

3.6

Ethical and respectful conduct

GRI: 2-23, 2-24, 2-26, 3-3, 205-1 / SASB: EM-EP-510a.2



MILESTONES 2023

Organisation of the company's eighth Ethics Day, at which we unveiled our new compliance movement.

Definition of ethical principles on the use of artificial intelligence.

New Integrity Channel to adapt to Spain's whistleblower protection act (Law 2/2023).

KEY INDICATORS

	2023	2022
Breaches notified via the Integrity Channel (no.)	151	102
Requests for ethics and compliance-related advice (no.)	265	177
Internal audit projects with an anti-corruption/anti-fraud component (no.)	18	10



For further information, refer to Appendix 2.6 Ethics and human rights



3.6.1.

Ethics in our day-to-day operations

We foster a culture based on ethics, honesty and transparency and are committed to abiding by the law and complying with our policies, commitments and values, seeking to encourage all our people to do the right thing out of conviction. We encourage people to report any breach, ensuring confidentiality without any fear of retaliation, when made in good faith. We take a zero-tolerance stance towards non-compliance of any kind.

Our [Code of Ethics and Conduct](#)¹ and our compliance policies, all previously approved by the Board of Directors, guide how we conduct ourselves in the workplace. They embody applicable best practices and the values of our shareholders. Employee contracts include clauses specifying these commitments and employees receive mandatory training. Subsidiary endorsement of the Code is formally documented before their respective governing bodies.

We call on our other partners and stakeholders to make a similar commitment by asking them to sign our [Code of Ethics and Conduct](#), as well as our [Supplier Code of Ethics and Conduct](#). The contracts governing business dealings with third parties include specific clauses regarding compliance with our principles.

The Code prioritises the performance of due diligence with third parties before arranging any business transactions, framed by the precautionary principle and by human rights safeguards.

During the year we set up an artificial intelligence (AI) taskforce to draw up a framework for the ethical and responsible use of this emerging technology.



For further information, refer to 2.3 Sustainability management

Organisation of the company's eighth Ethics Day



The event kicked off with a simulated case of harassment or inappropriate conduct to raise awareness about these potentially unacceptable situations. Then we unveiled the new compliance movement and presented the new Integrity Channel and the Compliance and Internal Control team. We also acknowledged employee commitment to exemplary conduct with our 2023 Compliance Awards. The closing remarks at the award ceremony were given by the chair of the Audit, Compliance, Ethics and Risk Committee, who is also one of the company's independent directors.

We have put in place internal control and compliance systems which articulate the compliance risk prevention and management mechanisms. These systems are audited and certified annually by the Assurance Department and, in certain cases, by an independent expert. In 2023, we also renewed the UNE 19601 and ISO 37001 certifications underpinning our corporate criminal risk and anti-bribery management systems.



For further information, refer to Appendix 4. Internal control system

Integrity Channel

We set up a new [Integrity Channel](#) in response to Spain's new whistleblower protection act (Law 2/2023). Any employee or third party can report inappropriate conduct or other breaches of the [Code of Ethics and Conduct](#), prevailing legislation or our body of in-house rules and regulations. The channel is confidential and reports can be made anonymously via the web or by telephone 24/7 in Spanish, English, French, Portuguese and Chinese.



¹The Code applies to Cepsa, the subsidiaries it effectively controls, their directors and employees and third parties with whom Cepsa has legal dealings that have committed to complying with the Code under the various formal documents that govern the relationship.



Target of zero cases of corruption and anti-competitive behaviour in the company

The channel falls under the responsibility of the Chief Compliance Officer and is managed entirely by the Ethics and Compliance Office which, in turn, reports to the Audit, Compliance, Ethics and Risk Committee.

The channel is publicised on our website and its existence is notified in the contracts that govern our business dealings. We provide our employees with related training.

Anti-fraud and anti-corruption effort

Our Bribery, Corruption and Conflicts of Interest Prevention Policy establishes our commitments in this area. The rules of conduct are set out in the [Bribery, Corruption and Conflict of Interest Prevention Policy](#).

