

Elecnor Group's Compliance System



"Since our beginnings, the Elecnor Group has upheld its unswerving commitment to assuming the **highest ethical standards in the development of its activities**, a commitment that is consubstantial with its business culture and philosophy, and the **solid values** on which we base our way of doing business and our relationship with our environment."

(Rafael Martín de Bustamante, Chief Executive Officer of the Elecnor Group)

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Elecnor Group's
Compliance System

02

Key factors

03

Evolution and
continuous improvement



Elecnor Group's Compliance System

01

Elecnor Group's Compliance System

- **Global** scope (across all organisations and geographical areas)



Compliance Committee

- Committee in charge of ensuring the proper functioning of the System
- Accountable to the Audit Committee
- Headed by the Compliance Officer
- 10 members (Labour Relations, General Services and business organisations)



Compliance System Manual

- System Structure
- Responsibilities, composition and operation of the Compliance Committee and main objectives and activities (prevention, monitoring, response and reporting)
- Operation of the Ethical Channel



Code of Ethics and Conduct and related policies

- Code of Ethics and Conduct
- Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators
- Compliance Policy
- Anti-corruption Policy
- Competition Policy
- Human Rights Policy



Risk Identification

- Identification of Compliance Risks and areas of exposure
- Structured table of Risks (Risk Matrix)



Procedures and Mandatory Controls

- Payment and management of financial resources
- Purchasing
- Staff recruitment
- Offers and Contracts
- Occupational Health & Safety
- Presents, gifts and courtesies
- Model contracts
- Data protection
- Environmental quality and management
- Application for and approval of temporary joint ventures and collaboration agreements
- Powers of Attorney
- Management of legal issues and/or litigations
- Accounting
- Tax management
- Information Systems
- Etc.



Ethical Channel

- Confidential communication channel to clarify doubts, transmit concerns and inform about irregular conducts
- Operating principles:
 - Confidentiality
 - Good faith
 - Guarantee of no retaliation
- Regulated in the Compliance System Manual
- Email: codigoetico@elecnor.com
- Postal address: Apartado de Correos n.º 266-48080



Training and Awareness raising

- Annual training activities
- Onboarding training (new hires)
- Regular communications
- Awareness raising campaigns



Management of our business partners (third parties)

- Compliance Risk Assessment of our business partners
- Acceptance of the Code of Ethics and Conduct for Suppliers
- Understanding our business partners:
 - Due Diligence Questionnaire
 - Analysis of business partner's performance in terms of Compliance (Compliance screening - Dow Jones Risk Center platform)



Elecnor Group's Compliance System

Code of Ethics and Conduct

Code of Ethics and Conduct

Purpose → to provide **guidelines** for the personal and professional behaviour of our employees and all those people and companies that collaborate and interact with the Elecnor Group during the performance of its activity.

- Our commitment and values → the **highest standards of ethics and legal compliance**
- Applicable to all our **employees** and **business partners** (third parties)
- **Global scope** – **all the organisations** that are part of the Elecnor Group

A motivating, safe and fair working environment

- Motivating environment
- Health and Safety in the workplace
- A harassment-free environment
- Equal opportunities
- Protection of our assets and data

Integrity in the performance of our activities and our relations with third parties

- Legal compliance
- Combating bribery and corruption
- Upholding free competition
- Respect for Human Rights
- Corporate social Responsibility and protecting the environment
- Transparency, accuracy and completeness of information
- Conflicts of interest
- Impartiality
- Confidentiality



Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators

Purpose → to **encourage** all the Elecnor Group's **suppliers, subcontractors and collaborators** to perform their activities in accordance with the **best business practices and ethical standards**



Ethics and integrity



Respect for human, social and labour rights



Health and safety



Environment protection



Quality

All the Elecnor Group's suppliers, subcontractors and collaborators must **commit** to respecting and complying with the principles and values set out in the Code of Ethics for Suppliers



Elecnor Group's Compliance System

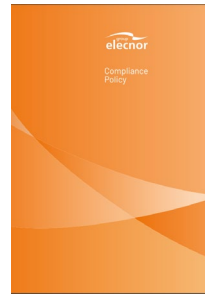


Related Policies

Compliance Policy

Purpose → to develop expected behaviours and principles of action to ensure **legal compliance** in the following areas:

- Bribery, Influence Peddling and Business Corruption
- Natural resources and the environment, Explosives and other agents, Public health and Nuclear energy and ionising radiation
- Territorial and urban planning
- Taxation Authorities and Social Security
- Punishable insolvency and frustration of foreclosure
- Foreign citizens and human trafficking
- Money laundering/fencing
- Financing of terrorism
- Market and consumers fraud
- Industrial and intellectual property
- Discovery and revelation of secrets
- IT damage
- Illegal funding of political parties



Competition Policy

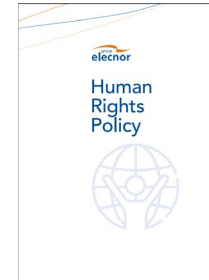
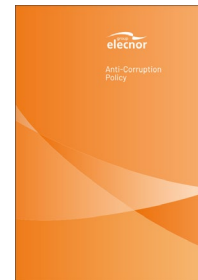
Purpose → to develop expected behaviours to ensure **compliance with antitrust rules**. It is **strictly prohibited to**:

- Entering into agreements or engaging in **concerted or consciously parallel practices** with competitors
- **Anti-competitive manipulation** of public or private tenders
- Accepting or implementing **collective recommendations or decisions** issued or adopted by **associations**
- Exchanging **commercially sensitive information** with competitors or third parties
- Carrying out actions that could constitute abuse of a **dominant position**
- Engaging in acts of **unfair competition**

Anti-corruption Policy

Purpose → to develop expected behaviours to **promote the fight against bribery and corruption**. It is **strictly prohibited to**:

- Offering, promising or granting, directly or indirectly, **bribes**
- Offering, promising or granting, directly or indirectly, **facilitation payments**
- Offering, promising or granting, directly or indirectly, **presents, gifts or courtesies** to any third party that breaches the provisions of the "Elecnor Group's Policy on Gifts and Presents"
- Offering, promising or performing, directly or indirectly, and on behalf of the Elecnor Group, **contributions for political purposes**
- Using **sponsorship or donations** as a means of obtaining favourable treatment
- Requesting, accepting or receiving any kind of unwarranted benefit or advantage with a view unduly **favouring a third party**
- Establishing business relationships with third parties without complying with the duty of **minimum due diligence in getting to know them**



Human Rights Policy

Purpose → to develop expected behaviours to ensure **compliance with and defence of human rights**

- **Demanding respect for human rights**
- Guaranteeing **non-discrimination**
- Rejecting **forced labour** and the abuse of authority, as well as **child labour**
- Protecting **health and safety**
- Respecting **local communities' rights**
- **Rejecting corruption** and commit to the highest ethical standards and legal compliance
- Recognising employees' **freedom of assembly and association**
- Ensuring **confidentiality** and people's **right to privacy**



Elecnor Group's Compliance System

02

Key factors

Committed to...

...excellence

... leadership at the highest level

...transparency

...awareness-raising and training for our employees

...promotion of our principles and values among our business partners

...the creation and spreading of knowledge in the business environment

- First company in its sector in Spain to certify its Compliance System in the **standard of UNE-ISO 37001 Anti-bribery management systems** (January 2018)
- Obtaining the **UNE 19601** standard certificate for *Criminal Compliance Management Systems* in February 2019
- Support from **external first level advisors**



- **Regular reporting** to the Audit Committee (Board of Directors) and Senior Management
- **Accountability** → Annual Compliance Report and Integrated Report
- Annual **external audits** of the Compliance System
- **Ethical Channel** (codigoetico@elecnor.com)

- Requirement to our Business Partners to **commit** to our **principles and values** → mandatory adherence to the Elecnor Group's **Code of Ethics and Conduct for Suppliers**
- **Compliance Questionnaires** for Business Partners
- Identification, reviewing and checking of Compliance issues (Compliance **screening** → **Dow Jones Risk Center**)
- **Publication** of our **principles and values, commitments and policies** → website and in public reports

- **Continuous supervision** by the **Audit Committee** (Board of Directors)
- **Communications** and messages to employees and third parties by **Senior Management**
- **Implication** at the highest level in **initiatives** regarding training, awareness and improvements to the System

- **Over 3,000 employees** trained in Compliance in the last 3 years
- Training in **general and specific aspects**
- **Onboarding** training for all newly-hired employees
- **Internal communications** regarding Compliance (intranet – “Good morning”)
- **“Compliance Pills”**
- **Campaigns promoting adherence and confirmation of total respect** for our principles and values

