



Sustainability Policy

September 26, 2024

The activities of the **Azkoyen Group** (hereinafter “Azkoyen”) take place in an environment where fulfilling the company’s social purpose requires a sustainable development strategy that promotes the creation of long-term value for all stakeholders, incorporating environmental, social, and governance (ESG) criteria that meet the highest standards required by society.

The **Board of Directors** of Azkoyen, aware of this reality and exercising its authority to approve and update corporate policies, hereby approves this Sustainability Policy. Its purpose is to establish the basic principles and commitments guiding Azkoyen’s sustainable development strategy, fostering the integration of sustainability practices throughout the business model. The company commits to the following:

Environmental Commitments

Climate Change: *establish measures to combat and mitigate climate change, including actions to reduce greenhouse gas emissions and address climate-related risks and opportunities.*

Pollution: *implement certified environmental management systems and promote their adoption among suppliers to reduce pollution, minimize air and water emissions, manage waste efficiently, and optimize waste handling.*

Water and Marine Resources: *promote the rational use and management of water and marine resources.*

Biodiversity and Ecosystems: *ensure the maintenance of biodiversity and terrestrial and marine ecosystems, preventing impacts from the company’s direct or indirect activities.*

Use of Natural Resources: *integrate sustainable development criteria across all areas of activity, ensuring efficient management, promoting sustainable products throughout their life cycle, and prioritizing renewable natural resources.*

Circular Economy: *incorporate circular economy principles into the business model, products, and services, emphasizing durability, reparability, reuse, prevention, recycling, and responsible end-of-life disposal.*

Social Commitments

Working Conditions: *provide fair working conditions for employees, prohibiting child labor and any form of exploitation, and ensuring dignified compensation and employment standards.*

Occupational Health and Safety: *provide a safe work environment, promote a zero-accident culture, and support employee health.*

Professional Development: *recognize employees’ potential, promote career growth, and offer training opportunities to help them reach their full potential.*

Diversity and Equality: *respect and promote diversity and equal opportunities for all employees, without discrimination based on race, sex, nationality, language, religion, ideology, or any other personal or social characteristic. Promote initiatives that facilitate work-life balance and reduce existing gender gaps.*

Inclusion: *create an inclusive and collaborative work environment that fosters both professional and personal development.*

Social Dialogue: *protect workers’ freedom of association and encourage social dialogue.*

Employee Participation: *foster an organizational culture of creativity, participation, and collaboration to identify opportunities for improvement and innovation across the company.*

Supply Chain Workers: *collaborate with suppliers to ensure that human and labor rights are respected throughout the supply chain and that fair remuneration is provided for products and services.*

Affected Communities: *build strong relationships with communities affected by Azkoyen's operations, considering social and cultural realities.*

Human Rights: *promote the conservation and dissemination of cultural heritage in the communities where the company operates and support initiatives that respect human rights, access to essential services, and socio-economic development.*

Clients and End Users: *provide clients and end users with high-quality, safe, competitive, effective, and efficient solutions through innovation, remaining at the forefront of the market.*

Shareholders and Investors: *act in the best interests of shareholders and investors by promoting transparency, accountability, and informed decision-making to ensure long-term value creation, fostering open communication and carefully considering stakeholders' opinions and concerns in strategic and operational decisions.*

Governance and Business Conduct Commitments

Ethical and Responsible Practices: *maintain corporate governance practices based on ethics and transparency, responsibly addressing both internal and external stakeholders, respecting free-market and fair competition rules, and rejecting any illegal or fraudulent practices.*

Legal Compliance: *comply with the laws of the countries where Azkoyen operates and, voluntarily and complementarily, adopt international commitments and guidelines where local legislation is insufficient. Conduct business responsibly in tax matters, cooperating with tax authorities, making informed business decisions with fiscal implications, and avoiding opaque or artificial structures aimed solely at tax avoidance or reduction.*

Corruption Prevention: *establish systems and controls to prevent, detect, and sanction any form of corruption and fraud in accordance with Azkoyen's Code of Conduct.*

Privacy and Data Protection: *respect the privacy of all employees and collaborators and safeguard personal data.*

To achieve these commitments, the Board of Directors, through its **Board Sustainability Committee**, supervises the development and implementation of this policy, its strategies, and the plans derived from it. The **Sustainability Committee**, coordinated by the General Management (VPS and T&S), drives and executes plans, programs, and initiatives, assigns responsibilities at all organizational levels, engages all employees, and supports the Board in its oversight.

To ensure transparency, accountability, and achievement of sustainability objectives, Azkoyen relies on the following oversight bodies to monitor, measure, and evaluate organizational performance in relation to environmental, social, and governance commitments and associated non-financial risks:

- The Board of Directors
- Board Sustainability Committee
- Audit Board
- Internal Audit Unit
- Corporate Management of Azkoyen, S.A.

Annually, with the support of an external advisor, the Risk Management Model (risk map) is updated to identify, categorize, and prioritize risks, including ESG-related risks, establishing mitigation actions for the most significant and defining an audit plan for these actions.

Azkoyen considers communication a key tool to promote participation and dialogue with stakeholders regarding ESG matters, while avoiding manipulation and protecting integrity and reputation. Practices include:

- **Transparency:** provide accurate and complete information on ESG actions, policies, and results, sharing both achievements and challenges.
- **Clear and Verifiable Sustainability Reports:** publish annual reports on sustainability matters, accessible to all stakeholders via the corporate website.
- **Dedicated ESG Communication Channel:** create a specific ESG section on the corporate website.
- **Stakeholder Engagement:** invite stakeholders to participate in ESG dialogues, demonstrating genuine commitment and allowing their concerns to influence decisions.
- **Participation Platforms:** use online platforms and social media for two-way communication with stakeholders and to respond to questions and comments.
- **Anti-Greenwashing:** avoid exaggerating or presenting misleading information about ESG practices and achievements.
- **Independent Verification:** submit ESG reports and claims to independent verification.

This policy was approved by the Board of Directors of Azkoyen, S.A. in its meeting on **September 29, 2023** (effective immediately) and updated on **September 26, 2024**.