



Whistle-blowing Channel Procedure

July 2020

Approved by the Board of Directors on 28 July 2020

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1. Introduction and objective.

The main mechanisms that make our commitment to ethics and integrity within the Ence Group effective are:

- The Ence **Code of Conduct** , which establishes the guidelines of conduct to be followed by all members of the organisation.
- The **Criminal Compliance Policy** which demonstrates the Company's desire to establish a culture of compliance that allows for diligent professional conduct, as well as its strong condemnation of any kind of illicit act, which may not, under any circumstances, be justified by the resulting benefit to the Organisation.
- The Ence **Anti-corruption and Anti-fraud Policy**, which establishes its permanent commitment to monitoring and punishing fraudulent acts and practices or those that encourage corruption in all its forms, by persons who fall within the purview of this Policy, to maintaining effective communication and awareness-raising mechanisms and to developing an ethical and honest business culture.
- The **Whistle-blowing Channel**, through which irregularities of a financial and/or accounting or non-financial nature, or events or practices contrary to the Law, the Ence Code of Conduct, the Ence Criminal Compliance Policy, the Ence Defence of Competition Compliance Program and the internal regulations and procedures of Ence to be reported. This channel is a tool that allows for the **confidential** reporting of the above irregularities and provides direct communication with Ence's Governing Bodies. Furthermore, the whistle-blowing channel is the mechanism that Ence has to formulate any type of question or doubt relating to Ence's Code of Conduct, internal regulations or procedures.

This Procedure is established as a rule to ensure that if a complaint, doubt or enquiry is submitted, it is treated professionally and confidentially, adopting the appropriate measures to protect the interests of Ence and those of its stakeholders and the company as a whole.

2. Basic principles

- Ensure the confidentiality of all those who wish to file a complaint through the tools for reporting complaints established in section 6 of this Procedure, whether they have identified themselves when filing the complaint or have done so anonymously.
- Ensure the proper management of the complaints or questions submitted, which entails processing them confidentially and in accordance with this Procedure.
- Ensure, for all complaints or enquiries received, a timely, independent and confidential analysis within a reasonable period of time — which will not exceed three months from the acknowledgement of receipt of the complaint.
- Conduct disciplinary, sanctioning and judicial proceedings, as appropriate, until they are resolved.

3. Scope of application

All persons subject to the Ence Code of Conduct may report possible breaches of the Code, of events or practices contrary to the Law and the internal regulations and procedures of Ence through the tools for reporting complaints established in section 6 of this Procedure.

In addition, complaints relating to any type of harassment, will be processed in accordance with the Protocol for the Prevention of Interpersonal Conflicts and for the Prevention of Workplace and Sexual Harassment, which establishes the Company's Policy and contains the mechanisms for its prevention and to address complaints and claims.

Likewise, all persons subject to the Ence Code of Conduct may use the complaint channel to make enquiries or suggestions or raise doubts regarding matters related to the Code itself or Ence's internal regulations and procedures.

All complaints received will be appropriately and fully addressed and managed, and each one will be analysed independently and confidentially. Likewise, Ence guarantees the confidentiality of the identity of the person, company or institution that files the complaint and of the party or parties reported, informing only those persons who it is strictly necessary to inform in the process of investigating and resolving the matter.

4. Rights and duties of the whistle-blower and the party reported

4.1 Rights of the whistle-blower

- Right to confidentiality.
Ence guarantees the confidentiality of all those who file a complaint through the tools for reporting complaints established and included in this Procedure.
- Right to choose the most appropriate means for issuing the complaint, from among those offered by Ence.
- Right to non-retaliation.
Ence guarantees that there will be no retaliation and that no discriminatory or disciplinary/sanctioning measures of any type will be imposed against whistle-blowers as a result of filing a complaint, unless it is materially unfounded and it is reasonably apparent that the whistle-blower maliciously made a false statement. In this case, Corporate Resources Management may adopt the corresponding disciplinary measures.
Employees and subcontractors are protected by Law against retaliation for reporting alleged activities contrary to the laws applicable to the nature of Ence's activities or Ence's internal regulations, and for participating in proceedings related to the investigation, conducted by Ence or by a third party.
Whistle-blowers who make anonymous reports or make public disclosures anonymously within the scope of this Procedure and comply with the conditions included in it will be entitled to non-retaliation even if they are subsequently identified.
- Right to the non-disclosure of their identity to any person, including their supervisors, other groupings and third parties.
- Right to obtain an acknowledgement of receipt of the complaint within seven days of its reception.
- Right to be informed of the resolution or dismissal of the complaint, within a reasonable period of time which will not exceed three months from the acknowledgement of receipt.

4.2 Duties of the whistle-blower

- Duty to act in good faith.

Complaints made in bad faith or abuse of the system may, where applicable, give rise to disciplinary/sanctioning measures against the whistle-blower or the perpetrator of the abuse in accordance with existing legislation. Therefore, in such cases, the aforementioned right to confidentiality and to the non-disclosure of their identity will not apply.

- Duty of confidentiality regarding the filing of the complaint and its content, during the analysis and resolution period.

