS

5.29 Management should consider having the CMS audited by an audit firm. An audit generates additional transparency and gives additional comfort that the Company

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has an efficient CMS. In any exit (IPO or sale) process of the Company, an audit of the CMS enhances the credibility of any presentation of the Company as the Company which has been properly and professionally managed. In the event of any investigation, investigating authorities will acknowledge that the Company has taken compliance seriously if regular audits can be demonstrated which can lead to greater leniency. As an alternative, management can consider having the CMS certified or “monitored” by another third-party consultant.

6 The Befesa CMS

6.1 Compliance Management System.

Befesa manages its businesses and operations by taking into consideration at all times compliance with the applicable laws and regulations, and in order to ensure compliance it has analyzed the risks inherent in its activities, and has implemented preventive policies, internal operational guidelines and procedures, which employees must be familiar with and fulfil, and which essentially take the form of:

- (a) a code of conduct;
- (b) an anti-trust guideline/policy;
- (c) an anti-corruption/anti-bribery guideline/policy;
- (d) environmental, social and governance policies (ESG), as required (quality, health and safety, sustainability policies, as appropriate);
- (e) special compliance on Spanish criminal law.
- (f) Further guidelines if required after risk assessment in other significant fields, such as shareholder relations, data protection, conflicts of interest, etc.

Any suspicion of a compliance breach should be promptly investigated.

Any breach of these behavioral guidelines demands the application of disciplinary measures to those employees in breach, irrespective of any legal penalties which may be imposed.

6.2 Code of Conduct

The Code of Conduct is the cornerstone of the Company’s Compliance Management System.

The Code provides the legal and ethical framework for the conduct of the directors, executives and employees of Befesa (hereinafter, the **Employees**), and defines basic

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behavioural standards within the Company itself, and in connection with commercial partners and the general public.

The Code furthermore sets out the basic underlying values to which the Company aspires, connected with employment, work and safety, and also environmental protection.

The Befesa's commitment is to perform its activities also in a manner consistent with the highest ethical principles, and employees are responsible for being aware of and fulfilling these principles.

To a great extent, the Company's reputation is determined by the actions of its Employees, and the way in which they present themselves and behave. Unlawful and inappropriate behaviour by just one employee can cause considerable harm to the Company.

6.3 Anti-trust. Cartels

Befesa performs its operations in accordance with the principle of fair competition, which entails strict compliance with anti-trust laws and regulations.

Respect for the principle of fair competition means respecting the following three fundamental rules:

- Do not coordinate behaviour in the marketplace in any way with (potential) competitors.
- Do not unreasonably restrict the commercial freedom of clients or suppliers through any form of sale or supply contract.
- Do not make improper use of our own market strength to exclude other competitors from the market or hamper their participation without justified reason, or in any other way manipulate the market.

A breach could lead not only to the cancellation of the corresponding agreements, but also substantial penalties and claims for damages which could jeopardise the Company's survival.

6.4 Anti-corruption/ anti-bribery

In connection with the principle of fair competition, Befesa competes in the marketplace through the quality and price of its products and services, and not by offering inappropriate benefits and advantages third parties.

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The Code of Conduct establishes not permitted conducts under any circumstances, permitted activities with the approval of the Compliance Officer and permitted activities subject to certain restrictions.

In the event that anti-corruption or anti-bribery laws and regulations within a specific jurisdiction are stricter than the standards regulated in the Code of Conduct, then the laws and regulations of that jurisdiction will prevail. If these standards are stricter, then these standards will be applied.

6.5 Money laundering

The Company is committed to performing its operations only with accredited clients and with other commercial partners who perform their operations in a lawful manner, and whose funds are drawn from legitimate sources.

6.6 Environmental, Social and Corporate (ESG)

Environmental, Social and Governance covers very wide aspects of the Company business, but the main areas are:

- a) Environmental – including licenses and permits required for the current activities of the Company, ISO and EMAS certificates, climate change, energy efficiency, hazardous waste, recycling, site pollution, sustainability, etc.

