



Compliance and Criminal Risk Prevention Policy

Version control

Version	Date	Author	Changes made
1.0	July 2022	Compliance Committee	Original version approved
2.0	March 2024	Compliance Committee	Alignment with corporate image and growth of organisation. Alignment with new procedures implemented (Reporting Channel).

Approvals

Governing body	Entity	Date	Signature
Board of Directors	FACEPHI BIOMETRÍA, S.A.	September 2022	See minutes

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1. Introduction

In line with its culture of compliance and corporate values of integrity and transparency, FACEPHI has drawn up a **Compliance and Criminal Risk Prevention Model (hereinafter, the "Model")**, containing all elements, procedures and controls required for the effective prevention, detection and response to the potential commission of unlawful acts.

This **Compliance and Criminal Risk Prevention Policy** (hereinafter, the "Policy") **constitutes the reference framework within the context of the Model**, and must be complied with in the professional dealings and activity undertaken by the directors, executives, internal and dependent personnel of the Company.

Following on from the above, **we must all be familiar and comply both with the spirit and the meaning of this Policy, which lays down the basic foundations for regulatory and criminal compliance at FACEPHI**, the oversight of which is the responsibility of the Board of Directors and General Management of the Company, through the existing Compliance Committee.

2. Scope of application

This Policy is binding and applicable to **all members of the Board of Directors, executives and managers of the various departments, and in general, without exception, to all personnel of FACEPHI (employees and collaborators)**, irrespective of their position, responsibility, employment or geographical location (hereinafter, the "**Personnel**"), and also all those subject to the authority of the Company on the terms defined in Article 31 bis of the Spanish Criminal Code, to the applicable extent.

In line with the above, any companies and professionals which the Company might subcontract will, wherever the subcontracted activity is sensitive or relevant for FACEPHI activities, ensure that they confirm the adoption of criminal risk prevention measures, in the respective contracts.

3. Purpose and objective of the policy

The purpose of this Policy **is to give voice to FACEPHI's goal of establishing a culture of regulatory compliance allowing it to undertake diligent professional conduct**, and to demonstrate the Company's outright repudiation of any unlawful, criminal or other undesirable act, which must never be justified on the basis of a benefit for the organisation.

Accordingly, the object of this Policy is to determine the operational **guidelines** to engage in **ethical, honest and transparent professional conduct**, in accordance with the Company's values, as set out in the *Code of Ethics* and in the Compliance and Prevention Model.

4. General and operational principles of the compliance and criminal risk prevention model

The fundamental principles that must govern the pursuit of professional activity by FACEPHI Personnel are:

Legality: respect for the Law, and "zero tolerance" of unlawful acts, as one of the fundamental principles of FACEPHI. Personnel must therefore at all times prioritise the requirement to abide by both the legislation in force and any internal regulations applicable to them in performing their functions and professional duties.

Independence, transparency and integrity in relations with third parties: these are inalienable values of FACEPHI, and all Personnel must therefore act impartially at all times, their judgement being based on integrity and independence, unaffected by any external pressure or individual interest.

Respect for the image and reputation of FACEPHI: FACEPHI considers respect for its image and reputation to be one of its most valuable assets, helping to shape the perception that it is an honest company which respects the market and its stakeholders.

Personnel must take the utmost care and show due diligence in protecting the image and reputation of FACEPHI in all their professional activities, which includes when speaking in public.

Compliance with internal Policies and procedures: FACEPHI must have appropriate procedures and protocols for its activity and structure, so as reasonably to prevent the different risks resulting from its operations.

Adequate human and financial resources: FACEPHI will ensure that the Compliance Committee, as the supervisory and controlling body for the Model, has access to the resources needed to grant it genuine operational autonomy, including technology where necessary.

Continuous supervision and monitoring: all Personnel, and in particular those holding positions of responsibility, must promote and participate in the processes established for this purpose with regard to internal control and verification of FACEPHI policies, procedures and protocols.

Guarantees regarding complaints and their investigation, free of reprisals for the complainants: in order to prevent or, as the case may be, detect any irregular conduct which might arise at FACEPHI, all Personnel are obliged use the corporate Whistleblowing Channel to report and denounce any possible non-compliances of the FACEPHI business ethics regulations, of the internal standards, and/or any action that could be deemed unlawful or criminal, of which they may learn or have suspicions.

5. Underlying principles of the compliance and criminal risk prevention model

The FACEPHI Compliance and Criminal Risk Prevention Model comprises a compendium of the procedures and controls in place at the company to prevent criminal risks from occurring. The Model is essentially made up of the following elements:

Code of Ethics: FACEPHI has a Code of Ethics in place, which is binding on all employees, members of the Board of Directors and executives, setting out the company's ethical values and principles, and the specific operational guidelines with a view to preventing any potential criminal risks from taking place.

Compliance and criminal risk prevention manual: the document establishing the FACEPHI model for the organisation, prevention, management and control of criminal risks, intended to promote a compliance culture within the company, along with the implementation of control procedures and standards to minimise the risk of unlawful conduct by FACEPHI Personnel.