Our anti-bribery and criminal risk management systems are certified under ISO 37001 and UNE 19601, respectively. Each year we conduct corruption and bribery risk assessments and test the effectiveness of the control framework at our companies. To date, this exercise has not revealed any significant corruption risk at any of them. Moreover, our approach entails continuously monitoring our risk mitigation action plans and providing regular update reports to management on the measures taken.



Key measures against corruption, bribery and money laundering in 2023



- Awareness drives such as communication of the Integrity Channel statistics for 2022 and organisation of the company's eighth Ethics Day.
- Provision of online training on crime prevention, the Code of Ethics and Conduct, the Integrity Channel and international sanctions and trade controls. We also provided training to suppliers dealing with integrity in business.
- Assessment of the performance of the specific controls put in place to mitigate corruption risks.
- Update of the Trade Controls procedure.
- Payment intervention procedure for freezing and analysing all payments made by the Foundation.

Note, lastly, that Cepsa neither finances nor lends any form of support, directly or indirectly, to unions, public officials, politicians, political parties or their representatives and/or candidates, advisors or any other person carrying out public duties or confidantes thereof.

Antitrust and fair competition

Our [Code of Ethics and Conduct](#) sets down our commitment to fair competition. Our [Policy for the Defence of Fair and Effective Competition in Markets](#), which we updated in 2023, is designed to prevent anti-competitive conduct, guaranteeing defence of fair competition. On this front, we devised a risk map, which is updated annually, implemented a series of controls, such as the Antitrust and Fair Competition Manual and the Home Inspections Handbook, and published action procedures for potentially sensitive situations. We also regularly provide related training.

3.6.2

Human Rights

Our [Human Rights Policy](#), which is aligned with international standards and practices, articulates our commitment to human rights in all locations where we operate and oversight of this commitment by performing due diligence. It also governs the conduct required of our employees and of the third parties we engage with.

Committed to compliance with the most demanding international practices:



- United Nations Universal Declaration of Human Rights
- International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact Principles, which we endorsed in 2005
- United Nations Declaration on the Rights of Indigenous Peoples
- ILO Convention no. 169 on Indigenous and Tribal Peoples
- 2030 Agenda and Sustainable Development Goals (SDGs)
- Voluntary Principles on Security and Human Rights

We require all our suppliers and contractors to respect human rights all along their supply chain. As in prior years, we did not identify any irregularities or human rights violations across our operations in 2023.

Impact assessment and due diligence

We considered human rights in the company's risk map² and have defined methodology, aligned with the UN Guiding Principles on Business and Human Rights, for assessing our human rights impacts to identify, prevent, mitigate and address

any adverse consequences. This methodology includes an assessment of human rights impacts in our operations and in mergers & acquisitions, as well as due diligence in the supply chain and dealings with other counterparties. In 2023, we held a skill-building workshop on the methodology led by an expert international consultant.

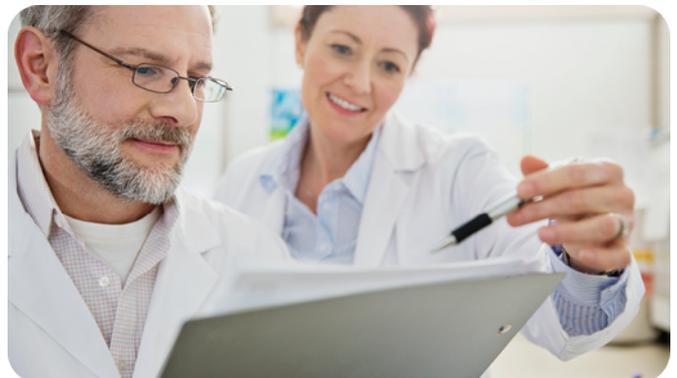
The methodology in our operations entails a five-stage assessment of our key assets: a study of the local community, relations with the related stakeholders, impacts, management measures and monitoring and reporting measures. Our human rights assessment³ of the supply chain takes into account country, product or service, industry, and level of compliance. In mergers & acquisitions and other relevant third-party dealings, the due diligence includes assessment of their country, shareholder structure, ultimate beneficial owner and board of directors against different international benchmarks, their reputational risks and their compliance systems.

