



arteche

# Arteche's framework policy on People

Text approved by Artech's Board of Directors

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## Índice

<b>Índice</b> .....	<b>3</b>
<b>1. Purpose</b> .....	<b>4</b>
<b>2. Scope of Application</b> .....	<b>5</b>
<b>3. General principles of action</b> .....	<b>6</b>
<b>4. Instruments</b> .....	<b>7</b>
<b>5. Principles of action regarding diversity, inclusion and equality</b> .....	<b>8</b>
<b>6. Principles of action regarding talent selection and attraction</b> .....	<b>9</b>
<b>7. Principles of action regarding performance evaluations and talent management</b> .....	<b>10</b>
<b>8. Principles of action regarding training and talent development</b> .....	<b>11</b>
<b>9. Principles of action regarding compensation and benefits (remuneration policy)</b> .....	<b>12</b>
<b>10. Work ethics</b> .....	<b>13</b>

## 1. Purpose

The purpose of this Policy is to define, design and disseminate Arteche's people management model to attract, promote, develop and retain talent. It also aims to promote the personal and professional growth of all the people who belong to the Group's human team, making them participants in its business success project and guaranteeing them a dignified and secure job in a diverse and inclusive environment. This Policy, whose content follows the guidelines of respect associated with the United Nations Pact with respect to human rights and, in particular, labor rights, is developed under the following headings: diversity, inclusion and equality, recruitment and hiring, performance evaluation and talent assessment, training and development, compensation and benefits, work-life balance and work ethics. Arteche considers **the human team to be the driving force of the organization**, and that's why it invests the necessary resources in developing and motivating the people who form part of the Company in different ways. This philosophy aims to generate an optimal climate in which the different functions are performed efficiently, and in which work and customer service are always of the highest quality and thus achieve the best possible results for the company, contributing also to the fulfillment of the eighth of the Sustainable Development Goals (SDGs) approved by the United Nations (decent work and economic growth).

This Policy establishes the guidelines that must govern relations with the Group's professionals, both in labor management and in the management of their development in the different companies, and it serves as a reference for defining the objectives in human resources management. In particular, it establishes guidelines as regards to: (i) the attraction and selection of our professionals; (ii) the creation of stable and quality employment in a diverse and inclusive environment; (iii) the construction of a stable relationship with professionals; (iv) work-life balance; as well as (v) talent management and promotion, training and development. The management of human resources and labor relations must be governed by the respect for human and labor rights recognized in national and international legislation, diversity and inclusion, equal opportunities and non-discrimination, as well as by the alignment of the interests of the professionals with the Group's strategic objectives, thus making a more efficient and sustainable company in the long term.

## 2. Scope of Application

This Policy is applicable to all the companies that make up the Group, as well as to the investee companies that are not part of the Group but over which the Company has effective control, within the legally established limits. In those investee companies in which this Policy is not applicable, the Company shall promote, through its representatives on the governing bodies, the alignment of their own policies with those of the Company. In addition, this Policy is also applicable, where appropriate, to joint ventures and other equivalent associations, when the Company assumes the management.

### 3. General principles of action

In Arteche we have the greatest energy on the planet: **PEOPLE**.

Our enthusiasm, experience, and knowledge are reflected in everything we do. We are committed to implementing initiatives that make our organization an attractive place to work, where knowledge can be acquired and shared and people can develop professionally within a context of innovation and where the levels of demand are never at odds with the creation of spaces for balancing personal and professional lives.

Our objective: To generate an attractive work environment in which, in addition to attracting and incorporating talent, we are able to identify and strengthen the talent we already have. We want to generate a shared project in which each person feels a fundamental part of the achievements.

In order to achieve this objective, the Group assumes and promotes the following general principles of action that must govern the management of its human capital:

- a. a suitable framework of labor relations and agreed mechanisms for the adaptation of the organization to business and social requirements, favoring the objectives of competitiveness and business efficiency;
- b. the design of a valuable labor offer that favors the attraction, selection, hiring, promotion and loyalty of talent, comprising a competitive remuneration and a diverse and inclusive work environment that facilitates the reconciliation of personal and professional life and promotes the professional growth of the Group's human team. This professional growth must be based on objective performance criteria, on equal opportunities, on the commitment to Arteche's purpose, mission and values, and on the Group's business project;
- c. the development of homogeneous Human Resources processes that advance in the implementation of a talent culture in all the countries in which the Group operates, respecting local particularities;
- d. the definition as a strategic objective of the development of labor relations based on equal opportunities, non-discrimination and the consideration of diversity and inclusion in all its variables.

