



# **Compliance Policy for International Sanctions imposed on third parties**

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## 1. Introduction

ACS Actividades de Construccion y Servicios, S.A. and its group of companies ('ACS' or 'the Organisation') are firmly committed to complying with all applicable laws and standards in all the territories in which it operates, based on the spirit and purpose thereof, and observing ethical behaviour in all our actions.

ACS has defined a corporate model based on the values of Integrity, Excellence, Trust, Sustainability, and Profitability, observing at all times conduct aligned with our values, rooted in our firm conviction regarding the benefits of such conduct.

ACS considers integrity to be the Group's foremost value. We demand integrity by promoting and recognising behaviour amongst our people in accordance with ethics and compliance with laws and standards, regardless of the post held and the Group company where they work. We believe that it all begins with strict compliance with internal and external regulations and standards, based on the spirit and purpose thereof, and observing ethical behaviour in all our actions.

In accordance with the principle of Integrity included in our Code of Conduct, ACS Group companies must not only ensure the correct application of different regulations on international transactions, but also consider any restrictions or embargoes on certain persons, organisations or countries, which may affect them, issued by countries and international platforms. For this purpose, they will pay special attention to possible payments made by third parties as a way of circumventing international restrictions or embargoes, since this may represent a potential infringement of these limitations.

Therefore, any breach of International Sanctions defined in Annex I ('International Sanctions') is one of the risks against which the Group protects itself by adopting internal procedures.

Failure to comply with regulations on International Sanctions may expose ACS Group companies, and executives and employees individually, to civil, regulatory, and criminal sanctions, including significant economic fines and/or custodial sentences. In addition, any conduct contrary to regulations on International Sanctions will constitute a breach of ACS Group values, which will not be tolerated.

Consequently, in compliance with the sanctions applicable to the ACS Group and adopted by the EU, any individual EU State, the United Kingdom, the UN, the US and any other sanctioning authority of a country in which the ACS Group operates or has or may have any type of interest, the Group will refrain from performing any business that infringes International Sanctions.

To this end, ACS has developed a specific policy that, in line with the Code of Conduct, the General Risk Control and Management Policy, the General Compliance Policy, and the rest of the Global Compliance Management System, provides general guidelines to support the Organisation's efforts to comply with international regulations on International Sanctions and to end any conduct that does not comply as soon as reasonably possible after its discovery (the 'Policy').

## **2. Scope**

### **2.1 Territorial**

This Policy is mandatory and applies globally to the whole Organisation.

### **2.2 Subjective**

All ACS members must comply with its content, regardless of their position and the territory in which they are located, unless the applicable legislation in the territory in which they operate establishes stricter provisions, which must prevail over this Policy.

This Policy may be fully or partially extended to business partners, in accordance with the specific circumstances of each individual case.

### **2.3 Framework regulations (benchmarks)**

This Policy must be interpreted in the context of the following ACS Regulations, and in accordance with the law applicable to ACS:

- ACS Code of Conduct.
- Code of Conduct for Business Partners
- Internal and External Due Diligence Procedures.
- General Compliance Policy.
- Risk Management and Control Policy.
- The Structural Document regulating the Global Compliance Management System.

## **3. Objectives and scope**

The purpose of this Policy is to establish a regulatory framework for International Sanctions for all scenarios in which ACS may be involved in the performance of its business activities and to establish an authorisation procedure that allows ACS to maintain control of all relationships with third parties (as defined below) and those responsible for these processes.

ACS also aims to protect entities within the ACS Group from being involved in commercial activities with third parties such as employees, commercial providers, financial providers, agents, distributors and investors ('Third Party' or 'Third Parties') that may be subject to international sanctions. This includes obligations acquired under trade sanctions legislation, and a description of the internal organisation in relation to International Sanctions, and the consequences of breaching this Policy.

International Sanctions are directed against activities, countries, organisations, or individuals included on certain lists. This Policy requires, as a general rule, that all potential business partners or any new activities or businesses to be performed by

ACS be cross-checked against the corresponding International Sanctions lists before establishing a commercial relationship with them and regularly supervised during the course of the commercial relationship.

