



**CORPORATE DUE DILIGENCE
PROTOCOL REGARDING
HUMAN RIGHTS**

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.

**CORPORATE DUE DILIGENCE PROTOCOL
REGARDING HUMAN RIGHTS**

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Approval of the document by the Board of Directors

The Board of Directors of ACS approved the content of this document on May 14, 2019.

1. Aims and Principles of the Protocol

The ACS Group is aware of the obligations and responsibilities it has as a company to guarantee the respect and protection of human rights in its sphere of action. Therefore, its main objective in the field of human rights is to understand the need and complexity of protecting human rights and accepting its obligations as a Group of companies, as reflected in the considerations of the United Nations Guiding Principles on Business and Human Rights.

In order to meet this objective, the Corporate Human Rights Policy of the ACS Group (See Policy) was approved in 2016 and brings together the corporate commitments in this area applicable to all of its operations at a global level.

In order to ensure that these commitments, based on respect and protection of human rights, are effectively carried out, different mechanisms have been developed, including the Human Rights Due Diligence Protocol, which stands out as a key element. This Protocol thus defines the conduct to be prevented and provides for specific measures for such prevention. In this way, the management and mitigation of effects are facilitated, and any complaints or claims that may have been made by those who have been the object of the aforementioned conduct are filed.

In accordance with the recommendations of the United Nations Guiding Principles, this Protocol makes it possible to evaluate the effects, actual or potential, of the ACS Group's activity in cases of possible human rights violation. . Through this Due Diligence Protocol, the ACS Group establishes a series of effective measures for the prevention and measurement of potential global risks that may constitute human rights violations.

The approval and implementation of this Protocol guarantees that the ACS Group has a mechanism to identify, prevent, mitigate and respond to the negative consequences of all its activities related to human rights.

2. Scope of application

2.1. Territorial

The current Protocol is globally applicable.

2.2. Subjective and objective

This protocol has a global scope for the entire corporate structure of the ACS Group, the composition of which can be consulted on the Company's website.

Its application covers all the activities carried out directly by the ACS Group, those carried out indirectly through its value chain and business partners, and also potential omissions in its area of responsibility.

The Human Rights DD Policy is based on the "protect, respect and remedy" pillars of the United Nations Guiding Principles and is designed to prevent, address and respond to potential human rights violations within the framework of the ACS Group's global activities in all its companies.

In particular, the implementation of the Protocol makes it possible to analyze the context of the countries in which it operates and their social, economic and cultural particularities. When this information is obtained, potential impacts that require the ACS Group to intervene are assessed with the ultimate objective of maximizing the positive consequences and minimizing or mitigating the negative ones.

The Protocol is designed for application in each of the Group's operations and, specifically, in the different corporate divisions of the ACS Group, being useful for each person in charge and ensuring that all the Company's personnel act under the same purpose with respect to human rights matters.

This Protocol is prepared in accordance with the human rights Policy of the ACS Group, approved by the Board of Directors on July 29, 2016, in line with the Corporate Social Responsibility Policy and the other Policies developing the basic principles of action of the ACS Group's Code of Conduct. It also forms part of the ACS Group's commitment to the ten principles of the United National Global Compact.

3. Normative framework (standards of reference)

This Protocol must be interpreted in the context of the following ACS Standards, and in accordance with the stipulations of the legislation in force that applies to ACS.

- ACS Code of Conduct.
- Code of Conduct for Business Partners.
- Corporate Social Responsibility Policy.
- Human Rights Policy.

4. Definitions and abbreviations

For this Protocol, the following terms shall be interpreted as having the following definitions. In addition, the abbreviations used in the Protocol shall have the meaning attached to them in this section.

- **ACS:** ACS, Actividades de Construcción y Servicios, S.A.
- **ACS Group or Group:** ACS Group Companies
- **Standards:** Texts used by the ACS Group with the aim of providing compliance procedures to persons linked to the organization. They are divided into Policies, Protocols, Regulations and Procedures, and may be Global or Local in scope.
- **Protocol:** refers to this corporate human rights due diligence protocol.
- **Procedure:** refers to this corporate human rights due diligence protocol and to the set of standards approved by the Compliance Committee of the ACS Group's parent company.

- **Corporate Guide for the Protection of Human Rights:** a standard approved by the Compliance Committee of the ACS Group's parent company, which serves as a tool for the management bodies of different Group companies for the evaluation and management of human rights impacts.
- **Business Partners:** any legal or natural person, except the Organization's Associates, with whom the Organization maintains or plans to establish some type of business relationship. For example, but not limited to, intermediaries as agents or commission agents, external advisers, joint-ventures or natural or legal persons hired by ACS for the delivery of goods or services, are included.

