

**LLYC**

**SUSTAINABILITY  
POLICY**

DECEMBER 2023

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## INTRODUCTION

This sustainability policy has been approved and promoted by LLYC's Board of Directors as outlined in Article 5 xii. of its Regulations. This gives the Board non-delegable decision-making authority over the following:

*The Company's business plan, annual management objectives and budget, investment and financing policies, and corporate social responsibility policy are essential. Every year, the Board will approve a business execution plan to manage the Company's properties and set its strategy.*

In the same way, Article 6.2 of these Regulations establishes the principle that:

*The pursuit of social interest will be conducted in compliance with legal requirements, following generally accepted ethical conduct standards, and respecting and improving the environment in which the Company operates, with particular focus on promoting the Company's corporate social responsibility.*

Since its inception in 1995, LLYC has viewed communication as a crucial tool for building a better society. Honest, intelligent, innovative, and effective communication fosters understanding among people, businesses, and institutions and promotes inclusive societal progress.

This vision, expressed through our corporate values, gains new momentum with the launch of the 2023/2025 Strategy.

Sustainability, understood as managing material ESG (environmental, social, and governance) aspects through listening and responding to stakeholder needs, is a core pillar of this strategy. This approach aims to further our commitment to inclusivity and responsibility, support the substantial growth we've experienced recently, and achieve our ambitious business goals in the upcoming years.

LLYC conducts its activities by engaging with its stakeholders, whose needs and expectations have informed this Policy: employees, clients, shareholders

and investors, suppliers, regulators and public administration, and the broader society.

As part of our commitment to align with the highest business standards and ESG obligations and to comply with current regulations, the following references were considered in developing this Policy:

- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.
- UN Guiding Principles on Business and Human Rights.
- Directive (EU) 2022/2464 of the European Parliament and of the Council on sustainability reporting by companies, and the Delegated Regulation (EU), including the European Sustainability Reporting Standards (ESRS).
- Royal Legislative Decree 1/2010 on Capital Companies and the Good Governance Code of the National Securities Market Commission (CNMV).

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## OBJECTIVE, SCOPE, AND APPLICATION

Our Sustainability Policy is a result of LLYC's continuous initiatives since its establishment. It embodies the commitments the Company's leadership made through the Board of Directors Regulations and the 2023/2025 Strategy.

LLYC's Sustainability Policy describes the organization's vision and understanding of environmental, social, and governance (ESG) factors. It takes into account its stakeholders and the issues relevant to its business model and management.

Its purpose is to establish global sustainability commitments and provide a framework for the present and future ESG corporate initiatives.

The commitments outlined in this document will be considered to create specific action plans and goals. These plans will help the Company achieve its objectives. The Board of Directors will be informed

about these plans and their progress to ensure proper oversight.

This Policy is related to other corporate policies developed within the specific scope of these commitments and any future policies the Company may develop.

The Policy applies to Llorente & Cuenca S.A. as the parent company and to all its subsidiaries within the LLYC group.

As a document of conduct commitment and action guide for LLYC, its members, and operations, it will serve as a standard of expected behavior for all parties LLYC interacts with, including clients, suppliers, and newly integrated entities, now and in the future.

## GENERAL PRINCIPLES

In addition to its general commitment to complying with applicable regulations, LLYC is a signatory of the United Nations Global Compact and committed to its 10 Principles and contributing its strategy and business to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change.

Based on the business model and its impacts, risks, and opportunities related to sustainability, these general commitments are specified as follows. They represent LLYC's interpretation and vision of its material issues across the three key areas of sustainability management: environmental (E), social (S), and governance (G).

### ENVIRONMENTAL FOCUS (E)

Caring for the planet and its resources, ensuring a healthy environment for current and future generations, combating climate change, and promoting ecological responsibility are crucial for the organization. LLYC is committed to:

- Enhancing the responsible and sustainable management and use of resources utilized in its activities, such as water, energy, paper, and all types of consumables and technology.

- Improving consumption efficiency and reducing the scope of its greenhouse gas emissions related to its offices, employee transportation, and other sources.
- Facilitating and contributing to the transition to a circular economy and achieving other environmental goals set by the European Union, such as climate change mitigation and adaptation, water and marine resource protection, pollution prevention and control, and biodiversity and ecosystem protection through joint projects with stakeholders, particularly clients.
- Promoting honest, intelligent, innovative, and effective communication on environmental issues, especially when advising and supporting clients in communicating the environmental practices related to their products and services and addressing climate change and energy transition challenges.
- Encouraging the application of environmental commitments and best practices among its suppliers, contributing to the Company's established goals.
- Developing specific goals and monitoring metrics to support appropriate decision-making to ensure compliance with LLYC's environmental commitments.

### SOCIAL FOCUS (S)

Creating a positive impact on society is a fundamental principle for LLYC. The company believes that its business and services foster understanding among people, businesses, and institutions, and promote inclusive societal progress. LLYC is dedicated to:

- Caring for employees and collaborators by developing practices based on international standards, particularly the International Labour Organization (ILO) Conventions and Recommendations, adapting flexibly to complex and changing environments in a multi-country context. This includes a commitment to equal opportunities and inclusion across all

types of diversity (gender, sexual orientation, religion, ethnicity, age, etc.), reducing the gender gap, ensuring physical and emotional health, preventing and promoting harassment-free workspaces, balancing professional and personal life, and implementing innovative and appropriate career development, recognition, and compensation practices.

