



Crime Prevention Manual

30th July 2019



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0. VERSION CONTROL

Version	Date	Amendments
01	27 July 2018	Initial Version.
02	30 July 2019	Annex II

1. PURPOSE AND CONTENTS OF THE MANUAL

1.1 Objective and scope of application

This Crime Prevention Manual (hereinafter the Manual) is intended, on the one hand, to define the design, structure and guidelines for the operation of the Crime Prevention Model of the FCC Group (hereinafter FCC or the Group) and, on the other, to detail and regulate the related bodies and procedures.

The procedures set out in this Manual are mandatory and, together with the Code of Ethics and Conduct, demonstrate FCC's clear objection to any unethical behaviour which, while benefitting the organisation could constitute a criminal offence. It thus applies to:

- FCC and national and international controlled companies, "UTEs" (Unión Temporal de Empresas – a form of temporary business association) (in which it has a majority shareholding) and acquired companies, as from the effective date of acquisition. See Appendix I.
- Directors, attorneys-in-fact and persons authorised to take decisions on behalf of the legal entity and with organisation and oversight powers.
- All employees of the FCC Group.

1.2 Consequences for the FCC Group

The official penalty for criminal offences is generally a fine, although others may also be considered:

- Winding up of the legal entity.
- Suspension of activities for a period exceeding 5 years.
- Temporary (a maximum of 15 years) or permanent prohibition on engaging in the activities in the context of which the offence took place (be it directly or indirectly).
- Ineligibility for any public subsidies or aid, as well as for contracting with the public authorities or obtaining tax or social security-related relief or incentives, for not less than 15 years.
- Court intervention to protect workers and creditors' rights for a maximum period of 5 years.

Apart from such penalties as may be imposed by a court, the company is also exposed to other consequences that could have a major impact on its activities:

- Reputational damage both before the company and customers and suppliers.
- Financial value of the company.

2. BODIES RESPONSIBLE FOR THE MANUAL

The Manual may be defined as the internal regulations used by the Group as a tool to establish a structured control system to mitigate the possibilities of Group personnel perpetrating an offence that could give rise to criminal liability for the legal entities.

A number of the characteristics of the Manual must be taken into account for its correct interpretation.

- It rests on a periodic and dynamic process for ongoing improvement.
- The contents of the Manual constitute a methodology to be adapted to the pursuit of the business and activities of the FCC Group.

The procedure established in the Manual shall be led and managed by the Organisation's management and middle management of the FCC Group in particular must be familiar with it and ensure it is complied with.

2.1 Board of Directors

The FCC Board of Directors is the maximum decision making and oversight body at FCC, and discharges its duties itself and via the delegate bodies, as provided for in the regulations.

Its main duties with respect to the Crime Prevention Model are:

1. Approval of the Crime Prevention Model, and of any updates and amendments.
2. Periodic monitoring and oversight, via the Audit and Control Committee, of the effectiveness of this Model and the contents of the Model, to ensure that it is aligned with the vision, mission and values of FCC.

2.2 Audit and Control Committee

In the area of crime prevention, the FCC Audit and Control Committee to which the Compliance Committee will report is tasked with overseeing the correct functioning and effectiveness of the Crime Prevention Model and reporting to the Board.

2.3 Compliance Committee

The Compliance Committee is FCC's Crime Prevention Body, and has the necessary authority to ensure the credibility and binding nature of decisions taken. It will be formed by:

- The Corporate Compliance Officer (Chairman).
- The General Manager of the Legal Counsel.
- The Human Resources Coordination and Development Director.
- The Director of Corporate Social Responsibility (Secretary).

The Director of Internal Audit, who will participate in a speaking and voting capacity where required to participate in and be involved in the conduct of investigations.

The Compliance Officers of the various businesses (Construction, Environmental Services and Aqualia and CPV) will also join the Committee as guests at its request; their participation will be strictly restricted to the area of their business, with respect to which they will participate in a speaking and voting capacity.



