



WHISTLEBLOWING CHANNEL PROCEDURE



GRUPO EMPERADOR

PURPOSE	3
REGULATORY FRAMEWORK.....	4
OPERATIONAL ASPECTS.....	5
STAGES OF THE PROCESS.....	7
Internal resolution.....	9
External resolution	9
TIME FRAMES OF THE PROCESS.....	10

PURPOSE

The **Spanish Companies belonging to Grupo Emperador** (hereinafter “**Grupo Emperador**” or the “**Group**” or the “**Companies**”, without distinction) have decided to establish a channel of internal communications, managed by Core Business Consulting, to prevent crimes and infractions within the business organisation.

The employees, providers, customers and any other person related to the Group shall be able to report by means of this communications channel named Compliance Inbox (hereinafter, the “**Inbox**”) any possible infraction, irregularity or undue action that may be committed or has been committed within the company.

The goal of said tool is to strengthen the ethical management of the Organisation and therefore the communications shall never be subject to reprisals by the Group, nor shall third parties be permitted to do so.

Additionally, the Compliance Inbox is a system that can maintain a record of the different contributions and transactions with regard to the development and monitoring of the report and this is considered proof of the highest diligence of company in dealing with signs of crime, thus demonstrating the commitment and efficiency of the Crime Prevention Model of the Legal Person.

REGULATORY FRAMEWORK

The current (national and international) legislation with regard to risk management establishes the obligation or recommendation in certain cases to implement channels of communication, considering them to be an excellent tool for risk management in general and crime prevention in particular. Below, we cite three of the primary regulations that have been referenced:



Directive 2019/1937

It guarantees the effective protection of persons who report breaches in public procurement, financial products, prevention of money laundering, environmental protection, etc. Additionally, it also ensures that there shall be no reprisals against them by the organisation. The communications must be made by means of an internal channel.

Penal Code

The Code establishes in Article 31, bis 2. 4º the “*obligation to inform of possible risks and infringements to the organisation in charge of monitoring the functioning and enforcement of the model of prevention*”. Logically and implicitly, this means that companies must provide a channel through which this information may be sent.

Law 10/2010 on the Prevention of Money Laundering and the Financing of Terrorism

Article 26 bis of this Law establishes the obligation to possess internal procedures for employees, directors or agents to be able to communicate, even anonymously, relevant information regarding the non-compliance with this law, its regulations or implemented policies and procedures.

OPERATIONAL ASPECTS

PRINCIPLES

The following points are of special importance in this section:

- **Confidentiality:** Regarding the identity of the communicating party as well as the data reporting an irregular action by means of the Compliance Inbox. In both cases, they shall never be revealed without the consent of the communicating party.
- **Protection against reprisals:** Under no circumstance shall the communication lead to any reprisals against the communicating party. Additionally, the company shall protect them against possible actions taken by third parties.

APPOINTMENT OF KEY PERSONS

Prior to the launch of the Inbox, the Governing Body shall appoint the individuals, who shall be independent and with autonomous capability within the Group, in charge of receiving directly from Core Business Consulting (hereinafter “**CBC**”), the communications obtained through the Compliance Inbox platform.

Name and surnames	N.I.F (Tax ID)	Position

NOTIFICATION TO USERS

Notification to employees and directors

Notifying employees and directors of the existence of the Compliance Inbox is key to the success of this tool. In addition to being aware of the existence of this service, Company personnel must comprehend its functioning so they are aware of the security of the process and the protection of their identity. If employees were unaware of the existence of the inbox or suspected the integrity of the persons receiving this information, the Compliance Inbox would lose all or most of its effectiveness.

Employees shall be notified of the existence of the Compliance Inbox by means of the following procedure:

- Notification via email to all the employees of the implementation of the Compliance Inbox as well as the different ways to access it:
 - o <https://buzoncompliance.es/>
 - o Directly from the Crime Prevention and Control Body
- Notification, on at least an annual basis, by means of an email reminding them of the existence of the Compliance Inbox and its functions.

Notification to providers

Providers will be informed at the time of signing the contract. Additionally, the channel shall be publicised on the Group's website. <https://grupoemperadorspain.com/>

Notification to customers

The channel shall be publicised and accessed from the Group's website. <https://grupoemperadorspain.com/>

STAGES OF THE PROCESS

INITIAL COMMUNICATION

After the launch of the Inbox, users must enter in <https://buzoncompliance.es/> and select their desired option:

- ✓ A suggestion.
- ✓ A consultation.
- ✓ Report a suspected crime.

 Sugerencia	 Consulta	 Comunicar presunto delito
--	--	---

Once an option is selected among the three, the procedure may be undertaken:

- ✓ Anonymously.
- ✓ With identification.

Anonymous communication

Realizar la comunicación de forma anónima

The communication may be made without mentioning the name or the data of the communicating party, thus increasing confidentiality. However, the anonymous nature of the report may reduce the degree of efficiency in resolving the issue, as the information cannot be discussed further with the informant if necessary.

COMMUNICATING PARTY	ACTION	RECEIVER
Anonymous	<p>The anonymous communication would include the following references:</p> <ul style="list-style-type: none"> - Name of the company with which there is a business relation. - Approximate date of the incident. - The subject and motive of the communication: the communicated facts must be expressed in a precise and clear fashion. Additionally, the communicating party may attach any proof they may possess. - Whether it affects customers or not. 	Head of the CBC risks unit

Fecha aproximada del hecho <input type="text" value="Fecha del hecho, (opcional)"/>	Sigue ocurriendo <input type="text" value="Se desconoce"/>	Existe constancia del hecho <input type="text" value="Se desconoce"/>	Afecta a clientes <input type="text" value="Se desconoce"/>
Empresa <input type="text" value="Datos de empresa, (nombre, dirección, ...)"/>	<input type="checkbox"/> Ha tratado de comunicarlo anteriormente		Relación con la empresa <input type="text" value="Se desconoce"/>
Asunto <input type="text" value="Asunto, descripción principal"/>			
Motivo <input type="text" value="Motivo, detalles del hecho"/>			

Once the communication has been made, the communicating party shall automatically receive an identification code that will allow them to consult the status of the report.

Identified communication

The communicating party may identify themselves by providing their name and surnames, as well as their National Identification Document (DNI) or a similar identity document.

COMMUNICATING PARTY	ACTION	RECEIVER
Identified	<p>The communication identifying the communicating party would include the following references:</p> <ul style="list-style-type: none"> - Name of the communicating party and DNI (or similar document) - Contact details: Telephone, email, etc. - Name of the company to which they belong. - Approximate date of the incident. - The subject and motive of the communication: the communicated facts must be expressed in a precise and clear fashion. Additionally, the communicating party may attach any proof they may possess. - Whether it affects customers or not. 	Head of the CBC risks unit

Tipo de documento	Documento de identidad	Nombre	
DNI	Número de documento de identidad	Nombre completo	
Dirección			
Dirección			
Teléfono, (opcional)	Email <small>No utilizar dirección corporativa o de empresa</small>		
Teléfono, (opcional)	Dirección de correo electrónico		
País, (opcional)	Localidad, (opcional)		
España	Localidad del delito, (opcional)		
Provincia, (opcional)			
Desconocida			
Fecha aproximada del hecho	Sigue ocurriendo	Existe constancia del hecho	Afecta a clientes
Fecha del hecho, (opcional)	Se desconoce	Se desconoce	Se desconoce
Empresa		<input type="checkbox"/> Ha tratado de comunicarlo anteriormente	
Datos de empresa, (nombre, dirección, ...)		Relación con la empresa	
Asunto		Se desconoce	
Asunto, descripción principal			
Motivo			
Motivo, detalles del hecho			

Immediately, and once the communication has been made, they will receive an email with a link confirming that the communication has been successfully made. By doing so, it seeks to prevent false communications and identity theft. The subject will have 24 hours to confirm their decision to communicate. Otherwise, the communication shall be automatically deleted.

The received email will not include the body of the communication (once sent, it will no longer be visible for the communicating party). It will only contain a link to verify the mailing. After verification, a code or number identifying the communication shall be provided. With this code, they may access the follow-up section and check the status of the aforementioned communication.

