



# CIKAUTXO CODE OF CONDUCT

*Version:* 0  
*Date:* 21/11/2019

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## 1. INTRODUCTION

### 1.1 PURPOSE

This Code of Conduct forms part of Cikautxo Group's Organisational and Management Model.

The purpose of this code of conduct is to define and implement within the Cikautxo Group advanced practices in the areas relating to Corporate Social Responsibility, ensuring compliance at all times with the legislation and laws in force in those countries in which the company operates. At the same time, it shall serve as an example and “pull” element for all stakeholders of the Group.

Compliance with the clauses of this Code of Conduct is based on cooperation, trust, respect and the confidential treatment of all the observations, discussions and communications between third parties and the relevant persons appointed by the Cikautxo Group.

## 2. SCOPE OF APPLICATION

The Code of Conduct is applicable throughout the Cikautxo Group at a GLOBAL level, without prejudice to compliance with any local laws that may reinforce the mandatory minimum requirements described herein.

### 2.1 Persons subject to the Code of Conduct

All Personnel of the CIKAUTXO Group, including the companies controlled by Cikautxo, S. Coop., extending to include, insofar as possible, suppliers, associated persons and clients.

### 2.2 Control structure responsible for monitoring

Monitoring of the compliance with the Code of Conduct is the responsibility of the HR Director, whose duties can be summarised thus:

- a) Ensure the correct communication of the Code of Conduct to all personnel of the Cikautxo Group and any other persons of interest.
- b) Define, propose and implement a CSR process along with its associated procedures and process indicators that guarantee compliance with the Code of Conduct.
- c) Review the Code of Conduct.
- d) Maintain confidentiality.

### 2.3 Communication of the Code

This Code of Conduct will be communicated to all new employees of the Cikautxo Group through the New Starters Plan established for this purpose. For personnel already forming the workforce on the date of adoption of the Code of Conduct, the dissemination will be carried out via the intranet, the personnel portal or the specific documentation submitted for that purpose. With regard to third parties or stakeholders, the Code of Conduct will be disseminated via the website or specific publications. It will be the responsibility of the management of each controlled company to ensure that the Code of Conduct is effectively disseminated.

### 2.4 Employee commitment

All personnel are required to be aware of and mandatorily comply with the Code of Conduct, as well as behave in accordance with the Ethical Values and Principles contained herein.

Similarly, the members of the Board of Directors, Steering Committee, Social Committee, Supervisory Committee and Compliance Committee must set an example of awareness and compliance concerning this Code of Conduct.

### 2.5 Supplier commitment

Compliance with the Code of Conduct is obligatory for suppliers of the Cikautxo Group, which reserves the right to terminate any contract with suppliers not complying with this Code of Conduct.

## 3. APPLICATION OF THE CODE OF CONDUCT

### 3.1 Entry into force

This Code of Conduct entered into force on the date of its approval by the Management Committee of Cikautxo S. Coop. on 21/11/2019 and will remain in force until it is expressly repealed or the entry into force of a replacement Code of Conduct.

This Code of Conduct will be updated, amended and implemented in accordance with the internal and/or external requirements, with such generating subsequent versions.

All suggestions for improvement must be submitted before the Compliance Committee, the body responsible for ensuring compliance with this Code of Conduct and its correct application throughout the Cikautxo Group.

#### Compliance Committee

The Compliance Committee is responsible for all matters referring to the compliance function; it is thus responsible for the interpretation and resolution of queries regarding its content.

This Committee shall prepare and propose the content of this Code of Conduct, as well as the set of protocols that are applicable in the case of non-compliance of any point, which once approved by the Steering Committee of Cikautxo, S. Coop. are of mandatory compliance for all interested parties collaborating with the Cikautxo Group.

### 3.2 Non-compliance and reporting to the Ethics Channel

Non-compliance with the Code of Conduct constitutes a breach and could result in employment or corporate penalties, without prejudice to any other administrative sanctions or corresponding penalties.

To facilitate compliance with the Code of Conduct, there is a confidential and internal Ethics Channel where:

- Any possible queries concerning the interpretation and practical application of the Code of Conduct are managed.
- Possible breaches of this Code of Conduct can be reported.

