



# Organisation, Management and Control Model for Crime Prevention - General Part

**ENUSA Industrias Avanzadas, S.A., S.M.E.**



**Approved by the Board of Directors on 29 June 2015**

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## 1. MISSION AND VALUES OF ENUSA

ENUSA Industrias Avanzadas, S.A., S.M.E. (hereinafter, “ENUSA” or the “Company”) is a public enterprise 60%-owned by Sociedad Estatal de Participaciones Industriales (SEPI, the 'State Industrial Holdings Company'), dependent on the Ministry of Finance, and 40%-owned by the Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT, the 'Centre for Energy, Environmental and Technological Research'), which in turn belongs to the Ministry of Science, Innovation and Universities.

The **mission** of ENUSA is on a continuous and long-term basis to provide society with high-quality, competitive and safe products enabling professional and human development, respect for environmental protection and appropriate profitability. The **fundamental values** of ENUSA are as follows:

- Priority focus on safety, quality and the environment
- Responsiveness, trust, understanding and respect for people
- Training
- Spirit of teamwork
- Leadership, innovation, professionalism and honesty
- Perseverance, hard work and ambition
- Transparency and constructive self-criticism
- Engagement, commitment and communication

The ENUSA Group Code of Conduct sets out the principles and values in corporate conduct to which ENUSA is committed at the highest level. The first commitment in corporate conduct is legal compliance, as set out in the **binding commitment to regulatory compliance** in accordance both with legal provisions and technical standards affecting its activities, and in general all regulations of the legal system, in particular criminal legislation. All those working at ENUSA and its subsidiary companies, or those that have dealings with our Company, must be aware that **ENUSA does not tolerate any breach of the law** of whatever kind, and will take decisive action if it finds that any such unlawful act has been committed.

Said commitment has resulted in this Organisation, Management and Control Model for Crime Prevention (hereinafter, the "Model"), which was approved by the Board of Directors of ENUSA on 29 June 2015.

## 2. CRIMINAL LIABILITY OF LEGAL ENTITIES UNDER THE PENAL CODE

Act 5/2010 included the criminal liability of legal entities within the Penal Code. Article 31 bis of the Penal Code, created by said Act and subsequently amended by Act 1/2015, of 30 March 2015, establishes two **criteria for criminal charges** against legal entities. Legal entities are criminally liable:

- i. For offences committed in the name and on behalf thereof, and for their direct or indirect benefit, by their legal representatives or those who, acting individually or as members of a body of the legal entity, are authorised to take decisions in the name of the legal entity or hold organisational and management powers within it.
- ii. For offences committed in the pursuit of corporate activities, on behalf and for the direct or indirect benefit thereof, by those who, being subject to the authority of the natural persons referred to in the above paragraph, have been able to perform acts because of a serious breach by the former of their duties of supervision, oversight and control of their activity in accordance with the specific circumstances of the case.

The regulation of criminal liability of legal entities introduced in Spain by Act 5/2010, on the terms established by Act 1/2015, of 30 March 2015, and Act 1/2019, of 20 February 2019, has adopted a **system comprising a numerus clausus**, in other words a fixed list of offences to which this new form of liability may apply.

In international practice the position is that in order to fulfil the duty of control established by Article 31 bis of the Penal Code, the enterprise or organisation must have implemented an **effective compliance programme**. A compliance programme is an internal control and supervisory system allowing the company as far as possible to avoid the commission of criminal offences within its organisation, or to facilitate the detection of any such offences which cannot be avoided. According to the text of Act 1/2015, of 30 March 2015, a compliance programme must:

- i. identify those activities within the scope of which the criminal offences requiring prevention could be committed;
- ii. establish protocols or procedures specifying the process for the definition of the will of the legal entity, the adoption of decisions and the execution thereof with regard to the former;
- iii. have in place appropriate financial resource management models to prevent the commission of the events which are to be prevented;
- iv. impose the obligation to report potential risks impose to the body responsible for oversight of the functioning of and compliance with the prevention model;
- v. establish a disciplinary system appropriately penalising a breach of the measures established by the model; and
- vi. perform periodic verification of the model and any potential modification thereof should any significant violations of the provisions come to light, or where so required in the event of changes in the organisation, the supervisory structure or the activity undertaken.

As a general principle, a compliance programme must contain measures which, in accordance with the nature and size of the organisation and the type of activities that it performs, would guarantee that its activities are pursued in accordance with the Law, furthermore allowing for the swift detection and prevention of risk-related situations.

Act 1/2015, of 30 March 2015, set out for the first time the regulations governing compliance programmes, explicitly establishing that such compliance programmes may **potentially serve to exonerate** legal entities from criminal liability.

As a result, if the offence was committed by the legal representatives or those authorised to take decisions in the name of the legal entity or holding powers of organisation and control within the organisation, the legal entity may be exempt from criminal liability if the following conditions are fulfilled:

- 1) the management body adopted and effectively executed, prior to commission of the offence, organisational and administrative models including suitable measures of oversight and control to prevent offences of the same nature, or significantly to reduce the risk of the commission thereof;
- 2) the supervision of the functioning of and compliance with the prevention model implemented was entrusted to a body of the legal entity which has independent powers of initiative and control, or is legally entrusted with the function of supervising the efficacy of the internal controls of the legal entity;
- 3) the individual perpetrators committed the criminal offence by fraudulently evading the models of organisation and prevention; and
- 4) there was no omission or insufficient application of its functions of supervision, oversight and control by the supervisory body.

In those cases in which the above circumstances can be only partially accredited, this circumstance shall be taken into consideration in attenuation of the penalty.