This Policy does not provide detailed guidance on the specific restrictions that exist under different national sanctions regimes, or the extent to which licences or authorisations are available to perform activities prohibited by international sanctions.

#### **4. Core principles**

The policy's guiding principles are as follows:

1. Comply with current legislation and internal regulations, acting in accordance with values and the Code of Conduct.
2. Provide the human and material resources required for this Policy to be enforced efficiently, and to implement methods for preventing and detecting illegal actions.
3. Implement models for monitoring and preventing undue conduct in relation to international sanctions regulations for all companies that are part of the ACS Group.
4. Analyse and investigate, as swiftly as possible and in accordance with the ACS Whistleblower Channel Operation Policy and the Complaints and Breach Investigation Procedure in ACS, any complaint regarding conduct that is contrary to this Policy.
5. Collaborate and cooperate with State Security Forces and Bodies and with any judicial or administrative body in relation to the investigation of alleged infringements by members of the Organisation.
6. Provide adequate ongoing training, either face-to-face or via e-learning, to all ACS directors, executives and employees, with special emphasis on obligations related to International Sanctions.
7. Impose the appropriate disciplinary measures on the persons responsible for any breach of this Policy, and those who, with their conduct, obstruct or hamper the investigation or clarification of the alleged infringements, all in accordance with the Compliance Disciplinary System and applicable sanctions.

#### **5. Due diligence, filtering, and authorisation**

##### **5.1 Introduction**

Due diligence and selection obligations are established to help identify restricted persons and organisations, and the restricted activities to which ACS may be exposed. These obligations help identify areas of potential risk in relation to International Sanctions and help make risk decisions that are within the framework of the organisation's strategy.

It is important for all members of the Organisation to be aware that any goods or services provided to or by ACS that may be linked to restricted or sanctioned persons or entities may pose a threat to ACS' reputation and give rise to the relevant responsibilities, economic sanctions, embargoes, or disqualification from operating or trading.

## **5.2 Due Diligence**

Before entering into a contract with any third party, it is mandatory to perform a due diligence process to obtain the information/documentation included in Annex II of this Policy, in addition to the Internal and External Due Diligence Procedure. In addition, the Third Party must duly complete the questionnaire regarding exposure to International Sanctions included in Annex III. With this questionnaire, ACS intends to obtain additional information as regards any relationship or connexion of the Third Party with any activity, country, organisation, entity or persons affected by International Sanctions to the extent that this may entail a risk for ACS business.

Steps must be taken to ensure that all information and documentation obtained on the Third Party and the goods or services to be provided to the Group is adequate and accurate.

All information and documentation obtained from the Third Party, and the questionnaire regarding exposure to International Sanctions, must be stored as detailed in the clause on archiving and controlling documentation set out within this Policy, and with full respect for the procedure for archiving and controlling documented information. The person in charge of performing the transaction or responsible for the commercial relationship with the Third Party ('Responsible Person') is responsible for performing all tasks related to the due diligence process and ensuring that the questionnaire regarding exposure to International Sanctions is duly completed by the Third Party. ACS must have a database with all this information.

The Compliance Committee will at all times monitor the actions of the Responsible Person, who must duly report their action in accordance with this Policy.

Any other documentation or information in addition to the above may be requested if it is considered relevant or applicable.

## **5.3 Filtering obligations**

### **5.3.1 Filtering obligations for new Business Partners**

Once the due diligence process has been completed, and before signing a contract with the Third Party or initiating any kind of relationship, a selection process will be performed to reduce or eliminate the risk of breaching International Sanctions.

The Responsible Person must collate the data from the documentation/information collected with the International Sanctions lists by means of the computer tool designated for that purpose.

If the Third Party, its activities or its commercial or professional partners are not included on the International Sanctions lists, as defined in Annex I, they will be considered a 'secure party', and the transaction will be authorised in accordance with section 5.4.1 of this Policy.

