



# **FCC's Compliance Policy**

29 July 2024

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## 0. VERSION CONTROL

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| 1 | 29 July 2024 | Initial version. Approved by the Board of Directors |

## 1. INTRODUCTION

The Board of Directors of **FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.** ("**FCC**" or the "**Company**") has the power to determine the general policies and strategies of the Company and the companies forming part of the group whose controlling entity is, within the meaning established by law, the Company (hereinafter, the "**FCC Group**" or the "**Group**") and to establish a Compliance Model for the Company that includes monitoring and control measures suitable for preventing and detecting risks of breaching the law or the FCC Code of Ethics and Conduct and other regulations, including those related to criminal offences, as well as minimizing their possible impacts, and to ensure the ethical climate of FCC.

The Board of Directors of FCC approved at its meeting held the Code of Ethics and Conduct of the FCC Group, (the "**Code of Ethics and Conduct**") which sets out the commitment of FCC and other companies that form part of the FCC Group to carry on their business and professional activities in accordance with the legislation in force in each of the jurisdictions in which they operate and in accordance with the rules and procedures of the Company, complying with the law and the values and principles of ethics and compliance set out in the Code of Ethics and Conduct, based on the principle of zero tolerance of any conduct that involves an illegal act or contravenes its internal rules.

Therefore, taking into account the importance of the aforementioned values and principles as well as the effective implementation of an ethical and compliance culture in the Group plus, moreover, the Company's commitment to continuous improvement in compliance matters, the Board of Directors approves this Compliance Policy (the "**Policy**").

The Policy expressly states the Company's commitment to exercising proper control over the members of its Board of Directors, its executives and employees in order to promote compliance with applicable internal and external regulations and to prevent, detect and eliminate irregular or inappropriate conduct or conduct contrary to such regulations.

The first version of this Policy was approved at the meeting of the Board of Directors of FCC on July 29<sup>th</sup> 2024 and develops the content of the provisions of the **Code of Ethics and Conduct** and other internal rules of the Group on Compliance, as part of FCC's Compliance Model.

## 2. OBJECT

The purpose of this Compliance Policy is to define the basic principles and the general framework of action laid down by FCC as regards compliance matters, under the supervision and responsibility of the Board of Directors, promoting those strategic, operational and organizational lines that enable it to achieve its business objectives, in an approach based on rigor and excellence in the carrying out of all its activities.

The Board of Directors may entrust the supervisory functions of the FCC Compliance Model to the Audit and Control Committee, as provided for in the Rules of the Board of Directors. As stated in this Policy, the supervisory functions may be entrusted by the Boards of Directors of the head of business and head companies by country, to the Audit and Control Committee or to the Board committee that has delegated these functions.

## 3. SCOPE OF APPLICATION

The Compliance Policy shall be applicable to FCC and other companies forming part of the FCC Group in those cases in which such companies do not have their own compliance policies when legally required, in which case they will be approved by the respective management bodies of the head of

business companies in question. with the approval of the Corporate Compliance Committee and aligned with the basic principles established in this Policy, being, in any case, these policies are more restrictive than this one, without prejudice to the specialities that are imperative in the regulations applicable to each of them.

This Policy shall be binding on members of the Board of Directors, senior management and all FCC employees, regardless of their position, responsibility or geographical location.

In its relations with its business partners and, in particular, in companies in which it has a stake (special purpose vehicles, joint ventures, consortia, joint ventures and other equivalent associations of undertakings) to which, because they are not part of the FCC Group, this Policy does not apply, the Company or the corresponding Group company shall promote, through its representatives on the governing bodies of such companies, the alignment of the latter's own policies with this Policy, in accordance with the provisions of the Policy on relations with partners in matters of compliance approved by the Board of Directors of FCC.