Seguimiento de comunicación.

Introduzca un código de comunicación:

 Comprobar estado

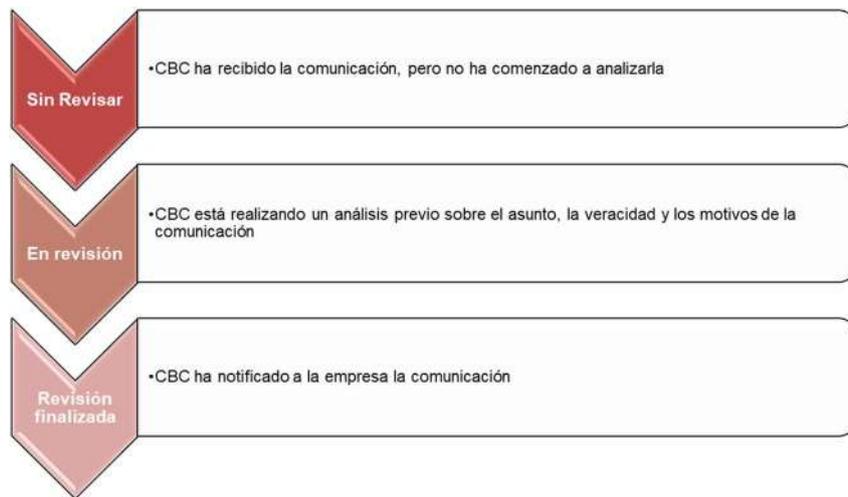
 Volver al inicio

Annulled communication

The Communication must be made in a correct and precise manner so the CBC can study it. Otherwise, a request for further information shall be made, failing which, the communication shall be declared null and void owing to non-compliance with the established requirements.

Follow-up

The follow-up section for both anonymous and identified communications has three statuses:



ANALYSING COMMUNICATION

CBC has a period of one month from receipt of the communication to analyse, notify and send the information to the company; however, it shall proceed to do as soon as possible. It shall respect and guarantee at all times the contents of said communication and shall respect the full confidentiality of the communicating party, as well as that of any other related person.

NOTIFICATION TO THE GROUP

Once the information has been analysed and sent to the company, CBC shall store the proof for a period of one year. Once this period has passed, the data shall be eliminated.

RESOLUTION BY THE GROUP

The Group shall resolve the issue detailed in the communication either internally or externally: with the help of CBC or with the help of other advisors, within one year.

OPTIONS	ACTION
Internal resolution	<ul style="list-style-type: none"> - The Crime Prevention and Control Body shall be informed of the receipt of the received communications. - The firm shall be the sole entity in charge of resolving the issue detailed in the communication, with the involvement of persons from the relevant departments.
External resolution	<ul style="list-style-type: none"> - The Crime Control and Prevention Body shall be informed of the receipt of the received communications. - The firm shall outsource the process for the analysis, study and resolution of the communications. - Additionally, corrective measures may be taken with the help of experts and specialists on the case.

TIME FRAMES OF THE PROCESS

STAGES OF THE COMMUNICATION	TIME FRAMES
Initial communication	24 hours for the user to verify the email address (not applicable to anonymous communications)
Analysing the communication	A maximum of 1 month from the receipt of the communication
Notification to the Group	CBC shall store the information for a period of 1 year
Resolution by the Group	Maximum of 1 year for decisions

REVIEWING THE PROCESS

The responsibility for updating the process falls on the persons in charge within the Group, who are tasked with receiving the information.

The Compliance Inbox procedure shall be updated according to the following criteria:

- The document shall be updated immediately, when the persons who receive the information cease their work or are transferred to another position.
- In any case, the document shall be reviewed on a bi-annual basis, in order to modify the changes that may have taken place in any of the chapters that it consists of.
- The records of the Crime Prevention and Control Body shall record the modifications to this document.



2020

Code of Ethics



GRUPO EMPERADOR

TABLE OF CONTENTS

I.	INTRODUCTION -----	2
II.	SCOPE-----	2
III.	GENERAL PRINCIPLES -----	2
IV.	PRINCIPLES RELATED TO ETHICS AND GOOD GOVERNANCE -----	3
V.	PRINCIPLES RELATED TO THE WORK ENVIRONMENT -----	5
VI.	MARKET-RELATED STANDARDS -----	6
VII.	PRINCIPLES RELATED TO SOCIETY -----	7
VIII.	COMPLIANCE INBOX -----	8
IX.	PERIODIC VERIFICATION -----	8
X.	ACCEPTANCE AND COMMITMENT -----	8
XI.	APPROVAL. COMMITMENT OF THE DIRECTORS TO THE STANDARDS COMPLIANCE POLICY -----	8
XII.	PUBLICITY AND DISTRIBUTION -----	9

I. INTRODUCTION

This **Code of Ethics** (hereinafter the “**Code**”) as the full expression of the culture of the Spanish companies that belong to Grupo Emperador (hereinafter, “**Grupo Emperador**” or the “**Group**” or the “**Companies**”, without distinction), defines the general principles and basic standards of corporate governance and conduct that guide the development of the business activities of the Group, applicable both to its relations with its employees and to the relations between the employees themselves, in the performance of their professional activities; and as far as may be applicable, also to its relations with providers and customers.

The purpose of this Code is to establish certain guidelines, limits and incompatibilities that define the actions of the professionals within the Group, who must be aware of them, apply them, internalise them and disseminate them.

The ideal behind the creation of this Code of Ethics is the internal implementation and dissemination of a true Culture of Compliance for the benefit of the Group, its owners, employees and other interested third parties and ultimately, the environment in which Grupo Emperador operates. It reinforces a Culture that promotes Good Corporate Governance and Corporate Social Responsibility. Therefore, it does not seek to encompass all possible situations that may arise but to provide a frame of reference on which to base the daily activities of all who represent Grupo Emperador. The basic philosophy of this Code lies in the fact that there must be no differences between our principles and our actions.

II. SCOPE

The Code includes the two lines of business of the Spanish Companies that belong to Grupo Emperador:

- Alcoholic Drinks (through the registered corporate brand **Emperador Distillers** and all other brands that identify the products of this line of activity); and
- Real Estate (through the registered corporate brand **Emperador Properties** and all other brands that identify the assets of this line of activity).

The Code is applicable to all personnel within the Spanish Companies that belong to Grupo Emperador, within the sphere of influence of its activity, either internally (employees, management, shareholders) or externally, to all natural and legal persons that hire on behalf of or provide their services to the Group (consultants, providers, agents, etc.), directly or indirectly.

III. GENERAL PRINCIPLES

3.1 Compliance with the Law

Grupo Emperador undertakes to strictly comply with the laws operational in all places where they perform their activity, both present and future; to respect in their entirety, the duties and commitments undertaken in their contractual relations with third parties, and to be aware of and comply with the rules and regulations that affect their respective areas of activity at all times.

No employee shall consciously or willingly collaborate, either by themselves or with third parties, in the violation of any law nor shall they participate in actions that undermine respect for the rule of law. It is the responsibility of each employee, regardless of their work and company hierarchy, to respect the contents of both this Code and the overall legal framework.

The content of this Code is respectful of constitutional rights and especially labour rights. Notwithstanding the above and in the event of an irreconcilable conflict in a specific event, the applicable legal provisions shall prevail as they are ranked higher.

3.2 Ethical Conduct

The **values and principles** included in this Code constitute the minimum required basis for a responsible and organic growth, and for the continued maintenance and enhancement of a corporate image and a good reputation that will continue to make Grupo Emperador a leading company in its sector at the national and international level.

Every employee must perform their tasks within the company in accordance with said values and principles, avoiding situations that compromise the image and reputation of Grupo Emperador.

3.3 Confidentiality. Transparency. Traceability

Confidentiality. All employees must safeguard the information of our customers, intermediaries, providers, collaborators and third parties linked to the Companies’ activities with the greatest diligence, avoiding at all times and under all circumstances overstepping the limits of the professional sphere. This involves the strictly confidential use of the internal information that Companies make available to each employee, any type of documentation drafted, developed and used by

the personnel in the fulfilment of their work activity or in conjunction with resources provided by the company. Therefore, the use of said information is restricted to the internal environment of Grupo Emperador.