However, if the Third Party is included on the International Sanctions lists or has commercial or professional ties with any activity, entity, organisation or person included on the International Sanctions lists, the transaction must be authorised in accordance with the authorisation process in section 5.4.2. All employees must do everything possible to ensure - taking into account the risks - that any agreement signed by ACS contains a description of the services to be provided and adequate wording to guarantee compliance with International Sanctions in a manner consistent with this Policy.

A report with the results of the selection process must be kept with all the information resulting from the due diligence process as described in section 5.2 above and in the documentation archiving and control clause of this Policy, and with full respect for the procedure for archiving and controlling documented information.

### **5.3.2 Continuous filtering obligations**

If the Organisation maintains a continuous commercial relationship with a Third Party, the Responsible Person must perform a periodic review process in addition to the initial scrutiny indicated in section 5.3.1 above and update the ACS database with any new information about the Third Party. Specifically, the name and key details must be reviewed and, if necessary, added to or updated, and the Third Party must be cross-checked with the sanctions lists by means of the computer tool used by ACS based on the new information obtained.

This additional control will take place:

- before each contract renewal;
- when ACS becomes aware of changes in the information contained in Annex II; and
- at least, once a year.

## **5.4 Authorisation procedure**

### **5.4.1 If the Due Diligence and filtering procedure is positive**

If no risk is identified in accordance with section 5.3 above, the authorisation procedure for new third parties will be performed as follows:

- Once the due diligence and selection process has concluded, the Responsible Person must ensure that all the information required by this Policy has been collected.
- After this review, the Responsible Person will notify the Compliance Committee, if the process has been duly completed, and the latter will determine whether the operation can be performed or whether, conversely, any additional information is required to complete the due diligence and selection process.

The Responsible Person must prepare a half-yearly report that will include at least a list of authorised transactions identifying the Third Party involved, and all details of the due diligence, selection, and authorisation process followed.

The report will be sent to the Compliance Committee for its information and acknowledgement.

#### **5.4.2 If the Due Diligence and filtering procedure is negative**

If a risk or a potential risk is identified, the Responsible Person must immediately notify the Compliance Committee, which will make enquiries as required to determine whether the relationship, agreement, or transaction with the Third Party is permitted or not in accordance with International Sanctions.

The Compliance Committee will therefore prepare a report outlining the main aspects of the proposed authorisation, or the reasons why authorisation should be denied and no commercial relationship with that Third Party should be maintained.

To prepare its report, the Compliance Committee will assess the level of risk entailed by the transaction with the Third Party, and may require the Responsible Person to provide additional information on the Third Party. As a result of this analysis, the transaction may be approved directly by the Compliance Committee or, if considered necessary, it may be submitted to the Audit Committee for review. The Audit Committee will analyse all information relating to the transaction and will inform the ACS Board of Directors to approve or reject the transaction.

Once the transaction has been approved by the ACS Board of Directors, the Compliance Committee will inform the Responsible Person.

Once the transaction with the Third Party has been authorised, the name and key details of the Third Party must be included in the ACS database for Third Party contracts.

## **6. Statement of Compliance**

Each contract or operation performed by ACS with Third Parties must contain a signed copy of the statement of compliance contained in the ACS Code of Conduct for Business Partners.

The statement of compliance may be adapted to each case or transaction, and more restrictive clauses may be added, but in no case may its scope of application be reduced, nor may its main content be modified if by doing so its purpose is distorted.

Any questions regarding the statement of compliance must be addressed to the Compliance Committee.

## **7. Supervision, communication, and training**

The Compliance Committee is responsible for enforcing this Policy, ensuring compliance and controlling its effectiveness.

ACS will provide adequate training on the applicability of the Policy.



Therefore, all employees will receive training in relation to this Policy, which must include at least the following:

- Regulations relating to international sanctions.
- This Policy and any other specific procedures that may be approved.
- Risk identification.
- Prevention of sanctions risk.
- Sanctions risk management.
- How to mitigate sanctions risk.

New employees will receive training as part of their induction. Training will be provided at least once a year or whenever there is a substantial change in legislation or in this policy.

