



IMS 15

Standard for submitting enquiries, reporting incidents and conducting internal investigations

Grupo Duro Felguera

Monitoring of the implementation of the Standard:
Head of the Internal Audit and Compliance Department (*)

(*) Enquiries regarding this IMS shall be addressed to the person responsible for monitoring. He/she is also responsible for proposing the updating of the IMS to the Audit, Risk and **Compliance** Committee, in order to adapt it to new legislation, new situations and the needs of Grupo Duro Felguera.

NOTICE: This document is a translation of a duly approved Spanish-language document and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



IMS. 15 - Standard for submitting enquiries, reporting incidents and conducting internal investigations

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22/07/2020	V1		Duro Felguera's Board of Directors	Master Version.
15/02/2022	V2	Internal Audit and Compliance Department	Duro Felguera's Board of Directors	The enquiries mechanism is included and the rules governing the reporting procedure have been strengthened.

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1. Purpose

The purpose of these Standards for the communication of enquiries, incidents and internal investigations is to regulate the operation of the Group's communication channels (Ethics Line and e-mail dcn@durofelguera.com), and to establish the procedure to be followed in the communication and processing of enquiries and incidents, as well as the subsequent investigations that may arise from matters reported through these channels or that may come to the attention of Grupo Duro Felguera by any other means.

2. Scope of application

The provisions contained in this Internal Management Standard are addressed to all Employees and Representatives of Grupo Duro Felguera as well as its Third Parties.

3. Reporting Channels

To this end, Grupo Duro Felguera provides the following reporting channels with its Employees, Representatives and Third Parties:

-  The **Ethics Line** : <https://lineaetica.durofelguera.com>, through which potential breaches of the Regulatory Compliance Policy, the Crime Prevention Model and their implementing rules, including the Code of Conduct, the Anti-Corruption Policy and other internal rules, including those of a financial and accounting nature and, in particular, behaviours that may constitute a crime, may be reported.
-  The **e-mail address**: dcn@durofelguera.com, through which any doubts or enquiries arising from the application or interpretation of the aforementioned regulations may be communicated.

All incidents will be properly investigated and/or managed with all legal safeguards, as well as observing, among other things, the legal principles of presumption of innocence, confidentiality, and non-retaliation.

The reporting of incidents through the Ethics Line will automatically generate a record containing physical and software security measures to safeguard the confidentiality and integrity of the entire processing, as well as any personal and other data included therein.

These reports shall be managed, in the first instance, by the head of the Internal Audit and Compliance Department of Grupo Duro Felguera, or by whoever corresponds in cases of conflicts of interest regulated in this standard.

The Audit, Risk and Compliance Committee, among the powers conferred upon it, is responsible for determining the internal rules and procedures necessary to ensure the monitoring of the rules of conduct and regulatory compliance in the different spheres of action of Duro Felguera, ensuring that they are constantly updated, reporting, prior to their approval or modification by the Board of Directors, and in particular, on the correct operation of the Ethics Line, as well as its supervision.



The Ethics Line should only be used for the purposes expressly set out in this Policy. Any incident received that does not fall within the scope of application of the Ethics Line will be archived.

4. Basic Principles

Reporting

Employees and Representatives within Grupo Duro Felguera have not only the right but also the obligation to report, using the Ethics Line for this purpose, any occurrence that involves a breach of the Regulatory Compliance Policy, the Crime Prevention Model and the regulations that arise from them, such as the Code of Conduct, the Anti-Corruption Policy, as well as any behaviour that may constitute a crime.

The obligation to report such situations must be fulfilled in accordance with the principle of good faith and without fear of disciplinary action or retaliation.

Truthfulness

The enquiries and incidents submitted must always and in all cases meet objective criteria of truthfulness, responsibility, proportionality and good faith.

Therefore, the use of the Ethics Line for purposes other than compliance with the law and the principles set out herein is strictly prohibited.

Presumption of innocence

Persons under investigation are presumed innocent at all stages of the investigation, until, as a result of the final resolution of the case, if any, the facts with which they are charged are established.

Anonymity

In accordance with the applicable national and community regulations, Grupo Duro Felguera allows the anonymous reporting of incidents, particularly in those instances in which protecting the identity of the whistleblower is necessary for the processing of the report and its subsequent investigation.

Confidentiality

Grupo Duro Felguera guarantees the absolute confidentiality of informants and whistleblowers as well as the other parties involved in the investigation. For this reason, the identity of the whistleblower will only be known by the head of the Internal Audit and Compliance Department and by those third parties that may be required depending on the specific circumstances of each



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case. Particularly at the time of adopting disciplinary measures or for the conduct of any legal proceedings that may be required.