Any employee belonging to the Cikautxo Group that has knowledge of a proposed improvement, breach of this Code of Conduct or of the supporting protocols, shall report it using the escalation diagram for the Whistleblowing Channel.

The concealment of an incident or breach related to any point of the Code of Conduct will be considered as an act against the interests of the Cikautxo Group.

This communication can be carried out by either of the following channels:

- By email to [cikautxogroup@cikautxo.com](mailto:cikautxogroup@cikautxo.com)
- By sending a letter or form I.0821 for the attention of the Compliance Committee.

### 3.3 Confidentiality of communications and prohibition against retaliation

The Cikautxo Group guarantees the confidentiality of the identity of the persons sending communications to the Ethics Channel.

All communications and procedures relating to this Ethics Channel shall be performed respecting the requirements of the internal subprocess on personal data protection.

Any retaliation or negative action against a person communicating with the Ethics Channel is prohibited. Any such retaliation will be considered as a breach of this Code of Conduct.

The prohibition against retaliation will not impede the adoption of disciplinary measures which, where applicable, are necessary when the internal investigation determines that the communication is unfounded and has been submitted in bad faith.

### 3.4 Ethics Channel procedure

The Compliance Committee will keep a log of all communications received through the Ethics Channel. These will be recorded in the specific Collaborative Area set aside for this purpose, accessible only by members of the Compliance Committee.

After receiving a communication, the Compliance Committee will initiate an investigation to gather all the information and documentation deemed necessary.

In the case that the Compliance Committee considers that the communication is clearly unfounded, or concerns matters not within the remit of the Code of Conduct, the decision not to initiate an investigation must be detailed in the log of communications received.

All investigation procedures commenced will conclude with a resolution by the Compliance Committee (which will include a proposal that must be approved by the Steering Committee of Cikautxo S. Coop., in the case of Cikautxo Berriatua).

## 4. OUR PROJECT: VALUES, MISSION and VISION

### 4.1 VALUES

The people forming the Cikautxo Group share the following values:

- People: self-confidence and promotion of mutual respect. Maintain a proactive attitude in the face of change. The assumption of risk is encouraged by incentivising personal initiative. Recognition of effort and contributions. Promotion of training and information.
- Customer satisfaction: their main priority. The DNA of our company. Their needs guide our strategies.
- Social commitment, contributing to the generation of employment and economic and human development of the social surroundings, respecting environmental conditions.
- Continual improvement: aspire to make the best products together every day, in safe and suitable working conditions, at the lowest cost and on a timely basis. Continually seeking to identify and eliminate any form of wastage in our processes and operations.
- Cooperation: only through personal involvement and teamwork can objectives be reached. Actively working together with other Mondragon Companies, their suppliers and with those with whom it can undertake projects for mutual progress.
- Excellent work: needed by the internal and external client. This is the only way to complete the Mission. It measures the preparation, professionalism, effort, but most importantly, responsibility and respect towards others. Continuously seeking to learn and put into practice new and better ways to carry out the work. All of this with integrity and commitment to the company's general objectives.

### 4.2 MISSION

Cikautxo Group's mission is to create an excellent cooperative company, of the highest competitive quality, that forms part of MCC, which contributes to satisfying customer needs, the requirements of its personnel and the development of the area.

### 4.3 VISION

Cikautxo Group's vision is to transform its business sector, improving the competitive position of the businesses and the commitment and corporative identity of the people, becoming a corporate group with profitable and sustainable businesses to generate jobs with added value.



## 5. ETHICAL PRINCIPLES AND GENERAL RULES OF CONDUCT

### 5.1 COMMITMENT TO EMPLOYEES

#### Privacy, use of personal data and confidentiality

The Cikautxo Group respects the privacy of individuals, in all its forms, as well as the personal communications over the internet and other means of communication. In particular, it respects the privacy and confidentiality of personal data. Access to such data is restricted.

Consequently, CIKAUTXO undertakes not to disclose personal data except with the consent of the interested parties and in cases where required by Law or to comply with court or administrative rulings. Under no circumstances will the personal data be processed for purposes other than those of a legal or contractual nature.

