



ANTI-BRIBERY & CORRUPTION (ABC) POLICY



ABC POLICY

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1. INTRODUCTION

Corruption, bribery and fraud, are currently amongst the foremost troubling social issues both nationally and internationally, which citizens are greatly aware of, and results from the latest surveys by the CIS (Sociological Investigations Centre), demonstrate how corruption and fraud are one society's most vexating issues.

Transparency International has been releasing their Corruption Perceptions Index since 1995, which measures corruption indexes in the public sector across several countries. According to their latest Global Corruption Barometer, Spain ranked 62/100, on a 0-100 scale (where "0" was the highest and "100" was the lowest perception of corruption).

In recent years, a plethora of international agencies have resonated this global reality, imposing across several countries the need to actively curb corruption, thus adopting efficient measures to do so. In the same way, many countries, including Spain, have passed ever stricter anti-corruption laws.

Therefore, this document aims to implement in FERNANDO SOL, S.L. and its affiliated companies (hereinafter referred to indistinctly as "the Group" or "FORESTALIA"), the necessary mechanisms to prevent this type of practice, so that the administrator, top-tier management, personnel and subordinates of these entities may be fully aware of all necessary operating procedures, so as to follow and apply them.

2. LIAISON TO CURRENT CODE OF ETHICS

The Policy's provisions herein complement those in FORESTALIA's Code of Ethics and are likewise compulsory for any who form a part of these entities.

3. ON THE MEANING OF “CORRUPTION”; “BRIBERY” & “FRAUD”

3.1) «**Corruption**» shall mean any conduct whatsoever aimed at disrupting neutrality and free competition, by procuring goods or services via the offer and/or acceptance of unjustified benefits or handouts, such as those looking to obtain undue advantage on relations with the Public Administrations. Corruption may be:

- Private- if the person to whom the gift, benefit or advantage is offered, is a director, administrator, or an employee or collaborator of a commercial entity, association, foundation or organization subject to private law.
- Public- if the person to whom the gift, benefit or advantage offered, or who has kinship or friendship with an administrator, director, employee or subordinates, happens to be a public official or public servant.

3.2) Corruption encompasses bribery and extortion.

«**Bribery**» covers any conduct whatsoever implying the offer, promise, handing-over, acceptance or request of advantages as incentive to incur in actions deemed illegal, unethical or which abuse trust.

Within bribery, the concept of «facilitation payments» must be highlighted, which can be defined as the bribing of public officials or public servants. Most countries’ domestic laws focus on facilitation payments on national public servants. For its part, international organizations such as the UN have already adopted measures to tackle this issue, issuing rules directly concerning international public servants.

The term «passive bribery» consists on requesting, agreeing to receive or accepting inappropriate payments or PIKs so third-parties (such as suppliers, clients, etc.), may obtain or secure business from/for FORESTALIA, or ensure any other inappropriate advantage from/for FORESTALIA.

«**Blackmail**» is the pressure applied on someone with threats so as to force him/her to perform certain acts, in order to obtain payments or other benefits.

3.3) The term «**fraud**» covers all intentionally deceitful actions with the aim of obtaining benefits or unfair advantage.

4. PROMOTION, RELATIONS WITH INSTITUTIONS & PUBLIC ENTITIES

FORESTALIA is confident that the vast experience and qualification of its professionals and their unwavering reliability when launching its projects will speak for itself. Notwithstanding the foregoing, informative and promotional sessions may be held occasionally, to boost its brand image; seek new business opportunities; or improve its market positioning, which, to date, has been dominated by a few large players. This activity being perfectly common and legitimate must, however, adhere to the following rules set forth.

4.1. What is a “gift”?

To all intents and purposes under the present Policy, a «gift» shall mean (i) any goods promised, offered, presented, requested and/or accepted whether directly or indirectly by FORESTALIA’s administrator, directors, personnel or subordinates, via a third party; as well as (ii) invitations to lunch, dinner, etc.