Security and human rights

We have a [Security Policy](#) and specific rules governing the conduct of security staff, who must demonstrate high levels of technical and professional expertise, as well as proven human rights acumen. Those requirements extend to outsourced security.

We likewise follow the Voluntary Principles on Security and Human Rights guidelines to ensure safety across our operations.

To that end, our private security providers must be aware of and agree to abide by the Voluntary Principles on Security and Human Rights. To ensure this, we provide the related training. We design the content and communicate it to achieve an appropriate level of awareness. We make sure that all staff are included and investigate any potential abnormalities detected.



² Our risk map is reviewed, updated and reported to the Management Committee and the Audit, Compliance, Ethics and Risk Committee each quarter.

³ Our assessments consider issues such as compulsory labour, child labour, human trafficking, freedom of association and collective bargaining, equal pay or discrimination, and cover different groups, e.g. women, children, indigenous peoples, migrant workers, contractors or local communities.

2.6

Ethics and human rights

2.6.1

Integrity Channel

[GRI 2-26] Mechanisms for seeking advice and raising concerns

Requests for advice and complaints received via the Integrity Channel by type¹

Types of requests for advice	Number of requests for advice received		Total number of complaints received	
	2023	2022	2023	2022
Anti-bribery and anti-corruption	10	—	3	—
International trade	—	—	—	—
Fair trade and anti-trust	1	1	1	—
Inappropriate conduct, discrimination and other workplace conflicts	11	2	52	34
Conflicts of interest	14	3	1	1
General enquiries	—	—	—	—
Asset control and management	—	1	18	18
Control, governance and compliance in our operations	4	—	1	—
Personal data, confidentiality and privacy	5	5	3	1
Human rights	—	1	—	—
Inside information and market manipulation	2	—	—	—
Anti-money laundering and counter terrorist financing measures	—	—	—	—
Media and information transparency	1	1	—	—
Other concerns	14	2	1	—
Harassment prevention	2	—	19	8
Intellectual and industrial property	—	—	—	—
Environmental protection and energy transition	—	1	2	—
Relations with government, authorities and unions	10	—	1	—
Relations with partners, suppliers, customers and other stakeholders	190	160	21	11
Occupational health and safety	1	—	28	29
Use of new technologies	—	—	—	—
Total	265	177	151	102

1. We have modified the management system used to communicate ethics-related breaches and enquiries to align it with the contents of Law 2/2023 on whistleblower protection, updating the classification system.

In 2023 and 2022 we responded to 100% of requests for advice and complaints received.

Disciplinary and corrective actions taken as a result of breaches notified via the Integrity Channel

		2023	2022
Disciplinary measures	Dismissal	18	24
	Suspension of employment and pay	23	18
	Written warning	12	22
	Verbal warning	3	1
	Ruled out for promotion	1	1
	Discontinued	1	—
Corrective measures	Communication action	13	5
	Training action	8	3
	Control measure	4	—
	Job transfer	1	1
	Other	16	8
Preventive measures		2	—
Unsubstantiated		36	19

2.6.2

Anti-corruption

[GRI 205-1] Operations assessed for risks related to corruption

	2023	2022
Internal audit projects with an anti-corruption/anti-fraud component (no.)	18	10
Crime prevention model (CPM) controls in place to mitigate corruption risk (no.)	298	226
Internal control over financial reporting system (ICFR) controls in place to mitigate fraud risk (no.)	535	556

[GRI 205-2] Communication and training about anti-corruption policies and procedures

Employees that anti-corruption policies and procedures were communicated to, broken down by employee category and region

