



# **FCC Group participation policy in bidding processes for goods or services**

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## 0. Version control

Version	Date	Amendments
01	21 January 2020	Initial version. Approved by the Board of Directors

## FCC GROUP PARTICIPATION POLICY IN BIDDING PROCESSES FOR GOODS OR SERVICES

### 1. Introduction

Among the different services offered by the FCC Group in the market, the **participation in bidding processes convened by its clients occupies a central place** in its standard activity.

It is important that all Group employees who participate in processes of this type take special care to avoid incurring actions contrary to the Group's principles or the legal system.

First of all, as regards the Group's ethical principles, the policy aims to ensure that the participation of the FCC Group in bidding processes takes place in a manner consistent with the FCC Group's Code of Ethics and Conduct and, in particular, with the following values:

- a) **Honesty and Respect:** The FCC Group must maintain honest and integral behaviour in its activities.
- b) **Rigour and Professionalism:** The activities of the FCC Group must be an example of exemplary behaviour and project with that behaviour their vocation of customer service.

Secondly, in terms of compliance with the legal system, this policy aims to achieve correct compliance with the regulations applicable to bidding procedures (with special reference to public procurement and competition law regulations), minimising the risk of possible regulatory infractions, especially in the criminal field (corruption, scams, bribery, etc.) and anti-trust regulations (collusion with competing companies).

### 2. Purpose and scope of application

The purpose of this policy is to establish the basic and common elements of the FCC group for the **preparation and presentation of offers to competitive procurement processes, convened by public or private entities**.

For the purposes of this policy, bidding means any competitive process of offering goods or services to a public or private client in which the regulations or the client have established a specific procedure for receiving and comparing offers from different suppliers.

In short, this policy aims to ensure that the decision-making and management processes of the FCC Group's participation in public and private tenders are aligned with the general principles of the Group's Code of Ethics and Conduct, and that they are always executed within the framework of legality.

This Policy is applicable to all companies that make up the FCC Group. For each country or business, more specific requirements may be introduced, if necessary or convenient, but local or sectoral specificities shall not provide exemption from the application of the principles and procedures established in this document.

### 3. Relationship with other policies

**This policy applies concurrently with the anti-corruption, gift, agent and competition policies established by the FCC Group.**

### 4. General principles

In general, and as a development of the values of the Code of Ethics and Conduct, FCC Group employees will apply the following principles to all their activities related to the preparation and management of tenders in bidding processes:

- Loyalty
- Autonomy
- Transparency
- Responsibility
- Regulatory compliance
- Documentation

#### a) Loyalty

The participation of any company of the FCC Group in a bidding process must always be carried out with **full loyalty towards clients and their interests**. This implies no conduct will be adopted during the bidding process that could hinder or unlawfully obstruct the purpose of the tender.

In application of this principle, employees who participate in these procedures must have **knowledge of and respect the procurement procedure** established in the regulations or, in the case of private procedures, by the client. Neither the company nor its employees will be able to carry out actions that could avoid said procedures or, throughout the procedure, use communication channels other than those established in the rules that apply to the tender.

If, as a result of any irregularity detected in the bidding process, a **claim or appeal** must be filed, said claim or appeal must always be based on justified grounds, and must never be made rashly.

FCC employees and executives will always avoid situations that may give rise to a conflict between their personal interests and those of the FCC Group or those of the client. To this end, and in line with the FCC Code of Ethics and Conduct, actions that imply a future or present benefit for the employee, executive or related parties are prohibited.

#### b) Autonomy

Without prejudice to the cases in which the company participates in conjunction with other entities, **the decision to participate and the details of the conditions of the**



**bid that is presented to any bidding process will be decided autonomously and unilaterally by the company.**

Under no circumstance may information related to a tender be shared with competing companies. If a competitor sends an employee of the company information about its decision regarding a tender, said employee will immediately inform the Ethical Channel, who, in view of the circumstances, will establish the best and most efficient course of action.

If the bid implies or may imply collaboration with other entities outside the FCC Group (subcontracting, temporary unions of companies, joint ventures, etc.), the opportunity and need of the collaboration deemed appropriate must be specifically analysed. In these cases, the FCC Group entity responsible for the process may not formalise any collaborative structure without having previously analysed and documented the need for collaboration with other companies and compliance with applicable law. This justification must be made for each specific collaboration procedure, unless a stable collaboration structure was established beforehand.

