

Code of Ethics - Guidelines

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Message from General Directors

GROUP PALACIOS' ETHICAL CODE

Palacios is a benchmark business group in the Spanish food sector whose origin dates back to a family butcher's shop that opened its doors in 1960 in Albelda de Iregua. In 1983, this same town in La Rioja witnessed the launching of Embutidos Palacios, which in its beginnings was exclusively to the production of chorizo sausage.

After several decades of **commitment to innovation, quality and diversification**, today **Grupo Palacios** is a benchmark in the food sector with a complete range of products.

At Grupo Palacios we are known for being an enterprising group and for constantly meeting the new needs of the market. That is why we understand that the best way to guarantee the future of our company is to fulfil our mission and preserve our values. **A good tool that guides us and provides us with transparency is our Code of Ethics.**

Therefore, it is essential that all the activities we carry out until we bring our products to your homes are upright, ethical, legal and transparent. The Code of Ethics of Grupo Palacios helps us to define the principles that govern the professional behaviour of all of us who form part of this great company, it allows us to know what our stakeholders expect from us, and what we should demand from the Group in the way it does things.

On 21 January 2022, the Board of Directors approved the second edition of this Code of Ethics of the Palacios Group, which has been updated to reinforce and broaden the scope of application of the principles that should guide the Group's behaviour.

In the business strategy of Grupo Palacios we have internalised the desire to contribute to the **Sustainable Development Goals of the United Nations** (<https://www.un.org/sustainabledevelopment/es/objetivos-de-desarrollosostenible/>), as well as to assume the **10 United Nations Principles for Business Sustainability on Human Rights, Labour Standards, Environment and Anti-Corruption** (<https://www.pactomundial.org/que-puedeshacer-tu/>).

Responsibility is one of the cornerstones of our corporate identity.

Objective

The aim of the Code of Ethics is to establish the values and principles that must guide the behaviour of all the people in the Group, among themselves and in their relations with clients, suppliers and in general with all the people we relate to, establishing guidelines for action that are shared, accepted and respected by all its employees.

The Code of Ethics of the Palacios Group is conceived as a set of rules that define our corporate culture, values and principles and reinforce the guidelines for conduct within the Palacios Group.

This Code aims to guide the relations between the Group's employees and their relations with the rest of its stakeholders, translating into behaviour with the objective of fulfilling the **mission of the Palacios Group**

"To satisfy the needs of our customers by offering traditional, quality products which, as well as being nutritionally healthy, respond to the needs of their pace of life".

Our Values

Since 1960, at Palacios we have been committed to a very clear mission:

"To satisfy the needs of our customers by offering traditional, quality products which, as well as being nutritionally healthy, respond to the needs of their pace of life".

It is clear to us that we like **the taste of things well done** and that is why the more than 1000 people who form part of the Palacios Group work with the firm intention of improving day by day.

Tradition

We like the taste of things well done and we use traditional techniques in the production of our products.

Food Safety

We control all stages of the production of our products in order to place safe products on the market.

Internacionalization

Our products are present in more than 30 countries.

Continuous improvement (r+d+i)

We work to anticipate market needs and adapt our products to the consumer.

Human capital

It is the most important capital of Grupo Palacios.

Safety

We strive for the well-being of our employees, working on good practices and providing safe working methods. With the aim of reducing accidents in the workplace.

Quality

It is at the heart of our company policy, our work and our products.

The environment

We respect nature and control the environmental impact of our activities.

Adaptation

In this ever-changing environment, it is essential to be highly adaptable to current demands.

Excellence

Our ultimate goal is Excellence. At the Palacios Group we are convinced that adopting a culture of excellence in management and production is a guarantee of competitiveness.

Integrity and Honesty

Seriousness, commitment, professionalism, honesty and respect for current legislation define our work, and this is thanks to the excellent professionals who make up the Palacios Group.

Transparency

Our way of relating to any person within the framework of our business and professional activity is marked by transparency in the Palacios Group.

Loyalty

The Palacios Group and the people who form part of it are highly committed to complying with the values and principles that govern the Code of Ethics of the Palacios Group.

