



CODE OF CONDUCT

CORPORATE VALUES AND STANDARDS OF CONDUCT

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CONTROL AND DIFFUSION

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DOCUMENT PREPARED/APPROVED BY THE MEMBERS OF THE WORK-GROUP



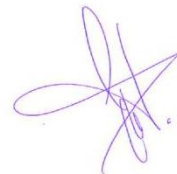
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1 INTRODUCTION

COGEN ENERGIA ESPAÑA, S.L.U. (hereinafter, COGEN) is committed to the responsible conduct of its employees and, therefore, carries out its professional activities in accordance with the corporate values and standards of conduct outlined in this Code of Conduct. COGEN aspires to ethical behaviour and, therefore, the Code of Conduct defines the principles that all COGEN's employees should abide by.

This Code of Conduct includes COGEN's undertakings, as reflected in the CORPORATE COMPLIANCE POLICY PROCEDURE.

The Code of Conduct is applicable to all COGEN's employees and failure to comply with it may not be justified by an order from a superior or any lack of knowledge of said Code of Conduct.

2 SCOPE AND RESPONSIBILITY OF THE CODE OF CONDUCT

This Code of Conduct is our public commitment to conduct our business with integrity, and applies to all directors, officers and employees (hereinafter referred to as 'employees') of COGEN ENERGÍA ESPAÑA, S.L.U. (the "Company") and subsidiaries in which the Company holds (directly or indirectly) a 50% ownership interest. The Code of Conduct also applies to those acting for or on behalf of the Company (including hired-in personnel, consultants, agents and other intermediaries), and we expect our business partners, such as suppliers, subcontractors and other contracting parties, to adhere to standards consistent with this Code of Conduct.

The Managing Director, must approve all deviations from this Code.

Personal responsibility

Our employees are expected to familiarise themselves with this Code of Conduct and to conduct their duties in compliance with the principles set out herein. In doing so, our employees shall use good judgement and seek guidance from their manager or others as set out herein when necessary.

Responsibility of Board of Directors and Executive Management

This Code of Conduct has been adopted by the Board of Directors of the Company.

The Executive Management of the Company is responsible for the implementation of the Code of Conduct and monitoring of its operational effectiveness, including ensuring appropriate (hereunder risk based) communication and training.

The Managing Director shall procure that the Code of Conduct is updated to reflect changes in applicable laws, regulations and policies.

The Board of Directors of the Company, and the Company's owner, Arendals Fossekompagni ASA, shall periodically receive reports on the level of compliance within the Company.

2.1 Disciplinary actions and criminal sanctions

Violations of this Code of Conduct and other applicable law or regulations may expose both the Company and individuals to civil and/or criminal penalties.

We will not accept violations and appropriate actions will be taken. Properly founded allegations or evidence of violations will result in investigations which will result in disciplinary actions if allegations are proved. Disciplinary actions will range from verbal to dismissal.

The case may also be reported to the authorities, and the Company will also support criminal investigations and prosecutions when relevant.

2.2 Compliance with laws and regulations

Our employees shall comply with applicable laws, rules and regulations in all countries the Company is operating in. In the event that there are differences between laws and regulations and the standards set out in this Code of Conduct, the highest standards consistent with applicable local laws shall be applied.

A central part of our policy is to comply with internationally accepted guidelines and conventions adopted by the United Nations and the OECD.

2.3 Guidance and reporting

Even though this Code of Conduct provides guidance on the principles set out herein, the Code of Conduct does not answer all questions our employees may have. Hence it is important that our employees use good judgment, and in the case of uncertainty, seek guidance from their manager or the Legal Manager, and/or other relevant procedures and guidelines adopted by the company.

If our employees suspect any unethical conduct in breach of this Code of Conduct or other policies and applicable law, they shall immediately report this to the Human Resources Technician.

Anyone who reports such matters in accordance with the whistleblowing procedure will be protected from retaliation. All reports of suspected violations will be taken seriously and will be followed up, as appropriate.

3 OUR PEOPLE AND SUSTAINABILITY

3.1 Human Rights

The Company is committed to respect human rights in all part of our operations. This includes inter alia the principles set out in the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

We do not accept any forms of child labour or that children below 16 years are hired in our operations. It shall be voluntarily to be employed in our operations. We do not accept any limitations to the right for employees to be organised. Such rights shall be exercised without any retaliations or threats of retaliations.

3.2 Health, Safety and Environment (HSE)

We are committed to sustainability in our business activities, and to adhere to relevant international and local laws and standards, seeking to minimise our environmental impact.

