

ACERINOX COMPLIANCE MANAGEMENT SYSTEM REPORT

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COMPLIANCE MANAGEMENT SYSTEM REPORT

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# **1.- CONTEXT OF THE ORGANIZATION**

## 1.1. Understanding the organization and its context

Acerinox is a multinational group of companies whose parent company is Acerinox, S.A., a company domiciled in Madrid, which is listed on the Madrid Stock Exchange (IBEX 35) and whose corporate purpose is the manufacture and sale of stainless steel and special alloy products.

The Group has production companies in Spain, the USA, South Africa, Malaysia and Germany and marketing companies in Spain, Belgium, Germany, Portugal, France, Italy, Poland, Sweden, Switzerland, Austria, the United Kingdom, Turkey, Australia, Japan, Hong Kong, Singapore, India, Malaysia, China, Thailand, South Korea, Indonesia, Taiwan, UAE, Vietnam, Argentina, Brazil, Colombia, Chile, Peru, Canada, and Mexico.

See updated information in the <u>annual report</u>.

### 1.2. Stakeholder needs and expectations

The relevant stakeholders for compliance purposes and the requirements to be considered in relation to those stakeholders are set out below:

Stakeholder		Expectations	System Responses
Clients	Private sector: Large SMEs Particular Public sector: Public administrations Publicly Held Companies	Compliance with the regulations applicable to the activities carried out Employees and managers act honestly Have access to a channel where they can raise concerns regarding the Crime Prevention Program	Customers have access to the Compliance Policy and general information about the Program through the corporate website They can also access the Group's complaints channel in the same way if they wish to report any irregular situation They must sign criminal compliance clauses and a declaration in line with the UN's Global Compact initiative





	[		
Shareholders	Minority	Acceptable financial return, and lasting and sustained increase in value over time That the financial statements published by the Acerinox Group	Shareholders have access to the system and the Criminal Compliance Policies and general information of the Program through the corporate website
	Majority	are complete and reflect the true image of the Group Have access to a channel where they can raise concerns in relation to the Compliance Program	They can also access the Group's complaints channel in the same way if they wish to report any irregular situation
Suppliers	1	Compliance with contractual commitments under applicable law Honest and honest performance Have access to a channel where they can raise concerns in relation to the Compliance Program	Suppliers have access to the Compliance Policy and general information about the Programme through the corporate website They can also access the Group's complaints channel in the same way if they wish to report any irregular situation Must sign the Business Partner Code of Conduct
Agents and Re	presentatives	The agents acting on behalf of the Acerinox Group need the organisation to convey to them what it expects of them in their way of acting both with the Group's companies and with third parties	Agents have access to the Compliance Policy and general information about the Program through the corporate website They can also access the Group's complaints channel in





		(especially public officials)	the same way if they wish to report any irregular situation They must sign compliance clauses and the Business Partner Code of Conduct
Subsidiary companies	Producers	Have a thorough understanding of the policies and procedures that make up the Compliance Program	The subsidiaries have access to all the policies of the compliance management system
	Distributors	Receive the relevant training and permanent communication in all	and the general information of the Programme through the corporate website and the Programme management tool
	Other	matters related to the Program that is easily accessible to all of them	They can also access the Group's complaints channel in the same way if they wish to report any irregular situation The Action and
			Training Plan contemplates the implementation of the Program in the subsidiaries and the training of their staff
Employees		To have reporting and information lines to be able to carry out the monitoring and review of the Program and to propose proposals for improvement to it	Senior management will meet periodically, and in any case once a semester, to discuss issues related to the Programme and to carry out its





Senior management	Receive periodic reports on its operation and compliance with the established objectives and other improvement activities Receive training on the Programme	monitoring and review All its members have access to the Compliance Policies and general information of the Program through the corporate website and the Program's management tool They can also access the Group's complaints channel in the same way if they wish to report any irregular situation In addition, the Action and Training Plan provides for specific training on those elements of the system that in each case are considered necessary to strengthen
Other employees	Maintain their job and have a clear understanding of what behavior is expected of them in terms of integrity and compliance Training and ongoing communication about the Programme	All Group employees have access to the compliance policies and general information of the Programme through the corporate website They can also access the Group's complaints channel in the same way if they
	Access to a channel where they can make complaints regarding the integrity and	wish to report any irregular situation. They are included in





		compliance behaviour of other Group employees, its suppliers or other third parties without fear of retaliation	the Action and Training Plan. They receive a copy of the Compliance Policies and Code of Conduct They must sign clauses as part of their employment contract declaring their knowledge of and commitment to the Program
Public adminis	trations	Compliance with the different regulations applicable in all areas of action of the Acerinox Group That the organization has the human and material resources to ensure that this is the case	Acerinox has approved a Compliance Model and a Code of Conduct and has designed a Crime Prevention Program aimed at avoiding and managing the risks of committing crimes and requires both its employees and the rest of its stakeholders to comply with all the provisions of these
Proxy Advisors	;	Knowledge of the company to be able to make voting recommendations at Shareholders' Meetings	He is in permanent contact with these advisors giving them information about the company

More information on the <u>compliance website</u>.



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🛞 SWOT Anal	ysis for the Com	pliance Mana	gement Sy	/stem