Transparency of Information. All the products and services of Grupo Emperador, as well as any documentation, must be offered in a sufficient, transparent and precise manner, thus ensuring its adequate knowledge by the receiver.

Traceability. When performing business activities for the Spanish Companies that belong to Grupo Emperador, every employee shall follow the set of pre-established and self-sufficient procedures, thus generating a transparent, complete and permanent record of each operation.

The **duties of confidentiality** extend beyond working hours and shall remain valid for an indefinite period of time, even after termination of the professional relationship between the employee and Grupo Emperador.

3.4 Human and Labour Rights

Importance of the Human Team. The human team of Grupo Emperador is its most important asset. Therefore, the Companies pledge to provide their employees with a safe work environment where nobody is exposed to any unnecessary risk:

- **Teamwork.** Teamwork and mutual respect are the cornerstones of the relationships established by Grupo Emperador. It means therefore, to attain a sense of integration, a permanent spirit of collaboration, acceptance and exchange of ideas and suggestions between the parties.
- **Respect and the work environment.** Grupo Emperador respects the personal dignity, the privacy and the personal rights of each employee, customer and collaborator. Therefore, we do not consent to any form of abuse or harassment of our employees, collaborators or customers. Our success and reputation rests not only on the quality of our products but also on how we carry out our profession.

3.5 Protecting the Environment

Grupo Emperador is strongly committed to **caring for and respecting the environment** in the daily performance of its tasks, minimising negative environmental impacts in order to try and reach a high level of security in our processes, facilities and services, paying special attention to the safety of our employees, intermediaries, providers, customers, third parties related to the activities performed by the Companies of the Group and to the environment in general, in strict compliance with the applicable environmental legislation.

Therefore, we must apply environmental criteria to all planning and decision-making processes on issues that may affect the environment and implement the necessary measures to prevent environmental pollution or wastage of natural resources, making a rational use of them (for example, and not limited to, the consumption of water, paper and energy); reducing waste generation and emissions, promoting recycling and seeking eco-efficient solutions.

This environmental policy extends to the promotion of good environmental practices among our intermediaries, providers, partners, customers *and* collaborators in general.

IV. PRINCIPLES RELATED TO ETHICS AND GOOD GOVERNANCE

4.1 Leadership and Responsibility

The management of the Spanish Companies that belong to Grupo Emperador is the responsibility of each of its Governing Bodies, who shall be responsible for establishing the operational guidelines and for the long-term success of the company.

It is the responsibility of the Companies' management and of all who, within the Company hierarchy, have the powers of management and control (understood in general as well as in regard to specific roles), to lead by example. Establishing the goals of the company, and putting into practice and monitoring how those goals are achieved.

4.2 Anti-Bribery and Anti-Corruption

The employees of the Spanish Companies that belong to Grupo Emperador must act according to the highest standards of **integrity**, **ethics** and **honesty**. Direct or indirect participation in activities related to bribery, corruption, kickbacks and abusing one's position, office or rank (public or private) is strictly forbidden.

If an employee finds themselves to be involuntarily involved in a situation of this type, or is aware of a situation where a member of the Companies is involved (regardless of whether the latter is aware of it or not), they must report this situation by means of the **Compliance Inbox**, with regard to any offer, promise or demand for a bribe, as soon as they are aware of it.

4.3 Gifts and Invitations

Exchanging gifts and invitations between employees, providers, intermediaries, customers or third parties related to the activities of the Companies of the Group, can be a legitimate means to build the **trust** required for the habitual performance of the company's business activity.

Nevertheless, said exchange is strictly forbidden when, owing to its quantity or nature, these gifts or invitations may be considered excessive, disproportionate or inappropriate, creating the impression that they may be meant to exercise undue influence and consequently, are deemed as bribes.

To this end, an upper limit of 150 Euros is set as acceptable, with regard to gifts and invitations made by or offered to employees of the Companies. When dealing with a gift or invitation whose value exceeds said threshold, the employee who wishes to make the gift or invitation, or is the potential beneficiary, must obtain the prior authorisation of the manager of their area, who shall make it known to the Crime Prevention and Control Body (hereinafter, the "**OPCD**").

4.4 Preventing Conflicts of Interest

It shall be strictly forbidden to act on behalf of an employee of Grupo Emperador in circumstances where there is a current or potential risk of conflicts of interest, either with regard to the personal interests of the employee and those of the Group, or those of the people that both parties are associated with. In such a situation, the employee must disclose the real or potential existence of said conflict of interest to their manager, who must bring it to the notice of the OPCD, so any appropriate measures may be taken.

Each employee of the Spanish Companies belonging to Grupo Emperador shall always act with **loyalty in fulfilling** their responsibilities and shall promote the interests of the Companies and those of related persons.

4.5 Fraud Prevention

It is strictly forbidden to participate in fraudulent and/or deceitful activities, understood as those that are performed by circumventing legal obligations or usurping rights in order to obtain a benefit, regardless of the hierarchy of the employee involved and their individual actions or collusion with other persons either internal or external to the organisation.

4.6 Financial Records

It deals with applying the **principle of transparency of information** to all types of information, especially financial information. The economic-financial information of Grupo Emperador shall faithfully reflect its economic and financial situation and its assets and liabilities, in accordance with the accounting principles adopted by Grupo Emperador.

It is strictly forbidden to intentionally provide incorrect, unreal, inexact or imprecise information, or information that may create confusion for the receiver, and to record financial and accounting information or information on assets and liabilities going against the rules and standards adopted by Grupo Emperador to that end. Similarly, hiding, distorting or destroying information in the records and accounting reports of the Companies shall be punishable offences.

4.7 Intellectual and Industrial Property

Grupo Emperador undertakes to **respect the intellectual and/or industrial property** of third parties and to protect the intellectual and industrial property of the Group itself. Therefore, all employees of Grupo Emperador shall respect the intellectual and industrial property rights of the Group and of third parties, and assume that the materials handled during the development of the tasks assigned to each person are copyrighted, unless explicitly stated to the contrary. Said materials shall be used in accordance with the terms of the corresponding licence and for the purpose that they were conceived or licensed for.

4.8 Data Protection

All employees of the Companies shall ensure the protection of the personal data of our customers, intermediaries, business partners, employees, providers and other third parties linked to the company, which is stored and exchanged during the daily activity of each employee, respecting their legal right to privacy and adhering to the current legislation on this issue and to any forthcoming ones that may be established in the future. In this way, we may guarantee the **privacy** and **trust** invested in Grupo Emperador by our customers, intermediaries, providers, employees, business partners, public administrations and society in general.

4.9 Preventing the Use of Privileged Information

Grupo Emperador undertakes to safeguard the use of privileged information, communicating it exclusively to persons on a strictly need to know basis to carry out their functions. Therefore, it is the responsibility of every employee to monitor the traceability, access and delivery of documents that contain privileged information and to prevent its complete or partial disclosure by any physical or digital means whatsoever, to unauthorised persons, by taking measures such as but not limited to adding the "CONFIDENTIAL" label to emails, envelopes and faxes used to transmit said information solely to the authorised personnel.

4.10 Preventing Money Laundering and Financing of Terrorism

Grupo Emperador declares its firm commitment to the fight against money laundering and the financing of terrorism and especially, its will to not be an object of unlawful use for any illegal activities by its customers, providers, intermediaries, business partners, third parties associated with the Spanish Companies that belong to Grupo Emperador, or by its own employees.

Therefore, every employee must pay special attention to those instances that point to a lack of integrity in persons or entities with whom they have business relations, apart from their general duty to follow the relevant laws that are applicable in this regard.

V. PRINCIPLES RELATED TO THE WORK ENVIRONMENT

5.1 PERSONNEL SELECTION AND EVALUATION

The success of Grupo Emperador and the reputation that we have built is measured by the persons that represent it and the internal talent selection processes. Therefore, we undertake to always use objective criteria when recruiting personnel by making a transparent selection and one that exclusively considers whether the candidate possesses the academic, personal and professional merits that are required for the position in question, in accordance with the principle of *equal treatment* for all candidates.

