

Risk control and management policy

Introduction

The Board of Directors of ZELESTRA CORPORACION, S.A.U. (hereinafter "Zelestra" or the "Company" and the group of companies of which Zelestra is the parent company, the "Zelestra Group") hereby approves this Risk Control and Management Policy of the Zelestra Group, which is included in its Corporate Governance Regulations, in accordance with Article 529 ter of the Spanish Companies Act and Article 5.6 and Article 16 of the Regulations of the Board of Directors.

Object

The purpose of this document is to define the Risk Control and Management Policy of ZELESTRA CORPORACION, S.A.U. (hereinafter "Zelestra" or the "Group"), and to integrate the key principles that serve as a basis for its proper operation.

Through this policy, Zelestra Group companies undertake to develop all their capacities so that risks of all kinds are properly identified, measured, managed, prioritized and controlled.

On the other hand, this document explains the methodology to be followed in order to achieve an effective risk management and to facilitate the achievement of the business goals established by the Management, which will allow Zelestra to keep on moving forward in its continuous improvement process.

Scope

For the application of the corporate risk management system, Zelestra has to consider all its activities at the different levels of the Organization, from those at Group level to those at the level of business and processes units; therefore, the Risk Management Policy is applicable to all companies and territories where Zelestra operates.

Basic Principles

- Apply the principles of excellence adopted by the company and incorporate and promote best practices in the field of integrated risk management on an ongoing basis.
- Ensure that risks that may affect the Group's strategies and objectives are identified, analysed, evaluated, managed and controlled.
- Ensure that actions are developed to mitigate the risks whose valuation exceeds the levels considered acceptable in Zelestra's Risk Management System, taking into account their degree of manageability, until they are led to an acceptable level whenever possible.
- To ensure that the risks management is proactive, incorporating controls in the design of the processes that may help to mitigate them, implementing contingency plans and establishing coverage for such risks whenever possible.
- In general, risk management should be carried out based on a criteria of coherence between the importance of the risk and the cost and means necessary to reduce it.
- To ensure that the bodies responsible for controlling risks (Management Committee, Risk Managers and Board of Directors) are adequately informed about the situation of these risks.

Identification and risk evaluation

In the identification of risk events, both past and future experiences should be taken into account, also considering the strategic initiatives that the Organization will undertake to achieve its objectives.

Zelestra has defined a Risk Universe, which includes potential risks that may affect the Organization. The following risks have been classified into five major categories within the Risk Universe:

- Strategic: risks affecting high-level objectives directly related to the Strategic Plan.
- Operational: risks affecting the objectives linked to the effective and efficient use of resources.
- Financial: risks affecting the financial objectives.
- Compliance: risks of non-complying with external and internal regulations by the Management or the employees.

- ESG (Environmental, Social and Governance): risks affecting environmental, social, ethical and corporate governance aspects and the compliance with laws and regulations.

Once the risk events that may affect the Company have been identified, it is necessary to evaluate and prioritize them in order to manage them. The risks are evaluated in terms of impact and probability. The risks are evaluated by key personnel of the Management Committee, with sufficient knowledge of the Company to be able to consider their impact and probability on the corporate objectives.

The result of the evaluation is represented in a Risk Map, a tool that permits to put the assessed risks in context, identifying and prioritizing the most relevant and critical risks and allowing to take decisions on the actions to be carried out.

Treatment of the risk

Once the risks have been identified, evaluated and consolidated, action plans have to be determined to reach the level of risk accepted by the organization, as established in the Zelestra risk management system.

For each of the identified risks, and in particular for the risks defined as critical in the risk map, the risk manager will periodically monitor the risk and analyze its possible materialization through appropriate quantitative or qualitative indicators. If an indicator exceeds the established tolerance, the risk manager will be responsible for identifying the causes and proposing an action or response plan.

Risk monitoring

Each functional area is responsible for the risks identified under its area and, therefore, as established in Zelestra's risk management system, is responsible within the company for receiving, analyzing and consolidating the risk information prepared by those responsible for each risk, at least on an annual basis.

Each Risk Manager shall be responsible for the following:

- To implement and follow the risk assessment model adopted by the Management.
- Ensure that risks are being managed as approved by the Management Committee.
- To update the risk map at a corporate level, taking into account the information provided by the different agents for the elaboration of the risk sheets.
- To submit the proposals for action to improve the procedures for monitoring and controlling risks to the consideration of the Management Committee.
- To determine whether the risk catalogue anticipates and reflects changes in business circumstances and new economic conditions.
- To define and update the Risk Management Model in all areas.

Likewise, each Risk Manager shall also be responsible for reporting to the Company's Senior Leadership Team, which shall be in charge of informing the Board of Directors.

Monitoring system

The approval of the Risk Control and Management Policy is the responsibility of Zelestra's Board of Directors, which, either directly or through a Committee appointed for such purpose, will supervise it, ensure its compliance and periodically review it for its continuous suitability.

The Company shall establish an internal monitoring system that allows the correct implementation of the Policy at all organisational levels, as well as the monitoring of the relevant associated indicators.

Communication and stakeholder engagement

This Policy is communicated and understood within the organization and is available in the information and communication channels that the Company makes available to all its stakeholders.

The policy is publicly available on the Zelestra website

In order to make it easier for any person to confidentially and anonymously report any breach of the principles described in this Policy, Zelestra's Ethics Line (<https://zelestra.integrityline.com/>) guarantees independence, impartiality and the absence of conflicts of interest throughout the process of receiving, processing and resolving such reports.