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# Competition Policy

Duro Felguera Group



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## I. INTRODUCTION

Competition is one of the pillars of the current economic system, as a guarantee of a free market and consumer protection. If the rules of free competition are not respected, not only consumers are harmed, but also the functioning of the markets, limiting its potential. Specifically, competition infringements prevent the various economic agents and society from reaping the benefits of the market economy, preventing the achievement of competitive market outcomes.

Both legislation and regulatory bodies have undergone a significant boost. This has meant that economic agents have been required to comply with standards of conduct that are in line with the principles that should govern today's economy in terms of competition.

Duro Felguera Group reaffirm its constant compromise commitment to compliance with competition regulations and the application of the highest recognized standards in its activity. It values and promotes the strengthening of an adequate performance as a result of competitive merits.

As a materialization of the Group's commitment, this Policy has been established as part of the Compliance Program, seeking to establish the bases for the prevention and detection of possible risks in this area. This Policy is a fundamental pillar of said Program, and its aim is to provide general guidelines for the definition of actions and decision making in the internal and external markets in which the Group operates.

This Policy is inspired by and integrated into the Group's regulatory compliance risk management system and complements the set of internal rules adopted by the Group in its Regulatory Compliance Program, in particular the Code of Conduct, Data Protection, Compliance Policy, and Anti-Corruption Policy.

The Code of Conduct incorporates, within the framework of its principles and behavioral guidelines, the commitment to achieve its business objectives through ethical, legitimate, and legally acceptable ways by applying a fair and equitable competition regime. Concerning to free and fair competition, the Group's Code of Conduct requires its Employees and Representatives to avoid any type of conduct contrary to the values and principles for the strict compliance with the competition legislation.

## II. PURPOSE OF THE POLICY

This Policy establishes the rules for the prevention and detection of conducts that could infringe the values and competition regulations and aims to promote the full compliance of said regulations by the members of the Duro Felguera Group and its third parties. In this sense, this Policy is not intended to respond to each of the situations that may arise in the ordinary activity of the Duro Felguera Group, the analysis and evaluation of which is carried out by specialized departments but set the general lines of action and create an internal culture in favor of free and fair competition. Through this, the Group formalizes the absolute and highest level commitment to compliance with competition regulations in all jurisdictions in which it is present.

### III. SCOPE OF APPLICATION





This Policy constitutes a fundamental pillar for compliance with competition regulations by all the companies that are part of the Duro Felguera Group, being of obligatory compliance by the Group's Employees and Representatives, who must ensure that it is applied in the areas covered by it.

### IV. RELATIONS WITH COMPETITORS



The Employees and Representatives of Duro Felguera Group must act in accordance with the competition legislation in all relations with its competitors, partners, and suppliers, regardless their nature. In this sense, in the section IV.1 regarding general guidelines for behavior, are detailed the rules to be followed by Duro Felguera Group in its relations with competitors.

#### IV.1. General behavior guidelines


In contact with competitors is **prohibited**:

-  Participating in conversations related to prohibited practices, such as price fixing, distribution of markets or exchange of sensitive information. In case of being present in such conversations, the correct action will be manifest the disagreement and abandon the meeting. This behavior is extended to any type of communication (also written communication/ email). In the event of such a situation, action must be taken in accordance with the provisions of point IV.2.2. by giving the appropriate notice.
-  To provide information or accept it of the competitors about the eventual participation in a determined procedure of tender, tendering or about the characteristics of the respective offers to reduce the competence. In accordance with the above, in the event of an unforeseen situation in which this type of situation may occur unexpectedly, disagreement should be expressed, and the meeting should be abandoned. Are included both, oral communication, and written communication.
-  Participating in votes involving the unjustified prohibition of entry of new members in the sectorial associations. This type of participations requires the express consultation with the Compliance Committee through the Office of Legal Counsel as secretary of said Committee.
-  Act in compliance with the collective recommendations by an association or group that has the potential aim of restricting competition.



