

ANNUAL REPORT 2021



grupo  enusa



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

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- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

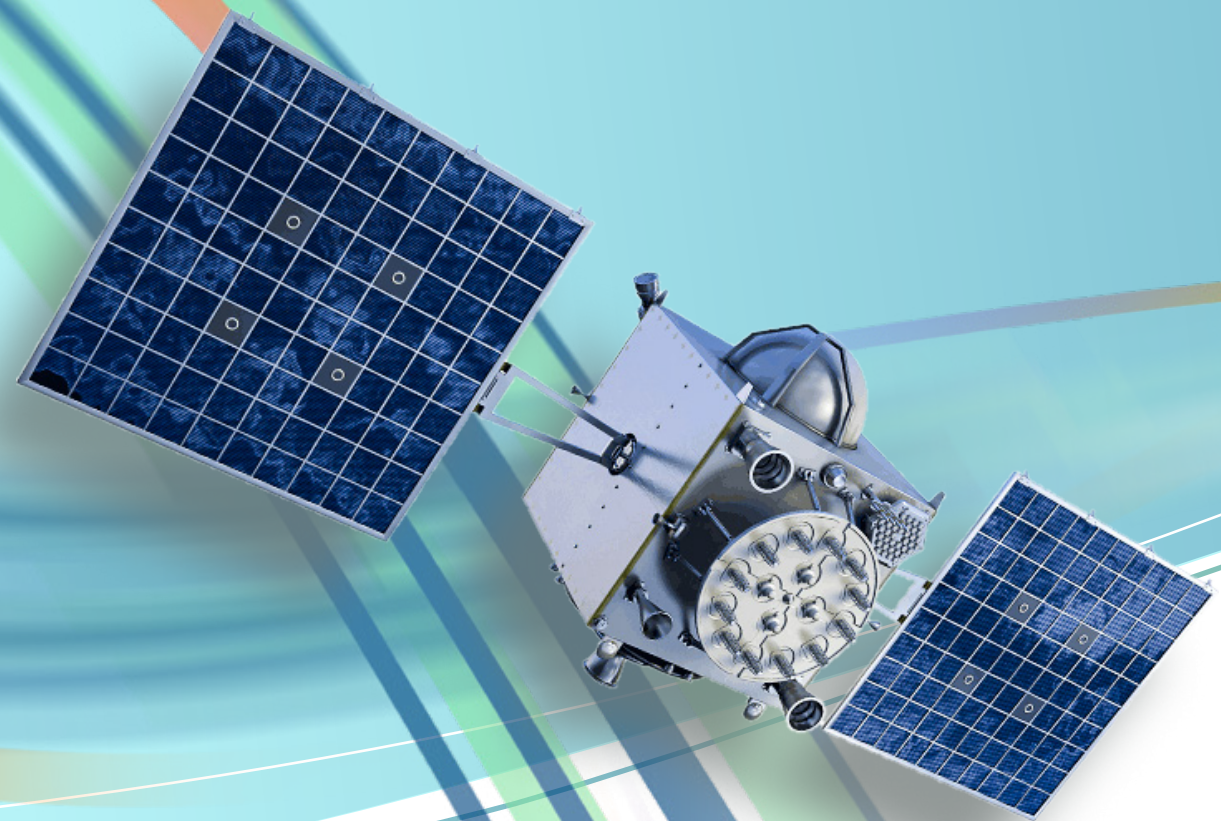


TABLE OF CONTENTS

- LETTER FROM THE CHAIRMAN 4
- GOOD GOVERNANCE 6
- MAIN ECONOMIC FIGURES 30
- ENUSA GROUP STRUCTURE 33
- REPORT PARAMETERS 36
- ECONOMIC PERFORMANCE 44
- SOCIAL PERFORMANCE 285
- ENVIRONMENTAL PERFORMANCE 371
- ANNEXES 427



MARIANO MORENO
CHAIRMAN



LETTER FROM THE CHAIRMAN

For the first time as chairman, I have the honour of presenting the 2021 Annual Report of the ENUSA Group, and I do so with a well-deserved tribute to all the people who form part of it. I hope that behind every letter, every paragraph, every sentence in this document, you will find our heartfelt gratitude for your commitment and dedication.

This document not only reflects the economic results, but is also a faithful portrayal of the principles and values that govern the exemplary and efficient management of the entire Group. Management based on ESG criteria (environmental, social and good governance) and aligned with the Sustainable Development Goals.

We continue on our way with the Strategic Plan 21-30 as our roadmap. A path that is not exempt from risks and uncertainties that we will face with determination, with professionalism and with the sense of duty of all of us who are part of this company. Our firm commitment to sustainable development, the preservation and protection of the environment, equality and diversity policies, and transparency in business management will mark the path we will tread.

We are developing the strategy for the next ten years with the objective set on internationalisation, new business opportunities and digital transformation. These objectives will consolidate ENUSA as a reference company in the Spanish nuclear sector and international markets.



2

Good Governance

3

Main Economics Figures

4

ENUSA Group Estructure

5

Report Parameters

6

Economic Performance

7

Social Performance

8

Environmental Performance

9

Annexes

The year 2021 has continued to be marked by the complex situation caused by the COVID-19 pandemic. A circumstance to which the ENUSA Group, like society itself, has had to adapt with its many limitations. The challenge has not been easy, and despite all the difficulties we have managed to satisfy our customers and meet the commitments made for this period. I am happy to see that we have not only successfully achieved our business objectives, but that the results show that adversity has been turned into an opportunity for calm reflection, adaptation to new scenarios and, even more significantly, growth.

We have before us a unique and historic opportunity to change the productive and economic model through Next Generation funds. ENUSA is prepared to join the economic recovery with new R&D and innovation projects and with a new, cross-cutting and more dynamic internal structure, which will enable it to tackle these funds through a proactive system.

We maintain our commitment to the National Nuclear Plan and to the Spanish nuclear industry. This is demonstrated by the signing of the contract for the supply of fuel and associated services with Endesa, Iberdrola and Naturgy, owners of the Ascó, Vandellós II and Almaraz power plants; or the signing of the contract with Iberdrola for the supply of fuel and associated services to the Cofrentes nuclear power plant until its final shutdown.

Despite the difficulties, 2021 has been a particularly significant year. More than 320 equivalent tonnes of enriched uranium have been produced, with almost 55% destined for export. In addition, we have complied with all our contractual commitments, making all promised deliveries on time, which has led us once again to reach the maximum level of quality granted by one of the most demanding customers in Europe, the French electricity company EDF.

We are present in the most important European and Asian markets with clients and strategic projects that underpin our internationalisation and diversification process. Proof of this is the delivery of fuel to the BWR technology plants in Sweden (Forsmark 1 and 2) and in Finland (Olkiluoto) and to the PWR technology plants in Belgium (Doel and Tihange), as well as to several reactors of the French company EDF. Equally noteworthy is the award and delivery of a consultancy service to the United Arab Emirates company ENEC for the construction of a fuel assembly plant in the United Arab Emirates.

Although the fuel market in Europe continues to show large imbalances, the stability of the US, China and India represents new opportunities for the Group. New projects and the expansion of production capacities are valued to respond to the new fuel needs associated with nuclear power plants under construction or in the planning phase.

These good results would be of little value if they were not based on solid pillars and an unequivocal purpose: to provide the most innovative solutions in the nuclear and environmental sector at a global level that contribute to the sustainable development of society.

Similarly, we continue to make progress in terms of equality to make the Group a more egalitarian and fairer space. As part of society, we work to build an inclusive and resilient future for people, states and the planet itself. Doing this requires harmonising its basic elements: economic growth, social inclusion and environmental protection.

I invite you to read and reflect on this document that provides an accurate account of the activity of the ENUSA Group, and that is forged with the effort and contribution of everyone.

Mariano Moreno Pavón
Chairman of the ENUSA Group

1
Letter from the Chairman



Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes



GOOD GOVERNANCE

1 CORPORATE GOVERNANCE

ENUSA's governance structure is made up of the following bodies:

BOARD OF DIRECTORS

Highest governance body of the organisation. It approves the strategy and oversees organisation in all matters. It is made up of twelve members: the chairman, the only executive member, who also chairs the Executive Committee, i.e. simultaneously performs senior management functions for the company, and eleven directors, of whom four are proprietary and the rest, seven, are independent. The General Shareholders' Meeting is responsible for the appointment and removal of the members of the Board of Directors, as well as for determining their number within the minimum and maximum limits stipulated in the Articles of Association.

AUDIT COMMITTEE

Committee of the Board of Directors composed of a chairman and two members. Its function is to report to the Board of Directors on the resolutions to be adopted at the General Shareholders' Meeting in relation to the approval of accounts, and to assess the company's management during the financial year and its internal control system. It also reports to the Board of Directors on all matters within its competence.

The ENUSA Group is made up of the parent company ENUSA Industrias Avanzadas, S.A., S.M.E. (ENUSA) and the subsidiary companies Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) and ETSA Global Logistics, S.A.U., S.M.E. (ETSA).

EXECUTIVE COMMITTEE

It is composed of nine members (the chairman plus eight directors), seven of whom are executives. It proposes the organisation's strategy on all matters to the highest governance body, advises the chairman on those matters within its competence and adopts decisions whenever any specific proposal is submitted to it.

The Board of Directors of ETSA Global Logistics, S.A.U., S.M.E is made up of four members: the president and three directors, in all cases proprietary.

EMGRISA's Board of Directors is made up of three members: the chairman and two directors, also proprietary.

APPOINTMENT AND SELECTION

The Board of Directors is appointed entirely by the two partners of the organisation. The following criteria are used to select the members of the current highest governance body:

- The sole executive member and the two proprietary members have been directly elected by the two partners of the organisation from individuals with employment or professional ties to the organisation or to them, respectively.
- The seven independent members have been chosen from individuals who have no employment or professional ties to the organisation, nor to the two partners, nor to the body responsible for regulating the organisation's activities, nor, finally, to the administrative body responsible for supervising the organisation.

The appointment and selection of the members of the highest governance body takes into account:

- Involvement as representatives of the main ministries and bodies of the General State Administration on which the organisation depends.
- Expertise and experience in the economic, environmental and social fields, insofar as the members in turn hold positions and perform functions in different areas of the General State Administration and its dependent bodies, which have a relationship with the social community in the aforementioned fields.

Independence is taken into account in the appointment and selection of the members of the highest governance body, given that, as mentioned above, eight of its eleven members are independent. On the other hand, the shareholder stakeholder group is directly involved:

- In the appointment of all members of the highest governance body, as they are appointed entirely by the two partners of the organisation.
- In the selection of five of the members (the sole executive and the four proprietary members), who have been directly elected by the two partners of the organisation from individuals with employment or professional ties to the organisation itself or to them, respectively.

The highest governance body has an audit committee appointed and selected from among its members by this body.

The chairman of ENUSA's highest governance body also chairs the highest governance body of each of the investee organisations. The other members of the highest governance body of each of the investee organisations are appointed from among the executive positions of the umbrella organisation.

1

Letter from the Chairman



Good Governance

3

Main Economics Figures

4

ENUSA Group Estructure

5

Report Parameters

6

Economic Performance

7

Social Performance

8

Environmental Performance

9

Annexes



REMUNERATION POLICY

The Board of Directors' remuneration policy is described in section 23.b) of the notes to the consolidated financial statements for the financial year 2021.

The Executive Committee's remuneration policy is described in section 23.c) of the notes to the consolidated financial statements for the financial year 2021. The remuneration policy is governed by Royal Decree 451/2012 of 5 March, which regulates the remuneration system for senior managers and executives in the public business sector and other entities. A decree that includes the principles of austerity, efficiency and transparency, thereby applying good governance criteria adapted to the nature of the public sector.

Under this rule, remuneration in commercial or senior management contracts is classified as basic and supplementary. Supplementary remuneration comprises a post allowance and, where appropriate, a variable allowance.

- The post allowance rewards the specific characteristics of the functions performed and is assigned by the party exercising financial control or supervision of the institution, by the shareholder or, in the absence thereof, by the relevant ministry, according to the following criteria: external competitiveness, organisational structure dependent on the post, relative weight of the post within the organisation and level of responsibility.
- The variable allowance, which is optional, rewards the achievement of previously established objectives in accordance with parameters that can be assessed by the party exercising financial control or supervision of the entity, by the shareholder or, in the absence thereof, by the relevant ministry, and its receipt is conditional upon the achievement of the aforementioned objectives.

The severance pay regime is regulated in the eighth additional provision of Royal Decree-Law 3/2012.

COMPOSITION OF THE BOARD OF DIRECTORS

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

On 28 June 2021, Ms. Margarita Ruiz Saiz-Aja is appointed independent director.

On 29 October 2021, Ms. Belén Plaza Cruz as non-director secretary.

On 29 October 2021, Mr. Luis Javier Rueda Vázquez is appointed independent director.

On 29 November 2021, Mr. Carlos Moro Valero is appointed non-director secretary.

On 20 December 2021, Ms. Nuria Esther Expósito Benítez is appointed proprietary director.

On 22 December 2021, Mr. José Vicente Berlanga Arona is removed as executive director.

On 22 December 2021, Mr. Mariano Moreno Pavón is appointed executive director.

As a result, the composition of the Board of Directors at 31 December 2021 was as follows:

CHAIRMAN

Type/Seniority

Executive
22 Dec. 2021

Mr. Mariano Moreno Pavón
Chairman
ENUSA Industrias Avanzadas, S.A., S.M.E.

VICE CHAIRMAN

Proprietary
29 Oct. 2018

Mr. Carlos Alejalde Losilla
General Director
CIEMAT

DIRECTORS

Type/Seniority

Ms. Elena Pastor Les
Deputy Director of Investee Companies I (Energy)
SEPI

Proprietary
11 Jul. 2019

Ms. María Dolores Rodríguez Maroto
Adviser to the Cabinet of the Secretary of State for Economy and Business Support
Ministry of Economic Affairs and Digital Transformation

Independent
05 Jun. 2012

Mr. José Manuel Redondo García
Deputy Director General of Nuclear Energy
Directorate General for Energy Policy and Mines
Ministry for Ecological Transition and the Demographic Challenge

Proprietary
11 Mar. 2016

Mr. Luis M. Aguado Díaz
Deputy Director General of Special Sectors
Spanish Agricultural Guarantee Fund (FEGA)
Ministry of Agriculture, Fisheries and Food

Independent
22 Nov. 2012

Mr. Luis Gonzaga Serrano de Toledo
Deputy Director General of Litigation Services
State Attorney General's Office - State Legal Service Directorate
Ministry of Justice

Independent
3 Nov. 2016

Mr. Juan Miguel Báscones Ramos
Director of the National Accounting Office
General Intervention Board of the State Administration (IGAE)
Ministry of Finance and Public Administration

Independent
27 Nov. 2018

Ms. Francisca Gómez-Jover Torregrosa
Deputy Director General of Organisation, Studies and Complementary Social Welfare
Directorate General of Insurance and Pension Funds
Ministry of Economic Affairs and Digital Transformation

Independent
27 Nov. 2018

Ms. Margarita Ruiz Saiz-Aja
Deputy Director General of Circular Economy
Directorate General of Quality and Environmental Assessment and Natural Environment
Ministry for Ecological Transition and the Demographic Challenge

Independent
28 Jun. 2021

Mr. Luis Javier Rueda Vázquez
Director of the Cabinet of the Secretary of State for Public Administration
Ministry of Finance and Public Administration

Independent
29 Oct. 2021

Ms. Nuria Esther Expósito Benítez
Director of the Technical Office of the General Secretariat for Research
Ministry of Science and Innovation

Proprietary
20 Dec. 2021

NON-DIRECTOR SECRETARY

29 Nov. 2021

D. Carlos Moro Valero
Director of Legal Counsel and Secretary of the Board
ENUSA Industrias Avanzadas, S.A., S.M.E.



1
Letter from the Chairman



Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E, M.P.

CHAIRMAN

Mr. Mariano Moreno Pavón (*)

DIRECTORS

Ms. Rosario Arévalo Sánchez
Mr. Carlos Moro Valero (*)

SECRETARY AND DIRECTOR

Mr. Carlos Moro Valero (*)



(*) These appointments took place at the EMGRISA Shareholders' Meeting and Board of Directors' Meeting on 24 February 2022. At 31/12/2021, Mr. José Vte. Berlanga Arona held the position of Chairman and Ms. Belén Plaza Cruz that of director and non-voting secretary.

ETSA GLOBAL LOGISTICS, S.A.U., S.M.E.

CHAIRMAN

Mr. Mariano Moreno Pavón (*)

DIRECTORS

Ms. Rosario Arévalo Sánchez
Mr. Roberto González Villegas
Mr. Pedro Álvarez González (*)

NON-DIRECTOR SECRETARY

Mr. Carlos Moro Valero (*)



(*) These appointments took place at the ETSA Shareholders' Meeting and Board of Directors' Meeting on 28 January 2022. At 31/12/2021, Mr. José Vte. Berlanga Arona held the position of Chairman, Mr. Fco. Javier Montes Navarro as director and Ms. Belén Plaza Cruz the non-voting secretary.

COMPOSITION OF EXECUTIVE COMMITTEE

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.



1
Letter from
the Chairman



Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

1
Letter from the Chairman



Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E, M.P.



MARIANO MARTÍNEZ CEPA
Director

ALFONSO ÁLVAREZ RODRÍGUEZ
Director of Operations and Technology

AURORA FERNÁNDEZ BLANCO
Director of Administration and Finance

ETSA GLOBAL LOGISTICS, S.A.U., S.M.E



MILLÁN MORÁN SÁNCHEZ
Director

2 STRATEGIC PLAN 21-30

On 28 July 2021, the SEPI Board of Directors approved the ENUSA Strategic Plan for the period 2021-30. This plan constitutes a set of decisions and actions to be implemented in ten years that will make it possible to draw the lines that ENUSA will follow to consolidate itself nationally and internationally as a company specialising in nuclear engineering services, waste management and the dismantling of nuclear facilities.

To this end, the Strategic Plan proposes the deployment of strategic initiatives that are encompassed within the following major lines of business:

- Diversification
- Internationalisation
- Dismantling
- Operational optimisation

This Plan was developed during the fourth quarter of 2020 with a consultancy firm specialised in the energy sector and went through different phases during the process:

- During Phase I, an analysis of ENUSA's market context was carried out, identifying the company's main levers of value and new lines of business. Likewise, initial financial projections were established for the three scenarios considered.
- In Phase II, the previously considered opportunities were analysed in greater detail, their economic impact and the necessary investments were quantified, and the strategic positioning, corporate governance, ENUSA's value proposal and the proposal for a new corporate identity were defined.
- In Phase III, the roadmap with the initiatives to follow to reach the target government model and, additionally, its respective communication plan. In addition, the certification of the financial projections with which the initiatives were prepared was completed.

The Strategic Plan itself establishes a model of governance for the implementation and execution of all the projects that make up Strategy 21-30, establishing three clearly differentiated bodies according to the tasks and functions attributed to them, which will be responsible for leading, supervising and executing the strategy: the Strategic Committee, which designs and leads the strategy; the Operational Committee, which supervises its execution; and the working groups, which execute it.

Likewise, all the people who work at ENUSA will have the capacity to participate in the design of the strategy and its execution.

3 PURPOSE AND VALUES

Top management sets out the organisation's purpose, values, strategies, policies and objectives related to the organisation's impacts and submits them to the highest governance body for approval.

In the process of preparing the 21-30 Strategic Plan, ENUSA's purpose and values were redefined to reflect its strategy for the future.

PURPOSE

To develop innovative nuclear and environmental solutions at a global level, contributing to the sustainable progress of society.

VALUES

- **Security:** To ensure confidence in our business, we operate with maximum efficiency, guarantee and reliability.
- **Flexibility:** We know that the ability to anticipate and adapt to changes in the environment and to the needs of our customers is the key to guaranteeing success.
- **Innovation:** We understand innovation as a factor for progress and a guarantee for the future. We value entrepreneurship and the search for creative and efficient solutions.
- **Commitment:** We are committed to the Sustainable Development Goals (SDGs), especially in the environmental, social, equality and diversity dimensions.
- **Collaboration:** We believe in the importance of a collaborative environment that promotes continuous learning and the desire to excel.

Linked to the purpose and values of the parent company but with a different corporate purpose, each of the investee companies has its own mission:

- **EMGRISA:** To implement and provide customers and society with solutions and tools that allow them to undertake their environmental commitments in an efficient, safe and responsible manner.
- **ETSA:** To provide multimodal and global transport and logistics operator services for nuclear and radioactive goods, as well as other hazardous and complex goods. To strictly and rigorously comply with the applicable national and international regulations in accordance with an internal quality management and environmental protection system.

4 ETHICS AND INTEGRITY

CODE OF CONDUCT

The Code of Conduct, approved by the ENUSA Board of Directors, represents a commitment of the highest level. The first corporate Code of Conduct was approved on 15 March 2004 and was updated in 2014 following the criteria established by SEPI for its subsidiaries. A new update was published in 2019, which included reference to the Crime Prevention Models of ENUSA and its subsidiaries.

This Code provides the standard of conduct that the ENUSA Group wishes to observe in all its business activities. This is a more demanding standard of conduct than that defined by the legislation applicable in the various countries in which it operates. It is a set of principles and values applied to corporate conduct, constituting a written reflection of the ENUSA Group's public commitment to these principles and values.

With regard to its scope of application, the Code applies to all subsidiary companies in which ENUSA holds a majority stake. It may also be applied to temporary joint ventures, consortiums, joint ventures and other business development instruments in which ENUSA holds a majority stake.



In the ENUSA Group we have always worked and developed our activity within a framework of ethics and integrity, striving to maintain the trust and credibility of our stakeholders. To achieve this, we have two fundamental instruments: the Code of Conduct and the Crime Prevention Organisation, Management and Control Model (hereinafter referred to as the Crime Prevention Model or the Model).

CRIME PREVENTION MANAGEMENT, ORGANISATIONAL MODEL

Principles and values of corporate conduct

The principles and values of corporate conduct to which the ENUSA Group is committed at the highest level and which inspire the Code are as follows:

1. Compliance with the law.
2. Integrity and objectivity in corporate conduct.
3. Respect for people.
4. Protection of health and physical integrity.
5. Environmental protection.
6. Efficient management.
7. Correct conduct in international markets.
8. Use and protection of information.
9. Quality and safety.

Each of these principles translates into a set of rules of conduct, which in most cases are expanded into more specific rules through internal company rules or clauses in contracts.

The first principle of the ENUSA Group's Code of Conduct is compliance with the law, which reflects its firm commitment to regulatory compliance, both with the legal provisions and technical standards that affect its operations and, in general, with all the rules of the legal system and, in particular, with criminal law. All persons working at ENUSA and its subsidiaries, or who are related to the company, should be aware that the ENUSA Group does not tolerate any illegal conduct of any kind and will act decisively if it should become aware of the commission of any unlawful act.

The result of this commitment is the Crime Prevention Organisation, Management and Control Model, which was approved by the ENUSA Board of Directors on 29 June 2015 and which was updated in 2020.

Similarly, on 30 June 2015 and 21 October 2016, the management bodies of EMGRISA and ETSA, respectively, approved their own Models, which were also updated in 2020.



Each Model has three complementary protocols that have been approved by the competent bodies in each case:

- **Anti-corruption Protocol:** This establishes a series of specific rules and checks to prevent situations and conduct that could give rise to the commission of public and private corruption offences, both in Spain and in the other countries in which it operates.
- **Whistleblowing Channel Protocol:** This establishes a set of rules that regulate a specific channel through which the people who work at the ENUSA Group can comply with their obligation to report to the Supervisory Body any wrongdoing of which they may become aware freely, without fear of reprisals and guaranteeing their confidentiality.
- **Action Protocol in Case of Wrongdoing:** Its purpose is, on the one hand, to regulate the terms under which internal investigations should be conducted once possible breaches of the rules and checks foreseen in the Model and the protocols have been detected and, on the other hand, to establish the disciplinary system to be applied in the event that such investigations confirm that such breaches have actually occurred.

On the other hand, on 30 November 2020, ENUSA's Board of Directors approved a counterparty due diligence procedure, such that third parties to whom this procedure is applied are subjected to an exhaustive assessment to ensure that their track record is aligned with ENUSA's values and that they have no criminal record of corruption.

The purpose of the Crime Prevention Models is to complement the compliance function already in place in each company and to bring it into line with the standards established in international practice for effective crime prevention programmes. In this way, the system meets the requirements of the criminal liability of legal persons introduced in Spain by Organic Law 5/2010, in the wording given by Organic Law 1/2015 of 30 March.

The Crime Prevention Models of ENUSA and its subsidiaries can be consulted at the following links:

ENUSA: <https://www.enusa.es/en/corporate-governance/crime-prevention-model/>

EMGRISA: <https://www.emgrisa.es/portal-de-transparencia/>

ETSA: <https://www.etsa.es/en/model-of-organisation-management-and-control-for-the-prevention-of-crimes/>

WHISTLEBLOWING AND SUGGESTIONS CHANNEL

Both the Code of Conduct and each Crime Prevention Model require the existence of a Supervisory Body, as well as a whistleblowing channel. Any person who becomes aware of any fact that may constitute an offence or a breach of the Model or the Code of Conduct may refer the matter to the Supervisory Body by any of the following means:

- By post, to the following address:
ENUSA Industrias Avanzadas, S.A., S.M.E.
C/ Santiago Rusiñol, 12
28040 Madrid
- By email, to the following email address:
canaldedenuncias@enusa.es
- Through a personal interview with any of the members of the Surveillance Body.

The whistleblowing channel is based on the following principles:

1. It is strictly forbidden to take any sanction, reprisal or consequence against a person for having made a report.
2. Reports can be made directly to the Surveillance Body, preventing the whistleblower from having to go to his/her hierarchical superior or go through any other intermediate body.
3. It is guaranteed that the identity of the whistleblower will remain confidential (although anonymous reports are not possible), unless a judicial body requires the disclosure of the identity.
4. The guarantees for the whistleblowing channel do not cover reports made in the knowledge that they are false or with reckless disregard for the truth.

COMPLAINTS RECEIVED THROUGH THE COMPLAINTS CHANNEL

	NO. OF COMPLAINTS	STATUS / RESOLUTION
2018	2	After the corresponding investigation procedures had been completed, the Supervisory Body decided to terminate the proceedings without finding any infringements of the principles underlying the Code of Conduct.
2019	1	Once the corresponding investigative measures had been carried out, the Supervisory Body concluded that there had been no breach of the ENUSA Group's Code of Conduct, and the case was closed.
2020	2	Once the appropriate investigative measures had been carried out, the Supervisory Body concluded that the facts considered proven constituted a violation of the ENUSA Group's Code of Conduct and forwarded the corresponding report to the Human Resources management with a view to the adoption of corrective and disciplinary measures.
2021	0	-

There is also a suggestion channel (canaldesugerencias@enusa.es) available to any interested person.

1
Letter from the Chairman



Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

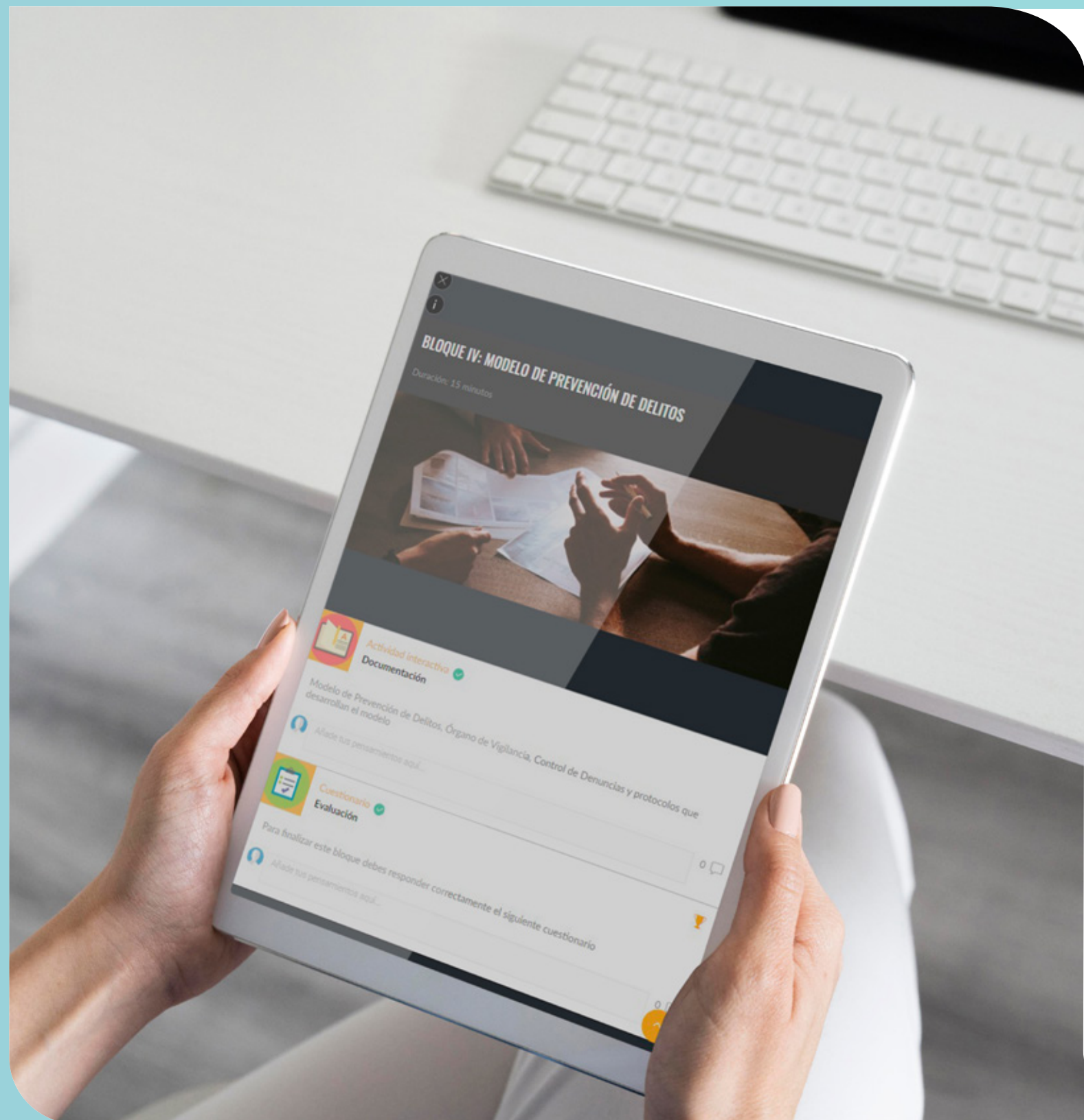
5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes



TRAINING

Both documents stipulate the obligation to carry out the necessary training/ information actions to ensure that the entire workforce is sufficiently aware of them and to guarantee their effectiveness.

Throughout 2021, various training actions were carried out on the contents of the Code of Conduct, the Crime Prevention Model and the implementing protocols. Specifically, 466 employees at the ENUSA workplaces in Madrid, Juzbado and Saelices el Chico were trained, as well as 56 EMGRISA employees and 46 ETSA employees. Most of these training actions were delivered online, in order to ensure safety in the context of COVID-19.

Further training sessions will be held throughout 2022.



5 SOCIAL RESPONSIBILITY

At ENUSA, we believe in a forward-looking approach that seeks to ensure the economic sustainability of the business while complying with the commitments made in the 2030 Agenda to address the challenges arising from sustainable development.

We are committed to respecting and complying with the principles relating to Social Responsibility established in the following instruments: the Universal Declaration of Human Rights, the United Nations Global Compact, the Conventions and Recommendations of the International Labour Organisation (ILO) and all national, community and international legislation applicable to any of the business areas of ENUSA and its subsidiaries.

Likewise, we are participants of leading organisations in terms of sustainability and social responsibility, with the aim of advancing in the integration of social, environmental and good governance aspects in our strategy.

GLOBAL COMPACT

ENUSA has been a participant of the United Nations Global Compact since 2002, the year in which the Spanish network for this initiative was founded. Since then we have been committed to its 10 Principles based on the promotion and respect of human, labour, environmental and anti-corruption rights.

In addition to presenting its annual Progress Report (available at www.unglobalcompact.org), ENUSA has an informative leaflet in which this commitment is stated, explaining what the Global Compact is and what being a participant of it means for the organisation.

The subsidiaries EMGRISA and ETSA have been signatories to the United Nations Global Compact since 26 September 2016 and 19 January 2017 respectively.

WE SUPPORT



FORÉTICA

Since 2018, ENUSA has been a partner of Forética, a leading organisation in sustainability and corporate social responsibility whose mission is to integrate social, environmental and good governance aspects into the strategy and management of companies and organisations.

In addition, we are part of its Action Group "Sustainability and CSR in public companies", a collaborative platform for leadership in sustainability and CSR for the public business sector, with the aim of advancing in the field of corporate sustainability and contributing to achieving the 2030 Agenda for Sustainable Development.



SUSTAINABLE DEVELOPMENT GOALS (SDGs)

On 25 September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development, consisting of 17 goals ("Sustainable Development Goals" - SDGs) and 169 targets. Unlike the previous Millennium Development Goals (MDGs), the SDGs assign a fundamental role to the private sector's involvement in their achievement, which is more important than ever in this scenario.

In 2021, at the ENUSA Group we have continued working so that the SDGs form part of our future strategy. To this end, we have updated the materiality analyses of the parent company, ENUSA, and the subsidiary companies EMGRISA and ETSA, identifying which sustainability aspects are a priority for our stakeholders and subsequently linking these aspects to the SDGs and their goals, establishing a methodology for contributing to them.

As a result, for each of the Group's companies, the SDGs of direct contribution were identified, i.e. those that are related to the material issues identified by stakeholders and those aligned with the value chains of the different companies.

DIRECT CONTRIBUTION SDG FOR THE ENUSA GROUP

enusa

7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	VALUE CHAIN	
3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	INTEREST GROUPS

emgrisa

6 CLEAN WATER AND SANITATION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	VALUE CHAIN
3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	INTEREST GROUPS	

etsa GLOBAL LOGISTICS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	VALUE CHAIN				
3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	INTEREST GROUPS

In the coming years, the ENUSA Group will continue to work on a business strategy focused on sustainability and, of course, aligned with the SDGs.

6 TRANSPARENCY

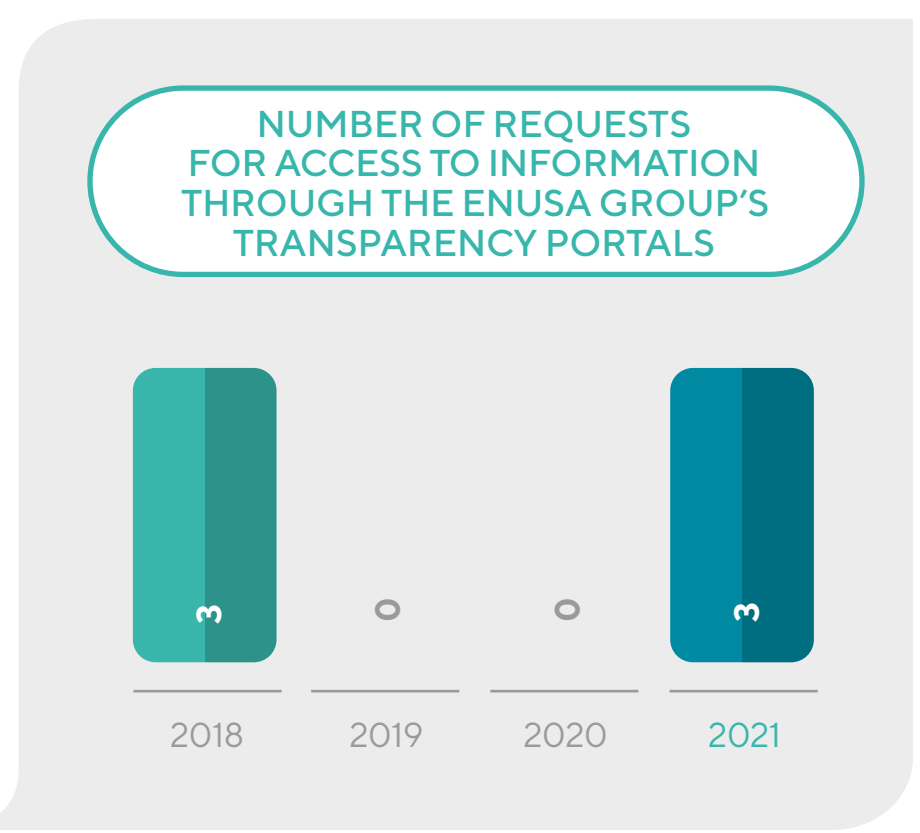
Transparency in public management is another ethical requirement that aims to guarantee legitimacy and increase citizen trust in institutions.

On this basis, Law 19/2013 of 9 December on Transparency, Access to Public Information and Good Governance was passed in Spain in 2013. Since then, the websites of the companies that make up the ENUSA Group have included a section dedicated to the Transparency Portal, where information on the activity of the companies is made available to the public, including data on economic and financial management, corporate and organisational information, as well as the main applicable regulations, among others. During 2021, ENUSA received three requests for access to public information related to the following issues:

- Amount of per diems paid in 2020 to members of the Board of Directors for attending meetings.
- General information on the job offers that the company has offered in the last two years in the field of employment, expectations of future job offers in the next two years and the way in which these calls for applications are made public.
- Requests for public information addressed to ENUSA under Law 19/2013, of 9 December, on Transparency, during the year 2019.

ENUSA resolved in all three cases to accept the requests for information, granting access to the requested details.

No applications have been received through the portals of the subsidiaries.



7 AUDIT AND INTERNAL CONTROL

Internal audit is an independent and objective assurance and consulting action, designed to add value and improve the ENUSA Group's operations. It helps the organisation to meet its objectives by providing a systematic and disciplined approach to assessing and improving the effectiveness of risk management, control and governance processes.

The internal audit function is the third level of control in the ENUSA Group's risk management and control framework. It checks that the different mechanisms established by the first (industrial and business activities) and second (quality, control and compliance) line of defence operate correctly and cover the intended objectives.

Its independence is ensured by reporting directly to the Chairman and following the guidelines of SEPI's Audit Department. It reports to both and periodically reports on relevant matters to the Audit Committee of the Board of Directors. The Audit Articles of Association approved by the Board of Directors regulate all activities, both Management Auditing and Quality Auditing, although ENUSA's activities related to nuclear safety and radiation protection are regulated, supervised and controlled by the Nuclear Safety Council (CSN).

The ENUSA Group carries out audits and monitoring of the activities and controls that affect the safety and quality of its products, the safety, quality and environment of its industrial activities and its management and economic-financial activities.

Audits and monitoring are structured through the annual programme of internal audits of the Quality Management System and the annual internal management audit plan.

In the case of the Quality Management System, the Annual Internal Audit Programme is defined in such a way that, at least every three years, all activities and organisations involved in implementing the system are audited. This Annual Programme is carried out according to a "master" audit programme.

For financial, compliance and performance audits, the audit plan is developed using a risk-based methodology consistent with the organisation's goals. The annual plan is approved by the Board of Directors of ENUSA and it is drawn up on the basis of a long-term audit plan that covers the entire auditable universe and all the risks of the ENUSA Group.

Throughout 2021, twelve internal audits of the Quality Management System and one of the Environmental Management System have been carried out. In addition, six internal management audits were carried out in the following areas: payment systems, supervision of minority shareholdings, personnel selection, R+D+i management, minor contracts and follow-up of recommendations. With regard to the latter, the effective implementation in the ENUSA Group of the recommendations issued by the management audit, by the State Comptroller General and by the Court of Auditors that have been considered applicable in the Group, relating mainly to contracting, has been verified.

1
Letter from
the Chairman


Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

8 RISK MANAGEMENT



Today, emerging risks represent a great threat to organisations and, with the rapid transformation process, everything seems to indicate that they will continue to be so in the future. Having a risk management programme in place generates valuable content about the risks that affect the organisation through a process of analysing, assessing and reporting on potential impacts and opportunities arising from those risks, as well as the company's response and approach to those risks.

In this context, the ENUSA Group carries out risk management at two levels:

- ◆ **At the strategic level**, each year the ENUSA Group carries out a global analysis of competitiveness, identifying strengths, weaknesses, opportunities and threats and establishing company-level strategies, actions and monitoring indicators. In addition, in the context of the preparation of ENUSA's Strategic Plan, the company's position was analysed, once again considering its strengths, weaknesses, threats and opportunities.

◆ **At the process level**, all three Group companies have risk management procedures in place:

- **ENUSA** has drawn up a procedure for the identification and implementation of actions to address the risks identified as necessary to ensure the ENUSA quality management system and the environmental management system of the Juzbado factory. This procedure identifies risks based on three components (factor, event and consequence) in such a way that, for the processes considered, risks, actions and responsible parties are defined. ENUSA also has a catalogue of environmental risks, which lists all the risks identified and the actions taken to address them.

- At **EMGRISA**, risk and opportunity management is continuous. This is required by the standards to which its management system is certified, constituting an implemented process that covers both the organisation's key processes and its operations (services) and relations with its stakeholders. It is carried out through a cyclical process consisting of identifying risks and opportunities, analysing and assessing their significance, defining and establishing measures for their management, and monitoring or measuring results.

The techniques used to identify risks and opportunities are selected according to the nature of the objectives. Techniques based on the judgement and experience of the participants are used for project management, while historical or pre-defined lists are used for standard support processes.

With regard to analysis, the organisation uses quantitative methods such as the FMEA (Failure Mode and Effects Analysis) method and/or the risk matrix. Risk quantification, which does not exclude the use of qualitative methods in certain cases, allows EMGRISA to evaluate its significance based on predefined criteria and, therefore, its hierarchy. The grading of risks and opportunities, the result of their evaluation, is the starting point for decision-making. Decisions on continuity, optimisation or allocation of resources or decisions regarding the establishment of measures for their elimination, control or achievement, as the case may be. The effectiveness of risk management is monitored by obtaining indicators, control data or results at the decided intervals. This information, together with the context, is the starting point and the continuous source of feedback for the management process.

- **ETSA** carries out an exhaustive study of the scope and key factors of its activity in order to achieve the objectives in the next ten years of its strategic plan (currently the 2021-2030 Strategic Plan is in force).

Based on these factors, the characteristics of operations in each of the areas and their year-on-year evolution are analysed. After that, a SWOT analysis is carried out to determine the main risks and opportunities of the organisation.

Based on the conclusions of this analysis, actions are proposed in order to minimise the impact of risks and maximise opportunities to achieve the objectives set and maintain optimal customer service levels.

9 DIGITAL TRANSFORMATION



If COVID-19 meant the acceleration of the digital transformation processes that many companies had already been implementing, *the Next Generation EU* funds that shape the European recovery plan, will provide a decisive boost to this transformation by constituting one of its basic pillars.

In this context, ENUSA continues with its digital transformation project with the aim of continuing to reorient the organisation and its processes towards an efficient model that improves the company's position through the use of new digital technologies.

An important aspect to highlight in 2021 is the structuring and strengthening of the digital transformation project so as to reinforce alignment with ENUSA's strategic vision and the digitalisation objectives pursued.

It is important to note that the digital transformation programme focuses on five basic lines of action:

1. Connectivity and communications
2. Development of basic and advanced digital skills
3. Cybersecurity
4. Digitisation projects
5. Data economy and artificial intelligence

The management model is strengthened, with emphasis on ensuring that the projects or proposals to be carried out meet the return requirements in terms of both business aspects and generating the improvements in efficiency and quality that justify their implementation. In order to guarantee compliance with these requirements, a system has been established to evaluate proposals, assess, approve and monitor their development until their conclusion, and to evaluate the results obtained.

The management and coordination of the project has been extended to all of ENUSA's organisations, covering everything from corporate functions and processes to engineering, manufacturing, services, information systems and customers and markets, in order to provide a more comprehensive and cross-cutting vision.