<ul> <li>Difficulties in adapting compliance risk assessment to the business model, especially in complex environments and relationships with.</li> <li>Limited resources in terms of specialized personnel, technology, and budget for a comprehensive compliance system.</li> <li>Limited resources in terms of specialized personnel, technology, and budget for a comprehensive compliance system.</li> <li>Some outdated or ambiguous internal procedures that make it difficult to prevent, detect, and respond to regulatory breaches.</li> <li>Immature ethical culture in some areas of the organization</li> <li>Strengths (positive internal factors)</li> <li>Existence of a consolidated internal regulatory framework: Code of ethics, policies, procedures and protocols in compliance matters.</li> <li>Commitment of certain leaders and areas to transparency, ethics and sustainability.</li> <li>Availability of staff with specific training and experience in compliance: ethical channel, training, disciplinary system, etc.</li> <li>Constant increase in national and international legal and regulatory obligations (criminal, privacy, sustainability of staff with specific training, disciplinary system, etc.</li> <li>Compliance: ethical channel, training, disciplinary system, etc.</li> </ul>	1. Weaknesses (Negative Internal Factors)	2. Threats (negative external factors)
<ul> <li>Tools already implemented for the prevention and detection of non-compliance: ethical channel,</li> <li>Tools already implemented for the and trust of customers, investors and other stakeholders through a robust and certified compliance program.</li> </ul>	<ul> <li>Difficulties in adapting compliance risk assessment to the business model, especially in complex environments and relationships with.</li> <li>Limited resources in terms of specialized personnel, technology, and budget for a comprehensive compliance system.</li> <li>Some outdated or ambiguous internal procedures that make it difficult to prevent, detect, and respond to regulatory breaches.</li> <li>Immature ethical culture in some areas of the organization</li> <li>Strengths (positive internal factors)</li> <li>Existence of a consolidated internal regulatory framework: Code of ethics, policies, procedures and protocols in compliance matters.</li> <li>Commitment of certain leaders and areas to transparency, ethics and sustainability.</li> <li>Availability of staff with specific training and experience in</li> </ul>	<ul> <li>Constant increase in national and international legal and regulatory obligations (criminal, privacy, sustainability, human rights).</li> <li>External pressures due to competitiveness and costs that can lead to unethical decisions or non-compliance.</li> <li>Risk arising from the supply chain, business partners and third parties, especially in high-risk jurisdictions.</li> <li>Increased social and reputational sensitivity to compliance failures (media, social networks, activism, investors).</li> <li>Applortunities (positive external factors)</li> <li>Review and update of the Code of Ethics, key policies and controls, aligning them with international good practices.</li> <li>Application of evaluation frameworks such as the U.S. DOJ to improve the effectiveness of the compliance program.</li> <li>Incorporation of technology for the early detection of risks and automation of controls.</li> </ul>
	<ul> <li>Tools already implemented for the prevention and detection of non- compliance: ethical channel,</li> </ul>	and trust of customers, investors and other stakeholders through a robust and certified



# 1.3. Scope of the Compliance Management System

The Program, which includes measures designed to assess, prevent, detect and manage the different risks in the areas of scope, is made up of the necessary policies, processes and procedures, as well as their interactions, all in accordance with ISO 37301.

Its <u>objective scope</u> extends to the Group's activities: manufacture and marketing of various stainless steel products.

Its <u>subjective scope</u> covers the directors of the Acerinox Group companies in Spain, their directors, employees and business partners (third parties with whom Acerinox has or plans to establish some type of business relationship).

The Programme will be subject to continuous maintenance and improvement.

## 1.4 Prevention program

The Program, which includes measures designed to assess criminal risk and other risks to prevent, detect and manage it early, is made up of the necessary policies, processes and procedures, as well as their interactions, all in accordance with the UNE 19601, ISO 37001, ...

This Compliance Management System Manual is intended to serve as the backbone of the penal management system, anti-bribery, privacy, etc. etc... of the Acerinox Group, made up of a set of policies, manuals and procedures, among which the following stand out:

- Acerinox Group's criminal compliance policy.
- Internal Regulations on the Compliance Function.
- Code of Conduct and Good Practices of Acerinox, S.A. and its Group of Companies.
- Policy and Procedure of the whistleblowing channel.
- Crime prevention model of the Acerinox Group in Spain.
- Manual of the Crime Prevention Program.
- Risk and control matrices.
- Internal regulations on the commission of crimes.
- Internal regulations on the following matters:
- Prevention of bribery and corruption
- Gifts and invitations
- Conflicts of interest
- Confidentiality
- Internal compliance due diligence
- Third-party compliance due diligence
- International trade sanctions
- Good financial practices
- Powers of attorney and actions of proxies
- Document retention periods
- Issuance of financial instruments
- Guarantees and guarantees
- Insurance





- Supplier selection
- Tax settlements
- Embargoes
- Competence
- Intellectual and industrial property
- IT services and resources
- Hiring foreigners
- Hiring of Labor and Student Interns
- Travel and expenses
- Data protection
- Environment

All the procedures, manuals and policies that make up the Programme are mandatory for all employees of the Group, and enjoy the highest internal hierarchy in the organisation, as they reflect the position of the Board of Directors and Senior Management on the behaviour expected of employees in relation to the applicable regulations and the Group's commitments in terms of crime prevention.

# 2.- STRUCTURE OF THE COMPLIANCE PROGRAM

## 2.1. Governing body

The <u>Board of Directors of Acerinox, S.A.</u> it is the highest decision-making and control body and responsible for the existence of the Programme. In particular, its functions in the field of crime prevention are:

- Approve the Crime Prevention Model and the Compliance Risk Map and all its updates.
- To take cognizance of the Action and Training Plan, once they have the approval of the Audit Committee.
- To take cognizance of and analyze the observations that, if any, are contained in the Internal Audit Report.

The Board of Directors of Acerinox, S.A. has approved the following documents within the framework of crime prevention:

- Code of conduct and good practices of Acerinox, S.A. and its Group of Companies (hereinafter "the Code").
- Crime Prevention Model of the Acerinox Group in Spain.
- Acerinox Group's bribery and corruption prevention programme.
- Group whistleblowing channel policy.

In the above documents, it is established as fundamental values of the Group, that the actions of its members are always in accordance with the legal system, in general, and that of a criminal nature in particular, promoting a culture of compliance appropriate to the Acerinox Group. The Code and the Crime Prevention Model define the bodies with competence in the area of the Programme.



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The Board of Directors of Acerinox, S.A., either in its plenary session or through the Audit Committee, periodically examines the effectiveness of the Programme through appearances by the Compliance Director, who must also annually present an Action and Training Plan in which he or she reports on the Programme, its maintenance and adaptation in the event of serious breaches. changes in the organization, in the control structure or in the activity carried out.

