

Internal Reporting System Policy



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Internal Reporting System Policy

1. Introduction and purpose

This document, as an integral part of the Company's criminal risk management policies and procedures, sets out **the Internal Reporting System Policy of Industrial Química Lasem, S.A.U.** (hereinafter, "IQL ") in relation to the implementation of the **Ethics Hotline "TARGATIS"**.

Article 31 bis 5, rule 4 of the Spanish Criminal Code establishes the obligation for legal entities to implement within their organization a duty to report potential risks and violations through any tools or systems that enable effective monitoring and control for the prevention of criminal conduct.

In Spain, the Office of the Attorney General highlighted in Circular No. 1/2016 that *"the existence of internal whistleblowing channels for reporting non-compliance or illicit corporate activities is one of the key elements of an effective compliance model."* Moreover, the Attorney General emphasized that a company may bear special liability if criminal acts were known through such channels and no action was taken.

The approval of **Law 2/2023 of 20th February on the protection of persons who report regulatory breaches and the fight against corruption** (hereinafter, the **Whistleblower Protection Law**), which transposes EU Directive 2019/1937 on the protection of individuals who report breaches of Union law, introduced a series of mandatory requirements into the Spanish legal framework. Among them is the obligation to implement internal reporting channels, applicable to legal entities with more than 50 employees, as well as to political parties, trade unions, employer associations, and foundations created by any of these entities, provided they receive or manage public funds.

In this context, and with the aim of fostering a genuine culture of compliance, IQL has implemented TARGATIS to enable both members of the Company and third parties to report in good faith — and based on reasonable grounds — any circumstances that may pose a criminal risk to the Company, as well as any serious or very serious administrative violations, or breaches and concerns related to policies and procedures on criminal risk management.

This Internal Reporting Channel is open to all stakeholders connected with IQL, as defined in Article 3 of the Whistleblower Protection Law. This includes employees, former employees, interns, and volunteers; self-employed individuals; shareholders and members of governing bodies; contractors and subcontractors; suppliers; and, in general, third parties with a direct relationship with the Company.

2. Gargantees of TARGATIS

TARGATIS ensures:

- The **confidentiality** of identifying data of both whistleblowers and affected individuals, as well as of all communications.
- The ability to submit reports **anonymously**.
- **Protection of the whistleblower:** retaliation is strictly prohibited against the whistleblower or any individuals or legal entities connected to them.

- **Independence, objectivity, and compliance with the law:** as the channel is managed by the law firm **Waterwhale**, the organization will not have access to the identity of the whistleblower, ensuring impartiality throughout the process and preventing any possibility of retaliation.
- The ability to submit reports in **Spanish, English, French, and Catalan**.

3. Guiding Principles of the Internal Reporting System

The Internal Reporting System is governed by the following principles:

- **Accessibility:** TARGATIS is easily accessible through the multiple channels made available to whistleblowers for submitting reports.
- **Transparency:** This policy is publicly available on the IQL website. In this way, and through various awareness campaigns, all employees and third parties affected by this policy are informed of the existence of TARGATIS.
- **Confidentiality:** The identity of the whistleblower is treated as strictly confidential information. Under no circumstances will the Waterwhale managing the channel disclose the whistleblower's identity. However, the whistleblower's details may be disclosed to administrative and/or judicial authorities if such disclosure is formally requested as part of any proceedings arising from the reported facts. The identity of all individuals involved in the report (including the accused, witnesses, etc.), as well as the case file and any documentation generated during a potential investigation, shall also be treated as confidential information.
- **Anonymity:** Reports may be submitted anonymously. In such cases, the channel manager may communicate with the anonymous whistleblower without requiring them to reveal their identity.
- **Objectivity and Impartiality:** Once a report is received, the rights to privacy, defense, and the presumption of innocence of all individuals concerned will be fully respected.
- **Efficiency:** An acknowledgment of receipt will be sent to the whistleblower within three working days, and in any case, within the seven calendar days established by the Whistleblower Protection Law, provided this does not jeopardize the investigation. The Waterwhale will prepare a preliminary report and forward it to the System Manager within seven working days from the date of acknowledgment. In the resolution admitting the case for investigation, an Investigator will be appointed. The investigation will be completed within three months from the date the report was submitted, with the possibility of a one-time extension for an additional three months.

"TARGATIS is the sole internal channel of IQL and serves as the preferred means for reporting actions or omissions that may constitute serious or very serious criminal or administrative offenses, or violations of European Union law, as established by the Whistleblower Protection Act."

4.- Confidentiality guarantee

Protection under the Law will only apply to individuals who report information through the Internal Reporting Channel “**TARGATIS**”, the sole channel authorized by the company for submitting reports.

If a whistleblower uses other channels not established by the organization to communicate information (e.g., reporting directly to their supervisor), those who become aware of the information are obliged to maintain the confidentiality of any data they access. Failure to comply with this confidentiality obligation constitutes a very serious offense under Law 2/2023, without prejudice to any labor or disciplinary sanctions that may apply.

The recipient of such information is required to immediately forward it to the Internal Reporting System Manager.

5. Protection Measures for Whistleblowers

Whistleblowers will be protected against any acts of retaliation, including threats of retaliation and attempts at retaliation by IQL.

Whistleblowers will not be protected if they:

- Submit reports that are inadmissible, meaning:
 - o The facts lack credibility;
 - o The facts do not constitute a violation of the legal framework;
 - o The report is unfounded or the evidence was obtained through the commission of a crime;
 - o The report contains no new information compared to a previous report.
- Report information related to claims about interpersonal conflicts;
- Report information that is already publicly available or consists merely of rumors;
- Report information outside the scope of reportable matters permitted under the Whistleblower Protection Law or do so in bad faith.

6. Protection Measures for Individuals Affected by the Information

Individuals affected by the reported information will also be protected, ensuring the principles of the presumption of innocence, the right to honor, and the right to defense, including the right to be heard and the right to access their case file without disclosing information that could identify the whistleblower.

The preservation of their identity and the confidentiality of the facts and data related to the procedure will also be guaranteed.

7. Data Protection

Compliance with data protection laws and regulations will be ensured at all times. Personal data will not be collected through TARGATIS unless their relevance is clearly justified for handling specific information.

Likewise, personal data that is not necessary for the investigation and understanding of the reported violations will not be processed.

Access to personal data contained within the Internal Reporting System will be limited, within the scope of their responsibilities and functions, to:

- The Responsible of the System and those who directly manage it.
- The HR Manager or the duly appointed competent authority, only when disciplinary measures against an employee may be taken.
- The Head of Legal Services, if legal actions are to be pursued.
- Data processors who may be designated from time to time (external collaborators). In this case, Waterwhale Europe, S.L.P. and the Head of People, Talent, and Training, for case resolution.
- The Data Protection Officer.

8. policy Amendment

The Company may modify, update, or expand the Internal Information System Policy with the approval of the Board of Directors. Such changes will be communicated and shall take effect as of their publication on the Company's notice board or website.