In this regard, planned training has been carried out in collaborative tools such as *power BI* with the aim of extending the development of these skills throughout the entire organisation. More specifically, a learning programme in Artificial Intelligence tools is also being carried out (*Machine Learning*) that allows developing projects using these techniques.



In 2021, various digitisation projects were carried out, all of them defined in a prioritisation and assignment exercise in the different lines of action, such as:

- Development of a Customer Portal, which aims to centralise and improve communications and access to information on the products and services supplied by ENUSA and which, in its first phase, focuses on projects in the national PWR market.
- Digitisation of customer satisfaction measurement via online surveys.
- Continued digitisation of the recharge design process to optimise and automate the PWR recharge design engineering process.
- Descriptive analysis of the ENUSA databases for the evaluation of the generation of unified databases and Product Life Management projects.
- Application of geolocation to improve dose estimation.
- Development and installation of autonomous vehicles for the powder warehouse.
- Development of a mobile robot to carry out radiological inspections.
- Implementation of digital solutions for human resource management.
- Digitisation of financial documentation and economic control workflows.
- Development of an electronic signage system in factory areas.

In the area of cybersecurity, a security structure that evolves to respond to new needs and threats continues to be developed. The evolution and use of new technologies and systems supported on the network and in the cloud require the expansion of the perimeter and type of equipment to be protected.

Finally, within the framework of the Strategic Plan 21-30, the “ENUSA digital company” project has been launched, which aims to implement the company’s digital capabilities and technologies to make it more competitive and efficient through process optimisation.

This project guarantees the planned implementation of a high-level digital transformation strategy for the coming years capable of creating an advanced vision of ENUSA shared by all the people who make up the company.



1
Letter from the Chairman

2
Good Governance


Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes



MAIN ECONOMIC FIGURES

1 MAIN ECONOMIC FIGURES OF THE ENUSA GROUP



	2018	2019	2020	2021
TURNOVER	251	324	247	313
• Services provided	47	50	48	54
Depreciation and provisions	16	10	13	10
Net income before taxes	4	5	4	11
NET INCOME AFTER TAXES	4	4	3	8
Net intangible assets	35	34	32	30
Net fixed assets	44	39	38	37
Equity (excluding profit or loss)	111	114	111	116
Financial indebtedness				
• Long-term debt	19	107	106	14
• Short-term debt	184	74	47	137
Creditors	76	71	64	62
TOTAL ASSETS / EQUITY AND LIABILITIES	470	446	405	407

MILLIONS OF EUROS

2 MAIN ECONOMIC FIGURES OF ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.



	2018	2019	2020	2021
TURNOVER	235	305	227	290
• Services provided	32	31	28	30
Depreciation and provisions	16	10	12	9
Net income before taxes	3	5	3	8
NET INCOME AFTER TAXES	4	4	3	6
Net intangible assets	35	34	32	30
Net fixed assets	42	37	35	34
Equity (excluding profit or loss)	89	92	89	94
Financial indebtedness				
• Long-term debt	19	107	106	14
• Short-term debt	184	74	47	137
Creditors	73	69	62	57
TOTAL ASSETS / EQUITY AND LIABILITIES	444	420	378	377

MILLIONS OF EUROS

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures


ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

ENUSA GROUP STRUCTURE

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. (PARENT COMPANY)

WORKFORCE AS OF 31 DECEMBER 2021

659 PEOPLE ⁽¹⁾

⁽¹⁾ Includes the UTE RSU Castellón workforce only for the purposes of accounting consolidation, as its personnel is contracted directly by the UTE and not by ENUSA.

SHAREHOLDERS

CIEMAT

40%

60%

SEPI



MADRID HEADQUARTERS

Santiago Rusiñol, 12
28040 Madrid
Telephone: (+34) 913 474 200

JUZBADO FUEL ASSEMBLY FACTORY

Carretera Salamanca-Ledesma, Km. 26
37115 Juzbado (Salamanca)
Telephone: (+34) 923 329 700

SAELICES EL CHICO CENTRE

Carretera Ciudad Rodrigo-Saelices, Km. 7
37592 Saelices el Chico,
Ciudad Rodrigo (Salamanca)
Telephone: (+34) 923 461139

BUSINESS AREAS

- Management and procurement of enriched uranium
- Manufacture of fuel assemblies
- In-plant services
- Environmental area

JOINT VENTURES (UTES)

- **Tecnatom-Westinghouse-ENUSA, UTE (33.33% stake):**
Tecnatom, S.A., Westinghouse Technology Services, S.A. and ENUSA Industrias Avanzadas, S.A., S.M.E.
- **UTE RSU Castellón (85.69% stake):**
ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.L.U. and A2A Ambiente S.p.A.

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

ENUSA Group Estructure

5 Report Parameters

6 Economic Performance

7 Social Performance

8 Environmental Performance

9 Annexes

The ENUSA Group is made up of the parent company (ENUSA Industrias Avanzadas, S.A., S.M.E.) and its subsidiaries.

FINANCIAL INVESTMENTS

COMINAK 10% (1973)

Republic of Niger
Uranium mining

INDUSTRIAL INVESTMENTS

ETSA 100% (1996)

Hazardous goods transport
Workforce: 60

Ctra. C-517
Salamanca-Vitigudino Km. 0,7
37009 Salamanca
Tel. (+34) 923 330 980
transport@etsa.es

CETRAMESA 10% (2006)

Logistics and transport in
Salamanca and the western area
of Castilla y León

Ctra. C-517
Salamanca-Vitigudino Km. 0,7
37009 Salamanca
Tel. (+34) 923 330 500
cetramesa@cetramesa.com

ENVIRONMENTAL INVESTMENTS

EMGRISA 99.62% (2003)

Treatment of contaminated
soils
Management of waste and
industrial discharges
Workforce: 77

C/ Santiago Rusiñol, 12
28040 Madrid
Tel. (+34) 914 119 215
info@emgrisa.es

Investments in other
companies:

50% **REMESA**

30% **CETRANSA**
100% **GESTIÓN
Y PROTECCIÓN
AMBIENTAL, S.L**

FUEL AREA INVESTMENTS

GENUSA 49% (1996)

Fuel supply to European BWR
nuclear power plants and
engineering services

C/ Josefa Valcárcel, 26
28027 Madrid
jjjs@enusa.es

ENUSA-ENSA IEA 50% (1995)

Repair of PWR fuel elements
PWR fuel assembly repair. Services
related to the reactor core and its
components

C/ Santiago Rusiñol, 12
28040 Madrid
Tel. (+34) 913 474 200

SNGC IEA 25% (2008)

Commercial promotion of products
and services for nuclear power
plants in China and South America

C/ Santiago Rusiñol, 12
28040 Madrid
Tel. (+34) 913 474 200

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures


ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure



6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes



REPORT PARAMETERS

1 REPORT PROFILE. SCOPE AND COVERAGE

“This report has been prepared in accordance with the GRI Standards: Exhaustive option” and, although it is issued as a separate document, it forms part of the consolidated management report 2021 of the ENUSA Group by virtue of the provisions of Law 11/2018, of 28 December, which amends the Commercial Code, the revised text of the Law on Capital Companies approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts, in matters of non- financial information and diversity.



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure


Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes


ENUSA Industrias Avanzadas, S.A, S.M.E. has been preparing its Sustainability Report annually since 2007 following the indications of the *Global Reporting Initiative (GRI)*, the most important international standard for Corporate Social Responsibility reporting (<https://www.enusa.es/en/pressroom/publications/annual-reports/>). Although the data of the investee companies have always tried to adjust to these recommendations, since the entry into force of Law 11/2018, the scope of this report was officially extended to said investee companies or subsidiaries. Thus, in 2021, this report consolidates the information relating to the Group's subsidiaries, Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) and ETSA Global Logistics, S.A.U., S.M.E. (ETSA), however, information on associates, jointly controlled entities and other non-controlling minority interests is not included in accordance with the requirements of this Law or the GRI.

Given the degree of maturity of the ENUSA Group's sustainability reports, the exhaustive option was followed in preparing this report. Therefore, this document includes information on all GRI 102 content (general content) and all GRI Thematic Standards (200, 300 and 400 series) that correspond to material topics.

This report has been externally verified by an independent entity. The verification report issued by this entity can be consulted at the end of this document. Likewise, the annual accounts have been audited by another entity, with no relation between one auditing process and the other.

All GRI data and indicators included in this report have been prepared following the same calculation methods as in previous reports, which guarantees a proper analysis of their evolution. In the event of any significant change that must be taken into account in order to correctly interpret the information of any indicator, this is duly specified with footnotes to the table/graph.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
-  Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

2 MATERIALITY ANALYSIS


In order to determine the priority sustainability issues for our stakeholders and, as a result, the content of this report, the results of the materiality analysis carried out in 2021 together with a specialised sustainability consultancy were used as a basis.

Within the framework of the materiality studies performed for ENUSA and its two subsidiaries ETSA and EMGRISA, the following activities were carried out:

- **Sustainability benchmarking study**, identifying the material aspects and priority interest groups in companies in the sector and benchmark companies.
- **Identification of priority interest groups** who participated in the materiality analysis, defining objective prioritisation criteria based on their impact on the strategic objectives and the level of relationship.
- **Carrying out online surveys to these interest groups**, both internal and external. This survey was divided into five blocks, among which economic performance was not included since its materiality was assumed:
 1. General: Most relevant performance considering the activity of the company.
 2. Ethical performance and good governance: Most important aspects in ethical performance and good governance.
 3. Environmental performance: Most important aspects in environmental performance.
 4. Social performance: Most important aspects in social performance.
 5. Assessment of the company's sustainability performance.

In total, 266 responses were received, 184 in ENUSA, 44 in EMGRISA and 38 in ETSA, which resulted in the following material issues:

MATERIAL ISSUE	COVERAGE
Ethical performance and good governance	
Normative compliance	ENUSA, EMGRISA, ETSA
Ethics and integrity	ENUSA, EMGRISA, ETSA
Corporate governance	ENUSA, EMGRISA, ETSA
Environmental performance	
Waste and spills	ENUSA, EMGRISA, ETSA
Circular economy	ENUSA, EMGRISA, ETSA
Energy efficiency	ENUSA, ETSA
Climate change	EMGRISA, ETSA
Social performance	
Employment and professional development	ENUSA, EMGRISA, ETSA
Safety and health	ENUSA, EMGRISA, ETSA
Equality and diversity	ENUSA, EMGRISA, ETSA

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
-  Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

3 STAKEHOLDER ENGAGEMENT

The ultimate aim of this report is to offer relevant, rigorous and accessible information to all ENUSA Group stakeholders, and in general to anyone interested in the activities it carries out.

The following table shows a breakdown of ENUSA’s stakeholders and their level of priority for the organisation.

STAKEHOLDERS	PRIORITY FOR THE ORGANISATION			
	Very high	High	Medium	Low
Shareholders	Very high	High		
Regulatory bodies	Very high	High		
Public administration	Very high	High		Short
Staff	Very high	High		
Partners				
• Technology	Very high	High		
• Business	Very high	High		Low
Customers	Very high	High	Medium	Low
Suppliers	Very high	High		Short
Society		High	Medium	
Professional bodies and associations		High	Medium	
Academic institutions		High	Medium	Low
Media		High	Medium	

The stakeholders presented here correspond to general categories. In certain cases, due to their importance, they have been broken down (for example, partners). In other cases, and due to the breadth and variety of the grouping, the general category (e.g. suppliers) has more than one level of priority. The prioritisation of stakeholders is based on their impact on ENUSA’s strategic objectives and the level of relationship with the stakeholder.

The different communication channels with stakeholders are dealt with specifically in the section “Communication with our stakeholders” in the Social Performance section. However, the following table summarises the means and frequency of participation of each stakeholder group:

ENUSA		
STAKEHOLDER	MEDIA	FREQUENCY
Shareholders	General shareholders’ meeting Board of Directors Annual Operating Plan (AOP) Annual Management Assessment Periodic meetings Corporate reports	Very high
Regulatory bodies	Liaison committee Inspections Regular business meetings Periodic information Response to requests for information Satisfaction surveys Institutional meetings	Very high
Public administration	Satisfaction surveys Response to requests for information Institutional meetings Bilateral meetings with mayors	High
Staff	Whistleblowing/suggestions channel Welcome manual Corporate intranet Bulletin boards Email “Internal Communication” ENU-Agenda Webinars	Very high
Partners	Coordination meetings Joint improvement projects Periodic technical publications Conferences, exhibitions and fairs	Very high


ENUSA		
STAKEHOLDER	MEDIA	FREQUENCY
Customers	B2B customer portal Annual meetings Meetings start - follow-up - end Satisfaction surveys Committees and technical working groups Periodic technical publications Conferences, exhibitions and fairs	Very high
Suppliers	Periodic meetings Assessments Offers and contracts Public Sector Procurement Platform Code for Suppliers and Subcontractors	Very high
Society	Corporate website Volunteering Portal Social media: Twitter, Instagram, YouTube Corporate communications Transparency portal	Very high
Professional bodies and associations	Participation in technical committees and working groups, national and international Attendance at sector conferences and meetings	High
Academic institutions	Participation in technical committees and working groups Attendance at sector conferences and meetings Periodic technical publications	High
Media	Email / Website Press releases Forums	High

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
-  Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

The two tables below summarise stakeholder engagement in the subsidiaries ETSA and EMGRISA:

EMGRISA			
STAKEHOLDERS	ENGAGEMENT	KEY ISSUES	RESPONSE
Priority			
Proprietary	Regular and on-demand reports and meetings	Business continuity	Drafting of strategic plan
Workers	Quarterly meetings	Work management, internal relations, improvement and communications in general	Distribution of functions and implementation of improvements
Customers	Regular and on-demand reports and meetings	Quality response on time and within budget, new needs	Improved service offering, changes in operating structure
Important			
Public bodies	On demand and according to acquired obligation	Compliance with application requirements	Changes in the organisation's operations and investment in resources, and mandatory communication
Workers' representatives	Meetings on demand	Collective bargaining, occupational health and safety, changes in production processes and training	Changes in the organisation's operations and investment in resources, and mandatory communication
External prevention service	Continuous	Occupational risk prevention	Documentation, specific reports, health surveillance, training and information on occupational risk prevention
Suppliers and collaborating companies	Daily	Quality response on time and within budget	Maintenance and improvement of business relationships
Permanently Identified			
Environment	Daily	Improvement of significant environmental aspects	Programme of objectives, awareness campaigns and promotion of new technologies
Trade unions	Continuous	Labour Relations	Negotiation of working conditions
Mutual accident insurance company	Continuous	Occupational accidents and common contingencies	Treatment and monitoring of occupational accidents and contingencies
Competitor companies	Participation in forums and associations	Cooperation	Active participation in forums and associations
Media	Website and social networks	Company image	Investment in online and social networks communications

Identification starts from a general baseline, which is chosen according to their type (whether they are internal or external to the company), their relationship (whether they are unavoidable or avoidable) and the area in which they are framed (legal, economic, social, environmental, etc.). Final selection is based on dependency criteria and the risk associated with their management.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
-  Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

ETSA				
STAKEHOLDERS	INTERESTS	DOCUMENTATION TO DISTRIBUTE	FREQUENCY	COMMUNICATION CHANNEL
Internal				
Shareholders	Market consolidation and profit generation	SEPI documents and reports	Monthly	General Shareholders' Meeting and economic control
Board of Directors	Management of the company, compliance with legislation, safety in service, compliance with instructions and guidelines, quality and environmentally responsible services, good reputation, market consolidation	Report of the Board of Directors and SEPI documents	Quarterly and annual SEPI Directives	Board of Directors
ETSA Management	Management and administration of the company. Compliance with instructions and guidelines, process optimisation, training and retraining of staff, continuous improvement, anticipation of customer requirements	SEPI documents and ENUSA Group documents	Announcement of Board of Directors and management meetings	Meetings/email
Workers	Job stability, training and retraining, protocolled work processes, work environment, opinions and assessment, conciliation, Occupational Risk Prevention (ORP)	Welcome manual	At the beginning of employment	To be delivered and commented
External				
Customers	Lifespan of the company, meeting deadlines/ timeliness, availability of staff, quality of advice, ease of communication, quality of services, less environmentally impactful services	Quality and Environmental Policy published on the ETSA website and on the Public Sector Procurement Platform (PCSP)	Continuous. In some cases personnel is dedicated to specific customer accounts in daily communication	Meetings/email
Suppliers/ subcontractors	Company continuity, relationship with the "ETSA Brand", continuous training and advice, compliance with payment deadlines, company growth	Quality and Environmental Policy, organisational chart, applicable operating instructions	Internal contracting instructions, contracting files	Public Sector Procurement Platform, orders and contracts (regular mail and email)
Society	Personal growth, decreasing unemployment rate, environmentally friendly, respectful of ORP, minimising incidents	Quality and Environmental Policy		Published on the ETSA website and on the PCSP
Public Administration Bodies	Legal compliance. Legal restrictions/limitations as a public company, contracts/tenders	Quality and Environmental Policy	ENUSA Group's administrative documents and compliance policy	Published on the web
Final recipients	Information, communication	Policy		Published on the web
Regulatory bodies	Legal compliance, minimising the adverse effects of working with ionising radiation	Policy	ENUSA Group's administrative documents and compliance policy	Published on the web

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes



ECONOMIC PERFORMANCE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

CONSOLIDATED MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2021

1. ACTIVITY AND CORPORATE PURPOSE OF THE PARENT COMPANY

Nuclear Business
Environmental Business
Logistics business

2. DESCRIPTION OF THE PARENT COMPANY'S ACTIVITIES

2.1 Uranium Procurement Business Unit
2.2 Fuel Business Unit
2.3 Environmental Business Unit
2.4 Logistics Business Unit

3. ECONOMIC-FINANCIAL MANAGEMENT OF THE GROUP

3.1 Analysis of the Parent Company's Results
3.2 Financing and investments of the Parent Company
3.3 Payment to suppliers
3.4 Consolidated data representatives of the group
3.5 Events after year-end
3.6 Analysis of business developments
3.7 Financial risk management objectives and policies

4. HUMAN RESOURCES

5. CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

6. ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2021 ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

Balance sheet
Profit & loss account
Statement of changes in equity
Cash flow statement
Annual Report 2021
Audit report for annual accounts

7. CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2021 ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. AND SUBSIDIARY COMPANIES

Consolidated balance sheet
Consolidated profit & loss account
Consolidated statement of changes in equity
Consolidated cash flow statement
Consolidated Report for the financial year 2021
Audit report on the consolidated annual accounts

8. KEY SUCCESSES, SHORTCOMINGS, RISKS AND OPPORTUNITIES

9. OBJECTIVES



TABLE OF CONTENTS

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

1 ACTIVITY AND CORPORATE PURPOSE OF THE PARENT COMPANY



ENUSA Industrias Avanzadas, S.A., S.M.E. (hereinafter ENUSA or the Parent Company) is a public enterprise 60% owned by the Sociedad Estatal de Participaciones Industriales (SEPI), which is attached to the Ministry of Finance, and 40% by the Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (Ciemat), which in turn is attached to the Ministry of Science, Innovation and Universities.

The main purpose of ENUSA is to meet its customers' expectations.

With first- rate, safe and competitive products. The company is aware that technology, research, development and innovation are essential elements for positioning itself and competing on the market.

The mainstays of the company are the safety of its industrial facilities and the protection of the environment, as well as quality and corporate responsibility It also understands that to achieve management excellence it has to reinforce and improve its dialogue with its stakeholders, paying special attention in those areas where it operates, encouraging social and economic development.

ENUSA structures its activity in three business areas: nuclear, environmental and logistics.

NUCLEAR BUSINESS

The nuclear business at ENUSA encompasses the activities associated with the nuclear fuel cycle and those currently under development relating to the dismantling and managing radioactive waste.

Within the nuclear fuel cycle, is responsible for the supply of enriched uranium for the entire Spanish nuclear fleet, acting as a purchasing centre for all the Spanish electricity companies that own these nuclear power plants. Within the first part of the fuel cycle, ENUSA provides nuclear fuel design, the manufacture of fuel assemblies, engineering associated with refuelling, support for the operation of nuclear reactors and the provision of fuel services at the plant. In relation to the second part of the fuel cycle, ENUSA provides plant engineering and fuel services for spent fuel for both plant operators and for Empresa Nacional de Residuos Radioactivos, S.A., S.M.E. (ENRESA).

Precisely as part of its diversification strategy, ENUSA has set up a new business line for dismantling and managing radioactive waste, embarking on several projects in the areas of radiological characterisation, decontamination, reduction and optimisation of radioactive waste, both operational and resulting from the dismantling of nuclear or radioactive facilities.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters



Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

ENVIRONMENTAL BUSINESS

Thanks to its many years of experience running mining sites, ENUSA has acquired a great deal of environmental *know-how*. Drawing on this knowledge and experience, it has technical staff dedicated to environmental management projects, through its Environmental and Renewable Energy Projects (PMAER).

The office has been active in the rehabilitation of land associated with mining, the construction and closure of landfills, radiation protection services and the development of new energy applications such as the construction and commissioning of a biogas plant and other environmental R&D and technological innovation projects.

ENUSA's environmental activity has been extended to include the Municipal Solid Waste (MSW) treatment plant in the northern part of Castellón and the subsidiary Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) which specializes in industrial waste management and soil and water treatment and characterization.

LOGISTICS BUSINESS

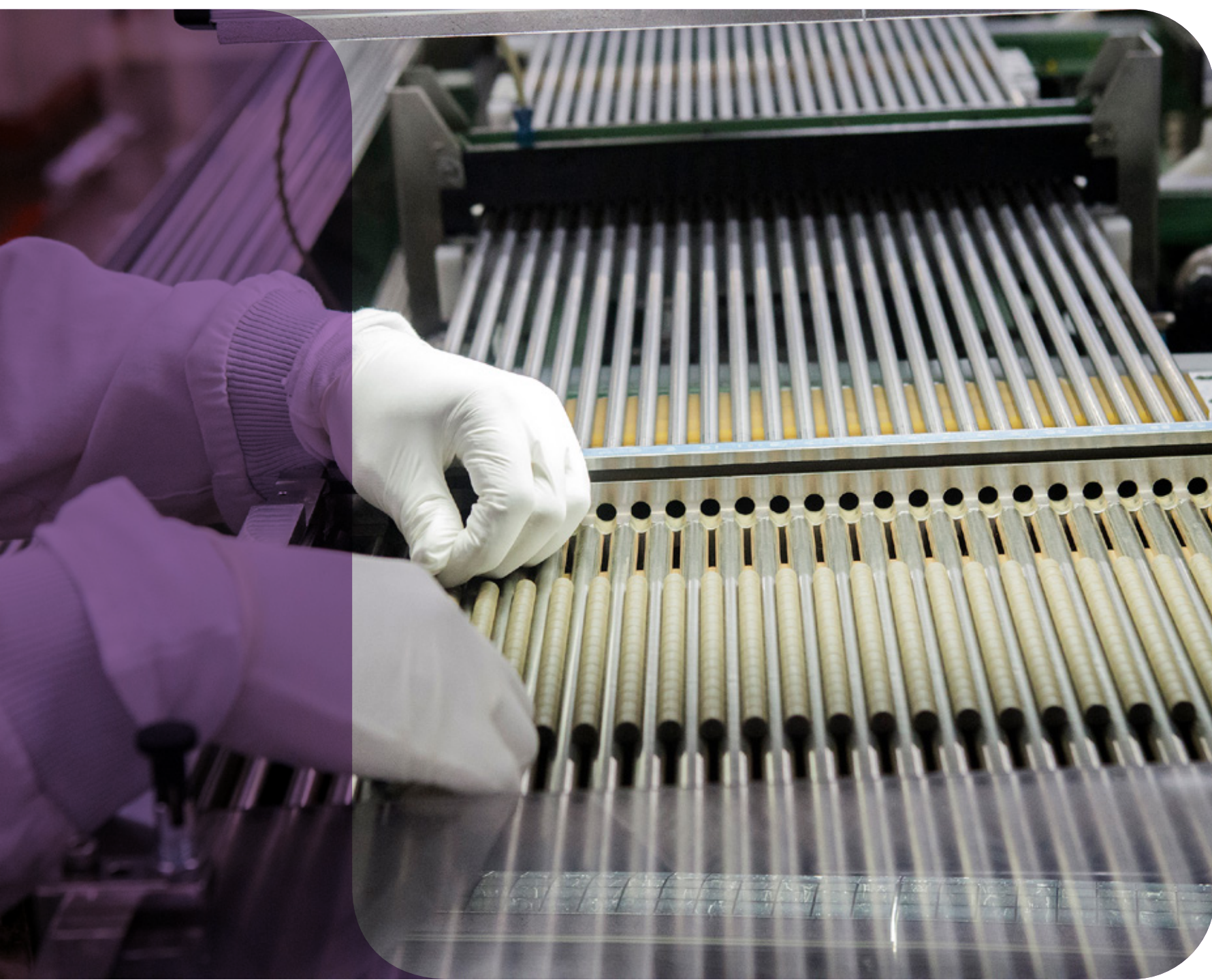
The logistics business is conducted through the subsidiary company ETSA Global Logistics, S.A.U., S.M.E. (ETSA), a global multimodal transport operator (land, sea and air) of hazardous goods of all kinds, specialising in radioactive, nuclear and chemicals in tankers.

By volume of operations and amount of sales, its main activity is related to the integrated management of shipments of radioactive products for medical use. It is also involved in the logistics of transporting nuclear material to and from ENUSA's Juzbado fuel factory and the transport of radioactive materials to ENRESA's El Cabril facility. In addition, in recent years the company has increased its operations related to dangerous chemical products in tankers.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance**
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes



2 DESCRIPTION OF THE PARENT COMPANY'S ACTIVITIES

2.1 URANIUM PROCUREMENT BUSINESS UNIT

The spot price of uranium concentrate began 2021 with a downward trend, once the Cameco mining company suspended the purchases it was making during 2020 to cover its sales commitments due to the lack of production at its Cigar Lake mine. Therefore, the price went down until reaching a minimum around \$27.5/lb in mid-March. However, at that time, new players entered the market, causing the price to soar to over \$31/lb at the end of March. Several financial investors raised their capital to buy uranium concentrates (U3O8) in order to increase their physical uranium fund. The long-term market price, however, has not been affected by this activity in the spot market, even showing a slight downward trend, reaching around \$34/lb at the end of March.

Undoubtedly, the conversion market news at the beginning of the year was the announcement made by ConverDyn to resume production at the Metropolis (USA) conversion plant in 2023. This period of time is necessary for the required licenses and retraining of staff. The closure, together with the difficult transition of production from Comurhex I to Comurhex II, contributed to a sharp price increase, reaching \$22/kgU.

2.2 FUEL BUSINESS UNIT

The price of the Separation Work Unit (SWU) reached a low in August 2018 and since then has seen a continuous rise, although at a much slower pace than conversion or uranium concentrates. In the first quarter of 2021, the spot price reached \$53/UTS and the long-term price reached \$61/UTS. Most significant in the market was the signing of the amendment to the Russian Suspension Agreement (RSA), which was due to expire on 31 December 2020. The RSA agreement, which was signed in 2008 by the United States and Russia, limited imports of enriched uranium of Russian origin into the United States at 20%. The amendment signed now introduces few changes to these limitations in the short term, the change from 2027 being more significant as the quota for the sale of Russian LUTS in the United States falls to 15%.

At the end of the year, the activity of financial institutions in the spot market for uranium concentrates has left a price of concentrates at around \$42/lb. The long-term price, on the other hand, has remained practically unchanged in recent months at around \$42.5/lb. At the beginning of 2022, the conflict in Kazakhstan took place, which had an immediate consequence in the form of a rise of about \$3/lb for U3O8. How this affects market prices will be seen in the coming months, as Kazakhstan produces 40% of the world's concentrates.

On the other hand, in the case of conversion services, year-end spot market prices remain around \$16.5/kgU (uranium hexafluoride, UF6) on average while long-term prices are around \$18/kgU (UF6).

As for the enrichment market, prices remain at \$56/UTS in the spot market, while the long-term price is around \$63/UTS.

During 2021, the Spanish reactors of Almaraz I, Ascó I, Ascó II and Cofrentes were supplied with enriched uranium for the subsequent fuel assembly manufacturing process. All deliveries have been made in a timely and proper manner.

Throughout 2021, the international nuclear fuel market will continue to show significant imbalances in Europe due to the closure of nuclear power plants, mainly in Germany and Belgium, a fairly stable situation in the United States and a growing demand for manufacturing capacity in the Asian market. The main focus is on China and India, with new nuclear fuel plant projects and expansion of the production capacity of existing plants to cover the fuel needs associated with nuclear power plants under construction or in the planning phase.

It is important to highlight the efforts being made by leading technologists in the development of ATF (Accident Tolerant Fuel), both from the point of view of engineering, new manufacturing processes and the irradiation of prototypes in research and commercial reactors. A significant part of the development costs is being borne by the countries leading these initiatives, which are the United States, Russia, China and the technologists leading the technological developments such as Global Nuclear Fuel (GNF), Westinghouse, Framatome, China National Nuclear Corporation (CNNC), China General Nuclear Power Group (CGN) and TVEL.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

Another issue that is playing an important role in the nuclear fuel market is the interest in developing SMRs (Small Modular Reactors) with more than 70 different designs internationally, which requires a significant dedication of engineering resources to the specific development of each type of fuel. During 2021, the first contract for the supply of a General Electric Hitachi (GEH) BWRX-300 design SMR reactor to the Canadian utility Ontario Power Generation was signed, and multiple negotiations are underway between suppliers of this type of reactor and utilities interested in their acquisition, construction, licensing and commissioning in the American, European and Asian markets. This will place a heavy demand on engineering capabilities for the development of the specific nuclear fuel for each SMR design, as well as future requirements for the fuel fabrication plants that will have to produce the SMR designs.

In relation to the European market, it is important to highlight, on the one hand, the start-up of the Olkiluoto 3 nuclear power plant (the first European pressurised water reactor, EPR), progress in the construction programmes for new reactors in the United Kingdom and France, declarations of interest in future nuclear reactors in countries such as the Netherlands, Finland, Poland, the Czech Republic and Slovakia, and the announcement by the French government and the electricity company EDF to build six EPR design reactors that would come into service in the period 2035-2037.

On the other side of the scale, Germany's nuclear fleet closure program is on schedule with three nuclear power plants closed by the end of 2021 and three operating nuclear power plants to be shut down by the end of 2022. Furthermore, the Belgian government is scheduled to make a decision on the future of the Doel-4 and Tihange-3 operation in 2025 on 18 March 2022. If the closure is confirmed, there will be a significant reduction in the demand for nuclear fuel in Europe in the medium term.



These decisions that each European country is making regarding the future of nuclear energy are being impacted by the European Commission's likely proposal to include nuclear energy in its taxonomy as necessary to achieve its 2050 emission reduction targets for environmentally harmful gases. There is a strong debate between the countries in favour (France and Eastern European countries) and against (Germany, Belgium, Spain) of including nuclear energy as green energy in the European taxonomy. This decision must be ratified by the European Parliament in the course of 2022 in order to enter into force in the first half of 2023, with the consequent impact on the development of nuclear energy in Europe.

In relation to the Spanish market, the most noteworthy event was the award by Iberdrola to GENUSA and Westinghouse of the contract to supply refuelling for the Cofrentes nuclear power plant until the end of the plant's life, scheduled for 2030.

GENUSA maintains its leadership as a supplier of BWR fuel in the European market, a position that is subject to the outcome of the tender for the supply of fuel to the Forsmark nuclear power plant (Sweden) as of 2024.

Other relevant news has been the acquisition of the company Tecnatom (50% of its shares) by Westinghouse, the implications of which will materialise throughout 2022 in the different markets in which this company operates, both nationally and internationally.

In relation to the second part of the fuel cycle, the draft of the 7th General Radioactive Waste Plan issued by ENRESA, which includes the closure plan for the Spanish nuclear fleet agreed with the electricity utilities and the Spanish government, is still under discussion.

Along these lines, ENUSA is firmly committed to the dismantling and management of radioactive waste, for which it is developing capabilities in radiological characterisation, declassification, reduction and optimisation of radioactive waste.

Throughout 2021, the following actions have been carried out:

- Signing of the contract with Iberdrola by GENUSA to supply four fuel refills to the Cofrentes nuclear power plant.
- In the engineering area, in addition to high-value refuelling and service designs for the 5 PWR plants, which enable them to operate safely, technical studies have been completed to cover flexible operation and to supply fuel with a fissile column adapted to future needs. The complexity of the nuclear management of these plants has required continuous support from the design and manufacturing support areas.



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

- For the Belgian market, in addition to the design activities, the most significant aspect has been the support for the reloading of the fuel elements with ATF demonstration rods (LTRs) in their second irradiation cycle, for which ENGIE Electrabel and Tractebel conveyed their satisfaction to ENUSA and Westinghouse for the support received, particularly after the inspection. In relation to the French market, in addition to the core calculations, it is worth highlighting the dedication of engineering to support the bid for the design reports for the EDF 1300 and 900 MW Garance reactors, which resulted in the award of the contract for the work to be carried out in 2022.
- In the BWR area, in addition to monitoring the Cofrentes operation, focus has been on obtaining the GNF2 fuel licence for the Swiss nuclear power plant at Leibstadt (KKL), covering all areas of design; also on the bids for Cofrentes, Vattenfall and Oskarshamn (OKG), as well as on classic nuclear engineering services for Cofrentes and Forsmark 1 and 2 and for the Finnish electricity utility TVO.
- As regards spent fuel, work continued for the PWR 5 plants, loading of casks, fabrication and installation of Spigot devices. In addition, engineering services have been carried out for Equipos Nucleares, S.A., S.M.E. (ENSA) in

the area of criticality and shielding analysis relating to the reconfiguration studies for the transport of fuel with a high degree of burnup in the ENUN32P cask and the updating of the calculations for the licensing of the ENUN52B cask. Work has also been carried out on different ENRESA projects, such as the EURAD project and the pellet oxidation project.

- In the technological field, the main efforts were focused on the almost complete licensing of the most advanced design tools (PAD5 and PARAGON), on joint developments with Westinghouse (Joint Development Programs - JDP's) and on the re-launching of up to twelve autonomously managed specialised technology groups. Also significant is the start of the development of advanced fluid-dynamics thermal models for the study of fuel in casks under the subsidy and supervision of the Nuclear Safety Council (CSN). Furthermore, collaboration has continued to increase with some of the main Spanish universities and other entities for projects of high technological interest for ENUSA's engineering department. Thus, initiatives have been successfully undertaken in the field of artificial intelligence, digitalisation and process automation, as well as different actions to increase technological independence.



- In the area of plant services, in spite of the severe restrictions caused by the COVID-19 pandemic, the volume of services foreseen has been maintained, both in activities associated with the refuelling plant and in those relating to spent fuel management. Throughout the year, the characterisation, inspection, adaptation and loading of spent fuel casks has been stepped up, mainly in the 5 Spanish PWRs.
- As regards the ENUSA-ENSA EIG, its corporate purpose has been amended to accommodate the dismantling and radioactive waste management operations that will be coordinated through it. A new model has been launched to improve the EIG's procurement management. Progress were made on the design of a portable waste management plant and a feasibility study for a smelting furnace for contaminated scrap metal.
- In the strategic line of internationalisation of the fuel business, due to the COVID-19 pandemic, actions have been intensified with the two large Chinese nuclear corporations: CNNC and the CGN group. On the other hand, the final report has been delivered to the Emirates Nuclear Energy Corporation (ENEC), which contains the technical and economic feasibility study for the installation of a nuclear fuel factory in the United Arab Emirates. A contract has been secured jointly with IDOM to specify the requirements for the basic engineering for the future nuclear fuel factory in the United Arab Emirates.
- A contract has been obtained with the Korean company KNFC for the supply of SICOM-GAMMA type irradiated fuel inspection equipment, to be delivered in the first half of 2022.
- Negotiations have been resumed with the Brazilian company INB to sign a cooperation agreement that includes actions in the supply of fuel manufacturing equipment, the provision of services at the plant and the restoration of uranium mines. This agreement is expected to be signed during the first quarter of 2022.
- Annual investment in R&D and innovation projects has been slightly below two million euros in 2021, mainly focused on research into the in-service behaviour of nuclear fuel and the properties and behaviour of spent fuel, the development of capabilities related to the restoration of mine soils, the development of solutions for spent fuel management and the dismantling of nuclear facilities.

At the end of 2021, the incorporation of seven new projects has been proposed to the main shareholder SEPI for the year 2022, mainly in the areas associated with the dismantling of nuclear facilities and the management of spent fuel, the development of technologically advanced fuels and the modernisation of industrial facilities in line with the main lines of the Digital Transformation Plan 2021.

Likewise, in 2021, notable innovations have been introduced in the R&D and innovation management system, such as the optimisation of the tax benefits associated with innovative activities by means of Binding Motivated Reports, as well as the promotion and facilitation of the application for public aid in certain projects. Furthermore, a working group has been set up to introduce a value analysis model into the management system to help promote, evaluate and approve R&D and innovation projects with more objective criteria and according to their alignment with the strategy and the final contribution of value for the company. The effort begun in 2020 to recover the traditional forums for institutional collaboration has also continued, with the signing of a collaboration agreement with the CSN for the development of methodologies for modelling the thermal behaviour of spent fuel stored in casks.

- With regard to the Juzbado fuel assembly factory, the following should be noted:
 1. During 2021, the commitments made with the CSN in accordance with the manufacturing and operating permits granted by the Ministry of Industry, Energy and Tourism, currently the Ministry of Industry, Trade and Tourism, were fulfilled in due time and form.
 2. No reportable events have been announced and the CSN has performed 25 inspections at the plant, 14 corresponding to the basic plan, 10 to the reinforced plan and one relating to the CSN generic inspections plan (testing plan for the clearance of materials).
 3. An external evaluation has been carried out (by the CIEMAT Socio-Technical Research Centre -CISOT-) of the safety culture of the Juzbado factory.
 4. Production reached a level of 320.27 tonnes of uranium equivalent, higher than in 2020. All deliveries committed during the 2021 financial year were delivered on time. It should be noted that these results have been obtained in a particularly complicated context due to the situation caused by COVID-19.
 5. The 2021 level of investment in the plant exceeded four million euros, including unbilled orders placed.
 6. Quality levels have been maintained at the highest standards, being qualified as "A" (maximum level) by EDF.
 7. With regard to safety systems, the replacement of the ventilation system in UC3 and the first phase of replacement of UC18 have been completed. Improvements have also been made to the fire protection system with the installation of a new switchboard, new control posts and a new extinguishing system in the pump room.
 8. Construction of the new building for the internal dosimetry laboratory is nearing completion.
 9. The project to digitalise the operational dosimetry control of workers in the ceramics area has been completed.
 10. The programme for sending waste to El Cabril continues. This year 72 drums were sent to ENRESA. Progress has also been made in the development of a declassification process, with all the documentation for approval of the plan being sent to the CSN.
 11. With regard to the relevant innovations in the manufacturing area in 2021, the PLCs of autoclaves 31 and 32, the tanks of grinding machines 1, 2 and 6, the robot press and the gadolinium (Gd) mixer will be replaced, the automatic tablet inspection system (IAP2) will be updated and the ultrasonic fuel washing system will be put into operation.



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

2.3 ENVIRONMENTAL BUSINESS UNIT

SAELICES EL CHICO PLANT

Decommissioning activities at the centre continued in 2021. These are still heavily conditioned by the existence of acid mine drainage due to the presence of sulphides in the rocks on the site, causing water contamination. For this reason, the collection, storage and prior conditioning (chemical treatment in an effluent neutralisation plant) of this water is required prior to its controlled discharge into the public water domain, in accordance with the current authorisation of the Duero River Basin Authority (CHD) and the requirements of the CSN. In 2021, a total of 450,635 m³ of polluted water was treated by chemical means.

Following completion of the work to upgrade the electrical and control infrastructure that supports the Corta Water Treatment Plant (TAC), together with the installation of a computerised system for the control, supervision and recording of the industrial process (SCADA), water has been treated from the two facilities, with a volume of 202,904 m³ treated in the TAC, in 159 working days, and 247,731 m³ treated in the TAD (Dike Water Treatment), during 126 working days.

In 2021, maintenance and repair work was undertaken on some drains and acid water channelling to the mine boiler, improving flow control through the construction of gauged channels and future maintenance through the inclusion of cleaning sandboxes, as well as repairing drains that have been compromised over time due to the deposition of sulphates inside them.

The industrial Wifi network has continued to be implemented and operated, with transmitter and receiver antennas that form a ring telecommunications network in addition to the fibre network and with the possibility of intercommunication between the two. In the future, this installation will not only allow the entire water treatment process to be controlled, but also the monitoring and control systems that may be distributed throughout the mine site.



With regard to the elimination of contaminated water by using passive systems, based on the application of artificial soils (“*technosols*”), the development of the R&D project generically known as the TEKURA project, which was approved and co-financed by the Centre for the Development of Industrial Technology (CDTI) in February 2017, has been successfully completed. In this project, ENUSA is the owner and the project manager, with EMGRISA, CIEMAT and the University of Santiago de Compostela (USC) also involved in its implementation and development.

In short, the project involved the *in situ* manufacture of the technosols that would be applied on a surface area of 52 hectares, located on restored land of the former Corta Fe-1 mining pit, for which a pilot manufacturing plant was built and began production in March 2018, following the required authorisation by the competent bodies in the field (Regional Government of Castilla y León). A total of 47,720 tonnes of *technosol* has been manufactured at this plant. As complementary structures in the project, a total of three wetlands were built, strategically located on the main drainage courses in the project area, using a *technosol* with reductive properties to improve the quality of the runoff water they collect. The project was completed with the planting of selected herbaceous species to improve the physical and edaphic conditions of the area (diversion of acidic external flows, ridges to reduce erosion, ditches, etc.). Technical monitoring of the project is still ongoing, analysing the interaction between the applied *technosol* and the runoff, sub-surface and deep water associated with the project area.

The conclusions drawn from the project reflect an overall chemical improvement in the main study parameters, with runoff water showing neutral pH values and a considerable decrease in conductivity, which also leads to a general decrease in the quantities of dissolved heavy metals, in most cases below the values stipulated in the facility’s discharge declaration. In addition, a significant water retention capacity can be observed in the soils, beyond the increase in evapotranspiration generated by the plant mass planted on the technosols, due to the hygroscopic characteristics of certain components of these soils.

These excellent results of the TEKURA project suggest the possibility of extending the use of this technology to all land disturbed by mining practices.

Under this premise, a new R&D project has been designed that involves the extension of the use of *technosols* in conjunction with the incorporation of new bioactive components on dumps and land with steep slopes, with the aim of creating a passive system for the remediation of the generation of acidic water. This project, generically known as MINETRA, involves implementing the aforementioned technologies on the site of the Fe3-1 dump, which was once filled in to backfill the pits, but which has left a heavily degraded underlying terrain. This project has been authorized by the CDTI in July 2021, in order to participate financially in its development and implementation.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

The project is in the process of being authorised by the Regional Government of Castilla y León and involves reusing the same technosol manufacturing plant built on the site to manufacture a total of 75,000 tonnes of *technosols* planned to be used in the project, with an estimated duration of three years.

In parallel to these actions, the different environmental, structural and radiological surveillance programmes for the site, required by the competent organisations (mainly the Ministry for Ecological Transition and the Demographic Challenge, the Regional Government of Castilla y León, the Duero River Basin Authority and the CSN), continue to be carried out.

As regards the permit for the first phase decommissioning of the Quercus plant, a new documentation proposal was submitted in February 2021, responding to the requests made by the CSN in the PIA V (Request for Additional Information) issued in April 2019, and at the same time updating all the characteristics of the decommissioning process as of the current date. One of the documents (PRE, "Plan de Restauración del Emplazamiento") is still pending, which requires a series of measurements and additional work that will prolong its preparation throughout the year 2022.

