



INTERNATIONAL SANCTIONS COMPLIANCE POLICY

SUMMARY SHEET AND CHANGE CONTROL

TITLE	INTERNATIONAL SANCTIONS COMPLIANCE POLICY	
DESCRIPTION	This Policy sets out the rules and guidelines established by Valoriza to comply with global economic and financial sanctions.	
SCOPE	All entities belonging to Valoriza, taking into account their own characteristics, including subsidiaries or majority-owned companies in which Valoriza exercises effective control. Members of the administrative and executive bodies, as well as employees of all the above-mentioned Valoriza entities. Third parties, both individuals and legal entities, related to Valoriza, to the extent applicable to them under this Policy.	
AFFECTED DEPARTMENTS	Bidding and Procurement Private Product Management (Treatment and Green) International Management (Urban Services)	
AUTHOR	Regulatory Compliance Unit	
RESPONSIBLE PARTIES	RESPONSIBLE	FUNCTIONS
	Regulatory Compliance Unit	Distribution and monitoring of policy implementation.
	Other departments	Third-party evaluation in accordance with sections 3 and 4 of this policy.
APPROVED BY	Board of Directors	

Edition	Date	Responsible Party	Description of Changes	Approved by
V1	28/05/25	Regulatory Compliance Unit	Initial Draft	Board of Directors

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INTERNATIONAL SANCTIONS COMPLIANCE POLICY

The Board of Directors of Valoriza Servicios Medioambientales, S.A. (hereinafter, "**Valoriza**"), within its general and non-delegable authority to determine general policies and strategies, has approved this International Sanctions Compliance Policy (hereinafter, the "**Policy**").

This Policy is part of the Regulatory Compliance, Criminal Prevention, Anti-Corruption, and Competition Defense Model of Valoriza (hereinafter, the "**Regulatory Compliance Model**").

The Code of Ethics of Valoriza serves as the internal standard forming the foundation of this Regulatory Compliance Model. This Policy aligns with the values of integrity and transparency promoted in the Code of Ethics and develops various behavioral guidelines, particularly those related to anti-corruption measures, relations with third parties, and Valoriza's relationships with governments and authorities.

Accordingly, this Policy must be read and interpreted in conjunction with the Code of Ethics and other Valoriza policies that implement it, including the Regulatory Compliance Policy on Crime Prevention and the Anti-Corruption and Public Officials and Authorities Relations Policy, both of which express Valoriza's strong commitment to legal compliance, particularly in the areas of criminal regulation and anti-corruption.

1. Purpose

This Policy establishes the rules and guidelines set by Valoriza to comply with global economic and financial sanctions criteria, including those established by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), the United Nations Security Council, the European Union, the UK's His Majesty's Treasury, and other relevant sanctioning authorities in the jurisdictions where it operates. It also includes compliance with all export controls set by the U.S. Department of Commerce's Bureau of Industry and Security (collectively referred to as "Sanctions").

This Policy strictly prohibits:

- Commercial and financial transactions with, involving, or benefiting a sanctioned country (including, but not limited to, Iran, North Korea, Syria, Cuba, and the Ukrainian regions of Crimea, Donetsk, and Luhansk), their governments, agents, or government-controlled entities.

- Transactions with individuals, companies, or entities located, residing, or incorporated in a sanctioned country, even if Valoriza does not deal directly with such individuals or entities but ultimately benefits them.
- Transactions involving goods originating from sanctioned countries, regardless of ownership or shipping/buying location.
- Transactions involving any person or entity subject to sanctions, including those listed in the OFAC Specially Designated Nationals (SDN) List.
- Transactions involving the export or re-export of goods, services, or technology to a sanctioned country or restricted party.

This Policy applies to all company activities and may result in Valoriza foregoing certain business opportunities, even if such activities would otherwise be legally permissible. However, this Policy must always be enforced in a way that does not infringe upon other applicable laws, including, but not limited to, data protection and privacy laws.

The Board of Directors, executive bodies, and employees will directly participate in implementing and ensuring compliance with this Policy. Valoriza will establish appropriate systems and procedures to detect sanctions-related risks.

2. Scope of Application

In this Policy, references to "Valoriza" or "the Company" include all entities covered within this scope.