Grupo Emperador shall undertake the research and inquiries regarding the candidates that it deems necessary in each case to gain confidence about their honesty and integrity, requesting them to submit the appropriate documentation depending on the position in question, which may include but is not limited to proof of the licences and permissions required to work within the country.

Under no circumstances shall any form of child labour or forced labour be tolerated and special care shall be taken to ensure that providers or third parties that provide services to the organisation do not carry out practices of this kind.

5.2 EQUALITY AND DIVERSITY

Grupo Emperador commits to applying the principle of *non-discrimination* in employee recruitment, in their training, in the opportunities for professional development, in salary brackets and in other aspects linked to the work relationship.

With regard to employee promotion, *equality of treatment* between men and women shall be encouraged with regard to, but not limited to, access to employment, training, professional advancement and working conditions.

Equally, we commit to *respecting the right to privacy* of the employees, especially with regard to their personal data and their personal communications via the Internet and other means of communication. The employees that access such data of other employees in the fulfilment of their professional tasks undertake to maintain the confidentiality of said information.

Consequently, Grupo Emperador shall not tolerate any discriminatory behaviour on the basis of race, colour, nationality, religious, political or union ideas, gender, marital status, age, disability or family responsibilities, or any other criteria. Any display of violence or physical, sexual, psychological, moral or any other type of harassment shall be deemed unacceptable and penalised, and brought to the notice of the corresponding authorities so they may take the necessary measures.

Abuse of authority at the workplace and similar behaviour that creates an intimidating, hostile or offensive environment for the personal rights of the employees, regardless of their hierarchy, is contrary to the spirit of collaboration and the corporate culture of Grupo Emperador and therefore forbidden.

It is strictly forbidden to disclose the personal data of the organisation's employees, except with the consent of the interested parties and in cases of legal obligation or to comply with judicial and government rulings. It is also strictly forbidden to use the personal data of the Companies' employees for goals other than legal or contractual ones.

5.3 PROFESSIONAL DEVELOPMENT, REMUNERATION AND COMPENSATION

Grupo Emperador offers its employees a fair and appropriate compensation, avoiding conflicts of interest for employees, customers and other interested parties.

Likewise, Grupo Emperador undertakes to encourage the personal and professional development of its employees, boosting their involvement in the enhancement of their abilities and skills. The Companies shall duly inform their employees of the policies for performance assessment, inviting them to actively participate in the procedures established to improve their work, initiative and dedication.

The Companies shall promote the continued training of their employees, promoting equal opportunities and the professional career development of every individual with regard to access to training programmes adopted by the company.

5.4 TRAINING

In order to properly comply with the standards contained in this Code and other internal and external regulations, the Companies undertake to perform activities for the initial training and periodic updates of the personnel, suited to the tasks performed by each employee and their level of complexity and responsibility so that all who are involved, learn and

understand, not just the standards of the Code but also the principles, values and the spirit of commitment that underpins them.

Likewise, and beyond the actions adopted by the Companies in each case, it shall be the responsibility of each employee to maintain an updated knowledge of the changes, modifications and updates that are made to the Code, and to report to their immediate superior or the OPCD as applicable, situations of ignorance and/or conflict that may pose a risk to the employee and/or the Group.

In compliance with the aforementioned paragraphs, Grupo Emperador makes this Code available to its employees, customers, intermediaries, providers and interested third parties on its website <https://www.grupoemperadorspain.com/>. Additionally, it shall be available to employees on the corporate Intranet of each Spanish Company belonging to Grupo Emperador.

5.5 WORK-FAMILY BALANCE

Grupo Emperador is aware of the fact that besides being a part of the Group, each one of us has several relationships, family links and personal relationships that generate emotional commitment and specific needs. Therefore, it firmly commits to respecting the space and the time dedicated to developing a full family and personal life, combining work commitments with the family needs of each of our professionals. This especially refers to the duration of the working week, national, regional and local holidays, and vacation days.

5.6 RIGHT TO PRIVACY

Moreover, Grupo Emperador makes a commitment to respect and enforce respect for the *right to privacy* of each of our professionals, especially with regard to the management of information and data on each one of them that is stored as a result of the work relationship. This also extends to all information (written or verbal, formally or informally obtained) that is acquired on every employee in the course of the work relationship. This commitment extends beyond the termination of the professional relationship.

5.7 OCCUPATIONAL HEALTH, HYGIENE AND SAFETY

Grupo Emperador will continue to implement its occupational health and safety programmes, complying rigorously with guidelines on health, safety and prevention of workplace risks and adopting all preventive measures required to safeguard the physical integrity of its employees.

All employees must make responsible use of the equipment that is assigned to them when performing activities that may pose a risk.

Therefore, behaviour or actions that may pose an individual or collective risk to one's own physical integrity and/or to that of one's colleagues shall be forbidden, as well as provoking or collaborating in behaviour or actions that may lead to said result, either individually or collectively.

The Companies' facilities are smoke-free environments, and therefore, smoking is not permitted.

It is forbidden to consume alcoholic drinks during working hours, except for strictly work-related reasons arising from one's work activity, as its consumption may pose a threat to safety and productivity within the work environment and to the employees' professionalism and sense of responsibility. Likewise, it is strictly forbidden to consume drugs within the Companies' facilities or premises.

All these occupational health, hygiene and safety standards shall be applicable to third parties that the organisation works with, who must properly comply with the legislation on occupational health and safety.

VI. MARKET-RELATED STANDARDS

6.1 CUSTOMER RELATIONSHIPS

In its relationships with its customers, Grupo Emperador commits to establishing the measures required to ensure that all employees and third parties that provide services to the Companies apply the same standards of quality and respect, acting with integrity towards our customers in order to achieve the highest levels of quality, efficiency, transparency and excellence in providing our services and developing long-term relationships based on *trust* and *mutual respect*.

This involves not only ensuring the *confidentiality* of our customers' data (within the terms established by this Code with regard to confidential information and the privileged information maintained by Grupo Emperador), but also, and primarily, to provide customers with a clear and transparent explanation of the characteristics and risks of our products and services.

The necessary channels for presenting claims in the event of non-conformity with the obtained services and/or products must be made available to our customers, which must be immediately attended to, by analysing their causes and reaching a fair decision with regard to their resolution.

It is forbidden to offer information or perform actions that may lead to or be interpreted as a possible deception towards our customers in order to induce them to purchase or hire any product or service of the Organisation, which might not have been purchased or hired if they had been aware of its real characteristics; as well as to unduly modify the commercial and contractual information and documentation on the provision of our services and product offering.

6.2 MARKETING AND PUBLICITY

Grupo Emperador's commitment with regard to the contents of the marketing and publicity campaigns that have been launched and shall be launched in the future, extends to complying with the current legislation as well as ensuring that said contents are always ethical, respectful of society, true and honest, respectful of the rights of consumers and the Companies' competitors.

It is the responsibility of each one of us to fulfil our **commitment to honesty** towards our customers, always providing them with complete, truthful, clear, useful and precise information on our products and services, and ensuring that the latter adheres to all the required and publicised specifications.

Therefore, under no circumstances shall the employees of Grupo Emperador abuse the good faith of our customers or proffer arguments that take advantage of their fear, apprehensions or superstitions, incite them to violence or illegal behaviour, encourage hazardous practices, suggest discriminatory circumstances, pose a threat to the dignity of the person or in general include contents that constitute an attack on the prevailing criteria of good taste and social decorum as well as against good habits.

6.3 MEDIA AND SOCIAL NETWORKS

The employees, intermediaries, providers and third parties linked to Grupo Emperador shall be prudent and exercise good judgement when communicating with the media and over social networks, respecting in all cases the guidelines laid down in this Code of Ethics.

Therefore it may be convenient for the reputation and the corporate image of the Group to create a policy of use of social networks, as its digital presence involves a public exhibition and therefore it is vital to monitor the information, data and images that are transmitted by this means.

In no case should these aspects be left to chance, rather it is essential that all departments of the Group that are directly connected to the OPCD should be involved and participate in their management. In this way, technical and legal guarantees shall be established for their use and the associated legal risks defined in order to prevent actions leading to their elimination or suppression.