Financial resource management model: FACEPHI has a series of controls and procedures in place in the financial and economic sphere, to provide full transparency and reliability in its accounting records, transactions, and the economic management of the company in general.

Criminal risk identification and evaluation methodology: this underpins the identification of criminal risks in accordance with the activity undertaken by FACEPHI, as well as their evaluation and prioritisation. It takes the form of a Criminal Risk and Control Matrix, which is subject to annual review and updates.

Compliance Committee: an in-company body with autonomous powers, the main function of which is to guarantee the proper functioning of the Compliance and Criminal Risk Prevention Model, in accordance with the terms of the Compliance Manual. The Compliance Committee is made up of

company professionals who perform their role independently of decisions concerning FACEPHI business operations. They likewise have access to the resources required in order to perform the tasks entrusted to them, and may draw on external advice in Compliance matters to ensure the utmost independence, professionalism and rigour in their role and responsibilities.

In performing its functions, the Compliance Committee and its members will enjoy the utmost authority and autonomy. FACEPHI will not tolerate any attempt to influence their initiatives, proposals, investigations, rulings and other powers they enjoy in accordance with the Prevention Model. All staff at the company, irrespective of their hierarchical level, are obliged to collaborate with the Compliance Committee, whenever called on so to do.

Reporting Channel: FACEPHI has a corporate Reporting Channel in place <https://facephi.com/codigo-etico-compliance/canal-informacion/>, allowing the Compliance Committee to be informed of potential irregularities with regard to the Compliance and Criminal Risk Prevention Model.

Training and communication in criminal risk prevention matters: FACEPHI has developed a specific annual training and communication plan in criminal risk prevention matters, covering all Personnel to help ensure they are familiar with the internal regulatory compliance standards. FACEPHI likewise uses various channels to publicise the Code of Ethics and other internal policies derived from the Compliance Model among its internal staff, and any business partners with which it has dealings.

System of supervision, constant monitoring, verification and continuous improvement: FACEPHI has a system in place for supervision and monitoring, and also verification and improvement included in the Compliance Manual, applied in order to achieve the objectives set forth in this Policy. The Compliance and Criminal Risk Prevention Model is thus periodically reviewed, updated and, where applicable, continuously improved by the area managers and the Compliance Committee, who regularly report to Senior Management and the Board of Directors as to their supervisory and monitoring activities, any structural and regulatory changes which may have occurred, and the performance indicators with regard to regulatory criminal compliance, as well as the results of any evaluation conducted or updates to the risks.

FACEPHI is committed to the continuous improvement of the Model, and the Board of Directors therefore receives an annual or biannual Compliance Report from the Compliance Committee, analysing the level of compliance at the company, and the status of the Model.

Disciplinary system: applicable to all Personnel in the event of a non-compliance of the Compliance and Criminal Risk Prevention Model, internal regulations, and cases of infringements or criminal conduct, in accordance with the misdemeanour and penalty regime established in collective bargaining agreements or any other applicable employment or corporate standards.

The Compliance Model thus draws on the aforementioned elements to underpin accreditation of its functioning, validity and supervision.

6. Commitment of the Governing Body

The Governing Body of FACEPHI is assigned the role of and responsibility for guaranteeing the internal deployment of the resources needed to have an adequate and appropriate model in place, so as to prevent and control the main risks identified.

Nonetheless, as the executive body entrusted with daily management and the proper application of the business strategies and policies, Senior Management is likewise responsible for overseeing everyday compliance with this Policy.

Given all the above, this Policy underpins the commitment given by the Board of Directors and General Management of FACEPHI to uphold legal compliance and also to communicate and publicise the principles contained in the Compliance and Criminal Risk Prevention Model.

7. Reporting of irregularities

The Personnel subject to this Policy are obliged to use the **corporate Reporting Channel** to give notice of any non-compliances or violations connected with either the Policy or any other applicable internal regulations, and of which they may learn or have suspicions.

If such irregular conduct is confirmed, FACEPHI must apply the corresponding disciplinary penalties, in a proportionate and appropriate manner, but must under no circumstances take any reprisals against informants acting in good faith.

8. Non-compliances of the Policy

Compliance with the provisions of this Policy is the responsibility of all FACEPHI directors, executives and employees. Nonetheless, both directors and executive Personnel will have the task of publicising the contents of the Policy, and supervising compliance, in each of their respective operational spheres.

Any non-compliances of the terms of this Policy may give rise to the **application of the relevant punitive measures**, in all cases in accordance with the terms of the FACEPHI disciplinary regime.

9. Review, approval and distribution of the Policy

This Policy, and also the FACEPHI Compliance and Criminal Risk Prevention Model, will be subject to review and continuous improvement, in particular whenever so required by regulatory, social, corporate or any other circumstances. It will in any event be subject to an annual review.

This Policy was approved by the Board of Directors of FACEPHI on 26 September 2022, and made available to all Personnel. It is lastly made available to third parties via the Company website, and wherever deemed relevant, as an attachment to supplier forms.