All of them shall be bound by the strictest duty of confidentiality. Infringement of this obligation by them may give rise to the corresponding legal measures.

Non-retaliation

Grupo Duro Felguera expressly prohibits the adoption of any type of retaliation, threats, coercion, penalties, forms of discrimination or negative measures adopted to the detriment of the whistleblower as a consequence of the reported incident, assuming the good faith of the same.

To guarantee this principle, whistleblowers can turn to the head of the Internal Audit and Compliance Department for guidance and protection against possible retaliatory actions they may be suffering as a result of the incident they have reported.

In any case, any Employee or Representative who considers that he or she is being or has been subjected to any form of retaliation, directly or indirectly, must inform the Human Resources Department and, in the event that such retaliation persists, the head of the Internal Audit and Compliance Department.

Effective guardianship

The exhaustive analysis and resolution of any incident submitted through the Ethics Line, as well as of any data, information or document provided, is guaranteed.

Proportionality

Information and data collected during the process of investigating an incident shall be limited to what is strictly and objectively necessary for its proper processing, as well as to verify the veracity of the information reported.

Impartiality

Complaints and enquiries will always be handled in a fair, thorough, objective, independent and honest manner.

Hearing

Unless any of the circumstances provided for in this procedure limit and/or exclude the principle of a hearing, the whistleblower and the person under investigation must be heard during the processing of the case.

Equal opportunities



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The whistleblower and the respondent should both have the opportunity to present their viewpoints and versions of the facts to an effective and balanced hearing, avoiding any unfair privileges.

df Defence

At any time during the reporting procedure, the person under investigation may request and/or provide any information, documentation or evidence that he/she believes is appropriate, provided that it is reasonably related to the subject matter of the investigation.

df Presumption of good faith

An Ethics Line user reporting an incident is responsible for the veracity and accuracy of the information provided.

Grupo Duro Felguera reserves the right to impose the appropriate disciplinary measures and/or sanctions, in accordance with applicable regulations, in case whistleblowers report incidents while knowing they are false or with reckless disregard for the truth.

df Principle of evidence

Reporting persons should provide or point to the minimum prima facie evidence to support their claim.

Any evidence permitted by law and obtained in a lawful manner within the boundary lines of the law and constitutional rights and principles, preferably in documentary form, shall be considered valid as prima facie evidence, although testimonial evidence, including the testimony of the whistleblower, shall also be entitled to admission.

df Data Protection Rights in the Ethics Line

As per Spanish regulations on the protection of personal data, all users of the Ethics Line will be entitled to access their personal data and, if necessary, request their rectification via the *website* of the Ethics Line.

Likewise, Grupo Duro Felguera has implemented the corresponding security measures necessary to guarantee the security of personal data and to avoid their alteration, loss, processing or unauthorised access.

5. Enquiries procedure

5.1.- Scope of application



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This procedure is applicable to enquiries on the interpretation or application of the Compliance Policy, Grupo Duro Felguera's Crime Prevention Model and their implementing regulations, especially the Code of Conduct and the Anticorruption Policy.

5.2.- Requirements for submission

Enquiries sent to the e-mail address dcn@durofelguera.com should:

- a) Identify the Employee, Representative or Third Party submitting the enquiry (name and surname) as well as where they are located or to which department they belong, in the case of Employees, or the company in the case of Third Parties.
- b) Indicate the facts and documents subject to enquiry and, if known, the rules deemed to be interpreted, applied or likely to conflict. For a correct interpretation of the enquiry, it is essential to provide as much detail as possible on the facts of the enquiry, including as much documentation and explanation of the situation as possible.

5.3.- Management of enquiries

The head of the Internal Audit and Compliance Department shall be responsible for managing the enquiries received through the e-mail account established for this purpose (dcn@durofelguera.com), or those sent by any other means, in accordance with the provisions of this procedure.

5.4.- Registration of enquiries

Once the enquiry has been received through the e-mail account established for this purpose (dcn@durofelguera.com) or by other means, the head of the Internal Audit and Compliance Department shall enter the enquiry in the internal register set up for this purpose, which shall be managed confidentially. This register shall also include the response provided to the enquirer.