In contact with competitors is **allowed**:

-  Participating in sectorial associations whose purpose is licit, either in a testimonial position or participatory capacity, i.e., assuming management responsibilities. Participation in associations or groups, as well as the assumption of responsibilities within them, requires prior and explicit authorization of the Compliance Committee through the Office of Legal Counsel as secretary of said Committee.
-  Conduct and participate in market research contributing to the development of statistical data based on historical information with information not belonged to the current fiscal year or with the data that is not published and

is public or of generalized access. If the information is not as old as required, the Compliance Committee must be consulted through the Office of Legal Counsel as secretary of said Committee.

-  Exchange or develop assessments of information about the generalized tendencies of the market with competitors (i.e., without any type of individualization) or assess regulations applicable to the sector or legislative reforms that can affect it, but never concerning issues related to specific commercial conditions, cost structures or any other sensitive information.

Additionally, it should be considered that:




-  If in the framework of any relationship with a competitor a relevant risk situation occurs from the perspective of the competition regulations, disagreement with this situation must be expressed, and if persists, leave the site in where the meeting is being held. In case of written conversations, disagreement must be stated. In competition law, the absence of a response may be considered as agreement as indicated.
-  The Office of Legal Counsel must be informed which, which will transfer it to the Compliance Committee, about the meeting with all professionally relevant information related to the event (hour, site, attendees, context, and content) and, in case if available, the appropriate documentation attesting such meeting shall be provided.

## **IV.2. Particular cases**

### **IV.2.1. Planned meetings**

For those planned and scheduled meetings with competitors with professionally relevant content in the field of Competition, express prior authorization must be obtained beforehand by the Compliance Committee through the Office of Legal Counsel as secretary of said Committee (**Annex V**). The request of authorization must include relevant information related to said meeting (day, hour, site, attendees, agenda, context, and purpose of the meeting) and a reasoned explanation of the necessity of attending the meeting.

Among the planned agreements with competitors that are totally prohibited in the Group's ordinary course of business are specifically the following:

-  Concerted understandings: This refers to an agreement between the parties, whether express, tacit, verbal or written, with the purpose of obtaining advantages affecting free and fair competition. In any case, in the event of being involved in a possible agreement, the Group's disagreement must be expressly stated.
-  Affecting competition: This refers to agreements that have as their aim the prevention, restriction or misleading of competition. Possible conducts that may be considered within this group are, among others, price fixing agreements, agreements to limit production or actions that alter the functioning of the market.
-  Subcontracting of competing companies: The subcontracting of competing companies is susceptible to present risks in relation to competition. To the




extent that this mechanism may be considered to serve as a market sharing mechanism, which will require prior report from the Office of Legal Counsel.

#### **IV.2.2. Casual meetings**

After a casual meeting with a competitor, which involves a possible anticompetitive agreement, the Office of Legal Counsel must be informed, who in turn will inform the Compliance Committee, of the meeting with all professionally relevant information relating to the meeting (time, place, attendees, context, and content) and, in case if available, the appropriate documentation attesting such meeting shall be provided. In relation to casual encounters with competitors, it should be considered the premise that the lack of express opposition to any type of anticompetitive conduct may be considered as an indication of consent to such practice.

#### **IV.2.3. Cooperation agreements with competitors**

Cooperation agreements with competitors are permitted if the parties can justify that the following conditions are met:

-  The agreement must generate economic benefits such as risk sharing, cost reduction, improvements in innovation and/or efficiency. They are permitted if they do not result in anticompetitive effects that affect the market.
-  In case of restrictions to competition, they must be indispensable to achieve efficiency gains that benefit consumers.
-  The agreement must not imply the removal of substantial competition in the market that is the object of the agreement.

Likewise, to conclude an agreement with a competitor, the prior authorization of the Compliance Committee must be obtained through the Office of Legal Counsel as secretary of said Committee.




#### **IV.2.4. Dominant position**

The abuse of the dominant position is defined as a situation of economic power in which a company finds itself and allows it to prevent effective competition in the market which can be exercised individually by a company or jointly by the Group. Competition law prohibits abusive conduct related to such dominant position (among others, but not only in terms of prices and market shares).

In relation to the abuse of dominant position, the Duro Felguera Group expressly prohibits conduct that implies abuses of exclusion (among others, predatory prices, or exclusive purchase agreements) or abuses of exploitation (among others, unfair conditions, or discrimination among customers).