With respect to collaboration with ENRESA on shared decommissioning costs, the addendum to the 2017-2019 framework agreement remains in force, extending for the years

2020-2022 the details of financing the decommissioning, restoration and surveillance of uranium mining sites and facilities owned by ENUSA and co-financed by ENRESA. Throughout the year 2022, a series of meetings are planned to prepare the following framework agreement with a time horizon of 2023-2025.

Regarding the restored site of the Lobo-G plant (La Haba, Badajoz), closed since 2004, the implementation of the Long-Term Monitoring and Control Programme continues, in collaboration with the PMAER organisation and EMGRISA. In 2020, a request was denied for the release and return of control to the owners of part of the decommissioned site's land, which was used exclusively for mining and for which a restriction on the use of the land for grazing and forestry was established at the time. In practice, this decision means that ENUSA will remain in charge of the monitoring and control of this decommissioned site until an entity responsible for the institutional monitoring of this type of site is appointed.

Finally, the work included in the Surveillance and Maintenance Programmes for the former Casillas de Flores and Valdemascaño uranium mines in Castilla y León continues to be carried out in collaboration with ENUSA's PMAER organisation, and has been extended by the CSN with no clearly defined date for its completion.

ENVIRONMENTAL AND RENEWABLE ENERGY PROJECTS (PMAER)

At present, PMAER only maintains environmental radiological surveillance programmes as a business unit. The rest of the resources are dedicated to assistance work for other ENUSA activities. These include collaboration with the Saelices el Chico Centre, technical assistance to the Corporate Management, support for innovation with the Technical Engineering Department and some more specific support to the Juzbado factory.

Within the framework of the close cooperation maintained with the Saelices el Chico centre, three main lines of action should be highlighted: firstly, collaboration with the centre's technical personnel in reviewing the documentation requested by the CSN for the decommissioning and closure of the Quercus plant facilities; secondly, the justification and monitoring of the TEKURA project on the use of *technosols* for treating acid mine water, which has been carried out throughout 2021; and lastly, the design of the new R&D project, MINETRA, to allow experimentation with activated composites in the FE-3.1 dump.

With regard to the technosol projects, two significant events stand out during the 2021 financial year: firstly, the objective of finalising the technical-economic justification of the TEKURA project with the CDTI has been met, receiving the last payment in September of this year. Secondly, and after maintaining the benefits observed in the surface water and adjacent soil of the TEKURA project, communication has been received from the Board of Directors of CDTI for the participation of this body in the "Project for the recovery of land from mine dumps through the application of passive self-regenerating biogeochemical solutions" (MINETRA Project). A loan has been granted with a non-refundable part and qualifying as R&D. The first payment was received in November. This project involves the participation of three collaborators: EMGRISA, CIEMAT and Recursos y Valorización Ambiental (RVA) in cooperation with the USC for its development.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

As part of its own activities this year, and in accordance with the deed of sale of the industrial assets of the biogas plant, ENUSA has transferred to the buyer the income received from the electricity generation of the assets sold, after deducting the electricity tax on generation until the Ministry makes the change of ownership to Special Regime, resulting in a neutral operation for ENUSA.

Furthermore, on 9 April, the deed of sale of the segregated land in Juzbado on which the assets that make up the biogas plant are located was signed.

With regard to the LIFE Ammonia Trapping project for the recovery of ammonia from liquid and gaseous effluents associated with the biogas plant, the last payment from the European Commission for the full amount requested was received on 9 April.

As regards the environmental radiological programmes at the former uranium factory at Andújar (FUA), the restored site of the Lobo-G Plant at La Haba (Badajoz) and the Project for the Restoration of Former Uranium Mines in Castilla y León (PRAMUCYL), these have been carried out normally and without significant events.

In collaboration with the Juzbado fuel assembly factory, and referring to the site's photovoltaic solar self-consumption project, a preliminary technical-economic feasibility study has been carried out, a search for specialised companies and preparation of a dossier for the call for aid from the Regional Government of Castilla y León in 2022.

Likewise, close contact has been maintained with EMGRISA. Three milestones in cooperation with the environmental subsidiary stand out this year: on the one hand, collaboration in the MINETRA project; on the other, cooperation in the feasibility study of green hydrogen for the replacement of grey hydrogen from the fuel factory; and lastly, the preparation of a project for the second life of electric vehicle batteries for the programme of support for Innovative Business Groups (IBG).

Support for Innovation

In view of the unique and historic opportunity to change the productive and economic model that the Next Generation EU funds represent and the need to generate binding reasoned reports for R&D and innovation tax relief, at the beginning of the year the strategy of ENUSA's senior management was to create a new transversal and more dynamic internal structure formed by the Technical Engineering Department and PMAER, which covers the Group's business areas and allows these funds to be addressed by means of a proactive system. The aim of this support for innovation is to improve the profitability of ENUSA's projects and to enable the fiscal monetisation of R&D and innovation in 2020.

To this end, 20 proposals for manifestos of interest have been submitted to different ministries: one for the renewable hydrogen programme, another for the programme to boost competitiveness and sustainability projects, 16 proposals for the circular economy programme and two for the renewable energy programme. Some of the above proposals have been submitted to calls for proposals from CDTI, IDAE, CSN and the Regional Government of Castilla y León that have been launched during the last twelve months of work. There are a total of eight proposals to seven calls for proposals.

During this process of preparing dossiers for the Next Generation EU calls for proposals, ENUSA has strengthened its relationship with external collaborators such as universities, signing framework collaboration agreements with the University of Salamanca, the Polytechnic University of Valencia and the Polytechnic University of Madrid. It has also signed a collaboration project with the CSN for the CFD thermal modelling of spent fuel stored in casks.

Finally, the files for R&D and innovation tax relief were prepared in collaboration with the Technical Engineering Department. In December, the technical qualification reports for the projects submitted were obtained and binding reasoned reports were requested from the Ministry of Science and Innovation.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes

UTE-RSU CASTELLÓN

The Temporary Joint Venture (UTE) ENUSA-FOBESA VALORIZACIÓN DE RESIDUOS-A2A AMBIENTE manages the municipal waste of the 49 municipalities in the north of the province of Castellón, known as Zone C1 in the Integrated Waste Plan of the Valencian Community (PIRCV), using four facilities located in the province: The Municipal Solid Waste (MSW) and Bulky Waste Treatment and Recovery Plant, as well as the Refuse Deposit, in the municipality of Cervera del Maestre, and two MSW Transfer Plants in the municipalities of Benlloch and Villafranca del Cid.

During 2021, a total of 72,739 tonnes of waste was managed, 72,482 tonnes from Zone C1 and 190 tonnes of bulky waste originating in Alto Mijares, from Zone C2. In addition, and as a one-off event, at the end of December, 67 tonnes were managed from the Algimia Plant, Zone C3, due to a breakdown in the plant and due to an express resolution of the Directorate General for Environmental Quality and Education of the Department of Agriculture, Rural Development, Climate Emergency and Ecological Transition of the Generalitat Valenciana.

According to these data, this year there has been an increase of 6% in the tonnes managed with respect to last year.

This increase in generation, which began to occur with the arrival of the summer months and continued until the end of the year, was motivated by the end of the restrictions derived from the COVID-19 pandemic in the month of May, which made it possible to open up the Autonomous Communities and, with this, mobility and an increase in tourism in the area. The increase in waste generation in the area is confirmed by the fact that reception of the residual fraction plus selectively collected organic matter (the bulk of household waste) also increased by 7.8%. As for the other types of waste received, the behaviour has been very uneven, with an increase in almost all of them.

During 2021, 190 tonnes of bulky waste were received from Alto Mijares, which belongs to Zone C2, which is invoiced directly to the Castellón Provincial Council, at the request of the C1 Consortium, for which a minor contract has been signed with this body. This waste ceased to be received in May when the aforementioned minor contract ended.

Of all the waste managed, certain materials have been recovered in order to comply with the objectives set by the PIRCV in terms of recovery and recycling. A total of 14,003 tonnes have been recovered and 12,919 tonnes have been sold, slightly higher than in 2020. Income from these sales was higher than in the previous year due to fluctuations in the price of materials on the secondary market.

ENVIRONMENTAL SHAREHOLDINGS

Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA)

The Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) was set up in 1990 as an instrument of the Ministry of the Environment to implement the objectives of the national industrial waste and soil decontamination plans. It currently belongs to ENUSA Industrias Avanzadas, S.A., S.M.E., also part of the SEPI holding company, and its corporate purpose is carried out entirely in the field of environmental services.

EMGRISA is an instrumental medium and technical service of the General State Administration and other public sector entities such as SEPI, ENUSA, CIEMAT, Aena, Puertos del Estado, Renfe, ADIF and Abra Industrial.

Since 2010, it has extended its status as an instrumental medium to the entire state public sector, remaining as such for 2021 and being specifically recognised by the following contracting authorities: Fábrica Nacional de La Moneda y Timbre - Real Casa de la Moneda (FNMT-RCM), Acuamed, Tragsa and Tragsatec, Vihar Parque Empresarial, Cofivacasa, Parque Empresarial Principado de Asturias, Sepides, Autoridad Portuaria de Santander and Autoridad Portuaria de Alicante.


EMGRISA's corporate purpose largely consists of industrial waste management and contaminated soil management activities, both in terms of characterisation and decontamination, as well as technical assistance to public administrations and environmental consultancy in the field of circular economy and water, and project management and direction for the General State Administration.

The following lines of action were worked on for 2021:

- Implementation of 96 projects: 50 for environmental soil management, 18 for waste management, 17 for environmental consultancy and technical assistance, 1 for development and innovation and 5 international.
- 33 management assignments of entities and public companies of the General State Administration.
- Consolidation as an instrumental medium to the General State Administration and public sector with new orders (mainly for technical assistance for works and water policies), acknowledgements and permits from the contracting authorities and actions directed by the General Intervention Board of the State Administration for compliance with the Law on the Legal System for the Public Sector (LRJSP), currently in the development phase, and the Court of Auditors on the audit of own resources.
- Expansion of the business with new orders and contracts in the field of water planning and management for the Directorate General for Water and management and technical assistance for projects for the Ministry of Agriculture, Fisheries and Food.
- Significant improvement in turnover, operating profit and profit after tax both in the Annual Operating Plan (AOP) and compared to 2020, in line with the strategic plan.

Actions in 2021 in the area of waste management and innovation and development were as follows:

- Corporate participation in waste management in the Autonomous City of Melilla through the company REMESA.
- Management of industrial waste in the Castilla y León region through its shareholding in CETRANSA, an integrated hazardous waste treatment centre.
- Management of hazardous waste treatment and transfer centres in Extremadura and Castilla-La Mancha.

- 1
Letter from
the Chairman
- 2
Good
Governance
- 3
Main
Economics
Figures
- 4
ENUSA Group
Estructure
- 5
Report
Parameters
- 
Economic
Performance
- 7
Social
Performance
- 8
Environmental
Performance
- 9
Annexes

- Provision of services to various public bodies and organisations in hazardous waste management. In particular, network of ADIF stations, the Fábrica Nacional de Moneda y Timbre (National Mint) and IMBISA, the Banknote Printing Works of Banco de España.
- Orders from ENUSA in relation to the *technosol* project, future MINETRA, and technical soil management to reduce the pH of water from the Saelices mine, controls of the FUA and Haba mines.
- In 2021, more than 18,000 metric tonnes of waste were managed, due to EMGRISA's core business. A further 4,000 metric tonnes were handled compared to 2020.

With regard to soil characterisation and decontamination, as well as consultancy and technical assistance activities, it is worth highlighting the following:

- Technical support and management assignments for the General State Administration bodies, in addition to those already in existence (Ministry of Agriculture, Fisheries and Food, Ministry for Ecological Transition and the Demographic Challenge), thus consolidating its position in the public sector market and as an instrumental medium.
- Development and execution of remediation projects for ADIF, Renfe and Aena, Sepides, with new orders for the coming years, as well as the subsoil in Sabiñánigo (Huesca) for the Government of Aragon, by renewing the contract in 2020, for two years and extendable for a further two years.

- Commission with Puertos del Estado and the Port of Huelva to implement a contaminated soil management plan and to provide technical assistance in monitoring the pollution of these public bodies.
- Actions for the Ebro River Basin Authority in Bailín, Huesca.
- Carrying out technical projects and training activities in the field of environmental risk analysis for public sector organisations and companies.
- Development of various activities for public and/or SEPI Group and/or Ministry of Finance companies: Cofivacasa, Sepides, Acuamed, Parque Empresarial Principado de Asturias, FNMT, Navantia...
- Support for ENUSA in its environmental actions at the Juzbado factory and the Saelices mine. Assignment for the management and technical assistance for the decommissioning of facilities in Saelices.

Internationalisation actions in 2021:

- Due to the pandemic and the national situation, actions and projects in the Chilean and Peruvian branches slowed down, maintaining small projects and actions of an administrative nature almost exclusively.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

2.4 LOGISTICS BUSINESS UNIT

SHAREHOLDINGS RELATED TO LOGISTICS

ETSA, Global Logistics, S.A.U., S.M.E.

ETSA Global Logistics, S.A.U., S.M.E. (ETSA) was incorporated as a public limited company for an indefinite period on 23 April 1996. The company's sole shareholder is ENUSA Industrias Avanzadas, S.A., S.M.E., and therefore, by virtue of the provisions of Royal Legislative Decree 1/2010, of 2 July, which approves the revised text of the Law on Capital Companies, the company has sole proprietorship. The company is part of the SEPI Group, which is headed by Sociedad Estatal de Participaciones Industriales as the parent company.

ETSA is a global multimodal transport operator (land, sea and air) of hazardous goods of all kinds, specialising in radioactive, nuclear and chemicals in tankers.

ETSA provides all the necessary and complementary services for transporting this type of material:

- Combined and multimodal transport. Ship and aircraft charters.
- Physical and radiation protection.
- Specific logistics-related technical studies.
- Storage in transit, consolidation and deconsolidation of goods, etc.
- Development of procedures and preparation of shipping documentation.
- Dangerous goods safety advisor.
- Etc.

All of this, in strict and rigorous compliance with applicable national and international regulations, in accordance with an internal quality, environmental, physical and radiation protection management system.

The company operates mainly in Spain, the rest of the European Union, the United Kingdom and the United States.

ETSA's main customers can be divided into three groups, the most important of which are the following:

- Radioactive products for medical use: Curium Pharma Spain, Advance Accelerator Applications (AAA-Novartis), GE Healthcare Bioscience, etc.
- Nuclear, radioactive materials and waste: ENUSA, Tecnatom, ENRESA, etc.
- Chemicals in tankers: Grupo Vertex and Grupo Maxam.

ETSA's situation as of 31/12/2021 is considered satisfactory, having met all the objectives set. Turnover increased by 13% compared to the previous year, due to the increase in all business lines. The percentage of operating income has decreased slightly (14.30%) compared to the previous year (14.70%). The result before taxes for the year was 2,493,885 euros. ETSA has a strong position in the logistics of radioactive products in general: nuclear medicine, radioactive waste and nuclear material.

3 ECONOMIC-FINANCIAL MANAGEMENT OF THE GROUP

3.1 ANALYSIS OF THE PARENT COMPANY'S RESULTS

ENUSA's turnover for the year 2021 amounted to 289.6 million euros, representing an increase of 28% with respect to the previous year (31% increase in the supply area and 26% in the fuel area).

The operating profit was 7.3 million euros in 2021, compared to 4.1 million euros in 2020.

Profit before tax in 2021 amounted to 8.1 million euros, compared to 3.2 million euros in the previous year.



COMPARISON 2021 AGAINST 2020

The increase in profit compared to 2020 (4.9 million euros) broken down by business area is as follows:

- ◆ **Procurement:** -0.1 million euros.
- ◆ **Fuel:** +4.7 million euros, mainly due to exceptional negative results in 2020 (provision for tariffs), as well as higher sales and a different sales mix of same.
- ◆ **Environment:** -0.4 million euros due to results from the sale of the biogas plant in 2020, partially offset by higher sales of the UTE RSU of Castellón.
- ◆ **Decommissioned mining sites:** -0.5 million euros, mainly due to higher allocations of provisions compared to 2020, partially offset by lower financial expenses due to updating of provisions.
- ◆ **Other activities:** +1.2 million euros, mainly due to the inclusion of ETSA's participation in this line due to the reorganisation of ENUSA.

COMPARISON WITH THE BUDGET

The profit before tax included in the Company's budget (Annual Operating Plan, AOP 2021), approved by SEPI's Management Committee on 24 June 2021, amounted to 5.2 million euros.

The deviations recorded, also broken down by business area, are as follows:

- ◆ **Procurement:** +0.3 million euros, mainly due to lower structure cost assignments received and lower in-house costs.
- ◆ **Fuel:** +2.1 million euros. In this case due to various reasons:
 - As positive elements, better recharge results (Cofrentes, national PWR and Belgian market), as well as lower structure cost transfers received.
 - As negative elements, delayed partial delivery to EDF of 64 fuel assemblies and lower sales in Engineering Services and Equipment.
- ◆ **Environment:** +0.5 million euros, mainly due to higher sales in the UTE RSU of Castellón due to a higher unit cost, as well as a higher number of tonnes treated.
- ◆ **Decommissioned mining sites:** -0.6 million euros, due to the allocation for the provision of restoration of the centre.
- ◆ **Other activities:** +0.6 million euros, due to lower costs associated with specific projects and services for branches.

The financial return in 2021 (profit after tax on equity, before profit for the year) was 6.8% compared to 2.8% in 2020.

3.2 FINANCING AND INVESTMENTS OF THE PARENT COMPANY

The net change in cash and other equivalent liquid assets compared to the previous year was +38.3 million euros, generating a cash flow as described below:

- of operating activities: +46 million euros
- of investment activities: -3.7 million euros
- of financing activities: -4.0 million euros


Short-term and long-term financial debt at year-end amounted to 150.8 million euros, compared to 152.4 million euros in 2020. This debt corresponds mainly to the financing of stocks related to procurement activity.

The Company did not carry out any treasury share transactions in 2021.

3.3 PAYMENT TO SUPPLIERS

Information on the average supplier payment period in 2021 is provided in note 24 of the Notes to the Consolidated Annual Accounts. The average payment period in 2021 is 32 days.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

3.4 CONSOLIDATED DATA REPRESENTATIVES OF THE GROUP

The ENUSA Group obtained a consolidated result of 8.0 million euros in 2021, compared to 3.1 million euros in 2020. The net increase in cash or cash equivalents was 43.8 million euros, compared to a reduction of 33.1 million euros in 2020.

Consolidated turnover amounted to 313.3 million euros in 2021, compared to 247.2 million euros the previous year, with a financial return (consolidated profit after tax and discontinued operations on equity before consolidated profit for the year) of 7.4% (2.8% in 2020).

3.5 EVENTS AFTER YEAR-END

At the date of preparation of this Management Report, there were no events subsequent to year-end 2021 that require disclosure.

3.6 ANALYSIS OF BUSINESS DEVELOPMENTS

The estimated development of ENUSA's business over the next few years is as follows:

PARENT COMPANY URANIUM PROCUREMENT

After nine straight years of declining enriched uranium prices, the year 2022 has the price forecast against it to be another year of declining prices. Concentrates are at higher prices than in the past and, depending heavily on the activities of financial companies and enrichment, are expected to follow a slow but upward trend.

In the immediate future, ENUSA will continue with its procurement policy, according to which it maintains medium and long-term contracts with the main suppliers worldwide, but it also takes advantage of the opportunities that arise in the market. This means that, although prices may rise, ENUSA will continue to do a better job than other purchasing groups.

In terms of commitment to customers, efforts will continue to be made to strictly comply with uranium supply obligations in order to supply uranium on time and in the right form, and, on the other hand, efforts will continue to be made to provide quality services that add value to management in order to maintain customer confidence.

PARENT COMPANY NUCLEAR FUEL

The forecasts for the nuclear business for the coming years will be highly conditioned by the decisions being taken at international level by the different governments in relation to the impact of greenhouse gases on the climate and, specifically, with the targets for reducing CO₂ emissions to the atmosphere.

At the European level, the inclusion of nuclear energy in the European Union's taxonomy as green energy may provide a boost to the construction of new reactors, both conventional and SMRs, and to the extension of the life of the current nuclear fleet.

In the short to medium term, the decommissioning programme continues for the German nuclear power plant, which will be completed in 2022. For the Belgian nuclear power plant, the government has confirmed that it will be completed in 2025, and for the Spanish nuclear power plant, it is planned for the period 2027-2035.

These permanent closures of nuclear power plants in Europe will lead to a significant reduction in the demand for nuclear fuel and therefore a reduction in the production of fuel assemblies at the European plants in Västeraås, Springfields and Juzbado.

In the case of Västeraås, this reduction in production will be compensated by increased loading of VVER 1000 design fuel mainly destined for Ukraine.

Regarding strategic alliances, the termination of the European Fuel Group (EFG) agreement with Westinghouse entails the search for a new strategic partner for ENUSA in PWR technology. Collaborations are being explored with the company Framatome across a broad spectrum of the fuel cycle.

ENUSA remains committed to internationalisation in all areas of the nuclear business, with China, the Middle East and South America being the

target markets. The main area of collaboration is to support the Chinese companies CNNC and CGN and Emirati companies ENEC in developing their future fuel factories.

In the Spanish market, with the contract signed with the 5 PWRs until the end of life of these reactors, ENUSA is supporting the EIGs that operate these reactors in their transition to adapt to the closure plan agreed between the electricity companies and the government.

As regards the second part of the cycle, and once the draft of the VII General Radioactive Waste Plan has been issued by ENRESA, the strategy for spent fuel management is being established, in which the future Centralised Temporary Storage Facility (CTS) and the Deep Geological Disposal Facility (GDF) play a relevant role.

ENUSA will continue to commit to diversification within the nuclear business oriented towards the engineering and manufacturing of both advanced nuclear fuel (ATF) and those required by SMR designs, the management of spent fuel related to the second part of the cycle and the dismantling and management of radioactive waste.

Once the first radiological characterisation, decontamination and radioactive waste reduction projects have been initiated, the intention is to participate in future activities associated with the dismantling of the Santa M^a de Garoña nuclear power plant, once its ownership has been transferred to ENRESA.

ENUSA is developing a set of agreements and alliances with private and public partners, both nationally and internationally, to address this line of business. Likewise, work has begun on the design and licensing for the construction of radioactive facilities, such as the Technology and Equipment Maintenance Centre (CTME) and a portable facility for the management of radioactive waste for future dismantling services.

1

Letter from the Chairman

2

Good Governance

3

Main Economics Figures

4

ENUSA Group Estructure

5

Report Parameters



Economic Performance

7

Social Performance

8

Environmental Performance

9

Annexes

THE PARENT COMPANY'S Saelices EL CHICO CENTRE

At least until the end of 2022, it will not be possible to obtain the corresponding permit for the decommissioning and closure of the Quercus plant, which will mean that the start date for the works could be postponed until 2023 or even 2024.



The dismantling must be carried out in phases, given that, as a result of the acid drainage in the mine, it is necessary to maintain the tailings dam and other storage structures, as well as the treatment plant for contaminated water, until the necessary quality is achieved for its direct referral to public channels.

In the meantime, the groundwater and structural stability Monitoring and Control Programmes for both the Elefante plant and the mining operations will remain in force, with the corresponding inspections, checks, sampling, analyses and reports that these programmes entail. These activities are co-financed by ENUSA and ENRESA in accordance with the percentages set out in the framework agreement in force, extended for the period 2020-2022 by means of an addendum. A new framework agreement is foreseen for the period 2023-2025, which will maintain the terms of the original.

On the contrary, the Monitoring and Maintenance Programme for the Quercus plant and its associated structures, which is to be carried out during the current period of shutdown and until the planned decommissioning work begins, is financed solely and exclusively by ENUSA.

Once the good results of the R&D project on the application of technosols (TEKURA project) have been confirmed, a second R&D project will be developed, which involves continuing to apply *technosols* in other types of morphologically different terrains and with other problems (dumps, steep slopes, etc.), with the addition of bioactive components. This project, called MINETRA, will follow the same procedure used in the TEKURA project, and will be executed between 2022 and 2024.

At the same time, with the collaboration of EMGRISA, an Integrated Environmental Permit (AAI), which would complete the rehabilitation of the natural area affected by the mining activities, although so far there is still no news of the possibility of the Regional Government of Castilla y León issuing a regional legislation for the waste sector that would regulate the use of technosols. Without this legislation, it is not possible to process an AAI that would allow the application of this product to be extended to the rest of the area affected by the mining activity (some 200 hectares more).

These proposed research projects involve action on surface and sub-surface waters (those that flow through the different protection and waterproofing multilayers of structures), while the solution for deep waters is more complex and will require longer periods of action. However, it should be borne in mind that this solution does not have an immediate effect and requires a period of maturation, vegetation planting and development over a number of years. In the meantime, it will be necessary to continue with the chemical treatment of acidic waters.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

Water diversion works will be required in the northern part of the site, in conjunction with the possible construction of wetlands, to prevent or minimise water flowing into the backfilled recesses of the mine pits.

Plans are to neutralise around 400,000 m³ during 2022 and gradually reduce the volume in the following years, as the technosols that have spread, as well as the reduction through absorption and evapotranspiration, continue to improve the chemical characteristics of the surface water, combined with the gradual reduction of water to be treated, as a result of the works to intercept flows entering the site and prevent the generation of new acidic water.

These treatment capacities are only possible through the joint operation of the two effluent treatment plants. Once the decommissioning of the Quercus plant in Phase I has been undertaken, the TAD plant will no longer exist and only the TAC plant will remain, with a treatment capacity of around 300,000 m³/year. At that point, if the volume of acidic water generated at the site exceeds these values, it may be necessary to expand the TAC plant to increase its treatment capacity or to resort to systems that provide a significant increase in treatment capacity, and in any case, a reduction in sewage sludge from the treatment.

As for the restored site of the Lobo-G plant (La Haba, Badajoz), the implementation of the Long-Term Monitoring Programme will continue, in collaboration with the Environmental Projects and Renewable Energies organisation and EMGRISA. ENUSA and ENRESA will continue to finance it proportionally, according to their contractual responsibilities, and this situation seems likely to continue until an entity is appointed to take over the institutional monitoring of the decommissioned former uranium mines.


Likewise, in collaboration with the ENUSA and EMGRISA Environmental Projects and Renewable Energies organisation, the work included in the Surveillance and Maintenance Programmes for the former Casillas de Flores and Valdemascaño uranium mines in Castilla y León will continue to be carried out. These works will be financed entirely by ENRESA.

ENVIRONMENTAL AND RENEWABLE ENERGY PROJECTS (PMAER) OF THE PARENT COMPANY

In accordance with the provisions of the Strategic Plan of the ENUSA Group's Environmental Unit, which adopted the decision to use the EMGRISA brand to market the Group's environmental activities, for 2022 and beyond, this department's activities will be included in EMGRISA's portfolio of services.

However, until this incorporation takes place, PMAER will continue to operate, on the one hand, in training and advising EMGRISA on *technosols* and, on the other hand, maintaining its environmental radiation monitoring programmes.

In the coming years, PMAER's human resources will focus on three actions with Saelices el Chico: firstly, to continue to cooperate in the follow-up of the TEKURA project; secondly, to try to implement the MINETRA project design with the CDTI; and thirdly, to collaborate with the centre's technical staff to review and provide support in the documentation required by the CSN for the decommissioning and closure of the Quercus plant facilities. The remaining resources will be allocated to technical assistance to the Corporate Management and to innovation support with the Technical Engineering Department.

- 1
Letter from the Chairman
- 2
Good Governance
- 3
Main Economics Figures
- 4
ENUSA Group Estructure
- 5
Report Parameters
- 
Economic Performance
- 7
Social Performance
- 8
Environmental Performance
- 9
Annexes

UTE-RSU CASTELLÓN

All waste management, both from C1 councils and bulky waste from Alto Mijares, from C2, has been carried out in accordance with the conditions established in the contract signed between the UTE and the C1 Consortium, with certain details and nuances in terms of invoicing, which have been specified in the contract signed with the Castellón Provincial Council. As a result of the above, the UTE's income from the annual management of the waste received has been similar to that of the previous year, and it is expected to remain the same in the coming years.

Once the judgement of the High Court of Justice of the Valencian Community (TSJCV), which annulled the second amendment of the contract with the C1 Consortium, was declared final, negotiations began for an amendment to replace the annulled one. These negotiations continued during 2020 with the submission of reports, various documentation and proposals, and have been maintained during 2021 since in March of this year a letter was received by electronic notification from the Consortium to which a report was attached and the UTE was required to rectify the aspects indicated therein. In order to be able to carry out the requested rectification, the UTE commissioned an engineering firm to draw up the necessary complementary projects and had them ready by the end of December 2021.

The appeal filed by the UTE before the Administrative Chamber of the TSJCV (following a ruling by the Administrative Court No. 1 of Castellón which dismissed the lawsuit filed by the UTE against the C1 Consortium for non-payment of invoices relating to the settlement of the fee based on the interest rate of the financing), has also been finally dismissed according to the ruling of said Court on 1 April 2021.

GROUP COMPANIES

Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA)

The evolution of the company's environmental business is determined by its assignment as an instrumental medium and the new regulation of this figure in Law 9/2017, of 8 November, on Public Sector Contracts, to which it has continued to adapt throughout 2020 and 2021. The company's main challenge continues to be the consolidation of the requirements established as an instrumental medium and included in the Law on Public Sector Contracts and the Law on the Legal System for the Public Sector. In line with its parent company ENUSA, it has designed a new strategic document 2021-2023 to adjust its commercial and business functions to the public sectors of which it is an instrumental medium. Compliance with the requirements on instrumental media and the financial sustainability of the company over time are challenges that EMGRISA must address in the coming years. Work will be done on expanding into public markets, improving the brand, newly developed business lines, and development of new projects in the area of innovation and European recovery funds for contracting authorities and in the final management of waste types in projects for administrations, or of social interest, all in line with the new strategic document approved and to be implemented.

2022 starts with an important work portfolio of more than 11 million euros and a series of opportunities, mainly in the public sector, which require a comprehensive effort to gain new expertise and enter into new contracts in water policy, land management, technical assistance to ministries, etc. Finally, it should be noted that there is a portfolio of orders pending award and signature amounting to 2,200,000 euros. Also noteworthy are actions to divest assets such as REMESA.

Projects will continue to be integrated with ENUSA's environmental area, assuming the role of the parent company's environmental brand, aligning with it in order to collaborate in the project to decommission industrial or nuclear activities within the framework of the consortium that ENUSA promotes for this purpose, and in the achievement of the lines set out in Next Generation projects.

The management mandates for different general directorates of the Ministry for Ecological Transition and the Demographic Challenge will continue to be developed, with a strong boost to the areas of river planning and technical assistance to the administrations. The number of actions for other Regions will be increased, with the possibility of being an instrumental medium in some of them. Work should continue to be carried out for public entities and state-owned commercial public enterprises. It is worth highlighting important orders to be carried out from 2021 from ADIF, with a contract signed for more than seven million euros, as well as important orders from the Ministry of Defence, the Ministry for Ecological Transition and the Demographic Challenge, both in water and environmental quality, and the Ministry of Agriculture, Fisheries and Food.


In 2022, work will continue for ENUSA to establish the pertinent actions for the execution of the *technosols* project, with the new MINETRA project and other actions on the decommissioning of the Quercus plant, both at the Saelices mine, for the period of time established.

ETSA, Global Logistics, S.A.U., S.M.E.

For the period 2022-2026, the nuclear medicine logistics business line is expected to continue to grow slightly. Given that nuclear-related transport activity is a non-growing market, ETSA's strategy is focused on maintaining its market share. In the tanker business line, the growth strategy continues with a limited risk exposure model.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

3.7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

On the basis of the risk positions, the Company actively manages foreign exchange risk and interest rate risk. The instruments used always take into account the concepts of safety and prudence and aim to limit risks while avoiding their temporary concentration. They are never used to take speculative positions.

At 31 December 2021, there are foreign exchange hedging instruments in the amount of 58 million USD, 5 million GBP and 7 million in other currencies, which will be used to cover payments arising from purchase contracts signed by ENUSA.

The only interest rate risk hedge in force is the one contracted for the debt of the UTE RSU (integrated to its percentage of shareholding in same) for 12.7 million euros.

The Group's exposure to various risks is as follows.

a) Credit risk


Credit risk arises from the potential loss caused by the failure of Group companies' counterparties to meet their contractual obligations, i.e. the possibility of not recovering the financial assets for the amount recognised and within the time limit set. Credit risk exposure at 31 December is mainly concentrated in the following items:

	THOUSANDS OF EUROS	
	2021	2020
Clients from sales and services	22,393	17,199
Customers of group and associated companies	1,378	1,636
Loans to group and associated companies	3,770	7,060
TOTAL	27,541	25,895

With regard to the risk relating to trade receivables, it should be noted that the Parent Company's main activities are based, on the one hand, on the supply of enriched uranium to Spanish electricity companies owning nuclear reactors and, on the other, on the manufacture and sale of fuel assemblies for the production of nuclear electricity. In this respect, the list of the Parent Company's main customers is concentrated in an important group of large electricity companies of recognised solvency. The fuel supply and fuelling contracts signed with customers are long-term contracts with perfectly planned dates and volumes that allow for proper management of sales volumes and, consequently, of the collection periods inherent to them. Both supply and manufacturing contracts provide for

the receipt of advance payments for future sales, which is an element of risk minimisation. At 31 December 2021 the balance of advances on account that the Parent Company has received from customers, to be applied in 2022, is 32,367 thousand euros (41,377 thousand euros at 31 December 2020).

Loans to Group companies and associates relate to so-called "inter-SEPI deposits", amounting to 3,770 thousand euros at 31 December 2021 (7,060 thousand euros at 31 December 2020). This is an instrument created by SEPI to optimise the management of its treasury and that of its group of companies, by intermediating the supply and demand of surplus cash. In this system, SEPI carries out the corresponding intermediation operations, acting as counterparty to both parties (borrowers/depositors of funds). The placement of the cash surpluses of the Group's companies through this mechanism is a priority option included in the "Rules Governing the System for the Authorisation and Supervision of Acts and Transactions of the SEPI Group".

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

b) Liquidity risk

Prudent liquidity risk management implies the maintenance of sufficient cash and the availability of funding through a sufficient amount of credit facilities. In this respect, the Group's strategy is to maintain the necessary flexibility in financing by having both long-term loans and short-term credit facilities available, so that all eventualities directly affecting the Group's cash flow are fully covered.

c) Market risk

- **Interest rate risk.** In relation to all of the Parent Company's long-term debt that finances Procurement Management, which includes procurement stocks, and whose financial burden is fully reflected in the sale price of enriched uranium, the Parent Company had opted to hedge interest rate risks (on part of the aforementioned debt) by entering into interest rate swaps. These contracts expired during 2019, so there was no hedge of this type at year-end. Likewise, it was decided to hedge the interest rate risks on part of the debt relating to the financing of the loan associated with the investment in the solid municipal waste treatment plant carried out by the UTE RSU.
- **Exchange rate risk.** The need to purchase fuel assembly supplies and components on the international market, as well as the sales to be made to foreign customers in their own currency, requires the Parent Company to implement an exchange rate risk management policy. The key aim is to reduce the negative impact of exchange rate variability on its profit and loss account, so that it is possible to hedge against adverse movements and, where appropriate, to take advantage of favourable developments. In this respect, the Parent Company uses forward currency purchase/sale contracts (currency hedges) for risk management purposes, thereby fixing a known exchange rate for future payments/receivables at a specific date, which can also be adjusted over time to match and apply to cash flows.



4 HUMAN RESOURCES

During 2021, ENUSA's workforce decreased in percentage terms with respect to the previous year by 0.75%, as can be seen in the following comparative breakdown:

	AT 31.12.2020	AT 31.12.2021
Madrid	219	210
Juzbado	408	413
Saelices el Chico	24	23
UTE RSU Castellón (*)	13	13
TOTAL	664	659

(*) The information referring to the UTE RSU Castellón is only reflected for the purposes of accounting consolidation, as its personnel is contracted directly by the UTE and not by ENUSA.

The distribution of ENUSA's workforce by contract type is as follows:

WORKFORCE	AT 31.12.2020	AT 31.12.2021
Permanent staff	525	507
Temporary staff	139	152
TOTAL	664	659
Average workforce	615.55	610.96

The distribution of ENUSA's workforce by working groups is as follows:

WORKING GROUP	AT 31.12.2020		AT 31.12.2021	
	Number	%	Number	%
Directors	6	0.9	9	1.4
Post-Graduates	271	40.8	266	40.4
Graduates	40	6.0	38	5.8
Technical and Administrative staff	176	26.5	174	26.4
Workers and Subordinates	171	25.8	172	26.1
TOTAL	664	100	659	100

The evolution of the workforces of the subsidiaries in which ENUSA has a stake has evolved as follows:

SUBSIDIARY	AT 31.12.2020	AT 31.12.2021
ETSA	52	60
EMGRISA	63	77
TOTAL	115	137

Important events:

The measures imposed to reduce the public deficit and exercise budgetary control established in the General State Budget Law and implementing regulations for state-owned trading companies, which have been applied since 2012 up to and including 2021, continue to have a decisive effect on the company; in particular in the increase of temporary contracts at ENUSA.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance

7
Social
Performance

8
Environmental
Performance

9
Annexes



5 CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

The consolidated non-financial statement is incorporated as a separate report in accordance with the provisions of Law 11/2018, of 28 December, which amends the Commercial Code, the revised text of the Law on Capital Companies approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts, with regard to non-financial information and diversity.

