



Compliance Policy

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I. Purpose of this Compliance Policy

As a leader in the design, manufacture and marketing of car wash and car care solutions, ISTOBAL's international activity is based on the following values:

- ◆ **Curiosity and creativity.** ISTOBAL uses its internal and external resources to promote originality in everything it does – in its products, processes, and in the user experience-. ISTOBAL is a curious, imaginative company that encourages creativity and is constantly learning and evolving throughout the organisation in order to be more fluid, more flexible, and more original.
- ◆ **Customer focus.** The whole organisation is geared towards the customer experience, integrating customer services into the processes. Focussing on customer allows ISTOBAL to understand their needs, as well as to deliver, assess and evaluate all the services it offers.
- ◆ **Integration and diversity.** ISTOBAL is a diverse, multi-cultural team that is able to understand the views and needs of others. The company invites everyone to participate and make their own contribution – employees and external collaborators alike – and it involves and engages talent in an effective way.
- ◆ **Cooperation.** The company works in a team, using horizontal, cross-departmental processes. At ISTOBAL, we work together to reach agreements and deliver mutually satisfactory solutions.
- ◆ **Safety.** People are the most valuable asset in any organisation, which is why guaranteeing their safety is always our utmost priority. Employees, customers and users are part of that group of people. ISTOBAL is committed to ensuring the safety of its employees throughout all stages of production, assembly and installation, and to protecting its customers in maintenance operations and compliance with regulations. This commitment also extends to users of car wash installations, with a variety of measures in place to make sure the experience is completely safe.

For ISTOBAL, compliance is at the very foundations of its activity, becoming the basis for actions, decisions and strategies, and being a part of its culture as an organisation.

ISTOBAL's regulatory compliance is promoted and encouraged by the Board of Directors. In carrying out its responsibilities, the Board of Directors has developed this policy in line with its Mission, Vision and Values and with its compliance culture. Its purpose is to provide security on the company's good compliance practices, providing value and a high level of guarantee to stakeholders and the market in general.

The **objectives** of this policy are as follows:

- Project to all executives and employees of ISTOBAL companies, as well as to third parties that relate to them, a message of opposition to any illegal criminal act or regulatory breach both internally and externally, encouraging the use of good practices.
- Formalise ISTOBAL's commitment to the monitoring, prevention and detection of breaches of any kind in order to prevent eventual deterioration of its image and its reputational value and, ultimately, the value of the ISTOBAL brand.
- Establish the action framework and the corporate culture on compliance with applicable laws and regulations by the entire organization that makes up ISTOBAL.

II. Scope of Application

This policy is applicable to all the companies of the Group headed by ISTOBAL, S.A. in the entire geographical area in which ISTOBAL operates. Companies of the Group are understood as all the companies with at least 50% of share capital being directly or indirectly held by ISTOBAL or those in which ISTOBAL exercises control over the majority of the members of its board of directors.

Furthermore, it is essential for ISTOBAL that its associated companies, its suppliers and customers comply with the highest levels of integrity and honesty and consequently it will require all of them to apply policies in terms similar to those of ISTOBAL as regards compliance and ethics.

III. Action principles

This compliance policy is based on the following principles:

1. Formalise, integrate and coordinate the set of actions necessary to prevent and discourage illegal acts being committed by any ISTOBAL professional, as well as possible improper situations or fraud.
2. Promote transparency, integrating the different systems developed for the prevention of crime, maintaining adequate internal channels to encourage the communication of possible irregularities, which allows ISTOBAL professionals, shareholders, customers and suppliers to communicate behaviours that may involve a breach of the ISTOBAL policies or any act contrary to the law or the rules of action of the Code of Ethics being committed by an ISTOBAL professional.
3. Ensure behaviour in accordance with current legislation and within the framework established by the Code of Ethics that complies with internal regulations by ISTOBAL professionals.
4. Promote a culture of preventive compliance which is aimed at the prevention of illegal acts and the application of the ethics principles and responsible behaviour of all ISTOBAL professionals.

5. Promote internal control processes in actions and decision making by employees and ISTOBAL executives.
6. Ensure that the Compliance Committee has the necessary resources to monitor the operation and compliance of this policy for the prevention of breaches in an effective and proactive manner.
7. Develop and implement appropriate procedures for the control and management of crime prevention or conduct that is contrary to the regulations in all ISTOBAL companies.
8. Investigate any whistle-blowing of an allegedly criminal or improper act as soon as possible, guaranteeing the rights of the whistle-blower and the persons investigated.
9. Establish the obligation of all ISTOBAL companies to cooperate and provide the support required by judicial and administrative bodies in the event of an investigation of allegedly criminal or improper events that may have been committed by an employee of the organisation.
10. Apply a fair, proportional and non-discriminatory disciplinary and sanctions system in accordance with applicable law.
11. Communicate the content of the ISTOBAL regulatory compliance system, as well as the obligation of all professionals who are part of ISTOBAL to report any event constituting a possible crime or impropriety that is recorded through the Ethics Whistle-blowing Channel.
12. Provide training programmes for ISTOBAL employees about the obligations imposed by the applicable legislation with sufficient periodicity in order to guarantee that their knowledge is up to date on this matter.