The Corporate Compliance Officer will act as the Chairman of the Compliance Committee and will periodically report on the discharge of his/her duties and on the level of regulatory and legal compliance. The Chairman will also be responsible for the safekeeping of all of the documentation resulting from Compliance Committee Meetings including, among others, the meeting minutes.

The office of Secretary will be held by the Corporate Responsibility Manager and his/her duties will include drafting the minutes of the Committee Meetings and certifying its resolutions and decisions.

The Compliance Committee will function as a collegiate body and will receive the notifications and/or complaints formulated through the Whistle-blowing Channel from the Corporate Compliance Officer.

The Compliance Committee will perform the functions relating to the Code of Ethics and Conduct, the Crime Prevention Model and the Whistle-blowing Channel included in its own regulations.

2.4 Corporate Compliance Officer

In general, the Corporate Compliance Officer is entrusted with the executive functions of the Crime Prevention Model, based on the action-oriented decisions taken by the Compliance Committee.

These functions are as follows:

- Ensure that the Code of Ethics and Conduct, the present Manual, and also other criminal legislation that may apply to the conduct of the Employees and Managers, is accessible on the Group's Intranet.
- Carry out periodic monitoring and oversight of the Group's Crime Prevention Model, reporting the conclusions to the Compliance Committee and liaising in the preparation of the Audit and Control Committee's activity report.
- Liaise in the preparation of the content of training courses on Criminal Risk Prevention, adapted to the different profiles in the company, and monitor that the course is carried out by those required to take it.
- Periodically review the criminal risk and control maps.
- Disseminate the guidelines and the functioning of the self-evaluation system to the control managers.
- Assess/support the owners of the processes and the controls in their design and implementation.
- Liaise with Internal Audit in defining the annual audit plans and in establishing a work plan for any specific reviews requested by the Compliance Committee.
- Ensure the safekeeping of the minutes of the Compliance Committee, prepared by the Secretary.
- Receive, classify and channel the complaints and notifications received through the Ethics Channel.
- Analyse, follow up on and collaborate (by participating in the performance of investigations) in the clarification of the complaints delegated to it by the Compliance Committee.

- Follow up on the complaints and/or investigations carried out by the Compliance Officers of the businesses.
- Maintain, oversee and manage the Complaints Management System (CMS) in which all of the documentation generated in relation to the investigations shall be filed.
- Gather and analyse the self-evaluations of those responsible for the specific controls and for the procedures.
- Propose action plans in the event that breaches or inefficiencies are detected in the operation of the controls.
- Resolve any doubts and queries in relation to the application of the standards, policies and procedures in the area of crime prevention that may be raised through the Whistle-blowing Channel established to this effect, which is available on the company's Intranet, by emailing canaletico@fcc.es or by regular mail.
- Request periodic reports from the Compliance Officers of the businesses on performance in the area of compliance.
- Prepare a work plan for the Compliance Officers of the businesses, aligned with the Group's requirements.
- Provide support to the Compliance Committee in the development of its functions.

2.5 Business Compliance Committee

Each of the businesses shall have a Compliance Committee as a crime prevention and compliance body which shall provide support in this area to both the Board of Directors or an equivalent decision-making body and to the Corporate Compliance Committee itself. Its functions shall be similar to those included in the Regulations of the Corporate Compliance Committee and it shall comprise, at least:

- The Business Compliance Officer.
- The Director of Legal Counsel of the Business.
- The Business Human Resources Director.

Compliance structures may be implemented in jurisdictions in which this is legally mandatory and there are subsidiaries justifying such structures, subject to the authorisation of the Corporate Compliance Committee.

2.6 Business Compliance Officer.

In each of the businesses, under the auspices of the Board or an equivalent business and functional decision-making body of the Corporate Compliance Officer, a Business Compliance Officer shall be appointed to assist the Corporate Compliance Officer in disseminating the Prevention Model, identifying risks, defining and monitoring controls and dealing with complaints and investigations received in connection with offences and breaches of the Code of Ethics and Conduct.