The aforementioned Act 1/2015 furthermore establishes that if the offence is committed by those who, being subject to the authority of the natural persons referred to in the above paragraph, were able to perform the acts because of a serious failure by the former in their duties of supervision, oversight and control of the activities, the legal entity will be exempt from liability if, prior to the commission of the offence, it adopted and effectively implemented a model for organisation and management that would be appropriate in order to prevent offences of the type that were committed, or significantly to reduce the risk that they could be committed. In this case, the attenuation referred to in the above paragraph will likewise apply.

### 3. ENUSA ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR CRIME PREVENTION: OBJECT, STRUCTURE, SCOPE OF APPLICATION AND ADDRESSEES

#### 3.1 Object of the Model

The object of the ENUSA Model for Crime Prevention is to complete the compliance function already implemented at the Company and align it with the standards established in international practice for effective programmes for the prevention of criminal offences, beyond the levels of requirement currently in force.

#### 3.2 Structure of the Model

The model has a two-part structure: a General Part and a Specific Part.

The **General Part** describes the following elements:

- (i) the main activities of ENUSA and associated criminal risks;
- (ii) the general controls that it has implemented;
- (iii) the compliance culture ("safety culture") required at all times by ENUSA;
- (iv) the organisational structure for control at the Company, with particular importance being given to the Surveillance Board;
- (v) the regulatory structure of the Company;
- (vi) the key strands of the training system for all ENUSA personnel, this being essential in order to guarantee effectiveness of the Model;
- (viii) the Whistleblowing Channel, allowing anyone who learns of a possible criminal or unlawful act to contact the Surveillance Board in confidence and without fear of reprisals;
- (ix) the key strands of the monitoring procedure for application of the Model and its continuous improvement.

The **Specific Part** contains the following elements:

- (i) a description of each of the offences the commission of which could in principle be possible, bearing in mind the activity of ENUSA;

- (ii) a description of those offences not identified because they are considered to be non-existent or remote risks, bearing in mind the activity of ENUSA;
- (iii) the criminal risks identified in each organisation/area, and the assignment criteria;
- (iv) the main general and specific controls available to the Company to mitigate the criminal risks identified;
- (v) Analysis and prioritisation of the criminal risks identified, calculating the inherent and residual risk for each of them.

### **3.3 Scope of application**

The ENUSA Organisation, Management and Control Model for Crime Prevention applies to ENUSA Industrias Avanzadas, S.A., S.M.E. There is thus one **single Model for ENUSA**.

### **3.4 Addressees of the Model**

The addressees of the Model are the directors, managers and all those working at ENUSA. Nonetheless, the Model also indirectly addresses those persons and entities that have dealings with ENUSA: suppliers, clients, advisers, intermediaries, etc.

Wherever possible, third parties entering into contracts with ENUSA must be familiar with the principles and values guiding ENUSA's actions, as set out in this Model.

## **4. ENUSA ACTIVITIES AND IDENTIFIED CRIMINAL RISKS**

### **4.1 Main activities**

Any crime prevention system must begin with an analysis of the activities in which the enterprise is engaged, and the risks of the commission of criminal offences associated with them.

ENUSA divides its operational structure into two business areas: nuclear and environmental.

The nuclear business is the main activity of the company and comprises the following business lines:



- the supply of enriched uranium to fulfil the operational needs of Spain's nuclear power plants, acting as a central purchasing platform for the electricity companies in the country;
- the design and manufacturing of nuclear fuel at its Juzbado factory in Salamanca, intended for domestic and foreign power plants;
- engineering services in all aspects concerning the management and optimisation of fuel use in the reactor;
- fuel services at power plants, involving activities for the inspection, repair and handling of fresh and irradiated fuel;
- spent fuel management activities;
- support activities in the management of operational waste from nuclear facilities and the decommissioning of these facilities.

ENUSA's environmental business is based mainly on activities for environmental recovery which take place at the Saelices site and the operation of the agri-livestock and agri-industrial Biogas Plant in Juzbado. This business area also includes the activities undertaken at the Solid Urban Waste (SUW) processing plant for the northern region of Castellón.

## 4.2 Criminal risks identified at ENUSA

### 4.2.1. Criminal risks derived from ENUSA activities

ENUSA's main activities, as defined in the above subsection, could give rise to the commission of criminal offences involving **nuclear energy and ionising radiation**, criminal offences **against the environment**, criminal offences **involving risks caused by explosives and other agents**, and criminal offences involving **occupational accidents**<sup>1</sup>.

ENUSA likewise operates within a highly regulated industry with a particularly prominent role played by public authorities (and in fact ENUSA is itself an entirely publicly-owned company), thereby increasing the risk of the materialisation of criminal **risks connected with corruption** (bribery, influence peddling). Furthermore, over recent years ENUSA has increased its development initiatives on international markets, some of which entail a high risk of corruption. In order to evaluate the corruption risk of a country, it is particularly helpful to consult the *Corruption Perceptions Index* published yearly by *Transparency International*<sup>2</sup>.

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<sup>1</sup> Although the criminal offences with which it could be charged in the event of an occupational accident (typically homicide/injury through negligence and offences against workers' rights) are not covered by the criminal liability of legal entities, Article 318 Penal Code allows legal entities to be charged with what are known as 'accessory consequences' under Article 129 Penal Code, which coincide with some of the penalties established in Article 33.7 Penal Code for legal entities.

<sup>2</sup> <http://www.transparency.org/>

Meanwhile, its import and export activities serve to identify the **criminal offence of smuggling** (which could be committed through negligence) as a relevant criminal risk.

ENUSA lastly works with technology licensed by other companies, and as a result **criminal risks against industrial property rights** also constitute a relevant criminal risk.