The <u>Audit Committee</u> assumes the following functions in terms of Compliance:

- Analyse the Action and Training Plan at the proposal of the Director of Compliance, supervising its execution.
- To analyze the Internal Audit Report and submit the corresponding observations to the Board of Directors of Acerinox, S.A., which may require the presence of the Chief Compliance Officer.

The <u>formation of the will of the organization and the decision-making and execution process</u> are regulated in the Bylaws of the different entities that make up the Group, in the Regulations of the General Shareholders' Meeting of Acerinox, S.A., in the Regulations and General Policies of the Board of Directors of Acerinox, S.A., in the Operating Standards of the Governing Bodies of the Acerinox Group and in the Basic Operating Standards of the Acerinox Group.

#### 2.2. Senior Management

Senior <u>Management</u> must demonstrate leadership and commitment to the Program. To this end, in the exercise of its executive functions, senior management must:

- Ensure that the Programme is implemented appropriately to achieve the compliance objectives established in the compliance policy and effectively address the organisation's criminal risks. Specifically, Top Management must ensure that responsibility and authority in the relevant functions are assigned and communicated at all levels of the organization.
- Ensure that the requirements arising from the Programme are incorporated into the organisation's operational processes and procedures.
- To ensure the availability of adequate and sufficient resources for the effective implementation of the Programme.
- Comply with and enforce, both internally and externally, the compliance policy.
- Communicate internally the importance of effective compliance management, consistent with the objectives and requirements of the compliance policy, as well as the compliance system.
- Directing and supporting staff in achieving compliance with the requirements and effectiveness of the Program in accordance with their role in the organization.
- Promote continuous improvement and support the various management roles to demonstrate leadership in crime prevention and risk detection in their areas of responsibility.
- Encourage the use of procedures for reporting potentially criminal conduct that may affect the organisation and its activities.



• Ensure that no member of the organization is subject to retaliation, discrimination, or disciplinary sanction for reporting in good faith violations or suspicions based on violations of compliance policies, or for refusing to engage in criminal conduct even if it leads to a loss of business for the organization.

## 2.3. Compliance Body

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In accordance with the provisions of Article 31 bis of the Criminal Code, the body entrusted with the application and supervision of the operation and compliance with the Programme has been invested with autonomous powers of initiative and control in accordance with the size of the Acerinox Group.

The decision of the Acerinox Group has been to appoint a <u>Compliance Director</u>, unique for the entire Group, who will have the support and advice of a Compliance Committee with advisory functions in the performance of his functions.

The ultimate responsibility for the management of the compliance program and, therefore, for the implementation, review, disclosure, respect and supervision of the Program will correspond to the Chief Compliance Officer.

The function of Chief Compliance Officer will be assigned by the Board of Directors at the proposal of the Chief Executive Officer of Acerinox, S.A., following a favourable report from the Audit Committee, and this appointment must be ratified by the management bodies of the other companies of the Group in Spain. The Director of Compliance will act with full autonomy in the exercise of his functions, under the functional dependence of the Audit Committee, to which he will report on the performance of his functions.

The duties of the Chief Compliance Officer are:

- To provide the necessary resources to ensure the execution and proper functioning of the Programme, compliance with the Action Plan and the effectiveness of the control measures established to prevent the commission of non-compliance.
- To prepare the Programme and the Risk Map, and any modification thereof, before their submission to the management bodies of the Group's companies for final approval.
- Monitor any organisational changes that may occur to identify the need to modify the Risk Map or the Programme.
- Analyse the risks annually with the Compliance Officers and prepare, where appropriate, proposals for modifying the Risk Map and, where necessary, the Programme.
- To prepare the Action and Training Plan. The Action Plan will include, among others, the following contents:
  - New measures that could be promoted in terms of prevention of non-compliance.
  - Communication, training and awareness-raising actions on the prevention of non-compliance.



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- To approve the Action and Training Plan and its amendments, after submitting it to the Audit Committee for approval, and the Committee shall inform the Board of Directors of Acerinox S.A. The Director of Compliance will inform the administrative bodies of each of the other companies of the Group in Spain of these Plans and their modifications.
- To report regularly to the Audit Committee on the operation and progress of the Programme.
- Promote the Program.
- Promote, monitor and evaluate the evolution of the Action Plan.
- To design the necessary communication actions to raise awareness among the workforce in crime prevention and to disseminate the commitment acquired by the Group in Spain in this area.
- To take cognizance of and, where appropriate, review the Internal Audit Report on these matters, as well as the reports of the external audits, if carried out, prior to their presentation to the Audit Committee.
- Respond to investigations and requirements of authorities in criminal matters with the advice of Legal Counsel.
- Coordinate internal investigations, including the functions of investigation and reporting on complaints filed through the Complaints Channel.

Taking into account the diversity of risks arising from the activities carried out by the Acerinox Group in Spain, it has been agreed that the Compliance Director may have a Compliance Commission or committee, a support and advisory body for the development of its crime prevention functions.

The Compliance Committee will be composed of representatives from the following areas:

- Legal Advice
- Finance
- Internal Audit
- Risks

This Commission or committee shall be chaired by the Director of Compliance.

## 2.4 Compliance Officers

The Acerinox Group considers that the role of the heads of the departments and functions in the analysis and control of the specific risks of these departments and functions is essential as part of the Programme. These officers will act for these purposes as Compliance Officers in the companies of the Group that are advisable due to their size. The functions of the Compliance Officers are non-delegable, unless authorised by the Director of Compliance with reasonable justification of the need for such delegation.





The appointment of the Compliance Officers shall be the responsibility of the Chief Compliance Officer, after consultation with the head of the centre or factory or the respective business areas.