#### **4. ETHICAL AND COMPLIANCE PRINCIPLES**

The ethical and compliance principles on which the actions of the FCC Group will be based, as established in the Code of Ethics and Conduct, are as follows:

- i. Comply with the law in force applicable in each case and with the rules, acting at all times in accordance with the law and within the regulatory framework laid down in the Code of Ethics and Conduct and other applicable internal regulations.
- ii. Promote a culture of compliance, based on the principle of zero tolerance towards the commission of illegal or criminal acts and, in accordance with FCC's principles and values, act ethically and with rigor, professionalism and honesty, not tolerating any behavior that may involve an irregular or illegal act, or one that is contrary to FCC's Compliance Model.
- iii. Develop a Compliance Model, especially for criminal law, considering the activities carried out by the Company, which is truly fully effective and in accordance with the best national and international practices in this area. Thus, in accordance with this Model, the risks associated with irregular conduct and unlawful acts or acts contrary to internal regulations in all the activities of the Group companies shall be identified, assessed and mitigated with the appropriate controls and procedures in each case; and a periodic review and continuous improvement of the Compliance Model shall be carried out, taking into consideration the structural and regulatory changes that may have occurred, as well as the results of the assessment of the Model itself.
- iv. Promote knowledge of and compliance with legal obligations, the Code of Ethics and Conduct and internal rules and procedures by implementing the corresponding training and communication actions.
- v. Promote self-monitoring processes with respect to the actions and decision-making of all persons to whom this Policy applies.
- vi. In line with the foregoing, maintain, promote and encourage the use of appropriate internal channels for the communication of any action that is irregular or contrary to the law or internal regulations and, in particular, inform the members of the management bodies and the directors and employees of FCC of the duty to notify the Company of any fact that could constitute a possible irregularity or an unlawful act or an act contrary to internal regulations and, in particular, of any criminal offence or administrative violation,

whether serious or very serious, or of any conduct that could constitute an infringement of European Union law, of which they are aware.

In this regard, the Company has an Internal Reporting System (the "**Internal Reporting System**" or the "**System**"), of which FCC's internal reporting channel (the "**Whistleblower Channel**") forms part. This System guarantees the effective and speedy processing of all notifications received through the Whistleblower Channel, including anonymous notifications. The whistleblower's rights are fully protected, as are those related to the presumption of innocence and defense, honor and privacy of the persons reported, all in accordance with the Internal Reporting System Policy and the Procedure approved by the Board of Directors of FCC.

- vii. Provide any assistance and cooperation that may be required by judicial and administrative bodies or national or international institutions and organizations for the investigation of allegedly irregular or unlawful acts that may have been committed by the directors, executives or employees of the Group, or by its suppliers, contractors or subcontractors, without prejudice to the legitimate exercise of the constitutional right of defense that corresponds to the Company.
- viii. Allow the bodies responsible for the compliance function to have access to all relevant information necessary to carry out their duties and ensure the collaboration of all areas with these bodies.

## **5. STRUCTURE OF THE COMPLIANCE FUNCTION**

### **5.1 FCC's Board of Directors and the Audit and Control Committee**

FCC's Board of Directors defines the Group's compliance strategy, aligned and homogeneous in all the areas and companies that form part of the Group. This strategy is designed in accordance with the best national and international standards in compliance matters, and lays down the fundamental rules regarding compliance, guaranteeing, in all cases, the strategic unity of the Group.

The Board is also the body responsible for defining the organizational and management model of the Company and of the Group and its member companies, as well as FCC's Compliance Model, which includes the necessary monitoring and control measures to ensure compliance with the provisions of this Policy, as well as with the Code of Ethics and Conduct, the law and other applicable regulations.

The Compliance Model is organized on the basis of a correct definition of three lines of defense.

All persons to whom this Policy applies participate in its application and effectiveness in accordance with the aforementioned three lines of defense model, whereby (i) the first line of defense consists of the areas responsible for carrying out the business and corporate activities of each Group company; (ii) the second line of defense consists of the Compliance Function, which is independent of the first line of defense; and (iii) the third line of defense consists of the Internal Audit area, which is also independent of the first two lines of defense referred to above.