Befesa holds and keep up-to-date the current ISO 9001, ISO 14001, EMAS, ISO 14064 in the vast majority of its companies and facilities.

- b) Social – such as welfare, health and safety risks for employees, community investment, public perception, diversity, human rights and consumer protection; OHSAS certificate.

Holding OHSAS certificate means that Befesa's companies have been assessed in the following key areas: (i) management system in place; (ii) planning and risk assessment; (iii) staff training and awareness; (iv) communication of safety management system; (v) response to emergency situations; and (vi) monitoring and continual improvement.

Befesa's companies are certified in OHSAS 18001, internationally accepted as a method of assessing and auditing occupational health and safety management systems

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- c) Governance – which includes general compliance with laws / regulations, rights, duties and responsibilities of management / board / shareholders / stakeholders, training programs, communication, processes / procedures, reporting, transparency, ethics, accountability, data protection, insurances, conflict of interests, etc.

Befesa has implemented a suitable internal control system that represents the internal rules of Befesa and its Business Unit through an internal system of communication and authorizations to have a common way to operate and to assess and mitigate the business risks inherent in the activity of Befesa and its subsidiaries.

Befesa follows a matrix based on SAP procedures to mitigate detected risks. Internal control is defined through compulsory procedures (named POC).

A compliance audit has been implemented, consisting in general review of Befesa and all its subsidiaries.

6.7 Whistleblowing channel

The Company has implemented an effective whistleblowing system by means of which Employees and tiers can report any information regarding a suspected breach to the Company's Compliance Officer.

If so requested, Employees making a complaint may do so anonymously, unless otherwise required by law.

The whistleblowing address is: [https:// www.bkms-system.net/Befesa](https://www.bkms-system.net/Befesa)

6.8 Training

Employees should receive basic compliance training and employee attendance at such training should be documented.

All employees that are senior managers, in marketing/sales/purchasing (if have external contacts) or active in trade or business associations should receive specific antitrust compliance training and this could include a requirement for formal sign off on understanding and adherence to the policy.

All employees that are senior managers, in marketing/sales/purchasing (if have external contacts) or in finance/controlling should receive specific anti-corruption/anti-bribery

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training and this could include a requirement for formal sign off on understanding and adherence to the policy.

New employees should receive required training within 6 months of joining the Company.

The Compliance Officer shall propose to Management the employees should be trained.

Antitrust and anti-corruption/anti-bribery trainings should be repeated at regular intervals (e.g. biannually) or ad hoc in response to any extraordinary event.

Befesa shall consider implementing e- learning programs.

6.9 Compliance audits and certification of the CMS

Management may involve the internal Audit Department with the undertaking of compliance audits.

Alternatively, outside professionals (for example, a law firm which specializes in compliance audits or one of the bigger audit firms which also conduct compliance audits) can be engaged.

The Audit Department and the Compliance Officer should propose, on an annual basis, a compliance audit plan to management, which should describe selected compliance matters to be made subject to an audit.

The results of the compliance audit should be reported to Management. An executive summary should go to the Board of Directors

6.10 Compliance Officer

The Board of Directors of Befesa Medio Ambiente has appointed a Compliance Officer. In-house counsel has assumed the role.

6.11 Compliance Committee

The Board of Directors of Befesa has considered to establish a Compliance Committee, in addition to a dedicated Compliance Officer, to ensure that all relevant compliance matters are adequately covered.

6.12 Reporting

The Compliance Officer should provide compliance reports to the Board of Directors of Befesa Medio Ambiente at regular intervals (initially semi-annually and later at least annually) or ad hoc in response to an extraordinary compliance event.

The Board of Directors of Befesa shall also report the CMS to its owner companies, on a regular and ad hoc basis, according with the requirements issued.

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