#### 4.2.2. General criminal risks not associated with ENUSA activities

Aside from the criminal risks associated with the Company's specific activities, ENUSA has identified the criminal risks potentially affecting all companies:

- Fraud
- Money laundering and terrorist funding
- Breach and falsehood in accounting obligations
- Culpable insolvency
- Prevention of enforcement
- Fraud involving grants and fraud against the general EU budgets
- Obstruction of inspection activities
- Offences against the Tax Office and Social Security
- Offences against personal and family privacy
- Uncovering and disclosing company secrets
- Intellectual property offences
- Offences against land use regulations
- Digital damage
- Price manipulation
- Alteration of prices in public procurement and tenders

The **Specific Part** of the Model analyses all these criminal risks in detail, both those linked to ENUSA's specific activities, and those general aspects affecting the operations of any company.

## 5. SAFETY CULTURE

One of the main objectives of any organisational model or effective compliance programme is to institutionalise and reinforce a **regulatory compliance culture** at the organisation. Since the most significant criminal risks (and regulatory compliance in general) for ENUSA are those connected with the possibility that activities could be performed in an unsafe manner, one essential part of the Company's compliance culture is what ENUSA refers to as its **Safety Culture**.

The **Safety Culture** is the set of values, skills, attitudes and conduct inherent to the organisation (modelled and reinforced by its leaders and internalised by all personnel) which establish the Safety of activities and facilities as the utmost priority. ENUSA promotes its Safety Culture through:

- (i) The generation of shared understanding of its key aspects. ENUSA incorporates the Safety Culture within its mission, vision and values, and develops it in its Safety principles and policy.
- (ii) The provision of the resources used by the organisation to assist individuals and groups in the safe and effective performance of their tasks, taking into account the interaction among people, technology and the organisation. One decisive requirement here is education and training on the job and awareness-raising as to key safety aspects and human factors at the Juzbado Factory.
- (iii) The underpinning of an attitude of questioning and learning at all levels of the organisation.
- (iv) The provision of resources to assist the organisation in its efforts constantly to develop and improve this culture.

**Senior Management** establishes the framework for the development of all company activities, by defining the mission and vision, and the core values, thereby guaranteeing a robust Safety Culture.

Visible and active support by **Senior Management**, strong leadership and a commitment focused on Safety are fundamental for the success of the Management System. The executive managers are responsible for communicating the underlying beliefs of the Organisation's policies through their own behaviour and the implementation of appropriate management practices. This means that the entire Organisation will share the importance of the Management System and the need to fulfil the policies and objectives of the Organisation within the framework of a sound Safety Culture.

## **6. KEY CONTROLS APPLIED TO THE ACTIVITIES PERFORMED BY ENUSA**

### **6.1 Controls regarding nuclear activity and environmental risks**

As this comprises its main activity, and given the associated risks, ENUSA has very strict controls in place regarding all aspects of nuclear activity. Controls concerning nuclear activity focus above all on the Juzbado Factory, and are set out specifically in the Nuclear Safety and Radiological Protection procedures, as well as the Environmental Management Manual.

At its Juzbado Factory, which has been in operation since 1985, ENUSA manufactures fuel elements for nuclear pressurised water reactors and boiling water reactors to be used at Spain's nuclear power plants and many others in Europe. ENUSA holds various certifications guaranteeing at all times that the

product is designed, manufactured, inspected and delivered in accordance with the requirements of the regulatory bodies and clients:

- Quality system certification under the standard ISO 9001
- Environmental management system certification under the standard ISO 14001
- EMAS validation of the environmental management system
- Accreditation to perform testing of water, soil and biota in accordance with standard UNE-EN ISO/IEC 17025

The events which occurred at the Fukushima nuclear power plant after the tsunami in Japan in 2011 have given rise to a process of adaptation in the nuclear sector in accordance with new requirements, such as strength tests for nuclear facilities. ENUSA has undergone these strength tests, as have all other nuclear facilities, and set up a new control room and new emergency management centre.

Given ENUSA's activities, nuclear and environmental risks are intrinsically linked and the Company's internal control system therefore handles these matters jointly. This control system comprises the following fundamental elements: Management Manual of the Juzbado Factory, Quality Management System and Environmental Management System.

## **6.2 Controls concerning activities at the Saelices Site**

All extraction and processing activities, and hence uranium concentrate production, ended on 31 December 2000. Following the conclusion of operations, the closure programme comprised the decommissioning of the industrial facilities and restoration of the entire mining area.

The decommissioning and closure operations at the Elefante Plant took place between 2001 and June 2004, while definitive restoration of the mining site began immediately thereafter, in July 2004, and ended in 2008.

The activities corresponding to the oversight and control programmes of the decommissioning and restoration completion phase are now being performed, along with management of waters contaminated by acid run-off in the mine, to be conditioned prior to controlled discharge into the river in accordance with the Discharge Authorisation in place.

The decommissioning of the Quercus Plant is currently pending issuance of the regulatory authorisation for decommissioning and closure.

## **6.3 General process-based controls**

ENUSA has implemented a process-based control system.

The Value Chain of the economic activity performed by ENUSA is divided into major business processes known as Megaprocesses, which in structural terms are: productive or horizontal; ancillary and results measurement and continuous improvement process.

The main Megaprocesses which make up the Value Chain are as follows:

- Strategic planning
- Organisation and communication
- Information Security
- Human resource management
- Client capture
- Infrastructure tools and technology
- Incorporation of new products
- Procurement and subcontracting
- Project management
- Engineering services
- Operation of the Juzbado Factory
- Manufacturing of Fuel Units
- Fuel-related services
- Procurement of Uranium
- Measurement and continuous improvement

Each Megaprocess is broken down into a series of likewise interrelated processes which generate clearly identified intermediate products. The integration of all the processes that make up the Megaprocess are shown on the General Megaprocess Map, with one Map for each of the aforementioned productive Megaprocesses covered by the corresponding Operational Procedures. The processes are in turn broken down into stages or diagrams of activities representing the set of actions performed by the various organisations to obtain a particular element of the value chain. The Specific Maps of each process and the stages or diagrams of activities are set out under each of the Operational Procedures.