Scope of application of the Code of Ethics

Addressees of the Code of Ethics

This Code is applicable to all the people who make up the Palacios Group and all the Companies belonging to the same, regardless of the position or function they hold within the Palacios Group.

The addressees of the Code of Ethics are expressly bound by its contents and, in particular, by the ethical principles and rules of operation established therein.

In addition, this Code of Ethics is applicable to:

- The Presidency and Senior Management
- Members of the management bodies
- Employees of the Palacios Group, including trainees and interns.
- Any person, legal or natural, contracted by the Palacios Group.

In the same way, the Palacios Group will promote that our suppliers and distributors comply with this Code of Ethics in those operations they carry out with the Palacios Group.

Obligation to know and comply with the Code of Ethics

All the recipients of the Code of Ethics of the Palacios Group have the obligation to comply with and ensure that the principles and rules of the Code of Ethics are complied with, as well as the legislation in force within the scope of our functions and responsibilities within the Palacios Group, as well as to notify through the Whistleblowing Channel of the Palacios Group any breach of the same or of the legal regulations in force of which we are aware.

Our Product

Tradition

We like the taste of things well done and we use traditional techniques in the production of our products.

Our Social Commitment

Respectful of the environment

We must develop our activities in such a way as to minimise their impact on the environment.

Economic development is compatible with environmental protection, thus contributing to the maintenance of a prosperous and healthy environment for future generations and ensuring sustainability.

The Group carries out its activities with respect for the environment, complying with the standards established in current environmental regulations and minimising the impact of its activities on the environment.

The Group will also ensure that its suppliers comply with international, national and local environmental regulations. We also ensure that the products we offer to our customers are safe and free of any substance that may be harmful to health or the environment.

We must:

- Minimise the consumption of resources in daily activities (electricity, water, paper, toner, etc.).
- Take into account the environmental and recyclability constraints of the materials used in the products manufactured.
- Reflect on your possible contribution to the environment when using labels, packaging and product packaging.

Commitment to human and labour rights

We must promote and protect human rights and ensure that we do not contribute, directly or indirectly, to any human rights violations.

The Group expresses its commitment and ties with the Human and Labour Rights recognised in national and international legislation and with the principles on which the Universal Declaration of Human Rights and the International Labour Organisation (ILO) are based.

The Group makes every effort to ensure compliance with the provisions of the International Labour Organisation, especially those related to child labour, and does not accept practices contrary to this and other ILO principles either in its companies or among those that collaborate with the Group. The Group also declares its total rejection of forced or compulsory labour and undertakes to respect freedom of association and collective bargaining.

We must:

- Support, guide and work with our stakeholders to assist in initiatives aimed at eradicating human rights violations.
- Act with the greatest possible and reasonable diligence and planning in our orders to suppliers according to their capacity, avoiding being an indirect cause of the undermining of the working conditions of their employees.

We must not

- Employ any person under working age or under the compulsory school age established in the country in which we operate.
- Allow any discrimination arising from an employee's right to participate freely in the culture of his or her community.
- Permit or make any distinction against any employee based on the political, religious, sexual or jurisdictional status of the country or territory to which he or she belongs.
- Allow or carry out any action that could be considered harassment at work or that violates the most intimate sphere of our employees

Integrity

We behave honestly, fairly and lawfully with all those with whom we do business.

The Group's professionals shall strictly comply with the laws in force in the place where they carry out their activities, taking into account the spirit, purpose and letter of the regulations. The commitments and obligations assumed by the Company in its contractual relations with third parties, as well as the uses and good practices of the countries in which they carry out their activity, shall be fully respected.

All those who form part of the Palacios Group must conduct themselves professionally in an upright, impartial, honest manner and in accordance with the ethical principles of the Palacios Group and refrain from becoming involved in or promoting situations, activities or interests that are illegal or immoral and/or that are in any way incompatible with the functions assigned to them in the Palacios Group.

