
BUSINESS ETHICS

CEPSA SUPPLIER CODE OF CONDUCT

BUSINESS ETHICS

CEPSA GROUP SUPPLIER CODE OF CONDUCT

The twelfth Rule of Conduct contained in the Code of Ethics and Conduct for Compañía Española de Petróleos, S.A.U. and its group of companies (hereinafter, the Cepsa Group), describes the need to set forth a framework of ethical conduct for governing relations with suppliers and contractors.

This Code is a result of the aforementioned commitment and the Ethics Committee of the Cepsa Group is the body in charge of submitting corporate policies to the Audit Committee for approval.

1. PURPOSE AND SCOPE OF APPLICATION

The Cepsa Group is committed to establishing a framework of trust and collaboration with its suppliers of goods and services; therefore, this "Supplier Code of Conduct" faithfully reflects this framework for maintaining stable and long-lasting business relations in order to attain continuous improvement and excellence in procurement and purchasing processes.

The Cepsa Group expects all suppliers to share the basic principles contained in this "Supplier Code of Conduct" and respect the Cepsa Group's good governance commitment by applying this Code to their activity and the activity of their parent and subsidiary companies, as well as their stakeholders, meeting internationally accepted standards on these matters. The Cepsa Group expects suppliers and contractors to have also their own policies, which uphold the principles contained in this Code, and to ensure that their own suppliers and subcontractors also respect principles similar to those herein contained.

2. PRINCIPLES

The Cepsa Group, as part of its ethical and good governance development, adhered to the United Nations Global Compact in 2005, thus publicly reaffirming its commitment to respect and fulfil its Ten Principles regarding Anti-Corruption, Human and Labour Rights and the Environment, and keep its stakeholders informed of strides made by the company in this process. Therefore, the Cepsa Group recommends that its suppliers likewise adhere to this initiative: www.unglobalcompact.org.

BUSINESS ETHICS

- **Ethical conduct and fight against corruption**

Cepsa Group suppliers shall always carry out their business and professional activities ethically and with integrity, taking into consideration the following principles:

- **Compliance with the law:** suppliers shall respect the laws, rules and regulations of the countries where they carry out their activity, without resorting to practices or behaviour that may jeopardize observance of the law or fundamental ethical principles.
- **Transparency:** suppliers shall provide truthful, accurate and complete information in their financial, business or commercial reports, disclosures and publications.
- **Fair competition:** suppliers shall manage their companies respecting the principle of fair competition as well as any regulations to be fulfilled, conducting themselves in an ethical manner vis-à-vis their competitors.
- **Conflict of interests:** suppliers must identify and resolve any situation of conflict of interest, whether real or potential, that its employees may be involved in, to maintain and ensure their complete independence.
- **Notification of irregularities or alleged misconduct:** suppliers shall enable their employees to report confidentially any irregularities or alleged misconduct, and shall take the proper steps to investigate the allegation, if warranted.
- **Privileged, confidential, internal and personal information:** Cepsa Group's non-public information owned by or in the custody of the supplier shall be considered privileged and confidential information and/or strictly for internal use and the supplier shall put in place the necessary measures to protect such information. It shall neither use nor share the information received as privileged, confidential and/or for internal use during the business relationship, unless expressly authorised by the Cepsa Group. In any case, it shall guarantee the privacy of the personal data it has access to in performing its activity.
- **Anti-corruption:** the Cepsa Group requires of its suppliers the need to display zero tolerance to all forms of corruption, including extortion and bribery, all of which are strictly prohibited. In this respect, no supplier may directly or indirectly offer or make payments in cash, in kind or any other kind of benefit, to any individual or legal entity with the intention of:
 - Unlawfully obtaining or maintaining any business or advantage, and/or
 - Forcing such individual or legal entity to use its real or apparent influence to obtain illegally any business or advantage.

BUSINESS ETHICS

- **Human and labour rights**

The Cepsa Group endeavours to ensure that its suppliers and contractors adhere to its commitment in this regard, pursuant to internationally recognised laws and practices, such as:

- i) Safeguarding the values upheld in the Universal Declaration of Human Rights,
- ii) The Principles of the United Nations Global Compact,
- iii) The guidelines of the Organisation for Economic Cooperation and Development,
- iv) Their employees' labour rights, under the resolutions of the International Labour Organisation, the Declaration on the Rights of the Indigenous Peoples of the United Nations General Assembly and the ILO Convention No 169 on Indigenous and Tribal Peoples.

Cepsa suppliers should develop all their professional activities by respecting the following principles:

- **Human rights:** suppliers shall support and respect the protection of universally proclaimed human rights and shall ensure that they do not unwittingly or wilfully cause such rights to be infringed.

Likewise, Cepsa Group suppliers shall respect the human rights of local and indigenous communities in the areas where they carry out their activities.