#### **6.4 Controls connected with third parties**

ENUSA has established controls over persons and entities that enter into contracts with the Company in those areas that represent a significant risk.

This allows ENUSA to exert control over the main suppliers, who must be included on the Approved Supplier List and have been authorised to supply the elements and services defined in the applicable Operational Procedures.

The suppliers of these elements and services are subject to an evaluation process the extent and depth of which depend on the relative importance, complexity and quantity of the element or service to be acquired.

Meanwhile, the Anti-Corruption Protocol establishes a series of specific standards and controls for the prevention of situations and forms of conduct that could give rise to the commission of offences of corruption within the context of the commercial relationship with third parties.

In the field of procurement of works, supplies or services, ENUSA has a Procurement Committee in place as the supervisory body, to which we will subsequently refer.

## 6.5 Controls regarding financial information

ENUSA has rigorous controls in place covering the quality and accuracy of financial information. All the data of the group's parent company, ENUSA Industrias Avanzadas, S.A., S.M.E., have been compiled and presented in accordance with the indications of Global Reporting Initiative (GRI) in version 3.0 (G3) since the year 2007. Likewise, all data available for all other companies that make up the group, known as the investee or subsidiary companies, aim as far as possible to align themselves with these recommendations.

As part of the annual internal audit programme, ENUSA conducts internal audits and supervisions of financial information. These internal control audits regarding economic/financial activities take place both at ENUSA organisations and at its subsidiary companies. The annual accounts for each financial year are likewise audited by one of the leading external audit firms in Spain.

The **Financial Department** is responsible for registration and control of the Company's economic transactions. This Department is also responsible for providing and managing the monetary funds required for the proper execution of business activities. This financial responsibility mission on the part of the Department likewise covers oversight of financial investments made in other companies. These functions include the following:

- (i) Organise, make and oversee the Company's payments and income, along with the administration of sureties and guarantees.
- (ii) Financial, tax and documentation supervision of all payments and income.
- (iii) Register, supervise and approve economic transactions, drawing up the Company's accounting records.
- (iv) Apply generally accepted accounting standards and criteria.

ENUSA's **internal standards and policies** include a great many which contain obligations and controls concerning the management of financial resources. We would cite the following, among others:

- ENUSA Group Financial Policy.
- Control of financial availability of bank accounts.
- Management and control of surplus funds.
- Invoicing of Services to the Subsidiaries.
- Use of company cards.
- Control of Subsidiaries.
- Cash management.

The outcome of this whole financial control system is that there should be no payment or collection at ENUSA that is not duly justified and does not correspond to the Company's inherent operations.

## **7. SURVEILLANCE BOARD**

### **7.1 Composition and meetings**

The ENUSA Surveillance Board comprises:

- Corporate Director, acting as Chair.
- Human Resources and General Services Director, acting as Member.
- Technical Director of the Juzbado Factory, acting as Member.
- Legal Consultancy Lawyer, acting as Member.
- Member of the Business Development Department, acting as Member.
- Member of the Financial Department, acting as Member.
- Member of the Compliance Area, simply to act as Secretary of this body.

Only the Chair and the Members have voting rights.

The body can only validly be convened if it is attended by the Chair and the Secretary, and at least half of the Members.

Resolutions are passed by a simple majority of those in attendance with voting rights, except in the event of a tie, when the Chair holds the casting vote.

In all other aspects, the meetings of the Surveillance Board are subject to the same rules which apply to the process of meetings of the ENUSA Board of Directors, provided that this would not be contrary to the nature of the functions to be performed by each of these bodies.

The Surveillance Board answers directly to the Board of Directors, and is provided with sufficient resources to perform the functions entrusted to it.

### **7.2 Functions**

The Surveillance Board has the following functions:

- (i) Supervise the functioning and fulfilment of the Model.
- (ii) Approve the Annual Report on Application of the Model.
- (iii) Review the appropriateness of the Model and instigate updates wherever deemed necessary.
- (iv) Maintain a relationship of fluid and constant information and communication with the Board of Directors.
- (v) Instigate dissemination of the Model and supervise training initiatives undertaken in connection with this.
- (vi) Report to the Board of Directors on any breaches of the Model which might occur.
- (vii) Receive and handle any complaints received via the Whistleblowing Channel, in accordance with the terms established in the Whistleblowing Channel Protocol.
- (viii) Direct any internal investigations conducted if there is any evidence of an unlawful act, and reach any decisions it might deem appropriate regarding the conclusion thereof.
- (ix) Receive any consultations, queries or suggestions as to application of the Model.
- (x) Inform the Human Resources and General Services Department of any breaches of the Model that might occur, for the purposes of applying the disciplinary system, where relevant.

The ENUSA Compliance Area is a support unit of the Surveillance Board, assisting it in performing its functions. The Compliance Area is likewise entrusted the function of monitoring the controls associated with criminal risks identified in the Specific Part of the Crime Prevention Model.

### **7.3 Autonomous powers**

In order to fulfil these functions, the Surveillance Board enjoys full autonomy and independence. In using these autonomous powers, the Surveillance Board is entitled to:

- (i) Demand that any body of ENUSA provide any information, documents or reports.



- (ii) Request in the name of the Company that any third party with which ENUSA has dealings (clients, suppliers, banks, etc.) provide any information or documentation that ENUSA would be entitled to demand.
- (iii) Hold any meetings deemed necessary with other persons, both at the Company and at other entities.
- (iv) Hire external professionals, at all times in accordance with the budgetary margins in place, to perform any tasks that the body might deem necessary (studies, reports, opinions, audits, investigations, etc.).