The Board of Directors of FCC appoints the bodies responsible for the Company's Compliance Function and ensures that they have sufficient financial, material and human resources for the proper performance of their duties, all without prejudice to the responsibilities corresponding to the governing bodies of the head of business companies of the Group, where applicable, and their

respective bodies responsible for the compliance function, which, where appropriate, shall be appointed by the Boards of Directors of the Group company in question.

In this regard, the Board of Directors, through the Audit and Compliance Committee, shall approve the annual budget of the Compliance Committee, as well as its annual activities plan, and shall supervise its execution, without prejudice to the responsibilities corresponding to the bodies of the head of business companies of the Group, where applicable, in relation to the allocation of sufficient resources to the bodies responsible for said Function in those companies, with the approval of its annual activities plan and the supervision of its execution.

The Board of Directors, through the Audit and Control Committee or any Committee that, where appropriate, has delegated these functions to the Board, shall ensure that all risks arising from the applicable regulations in terms of the activities carried out by the Company are duly identified, assessed, managed and controlled, in accordance with the basic principles referred to above.

## **5.2 The first line of defense: process and control owners**

FCC's first line of defense is made up of all the areas responsible for carrying out the business and corporate activities of each Group company, areas that must ensure compliance with the obligations related to the operations or processes for which they are responsible or in which they are involved, as well as establishing the controls that mitigate the risks related to compliance with the regulations applicable to them.

In particular, FCC's Compliance Model has been built on the basis of an analysis of risks to which a series of control mechanisms have been assigned, which are in turn integrated into a series of processes through which the Company's activities as a whole are structured. Each of these processes has an owner, i.e. the person primarily responsible for supervising and ensuring that the activities are carried out in accordance with the applicable regulations and that the controls established in relation thereto are being diligently applied, thereby mitigating any risk of non-compliance.

## **5.3 The second line of defense: organizing the Compliance Function**

### **5.3.1 The FCC Compliance Committee**

The second line of defense is the Compliance Function implemented in the Company. It is independent of the business and Internal Audit areas.

The FCC Compliance Committee is the body responsible for supervising the operation of the Compliance Model implemented in FCC and its correct development and execution, as well as for ensuring compliance with the Code of Ethics and Conduct and for promoting a culture of ethics and integrity within the Company. It is also responsible for FCC's Internal Reporting System, without prejudice to the responsibilities that correspond to other bodies and management of the Company, as well as to the bodies and management of the other companies in the Group.

FCC's Compliance Committee shall establish the appropriate coordination mechanisms with the Compliance Committees in the head of business companies of the Group, where applicable, to ensure effective compliance with this Policy.

The Compliance Committee shall enjoy autonomy and independence and the necessary powers of initiative and control to oversee the operation, effectiveness and compliance with this Policy, ensuring that the Compliance Model is in line with the needs and circumstances of the Company at all times.

The members of the Compliance Committee shall be appointed by the Board of Directors on the basis of appropriate skills, experience and professional qualifications.

The Compliance Committee shall perform the duties set out in FCC's Compliance Committee Regulations approved by the Board of Directors.

The Compliance Committee shall report periodically to the Board of Directors, through the Audit and Control Committee, on its activities and, in any case and as a matter of urgency, when a particularly serious situation arises.

### **5.3.2. The Compliance Officer**

In addition, the Company shall have a Compliance Officer appointed by the Board of Directors of FCC. This person shall have the appropriate knowledge, experience and qualifications, together with independent judgement, and shall be a member of the Compliance Committee.

In general, the Compliance Officer is assigned the executive duties of the Compliance Model and shall establish the appropriate coordination mechanisms with the compliance officers of the head of business companies of the Group, where applicable, to ensure effective compliance with this Policy. The functions of the Compliance Officer shall be developed in the Compliance Committee Regulations.

