

Ethical leadership and management with respect for human rights

The fundamental pillars of MoraBanc's activities and business are ethics and integrity. Beyond what we are bound to comply with as a matter of regulation, we are committed to transparency, professional ethics and respect for society and our clients, shareholders and employees.

The group's Code of Conduct and the Stock Market's Code of Conduct are the standards by means of which we transfer these pillars to all the levels of the organisation. The two Codes define our values and corporate culture and the responsibility to conduct our business in accordance with standards designed to prevent any unfair competitive, monopolistic or restrictive practices. The institution also has a Statute for Members which contains the standards which sets forth the action expected of the members of the Board of Directors of the group.

The Regulatory Compliance Department is responsible for drawing up the Codes of Conduct and adapting them to current legislation. In addition, the Group's Board of Directors is the body responsible for approving them.

The understanding and implementation of the Codes of Conduct, as well as other applicable regulations, is ensured by our control structures. All the professionals who make up MoraBanc, in all the countries in which the institution operates, are obliged to comply with them. For this reason, when they join the organisation, they receive training on the Codes of Conduct and our internal procedures for the prevention of laundering of money or monetary instruments and the financing of terrorism.

The fight against corruption and the prevention of the laundering of money or monetary instruments and the financing of terrorism are two permanent and all-pervading goals throughout the MoraBanc Group. These issues have become a national priority leading to the adoption of legislative initiatives in recent years and a review of the prevention and repression system in order to achieve the most effective framework for the fight against these practices. In compliance with current legislation, we have an internal control structure and mechanisms for the reporting of any suspicious actions.

Moreover, MoraBanc has defined and developed internal communication channels to inform the institution's senior management of potential ethically questionable conduct, practices or proposals for activities with features making them liable to be regarded as instances of the laundering of money or monetary instruments or the financing of terrorism. If this should happen, the appropriate bodies analyse and supervise the cases.

We also have mechanisms enabling us to prevent, detect and investigate potential cases of corruption and fraud. We have defined a corporate governance system which guarantees the prevention of conflicts of interest by means of the General Policy on Conflicts of Interests. This document establishes the bases for the procedures to be followed in matters of prevention and management of conflicts and defines the handling of conflicts of interest which may affect shareholders, members of the Board of Directors, employees or directors of MoraBanc with regard to clients, suppliers or society in general.

- The Corporate Integrity Management Committee is responsible, among other things, for promoting the adoption of measures enabling us to resolve ethically questionable actions, settle situations in which the group's interests clash with those of the clients, draw up and circulate interpretative notes, propose potential changes in the content of the Code of Conduct in order to adapt it to developments in the group's activities and business, the environment in which they are conducted and the best practices of the financial industry as well as establishing communication with the supervisory authorities.

- The main tasks of the Internal Control and Communication Body are to analyse, control and report to the supervisory authorities any information related to operations or events which may be related to the laundering of money or monetary instruments or the financing of terrorism, in addition to establishing the policies and procedures necessary to identify, prevent and hinder the undertaking of transactions related to such activities.

This body has total independence in the exercising of its duties. Its composition is established in accordance with functional integration criteria and its decisions are binding for the entire MoraBanc Group.

- In a complementary manner, we have another control area, Risks, which ensures that the defined risk profile is kept within established limits. This department applies the corrective and mitigating policies necessary to maintain the risk levels in accordance with the objectives defined in the group's strategy.

- Finally, to ensure compliance with the institution's corporate good governance system, Internal Audit acts as a third line of defence, the control body which supervises the suitability and effectiveness of the internal control system, formulates conclusions and recommendations regarding the said system and checks that they are properly implemented.