## **7.4 Minutes and reports**

All actions of the Surveillance Board will be duly documented. The meetings of the Surveillance Board will be documented in the form of minutes to be drawn up by the Secretary, and signed by the Chair of the Body.

The Surveillance Board will issue reports as to matters of relevance within its purview.

## **7.5 Annual Report on the Application of the Model**

In order to conduct monitoring, improvement and analysis of the criminal risk prevention system, the Surveillance Board will each year draw up a report describing the activities performed during the last year in application of the Model, and proposing changes to the management system for the prevention of criminal offences as deemed necessary in the light of this experience, all the foregoing in accordance with the commitment to continuous improvement set out in this Model.

# **8. ENUSA CODE OF CONDUCT**

## **8.1 The Code of Conduct as a cornerstone of the Model**

The ENUSA Group Code of Conduct constitutes an essential element of the Organisational Model for Crime Prevention.

The ENUSA Group Code of Conduct is the core identifying the standard of conduct that ENUSA aims to fulfil in all its business activities.

The Code of Conduct is a fundamental element of Corporate Social Responsibility, and provides the backbone for a set of principles, values and operational rules in corporate behaviour. The Code of Conduct is likewise a written expression of ENUSA's public commitment to these principles, values and operational rules.

The Code of Conduct represents a commitment at the highest level, having been approved by the Board of Directors as the most senior management body of ENUSA.

## **8.2 Principles**

The principles and values of corporate conduct to which ENUSA is committed at the highest level and which provide the inspiration for the Code of Conduct are as follows:

- 1 Legal compliance.
- 2 Integrity and objectivity in corporate actions.
- 3 Respect for people.
- 4 Protection of health and physical safety.
- 5 Environmental protection.
- 6 Efficient management.
- 7 Proper actions on international markets.
- 8 Use and protection of information.
- 9 Quality and safety.

## **8.3 United Nations Global Compact**

The ENUSA Code of Conduct sets out the demands of the UN Global Compact. ENUSA has been a signatory of the UN Global Compact since 2002, when the Spanish network for this initiative was founded. It has ever since then been committed to the 10 Principles based on the promotion of and respect for human, employment and environmental rights and the fight against corruption, serving as a further cornerstone of the edifice of ethics and good practice on which the company bases its management.

As well as presenting its yearly Progress Report (available at [www.pactomundial.org](http://www.pactomundial.org)), ENUSA includes with the Induction Manual for all new recruitments to the workforce an information brochure setting out this commitment and explaining what the Global Compact is and what it means for the organisation to be a member.

## **9. ENUSA STANDARDS AND PROCEDURES**

ENUSA's policies are defined and developed in accordance with the Company's mission, vision and values. The different policies are documented as follows:

- ENUSA Policies Document
- Occupational Risk Prevention Policy in the ENUSA Group Occupational Risk Prevention Plan
- Information Security Policy in the Information Security Policy and Manual

- Quality Policy in the Quality Management Manual
- Safety Policy (Nuclear Safety and Radiological Protection) of the Juzbado Factory in the Factory Management Manual
- Environmental Policy of the Juzbado Factory in the Environmental Management Manual
- Physical Protection Policy of the Juzbado Factory in the Factory Management Manual

These policies are developed by means of a highly extensive series of internal procedures and standards, with the structure of Operating Procedures ('P-OE') and Internal Standards (procedures, instructions, manuals, specifications, plans...).

ENUSA organisations must prepare and maintain the set of procedures which, in accordance with the Code of Conduct, through the development of Company policy and strategy, and on the basis of the terms of the Quality Management, Environmental Management, and Juzbado Factory Management Manuals, will serve to make up the set of ENUSA Operational Procedures, defining effective process management.

All ENUSA organisations are obliged to apply the P-OE procedures and Internal Standards in those areas for which they are responsible.

## **10. QUALITY MANAGEMENT MANUAL**

The Quality Management Manual describes the ENUSA quality management system, established in accordance with the following standards and practices:

- (i) UNE-73 401:1995, Quality Assurance in nuclear installations; for all aspects regarding product safety and nuclear installations.
- (ii) UNE-EN-ISO-9001:2015, Model for quality assurance in design, development, production, installation and after-sales service; for all aspects relating to compliance with contractual requirements and agreements.
- (iii) UNE-EN ISO/IEC 17025 "General requirements concerning the competence of testing and calibration laboratories".

The Quality Management Manual also complies with the requirements of the following standards:

- (i) 10CFR50 App. B, Quality assurance criteria for nuclear power plants and fuel reprocessing plants (US Nuclear Regulatory Commission - NRC).

- (ii) ASME NQA-1 “Quality assurance requirements for nuclear facility applications” (ASME NQA-1-1994, ASME NQA-1-2008, ASME NQA-1a-2009 Addenda to ASME NQA-1-2008).
- (iii) KTA 1401 (Nuclear Safety Standards Commission) “General requirements regarding quality assurance”.

For aspects concerning transport, the Quality Management Manual is based on the terms of the Safety Standard Series of the IAEA “Regulations for the Safe Transport of Radioactive Material, TSR-1” and the CSN guide GSG-06.04 “Documentation to request authorisations for the transport of radioactive material: approvals of containers and authorisation of transport shipments”.

The ENUSA Quality Management System is established, documented, maintained, resourced and reviewed in order to establish its efficacy in accordance with the aforementioned regulations, ensuring that all activities affecting nuclear safety, radiological protection, occupational risk prevention and protection of the environment and quality take place under controlled conditions.

## **11. ENVIRONMENTAL MANAGEMENT MANUAL**

The Environmental Management Manual of the Juzbado Factory is aligned with Standard UNE-EN ISO 14001 and complies with the requirements of the EMAS Regulation.