### **5.3.3. Business Compliance Committees**

Each of the companies in charge of managing FCC's main businesses shall have a Compliance Committee, i.e. the body responsible for the Compliance Function of that company which, in addition to carrying out such compliance functions, shall also coordinate the activities of the bodies responsible for the Compliance Function of each of the companies in which it has an interest, and whose members must also have the appropriate technical competence and the necessary independence of judgement in the exercise of their functions.

The Compliance Committees of the head of business companies of the Group, where applicable, shall be responsible for compliance in the Group company in question, taking into account the characteristics of such company and the legal requirements of their respective jurisdiction. Their size and profile shall be decided by the management bodies of each company, taking into account their own characteristics, in accordance with this policy and following the general strategy and guidelines established at Group level by the FCC Compliance Committee.

### **5.3.4. The Compliance Officers of Businesses**

In each of the head of business companies in charge of managing FCC's main businesses and reporting to its Board of Directors, where applicable, there is a compliance officer appointed by said body who forms part of the Compliance Committee of that company, who is responsible for the executive tasks of the Compliance Model within the company, all in accordance with this Policy and following the general strategy and guidelines established at Group level by the Compliance Officer. The third line of defense: Internal Auditing

## **5.4 The third line of defense: Internal Audit**

Finally, the Internal Audit function is also a relevant part of FCC's Compliance Model as the third line of defense, acting completely independently and separately from the first two lines of defense mentioned above, reviewing the actions of both in accordance with their specific procedures and its annual Audit Plan, approved by the Audit Committee and control executed by the Internal Audit area.

## **6. INTERNAL REPORTING SYSTEM. WHISTLEBLOWING CHANNEL**

FCC has an Internal Reporting System of which the Whistleblower Channel forms part. The general principles governing the regulation of this System are set out in the Company's Code of Ethics and Conduct and in FCC's Internal Reporting System Policy.

The Compliance Committee shall be responsible for the Company's Internal Reporting System. The powers to manage the system and to process investigation files shall be delegated to the corporate Compliance Officer, who is also a member of the Compliance Committee.

The Whistleblowing Channel shall be available to all employees and other persons linked to FCC referred to in Law 2/2023, which has transposed Directive (EU) 2019/1937 of the European Parliament and of the Council into Spanish law. Likewise, the aforementioned Channel will be available to any other persons referred to in other regulations that are applicable in jurisdictions where FCC operates.

This Channel shall be the preferred mechanism for reporting irregularities or acts that may be violations of the provisions of the Code of Ethics and Conduct, or of the law or any internal regulations and, in particular, which could constitute crimes or administrative offences, whether of a serious or very serious nature, or an infringement of European Union Law, of which any of the persons referred to in the preceding paragraph are aware, without prejudice to the possibility of addressing communications to the Independent Whistleblower Protection Authority or to any other competent authority or body.

Likewise, the companies of the FCC Group will comply with any laws relating to the protection of whistleblowers and the regulation of the Internal Information System that are applicable in those jurisdictions in which these companies operate.

## **7. DISSEMINATION AND TRAINING**

This Compliance Policy shall be disseminated and made known to all members of the Company and they will be required to behave in accordance with the principles and rules established therein.

Dissemination of the Compliance Policy is the responsibility of the Compliance Committee, which will emphasize the importance of compliance and the assumption by the FCC Group of the principles contained in the Code of Ethics and Conduct.

The FCC Group has a training plan that includes, among other things, mandatory courses on compliance, particularly on the prevention of criminal risks.

## **8. UPDATING AND CONTINUOUS IMPROVEMENT**

As part of the process of continuous improvement of FCC's Compliance Model, this Policy will be periodically reviewed and updated, where appropriate, to adapt it to the best standards and practices existing at any given time.

## **9. APPROVAL AND MODIFICATION**

The first version of this Policy was approved by the Board of Directors of FCC at its meeting held on July 29<sup>th</sup> 2024.

This Policy may be amended by the Board of Directors of FCC whenever it deems this necessary, whether at its own initiative, or at the initiative of the Audit and Control Committee or of the FCC Compliance Committee through said Committee.