#### Occupational Health and Safety

The Cikautxo Group undertakes to offer the people forming its organisation, and all stakeholders, a safe and healthy workplace, in terms of processes and facilities. Therefore, it has adopted an occupational health and safety management system based on the ISO 45001 standard which ensures compliance with the legislation and is committed to continual improvement.

All persons carrying out their duties at the Cikautxo Group facilities have the obligation to be aware of and comply with the policy, the rules and use the resources established in relation to Occupational Health and Safety, in a safe and responsible manner to prevent and minimise occupational risks. The Cikautxo Group provides its employees with a safe, clean and healthy workplace in compliance with the applicable legislation.

Cikautxo guarantees that its employees are sufficiently trained to safely carry out their tasks.

The Cikautxo Group encourages a healthy lifestyle among its employees by disseminating good practices and habits in relation to diet, physical exercise, smoking and looking after personal health, etc.

### 5.2 COMMITMENT TO THE ENVIRONMENT

#### The Environment

The Cikautxo Group is committed to minimising the environmental impact of its activity. Therefore, it has adopted an environmental management system certified in accordance with

the ISO 14001 standard, which ensures compliance with the legislation and is committed to continual improvement.

The people within the organisation must make their best efforts to minimise the impact deriving from the use of the facilities, assets and resources made available to them. They shall also actively and responsibly commit to conserving the environment and shall be aware of and comply with the policy, procedures and instructions of the Environment Management System in force at their place of work and within the scope of their responsibility. The Cikautxo Group undertakes to improve the conditions of the facilities from an environmental perspective.

#### [Commitment to sustainable development and commitment to society](#)

The Cikautxo Group is committed to the sustainable use of resources throughout all of its processes, both productive and non-productive, through the continuous analysis and monitoring of consumption, and through the definition and implementation of measures aimed at improving the efficient use of the installations and their energy efficiency, with the ultimate goal of producing while leaving the smallest possible carbon footprint.

The Cikautxo Group believes in the need to return part of its profits to the environment that has contributed to its development by supporting social initiatives that match the personality of the cooperative and which contribute to the social transformation of the environment.

### 5.3 SOCIAL AND PERSONNEL MATTERS

Employment conditions and relations:

#### *Contracts: compliance with the legislation in force*

The Cikautxo Group will hire its employees in accordance with the legislation in force in each country, duly providing a contract or valid document.

#### *Salary conditions*

The Cikautxo Group will guarantee a remuneration in line with the market standards, complying with the legislation in force in each country.

The Cikautxo Group must maintain a record of the salary payments and hours worked for each employee.

#### *Working day and overtime*

Under no circumstances must the working day or schedule of Cikautxo Group employees exceed the legal limit.

All workers will be granted at least one day of rest in each seven-day period, except in the case where special schedules are defined that guarantee a rest in unsystematic schedules, all in accordance with the legislation applicable in the country and the established rest periods.

#### *Overtime pay*

The Cikautxo Group, in the case that overtime hours are required, shall compensate such hours worked by its employees in accordance with the legal requirements of the country.

#### *Paid leave*

The Cikautxo Group will guarantee its employees' rights to paid leave in accordance with the legislation in force and applicable in each country.

#### *Benefits*

The Cikautxo Group will provide its employees with the minimum benefits to which they are entitled by Law (medical insurance, social security, pensions, etc.). Likewise, it shall distribute among its employees a percentage of the profits obtained by the company/plant in the form of an annual variable remuneration.

### Discrimination and harassment

All employees, regardless of their race, nationality, social background, possible disability, sexual orientation, political or religious beliefs, as well as their gender or age, will be treated strictly according to their abilities and qualifications in any decision pertaining to their employment, including, but not limited to, promotion, compensation, benefits, training, dismissal and the termination of their contract.

### Social dialogue and collective bargaining agreements

Cikautxo is committed to respecting the workers' legal right of the freedom of association and the right to collective bargaining.

The Cikautxo Group and its third parties must ensure that their employees have the possibility to freely associate and allow their employees to participate in collective bargaining.

Cikautxo will systematically establish communication actions to encourage social dialogue by maintaining a live flow of information among the persons that form the organisation to act as a support for information, dissemination and negotiation.