The main functions of this position shall be as follows:



- Ensure that the Code of Ethics and Conduct, the present Manual, and also other criminal legislation is disseminated to all levels of the business.
- Perform periodic monitoring and oversight of the Crime Prevention Model in the business, at the request of the Corporate Compliance Officer, reporting the conclusions to the Board of Directors of the business or, in its absence, to an equivalent decision-making body and to the Corporate Compliance Officer.
- Collaborate in the dissemination of training plans on crime prevention and compliance with the Code of Ethics and Conduct prepared by the Corporate Compliance Officer in liaison with Human Resources, follow up on the completion of these courses by the participants and report such compliance to the Corporate Compliance Officer.
- Periodically review the business criminal control and risk map and inform the Corporate Compliance Officer of the results of this review.
- Collaborate in the dissemination of the guidelines and functioning of the self-evaluation system for the business control managers and follow up thereon.
- Provide advice/support regarding the guidelines set by the Corporate Compliance Officer to the owners of the controls in their design and implementation.
- Liaise with and support Internal Audit in the implementation of the annual audit plans.
- Receive complaints relating to the business, previously classified as "medium risk notifications" by the Corporate Compliance Officer, take the pertinent managerial measures to clarify such complaints, and perform the necessary investigations and due follow-up thereon.
- Report to the Corporate Compliance Officer on a quarterly basis, submitting the results of the investigations and actions carried out in relation to the complaints received, and to the Board of Directors of the business or, in its absence, to the equivalent decision-making body.
- Propose action plans in the event that breaches or inefficiencies are detected in the operation of the controls and submit these proposals to the Corporate Compliance Officer.
- Periodically prepare reports on the monitoring work of the Crime Prevention Model, concerning both its annual activity and the activity of the areas, and submit such reports to the Board of Directors of the business and the Corporate Compliance Officer.



2.7 Owners of the processes

The process owner shall be the person responsible for defining, transferring, overseeing and ensuring that the activities and controls established in the procedures are being uniformly and diligently applied in all functionally dependent areas. The process owner shall also be the person who identifies any changes that may arise in the manner in which process activities are performed and must report this incident to the Corporate Compliance Officer or the Business Compliance Officer. The process owner must also disclose any amendments arising in the controls to the functionally dependent persons.

- Establish and/or disseminate the procedures of their functional area which include both operating activities and controls.
- Ensure correct compliance with the procedures in all functional units.
- Provide support to the control owners in interpreting and applying the procedures.
- Liaise with the Compliance Committee and the Compliance Officers in their Model management and oversight functions.
 - Identify criminal risks that may affect the processes in their area of activities.
 - Design, implement and maintain the most effective controls to prevent the aforementioned risks in liaison with the Corporate Compliance Officer or the Business Compliance Officer, and identify the need to update the procedures to incorporate new operations and/or controls.
 - Liaise, where necessary, with the Compliance Officer to identify regulatory and legislative changes.
- Provide notification of any change in the procedures and ensure that such changes are correctly implemented in their functional area.

2.8 Owners of the controls

A control will be identified to mitigate each criminal risk. These controls will be assigned to a person who will be in charge of ensuring they are complied with and whose functions shall be as follows:

- Perform the control activities diligently, and document such activities.
- Safeguard the supporting documentation of the controls performed for five years, except for specific requests.
- Liaise with the Compliance Committee, the Compliance Officers and the owners of the processes in their Model management and oversight functions.
 - Identify criminal risks that may affect the processes in their area of activities.
 - Design, implement and maintain the most effective controls to prevent the aforementioned risks in liaison with the Corporate Compliance Officer or the Business Compliance Officer, and identify the need to update the procedures to incorporate new operations and/or controls.