Records will be kept of all members who have received training on this Policy and sanctions risk.

Any questions regarding this Policy should be directed to the Compliance Committee.

## **8. Monitoring, evaluation, and review**

To ensure that the Policy is kept up-to-date and reflects the reality of ACS and all changes in the applicable regulations, this Policy will be reviewed periodically, at least once a year.

The Compliance Committee will be responsible for reviewing and updating this Policy.

The Compliance Committee will prepare an annual report informing the Audit Committee of the level of compliance achieved by ACS as regards this Policy, and providing information on the training received by ACS employees in this area. The annual report will also include any anomalies detected by the Compliance Committee and any amendments to this Policy.

The ACS Compliance Committee is responsible for assessing sanctions risks for the organisation and will ensure that the risk assessment is reviewed at least once a year. Further reviews may also be conducted whenever appropriate in accordance with the circumstances.

Risk audits and assessments must be performed to monitor compliance with and the effectiveness of this policy. These reviews will also aim to identify any anomalies or problems that may arise as regards compliance with this Policy and the degree of training provided to employees to mitigate the potential risk of International Sanctions.

The results obtained will be used to help identify and implement adequate systems and controls to mitigate and/or resolve any potential or actual risks identified.

## **9. Archiving and controlling documentation**

Archiving and controlling any documentation generated and obtained in relation to the application of this Policy will be performed in accordance with the Procedure for archiving and controlling documented information.

Any information required in the future in relation to this Policy or its compliance will be duly archived. The Compliance Committee will also keep records of any information related to Third Parties such as suppliers, customers, and/or employees that has been requested or obtained during the due diligence, selection, or authorisation procedure, and the refusal, suspension, or termination of the commercial relationship.

ACS will keep these records for the duration of the relationship with Third Parties and for at least five years after the relationship ends. The Compliance Committee may increase this period if deemed appropriate.

## **10. Communication of conduct and investigation**

All members of the Organisation have the obligation to report individual or collective behaviour or activities that occur in the context of their activities within the Organisation and which may involve a breach of the contents of this Policy, regardless of whether such behaviour has been ordered or requested by a superior.

For this Policy to be effectively applied, and with the aim of obtaining an immediate response by ACS when it becomes aware of potential breaches of the Global Compliance Management System, ACS has implemented the Company's Whistleblowing Channel ("Whistleblowing Channel"), which is in line with current national and EU regulations, and with best market practices. The Whistleblowing Channel allows for various forms of communication, which operate in a professional and confidential manner. These means of communication allow potential whistleblowers to report events that represent a violation of the system to the ACS personnel designated for this purpose. ACS guarantees the confidentiality and protection of the whistleblower.

Any complaint included in this Policy may be submitted through one of the channels detailed below, which are included in the ACS Whistleblowing Channel Operating Policy:

a) Ordinary Channels:

1. Direct supervisor or a member of ACS management;
2. Compliance Committee member;
3. The Regulatory Compliance Department.
4. By post:

FAO: Canal Ético Grupo ACS

Avda. Pío XII 102, 28036 Madrid, Spain.

b) b) Alternative Channels: The following 'Alternative Channels' are also available:

5. Online channels accessible through the website and mobile app, and the 24/7 phone line, which are listed on the website [www.grupoacs.com](http://www.grupoacs.com)

#### [Whistleblower Channel - Compliance - ACS Group](#)

If a breach of International Sanctions is suspected, the Compliance Committee will conduct an investigation in which:

The investigation must be approached as follows:

1. Identify which area or department may be affected.
2. Compile all information in relation to the transaction and, in particular, verify whether due diligence and selection processes have been correctly performed.
3. If the suspected breach is confirmed, identify its cause.
4. Prepare recommendations on the corrective measures to be taken to tackle the breach or mitigate its possible adverse effects and prevent the same or a similar breach from occurring in the future.

Once the investigation has concluded, the Compliance Committee will prepare a report outlining the facts related to the breach and its recommendations on corrective measures. A copy of that report will be sent to the Audit Committee.