5.5.- Preparing a response to an enquiry

Responses to enquiries must be provided by the head of the Internal Audit and Compliance Department. Likewise, he/she may ask an external advisor to analyse the enquiry and propose a response thereto, as well as submit to the Compliance Committee, for its consideration, those enquiries that he/she considers to have a strategic impact for the Group.

5.6.- Common rules for the management of enquiries

A response to the enquiry must be provided to the enquirer by the head of the Internal Audit and Compliance Department, along with a copy to all members of the Compliance Committee, within 15 working days of receiving the enquiry. An extension of this period may be authorised, with the consent of the whistleblower, if the reasons are provided.



In addition to storing the e-mail containing the response to the enquiry in the register, the head of the Internal Audit and Compliance Department must also keep the rest of the information resulting from the inquiry.

6. Incident reporting and investigation procedure

6.1.- Scope of application

This procedure is applicable both to (i) incidents of non-compliance with the Compliance Policy, Grupo Duro Felguera's Crime Prevention Model and their implementing regulations, received through the Ethics Line, (ii) investigations initiated ex officio by the head of the Internal Audit and Regulatory Compliance Department upon becoming aware of irregularities while performing his/her duties that could be considered a breach of the aforementioned regulations or, in this regard, at the request of the Compliance Committee, the Audit, Risk and Compliance Committee or the Board of Directors of Duro Felguera.

Reports relating to non-compliance with the rules on personnel administration and individual and collective labour rights and occupational risk prevention (e.g. complaints about holidays not taken or non-compliance with overtime limits, among others) are excluded from the application of this procedure. These reports or complaints must be transferred to the Human Resources Department and the Group's Health and Safety Department, respectively, for the corresponding attention and investigation.

6.2.- Incident management. Basic rules

The management of incidents received or investigations initiated ex officio shall be governed by the principles set out in section 4 of this Standard and by the following rules:

- a) Incidents are **reported** through the Ethics Line.
- b) Incidents are **received and registered** by the head of the Internal Audit and Compliance Department.
- c) The **admission** of the incident is the responsibility of the head of the Internal Audit and Compliance Department.
- d) The **investigation** is the responsibility of the person in charge of the Internal Audit and Compliance Department or, in the event of a conflict of interest, of the bodies indicated in section 6.3 of this Standard. In any case, any of these bodies may delegate the investigation, in whole or in part, to:
 - (i) An *ad hoc* Committee made up of Employees and Representatives of Grupo Duro Felguera and, including external advisors. In establishing this Committee, the following individuals will be encouraged to participate:



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- Employees with decision-making responsibilities and who are sufficiently senior within the management or department to which they belong.
 - Employees and representatives who have knowledge, experience or handling of the reported facts or their context.
- (ii) A specialised external team with the necessary training and skills.
- e) The Investigating Officer may request that other Employees, Representatives, and Third Parties assist in the investigation, including legal, tax, and accounting advisors, psychologists, and counsellors, among others.
 - f) In the event that the investigation is partially or totally delegated, the head of the Internal Audit and Compliance Department (or the competent body in accordance with section 6.3 of this Standard) may at any time request information from the Investigating Officer on the status of the investigation, as well as provide any information and/or documentation that he/she considers should be taken into account in the investigation.
 - g) The members of the Compliance Committee, Employees, Representatives of Grupo Duro Felguera and Third Parties involved in the processing and investigation of incidents are obliged to maintain the confidentiality of the whistleblower at all times, as well as of any third party mentioned in the incident, preventing any unauthorised Employee, Representative or Third Party from accessing the investigation and its supporting documents. Employees, Representatives or Third Parties involved in the investigation shall sign a confidentiality statement.
 - h) As an exception to the above, the identity of the whistleblower and any other information may be disclosed when required by an administrative or judicial authority, including the Public Prosecutor's Office, or when it constitutes a necessary and proportionate obligation imposed in the context of judicial proceedings, in particular to safeguard the rights of defence of the person concerned. In this case, the whistleblower shall be informed before his or her identity is revealed, unless such information could jeopardise the investigation or the judicial proceedings.
 - i) The Compliance Committee (or the competent body in accordance with section 6.3 of this Standard), on the basis of the Final Report issued by the Investigating Officer, shall decide on the measures to be adopted in accordance with the law in force.