Managers must be particularly familiar with the laws and regulations that affect their respective areas of activity. Likewise, they must ensure that the professionals who report to them receive the information and training that enables them to understand and comply with the legal obligations applicable to their function.

They shall avoid employing and establishing professional relationships with family members, whenever this may affect the objectivity of the professional practice, and in any case shall inform their direct superior. Any doubts in this respect must be brought to the attention of the Ethics Committee, which will evaluate the existence or not of a conflict of interest.

It is not permitted to establish relationships with clients/suppliers that may call into question professional independence and objectivity, nor to manifest attitudes that involve an abuse of power to the detriment or benefit of a third party linked to the business.

A conflict of interest is understood to be any situation in which an employee uses his or her position or personal relationships in such a way as to compromise his or her necessary professionalism, which may result in private benefits or benefits for the company itself.

We must

- Avoid situations where our personal interest or that of related persons could conflict with the interests of the Group.
- Base supplier selection criteria on quality, price and service.

We must not

- Use our position in the company for personal gain or for the benefit of related persons.
- Favouring certain suppliers or making purchasing decisions based on personal interests.

Palacios and people

"Human capital is the most important thing in the Palacios Group".

Respect

We must be aware of the consequences of our decisions, and treat others with equality, dignity and politeness.

Human resources management and employee relations are always based on scrupulous respect for the dignity of individuals and on the principles of trust and mutual respect.

The Group expressly prohibits the abuse of authority and any kind of harassment, whether physical, psychological or moral, as well as any other conduct that may create an intimidating, offensive or hostile working environment.

All employees should treat each other in a respectful, professional and courteous manner to provide a pleasant, rewarding and safe working environment that encourages people to do their best. In the same way, relations between the Group's employees and those of partner companies shall be based on the above criteria, professional respect and mutual collaboration.

The Group recognises the right of its employees to exercise their freedom of expression, political thought and, in general, to participate in public life, provided that this does not interfere with the performance of their activities in the company, takes place outside working hours and outside any Group facility, and always in such a way that such participation could not lead an outside observer to associate the Group with one political option or another.

We must

- Treat all colleagues fairly and equitably in order to meet the requirements and demands of their work.
- Demonstrate respect for cultures that may differ from our own.
- Adapt reasonably to the beliefs or customs of others.
- Refrain from any form of harassment, whether physical, psychological, moral, sexual, abuse of authority at work and any other conduct that creates an intimidating or offensive environment for the personal rights of employees.
- Recruit, develop and promote, regardless of age, race, origin, gender, sexual orientation, disability, political opinion, religion, marital status or any other legally protected status.
- To comply rigorously and at all times with the occupational health and safety and food handling measures established by the Palacios Group.

We must not

- Allow our decisions regarding an individual's recruitment, remuneration or career development to lack objectivity and transparency
- Engage in any form of harassment or abuse (whether physical, psychological, sexual, moral or otherwise) or in any behaviour that could be considered offensive, intimidating, malicious or insulting
- Failure to comply with established safety, occupational risk prevention and food handling safety standards
- Accepting or engaging in behaviour that creates a hostile working environment.

Professional

We are committed to creating a work environment that promotes integrity, teamwork, diversity and trust.

Professionalism means acting diligently, responsibly, efficiently and with a focus on excellence, quality and innovation.

All employees must conduct themselves professionally with integrity in all their actions and avoid any conduct which, even if not in violation of the law, may damage the reputation of the Group and adversely affect its interests and public image.

Integrity is acting loyally, honestly, in good faith, objectively and in line with the Group's interests.

Ongoing improvement

We work to anticipate market needs and adapt our products to the consumer.

To keep alive its aim to continue to be among the leaders in its field of production in the agri-food industry and understands that, to achieve this, it must continue to make organisational efforts on all fronts of the business.

Our desire for continuous improvement drives us to foster the ability to listen to and consider the opinions of others, maintaining a receptive attitude, as well as to train employees in the development of their work.

We must

- Create an atmosphere of freedom to express different opinions
- Learn from the decisions of others and analyse the different ways of doing things in order to grow and not stagnate in the past
- Not to be self-limiting and to be able to take reasonable risks in order to advance the company's success
- Be demanding of each other but respectful of the circumstances of others.