6 ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2021 ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

BALANCE SHEET - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

THOUSANDS OF EUROS			
ASSETS	NOTES TO THE REPORT	31/12/2021	31/12/2020
A) NON-CURRENT ASSETS		86,752	90,518
I. Intangible fixed assets	6	29,895	32,013
3. Patents, licences, trademarks and other		286	396
5. Software applications		236	374
6. Other intangible fixed assets		29,373	31,243
II. Tangible fixed assets	5	34,432	35,145
1. Land and buildings		15,833	16,254
2. Technical installations, machinery, tools, furniture and other tangible fixed assets		17,629	18,274
3. Fixed assets in progress and advances		970	617
IV. Long-term investments in group and associated companies	8	5,353	5,353
1. Equity instruments		5,353	5,353
V. Long-term financial investments	8	5,794	4,296
1. Equity instruments		195	195
2. Financial derivatives		2,253	875
5. Other financial assets		3,346	3,226
VI. Deferred tax assets	11	11,278	13,711

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters



Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

THOUSANDS OF EUROS			
ASSETS	NOTES TO THE REPORT	31/12/2021	31/12/2020
B) CURRENT ASSETS		289,787	287,390
I. Non-Current assets held for sale	5, 18	-	3
II. Inventories	9	222,304	264,141
2. Raw materials and other supplies		202,630	237,471
3. Work in progress		4,983	8,687
4. Finished goods		9,486	13,879
6. Advances to suppliers		5,205	4,104
III. Trade and other receivables		19,797	16,439
1. Clients from sales and services	8	13,833	9,577
2. Clients, group and associated companies	8, 20	1,190	1,574
3. Sundry debtors	8	487	464
4. Debtors, group and associated companies	8, 20	1,651	2,720
5. Personnel	8	101	183
6. Current tax assets	11	1,851	1,213
7. Other receivables from Public Administrations	11	684	708
IV. Short-term investments in group and associated companies	8, 20	681	-
3. Other financial assets		681	-
V. Short-term financial investments	8	2,632	847
4. Derivatives		1,988	95
3. Loans to third parties		541	539
5. Other financial assets		103	213
VI. Short-term accruals		392	307
VII. Cash and other cash equivalents	8	43,981	5,653
1. Liquid assets		43,981	5,653
TOTAL ASSETS (A + B)		376,539	377,908

BALANCE SHEET - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

THOUSANDS OF EUROS

EQUITY AND LIABILITIES	NOTES TO THE REPORT	31/12/2021	31/12/2020
A) EQUITY		99,949	91,867
A.1) Shareholders' equity	8.3	97,979	94,310
I. Capital		60,102	60,102
1. Issued capital		60,102	60,102
III. Reserves		31,562	31,562
1. Legal and statutory		12,020	12,020
2. Other reserves		19,542	19,542
VI. Other partner contributions		62	46
VII. Result for the financial year		6,253	2,600
A.2) Adjustments for changes in value	8	1,659	(2,521)
II. Hedging operations		1,659	(2,521)
A.3) Grants, donations and bequests received	16	311	78
B) NON-CURRENT LIABILITIES		71,991	167,261
I. Long-term provisions	13	51,986	54,714
2. Environmental actions	14	36,063	37,040
3. Restructuring provisions		437	435
4. Other provisions		15,486	17,239
II. Long-term debts	8	16,529	109,165
2. Debts to credit institutions		13,929	105,643
4. Derivatives		1,654	2,797
5. Other financial liabilities		946	725

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

THOUSANDS OF EUROS			
EQUITY AND LIABILITIES	NOTES TO THE REPORT	31/12/2021	31/12/2020
III. Long-term debt with group and associated companies	8, 20	1,919	2,666
IV. Deferred tax liabilities	11	1,557	716
C) CURRENT LIABILITIES		204,599	118,780
II. Short-term provisions	13, 14	6,018	5,422
III. Short-term debts	8	139,825	50,979
2. Debts to credit institutions		136,857	46,782
4. Derivatives		610	1,788
5. Other financial liabilities		2,358	2,409
IV. Short-term debt with group and associated companies	20	1,113	725
V. Trade creditors and other payables		57,271	61,591
1. Suppliers	8	10,281	10,098
2. Suppliers, group and associated companies	8, 20	2,328	2,243
3. Sundry creditors	8	8,104	3,507
4. Personnel (outstanding salaries)		1,918	1,686
6. Other debts to Public Administrations	11	2,387	2,694
7. Customer advances	8	32,253	41,363
VI. Short-term accruals		372	63
TOTAL EQUITY AND LIABILITIES (A + B + C)		376,539	377,908

PROFIT AND LOSS ACCOUNT - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

THOUSANDS OF EUROS

	NOTES TO THE REPORT	31/12/2021	31/12/2020
A) CONTINUING OPERATIONS			
1. Net turnover	12	289,572	226,562
a) Sales		259,738	198,941
b) Rendering of services		29,834	27,621
2. Changes in inventories of finished goods and work in progress		(8,098)	67
3. WORK CARRIED OUT BY THE COMPANY FOR ITS ASSETS		-	89
4. Procurement		(214,220)	(164,727)
b) Use of raw materials and other consumables	12	(188,020)	(142,931)
c) Work carried out by other companies		(26,200)	(21,796)
5. Other operating income		3,195	2,951
a) Ancillary and other current operating revenue		3,004	2,917
b) Operating grants included in the result for the financial year	16	191	34
6. Personnel expenses		(36,643)	(36,110)
a) Wages, salaries and similar		(27,660)	(27,247)
b) Social charges	12	(8,983)	(8,863)
7. Other operating expenses		(19,445)	(17,626)
a) External services	12	(17,922)	(15,567)
b) Taxes		(1,732)	(1,298)
c) Losses, impairment and changes in provisions for trading operations	8.1.1	292	(679)
d) Other current administrative expenses		(83)	(82)
8. Depreciation of fixed assets	5, 6	(6,874)	(6,859)
10. Excess provisions	13	158	3,444
11. Impairment and gains on disposal of fixed assets		(334)	928
b) Financial outcome on disposals and other		(334)	928

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

	NOTES TO THE REPORT	31/12/2021	31/12/2020
THOUSANDS OF EUROS			
12. Other operating results	12	(33)	(4,663)
a) Exceptional expenses		(514)	(4,764)
b) Exceptional income		481	101
A.1) OPERATING INCOME (1+2+4+5+6+7+8+10+11+12)		7,278	4,056
13. Financial income		2,170	1,813
a) Of holdings in equity instruments	8	1,939	1,556
a.1. In group and associated companies		1,939	1,556
b) Marketable securities and other financial instruments		231	257
b.1. From group and associated companies		225	235
b.2. From third parties		6	22
14. Financial costs		(1,822)	(2,534)
a) Debts to group and associated companies		(9)	(12)
b) Debts owed to third parties		(1,742)	(1,941)
c) For updating provisions		(71)	(581)
15. Exchange differences	10	235	(468)
16. Impairment and gains on disposals of financial instruments	8	-	(72)
a) Impairments and losses		-	(72)
17. Capitalisation of financial expenses	6	243	364
A.2) FINANCIAL RESULT (13+14+15+16+17)		826	(897)
A.3) PROFIT BEFORE TAX (A.1. + A.2.)		8,104	3,159
18. Income tax	11	(1,851)	(559)
A.4) PROFIT FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS (A.3. + 18.)		6,253	2,600
19. Profit for the financial year from discontinued operations, net of taxes		-	-
A.5) PROFIT FOR THE FINANCIAL YEAR (A.4. + 19.)		6,253	2,600

STATEMENT OF CHANGES IN EQUITY - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

THOUSANDS OF EUROS

	NOTES IN THE REPORT	2021	2020
A) PROFIT AND LOSS ACCOUNT RESULT		6,253	2,600
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY			
II. From cash flow hedges	8	5,497	(3,781)
III. Grants, donations and bequests received	16	455	-
V. Tax effect	11	(1,488)	945
B) TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II+III+IV+V)		4,464	(2,836)
TRANSFERS TO THE PROFIT AND LOSS ACCOUNT			
VII. From cash flow hedges	8	76	(339)
X. Grants, donations and bequests received	16	(144)	(10)
IX. Tax effect	11	17	87
C) TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (VII+VIII+IX)		(51)	(262)
TOTAL RECOGNISED INCOME AND EXPENSES (A+B+C)		10,666	(498)

STATEMENT OF CHANGES IN EQUITY - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

B) TOTAL STATEMENT OF CHANGES IN EQUITY

THOUSANDS OF EUROS

	ISSUED	RESERVES		OTHER PARTNER CONTRIBUTIONS	RESULT FOR THE FINANCIAL YEAR	ADJUSTMENTS FOR VALUE CHANGES	GRANTS	TOTAL
	Capital	Legal	Voluntary					
A. Balance as of 31 December 2019	60,102	12,020	19,542	33	4,162	570	85	96,514
I. Income and expenses	-	-	-	-	2,600	(3,091)	(7)	(498)
II. Transactions with partners or owners	-	-	-	13	(4,162)	-	-	(4,149)
4. Distribution of profits	-	-	-	-	(4,162)	-	-	(4,162)
7. Other transactions with partners or owners	-	-	-	13	-	-	-	13
B. Balance as of 31 December 2020	60,102	12,020	19,542	46	2,600	(2,521)	78	91,867
I. Income and expenses	-	-	-	-	6,253	4,180	233	10,666
II. Transactions with partners or owners	-	-	-	16	(2,600)	-	-	(2,584)
4. Distribution of profits	-	-	-	-	(2,600)	-	-	(2,600)
7. Other transactions with partners or owners	-	-	-	16	-	-	-	16
C. Balance as of 31 December 2021	60,102	12,020	19,542	62	6,253	1,659	311	99,949

CASH FLOW STATEMENT - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

	NOTES TO THE REPORT	THOUSANDS OF EUROS	
		2021	2020
A) CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax for the financial year		8,104	3,159
2. Adjustments to the result		7,547	9,008
a) Depreciation of fixed assets	5,6	6,874	6,859
b) Valuation adjustments for impairment		(256)	771
c) Changes in provisions		1,636	2,072
d) Allocation of grants		(145)	(10)
e) Financial outcome on retirements and disposals of fixed assets		334	(928)
g) Financial income		(2,170)	(1,814)
h) Financial costs		1,508	1,590
i) Exchange differences	10	(235)	468
j) Other income and expenses		1	-
3. Changes in working capital		35,549	(7,921)
a) Inventories		41,802	(8,503)
b) Debtors and other receivables		(2,374)	9,067
c) Other current assets		(87)	(25)
d) Creditors and other accounts payable		(4,101)	(8,441)
e) Other current liabilities		309	(19)

CONTINUED ON NEXT PAGE

		THOUSANDS OF EUROS	
	NOTES TO THE REPORT	2021	2020
4. Other cash flow from operating activities		(5,119)	(4,272)
a) Interest payable		(1,812)	(1,989)
b) Dividend receivable	8	1,258	1,556
c) Interest receivable		455	2
d) Income tax receivable (payable)		(686)	(819)
e) Other payables (receivable)	13	(4,334)	(3,022)
5. Cash flow from operating activities		46,081	(26)
B) CASH FLOW FROM INVESTING ACTIVITIES			
6. Investment payables		(4,258)	(3,400)
a) Group and associated companies		-	-
b) Intangible fixed assets		(356)	(166)
c) Tangible fixed assets		(3,357)	(2,675)
e) Other financial assets		(545)	(559)
7. Divestment receivables		523	2,052
a) Group and associated companies	8	-	-
c) Tangible fixed assets		2	-
b) Intangible fixed assets		-	1
e) Other financial assets		315	76
f) Non-Current assets held for sale		206	1,975
8. Cash flow from investing activities		(3,735)	(1,348)

CONTINUED ON NEXT PAGE

	THOUSANDS OF EUROS	
NOTES TO THE REPORT	2021	2020
C) CASH FLOW FROM FINANCING ACTIVITIES		
9. Equity instrument receivables and payables	207	13
a) Issuance of equity instruments	-	13
g) Grants, donations and bequests received	191	-
i) Partner contributions	16	-
10. Liability instrument receivables and payables	(1,625)	(28,885)
a) Emission	45,613	45,079
2. Debts to credit institutions	44,852	44,762
3. Debts to group and associated companies	367	291
4. Loans from the public sector	368	-
5. Other debts	26	26
b) Repayment and amortization	(47,238)	(73,964)
2. Debts to credit institutions	(46,463)	(73,185)
3. Debts to group and associated companies	(725)	(729)
4. Other debts	(50)	(50)
11. Dividends payable and remuneration relating to other equity instruments	(2,600)	(4,162)
a) Dividends	(2,600)	(4,162)
12. Cash flow from financing activities	(4,018)	(33,034)
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS	38,328	(34,408)
Cash or cash equivalent at beginning of year	5,653	40,061
Cash or cash equivalent at end of year	43,981	5,653

ANNUAL REPORT 2021

1. BUSINESS ACTIVITY
2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS
3. DISTRIBUTION OF PROFITS
4. RECORDING AND VALUATION STANDARDS
5. TANGIBLE FIXED ASSETS
6. INTANGIBLE FIXED ASSETS
7. LEASES AND OTHER TRANSACTIONS OF A SIMILAR NATURE
8. FINANCIAL INSTRUMENTS
9. STOCKS
10. FOREIGN CURRENCY
11. FISCAL SITUATION
12. INCOME AND EXPENSES
13. PROVISIONS AND CONTINGENCIES
14. ENVIRONMENTAL INFORMATION
15. LONG-TERM REMUNERATION TO PERSONNEL
16. GRANTS, DONATIONS AND BEQUESTS
17. JOINT VENTURES
18. NON-CURRENT ASSETS HELD FOR SALE
19. EVENTS AFTER YEAR-END
20. TRANSACTIONS WITH RELATED PARTIES
21. INFORMATION ON THE AVERAGE SUPPLIER PAYMENT PERIOD
22. SECURITIES AND GUARANTEES
23. OTHER INFORMATION



- 1
Letter from the Chairman
- 2
Good Governance
- 3
Main Economics Figures
- 4
ENUSA Group Estructure
- 5
Report Parameters
- 
Economic Performance
ENUSA ACCOUNTS
- 7
Social Performance
- 8
Environmental Performance
- 9
Annexes

1. BUSINESS ACTIVITY

ENUSA Industrias Avanzadas, S.A., S.M.E. (hereinafter ENUSA or the Company), was incorporated in Spain in 1972, for an indefinite period of time. The registered office is at calle Santiago Rusiñol, 12, Madrid.

The shareholders, as of 31 December 2021, are the Sociedad Estatal de Participaciones Industriales (SEPI), with 60% of the capital, and the Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT), with the remaining 40%.

The purpose of the Company is:

1. Research and exploitation of ores, production of concentrates and other uranium derivatives, enrichment of uranium, engineering and manufacturing of nuclear fuel assemblies and other components, products, equipment and processes for electricity generation, as well as the use, distribution and marketing of the products resulting from each of the aforementioned industrial phases and the provision of services related thereto or to radioactive materials.
2. The provision of chemical, physico-chemical and radiological analysis services, as well as issuing reports and opinions on environmental, energy and technological matters.
3. The execution and maintenance, on its own account or on behalf of others, of all types of civil works, buildings and facilities, including electrical and mechanical works, and including movements in and out of quarries, as well as the restoration of land, including land affected by radioactive materials.
4. The performance of technical studies and reports of any kind, including those relating to radioactive materials; the drafting of projects of any kind and the technical management and control of works of any kind, including nuclear or radioactive facilities.
5. Collection and treatment of urban and industrial waste, as well as water treatment.

The main activities carried out by ENUSA are as follows:

1. Industrial activities

- The engineering and manufacturing of nuclear fuel assemblies and other components. In order to carry out its manufacturing activity, ENUSA has had license agreements with the owners of the technologies since 1974, for which the corresponding royalties are paid. The licence agreement for the BWR boiling water reactors with Global Nuclear Fuel - Americas, General Electric Hitachi and GE Infrastructure Technology International was extended on 28 December 2018 to the end of December 2024. The licence agreement with Westinghouse Technology Licensing Company LLC and Westinghouse Electric Company LLC for the supply of products and services for pressurised water technology reactors, PWR reactors, was renewed in November 2017, effective 1 January 2017, and is also valid until 31 December 2024.
- Distribution and marketing of the products in each of the aforementioned industrial stages and the provision of services related thereto or to radioactive materials.

2. Uranium Procurement Activities

- Procurement and supply of uranium, as well as conversion and isotopic enrichment services, for the supply of enriched uranium for Spanish nuclear reactors.
- Management of stocks of natural and enriched uranium.

3. Other activities

- Provision of chemical, physico-chemical and radiological analysis services, as well as environmental, energy and technological reports.
- Restoration of land, dumps and old mines, as well as water treatment, and execution and conservation, on its own account and on behalf of others, of all types of civil works, buildings and facilities.
- Execution of studies, technical reports and projects related to its areas of activity.
- Provision, through its subsidiaries, of inspection and repair services for fuel assemblies, transport of radioactive material and explosives, manufacture and marketing of radioactive isotopes, restoration of land, execution and conservation of all types of civil works, buildings and facilities, including electrical and mechanical, and including movements in and out of quarries, as well as the management, recycling, reuse and treatment of industrial and hazardous waste, and recovery and decontamination of contaminated areas and soils.
- Execution works and service management, corresponding to the "Municipal Solid Waste Management Project of the Zone I Waste Plan of Castellón", through its participation as a partner in the UTE (joint venture) "ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.L.U. y A2A Ambiente S.p.A., Unión Temporal de Empresas" (hereinafter the UTE RSU).

Industrial activities are carried out in the fuel assembly factory in the Salamanca town of Juzbado since 1985.

This industrial centre manufactures PWR type fuel assemblies (for pressurised water nuclear power plants) and BWR type (for boiling water nuclear power plants).

ENUSA also leads pioneering environmental restoration projects in the areas where it operates or where it has undertaken its mining and industrial activity in the past (La Haba uranium concentrate mines in Badajoz and Saelices el Chico in Salamanca), with the resolute purpose of restoring these areas to their prior geological and environmental conditions.

ENUSA belongs to the consolidated group of the Sociedad Estatal de Participaciones Industriales (SEPI), which has no obligation to record its annual accounts in the Commercial Registry since it is not a commercial company. In accordance with the provisions of sections 2 and 3 of article 136 of the General Budgetary Law 47/2003, of November 26, the General Intervention Board of the State Administration (IGAE) will publish SEPI's consolidated annual accounts in the "Registry of annual accounts of the public sector" and the reference to said record in the BOE (Spanish Official Gazette) of July 31.

As described in note 8, the Company has interests in subsidiaries, jointly controlled entities and associates. As a result, the Company is the parent company of a group of companies in accordance with current legislation. The presentation of consolidated annual accounts is necessary, in accordance with generally accepted accounting principles and rules, to give a true and fair view of the financial position and the results of operations, changes in equity and cash flows of the Group.

On 7 March 2022, the Directors have prepared the consolidated annual accounts of ENUSA Industrias Avanzadas, S.A., S.M.E. and Subsidiaries for the financial year 2021, which show a consolidated profit attributable to the Parent Company of 8,031 thousand euros and consolidated equity of 123,837 thousand euros. These consolidated annual accounts will be duly filed with the Commercial Registry once they have been approved, in accordance with the legislation in force.

COVID-19

The current worldwide health crisis, a consequence of the pandemic caused by COVID-19 (Coronavirus), has been an exceptional situation that has affected society as a whole.

As regards ENUSA, the crisis has not had any significant effect on its activity and it has been able to maintain operations while complying with the usual quality standards, as well as the planned production rate, and scrupulously comply with the dates committed to with customers.

At the date of preparation of the annual accounts, the extension of the current healthcare crisis is not expected to have any significant impact on the continuation of this activity, and there are no doubts as to the company's compliance with the going concern principle, nor is there any impairment or indication of impairment in its assets.

In addition, the obligations that ENUSA, as a public company, is entrusted with in the service of citizens and the general interest and, especially and most importantly, in relation to public, individual and collective health, both for their employees and the public, have led to all appropriate measures being taken to ensure total health and safety, making the necessary investments in material and human resources and establishing the necessary protocols to eliminate any type of risk among the aforementioned actors (employees, customers, suppliers, etc.).

2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

2.1. Fair view

The annual accounts, comprising the balance sheet, the profit and loss account, the statement of changes in equity, the cash flow statement and the notes comprising notes 1 to 23, have been prepared on the basis of the accounting records of ENUSA and those of the consolidated joint ventures (UTEs). The annual accounts for 2021 have been prepared in accordance with current commercial legislation and with the rules established in the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, of 16 November 2007, and its amendments approved by Royal Decree 1159/2010, of 17 September, by Royal Decree 602/2016, of 2 December, and by Royal Decree 1/2021, of 12 January, as well as Order EHA/3362/2010, of 23 December, approving the Rules for the adaptation of the Spanish National Chart of Accounts to public infrastructure concession operators, in order to present a true and fair view of the equity and financial position at 31 December 2021 and of the results of its operations, changes in equity and cash flows for the year then ended.

It is expected that the annual accounts for the financial year 2021, which were authorised for issue on 7 March 2022, will be approved by the General Shareholders' Meeting without any changes.

2.2. Information comparison

The annual accounts present, for comparative purposes, in addition to the figures for the financial year 2021, the figures for the previous year, which formed part of the annual accounts for the financial year 2020 approved by the General Meeting of Shareholders on 28 June 2021, for each of the items in the balance sheet, profit and loss account, statement of changes in equity, cash flow statement and notes to the annual accounts.

Royal Decree 1/2021, of 12 January, has amended the NRV (Recording and Valuation Standard) 9 of financial instruments and the NRV 14 on income from sales of goods and services of the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November 2007. The Second and Third Transitional Provisions of said Royal Decree establish the transitional recording and valuation standards, to be applied on the date of first application, for financial instruments and the Fifth Transitional Provision, the transitional recording and valuation standards for income from sales of goods and services. Said provisions, as an exception to the general criterion established by NRV 22 of changes in accounting criteria, errors and accounting estimates, allow the comparative figures presented in these annual accounts not to be restated.

Therefore, to compare the figures, the impact of the first-time application of these amendments, which are detailed in note 2.7, must be taken into account.

2.3. Functional and presentation currency

The annual accounts are presented in thousands of euros, rounded off to the nearest thousand, which is the Company's functional and presentation currency.

2.4. Classification of current and non-current items

For the classification of current items, a maximum term of one year from the date of these annual accounts has been considered.

2.5. Grouping of items

Certain items in the balance sheet, profit and loss account, statement of changes in equity and cash flow statement are grouped together for ease of understanding, although, where material, the information is disclosed in the relevant notes to the annual accounts.

2.6. Critical aspects of uncertainty assessment and estimation

When preparing the Company's annual accounts, estimates have been made to determine the book value of certain assets, liabilities, income and expenses and the breakdowns of contingent liabilities. These estimates have been made on the basis of the best information available at year-end. However, given the inherent uncertainty, future events may make it necessary to amend these estimates in the coming years, which would be done prospectively, if necessary.

The key assumptions about the future, as well as other relevant information about the estimation uncertainty at the reporting date, that have a significant risk of causing a material change in the value of assets or liabilities within the next financial year are as follows:

Impairment of non-current assets (Notes 5 and 6)

The valuation of non-current assets, other than financial assets, requires estimates to be made in order to determine their recoverable value for the purpose of assessing possible impairment. To determine this recoverable value, the expected future cash flows of the assets or the cash-generating units they comprise are estimated and an appropriate discount rate is used to calculate the present value of those cash flows. Future cash flows depend on meeting budgets for the next five years, while discount rates depend on the interest rate and risk premium associated with each cash-generating unit.

Valuation of financial instruments (Note 8)

The Company uses financial derivatives as part of its strategy to reduce its exposure to foreign exchange and interest rate risk.

The hedging transactions carried out by the Company are classified as cash flow hedges and hedge the exposure to changes in future cash flows attributable to:

- Exchange rate risks on purchases or supplies and sales made in foreign currencies through forward currency purchase/sale transactions, thereby fixing a known exchange rate at a specific date (which may also be subject to subsequent revaluation for exact matching and application to the cash flows of the hedged item).
- Interest rate risks, by contracting swaps that allow part of the Company's financial costs referenced at a variable rate to be converted into a fixed rate.

Deferred tax assets (Note 11)

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits for which it is probable that the Company will have future taxable profits against which these assets can be utilised. Therefore, significant estimates have to be made to determine the amount of deferred tax assets that can be recognised, taking into account the amounts and timing of future taxable profits and the period for the reversal of taxable temporary differences and the application of deductions.

Provisions and contingencies (Note 13)

The Company records provisions for future liabilities, which require various assumptions and estimates to be made. In general, for all provisions recorded, the main estimates relate to the degree of certainty of future outflows directly related to the provision, the expected amounts of such outflows, as well as the dates on which they are expected to be incurred. In this regard, the Group re-estimates the value of the provisions at the end of each year taking into account the above and, in addition, all the information obtained during the year (new discount rates, new calculation elements, internal or third-party studies and reports, new technical information, etc.), as well as the experience acquired during the year. In addition, in the specific case of provisions arising from litigation in progress, the opinion of external advisors is also sought regarding the probability of occurrence of outflows, for the purpose of classifying the events as a provision or a future contingency.

Finally, there are no material uncertainties concerning events or conditions that may cast significant doubt on the ability of the company to continue as a going concern.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

2.7 Transition

The approval of Royal Decree 1/2021, of 12 January 2007, amended the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November 2007, and with it, the accounting treatment of various components of the annual accounts. In compliance with the provisions of the First Transitional Provision of the aforementioned Royal Decree, we include the following information regarding transition:

Financial instruments

The amendments introduced by Royal Decree 1/2021, of 12 January, come into force for all financial years beginning on or after 1 January 2021, including the new NRV 9 on financial instruments. The Second Transitional Provision of the aforementioned regulation establishes the rules on the date of first application of the regulation, essentially allowing for two transition models:

- Full retrospective, which involves the restatement of comparative figures in accordance with the provisions of the new NRV 22 "Changes in accounting policies, accounting errors and estimates", with a number of practical exemptions that simplify the adaptation of comparative figures to the new NRV 9 of the Spanish National Chart of Accounts.
- Simplified retrospective, which involves the introduction of an adjustment to the opening balances for the year in which the standard begins to be applied, without the need to restate comparative figures, and benefits from a number of practical simplifications that help to apply the standard at the date of adoption.

The Company has chosen to apply the simplified retrospective transition model.



Financial assets

The following is a reconciliation between the classification and valuation of financial assets at 1 January 2021 recorded under the old financial instrument NRV 9 of the Spanish National Chart of Accounts, and the classification and valuation of the same financial assets recorded under the new financial instruments standard (in thousands of euros):

	CURRENT FINANCIAL ASSETS			NON-CURRENT FINANCIAL ASSETS		
	31/12/20	Transition adjustment (without impact on Equity)	01/01/21	31/12/20	Transition adjustment (without impact on Equity)	01/01/21
Former categories NRV 9 SNCA:				Former categories NRV 9 SNCA:		
Loans and receivables	15,270	(15,270)	-	Loans and receivables	3,226	(3,226)
Cash and other cash equivalents	5,653	(5,653)	-	Available-for-sale financial assets	195	(195)
Hedging derivatives	95	(95)	-	Hedging derivatives	875	(875)
				Long-term investments in group and associated companies	5,353	(5,353)
New categories NRV 9 SNCA:				New categories NRV 9 SNCA:		
Financial assets at amortised cost	-	20,923	20,923	Financial assets at amortised cost	-	3,226
Financial assets at cost	-	-	-	Financial assets at cost	-	5,548
Hedging derivatives	-	95	95	Hedging derivatives	875	875
	21,018	-	21,018		9,649	-
						9,649

The Company has classified as financial assets at amortised cost all those assets that accrue cash flows in the form of principal and interest and for which, at the transition date, the Company had a business model in place to manage the collection of these cash flows. Within this category, the Company has classified all financial assets previously classified as loans and receivables, as well as cash and cash equivalents.

The Company has designated all financial assets included in the previous category of available-for-sale financial assets (measured at cost) as financial assets at cost, in accordance with the option permitted by the First Transitional Provision of Royal Decree 1/2021, of 12 January, on the date of first application of the new Financial Instruments NRV 9.

In addition, equity investments in group companies have been classified as financial assets at cost.

Financial liabilities

The following is a reconciliation between the classification and valuation of financial liabilities at 1 January 2021 recorded under the old financial instruments NRV 9 of the Spanish National Chart of Accounts and the classification and valuation of the same financial liabilities recorded under the new financial instruments standard (in thousands of euros):

	CURRENT FINANCIAL LIABILITIES			NON-CURRENT FINANCIAL LIABILITIES		
	31/12/20	Transition adjustment (without impact on Equity)	01/01/21	31/12/20	Transition adjustment (without impact on Equity)	01/01/21
Former categories NRV 9 SNCA:				Former categories NRV 9 SNCA:		
Debts and payables	108,813	(108,813)	-	Debts and payables	109,034	(109,034)
Hedging derivatives	1,788	(1,788)	-	Hedging derivatives	2,797	(2,797)
New categories NRV 9 SNCA:				New categories NRV 9 SNCA:		
Financial liabilities at amortised cost	-	108,813	108,813	Financial liabilities at amortised cost	-	109,034
Hedging derivatives	-	1,788	1,788	Hedging derivatives	-	2,797
	110,601	-	110,601	111,831	-	111,831

The Company has classified as financial liabilities at amortised cost all those liabilities that were previously classified as payables and receivables.

Hedge accounting

The Company, bearing in mind the provisions of the third transitional provision of Royal Decree 1/2021, of 12 January, has applied the following transition criteria for hedge accounting at the date of first application:

- For hedging relationships that met the requirements for hedge accounting under the previous wording of the Spanish National Chart of Accounts, and that also meet the requirements under the new wording, after taking into account any rebalancing of the hedging relationship at the time of transition, a continuation of the previous hedging relationship has been considered.

Clients from sales and services


The amendments introduced by Royal Decree 1/2021, of 12 January come into force for all years beginning on or after 1 January 2021, including the new NRV 14 "income from sales of goods and services". The Second Transitional Provision of the aforementioned regulation establishes the rules on the date of first application of the regulation, essentially allowing for two transition models:

- Complete retrospective, which involves the restatement of comparative figures in accordance with the provisions of the new NRV 22 "Changes in accounting policies, errors and accounting estimates" of the Spanish National Chart of Accounts, with a number of practical exemptions that simplify the adaptation of comparative figures to the new NRV 14 of that same Chart of Accounts.
- Simplified retrospective, which involves the introduction of an adjustment to the opening balances for the year in which the standard begins to be applied, without the need to restate comparative figures, and benefits from a number of practical simplifications that help to apply the standard at the date of adoption.
- Practical solution: as from the date of first adoption, only contracts with customers signed after that date will be subject to the criteria set out in the new NRV 14 "income from sales of goods and services".

The Company has chosen to apply the practical solution by applying the new criteria to all contracts signed as of 1 January 2021.

The Company has not detected that the application of the new criteria established by the new NRV 14 for "income from sales of goods and services" entails any adjustment with regard to the recording and valuation thereof and, therefore, there is no information to be provided under this heading relating to transition.



- 1
Letter from the Chairman
- 2
Good Governance
- 3
Main Economics Figures
- 4
ENUSA Group Estructure
- 5
Report Parameters
- 
Economic Performance
ENUSA ACCOUNTS
- 7
Social Performance
- 8
Environmental Performance
- 9
Annexes

3. DISTRIBUTION OF PROFITS

The Board of Directors shall propose to the General Shareholders' Meeting the approval of the distribution of the profit for 2021 as set out below:

EUROS	
DISTRIBUTABLE PROFIT	2021
Profit and loss account balance	6,252,919.23
TOTAL	6,252,919.23
DISTRIBUTION	
To dividends	6.252.919,23
TOTAL	6,252,919.23

The 2020 profit in the amount of € 2,600,196.23 was distributed in full as dividends at the General Shareholders' Meeting held on 28 June 2021.

Limitations on the distribution of profits and dividends

According to article 274 of the Law on Capital Companies, approved by Royal Legislative Decree 1/2010 of 2 July, companies are obliged to allocate 10% of the profits of each financial year to the Legal Reserve until it reaches at least 20% of the share capital. This reserve cannot be distributed to shareholders and may only be used to meet the debit balance of the profit and loss account if no other reserves are available.

4. RECORDING AND VALUATION STANDARDS

The main principles applied are the following:

4.1. Intangible Fixed Assets

Intangible fixed assets are stated at acquisition or production cost and are presented in the balance sheet at cost less accumulated amortisation and, where applicable, the accumulated amount of known impairment losses.

Expenses related to research activities are recorded as expenses in the profit and loss account as incurred. Development costs have been considered in full as expenses for the year as the conditions for their capitalisation have not been met.

Fixed assets relating to industrial property include the amount paid for the ownership or for the right to use or the concession to use the various forms of industrial property, where the contract stipulates that they must be inventoried by the Company, and are depreciated over a period not exceeding 5 years.

Intangible fixed assets in computer software have been acquired from third parties and amortised on a straight-line basis over a period not exceeding four years. Computer software maintenance costs are expensed as incurred.

Intangible fixed assets include the fixed assets corresponding to the assets subject to concession included in the Company's shareholding in the UTE RSU, in application of the provisions of Order EHA/3362/2010, of 23 December, approving the rules for the adaptation of the Spanish National Chart of Accounts to public infrastructure concession companies. The most significant aspects of this application are as follows:

◆ **Consideration received for construction or improvement services**

The consideration received by the concession company is recognised at the fair value of the service provided, in principle, equivalent to the cost plus construction margin, and the concession agreement is classified as an Intangible Fixed Asset. This Intangible Fixed Asset is amortised over the entire concession period (20 years), ending in December 2031.

◆ **Deferred financial costs of financing concession elements**

As the concession agreements have been classified as Intangible Fixed Assets, from the moment the infrastructure covered by the agreements is operational, the financial expenses incurred are capitalised and attributed to income in proportion to the income foreseen in the concession's Economic and Financial Plan. This proportion is applied to the total financial expenses foreseen during the concession period.

◆ **Actions on the infrastructure during the term of the agreement**

Certain future actions on the infrastructure covered by the agreements give rise to the recognition of certain provisions, some of which are recognised as an increase in the value of the Intangible Fixed Assets covered by the concession, as they are similar to provisions for dismantling or removal costs.


4.2. Tangible fixed assets

Tangible fixed assets are stated at acquisition or production cost and include the value of the legal revaluation applied in accordance with Royal Decree-Law 7/1996 of 7 June 1996 (see note 5), and are presented in the balance sheet at cost less accumulated depreciation and, where applicable, the accumulated amount of known impairment losses.

The cost of tangible fixed assets includes the estimate of the costs of dismantling or removal, as well as the rehabilitation of the site on which the Juzbado factory is located, foreseen from the financial year 2027, as they constitute obligations arising from their use and for purposes other than the production of stocks.

Advances and fixed assets under construction correspond to cash payments prior to the full entry into service for the Company of the fixed assets to which they relate. They are valued at the amount of the cash payment made until the time the fixed assets in question are received and brought fully into service, at which time they are reclassified to the corresponding tangible fixed asset account.

The cost of assets acquired or produced after 1 January 2008, which require more than one year to be ready for use, includes financial expenses accrued before the assets are ready for use and which meet the requirements for capitalisation.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

Depreciation of fixed assets is calculated on the book values in order to fully depreciate these values on a straight-line basis in annual instalments over the estimated useful lives of the assets.

The Company depreciates tangible fixed assets on a straight-line basis over the following years of estimated useful life, as follows:

Buildings	14 to 50 years
Technical installations, machinery, tools	4 to 15 years
Other facilities	8 to 20 years
Furniture and equipment for information processing	4 to 15 years
Other tangible fixed assets	6 to 10 years

Expenditure on the renewal, extension or improvement of tangible fixed assets when it does not lead to an increase in capacity, productivity or a lengthening of their useful life is expensed in the year in which it is incurred.

Improvements to items of tangible fixed assets that represent an increase in their capacity or efficiency or a lengthening of their useful lives are also included in the cost of acquisition.

The revaluation of fixed assets carried out in 1996 was calculated by applying coefficients based on the year of purchase and depreciation of the assets to the acquisition values or production cost and to the corresponding annual depreciation charges, which were considered to be a deductible expense for tax purposes, in accordance with the regulations governing these revaluation operations. The net revaluation thus obtained was reduced by 40% to take into account the financing circumstances of the items, as required by that standard.

Impairment losses correspond to the estimated amounts of reversible losses of tangible fixed assets at year-end.

4.3. Impairment of intangible and tangible fixed assets


An impairment loss occurs when the book value of an item of tangible fixed assets or intangible assets exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

For this purpose, at least at year-end, the Company assesses, by means of an impairment test, whether there are indications that any tangible or intangible assets with an indefinite useful life or, where appropriate, any cash-generating unit may be impaired, in which case the recoverable amount is estimated by making the corresponding valuation adjustments.

Impairment of tangible fixed assets is calculated on an individual basis. However, when it is not possible to determine the recoverable amount of each individual asset, the recoverable amount of the cash-generating unit to which each item of fixed assets belongs is determined.

If an impairment loss is to be recognised for a cash-generating unit to which all or part of goodwill has been allocated, the book value of the goodwill for that unit is first written down. If the impairment exceeds this amount, the other assets of the cash-generating unit are written down in proportion to their book value, up to the higher of the following: fair value less costs to sell, value in use and zero. The impairment loss must be recognised in profit or loss.

When an impairment loss subsequently reverses (which is not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased by the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. Such a reversal of an impairment loss is recognised as income in the profit and loss account.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

4.4. Financial instruments

4.4.1. Criteria for the classification and valuation of different financial instruments

Financial instruments are classified on initial recognition as a financial asset, financial liability or equity instrument in accordance with the underlying value of the contractual arrangement and the definitions of a financial asset, financial liability or equity instrument.

The Company classifies financial instruments into different categories on the basis of their characteristics and management's intentions at the time of initial recognition.

A financial asset and a financial liability are offset only when the Company has an enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments are classified, for the purpose of their valuation criteria, into the following categories:

Financial assets

The Company classifies its financial assets according to the business model applied to them and the cash flow characteristics of the instrument.

Specifically, the Company's financial assets are classified into the following categories:

Financial assets at amortised cost

These are financial assets to which the Company applies a business model that aims to receive cash flows from the performance of the contract, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding, even when the asset is admitted to trading on an organised market. They are therefore financial assets whose contractual terms give rise, on specified dates, to cash flows that are collections of principal and interest on the principal amount outstanding.

These correspond to receivables from commercial and non-commercial transactions, provided that the latter are not considered as financial derivatives and cannot be traded in an active market. This group includes balance sheet items relating to trade and other receivables (including receivables from staff), receivables from group companies and other long-term and short-term financial assets (deposits and guarantees). The balances payable by the Company to the tax authorities in respect of VAT and withholdings and payments on account are excluded as they are legal and not contractual in nature.

These assets are initially recognised at fair value which, unless there is evidence to the contrary, is the transaction price plus directly attributable transaction costs.

Notwithstanding the foregoing, trade receivables maturing within one year and which do not have a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting cash flows is not material, in which case they will continue to be valued subsequently at that amount, unless they are impaired.

Financial assets at amortised cost are subsequently valued at amortised cost and accrued interest is taken to the profit and loss account using the effective interest method.

At year-end, the Company makes the appropriate impairment adjustments whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, has become impaired as a result of one or more events occurring after initial recognition that lead to a reduction or delay in the collection of estimated future cash flows, which may be caused by the insolvency of the debtor.

Impairment losses are recognised on the basis of the difference between their carrying amount and the present value at year-end of the estimated future cash flows to be generated (including those from the realisation of collateral and/or personal guarantees), discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the Company uses the effective interest rate that, according to the contractual terms of the instrument, is applicable at year-end. These losses are recognised in the profit and loss account.

Financial assets at cost

The following financial assets are included in this category:

- Investments in group companies, jointly controlled entities and associates.
- Other investments in equity instruments whose fair value cannot be determined by reference to an active market, or cannot be reliably estimated, and derivatives that have such investments as their underlying assets.

They are initially recognised at the fair value of the consideration given, plus directly attributable transaction costs. Fees paid to legal counsel or other professionals involved in the acquisition of the asset are recognised as an expense in the profit and loss account. Internally generated expenses incurred in the acquisition of the asset are also not recognised as an increase in the value of the asset and are recorded in the profit and loss account. In the case of investments made before they qualify as equity investments in a group company, jointly controlled entity or associate, the carrying amount immediately before the asset qualifies as an equity investment is deemed to be the cost of that investment.

Equity instruments classified in this category are measured at cost less any accumulated impairment losses.

At least at year-end, the Company makes the necessary valuation adjustments whenever there is objective evidence that the carrying amount of an investment is not recoverable.

The amount of the valuation adjustment is calculated as the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of future cash flows arising from the investment. In the case of equity instruments, this is calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

The recognition of impairment losses and, where applicable, their reversal, shall be recorded as an expense or income, respectively, in the profit and loss account. The reversal of the impairment shall be limited to the book value of the investment that would have been recognised at the date of reversal had no impairment loss been recognised.

However, in cases where an investment has been made in the company prior to its classification as a group company, jointly controlled entity or associate, and valuation adjustments have been made and recognised directly in equity arising from that investment, those adjustments are retained after classification until the disposal or derecognition of the investment, at which time they are recognised in the income statement, or until the following circumstances occur:

- In the case of previous valuation adjustments due to asset revaluations, impairment losses are recognised in equity up to the amount of previously recognised revaluations and any excess is recognised in the profit and loss account. Impairment losses recognised directly in equity are not reversed.
- In the case of previous valuation adjustments due to losses, when the recoverable amount subsequently exceeds the book value of the investments, the latter is increased, up to the limit of the aforementioned loss, against the equity item that has reflected the previous valuation adjustments, and thereafter the new amount arising is treated as the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, accumulated losses are recognised directly in equity in the profit and loss account.

The valuation criteria for investments in the equity of group companies, associates and jointly controlled entities are detailed in the following section.

- Investments in the equity of group companies, jointly controlled entities and associates.

Group companies are those related to the Company by a controlling relationship and associates are those over which the Company exercises significant influence. In addition, the category of jointly controlled entities includes companies over which, by virtue of an agreement, joint control is exercised with one or more shareholders. These investments are initially valued at cost, which is the fair value of the consideration given plus directly attributable transaction costs. In those cases in which the Company has acquired holdings in group companies through a merger, spin-off or non-monetary contribution, if these give it control of a business, it values the holding in accordance with the criteria established in the specific rules for transactions with related parties, established by section 2 of NRV 21 on "Transactions between group companies". Consequently, they must be valued at the amounts they contributed to the consolidated annual accounts, prepared in accordance with the criteria established by the Commercial Code, of the group or major subgroup in which the acquired company, whose parent company is Spanish, is included. In the event of not having consolidated annual accounts, prepared in accordance with the principles established by the Commercial Code, in which the parent company is Spanish, they will be integrated at the amount contributed by these holdings to the individual annual accounts of the contributing company.

They are subsequently measured at cost less any accumulated impairment losses. These losses are calculated as the difference between the carrying amount and the recoverable amount, the latter being the higher of fair value less costs to sell and the present value of the expected future cash flows of the investment. Unless there is better evidence of the recoverable amount, the equity of the investee, adjusted for any unrealised gains existing at the measurement date, is taken into account.

In the case where the investee has an interest in another investee, the equity shown in the consolidated annual accounts is taken into account.

Changes in value due to impairment losses and, where applicable, their reversal are recorded as an expense or income, respectively, in the profit and loss account.

Financial liabilities

A financial liability is recognised in the balance sheet when the Company becomes an obligated party to the contract or legal transaction in accordance with its provisions. Specifically, financial instruments issued are classified, in whole or in part, as a financial liability, provided that, based on the economic substance of the instrument, it involves a direct or indirect contractual obligation for the Company to deliver cash or another financial asset or to exchange financial assets or financial liabilities with third parties on unfavourable terms.

Financial liabilities at amortised cost

These correspond to trade and non-trade payables, provided that the latter are not treated as financial derivatives. In particular, this item includes all balance sheet items relating to trade and other payables (including outstanding staff remuneration and advances received from customers, the latter due in the short term), long and short term bank borrowings and other non-remunerated long and short term payables. Balances payable by the Company to the tax authorities in respect of VAT and withholdings made during the year are excluded as they are of a legal rather than contractual nature.

They are initially recognised at fair value, less any transaction costs that are directly attributable to the issue.

Notwithstanding the foregoing, trade payables maturing within one year and not bearing a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are initially valued at their nominal value, provided that the effect of not discounting cash flows is not significant.

Subsequent to initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method.

4.4.2. Criteria used to record the derecognition of financial instruments

A financial asset is derecognised on the basis of the economic reality of the transactions and not just the legal form of the contracts that govern it. Specifically, a financial asset is derecognised when all or part of the contractual rights to the cash flows from such asset expire or are transferred, provided that substantially all the risks and rewards of ownership of that asset are transferred.

A financial liability is derecognised when the obligation is extinguished. The Company also derecognises own financial liabilities that it acquires (even if with the intention of selling them in the future).

When debt instruments are exchanged with a lender on substantially different terms, the original financial liability is derecognised and the new financial liability that arises is recognised. Similarly, a substantial change in the current terms of a financial liability is recorded.

The difference between the carrying amount of the financial liability, or part of it that has been derecognised, and the consideration paid, including attributable transaction costs, as well as any asset transferred other than cash or liability assumed, is recognised in profit or loss in the period in which it arises.

When there is an exchange of debt instruments that do not have substantially different terms, the original financial liability is not derecognised and the amount of fees paid is recorded as an adjustment to its carrying amount. The new amortised cost of the financial liability is determined by applying the effective interest rate, which is the rate that matches the carrying amount of such liability at the modification date with the cash flows payable under the new terms.



For these purposes, the terms of the contracts are deemed to be materially different when the lender is the same as the original lender and the present value of the cash flows of the new financial liability, including net fees, differs by at least 10% from the present value of the outstanding cash flows of the original financial liability, discounted at the effective interest rate of this original liability. In addition, in those cases in which the difference is less than 10%, the Company also considers that the conditions of the new financial instrument are substantially different when there are other types of substantial modifications of a qualitative nature, such as: a change from a fixed interest rate to a variable interest rate or vice versa, the restatement of the liability in a different currency, an ordinary loan that becomes a participating loan, etc.

4.4.3. Interest and dividends

Interest income and expenses are recognised using the effective interest method. Dividends from investments in equity instruments are recognised when the Company's rights to receive them have arisen. If the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they reduce the book value of the investment.

4.5. Accounting hedges

The Company uses financial derivatives as part of its strategy to reduce its exposure to foreign exchange and interest rate risk.

The hedging transactions carried out by the Company are classified as cash flow hedges and hedge the exposure to changes in future cash flows attributable to:

- Exchange rate risks on purchases or supplies and sales made in foreign currencies through forward currency purchase/sale transactions, thereby fixing a known exchange rate at a specific date (which may also be subject to subsequent revaluation for exact matching and application to the cash flows of the hedged item).
- Interest rate risks, by contracting swaps that allow part of the Company's financial costs referenced at a variable rate to be converted into a fixed rate.

In accordance with section 1 of the third transitional provision of Royal Decree 1/2021, of 12 January, amending the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, the Company has opted to continue applying the criteria established by the previous wording of the ninth recording and valuation standard for financial instruments in the area of hedge accounting. In accordance with the aforementioned standard, the Company has applied these criteria to all its hedging relationships.

The Company uses the following types of hedges, which are accounted for as described below:

- Cash flow hedges: These hedge the exposure to changes in cash flows that is attributable to a particular risk associated with recognised assets or liabilities or a highly probable transaction, provided that it can affect the profit and loss account. The portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and taken to the income statement in the same period in which the hedged transaction affects profit or loss. This occurs unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or liability, in which case the amounts recognised in equity are included in the cost of the asset or liability when it is acquired or assumed.

At the beginning of the hedging relationship, the Company formally designates said relationship between hedging instrument and hedged item, documenting it. This involves formalising the Company's objective for the hedging relationship and how this objective fits into the overall risk management strategy. In addition, the Company includes in this formal documentation the identification of the hedging instrument and the hedged item, the hedged risk and how it will measure the effectiveness of the hedging relationship.

The Company records such hedging relationships as such, only when:

- There is an economic relationship between the hedged item and the hedging instrument.
- The credit risk does not have a dominant effect on the changes in the value resulting from that economic relationship.
- The coverage ratio of the hedging relationship, understood as the amount of the hedged item divided by the amount of the hedging instrument, is the same as the coverage ratio used for management purposes. However, such designation must not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would result in hedge ineffectiveness, whether recognised or not, that would lead to an accounting result contrary to the purpose of hedge accounting.

The Company evaluates compliance with these requirements in the hedging relationship, at the beginning of the same and henceforth prospectively, at least at the end of the year or when relevant changes occur in it that may affect its effectiveness.

The Company performs a qualitative evaluation of the effectiveness by testing critical elements, to verify the possible causes of the hedge ineffectiveness, if any. When the result of this test shows that there are possible causes of hedge ineffectiveness, it uses a hypothetical derivative with conditions coinciding with those of the hedged item to evaluate the ineffectiveness of the hedging relationship from a quantitative point of view.

In conducting this quantitative test, the Company bears in mind the time value of money.

The Company only designates highly probable forecast transactions as hedged items.

The Company only designates derivative financial instruments as hedging instruments.

If, at a date subsequent to its designation as a hedging relationship, this relationship no longer meets the requirements indicated above, or ceases to be effective, it is adjusted by increasing or decreasing the notional amount of the hedging instrument or by increasing or decreasing the nominal amount of the hedged item, so that it remains effective prospectively (rebalancing). Once the rebalancing has been performed, the Company records as ineffective the part that remains outside the hedging relationship, once it has been redefined, recording the corresponding impact in the profit and loss account. The part of the hedging instrument and the hedged item that remain in the hedging relationship are recorded as such.

The Company discontinues the hedging relationship prospectively only when it ceases to meet the requirements or is ineffective even after performing the corresponding rebalancing. In this case, the Company records the ineffectiveness in the profit and loss account. In the case of cash flow hedges, the cumulative amount of recognised income and expense is not recognised in income until the forecast transaction takes place. Notwithstanding the foregoing, the cumulative amounts of recognised income and expenses are reclassified as financial income or expenses when the Company does not expect the forecast transaction to take place.