IV. Compliance Model

a. Internal regulatory framework

ISTOBAL is managed always in full compliance with applicable laws and regulations, guaranteeing compliance through the application of preventive policies, guidelines and internal operating procedures that employees must know and comply with, which mainly consists of the following documents:

- Code of Ethics.
- Required environmental, social and governance corporate policies (quality, health and safety, sustainability policies, financial policies, etc.).

b. Ethics Whistle-blowing Channel

In addition, ISTOBAL has implemented a communication channel for reporting behaviours that are contrary to the applicable regulations, as well as the previously mentioned documents, the Ethics Whistle-blowing Channel, through which any person (internal or external to ISTOBAL) can communicate any information relating to an alleged breach.

c. Training

Training is essential to ensure knowledge and awareness of compliance by the entire organisation. The Compliance Committee will promote constant training and awareness activity on crime prevention and control and the content of the Code of Ethics at all levels of ISTOBAL.

In this sense, all ISTOBAL employees will receive basic training on regulatory compliance.

On the other hand, those employees who are in management positions will receive specific training on the regulations that apply to each of the departments they manage.

All those employees who are newly hired must receive the generic and specific training on compliance that may affect their department in the first six months after joining the Group.

The training may be based on face-to-face sessions or e-Learning courses.

d. Communication

ISTOBAL will adopt the means of communication at its disposal to ensure that the message of compliance is listened to and understood by all members of the organisation on an ongoing basis.

e. Risk behaviours

The compliance officer has identified the risks and the constitutive behaviours of crimes and breaches of internal and external regulations that might arise from the different functions and activities carried out by all ISTOBAL business areas. These behaviours are documented in the ISTOBAL Compliance Risk Matrix which determines the probability of a breach and the impact that each breach would have on ISTOBAL if committed.

Each of these behaviours has an associated preventive control, as well as a series of detective measures that guarantee their identification by ISTOBAL in the event that they occur.

The Compliance Risk Matrix is communicated to those responsible for each department of the business for their knowledge and control development associated with their activity.

The specific regulations that imply a risk to ISTOBAL when breached are mainly:

- a) The Criminal Code;
- b) Data protection/privacy regulations;
- c) Environmental, health and safety regulations;
- d) The applicable employment regulations;
- e) The Companies Acts.

V. Compliance Management System

ISTOBAL carries out the following activities to establish a Compliance Management System:

a) Identification and evaluation of the risks

The first step in the development of an effective Compliance Management System is to identify and define the compliance risks to which ISTOBAL is exposed.

In this sense, it is necessary to identify the legal environment in which ISTOBAL operates as well as the rest of the regulations (internal and external) that affect its activity.

Once the regulatory framework has been identified, the ISTOBAL processes will be analysed and the laws and regulations applicable to each one will be identified. In said analysis, the probability of non-compliance occurring and its impact will be evaluated and documented in a risk matrix and compliance controls.

The identification and evaluation will be updated with a fixed annual periodicity.

b) Development of preventive measures

Appropriate preventive measures based on the risk identification and evaluation process will be developed to mitigate the corresponding risks.

One of ISTOBAL's main compliance instruments is its Code of Ethics, which establishes the main rules and guidelines of ISTOBAL in relation to the appropriate business behaviour that its employees and representatives must comply with.

On the other hand, ISTOBAL has developed several specific policies for each department which are aimed at mitigating specific and particular risks.

c) Introduction

In order to effectively introduce the ISTOBAL Compliance Management System, it will be communicated to all Group employees who must clearly convey the full support of ISTOBAL, its Board of Directors and Management.

The Code of Ethics, guidelines and policies, as well as other preventive measures that have been developed will also be clearly communicated to all ISTOBAL employees.

There is a welcome protocol for new employees carried out by Human Resources so that each new employee receives a copy of the key documents and acknowledges their receipt (*welcome protocol*).

Employees must understand all of the compliance documents. Therefore, it will be necessary to translate the key documents (in particular the Code of Ethics) into the main languages used in ISTOBAL.

However, the distribution of copies of the corresponding compliance documents in electronic or paper format will not be considered sufficient by itself. A training programme must be developed in which employees must participate.

All affected employees must know the ISTOBAL policies and receive further training on them and on the departments of particular relevance for them, taking into account their position and functions in the organisation.

A direct communication line will be established for compliance issues in order to solve doubts or issues related to compliance. The ISTOBAL Compliance Committee will assume responsibility for the support service through the compliance officer and will be the point of contact for employees who wish to ask questions about compliance.

d) Detection, response and monitoring of the effectiveness

In order to ensure the effectiveness of the ISTOBAL Compliance Management System, it is important that any possible breach be detected and adequately resolved.

Additionally, penalties for non-compliance will also be imposed without taking into account the condition of the employee and/or manager in question. These penalties are regulated by the applicable legislation.

