

GENERAL RISK CONTROL AND MANAGEMENT POLICY

The Board of Directors of TUBACEX, S.A. (hereinafter, the Company) is responsible for determining the Company's general policies and strategies, and specifically for determining the risk control and management policy, including tax risks, and supervising information and control systems.

PURPOSE

The TUBACEX Group is firmly committed to complying with the good corporate governance policies it has adopted as part of its corporate social responsibility in order to make a voluntary and active contribution to the environment, society and the economy.

In this context, the TUBACEX Group has formulated this Risk Control and Management Policy, which includes the basic principles and general framework for the control and management of all types of risks faced by the Company and the Group.

The Board of Directors of the Company approves the risk appetite and undertakes to develop all its capacities so that the relevant risks of all activities and businesses are appropriately identified, measured, managed and controlled, and establishes the mechanisms and basic principles for the appropriate management of the risk-opportunity combination with a level of risk that enables it to contribute to the following general objectives:

- a) Fulfill the strategic objectives determined by the Group with controlled volatility.
- b) Provide the maximum level of assurance to shareholders.
- c) Ensure sustained business stability and financial strength over time.
- d) Protect the Group's results and reputation.
- e) Reduce the negative impact on the Company's economic activity.

To develop the above, the Board of Directors has the cooperation of the Audit and Compliance Committee, which supervises and reports on the appropriateness of the system for the assessment and internal control of significant risks.

REGULATORY FRAMEWORK

Pursuant to Articles 249 bis and 529 ter of the Spanish Companies Act, the **Board of Directors** is responsible for the definition of the risk control and management policy, including tax risks, and supervision of the internal information and control systems, which cannot be delegated.

In compliance with this legal provision, as well as the provisions set out in TUBACEX, S.A.'s Articles of Association and the regulations governing the body and its Audit and Compliance Committee (hereinafter, the Audit Committee), the Board of Directors of TUBACEX, S.A. (hereinafter, the Board of Directors) has approved this General Risk Control and Management Policy in its capacity as the governing body of the parent company of the TUBACEX Group.

SCOPE

This Corporate Policy is applicable to all the companies that make up the TUBACEX Group, as well as their administrators, directors and related professionals.

This Corporate Policy is published on the Company's corporate website (www.tubacex.com).

DEFINITION OF RISK FACTORS

The risk factors to which the Group is generally subjected are listed below:

- a) **Business Risks:** established as the uncertainty regarding the performance of the key variables intrinsic to the Group's various activities, through its businesses, such as the characteristics of demand or the strategies of the different agents.
- b) **Market Risks:** understood to be the exposure of the Group's results and net worth to the volatility of market prices and other variables, such as exchange rates, interest rates, solvency, liquidity, inflation and prices of raw materials, among others.
- c) **Operational, Technological, Environmental, Social and Legal Risks:** those related to direct or indirect economic losses resulting from external events or inadequate internal processes, including those derived from:
 - technological failures; human error and technological obsolescence;
 - procurement and the supply chain;
 - cybersecurity and information systems;

- health and safety of people;
 - climate change and extreme natural occurrences;
 - regulatory compliance;
 - reliability of financial and non-financial reporting;
 - fraud and corruption; and
 - litigation and arbitration
- d) Corporate Governance, Ethics and Compliance Risks: The main corporate governance risks arise from potential non-compliance with: (i) applicable law, (ii) the provisions of the Governance System, (iii) the recommendations of the Good Governance Code of Listed Companies and its practical guides and of (iv) international standards in this field
- e) Credit Risks: defined as the possibility that a counterpart fails to perform its contractual obligations, thus causing an economic or financial loss to the Group.
- f) Strategy and Innovation Risks: Risks associated with the definition of the strategic positioning of the Company, its communication and alignment, as well as the lack of innovation, its execution at an inadequate pace, or the late entrance of these innovations in the market.
- g) Regulatory and Political Risks: Those arising from regulatory changes made by the various regulators (environmental, fiscal, competition, etc.), as well as those related to nationalization or expropriation of assets.
- h) Reputational Risks: Potential negative impact on the Group's value as a result of behaviour that is negatively perceived by the various stakeholders.

The risk factors may be modified depending on the conditions and evolution of the business.