### **V. PUBLIC TENDERS**

Public tenders are a scenario of competition between operators and, as such, competition regulations apply. In this sense, two alert situations are distinguished:


-  Temporary Business Associations (TBS): the establishment of a TBA is permitted under competition law if there are objective causes that justify the cooperation (i.e., that the companies forming the TBA cannot perform the task separately).
-  Subcontracting of competing companies: The subcontracting of competing companies in the framework of a public tender is susceptible to present competition risks. To the extent that this mechanism may be considered to alter the outcome of the bidding process, it may be considered as market sharing.
-  Bid rigging: This is a prior agreement between competitors when making their bids in a bidding process. It is a practice prohibited by competition law, which in practice can happen through the following actions:
  - Concealed position: The members of the agreement present bids that have no possibility of being selected.
  - Bid suppression: once the awarded company has been agreed upon, the rest of the participants in the agreement refrain from presenting bids.
  - Rotation of the awardee: the members of the agreement coordinate to be awarded on a rotating basis, usually through the mechanism of concealed position.

### **V.1. General behavior guidelines:**

In relation to public tenders, it is **prohibited**:

-  Participating in agreements that alter the competitive operation of public bidding through the mechanism described above or others that have similar effects.
-  Exchange strategic information with competitors (costs, prices, and other relevant parameters) in relation to the tender and prior to the adjudication, especially information related to the technical and economic conditions of the offer.

On its part, it is **allowed**:

-  Participating jointly in a tender with a competitor, as long as it is possible to objectively justify the alliance. Written justification is required prior to the creation of a Temporary Business Association before the Compliance Committee through the Internal Audit and Compliance Department, in accordance with the requirements established in the internal regulations (NIG 14 on Due Diligence of third parties).






## VI. RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS

The agreements with suppliers and subcontractors can constitute vertical agreements under competition law. In this regard, agreements with suppliers and subcontractors must comply with the applicable competition rules.

### VI.1. General behavior guidelines

In relation with suppliers and subcontractors is **prohibited**:

-  Reaching agreements that imply a total or partial limitation of competence in territorial scope without the prior authorization of the Compliance Committee, which shall be managed through the Office of Legal Counsel as secretary of said Committee.
-  Reaching agreements that impose non-competition or unfair competition commitments on the Group.
-  Using the relationship with a supplier or subcontractors to obtain sensitive information of competitors.

## VII. COMPLAINTS, CONSULTATIONS AND INTERPRETATION

The Personnel Subject to the present Policy, understood Employees and Representatives, have the obligation to report, through the form provided on the Ethics Line WEBSITE, all those breaches or violations related to the Policy and other applicable internal regulations of which they are aware or suspect.

Additionally, in the event of an investigation by the public authorities, the Duro Felguera Group and Personnel Subject are committed to cooperating to the maximum extent possible with the regulators. Thus, in the case of any investigation whether or not it is related to antitrust laws, it must be immediately reported to the Office of Legal Counsel, which will be responsible for directing and coordinating it.

## VIII. BREACHES OF POLICY

Compliance with the terms of this Policy is responsibility of all Employees and Representatives of the Duro Felguera Group. However, the Board of Directors of Duro Felguera, the Compliance Committee and the Employees who have the status of Senior Management of the Group will be responsible for making the content of the Policy known, as well as for supervising its compliance in each of their respective areas of action.

Non-compliance with the provisions of this Policy may result in the application of the appropriate sanctioning measures, all in accordance with the provisions of the Collective Agreements, in the applicable labor regulations, or in the commercial contracts governing the relationship between parties.

Additionally, it should be emphasized that violating the regulations established in accordance with competition law may result in severe penalties for both the Group

and the individuals who participate in them. Non-compliance with the provisions of laws related to competition law could be subject to claim for damages. In relation to commercial agreements containing anti-competitive clauses, they are not considered legal. Highlighting the significant damage, they may cause to the Group. Thus, without being a cause or basis for this Standard, collusive conduct can seriously affect the company by (i) penalties of 10% turnover, (ii) pending surveillance, (iii) prohibition from contracting with public administrations and (iv) compensation for damages to consumers and users of goods and services affected by a competition sanction. These are matters which, due to their seriousness, may put the Group at risk.