6.4 PROVIDER RELATIONSHIPS

Grupo Emperador's commitment to respecting **human rights** and to **ethical conduct** also involves boosting and ensuring that our collaborators share our principles.

In our relationships with our collaborators, we must require them to operate in strict compliance with the current regulations, ensuring compliance with internationally recognised human rights and complying with the ethical standards according to which our Companies operate, whom we must always provide with factual and complete information.

6.5 RELATIONSHIPS WITH BUSINESS PARTNERS/COLLABORATORS

Grupo Emperador's relationship with its business partners and collaborators is always one of collaboration, based on **trust, transparency of information** and the pooling of knowledge, experience and abilities in order to reach common goals and ones of mutual benefit, additionally ensuring that our business partners and collaborators commit to respecting the law in general and human rights, and display ethical behaviour in carrying out their business. This involves the need to verify that the companies subcontracted by our partners/collaborators operate according to the standards set by this Code and according to current regulations.

6.6 RELATIONSHIPS WITH THE AUTHORITIES AND PUBLIC ADMINISTRATIONS

In its relationships with the authorities and public administrations, Grupo Emperador always applies rigorously the principles of maximum transparency and cooperation. We must always act with **honesty** and **integrity** in all contacts and relationships with all public authorities and employees of all ranks and hierarchies, ensuring that all the information and documents to be submitted and the declarations to be made are complete, truthful and clear.

6.7 FAIR COMPETITION AND PROTECTION OF COMPETITION

Grupo Emperador is strongly committed to fair competition within the market, boosting **free competition** for the benefit of our customers and consumers in general, in compliance with the current regulations.

VII. PRINCIPLES RELATED TO SOCIETY

7.1 Grupo Emperador's Respect and Commitment to the Community and its Surroundings

The corporate values of Grupo Emperador include respect for cultural diversity and local customs, promoting the economic and social development of the different communities within which we operate.

We promote the defence of local heritage as one of our most important principles, considering that this policy has a direct repercussion on the communities in which the Group develops its products or provides its services.

Therefore, we expect our employees and professionals to possess a proactive and participatory attitude in line with this commitment to the community and the surroundings, especially with regard to social action and respect for the social, economic and cultural environments around them in all regions where they perform their activity.

7.2 Corporate Social Responsibility

Grupo Emperador expresses its commitment to the *progress* and *welfare of the communities* that it is associated with, including our employees, intermediaries, customers, providers, suppliers, business partners and other groups of interest.

All decisions that involve making a donation to any organisation or natural or legal person of prestige and with reputation intact that possesses the proper organisational structure to ensure the good administration of the resources, must always be taken by the relevant management body under the supervision of the OPCD. Once approved, they must be faithfully reflected in the records and accounting books.

VIII. COMPLIANCE INBOX

The Group has a Compliance Inbox in order to promote adherence to the law and to the Code of Ethics established by the Spanish Companies belonging to Grupo Emperador.

The Compliance Inbox is an instrument available to employees, providers, intermediaries, clients and third parties linked to the Companies, in order to report conduct that may involve an irregularity or an illegal action or one that is contrary to the standards of conduct set by the Code of Ethics, or to resolve doubts regarding its interpretation.

Communications to the Compliance Inbox may be sent by filling out an electronic form that shall be made available in the section titled "Ethics Channel" of the company's Intranet and website <https://www.grupoemperadorspain.com/>.

IX. PERIODIC VERIFICATION

The Code of Ethics is subject to a process of continuous periodic verification based on possible legislative changes that may take place; the introduction of new products and/or services offered by the Spanish Companies that belong to Grupo Emperador; their modification, alteration or elimination; changes in the company structure and management, and in the geographical locations where the Company operates, as well as all other factual or legal circumstance that may make it necessary or convenient to update it.

X. ACCEPTANCE AND COMMITMENT

This Code of Ethics is applicable to **ALL THE EMPLOYEES** of the Spanish Companies belonging to Grupo Emperador, from its management, control and supervisory bodies, to its employees who do not possess these powers; and including providers, intermediaries and related third parties in this section.

It is the **RESPONSIBILITY** of all these aforementioned subjects to **KNOW, RESPECT AND COMPLY WITH** the provisions of this Code, applying it to the fulfilment of their tasks, in accordance with the working plan, goals and targets established by the commercial policy of the Group which, in turn, shall always be in line with the provisions of this Code.

Equally, it is the **RESPONSIBILITY OF ALL EMPLOYEES TO KNOW, RESPECT AND COMPLY WITH** the internal rules with regard to discharging the functions assigned to each individual within the structure and hierarchy of the Spanish Companies belonging to Grupo Emperador. In the event that there is a situation of conflict for the employee arising from the need to fulfil the standards of this Code and the current legal framework, it shall be the responsibility of said employee to report this situation to their supervisor who shall immediately bring it to the knowledge of the OPCD so they may evaluate the situation and initiate, when applicable, a process of internal adaptation and/or updating of the Code of Ethics and/or the internal standards, thus contributing to working out a satisfactory solution that is in compliance with the prevalent legislation.

XI. APPROVAL. COMMITMENT OF THE DIRECTORS TO THE STANDARDS COMPLIANCE POLICY

The Governing Bodies of the Spanish Companies belonging to Grupo Emperador, in keeping with their ethics policy, accept and approve this Code of Ethics, taking on the responsibility of respecting, applying and updating it, as applicable at all times.

Grupo Emperador undertakes to conduct itself with honesty and integrity in all its activities, avoiding all forms of corruption or violation of the law, respecting at all times the specific circumstances and needs of all the subjects involved in all the company and business activities.

The members of the Governing Bodies shall maintain an attitude of **ZERO TOLERANCE** to committing any kind of illegal activity, restating their firm opposition to committing any kind of illegal activity and their full commitment to place all means at their disposal to detect, prevent and penalise fraudulent actions and conduct that may be committed by the legal representatives, individuals authorised to take decisions on behalf of Grupo Emperador or who hold management and supervisory powers, its employees, directors or any person under its authority, as well as to maintain at all times an **honest** and **ethical** business culture.

XII. PUBLICITY AND DISTRIBUTION

The Governing Bodies of the Companies and the Crime Prevention and Control Body or OPCD shall retain the original version of the Code of Ethics and its successive updates. They shall be responsible for publishing the digital version, whenever possible, and for distributing it among the directors, employees and third-party collaborators.

It shall be distributed by email and acknowledgement of receipt made by all members of the company and third-party collaborators. Proof of notification shall be kept along with the original version of the distributed document.

The Spanish Companies belonging to Grupo Emperador shall resend it whenever there is a significant modification to the Code and always in the event that there is a new collaborator. Failing that, they shall use any method that is effective and helps to obtain the desired results.

The Governing Bodies of the Companies and the Crime Prevention and Control Body shall ensure that all the directors, employees and third-party collaborators have access to the updated electronic version through the office systems made available to them for the dissemination of internal control procedures.



CRIMINAL COMPLIANCE POLICY



GRUPO EMPERADOR

CRIMINAL LIABILITY OF LEGAL ENTITIES

INTRODUCTION	3
I. BACKGROUND	3
II. PURPOSE	3
III. SCOPE	3
LIABILITY OF LEGAL ENTITIES	5
I. WHAT IS CRIMINAL LIABILITY?	5
II. REGULATORY CONTEXT	5
III. DIRECTORS' LIABILITY	6
IV. APPLICABLE CRIMES	6
V. PENALTIES	6
ORGANISATION AND MANAGEMENT MODEL	7
I. ESSENTIAL ELEMENTS OF A CRIME PREVENTION SYSTEM	7
1. CRIME PREVENTION AND CONTROL BODY	7
2. RISK REPORT	9
3. CRIME PREVENTION AND CONTROL MANUAL	9
4. INTERNAL COMMUNICATION	10
5. DISCIPLINARY SYSTEM	10
6. PERIODIC VERIFICATIONS AND MONITORING	11
II. OTHER REQUIREMENTS	12
1. TRAINING	12
2. CODE OF ETHICS AND CODE OF CONDUCT	12
III. UPDATING AND REVISIONS	13
IV. PUBLICATION AND DISSEMINATION	13
ANNEX I – LIST OF CRIMES GENERALLY APPLICABLE TO ANY LEGAL ENTITY	14

INTRODUCTION

I. BACKGROUND

A culture of Ethics and Compliance is the foundation for all activities within the **Spanish Companies belonging to Grupo Emperador** (hereinafter, “**Grupo Emperador**” or the “**Group**”, or the “**Companies**”, without distinction). The senior management promotes principles of regulatory compliance by creating adequate and effective crime prevention tools.