- Liaise, where necessary, with the Compliance Officer to identify regulatory and legislative changes.
- Notify/report any breach through the Whistle-blowing Channel.
- Raise any doubts that may arise in connection with compliance using the mechanisms established to this effect.

3. STRUCTURE OF THE OVERSIGHT MODEL

The organisation's structure to mitigate the risks of criminal acts being perpetrated and which forms part of FCC's Crime Prevention Model is based on the following elements:

1. At high level. The establishment of the expected principles and conduct set forth in the Code of Ethics and Conduct, aimed at transmitting an ethical and compliant culture to the entire organisation and generally establishing the behaviour to be followed by employees and management to avoid perpetrating illicit acts.
2. At process and control level. The internal policies and procedures defining the areas of activity and documenting the specific activities and controls (control and risk matrix) to be applied, both by employees and managers in the discharge of their duties, which are specifically associated, directly and individually, with the offences applicable to FCC in each of its businesses.

3.1 Definition of the risk catalogue

To achieve the compliance objectives in crime prevention, it has been necessary to identify criminal risks that may arise as a consequence of the various activities of the Group companies.

The prioritised catalogue of offences and risk behaviour (hereinafter the catalogue) is a structured list of criminal risk behaviour detected in the Group and which could give rise to the perpetration of a crime. Risk behaviour refers to a specific type of offence, therefore such references are included in the catalogue.

3.2 Risk evaluation methodology

The criminal risk evaluation process falls within the framework of the internal oversight processes, carried out continuously and periodically by FCC.

Criminal risk evaluation must be reviewed on an annual basis and formally documented, indicating the offences in accordance with their priority, in order to maintain the model in force.

The basic methodology to be used shall include, at least, the following phases:

- **Annual meetings** with each of the relevant areas of each of the businesses with a view to re-evaluating the changes in the organisation's business and structure; newly identified risk

activities and any other items that may have an effect on the activities pursued by the organisation.

- **Basic questionnaire** evaluating each of the offences included in the criminal code that has an effect on the criminal liability of the legal entity. The replies of this questionnaire shall be weighted. Such weightings may be amended, documenting such amendment and provided the changes in the organisation so require with a view to reflecting the reality of the activities.
- **Calibration of the offences.** Optionally, an external and independent mechanism may be used to calibrate the offences based on the information available regarding media repercussion surrounding illicit acts committed by companies in the sector.

Once this process has been completed the applicable offences shall be classified as follows, taking into account the risk involved:

- a. **Not applicable.** Given the company's activity and its characteristics, the chances of the risk arising are nil.
- b. **Very low.** The risk is currently not evident, although there is a remote possibility that it could become evident in the future, should certain specific circumstances arise.
- c. **Low.** The risk could arise in the company's current situation, however the probability of its materialising is low.
- d. **Medium.** The risk could arise in the company's current situation. Due to its circumstances and specific activities, the probability of the risk arising, or of an illicit act being perpetrated, is moderate.
- e. **High.** The risk could arise in the company's current situation. Given the organisation's structure, its activities and its track record, there is an increased probability of an offence being perpetrated, facilitated from within the organisation.
- f. **Very high.** The risk of the perpetration of the offence has arisen, either through internal identification by the organisation or through a direct charge for such offence beforehand.

To complete the risk evaluation, risk activities relating to each offence and through which an illicit act could be perpetrated in the organisation, will be verified and/or identified. Subsequently this information will provide the basis to define the control objectives and the controls that could mitigate such risks.

3.3 Identification of controls

Upon identification of the risks, the procedures comprising the details of the activities and controls to be performed by each of the managers to mitigate such criminal risks have been identified.

The control managers must identify the evidence that will support the determination as to whether or not such controls have been implemented and are operating according to their design, i.e. they will provide sufficient evidence to guarantee the Model's design and effectiveness.