A systematic approach is also necessary for detecting breaches that respect the requirements of an effective Compliance Management System. The two main methods to detect problems of non-compliance are

- regular compliance audits and
- an effective whistle-blowing channel

The Ethics Whistle-blowing Channel is a system provided by the Company to all employees and third parties so that they can communicate information about alleged irregularities to a specific body. It can be an important source of information about the legal, regulatory and operational risks that the company faces.

Any person internal and external to the company can get in touch through the Ethics Whistle-blowing Channel: canal.etico@istobal.com

Communications sent to this channel will be analysed by the ISTOBAL Compliance Committee.

VI. Responsibilities and control structure

The Board of Directors, supported by the Compliance Committee and, in general, all ISTOBAL employees, are responsible for ensuring the proper functioning of the Compliance Management System.

Board of directors

The Board of Directors represents the highest level of the control structure. It can delegate control functions to the commissions, departments and positions that it deems appropriate, with the sole exception of the powers that the law distinguishes as non-delegable.

The ISTOBAL Board of Directors is responsible for approving the Group's Compliance Policy as well as overseeing the Compliance Management System.

In addition, it must record and periodically monitor the main relevant facts regarding compliance.

Managing Directors

The control functions assigned to the Managing Director/s will be specified in the regulation that governs the delegation of functions of this position.

The Compliance Committee

It is responsible for the supervision relating to the operation and compliance with the prevention model described in this policy.

The Compliance Committee consists of the following members:

- One of the Managing Directors
- Legal / Compliance Officer
- Corporate HHRR
- Global Markets
- Control Manager
- Secretary: The Head of SGQMA

This Committee will monitor the ISTOBAL Compliance Management System by means of periodic meetings. These may be plenary meetings in some cases or limiting attendance to responsible members involved into the issues that will be addressed at these meetings.

In his/her duties as Compliance Officer, the Legal Officer will have the duty of promoting the work of the Compliance Committee, serving as its secretariat and coordinating the various actions.

This Committee has the following functions:

- Definition and validation of functions, powers and responsibilities within the framework of the Compliance Model.
- Contribution in the improvement of the processes for the management, control, prevention and detection of breaches, guaranteeing the effective and independent supervision of the Compliance Management System.
- Evaluation of the response to non-compliance and determination of the need to implement new controls.
- Maintenance and update of legal requirements applicable to compliance.
- Review and update of the risk matrix.
- Monitoring compliance with defined action plans.
- Periodic review of the Policy and Compliance Management System.

The findings and conclusions of the analysis and follow-up of the ISTOBAL Compliance Model must be reported to the Board of Directors through its Managing Directors on a period basis and at least annually.

Management Committee

The members of the Management Committee are responsible for the correct implementation of the Policy, as well as raising awareness and educating about the relevance of the Compliance Management System to all ISTOBAL members, promoting a compliance culture at all levels of ISTOBAL and its importance for all its stakeholders.

The Director of each department will be responsible for properly managing the risks related to regulatory compliance in the department.

The following will be among its functions:

- Supervision and coordination of the work of the Department Compliance Managers, providing tools for the assessment and management of risks.
- Maintenance and update of knowledge, techniques and tools, for the proper functioning of the Compliance Management System with the highest levels of quality.
- Periodic review of the Compliance Management Policy and System and proposal of its modification and update to the Compliance Committee.
- Coordination and processing of the information received by the Compliance Managers in each Department.
- Promotion of adequate and effective communication lines between the management and departments involved in compliance management.

Department Compliance Managers

The Managers of each department (Production, Administration and Finance, Purchasing, Quality, Sales, R+D, Product Development, Marketing and Human Resources, among others) and the Managers of each ISTOBAL subsidiary will be responsible for the following functions:

- Monitor compliance risks in his/her area of influence in accordance with the methodology defined by the risk and compliance officer.
- Identify possible risks and opportunities in the area of assigned responsibility, reporting the necessary information to the risk manager.
- Follow up and communicate the evolution of risk management to the risk manager, as well as the defined action plans.

Members of the staff with control functions

In some cases, control functions can be assigned to members of the staff who are not in managerial positions. The assignment of these functions will be carried out through the policies, standards and procedures that affect them

VII. Review and update

It is the Management Committee's responsibility to control the introduction, development and implementation of the ISTOBAL Compliance Management System. In this sense, said function will have the necessary powers of initiative and supervisory control for the operation, effectiveness and compliance of this Policy, ensuring the adaptation to the needs and circumstances of each of the Group companies at all times.

On the other hand, the Management Committee will evaluate the adequacy and effectiveness of crime prevention programmes, especially when relevant breaches are revealed or when changes occur in the organisation, in the control structure or in the activity carried out by the ISTOBAL companies and it will then assess whether its modification is appropriate.

The Compliance Committee will periodically review the Compliance Policy and will put forward the appropriate modifications that contribute to its development and continuous improvement to the Board of Directors, following the suggestions suggested by the Management Committee.