The implementation of a proper Crime Prevention System (hereinafter, “prevention system”, “risk management system” or “model”, without distinction) is the means by which a legal entity can prevent or monitor for criminal offences that may arise from within. This system establishes mechanisms to prevent, manage, monitor and respond to these offences.

Additionally, the absence of a general regulatory compliance system and particularly that of a crime prevention system, could lead to significant reputational risks that may be even more harmful than any penalty. The existence of such a system promotes an ethical culture of regulatory compliance and generates trust and extra confidence for all *stakeholders* when engaging in business relations with them. Nonetheless, irrespective of the monitoring system’s design and operability, such a system can only bring reasonable but never absolute, confidence as concerns the objectives it seeks.

The likelihood of reaching these objectives is influenced by the limitations inherent to any management and control system, given that there is always a possibility that errors may arise when applying control procedures. This may be due to several different causes, including the following:

1. A poor understanding of the instructions or errors in judgement.
2. A lack of personal attention, human error, collusion among several people to remove the application of a certain control.
3. Irregularities or fraudulent actions.
4. The possibility that measures for control based on the segregation of duties may not be possible in smaller departments, offices or branches.

II. PURPOSE

This document contains the procedures of the Criminal Compliance Policy (hereinafter, “the Policy”) as a framework of reference for the implementation of a criminal prevention system in Spanish companies belonging to Grupo Emperador which defines the commitments, principles and objectives of the system.

The aim of the Policy is to provide an overview of the crime prevention model, thereby training and spreading awareness among all professionals, directors, business partners and other stakeholders on the criminal risks of their actions as well as the appropriate response mechanisms established by the Group.

III. SCOPE

The Criminal Compliance Policy includes the set of provisions included in the risk management system, based on its functional structure and business activities, with regard to two of the Group’s lines of business:

- **Alcoholic Drinks** (through the registered corporate brand **Emperador Distillers** and all other brands that identify the products of this line of activity), its main activity consisting of the production of wines, fortified wines, brandy and other types of alcoholic beverages. In addition to the purchase, storage, bottle and barrel-ageing, mixing, bottling, sale, marketing, distribution and export thereof; the acquisition of raw materials or any other related necessary product.

- **Real Estate** (through the registered corporate brand **Emperador Properties** and all other brands that identify the products of this line of activity), **its** main activity consisting of earning revenue through leases, assignments for use, transfer of title or any other form of disposal.

The Criminal Compliance Policy and, in general, the crime prevention system, applies to all members of the Spanish Companies that belong to Grupo Emperador, from the Governing Body and senior management onwards to all other people employed within the Organisation.

Also considered to the extent of application thereof are all companies and professionals subcontracted or in collaboration with Grupo Emperador.

LIABILITY OF LEGAL ENTITIES

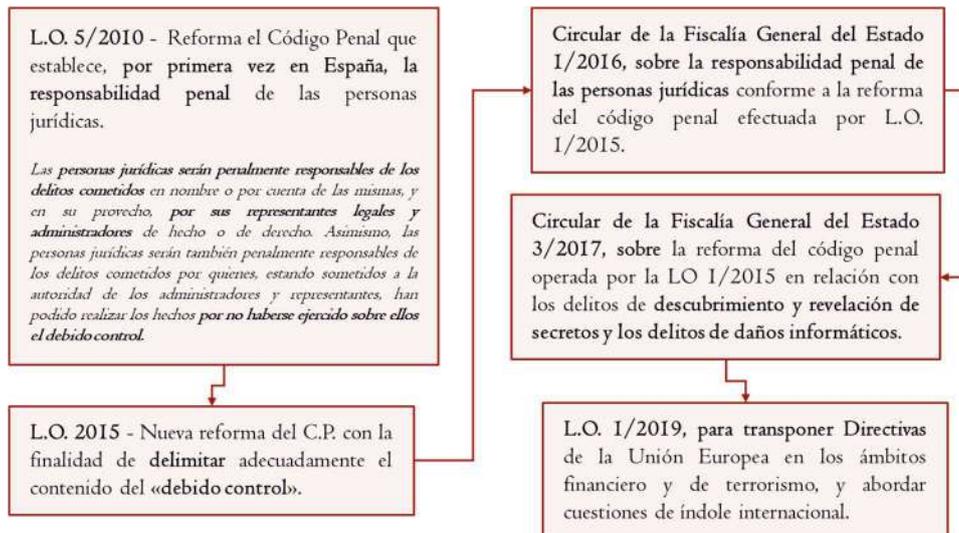
I. WHAT IS CRIMINAL LIABILITY?

Criminal liability involves holding a legal entity responsible for the crimes committed by its directors, management and employees in its name or on its behalf when the company receives a direct or indirect benefit from such.

Specifically, the Spanish Penal Code (hereinafter, CP) indicates in **Article 31 bis** that legal entities shall be criminally liable for:

- a) *Crimes committed in their name or on their behalf and in their direct or indirect benefit by their legal representatives or those who act individually or as members of a body of the legal entity and are authorised to take decisions in the name of the legal entity or hold powers of organisation and control within it.*
- b) *Crimes committed in the exercise of company activities on behalf of and in direct or indirect benefit thereof by those who, when subject to the authority of the aforementioned individuals, are able to engage in such crimes because of a serious breach of those individuals' supervision, oversight and control responsibilities considering the specific circumstances of each case.*

II. REGULATORY CONTEXT



III. DIRECTORS' LIABILITY

Circular 1/2016 issued by the Spanish Crown Prosecution Service defines the concept of director as a person who adopts and imposes a company's management decisions in a permanent manner not subject to higher spheres of approval or decision. Thus, **directors shall be held personally liable for any criminal offences by the legal entity.**

Moreover, directors shall also be held liable for actions by other people within the Organisation through the legal concept of commission by omission or failure to act. The Spanish Penal Code derives liability for crimes that occur due to a failure to prevent them when there is a legal or contractual obligation to act given the obligation directors and management have to implement proper oversight and control measures to prevent crimes.

Therefore, the Governing Body **is responsible** for adopting appropriate measures to reasonably guarantee compliance with prevailing criminal regulations as well as for defining, developing and implementing the structure and functioning of internal control bodies and specific procedures.

IV. APPLICABLE CRIMES

The Spanish Penal Code establishes a wide range of crimes although not all of them are applicable to legal entities. The list of crimes is reduced to the list attached in Annex I.

V. PENALTIES

The penalties applicable to legal entities are established in Section 7, Article 33 CP, **with all of them considered serious penalties** irrespective of their duration.

These penalties are listed below:

- Quota-based or proportional fines.
- The dissolution of the legal entity.
- The suspension of business activities for a period not exceeding five years.
- The closing of business premises for no more than five years.
- A permanent or temporary ban on engaging in the same activities in the future, through which the crime was committed, fostered or covered.
- Disqualification for no more than 15 years from obtaining public subsidies and aid, contracting with the public sector and from receiving tax or Social Security benefits.
- Court intervention for no more than five years to safeguard creditor and employee rights.

ORGANISATION AND MANAGEMENT MODEL

I. ESSENTIAL ELEMENTS OF A CRIME PREVENTION SYSTEM

The Spanish Penal Code and Circular 1/2016 issued by the Spanish Crown Prosecution Service outline a series of requirements for organisation and management models in order for them to be considered effective in preventing crimes and for the legal entity to be released of any liability. These requirements make it possible to assess the appropriateness, suitability and efficacy of such models.

The essential elements of the system are listed in Sections 2 and 5 of Article 31 bis as follows:



1. CRIME PREVENTION AND CONTROL BODY

Article 31 bis 2.2 CP

“2.ª the supervision of the functioning and compliance of the implemented prevention model is entrusted to a body within the legal entity with autonomous powers of initiative and control or which has been legally assigned the duty of supervising the efficacy of the legal entity’s internal controls”.