This Policy applies to:

- All entities belong to Valoriza, considering their own characteristics. For the purposes of this document, the Valoriza Group includes all subsidiaries or majority-owned companies in which Valoriza exercises effective control, either directly or indirectly, including Temporary Joint Ventures (UTEs), regardless of their geographical location.
- Other entities where Valoriza participates without having effective control will be encouraged to adopt behavioral and operational guidelines aligned with this Policy.
- Members of the administrative, executive, and employee bodies of all Valoriza entities listed above, regardless of their territory.
- Third parties, both individuals and legal entities, related to Valoriza in aspects of this Policy applicable to them and who are expected to act accordingly.
- All public or private tenders and bidding processes in which Valoriza participates.

For activities conducted by Valoriza outside Spain, this Policy must be adapted to comply with the most restrictive local legislation that may be applicable.

3. Sanctions Control Procedures

Valoriza will implement measures to prevent prohibited transactions with Sanctioned Individuals or Sanctioned Countries in accordance with the provisions set forth in Annex A of this Sanctions Policy. These measures will apply to the following standard onboarding procedures for current or potential private clients outside Spain, as well as for suppliers and service providers with whom the company has signed or intends to sign a written agreement for the supply or receipt of goods or services, provided they are located outside the Spanish state, and any other known beneficiary of the proposed transaction (hereinafter referred to as "Third Parties"):

- a) The Company will conduct a sanctions screening prior to the onboarding of any Third Parties, in accordance with the procedures established in Annex A.
- b) Appropriate company employees will be trained to identify whether a Third Party, or the ultimate beneficiary of any transaction carried out by the company, may be a sanctioned target or reside, be incorporated, or be located in a sanctioned country.

If, through the Company's sanctions review procedures, it is identified that a Third Party is potentially subject to sanctions, the matter will be immediately reported to the Regulatory Compliance Unit. All company employees will follow the instructions of the Regulatory Compliance Unit on how to proceed.

No effort shall be made to circumvent sanctions or this Sanctions Policy. If the sanctions prohibit the company from engaging in business relationships with the Third Party or executing the transaction in question, the company may not refer the business to any other person or request that any person conduct the business on behalf of the company.

4. Relevant person

The review procedures outlined above and detailed in Annex A will be designed to identify and immediately report to the Regulatory Compliance Unit any Third Parties that:

- a) Are the subject or object of sanctions and/or are included in the OFAC SDN List (or owned or controlled by them): <https://sdnsearch.ofac.treas.gov/>; or
- b) Are located in or operating in Cuba, Iran, North Korea, Syria, or the Ukrainian regions of Crimea, Donetsk, or Luhansk.

5. Compliance Control and Actions in Case of Non-Compliance

The Business Unit proposing to engage a Third Party has the primary responsibility for overseeing the conduct of the Third Party by applying the controls established in this Policy.

The Board of Directors is responsible for overseeing the implementation and compliance with this Policy by all individuals and entities within its scope of application. The Regulatory Compliance Unit of Valoriza supports this oversight by exercising the necessary operational powers to ensure its effectiveness, monitoring its implementation, promoting its review, and driving the necessary information, training, and awareness initiatives for its proper dissemination. Compliance with this Policy will also be subject to audit reviews.

Violations of this Policy will be subject to the disciplinary measures that Valoriza applies in accordance with its corporate governance system, collective agreements, and applicable legal regulations. Anyone who detects a possible breach of this Policy must report it as soon as possible to the Regulatory Compliance Unit through the Ethics Channel, which is Valoriza's preferred reporting channel. This is without prejudice to other legally recognized means of communication with the Regulatory Compliance Unit. The Ethics Channel will also be available to address any questions or concerns regarding this Policy.

The Ethics Channel is available through the following means:

- Intranet: Via the links specifically provided for this purpose.
- Group's external website: Accessible through the Ethics Channel section at www.valorizasm.com.

6. Approval and Entry into Force

This Policy was approved by the Board of Directors of Valoriza Servicios Medioambientales, S.A. on May 28, 2025 marking its first effective version.

Upon its entry into force, this Policy supersedes any prior internal regulations on the subject. It will be disseminated through the usual Group communication channels and periodically updated based on regulatory changes, structural modifications within the Group, or improvements arising from Corporate Governance or Compliance Model reviews. The latest version will always be available at www.valorizasm.com.