4.6. Stocks

Stocks are initially measured at acquisition or production cost.

Acquisition cost includes the amount invoiced by the seller after deducting any discounts, rebates or other similar items and interest incorporated in the nominal amount of the receivables, and adding any additional costs incurred until the goods are placed for sale and other costs directly attributable to the acquisition, as well as finance costs as set out below and indirect taxes not recoverable from the tax authorities.

The Company includes in the cost of procurement management stocks, which require more than one year to be ready for sale, the financial expenses related to specific or generic financing directly attributable to their acquisition.

Where financing has been specifically obtained, the amount of interest to be capitalised is determined on the basis of the financial charges accrued for the financing. The amount of interest to be capitalised for generic non-trade finance is determined by applying a weighted average interest rate to the investment in progress, net of the portion specifically financed and the portion financed with own funds, subject to the limit of the financial expenses accrued in the profit and loss account.

The production cost of stocks comprises the purchase price of raw materials and other consumables and the costs directly related to the units produced and a systematically calculated portion of indirect, variable or fixed costs incurred during their processing. The process of allocating fixed indirect costs is carried out on the basis of the lower of normal production capacity or actual production.

In particular, the cost of the most important headings is determined as follows:

- Raw and auxiliary materials corresponding to the procurement management stock: these include the cost of acquiring material and the financial burden associated with its financing, as set out in the uranium supply contract.
- Finished goods and work in progress: includes the cost of materials and assemblies that can be incorporated at acquisition cost, plus direct and indirect personnel expenses based on the number of hours charged, plus amortisation of production elements and other costs of the manufacturing process.

Advances to suppliers, made on account of orders, are valued at the nominal amount or, where applicable, at their equivalent value in euros, given the low financial effect.

The cost of raw materials and other supplies, the cost of goods and the cost of processing are allocated to the various units in stocks using the weighted average price method (for raw material stocks) or the FIFO method (for other stocks).

Some of the stocks, mainly some of those of procurement management, have a turnover of more than 12 months. However, the Company has been maintaining all its stocks within Current Assets, according to their production cycle.

The cost value of inventories is subject to a valuation adjustment when their cost exceeds their net realisable value. For these purposes, net realisable value means:

- For raw materials and other supplies, their replacement price. The Company does not recognise an impairment loss when it is expected that the finished products into which raw materials and other supplies are incorporated will be sold at or above production cost.
- For goods and finished products, their estimated selling price less costs to sell.
- For work in progress, the estimated selling price of the corresponding finished goods, less the estimated costs to complete their production and those associated with their sale.

A previously recognised impairment loss is reversed through profit or loss if the circumstances that caused the impairment no longer exist or when there is clear evidence of an increase in net realisable value as a result of changed economic circumstances. The reversal of the valuation adjustment is limited to the lower of the cost and the new net realisable value of the stocks.

4.7. Cash and other cash equivalents

This item includes cash on hand, bank current accounts and deposits and reverse repurchase agreements that meet all of the following requirements:

- They are convertible into cash.
- At the time of acquisition, their maturity was no more than three months.
- They are not subject to a significant risk of change in value.
- They form part of the Company's normal cash management policy.

For the purposes of the cash flow statement, occasional overdrafts that form part of the Company's cash management are included as less cash and cash equivalents.

This heading does not include the so-called "Intersepi" investments (see note 20).

4.8. Foreign currency transactions

Foreign currency transactions carried out by the Company mainly relate to assets and liabilities defined as monetary items. These are initially valued at the exchange rate at the date of the transactions. The balance sheet balances for these items are adjusted at year-end on the basis of the exchange rate prevailing at that date.

Exchange gains and losses arising in this process, as well as those arising on settlement of these assets and liabilities, are recognised in the profit and loss account in the year in which they arise.

4.9. Income tax

The income tax expense for the year is calculated as the sum of the current tax, which is the result of applying the corresponding tax rate to the taxable profit for the year less any existing tax credits and deductions, and the changes during the year in the deferred tax assets and liabilities recognised. It is recognised in the profit and loss account, except when it relates to transactions that are recognised directly in equity, in which case the related tax is also recognised in equity.

Deferred taxes are recorded for temporary differences existing at the balance sheet date between the tax base of assets and liabilities and their book values. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included under “Deferred tax assets” and “Deferred tax liabilities” in the balance sheet.

The Company recognises a deferred tax liability for all taxable temporary differences, except, where applicable, for the exceptions provided for in current regulations.

The Company recognises deferred tax assets for all deductible temporary differences, unused tax credits and tax loss carryforwards where it is probable that the Company will have future taxable profits against which these assets can be utilised, except, where applicable, for the exceptions provided for in current regulations.

The Company assesses recognised and previously unrecognised deferred tax assets at the end of each period. Based on this assessment, the Company derecognises a previously recognised asset if its recovery is no longer probable or is expected to take longer than 10 years, or derecognises any previously unrecognised deferred tax asset if it is probable that future taxable profit will be available against which it can be utilised.

Deferred tax assets and liabilities are valued at the tax rates expected at the time of their reversal, in accordance with the approved regulations in force, and in accordance with the manner in which the deferred tax asset or liability is reasonably expected to be recovered or paid.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, regardless of the expected date of realisation or settlement.

4.10. Expenses

Expenses are recognised on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Expenses are valued at the fair value of the consideration received, net of discounts and taxes.

4.11. Income from sales of goods and services

The Company structures its activity in the following areas.

- **Nuclear area:** The Company focuses its core business on the first part of the fuel cycle, which it markets both domestically and internationally. This area includes the following activities:
 - Supply of uranium: ENUSA supplies enriched uranium to the electricity companies that own the Spanish nuclear power plants. It manages the purchase of uranium, conversion and enrichment services and the logistics of uranium movements from its source to the delivery of enriched uranium to the fuel mills. The operations described above, which ENUSA carries out on its own account, involve the management and control of the uranium stock in all its phases, until the final product (enriched uranium) is made available to the customer.
 - Design and engineering: The Company is involved in the mechanical, thermo-mechanical, nuclear and thermal-hydraulic design of nuclear fuel. It also carries out core design and reload safety analyses at the request of its clients.
 - Manufacturing: The manufacture and supply of fuel assemblies for pressurised water reactor (PWR) and boiling water reactor (BWR) nuclear power plants is carried out from the Juzbado facility (Salamanca).
 - Plant services: This corresponds to engineering services in all matters relating to the management and optimisation of fuel use in the reactor and fuel services in inspection, repair, fresh and irradiation material management activities, acting as support for the nuclear power plants.

◆ **Environmental area:** This area includes the following activities:

- Environmental management projects: all types of subsoil contamination investigation studies, decontamination actions, feasibility studies, basic and detailed engineering for the treatment of waste, contaminated soil and water and sites with radiological impact.
- Solid urban waste management: activity carried out through participation as a partner in the UTE RSU.

In determining whether revenue should be recognised, the Company follows a five-step process:

1. Identification of the contract with a customer.
2. Identification of performance obligations.
3. Determination of the transaction price.
4. Allocation of the transaction price to performance obligations.
5. Revenue recognition when performance obligations are met.

In all cases, the total transaction price of a contract is allocated among the various performance obligations on the basis of their relative independent sales prices. The transaction price of a contract excludes any amounts charged on behalf of third parties.

Revenue is recognised at a point in time or over time when the Company satisfies performance obligations by transferring promised goods or services to its customers.

Sales income

Supply of Uranium

ENUSA manages the supply of enriched uranium to the electricity companies that own the Spanish nuclear power plants. This activity is carried out by contracting the purchase of uranium concentrates and the necessary conversion and enrichment services, for subsequent sale to its customers.

Supply of fuel assemblies

ENUSA manufactures fuel for nuclear power plants through a process consisting of pressing and sintering enriched uranium for its conversion into ceramic pellets, inserting these into a metal rod (with sealing), and subsequently grouping them in a frame, together with other structural elements, finally forming what is called a fuel assembly.

In both cases, the Company recognises the revenue at the time that control of the asset supplied has been transferred, with express acceptance by the customer of the transfer of ownership, whereupon it assumes the risks and rewards of the transferred asset.

Furthermore, in both cases, the Company usually finances part of these activities through advance billing to the customer. There is no financial component to be deducted from the price in this type of contract.

Rendering of services

For services provided by the Company (both nuclear and environmental), revenue is recognised over time, to the extent that the Company provides a tailored, customer-specific service and has the right to charge for the work performed for the latter. In some contracts these include several separate obligations, which are clearly identifiable and the transaction price for each can be allocated separately. In such cases, the Company recognises revenue on the basis of the individual fulfilment of each performance obligation.

In the case of income from solid urban waste management services, carried out through the UTE RSU, this is obtained as a result of the concession agreement relating to the execution works and management of the service corresponding to the "Solid urban waste management project of the Zonal Waste Plan for Zone I of Castellón". According to said agreement, revenue is generated through the invoicing of a unit fee per tonne of waste treated. In addition, this unitary fee is revised at the end of each financial year according to the total tonnes actually treated and the financial cost borne according to the interest rate of the financing of the UTE RSU, and is additionally revised according to the evolution of the CPI and certain national group indexes.

4.12. Provisions and contingencies

Provisions are recognised when the Company has a present obligation, whether legal, contractual, constructive or tacit, as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amounts recognised in the balance sheet are the best estimate at the reporting date of the outflows required to settle the present obligation after taking into account the risks and uncertainties related to the provision and, where material, the financial effect of discounting, provided that the outflows to be made each period can be reliably determined. The discount rate is determined on a pre-tax basis, taking into account the time value of money as well as specific risks that have not been considered in the future flows related to the provision.

The financial effect of provisions is recognised as financial expenses in the profit and loss account.

Provisions are reversed through profit or loss when it is not probable that an outflow of resources will be required to settle the obligation.

Provisions for restructuring

Provisions related to restructuring processes are recognised when a detailed formal plan exists and a valid expectation has been generated among the affected staff that employment will be terminated, either because implementation of the plan has begun or because the main features of the plan have been announced.

Provisions for restructuring only include outlays directly related to restructuring that are not associated with the Company's continuing operations.

Provisions for decommissioning, restoration and similar activities

The provisions referred to in this section are recognised in accordance with the general criteria for the recognition of provisions and are recorded as an increase in the cost of the tangible fixed assets to which they relate when they arise from the acquisition or construction of those assets, provided that the asset to which they relate has not reached the end of its useful life (see section 4.2).

Changes in the provision resulting from changes in the amount or timing of outflows, or in the discount rate used to determine its present value, increase or decrease the cost value of fixed assets up to the limit of their book value, with the excess being recognised in the profit and loss account.

Changes in the amount of the provision that have become apparent after the end of the useful life of the fixed asset are recognised in the profit and loss account as they occur.

The Company has been making the necessary provisions to cover the costs of restoring the Natural Area caused by mining activities, in accordance with the provisions of Royal Decree 975/2009, of 12 June, and to cover the costs of shutting down and decommissioning the industrial facilities in Juzbado and the mining facilities in Saelices el Chico.

The provisions for the restoration of mining facilities include the estimated income from ENRESA for its contribution to the aforementioned restoration projects, in accordance with the agreements reached between the parties.

Other provisions are also included to cover probable or certain liabilities arising from business risks and expenses, the occurrence of which is certain or probable but uncertain as to their exact amount or as to the date on which they will arise.

Provisions for other liabilities

These correspond to non-financial liabilities arising from obligations, mainly arising from ongoing litigation, indemnities or other obligations under guarantees and similar collateral provided by the Company.

The event giving rise to the obligation under a claim is the event on which the claim is based, not the receipt of the claim itself. In this regard, the Company, based on the evolution of the event and the opinion of the lawyers assigned to monitor it, periodically assesses the risk of a definitive outflow of resources and, therefore, its classification as a provision or, alternatively, as a contingent liability.

4.13. Environmental assets

The Company carries out operations whose main purpose is to prevent, reduce or repair the damage that may be caused to the environment as a result of its activities. These activities are currently focused on the restoration and decommissioning of the Saelices mining facilities and the future dismantling costs of the Juzbado fuel assembly factory.

Expenses arising from environmental activities are recognised as other operating expenses under “environmental expenses” in the year in which they are incurred.

Those items that are likely to be incorporated into the Company’s assets for long-term use in its business activities and whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution from the Company’s operations, are recognised as tangible fixed assets, in accordance with the measurement criteria indicated in note 4.2 of these notes to the annual accounts.

The Company also makes provisions for environmental measures. These provisions are made on the basis of the best estimate of the expenditure required to settle the obligation, discounting the flow of future payments at the year-end date. Compensation receivable, if any, by the Company related to the source of the environmental obligation is recognised as a receivable on the assets side of the balance sheet, provided that there are no doubts that the reimbursement will be received, up to the amount of the obligation recognised.

4.14. Personnel costs

In accordance with current labour legislation, the Company is obliged to pay severance to employees whose employment relationships are terminated under certain conditions. Severance payments that can be reasonably quantified are recognised as an expense for the year in which there is a valid expectation created by the Company vis-à-vis the affected third parties.

The Company recognises the expected cost of short-term employee benefits in the form of paid leave, the entitlement to which is accrued as employees perform the services that entitle them to the benefits. The Company also recognises the expected cost of variable employee benefits when there is a legal or constructive present obligation as a result of past events and a reliable estimate can be made of the value of the obligation.

4.15. Grants

Grants, donations and bequests are recognised as income and expenses recognised in equity when they are formally awarded, the conditions for their award have been met and there are no reasonable doubts as to whether they will be received.

Grants received to finance specific expenses are taken to income in the year in which they are granted, as they relate to expenses incurred in the same year.

4.16. Business combinations

Mergers, spin-offs and non-monetary contributions of a business between group companies are accounted for in accordance with the requirements for related party transactions.

4.17. Joint ventures

Joint ventures are those in which there is an agreement in the by-laws or in a contract to share control over an economic activity, such that strategic financial and operating decisions relating to the activity require the unanimous consent of the Company and the other stakeholders.

For jointly controlled operations and assets, the Company records in the annual accounts the assets under its control, the liabilities it has incurred and its proportionate share, based on its percentage ownership of the jointly controlled assets and jointly incurred liabilities, as well as the share of revenues from the sale of goods or services and the expenses incurred by the joint venture. The statement of changes in equity and the cash flow statement also include the Company's proportionate share of the agreements reached.

The Company carries out certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The information related to these UTEs is presented in note 17.

4.18. Transactions with group companies

Transactions between group companies are recognised at the fair value of the consideration given or received. The difference between this value and the agreed amount is recorded in accordance with the underlying economic substance.

4.19. Non-Current assets held for sale

The heading "Non-current assets for sale" in the balance sheet includes assets whose book value is to be recovered primarily through a sale transaction rather than through continued use. To classify non-current assets or disposal groups as held for sale, they must be available for immediate disposal in their present condition, subject only to terms that are usual and customary for sales transactions, and derecognition of the asset must be considered highly probable.

Non-current assets or disposal groups classified as held for sale are not amortised and are measured at the lower of book value and fair value less costs to sell.

There are no liabilities associated with "Non-current assets held for sale".

4.20. Leases

The Company has the right to use certain assets under lease agreements.

Lease contracts which, at inception, transfer substantially all the risks and rewards incidental to ownership of the assets to the Company are classified as finance leases, otherwise they are classified as operating leases.

Lease payments under operating leases, net of incentives received, are recognised as an expense on a straight-line basis over the lease term unless another systematic basis of allocation is more representative of the time pattern of lease benefits.

4.21. Classification of assets and liabilities into current and non-current

The Company presents the balance sheet with assets and liabilities classified as current and non-current. For these purposes, current assets or liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realised or intended for sale or consumption in the Company's normal operating cycle, are held primarily for the purpose of trading, are expected to be realised within twelve months after the reporting date or are cash or cash equivalents, except where they cannot be exchanged or used to settle a liability for at least twelve months after the reporting date.
- Liabilities are classified as current when they are expected to be settled in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting date or the Company does not have an unconditional right to defer settlement of the liabilities for twelve months after the reporting date.
- Financial liabilities are classified as current when they are due to be settled within twelve months after the reporting date even if the original term is for a period longer than twelve months and there is an agreement to refinance or restructure long-term payments that was concluded after the reporting date and before the annual accounts are finalised.

4.22. Cash flow statement

The cash flow statement has been prepared using the indirect method and uses the following expressions with the meanings set out below:

- Operating activities: activities that constitute the company's ordinary income, as well as other activities that cannot be classified as investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not part of operating activities.

5. TANGIBLE FIXED ASSETS

The analysis and composition of the balance sheet items included under this heading in 2021 and 2020 is as follows:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS			
Concept	Balance at 31/12/2020	Inflows	Outflows	Transfers or lease-backs	Balance at 31/12/2021
COST					
Land and natural assets	3,374	-	-	-	3,374
Buildings	65,508	41	-	-	65,549
Technical facilities, machinery and tools	74,065	762	(2)	313	75,138
Other facilities	27,877	556	-	258	28,691
Furniture and equipment for information processing	9,795	392	(6)	-	10,181
Other tangible fixed assets	14,350	745	(21)	210	15,284
Advances and work in progress	617	1,134	-	(781)	970
TOTAL	195,586	3,630	(29)	-	199,187
DEPRECIATION					
Buildings	(51,780)	(462)	-	-	(52,242)
Technical facilities, machinery and tools	(63,334)	(1,865)	2	-	(65,197)
Other facilities	(22,284)	(1,182)	-	-	(23,466)
Furniture and equipment for information processing	(8,967)	(264)	3	-	(9,228)
Other tangible fixed assets	(11,286)	(568)	22	-	(11,832)
TOTAL	(157,651)	(4,341)	27	-	(161,965)
VALUATION ADJUSTMENTS FOR IMPAIRMENT					
Land and buildings	(848)	-	-	-	(848)
Technical facilities and other tangible fixed assets	(1,942)	-	-	-	(1,942)
TOTAL	(2,790)	-	-	-	(2,790)
TANGIBLE FIXED ASSETS	35,145	(711)	(2)	-	34,432

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

Concept	Balance at 31/12/2019	Inflows	Outflows	Others	Transfers or lease-backs	Balance at 31/12/2020
COST						
Land and natural assets	3,377	-	-	-	(3)	3,374
Buildings	65,252	13	-	-	243	65,508
Technical facilities, machinery and tools	72,928	729	(4)	-	412	74,065
Other facilities	27,187	328	(16)	-	378	27,877
Furniture and equipment for information processing	9,608	200	(17)	-	4	9,795
Other tangible fixed assets	14,295	450	-	(422)	27	14,350
Advances and work in progress	427	1,067	-	-	(877)	617
TOTAL	193,074	2,787	(37)	(422)	184	195,586
DEPRECIATION						
Buildings	(51,278)	(467)	(1)	-	(34)	(51,780)
Technical facilities, machinery and tools	(61,364)	(1,974)	4	-	-	(63,334)
Other facilities	(21,107)	(1,169)	16	-	(24)	(22,284)
Furniture and equipment for information processing	(8,749)	(233)	15	-	-	(8,967)
Other tangible fixed assets	(11,045)	(494)	-	253	-	(11,286)
TOTAL	(153,543)	(4,337)	34	253	(58)	(157,651)
VALUATION ADJUSTMENTS FOR IMPAIRMENT						
Land and buildings	(848)	-	-	-	-	(848)
Technical facilities and other tangible fixed assets	(1,942)	-	-	-	-	(1,942)
TOTAL	(2,790)	-	-	-	-	(2,790)
TANGIBLE FIXED ASSETS	36,741	(1,550)	(3)	(169)	126	35,145

No impairment losses were recognised in 2021 and 2020.

The most significant investments made by the Company in 2021, amounting to 3,630 thousand euros, corresponded to the internal dosimetry laboratory building and its equipment, fitting out the fencing, installation of a spike tool under the balcony, improvements to the fire extinguishing system, rectifier cabin and tank, profilometers for bar inspection and adaptation of the ventilation and air-conditioning system.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

The most significant investments made by the Company in 2020, amounting to 2,787 thousand euros, corresponded to the upgrade of ultrasound equipment, rectifier cabin and tank, the acquisition of the new passive scanner, expansion of the treatment of cutting water, containers for transporting PWR elements, improvements to the gamma scanner for irradiated fuel, upgrade of profiling equipment and PWR channels and adaptation of the ventilation and air-conditioning air system.

The accounting movements of the revaluation of assets, carried out in accordance with Royal Decree Law 7/1996, dated 7 June, in financial years 2021 and 2020, were as follows:

THOUSANDS OF EUROS

CONCEPT	BALANCE AT 31/12/2019	INFLOWS	OUTFLOWS	BALANCE AT 31/12/2020	INFLOWS	OUTFLOWS	BALANCE AT 31/12/2021
COST							
Buildings	6,120	-	-	6,120	-	-	6,120
Technical facilities, machinery and tools	892	-	-	892	-	-	892
TOTAL	7,012	-	-	7,012	-	-	7,012
DEPRECIATION							
Buildings	(5,550)	(5)	-	(5,555)	(5)	-	(5,560)
Technical facilities, machinery and tools	(892)	-	-	(892)	-	-	(892)
TOTAL	(6,442)	(5)	-	(6,447)	(5)	-	(6,452)
TANGIBLE FIXED ASSETS	570	(5)	-	565	(5)	-	560

The depreciation of the revaluation of the various assets carried out in 1996 is expected to amount to approximately 3 thousand euros in 2022.

Tangible fixed assets not assigned to operations at 31 December 2021 and 2020 relate to land at the Saelices site adjacent to the mining operations, the net book value of which at 31 December 2021 and 2020, after taking into account the impairment loss of 848 thousand euros, amounts to 1,932 thousand euros.



The amount of fully depreciated tangible fixed assets in use as at 31 December 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Buildings	47,766	46,585
Technical installations, machinery, tools	56,605	53,765
Other facilities	18,701	17,018
Furniture and equipment for information processing	8,529	8,314
Other tangible fixed assets	8,488	8,964
	140,089	134,646

Firm investment commitments in the form of orders amount to approximately 1,944 thousand euros at 31 December 2021 (31 December 2020: 1,215 thousand euros).

The Company has formalised property risk insurance policies with coverage that guarantee the Company's assets and goods in their entirety, as well as any possible claims that may arise in the course of its business, and the Company considers that these policies sufficiently cover the risks to which they are subject.

6. INTANGIBLE FIXED ASSETS

The composition and movement of this heading in 2021 and 2020 are shown below:

FINANCIAL YEAR 2021							THOUSANDS OF EUROS
Concept	Balance at 31/12/2020	Inflows	Outflows	Others	Transfers or lease-backs	Balance at 31/12/2021	
COST							
Patents, licences, trademarks and other	2,791	-	-	-	-	2,791	
Software applications	6,510	79	-	-	25	6,614	
Advances and work in progress	-	36	-	-	(25)	11	
Concession agreements, regulated asset	42,423	352	(660)	33	-	42,148	
Concession agreements, financial activation	7,315	244	-	-	-	7,559	
TOTAL	59,039	711	(660)	33	-	59,123	
AMORTISATION							
Patents, licences, trademarks and other	(2,395)	(110)	-	-	-	(2,505)	
Software applications	(6,136)	(242)	-	-	-	(6,378)	
Concession agreements, regulated asset	(18,495)	(2,181)	331	-	-	(20,345)	
TOTAL	(27,026)	(2,533)	331	-	-	(29,228)	
INTANGIBLE FIXED ASSETS	32,013	(1,822)	(329)	33	-	29,895	

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

Concept	Balance at 31/12/2019	Inflows	Outflows	Others	Transfers or lease-backs	Balance at 31/12/2020
COST						
Patents, licences, trademarks and other	2,791	-	-	-	-	2,791
Software applications	6,342	87	-	-	81	6,510
Advances and work in progress	50	19	-	-	(69)	-
Concession agreements, regulated asset	42,586	31	(5)	(189)	-	42,423
Concession agreements, financial activation	6,952	363	-	-	-	7,315
TOTAL	58,721	500	(5)	(189)	12	59,039
AMORTISATION						
Patents, licences, trademarks and other	(2,284)	(111)	-	-	-	(2,395)
Software applications	(5,898)	(238)	-	-	-	(6,136)
Concession agreements, regulated asset	(16,399)	(2,173)	2	75	-	(18,495)
TOTAL	(24,581)	(2,522)	2	75	-	(27,026)
INTANGIBLE FIXED ASSETS	34,140	(2,022)	(3)	(114)	12	32,013

The heading "Patents, licences, trademarks and similar" includes the agreement relating to the acquisition from Tecnatom, S.A. of part of the technology developed by the company (together with ENUSA) for passive scanner equipment. Under the agreement, both parties undertake to take all necessary steps to register the ownership of the technology and the transfer. This agreement also allows the Company to participate in a significant percentage of future profits from joint sales of new equipment (with the technology incorporated) to third parties.

The entire investment included under the heading "Concession agreement, regulated assets" corresponds to reversible assets that will be delivered by the UTE RSU to the concession grantor at the end of the concession period, in accordance with the terms of the concession contract. The Company does not expect to incur any additional expenses to those already contemplated in the Economic and Financial Plan arising from the reversion at the end of the period.

The main elements of intangible fixed assets correspond to those related to the concession agreement that makes up the activity of the UTE RSU. Specifically, they correspond to different facilities for the treatment and management of solid municipal waste from the 49 municipalities that make up the Consortium for the Execution of the Zonal Waste Plan Forecasts for Zone 1 (Castellón) and which are geographically located in the northern part of the province of Castellón.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

The amount of financial expenses generated during the construction period and capitalised as an increase in the value of fixed assets at 31 December 2021 and 2020 amounts to 981 thousand euros and is included under the heading "Regulated asset concession agreement".

These assets also include estimated costs amounting to 2,605 thousand euros at 31 December 2021 and (2,585 thousand euros in 2020), corresponding to the obligation to seal and subsequently monitor the landfill of the waste treatment plant and other costs of 1,670 thousand euros at 31 December 2021 (1,658 thousand euros at 31 December 2020), corresponding to the future construction of additional landfill cells (see note 13). These amounts are included under the heading "Concession agreement, regulated assets".

The most significant changes in 2021 in Intangible Fixed Assets (Concession agreement, Regulated assets) correspond to the following (see note 13):

- Derecognition at a cost of 660 thousand euros, corresponding to the estimated value of fixed assets lost as a result of an incident at the facility's bulky goods plant. After the corresponding derecognition of the accumulated depreciation of this value (330 thousand euros), an accounting loss of 330 thousand euros is recognised under "Impairment and gains/losses on disposal of fixed assets".
- Additions amounting to 330 thousand euros, corresponding to the estimated value of the fixed assets incorporated into the bulky goods plant to replace the damaged assets.
- Additions amounting to 33 thousand euros, corresponding to those derived from the provision for the sealing and surveillance of the landfill and for the construction of cells (included under the heading "Others" in the movement table).

The most significant movements in 2020 relate to the reversal of the provision for the sealing and monitoring of the landfill and the construction of landfill cells, amounting to 114 thousand euros.

In addition, part of the financial expenses incurred in the year have been capitalised, once the operating period has begun, under the heading "Concession agreement, financial capitalisation", amounting to 244 thousand euros (363 thousand euros in 2020) leaving an accumulated balance at the end of the 2021 financial year of 7,559 thousand euros (7,314 thousand euros at the end of the 2020 financial year).

All figures relating to Intangible fixed assets corresponding to Concession Agreements, and indicated in previous paragraphs, are shown at the amount included in ENUSA's accounts, in accordance with its percentage shareholding in the UTE RSU (Note 17).

The amount of fully amortised intangible fixed assets in use as at 31 December 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Patents, licences, trademarks and similar	2,238	2,238
Software applications	6,044	5,673
	8,282	7,911

7. LEASES AND OTHER TRANSACTIONS OF A SIMILAR NATURE

7.1. Operating leases

The Company had assets under operating leases in 2021, accruing an operating lease expense of 159 thousand euros (126 thousand euros in 2020).

There are no expected future minimum payments on non-cancellable operating leases, as all leases are considered to be cancellable on an annual basis.

8. FINANCIAL INSTRUMENTS


8.1. Information on the relevance of financial instruments in the company's financial position and performance

8.1.1. Information related to the balance sheet

a) Categories of financial assets and liabilities

The carrying amounts at 31 December 2021 and 2020 of the Company's various financial assets and liabilities, based on their classification, are as follows:



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

a.1) Financial assets (except investments in the equity of group companies, jointly controlled entities and associates):

THOUSANDS OF EUROS

CLASSES	NON-CURRENT FINANCIAL ASSETS					CURRENT FINANCIAL ASSETS					TOTAL
	Credit, derivatives and others					Credit, derivatives and others					
	Asset Instruments	Loans to third parties	Derivatives	Other finan. assets	Total long term	Loans to third parties	Derivatives	Other finan. assets	Trade and other receivables	Total short term	
CATEGORIES	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Financial assets at amortised cost	-	5	-	3,341	3,346	541	-	44,765	17,262	62,568	128,482
Financial assets at cost	195	-	-	-	195	-	-	-	-	-	195
Hedging derivatives	-	-	2,253	-	2,253	-	1,988	-	-	1,988	4,241
TOTAL	195	5	2,253	3,341	5,794	541	1,988	44,765	17,262	64,556	132,918

THOUSANDS OF EUROS

FINANCIAL ASSET CATEGORIES	FINANCIAL ASSET CLASSES					TOTAL
	NON-CURRENT FINANCIAL ASSETS			CURRENT FINANCIAL ASSETS		
	Equity instruments	Credit, derivatives and others	Long term total	Credit, derivatives and others	Short term total	
	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Cash and cash equivalents	-	-	-	5,653	5,653	5,653
Loans and receivables	-	3,226	3,226	15,270	15,270	18,496
Available-for-sale assets						
- Valued at cost	195	-	195	-	-	195
Hedging derivatives	-	875	875	95	95	970
TOTAL	195	4,101	4,296	21,018	21,018	25,314

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance
ENUSA ACCOUNTS

7
Social Performance

8
Environmental Performance

9
Annexes

a.2) Financial liabilities:

THOUSANDS OF EUROS

CLASSES	NON-CURRENT FINANCIAL LIABILITIES					CURRENT FINANCIAL LIABILITIES						TOTAL
	Debts to institutions of credit	Derivatives		Other finan. liab. from public sector	Total long term	Debts to institutions of credit	Derivatives		Other finan. liab. from public sector	Trade payables and other acc. payable	Total short term	
		Derivatives	Other finan. liabilities				Derivatives	Other finan. liabilities				
CATEGORIES	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Fin. liab. at amortised cost or cost	13,929	-	12	2,853	16,794	136,857	-	2,211	147	55,997	195,212	212,006
Hedging derivatives	-	1,654	-	-	1,654	-	610	-	-	-	610	2,264
TOTAL	13,929	1,654	12	2,853	18,448	136,857	610	2,211	147	55,997	195,822	214,270

THOUSANDS OF EUROS

FINANCIAL LIABILITY CATEGORIES	FINANCIAL LIABILITY CLASSES						
	NON-CURRENT FINANCIAL LIABILITIES			NON-CURRENT FINANCIAL LIABILITIES			TOTAL
	Debts to credit institutions	Trade payables, derivatives and other	Long term total	Debts to credit institutions	Trade payables, derivatives and other	Short term total	
	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Debts and payables	105,643	3,391	109,034	46,782	62,031	108,813	217,847
Hedging derivatives	-	2,797	2,797	-	1,788	1,788	4,585
TOTAL	105,643	6,188	111,831	46,782	63,819	110,601	222,432

b) Classification by maturity

The detail, by maturity date, of financial assets and liabilities with fixed or determinable maturity at 31 December 2021 and 2020 is as follows (excluding equity instruments in Group companies, jointly controlled entities and associates):

FINANCIAL YEAR 2021								THOUSANDS OF EUROS								
Financial assets	Short term			Long term				Total long term								
	2022	2023	2024	2025	2026	Remaining										
Equity instruments (*)	-	-	-	-	-	195	195									
Derivatives	1,988	1,414	839	-	-	-	2,253									
Other receivables from third parties	541	5	-	-	-	-	5									
Other financial assets	784	-	-	-	-	3,341	3,341									
Trade and other receivables	17,262	-	-	-	-	-	-									
Cash and cash equivalents	43,981	-	-	-	-	-	-									
TOTAL	64,556	1,419	839	-	-	3,536	5,794									

(*) No specific maturity.

FINANCIAL YEAR 2021								THOUSANDS OF EUROS								
Financial liabilities	Short term			Long term				Total long term								
	2022	2023	2024	2025	2026	Remaining										
Loans to Group and Associated Companies (Note 20)	1,113	580	564	388	387	-	1,919									
Debts to credit institutions	136,857	1,883	2,142	2,361	2,610	4,933	13,929									
Derivatives	610	3	1	-	-	1,650	1,654									
Other financial liabilities	2,358	148	147	146	97	408	946									
Trade creditors and other payables	54,884	-	-	-	-	-	-									
TOTAL	195,822	2,614	2,854	2,895	3,094	6,991	18,448									

FINANCIAL YEAR 2020								THOUSANDS OF EUROS								
Financial assets	Short term			Long term				Total long term								
	2022	2023	2024	2025	2026	Remaining										
Equity instruments (*)	-	-	-	-	-	195	195									
Derivatives	95	234	381	260	-	-	875									
Other receivables from third parties	539	220	-	-	-	-	220									
Other financial assets	213	-	-	-	-	3,006	3,006									
Trade and other receivables	14,518	-	-	-	-	-	-									
Cash and cash equivalents	5,653	-	-	-	-	-	-									
TOTAL	21,018	454	381	260	-	3,201	4,296									

(*) No specific maturity.

FINANCIAL YEAR 2020								THOUSANDS OF EUROS								
Financial liabilities	Short term			Long term				Total long term								
	2021	2022	2023	2024	2025	Remaining										
Loans to Group and Associated Companies (Note 20)	725	737	177	175	-	1,577	2,666									
Debts to credit institutions	46,782	91,714	1,885	2,142	2,361	7,541	105,643									
Derivatives	1,788	164	164	-	-	2,469	2,797									
Other financial liabilities	2,409	86	120	120	118	281	725									
Trade creditors and other payables	58,897	-	-	-	-	-	-									
TOTAL	110,601	92,701	2,346	2,437	2,479	11,868	111,831									

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

The amount of both long-term and short-term bank borrowings relates mainly to loans granted to the Company by various credit institutions to finance supply management, which includes procurement stocks.

In addition, the amount corresponding to the financing related to the execution works and the management of the service, corresponding to the "Solid municipal waste management project of the Zonal Waste Plan of Zone I of Castellón", managed through the UTE RSU, has also been included. In 2010, the UTE RSU entered into a project finance contract with two financial institutions to finance the project. Its maximum limit is 33,000 thousand euros and the balance drawn down at 31 December 2021 (integrated in ENUSA's accounts at its percentage of shareholding in the UTE RSU) is 15,645 thousand euros (17,350 thousand euros at 31 December 2020). This financing includes among its clauses the need for the borrower to comply with certain financial ratios from the start of the project's operating period (2012). These ratios were met at the end of the current and previous year and are not expected to be breached in the next twelve months.

The current interest rates are market interest rates.

c) Financial assets at cost

These correspond to equity instruments in companies that are not considered to be group companies, jointly controlled entities or associates and which the Company does not expect to dispose of in the short term. As these equity instruments are not listed in an active market, they are carried at cost less any impairment. The carrying amounts of these financial assets at year-end 2020 and 2021 are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Cetramesa (*)	195	195
Sociedad Agraria de Transformación (UTE RSU shareholding) (**)	-	-
Compagnie Minière D'Akouta (COMINAK) (***)	-	-
	195	195

During the years 2021 and 2020, the Company did not receive any dividends from these companies.

(*) Cetramesa hold shares in turn, directly and indirectly, in the following companies:

% SHARE AS OF DECEMBER 31

	2021	2020
Cetramesa Carburantes, S.L.U.	100%	100%
Low Cost Carburantes, S.A.	30%	30%

(**) Shareholding with a cost of 73 thousand euros (integrated at the percentage of the UTE's shareholding in ENUSA), impaired at 100%.

(***) Minority interest in a uranium mine in Niger, with a cost of 1,379 thousand euros, 100% impaired. This mine ceased operation and began the process of decommissioning and restoring it and, once the decommissioning work had begun, the majority shareholder of COMINAK claimed amounts from the Company for these actions. Once evaluated internally and with external advisors, it is considered that there will be no outflow of future cash outflows of any kind.


d) Impairment losses

The movement analysis of the allowance accounts representing impairment losses arising from credit risk (mainly from customers and other debtors), for the financial year 2021 and 2020, is as follows:

THOUSANDS OF EUROS

Balance as of 1 January 2020	7,320
Endowments	698
Reversals and applications	-
Balance as of 31 December 2020	8,018
Endowments	-
Reversals and applications	(6,724)
Balance as of 31 December 2021	1,294

The reversals and uses made in the year amounting to 6,724 thousand euros (698 thousand euros of provision in 2020) come entirely from the amount reversed (292 thousand euros) and used (6,432 thousand euros) in the UTE RSU (integrated in ENUSA at its percentage of shareholding therein).

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

In the 2015 financial year, the fee corresponding to the financial years 2012 to 2014 was settled, due to the financial cost borne in those same years based on the financing interest rate of the UTE RSU, by issuing the corresponding invoices to the Consortium. Since that year, the corresponding invoices have been issued for this concept (or recorded as "invoices pending issue"), with these adjustments to the fee (as a consequence of the provisions of the Concession Agreement) being systematically rejected by the Consortium, due to disagreement with regard to the UTE's interpretation of the fee revision clause based on the latter's financing interest rate. In the event of non-payment by the Consortium when the receivables fell due, the corresponding provision for impairment of receivables was made for the total of the balances generated in this respect (a procedure which has been systematically carried out since then) and the appropriate claim for these amounts was made in the corresponding courts of law.

On April 1, 2021, the Contentious-Administrative Chamber of the Superior Court of Justice of the Valencian Community dismissed the appeal filed by the UTE against the ruling against it in previous courts. This ruling has become final as the UTE has decided not to file an appeal against it. Accordingly, the amount previously provisioned has been applied against existing receivables.

The positive amount recognised under "Losses, impairment and changes in provisions for trading operations" in the income statement in 2021 amounting to 292 thousand euros relates in full to the reversal of the impairment provision for trading operations of the joint venture (in 2020, 679 thousand euros was due to the movement in the impairment provision for the year of 698 thousand euros, less excess provisions for trading operations of 19 thousand euros).

8.1.2. Other information

a) Hedge accounting

At 31 December 2021 and 2020 the Company had entered into the following hedging derivative transactions:

- Interest rate swap designated as a hedging instrument for interest rate risk on financial liabilities at amortised cost (long-term bank borrowings).
- Foreign exchange purchase/sale transactions with various entities designated as a hedging instrument for the existing exchange rate risk on highly probable forecast transactions (payments to trade creditors).

All transactions meet the requirements of the hedge accounting recognition and measurement standards in particular, they have been formally designated as hedges and the effectiveness of the hedge has been verified.

The fair and notional values of derivatives designated as hedging instruments, separated by hedge class and in the periods in which the cash flows are expected to occur, are as follows:

FINANCIAL YEAR 2021	THOUSANDS OF CURRENCY					
	Thousands of euros	Notional amount				
	Fair Value as of 31/12/2021	2022	2023	2024	Remaining	Total
Assets						
Exchange insurance (2)	3,681	33,677	16,000	8,000	-	57,677
Exchange insurance (3)	560	2,158	1,500	1,500	-	5,158
Liabilities						
Interest rate swap (1)	2,258	-	-	-	12,702	12,702
Exchange insurance (4)	6	2,905	3,210	400	-	6,515

(1) Notional expressed in thousands of euros.
(2) Notional expressed in thousands of US dollars.
(3) Notional expressed in thousands of pound sterling.
(4) Other currencies.

FINANCIAL YEAR 2020	THOUSANDS OF CURRENCY					
	Thousands of euros	Notional amount				
	Fair Value as of 31/12/2020	2021	2022	2023	Remaining	Total
Assets						
Exchange insurance (2)	734	10,738	12,000	13,000	6,000	41,738
Exchange insurance (3)	236	1,500	2,416	1,500	1,500	6,916
Liabilities						
Interest rate swap (1)	3,131	-	-	-	14,127	14,127
Exchange insurance (4)	1,454	39,181	3,000	3,000	-	45,181

(1) Notional expressed in thousands of euros.
(2) Notional expressed in thousands of US dollars.
(3) Notional expressed in thousands of pound sterling.

The notional amount of the contracts entered into does not represent the actual risk assumed by the Company in relation to these instruments. The fair value of derivatives designated as hedging instruments is the sum of the future cash flows arising from the instrument, discounted at the valuation date.

In this regard, the Company uses commonly accepted methodology and the necessary market data to calculate fair value, also verifying that the fair value calculated for each transaction does not differ significantly from the market valuation provided by the entity with which it has entered into the corresponding transaction.

The fair value of these transactions, net of the tax effect, is recognised in equity under “Equity-Valuation adjustments-Cash flow hedges”, which is included in the Company’s equity.

The movement in “Equity - Valuation adjustments - Cash flow hedges” in 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Balance at December 31 of the previous year (Profits) / Losses	2,521	(570)
Amounts recognised in Net Equity due to changes in the fair value of hedging transactions	(5,497)	3,781
Amount charged to the profit and loss account from equity	(77)	340
- Turnover	16	-
- Procurement	590	877
- Other operating expenses	(18)	15
- Financial costs	(648)	(702)
- Advances	(17)	150
Tax effect	1,394	(1,030)
Balance as of December 31, current year (Profits) / Losses charged to equity	(1,659)	2,521

The classification of cash flow hedges by the periods in which the cash flows are expected to occur and the periods in which they are expected to affect the profit and loss account is detailed in Note 8.1.1.b.

b) Fair Value

The carrying amounts of financial assets and financial liabilities at their amortised cost for both trading and non-trading operations are an acceptable approximation of their fair value.

In the case of hedging derivative financial instruments, detailed in Note a) above, the Company uses the following hierarchy to determine the fair value of derivative financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: other techniques in which all the variables that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use variables that are not based on observable market data for the calculation of the fair value recorded.

Both interest rate swaps and forward foreign exchange contracts are valued using valuation techniques that employ the use of market observables such as exchange rates and interest rate curves. Therefore, the fair value of derivative financial instruments is measured on a level 2 basis.

c) Holdings in group companies, jointly controlled entities and associates

Holdings in group companies in 2021 and 2020 correspond to the following companies in which ENUSA holds the majority of the voting rights:

NAME	ADDRESS	COMPANY ACTIVITY
ETSA GLOBAL LOGISTICS, S.A.U., S.M.E.	Ctra. Salamanca-Vitigudino, km 0,7 (Cetramesa) (Salamanca)	All types of transport, both national and foreign, in all its extension and with any means and cargo, including hydrocarbons, chemical products, radioactive material and others
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA)	Calle Santiago Rusiñol 12, 28040 (Madrid)	Carrying out as many activities as necessary for the correct management of the programmes and actions of the National Industrial Waste Plan referred to in Law 20/1986 of 14 May, aimed at streamlining and coordinating the management of such waste

None of the shares of group companies are listed on the stock market.

The details of ENUSA's equity and the value of its shareholding in the group companies in which the Company has a direct majority interest, at 31 December 2021 and 2020, according to its audited individual accounts, is as follows:

FINANCIAL YEAR 2021

THOUSANDS OF EUROS

Name	% Direct Shareholding	Capital	Reserves	Result after tax	Adjustments for changes in value	Grants	Book value of shareholding
ETSA GLOBAL LOGISTICS, S.A.U., S.M.E. (ETSA)	100.00	301	4,676	1,870	-	-	528
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA)	99.62	7,813	4,190	1,282	(23)	4,832	4,655
TOTAL		8,114	8,866	3,152	(23)	4,832	5,183

Last audited financial year: 2020.
FINANCIAL YEAR 2020

THOUSANDS OF EUROS

Name	% Direct Shareholding	Capital	Reserves	Result after tax	Adjustments for changes in value	Grants	Book value of shareholding
ETSA GLOBAL LOGISTICS, S.A.U., S.M.E. (ETSA)	100.00	301	4,676	1,703	-	-	528
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA)	99.62	7,813	3,790	400	(18)	4,834	4,655
TOTAL		8,114	8,466	2,103	(18)	4,834	5,183

Last audited financial year: 2019.