## IX. PUBLICATION AND ENTRY INTO FORCE

This Policy was approved by the Board of Directors of Duro Felguera on September 30, 2022.

This Policy, as well as Duro Felguera's Crime Prevention Model, will be subject to continuous review and improvement, especially when regulatory, social, business or any other circumstances deem it necessary.

This Policy, which must be complied with, has been made available to all the Employees and Representatives of the Group on the corporative intranet. Likewise, Third Parties related to the Group will be able to access it through the Duro Felguera website.

## ANNEX I: GLOSSARY OF TERMS

**Duro Felguera:** Duro Felguera, S.A

**Duro Felguera Group:** Business group comprising Duro Felguera, as parent company, and its subsidiaries or investees. The Duro Felguera Group shall be understood to be made up of all the Spanish or foreign companies that form part of the Group's consolidation perimeter according to its annual accounts.

**Compliance Program:** Set of internal regulations, processes, procedures, good practices, and policies that the Duro Felguera Group implements to identify, evaluate, and mitigate the risks associated with its activities.

**Compliance Committee:** Collegiate control body responsible for the periodic supervision and monitoring of the Crime Prevention Model of the Duro Felguera Group, whose composition corresponds to that described in the Crime Prevention Manual.

**Representatives:** All legal representatives of the companies that make up the Duro Felguera Group, including the legal directors, and those who are authorized to make decisions on behalf of these companies, including the de facto directors or other external control bodies, and any natural or legal persons linked by legal relationships and/or of any nature other than employment, who act on their behalf.



**Employees:** Any individuals who maintain an employment relationship with any of the companies of the Duro Felguera Group including all managers and persons with organizational and control powers, as well as any person who supplies labor services for any of the companies of the Group, regardless of their contracting regime.

**Third parties:** All individuals or legal entities that provide services to the Duro Felguera Group through a relationship other than an employment relationship and that are not included in the definition of Representatives. Among them, suppliers, contractors, providers, manufacturers, collaborators, consultants or commercial agents, business, or commercial partners, among others.

**Duro Felguera Group:** Business group comprising Duro Felguera, as parent company, and its subsidiaries or investees. The Duro Felguera Group shall be understood to be made up of all the Spanish or foreign companies that form part of the Group's consolidation perimeter according to its annual accounts.

**Internal Audit and Compliance Department:** Responsible for the execution of the crime prevention plan and, in general, of the Group's crime prevention policy. Therefore, among its functions is the management of the Group's communication channels for incidents and consultation (Ethics line and e-mail [dcn@durofelguera.com](mailto:dcn@durofelguera.com)). This department is part of the Compliance Committee.

**Competitor:** A company is considered a competitor when it runs in the same reference market as the Duro Felguera Group or any of the companies that form it individually.

**Competition law:** A set of rules aimed at guaranteeing the existence of affective competition in the market through the prosecution and punishment of conduct that restricts competition, the control of company mergers and, finally, control over granting of public aid to companies.






**Competition authority:** Public entity in charge of the application of competition law, with authority to investigate and sanction any infringements of competition law that may occur.

**Vertical agreements:** The agreement or concerted practice takes place between companies running at different levels of the production or distribution chain.

## ANNEX II: PROTOCOL FOR ELABORATION OF DOCUMENTS

The Duro Felguera Group urges its Employees and Representatives to act with caution in their communications. Improperly drafted and/or sent documents can make legitimate conduct appear improper and lead to unnecessary legal action, causing severe damage to the Group.



In practice, during an investigation, the antitrust authorities may require access to any document or file and even retrieve those that have been deleted (including messages, e-mails from corporate or private devices). This information could be used as incriminating evidence if its content could lead to misinterpretations causing severe damage to the Group. It is therefore recommended to pay particular attention to the following points in the preparation of documents:


-  Provide a clear citation of the sources of information, stating that the information does not come from an incorrect source. If the opinion or estimate provided by a third party is presented, this should be stated.
-  Avoid using words that may imply bad intentions or dominance in the market, such as battle, blocking or dominance.
-  Ensure that documents that are not final versions are identified as such by including, for example, the expression: "draft subject to change".
-  To think and act in terms that favor free and fair competition.
-  Draft in a clear and detailed manner. The content must not create the impression that there is any type of agreement that implies the limitation of competition.