Pursuant to this precept, the Spanish companies belonging to Grupo Emperador have created a **Crime Prevention and Control Body** (hereinafter, “Body” or “OPCD”, without distinction) that is charged with periodically supervising the established risk monitoring and prevention systems. The purpose thereof is for the main risks to be identified, managed and disclosed internally in an adequate manner so they may be prevented.

The Body shall have the appropriate means and necessary resources to fulfil its duties, including the management of financial resources.

COMPOSITION

The Crime Prevention and Control Body shall be chartered and comprised of representatives of the following departments and management offices, which will not be part of the Governing Body:

- the Chief Operational Officer.
- the Chief Financial Officer.
- An in-house legal counsellor.
- An external advisor (CBC).

The people designated to be a part of the OPCD must meet certain requirements to ensure their pertinence, competence, honesty, autonomy and independence.

The members of the OPCD shall handle all information and documentation accessed or available to them with the utmost confidentiality without using any of it for any purpose other than to prevent criminal risks and investigate incidents in this area.

The Crime Prevention and Control Body shall be supported by the departments deemed appropriate to guarantee adequate and effective fulfilment of their duties and composition. When performing their criminal risk supervision and monitoring duties, members of the OPCD shall act with maximum autonomy in the exercise of such office.

DUTIES

The Crime Prevention and Control Body is assigned the following duties as the party responsible for the oversight, compliance and updating of the Crime Prevention Model:

- Accessing and collecting information in the Group's possession whenever necessary for its work.
- Requiring support from any department, employee, director, advisor or any other person who maintains a professional and/or labour relationship with the **Companies** as part of an investigation.
- Participating in the process of preparing the Model and managing criminal risks.
- Overseeing internal control and auditing systems associated with criminal risk prevention, compliance and the frequency thereof.
- Evaluating whether the measures adopted are sufficient and recommending the implementation of any actions deemed necessary.
- Requesting reports from different areas, when deemed appropriate, on aspects related to the management and control of activities with an impact on criminal risk management.
- Updating and revising the risks detected in the Crime Prevention Model at least every three years pursuant to changes in the environment, whether regulatory or structural within the Organisation.
- Assessing whether internal communications received through the Compliance Inbox may involve a criminal risk and, if so, initiating an investigation into the events reported until their clarification.
- Agreeing with HR on the disciplinary measures to be imposed for breaches of the Code of Ethics or other internal or external rules that may lead to a criminal risk for the Group and its personnel pursuant to the system established and in accordance with the labour laws in effect.
- Coordinating the tasks of disseminating the Crime Prevention Model and imparting training on the model so it reaches all personnel and external collaborators of the Companies.
- Issuing annual reports to the Governing Body on internal communications, actions taken, improvements proposed, updates, measures agreed as well as on any other aspect deemed relevant in the performance of their duties.
- Directly informing the Governing Body when requested or at the request of the OPCD when it considers the Body must be directly informed. If there are any conflicts of interest with any member, the Body may request said member of the Governing Body to absent themselves from the session when the report is made.
- Providing appropriate support when requested by the police or court authorities.

FUNCTIONING

The Crime Prevention and Control Body shall be governed by the following rules of functioning:

- It will meet on an ordinary basis every six months to fulfil its duties and on an extraordinary basis whenever the circumstances so require.
- Minutes must be drawn up after each OPCD meeting with all members adding any additional points deemed appropriate in virtue of their own knowledge.
- There must be an official record of all decisions made at OPCD meetings. These records will be signed by all those in attendance and will be saved for the appropriate purposes.
- The OPCD will reach the necessary quorum at meetings when half of the members are in attendance. Decisions shall be made by simple majority of all the members and any of them may record their reasons for decisions in favour or against those adopted by the majority in the minutes. Any dissenting votes must be immediately reported to the Governing Body.

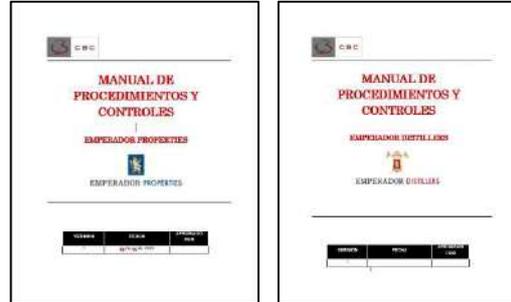
2. RISK REPORT

Article 31 bis 5.1 CP

“The activities through which crimes that must be prevented may be committed shall be identified”.

The first requirement that must be fulfilled by any management and monitoring system is identifying the intrinsic risks to which the legal entity is exposed based on its business activity, irrespective of any policies, procedures and controls established by the legal entity.

The purpose of such a report is to identify and assess the level of exposure to criminal risks within the Spanish Companies belonging to Grupo Emperador. Thus, there shall be a general approach to the business area, type of operation and risk factors that may potentially be associated with each line of business: Real Estate and Alcoholic Drinks.



An evaluation of the level of exposure to risks within the Spanish Companies that belong to Grupo Emperador is essential to establishing the most vulnerable areas and then assessing whether the internal control system sufficiently mitigates the risks detected or whether corrective plans are necessary.



3. CRIME PREVENTION AND CONTROL MANUAL

Article 31bis 5.2 CP

Protocols or procedures will be established that specify the process of forming the legal entity’s will to adopt decisions and enforce them in relation to such protocols or procedures.

The second requirement established by the Spanish Penal Code is the implementation of a system of policies and controls to mitigate the risks detected in the risk report. The Control Manual establishes the following types of activities aimed at preventing criminal acts:

- **Prevention Activities:** the aim of these activities is to prevent potential breaches or non-compliance with the Crime Prevention Manual and, therefore, to mitigate the likelihood of the commission of criminal acts.
- **Detection Activities:** the aim of this second group of activities is to detect actual non-compliance with the Crime Prevention Manual either as a result of errors or ineffectiveness in the enforcement of prevention controls or as a result of malicious attitudes involving deceit or fraud.

The specific structure of control is organised into three levels:

1. **General corporate policies and documentation relating to the Corporate and Organisational Structure:** They establish the values and ethical principles that shape the guidelines for action on a corporate level and for all members of the Spanish companies pertaining to Grupo Emperador in the performance of their professional duties. An example of this category is the Code of Ethics.
2. **Internal rules and manuals that regulate operations:** Those which, following the general guidelines in corporate policies, describe the specific framework of action that must be observed when engaging in specific tasks. Examples of this category include the Criminal Compliance Policy, the Self-Assessment Process and Crime Prevention Model Monitoring as well as the Money Laundering Prevention Manual.

3. **Operational controls and procedures:** This category includes controls and procedures, whether manual or automatic, that seek to limit the occurrence of events, errors or irregularities. Some of these controls and procedures help to avoid actions that may lead to the commission of a criminal act or a failure to observe control criteria established by internal rules and manuals.

Article 31bis 5.3 CP

“There shall be adequate financial resource management models to prevent the commission of crimes that must be prevented”.

The allocation of adequate and sufficient resources is another requirement for an effective Crime Prevention Model. The concept of “adequate financial resources” must be understood in a broad sense; in other words, not interpreted simply in economic terms.

In short, there are two sides to a financial resource management model:

- The implementation of a series of financial control to supervise asset entries and debits.
- The establishment of sufficient resources to ensure proper functioning of the Crime Prevention Model. This economic sum shall be earmarked, for example, for training or for the establishment of a Compliance Inbox.

The Spanish Companies of Grupo Emperador have accounted for the costs of formalising the Organisation and Risk Management Model and will provide the Compliance Prevention Body with the necessary financial and human resources for proper and effective functioning thereof.

They will earmark a specific account or economic sum or one that falls under another each year that will be enough to facilitate compliance with the crime prevention system.

4. INTERNAL COMMUNICATION

Article 31bis 5.4 CP

“The obligation of reporting possible risks and breaches to the body responsible for overseeing the functioning and observance of the prevention model shall be imposed”.