Due to the positive results of the two investee companies, as well as the fact that the shareholders' equity is much higher than the value of the shareholding, and that there are no tacit losses which would reduce the value of this equity, no signs of impairment have been identified, and it has therefore been concluded that the recoverable amount is higher than the carrying amount.

In the financial year 2021, the Company received dividends from group companies amounting to 1,703 thousand euros (1,492 thousand euros in 2020).

Holdings in jointly controlled entities and associates in 2021 and 2020 relate to the following companies:

NAME	ADDRESS	% DIRECT SHAREHOLDING	% INDIRECT SHAREHOLDING	COMPANY ACTIVITY
Jointly controlled entities				
ENUSA-ENSA, A.I.E.	Santiago Rusiñol, nº 12 (Madrid)	50.00		Repair of PWR light water reactor fuel assemblies, as well as other services related to the reactor core and its components
Associated companies				
GNF ENUSA NUCLEAR FUEL, S.A.	Josefa Valcarcel, nº 35 (Madrid)	49.00		Marketing of nuclear fuel and provision of engineering services for said fuel
CETRANSA, S.A.	Pol Industrial Los Barriales, Santovenia de Pisuerga (Valladolid)		29.89 (1)	Management and treatment of industrial waste
REMESA, S.A.	Plaza de España, s/n (Melilla)		4.81 (1)	Operation and management of an integral municipal waste treatment plant
SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E.	Santiago Rusiñol, nº 12 (Madrid)	25.00		Commercial promotion of products and services for nuclear power plants in the People's Republic of China or other countries of common interest to the partners

(1) Company owned by EMGRISA.

None of the shares of jointly controlled entities and associates are listed on the stock exchange.



Details of equity, dividends received and the value of the interest in jointly controlled entities and associates, excluding outstanding disbursements, directly controlled by ENUSA, according to its audited individual accounts, at 31 December 2021 and 2020, are as follows:

FINANCIAL YEAR 2021							THOUSANDS OF EUROS
Name	% Part.	Issued capital	Reserves	Result after tax	Dividends received	Book value of shareholding	
Jointly controlled entities							
ENUSA-ENSA, A.I.E. (**)	50.00	421	368	247	-	210	
Associated companies							
GNF ENUSA NUCLEAR FUEL, S.A.	49.00	108	22	772	236	53	
SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E. (*)	25.00	24	23	(8)	-	42	
TOTAL		553	413	1,011	236	305	

Last audited financial year: 2020.

(*) Unaudited.

(**) First audited financial year: 2020.


FINANCIAL YEAR 2020							THOUSANDS OF EUROS
Name	% Part.	Issued capital	Reserves	Result after tax	Dividends received	Book value of shareholding	
Jointly controlled entities							
ENUSA-ENSA, A.I.E. (**)	50.00	421	225	143	-	210	
Associated companies							
GNF ENUSA NUCLEAR FUEL, S.A.	49.00	108	22	481	64	53	
SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E. (*)	25.00	24	31	(8)	-	42	
TOTAL		553	278	616	64	305	

Last audited financial year: 2019.

(*) Unaudited.

(**) First audited financial year: 2019.

At 31 December 2021 and 2020, 135 thousand euros are pending disbursement from ENUSA-ENSA, A.I.E.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

d) Other information (credit agreements)

ENUSA has signed short-term credit agreements with various financial institutions for a limit of 64,000 thousand euros (94,490 thousand euros at 31 December 2020), of which 44,849 thousand had been drawn down at 31 December 2021 (44,758 thousand euros at 31 December 2020).

The current interest rates on credit agreements are market interest rates.

8.2. Information on the nature and level of risk from financial instruments

a) Credit risk

Credit risk arises from the potential loss caused by the failure of Company's counterparties to meet their contractual obligations, i.e. the possibility of not recovering the financial assets for the amount recognised and within the time limit set. In this respect, exposure to credit risk at 31 December is mainly concentrated in the following items, for a net amount of:


	THOUSANDS OF EUROS	
	2021	2020
Clients from sales and services	13,833	9,577
Clients, group and associated companies	1,190	1,574
TOTAL	15,023	11,151

With regard to the risk relating to trade receivables, it should be noted that ENUSA's main activities are based, on the one hand, on the supply of enriched uranium to Spanish electricity companies owning nuclear reactors and, on the other, on the manufacture and sale of fuel assemblies for the production of nuclear electricity. In this respect, the list of ENUSA's main customers is concentrated in an important group of large electricity companies of recognised solvency. The fuel supply and fuelling contracts signed with customers are long-term contracts with perfectly planned dates and volumes that allow for proper management of sales volumes and, consequently, of the collection periods inherent to them. Both supply and manufacturing contracts provide for the receipt of advance payments for future sales, which is an element of risk minimisation. At 31 December 2021 the balance of advances on account received from customers, to be applied in 2022, is 32,253 thousand euros (32,770 thousand euros at 31 December 2020).

Loans to group companies and associates relate to so-called "inter-SEPI deposits", amounting to zero euros as at 31 December 2021 (same amount at 31 December 2020). This is an instrument created by SEPI to optimise the management of its treasury and that of its group of companies, by intermediating the supply and demand of surplus cash. In this system, SEPI carries out the corresponding intermediation operations, acting as counterparty to both parties (borrowers/depositors of funds). The placement of ENUSA's cash surpluses through this mechanism is a priority option included in the "Rules Governing the System for the Authorisation and Supervision of Acts and Transactions of the SEPI Group".

b) Liquidity risk

Prudent liquidity risk management implies the maintenance of sufficient cash and the availability of funding through a sufficient amount of credit facilities. In this respect, ENUSA's strategy is to maintain the necessary flexibility in financing by having both long-term loans and short-term credit agreements available, so that all eventualities directly affecting the Company's cash flow are fully covered.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

c) Market risk

- **Interest rate risk.** In relation to all of the Company’s debt that finances Procurement Management, which includes procurement stocks, and whose financial burden is fully reflected in the sale price of enriched uranium, the Company had opted to hedge interest rate risks (on part of the aforementioned debt) by entering into interest rate swaps. These contracts expired during 2019, so there was no hedge of this type at year-end. However, there are four interest rate hedging contracts for the long-term loan taken out by UTE RSU (see note 8.1.2).
- **Exchange rate risk.** The need to purchase fuel assembly supplies and components on the international market, as well as the sales to be made to foreign customers in their own currency, requires ENUSA to implement an exchange rate risk management policy. The key aim is to reduce the negative impact of exchange rate variability on its profit and loss account, so that it is possible to hedge against adverse movements and, where appropriate, to take advantage of favourable developments. In this respect, the Company uses forward currency purchase/sale contracts (currency hedges) for risk management purposes, thereby fixing a known exchange rate for future payments/receivables at a specific date, which can also be adjusted over time to match and apply to cash flows. The amount committed at year-end in this type of operations is detailed in note 8.1.2.

8.3. Equity

The composition and movement of own funds are presented in the statement of changes in equity.

As at 31 December 2021 and 2020, ENUSA’s share capital is fully paid up and consists of 200,000 ordinary bearer shares of 300.51 euros par value each, with equal voting and dividend rights. Details of its shareholders are as follows:

	% OF SHAREHOLDING
Sociedad Estatal de Participaciones Industriales (SEPI)	60
Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT)	40
	100

The Legal Reserve has been funded by applying 10% of the results of the various financial years. At 31 December 2021 and 2020, this reserve was established at 20% of share capital. This reserve is not freely distributable and can only be used to offset losses, if no other reserves are available for this purpose, and to increase the share capital by the portion of its balance exceeding 10% of the increased capital.

In 2007, the balance of the Revaluation Reserve (Royal Decree- Law 7/1996 of 7 June 1996), amounting to 6,937 thousand euros, was transferred to Voluntary Reserves by resolution of the General Shareholders’ Meeting on 15 June 2008. Of this figure, the amount corresponding to the unamortised amounts of the revalued assets is not available to the Company (see note 5).

The rest of the Voluntary Reserves are freely available as of 31 December 2021 and 2020.

9. STOCKS

The distribution of stocks of Raw Materials and other supplies as at 31 December 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Stocks from procurement management	164,645	196,554
Other stocks from industrial activities	23,485	23,935
Other procurement	14,500	16,982
TOTAL	202,630	237,471

At 31 December 2021 and 2020, procurement management stocks include financial expenses of 7,239 thousand euros and 7,745 thousand euros, respectively.

Other stock information

Finished Goods and Work in Progress accounts, under Stocks on the assets side of the balance sheet for 9,486 thousand euros and 4,983 thousand euros at 31 December 2021 (13,879 thousand euros and 8,687 thousand euros, respectively, at 31 December 2020) mainly include the costs of fuel assemblies pending delivery at year-end, and are classified in one account or the other depending on whether or not they have been fully completed.

The Advances account under Stocks on the assets side of the balance sheet amounting to 5,205 and 4,104 thousand euros at 31 December 2021 and 2020, respectively, relates to advances to suppliers of industrial activities.

The Company's most important firm purchase commitments correspond to long-term contracts for the supply of the Uranium Procurement Activity, with foreign suppliers, and with variable quantities, and therefore their economic quantification is also variable.

The most important firm sales commitments relate to long-term contracts with electricity utility customers for the sale of enriched uranium and refuelling.

Most of the stocks of the Uranium Procurement Activity are located outside the national territory as a result of the conversion and enrichment processes required prior to sale, which take place outside Spain.

There is no limitation on stocks due to guarantees, pledges, collateral and other similar reasons.

ENUSA has taken out insurance policies to cover possible damage to uranium stocks in its warehouses, as well as any damage that may occur in the transport and shipment of concentrates, natural and enriched uranium and the containers required for such transport by sea, land, air or combined means.

Details of impairment losses on work in progress and finished goods in 2021 and 2020 recognised in the profit and loss account are as follows:

	THOUSANDS OF EUROS
Balance as of 1 January 2020	-
Endowments	-
Reversals	-
Balance as of 31 December 2020	-
Endowments	36
Reversals	-
Balance as of 31 December 2021	36

10. FOREIGN CURRENCY

Details of the amount of assets and liabilities denominated in foreign currencies at 31 December 2021 and 2020 are as follows:

FINANCIAL YEAR 2021					THOUSANDS OF EUROS
	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros	
ASSETS DENOMINATED IN FOREIGN CURRENCY					
Derivatives	3,682	559	-	4,241	
Trade and other receivables	3,549	-	-	3,549	
Other cash equivalents	5	5	3	13	
TOTAL	7,236	564	3	7,803	
LIABILITIES DENOMINATED IN FOREIGN CURRENCY					
Derivatives	-	-	6	6	
Trade creditors and other payables	499	-	1	500	
TOTAL	499	-	7	506	
FINANCIAL YEAR 2020					THOUSANDS OF EUROS
	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros	
ASSETS DENOMINATED IN FOREIGN CURRENCY					
Derivatives	734	236	-	970	
Trade and other receivables	-	-	86	86	
Advances to suppliers	3,798	-	-	3,798	
Other cash equivalents	5	4	3	12	
TOTAL	4,537	240	89	4,866	
LIABILITIES DENOMINATED IN FOREIGN CURRENCY					
Derivatives	1,454	-	-	1,454	
Trade creditors and other payables	2,116	107	-	2,223	
TOTAL	3,570	107	-	3,677	

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

Transactions in foreign currencies during the financial years 2021 and 2020 were:

FINANCIAL YEAR 2021					THOUSANDS OF EUROS
	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros	
Sales	14,006	-	-	14,006	
Rendering of services	-	-	159	159	
TOTAL	14,006	-	159	14,165	
Procurement	66,826	2,009	2	68,837	
External services	2,009	7	-	2,016	
TOTAL	68,835	2,016	2	70,853	

FINANCIAL YEAR 2020					THOUSANDS OF EUROS
	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros	
Sales	11,957	-	-	11,957	
Rendering of services	-	-	90	90	
TOTAL	11,957	-	90	12,047	
Procurement	94,275	2,038	8	96,321	
External services	1,597	11	-	1,608	
TOTAL	95,872	2,049	8	97,929	



1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

Economic Performance
ENUSA ACCOUNTS

7 Social Performance

8 Environmental Performance

9 Annexes

The amount of exchange differences recognised in profit or loss in 2021 and 2020, classified by type of financial instrument, was as follows:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS		
	Exchange differences recognised in result for the financial year (+) Profits (-) Losses			
	Transactions settled in the year	Outstanding transactions	Total	
Asset Class				
Derivatives	(240)	-	(240)	
Trade and other receivables	226	4	230	
Total	(14)	4	(10)	
Liability Class				
Derivatives	11	-	11	
Trade creditors and other payables	249	(15)	234	
TOTAL	260	(15)	245	
NET	246	(11)	235	
FINANCIAL YEAR 2020		THOUSANDS OF EUROS		
	Exchange differences recognised in result for the financial year (+) Profits (-) Losses			
	Transactions settled in the year	Outstanding transactions	Total	
Asset Class				
Derivatives	(582)	-	(582)	
Trade and other receivables	(573)	(3)	(576)	
Total	(1,155)	(3)	(1,158)	
Liability Class				
Derivatives	(381)	-	(381)	
Trade creditors and other payables	880	191	1,071	
TOTAL	499	191	690	
NET	(656)	188	(468)	

The balances for advances to suppliers do not give rise to exchange differences as they correspond to the amount actually paid.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

11. FISCAL SITUATION

The calculation of corporate income tax for 2021 shows a net tax payable of 48 thousand euros (0 thousand euros in 2020) which, after deducting the amount of the corresponding withholdings and payments on account, generates a balance payable by the Company to the tax authorities of 1,851 thousand euros (1,213 thousand euros in 2020), recorded under the heading “Current tax assets” in the Balance Sheet. The composition of the balance sheet at 31 December 2021 and 2020 under this heading is as follows:

	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Balance receivable for the year	1,851	1,213
TOTAL	1,851	1,213

In the profit and loss account for the year 2021, the amount relating to corporate income tax is an expense of 1,851 thousand euros (559 thousand euros expense in 2020), leaving an after-tax result of 6,253 thousand euros (2,600 thousand euros in 2020).



The following tables show the reconciliation of the net amount of income and expenses for the year to the corporate income tax base for the years 2021 and 2020:

FINANCIAL YEAR 2021

THOUSANDS OF EUROS

	Profit and Loss Account		Income and expenses recognised directly in net equity		Reserves		Total
Balance of income and expenses for the year	6,253	-	4,413	-			10,666
Corporate income tax	1,851		1,471	-			3,322
Permanent differences	149	(1,846)	-	-			(1,697)
Temporary differences:	1,395	(7,026)	1,107	(6,991)	-	-	(11,515)
- Originating in the financial year	1,177	-	113	(6,065)			(4,775)
- Originating in previous years	218	(7,026)	994	(926)			(6,740)
Offsetting of tax loss carryforwards from previous years							-
TAX BASE (TAX RESULT)							776

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	Profit and Loss Account		Income and expenses recognised directly in net equity		Reserves		Total
Balance of income and expenses for the year	2,600	-	-	(3,098)			(498)
Corporate income tax	559		(1,033)	-			(474)
Permanent differences	195	(1,560)	-	-			(1,365)
Temporary differences:	2,959	(4,654)	6,027	(1,896)	-	-	2,436
- Originating in the financial year	2,641	-	4,535	(753)			6,423
- Originating in previous years	318	(4,654)	1,492	(1,143)			(3,987)
Offsetting of tax loss carryforwards from previous years							-
TAX BASE (TAX RESULT)							99

The most important permanent differences correspond to:

- ◆ **Increases:** This includes, among others, the adjustment corresponding to donations and contributions under Law 49/2002, amounting to 70 thousand euros and allocations of taxable income of UTEs and EIGs, amounting to 39 thousand euros (in 2020, the adjustment corresponded to donations and contributions Law 49/2002, amounting to 9 thousand euros and allocations of taxable income of UTEs and EIGs, amounting to 107 thousand euros).
- ◆ **Decreases:** It mainly includes the dividend double taxation avoidance exemption of 1,842 thousand euros (in 2020 it mainly included the double taxation avoidance exemption of 1,556 thousand euros).

The most significant temporary differences correspond to:

- ◆ **Increases:** Provisions for restoration and closure of facilities, of 686 thousand euros, provisions for the UTE RSU of 313 thousand euros and provision for risks, of 100 thousand euros (in 2020, provisions for restoration and closure of facilities, of 226 thousand euros, provision for risks, of 1,398 thousand euros, and provision for impairment of accounts receivable from public bodies of 687 thousand euros).
- ◆ **Decreases:** Application and excess of provisions for which no tax expense was incurred in previous years, of which 1,529 thousand euros correspond to restoration and closure costs of facilities, 36 thousand euros to guarantee provisions, 1,398 thousand euros to a provision for risks and 3,571 thousand to a provision for impairment of accounts receivable from public bodies (in 2020, of provisions whose allocations were not tax expense in previous years, of which 1,992 thousand euros corresponded to expenses for the restoration and closure of facilities, obligations with personnel and restructuring, 2,263 thousand euros to guarantee provisions and 57 thousand euros to various provisions).

Income and expenses recognised in equity relate to gains or losses recorded in the year on the valuation of derivatives designated as hedging instruments, as well as changes in grants received.

The reconciliation between the income tax that would result from applying the general tax rate in force to the Profit Before Tax and the expense recorded for the aforementioned tax in the Income Statement and the reconciliation of the latter to the Net Corporate Income Tax payable for 2021 and 2020 is presented below:

THOUSANDS OF EUROS	
31/12/2021	
Result before tax	8,104
Permanent differences	(1,697)
Adjusted result	6,407
Quota at 25.00%	1,602
Deductions	(146)
(less deductions activated in previous years)	122
Income tax	1,578
Expense for current tax in the profit and loss account	48
Expense for deferred tax in the profit and loss account	1,530
Income tax expense for the year	1,578
Negative adjustments in income tax	273
Positive adjustments in income tax	-
Expense / (Income) for income tax in the profit and loss account	1,851

THOUSANDS OF EUROS	
31/12/2020	
Result before tax	3,159
Permanent differences	(1,365)
Adjusted result	1,794
Quota at 25.00%	449
Deductions	(25)
(less deductions activated in previous years)	6
Income tax	430
Expense for current tax in the profit and loss account	-
Expense for deferred tax in the profit and loss account	430
Income tax expense for the year	430
Negative adjustments in income tax	129
Positive adjustments in income tax	-
Expense / (Income) for income tax in the profit and loss account	559

The tax deductions applied in 2021 and 2020 mainly correspond to deductions for research and development expenses generated in previous years and not applied by the tax group to which the Company belonged.

The negative adjustments in income taxation recorded in 2021 and 2020 relate to the derecognition of deferred tax assets due to unused tax credits that are unlikely to be realised in future years, as well as the adjustment in the recovery of deferred tax assets arising from temporary differences that are expected to be reversed in more than 10 years.

Deferred taxes are included in the balance sheet at 31 December 2021 and 2020, classified in the following accounts according to their reversal period:

DEFERRED TAX ASSETS:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Long-term deductible temporary differences	9,262	10,900
Long-term deductions pending application	107	444
Short-term deductible temporary differences	1,909	2,367
TOTAL	11,278	13,711

DEFERRED TAX LIABILITIES:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Long-term taxable temporary differences	1,019	638
Short-term taxable temporary differences	538	78
TOTAL	1,557	716

The origin of the deferred taxes recognised in the closing balance sheet for the financial years 2021 and 2020 is as follows:

DEFERRED TAX ASSETS ORIGINATING FROM:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Financial hedges	508	1,083
Deductions pending application	107	444
Provisions for guarantees	1,636	1,635
Provision for restoration and closure of mining sites	7,433	7,573
Provision for risks	25	349
Provision for workforce restructuring	78	78
Fixed asset depreciation provision	486	486
Provision for dismantling the Juzbado factory	455	455
Limitation on deductibility of depreciation	307	410
Non-deductible provisions UTE RSU	206	1,170
Other non-deductible provisions in income tax	37	28
TOTAL	11,278	13,711

DEFERRED TAX LIABILITIES ORIGINATING FROM:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Financial hedges	1,061	243
Freedom of depreciation	393	447
Grants	103	26
TOTAL	1,557	716



1
Letter from
the Chairman

 2
Good
Governance

 3
Main
Economics
Figures

 4
ENUSA Group
Estructure

 5
Report
Parameters


 Economic
Performance
ENUSA ACCOUNTS

 7
Social
Performance

 8
Environmental
Performance

 9
Annexes

The movements in the deferred tax headings in the balance sheet at 31 December 2021 and 2020 are as follows:

	THOUSANDS OF EUROS	
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Balance as of 31/12/2019	14,116	1,594
Generated in 2020	660	-
Recovered in 2020	(1,198)	(80)
Net variation of financial derivatives	234	(796)
Net variation in grants	-	(2)
Positive/negative adjustments (Deferred Tax Asset adjustment for deductions pending application)	(60)	-
Positive/negative adjustments (Deferred Tax Asset/Liability adjustment due to reversal to more than ten years)	(41)	-
Balance as of 31/12/2020	13,711	716
Generated in 2020	294	-
Recovered in 2020	(1,879)	(54)
Net variation of financial derivatives	(575)	818
Net variation in grants	-	77
Positive/negative adjustments (Deferred Tax Asset adjustment for deductions pending application)	(232)	-
Positive/negative adjustments (Deferred Tax Asset/Liability adjustment due to reversal to more than ten years)	(41)	-
Balance as of 31/12/2021	11,278	1,557

Until 2015, for corporate income tax purposes, the Company formed part of consolidated group no. 9/86, comprising the Sociedad Estatal de Participaciones Industriales and the companies resident in Spanish territory that formed part of its consolidated financial group under the provisions of articles 42 and subsequent articles of the Spanish Commercial Code, in accordance with the provisions of Law 5/1996, of 10 January, on Public Law Entities.

The Company was excluded from the aforementioned tax group with effect from the financial year 2016, due to the fact that, as from this financial year, it was no longer possible to apply the special rule for the delimitation of the SEPI Tax Group provided for in Article 14. 2 of its founding law (Law 5/1996, of 10 January, on the creation of certain public law entities), by virtue of which the tax group would be formed by SEPI itself and its companies resident in Spanish territory which, in turn, were part of its financial group under the provisions of article 42 of the Commercial Code, until the debt generated by the Instituto Nacional de Industria (later SEPI) had been fully repaid. The aforementioned debt was finally repaid at the end of 2015.

Therefore, as from the aforementioned tax period, the general delimitation rules established in Chapter VI of Title VII of Law 27/2014, of 27 November, on Corporate Income Tax (LIS) were applicable, which include the parent company holding a direct or indirect interest of at least 75 per cent of the share capital and holding the majority of the voting rights on the first day of the tax period in which this regime is applicable.

As a result, and given that SEPI's direct shareholding in ENUSA's capital is 60%, ENUSA and its subsidiaries were excluded from the SEPI Tax Group, and have been taxed individually since 2016.

As a result of the exclusion, and in accordance with Article 74 of the LIS, the excluded companies assumed the right to offset tax losses and apply the tax credits generated while they were part of the Tax Group that had not been applied by the Group, in the proportion in which they had contributed to its formation.

Details of the taxable income and tax credits received and applied up to the current year are as follows:

THOUSANDS OF EUROS

	INCORPORATED AFTER LEAVING THE TAX GROUP	APPLIED FROM 2016 TO 2020	PRESCRIBED IN 2016 TO 2020	PENDING APPLICATION AS OF 31/12/2020	APPLIED IN 2021	PRESCRIBED IN FISCAL YEAR 2021	PENDING APPLICATION AS OF 31/12/2021
Taxable bases	124	124	-	-	-	-	-
Deductions							
For internal double taxation	698	698	-	-	-	-	-
For research and development	7,341	1,063	323	5,955	97	315	5,543
For professional training	79	25	14	40	-	18	22
For environmental protection	67	13	10	44	-	23	21
For exporting companies	143	51	29	63	-	30	33
For contributions to pension plans	272	86	44	142	-	47	95
For reinvestment of extraordinary profit	185	2	5	178	-	51	127
For reversal of temporary measures	7	7	-	-	-	-	-
For contribution to non-profit entities	343	343	-	-	-	-	-
TOTAL DEDUCTIONS	9,135	2,288	425	6,422	97	484	5,841

THOUSANDS OF EUROS

	INCORPORATED AFTER LEAVING THE TAX GROUP	APPLIED FROM 2016 TO 2019	PENDING APPLICATION AS OF 31/12/2019	APPLIED IN 2020	PRESCRIBED IN FISCAL YEAR 2020	PENDING APPLICATION AS OF 31/12/2020
Taxable bases	124	124	-	-	-	-
Deductions						
For internal double taxation	698	698	-	-	-	-
For research and development	7,341	1,057	6,284	6	323	5,955
For professional training	79	25	54	-	14	40
For environmental protection	67	13	54	-	10	44
For exporting companies	143	51	92	-	29	63
For contributions to pension plans	272	86	186	-	44	142
For reinvestment of extraordinary profit	185	2	183	-	5	178
For reversal of temporary measures	7	7	-	-	-	-
For contribution to non-profit entities	343	343	-	-	-	-
TOTAL DEDUCTIONS	9,135	2,282	6,853	6	425	6,422

At the time of incorporation of the aforementioned rights in 2016, doubts about the possibility of generating future taxable profits that would allow the application of the aforementioned deductions led to no deferred tax asset being recognised. However, at year-end 2018, the Company estimated, based on future taxable income forecasts, that it could apply part of these deductions in the following years, and recognised the corresponding deferred tax asset of 1,128 thousand euros. At year-end 2021 the estimated future application is 107 thousand euros.

The details of the balances relating to other receivables from and payables to Public Administrations in the balance sheet are as follows:

OTHER RECEIVABLES FROM PUBLIC ADMINISTRATIONS	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Value Added Tax	257	63
Grants	427	159
Others	-	486
TOTAL	684	708

OTHER DEBTS TO PUBLIC ADMINISTRATIONS	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Value Added Tax	98	295
Withholdings	900	975
Social Security contributions	809	824
Fees and charges	580	600
TOTAL	2,387	2,694

The years open to inspection by the tax authorities for the most important taxes to which the Company is subject include the last four years. No significant additional liabilities are expected to arise in the event of inspection.

12. INCOME AND EXPENSES

The profit and loss account item "Consumption of merchandise and consumption of raw materials and other consumables" for the years 2021 and 2020 is broken down as follows:

	THOUSANDS OF EUROS	
	2021	2020
Purchases	153,179	152,589
Change in stocks	34,841	(9,658)
TOTAL	188,020	142,931

Details of domestic purchases and imports in 2021 and 2020 were as follows:

	THOUSANDS OF EUROS	
	2021	2020
National purchases	4,111	4,048
Intra-community purchases	61,950	39,349
Imports	87,118	109,192
TOTAL	153,179	152,589

The net turnover in 2021 and 2020 by market is as follows:

	THOUSANDS OF EUROS	
	2021	2020
National market	240,730	177,390
Outside market	48,842	49,172
TOTAL	289,572	226,562

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

The distribution of the net amount of the Company's turnover for the years 2021 and 2020, by type of activity, is as follows:

		THOUSANDS OF EUROS	
NET TURNOVER BY ACTIVITY		2021	2020
Nuclear Area	Supply of Uranium	160,170	122,247
	Fuel - Plant services	15,648	13,606
	Fuel - Manufacturing and Engineering	105,442	82,670
Environmental Area	Solid Municipal Waste Management (UTE RSU)	7,713	7,545
	Environmental Management Projects	599	494
TOTAL		289,572	226,562


The details of Social Security contributions in the financial years 2021 and 2020 are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Social Security contributions	7,939	7,909
Other social expenses	1,044	954
TOTAL	8,983	8,863

The breakdown of "External services", included in the item "Other operating expenses", in the years 2021 and 2020, is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Research and development expenses for the year	11	238
Leases and royalties	2,455	2,169
Reparations and conservation	3,155	1,402
Freelance professional services	140	56
Transportation	3,368	3,284
Insurance premiums	1,412	1,239
Banking and similar services	62	53
Advertising, publicity and public relations	326	298
Supplies	1,630	1,703
Other services	5,363	5,125
TOTAL	17,922	15,567



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

Details of the exceptional results, included in the item "Other operating results" in 2021 and 2020 are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Penalties and surcharges	142	-
Judicial claims	31	-
Provision for litigation	-	4,730
UTE RSU claims expenses	336	22
Other exceptional expenses	5	12
TOTAL EXPENSES	514	4,764

	THOUSANDS OF EUROS	
	2021	2020
Extraordinary claims and rebates received from insurance companies	15	85
UTE RSU insurance claims	466	6
Other exceptional income	-	10
TOTAL INCOME	481	101



13. PROVISIONS AND CONTINGENCIES

The movements in the Provisions accounts during the financial years 2021 and 2020 were as follows:

FINANCIAL YEAR 2021							THOUSANDS OF EUROS
	Balance at 31/12/2020	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2021	
Long-term provisions							
Environmental actions (Note 14 c)	37,040	1,947	-	(689)	(2,235)	36,063	
Restructuring provisions	435	2	-	-	-	437	
Fuel assembly guarantees and In-plant Services	6,542	40	(37)	-	-	6,545	
Provisions for other liabilities	5,009	59	(1,847)	-	-	3,221	
Various Provisions UTE RSU	5,688	183	(151)	-	-	5,720	
TOTAL LONG-TERM PROVISIONS	54,714	2,231	(2,035)	(689)	(2,235)	51,986	
Short-term provisions							
Environmental actions (Note 14 c)	4,431	-	(1,617)	-	2,235	5,049	
Provisions for other liabilities	991	130	(152)	-	-	969	
TOTAL SHORT-TERM PROVISIONS	5,422	130	(1,769)	-	2,235	6,018	

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	Balance at 31/12/2019	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2020
Long-term provisions						
Environmental actions (Note 14 c)	40,503	208	(1,401)	(822)	(1,448)	37,040
Restructuring provisions	374	61	-	-	-	435
Fuel assembly guarantees and In-plant Services	8,805	-	(2,263)	-	-	6,542
Provisions for other liabilities	-	5,009	-	-	-	5,009
Various Provisions UTE RSU	5,665	175	(39)	(113)	-	5,688
TOTAL LONG-TERM PROVISIONS	55,347	5,453	(3,703)	(935)	(1,448)	54,714
Short-term provisions						
Environmental actions (Note 14 c)	5,093	-	(2,110)	-	1,448	4,431
Provisions for other liabilities	926	84	(19)	-	-	991
TOTAL SHORT-TERM PROVISIONS	6,019	84	(2,129)	-	1,448	5,422

The calculation of restructuring provisions is based on the expected annual severance payments to personnel. The movement recorded in the year mainly corresponds to the new estimate made on the basis of the planned calendar for terminations.

Provisions for fuel assembly warranty are calculated, as in previous years, on the basis of the useful life of fuel refuelling and statistical data, based on historical information from the Parent Company and technology suppliers on fuel assembly failure rates. The provision for the year amounted to 40 thousand euros, compared to an excess provision of 2,043 thousand euros recorded in 2020 (estimate made in that year, as a result of new information available, studies carried out by third parties and internal studies, together with the experience obtained, referring to the failure rates to be applied).

Provisions for other short-term liabilities mainly include those arising from lawsuits in which the Company is involved. The most significant movements during the year relate to provisions for new short-term risks amounting to 130 thousand euros (84 thousand euros in 2020), and applications and overprovisions amounting to 152 thousand euros (19 thousand euros in 2020).

On the other hand, during the 2020 financial year, various actions were taken against ENUSA, all of them referring to the interpretation by the AEAT (Spanish Tax Agency) of the tariff heading applicable to the import by ENUSA of the so-called "zirconium (zircaloy) fuel cladding", which is essential for the manufacture of nuclear fuel assemblies. This difference in criteria stems from previous years and had apparently been resolved in favour of ENUSA by Resolutions of the Central Economic-Administrative Court (TEAC), dated 18 February 2016, 16 March 2017 and 28 March 2019, which upheld ENUSA's claims and annulled the previous settlement Agreements that the Technical Office of the AEAT's Central Delegation of Large Taxpayers had issued, referring to the imports carried out during the financial years 2010 to 2014.

The above-mentioned actions, which took place during the 2020 and 2021 financial years, were as follows:

- On 30 July 2020, the Spanish State Attorney's Office filed a contentious-administrative appeal against the aforementioned resolutions before the National High Court (Contentious-Administrative Chamber), thus reopening the contentious proceedings relating to the financial years 2010 to 2014. ENUSA filed a response to the claim on 22 October 2020. Following the subsequent formulation of their written conclusions by the parties, by a Court Order sent to Enusa on 21 September 2021, the National Court declares the proceedings closed, pending the appointment of a date for voting and judgement when it is their turn to do so. This has not yet occurred.
- On 7 September 2020, the Regional Customs and Excise Office of Madrid notified ENUSA of a customs duty adjustment for the last four-month period of 2017, with a customs duty settlement in the amount of 485 thousand euros, including late payment interest. Enusa paid this settlement to the Public Treasury and filed an Economic-Administrative Claim with the TEAC (Central Economic-Administrative Tribunal).
- On 10 June 2020, the Tax and Customs Control Office of the Central Delegation of Large Taxpayers notified ENUSA of the commencement of the inspection activities relating to the 2018 and 2019 financial years and for the following items: import duties and import VAT, culminating in the presentation of a report, signed in disagreement by ENUSA, on 2 March 2021. This report maintains the criteria established by the AEAT (regarding the tariff heading to be declared) and includes a proposal for the adjustment of the imports carried out in both years. On 23 April 2021, the amount of the Settlement Agreement is paid into the Public Treasury. On 14 May 2021, an economic-administrative complaint was filed with the Central Economic-Administrative Tribunal. Transferred for hearing (July 2021) on 29 July 2021. Enusa formulates and presents its allegations, and the Economic-Administrative Claim is only pending a decision by the TEAC.

1

Letter from the Chairman

2

Good Governance

3

Main Economics Figures

4

ENUSA Group Estructure

5

Report Parameters



Economic Performance
ENUSA ACCOUNTS

7

Social Performance

8

Environmental Performance

9

Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

Based on the situation described in the preceding paragraphs, applying the Principle of Prudence, in accordance with the opinion of the external advisors of the Company and its Legal Counsel, ENUSA made the corresponding provision for Litigation Risks, for the total estimated risk amount, regardless of the different procedural situation and possible term of resolution of each of the lawsuits filed. The amount provisioned in the financial year 2020 amounts to 5,009 thousand euros, of which 4,647 thousand have been recorded as extraordinary income and 362 thousand as financial expenses. In 2021, financial provisions and restatements were made in the amount of 59 thousand euros, with an additional application of a provision of 1,690 thousand euros and an excess provision of 157 thousand euros.

The provisions of the UTE RSU mainly correspond to provisions related to actions foreseen for operating infrastructure (replacement of fixed assets, extension of the landfill, security and surveillance of the landfill, etc.).

The amount of the allocations and financial restatements corresponding to these provisions amounted to 183 thousand euros (amount integrated at the percentage of the Company's shareholding in the UTE). Within the allocations made during the year, the amount recorded against the corresponding fixed assets (sealing and surveillance of the landfill and construction of new cells at the landfill) amounts to 32 thousand euros (see note 6). The amount of the allocations and financial restatements corresponding to these provisions in 2020 amounted to 175 thousand euros (amount integrated at the percentage of the Company's shareholding in the UTE). Within this amount there was none recorded against fixed assets.

The total amount of provisions made in 2021 amounted to 4,334 thousand euros (3,022 thousand euros in 2020) and these payments are reflected in the cash flow statement under the heading "Other payments" in the Other cash flows from operating activities.

The total excess provisions amounted to 158 thousand euros in 2021 (3,444 thousand in 2020), mainly relating to other liabilities (reversals relating to warranty risks of 2,043 thousand and to environmental measures of 1,401 thousand in 2020).

14. ENVIRONMENTAL INFORMATION

a) Assets assigned to environmental activities:

In relation to the nuclear fuel manufacturing activity carried out at the Company's facilities in Juzbado (Salamanca), it is not possible to determine an individualised description and value of the equipment and installations intended to protect and improve the environment.

This is due to the fact that it is a complex specialised facility where all the processes carried out must guarantee compliance with environmental regulations.

At year-end 2002, the Company ceased its uranium concentrate production activity. As a result, the value of the assets assigned to the mining operations is almost entirely amortised, the only activity carried out being restoration and decommissioning work.



The value of the most significant assets and facilities allocated to these restoration and decommissioning works, which are intended to protect and enhance the environment, at 31 December 2021 and 2020, is as follows:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS		
	Cost	Accumulated depreciation	Net book value	
Buildings	7,951	7,428	523	
Technical facilities and other tangible fixed assets	6,844	5,678	1,166	
TOTAL	14,795	13,106	1,689	

FINANCIAL YEAR 2020		THOUSANDS OF EUROS		
	Cost	Accumulated depreciation	Net book value	
Buildings	7,951	7,388	563	
Technical facilities and other tangible fixed assets	6,534	5,524	1,010	
TOTAL	14,485	12,912	1,573	

b) Environmental expenses:

Details of expenses accrued in 2021 and 2020 for environmental protection and improvement are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Waste management expenses	58	27
Dismantling and restoration of natural space	110	59
Environmental accreditations	15	8
TOTAL EXPENSES	183	94



c) Provisions set aside for environmental risks:

Details of the main provisions made by the Company for environmental actions and their movement during 2021 and 2020 are as follows (see note 13):

FINANCIAL YEAR 2021							THOUSANDS OF EUROS
	Balance at 31/12/2020	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2021	
Long-term restoration and closure of mining sites	28,826	685	-	-	(2,235)	27,276	
Dismantling costs of the nuclear fuel factory	9,150	535	-	-	-	9,685	
Expenditure on low and medium intensity solid waste management	7,238	727	(87)	-	-	7,878	
Enresa Fund Value	(8,269)	-	87	(689)	-	(8,871)	
Dismantling other equipment	95	-	-	-	-	95	
TOTAL LONG-TERM PROVISIONS	37,040	1,947	-	(689)	(2,235)	36,063	
Short-term restoration and closure of mining sites	4,431	-	(1,617)	-	2,235	5,049	
TOTAL LONG-TERM AND SHORT-TERM PROVISIONS	41,471	1,947	(1,617)	(689)	-	41,112	

FINANCIAL YEAR 2020							THOUSANDS OF EUROS
	Balance at 31/12/2019	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2020	
Long-term restoration and closure of mining sites	30,109	165	-	-	(1,448)	28,826	
Dismantling costs of the nuclear fuel factory	9,277	42	-	(169)	-	9,150	
Expenditure on low and medium intensity solid waste management	8,723	-	(1,485)	-	-	7,238	
Enresa Fund Value	(7,700)	-	84	(653)	-	(8,269)	
Dismantling other equipment	94	1	-	-	-	95	
TOTAL LONG-TERM PROVISIONS	40,503	208	(1,401)	(822)	(1,448)	37,040	
Short-term restoration and closure of mining sites	5,093	-	(2,110)	-	1,448	4,431	
TOTAL LONG-TERM AND SHORT-TERM PROVISIONS	45,596	208	(3,511)	(822)	-	41,471	

Provisions for environmental actions have been calculated, as in previous years, on the basis of the amounts foreseen for dismantling and decommissioning, discounted at a risk-free asset discount rate for a period similar to that of future payments.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters



Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

The provision for the restoration and decommissioning of mining sites is intended to cover the restoration of the natural area and the cost of decommissioning mining sites.

In May 2003, ENUSA's management decided to submit a definitive Restoration Project for the mining installations at the Saelices el Chico Centre (Salamanca) to the Territorial Service of Industry, Trade and Tourism of the Regional Government of Castilla y León, which was approved by the aforementioned Territorial Delegation on 13 September 2004, authorising ENUSA to carry it out. This project replaced the restoration and decommissioning project submitted in November 2002, as the Administration assessed this project as a strategic shutdown and not as a definitive closure of the mining operations. Since January 2001, ENUSA has been carrying out the corresponding work of restoring the natural area and decommissioning the facilities located in the mining operations.

Part of the costs for the restoration and decommissioning of the mining sites will be borne by the National Radioactive Waste Company (ENRESA). In 2021 and 2020, provisions of 1,617 thousand euros and 2,110 thousand euros, respectively, were made, corresponding to the costs incurred in this respect by the Company in those years.

At the end of each financial year, the Company reviews the economic study relating to the restoration project in order to re-estimate the expected expenditure of the necessary activities pending and adjust it to the different resolutions of the competent official bodies and the commitments acquired with them, as well as the expected period for decommissioning. In accordance with data from the economic study, which is based on assumptions of work and dates similar to those estimated at the end of the previous year, a provision of 672 thousand euros was recorded in 2021 (16 thousand euros in 2020).

The provision for solid waste management expenses at the Juzbado factory includes the estimated cost of managing the waste generated of this nature. In this respect, the Company has signed a contract with ENRESA for the treatment of this waste. The same approach as in previous years has been maintained, adapting it to the reality of classifying solid waste as medium or low activity waste, as set out in the new regulations issued in 2010 by the Nuclear Safety Council, and as a result an excess provision of 727 thousand euros has been recorded, corresponding to waste generated in 2021 (an excess provision of 1,401 thousand in 2020 as a result of the new estimate of the provision as a result of the information available and the experience gained and developed this year in measurement and classification processes).

The provision for dismantling costs of the Nuclear Fuel Plant includes the Company's current obligation, calculated at net present value at year-end, in relation to the costs that will be incurred in the future for the proper dismantling of this facility. The Company has signed a contract with ENRESA to carry out the aforementioned dismantling work.

The aforementioned contracts included the periodic payments to be made by ENUSA to ENRESA up to the year 2027 for the establishment of a Fund to cover the costs deriving from both actions: the management of operating wastes generated annually and the cost of dismantling the Juzbado factory. The value of this Fund, which is funded by ENUSA's contributions and the corresponding financial revaluations included in contracts, was shown under the heading "Long-term investments in group companies and associates - Loans to companies" on the assets side of the Company's balance sheet.

Law 11/2009, of 26 October, which regulates Listed Investment Companies on the Property Market, introduced, with effect from 1 January 2010, and through number 1 of its Final Provision 9, an article 38 bis to Law 25/1964, on Nuclear Energy.

Likewise, Law 11/2009, of 26 October, which regulates Listed Investment Companies on the Property Market, amended, with effect from 1 January 2010, and through point 2 of its Final Provision 9, the 6th Additional Provision of Law 54/1997 on the Electricity Sector.

The “Third” section of point 9 of the 6th Additional Provision of Law 54/1997, dated 27 November, on the Electricity Sector, stated the following:

“Third. Fee for the provision of services for the management of radioactive waste derived from the manufacture of fuel assemblies, including the dismantling of facilities responsible for the manufacture of such waste.

a) Taxable event: The taxable event of the fee is the provision of services for the management of radioactive waste derived from the manufacture of fuel assemblies, including the dismantling of facilities responsible for the manufacture of such waste. The early cessation of the operation of a fuel assembly manufacturing facility at the will of the licensee, with respect to the forecasts established in the General Radioactive Waste Plan, also constitutes a taxable event for this fee.

b) Taxable base: The taxable base of the fee is the quantity of nuclear fuel manufactured in each calendar year, measured in metric tonnes (MT) and expressed to two decimal places, the remaining decimals being rounded down to the lower second decimal place”.

The previous regulation effectively replaced the contributions that ENUSA had been making to ENRESA, under the contracts signed between the two companies, with the payment of a fee (*), with the same destination: to increase the Fund earmarked for managing operational wastes and the cost of dismantling the Juzbado factory. This fee has therefore been paid since 2010 and has continued to build the value of the Fund described above.