In the event of discrepancies between different translations of this document, the Spanish version shall prevail.

Annex A: Third-Party Assessment Procedure

The company, including its subsidiaries and joint ventures (UTEs) in which it holds a majority stake, has adopted procedures detailing the assessment requirements in accordance with the company's International Sanctions Compliance Policy. This procedure will be implemented by the appropriate personnel designated by the Regulatory Compliance Unit under the Unit's supervision.

1. Assessment of Private Clients Outside Spain

- a)** The company will conduct an assessment, as described in Sections 3 and 4 of this policy, for all new private clients located outside the Spanish state.
- b)** Procedure:
 - (i)** New Clients: The company will screen each new client as part of its general onboarding process, along with any other background checks or credit reviews of the client.
 - (ii)** Existing Clients: The company will screen each existing client when they place a new purchase order, provided the client has not been screened within the last 12 months.
- c)** Information to be obtained: The personnel will obtain the following information to facilitate the assessment in accordance with this procedure:
 - (i)** Client's full name;
 - (ii)** Client's address (headquarters and any regional office or branch with which the company plans to conduct business);
 - (iii)** List of employees who make up the Board of Directors;
 - (iv)** List of all shareholders who own a 10% or greater stake in the company; and
 - (v)** Location and purpose of the purchase of the company's products or services.

2. Assessment of Suppliers Located Outside Spain

- (a)** The company will conduct screening, as described in Section 3 of this procedure, for all suppliers and vendors outside the Spanish state that supply goods or services to the company annually with a value equal to or greater than 10,000 USD.

- (b) Timeframes: The company will screen new suppliers as part of the onboarding process and existing suppliers that maintain an ongoing relationship with the company within six months of the adoption of this procedure. All suppliers with an ongoing relationship with the company will be re-screened annually.
- (c) Information to be obtained: The personnel will obtain the following information to assist in the screening:
 - (i) Vendor's full name;
 - (ii) Supplier's address (headquarters and any regional office or branch with which the company plans to conduct business); and
 - (iii) List of all shareholders who own a 10% or greater stake in the company.

3. Country Assessment

At the time of the screening, personnel will review all information obtained from the client or supplier to ensure that:

- (i) They are not located in a sanctioned country; and
- (ii) The matter does not involve any work to be carried out by the company in a sanctioned country, nor any goods or services to be supplied by or to a sanctioned country.

If it is determined that a matter related to a client or supplier involves a sanctioned country, personnel will report the matter to the Regulatory Compliance Unit to determine the necessary steps to ensure compliance with the International Sanctions Compliance Policy.

4. List Screening

- (a) Personnel will use the following search tool to match clients and suppliers specified above against the OFAC Specially Designated Nationals and Blocked Persons List (SDN List) and the Foreign Sanctions Evaders List: <https://sanctionssearch.ofac.treas.gov/>

Screening should be conducted using the official business name of the client or supplier (in English), with the "Minimum Name Score" filter set to 85 but with no other active filters. This process should also be completed using the names of the directors and shareholders of each client or supplier, as obtained in Sections 1 and 2 above.

(b) If the search returns no matches in any sanctions list, the designated personnel will retain the search results in the client or supplier's file.

(c) If the search shows potential matches with a Sanctions List, personnel will determine whether the results are true matches. Personnel will consider the following factors to determine if the searched entity genuinely matches a Sanctions List entry:

- (i) The degree of similarity between the searched person or entity's name and the sanctioned person or entity's name;

- (ii) Whether the search involves a person, entity, or vessel and whether the Sanctions List entry refers to the same type;

- (iii) Whether the searched person is in the same country as the sanctioned person;

- (iv) Any additional information provided in the entry, such as address, identification number, and aliases;

- (v) If necessary, a review of publicly available information on the sanctioned person to determine if their line of business, shareholders, etc., match those of the searched person.

(d) Based on their review of potential matches, personnel will seek to determine whether the investigated client or supplier is a sanctioned party. If personnel cannot reach a conclusive determination, they will escalate the matter to the Regulatory Compliance Unit for a decision.

(e) All documents, communications, and other information relied upon by personnel and/or the sanctions officer will be retained in the client or vendor's file.