Likewise, measures must be promoted to facilitate the integration of disadvantaged groups and those with different abilities, as well as to achieve a favorable environment that makes it easier for professionals to reconcile work and personal life, respecting the legislation in force in each country and following international best practices;

- e. the consolidation of stable and quality jobs;
- f. a remuneration system that attracts and retains the best professionals and aligns their objectives with those of the Group;
- g. the appreciation of all the professionals' contribution to the Group's value creation and growth;
- h. the guarantee that the processes of attraction, selection, hiring and promotion of the Group's companies ensure that all our professionals are people who are aligned with Arteche's purpose, mission and values and with the principles set out in the code of ethics, valuing their track record and rejecting those who do not have the required qualifications. This is without prejudice to the respect for individual identity and convictions.

## 4. Instruments

In order to achieve the aforementioned objectives, the Company and the Group have the following instruments:

- a. Human Resources processes: these processes have been drawn up, reviewed and validated by all regional Human Resources departments, ensuring both their global nature and the best practices related to local casuistry.
- b. the Human Resources department, whose main objective is to standardize the guidelines for the management and promotion of talent in the Group, taking into account the different social and labor realities of the territories in which we operate, and which counts with the support of the Human Resources departments in the different companies that make up the Group, which are responsible for the implementation and monitoring of the policies, processes and procedures for people management.
- c. the management responsible for the implementation, monitoring and verification of compliance with the principles of equality, diversity and inclusion. It reports to the Company's Human Resources department and it carries out coordinated monitoring with Arteche's Sustainability Committee in its global and local aspects, responsible for aligning business objectives with the sustainability objectives focused on the contribution to the 2030 Agenda and, in particular, with the Sustainable Development Goal of gender equality (SDG 5).
- d. collective bargaining agreements or equivalent specific agreements to regulate aspects related to human resources management, as well as the specific monitoring mechanisms established;
- e. channels for dialog and communication with the Group's professionals: specific mailboxes (such as ethics, sustainability, human resources or internal communication), climate survey, meetings with the chairman and members of senior management through the "All Hands Meetings" or "Cafés with a view", specific meetings, corporate website and other internal channels;
- f. transparency in the dissemination of internal opportunities that provide possibilities for horizontal and vertical mobility, both locally and internationally, aligned with the Group's Business Model to favor the exchange of experiences and knowledge, professional development, as well as the promotion of talent and the consolidation of a Group corporate culture;
- g. training and development programs that favor the maximum potential of intellectual capital and the promotion of professionals within the Group;
- h. a specific program for training, development and monitoring of the internal talent detected that encourages internal promotion and ensures orderly succession in senior management and other key positions in the Company and the Group;

## 5. Principles of action regarding diversity, inclusion and equality

At Arteche we believe in the enrichment that diversity means for the organization and we promote the development of our internal talent based on meritocratic policies that guarantee transparency and equal access to professional opportunities in all areas of the company.

Our philosophy on diversity, inclusion and equality can be summarized in the following principles:

- a. to respect diversity among our professionals, promoting non-discrimination;
- b. to develop the principle of equal opportunity, whose compliance is one of the essential pillars of professional development and which involves a commitment to practice and demonstrate fair treatment that encourages the personal and professional development of the human team; and
- c. to promote gender equality, in particular as regards access to employment, training, career advancement and working conditions.



## 6. Principles of action regarding talent selection and attraction

As developed in the process of attracting and selecting talent, the basic principles of action in relation to selection and recruitment are:

- a. to develop a global framework process to standardize the processes for attracting, selecting and recruiting talent in the Group;
- b. to ensure that talent attraction, selection and recruitment procedures are objective and impartial;
- c. to promote young people's access to their first job through internship programs and other arrangements;
- d. to present candidates with an attractive and comprehensive employment proposal that favors the attraction, selection and hiring of the best professionals;
- e. the Group's value proposition must be based on equal opportunities, diversity and inclusion and composed of competitive remuneration, a healthy working environment and an attractive business project;
- f. to promote the hiring of our professionals through stable contracts; and
- g. to homogenize the conditions without prejudice to the local particularities of the territories in which Arteche operates

## 7. Principles of action regarding performance evaluations and talent management

In order to be a competitive company, we must enhance the best performance of our internal resources. Those companies that know how to take advantage of the potential of their teams, that get them to work motivated and in line with the objectives, will be the ones that will continue to advance, and that is what we intend to do in Arteche, basing our talent management on the basis of a meritocratic policy.

People who are satisfied with their work manage to align their efforts with the business or objectives of their organization. Evaluations of professionals and regular communication of evaluation results are a key aspect of professional development.

