



## Modern Slavery Statement

THE SACYR GROUP

Financial year January 1<sup>st</sup> to December 31<sup>st</sup> 2021

### Introduction

This statement has been published in accordance with the Modern Slavery Act (UK) 2015 (the “Act”). This document sets forth the steps that Sacyr S.A. (“the Company”, “we”, “our” or “us”), has and will be taking to prevent slavery and human trafficking from occurring in our supply chains and businesses. Moreover, the statement discloses the steps Sacyr has taken to ensure there is no slavery or human trafficking in its supply chains or its own business.

We consider slavery and human trafficking are very serious issues that must be addressed straight away. In order to avoid these problems within our organization, we have developed a proactive approach to monitor and control our activity at all times. As a construction firm, our suppliers play a crucial role in our activity, this is why they are a key priority for us, and we focus our efforts on reviewing and assessing our suppliers.

We are committed to avoiding all kinds of slavery and human trafficking in our organization and we have set out the foundations of our commitment in this statement.

Sacyr is committed to taking all appropriate steps to combat slavery and human trafficking. We are proud of the steps already taken and continually seek to improve our practices to combat slavery and human trafficking.

### About Sacyr

We are a global Group committed to meeting any challenge in order to transform our society and to develop complex infrastructure projects and services that contribute to improving citizens’ quality of life in more than 30 countries, including the United Kingdom.

This statement is made in accordance with the Modern Slavery Act 2015 (the “Act”), and Sacyr makes this statement on its own behalf as well as on behalf of its UK companies.

Among the principles that are the guideline and basis of [Sacyr’s Code of Conduct](#) are those referring to Human Rights and Labor, and we respect them wherever we carry out our activities. These are applicable to all subsidiaries or majority-owned companies over which effective control is exercised by Sacyr, S.A. whether directly or indirectly.

### Sacyr’s Commitment to Combatting Slavery and Human Trafficking

We are committed to implementing all the measures within our ability to combat slavery

and human trafficking. We are proud of the steps we have already taken, and we continue to pursue this endeavor. Moreover, we ensure compliance with the International Labor Organization's (ILO) stipulations, particularly those related to child labor.

The Board of Directors of Sacyr, S.A. ("Sacyr"), as part of their general and non-delegable duties to determine the company's policies and general strategies and following the review and proposal on the part of the Commission responsible, approved a [Human Rights Policy](#). The aim of this Policy, targeted at all stakeholders, is to define and establish the principles and mechanisms that govern activities related to human rights.

Sacyr exercises its activities in a way that rigorously respects Human and Social Rights in the different supply chains and complies with the most demanding environmental and health and safety standards, all this based on transparency and continuous dialogue with the company's stakeholders (customers, suppliers, employees, shareholders, investors, etc.).

Sacyr's sustainability management system, and therefore our management of human rights, is also in line with the premises of international initiatives such as the Tripartite Declaration (International Labour Organization), the OECD Guidelines and the United Nations Universal Declaration of Human Rights.

In 2007, the Sacyr Group became a signatory of the Global Compact, promoted by the United Nations, and undertook to support and implement the ten ethical principles underpinning the initiative, ratifying its commitment to those principles every year.

In addition to this, the [Sustainability Policy Framework](#) strengthens our commitment to the fight against slavery and human trafficking.

The above Code of Conduct and policies apply to all the Sacyr Group companies.

## **Due Diligence processes**

### Accountabilities and governance

Sacyr has been strengthening its corporate governance bodies to further show its commitment to a more sustainable future. More precisely, it has set up a Sustainability and Corporate Governance Committee, attached to the Board of Directors, and a Sustainability Committee.

With these new committees, Sacyr is aiming to make further progress in sustainability and in collaborating with all its stakeholders in the fight against climate change as well as in fostering diversity and a proper work-life balance, safeguarding health and safety and promoting the positive social impact of its activities.

### Risk area identification

Sacyr's Risk Catalogue has been structured considering the areas in which these critical

risks could have a negative impact:

- **Economic and financial:** refers to the impact of risks on economic and financial aspects (cash flow, trading, earnings, use of funds, etc.).
- **Timeframe:** refers to the impact of risks on a project's timeframe and/or on the achievement of key milestones.
- **Quality:** refers to the impact of risks on quality indicators, the adequacy or inadequacy of the resources, human resources and materials allocated.
- **Third parties:** refers to the impact of risks on the relationship with customers, partners and the supply chain.
- **ESG:** refers to the impact of environmental, social, corporate governance or reputational risks.

Critical risks identified are prioritized based on their level of criticality, obtained from the combination of impact assessments (considering the previously described impact areas) and the probability of risk occurrence.

#### Due diligence

We define criteria for the identification of critical suppliers in the Group's main business area. From the point of view of Procurement, the volume these suppliers represent 91% of total purchases.

Once the suppliers are classified, we complete this first cycle of ESG due diligence by sending an assessment questionnaire to suppliers with sub-par ESG performance in order to determine the reasons for the scores obtained (below 30 in ESG subcategories).

Finally, the results obtained are analyzed, involving the appropriate specialists, in order to establish the right measures and transfer Sacyr's standards and essential values to our supply chain with a view to establishing for a fruitful and lasting relationship. This risk analysis precedes the evaluation and approval of suppliers, which allows us to identify, according to management, the level of criticality of the Group's suppliers and to establish a series of priorities in our supply chain supervision approach, which may include everything from corrective action proposals to supplier audits, as well as essential control initiatives to ensure the sustainability of Sacyr's operations and services.

#### Grievance and remediation

At Sacyr we have formal mechanisms in place enabling us to receive queries, claims and/or complaints through the Regulatory Compliance communication channels ([see IIS21 page 115 section "4.4.2 Whistleblower Hotline"](#)). We also have a public number of more specific channels, including:

- <https://www.sacyr.com/en/shareholders-investors/corporate-governance/normative-compliance/advice-complaint-line>



– Direct communication through contract managers. Sacyr has a procedure in place to deal with environmental complaints made directly against the contracts by clients, environmental bodies, the communities affected by our activities and other stakeholders.

### **Sacyr's responsible supply chain management model**

In 2021, we continued to develop and implement our PROCURA software application to manage procurement and apply ESG criteria. Contracts with our suppliers include ESG clauses, which they are required to adopt as their own, as well as the respect of our Code of Conduct and our corporate policies, including the Human Rights Policy, the Modern Slavery Statement, the Occupational Health and Safety Policy and the Diversity and Inclusion Policy, all of which are available on our website and on the specific supplier website: <https://documentacionproveedores.sacyr.com/en/>

Through Sacyr's management areas, we implement measures for the approval, control and evaluation of our service and product suppliers, as well as measures for the control and management of risks associated with our partners and clients with the aim of ensuring alignment with our significant third parties in these matters.

### **Training**

We also provide training on sustainability to our suppliers through the delivery of the Good Practices Manual, the course explaining these practices and other training on waste management, water management, safeguarding of biodiversity and so on.

Signed on behalf of the Sacyr Group



**Alejandro Mendoza Monfort**

Operations Director

SACYR UK & IRELAND