We strive to conduct our business activities in a way that avoids harm, damage and injuries to persons. All individuals shall be treated fairly and with respect and dignity. We do not tolerate any form of abuse, harassment, intimidation, degrading treatment or sexually offensive behaviour, or discrimination against any employee on the basis of age, gender, sexual orientation, disability, race, nationality, political opinions, religion or ethnic background, or any other basis prohibited by law.

4 INTEGRITY AND ANTI-CORRUPTION

4.1 Conflicts of interest

Our employees and representatives shall always act impartially in all business matters, and shall avoid all conflict of interests. This basic principle, and the guidelines set out herein, shall ensure that (i) all business related decisions made by our employees are made in the interest of the company, and (ii) our employees are not put in a position where their integrity is subsequently questioned.

Transparency is key in handling situations that potentially include conflicts of interests. An otherwise unproblematic situation if having being dealt with openly, may if being handled in a non-transparent manner, raise serious questions about the employee's integrity. Hence, where an employee suspects that a situation could create a conflict of interest, or even the appearance of a conflict, the employee should disclose this to its manager in writing.

A conflict of interest may occur where personal interests or activities may impact the ability to make objective decisions on behalf of the company. Such interests or activities can include financial interests in other companies or in transactions, personal relationships, including but not limited to family, or any other interests or relationships that could improperly affect an employee's judgement and decision-making.

Notwithstanding and without limiting the above, employees shall always clarify with their manager if participating in a business decision which involves an individual being in their immediate family (spouse, siblings, children, grandchildren, parents and grandparents) or the immediate family of such persons, or a company in which they are holding an ownership interest with is not inessential (above 10%).

4.2 Corruption and bribery

4.2.1 Introduction

We do not tolerate any form of corruption in our business operations. Each and every one of us must comply with applicable anti-corruption and anti-bribery laws and regulations, as well as actively strive to make sure our business partners share this commitment. Engaging in corruption may not only have serious effects on the Company, but also on the individual and may result in criminal charges, penalties or sanctions.

Corruption is generally understood as either directly, or indirectly through a third party, to offer, give, accept, receive, request or agree to receive any form of improper advantage of any kind. An improper advantage is an advantage which has no legitimate business purpose and which is normally given to influence the recipient for an improper purpose, including to obtain or retain business or any business advantage. Such improper performance means a performance which amounts to a breach of an expectation that a person will act in good faith, impartially or in accordance with a position of trust. The intention to influence is not a condition for an advantage to be assessed as improper, and the properness of an advantage must be assessed in the specific case.

It is important to keep in mind that improper advantages do not only come in the form of monetary gifts, but can include such things as travel, accommodation, access to assets, favourable terms on products or services, a loan or an offer for a job for a family member.

Please note that there are particularly large risks associated with providing any form of advantage or benefit to a public official.

4.2.2 Gifts and hospitality

The offering, giving, acceptance or receipt of gifts and hospitality may be regarded as corruption in certain situations. It may be difficult to draw the line between what is reasonable and bona fide expenditure, and what is unreasonable and consequently improper expenditure made to influence another person. Hence, gifts and hospitality present significant risks related to bribery.

A gift can be anything of value (hereunder discounts), and the value does not need to be high. Irrespective of the value, gifts may have the appearance of an advantage. Without the prior written approval from the Managing Director, gifts shall never be offered, given, accepted or received. An exception is promotional items of minimal value, or other minor gifts with a value below 50€ (not cash, gift cards or similar) if it would be disrespectful not to accept the gift.

Offering or accepting hospitality, such as social events, meals and entertainment, may only be acceptable if (i) there is a clear business rationale behind it, (ii) the host is present, and (iii) the cost of such hospitality is reasonable. Exercise caution and good judgment in relation to the reasonableness and proportionality of offering or accepting hospitality which shall be proportionate to the markets in which the hospitality is being offered or taken and which shall take into account the cumulative impact of multiple events of hospitality. The Managing Director shall be consulted in the case of uncertainty on whether hospitality should be accepted or offered.

Travel and accommodation expenses for our employees shall always be paid for by the Company, and not by the third party offering the hospitality.

Gifts and hospitality do not place the recipient under any obligation, and no expectations are created. Given that the nature of the gift or hospitality must be appropriate to the relationship between the giver and receiver our employees may never request or solicit gifts or hospitality from business relations or third parties seeking to do business with the Company. No gifts or hospitality shall be given or received whatsoever if the gift or hospitality could influence or be perceived to be capable of influencing a procurement and sales process, contract negotiation or transaction.

All gifts, except promotional items of minimal value, and all hospitality must be registered in the Company's Gifts and Hospitality Register without undue delay. This includes gifts and hospitality that have been offered which has been declined or returned.

