

Third-party due diligence framework procedure on matters related to compliance

-FCC CONSTRUCCIÓN-

1. Purpose

This framework procedure establishes the minimum requirements that must be met with regards to due diligence in the Construction Area (hereinafter, "FCC CO") when selecting business partners and agents, avoiding or mitigating possible future compliance and reputational risks.

This procedure defines the *Due Diligence* procedures and methodology in relation to Compliance prior to the establishment of any relationship with partners and agents, as defined in the Agent Policy and in the Group's Partner Compliance Policy, approved by the Board of Directors.

The *Due Diligence* procedures associated with Compliance will be carried out without prejudice to the analysis of other financial and operational risks carried out to assess the reliability of such third parties.

2. Scope

This procedure is applicable to all companies of the Construction Area (FCC CO and its subsidiaries), as well as to companies in which the Group holds a stake of 50% or more and/or controls them, and to those companies in which the Group could act autonomously without the need to have the consensus of its partners for these purposes, regardless of the geographical area in which they operate, and with the aim of searching and selecting new business partners, commercial agents or business developers.

3. Related documents

FCC Group Agents Policy

FCC Partner Compliance Policy

Human Rights Policy

4. Definitions

Agent: any natural or legal person who, organically outside the Group, acts on its behalf and represents it before the market and other operators, in commercial, national or international transactions.

Proposing Party: representative of a department in the Group's organisational structure who will be responsible for requesting the activation of a due diligence process with a third party with whom it intends for the company to establish commercial or professional relationships.

Partner: natural or legal persons with whom it is intended to establish a relationship and incorporate commercial companies, specific purpose companies, mixed companies, joint ventures and consortia, regardless of the percentage of participation and control that one or more of the Group companies may have in them.

5. General principles

The selection of any third party by FCC CO must be governed by the following general principles:

a) **Ethics:** any third party with whom FCC CO maintains relationships, and in particular, those who may represent the organisation before other third parties, who must share FCC CO's essential ethical principles, especially in relation to zero tolerance towards corruption (in any of its forms, bribery, extortion, etc.), money laundering, and market and free competition violations.

b) **Responsibility:** FCC CO and the third parties with whom it maintains a commercial and/or collaboration relationship will always assume the responsibility of strictly complying with the regulations in force at all times and with all ethical standards and social commitment compatible with those of FCC CO.

c) **Documentation:** relations between FCC CO and the third parties will be transparent to the parties involved. The relationship will always be described in writing in a contract in which the obligations and rights of each of the parties are clear and in which the basic guidelines of action are included, as well as the consequences and effects of the contractual breach.

6. Assessment criteria

FCC CO companies must not establish commercial relationships with third parties whose purposes, activities or conduct are contrary to the principles set forth in the FCC Group's Code of Ethics and Conduct.

For the purpose of assessing the suitability of the third party, issues relating to the essential principles of action contained in the Code of Ethics and Conduct and in the company's policies will be analysed:

- ✓ Information about the entity, its owners and/or administrators.
- ✓ Technical qualifications and/or previous projects in which they have participated.
- ✓ Background analysis.
- ✓ Relations with civil servants and/or members of the public office.
- ✓ Conflicts of interest.

In particular, any partner, agent, or collaborator with whom we are going to establish a potential collaboration must previously prove:

- An undoubted ethical behaviour in their business relationships and, expressly, their rejection of corruption, bribery and all forms of extortion.

- The protection of human rights and essential labour rights recognised internationally in the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work and the Agreements of the International Labour Organisation,
- Accredit a high level of commitment to compliance with occupational health and safety standards, guaranteeing a safe and healthy work environment, and proactively carrying out measures that contribute to minimising workers' exposure to risk.
- Respect the environment in all activities, not only in terms of compliance with the pertinent legislation currently in force, but also when carrying out activities in order to minimise negative environmental impacts and establish sustainable environmental management.

7. Identification and suitability assessment of the third party

Faced with the need to establish a commercial relationship with third parties, and before establishing any agreement, making commitments or making any payment, the head of the department or production area that identifies the need must inform the Compliance Department of the Construction Area, providing prior information on the potential commercial relationship, depending on whether it is a partner, agent or collaborator.

According to the initial information provided and the conversations that it may have with the Proposing party aimed at learning more about the third party, the Compliance Department will carry out an initial risk assessment, and will establish the scope and bases of the *Due Diligence* procedure.

The Compliance Department will decide on the following, according to the initial risk observed and to carry out the *Due Diligence* procedure:

- the type of Compliance questionnaire to be requested from the third party (through the Proposing party),
- checking blacklists,
- requesting for open source reports from the Group's Corporate Security Department, and/or
- planning an interview with the representative, or person designated by the third party, in order to assess the culture and Compliance systems established.

After analysing all the information gathered, the Compliance Department will carry out a final risk assessment that will include: the country risk, compliance risk and reputational risk, among others, and will issue an assessment or *Due Diligence* report, which must at least include the following fields:

- Risks identified
- Result of the assessment:
 - i) Positive without exceptions: no significant risks are detected in the relationship with the third party.
 - ii) Positive with exceptions: the implementation of additional controls is recommended, as well as corrective and/or preventive measures, as appropriate.

iii) Negative: a significant risk is detected in the operation and it is recommended that the relationship with the third party does not materialise.

- Recommendations to implement in the relationship with the third party

The Compliance Officer of the Construction Area will send the Third-party *Due Diligence* Compliance report to the party proposing the agreement or relationship with the third party, as well as the Area manager/ director, and the Legal Department in the event that any additional clause is recommended.

In addition, in the case of agents or business developers, the Compliance Officer will send the *Due Diligence* report to the company's Managing Director/Chairman/CEO, who will be responsible for authorising the relationship with the third party and its terms and conditions.

When the Compliance Officer deems it appropriate, due to the complexity of the *Due Diligence* procedure carried out, he may elevate the request for the final assessment of the third party to the company's Compliance Committee.

8. Monitoring the recommendations of the *Due Diligence* procedure

In order to ensure proper due diligence in the relationships that the Group maintains with third parties, the Compliance Department of the business may monitor the correct implementation of the recommendations included in the *Due Diligence* reports.

Should the third party fail to implement the corresponding recommendations, the Compliance Officer will send a report to the Proposing party on this point, specifying the risks of continuing the relationship with the third party.

9. Record

All documents associated with this procedure, both physical and digital, must be sent to the FCC Group's Compliance Department, at least every six months, and filed by the corporate Compliance Department for a period of no less than 15 years.

10. Annexes

Models of questionnaires and forms that could be used during the implementation of this procedure are presented as annexes to this procedure.

- Initial questionnaire - Partners
- Initial questionnaire - Agents
- Compliance Questionnaires (low/medium/high risk)
- Third party *Due Diligence* report - Compliance