6.3.- Conflicts of interest in the reporting and investigation procedure

In order to ensure the transparency and objectivity of the procedure for reporting incidents and investigating them, the following principles apply

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when the persons affected by the incident or the investigation are members of executive bodies or bodies with functions within this procedure:

- a) If the incident or ex officio investigation affects the head of the Internal Audit and Compliance Department, it shall be received by the Chairman of the Audit, Risk and Compliance Committee and forwarded to the other members of the Compliance Committee not affected. The Compliance Committee, with the abstention of the head of the Internal Audit and Compliance Department, shall act as the Investigating Officer or, if appropriate, shall appoint the Investigating Officer in accordance with the provisions of section 6.2 d) of this Standard. The head of the Internal Audit and Compliance Department may not participate in any of the phases of processing, investigation and resolution of the incident and investigation.
- b) If the ex officio incident or investigation affects one or more members of the Compliance Committee, other than the head of the Internal Audit and Compliance Department, the incident shall also be referred to the head of the Audit and Compliance Department, who shall act as the Investigating Officer or, where appropriate, shall appoint the Investigating Officer in accordance with the provisions of section 6.2 d) of this Standard. The members of the Committee affected may not participate in any of the phases of processing, investigation and resolution of the incident and investigation.
- c) If the incident or ex officio investigation affects all the members of the Compliance Committee, it shall be referred directly to the Audit, Risk and Compliance Committee of Grupo Duro Felguera, through its Chairman, who shall inform the Board of Directors of Duro Felguera. This Committee shall act as the Investigating Officer or, where appropriate, shall appoint the Investigating Officer in accordance with the provisions of section 6.2 d) of this Standard. The members of the Compliance Committee may not participate in any of the phases of processing, investigation and resolution of the incident and investigation.
- d) If the incident or ex officio investigation affects the Compliance Committee and any of the members of the Audit, Risk and Compliance Committee of Grupo Duro Felguera, it shall be referred to the other members of the Audit, Risk and Compliance Committee of Grupo Duro Felguera who are not affected. The Committee shall act as the Investigating Officer or, where appropriate, shall appoint the Investigating Officer in accordance with the provisions of section 6.2 d) of this Standard. The Compliance Committee and the affected members of the Audit, Risk and Compliance Committee of Grupo Duro Felguera may not participate in any of the phases of processing, investigation and resolution of the incident and investigation.



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- e) If the ex officio incident or investigation, in addition to affecting all of the above, affects a member of the Board of Directors of Duro Felguera or a management body of the companies comprising the Group, it shall be referred to the rest of the members of the Board of Directors not affected, who shall act as Investigating Officer or, where appropriate, shall appoint the Investigating Officer in accordance with the provisions of section 6.2 d) of this Standard. The Compliance Committee and the Audit, Risk and Compliance Committee and the members of the Board of Directors affected may not participate in any of the phases of processing, investigation and resolution of the incident and investigation.

6.4.- Protection of bona fide whistleblowers and non-retaliation

Whistleblowers/informants are presumed to act in good faith. Should it be found that an Employee or Representative has made a report in bad faith, knowing it to be false, or with reckless disregard for the truth, such Employee or Representative may be subject to disciplinary action in accordance with the applicable employment rules or the commercial contract governing his or her relationship with the Group.

Failure by Employees and Representatives of Grupo Duro Felguera to comply with the obligation to report an incident will be considered as violating current labour law.

Grupo Duro Felguera prohibits the adoption of any type of retaliation against those who, in good faith, report any incident through the Ethics Line or enquiry through the e-mail account provided.

For these purposes, retaliation shall mean any reactive action involving coercive, hostile, discordant or aversive treatment towards the whistleblower, inter alia:

- a) Early termination of the employment contract and/or dismissal, the origin of which lies in the submission of an enquiry or incident.
- b) Detrimental changes in job functions and responsibilities, changes of workplace or unjustified travel.
- c) Discriminatory, humiliating, bullying, intimidating or coercive treatment in the course of employment.
- d) Negative evaluation of performance and/or denial of promotion or salary, derived from the submission of an enquiry or incident.

In order to avoid the imposition of retaliation against the whistleblower, Grupo Duro Felguera will apply the measures that, where appropriate, are necessary to ensure the protection of the whistleblower. In particular, and without limitation:



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- a) The confidentiality of the whistleblower's data and the confidentiality of the facts and data provided shall be guaranteed at all times.
- b) Regular monitoring of the whistleblower's professional conditions shall be carried out after the completion of the internal investigation in order to verify that the whistleblower is not being treated in a retaliatory manner.
- c) Where appropriate, the possibility of a change of department, management or job position shall be assessed. This change may be temporary or permanent, depending on the circumstances, while maintaining the professional category of the whistleblower.