The control managers, located in the functional areas (first line of defence) must identify any changes that may have occurred in the procedures and controls and notify them in due time and form to the process owner, who will report to the Compliance Committee so that such procedures and controls may be evaluated, reviewed and adapted.



The Compliance Committee shall be responsible, through the Compliance Officers, for proposing the update of the principles and conduct in the Code of Ethics and Conduct, and for updating the control activities reflected in the internal policies and procedures.

3.4 Evaluation and oversight of the Model

To evaluate the effectiveness of the Crime Prevention Model, the following will be implemented:

3.4.1 Self-evaluations

On a half-yearly basis the control managers must complete the self-evaluations established for the controls assigned to them in relation to criminal matters, once evaluation tests of effectiveness set for each of the controls have been performed.

The process owners must also certify that the controls performed under their area of management have been diligently carried out and documented by the control owners and report any change in the activities and/or supporting activities.

The control and process managers, on signing a declaration (see Appendix II), thereby take responsibility for implementing and monitoring the policies, procedures and controls assigned to them. The Compliance Committee, through the Compliance Officers, shall be responsible for monitoring that the aforementioned self-evaluations are carried out diligently and in due time and form.

3.4.2 Internal audits

The review of the operation of FCC's Crime Prevention Model shall be included in the annual Audit Plan, approved by the Audit and Control Committee and executed by FCC's Internal Audit area.

The Compliance Committee, through the Compliance Officer, shall be in charge of liaising with FCC's Internal Audit area in the design and execution of the work programme in the criminal area, including the annual testing of the design and effectiveness of the controls set out in the procedures associated with mitigating criminal risk.

The results of the review performed by Internal Audit shall be reported to the Corporate Compliance Officer who will inform the Compliance Committee so that it may suggest action plans and measures for improvement as necessary, without affecting Internal Audit's reporting to the Audit and Control Committee.

3.4.3 Reports to be issued on the oversight of the Model

The following reports will be prepared on an annual basis in relation to the oversight of the Crime Prevention Model:

- The Business Compliance Officers will prepare reports each year on the activities performed by them in relation to the prevention of crime in the context of the Model. These reports will be provided to the Corporate Compliance Officer.
- The Corporate Compliance Officer will prepare and present to the Corporate Compliance Committee an annual report on the operation of the internal controls established in the Catalogue

of prioritised offences indicating the variations that may have occurred during the year in such controls.

- The Compliance Committee, assisted by the Corporate Compliance Officer, will prepare an annual report on the development of its activity including the suggestions it deems pertinent to include for the improvement of its operation. This report will be submitted to the Board by the Audit and Control Committee.

4. WHISTLE-BLOWING CHANNEL

Any employee who sees indications or has suspicions that an offence has been perpetrated must report it using the Whistle-blowing Channel established by the FCC Group to this effect which is available either on the company's Intranet, by emailing canaletico@fcc.es or by regular mail, as stipulated in the procedure of the Whistle-blowing Channel and in the Code of Ethics and Conduct.

Notifications and/or complaints will be dealt with in accordance with the established Whistle-blowing Channel procedure and, should it prove necessary to carry out investigations, the Investigation and Response Procedure will be observed. Such notifications/complaints will be received by the Corporate Compliance Officer who will classify them and, according to their content, proceed to deal with them or divert them to the Business Compliance Officer. Subsequently and following an initial analysis they will be submitted to the competent Compliance Committee for processing and investigation, if so decided.

A Complaints Management System (CMS) is in place which is used as a protected data base with restricted access in order to record all complaints received and any other actions taken in relation to such complaints. The system will be managed by the Compliance Officer.

5. ALLOCATION OF FINANCIAL RESOURCES SYSTEM

The FCC Group's Board of Directors, through the related budgetary allocations, has made available to the Compliance Committee sufficient resources – human, technological and financial – to perform its tasks and responsibilities as part of its compliance function.