4.3 Rights of the party reported

- The right to be informed, as soon as possible, that they are involved in an investigation process conducted in application of this Procedure, as a result of a complaint filed against them or their actions. The aforementioned communication will contain, at minimum, the body in charge of handling the complaint, the events reported, their rights and the procedure for processing the complaint.
- Right to access the registered data, except for the identity of the whistle-blower, as well as the right to rectify personal data that are incorrect, inaccurate or incomplete.
- Right to be informed of the resolution or, where applicable, dismissal of the complaint.
- When communicating to the party reported that they are the subject of a complaint could jeopardize Ence's ability to effectively investigate or collect evidence, due to the risk of destruction or alteration of evidence by the party reported, such communication may be delayed for a maximum of 3 months.

5. Management of the Whistle-blowing Channel

The Ence Audit Committee, represented by its Chair, will manage the complaints received through the tools for reporting complaints established and included in this Procedure.

The Audit Committee is responsible for complying with the basic principles and resolving the complaints, enquiries or questions received in relation to matters that have or could have a criminal impact.

The Audit Committee is responsible for adopting measures to improve compliance and for resolving all incidents or doubts regarding its interpretation. In addition, it will ensure that all complaints received will be handled and managed in an appropriate, timely and complete manner.

All complaints received will be analysed independently, confidentially and diligently by the Internal Audit Director, who will communicate with the whistle-blower and, if necessary, request additional information from them and provide them with a response.

The Audit Committee guarantees the confidentiality of the identity of the whistle-blower — or their anonymity — and of the party or parties reported, informing only those persons who it is strictly necessary to inform during its investigation and resolution.

Complaints filed by several persons will not be handled jointly. Each person who wishes to report a matter must do so individually.

The Audit Committee meets at least once a quarter, after being called by the Chair. In addition, when the situation so requires, or if a communication is received that, due to its content, makes immediate action advisable, any member of the Committee, as well as any department of the Group, may propose that a meeting be called urgently.

The data relating to a complaint will be erased within a maximum period of 3 months after the investigation has concluded if the events have not been proven. If actions are initiated, the data will be stored to the extent necessary for Ence to exercise its legal rights.

6. Tools for reporting complaints

Ence has several options for reporting any breach related to irregularities of a financial and/or accounting or non-financial nature, or events or practices contrary to the Law, the Ence Code of Conduct, the Ence Criminal Compliance Policy, the Ence Defence of Competition Compliance Program and the internal regulations and procedures of Ence, for which several reporting tools have been created that can be used interchangeably. They are:

- Email address: canaldenuncias@ence.es
- Postal address:
Ence Energía y Celulosa
Attn.: Chair of the Audit Committee
Calle Beatriz de Bobadilla, 14
28040 Madrid

The Chair of the Audit Committee is the person authorised to receive, through these means, complaints regarding the breach of the Ence Code of Conduct, the Ence Criminal Compliance Policy, the Ence Defence of Competition Compliance Program or current legislation.

7. Procedure for reporting complaints

The procedure for reporting complaints and channelling them until they are resolved is as follows:

Step 1: Notification

If there is evidence or it is suspected that there has been a breach related to irregularities of a financial and/or accounting nature, or events or practices contrary to the Law, the Ence Code of Conduct, the Ence Criminal Compliance Policy, the Ence Defence of Competition Compliance Program and the internal regulations and procedures of Ence, they must be reported without taking into account the amount, whether internal or external or whether it affects the image or reputation of the Company.

It is important that such evidence be reported immediately by any of the means described in the preceding paragraph to ensure a quick response.

Step 2: Minimum reporting requirements

The complaint must contain at least the following information:

- Identification of the whistle-blower.
- Description of the event being reported, detailing:
 - The potentially irregular conduct.

- Company/Area/Department where the potentially irregular conduct occurred.
 - Persons allegedly involved.
 - Approximate dates on which the events occurred.
 - Means by which the conduct reported was carried out.
 - Affected business area(s).
 - Assessment of the potential economic impact.
- If possible, provide documents or evidence of the events.

Step 3: Registration and admission to processing

The Chair of the Audit Committee, as the recipient of the complaint, is the guarantor of the precautions of confidentiality and rigour at the start of the proceedings. Once the complaint has been received and an initial assessment has been made, the Internal Audit Director will be informed and will code it with a unique identifier to ensure anonymity and confidential processing.

Step 4: Definition of the team

Depending on the content of the complaint, the Chair of the Audit Committee will assess the involvement of other areas, for example: if there is any legal risk, the Legal Department will be informed, if it is an interpersonal conflict or a complaint regarding harassment, Human Capital Management will be informed who will channel it in accordance with the Protocol for the Prevention of Interpersonal Conflicts and for the Prevention of Workplace Harassment, or if it poses a risk to the Company's reputation, the Communication Manager will be informed.

The Company's reputation will be considered to be at risk when the matter giving rise to the complaint is published or there is a risk of publication in the media or on the internet or social networks, if it is related to any institution (public administrations, public undertakings, business associations, trade unions), if the reason for the complaint, whether justified or not, affects the credibility or prestige of the company or its executives.