Under Standard UNE-EN ISO 14001, an Environmental Management System (EMS) is the part of an organisation's management system used to manage environmental aspects, comply with legal and other requirements, and address risks and opportunities. Regulation (EC) No 1221/2009, EMAS, defines an environmental management system as the part of the general management system that includes the organisational structure, planning activities, responsibilities, practices, procedures, processes and resources to develop, implement, achieve, review and maintain environmental policy and manage environmental aspects.

The scope of the Environmental Management System (EMS) corresponds to the activities, products and services of the ENUSA Fuel Element Factory in Juzbado, Salamanca, including the manufacturing of uranium oxide Fuel Elements for light-water nuclear reactors and analysis and laboratory testing services for environmental and radiological applications and testing of materials.

## **12. JUZBADO FACTORY MANAGEMENT MANUAL**

Given the complexity of the processes of manufacturing fuel elements and the interrelationship among the processes, the Juzbado Factory has high-reliability organisations in place, for which Safety (to be understood as Safety, Nuclear Safety

and Radiological Protection) is the overriding priority. Numerous specific elements of this type of facility are therefore in place, all of which make up an integrated Management System comprising the measures required to ensure an appropriate level of Safety at the facility, thereby promoting continuous improvement, the strengthening of the Safety Culture and achievement of good results in the field of Safety.

The Management System established in the Juzbado Factory Management Manual ensures that all actions performed, in such diverse aspects as occupational risk prevention, environmental management, quality and economic aspects, are based on one integrating principle, namely the impact they will have on Safety. This serves to ensure that Safety guarantees are the priority goal in all actions.

The Juzbado Factory Management Manual complies with all requirements imposed by Safety Instruction IS-19, of 22 October 2008, of the Nuclear Safety Council, this instruction being based on the IAEA document "Safety Requirements", GSR-3.

## **13. PROCESS OF ADOPTION AND IMPLEMENTATION OF DECISIONS**

### **13.1 Operating Procedures**

The processes of adoption and implementation of ENUSA decisions are governed in detail by the various Operating Procedures (PO-E), as previously referred to.

All ENUSA organisations are obliged to apply the PO-E in those areas for which they are responsible.

Nonetheless, the main decision-making bodies of the Company are the Board of Directors, the Management Committee, the office of the Chairperson and the various Departments.

### **13.2 Board of Directors**

The Board of Directors is the most senior management and representation body of the Company, approving strategy and supervising the organisation in all matters subject to its consideration. It comprises a Chairperson, the only executive member, who in turn chairs the Management Committee, and the number of Directors decided by the General Shareholders' Meeting, within the limits established by the Company's Articles of Association, and the legal or regulatory framework, who will not be executives.

The Board comprises the representatives appointed by the two shareholders of ENUSA, Sociedad Estatal de Participaciones Industriales (SEPI), the Spanish State Industrial Holdings Company dependent on the Ministry of Finance, and the Centro

de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT), or Centre for Energy, Environmental and Technological Research, which belongs to the Ministry of Science, Innovation and Universities. The Board of Directors therefore includes the most qualified public officials.

### **13.3 Management Committee**

The Management Committee is made up of eight members (the Chairperson plus seven directors from the organisation), all of whom are executives, with no independent members. The ENUSA Management Committee is the highest body of executive management, coordination and communication.

### **13.4 Chairperson**

The Chairperson is the most senior figure responsible for the Company. This role is required, among other aspects, to oversee compliance with quality and safety requirements.

The Chairperson exerts responsibility over Planning and External Relations, Technical Engineering Management and Technical Management of the Juzbado Factory.

### **13.5 Departments**

The organisational structure of ENUSA comprises the following Departments:

- Corporate Department
- Legal Consultancy Department and Board Secretariat
- Human Resource and General Services Department
- Uranium Procurement and R&D+innovation Department
- Systems, Digital Transformation and Quality Department
- Financial Department
- Business Development Department
- Internal Audit Department

Human Resources and General Services Department, Financial Department, Systems, Digital Transformation and Quality Department, Uranium Procurement and R&D+innovation Department, and Business Development Department report in functional terms to Corporate Department.

The document “P-OE-02.001 Organisation of ENUSA” establishes the functions and responsibilities of each of these Departments. Said document also sets out the criteria for the delegation of responsibilities.

## **14. ENUSA CONTROL BODIES**

Aside from the Surveillance Board, ENUSA has other bodies performing control tasks and supervising regulatory compliance of the organisation, the main such bodies being identified below.

### **14.1 Internal Audit Department**

Internal Auditing comprises an independent and objective consultancy and control activity, guided by the philosophy of adding value to ENUSA by improving its operations. It supports ENUSA in achieving its objectives through a systematic focus capable of evaluating and improving the efficacy of risk management, internal control and corporate governance processes.

Point 21 describes the periodic internal audits performed by the Company.

### **14.2 Audit Committee**

ENUSA has an Audit Committee in place, comprising a chair and two members, none of them with executive roles, answering to the Board of Directors. The Audit Committee supervises certain aspects of the economic performance of the organisation and recommends whether the Board of Directors should or should not approve the Annual Accounts, of which the Explanatory Notes form an integral part.

### **14.3 Quality Committee**

The Quality Committee is the fundamental structure for the organisational development of quality at the Company. It is a horizontal and non-executive body. The implementation of its decisions is the responsibility of the heads of the Company's functional organisations.

The Quality Committee normally meets at least every four months, and on an extraordinary basis whenever circumstances would so advise. The main task of the Committee is to plan and monitor activities intended to ensure that Company processes are managed in accordance with the requirements of the Quality Management System and the quality policy, and to evaluate the performance and efficacy of the system itself. The specific functions of the Committee are defined in the Quality Management Manual.