The value of the Fund is shown in the Company’s balance sheet as a reduction of the provisions to which it is allocated.

(*) By virtue of the eleventh final provision of Law 9/2017, of 8 November, on Public Sector Contracts, which amends the first additional provision of Law 58/2003, of 17 December, on General Taxation, the aforementioned fee, as consideration received for the services provided by ENRESA, has taken on the legal nature of a non-tax public economic benefit.

d) Contingencies and liabilities related to the protection and improvement of the environment:

The Company considers that there are no significant contingencies and liabilities related to the protection and improvement of the environment other than those mentioned in (c) above.


e) Investments made during the year for environmental reasons:

Investments in environment-related assets in 2021 and 2020, mainly carried out at the Juzbado fuel assembly factory, amounted to 385 thousand euros and 395 thousand euros, respectively.

f) Compensations to be received from third parties:

No income from environmental activities was received in 2021 and 2020.

No grants have been received for this item in 2021 and 2020.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

15. LONG-TERM REMUNERATION TO PERSONNEL

In 1995, the Company set up a defined-contribution, contributory employment pension plan with a pension fund management company, with contributions from the promoter and the participants, in accordance with the rules governing the plan, which is currently governed by the provisions of the Revised Text of the Law on Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of 29 November, and by Royal Decree 304/2004, of 20 February, approving the Regulations of Pension Plans and Funds, and by any other applicable legislation. The commitment remains in force in the current collective bargaining agreements.

From 1995 to 2011, the Company had been contributing various amounts to the Plan as its promoter.

Law 11/2020, of 30 December, on the General State Budget for the year 2021, with regard to salary increases for the financial year 2021, in section three of its Article 18, stated that contributions could be made to employment pension plans or collective insurance contracts, as long as the global increase set in the aforementioned section two, of 0.9 percent with respect to those in force on 31 December 2020, was not exceeded.

No contribution was made by the Company in the financial years 2021 and 2020.

16. GRANTS, DONATIONS AND BEQUESTS

The amounts included under Grants, donations and bequests in the balance sheet at 31 December 2021 and 2020 relate to grants received by the Company from various entities to finance mainly certain research expenses.

The movement in this heading during the financial years 2021 and 2020 was as follows:

FINANCIAL YEAR 2021						THOUSANDS OF EUROS
Concept	Balance as of 31/12/2020	Concession	Allocations to results	Tax effect	Balance as of 31/12/2021	
European Comission	3	-	(2)	1	2	
CDTI	75	454	(142)	(78)	309	
TOTAL	78	-	(144)	(77)	311	

FINANCIAL YEAR 2020						THOUSANDS OF EUROS
Concept	Balance as of 31/12/19	Concession	Allocations to results	Tax effect	Balance as of 31/12/20	
European Comission	10	-	(10)	3	3	
CDTI	75	-	-	-	75	
TOTAL	85	-	(10)	3	78	

In addition, an amount of 46 thousand euros (24 thousand euros in 2020) corresponding to contributions from entities belonging to the State Administration to compensate operating expenses in the area of staff training was charged directly to income.

17. JOINT VENTURES

The Company carries out certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The list of joint ventures in which ENUSA has participated during the 2021 and 2020 financial years, as well as the percentage of such participation, is as follows:

- Tecnatom-Westinghouse-ENUSA, UTE: Tecnatom, S.A., Westinghouse Technology Services, S.A. and ENUSA Industrias Avanzadas, S.A., with a stake of 33.33%.
- In addition, as a result of the merger with Teconma that took place in 2013, ENUSA became a partner in the joint venture "ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.L.U. and A2A Ambiente S.p.A. Temporary Business Union", with a stake of 85.6859%.

The amounts for each joint venture of the most significant items in the balance sheet and profit and loss account at 31 December 2020 and 2020 are as follows:

FINANCIAL YEAR 2021	THOUSANDS OF EUROS	
	UTE RSU	Tecnatom-Westinghouse-ENUSA, UTE
Assets		
Intangible fixed assets	29,369	-
Tangible fixed assets	6	-
Long-term financial investments	3,208	-
Trade and other receivables	1,028	1,175
Short-term accruals	10	1
Liquid assets	5,633	24
Liabilities		
Adjustments for changes in value	(2,024)	-
Long-term provisions	5,721	-
Long-term debts	15,580	-
Short-term debts	11,652	-
Trade creditors and other payables	1,043	1,158
Profit and Loss		
Net turnover	7,713	3,560
Procurement	(2,098)	(3,549)
Personnel expenses	(440)	-
Other operating expenses	(1,451)	-
Depreciation of fixed assets	(2,189)	-
Impairment and gains on disposal of fixed assets	(329)	-
Other results	92	(13)
Capitalisation of financial expenses	243	-
Financial costs	(1,295)	-
RESULT FOR THE FINANCIAL YEAR	246	(2)

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

FINANCIAL YEAR 2020	THOUSANDS OF EUROS	
	UTE RSU	Tecnatom-Westinghouse-ENUSA, UTE
Assets		
Intangible fixed assets	31,243	-
Tangible fixed assets	16	-
Long-term financial investments	2,872	-
Trade and other receivables	1,169	654
Liquid assets	5,247	202
Liabilities		
Adjustments for changes in value	(2,876)	-
Long-term provisions	5,689	-
Long-term debts	18,114	-
Short-term debts	11,983	-
Trade creditors and other payables	720	812
Profit and Loss		
Net turnover	7,546	1,745
Procurement	(1,757)	(1,734)
Personnel expenses	(455)	-
Other operating expenses	(2,176)	-
Depreciation of fixed assets	(2,188)	-
Other results	(19)	(10)
Capitalisation of financial expenses	363	-
Financial costs	(1,465)	-
RESULT FOR THE FINANCIAL YEAR	(151)	1

18. NON-CURRENT ASSETS HELD FOR SALE

Details of assets and their net book value at 31 December 2021 and 2020 are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Biogas plant assets	-	3
TOTAL	-	3

On 12 June 2020, the contract for the sale of all the assets comprising the Biogas Plant owned by the company, located on ENUSA's land in Juzbado, was notarised and the aforementioned assets were therefore removed from the corresponding heading ("Non-current assets held for sale"). The amount of 3 thousand euros that remained as a balance at the end of that year corresponded to part of the value of the property where the aforementioned plant is located and which was pending confirmation of the segregation thereof. In 2021, once this segregation had taken place, it was lowered.



19. EVENTS AFTER YEAR-END

At the date of preparation of the consolidated annual accounts, there were no events subsequent to year-end 2020 that require disclosure.

It is only worth mentioning that the current conflict between Ukraine and Russia has no impact whatsoever on these financial statements, nor is it expected to have any significant effect on the Uranium Procurement business to date.



20. TRANSACTIONS WITH RELATED PARTIES

a) Transactions with group companies, jointly controlled entities and associates

The related parties with which the Company has entered into transactions during the financial years 2021 and 2020, and the nature of such relationship, are as follows:

	NATURE OF THE RELATIONSHIP
SEPI	Direct parent company
EMGRISA	ENUSA Group company
ETSA	ENUSA Group company
EQUIPOS NUCLEARES	SEPI Group company
ENWESA OPERACIONES	SEPI Group company
CORREOS	SEPI Group company
CORREOS EXPRESS	SEPI Group company
GENUSA	Equity accounted ENUSA Group/associate
ENUSA-ENSA AIE	Equity accounted ENUSA Group/associate
SNGC AIE	Equity accounted ENUSA Group/associate
CETRANSA	Equity accounted ENUSA Group/associate
REMESA	Equity accounted ENUSA Group/associate
ENRESA	Equity accounted SEPI Group/associate
ADMINISTRATORS	Board Members
SENIOR MANAGEMENT	Directors

Transactions with group companies, jointly controlled entities and associates during the financial years 2021 and 2020 and their effect on the financial statements were as follows:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS		
	ENUSA Group	SEPI	Rest of the SEPI Group companies	Jointly Controlled and Associated Companies
Asset balances				
Trade and other receivables	17	-	-	2,824
Advances to suppliers	-	-	238	-
Dividends receivable	681	-	-	-
Short-term accruals	94	-	-	-
Liability balances				
Long-term debts	11	1,919	-	-
Short-term debts	-	1,113	-	-
Trade creditors and other payables	360	-	(9)	1,977
Advances to customers	-	-	-	1,138
Transactions				
Purchases and work carried out	106	-	945	6,425
Services received	3,350	-	20	12
Interest expenses	-	9	-	-
Sales and services rendered	-	-	-	37,466
Interest income	-	-	-	225
Income from various services	157	-	-	2,560
Dividends distributed	1,703	-	-	236
Lease income	65	-	-	-

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	ENUSA Group	SEPI	Rest of the SEPI Group companies	Jointly Controlled and Associated Companies
Asset balances				
Trade and other receivables	20	-	-	4,274
Advances to suppliers	-	-	306	-
Short-term accruals	15	-	-	-
Liability balances				
Long-term debts	11	2,666	-	-
Short-term debts	-	725	-	-
Trade creditors and other payables	427	-	144	1,671
Advances to customers	-	-	-	617
Transactions				
Purchases and work carried out	90	-	973	5,848
Services received	3,372	-	8	2
Interest expenses	-	12	-	-
Sales and services rendered	-	-	-	21,920
Interest income	-	-	-	251
Income from various services	167	-	-	2,357
Dividends distributed	1,492	-	-	64
Lease income	65	-	-	-

The most significant transactions and balances with jointly controlled entities and associates in 2021 and 2020 correspond to the following companies:

- Trade and other receivables: 1,505 thousand euros with ENRESA (2,612 thousand euros with ENRESA in 2020) and 853 thousand euros with ENUSA-ENSA, EIG (1,185 thousand in 2020).
- Trade and other payables: 1,977 thousand euros with ENUSA-ENSA, EIG (1,672 thousand euros in 2020).
- Purchases and work carried out: 6,425 thousand euros with ENUSA-ENSA, EIG (5,848 thousand euros in 2020).
- Sales and services rendered: 34,908 thousand euros with GENUSA (18,933 thousand euros in 2020).

The terms and conditions of transactions with related parties are equivalent to those at arm's length.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure


5
Report Parameters


Economic Performance
ENUSA ACCOUNTS

7
Social Performance

8
Environmental Performance

9
Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance ENUSA ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

b) Board of Directors

At the end of the financial year 2021, the Board of Directors consisted of 12 persons (5 women and 7 men).

The remuneration of the members of the Board of Directors, in their capacity as such, consists of a per diem allowance for attending Board meetings. The amount of the per diem allowances of the members of the Company's Board of Directors totalled 83 thousand euros in 2021 (82 thousand euros in 2020).


The chairman of the Board of Directors is also a salaried employee of the Company, being a member of the Executive Committee (see point c)), and does not receive a per diem allowance for attending Board meetings.

The Company has no advances or loans granted to all the members of the Board of Directors (except for the Chairman, whose details are reported in point c), together with those relating to the other members of the Executive Committee).

During the financial year 2021, civil liability insurance premiums were paid to the directors and executives for damages incurred in the course of their duties in the amount of 18 thousand euros (same amount in 2020).

During this financial year, the members of the Board of Directors did not receive any remuneration, except for that indicated in the preceding paragraphs, and did not carry out any transactions with the company, nor did they use the name of the company or invoke their status as directors to unduly influence the performance of private transactions. They did not make use of corporate assets, including the company's confidential information, for private purposes, take advantage of the company's business opportunities, obtain benefits or remuneration from third parties other than the company and its group in connection with the performance of their duties, or engage in activities on their own account or on behalf of others which are in actual or potential competition with the company or which otherwise put them in permanent conflict with the interests of same. Accordingly, in compliance with the provisions of article 229.3 of Royal Legislative Decree 1/2010, of 2 July, of the revised text of the Law on Capital Companies, the directors declare that they do not personally, or through any related person, have any direct or indirect conflict of interest with the interests of the company, except for the following directors who hold the positions detailed below in companies that carry out an activity complementary to that of ENUSA:

NAME	POSITION
Mr. Carlos Alejaldre Losilla	Vice President and Board Member of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA)
Mr. Jose Manuel Redondo García	Board Member of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA)
Ms. Elena Pastor Les	Board Member of Equipos Nucleares, S.A., S.M.E. (ENSA)

- 1
Letter from the Chairman
- 2
Good Governance
- 3
Main Economics Figures
- 4
ENUSA Group Estructure
- 5
Report Parameters
- 
Economic Performance
ENUSA ACCOUNTS
- 7
Social Performance
- 8
Environmental Performance
- 9
Annexes

c) Executive Committee

Effective 2012, all members of the Company's Executive Committee entered into senior management contracts with the parent company and have therefore been considered senior management personnel since 2012.

The Company's Executive Committee is made up of 9 persons (3 women and 6 men).

The only remuneration accrued in favour of the aforementioned personnel was short-term remuneration of 1,118 thousand euros during the financial year 2021 (1,182 thousand euros in the financial year 2020).

The only balances held by members of the Executive Committee with the Company relate to loans amounting to 1 thousand euros (16 thousand euros in 2020), and no amounts in 2020 and 2021, corresponding to personal advances, all of which are regulated by collective bargaining agreements.

Furthermore, there is no balance of guarantees for the aforementioned personnel at 31 December 2020 and 2021.

There were no promoter contributions to pension plans in the financial years 2020 and 2021.

21. INFORMATION ON THE AVERAGE SUPPLIER PAYMENT PERIOD

By virtue of the obligation established in the Third Additional Provision of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, and in accordance with the ICAC Resolution of 29 January 2016 (applicable to the annual accounts for years beginning on or after 1 January 2015), we hereby report that the payments made during the year and the amounts pending payment at the balance sheet date are as follows:

	2021	2020
	Days	Days
Average supplier payment period	32.44	31.70
Ratio of paid operations	32.55	31.96
Ratio of operations pending payment	26.30	22.73
	Amount (thousands of euros)	Amount (thousands of euros)
TOTAL PAYMENTS MADE	170,446	202,223
TOTAL PENDING PAYMENTS	3,023	5,991

The maximum legal payment period applicable to the Company, according to Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, is 30 days, unless otherwise agreed between the parties, up to a maximum of 60 days.

22. SECURITIES AND GUARANTEES

The guarantees granted by various financial institutions to the Company at 31 December 2021 and 2020 are as follows:

		THOUSANDS OF EUROS		
		GUARANTEED AMOUNT		
Grant date	Beneficiary		31/12/2021	31/12/2020
09/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	2,261	2,261
15/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	300	300
15/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	442	442
15/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	145	145
04/07/2005	Consortium of the Zonal Waste Plan of Zone I	(1)	287	287
10/12/2009	Consortium of the Zonal Waste Plan of Zone I	(1)	152	152
02/02/2010	Consortium of the Zonal Waste Plan of Zone I	(1)	605	605
31/10/2011	Iberdrola Distribución Eléctrica, S.A.U.	(1)	15	15
25/05/2018	Consorci per l'execució de les previsions del Pla Zonal de Residus de la Zona 1	(1)	658	658
09/06/2006	City Council of Salamanca	(2)	15	15
19/06/2008	Department of Tourism. General Directorate of Tourist Infrastructure. Government of the Canary Islands	(2)	29	29
18/12/2009	UTE Corelsa (Corsan-Corviam Construcción, S.A. and Elsamex, S.A. UTE)	(2)	3	3
20/07/2015	Ministry of the Environment and Rural and Marine Affairs (Direct.Gen. Water)	(2)	7	7
28/05/1993	Territorial Delegation of Economy of the Regional Government of Castilla y León	(3)	135	135
29/10/1997	Territorial Delegation of Economy of the Regional Government of Castilla y León	(3)	24	24
14/01/2016	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	-	36

		THOUSANDS OF EUROS		
		GUARANTEED AMOUNT		
Grant date	Beneficiary		31/12/2021	31/12/2020
13/11/2018	Customs and Excise Department of the State Tax Administration Agency	(3)	450	450
26/11/2018	Customs and Excise Department of the State Tax Administration Agency	(3)	200	200
25/06/2019	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	-	39
09/09/2019	Customs and Excise Department of the State Tax Administration Agency	(3)	250	250
14/10/2020	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	36	36
16/11/2020	High Court of Justice of Castilla y León	(3)	-	40
23/11/2020	KEPCO-NF (South Korea)	(3)	-	39
23/12/2020	Customs and Excise Department of the State Tax Administration Agency	(3)	650	650
19/02/2021	Customs and Excise Department of the State Tax Administration Agency	(3)	5,000	-
12/03/2021	KEPCO-NF (South Korea)	(3)	234	-
12/03/2021	KEPCO-NF (South Korea)	(3)	78	-
12/07/2021	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	42	-
TOTAL			12,018	6,818

(1) Relating to the activity of the UTE RSU.

(2) Relating to the activity of TECONMA (Subsidiary of ENUSA with which it merged in 2013).

(3) Relating to the activity of ENUSA.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

The comfort letters issued by the Company to its subsidiaries at 31 December 2021 and 2020 are as follows:

THOUSANDS OF EUROS				
GUARANTEED AMOUNT				
Grant date	Company Group	Beneficiary	31/12/2021	31/12/2020
08/11/2017	ETSA	CAIXABANK, S.A.	264	264
06/09/2021	ETSA	CAIXABANK, S.A.	356	-
TOTAL			620	264

Other guarantees provided by the Company as at 31 December 2021 and 2020 are as follows:

THOUSANDS OF EUROS		
	31/12/2021	31/12/2020
Guarantee on employee loans for the acquisition or renovation of housing as set out in the company's Collective Bargaining Agreement (*)	323	323
TOTAL	323	323

(*) Corresponds to the amounts initially guaranteed. The maximum risk to the Company would be the risk arising from the outstanding amounts of the secured loans. This amounts to 76 and 96 thousand euros at 31 December 2021 and 2020, respectively.

The Company estimates that the guarantees and securities presented will not give rise to significant risks that have not been provisioned at year-end.



23. OTHER INFORMATION

The average number of employees in 2021 and 2020, broken down by professional category, is as follows:

FINANCIAL YEAR 2021	PERMANENT STAFF		TEMPORARY STAFF		TOTAL AVERAGE WORKFORCE		DISABILITY
Category	Women	Men	Women	Men	Women	Men	>= 33%
Senior management	4	4	-	-	4	4	-
Other managers, technicians and similar	97	236	27	37	124	273	3
Administrative and ancillary staff	25	13	10	2	35	15	3
Other staff	3	98	-	54	3	152	2
TOTAL AVERAGE WORKFORCE	129	351	37	93	166	444	8

FINANCIAL YEAR 2021	PERMANENT STAFF		TEMPORARY STAFF		TOTAL AVERAGE WORKFORCE		DISABILITY
Category	Women	Men	Women	Men	Women	Men	>= 33%
Senior management	3	5	-	-	3	5	-
Other managers, technicians and similar	91	236	28	43	119	279	4
Administrative and ancillary staff	25	16	10	2	35	18	3
Other staff	3	99	2	53	5	152	2
TOTAL AVERAGE WORKFORCE	122	356	40	98	162	454	9

The relative average workforce figures for the 2021 and 2020 financial years include, in both financial years, 13 people belonging to the staff of the UTE RSU (integrated into the percentage of ENUSA's shareholding in the same).

The gender distribution of the Company's staff by category and level as at 31 December 2021 and 2020 is as follows:

NO. EMPLOYEES			
FINANCIAL YEAR 2021	WOMEN	MEN	TOTAL
Board members	-	1	1
Senior management	3	5	8
Other managers, technicians and similar	132	289	421
Administrative and ancillary staff	38	19	57
Other staff	5	167	172
TOTAL	178	481	659

NO. EMPLOYEES			
FINANCIAL YEAR 2020	WOMEN	MEN	TOTAL
Board members	-	1	1
Senior management	3	2	5
Other managers, technicians and similar	127	300	427
Administrative and ancillary staff	39	21	60
Other staff	5	166	171
TOTAL	174	490	664

The figures for 31 December 2021 and 2020 include 13 people, respectively, belonging to the staff of the UTE RSU (integrated into ENUSA's percentage shareholding in it).

In compliance with its legal obligations, the Company, in addition to having 8 employees with disabilities on its payroll (9 employees in 2020), made donations as an alternative measure, amounting to 61 thousand euros in 2019 (zero in 2020).

The fees paid to Grant Thornton, S.L.P., Sociedad Unipersonal for the audit of the annual accounts and other 2021 services amount to 30 thousand euros (the same amount in 2020).

The amounts indicated above relate to expenses accrued in 2021 and 2020, irrespective of the time of invoicing.



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

AUDIT REPORT FOR ANNUAL ACCOUNTS



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INFORME DE AUDITORÍA DE CUENTAS ANUALES EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E.:

Opinión

Hemos auditado las cuentas anuales de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E. (la Sociedad), que comprenden el balance a 31 de diciembre de 2021, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2021, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2 de la memoria adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades del auditor en relación con la auditoría de las cuentas anuales de nuestro informe.

Somos independientes de la Sociedad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales en su conjunto, y en la formación de nuestra opinión sobre estas, y no expresamos una opinión por separado sobre esos riesgos.

Miembro de Grant Thornton International Ltd
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AUDIT REPORT ON THE ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.:

Opinion

We have audited the annual accounts of ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. (the Company), which comprise the balance sheet at 31 December 2021, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present, in all material respects, a true and fair view of the Company's equity and financial position at 31 December 2021 and of its results and cash flows for the year then ended in accordance with the applicable financial reporting framework (as identified in note 2 to the accompanying report) and, in particular, with the accounting principles and policies set out therein.

Basis of opinion

We conducted our audit in accordance with Spanish auditing standards. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the annual accounts of our report.

We are independent of the Company in accordance with the ethical requirements, including independence requirements, applicable to our audit of the annual accounts in Spain as required by the regulations governing such activity. In this regard, we have not provided any services other than auditing the accounts, nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned regulations, have affected the necessary independence in such a way that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgement, we considered to be the most significant risks of material misstatement in our audit of the financial statements for the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on those risks.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
ENUSA ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

Evaluación de la existencia y valoración de las provisiones

Tal y como se indica en la nota 13 de la memoria adjunta, la Sociedad tiene registradas provisiones por actuaciones medioambientales y otras provisiones en el largo y corto plazo por importe de 58.004 miles de euros al 31 de diciembre de 2021.

De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en las notas 2 y 4.12 de la memoria adjunta, las provisiones se reconocen cuando la Sociedad tiene una obligación presente, ya sea legal, contractual, implícita o tácita, como resultado de un suceso pasado, es probable que exista una salida de recursos que incorporen beneficios económicos futuros para cancelar tal obligación y se puede realizar una estimación fiable del importe de la obligación. El efecto financiero de las provisiones se reconoce como gastos financieros en la cuenta de pérdidas y ganancias.

Hemos considerado este área como un aspecto relevante de nuestra auditoría, en relación a que el registro de las provisiones implica un alto grado de juicio y de estimación de la Dirección.

Como parte de nuestra auditoría y en respuesta al aspecto comentado, hemos realizado los siguientes procedimientos:

- Hemos llevado a cabo un entendimiento del procedimiento aplicado por la Sociedad en relación a la determinación de los criterios e hipótesis aplicados por la Sociedad para la estimación de la existencia y valoración de las diferentes provisiones, así como para la aplicación del adecuado tratamiento contable.
- Hemos mantenido diferentes reuniones con la Dirección de la Sociedad y con el departamento técnico de la misma al objeto de entender la naturaleza e hipótesis utilizadas en las diferentes provisiones, confirmando la información que se incorpora en los diferentes informes técnicos y económicos que sustentan las principales hipótesis empleadas.
- Hemos realizado procedimientos analíticos y de detalle consistentes en el entendimiento de la evolución de las diferentes provisiones, atendiendo a su naturaleza y obteniendo diferente documentación soporte de los principales movimientos que se han producido durante el ejercicio 2021.
- Hemos realizado una revisión de la metodología utilizada en la actualización financiera realizada en las diferentes provisiones.
- Obtención de las confirmaciones de los asesores legales y fiscales, tanto internos como externos, donde se detallan los litigios y reclamaciones que se encuentran abiertos a 31 de diciembre de 2021 y que se han cerrado durante dicho ejercicio.
- Hemos comprobado que la información revelada en las cuentas anuales es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.

Valoración y registro de instrumentos financieros derivados

Tal y como se detalla en las notas 4.5 y 6 de la memoria adjunta, la Sociedad utiliza derivados financieros como parte de su estrategia para disminuir su exposición al riesgo de tipos de interés y tipo de cambio, utilizando la contabilidad de coberturas, siendo el importe registrado en el activo de 4.241 miles de euros y en el pasivo de 2.264 miles de euros.

De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en la nota 4.6 de la memoria adjunta, la Sociedad realiza operaciones de Coberturas de flujos de efectivo, para cubrir la exposición a la variación de los flujos de efectivo que se atribuye a un riesgo concreto asociado a una transacción altamente probable, siempre que pueda afectar a la cuenta de pérdidas y ganancias. La parte de la ganancia o pérdida del instrumento de cobertura que se haya determinado como cobertura eficaz se reconoce transitoriamente en el patrimonio neto, imputándose en la cuenta de pérdidas y ganancias en el mismo período en que la operación objeto de cobertura afecta al resultado.

2

Hemos considerado este área como un aspecto relevante de nuestra auditoría, en relación a que la estimación del valor razonable, así como la categorización del instrumento derivado requieren de un nivel elevado de juicio por parte de la Dirección y puede tener un impacto significativo en el balance y cuenta de pérdidas y ganancias adjuntas.

Como parte de nuestra auditoría y en respuesta al aspecto comentado, hemos realizado los siguientes procedimientos:

- Hemos llevado a cabo un entendimiento del procedimiento establecido por la Sociedad para asegurar la adecuada valoración y tratamiento contable de los instrumentos financieros derivados.
- Hemos obtenido la confirmación de la valoración de los derivados relativos al tipo de interés de las entidades bancarias.
- Hemos realizado, para una muestra representativa, procedimientos de contraste del valor razonable y verificado el correcto tratamiento contable sobre la base de la adecuada clasificación del instrumento derivado. Para este procedimiento hemos involucrado a nuestros expertos en instrumentos financieros cuando lo hemos considerado necesario.
- Hemos comprobado que la información revelada en las cuentas anuales es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.

Otra información: Informe de gestión

La otra información comprende exclusivamente el informe de gestión del ejercicio 2021 cuya formulación es responsabilidad de los administradores de la Sociedad, y no forma parte integrante de las cuentas anuales.

Nuestra opinión de auditoría sobre las cuentas anuales no cubre el informe de gestión. Nuestra responsabilidad sobre el informe de gestión, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en:

- Comprobar únicamente que el estado de información no financiera, se ha facilitado en la forma prevista en la normativa aplicable y, en caso contrario, a informar sobre ello.
- Evaluar e informar sobre la concordancia del resto de la información incluida en el informe de gestión con las cuentas anuales, a partir del conocimiento de la entidad obtenido en la realización de la auditoría de las citadas cuentas, así como evaluar e informar de si el contenido y presentación de esta parte del informe de gestión son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado según lo descrito anteriormente, hemos comprobado que la información mencionada en el apartado a) anterior se facilita en la forma prevista en la normativa aplicable y que el resto de la información que contiene el informe de gestión concuerda con la de las cuentas anuales del ejercicio 2021 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los administradores en relación con las cuentas anuales

Los administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad, de conformidad con el marco normativo de información financiera aplicable a la entidad en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, estada a fraude o error.

3



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Assessment of the existence and valuation of the provisions

As stated in note 13 to the accompanying report, the Company has recorded provisions for environmental and other actions in the long and short term amounting to 58,004 thousand euros at 31 December 2021.

In accordance with the applicable financial reporting framework and as indicated in notes 2 and 4.12 to the accompanying report, provisions are recognised when the Company has a present legal, contractual, implicit or tactical obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of same. The financial effect of provisions is recognised as financial expenses in the profit and loss account.

We considered this area as a relevant aspect of our audit, as the recording of provisions involves a high degree of management judgement and estimation.

As part of our audit, we performed the following procedures in response to the above-mentioned aspect:

We reached an understanding of the procedure applied by the Company in relation to the determination of the criteria and assumptions applied by it to estimate the existence and valuation of the different provisions, and to apply the appropriate accounting treatment.

We held various meetings with the Company's management and its technical department in order to understand the nature and assumptions used in the various provisions, confirming the information included in the various technical and economic reports that support these assumptions.

We performed analytical and detailed procedures to understand the evolution of the different provisions, taking into account their nature and obtaining different supporting documentation of the main movements that have taken place during the financial year 2021.

We have carried out a review of the methodology used in the financial restatement of the various provisions.

We obtained confirmations from internal and external legal and tax advisers detailing the litigation and claims that are open at 31 December 2021 and that have been closed during that year.

We verified that the information disclosed in the annual accounts is sufficient and appropriate in accordance with the applicable financial reporting framework.

Valuation and registration of financial derivatives

As detailed in notes 4.5 and 8 to the accompanying report, the Company uses financial derivatives as part of its strategy to reduce its exposure to interest rate and exchange rate risk, using hedge accounting, with assets amounting to 4,241 thousand euros and liabilities to 2,264 thousand euros.

In accordance with the applicable financial reporting framework and as indicated in note 4.5 to the accompanying report, the Company enters into cash flow hedges to hedge the exposure to changes in cash flows attributable to a specific risk associated with a highly probable transaction, provided that it may affect the income statement. The portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and in the income statement in the same period in which the hedged transaction affects profit or loss.

2



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We considered this area to be a significant aspect of our audit, as the estimation of the fair value and categorisation of the financial derivative requires a high level of management judgement and may have a significant impact on the accompanying balance sheet and income statement.

As part of our audit, we performed the following procedures in response to the above-mentioned aspect:

We reached an understanding of the procedure established by the Company to ensure the proper valuation and accounting treatment of financial derivatives.

We obtained confirmation of the valuation of the banks' interest rate derivatives.

We performed fair value testing procedures for a representative sample and verified the correct accounting treatment on the basis of the appropriate classification of the financial derivative. For this procedure we have involved our financial instrument experts when deemed necessary.

We verified that the information disclosed in the annual accounts is sufficient and appropriate in accordance with the applicable financial reporting framework.

Other disclosures: Management report

The other information comprises only the management report for the financial year 2021, the preparation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the financial statements does not cover the management report. Our responsibility in relation to the management report, as required by the regulations governing the audit activity, is as follows:

a) To verify only that the statement of non-financial information has been provided in the form required by the applicable regulations and, if not, to report thereon.

b) To assess and report on the consistency of the other information included in the management report with the annual accounts, based on the knowledge of the Company obtained in the audit of the aforementioned accounts, and on whether the content and presentation of this part of the management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

On the basis of the work performed, as described above, we have verified that the information referred to in section a) above is provided in the manner prescribed by the applicable regulations and that the other information contained in the management report is consistent with that in the annual accounts for the financial year 2021 and its content and presentation are in accordance with the applicable regulations.

Liability of the directors in relation to the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts so that they present fairly the Company's equity, financial position and results, in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as they deem necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

3

1
Letter from
the Chairman2
Good
Governance3
Main
Economics
Figures4
ENUSA Group
Estructure5
Report
Parameters

7
Social
Performance8
Environmental
Performance9
Annexes

En la preparación de las cuentas anuales, los administradores son responsables de la valoración de la capacidad de la Sociedad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los administradores tienen intención de liquidar la sociedad o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contenga nuestra opinión.

Seguridad razonable es un alto grado de seguridad, pero no garantiza que una auditoría realista de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigentes en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, pueden prevalecer razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.

Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigentes en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la entidad.
- Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por los administradores.
- Concluimos sobre si es adecuada la utilización, por los administradores, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Sociedad para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que la Sociedad deje de ser una empresa en funcionamiento.
- Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales, incluida la información revelada, y si las cuentas anuales representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.

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In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, going concern matters and using the going concern basis of accounting unless the directors intend to liquidate the company or to cease operations, or there is no realistic alternative.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with Spanish auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, jointly or individually, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts.

As part of an audit in accordance with the regulations governing the audit activity in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the process. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error because fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, conclude on whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We assessed the overall presentation, structure and content of the financial statements, including the disclosures, and whether such statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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We communicate with the directors of Enusa Industrias Avanzadas, S.A. S.M.E. regarding, among other matters, the planned scope and timing of the audit and significant findings therein, as well as any significant deficiencies in internal control that we identify during the course of such audit.

We identified those significant risks communicated to the company's directors, which we believed to be of most significance in the audit of the financial statements for the current period and which are, accordingly, those considered to be the most significant.

We describe those risks in our auditor's report unless legal or regulatory provisions prohibit public disclosure.

Grant Thornton, S.L.P Sole proprietorship

José Manuel López García
ROAC No. 22480
16 March 2022

Nos comunicamos con los administradores de Enusa Industrias Avanzadas, S.A. S.M.E. en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificada y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identifiquemos en el transcurso de la auditoría.

Entre los riesgos significativos que han sido objeto de comunicación a los administradores de la entidad, determinamos los que han sido de la mayor significatividad en la auditoría de las cuentas anuales del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC nº 50231



José Manuel López García

ROAC nº 22480

16 de marzo de 2022

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

Economic Performance ENUSA ACCOUNTS

7 Social Performance

8 Environmental Performance

9 Annexes

7 CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2021 ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET - ENUSA GROUP

		THOUSANDS OF EUROS		
		NOTES TO THE REPORT	31/12/2021	31/12/2020
ASSETS				
A)	NON-CURRENT ASSETS		95,874	98,833
I.	Intangible fixed assets	10	30,051	32,131
	3. Patents, licences, trademarks and other		286	396
	5. Software applications		391	492
	6. Other intangible fixed assets		29,374	31,243
II.	Tangible fixed assets	9	37,475	37,903
	1. Land and buildings		16,745	17,183
	2. Technical installations and other tangible fixed assets		19,760	20,103
	3. Fixed assets in progress and advances		970	617
IV.	Long-term investments in group and associated companies		10,774	10,314
	1. Shares accounted for using the equity method	7	10,774	10,314
V.	Long-term financial investments	12	5,829	4,323
	1. Equity instruments		195	195
	2. Financial derivatives		2,253	875
	3. Loans to third parties		5	219
	5. Other financial assets		3,376	3,034
VI.	Deferred tax assets	15	11,745	14,162

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

		THOUSANDS OF EUROS	
ASSETS	NOTES TO THE REPORT	31/12/2021	31/12/2020
B) CURRENT ASSETS		310,783	305,922
I. Non-Current assets held for sale	9, 21	-	3
II. Inventories	13	222,323	264,161
2. Raw materials and other supplies		202,630	237,471
3. Work in progress		4,983	8,687
4. Finished goods		9,486	13,879
6. Advances to suppliers		5,224	4,124
III. Trade and other receivables		28,651	24,301
1. Clients from sales and services	12	22,393	17,199
2. Customers of group and associated companies	12, 23	1,378	1,636
3. Current tax assets	15	1,853	1,214
4. Other debtors	12	2,120	3,164
5. Personnel	12	117	201
6. Other receivables from Public Administrations	15	790	887
IV. Short-term investments in group and associated companies	12, 23	3,770	7,060
2. Loans to group and associated companies		3,770	7,060
V. Short-term financial investments	12	2,643	848
2. Credits		541	539
4. Derivatives		1,988	95
5. Other financial assets		114	214
VI. Short-term accruals		374	348
VII. Cash and other cash equivalents	12	53,022	9,201
1. Liquid assets		53,022	9,201
TOTAL ASSETS (A + B)		406,657	404,755

CONSOLIDATED BALANCE SHEET - ENUSA GROUP

THOUSANDS OF EUROS

EQUITY AND LIABILITIES	NOTES TO THE REPORT	31/12/2021	31/12/2020
A) EQUITY		123,837	113,933
A-1) Shareholders' equity	12.3	116,689	111,197
I. Capital		60,102	60,102
III. Reserves and prior financial years' results		31,562	31,562
1. Legal and statutory		12,020	12,020
2. Other reserves		19,542	19,542
IV. Reserves in consolidated companies accounted for by the equity method		16,932	16,433
VI. Other partner contributions		62	46
VIII. Profit for the financial year attributable to the parent company		8,031	3,054
1. Consolidated profit and loss		8,036	3,054
2. Losses and gains minority interests		5	-
A-2) Adjustments for changes in value		1,636	(2,539)
III. Other adjustments for changes in value		1,636	(2,539)
1. Hedging operations	12	1,659	(2,521)
2. Others		(23)	(18)
A.3) Grants, donations and bequests received	20	5,430	5,198
I. In consolidated companies		5,430	5,198
A-4) Minority interests	6	82	77
1. Prior financial years minority interests		77	77
2. Profit attributable to minority interests		5	-
B) NON-CURRENT LIABILITIES		73,629	168,901
I. Long-term provisions	17	51,995	54,723
1. Long-term employee benefit obligations		9	9
2. Environmental actions	18	36,063	37,040
3. Restructuring provisions		437	435
4. Other provisions		15,486	17,239

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

THOUSANDS OF EUROS			
EQUITY AND LIABILITIES	NOTES TO THE REPORT	31/12/2021	31/12/2020
II. Long-term debt with group and associated companies	12, 23	1,919	2,666
III. Long-term debts		16,519	109,155
2. Debts to credit institutions	12	13,929	105,643
4. Other financial liabilities		936	715
5. Derivatives		1,654	2,797
IV. Deferred tax liabilities	15	3,196	2,357
C) CURRENT LIABILITIES		209,191	121,921
II. Short-term provisions	17, 18	6,018	5,422
III. Short-term debts	12	139,829	50,991
2. Debts to credit institutions		136,857	46,782
3. Finance lease creditors	11	-	8
4. Other financial liabilities		2,362	2,413
5. Derivatives		610	1,788
IV. Short-term debt with group and associated companies	12, 23	1,113	725
V. Trade creditors and other payables		61,587	64,436
1. Suppliers	12	12,397	11,743
2. Suppliers, group and associated companies	12, 23	1,970	1,816
3. Current tax liabilities	15	346	83
4. Other creditors	12	9,380	4,253
5. Personnel (outstanding salaries)	12	2,244	2,050
6. Other debts to Public Administrations	15	2,883	3,114
7. Advances from customers and debtors	12	32,367	41,377
VI. Short-term accruals		644	347
TOTAL EQUITY AND LIABILITIES (A + B + C)		406,657	404,755

CONSOLIDATED PROFIT AND LOSS ACCOUNT - ENUSA GROUP

	NOTES TO THE REPORT	31/12/2021	31/12/2020
THOUSANDS OF EUROS			
A) CONTINUING OPERATIONS			
1. Net turnover	16, 23	313,291	247,169
a) Sales		259,775	198,969
b) Rendering of services		53,516	48,200
2. Changes in inventories of finished goods and work in progress		(8,098)	67
3. Work carried out by the company for its assets		-	89
4. Procurement	16, 23	(226,682)	(176,393)
a) Use of goods		(33)	(27)
b) Use of raw materials and other consumables		(188,360)	(143,173)
c) Work carried out by other companies		(38,289)	(33,193)
5. Other operating income		2,983	2,731
a) Ancillary and other current operating revenue		2,792	2,697
b) Operating grants included in the result for the financial year	20	191	34
6. Personnel expenses		(42,455)	(41,556)
a) Wages, salaries and similar		(32,031)	(31,376)
b) Social charges	16	(10,424)	(10,181)
c) Provisions		-	1
7. Other operating expenses		(20,522)	(17,995)
a) External services	16	(18,829)	(15,851)
b) Taxes		(1,868)	(1,358)
c) Losses, impairment and changes in provisions for trading operations	12	258	(704)
d) Other current administrative expenses		(83)	(82)
8. Depreciation of fixed assets	9, 10	(7,317)	(7,298)
9. Allocation of grants for non-financial fixed assets and others	20	3	3

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

	NOTES TO THE REPORT	31/12/2021	31/12/2020
THOUSANDS OF EUROS			
10. Excess provisions	17	158	3,444
11. Impairment and gains on disposal of fixed assets		(332)	928
b) Financial outcome on disposals and other		(332)	928
12. Other operating results	16	91	(4,644)
a) Exceptional expenses		(532)	(4,788)
b) Exceptional income		623	144
A.1) OPERATING INCOME (1+2+3+4+5+6+7+8+9+10+11+12)		11,120	6,545
13. Financial income		231	258
b) Marketable securities and other financial instruments		231	258
b.1. From group and associated companies	23	225	235
b.2. From third parties		6	23
14. Financial costs		(1,821)	(2,534)
a) Debts to group and associated companies	23	(9)	(12)
b) Debts owed to third parties		(1,742)	(1,941)
c) For updating provisions		(70)	(581)
16. Exchange differences	14	223	(579)
17. Impairment and gains on disposals of financial instruments		-	(73)
a) Impairments and losses	12	-	(73)
18. Capitalisation of financial expenses	10	243	364
A.2) FINANCIAL RESULT (13+14+15+16+18)		(1,124)	(2,564)
19. Share in profits (losses) of companies accounted for using the equity companies	7	800	241
A.3) PROFIT BEFORE TAX (A.1. + A.2. + 19.)		10,796	4,222
22. Income tax	15	(2,760)	(1,168)
A.4) PROFIT FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS (A.3. + 22.)		8,036	3,054
B) DISCONTINUED OPERATIONS		-	-
A.5) CONSOLIDATED PROFIT FOR THE FINANCIAL YEAR (A.4. + B.)		8,036	3,054
PROFIT ATTRIBUTABLE TO THE PARENT COMPANY		8,036	3,054
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	6	5	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - ENUSA GROUP

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES

THOUSANDS OF EUROS

	NOTES TO THE REPORT	31/12/2021	31/12/2020
A) CONSOLIDATED PROFIT FOR THE FINANCIAL YEAR		8,036	3,054
INCOME AND EXPENSES RECOGNISED DIRECTLY IN CONSOLIDATED EQUITY			
II. From cash flow hedges	12	5,497	(3,782)
III. Grants, donations and bequests received	20	455	-
IV. Conversion differences		(5)	14
V. Tax effect	15	(1,488)	945
B) TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN CONSOLIDATED EQUITY (II+III+IV+V)		4,459	(2,823)
TRANSFERS TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT			
VII. From cash flow hedges	12	76	(343)
VIII. Grants, donations and bequests received	20	(147)	(13)
IX. Tax effect	15	18	88
C) TOTAL TRANSFERS TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT (VII+VIII+IX)		(53)	(268)
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSES (A+B+C)		12,442	(37)
Attributable to the parent company		12,437	(37)
Attributable to minority interests		5	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - ENUSA GROUP

B) TOTAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THOUSANDS OF EUROS

	CAPITAL	RESERVES AND PRIOR FINANCIAL YEARS' RESULTS	OTHER PARTNER CONTRIBUTIONS	PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE PARENT COMPANY	ADJUSTMENTS FOR CHANGES IN VALUE	GRANTS, DONATIONS AND BEQUESTS RECEIVED	MINORITY INTERESTS	TOTAL
A. Balance as of 31 December 2019	60,102	48,357	33	3,818	541	5,208	77	118,136
I. Total consolidated recognised income and expenses	-	-	-	3,054	(3,080)	(11)	-	(37)
II. Transactions with partners or owners	-	-	13	(4,162)	-	-	-	(4,149)
4. Distribution of profit for 2019	-	-	-	(4,162)	-	-	-	(4,162)
- Reserves	-	-	-	-	-	-	-	-
- Dividends	-	-	-	(4,162)	-	-	-	(4,162)
7. Other movements	-	-	13	-	-	-	-	13
III. Other changes in equity	-	(362)	-	344	-	1	-	(17)
B. Balance as of 31 December 2020	60,102	47,995	46	3,054	(2,539)	5,198	77	113,933
I. Total consolidated recognised income and expenses	-	-	-	8,031	4,175	231	5	12,442
II. Transactions with partners or owners	-	-	16	(2,600)	-	-	-	(2,584)
4. Distribution of profit for 2020	-	-	-	(2,600)	-	-	-	(2,600)
- Reserves	-	-	-	-	-	-	-	-
- Dividends	-	-	-	(2,600)	-	-	-	(2,600)
7. Other movements	-	-	16	-	-	-	-	16
III. Other changes in equity	-	499	-	(454)	-	1	-	46
C. Balance as of 31 December 2021	60,102	48,494	62	8,031	1,636	5,430	82	123,837

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance
GROUP ACCOUNTS

7
Social Performance

8
Environmental Performance

9
Annexes

CONSOLIDATED CASH FLOW STATEMENT - ENUSA GROUP

	NOTES TO THE REPORT	2021	2020
THOUSANDS OF EUROS			
A) CONSOLIDATED CASH FLOW FROM OPERATING ACTIVITIES			
1. Consolidated profit before tax for the financial year		10,796	4,222
2. Adjustments of consolidated result		9,172	10,910
Depreciation of fixed assets (+)	9, 10	7,317	7,298
Valuation adjustments for impairment (+/-)		(221)	795
Change in provisions (+/-)		1,636	2,072
Allocation of grants (-)	20	(148)	(13)
Financial outcome on retirements and disposals of fixed assets (+/-)		333	(928)
Financial income (-)		(231)	(259)
Financial expenses (-)		1,508	1,590
Exchange differences (+/-)	14	(223)	579
Share in profits (losses) of companies accounted for using the equity method, net of dividends	7	(800)	(241)
Other income and expenses (-/+)		1	17
3. Changes in consolidated working capital		35,757	(6,928)
Inventories (+/-)		41,802	(8,495)
Debtors and other receivables (+/-)		(3,407)	8,952
Other current assets (+/-)		(36)	(9)
Creditors and other accounts payable (+/-)		(2,899)	(7,645)
Other current liabilities (+/-)		297	269

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

		THOUSANDS OF EUROS	
	NOTES TO THE REPORT	2021	2020
4. Other cash flow from consolidated operating activities		(6,655)	(6,011)
Interest payable (-)		(1,812)	(1,989)
Dividends receivable (+)		386	383
Interest receivable (+)		455	3
Income tax payable (receivable) (-/+)		(1,350)	(1,386)
Other payables (receivables) (-/+)	17	(4,334)	(3,022)
5. Cash flow from consolidated operating activities (1+2+3+4)		49,070	2,193
B) CONSOLIDATED CASH FLOW FROM INVESTING ACTIVITIES			
6. Investment payables (-)		(8,885)	(10,902)
Group companies, net cash from consolidated companies		(3,770)	(7,060)
Intangible fixed assets		(434)	(180)
Tangible fixed assets		(4,128)	(3,097)
Other financial assets		(553)	(560)
Other assets		-	(5)
7. Divestment receivables (+)		7,667	8,614
Group companies, net cash from consolidated companies	23	7,060	6,560
Tangible fixed assets		86	1
Other financial assets		315	78
Non-Current assets held for sale		206	1,975
8. Consolidated cash flow from investing activities (7-6)		(1,218)	(2,288)
C) CONSOLIDATED CASH FLOW FROM FINANCING ACTIVITIES			
9. Equity instrument receivables and payables		207	13
g) Grants, donations and bequests received		191	-
i) Other partner contributions		16	13

CONTINUED ON NEXT PAGE

	THOUSANDS OF EUROS	
NOTES TO THE REPORT	2021	2020
10. Liability instrument receivables and payables	(1,633)	(28,902)
a) Emission	45,613	45,079
Debts owed to credit institutions (+)	44,852	44,762
Debts to group and associated companies (+)	367	291
Loans from the public sector (+)	368	-
Other debts (+)	26	26
b) Repayment and amortization of	(47,246)	(73,981)
Debts owed to credit institutions (-)	(46,471)	(73,202)
Debts to group and associated companies (-)	(725)	(729)
Other debts (-)	(50)	(50)
11. Dividends payable and remuneration relating to other equity instruments	(2,600)	(4,162)
Dividends (-)	(2,600)	(4,162)
12. Consolidated cash flow from financing activities (9+10+11)	(4,026)	(33,051)
D) EFFECT OF EXCHANGE RATES CHANGES	(5)	14
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (5+8+12+D)	43,821	(33,132)
Cash or cash equivalents at beginning of financial year	9,201	42,333
Cash or cash equivalent at the end of financial year	53,022	9,201

CONSOLIDATED REPORT FOR THE FINANCIAL YEAR 2021

1. GROUP COMPANIES
 2. ASSOCIATED AND JOINTLY CONTROLLED COMPANIES
 3. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS
 4. DISTRIBUTION OF PROFITS
 5. RECORDING AND VALUATION RULES
 6. MINORITY INTERESTS
 7. SHAREHOLDINGS IN EQUITY ACCOUNTED COMPANIES
 8. JOINT VENTURES
 9. TANGIBLE FIXED ASSETS
 10. INTANGIBLE FIXED ASSETS
 11. LEASES AND OTHER TRANSACTIONS OF A SIMILAR NATURE
 12. FINANCIAL INSTRUMENTS
 13. STOCKS
 14. FOREIGN CURRENCY
 15. FISCAL SITUATION
 16. INCOME AND EXPENSES
 17. PROVISIONS AND CONTINGENCIES
 18. ENVIRONMENTAL INFORMATION
 19. LONG-TERM REMUNERATION TO PERSONNEL
 20. GRANTS, DONATIONS AND BEQUESTS
 21. NON-CURRENT ASSETS HELD FOR SALE
 22. EVENTS AFTER YEAR-END
 23. TRANSACTIONS WITH RELATED PARTIES
 24. INFORMATION ON THE AVERAGE SUPPLIER PAYMENT PERIOD
 25. SECURITIES AND GUARANTEES
 26. OTHER INFORMATION
 27. SEGMENTED INFORMATION
- ANNEX I



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

1. GROUP COMPANIES

1.1. Parent company

ENUSA Industrias Avanzadas, S.A., S.M.E. (hereinafter ENUSA or the Parent Company), was incorporated in Spain in 1972, for an indefinite period of time. The registered office is at calle Santiago Rusiñol, 12, Madrid.