6. DISCIPLINARY REGIME

In order to implement the standards and principles of the present Manual efficiently, the FCC Group will apply the disciplinary regime set out in the various Collective Bargaining Agreements applicable to all of the businesses and areas of activity.

These Agreements establish a list of categories of infringements, to which the proportional penalty is applicable.



Non-compliance with the principles and values of the FCC Group's Code of Ethics and Conduct in the present Crime Prevention Manual could give rise to employment penalties, notwithstanding the administrative or criminal penalties that may arise, where applicable.

7. DISSEMINATION AND TRAINING

The implementation of this Manual should be accompanied by the dissemination of its content throughout the company.

The Compliance Committee is responsible for such dissemination and will emphasise the importance of complying with the Manual and the FCC Group's commitment to the Code of Ethics and Conduct principles.

To this end the FCC Group has adopted the following measures to make employees aware of the Manual:

- Annual training for all employees on the Code of Ethics and Conduct, which contains the principles and conduct that is expected of employees.
- Dissemination of the Code of Ethics and Conduct in the work centres through informative leaflets.
- Dissemination of the Manual and of the set of due control documents to the bodies responsible for the control and monitoring of the Crime Prevention Model, which shall serve as a guide to the main responsibilities to be assumed by these bodies in criminal matters.
- Dissemination of the Manual and training on the Crime Prevention Model for the company's executives.

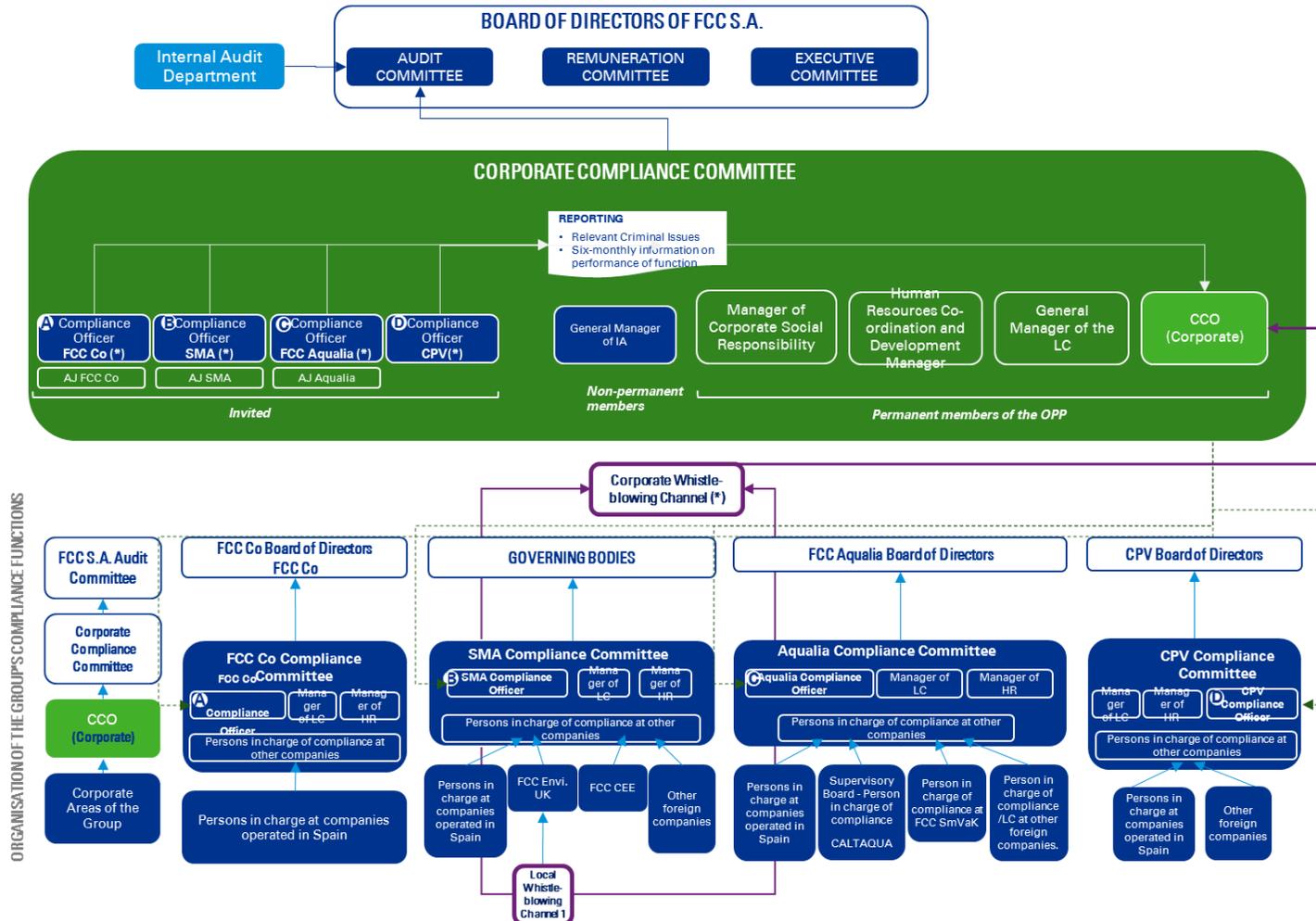
The FCC Group has a training plan that includes an obligatory training courses on crime prevention. The content and organisation of the courses shall be managed by Human Resources in liaison with the Corporate Compliance Officer, following approval by the Compliance Committee.