### Recruitment policy

The Cikautxo Group's recruitment policy is in line with the legislation in force in each country in which it operates, including, in accordance therewith, all that which grants the right to social protection, which declares a commitment to stable and quality employment, and which establishes a remuneration policy to guarantee a decent quality of life.

Cikautxo guarantees a rigorous and systematic selection policy in accordance with the preceding point on non-discrimination, focusing exclusively on the academic, personal and professional merits of the candidates and the needs of the Group.

### Equality and a respectful working environment

Cikautxo Group's objective is to create a working environment where mutual trust and respect prevail, where all people can be promoted to all professional levels, where relationships are based on mutual respect, integrity, cordiality, trust and partnership, and where teamwork leads to a respectful working environment. The lack of respect and consideration, causing offence, defamation, intimidation, abuse, harassment or any other form of psychological, physical or sexual aggression are unacceptable and are neither permitted or tolerated in the workplace.

The Cikautxo Group also promotes a work-life balance, allowing employees to reach a balance between their professional and personal lives, meeting the specific need that may arise in each case.

## 5.4 BUSINESS ETHICS

### Compliance with the legislation in force and respect for international law

The Cikautxo Group will comply with the laws and regulations of the countries where it does business.

### Child and forced labour

Any form of child labour is prohibited. Unless the local laws establish a higher age, the Cikautxo Group will not be able to employ any person aged under 18, except under the conditions established in Convention 138 of the ILO and students on work experience for which an employment contract is formalised. Students on work experience under the age of 18 must not perform hazardous tasks and must be restricted from carrying out night work in light of their educational needs.

Any form of forced labour is prohibited. This includes forced prison, bonded or any other labour.

### Corruption and bribery

The Cikautxo Group is against corruption and bribery in all its forms, as well as unlawfully influencing the will of persons outside of the Cikautxo Group to obtain some form of benefit or advantage. Blackmail and bribery are expressly prohibited, including the offer or direct or indirect promise of any unlawful advantage, as well as the exercise of undue influence.

As a result, any person with relationships with the Public Administrations, both national and of third-countries, and with international companies and/or organisations must behave in a manner that does not cause an individual, authority or public official to violate their duties of impartiality or any other legal precept.

### Gift policy

Gifts are used to promote the brand image of the Cikautxo Group. Neither direct personnel nor other people forming part of the Cikautxo Group may offer, grant, request or accept, directly or indirectly, gifts, invitations, favours or compensation, either in cash or in kind, whatever their nature for purposes that are unlawful or in violation of this Code of Conduct. Gifts of a limited economic value are permitted, provided this is not in cash, such as, objects of propaganda of scarce value or courtesy gifts.

Any invitation, gift or attention which due to its frequency, characteristics or circumstances that may be interpreted as made with the aim to influence the objectivity of the recipient will be

rejected or returned, and the direct supervisor and Compliance Committee informed as soon as possible.

If the item cannot be returned, it will be delivered to the Finance Department, where it will be included in the inventory of gifts to be destined to social purposes.

#### Anti-money laundering and counter terrorist financing

The Cikautxo Group will comply with applicable international and national provisions on anti-money laundering and counter terrorist financing. Measures will be implemented for the identification of clients, information and internal controls established for such purpose, and the maximum assistance will be extended to the competent authorities.

With the aim of preventing and avoiding money laundering or the financing of terrorism transactions, employees will pay particular attention to the prevention of any conduct that might be related to such unlawful behaviour.

#### Conflicts of interest

The Cikautxo Group considers that the relationship with the people that form the company should be based on loyalty which derives from the common interests shared. Consequently, they must avoid any situation of Conflict of Interests. In general terms, it is prohibited to contract or promote the contracting of services with companies of family members where there is a conflict of interests.

#### Political activity

Any person belonging to the Cikautxo Group has the right to participate in political affairs on a personal level, but their participation in politics shall bear no relationship to the Group.

No company of the Cikautxo Group will unlawfully finance candidates or political parties.

It is strictly prohibited to access the funds or loans of a public nature without the prior authorisation from the Cikautxo Group Financial Management.

