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General Risk Control and Management Policy

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Text approved by the Board of Directors

04/29/2021

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Introduction

Pursuant to the provisions of section 249.bis of the Capital Companies Act and section 6 of the Regulations of the Board of Directors, the Board of Directors of Arteche Lantegi Elkartea, S.A. (hereinafter "Arteche" or "the Company") has the power to approve the general policies and strategies of the Company and of the Group of which it is the parent company (the "Arteche Group") as well as the General Risk Control and Management Policy, among others.

Based on the above, the Board of Directors of Arteche has agreed to approve this Risk Control and Management Policy (the "Policy"), which shall be part of the Corporate Governance System and the Integrated Management Model of the Arteche Group.

Purpose

The purpose of this Policy is to establish the basic principles for the control and management of any and all kind of risk faced by the Arteche Group by identifying the main risks and organizing the appropriate internal control and information systems, as well as periodically monitoring the operation of said systems.

By means of this Policy—which is to be applied in accordance with the mission, vision and values of the Arteche Group—the Company undertakes to provide greater certainty and security regarding:

- The achievement, with a controlled volatility, of the strategic objectives set by the Group;
- Providing the highest level of guarantees to shareholders and defending the interests of all its stakeholders;
- Protection of the Group's results and reputation;
- Safeguarding business stability and financial strength on a sustained basis over time; and
- Guaranteeing compliance with applicable regulations.

The Policy is developed and supplemented by the specific policies that may be established in relation to certain risks, corporate functions or businesses of the Group (Annex I).

Scope

This Policy is applicable to all the companies that make up the Group, as well as to the investee companies that are not part of the Group but over which the Company has effective control, within the legally established limits for the regulated activities the Group carries out in the different countries where it has a presence.

In connection with those investee companies which do not belong to the Arteche Group, the Company will make its best efforts to ensure that the risk principles and guidelines are consistent with those established by means of this Policy.

In order to respond to the need for global and homogeneous risk management, the Group has a centralized risk control and management model that affects all areas of the Organization. To this end, through this General Risk Control and Management Policy, the Group undertakes to develop all its capacities so that the most significant risks that may threaten the Group's objectives are adequately identified, measured, prioritized, managed and controlled.

Basic Principles

As a commitment to providing greater certainty and security to its stakeholders, Arteche establishes the following basic principles upon which its Risk Management System is developed:

- To integrate the vision of the risk in the Group's management and the incorporation of this variable into the processes of:
  - Strategic insight
  - Business objectives definition
  - Daily decision making for goal achievement
- To maintain an adequate segregation of functions between the risk-taking areas and the areas responsible for their analysis, control and supervision, thus guaranteeing an adequate level of independence.
- To ensure the use of the most effective instruments for hedging and mitigating risks.
- To report transparently on the Group's risks and the functioning of the control systems through the approved communication channels.
- To ensure compliance with the corporate governance rules established by the Company, permanently updating and improving said system within the framework of the best practices of transparency and good governance.
- To act at all times in accordance with the law and the values and standards of conduct reflected in the Code of Ethical Behavior of the Arteche Group, under the principle of "zero tolerance" towards the commission of illegal acts and fraud situations.

Main Risk Categories

The Arteche Group classifies risks into the following blocks:

- Strategic risks: arising from the uncertainty represented by macroeconomic and geopolitical conditions, in addition to the specific characteristics of the sector and markets in which the Group operates and the strategic and the technological planning decisions adopted.
- Financial risks: arising from market fluctuations, contractual relationships with third parties and counterparties related to investments in financial assets and liabilities. The main ones are:
    - Market risk: exposure of the Group's results and equity to fluctuations in exchange rates, interest rates and commodity prices, mainly.
    - Credit risk: insolvency, bankruptcy proceedings or non-payment of monetary obligations on the part of counterparties to which the Group has granted net credit and which is pending collection.
    - Liquidity and debt risk: inability to carry out transactions or non-compliance with the Group's obligations due to lack of funds or of access to financial markets, due to a decrease in creditworthiness (credit rating) or due to other causes. This also includes the risk of being unable to obtain purchasers for an asset for sale at a given time.
- Operational and technical risks: inherent to all the Group's activities, products, systems and processes that cause economic/reputational impacts caused by human/technological errors, inadequate organizational structure, non-robust internal processes or intervention by external agents.
- Technological risks: related to the security of the Group's information, the normal development of daily communications by means of computer applications, operating systems, databases, software, etc., and the security of all the assets that store, process or transmit data.
- Compliance and regulatory risks: arising from the violation of internal and external regulations which may be applied to the Group by management or employees.
- Corporate governance risks: arising from non-compliance with the Group's Corporate Governance System, which regulates the operation of the Governing Bodies and their relationship with stakeholders, the commitment to ethical principles, good practices and transparency, and which is designed around corporate interest defense and the creation of sustainable value.

Risk management system

The Policy and its basic principles are upheld by means of a Risk Control and Management System, which takes any and all kinds of significant risks to which the Group may be exposed into consideration, especially those that may affect compliance with the strategic plan. It includes the following activities:

- Establishment of the risk management context
- Identification of the different types of risk in line with the main ones detailed in the Policy
- Risk assessment
- Measures in place for the treatment of the identified risks
- Periodic risk monitoring and reporting

This system is in line with the COSO II standard (Committee of Sponsoring Organizations of the Treadway Commission) regarding the use of an effective methodology for risk analysis and management and the Three Lines of Defense Model on the assignment of responsibilities regarding risk management and control (Annex II):

- First Line: it concerns the functional areas and the Group Management Committee and they are responsible for the day-to-day management of risks, the maintenance of internal control and the implementation of actions to remedy control deficiencies.
- Second Line: coordinated by the Group's Management Committee, it supervises the activities of the first line, monitors and reports and is responsible for the risk levels the Group assumes. The Group has a Compliance Officer and Chief Security Information Officer who are responsible for supervising compliance, regulatory and technological risks.
- Third Line: it consists of the independent review of the first two lines of defense and is carried out by the Internal Audit Area.

Policy monitoring, approval and dissemination

Monitoring

This general risk control and management policy is intended to be permanent, and it is the responsibility of the Board of Directors, through its Audit and Compliance Committee, to ensure compliance by the entire Arteche Group, for which purpose the necessary internal control mechanisms will be established.

The Audit and Compliance Committee shall periodically review the content of this Policy, and shall propose to the Board of Directors any modifications that contribute to its development and continuous improvement.

Approval and dissemination

The present Policy is approved by Arteche's Board of Directors in its 29 April 2021 meeting, date from which it comes into force.

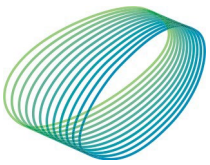
In order to facilitate the aforementioned policy's knowledge on the part of the interested parties and recipients, it will be published on the Group's Portal.

Annex I: Specific Risk Policies

Code	Regulations
N_IT 10	○ General regulations for the use of information systems and resources
N_COMP 1	○ Purchasing policy
N_P-S 1	○ Project and service management policy

Annex II: Responsibilities

Body	Responsibilities
Board of Directors	• Ultimately responsible for the risk identification, monitoring and effectiveness of action plans
Audit and Compliance Committee	• To review and propose risk policies to the Board • To monitor system effectiveness • To focus the internal audit plan on relevant risks
Management Committee	• Ultimately responsibility for strategic and operational risk management • Responsible for the establishment of action plans and monitoring of indicators
Compliance Officer/ CISO	• Information security risk and compliance supervision • To propose policies to Management • To propose recommendations and improvements to Management
Internal Audit	• To ensure that the system is present and operational • To propose recommendations for design and efficiency to Management • To audit the control processes of certain risks based on the audit plan • To report findings and recommendations to the Audit and Compliance Committee
Employees	• To identify risks • To propose action plans and collaborate in their implementation



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