- **Labour legislation:** suppliers shall comply with labour laws and regulations relating to salary and working conditions, respecting all workers' rights pursuant to the legislation of the country where they carry out the activity (minimum wage, overtime pay, rest periods and holidays).
- **Dignity of people:** suppliers shall respect the dignity, privacy and other rights of workers, avoiding any behaviour that may intimidate or offend people's rights.
- **Child labour:** suppliers shall not hire minors to perform any type of work. They shall always respect the minimum employment age as set out in applicable legislation and support the eradication of child labour; likewise, they shall make sure that young people are not assigned to do the most dangerous jobs or jobs that may interfere with their education or physical, mental, moral and social development.
- **Forced labour and harassment:** suppliers shall ensure that no type of forced labour, such as work performed involuntarily or under duress, exists within its organization, rejecting all forms of violence, sexual exploitation or sexual, physical, psychological, moral harassment, abuse of authority or other forms of abuse.
- **Equal opportunities and non-discrimination:** suppliers shall reject any form of discrimination in employment, on grounds of race, age, gender, marital status, sexual orientation, nationality, social or ethnic origin, ideology or public opinion, religion, physical capacity, health condition, pregnancy or any other personal, physical or social condition of its employees, promoting equal opportunities among them.

BUSINESS ETHICS

- **Employing persons with disabilities:** suppliers undertake to respect laws that reserve certain jobs for persons with disabilities, pursuant to the legislation of each country, supporting the labour integration of this group.
- **Right to free association:** suppliers shall guarantee the rights of association, affiliation or collective bargaining of their employees, always complying with the rules applicable in each case.
- **Occupational health and safety:** Cepsa Group suppliers shall also promote the enforcement of occupational health and safety rules and policies to ensure:
 - o A safe and healthy work environment that meets the requirements on occupational risk prevention pursuant to international laws.
 - o Work premises that guarantee good industrial hygiene conditions, sufficient lighting and ventilation, sanitation and access to drinking water, of providing the suitable fire-fighting and protective equipment for each activity.
 - o Preventive measures to avoid occupational accidents and illnesses, with effective workplace emergency response systems.
 - o Responsibility by employers for their employee safety and health.
 - o Training in safety and health-related matters for employees to ensure their safety and the safety of other people in their vicinity that could be affected during the performance of the activity.
- **Environment and quality**

Cepsa Group suppliers and contractors shall carry out their activities responsibly, minimising the impact of their activities on the environment and promoting measures to tackle climate change and respect biodiversity, taking into account these principles:

 - **Environmental legislation:** suppliers shall fulfil legally applicable environmental obligations and current regulations on environmental protection in the countries where they conduct their activities.
 - **Policies, preventive and corrective measures:** suppliers shall have policies that set out preventive measures, promote environmental responsibility and sustainability, with efficient systems to identify, control, and address the environmental impact of their activities. If damage has been caused to the environment, they shall take all necessary measures to remedy the situation.

BUSINESS ETHICS

- **Waste, emissions and dumping:** suppliers shall have systems to guarantee safety in the handling, transfer, storage and recycling of waste generated by their activity. Furthermore, they shall have a system to manage atmospheric emissions and discharges of wastewater to fulfil applicable regulations.
- **Preservation of natural resources:** suppliers shall make rational use of the natural resources available to them, minimising or eliminating at source the impact generated by their activity, designing production processes that support the efficient use of these resources and promoting the development of technologies that respect the environment.
- **Product and service quality:** suppliers shall guarantee at all times that the product delivered or the service rendered meets the quality standards established in applicable laws and those specifically set out in the contract signed with the Cepsa Group.

3. COMPLIANCE, EVALUATION AND SUPERVISION

All suppliers and contractors of the Cepsa Group shall adhere to this Code and to all the basic principles of conduct contained herein, and shall include this Code as an attachment to their own contracts. The companies of the Cepsa Group reserve the right to terminate any contractual relationship with suppliers or contractors who violate any of these principles.

Nevertheless, this “Supplier Code of Conduct” is a minimum agreement that does not exempt suppliers from fulfilling any additional obligations pursuant to applicable laws in the different jurisdictions where the Cepsa Group operates or based on the terms and conditions of the agreements entered into by the Cepsa Group with its suppliers.

This Code is consistent with the contents of the Code of Ethics and Conduct of the Cepsa Group and, therefore, any other internal regulations of the Cepsa Group must be aligned with this Code

For the purpose of ensuring compliance with this “Supplier Code of Conduct” the Cepsa Group has a procedure in place to report incidents or irregularities on its website:

http://www.cepsa.com/cepsa/Quienes_somos/Gobierno_Corporativo/Codigo_de_Etica_y_Conducta/Formulario_Etico/?lang_c_hoosen=en&lang_choosen_furl=es.

The Cepsa Group Procurement Unit shall oversee and manage this “Supplier Code of Conduct” and accordingly, shall address and clarify any doubts that may arise as to its application, as well as review its contents at the appropriate intervals, as determined, and update them, as required.