8. APPROVAL OF THE PRESENT MANUAL

The present Manual was approved by FCC's Board of Directors in its meeting held on 27 June 2018. It may be amended with a view to maintaining due control of FCC's activities at all times thereby minimising criminal risk.



APPENDIX I. SCOPE AND STRUCTURE OF THE CRIME PREVENTION M



(*) If invited to the Compliance Committee, the Compliance Officers of the businesses may attend with the Legal Counsels of the businesses.

(**) The Compliance Officers of the businesses report non-relevant issues in the area of Crime Prevention to their directors. The relevant issues are reported to the Corporate Compliance Committee through the Corporate Compliance Officer



ANNEX II SELF-ASSESSMENT TAX RETURN TEMPLATE

The Compliance Committee, through the Compliance Officer, will be responsible for monitoring the internal control system associated with the Criminal Prevention Model.

At the beginning of each tax year, the Compliance Committee will define the schedule with the deadlines for completing self-assessments in each half and notify the organisation, through the Compliance Officer.

SELF-ASSESSMENT TAX RETURN

Date:	XXX
To:	Compliance Committee/Compliance Officer
From:	Position XXX (Control Owner/Process Owner)
Purpose:	Biannual self-assessment of the performance of the control activities designed.

FCC has a series of policies, procedures and controls, designed within the Criminal Prevention Model, with the objective of mitigating the risks of committing criminal offences.

In relation to the controls I have been assigned, I confirm that (tick all that apply):

- I have followed the Criminal Prevention Manual whilst doing my job, applying the principles contained therein and in the Code of Ethics and Conduct in relation to criminal risks, following all related policies and procedures.
- The controls designed contribute to the mitigation of the identified risks and I acknowledge my responsibility for these controls.
- I have detected the need to modify the design of one or more of the controls, and I have notified the Compliance Officer as such using the Compliance Tool.
- I have reviewed the execution of the assigned controls during the six-month period under assessment.
- The controls for which I am responsible have been carried out correctly during the six-month period that has been assessed.
- One or more of the controls for which I am responsible have not been executed correctly during the six-month period that has been assessed, and the appropriate action plans have been proposed and put in place.
- As Process Owner, the processes and controls for which I am responsible have been reviewed and validated for this six-month period, except for those controls that have been rejected and must be assessed.