### **14.4 Procurement Committee**

The Procurement Committee is the control body for matters connected with purchasing and sales.

The Procurement Committee is as a body responsible for studying, approving and authorising the definitive awarding of Company orders and contracts, offers for supplies and services provided by ENUSA, and disposals of assets, for all operations that exceed the limits established in the Purchasing Operational Procedure.

#### **14.5 Safety Committees**

ENUSA has a Risk Prevention Committee and an Operator Safety Committee.

The Juzbado Factory also has the following committees in place specifically connected with safety: Factory Safety Committee, Health and Safety Committee, ALARA Committee and Safety Culture Committee.

#### **14.6 Saelices Site Committees**

The Saelices Site has an Operator Safety Committee (CSEx), chaired by the Director with functional responsibility for the Site, which supervises activities connected with the Quercus Plant.

### **15. DOCUMENTATION RECORDS**

The regulation of a demanding documentation record system is a very important element of compliance programmes. Documentation records serve to provide appropriate accreditation of the activities performed by the Company. They can likewise be used to detect and prove irregularities. Last, but not least, they provide accreditation of the proper and effective application of the Model itself or the compliance programme.

ENUSA employees are obliged to maintain precise, accurate and honest records for the effective administration of the company and responsible commercial decision-making. This includes commercial data, financial, quality, safety and personnel records. All internal and external communications must likewise be clear, accurate and precise.

Both documents issued in hard copy and those recorded on microfilm, as well as documents issued in electronic format (traceability documents, UT data, scanner, digital radiography and other documentation, delivered on DVD or CD and issued in stable TIFF, PDF or ASCII formats, kept in the safekeeping of Quality and Environment Management) are periodically checked by means of a sampling process to verify that they remain undamaged and to ensure their long-term legibility. Documents issued in electronic format to replace hard copies are issued and controlled by means of the CODEX System, with the following characteristics: compliance with stability requirements, digital signature, recoverability, and protection by backup.



Digital Signature applied to electronic documents issued by ENUSA is intended to ensure the integrity of the documentation issued at all times, and non-repudiation of the signatories.

The document registration system complies with Instruction IS-24, of 19 May 2010, of the Nuclear Safety Council, regulating the archiving and storage periods of nuclear facility documents and records.

## **16. DISTRIBUTION OF THE MODEL AND EMPLOYEE TRAINING**

### **16.1 Core importance of training**

Training is of vital importance in the ENUSA Organisation Model.

Without appropriate training, the Crime Prevention Model would prove ineffective, and would fail to achieve the culture of regulatory compliance and Safety Culture that ENUSA espouses as an essential value.

The Company training structure is established by the Annual Training Plan.

### **16.2 Annual Training Plan**

The Annual Training Plan distinguishes the following phases:

- (i) Planning: Detection and budgeting of needs
- (ii) Generation of the Plan
- (iii) Publication
- (iv) Monitoring
- (v) Evaluation

The Organisation and Development Department monitors and evaluates the training initiatives and the degree of fulfilment of the Annual Training Plan. It issues an implementation report twice a year.

From the organisational perspective, the Annual Training Plan comprises the following blocks:

- (i) Mandatory Training: Safety Regulations, Quality, Environmental Management, Occupational Risk Prevention, etc.

- (ii) Management Training: Continuous Improvement, Legal, Economic/Financial, Commercial, etc.
- (iii) Technical Training: Nuclear Technology, Mechanics, Logistics, Electronics, etc.
- (iv) Multidisciplinary Training: Negotiation, Office IT, Languages, Project Management, etc.
- (v) Skills Training: Appropriate developmental skills in order to address performance based on cultural and organisational changes.

Since approval of the Crime Prevention Model, the Annual Plan must include the necessary training initiatives for all ENUSA employees to be properly familiar with the Model and the Code of Conduct.

### **16.3 Dissemination channels**

Aside from the training initiatives included in the Annual Plan, which are continuously developed, there are various channels in place for the dissemination of the Model and the Code of Conduct:

- (i) the general Welcome Plan, made available to all new recruits to the workforce;
- (ii) the Intranet, which has a specific section addressing ENUSA Policies; and
- (iii) the corporate website, to inform the general public.

### **16.4 Mandatory training**

Mandatory training is to be understood as the training derived from legal or regulatory obligations incumbent on the nuclear industry. This includes training in operational safety, quality, occupational risk prevention and environmental matters, and is governed by specific procedures. It incorporates initial and ongoing training, with both basic and specific content.

Mandatory training likewise includes the training required in order to understand the Crime Prevention Model, the Code of Conduct, Anti-Corruption Protocol, Whistleblowing Channel Protocol and the Action Protocol in case of Detection of Irregularities.

## **16.5 Record of Training and Experience**

ENUSA has a Record of Training and Experience in place. This document, to which the corresponding storage formats are attached, reflects the training, experience and level of qualifications built up by each individual.

## **17. OBLIGATION TO REPORT POSSIBLE RISKS AND BREACHES**

The directors, managers and employees of ENUSA are obliged to inform the Surveillance Board of any event of which they may learn that could constitute a criminal offence or a breach of the Model.

They must likewise report the existence of risks of the commission of criminal acts not reasonably and sufficiently covered by the control system set out in the Crime Prevention Model.

This obligation likewise extends to ENUSA Directors.

## **18. WHISTLEBLOWING CHANNEL**

### **18.1 ENUSA Whistleblowing Channel**

All those learning of any events that could constitute a criminal offence or a breach of the Model must notify the Surveillance Board. This notification must be performed via the Whistleblowing Channel covered by this subsection and the Code of Conduct.