We must not

- Prevent or limit the professional and personal growth of our employees.

Confidentiality

We must treat all company-related information confidentially, in compliance with the laws and policies established for this purpose

Employees of the Palacios Group have access to confidential information belonging to customers or suppliers. Because of our activity, we have access to sensitive information belonging to other companies that we are obliged to protect and that we must treat confidentially. This implies the obligation not to disclose it or only to do so if we have it.

All Group employees must comply with applicable GDPR legislation, as well as any confidentiality commitments made to third parties, and request and use only such data as is necessary for the effective management of the Group's activities.

With regard to Confidential Information, the Palacios Group considers the information on its production processes to be one of its most valuable assets, which is why it is necessary to protect and safeguard it.

Non-public information which is the property of the Palacios Group or which has been obtained by the Palacios Group in the course of its activity is considered confidential information, and is subject to professional secrecy, and its content may not be provided or made available to third parties, except with the express authorisation of the Palacios Group. An inappropriate use of the same or its unauthorised disclosure, in addition to contravening the provisions of this Code of Ethics, may constitute a business sector offence.

We must

- Collect or use personal information only for the purposes of the Group's business.
- Ensure that the people whose information we hold know that we hold that information and understand what it will be used for.
- Share personal information only if the person whose information we hold expects us to do so.
- Store personal information securely, whether in electronic or paper format.

We must not

- Share access to information to those who should not have access to it or disclose it without proper authorisations.
- Collect or store inaccurate or outdated information.
- Store information that does not need to be stored or destroy it inappropriately.

The Business

Reputation

Social trust and reputation is one of its most valuable assets.

One of the basic elements of the Group's reputation is the establishment of relations of responsible citizenship in the communities in which it operates.

All employees must take the utmost care to preserve the image and reputation of the company in all their professional activities, especially in their public interventions, and must not express opinions or act in the name of the company unless they are authorised to do so.

Quality and Food Safety

Safe and suitable product for your requirements, at a fair price and within the agreed deadlines.

Our customers, in choosing us, are sure to find a reliable response from the first contact to the completion of the work, offering them a safe and suitable product for their requirements, at a fair price and within the agreed deadlines,

The protection of the health and well-being of our employees and those with whom we enter into working relationships is of the utmost importance to us, and we have always been known for our ethical behaviour.

Donations and sponsorships

Collaborations with social content to support disadvantaged groups,

Donations and grants must be formally accepted by the organisation concerned, be justifiable and properly documented, indicating the purpose and nature of the activity funded. Payments may not be made for personal use or credited to private accounts.

All events and payments must be specified in detail, documented and approved by the appropriate level of authority to ensure transparency with the relevant entities.

Gifts, business courtesies and improper payments

Compliance with anti-bribery and corruption laws is mandatory. We must not offer, give or accept any gift, payment or other benefit that seeks to achieve an improper advantage for the Group.

Under no circumstances shall persons within the Group resort to illegal or unethical practices to influence the will of persons outside the company in order to obtain any benefit for the Group, or for themselves. They shall also remain vigilant to ensure that such practices are not used by other persons or organisations in their dealings with the company.

The Group expressly prohibits non-contractual or unlawful payments to any person or entity, public or private, with the intention of obtaining or retaining business or other benefits or advantages.

Group employees may not make, offer or receive, directly or indirectly, any payment in cash, in kind or any other benefit which, by virtue of its value, characteristics or circumstances, may reasonably alter the development of the commercial, administrative or professional relationships in which they are involved.

Likewise, employees shall refrain from making facilitation or expediting payments, consisting of the delivery of money or other things of value, whatever the amount, in exchange for securing or expediting the course of a procedure or action before any judicial body, public administration or official body anywhere in the world.

They should also be alert to payments made to and/or by third parties not mentioned in the corresponding contracts, as well as those made to accounts that are not the usual ones in relations with a given entity, company or person. Special attention should be paid to extraordinary payments, which are not foreseen in the relevant agreements or contracts.