The obligations of the Compliance Officers are as follows:

- Assist the Chief Compliance Officer in the analysis and assessment of the risks inherent to their department or function. In relation to such risks, the Compliance Officer will:
  - They must know the activity and organisational environment of their department or function in which the risk may materialise, as well as the degree of implementation and effectiveness of each of the prevention measures.
  - You must be aware of the risk assessment methodology approved by the Group at all times.
- At the request of the Chief Compliance Officer or Internal Audit Officer and in respect of his or her department or function:
  - Audit the degree of compliance and effectiveness of the applicable policies and procedures.
  - Identify the status of implementation of each of the measures approved in the current Action Plan.
  - Identify new risks for the analysis and estimation of their probability of occurrence and impact.
- Propose corrective measures and assess and identify the impact that the measure may have on risk mitigation.
- Evaluate the implications of any changes or updates to policies and procedures and coordinate with Internal Audit for their review.
- Inform the Chief Compliance Officer of any circumstances that may require a risk reassessment.
- Present, if necessary, the corresponding Certificate of Compliance in which the Compliance Officer will certify, under his or her responsibility, that in his or her corresponding department, factory or function:
  - Knowledge of the applicable regulations and internal protocols and procedures is available.
  - Both these regulations and the Group's internal protocols and policies are complied with.
  - Mandatory training and refresher courses are attended.
  - The internal and external instructions and policies that affect them are rigorously complied with.

## 2.5. Controllers and implementers of controls

Each control designed to mitigate the risk must be assigned to the person closest to the risk to be mitigated (<u>Control Executor</u>), who will confirm said control at least annually by completing self-assessment surveys of controls. Once these surveys have been answered by the executor,





they will be confirmed by a <u>Control Manager</u>, who, except in extraordinary cases, may not also be a Compliance Manager.

# 3.- PLANNING

# 3.1. Actions to address risks

The methodology used in the design of the Programme is based on the specific analysis of the compliance risks inherent to the size and organisational model of the Acerinox Group and the specific activities carried out by it.

To this end, the procedure followed has been as follows:

- Verification of the specific activities carried out by the Acerinox Group.
- Assessment of the criminal risks arising from such activities.
- Verification of the internal protocols and procedures already implemented to prevent such criminal risks.
- Verification of the existence of appropriate financial resource management models to prevent the commission of crimes.
- Preparation of the Risk Map.

In order to ensure the creation of an appropriate framework for action to mitigate or exclude the risks inherent to the Group's business, the following have been considered as the Group's main activities in Spain:

- Manufacture of stainless steel: the main activity carried out by the Acerinox Group is the manufacture of stainless steel. In Spain, it has the Campo de Gibraltar Factory (for flat products) and the factories in Ponferrada and Igualada (for long products). Outside Spain it has factories in the USA, South Africa, Malaysia and Germany.
- Marketing of stainless steel through its own commercial network.

In order to determine the crimes that may be committed in the development of the business and that must be prevented, the following filters have been applied:

- <u>First filter</u>: These are those derived from the classification as a crime, likely to generate criminal liability to the legal person:
  - 1. Smuggling.
  - 2. Discovery and disclosure of secrets.
  - 3. Swindle.
  - 4. Frustration of enforcement, seizure of assets and punishable insolvencies.
  - 5. Sabotage and computer damage.
  - 6. Crimes against intellectual and industrial property.
  - 7. Crimes against the market and consumers.
  - 8. Corruption in business.



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- 9. Money laundering.
- 10. Crimes against the Public Treasury and Social Security.
- 11. Offences against the rights of foreign citizens.
- 12. Crimes against natural resources and the environment.
- 13. Ionizing radiation.
- 14. Crimes against public health.
- 15. Crimes of catastrophic risk and ozone destruction (explosives).
- 16. Drug cultivation and trafficking.
- 17. Counterfeiting of currency and means of payment.
- 18. Bribery.
- 19. Influence peddling.
- 20. Incitement to hatred.
- 21. Terrorism.
- 22. Criminal groups.
- 23. Trafficking in human beings.
- 24. Prostitution and corruption of minors.
- 25. Illegal financing of political parties.
- 26. Investment fraud
- 27. Territorial planning and urban planning.
- 28. Raw material withdrawal.
- 29. Illegal organ trafficking.
- 30. Embezzlement.
- 31. Harassment.
- 32. Animal abuse.
- <u>Second filter</u>: specific criminal risks specific to the activity carried out by the Acerinox Group. Of the crimes detected through the first filter, those that can be considered as potential have been identified, taking into account the business activity of the Acerinox Group. The result has been as follows:
- Smuggling: All companies except Acerinox, S.A. and Cedinox.
- Discovery and Disclosure of Secrets: All Societies.
- Fraud: All companies.
- Frustration of enforcement, seizure of assets and punishable insolvencies: All companies.
- Sabotage and computer damage: All companies.
- Crimes against intellectual and industrial property: All companies.
- Crimes against the market and consumers: All societies.
- Corruption in business: All societies.
- Money laundering: All companies.
- Crimes against the Public Treasury and Social Security: All companies.
- Crimes against the rights of foreign citizens: All societies.
- Crimes against natural resources and the environment: All societies.





- Ionizing radiation: Applies to Acerinox Europa, S.A.U. and to non-Spanish companies: North American Stainless, Columbus Stainless, Bahru Stainless and VDM Metals.
- Crimes of catastrophic risk and ozone destruction (explosives).: Applicable to Acerinox Europa, S.A.U., Roldan, S.A., Inoxfil, S.A.U., Inoxidables de Euskadi, S.A.U., Metalinox Bilbao, S.A.U. and to non-Spanish companies: North American Stainless, Columbus Stainless, Bahru Stainless and VDM Metals.
- Bribery: All companies.
- Influence peddling: All companies.
- Hate speech: All societies.
- Terrorism: All societies.
- Criminal groups: All societies.
- Illegal financing of political parties: All companies.
- Investment fraud: Does not apply to Cedinox.
- Territorial planning and urban planning: Does not apply to Cedinox.
- Embezzlement: All companies.
- Harassment: All companies.