### **18.2 Underlying principles**

The Whistleblowing Channel is based on the following principles:

- (i) The adoption of any sanction, reprisal or consequence against any individual as a result of having made a complaint is strictly forbidden.
- (ii) Complaints are guaranteed direct access to the Surveillance Board, without the person reporting the event being required to contact their line manager or go through any other intermediary body.
- (iii) The confidentiality of the identity of the complainant is guaranteed (although anonymous complaints are not permitted), unless their identity must be disclosed on the orders of a court authority.

- (iv) The guarantees corresponding to the Whistleblowing Channel do not cover complaints which are submitted in awareness that they are false, or with reckless disregard for the truth.

### **18.3 Direct notification to the Surveillance Board**

Any person learning of any event that could constitute a criminal offence or a breach of the Model, of the Code of Conduct or ENUSA standards and procedures, must contact the Surveillance Board via one of the following channels:

- (i) By post, the following postal address:  
  
ENUSA Industrias Avanzadas, S.A., S.M.E.  
Surveillance Board  
Calle Santiago Rusiñol, 12  
28040 Madrid
- (ii) By email to the following address: [canaldedenuncias@enusa.es](mailto:canaldedenuncias@enusa.es)
- (iii) By means of a personal interview with any of the members of the Surveillance Board.

### **18.4 Whistleblowing Channel Protocol**

All of these requirements of the Whistleblowing Channel are set out and developed on in the Whistleblowing Channel Protocol.

## **19. DISCIPLINARY SYSTEM**

Compliance with the internal regulations referred to in this Model is mandatory on the part of all those subject to it, and any breach will give rise to the imposition of disciplinary measures in accordance with the terms established in the applicable Collective Agreements and the Workers' Statute.

Workers may therefore be penalised by Company Management if they are in breach of their contractual obligations, in accordance with the grading of faults and penalties established in the applicable Collective Agreement, without prejudice to the general provisions of the Workers' Statute and the complementary regulations in force.

Faults committed by workers will be classified in accordance with their importance, implications and intent as minor, serious or very serious, in accordance with the classification set out in the applicable Collective Agreement.

As indicated in the Company's Collective Agreement, the maximum penalties which may be applied in each case, in accordance with the seriousness of the faults committed, will be as follows:

- a) For minor faults:
  - Verbal warning.
  - Written warning.
  - Suspension from employment without pay for up to two days.
- b) For serious faults:
  - Suspension from employment without pay for up to twenty days.
- c) For very serious faults:
  - Suspension from employment without pay for twenty-one to sixty days.
  - Disqualification from promotion for a period of no more than two years.
  - Enforced transfer to another location, without any compensation.
  - Dismissal.

## 20. MONITORING OF APPLICATION OF THE MODEL, INTERNAL AND EXTERNAL AUDITS AND PUBLIC CONTROL

### 20.1 Annual Internal Audit Programme

ENUSA conducts audits and supervisions of activities and controls affecting safety, quality, the environment or the performance of its products and the security and quality of its industrial and economic/financial activities.

The structure of audits and supervisions comprises the annual internal audit programme of the quality management system and the SEPI Group Annual Internal Audit Plan.

In the case of the **Quality Management System**, the Annual Internal Audit Programme is defined so that every three years all activities and organisations involved in implementation of the system are audited. This Annual Programme is conducted in accordance with an audit "master" programme.

In the case of financial, compliance and management control audits, these are performed in the manner defined in the programme on the basis of the analyses of the solvency of the existing risk control procedures, and the Group's priorities.

Since approval of the Crime Prevention Model, audit activities must take into account aspects regarding the application of the Model.

Audits and supervisions are directed by previously trained and qualified audit personnel who have no direct responsibility for performing the activities being audited.

ENUSA may also hire external auditors to perform audits in accordance with the established requirements.

In all cases a computerised system is maintained to monitor the audit findings and the associated actions to resolve them.

## **20.2 Annual Supplier Audit Programme**

As a consequence of its Quality Management System, ENUSA defines an Annual Supplier Audit Programme which includes any audits required as a consequence of the supplier evaluation programme.

## **20.3 Additional unscheduled audits**

Aside from the audits set out in the Annual Programme, additional unscheduled audits may be performed if:

- (i) significant changes are made to the organisation or to the management system;
- (ii) there is evidence-based suspicion of deficiencies in the management system;
- (iii) a systematic and independent appraisal of the effectiveness of the management system is deemed appropriate;
- (iv) such an audit is deemed necessary to verify the implementation of corrective actions (follow-up audit);
- (v) the different ENUSA committees and/or the process owners themselves request such an audit.

## **20.4 External audits**

External independent appraisals are conducted systematically, pursuing the same goals as internal procedures, and allowing the organisation to compare its functioning against national and international best practice. This would include the practices implemented by the CSN, EURATOM, IAEA, clients and their regulatory bodies, certification entities, etc.

Meanwhile, the organisation is subject to the scrutiny of the Court of Auditors and the State Audit Office. The annual accounts for each financial year are likewise audited by one of the leading external audit firms in Spain.

## **21. APPROVAL OF THE MODEL. PERMANENT REVIEW AND IMPROVEMENT**

### **21.1 Improvement of the Model**

Approval of the Crime Prevention Model is the responsibility of the ENUSA Board of Directors.

### **21.2 Modification and improvement of the Model**

The Model is an essentially dynamic control system. The Surveillance Board must therefore conduct a continuous review of the appropriateness of the Model.

The Model will be modified whenever any opportunity for improvement is detected, and in all cases in the event of the discovery of a risk of the commission of offences or other unlawful acts not previously noted. Any modification to the Crime Prevention Model must be approved by the Board of Directors of ENUSA.

The Annual Report on the application of the Model to be issued by the Surveillance Board must evaluate whether any element of the Model is open to improvement.

# Surveillance Board

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