5.- Contents of the Corporate Human Rights Due Diligence Protocol

In order to ensure its proper implementation, a series of phases have been articulated, as listed below, which address all the processes and obligations established and are described in detail throughout the document.

1. Identification and evaluation of human rights impacts.

The ACS Group carries out different types of operations, with different considerations and in different countries, and therefore the first step consists of knowing the potential impacts of human rights violations and assessing which may be real. In this phase, the **Procedure** approved by the ACS Group's parent company is applied to evaluate the potential and actual impacts on human rights resulting both from the activity of all its companies and from its commercial relations.

The different ACS Group companies are responsible for the implementation of this **Procedure** and its geographical, sectoral and operational suitability.

Once mechanisms and tools have been defined that enable knowledge of the level of risk in the country with respect to human rights, it is possible for those in charge to obtain information appropriate to the characteristics and potential situations of human rights violations in the territory in which operations are occurring.

The evaluation of potential impacts by country is governed by the global scenario established by the United Nations and its purpose is to ascertain through human rights indicators the level of protection that exists in this area for each territory in which the ACS Group carries out its activity.

The indicators defined in the United Nations framework are:

- I. Number of core international human rights treaties of the UN that the country has ratified.
- II. Number of core treaty monitoring committees that the country has empowered to receive and consider individual complaints.
- III. Number of periodic reports submitted by a State on its performance under international human rights treaties to which that State is bound.

IV. Number of Independent Human Rights Committees established by the country with the highest level of compliance (A) with the Paris Principles.

The ACS Group uses indicators I and II of United Nations global scenario to design the Global Map according to the level of human rights protection by country for all its companies. This Map serves as a tool for each one of the persons in charge of these companies, who can thus know the degree of complexity in terms of the human rights of each of the countries where the company operates.

The Global Map according to the level of human rights protection constitutes a general basis on which State officials detail and specify the context of the risk of violation, enriched by their precise knowledge of the State.

The last stage of risk assessment will be carried out at the operational level by the different ACS Group companies, taking into account the specific local conditions. This will entail the identification of risks and potential impacts at this level of activity, allowing the development of the most appropriate prevention, management or mitigation measures.

2. Prevention, management and/or mitigation measures

The prevention, management and/or mitigation actions are based on clear information about the commitment assumed by the ACS Group in the realm of human rights, which implies that all interested parties are aware of the commitments undertaken in this Protocol.

Once the results of the impact evaluation are obtained, each one of them is analyzed, prevention and mitigation actions of such risks are defined, and the person in charge of carrying out such actions is identified.

In order to ensure the effectiveness of these measures, those responsible for business and operations will allocate resources and responsibility for prevention to appropriate levels and functions within the organization. The ultimate aim of this allocation is the integration of adequate and effective human rights processes in their activities.

The prevention and management measures will be defined considering potential human rights violations identified in the analysis and prioritization resulting from their assessment. These provisions will be put into practice by the management bodies of the different Group companies, according to the regulations and considerations of the country of operation, based on the **Corporate Guide for the Protection of Human Rights**.

The objective of this phase is to ensure the correct application of the measures that contribute to efficiently:

- a) Preventing the negative consequences for human rights that the ACS Group may generate with its activity.
- b) Resolve and manage any possible infringement, taking into account characteristics of the country in which it occurs.
- c) Mitigate and redress possible abuses committed.

3. Monitoring and standardization

The management bodies of the different companies in the Group will report on Human Rights to the bodies holding the Compliance function, which depend on the different governing bodies of the companies in the Group.

In addition, these persons in charge will implement the process of supervision and monitoring of each mechanism and measure in place in order to determine whether:

1. The impact, both direct and indirect, that the company could generate
2. The mitigation mechanisms are adequate
3. Persons affected by the risks are protected, or at least their rights are not violated
4. Business partners follow the same guidelines

The process implemented makes it possible to periodically monitor and collect information, formally and informally, internally and externally, directly and indirectly (from third parties), quantitatively and qualitatively. In addition to the monitoring mechanisms, each person in charge will define a human rights scoreboard to serve as a basis for the interpretation and decision making in his or her field of operation. The indicators should meet the following criteria:

- Relevant and reliable
- Independent in the data collection methods of the observed subjects
- Global and useful on a universal scale
- Focused on human rights and anchored in the normative framework of rights
- Simple and specific

As proof that the results have been achieved, it is necessary for the persons in charge to determine the means of verification, among which the following types will be used:

- Socioeconomic and administrative statistics
- Perception and opinion surveys
- Expert judgment

4. Complaint mechanisms

When the diagnosis indicates that damage to human rights has occurred or contributed to, the complaint and follow-up mechanisms will be activated to redress the damage.