In 2025 it has been verified that there has been no legislative modification or jurisprudential change in the matter

- <u>Third filter</u>: specific criminal risks by department or function of the Acerinox Group (risks are not collected separately for the different entities):
- Risks arising from the actions of the administrative bodies (de facto and de jure administrators): smuggling, frustration of enforcement, seizure of assets and punishable insolvencies, money laundering, offences against the public treasury and social security, offences against the rights of foreign citizens, ionising radiation, catastrophic risk offences and ozone destruction (explosives), illegal financing of political parties, investment fraud, and territorial planning.
- 2. Risks inherent to senior management: smuggling, frustration of execution, seizure of assets and punishable insolvencies, money laundering, crimes against the Public Treasury and Social Security, crimes against the rights of foreign citizens, ionizing radiation, crimes of catastrophic risk and destruction of ozone (explosives), illegal financing of political parties, investment fraud, and spatial planning.
- 3. Risks of the supplier selection and contracting departments (Purchasing): smuggling, money laundering, crimes against the Public Treasury and Social Security, crimes against the rights of foreign citizens, ionizing radiation, crimes of catastrophic risk and ozone destruction (explosives), illegal financing of political parties, and territorial planning.
- 4. Risks inherent to commercial or business development departments: smuggling, money laundering, crimes against the Public Treasury and Social Security, crimes against the rights of foreign citizens, and illegal financing of political parties.
- 5. Risks inherent to the legal function: smuggling, frustration of enforcement, confiscation of assets and punishable insolvencies, money laundering, offences against the public treasury and social security, offences against the rights of foreign citizens, ionising



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radiation, offences involving catastrophic risks and ozone destruction (explosives), illegal financing of political parties, investment fraud, and spatial planning.

- 6. Risks inherent to the human resources function: money laundering, crimes against the Public Treasury and Social Security, crimes against the rights of foreign citizens, and illegal financing of political parties.
- 7. Risks of the financial function: smuggling, frustration of execution, hoarding of assets and punishable insolvencies, money laundering, crimes against the Public Treasury and Social Security, crimes against the rights of foreign citizens, illegal financing of political parties, and investment fraud.
- 8. Specific risks of the logistics department: smuggling, money laundering, and illegal financing of political parties.
- 9. Risks specific to the IT department: smuggling, money laundering and illegal financing of political parties.
- 10. Risks specific to the marketing function: money laundering, illegal financing of political parties, and investment fraud.
- 11. Risks specific to the enforcement function: smuggling, frustration of enforcement, confiscation of assets and punishable insolvencies, money laundering, crimes against the public treasury and social security, crimes against the rights of foreign citizens, ionizing radiation, crimes of catastrophic risk and ozone destruction (explosives), illegal financing of political parties, investment fraud, and territorial planning and urban planning.
- 12. Risks specific to the corporate risk function: frustration of execution, asset hoarding and punishable insolvencies, and investment fraud.
- 13. Specific risks of the sustainability function: crimes against the Public Treasury and Social Security, illegal financing of political parties, and investment fraud.
- 14. Specific risks of the security and environmental function: ionising radiation, catastrophic risk offences and ozone destruction (explosives), illegal financing of political parties, and spatial planning.
- 15. Factory-specific risks: smuggling, frustration of execution, confiscation of assets and punishable insolvencies, money laundering, offences against the public treasury and social security, offences against the rights of foreign citizens, ionising radiation, catastrophic risk offences and ozone destruction (explosives), illegal financing of political parties, investment fraud, and spatial planning.
- 16. General risks affecting all departments and functions:
  - Discovery and Disclosure of Secrets
  - Swindle
  - Sabotage and computer damage
  - Crimes against intellectual and industrial property
  - Crimes against the market and consumers
  - Corruption in business
  - Crimes against natural resources and the environment
  - Bribery
  - Influence peddling





- Hate speech
- Terrorism
- Criminal groups
- Embezzlement
- Harassment

## 3.2 Risk assessment

The Programme will follow the compliance risk assessment methodology adopted by the Acerinox Group, which is based on the determination of the risk of non-compliance in the absence of controls (<u>inherent risk</u>), which is mitigated with <u>controls</u> designed to reduce these risks, and whose robustness reduces the inherent risk resulting in a <u>residual</u> risk, which must be accepted by the organization based on its risk appetite or mitigated through action plans that eliminate that residual risk.

Inherent risk is calculated by multiplying the <u>probability</u> of a breach occurring by the <u>impact</u> that such a breach would have, and yielding a result on a scale of 0 to 5.

The probability ranges and values assigned to it are as follows:

- Safe: 2.5
- Probable: 2
- Possible: 1.5
- Unlikely: 1
- Rare: 0.5
- Not applicable: 0

The probability must be determined by the people closest to the risk with the help of the Compliance Department, using the following factors:

- <u>Frequency of activity</u>: If the activity in which the crime may be committed is carried out with a monthly frequency or more, a probability level will be assigned.
- <u>Centralisation of the activity</u>: If the activity in which the crime may be committed is carried out by more than 10% of the workforce of the company or workplace, a level of probability will be assigned.
- <u>Incidents in the past</u>: If similar events have occurred in the company or workplace in the last 5 years, a probability level will be assigned.
- <u>Existence of intermediaries</u>: If the activities in which the crime may be committed are carried out by subcontracted third parties, a level of probability will be assigned.
- <u>Country risk</u>: If the company or workplace is located in a country that, according to the country corruption ranking published by Transparency International, is below half, a probability level will be assigned.

The impact ranges and the values assigned to them are as follows:

- Very High: 2
- Height: 1.8





- Medium: 1.6
- Low: 1.4
- Very low: 1.2
- Not applicable: 0

The impact is determined by the Compliance Directorate based on the economic sanctions associated with each breach and also taking into account the mandatory imposition of accessory penalties, which if they exist would determine the assignment of an additional level of impact.

When the amount of the financial penalties cannot be determined, the following criteria will be used:

- <u>Hierarchical level of the employee or manager who could commit it</u>: If this level is higher than that of the head of the Department, an impact level will be assigned.
- <u>Protected legal right</u>: If the crime could affect people's health or the environment, two levels of impact will be assigned.
- <u>Mandatory imposition of accessory penalties</u>: If any, it would determine the assignment of two levels of impact.

To mitigate the inherent risk, controls are designed assigned to an executor and a person responsible, whose robustness is determined on a scale of 0 to 5 depending on whether it is a detective or preventive control and a series of factors:

Control Description	Preventive	Detective
There is a documented and reviewed control by an external	5	4
There is documented control formalized in policies or procedures	3,5	3
There is informal, non-formalized control in policies or procedures	2	1,5
There is no control	0	0

Residual <u>risk</u> is the subtraction of the inherent risk and the soundness of the controls, and if it exists, it must be accepted by the organization or object of action plans that eliminate this residual risk.