6.5.- Handling incidents

6.5.1.- Receipt and registration

Channel: Ethics Line

To report an incident, Employees and Representatives of Grupo Duro Felguera must access the Ethics Line *website*, either by using the links provided for this purpose on the intranet and corporate *website*, or directly through the following *web* address: <https://lineaetica.durofelguera.com/>

In the case of Third Parties that have or will have a contractual, administrative, labour or business relationship with Grupo Duro Felguera, they may access the form for reporting incidents through the Ethics Line link located on the Group's *website* or through the link above.

The incident report form, which is divided into the following parts, must be completed:

- a) Details of the whistleblower, where the name and surname(s), ID [DNI, NIE] or passport, as well as other personal data (telephone, e-mail, etc.) must be indicated.
- b) Details known of those involved in the incident, e.g. name and surname, ID or passport and address or department of the Group to which they belong.
- c) Details of the incident.

In accordance with national and Community legislation, anonymous reporting is allowed in cases where it is necessary to safeguard the identity of the whistleblower in order to preserve the success of the report and its subsequent investigation. Therefore, in these cases, it will not be necessary to fill in the data indicated in paragraph a) above.

In cases of repeated anonymous bad faith reports, the head of the Internal Audit and Compliance Department shall be empowered to



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investigate the origin of such incidents (in accordance with this procedure) and to propose appropriate disciplinary measures.

Recipient of the incident

Incidents received through the Ethics Line shall be forwarded to the head of the Audit and Compliance Department (or to the Chairman of the Audit, Risk and Compliance Committee as established in section 6.3 of this Standard), who shall:

- a) Register in a special register both the incidents received through the Ethics Line and the investigations initiated ex officio. The actions taken and the documentation generated in their processing and resolution will be kept updated in this register.
- b) Immediately notify the other members of the Compliance Committee of all incidents received or investigations initiated ex officio.
- c) If contact details have been provided, issue an acknowledgement of receipt of the incident report to the whistleblower within 7 working days of receipt of the report.

6.5.2.- Admission of the case

The head of the Internal Audit and Compliance Department (or the competent body as established in section 6.3 of this Standard), within a maximum period of 10 working days (unless a longer period is necessary for justified reasons) from receipt of the incident, shall carry out a preliminary analysis of the facts reported and, in view of the same, shall decide, in a reasoned manner:

- a) to close the case if it is unfounded or not sufficiently serious; or
- b) opening the investigation phase when he/she considers that there is sufficient evidence to initiate an investigation.

Among the possible causes for archiving the incident raised are the following:

- a) Omissions or errors in the incident raised, or lack of grounds or support, in which case the head of the Internal Audit and Compliance Department (or the competent body as established in section 6.3 of this Standard), if possible, shall give the whistleblower the opportunity to rectify the defects observed.
- b) The reported incident is inconsistent or blatantly absurd.

The head of the Internal Audit and Compliance Department (or the competent body in accordance with the provisions of section 6.3 of this Standard) shall record the decision taken and the reasons for it in the

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register of incidents. The Compliance Committee shall also be informed of the decision.

The decision to close the case shall not preclude the subsequent reopening of the investigation if additional information is received or at the request of the Compliance Committee.

6.5.3.- Precautionary measures

Precautionary measures may be taken in cases where the notification of the incident or the initiation of the ex officio investigation, provides evidence which clearly indicates that the incident is substantiated and that failure to take such measures would result in serious damage or hinder the subsequent investigation. In any case, the actions to be taken shall be in accordance with the law in force and may be agreed prior to the communication to the person under investigation of the initiation of the investigation, without prejudice to the fact that the investigation shall be communicated to the person under investigation as soon as possible.

When the investigation refers to cases of sexual content related to the dissemination of images or videos that seriously infringe the privacy of the affected person, the Compliance Committee, with the express participation of the head of the People and Organisation Department (or the competent body as provided in section 6.3 of this Standard), shall adopt the appropriate precautionary measures to halt the dissemination of such files, including notifying the competent authorities. Furthermore, in the case of an investigation pertaining to sexual content, all necessary measures should be taken to eliminate the possibility of risk to the victim or others.

6.5.4.- Notification of the admissibility or inadmissibility of the incident

The head of the Internal Audit and Compliance Department (or the competent body in accordance with section 6.3 of this Standard) shall:

- a) Notify the whistleblower of the admissibility or inadmissibility of the incident within 3 working days of the decision on admissibility or inadmissibility, except for anonymous reports.
- b) Upon admission, notify the individual under investigation of the initiation of the investigation as soon as possible, within 3 working days of the admission of the complaint or of the initiation of the investigation ex officio, as well as the actual facts which are the subject of the complaint, and the possibility of making the arguments, including any legal proof.