We must

- Report any request or demand for a potentially corrupt payment from a third party to our line manager.
- Actively discourage the use of gratuities in the markets in which we work.
- Take great care in all circumstances that suggest that improper financial transactions may be taking place.
- Only accept payments from third parties with whom we regularly do business and with whom we have carried out full and proper due diligence and verification (including financial checks).
- Immediately report any concerns, for example, after hearing a rumour suggesting that a customer or supplier is or may be involved in illegal business activities.

We must not

- Pay, offer, accept or authorise a bribe or gratuity or soliciting anyone to do so.
- Offer or give anything of value for the purpose of securing or contracting business for any other reason. This includes payments to reduce taxes or duties.
- Make or authorise an improper payment or bribe to a public official or employee of a company owned or controlled by public administrations.
- Attempt to induce a public official to commit an offence.
- Ignore or fail to report corrupt activity.
- Establish an unrecorded fund (such as a secret cash or off-the-books account) for any reason or circumstance.
- Encourage or facilitate another person to commit or ignore corrupt activity.
- Accept cash, cheques, promissory notes or other means of payment that we suspect is or may be derived from criminal activity.
- Deliberately or recklessly disregard reasonable suspicions that improper financial transactions may be taking place.

Reliable information

We must accurately and objectively record and report all our financial and non-financial information in accordance with our responsibilities and legal requirements.

All transactions of the Group shall be clearly and accurately reflected in the company's records. In particular, all accounts shall be properly reflected in the records, as well as all transactions made and all expenses incurred.

Group employees shall refrain from any practice that contravenes the commitment to clearly and accurately reflect transactions in the Group's records and shall take particular care with regard to the reliability of the information entered into the Group's computer systems.

All information available and required in connection with transactions shall be submitted as soon as possible to the competent bodies and entities.

It is forbidden to falsify or conceal information under any circumstances.

We must

- Record all transactions, movements of goods or funds, hiring and employment of employees in accordance with the legal provisions applicable in each area of the company, with particular regard to the principle of a true and fair view and with the utmost diligence.
- Ensure that all financial reporting and analysis for which we are responsible is transmitted honestly and accurately.
- Properly record and document cash transactions.
- Strive to identify any potential misrepresentation of accounts, data or records or any incidence of potential fraud or deception, and raise any concerns about the accuracy of financial reporting with the Chief Financial Officer or Chief Accounting Officer.
- Cooperate fully with our external auditors, as well as with relevant bodies requiring information.

We must not

- Prepare or submit information with the intention of misrepresenting the registration.
- Create an unregistered or improperly described fund for any purpose.
- Alter any Group record, unless we are authorised to do so by established policies and procedures.
- Provide any information, either verbally or in writing, about our operations that enables a customer or supplier to make inaccurate or misleading statements.

Use of assets and resources

The company's property, assets and resources are at our disposal for business and professional purposes. We must ensure that they are used properly and appropriately.

The Group provides its employees with the resources necessary for the performance of their professional activities. Misappropriation and inappropriate use of these assets constitute fraud.

All employees must protect and make good use of the Group's resources and use them responsibly. They must protect and preserve them from any loss, damage, theft or misuse that could be detrimental to the interests of the Group.

The obligation to protect resources also includes information and knowledge generated within the Group, owned or held by the Group. Inappropriate use of computer systems, including but not limited to the following examples, is not permitted:

- Unauthorised attempts to access protected information.

- Installation of any software not approved by the systems department without prior authorisation from the systems department.
- Activities that hinder the performance of equipment or applications.
- Any illegal, unethical or other activity that may have an adverse effect on the company.

It is mandatory to follow the guidelines set out in the various Information Security Standards and Procedures developed by the Group, especially those related to the General Data Protection Regulations.

In order to protect the integrity of the company and other employees, the company is authorised to implement, guaranteeing the dignity and privacy of the employee concerned, a series of controls on the correct use of e-mail, internet and computer equipment.