**Periodicity in the Risk Assessment:** The risk assessment will be carried out, as a general rule, on an annual basis. However, extraordinary assessments will be carried out when there are special circumstances that may significantly alter the risk profile of the organisation. These include, among others, relevant changes in the organisational structure, entry into new markets or lines of business, substantial modifications to the applicable regulatory framework, relevant







compliance incidents, as well as external events of significant impact (set out in point 6.3 of this report). In all these cases, the risk matrix will be reviewed and updated to ensure its adaptation to the new reality of the organization

# 4.- SUPPORT ELEMENTS

#### 4.1 Resources

Acerinox has determined and provided the financial, technological, human and advisory resources necessary for the adoption, implementation, maintenance and continuous improvement of the Programme, among which the following can be highlighted:

- **Creation of a** Compliance Directorate made up of two people with knowledge and experience in the field, with their own budget.
- **External advice** for the implementation of the Programme with top-level law firms such as Baker & Mackenzie and Cuatrecasas.
- Acquisition of the software **management tool** (GRC Suite) acquired from PWC, which will be replaced by Highbond's Galvanize in 2023.
- EQS Procurement for Whistleblowing Management in 2024
- **Outsourcing** the Whistleblowing Channel in 2025 with KPMG
- UNE 19601 certification on criminal compliance management systems.
- ISO 37001 Anti-Bribery Certification

## 4.2 Jurisdiction

The people who carry out tasks related to the Programme have the necessary competence to do so by having accredited the appropriate training and/or experiences:

• The Chief Compliance Officer View job description and Current LinkedIn profile



• The Compliance Analyst, View job description and Current LinkedIn profile



Compliance Directorate employees have received appropriate training to maintain their competence in the field

# 4.3 Third Party Due Diligence

The Instruction on Internal Compliance Due Diligence sets out the due diligence procedure applicable to the Group's employees and trainees.





#### 1) New employees:

Once hired, they must acknowledge receipt of the internal regulations that apply to them, and receive the training determined by the Compliance Management according to the functions they assume at any given time throughout their professional career at Acerinox.

#### 2) Employees who occupy jobs that are exposed:

Directors, CEOs, staff in the areas of Compliance, Consolidation and Financial Reporting, Treasury, Investor Relations, Legal Advice, Corporate, Business Intelligence and all those employees in which any of the following circumstances occur, will be considered jobs exposed to risks:

- Who assume functions in the following matters: contracting decision with customers, suppliers, employees or interns; relationship with competitors; prevention of occupational risks; environment; management of public aid and subsidies; stock markets; and management of expatriates and impatriates.
- That require frequent contact with officials or public authorities of any kind.
- That they are proxies of the Acerinox Group.

All employees, all exposed employees, will make a declaration of compliance and/or acceptance of the compliance policy.

The prior due diligence analysis of the jobs whose appointment corresponds to the Board of Directors of Acerinox, S.A. or to any of its Committees will be carried out by the Board itself.

Depending on the functions to be assumed and the exposure to risk, some or all of the following actions may be carried out:

- Interview with the candidate to determine if they understand and accept the importance of criminal prevention.
- Obtain information from the employee regarding international trade sanctions, and other sanctions for criminal or administrative infractions in matters included in the Group's compliance programs.
- Verification of the degree of training in the subject that you are going to manage.
- Special analysis of conflicts of interest in relation to the employee to be hired or promoted and their relations with public officials.
- Obtain satisfactory compliance references from previous employers.

3) **Suppliers, customers and other business partners**, with an approximation of risk, will be validated with the respective DPS tools in terms of international trade sanctions, and other sanctions for criminal or administrative infractions in matters included in the Group's compliance programs

#### 4.4 Criminal compliance training and awareness

Acerinox encourages all employees and managers to be aware of and trained adequately, effectively and proportionately with respect to compliance risks, in order to avoid, detect and know how to manage them in accordance with the Programme.





In this sense, two levels of training have been established in accordance with the approach to risk:

- **Specific training**, usually face-to-face, on certain risks and subjects, given to the most exposed members of the organization: administrators, senior management, compliance officers, and executors and those responsible for controls.
- General training based on roles and responsibilities on the Code of Conduct, whistleblowing channels, MPP, antitrust, anti-competition, harassment, etc., given to all employees of the Group

See training matrix



### 4.5 Communication, awareness and sensitization.

The **Code of Conduct** and the **Crime Prevention Model** have been communicated to all the Group's employees in Spain through specific dissemination and training actions, ensuring their understanding and adherence. Likewise, all internal regulations with implications in terms of regulatory compliance have been communicated directly and traceably to the affected groups, with special attention to the areas of greatest risk.

With the aim of fostering a **solid and transversal culture of compliance**, the organisation has implemented an **Annual Compliance Communication and Awareness Plan**, which includes a battery of initiatives designed to continuously reinforce the knowledge, attitude and ethical behaviour of the entire workforce. This plan contemplates the development and dissemination of accessible, attractive and practice-oriented materials, such as:

- **Thematic infographics**, which visually summarize the main risks or good practices in terms of compliance.
- Informational posters, visible in common work areas to keep ethical values and key standards present.
- Regular newsletters, with legislative news, case studies, reminders and useful tips.
- "Compliance Corner" on the corporate intranet, where employees can quickly access all relevant documentation, as well as training and self-assessment resources.

In addition, **specific awareness campaigns are developed** on critical issues such as the fight against corruption, data protection, the prevention of harassment or conflicts of interest, through videos, podcasts, training pills or testimonies of ethical leadership, in order to generate a greater emotional and cognitive impact.





This comprehensive approach to communication and awareness not only ensures knowledge of the rules, but **also actively promotes the internalization of the ethical principles** that govern expected behavior within the Group

# 4.6 Documented information

Acerinox has documented the information that has been considered necessary for the effectiveness of the Programme, available on the extranet and intranet.