In cases where there is a significant risk that such notification would jeopardise the ability to effectively investigate the incident or gather the necessary evidence, the notification to the whistleblower and the



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respondent may be delayed for as long as such risk exists. In any event, this period shall never exceed 2 months from: (i) the acknowledgement of receipt of the incident or report or, (ii) if no acknowledgement of receipt was sent to the whistleblower, from 7 days after the report. No decision may be taken without notifying the person under investigation and allowing him/her to present his/her arguments, providing the documents or evidence he/she considers relevant.

This restriction shall also apply when the person under investigation is any or all of the members of the Board of Directors of Duro Felguera or other governing bodies of the Group companies, the Audit, Risk and Compliance Committee, the Compliance Committee or the head of the Internal Audit and Compliance Department.

6.5.5.- Investigation phase

Deadline

The internal investigation phase shall be carried out within a maximum period of 2 months starting: (i) from the acknowledgement of receipt of the incident or report or, (ii) if no such acknowledgement was sent, from 7 days following the report or, (iii) from the start of the ex officio investigation.

Investigating Officer

The investigation phase shall be conducted by the Investigating Officer who, in accordance with paragraph 6.2(d) of this Standard, may be:

- a) The head of the Internal Audit and Compliance Department (or the competent body in accordance with section 6.3 of this Standard).
- b) By express partial or total delegation, the *ad hoc* Committee of the Grupo Duro Felguera.
- c) By express partial or total delegation, the specialised External Team.

The Investigating Officer shall be responsible for taking minutes of the meetings held during this phase, as well as documenting and archiving the evidence and reports received.

The handling of the ex officio incident or investigation shall be carried out as expeditiously as possible, giving appropriate preference to the seriousness of the facts.

None of the persons involved in the report may participate in the processing, investigation and resolution phases of the report and investigation.

Investigation plan



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Once the investigation file has been opened, the Investigating Officer shall draw up an investigation plan, indicating what investigative measures, if any, are appropriate.

The investigation plan shall be sufficiently clear and documented. This shall take into account, inter alia, the following aspects:

- a) **Identification of applicable legislation and internal regulations.**
- b) **Compilation of the information and documentation supporting the facts:** the Investigating Officer will analyse in detail the information and/or documentation supporting the facts reported.

It may also request any additional information and/or documentation of a professional nature that is necessary, proportional, reasonable and essential for a proper investigation of the case.

Any request for information and/or documentation shall be made in compliance with the regulations on the protection of personal data and the labour law applicable to the case.

- c) **Statement of witnesses and persons under investigation:** if necessary, the investigating officer shall hear the person under investigation and any witnesses who may have knowledge or account of the facts under investigation. The results of these interviews shall be included in the Final Report as part of the internal investigation procedure.

Prior to this hearing, the Investigating Officer must make an adequate planning of the persons to be interviewed, as well as their order of priority, compiling the necessary documentation for the interview.

The intervention of witnesses shall be strictly confidential.

- d) **Technical or expert opinions or reports:** at any time during the internal investigation phase, the Investigating Officer may request an opinion or technical report from other professionals if it is appropriate, necessary and essential for a proper investigation of the reported facts.

The technical opinion or report shall be issued in writing and shall be attached to the file. Additionally, the author of the technical opinion or report may be called for an interview in order to ratify it and answer any questions that the Investigating Officer may have, and the appropriate minutes shall be drawn up for this purpose.



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The sole purpose of the investigating measures shall be to verify the truthfulness and accuracy of the facts reported, and they must in all cases be proportionate to meet the objectives of the investigation. In this sense, any action that is not duly justified in relation to the specific facts that are the subject of the incident or ex officio investigation is expressly prohibited.

All Employees and Representatives of the Group are obliged to cooperate in the internal investigation procedure, acting at all times with integrity, transparency and fairness.

6.5.6.- Conclusions of the investigation phase

Final Report

Within 5 working days from the end of the investigation, the Investigating Officer will issue a report describing the facts reported, the actions carried out, the arguments of the parties, the means of proof proposed, the evidence taken and his/her assessment of all the proceedings, reasoning the proposal he/she considers should be adopted.

This Final Report shall be transferred to the Compliance Committee (or to the competent body in accordance with the provisions of section 6.3 of this Standard), who shall propose the resolution of the incident on the basis of the same and with the consent of the Board of Directors of Duro Felguera.