GENERAL PRINCIPLES OF ACTION

All actions aimed at controlling and mitigating risks shall conform to the following basic principles:

- a) Integrate the risk-opportunity vision into the Company's management, through the definition of the strategy and the risk appetite and the incorporation of this variable into strategic and operating decisions. The risk appetite shall be established objectively and in accordance with criteria and methodology that allow for comparability, hence helping in decision-making.

- b) Create value for the different stakeholders through risk/opportunities management that contributes to the proven attainment of the objectives and their improvement in the different scopes of health and safety, legal and regulatory compliance, environmental protection, economic-financial results, product quality, operational efficiency, reputation and good corporate governance.
- c) Treat uncertainty and its nature explicitly with continuous, dynamic and iterative risk management, considering the changes and responding to them using the best information available from input data to the processes.
- d) Segregate functions, at an operating level, between risk-taking areas and areas responsible for the analysis, control, and monitoring of such risks, ensuring an appropriate level of independence.
- e) Report and quantify the Group's risks and the functioning of the systems developed to control them to regulators and the leading external agents, maintaining the appropriate channels to favour communication, seeking comparability.
- f) Guarantee the proper use of risk-hedging instruments and the maintenance of records thereof as required by the applicable law.
- g) Act at all times in accordance with the values of conduct reflected in the Code of Ethics and situations of fraud set out in the Crime Prevention Policy, as well as in any other applicable compliance regulations.
- h) Ensure adequate compliance with the rules of corporate governance established by the Company through its system of governance and the permanent updating and improvement of this system within the framework of the best international practices of transparency and good governance, and implement its monitoring and measurement.

For the development of the commitment expressed through the basic principles, the Board of Directors has the Audit and Compliance Committee which, as a consultative body, supervises and reports on the appropriateness of the system of internal control and management of significant risks.

COMPREHENSIVE RISK CONTROL AND MANAGEMENT POLICY

The Policy and the basic principles underpinning it are implemented by means of a comprehensive risk control and management system, supported by the proper definition and assignment of functions and responsibilities at the operating level and on appropriate procedures, methodologies, support tools and information systems for the different stages and activities of the system, which include:

- a) Ongoing identification of significant risks and threats, taking into account their possible impact on business goals and financial statements (including contingent liabilities and other off balance sheet risks).
- b) Periodic analysis of these risks, analyzing deviations from the limits approved by the Board.
- c) Evaluation of the impact, probability and level of control establishing a corporate risks map that is reviewed regularly so that the Company and the companies that form part of the TUBACEX Group are able to take actions that mitigate, transfer, share and/or prevent the risks and foster the attainment of opportunities. This risk map shall include the identification of the most senior person in the organization responsible for each risk identified.
- d) Analysis of risks associated with new investments as an essential element in decision-making on profitability-risk.
- e) Monitoring and regular control of the risks in order to control the volatility of the annual profits of the Group.
- f) Maintenance of a system for internal monitoring of compliance with policies, guidelines, and limits, by means of appropriate procedures and systems, including the contingency plans needed to mitigate the impact of the materialization of risks.

The system is structured into three levels of protection and defense to face and manage significant risks:

- The Audit and Compliance Committee regularly reviews the internal risk control and management systems, including the fiscal systems, to properly identify, analyze and report the main risks. In particular, with regard to ESG, this function is carried out in coordination with the Sustainability and Good Governance Committee as established in the Regulations of the Company's Board of Directors.
- The Internal Audit Department informs, advises and reports to the Committee on the risks and the functional activity areas with the existing identification, measurement and control thereof.
- The Management Committee is responsible for undertaking the integrated risk control and management in the business and decision-making processes.

MONITORING, CONTROL AND UPDATING

The Board of Directors shall promote the monitoring of the principles and good practices in this policy by the Group’s companies.

The Audit and Compliance Committee shall supervise and ensure the effectiveness of the Company’s internal control and financial risk management systems, including tax systems.

Both bodies shall ensure that the Risk and Control Policy is updated on an ongoing basis, if necessary, in accordance with current legislation.

This Policy was approved by the Board of Directors, following a variable report from the Audit and Compliance Committee, at its meeting held on **13th December 2023** and is applicable **indefinitely** from the date of its approval.

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