		Spain		Africa ¹		Americas ²		Asia ³		Europe ⁴		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Management Committee	No.	10	12	—	—	—	—	—	—	—	—	10	12
	%	91 %	100 %	— %	— %	— %	— %	— %	— %	— %	— %	91 %	100 %
Managers	No.	127	123	—	—	1	1	1	3	—	—	129	127
	%	98 %	99 %	— %	— %	100 %	100 %	100 %	100 %	— %	— %	98 %	99 %
Department heads	No.	660	625	38	25	41	40	14	30	18	18	771	738
	%	99 %	100 %	97 %	69 %	100 %	100 %	100 %	100 %	100 %	100 %	99 %	98 %
Senior-level technical staff	No.	1,950	1,869	38	20	131	126	31	41	68	60	2,218	2,116
	%	99 %	100 %	93 %	61 %	98 %	96 %	91 %	98 %	96 %	100 %	99 %	99 %
Mid-level technical staff	No.	1,048	1,084	11	16	48	54	19	20	69	79	1,195	1,253
	%	97 %	99 %	92 %	100 %	100 %	96 %	95 %	100 %	101 %	100 %	98 %	99 %
Specialists	No.	2,474	2,456	7	6	178	149	59	60	71	47	2,789	2,718
	%	44 %	48 %	100 %	100 %	98 %	90 %	98 %	100 %	15 %	10 %	44 %	46 %
Clerical staff	No.	38	33	1	3	9	10	19	19	1	4	68	69
	%	84 %	87 %	100 %	100 %	100 %	100 %	95 %	100 %	67 %	100 %	89 %	93 %
Assistants	No.	38	40	—	1	1	19	—	1	1	—	40	61
	%	57 %	82 %	— %	100 %	100 %	100 %	— %	100 %	9 %	— %	51 %	73 %
Total	No.	6,345	6,242	95	71	409	399	143	174	228	208	7,220	7,094
	%	66 %	69 %	95 %	75 %	98 %	95 %	96 %	99 %	35 %	33 %	66 %	69 %

1. Africa: Algeria and Morocco

2. Americas: Brazil, Canada, Colombia, the United States, Mexico and Peru.

3. Asia: China, UAE, Malaysia and Singapore.

4. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.

Employees that received training on anti-corruption policies and procedures, broken down by employee category and region

		Spain		Africa ¹		Americas ²		Asia ³		Europe ⁴		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Management Committee	No.	10	—	—	—	—	—	—	—	—	—	10	—
	%	91 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	91 %	— %
Managers	No.	111	48	—	—	1	—	1	1	—	—	113	49
	%	86 %	39 %	— %	— %	100 %	— %	100 %	33 %	— %	— %	86 %	38 %
Department heads	No.	622	171	33	11	32	2	14	5	17	—	718	189
	%	94 %	27 %	85 %	31 %	78 %	5 %	100 %	17 %	94 %	— %	92 %	25 %
Senior-level technical staff	No.	1,803	264	27	7	106	16	26	1	53	2	2,015	290
	%	92 %	14 %	66 %	21 %	79 %	12 %	76 %	2 %	75 %	3 %	90 %	14 %
Mid-level technical staff	No.	855	196	7	5	43	2	4	—	48	5	957	208
	%	79 %	18 %	58 %	31 %	90 %	4 %	20 %	— %	70 %	6 %	78 %	16 %
Specialists	No.	1,870	1,109	3	2	142	2	30	2	53	2	2,098	1,117
	%	33 %	21 %	43 %	33 %	78 %	1 %	50 %	3 %	11 %	— %	33 %	19 %
Clerical staff	No.	30	3	—	1	4	1	19	—	2	1	55	6
	%	67 %	8 %	— %	33 %	44 %	10 %	95 %	— %	133 %	25 %	72 %	8 %
Assistants	No.	20	18	—	1	1	—	—	1	—	—	21	20
	%	30 %	37 %	— %	100 %	100 %	— %	— %	100 %	— %	— %	27 %	24 %
Total	No.	5,321	1,809	70	27	329	23	94	10	173	10	5,987	1,879
	%	56 %	20 %	70 %	28 %	79 %	5 %	63 %	6 %	27 %	2 %	55 %	18 %

1. Africa: Algeria and Morocco.

2. Americas: Brazil, Canada, Colombia, the United States, Mexico and Peru.

3. Asia: China, UAE, Malaysia and Singapore.

4. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.

2.6.3

Human rights in security personnel

[GRI 410-1] Security personnel trained in human rights policies or procedures

Security personnel - employees and contractors - trained in human rights policies or procedures¹

	2023	2022
Employees	27.3 %	42.9 %
Contractors	96.9 %	100 %
Total	91.5 %	95.5 %

1. Data reported relates to operated assets in countries where human rights protection is at risk: Brazil, Algeria, Peru, Colombia and Mexico. It also includes employees in Madrid (Spain).