Such a proposal may include preventive, detective or reactive measures:

- a) **Preventive measures** are all those aimed at preventing the non-compliance from recurring, or minimising its impact or probability of occurrence in the future. Preventive measures include the adoption or modification of corporate policies, internal rules, organisational changes, processes or procedures, programmes or plans, training, communication or awareness-raising actions, among others.
- b) **Detective measures** are all those measures aimed at allowing or facilitating the discovery or detection of possible non-compliance in the future, before it occurs or at a very early stage. Detective measures include the establishment of risk indicators and their periodic measurement, the implementation of monitoring activities (new or additional to those already in place), the implementation of reinforced systems of authorisations, verifications or reconciliations, among others.
- c) **Reactive measures** are all measures that are taken to prevent non-compliance from being left without a punitive or compensatory response from a disciplinary, contractual and/or legal point of view. For example, the application of disciplinary labour sanctions or contractual termination or severance measures, as well as reporting to the competent public authorities in appropriate cases.

6.5.7.- Decision and enforcement of sanctions

It shall be the responsibility of the person or persons who have been attributed such functions to decide and apply the disciplinary sanction or measures that correspond in each case, in accordance with the office or position they hold in the Group.

Non-criminal acts

In the event that the Final Report concludes that the act is not criminal in nature and, thus, is not in scope of criminal risk prevention, the report shall be sent to the competent authority so that, in accordance with the recommendations or proposals contained in the report, it may adopt the corresponding measures as follows:

- a) In the case of a Group **Employee**, the appropriate disciplinary measures will be applied. Acts contrary to the internal regulations of Grupo Duro Felguera may constitute a breach of labour law, and may give rise to sanctions and disciplinary measures, in accordance with the applicable labour standards, including, where appropriate, dismissal and/or claims for damages. The decision, application and communication of sanctions corresponding to the **labour area** correspond to the **Human Resources Department**.
- b) In the case of a **Representative** of the Group, this shall correspond to the **Board of Directors or the body to which it delegates this function**, in the case of a member of a management body of any of the companies of the Group, the Audit, Risk and Compliance Committee or the Appointments and Remuneration Committee; and shall correspond to the Chief Executive Officer in the case of other Representatives.

In the event of a conflict of interest for any of the members of the Board of Directors, the sanction shall be imposed by the Board of Directors, with the abstention of the director affected by the conflict of interest.

- c) In the case of a **Third Party** with a contractual relationship with the Group, the contractual mechanisms that may be provided for shall be applied. The decision, application and communication of the sanction shall be the responsibility **of the Corporate Legal Department**, which shall also initiate, as the case may be, any administrative or legal proceedings that may be appropriate in each case.

Criminal offences

If the conclusions of the Final Report indicate that a criminal offence has been committed, whether by an Employee, Representative or Third Party, the Compliance Committee (or the competent body as established in

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section 6.3 of this Standard) shall send the Final Report to the Board of Directors of Duro Felguera, which shall decide on the basis of the same the decision to be adopted and the measures to be implemented, including the adoption of disciplinary and/or legal measures, as well as the possible communication to the competent judicial authorities.

6.5.8.- Follow-up of the Final Report

The head of the Internal Audit and Compliance Department shall monitor and control all proposals or recommendations made in accordance with this procedure. Likewise, the bodies responsible for adopting, implementing and communicating these measures shall be obliged to inform this department of the degree of compliance or implementation of these measures and, if so required, shall also inform the Board of Directors of Duro Felguera, through the Audit, Risk and Compliance Committee.

6.5.9.- Cooperation with authorities

Grupo Duro Felguera will collaborate and cooperate with the administrative and judicial authorities, as well as with the Public Prosecutor's Office, in connection with any action taken by them related to the activity carried out by the Group or any of its members.

Likewise, it shall respond with the utmost diligence to any requirement made by the aforementioned authorities in relation to actions taken against the Group or for any other reason. The response to these requirements shall be managed by the head of the Internal Audit and Compliance Department, who shall report at all times to the Compliance Committee and to the Board of Directors of Duro Felguera, through the Audit, Risk and Compliance Committee.

6.5.10.- Communication to the whistleblower

Once the Compliance Committee adopts the appropriate decision, at its discretion, this will be communicated to the concerned parties and the case will be closed.

7. Approval

The update of this Standard was approved by the Board of Directors of Duro Felguera on 15 February 2022.

