

**CODE** NG.FER.CU-002**TITLE:** DUE DILIGENCE POLICY WITH RESPECT TO THIRD-PARTY INTEGRITY**VERSION:** 1**LAST REVIEW:** N/A**SCOPE:** General**PUBLICATION DATE:** 10/11/2020**LANGUAGE OF ORIGINAL VERSION:** Spanish**APPROVED BY:** CEO**PUBLISHED BY:** Compliance and Risk Department

## I. INTRODUCTION

The Ferrovial, S.A. Corporate Code of Ethics establishes that employees' responsibilities include the following: *"All employees must adhere to the principles and requirements contained in this Code and procure that other individuals or groups that conduct business on behalf of Ferrovial, including contractors, agents, consultants, and other business partners, do likewise."*

Additionally, the Anti-Corruption Policy is applicable to *"the behavior of all Ferrovial directors, executives and employees and its business partners, bearing in mind that Ferrovial has implemented a policy of "zero tolerance" with any practice that might be classified as corruption or bribery (active or passive), and it applies to the interactions between Ferrovial and any other person, not just interactions between Ferrovial and Government Officials."*

## II. OBJECTIVE

The objective of this Policy is to establish a due diligence process focused on integrity to be applied prior to entering into an agreement for collaboration, partnership, acquisition of goods or services or any other type (hereinafter, the "Agreement") between a Third Party and Ferrovial, S.A. or any company in its Group, and for the duration of the relationship.

The objective of this Policy is to establish a due diligence process with regard to integrity for application before an agreement is entered into for collaboration, partnership, acquisition of goods or services or any other type (hereinafter, the "Agreement") between a Third Party and Ferrovial, S.A. or any company in its Group, and for the duration of the relationship.

The term **"Third Party"** is taken to mean a natural or legal person ((or any of the companies belonging to the "Group of Companies"<sup>1</sup> of the Parent Company, as well as any special purpose vehicle (SPV), directly or indirectly controlled by such Parent Company, and incorporated

for the purpose of the Agreement) with which Ferrovial, S.A. or any company in its Group seeks to enter into an Agreement.

For the purposes of application of this Policy, **Public Administrations** will not be classified as Third Parties. In Spain, the term Public Administrations refers to the National Government, the Governments of the Autonomous Regions and Autonomous Cities, Local Government entities, Autonomous Agencies, Public

<sup>1</sup> **Group of Companies:** any entity that is under the direct or indirect control of the Third Party or of its parent company, "control" being where the Third Party holds a majority of the voting rights within the management or governing body.

Universities and independent administrative authorities. In other countries, it refers to equivalent entities or bodies. In the event of doubt, the Compliance Department will determine whether or not a given third party falls under the scope of this procedure.

### III. SCOPE OF APPLICATION

This Policy is applicable to all Third Parties with whom Ferrovial intends to enter into an Agreement.

For these purposes, "**Group**" and "**Ferrovial**" refer to both Ferrovial, S.A. and the consolidated group of companies that it heads and, generally, to all entities, whether they have legal personality or otherwise, that it controls, directly or indirectly. "Control" is understood to exist when Ferrovial holds a majority of the voting rights within the management or governing body.

This Policy will apply as established above except where the legislation to which any Group company is subject specifically prevents it from being applicable, wholly or partly, or is stricter. Ferrovial's Compliance Department is entrusted with analyzing any modifications required to this Policy by such local legislation.

In the case of subsidiaries where this Policy is not applicable, Ferrovial will strive to ensure that their respective decision-making bodies apply similar procedures or policies that are adapted to their specific circumstances.

### IV. DEFINITIONS

**Agent:** Any natural or legal person that is duly and expressly authorized by Ferrovial to act on its behalf, including to negotiate contracts or agreements, before any Government Officials or private individuals. This does not include the Ferrovial partner who centralizes communications between the consortium and the customer in a bidding process.

**Lobbyist:** Any natural or legal person that engages in lobbying. Lobbying is understood to mean any (i) contact or communication (written or oral) by or on behalf of Ferrovial with any government or Government Official <sup>2</sup> or related person of same (i.e. a person who has a family relationship up to the second degree of consanguinity or affinity, or is a spouse or civil partner), for the purpose of promoting legislative, regulatory or political issues or programs (including the negotiation, award or administration of a government permit or license); or (ii) any activity that falls within the definition of lobbying under any current national or local law or regulation that is applicable to Ferrovial. The decisive factor is the nature of contacts, communications and activities to be carried out, not the status or affiliation of the individual or company. A person (natural or legal) can be considered to be engaging in lobbying if they perform any of the activities described above.

**Business Development Consultant:** Any natural or legal person that engages in the development of commercial relations for or on behalf of Ferrovial with Government Officials or public agencies for the purpose of developing or obtaining business opportunities.