Due diligence seeks to prevent or avoid any real adverse impact of the ACS Group on human rights, but when such impact has already been caused, the damage must be addressed and different actions must be taken to deal with the injured parties. Those responsible will establish channels of communication so that the parties may communicate or report any matter relating to human rights, and thereby implement the mechanisms of redress as soon as possible.

Upon verification of the existence of a situation of damage, the persons in charge will establish claim mechanisms, taking into account local needs and the fulfillment of the following functions:

- Contribute to determine the impacts on human rights and provide a channel for those directly affected by the violations to express their concern.

- Allow the Company to deal with the damage detected and redress the consequences early and directly.

The violation must be reported by the person affected or a third party who has knowledge of the human rights violations, and in both cases must be identified. The complaint will be processed through the public channels established by the company.

5. Implementation of the Protocol with business partners

The Group considers its business partners to be an indispensable in protecting human rights. . Therefore, in order to best ensure compliance with human rights standards and minimize the risks of violations throughout its value chain, the activities envisaged in the **Procedure** will also include the fulfillment of due diligence duties with business partners and joint collaboration on these initiatives:

- A. Human rights action of business partners of the ACS Group within the framework of compliance with the Due Diligence Protocol.

The areas of the Group in charge of the business partner selection processes will apply the criteria determined in the Due Diligence Protocol and in the ACS Group's Human Rights Policy and will be required to do so impartially and objectively.

They will also promote the dissemination and knowledge of the commitments adopted by the ACS Group in relation to human rights between its contractors, suppliers and other business partners, and also the subscription of the same with measures such as the implementation of non-financial criteria in the approval of suppliers and the prescription of its own due diligence mechanisms to detect bad practices.

- B. Establishment of corrective and/or disciplinary measures.

The ACS Group will have supervisory mechanisms to assess performance with respect to human rights and detect possible risks in collaboration with business partners. Human rights violations caused by the ACS Group's business partners may be considered as grounds for contractual termination and oblige the offending party to redress the damages arising from such breach.

6. Reporting and accountability

In this last phase, the ACS Group develops a communication system and an information process outside the Group in relation to the actions carried out for the protection of human rights in all of its activities. The report responds to the legal requirements established by international law and by States.

The ACS Group will publicly report on the measures adopted, and its communications shall meet the following conditions:

- a) Disseminate clear and comprehensive information reflecting the impact of its activities on human rights. .
- b) Be accessible to the groups involved, the authorities and society in general.

- c) Do not put affected parties or personnel at risk, nor violate legitimate commercial confidentiality requirements.

The ACS Group's commitment to transparency aims to go beyond compliance, reporting on its actions, experiences and new challenges, which in turn are based on learning and a firm will to improve.

6. Follow-up, assessment and revisions of the Protocol

It shall be the responsibility of the Audit Committee of ACS to follow up and assess the application of this Protocol, periodically reporting on the matter to the Board of Directors, and putting forward proposals to modify the Protocol in any way it deems wise or necessary for the development and implementation of the guidelines and objectives.

7. Exceptions to the Protocol

There are no explicit exceptions to the application of this Protocol. However, any Department which applies for an exception to the application of this Protocol must request authorization, in writing, from ACS' Compliance Committee, setting out the reasons which justify the exception.

8. Non-compliance with the Protocol

Any breach of this Protocol must be reported, via the various channels for that purpose available at ACS, including the corresponding line manager or, directly, through the Group's Ethics Channel for matters which constitute a violation of the Code of Conduct or the Code of Conduct for ACS Business Partners.

ACS will apply the appropriate sanctions to people or companies having been responsible for, or complicit in, the breaches, in accordance with the seriousness of the offense and within the legal structure that is applicable in the jurisdiction where the offense was committed.

9. Approval, entry into force and period of validity

This Protocol is applicable from the time of its approval by the Board of Directors of ACS on the date indicated at the start of this document, and will be mandatory in its objective and subjective facets from then on.

10. Additional considerations

Although this Protocol may be translated into other languages, the authentic version of it, for the purposes of interpretation, is the original version written in Spanish.