Under no circumstances may e-mail be used to send commercial propaganda, discriminatory information, chain letters, pornographic or immoral material, or any other use that could violate this code.

Employees may have no expectation of privacy when using e-mail or the Internet, which does not preclude the employee from reasonable use of such tools for private use.

We must

- Respect and take care in the use of the installations, computer equipment, machinery, furniture, vehicles, work instruments and other elements provided by the Palacios Group, which must only be used in a professional environment and never for private gain.
- Care for and protect any tangible or intangible assets of the company, be they products, IT resources, materials, brands, designs, developments, information on campaigns, collections, etc.
- Protect and use company funds and property, safeguarding them from theft, loss, fraud or deception.
- Ensure that we only make reasonable personal use of company computer systems, including personal computers, desktops and mobile devices.

We must not

- Use the resources that the Palacios Group places at the disposal of its employees for private or not expressly authorised purposes.
- Install applications on any company device or connect it to other equipment, unless authorised by the Information Systems Department.
- Share our personal passwords with others.
- Disable the equipment's security measures.

Relationships with Clients

We anticipate and meet the needs of our clients, acting responsibly and with the utmost respect.

For all of us in the Group, in every country where we operate, the ultimate goal is for customers to have their expectations of our products and services exceeded. We show enthusiasm and effort to anticipate and meet the needs of our customers and we earn their trust through commitment and integrity in our relationships with them.

The Palacios Group respects the laws that govern the market, both in terms of competition and international trade. For this reason, the Code of Ethics of the Palacios Group does not accept misleading, fraudulent or malicious conduct aimed at evading customs obligations or that in any way distorts, restricts or tends to eliminate competition, such as price fixing, misleading advertising, denigration of our competitors, altering the prices of raw materials, among other actions against competition in the markets.

Professionals may not receive any kind of remuneration from customers or suppliers of the Group or, in general, accept any kind of outside remuneration for services derived from the professional's own activity within the Group.

In customer relations, the rules of transparency, information and protection must always be applied, as well as the rights granted to customers by legislation on personal data protection, information society services and other applicable provisions.

We will always act with responsibility and commitment, with the utmost respect for the customer. All marketing communications, including advertising, campaigns, promotions or sponsorships, shall be governed by ethical principles and truthfulness.

Relationship with Suppliers

We must establish business relationships with trustworthy suppliers who have established a reputation for conducting their business in a professional and ethical manner.

The Group will not purchase any goods/services from manufacturers or suppliers who do not have ethical and acceptable working conditions and habits.

All employees who participate in supplier and external collaborator selection processes are obliged to act impartially and objectively, applying transparent criteria aligned with the principles of this code of ethics.

The Group's professionals undertake to comply with the internal procedures established for the awarding processes, including, especially, those referring to the approval of suppliers.

The Group shall promote and disseminate the contents and principles of this Code of Ethics among its suppliers. In particular, those contents that explicitly refer to the Group's relationship with its collaborating companies.

All the Group's suppliers, regardless of the product supplied or the service provided, must accept the Code of Ethics and undertake to comply with its principles as a basic element of our business relationship. In this regard, they may be subject to the verifications that the Group deems appropriate at any given time.

Antitrust Law

We must ensure fair trade and consumer protection by blocking monopolistic practices and illegal trade restrictions.

What is Antitrust Law?

It aims to regulate trade by prohibiting illegal restraints, price fixing and monopolies. It seeks to promote competition between firms in a market, and the promotion of quality goods and services at the lowest possible price, ensuring an efficient market structure.

How do we implement it?

When dealing with competitors, never enter into any agreement, whether formal or informal, written or verbal, to fix prices or other terms of sale, coordinate bids, allocate customers, sales territories, or product lines, or engage in any other activity that violates applicable antitrust or competition laws. Never discuss these issues with a competitor, even in an informal setting.

It is also important to avoid activities that may further the violation of antitrust or competition laws:

- 📌 Collecting competitor information in a way that may violate laws or our ethical standards.
- 📌 Falsify their identity.
- 📌 The use of undue influence, such as the offer of employment or cash. Obtaining
- 📌 information directly from a competitor.