Step 5: Assessment of the complaint

To prioritise, complaints will be classified based on the criteria for minor, serious and very serious complaints or complaints that lack merit in cases where the minimum requirements to process it are not met.

The Internal Audit Director will investigate and prepare a report for each of the complaints received, which will be submitted to the Compliance Committee and the Audit Committee.

Step 6: Investigating the complaint

The Internal Audit Director will obtain from the whistle-blower and by its own means all relevant information on the events reported.

The activities to be carried out that enable both the preservation and custody of the evidence, and respect the rights of the whistle-blower and the reported party may include:

- Individual interviews in person or by electronic means of obtaining and confirming information, which may be recorded or documented by means of a complete and accurate transcription of the conversation, subject to the consent of the whistle-blower.
- Data analysis.
- Obtaining information from accessible external public or private sources.
- Digital evidence.

Once the investigation has been completed, the Internal Audit Director will issue a Report, which will be submitted to the Compliance Committee to establish the measures it considers appropriate.

On a quarterly, the Chair of the Compliance Committee will inform the Audit Committee of all complaints received, the result of the investigations and the actions taken.

In cases in which the complaint investigated references matters that have or could have a criminal impact, the Compliance Committee will issue a proposed resolution, which must subsequently be confirmed by the Audit Committee.

Step 7: Resolution of the complaint

The Compliance Committee will provide an adequate response to the complaint, indicating the decision adopted and communicating it to the whistle-blower, within the periods established in this Procedure through the same means used to receive it.

To this end, it may take the following decisions:

- To file the complaint and close the investigation, if it is considered that irregular practices have not been proven.
- To send the report to Human Capital Management to implement the corresponding disciplinary measures, where applicable.
- If the complaint investigated references matters that have or could have a criminal impact, it will issue a proposed resolution, which must subsequently be confirmed by the Audit Committee.

In this case, as it is a potential offence, the Compliance Committee will assess possible failures in the existing control mechanisms and propose improvements and will send the report to the Legal Department to analyse the possibility of taking judicial or administrative actions, including any criminal or other proceedings that, where applicable, may be appropriate.

8. Monitoring

Internal Audit Management will prepare a strictly confidential report on all complaints received, which will be submitted quarterly to the Audit Committee. This report will detail, inter alia, the following:

- Number of complaints received.
- Number of complaints received according to their subject matter (harassment, conduct, ethics, criminal, etc.)
- Number of complaints by business area affected.
- Number of complaints by category (minor, serious, very serious or lacking merit).
- Number of complaints filed without investigation, as they did not comply with minimum requirements.
- Number of complaints filed following an investigation, as they did not constitute irregular conduct.
- Number of complaints investigated resulting in disciplinary actions, distinguishing whether or not there were judicial proceedings.
- Number of complaints by type of irregular conduct (misappropriation, accounting manipulation, misuse of client data, fraud, corruption between individuals, etc.).

- Resolution period for each complaint.
- Actions taken with each complaint.

9. Roles and responsibilities

- All employees, executives and directors

All employees, executives and directors are responsible for familiarising themselves with and complying with the Ence Code of Conduct, periodically confirming their adherence to it.

They must also be vigilant in identifying and communicating, as soon as there is a suspicion and regardless of their amount, any irregularities of a financial and/or accounting or non-financial nature, or events or practices contrary to the Law, the Ence Code of Conduct, the Ence Criminal Compliance Policy, the Ence Defence of Competition Compliance Program and the internal regulations and procedures of Ence.

- Audit Committee

It is the body responsible for defining the framework for the control and establishment of the Policy of Conduct and approval of the internal communication systems.

It confirms the measures proposed in the decision issued by the Compliance Committee relating to matters that have or could have a criminal impact.

It supervises the observance and enforcement of legislation relating to conduct and ethics.

- Chair of the Audit Committee

They are the person responsible for handling the complaints received through the various complaint reporting tools established and included in this Procedure. He evaluates the complaints received, which they will pass to Internal Audit Management for investigation.

They are the guarantor of the precautions of confidentiality and rigour at the start of the investigation of a complaint.

Depending on the content of the complaint, they request that other areas of the company become involved.

- Internal Audit Director

They investigate the complaints received and prepare a report for each one.

They provide advice on internal controls and informs the Executive Chair and the Audit Committee, providing an overview of the exposure to fraud.

On a quarterly basis, they submit a report to the Audit Committee with all the complaints received and the actions taken.

- Compliance Committee

Based on the complaint report issued by the Internal Audit Director, it issues its conclusions and the actions to be taken.

In cases in which the complaint investigated references matters that have or could have a criminal impact, it will issue a proposed resolution which it will send to the Audit Committee for confirmation.

- Legal Department

Internal lawyers advise and ensure that Ence is not legally compromised during any subsequent investigation. It is also responsible for advising the Audit Committee on the legal aspects.

- Human Capital Director

If Ence's employees or executives are involved in the complaint, they are responsible for advising on the most appropriate approach from an employment standpoint.