This Standard may be updated and reviewed periodically at the proposal of the head of the Internal Audit and Compliance Department and/or the Compliance Committee, which shall take into account the suggestions and proposals made by the Group's Employees and Representatives, as well as the commitments acquired by the Group in the area of social responsibility and good governance.

ANNEX I. Examples of incidents to be reported

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The list of events described below should be considered as an **example, as there may be other types of actions or omissions not included below that should be reported through the Ethics Line.**

Scope of application	Examples
<p>Acts which give rise to or are likely to give rise to criminal liability</p>	<ul style="list-style-type: none"> A. Discovery and disclosure of secrets. B. Corruption. C. Bribery. D. Fraud. E. Money laundering. F. Offences against the Public Treasury and Social Security. G. Concealment of previous proceedings.
<p>Attitudes and actions contrary to the principles and behavioural guidelines contained in the Code of Conduct governing the Group's activity. Duro Felguera</p>	<ul style="list-style-type: none"> A. Non-compliance with current legislation in the development of business activities by any of the companies of Grupo Duro Felguera or any of its Employees and/or Representatives. B. Breach of the duty of confidentiality by Employees and/or Representatives on the affairs of the Group. C. Failure to disclose potential conflicts of interest to the Group. D. Disrespect for the protection and conservation of the environment.
<p>Acts that involve, or could involve, financial irregularities affecting internal control systems over financial reporting.</p>	<ul style="list-style-type: none"> A. Non-implementation of accounting policies, control systems and monitoring mechanisms for financial reporting. B. Attitudes contrary to the encouragement of transparency and truthfulness of financial information to the markets.

ANNEX II. Glossary of Terms

 **Audit, Risk and Compliance Committee:** internal body of the Board of Directors with powers to, among others, supervise the effectiveness of Duro Felguera's internal control, internal audit and risk management systems. It is also responsible for supervising and monitoring good corporate



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governance, transparency in corporate actions and compliance with Grupo Duro Felguera's rules of governance and the Internal Code of Conduct.

- df** **Compliance Committee:** a chartered control body responsible for the periodic supervision and monitoring of Grupo Duro Felguera's Crime Prevention Model, the composition of which corresponds to that described in the Crime Prevention Manual.
- df** **Duro Felguera:** Duro Felguera, S.A.
- df** **Employees:** any natural person who maintains an employment relationship with any of the companies of Grupo Duro Felguera, including all managers and persons who hold powers of organisation and control, as well as any person who provides employment services for any of the companies of the Group, regardless of their contracting regime.
- df** **Case file:** comprises of all the actions taken from the date the incident is reported until the final decision is made.
- df** **Grupo Duro Felguera:** the business group comprising Duro Felguera, as a parent company, and its subsidiaries or investees. Grupo Duro Felguera shall be understood to comprise all the companies that form part of the Group's consolidation perimeter in accordance with its annual accounts.
- df** **Whistleblower:** the person submitting the incident or report.
- df** **Investigating Officer:** the person responsible for carrying out the investigation phase of an incident and issuing the Final Report on the investigation. As a general rule, the Investigating Officer shall be the head of the Internal Audit and Compliance Department, except in the event of a conflict of interest, which shall be governed by the provisions of section 6.3 of this Standard.
- df** **Respondent:** the person(s) who may be responsible for the incident or report.
- df** **Executive body:** Body with executive powers, both in Duro Felguera and in its subsidiaries, which may be any of the following, depending on where the impact is located:
 - a) Duro Felguera: Duro Felguera's Board of Directors.
 - b) Subsidiaries: the governing body (Sole Administrator, Joint and Several Administrators, Board of Directors) of the company.
- df** **Representatives:** all legal representatives of the companies comprising Grupo Duro Felguera, including the statutory directors, and those authorised to make decisions on behalf of said companies, including the de facto directors or other external governing bodies, and any natural or legal persons linked by legal relationships and/or of any nature other than employment relationships, who act on their behalf.



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- df** **Head of the Internal Audit and Compliance Department:** responsible for the implementation of the crime prevention plan and, in general, of the Group's crime prevention policy. Its functions include the management of the Group's communication channels (Ethics Line and e-mail dcn@durofelguera.com). This department is part of the Compliance Committee.

- df** **Third parties:** all natural or legal persons who provide services to Grupo Duro Felguera, through a relationship other than an employment relationship and are not included in the definition of Representatives. These include, but are not limited to, suppliers, contractors, providers, manufacturers, collaborators, consultants or commercial agents, business or commercial partners.