4.2.3 Facilitation payments

A 'facilitation payment' is generally understood as a small unofficial payment made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement. The payment is usually a cash payment, but could also involve other benefits or favours. Facilitation payments are considered as bribes as they provide an advantage to induce or reward the person (usually a public official) to give preferential treatment or to refrain from or perform a task improperly. Consequently, we do not permit facilitation payments being paid no matter how small these may be.

However, if an employee genuinely feels that his, hers or another person's life, health or safety is at risk, and has no other alternative but to make the facilitation payment, the employee may pay the minimum amount possible to remove the risk. Any such situations must be reported to the Managing Director as soon as possible.

4.2.4 Loans and guarantees

Employees and their affiliates shall not without prior written consent from the Managing Director accept loans or guarantees from any of the Company's business partners, except loans and guarantees on market terms from partners who issues such loans and guarantees as a regular part of their activity. Excepted are also loans and guarantees on employee terms which an affiliate of our employees has received because of their employment.

4.2.5 Sponsorships and donations

A particularly large risk may be associated with donations and sponsorships as this entails giving of potentially large gifts without any clear business purpose, and that such organisations may to a varying degree be transparent.

No religious or political groups, organisations or candidates may be sponsored or donated to. However, sponsorships and charitable donations may be given only in accordance with clear, legitimate and publically available criteria. Charitable donations and sponsorships shall not be made where they could influence a current bid or where a decision is being sought from a public official.

Donations and sponsorships are subject to a satisfactory integrity due diligence of the recipient.

4.3 Money Laundering

Money laundering occurs when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities.

We oppose all forms of money laundering in our operations. In order to avoid being involved in money laundering, our employees must ensure that adequate background checks (integrity due diligence) is conducted to confirm the identity and ownership of business partners when this is considered necessary.

4.4 Use of agents and consultants

International transactions show that third parties, including agents and consultants, sometimes are used to conceal the payment of bribes to foreign officials in international business transactions. Such third parties are also not under the same control and scrutiny as a company's own employees.

If an engagement of agents or consultants is (i) outside the ordinary course of business, or (ii) relating to any dealings or contacts with public officials, then a prior written approval is required from the Managing Director which may require that a satisfactory risk-based integrity due diligence of the third party is conducted. The same applies if the consultant or agent is new or unknown to the company, or if the compensation is of an unusual character.

Any agreements with such third parties shall:

- (i) be in writing,
- (ii) the services to be performed shall be specifically described,
- (iii) the compensation shall be proportional to the services received, and
- (iv) the compensation shall be subject to a maximum cap set out in the agreement.

5 BUSINESS CONDUCT

5.1 Fair competition

We are committed to protect fair and open competition both nationally and internationally, and we firmly believe that competition strengthens us and our business, provides better suppliers, partners and subcontractors, and ultimately is better for our customers.

Our employees shall meet act in compliance with applicable competition regulations and international principles for fair competition. This includes not taking part in or support illegal cooperation on pricing, illegal market sharing or any other activity that constitute breach of applicable competition laws.

5.2 Sanctions and export control

Export controls and economic sanctions are becoming increasingly complex and the general trend is that such laws are imposed against an increasing number of businesses and countries. Such laws may impose restrictions over the sale, shipment, electronic transfer, provision, or disclosure of information, software, goods, assets, funds, and services across national borders or involving parties subject to economic sanctions.

The Company complies with sanctions and export control laws and regulations imposed by the United Nations and major jurisdictions such as the European Union, United Kingdom and United States, in addition to other jurisdictions in which the Company operates in.

5.3 Insider trading and trading in securities

The Company's owner, Arendals Fossekompagni ASA, is publicly listed on the Oslo Stock Exchange and is subject to laws concerning transactions in publicly traded securities (insider trading). This includes the Company and our employees. Hence our employees shall familiarise themselves and comply with our Security Trading Manual.

5.4 Transfer pricing

Transactions between the Company and companies which for tax purposes are considered as affiliates shall be on arms' length terms (transfer pricing). Consequently, the affiliates company shall act as an independent company.

Such affiliates may include (but is not limited to) (i) companies in which the Company directly or indirectly is holding an ownership interest, and (ii) Arendals Fossekompagni ASA and companies in which Arendals Fossekompagni ASA directly or indirectly is holding an ownership interest, usually above 33%.

Date of entry into force

The Code of Conduct entered into force on 26 January 2017, replacing the standards related to all previous Codes of Conduct. This revision (rev.04) replaces the former Code of Conduct.