In addition to the information contained in this Manual, information has been documented regarding:

- Criminal compliance policy
- The Crime Prevention Model
- Procedures for delegation of authority
- Program Risk and Controls Matrix
- Evidence of compliance staff competence
- Internal and external due diligence procedures performed
- Compliance training
- Procedures for non-compliance and irregularities
- Procedures for the investigation of non-compliances and irregularities
- Evidence of the results of monitoring and measurement, as well as prevention reports included in the Action and Training Plan
- Evidence of the compliance audit program and its results
- Evidence of the reviews carried out by the Board of Directors, senior management and Compliance Management

The control of this documentation corresponds to the Compliance Directorate, which will ensure that it is identified and that it is adequately available and protected.

# **5.- OPERATION**

# 5.1. Operational planning and control

Acerinox has planned, implemented and controlled the processes and procedures necessary to meet the requirements of the Programme, subjecting them to specific financial and non-financial controls.

Any modifications to processes and procedures and their associated controls, and the consequences that such modifications have on the Program, are monitored annually, taking measures to mitigate the risks they may generate.

The Programme covers Acerinox's processes that have been outsourced, assessing the compliance risks of these activities and implementing reasonable controls to avoid, detect and manage them early.





#### 5.2. Due diligence

The Instructions and Policies on Internal and External Compliance Due Diligence establish due diligence procedures with respect to transactions and projects, current or future business relationships with business partners, and with respect to Acerinox personnel. When a risk is identified, it is assessed and action plans are implemented to mitigate it.

## 5.3 Financial controls

Acerinox has established controls in the management processes of its financial resources that contribute to preventing, detecting or managing compliance risks, including criminal risks, at an early stage.

# 5.4 Non-financial controls

Acerinox has established controls over purchasing, operations, marketing and other nonfinancial processes that are appropriate to avoid, detect, or manage risks early and to ensure that these processes are being properly managed.

## 5.5 Implementing Risks and Controls in Subsidiaries

Acerinox has extended the program under the principle of proportionality and risk approach to all its subsidiaries and controlled entities in the world.

# 5.6 Implementing Controls in Non-Organizational Controlled Entities

With regard to entities over which Acerinox has no control, but has some link and for which a criminal risk has been identified, it is assessed whether their controls are sufficient to avoid, detect or adequately manage exposure to criminal risk, requiring their implementation where appropriate and, if not, assessing the risk involved in carrying out operations with them, analysing the different options to avoid or manage it.

The risk analysis will be more rigorous with the business partners with the ability to act on behalf of Acerinox.

# 5.7. Contractual conditions

The procedure establishes a series of conditions that must be introduced in contracts with customers and suppliers aimed at reducing the criminal risk in Acerinox's relations with its business partners.



### 5.8. Reporting of non-compliances and irregularities

Acerinox provides different communication channels so that both the members of its organisation and third parties can communicate in good faith and on the basis of reasonable indications those circumstances that may involve the materialisation of a criminal risk for the organisation, as well as breaches and weaknesses of the Programme's management system.

Access to the complaints channel can be done in the following ways:

- Group Websites: <u>https://acerinoxgroup.integrityline.com/</u>
- Phone numbers enabled
- Postal mail addressed to: Calle Santiago de Compostela, 100 (28035) Madrid, Spain.
- Email to: <a href="mailto:canaldedenuncias@acerinox.com">canaldedenuncias@acerinox.com</a> or <a href="mailto:whistleblowing@acerinox.com">whistleblowing@acerinox.com</a> or <a href="mailto:whistleblowing@acerinowing

### 5.9. Investigation of non-compliance and irregularities

The actions and investigations carried out as a result of a complaint are carried out independently, quickly and confidentially, guaranteeing the rights of the whistleblower and the persons under investigation, in accordance with the Whistleblowing Channel Policy and the Management and Investigation Procedures.

The body that manages the whistleblowing channel is the <u>Ethics Committee</u>, made up of:

- The Chief Compliance Officer.
- The Secretary-General.
- The Director of the Internal Audit Service.

This Committee may act on its own initiative, or at the request of any employee or third party by means of a complaint.

The Monitoring Committee reports to the Board of Directors through the Audit Committee and the Chief Executive Officer and has the following basic functions:

- Oversee compliance with and internal dissemination of the Code among all employees.
- Interpret the Code of Conduct.
- Provide a Whistleblowing Channel to collect information on compliance with the Code of Conduct.
- To control and supervise the processing of files and their resolution.

In the exercise of its functions, the Committee ensures:

- The confidentiality of the complainant's data, and of the data and background information handled, unless the submission of information is appropriate by law or court order.
- The absence of retaliation against those employees who report alleged breaches in good faith.
- Respect for the rights of the people allegedly involved in a possible breach.

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• The exhaustive analysis of the information based on which it promotes its action.

# **6.- PERFORMANCE EVALUATION**

## 6.1. Monitoring, measurement, analysis and evaluation

Taking into account that both the regulations and the requirements of the sector in which the Acerinox Group carries out its activities are constantly evolving, the Programme is not something static. For this reason, the Acerinox Group has agreed to carry out, at least, an annual internal analysis of the risks that will entail:

- The verification of whether the identified risks are still applicable or whether any new risks should be excluded or included.
- The determination of the effectiveness of the measures already implemented, that is, of the internal protocols and procedures.
- Assessing the implications of any changes or updates to protocols and procedures.
- The identification of new risks for the analysis and estimation of their probability of occurrence and impact.
- The analysis of any new activity or practice carried out by the Acerinox Group that may affect the specific department or function.
- The need to adopt new measures taking into account the new risks detected.
- The proposal of corrective measures and the assessment and identification of the impact that the measure may have on risk mitigation.

Without prejudice to the annual risk assessments, whenever deemed necessary by the Chief Compliance Officer, ex officio or at the request of any person in the organisation, extraordinary audits (internal or external) and risk re-assessments may be carried out. In particular, such audits and **re-evaluations will be mandatory** when relevant breaches of the provisions of the Programme have been detected, or when there have been changes in the organisation, in the control structure, in the activity carried out by the companies of the Acerinox Group that make them necessary or in the applicable regulations and jurisprudence.