#### Grants

Applications for grants on behalf of any of the companies of the Cikautxo Group will always be supervised by the Group's Financial and Corporate Department, which shall ensure the correct application of the corresponding legislation, benefiting from external advice for its management and ensuring the proper justification thereof through the external audits.

Cikautxo will ensure that the grants applied for or received from the Public Administrations shall be put to good use, avoiding the falsification of the conditions for their award or using them for a use other than that for which they were granted.

## 5.5 SUPPLIERS

The supplier will respect the protection of human rights, minimum employment conditions, environmental responsibility and prevent corruption. Consequently, the Supplier shall maintain a policy of zero tolerance concerning crime and its commission is expressly prohibited, both directly and through third parties, in relation to the execution of the Contract.

Likewise, the Supplier undertakes not to commit any acts of corruption, including bribery, exercise undue influence or money laundering, as well as prevent this type of conduct from occurring within its organisation. These declarations affect both the Supplier and all its personnel, as well as all subsequent sub-suppliers, sub-contractors and any other personnel associated with the Supplier.

## 5.6 INFORMATION SECURITY

The information generated in the execution of the professional activity of the person forming the Cikautxo Group (technical, financial, commercial, etc.) is the property of the Cikautxo Group, and must therefore be the object of protection. Any information that is not the property of the Cikautxo Group must be used in accordance with the legal provisions.

The information of a non-public nature possessed by the Cikautxo Group, either on digital support or other, shall be treated as confidential information. Consequently, all personnel of the organisation must respect the principle of professional secrecy.

Cikautxo personnel are obliged to ensure the confidentiality of this information with maximum care and shall employ sufficient measures to protect such, without its content being disclosed to third parties, except with the express authorisation of the competent person or body of Cikautxo in each case, or due to any legal or judicial requirement or administrative authority.

When the confidential information belongs to third parties external to the Cikautxo Group, personnel must comply with the confidentiality agreements Cikautxo has signed with such parties.

In the case of the termination of the employment relationship with the Cikautxo Group, the duty of confidentiality of these persons shall remain and these will return any such documents and



media or storage devices, as well as the information stored on the computer terminal related to the Confidential information.

## 5.7 USE OF THE ORGANISATION'S ASSETS

Cikautxo Group personnel shall have the necessary resources to carry out their professional activities. The assets that the Cikautxo Group makes available to its employees include, but not limited to, physical assets, confidential information and intellectual property.

Both the misappropriation and inappropriate use of Cikautxo Group assets are considered as fraud.

The employees of the Cikautxo Group must protect and responsibly use the resources and assets that the company makes available to them and prevent any loss, damage, theft or inappropriate use. The resources of the Cikautxo Group must be used exclusively for the performance of the assigned duties.

## 5.8 PROTECTION OF INDUSTRIAL-INTELLECTUAL PROPERTY

The industrial or intellectual property developed by the personnel of Cikautxo Group is an asset that must be protected.

The operating rights of the intellectual and industrial property and corporate secrets generated by the personnel in the performance of their professional activities within the Cikautxo Group will belong to the latter.

Likewise, the intellectual property and industrial property rights (copyright, patents, industrial designs, and any other rights) as well as the corporate secrets of clients or any other third party with which Cikautxo has a relationship shall be respected.

Cikautxo Group is working towards reaching the maximum protection in information security. Consequently, all personnel forming the Cikautxo Group are prohibited from installing on Cikautxo Group computer equipment any malicious software or any other program or computer application not expressly authorised by the Cikautxo IT Department.

The Cikautxo Group provides its employees with all the necessary assets and resources to carry out their activities. Each person will be responsible for safeguarding, as well as managing their access credentials, by applying the protocols defined for said purpose.

It is the responsibility of all employees to make good use of the computer resources in order to prevent causing any damage on external properties, such as disabling or deleting data, programs or computer documents.

*Berriatua, on 21 November 2019:*



***Iñigo Laskurain***  
***Managing Director***



***Gotzon Juaristi***  
***Chairman***

## CHANGE HISTORY TABLE

REVISIONS TABLE LOG		
VER.	DATE	CHANGE
0	21/11/2019	First version.