### **ANNEX III: PROTOCOL FOR PARTICIPATION IN INDUSTRY ASSOCIATIONS OR PROFESSIONAL ASSOCIATIONS**

Participating in business associations or grouping can bring great benefits to the development of the Group's business. However, there is a latent risk that these organizations may ease undue cooperation between competitors through anticompetitive practices that are not in accordance with applicable legislation.

To ensure the legitimate participation of the Duro Felguera Group in business associations or groups, the following must be considered:

-  The Compliance Committee must be notified prior to registration in the association or grouping through the Legal Department. The request for authorization must include relevant information regarding the organization, whether formal or not (headquarters and members, among others) and a reasoned explanation of the need to be part of it.
-  Participation in organizations is only allowed if they have business objectives that promote the economic interests of the industry in which the Group's member company or the Group itself operates. They must also have a pro-competitive attitude and promote compliance with competition law regulations.



 It must be ensured that the organization in its meetings:

- General issues of common interest to the sector in which they take part, and which do not involve restrictions on competition are discussed.
- A written agenda is kept of the topics to be discussed at the meetings, which is distributed prior to the beginning of the meeting, and at its conclusion written minutes and records of the meeting are kept.
- If the meeting deals with topics that involve restrictions on competition, disagree must be expressed with the topic discussed and leave the meeting. If this is not possible, disagreement must be expressed in writing with what occurred at the meeting and the Compliance Committee must be informed through the Office of Legal Counsel.
- During breaks from meetings, meals or any other type of social event, refrain from commenting on anti-competitive matters, such as price agreements, market shares or other sensitive information that is not considered historical (older than 12 months).



#### **ANNEX IV: PROTOCOL FOR ADMINISTRATIVE INVESTIGATION**

The main premise in relation to possible investigations carried out by antitrust regulators is to cooperate with such investigations. Therefore, no Employee or Representative of any of the Group's companies shall consciously or unconsciously obstruct the conducting of such work.

The powers of the antitrust authorities are overly broad in relation to access to information and may, among others:







-  Register the Group's facilities and make copies of all relevant documents and electronic media.
-  Demand explanations from Employees and Representatives in relation to questions that may arise from the analysis of the information seized.

In the case of notification of the initiation of an investigation, the points described in this Protocol must be followed:

-  If any Employee or Representative of the Duro Felguera Group is contacted by any authority to report the commencement of an investigation, they must immediately notify the Office of Legal Counsel.
-  Once the initiation of an investigation has been received by the Group, the regular procedures of document destruction and deletion of computer

media must be immediately discontinued to avoid possible misunderstandings or accusations of destruction of evidence.

Additionally, the following guidelines should be followed:

-  Request the immediate presence of the proper representative of the Office of Legal Counsel.
-  Request a copy of the resolution that implies the initiation of the investigation signed by the Authorities requesting the investigation. Said resolution must contain a detailed list of the information to be requested.
-  Inform the Authorities of the willingness to cooperate fully and provide all information requested. At this point, it should be noted that failure to cooperate may increase the amount of a possible sanction.
-  Not to engage in conversations with the Authorities, limiting itself to responding to their requests. In this context, it shall be suggested to the Authorities that communications be channeled through the designated representative of the Office of Legal Counsel.
-  Request permission from the Authorities to photocopy the required documents, stamping all of them, for a later control of everything that was seized.
-  Any notification concerning the investigation may only be signed by the designated representative of the Office of Legal Counsel. The latter will have the function of ensuring that the terms of the injunction or the powers of the Authority in charge of the investigation are not exceeded.



**ANNEX V: FORM FOR PRIOR AUTHORIZATION IN CASE OF MEETING WITH COMPETITORS**

**1. Information regarding the circumstances of the meeting**

Scheduled date and time of the meeting: \_\_\_\_\_

Site and context of the meeting: \_\_\_\_\_

Attendees on behalf of Duro Felguera Group:

First and last name	Position within the Group

Attendees on behalf of competing companies of Duro Felguera:

First and last name	Position	Company

**2. Information contained in connection with the content of the meeting**

Subject of the meeting

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Agenda / summary of the topics to be discussed during the meeting

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Other considerations

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