4.2. When can gifts be accepted and/or offered?

Acceptance and/or handing-over of gifts by FORESTALIA’s administrator or directors, personnel or subordinates shall only be allowed in the following cases and under the following conditions:



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✓ Offer ✓ Promise ✓ Give Gifts, handouts, personal benefits, kickbacks and/or discretionary contributions.	Amount under €50	Permitted, on account of being considered courtesy gifts.
	Amount from €50 to €300	Prior notification to the Compliance Officer is required.
	Amount over €300	Prior notification to and authorization from the Compliance Officer is required.
✓ Accept Gifts, handouts, personal benefits, kickbacks and/or discretionary contributions	Amount under €50	Permitted, on account of being considered courtesy gifts.
	Amount from €50 to €300	Prior notification to the Compliance Officer is required.
	Amount over €300	Prior notification to and authorization from the Compliance Officer is required.

When deemed necessary, notification and/or request of authorization to the Compliance Officer will be formalized by filling the form attached to this Policy as Appendix I, preferably emailed at compliance@forestalia.com.

Notwithstanding the foregoing, under no circumstances whatsoever will the offer, promise, handing-over and/or acceptance of gifts, handouts, discretionary contributions, personal benefits and/or kickbacks be permitted when:

- They aim to bribe.
- They're offered to/by public servants, whether national or foreign; political party leaders; public officials; and/or candidates to these roles.

- There is intent to influence the person receiving it, so they may opt for, against or stall decisions that may compromise objectivity and fair judgment.
- They are done attending to the role held by the person who receives it.
- They exceed the abovementioned quantities or concepts.
- They are performed within or right after the time frame of a public or private contract award process or for the issuance of public grants in which FORESTALIA features as a nominee.
- They don't meet all requirements and conditions set forth in this Policy.

Furthermore, it is absolutely forbidden to disclose private home addresses of personnel or any address other than FORESTALIA's to contractors or other commercial collaborators for the delivery of gifts.

Should FORESTALIA's administrator, directors, personnel or subordinates receive any gifts which are duly authorized in accordance with our current Policy, they are permitted to share them with their collaborators.

4.3. What of merchandising goods?

The offer and/or acceptance of merchandising goods, that being items bearing distinctive brand signs and which have a commercial, promotional or symbolic purpose, is generally allowed.

4.4. And promotional costs?

If the promotional costs are destined towards the procurement of gifts for clients and/or potential clients and suppliers, then the guidelines contained in section 4.2 of this Policy shall apply. Regardless of the above, the department incurring in the costs shall be responsible for documenting the shipment and delivery of the respective gifts.

4.5. Can we send out invitations to events and conferences?

On occasion it may be of interest to arrange or participate in conferences and/or events, which will always be possible, so long as the following conditions are met:

- Offering training and technical knowledge ought to be the main goal of the event. Which is why leisure activities ought not to take over 35% of the event's overall time.
- Generally speaking, luxurious lodging and the invitation of escorts ought to be avoided.
- To incur in promotional costs, previous approval from Forestalia's Compliance Officer will be required, and shall be requested by the department involved, specifying at least: (i) the amount of the required expense; (ii) the end towards which it's destined, detailing the type of event or promotional activity expected to be taking place.

4.6. Are charitable donations and sponsorships allowed?

Despite FORESTALIA being absolutely free to sponsor or issue charitable donations, criteria of impartiality and fairness will have to be met throughout the process. Additionally, the following certifying documents will have to be filed and kept for future reference: request from the transferee entity or FORESTALIA's call for awarding grants; trace of the payment issued; and statement of where the financial aid was destined.

Under no circumstance will consideration be given, whether directly or indirectly, by the donee or sponsored.

4.7. And donations to political parties?

Donations to political parties and syndicates are monetary payments or payments-in-kind made with the aim of supporting political parties, candidates or political initiatives.

All donations, either directly or indirectly, to political parties or syndicates on FORESTALIA's behalf or in its benefit are absolutely forbidden.