Consequence of breaching antitrust law

The violation of antitrust and competition laws can result in serious legal penalties for our company and criminal charges for the individuals involved. Competition laws are complex and vary from country to country. For guidance, you should consult with the Legal Department. If you suspect an antitrust violation, communicate and report it.

What you need to know about the Group's Code of Ethics

What is our Code of Ethics?

The Code of Ethics sets out the standards of responsible behaviour with which all Group employees must comply.

The Code of Ethics is designed to help everyone exercise the expected behaviours.

Why is the Code of Ethics so important?

The Code of Ethics is a key element of our internal control policy to ensure that we have the appropriate mechanisms in place to support employees in the fulfilment of their duties and in the development of the activities of the position they hold (commercial, productive, management) on behalf of the Group.

It includes the ethical values, commitments and good practices that must be applied in the management of the business.

We must ensure that our activity is carried out with the utmost integrity.

Who has to fulfil the Code of Ethics?

This Code of Ethics applies to all the companies that form part of the Palacios Group, regardless of the percentage of ownership.

The Code is binding on all the Group's directors, managers and employees, regardless of the type of contract that determines their employment or commercial relationship, the position they hold or the geographical area in which they work.

We are all responsible for compliance with these guidelines as an essential element of our business model.

Failure to read the Code of Ethics or sign the acknowledgement will not excuse any individual from compliance.

The Group will provide employees with the necessary means to comply with and help enforce the standards of conduct contained in this Code of Ethics.

What should I do if I have a query or concern?

The Code of Ethics cannot describe all situations that may arise. There are several ways to seek help and advice: Go to your immediate superior, the Human Resources Department, a Group Manager from any Functional area, the Management or the General Management and owner of the Company or send an email to denuncias@palacios.es, who will answer your questions or forward the information to the Ethics Committee, which is the competent body in the organisation in this matter. If you are concerned about the decisions you have to make in a given situation, it may help to ask yourself:

.

- Is it legal?
- Is it ethical?
Is in line with the Code of Ethics?
- Am I setting a good example?
- Will I feel comfortable explaining my actions to my superiors, colleagues, family and friends?
- Will I feel comfortable or will the Group feel comfortable if others know about my actions through the media?
- Have I consulted my colleagues who are knowledgeable about the issue to help me make an informed decision?

If you are concerned about the actions taken by a colleague, it may be that by simply talking to that person you can resolve the situation. If not, you should share that concern with your line manager.

The Group Professionals have the right and duty to bring to the attention of the Ethics Committee any breach of the principles contained in these standards.

How will any issued I bring up be investigated?

In the event that you honestly and in good faith report behaviour contrary to the Code of Ethics, you will be supported by the Group.

All investigations initiated will be handled, in compliance with the Code of Ethics, in accordance with local legal requirements and in accordance with the employee's Human and Employment Rights.

Anyone who suspects a breach of regulations or a violation of our Code of Ethics should share their concerns.

What if I want to report an action that is a serious infringement or a criminal offence?

The Palacios Group has implemented a Whistleblowing Channel in compliance with Law 2/2023 of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption, where any employee of the Palacios Group who has knowledge or suspicion of an action that could be considered a very serious infringement or a crime, guaranteeing the strictest confidentiality to the person who files the complaint, and carrying out the investigation of the complaints in accordance with the provisions of the Protocol of the Whistleblowing Channel of the Palacios Group.

Furthermore, the Palacios Group guarantees that persons who report in good faith the alleged commission of an action within the scope of action of the Palacios Group will be protected from any type of reprisal, discrimination and/or penalisation on the grounds of the report submitted.

Entry into force and effect

This Code of Ethics of the Palacios Group was approved on 19 July 2023 by the Board of Directors of the Palacios Group, coming into force on the same date and remaining in full force and effect until such time as it is modified.

The Code of Ethics of the Palacios Group will be periodically reviewed and updated, and its modifications will be approved by the Board of Directors, following a proposal and report from the Ethics Committee.