In the case of special risk situations, the Audit Committee will inform the ACS Board of Directors to take appropriate action.

## **11. Understanding and declaration of agreement**

This Policy is provided and made available to all Members of the Organisation on the corporate Intranet. ACS will also make this Policy available to its Business Partners on its corporate website [www.grupoacs.com](http://www.grupoacs.com).

The Compliance Committee will ensure that all ACS members are familiar with and aware of this policy and annually confirm their knowledge and understanding of it. Any Business Partners with which ACS has a commercial relationship will also be informed of the existence of this Policy.

## **12. Consequences of non-compliance**

Any breach of this Policy will give rise to appropriate legal sanctions in accordance with the Code of Conduct and the ACS Compliance Disciplinary System.

Any measures adopted from an employment perspective will be respectful of applicable regulations, although they will always be forceful and proportional to the seriousness of the events that gave rise to the breach, informing the Legal Representatives of Workers if appropriate.

If any action performed by a Third Party can be considered a breach of or incompatible with the Compliance Policy for International Sanctions imposed on third parties or might expose ACS to any type of liability in accordance with these Sanctions, the Third Party must notify ACS within 48 hours of becoming aware of it.

ACS may terminate this agreement immediately by writing to the other party at any time if it has reason to believe, based on credible indications, that the Third Party has breached or is breaching any of the above guarantees and declarations of this clause in relation to Sanctions.

The Third Party will be solely responsible for any breach of its obligations related to Sanctions detailed here and, therefore, ACS cannot be held liable in any way for a breach committed by a Third Party. If ACS is penalised for breaching sanctions regulations due to the information received through this clause, ACS may take this matter up with the Third Party, which must hold ACS harmless from any sanctions, liability, or in general any type of damage suffered by ACS.

If it is confirmed that the actions of any Member of the Organisation could constitute a criminal offence attributable to the legal entity, this circumstance will be brought to the attention of the competent public authorities for their knowledge and prosecution. This communication will include any evidence and/or information that may have been gathered.

## Annex I: Concept of international sanctions

The terms 'International Sanctions,' 'Trade Sanctions' or simply 'Sanctions' refer to laws and regulations that restrict relationships with certain individuals, governments, organisations, groups and non-state entities, with the aim of modifying certain behaviour or weakening the position of all those that pose a threat to international peace and security.

These restrictions may include:

- General or partial prohibitions to trade with persons or entities included in the applicable asset freezing lists, or with entities owned or controlled by entities included on those lists.
- Travel prohibitions
- Restrictions related to exporting telecommunications and software services
- Financial liabilities that prohibit making assets of any type available to the sanctioned parties or providing them with financial services of any kind.

These measures are imposed by States and supranational organisations, such as the European Union (EU), which often apply the sanctions of the United Nations Security Council (UN) through a raft of legal measures, applied by the imposing party with a greater or lesser degree of severity, as necessary to achieve the ultimate objectives for which they have been imposed.

Furthermore, the objectives of International Sanctions and the nature of the restrictions imposed by International Sanctions are subject to periodic changes, and such amendments do not always respond to changes in the regulated realities, but rather to political (and, indirectly, economic) interests and events, so they are particularly exposed to rapid and (sometimes) unforeseeable changes.

Therefore, for the purposes of compliance, it is essential to keep up-to-date information on all the International Sanctions applied to the business, since sentences for breaching Commercial Sanctions may be serious, including high fines or custodial sentences, in addition to posing a substantial risk to the reputation of the Organisation.

Of particular importance are UN, EU and US sanctions, given that the latter apply the restrictions proposed by the former, either by transposition or extension, and that the Group performs a significant part of its activity in those territories.

### – UN sanctions regime

Chapter VII of the Charter of the United Nations provides the legal basis for imposing coercive measures within the United Nations. Sanctions are adopted by a Security Council Resolution.

They apply to any entity or national citizen of a UN Member State.