The monitoring, measurement, analysis and evaluation of the Programme is carried out in accordance with the so-called penal round:





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The criminal parade contemplates the following phases:

- Updating of processes and controls: The adaptation of the Programme to the organisational and functional modifications produced in the Group is confirmed.
- Self-assessment of controls: Surveys are launched to confirm the controls to the executors and those responsible for them.
- Evaluation and certification: Criminal risks are assessed in view of the results of the surveys and Certificates of Compliance are prepared and signed.
- Action and Training Plan: Documents the monitoring, measurement, analysis and evaluation tasks, specifying the action plans detected and the training measures carried out and to be carried out.

The main tools for evaluating the Programme's performance are:

<u>Certificate of Compliance:</u> The Compliance Managers will annually certify in the system, under their responsibility, the knowledge and compliance with the applicable regulations, protocols and internal policies, as well as attendance at mandatory training. They will also guarantee the application of the relevant instructions, the operability of preventive controls against possible crimes, and will report any anomaly detected, the corrective measures adopted and the corresponding proposals for improvement.

<u>Action and Training Plan</u>, which will include the specific measures that the Acerinox Group is going to carry out to correct deficiencies or cover any identified gaps in terms of prevention.

This Action Plan will include the assignment of those responsible and the deadlines for the implementation of the measures.



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In the monitoring of the compliance management system, the following will be taken into account:

- The effectiveness of training.
- The effectiveness of the controls.
- The effective assignment of responsibilities to comply with criminal compliance obligations.
- Update of criminal compliance obligations.
- Effectiveness in the management of deficiencies in previously identified criminal compliance controls.
- Cases in which internal inspections derived from the criminal compliance management system are not carried out as planned.

Compliance performance tracking includes:

- Non-conformities and attempts.
- Cases in which the requirements derived from the criminal compliance policy and the rest of the criminal compliance management system are not met.
- State of the compliance culture.
- Predictive and reactive indicators.

**The indicators to measure the achievement of** compliance objectives and quantify the performance of your compliance management system at Acerinox are included in Excel.



# 6.2. Internal audit

Internal Audit will reflect the results of the internal controls in an Internal Audit Report that will be presented to the Chief Compliance Officer for his knowledge and subsequent approval by the Audit Committee.

This Internal Audit Report will analyze:

- The suitability and adequacy of the internal protocols and procedures that are part of the Program, identifying possible deficiencies.
- The degree of compliance of the departments or functions with internal protocols and procedures, for which Internal Audit will have the collaboration of the Compliance Officers.
- The status of implementation of each of the measures approved in the current Action Plan, distinguishing between those that are fully implemented, those that are only partially implemented, those that are approved and in the process of being implemented, and those that are still a proposal pending approval.

Likewise, the Internal Audit Report will include a proposal for recommendations for improving the system.





# 6.3. Review and Report by the Compliance Body (Compliance Department)

The Compliance Directorate assumes the following functions in the evaluation of the Program's performance:

- Monitor any organisational changes that may occur to identify the need to modify the Programme.
- Analyse the risks annually with the Compliance Officers and prepare, where appropriate, proposals for modification of the Programme.
- To prepare and approve the Action and Training Plan and its amendments, after presentation to the Audit Committee for approval, and the Committee shall inform the Board of Directors of Acerinox S.A. The Compliance Director will inform the management bodies of each of the other companies of the Group of these Plans and their modifications.

The Compliance Department sets its individual, global and qualitative objectives on an annual basis within the company's performance system, with a follow-up in the middle of the year.

The Compliance Department will keep a report or report of activities carried out during the year to ensure the development of the program.

Report and report



## 6.4. Review and Report by senior management

Senior management, based on the report issued by the Chief Compliance Officer on the implementation and effectiveness of the Compliance Program, should conduct planned periodic reviews. The purpose of these reviews is to assess the degree of compliance with the established objectives, the adequacy of the resources allocated, the effectiveness of the controls implemented to prevent criminal risks, and the evolution of the internal and external environment that may affect the Program.

In particular, the results of audits, internal investigations, complaints received, communications from interested parties, analysis of trends in non-conformities and corrective actions, as well as the status of actions derived from previous reviews, will be analyzed.

The review must conclude with decisions aimed at the continuous improvement of the system, including the need to modify policies, protocols or controls, strengthen the integration of criminal compliance in operational processes, correct deficiencies detected, establish preventive actions for emerging risks and recognize exemplary behaviors that reinforce the ethical culture of the organization.

All this in order to ensure the effectiveness, coherence and sustainability of the criminal compliance management system in the medium and long term.





Senior Management Report



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# 6.5. Review and Report by the governing body

The Audit Committee:

- It analyses the Action and Training Plan at the proposal of the Director of Compliance, supervising the execution of both plans.
- It analyzes the Internal Audit Report and submits the corresponding observations to the Board of Directors of Acerinox, S.A., which may require the presence of the Chief Compliance Officer.

The Board of Directors:

- It takes cognizance of the Action and Training Plan, once they have the approval of the Audit Committee.
- It takes cognizance of and analyzes the observations that, if any, are contained in the Internal Audit Report.

This review and reports are included in the presentations, reports and minutes presented by the Chief Compliance Officer to the Audit Committee, which in turn raises and submits it to the Board of Directors for approval.

# 7.- IMPROVEMENT

#### 7.1. Non-conformities and corrective actions

When non-conformities are detected in the Programme, their causes must be analysed and other similar non-conformities must be ruled out and the corresponding action plan must be implemented to correct such non-conformity and manage its consequences, making the necessary changes to the Programme. The action plans and their implementation will be monitored and documented in the annual Action and Training Plan.

Non-conformities monitoring model



# 7.2. Continuous improvement

The Programme is subject to continuous improvement in its effectiveness, and these improvements are documented in the Action and Training Plan.



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COMPLIANCE MANAGEMENT SYSTEM REPORT

Madrid, May 8, 2025