Similarly, any decision to challenge the outcome of a tender will always be taken autonomously by the company and for justified reasons. The same reason shall apply for accession to an appeal or claim, presented by an association of companies in the sector.

**c) Transparency**

The relations between the FCC Group and the clients that call for tenders must be governed by the principle of transparency. This implies that the company will communicate with the client honestly and through the channels established for such purpose.

In the event that, for commercial, economic or other reasons, the company is not interested in participating in a process, it will openly advise the client as such, refraining from submitting fake bids designed not to be selected.

Likewise, if the company's employees observe irregularities in the bidding process, they must make said irregularities known to the bidding company through the Ethical Channel, even if said irregularities are attributable to the client's staff.

**d) Responsibility**

Bids submitted by FCC Group companies in bidding processes must obey reasonable commercial and economic criteria at the time at which it is submitted, prohibiting the instrumental use of the bidding processes for illicit purposes.

It is specifically prohibited to submit bids with conditions that are inappropriate according to the information available at the time they are prepared.

## e) Regulatory compliance

Compliance with legality is one of the basic principles of the FCC Group's actions. When preparing and submitting bids, FCC Group companies will always scrupulously observe compliance with current regulations and, in particular, the regulations applicable to public sector contracts, anti-fraud and anti-corruption regulations, competition regulations and any regulations that, according to the jurisdiction in question, may be applicable.

In its commitment to regulatory compliance, FCC Group has established an Ethical Channel for employees to report any circumstance that could be a legal or regulatory violation.

To comply with this principle, employees involved in the preparation and submission of bids in tenders will receive specific training in line with their responsibilities.

## f) Documentation

Each company of the FCC Group, as appropriate, must maintain a documented file of all bidding processes in which it participates, even if it is not awarded. This file must include, as a minimum, the tender document, the bid submitted, the conclusion of the award, and any other relevant documentation. When plans for tender are developed, these plans will also be subject to filing.

If the company submits a bid that is significantly different from similar offers submitted in the last three years, the reasons that justify this difference must be included in the file.

The files must be fully accessible to be overseen by the Compliance department and reviewed by the Internal Audit department.

# 5. Development of specific procedures

Each business area must specify this policy in specific procedures adjusted to its commercial reality which, in view of the nature of the business, must define the sequence of decision-making.

Each of these specific procedures must identify, at a minimum:

- (i) The person or persons responsible for making the decision of whether to participate in a tender. Different levels of authorisation may be established depending on the amount of the tender.
- (ii) The person or persons who are responsible for the preparation and approval of the bid submitted. As in the previous case, different levels may be established for the approval of a bid depending on the amount of the tender or the conditions to be applied (e.g. discounts exceeding a certain threshold, amount of the guarantees required, collaboration schemes with competitors, etc.).
- (iii) The procedure for filing or recording procedures.

The specific procedures of the business areas will respect the principles established in this policy. An exception or specificity may only be established when (i) they are



necessary for the operation of the business, and (ii) they are expressly authorised by the compliance body.

Each business area of the FCC Group must inform its employees of the specific procedures that may be applicable.

## 6. Obligations of the FCC Group

In application of this policy, the different business areas of the FCC Group must:

- (i) Actively disseminate the **content of this policy and specific procedures** that apply to all employees and managers who, directly or indirectly, can participate in the bidding processes.
- (ii) Establish effective **training programmes** so that all employees and managers who, directly or indirectly, can participate in the bidding processes know all the obligations arising from compliance with this policy. These programmes must have specific sections related to the impact of public procurement, anti-fraud, anti-corruption and anti-trust regulations and their effectiveness should be reviewed periodically.
- (iii) Effectively control compliance with this policy through the establishment of supervisory and audit controls and procedures.

Additionally, each subsidiary or division may introduce additional supervisory measures in their internal procedures appropriate to their commercial reality, which must be approved by the Compliance department before being implemented.

## 7. Obligations of FCC Group employees

Meanwhile, FCC Group employees must have knowledge of this policy and use the resources that the company makes available to ensure compliance. In this regard, in addition to participation in training programmes, FCC Group employees have the obligation to inform the company through the Ethical Channel of any incident or possible irregularity that they observe in relation to the preparation and presentation of bids in tenders.