– EU sanctions regime

Within the EU, restrictive measures are configured as a key tool of the Common Foreign and Security Policy (CFSP) to defend its strategic interests and protect its fundamental objectives abroad.

Sanctions are imposed by the Council's decision and are implemented by means of regulations that must be applied by Member States, which will be responsible for taking action against violations of international sanctions.

EU sanctions apply to:

- EU companies and nationals;
- Non-EU companies and non-EU employees in relation to everything they do in the EU and any business performed totally or partially in the EU.

Further information on the EU sanctions regime can be found here: <https://www.sanctionsmap.eu/#/main>

– US sanctions regime

The US sanctions regime is particularly complex, so it is essential to cross check with the lists of sanctioned subjects published by the Office of Foreign Assets Control (OFAC). In general, this refers to *Specially Designated Nationals and Blocked Persons List* (SDN). The OFAC also publishes specific lists.

US sanctions apply to:

- US companies and their branches abroad, including non-US subsidiaries, US citizens and permanent residents, in relation to anything they do anywhere in the world; and
- Non-US companies and non-US citizens in relation to anything they do in the US and in relation to any transaction that may affect the US (so-called 'secondary sanctions').

General or specific licences may be granted to perform transactions with sanctioned countries or entities.

Further information on the US sanctions regime can be found here:

US Office of Foreign Assets Control (OFAC): <https://www.treasury.gov/about/organisational-structure/~/Pages/Office-of-Foreign-AssetsControl.aspx>

Overview of US sanctions:

<http://www.treasury.gov/resourcecenter/sanctions/Programs/Pages/Programs.aspx>

Search the OFAC list of specially designated nationals and blocked persons:

<http://sdnsearch.ofac.treas.gov/Default.aspx>

## **Annex II: Information and documentation required for the due diligence procedure**

### Third-Party data (legal person)

• Company name	
• Information on the incorporation of the company	
• Address	
• Sector of activity	
• Countries in which the activity is performed	
• Director names	
• Authorised signatories	
• Beneficial owner	

All supporting documentation that verifies the information compiled must be gathered.

### Third-Party data (individual):

• First and last name(s)	
• Address	
• Company sector/activity	
• Countries in which they operate	

### Annex III: Questionnaire on exposure to international sanctions

#### New third parties

You are receiving this questionnaire in compliance with the ACS Compliance Policy for International Sanctions imposed on third parties.

ACS agrees to comply with all applicable international laws, regulations, and conventions in all territories in which it operates. ACS has established a procedure to prevent and mitigate possible international sanctions.

The purpose of this form is to ask a series of questions to better identify and understand the nature of ACS suppliers and customers' activities and their scope with certain sensitive sanctioned countries and sanctions regimes based on lists.

Sanctioned countries infringe internationally accepted conduct and regulations, since they have been identified as being involved in the proliferation of weapons, as terrorists or supporters of terrorist organisations, as human rights violators, or involved in corruption and bribery.

Answer all questions as appropriate.

Name of Legal Entity/Person:
Country of incorporation/residence:
Location of Subsidiary (if applicable):
Activity sector:

1. Do you/does the company have any subsidiaries, branches, permanent establishments, offices, or other presence in a sanctioned country? If yes, specify the sanctioned country, the nature of the activity/operations and offer any details you feel are relevant.

Company/Operation	Country	Details



2. Do you/does the company sell goods or services that directly or indirectly involve people, entities, organisations or States that are currently subject to international sanctions? If yes, specify the details.

Yes

No

3. Do you/does the company have any business activities<sup>1</sup> involving directly or indirectly persons, entities, organisations or States currently subject to international sanctions? If yes, specify the details.

Yes

No

4. Do you/does the company conduct business/transactions on behalf of third parties involving individuals, entities, organisations or assets that are currently subject to international sanctions? If yes, specify the details.

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<sup>1</sup> Business activities refer to any activity performed by a company for the main purpose of obtaining profits. In general, this may include suppliers, customers, agents, investments in bonds and/or securities, transport, lenders, trustees, transactions with State or State controlled entities, etc.

Yes

No