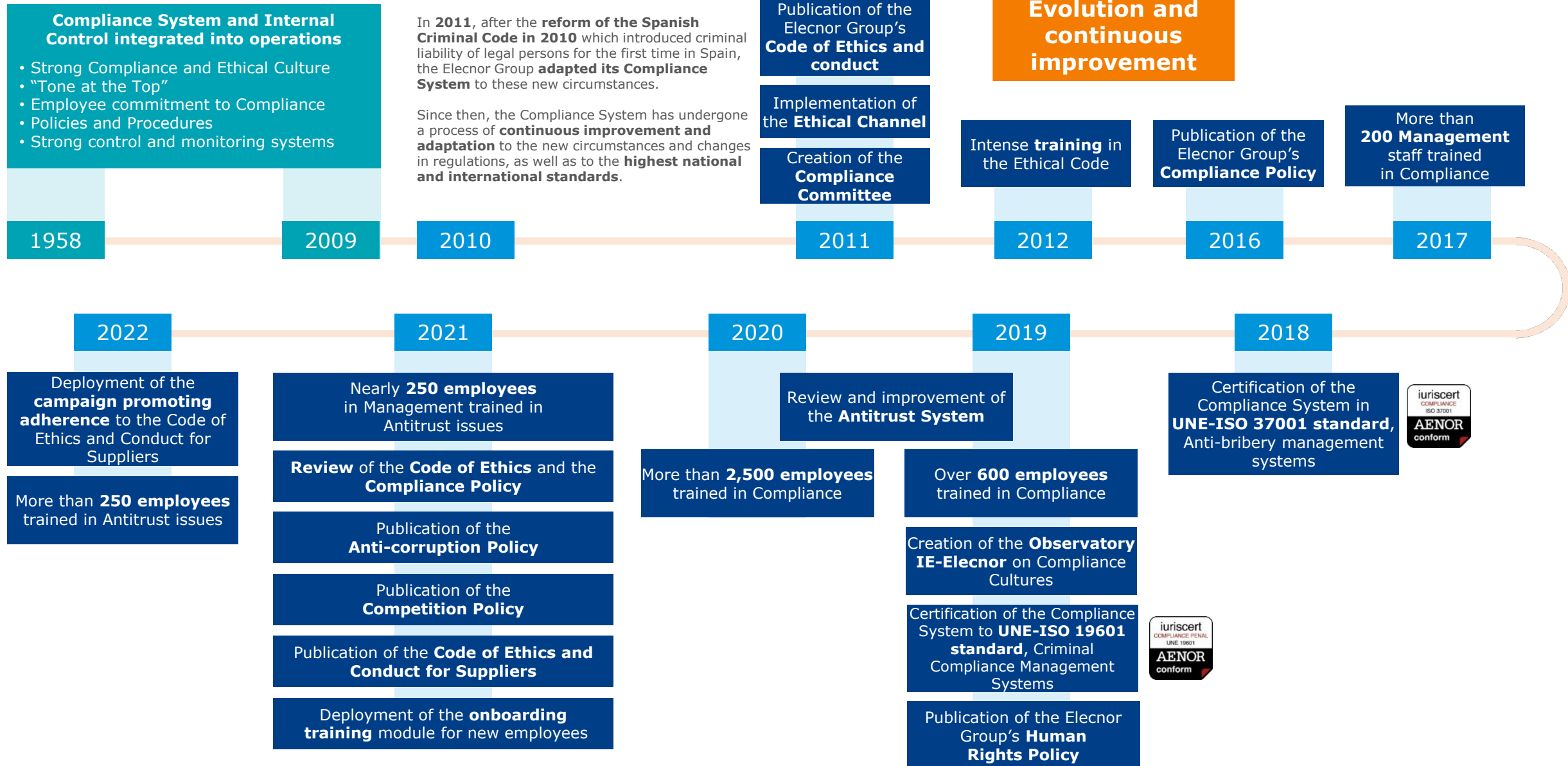
- **The IE Business School - Elecnor Observatory on Sustainable Compliance Cultures** (<https://www.ie.edu/ie-elecnor-observatory-on-sustainable-compliance-cultures>)
- Publication of **research studies** on Compliance
- Publication of **informational material** (“Compliance Pills”)
- **Press releases**



Elecnor Group's Compliance System

03

Evolution and continuous improvement





group

elecnor

www.grupoelecnor.com