5. CONFLICTS OF INTEREST

All personnel and anyone linked to the entity will have to avoid conflicts of interest, with FORESTALIA's interests prevailing first and foremost over individual interests. In this sense:

- All personnel at FORESTALIA with the capacity of making binding decisions on its behalf, shall have to provide written report of any conflicts of interest involving him/her or anyone else linked to him/her which may result from that business decision.
- Whenever the parties involved may foresee the situation could generate conflicts of interest for them, they'll have to report it to the Compliance Officer, to advise them on how to proceed.
- Furthermore, all personnel who, due to their role or position at the company must make financial or strategic decisions, shall require authorization from the Compliance Officer before issuing payments to and/or hiring commercial entities, associations or charitable organizations unrelated to FORESTALIA and of which they are also administrators, board members, directors and/or advisors.

6. THIRD-PARTY RELATIONS

6.1. What procedure must be followed when hiring contractors?

FORESTALIA's commitment is to start and preserve commercial relations with contractors who are qualified, reliable and upright. To fulfil our commitment, reasonable measures must be implemented to verify each contractor's qualifications and integrity, before starting binding commercial relations. At any rate, provisions contained in the Integrated Management System, and specifically, those contained in the "*procedure for procurement and providing information to external contractors*", as well as the "*external contractor evaluation procedure*".

With the aim of achieving the utmost neutrality and objectivity when selecting contractors, the following criteria will have to be met whenever circumstances allow it:

- Obtain sufficient offers (at least three) meeting the required criteria in each area and clearly specifying the goods or services offered. If obtaining three offers is not feasible, then the rationale for selecting the contractor will have to be duly justified.

- Follow contractor evaluation procedures and encourage, insofar as possible, invitations to new offerors. Offerors and their respective offers must always be duly registered in writing.
- Selecting the optimal offer (that is, the one with best value), detailing the rationale or reasons if the decision is not based on its price.

All procurement of goods or services must be duly documented via respective contracts, which must be filed in their appropriate register upon termination.

A register must be kept of all procurement and purchase orders, contractors' files, relevant invoices and signed contracts.

Additionally, for instances where contractors may require payment of their invoices via bank transfer to different accounts from those registered by the company, a bank certificate shall previously be required to certify ownership of the contractor's new account (see "*Punishable Insolvency Prevention Procedure*").

6.2 Can I deal and/or do business with the Public Administrations on behalf of FORESTALIA?

Only FORESTALIA's authorized personnel may deal and/or negotiate on its behalf with the Public Administrations, in accordance with the capacities duly attributed in each instance. Under no circumstances can they take advantage of their personal relationship with public servants or authorities, to FORESTALIA's direct or indirect benefit.

7. ABC POLICY COMPLIANCE

7.1. Must I follow the rules set forth in the ABC Policy?

Its content is compulsory for FORESTALIA's administrator, directors, employees and subordinates.

7.2. What if I don't comply?

Breach of the terms set forth in this policy may result in FORESTALIA opening a disciplinary proceeding, and, if necessary, pursuant under the applicable penalty system. In this regard, the Compliance Officer

shall, together with the Human Resources Department, coordinate whatsoever measures to be taken unto FORESTALIA's personnel, in accordance with the principle of proportionality and observing the accused's right to defense, through which they may provide their version of the events under the provisions contained in the "*Handling, Investigation and Response Protocol*".

Personnel and those involved with FORESTALIA who may notice the committance of inappropriate or irregular conducts, at risk of violating the provisions of the present Policy, shall be obliged to report it, and any violations thereof, through the designated whistleblower channels (email: compliance@forestalia.com and/or by post to the Group's offices located at C/ Coso nº 33, 7 planta, C.P. 50003, Zaragoza); always in line with the guarantees and principles covering their usage.

7.3. Who'll be responsible for reviewing the ABC Policy's content?

The Compliance Officer shall review on a annual basis this Policy's content with the aim of ensuring its full conformity with current anti-corruption regulations and international standards and regulatory compliance, notwithstanding future revisions it may undergo, as a result of any claims received through the entity's designated whistleblower channels. These revisions will have to be carried-out whenever there is proof of breach of this Policy. FORESTALIA's goal is to continually optimize its anti-corruption management system.