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<sup>2</sup> **Government Official:** Any official or employee of an administration, department, agency, legislative assembly, judicial body, agency or international public organization; any person who performs a public function or acts in an official capacity for a government or an international public organization; and any political party, its employees or its candidates. Companies controlled by a government are classified as agencies of same. Some examples of Government Officials are as follows; (i) state, regional and municipal employees; (ii) employees of international public organizations (e.g. the World Bank, United Nations); (iii) candidates for political office; (iv) members of a royal family or employees of a sovereign investment fund; and (v) employees of any company directly or indirectly controlled by a State or one of its agencies.

**Partner:** Any natural or legal person with which Ferrovial intends to enter into an agreement to maintain a business relationship of any kind in the form of a grouping, consortium, joint venture, association, foundation or company of any kind.

**Beneficiary:** Any natural or legal person who is a beneficiary of a sponsorship or patronage agreement or a donation to which Ferrovial is a party.

**Supplier:** A natural or legal person who is not an Agent, Lobbyist, Business Development Consultant, Partner or Beneficiary, at arm's length from Ferrovial that supplies products or provides works or services (with its own or subcontracted personnel) to Ferrovial.

## V. BUSINESS ETHICS

Ferrovial's values, as set out in the Corporate Code of Ethics, entail a commitment to the highest standards of integrity, transparency and respect for the law and for human rights. Consequently, Ferrovial requires that its business be conducted in accordance with these principles and with the utmost respect for the national and international laws that are applicable to it, particularly the laws against corruption that prohibit bribery, both active and passive.

Ferrovial's relations with Third Parties will be governed by a high-level commitment to ethics and integrity and it will avoid relations with any Third Party that does not establish zero tolerance for, or absolute rejection of, any practice that qualifies as corruption.

## VI. DUE DILIGENCE WITH RESPECT TO THIRD-PARTY INTEGRITY

Ferrovial will carry out an Integrity Due Diligence Process ("Due Diligence" or "DD" Process) with respect to any potential Third Party with which it plans to enter into an Agreement, based on the integrity risk associated with such party.

**Annex I - IV** describe the Due Diligence Process, which will include an assessment of the level of due diligence applicable to the Third Party as a function of such risk factors as: type of Third Party; country of residence; country where the Agreement is to be implemented; corporate structure, if a legal person; expected duration of the Agreement; economic value of the project or initiative covered by the Agreement; and sector of economic activity in which the Agreement is to be implemented.

When a new project, business or initiative is identified that will require the participation of a Third Party, prior to entering into any commitment with the Third Party, the Business Unit of Ferrovial that is responsible for the potential Agreement (hereinafter, the "**Proposer**") will perform an initial assessment of such Third Party's integrity and any risk that it may breach the Anti-Corruption Policy. **Annex V** provides examples of red flags and ethical best practices.

In any event, Ferrovial will inform the Third Party that it has a Corporate Code of Ethics and an Anti-Corruption Policy, and that it has a policy of zero tolerance towards crime, which includes corruption and bribery of any kind.

The Agreement between Ferrovial and the Third Party will be entered into in writing by persons with sufficient powers to do so and in accordance with the procedures or authorizations established for that purpose.

The Agreement will include safeguards against breaches of Ferrovial's policy of zero tolerance towards crime, including anti-corruption clauses and mechanisms for termination, such as those set forth in **Annex IV**. Refusal

by the Third Party to accept such clauses constitutes a clear risk indicator and must be mitigated with suitable alternative measures.

## **VII. MONITORING THE RELATIONSHIP**

If, during the term of the Agreement with the Third Party, any employee of Ferrovial becomes aware or has reasonable suspicions that the behavior of the Third Party, any company in its Group of Companies or any of its directors, executives or employees might breach the Ferrovial 's Corporate Code of Ethics or Anti-Corruption Policy, or the applicable anti-corruption legislation, or might be classified as a crime, they must immediately inform the Ferrovial Compliance Department and/or communicate it through the Ethical Channel.

The Compliance Department will analyze any communications it receives and will forward to the Internal Audit Department, for analysis and investigation, any high-risk matters or those which might be classified as criminal offenses, in accordance with the Policy for the Ethical Channel and for dealing with Queries, Complaints and Reports.

## **VIII. FINAL CONSIDERATIONS**

The Compliance Department will analyze any communications it receives and will forward to the Internal Audit Department, for analysis and investigation, any high-risk matters or those which might be classified as criminal offenses, in accordance with the Policy for the Ethical Channel and for dealing with Queries, Complaints and Reports.

## **IX. ENTRY INTO FORCE**

This Policy will be applicable from the business day following its publication on the Ferrovial intranet.

## **X. SUPERSEDED POLICIES**

This Policy supersedes and replaces the following procedures:

- NPDC-106: Procedure for due diligence with respect to Partner integrity
- NPDC-108 Procedure for the engagement of Agents