The internal communication channel is an essential part of the crime prevention system. As a result, the Spanish Companies belonging to Grupo Emperador shall include a channel known as the “**Compliance Inbox**” in their model in order to enable people to communicate, detect and prevent possible irregularities, improper acts, behaviours that are contrary to the laws in effect or the Organisation’s internal policies which are present within it and may lead to some type of liability for the Spanish Companies that belong to Grupo Emperador.

The Inbox must be confidential so as to encourage all employees to report any circumstance or action that violates or may violate the Code of Ethics, the Policy or other internal rules as well as the laws in effect.

The basic information that any communication must include shall be as follows:

- True, precise and contrastable arguments or evidence supporting the report.
- The person or group of people being reported in the communication.

5. DISCIPLINARY SYSTEM

Article 31bis 5.5 CP

“A disciplinary system that adequately sanctions breaches of the measures established by the model shall be established”.

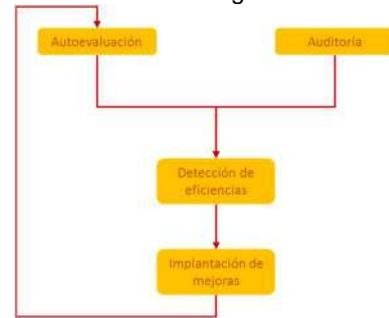
The crime prevention model requires the existence of an internal sanctioning system that penalises behaviours by employees or management personnel which breach the measures and controls established.

It is the most effective way to transmit a message of achieving compliance discipline through reiterated sanctions for breaches.

Non-compliance with applicable regulations as well as the creation of a criminal risk deriving from a breach of external or internal rules may lead to the disciplinary sanctions possible in accordance with binding labour laws when employees are the offenders or other appropriate commercial measures when the offender is a member of the Governing Body.

Any sanctions applied shall be proportional to the offence detected pursuant to labour laws and the applicable Collective Bargaining Agreement based on the following criteria:

- The seriousness of the breach.
- The type of relationship between the offender and the Group and applicable discipline.
- The person's employment position and professional level.
- The harm suffered by the Group or a third party.



The labour-related sanctions that may be imposed are understood without prejudice to any illegal behaviour that must be reported to the competent courts when the act committed may be considered a crime.

6. PERIODIC VERIFICATIONS AND MONITORING

Article 31bis 5.6 CP

“Periodic verifications of the model shall be done and modifications made when there are relevant breaches of the provisions or when there are changes within the organisation, control structure or business activity developed making them necessary.”

The aim is to create an evolving Model, thereby preventing it from becoming outdated once implemented. For this purpose, the structure of the Model in general and the proper functioning of the controls applied to operations in particular must be evaluated so as to identify and correct any incidents.

On the other hand, the System must be subject to review whenever any of the following circumstances occur:

1. Relevant breaches of the provisions of the Model are detected or criminal behaviour is detected.
2. Modifications of criminal law affecting the legal entity's risk profile.
3. When there are changes within the organisation, control structure or business activity developed by the Group.
4. When the Crime Prevention and Control Body deems it necessary and issues a grounded report to the Governing Body.

II. OTHER REQUIREMENTS

Outside the scope of the requirements established by the crime laws mentioned above, there are two important points when implementing the crime prevention system.

1. TRAINING

Employee and management communication and training are essential to an effective Organisation and Risk Management Model and prove the degree of commitment and involvement of the Group as concerns crime prevention. Moreover, it is the means through which any organisation may become aware of a culture of compliance and the importance of acting with the utmost respect for applicable regulations in order to prevent or minimise the risk of engaging in illegal conducts in the exercise of professional activities.

The Spanish companies of Grupo Emperador shall develop an annual regulatory compliance training Plan so that all employees may understand their responsibilities and obligations.

This training will be based on regulatory compliance in general with a special emphasis on the criminal liability of the legal entity, focusing on the issues with the greatest impact or likelihood for the Group needing a deeper understanding by employees and management.

The Training Plan must be custom-built based on each area or department and designed so that the scope is as broad as possible within the Companies.

As concerns training materials, they must be clear and easily understandable as well as specifically adapted to the Group's policies, procedures and controls. This material must be periodically updated whenever legal reforms so require.

2. CODE OF ETHICS AND CODE OF CONDUCT

The Spanish Companies that belong to Grupo Emperador develop their own business within the legal and regulatory structures applicable to the Organisation; however, their compliance with the law is not enough.

Thus, the Spanish companies belonging to Grupo Emperador have a Code of Ethics that establishes the foundation for a culture of values within the Group based on the concepts of integrity, excellence, teamwork, commitment and sustainability. The code is the framework of reference that guides the organisation's behaviour, outlining the beliefs and values governing the Organisation.

Additionally, the Spanish companies belonging to Grupo Emperador have a Code of Conduct that complements the Code of Ethics and details the protocols of action in view of certain conducts.

In spite of the fact that neither document is required by the Spanish Penal Code as concerns the implementation of a crime prevention model, they are essential to the development thereof. To this end, Circular 1/2016 issued by the Spanish Crown Prosecution Service assumes the existence of a Code of Conduct based on the obligation of implementing a disciplinary system that establishes obligations for management and employees. Likewise, there must be a Code of Ethics that guides the organisation's behaviour, outlining the beliefs and values governing the Organisation.

Circular 1/2016

“The obligation of establishing an adequate disciplinary system that sanctions non-compliance with the measures adopted in the model as mentioned in the fifth requirement assumes the existence of a code of conduct clearly establishing director and employee obligations. Logically, the most serious offences shall be considered crimes yet conducts shall also be considered which prevent or hinder the discovery thereof as well as any breach of the specific obligation of reporting any non-compliance detected to the control body as referred to by requirement four”.

III. UPDATING AND REVISIONS

The Governing Bodies of the Spanish Companies pertaining to Grupo Emperador have approved this Criminal Compliance Policy document in collaboration with the Organisation's Compliance Body.

The Crime Prevention and Control Body must have the following duties:

1. Suggesting modifications to this Policy deemed appropriate so as to maintain the spirit thereof, to the Governing Bodies.
2. Keeping a record of the different versions of the Policy including all updates made with an indication of the version number, reasons for any change and the date implemented.

IV. PUBLICATION AND DISSEMINATION

The Governing Bodies of the Spanish Companies belonging to Grupo Emperador and the Crime Prevention and Control Body shall keep a copy of the original version of the Criminal Compliance Policy and all successive updates. They shall be responsible for publishing the electronic version and distributing it among directors, employees and third-party collaborators.

It shall be distributed by email and acknowledgement of receipt made by all members of the company and third-party collaborators. Proof of notification shall be kept along with the original version of the distributed document.

The Companies shall resend it whenever there is a significant modification to the Code and always in the event that there is a new collaborator. Failing that, they shall use any method that is effective and helps to obtain the desired results.

The Governing Bodies of the Companies and the Crime Prevention and Control Body shall ensure that all the directors, employees and third-party collaborators have access to the updated electronic version of the Criminal Compliance Policy through the office systems made available to them for the dissemination of internal control procedures.

ANNEX I – LIST OF CRIMES GENERALLY APPLICABLE TO ANY LEGAL ENTITY

Crimes that cause criminal liability for the legal entity	
Illegal organ trafficking	Human trafficking
Prostitution, corruption of minors and child pornography	Privacy: Disclosure and revelation of secrets
Swindling	Obstruction of justice
Punishable insolvency	Price fixing in public procurement
Electronic damage	Intellectual property
Industrial property	Market: Disclosure and revelation of corporate secrets
Goods reduction harming consumers	Deceitful advertisement
Investor fraud	Manipulation and alteration of securities and financial instruments
The use of privileged information	Improper access to broadcasting or interactive services
Corrupt business	Money laundering
Illegal funding of political parties	Tax fraud
EU budget fraud	Subsidy and grant fraud
Social Security fraud	Non-compliance with accounting obligations
Workers' rights	Foreigners' rights
Territorial organisation and urban development	Natural resources and the environment
Crimes relating to nuclear energy and ionizing radiation	Crimes relating to risks caused by explosives or other agents
Public health	Falsification

Bribery	Influence trafficking
Embezzlement	The exercise of fundamental rights and liberties
Terrorist organisations and groups and terrorism crimes	Contraband