7.4. Any questions?

All recipients of the Policy herein, may forward their queries directly to the Compliance Officer, regarding interpretation and/or implementation of its content, by emailing their questions to compliance@forestalia.com (all communications exchanged will be deemed confidential).

8. EXTERNAL COMMUNICATIONS

FORESTALIA shall publicly disclose its zero-tolerance pledge on crime, tackling corruption in its multiple forms, and, in short, seeking a regulatory compliant and law-abiding business culture. As a result, the implementation of its Code of Ethics and ABC Policy will be posted on its website.

9. TRAINING, INTERNAL AUDIT & DOCUMENT MANAGEMENT

9.1. Training

FORESTALIA in the hope that all its personnel will embrace its zero-tolerance policy pledge on crime, shall arrange any training sessions deemed necessary.

Subsequently, any substantial amendments to the Policy herein, shall be duly notified and explained to all personnel it pertains to, regardless of the fact that its latest version shall be continually available on FORESTALIA's file system. Should the amendment be deemed complex, appropriate training sessions will be arranged accordingly.

Lastly, all personnel dealing directly with Public Administrations, public servants or public officials, shall receive appropriate training on a regular biannual basis, on the grave implications, both for themselves and for FORESTALIA, regarding breach of these rules and the Criminal Code's provisions.

9.2. Internal audit

Naturally, compliance with provisions set forth in the abovementioned procedures shall be subject to verification through its scrutiny by internal audit plans, which may be carried-out respectively. The Compliance Officer will be duly informed from these audit results, and will report its findings to FORESTALIA's Steering Committee accordingly.



9.3. Paperwork processing

FORESTALIA's Compliance Officer shall safeguard all relevant documents on corruption risk management, with the aim of having it readily available, protected, and ensuring its confidentiality.



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APPENDIX I.-

NOTIFICATION AND/OR AUTHORIZATION FORM FOR RECEPTION OF GIFTS AND BENEFITS
(please email to: compliance@forestalia.com)

Name of employee/director receiving the gift.	
Role and Department he/she works in.	
Full description of gift and/or discretionary contribution received.	
Approximate value of the gift and/or discretionary contribution.	
Donor of gift and/or discretionary contribution, indicating full name, entity they work for and role they perform.	
To the best of your knowledge, have any other gifts and/or discretionary contributions from the same entity been accepted by other employees at FORESTALIA, in the last twelve months?	
Date of reception of gift and/or discretionary contribution.	

Whenever possible, any certifying documents of the gift and/or discretionary contribution's value, shall be attached to this form.

Gifts and/or discretionary contributions with up to 300€ in value, shall require the Compliance Officer's approval acknowledging proper notification.

Gifts and/or discretionary contributions of over 300€ in value, shall require the Compliance Officer's authorization.

In _____, on ____ of _____ of 20__

Signed by Employee/Director

Compliance Officer's signed approval

Compliance Officer's signed authorization

APPENDIX II.- APPLICABLE LAW**International Law**

On the international stage, there are a myriad regulations seeking to relay to all different States, the relevance which their internal legislation has, in the fight against corruption. In this sense, and solely to illustrate this point, we list the most relevant sources of law, as follows:

United Nations Convention against Corruption(UNCAC) adopted in New York on the 31st October 2003.

Convention Against Corruption of Foreign Public Agents in International Commercial Transactions, adopted in Paris on the 17th December 1997.

EU Council's Civil Law Convention on Corruption adopted in Strasbourg on the 4th November 1999.

EU Council's Criminal Law Convention adopted in Strasbourg on the 27th January 1999.

Directive 2005/60/CE, of the European Parliament and of the Council of 26th October 2005, on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.

Decision No 26/2004 of the committee of the regions of 10th February 2004, relating to the conditions and procedures for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Communities' interests.

Council Framework Decision 2003/568/JHA of 22nd July 2003, on combating corruption in the private sector.