- Continuously developing products and services that meet client needs, with a client-centric approach as a fundamental company value, supporting clients in achieving their goals through ethical practices that safeguard against conflicts of interest and protect data and information confidentiality and privacy.
- Making responsible and ethical use of new technologies and artificial intelligence developments in service delivery and product and application development for clients.
- Continuing to create positive social impact opportunities through social projects managed by the LLYC Foundation, working with collaborators and the social fabric, guided by the vision of being a foundation that generates social value through communication and transformative creativity based on the expertise of our professionals. Thus, it fulfills its mission to amplify organizations' projects addressing social, environmental, and democratic support causes by narrating stories creatively and guided by values of ethics, transparency, solidarity, commitment, and talent.
- Promoting honest, intelligent, innovative, and effective communication consistent with the Company's ESG commitments, particularly when selecting, advising, and supporting clients and collaborators.
- Applying responsible purchasing practices, spreading internal sustainability commitments, including this Policy, and evolving towards including supplier selection criteria that align with LLYC's social commitments.
- Developing goals and monitoring metrics to support appropriate decision-making to ensure compliance with LLYC's social commitments.

## GOVERNANCE (G)

El compromiso general de la compañía en este ámbito está recogido en el Reglamento de su Consejo de Administración (Artículo 6.2), en el que se recoge el principio del progreso y el interés social desde el cumplimiento normativo, la ética y la responsabilidad social de la compañía. LLYC está comprometida con:

- Implementing the best corporate governance practices that demonstrate ethical conduct and responsible resource use by the Board of Directors, aiming to benefit social interests, shareholders, and investors and to create a positive societal impact through excellent management and internal control practices, ensuring the Company's proper management.
- Being a benchmark for good corporate practices, especially in transparency, by selecting and applying relevant standards to meet the needs and expectations of stakeholders.
- Integrating ESG commitments into the business model and company strategy through planning and risk management tools, monitoring and resource allocation, and applying due diligence.
- Maintaining ethical and transparent relations with regulators and public administrations in advocacy actions within the framework of services and/or membership in sector associations involved in shaping regulation and public policies.
- Engaging with suppliers in a balanced and collaborative manner benefits the viability and progress of economic activities, particularly for freelancers and micro, small, and medium-sized enterprises.
- Implementing best practices and standards for corruption prevention, applying the Code of Ethics and Anti-Corruption Policy, protecting whistleblowers, and ensuring thorough investigation of reported incidents.
- Promoting and participating in alliances and initiatives with businesses, civil society, or other actors to commit to Sustainable Development Goals and best ESG practices.

- Developing goals and monitoring metrics to support appropriate decision-making to ensure compliance with LLYC's governance commitments.

## IMPACT ON STAKEHOLDERS

The following outlines the expected ongoing impact on stakeholders through the application of this Policy, continuing the initiatives LLYC has implemented since its inception, which are already evident in various ways:

### EMPLOYEES:

LLYC aims to attract and retain top talent by creating initiatives that ensure the Company is the ideal platform for offering (i) products or services that meet client needs and (ii) a conducive environment for the successful and enriching professional development of all collaborators.

### CLIENTS:

As a client-centric company, LLYC recognizes that the sustainability vision directly impacts its clients, reflected through the conduct and professionalism of its employees and their commitment to comprehensive support aligned with this Policy.

LLYC strives to be a benchmark for its clients in terms of sustainability and responsible business practices. To achieve this, the Company will adopt measures that position it accordingly, such as obtaining ESG certifications, ranking in ratings, aligning with international standards, or auditing its non-financial information.

### SHAREHOLDERS AND INVESTORS:

The commitments in this Sustainability Policy reflect the Company's management vision.

This approach ensures LLYC's transparency in the markets, particularly toward shareholders, investors,

analysts, financiers, and other key stakeholders.

This Policy and its action plans serve as tools for the markets to understand the role of sustainability in LLYC's global strategy, recognizing the significant risks associated with ESG issues and acting as a mitigation tool. LLYC will ensure initiatives that facilitate a proper understanding of the Company's sustainability performance and evolution (e.g., appropriate reporting of non-financial information and ratings).

Additionally, incorporating non-financial factors into business decision-making, such as client, market, product, and supplier selection, as well as corporate development, including M&A, labor policy, and governance, will be improved.

### SUPPLIERS:

To meet ambitious sustainability goals, organizations must consider their entire value chain and stakeholders. This includes commercial relationships, both occasional and ongoing.

LLYC's approach with suppliers and commercial partners aims to foster and align them with LLYC's sustainability standards, potentially ending commercial relationships if necessary.

Initiatives for awareness and training (internal and external) and valid criteria for selecting suppliers will be implemented to achieve this goal.

### REGULATORS AND ADMINISTRATION:

From a business development (Public Affairs activities) and corporate (as a listed company) perspective, LLYC will promote stronger relationships with regulators and public administrations, aligned with the Company's Code of Ethics and statutes.

### SOCIETY:

As a transformative agent contributing directly to a better and fairer society, LLYC promotes initiatives to support disadvantaged groups.

These current and future initiatives are based on the Company's business experience and the expertise of its professionals, focusing on education and awareness actions.

## **SUPERVISION, APPROVAL, COMMUNICATION, AND UPDATING**

The Sustainability Policy has been reviewed and approved by the Board of Directors as per its Regulations.

After approval, it will be shared internally and externally using suitable channels.

The Policy will be available on LLYC's website.

To ensure the Sustainability Policy remains current, it will undergo regular reviews and updates, with proper documentation from the responsible parties and the timing of the updates.

**LLORENTE Y CUENCA**