The basic principles of action in this area are as follows:

- a. to evaluate regularly the performance of Arteche's professionals based on objective criteria, observable behaviors and individual contribution to the business impact;
- b. to communicate through individual feedback sessions the results of the evaluations, in order to boost professional development by promoting the strengths of the professionals and working on action plans for improvement;
- c. to deploy the Company's strategic objectives by aligning them with the individual objectives and by business function.

## 8. Principles of action regarding training and talent development

The management and promotion of talent are key aspects to make Arteche a competitive company in the market. These aspects must be defined in a global framework in order to develop a management system applicable to all the Group's professionals.

In general, in the process of analysis and deliberation prior to the adoption of its resolutions, the Board of Directors takes into special consideration the impact that its decisions may have on the Group's talent management and promotion strategy.

Furthermore, Arteche is continually evolving in order to provide a value offer aimed at its professionals, which favors the attraction, selection, recruitment, promotion and loyalty of talent.

One of the fundamental aspects of global talent management in the Group is the promotion of training and development in accordance with the following basic principles of action:

- a. to establish a conceptual framework that includes all training and development actions designed to promote the qualification of the human team. Making it adaptable to a work environment which is diverse, inclusive, multicultural and permeable to cultural changes, and expanding the principles included in Arteche's purpose, mission and values, creating value for the Group and favoring the sustainable development of the Company's businesses;
- b. to implement training and development programs and plans that favor professional excellence for the performance of the job, to adapt to technological and organizational changes, to adapt the human team to the Group's requirements and to expand the capacity for professional development. In particular, these training programs and plans must facilitate processes for updating knowledge and skills, so that technologies, innovation and training form an interactive whole whose operation promotes the Group's sustainable competitiveness;
- c. to understand training as a key element of personal and professional qualification and development, and as the access to promotion opportunities within the Group;
- d. to include aspects related to respect for human rights and inclusive diversity in training programs, which foster a culture of ethical behavior, without exclusionary or discriminatory biases. These programs must be comprehensive, in order that the technical, social and human aspects are considered as a whole so that the professionals carry out their work not only with the best technical qualifications, but also with the principles and values that the Group wishes to defend before society; and
- e. to share and disseminate the existing knowledge within the Group and to promote a continuous learning and cultural exchange, so as to increase efficiency through the appropriate use of intellectual capital.

## 9. Principles of action regarding compensation and benefits (remuneration policy)

The Group considers it a priority that the remuneration system favors the consolidation of our human capital, as the main differentiating factor with respect to our competitors, and for this reason there is an Appointments and Remuneration Committee within the Board of Directors. The basic principles of action that should guide the Group's remuneration system are as follows:

- a. to promote the attraction, recruitment and retention of the best professionals;
- b. to be consistent with the Group's strategic positioning and our development, with our international and multicultural reality and with our objective of excellence;
- c. to recognize and reward the dedication, responsibility, performance and contribution of our professionals;
- d. to adapt to the different local realities in which the various companies of the Group operate;  
and
- e. to be at the forefront of the market in line with the position achieved by the Group.

## 10. Work ethics

The Compliance Goals are part of our strategy and—together with the Group's values, principles, standards, and rules of conduct—are set out in Arteche's Code of Ethical Behavior. In it we express our commitment and attachment to the human and labor rights recognized in national and international law and to the principles underlying the United Nations Global Compact, the UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard

Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labor Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as well as any documents or texts that may replace or complement the above.

The Code constitutes a fundamental part of the Group's system of corporate governance and complies with all the corporate organization principles established in said system.

These are the **15 general principles of our Code of Conduct**, which are applicable to everyone in Grupo Arteche:

1. Respect for legality
2. Professional integrity
3. Conflict of interest
4. Anti-corruption measures
5. Fair employment practices: Equal opportunities and non-discrimination
6. Protection of competition
7. Information transparency: Relationship with customers and suppliers
8. Health & safety
9. Protection of own and third party assets
10. Environment
11. Use of company goods and services
12. Confidential Information and trade secrets
13. Sustainable development
14. Financial control
15. Relations with authorities and public entities

We have an Ethics Channel to consult any doubts related to the Code, professional regulations and in general to all our internal policies. Any behavior that deviates from these regulations can also be reported here.

Arteche guarantees that the consultations and complaints received through this channel are treated with the utmost confidentiality by the Ethics Committee, and are managed in an impartial and independent manner. Thus, the company has adapted a specific commitment to prohibit reprisals against any person who submits an inquiry or complaint.

Arteche's Code of Ethical Behavior and Ethical Channel are available on the website [www.arteche.com](http://www.arteche.com).

Complementing this Code, Arteche's "Crime Prevention Program" is also integrated in the Corporate Compliance Program.

Our commitment to ethics and good governance is in turn transmitted to the third parties with which the Group interacts through various initiatives.