Interamerican Convention against corruption, adopted in Caracas on 29th March 1996.

Resolution 24 (97) on the twenty guiding principles on the fight against corruption.

Recomendation 10 (2000) on the codes of conduct of public servants.

Recomendation 4 (2003) on common rules against corruption when financing political parties and election campaings.

In the Counsel of Europe's terms, corruption constitutes a threat to the rule of law, democracy and human rights, it undermines the principles of good administration, equity and social justice, cheats competition, blocks economic development and endangers the stability of democratic institutions and moral tenets of society.

Thus, while these changes in criminal legislation have been taking place in Spain since 2010, globally in recent years, these may be considered the greatest towards the development and the height of laws destined to protect society against corruption. In this sense, different international agencies have

embraced the fight against corruption, including the United Nations, the World Bank, the International Monetary Fund, the World Trade Organization, the Organization of American States, the OCDE and the European Union. From a domestic standpoint, several jurisdictions have developed complete laws contemplating multifold demands on prevention and control with regards to corruption, as well as the issuance of severe punishment in cases of breach, both for those held liable, as for whichever commercial entities where acts of corruption are incurred into within their scope. To highlight but a few of these laws:

- Foreign Corrupt Practices Act of the United States of America.
- UK Bribery Act 2010.
- German Criminal Code StGB & IDW Prüfungsstandard den Inhalt freiwilliger Prüfungen von Compliance Management Systemen (German IDW EPS 980 / CMS- Prüfungen).
- Italian Legislative Decree n. 231, of 8th June 2001.
- Chilean Law Nr. 20.393 of 2009, in force since 2nd December 2009.
- Brazilian Anti-corruption Law Nr. 16.846/13.

However, despite the abundance of anti-corruption laws from multiple legal systems worldwide, anglosaxon law is clearly predominant and both the USA's FCPA as well as the UK's Bribery Act constitute the highest global standard in the field (*"If you comply in the US and UK, you comply everywhere"*). Additionally, American and British anti-corruption laws set forth compliance obligations beyond its borders; its rather broad radius of application not only extends to corrupt acts perpetrated within their respective jurisdictions, but even to those perpetrated internationally by commercial entities operating within UK or US borders. Thereby turning both the FCPA & Bribery Act, in practice, into anti-corruption international treaties.

Domestic Law

Our domestic law specifically governing corruption is the Organic Act 10/1995, of November 23rd (Criminal Code), which regulates from its inception all crime against the Public Administration, as the foremost source of corruption in the public sector. Organic Act 5/2010 modified the Criminal Code and, among other novelties, introduced in our legal system the crime of corruption in the private sector and the possibility of legal entities or individuals can be criminally liable of crimes committed on their behalf by administrators, directors, and personnel. Organic Act 1/2015 furthered these amendments of 2010 on corruption-related crimes and introduced a significant improvement on the regulation of criminal liability of legal entities.

In addition to the Criminal Code, other examples of legislation regulating fraud in specific sectors are: (i) Royal Decree 925/1995, of June 9th, which adopts the Regulations of Act 19/1993, of December 28th, on specific money-laundering prevention measures; (ii) Act 19/2003, of July 4th, on the legal framework of capital flow and economic transactions overseas and on certain money-laundering prevention measures; (iii) Act 10/2010, of April 28th, on money-laundering prevention and Combating the Financing of Terrorism.

Additional Information of Interest

Our current procedure has been inspired by the best national and international practices and, particularly, by some reference documents for their unquestionable quality and efficiency, such as:

- Manuals on ethics, anti-corruption and compliance elements for Business, from the OCDE, the World Bank, and the United Nations Office on Drugs and Crime (UNODC).
- *“An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide”* by the UNODC.
- Guide on UN Global Compact’s Tenth Principle against corruption by the UNODC.
- ISO 37007:2016 – Anti-bribery management systems¹.

¹ It’s worth noting that, despite the inspiration gained from this international standard, does not necessarily imply compliance with all the requirements therein.