The shareholders, as of 31 December 2021, are the Sociedad Estatal de Participaciones Industriales (SEPI), with 60% of the capital, and the Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT), with the remaining 40%.

The purpose of the Parent Company is:

1. Research and exploitation of ores, production of concentrates and other uranium derivatives, enrichment of uranium, engineering and manufacturing of nuclear fuel assemblies and other components, products, equipment and processes for electricity generation, as well as the use, distribution and marketing of the products resulting from each of the aforementioned industrial phases and the provision of services related thereto or to radioactive materials.
2. The provision of chemical, physico-chemical and radiological analysis services, as well as issuing reports and opinions on environmental, energy and technological matters.
3. The execution and maintenance, on its own account or on behalf of others, of all types of civil works, buildings and facilities, including electrical and mechanical works, and including movements in and out of quarries, as well as the restoration of land, including land affected by radioactive materials.
4. The performance of technical studies and reports of any kind, including those relating to radioactive materials; the drafting of projects of any kind and the technical management and control of works of any kind, including nuclear or radioactive facilities.
5. Collection and treatment of urban and industrial waste, as well as water treatment.

The main activities carried out by ENUSA are as follows:

1. Industrial activities

- The engineering and manufacturing of nuclear fuel assemblies and other components. In order to carry out its manufacturing activity, ENUSA has had license agreements with the owners of the technologies since 1974, for which the corresponding royalties are paid. The licence agreement for the BWR boiling water reactors with Global Nuclear Fuel - Americas, General Electric Hitachi and GE Infrastructure Technology International was extended on 28 December 2018 to the end of December 2024. The licence agreement with Westinghouse Technology Licensing Company LLC and Westinghouse Electric Company LLC for the supply of products and services for pressurised water technology reactors, PWR reactors, was renewed in November 2017, effective 1 January 2017, and is also valid until 31 December 2024.
- Distribution and marketing of the products in each of the aforementioned industrial stages and the provision of services related thereto or to radioactive materials.

2. Uranium Procurement Activities

- Procurement and supply of uranium, as well as conversion and isotopic enrichment services, for the supply of enriched uranium for Spanish nuclear reactors.
- Management of stocks of natural and enriched uranium.

3. Other activities

- Provision of chemical, physico-chemical and radiological analysis services, as well as environmental, energy and technological reports.
- Restoration of land, dumps and old mines, as well as water treatment, and execution and conservation, on its own account and on behalf of others, of all types of civil works, buildings and facilities.
- Execution of studies, technical reports and projects related to its areas of activity.
- Provision, through its subsidiaries, of inspection and repair services for fuel assemblies, transport of radioactive material and explosives, manufacture and marketing of radioactive isotopes, restoration of land, execution and conservation of all types of civil works, buildings and facilities, including electrical and mechanical, and including movements in and out of quarries, as well as the management, recycling, reuse and treatment of industrial and hazardous waste, and recovery and decontamination of contaminated areas and soils.
- Execution works and service management, corresponding to the "Municipal Solid Waste Management Project of the Zone I Waste Plan of Castellón", through its participation as a partner in the UTE (joint venture) "ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.L.U, S.A. and A2A Ambiente, S.p.A. Unión Temporal de Empresas"(hereinafter the UTE RSU).

Industrial activities are carried out in the fuel assembly factory in the Salamanca town of Juzbado since 1985.

This industrial centre manufactures PWR type fuel assemblies (for pressurised water nuclear power plants) and BWR type (for boiling water nuclear power plants).

ENUSA also leads pioneering environmental restoration projects in the areas where it operates or where it has undertaken its mining and industrial activity in the past (La Haba uranium concentrate mines in Badajoz and Saelices el Chico in Salamanca), with the resolute purpose of restoring these areas to their prior geological and environmental conditions.

ENUSA belongs to the consolidated group of the Sociedad Estatal de Participaciones Industriales (SEPI), which has no obligation to record its annual accounts in the Commercial Registry since it is not a commercial company. In accordance with the provisions of sections 2 and 3 of article 136 of the General Budgetary Law 47/2003, of November 26, the General Intervention Board of the State Administration (IGAE) will publish SEPI's consolidated annual accounts in the "Registry of annual accounts of the public sector" and the reference to said record in the BOE (Spanish Official Gazette) of July 31.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

COVID-19

The current worldwide health crisis, a consequence of the pandemic caused by COVID-19 (Coronavirus), has been an exceptional situation that has affected society as a whole.

As regards the ENUSA Group, the crisis has not had any significant effect on its activity and it has been able to maintain its activity while complying with the usual quality standards, maintaining the planned production rate and scrupulously complying with the dates committed to with customers. At the date of preparation of the annual accounts, the extension of the current healthcare crisis is not expected to have any significant impact on the continuation of this activity, and there are no doubts as to the Group companies' compliance with the going concern principle, nor is there any impairment or indication of impairment in its assets.

In addition, the obligations that the Group's companies, as public companies, are entrusted with in the service of citizens and the general interest and, especially and most importantly, in relation to public, individual and collective health, both for their employees and the public, have led to all appropriate measures being taken to ensure total health and safety, making the necessary investments in material and human resources and establishing the necessary protocols to eliminate any type of risk among the aforementioned actors (employees, customers, suppliers, etc.).

1.2. Subsidiary Companies

The following is a list of the subsidiaries of the ENUSA Group at 31 December 2021 and 2020:

Subsidiaries comprising the ENUSA Group at 31 December 2021 and 2020:

SUBSIDIARY	REGISTERED OFFICE	HOLDER	% PART.	NOMINAL PART. (THOUSAND €)	ACTIVITY
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA)	Santiago Rusiñol, 12 - Madrid	ENUSA	99.62	7,783	Carrying out as many activities as necessary for the correct management of the programmes and actions of the National Industrial Waste Plan referred to in Law 20/1986 of 14 May, aimed at streamlining and coordinating the management of such waste.
ETSA GLOBAL LOGISTICS, S.A.U., S.M.E. (ETSA)	Ctra. Salamanca-Vitigudino, km. 0,7 (Cetramesa) Salamanca	ENUSA	100.00	301	All types of transport, both national and foreign, in all its extension and with any means and cargo, including hydrocarbons, chemical products, radioactive material and others.

2. ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

The following is a list of the associated and jointly controlled companies of the ENUSA Group at 31 December 2021 and 2020:

Jointly Controlled and Associated Companies as of 31 December 2021 and 2020:

SUBSIDIARY	REGISTERED OFFICE	HOLDER	% PART.	NOMINAL PART. (THOUSAND €)	ACTIVITY
Jointly Controlled Entities					
ENUSA-ENSA, A.I.E.	Santiago Rusiñol, 12 - Madrid	ENUSA	50.00	210	Repair of PWR light water reactor fuel assemblies, as well as other services related to the reactor core and its components.
Associated Companies					
GNF ENUSA NUCLEAR FUEL, S.A.	Josefa Valcarcel 35 - Madrid	ENUSA	49.00	53	Marketing of nuclear fuel and provision of engineering services for said fuel.
CETRANSA, S.A.	Ilustre Fregona, 16- Santovenia de Pisuerga (Valladolid)	EMGRISA	30.00	360	Management and treatment of industrial waste.
REMESA, S.A.	Plaza de España, s/n. (Melilla)	EMGRISA	50.00	6,275	Operation and management of an integral municipal waste treatment plant.
SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E.	Santiago Rusiñol, 12 - Madrid	ENUSA	25.00	6	Commercial promotion of products and services for nuclear power plants in the People's Republic of China or other countries of common interest to the partners.

Annex I includes additional information on the companies that make up the group, their equity and direct and indirect participation as of 31 December 2021 and 2020.

3. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

3.1. Fair view

The consolidated annual accounts, comprising the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated notes comprising notes 1 to 27, have been prepared on the basis of the accounting records of ENUSA and those of the consolidated companies and the integrated temporary joint ventures (UTEs). The consolidated annual accounts for the year have been prepared in accordance with prevailing commercial legislation and with the rules established in the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, of 16 November 2007, and its amendments approved by Royal Decree 1159/2010, of 17 September, by Royal Decree 602/2016, of 2 December, and by Royal Decree 1/2021, of 12 January, as well as Order EHA/3362/2010, of 23 December, approving the rules for adapting the Spanish National Chart of Accounts to public infrastructure concession operators, in order to show a true and fair view of the consolidated equity and consolidated financial position at 31 December 2021 and of the consolidated results of its operations, changes in equity and consolidated cash flows for the year then ended.

It is expected that the consolidated annual accounts for the financial year 2021, which were authorised for issue on 7 March 2022, will be approved by the General Shareholders' Meeting without any changes.

3.2. Information comparison

The consolidated annual accounts present, for comparative purposes, in addition to the figures for the financial year 2021, the figures for the previous year, which formed part of the annual accounts for the financial year 2020 approved by the General Meeting of Shareholders on 28 June 2021, for each of the items in the balance sheet, profit and loss account, statement of changes in equity, cash flow statement and notes to the consolidated annual accounts.

Royal Decree 1/2021, of 12 January, has amended NRV 9 regarding financial instruments and NRV 14 regarding revenue from sales and services of the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, of 16 November 2007. The Second and Third Transitional Provisions of said Royal Decree establish the transitional recognition and measurement standards, to be applied on the date of first application, for financial instruments and the Fifth Transitional Provision, the transitional registration and valuation regulations for revenue from sales and services. These provisions, as an exception to the general criterion established by NRV 22 on changes in accounting criteria, errors and accounting estimates, allow the comparative figures presented in these consolidated annual accounts not to be restated. Therefore, for the purposes of comparing figures, the impact of the first-time application of these amendments, which are detailed in note 3.7, must be taken into consideration.

3.3. Functional and presentation currency

The annual accounts are presented in thousands of euros, rounded off to the nearest thousand, which is the Company's functional and presentation currency.

3.4. Classification of current and non-current items

For the classification of current items, a maximum period of one year from the date of these consolidated annual accounts has been considered.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

3.5. Grouping of items

Certain items in the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement are grouped together for ease of understanding, although, where material, the information is disclosed in the relevant notes to the consolidated annual accounts.

3.6. Critical aspects of uncertainty assessment and estimation

When preparing the consolidated annual accounts, estimates have been made to determine the book value of certain assets, liabilities, income and expenses and the breakdowns of contingent liabilities. These estimates have been made on the basis of the best information available at year-end. However, given the inherent uncertainty, future events may make it necessary to amend these estimates in the coming years, which would be done prospectively, if necessary.

The key assumptions about the future, as well as other relevant information about the estimation uncertainty at the reporting date, that have a significant risk of causing a material change in the value of assets or liabilities within the next financial year are as follows:

Impairment of non-current assets (Notes 9 and 10)

The valuation of non-current assets, other than financial assets, requires estimates to be made in order to determine their recoverable value for the purpose of assessing possible impairment. To determine this recoverable value, the expected future cash flows of the assets or the cash-generating units they comprise are estimated and an appropriate discount rate is used to calculate the present value of those cash flows. Future cash flows depend on meeting budgets for the next five years, while discount rates depend on the interest rate and risk premium associated with each cash-generating unit.

Valuation of financial instruments (Note 12)

The Group uses financial derivatives as part of its strategy to reduce its exposure to foreign exchange and interest rate risk.

The hedging transactions carried out by the Group are classified as cash flow hedges and hedge the exposure to changes in future cash flows attributable to:

- Exchange rate risks on purchases or supplies and sales made in foreign currencies through forward currency purchase/sale transactions, thereby fixing a known exchange rate at a specific date (which may also be subject to subsequent revaluation for exact matching and application to the cash flows of the hedged item).
- Interest rate risks, by contracting swaps that allow part of the Parent Company's financial costs referenced at a variable rate to be converted into a fixed rate.

Deferred tax assets (Note 15)

Deferred tax assets are recognised for all deductible temporary differences, tax losses and tax credits for which it is probable that the Group companies will have future taxable profits against which these assets can be utilised. Therefore, significant estimates have to be made to determine the amount of deferred tax assets that can be recognised, taking into account the amounts and timing of future taxable profits and the period for the reversal of taxable temporary differences and the application of tax losses and deductions.

Provisions and contingencies (Note 17)

The Group records provisions for future liabilities, which require various assumptions and estimates to be made. In general, for all provisions recorded, the main estimates relate to the degree of certainty of future outflows directly related to the provision, the expected amounts of such outflows, as well as the dates on which they are expected to be incurred. In this regard, the Group re-estimates the value of the provisions at the end of each year taking into account the above and, in addition, all the information obtained during the year (new discount rates, new calculation elements, internal or third-party studies and reports, new technical information, etc.), as well as the experience acquired during the year. In addition, in the specific case of provisions arising from litigation in progress, the opinion of external advisors is also sought regarding the probability of occurrence of outflows, for the purpose of classifying the events as a provision or a future contingency.

Finally, there are no material uncertainties concerning events or conditions that may cast significant doubt on the ability of the various Group companies to continue as a going concern.

3.7. Transition

The approval of Royal Decree 1/2021, of 12 January 2007, modified the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November 2007, and with it, the accounting treatment of various components of the annual accounts. In compliance with the First Transitional Provision of the aforementioned Royal Decree, we include the following information on transition:

Financial instruments

The amendments introduced by Royal Decree 1/2021, of 12 January, come into force for all financial years beginning on or after 1 January 2021, including the new NRV 9 on financial instruments. The Second Transitional Provision of the aforementioned regulation establishes the rules on the date of first application of such regulation, essentially allowing for two transition models:

- Full retrospective, which involves the restatement of comparative figures in accordance with the provisions of the new NRV 22 "Changes in accounting policies, accounting errors and estimates", with a number of practical exemptions that simplify the adaptation of comparative figures to the new NRV 9 of the Spanish National Chart of Accounts.
- Simplified retrospective, which involves the introduction of an adjustment to the opening balances of the year in which the standard begins to be applied, without the need to restate comparative figures, benefiting from a number of practical simplifications that help to apply the standard at the date of adoption.

The Group has chosen to apply the simplified retrospective transition model.

Financial assets

The following is a reconciliation between the classification and valuation of financial assets at 1 January 2021 recorded under the old financial instrument NRV 9 of the Spanish National Chart of Accounts, and the classification and valuation of the same financial assets recorded under the new financial instruments standard (in thousands of euros):

	CURRENT FINANCIAL ASSETS			NON-CURRENT FINANCIAL ASSETS		
	31/12/20	Transition adjustment (without impact on Equity)	01/01/21	31/12/20	Transition adjustment (without impact on Equity)	01/01/21
Former categories NRV 9 SNCA:				Former categories NRV 9 SNCA:		
Loans and receivables	30,013	(30,013)	-	Loans and receivables	3,253	(3,253)
Cash and other cash equivalents	9,201	(9,201)	-	Available-for-sale financial assets	195	(195)
Hedging derivatives	95	(95)	-	Hedging derivatives	875	(875)
				Long-term investments in group and associated companies	10,314	(10,314)
New categories NRV 9 SNCA:				New categories NRV 9 SNCA:		
Financial assets at amortised cost	-	39,214	39,214	Financial assets at amortised cost	-	3,253
Financial assets at cost	-	-	-	Financial assets at cost	-	10,509
Hedging derivatives	-	95	95	Hedging derivatives	875	875
	39,309	-	39,309	14,637	-	14,637

The Group has classified as financial assets at amortised cost all financial assets that accrue cash flows in the form of principal and interest and for which, at the transition date, it was applying a business model to manage the collection of these cash flows. Within this category, the Group has included all financial assets previously classified as loans and receivables, as well as cash and cash equivalents.

The Group has designated all financial assets included in the previous category of available-for-sale financial assets (measured at cost) as financial assets at cost, in accordance with the option permitted by the First Transitional Provision of Royal Decree 1/2021, of 12 January, on the date of first application of the new Financial Instrument NRV 9.

In addition, equity investments in companies accounted for using the equity method have been classified as financial assets at cost.

Financial liabilities

The following is a reconciliation between the classification and valuation of financial liabilities at 1 January 2021 recorded under the old financial instrument NRV 9 of the Spanish National Chart of Accounts and the classification and valuation of the same financial liabilities recorded under the new financial instrument standard (in thousands of euros):

	CURRENT FINANCIAL LIABILITIES			NON-CURRENT FINANCIAL LIABILITIES		
	31/12/20	Transition adjustment (without impact on Equity)	01/01/21	31/12/20	Transition adjustment (without impact on Equity)	01/01/21
Former categories NRV 9 SNCA:				Former categories NRV 9 SNCA:		
Debts and payables	111,167	(111,167)	-	Debts and payables	109,024	(109,024)
Hedging derivatives	1,788	(1,788)	-	Hedging derivatives	2,797	(2,797)
New categories NRV 9 SNCA:				New categories NRV 9 SNCA:		
Financial liabilities at amortised cost	-	111,167	111,167	Financial liabilities at amortised cost	-	109,024
Hedging derivatives	-	1,788	1,788	Hedging derivatives	-	2,797
	112,955	-	112,955		111,821	-
						111,821

The Group has classified as financial liabilities at amortised cost all financial liabilities that were previously classified as payables and receivables.

Hedge accounting

The Group, bearing in mind the provisions of the third transitional provision of Royal Decree 1/2021, of 12 January, has applied the following transition criteria for hedge accounting at the date of first application:

- For hedging relationships that met the requirements for hedge accounting under the previous wording of the Spanish National Chart of Accounts, and that also meet the requirements under the new wording, after taking into account any rebalancing of the hedging relationship at the time of transition, a continuation of the previous hedging relationship has been considered.

Clients from sales and services

The amendments introduced by Royal Decree 1/2021, of 12 January, come into force for all years beginning on or after 1 January 2021, including the new NRV 14 "revenue from sales and services". The Second Transitional Provision of the aforementioned regulation establishes the rules on the date of first application of the regulation, essentially allowing for two transition models:

- Full retrospective, which involves the restatement of comparative figures in accordance with the provisions of the new NRV 22 "Changes in accounting criteria, errors and accounting estimates" of the Spanish National Chart of Accounts, with a series of practical exemptions that simplify the adaptation of comparative figures to the new NRV 14 thereof.
- Simplified retrospective, which involves the introduction of an adjustment to the opening balances of the year in which the standard begins to be applied, without the need to restate comparative figures, benefiting from a series of practical simplifications that help to apply the standard at the date of adoption.
- Practical solution: as from the date of first adoption, only contracts with customers signed after the date of first adoption will be subject to the criteria set out in the new NRV 14 "revenue from sales and services".

The Group has chosen to apply the practical solution by applying the new criteria to all contracts signed as of 1 January 2021.

The Group has not detected that the application of the new criteria established by the new NRV 14 for "revenue from sales and services" entails any adjustment in relation to the recording and valuation thereof and, therefore, there is no information to be provided under this heading relating to transition.

4. DISTRIBUTION OF PROFITS


The Board of Directors of the Parent Company shall propose to the General Shareholders' Meeting the approval of the distribution of the profit for 2021 as set out below:

	EUROS
DISTRIBUTABLE PROFIT	
	2021
Profit and loss account balance	6,252,919.23
TOTAL	6,252,919.23
DISTRIBUTION	
To dividends	6,252,919.23
TOTAL	6,252,919.23

The 2020 profit in the amount of € 2,600,196.23 was distributed in full as dividends at the General Shareholders' Meeting held on 28 June 2021.

Limitations on the distribution of profits and dividends

According to article 274 of the Law on Capital Companies, approved by Royal Legislative Decree 1/2010 of 2 July, companies are obliged to allocate 10% of the profits of each financial year to the Legal Reserve until it reaches at least 20% of the share capital. This reserve cannot be distributed to shareholders and may only be used to meet the debit balance of the profit and loss account if no other reserves are available.

- 1
Letter from the Chairman
- 2
Good Governance
- 3
Main Economics Figures
- 4
ENUSA Group Estructure
- 5
Report Parameters
- 
Economic Performance
GROUP ACCOUNTS
- 7
Social Performance
- 8
Environmental Performance
- 9
Annexes

5. RECORDING AND VALUATION RULES

The main principles applied are the following:

5.1. Subsidiary Companies

Subsidiaries, including special purpose entities, are defined as companies over which the Parent Company, directly or indirectly through subsidiaries, exercises control, in accordance with Article 42 of the Spanish Commercial Code.

For the sole purpose of presentation and breakdown, group companies are considered to be those that are controlled by any means by one or more natural or legal persons acting jointly or under a single management by virtue of agreements or clauses in the company's by-laws. All references to group companies and amounts in the consolidated balance sheet and profit and loss account relate to the SEPI Group.

The subsidiaries have been consolidated using the full consolidation method.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from the date of acquisition, which is the date on which the Group effectively obtains control of the subsidiaries. Subsidiaries are excluded from consolidation from the date on which control is lost.

Transactions and balances with subsidiaries and unrealised gains or losses are eliminated on consolidation. However, unrealised losses are considered as an indicator of impairment of the transferred assets.

The accounting policies of subsidiaries are adapted, where different, to the Group's accounting policies for transactions and other events that are similar in nature and have occurred under similar circumstances.

The annual accounts or financial statements of subsidiaries used in the consolidation process are as of the same reporting date and for the same period as those of the Parent.

5.2. Joint Ventures and Associated Companies

Jointly controlled entities are considered to be those that are jointly managed by the Company or one or more of the Group companies, including the controlling companies or individuals, and one or more third parties outside the Group.

Jointly controlled operations and assets are those in which there is an agreement in the by-laws or in a contract to share control over an economic activity, such that strategic financial and operating decisions relating to the activity require the unanimous consent of the Group and the other stakeholders.

The Group carries out certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The information related to these UTEs is presented in note 8.

Investments in jointly controlled entities are accounted for using the equity method from the date joint control is exercised until the date joint control ceases. However, if at the date joint control is obtained the investments qualify for classification as non-current assets or disposal groups held for sale, they are carried at fair value less costs to sell.

For jointly controlled operations and assets, the Group records in the consolidated annual accounts the assets under its control, the liabilities it has incurred and its proportionate share, based on its percentage ownership of the jointly controlled assets and jointly incurred liabilities, as well as the share of revenues from the sale of goods or services and the expenses incurred by the joint venture. The consolidated statement of changes in equity and the consolidated cash flow statement also include the Group's share of the agreements reached.

- 1
Letter from
the Chairman
- 2
Good
Governance
- 3
Main
Economics
Figures
- 4
ENUSA Group
Estructure
- 5
Report
Parameters
- 
Economic
Performance
GROUP ACCOUNTS
- 7
Social
Performance
- 8
Environmental
Performance
- 9
Annexes

Reciprocal transactions, balances, income, expenses and cash flows have been eliminated in proportion to the Group's interest in the joint ventures. Dividends have been eliminated in their entirety.

Associates are companies over which the Group, directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to intervene in the financial and operating policy decisions of a company without exercising control or joint control over it. In assessing the existence of significant influence, the potential voting rights exercisable or convertible at the end of each financial year are considered, also taking into account the potential voting rights held by the Group or third parties.

The Group considers that it exercises significant influence when it holds more than 20% but less than 50% of the capital of the company concerned.

Investments in associated companies are accounted for using the equity method from the date on which significant influence is exercised until the date on which the Group can no longer justify the existence of significant influence. However, if at the date of acquisition these investments qualify for classification as non-current assets or disposal groups held for sale, they are recognised at the lower of consolidated value and fair value less costs to sell.

The Group's share in the profits or losses of associated companies obtained from the date of acquisition is recorded as an increase or decrease in the value of the investments with a credit or debit to "Share in profits or losses of companies accounted for using the equity method" in the consolidated profit and loss account. In addition, the Group's share of the total recognised income and expenses of associated companies obtained since the acquisition date is recognised as an increase or decrease in the value of the investments in associated companies and the balancing entry is recognised in consolidated equity. Dividend distributions are recorded as reductions in the value of investments. To determine the Group's share of profits or losses, including impairment losses recognised by associated companies, income or expenses arising from the application of the acquisition method are taken into account.

The accounting policies of associated companies have been subject to valuation homogenisation on the same terms as those applied to subsidiaries.

All jointly controlled entities and associated companies close their financial year on 31 December.

5.3. Goodwill on consolidation and negative consolidation difference

In accordance with the prevailing accounting principles and rules described above, the difference between the book value of the holdings in consolidated companies and the amount of equity corresponding to the percentage shareholding was recognised, if positive, as Goodwill and, if negative, as a Negative Consolidation Difference at the date of first consolidation.

As of 31 December 2021 and 2020, the net book value of all Goodwill is zero.

The Negative Consolidation Differences were considered reserves in 2008, in application of the criteria set out in point 2 of the ICAC note (BOICAC no. 75), referring to the Rules of first application in the preparation of the initial consolidated balance sheet.

5.4. Minority interests

As from the date of transition to the current accounting regulations, 1 January 2008, minority interests in subsidiaries are recorded in Equity at the date of acquisition at the percentage of interest in the fair value of the identifiable net assets. Minority interests in subsidiaries acquired prior to that transition date were recognised at the percentage of equity interest in the subsidiaries at the date of first consolidation. Minority interests are presented in consolidated equity in the consolidated balance sheet separately from equity attributable to the Parent Company. Minority interests' share of profit or loss for the year is also presented separately in the consolidated profit and loss account.

The Group's and minority interests' share of the profit or loss and changes in equity of subsidiaries, after consolidation adjustments and eliminations, is determined on the basis of the percentages of ownership existing at year-end, without considering the possible exercise or conversion of potential voting rights and after deducting the effect of dividends, whether or not agreed, on preference shares with cumulative rights that have been classified in equity accounts.

Excess losses attributable to minority interests that cannot be imputed to them because they exceed the amount of their equity interest in the subsidiary are recognised as a decrease in the Group's consolidated equity, provided that the minority interests limit their liability to the amounts contributed and there are no covenants or agreements on additional contributions. Profits realised by the Group at subsequent dates are allocated to the Group until the amount of the minority interests' share of losses absorbed in prior accounting periods is recovered.



5.5. Intangible Fixed Assets

Intangible fixed assets are stated at acquisition or production cost and are presented in the consolidated balance sheet at cost less accumulated amortisation and, where applicable, the accumulated amount of known impairment losses.


Expenses related to research activities are recorded as expenses in the consolidated profit and loss account as incurred. Development costs have been considered in full as expenses for the year as the conditions for their capitalisation have not been met.

Fixed assets relating to industrial property include the amount paid for the ownership or for the right to use or the concession to use the various forms of industrial property, where the contract stipulates that they must be inventoried by the Group, and are depreciated over a period not exceeding 5 years.

Intangible fixed assets in computer software have been acquired from third parties and amortised on a straight-line basis over a period not exceeding four years. Computer software maintenance costs are expensed as incurred.

Intangible fixed assets include the fixed assets corresponding to the assets subject to concession included in the Company's shareholding in the UTE RSU, in application of the provisions of Order EHA/3362/2010, of 23 December, approving the rules for the adaptation of the National Chart of Accounts to public infrastructure concession companies. The most significant aspects of this application are as follows:

- Consideration received for construction or improvement services.
The consideration received by the concession company is recognised at the fair value of the service provided, in principle, equivalent to the cost plus construction margin, and the concession agreement is classified as an Intangible Fixed Asset. This Intangible Fixed Asset is amortised over the entire concession period (20 years), ending in December 2031.
- Deferred financial costs of financing concession elements.
As the concession agreements have been classified as Intangible Fixed Assets, from the moment the infrastructure covered by the agreements is operational, the financial expenses incurred are capitalised and attributed to income in proportion to the income foreseen in the concession's Economic and Financial Plan. This proportion is applied to the total financial expenses foreseen during the concession period.
- Actions on the infrastructure during the term of the agreement.
Certain future actions on the infrastructure covered by the agreements give rise to the recognition of certain provisions, some of which are recognised as an increase in the value of the Intangible Fixed Assets covered by the concession, as they are similar to provisions for dismantling or removal costs.

- 1
Letter from the Chairman
- 2
Good Governance
- 3
Main Economics Figures
- 4
ENUSA Group Estructure
- 5
Report Parameters
- 
Economic Performance
GROUP ACCOUNTS
- 7
Social Performance
- 8
Environmental Performance
- 9
Annexes

5.6. Tangible fixed assets

Tangible fixed assets are stated at acquisition or production cost and include the value of the legal revaluation applied in accordance with Royal Decree-Law 7/1996 of 7 June 1996 (see note 9), and are presented in the balance sheet at cost less accumulated depreciation and, where applicable, the accumulated amount of known impairment losses.

The cost of tangible fixed assets includes the estimate of the costs of dismantling or removal, as well as the rehabilitation of the site on which the Juzbado factory is located, foreseen from the financial year 2027, as they constitute obligations arising from their use and for purposes other than the production of stocks.

Advances and fixed assets under construction correspond to cash payments prior to the full entry into service for the Group of the fixed assets to which they relate. They are valued at the amount of the cash payment made until the time the fixed assets in question are received and brought fully into service, at which time they are reclassified to the corresponding tangible fixed asset account.

The cost of assets acquired or produced after 1 January 2008, which require more than one year to be ready for use, includes financial expenses accrued before the assets are ready for use and which meet the requirements for capitalisation.

Depreciation of fixed assets is calculated on the book values in order to fully depreciate these values on a straight-line basis in annual instalments over the estimated useful lives of the assets.

The Group depreciates tangible fixed assets on a straight-line basis over the following years of estimated useful life, as follows:

Buildings	14 to 50 years
Technical installations, machinery, tools	3 to 15 yeras
Other facilities	3 to 20 yeras
Furniture and equipment for information processing	2 to 15 yeras
Other tangible fixed assets	3 to 10 years

Expenditure on the renewal, extension or improvement of tangible fixed assets when it does not lead to an increase in capacity, productivity or a lengthening of their useful life is expensed in the year in which it is incurred.

Improvements to items of tangible fixed assets that represent an increase in their capacity or efficiency or a lengthening of their useful lives are also included in the cost of acquisition.

The revaluation of fixed assets carried out by the Parent Company in 1996 was calculated by applying coefficients based on the year of purchase and depreciation of the assets to the acquisition values or production cost and to the corresponding annual depreciation charges, which were considered to be a deductible expense for tax purposes, in accordance with the regulations governing these revaluation operations. The net revaluation thus obtained was reduced by 40% to take into account the financing circumstances of the items, as required by that standard.

Impairment losses correspond to the estimated amounts of reversible losses of tangible fixed assets at year-end.

5.7. Impairment of intangible and tangible fixed assets

An impairment loss occurs when the book value of an item of tangible fixed assets or intangible assets exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

For this purpose, at least at year-end, the Group assesses, by means of an impairment test, whether there are indications that any tangible or intangible assets with an indefinite useful life or, where appropriate, any cash-generating unit may be impaired, in which case the recoverable amount is estimated by making the corresponding valuation adjustments.

Impairment of tangible fixed assets is calculated on an individual basis. However, when it is not possible to determine the recoverable amount of each individual asset, the recoverable amount of the cash-generating unit to which each item of fixed assets belongs is determined.

If an impairment loss is to be recognised for a cash-generating unit to which all or part of goodwill has been allocated, the book value of the goodwill for that unit is first written down. If the impairment exceeds this amount, the other assets of the cash-generating unit are written down in proportion to their book value, up to the higher of the following: fair value less costs to sell, value in use and zero. The impairment loss must be recognised in profit or loss.

When an impairment loss subsequently reverses (which is not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased by the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. Such a reversal of an impairment loss is recognised as income in the consolidated profit and loss account.

5.8. Leases

The Group has the right to use certain assets under lease agreements.

Lease contracts which, at inception, transfer substantially all the risks and rewards incidental to ownership of the assets to the Group are classified as finance leases, otherwise they are classified as operating leases.

Finance leases

At the inception of the finance lease, the Group recognises an asset and a liability at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Initial direct costs are included as an increase in the value of the asset. The minimum payments are divided between the financial burden and the reduction of the outstanding debt. Finance costs are recognised in the consolidated profit and loss account using the effective interest method.

Contingent lease payments are expensed when it is probable that they will be incurred.

The accounting principles applied to assets used by the Group under finance leases are the same as those described in section 5.6. However, if at the inception of the lease there is no reasonable certainty that the Group will obtain ownership at the end of the lease term, the assets are depreciated over the shorter of the useful life or the lease term.

Operating leases

Lease payments under operating leases, net of incentives received, are recognised as an expense on a straight-line basis over the lease term unless another systematic basis of allocation is more representative of the time pattern of lease benefits.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

5.9. Financial instruments

5.9.1. Criteria for the classification and valuation of different financial instruments

Financial instruments are classified on initial recognition as a financial asset, financial liability or equity instrument in accordance with the underlying value of the contractual arrangement and the definitions of a financial asset, financial liability or equity instrument.

The Group classifies financial instruments into different categories on the basis of their characteristics and management's intentions at the time of initial recognition.

A financial asset and a financial liability are offset only when the Group has an enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments are classified, for the purpose of their valuation criteria, into the following categories:

Financial assets

The Group classifies its financial assets according to the business model applied to them and the cash flow characteristics of the instrument.

Specifically, the Group's financial assets are classified into the following categories:



Financial assets at amortised cost

These correspond to financial assets to which the Group applies a business model whose objective is to receive the cash flows arising from the performance of the contract, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding, even when the asset is admitted to trading on an organised market. These are therefore financial assets whose contractual terms give rise, on specified dates, to cash flows that are collections of principal and interest on the principal amount outstanding.

These correspond to receivables from commercial and non-commercial transactions, provided that the latter are not considered as financial derivatives and cannot be traded in an active market. This group includes balance sheet items relating to trade and other receivables (including receivables from staff), receivables from group companies and other long-term and short-term financial assets (deposits and guarantees). The Group's balances payable to the tax authorities with regard to VAT and withholdings and payments on account are excluded as they are of a legal and non-contractual nature.

These assets are initially recognised at fair value which, unless there is evidence to the contrary, is the transaction price plus directly attributable transaction costs.

Notwithstanding the foregoing, trade receivables maturing within one year and which do not have a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting cash flows is not material, in which case they will continue to be valued subsequently at that amount, unless they are impaired.

Financial assets at amortised cost are subsequently valued at amortised cost and accrued interest is taken to the profit and loss account using the effective interest method.

At year-end, the Group makes the appropriate impairment adjustments whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics valued collectively, has become impaired as a result of one or more events occurring after initial recognition that lead to a reduction or delay in the collection of estimated future cash flows, which may be caused by the insolvency of the debtor.

Impairment losses are recognised on the basis of the difference between their carrying amount and the present value at year-end of the estimated future cash flows to be generated (including those from the realisation of collateral and/or personal guarantees), discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at variable interest rates, the Group uses the effective interest rate that, in accordance with the contractual terms of the instrument, is applicable at the year-end date. These adjustments are recognised in the income statement.


Financial assets at cost

The following financial assets are included in this category:

- Investments in equity instruments with a reasonable value cannot be determined with reference to an active market, or cannot be estimated reliably, and the derivatives underlying this type of investment.

They are initially recognised at the fair value of the consideration given plus directly attributable transaction costs. Fees paid to legal advisers or other professionals involved in the acquisition of the asset are recognised as an expense in the consolidated income statement. Internally generated expenses incurred in the acquisition of the asset are also not recognised as an increase in the value of the asset and are recorded in the consolidated income statement.

Equity instruments classified in this category are measured at cost less any accumulated impairment losses.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

At least at year-end, the Group makes the necessary valuation adjustments whenever there is objective evidence that the carrying amount of an investment is not recoverable.

The amount of the valuation adjustment is calculated as the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell. The present value of future cash flows arising from the investment, which in the case of equity instruments, is calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by said investee from its ordinary activities and from the disposal or derecognition of the investment.

The recognition of impairment losses and, where applicable, their reversal, shall be recognised as an expense or income, respectively, in the consolidated income statement. The reversal of the impairment shall be limited to the carrying amount of the investment that would have been recognised at the date of reversal if the impairment had not been recognised.

Financial liabilities

A financial liability is recognised in the balance sheet when the Group becomes an obligated party to the contract or legal transaction in accordance with its provisions. Specifically, the financial instruments issued are classified, in whole or in part, as a financial liability, provided that, in accordance with its economic reality, it implies a direct or indirect contractual obligation for the Group to deliver cash or another financial asset or to exchange financial assets or liabilities with third parties under unfavourable conditions.

Financial liabilities at amortised cost

These correspond to trade and non-trade payables, provided that the latter are not treated as financial derivatives. In particular, this item includes all balance sheet items relating to trade and other payables (including outstanding staff remuneration and advances received from customers, the latter due in the short term), long and short term bank borrowings and other non-remunerated long and short term payables. The Group's balances with the tax authorities in respect of VAT and withholdings made during the year are excluded as they are of a legal and non-contractual nature.

They are initially recognised at fair value, less any transaction costs that are directly attributable to the issue.

Notwithstanding the foregoing, trade payables maturing within one year and not bearing a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are initially valued at their nominal value, provided that the effect of not discounting cash flows is not significant.

Subsequent to initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method.

5.9.2. Criteria used to record the derecognition of financial instruments

A financial asset is derecognised on the basis of the economic reality of the transactions and not just the legal form of the contracts that govern it. Specifically, a financial asset is derecognised when all or part of the contractual rights to the cash flows from such asset expire or are transferred, provided that substantially all the risks and rewards of ownership of that asset are transferred.

The Group derecognises a financial liability when the obligation has been extinguished. The Group also derecognises its own financial liabilities that it acquires (even with the intention of selling them in the future).

When debt instruments are exchanged with a lender on substantially different terms, the original financial liability is derecognised and the new financial liability that arises is recognised. Similarly, a substantial change in the current terms of a financial liability is recorded.

The difference between the carrying amount of the financial liability, or part of it that has been derecognised, and the consideration paid, including attributable transaction costs, as well as any asset transferred other than cash or liability assumed, is recognised in the consolidated income statement in the period in which it arises.

When there is an exchange of debt instruments that do not have substantially different terms, the original financial liability is not derecognised from the consolidated balance sheet and the amount of fees paid is recorded as an adjustment to its carrying amount. The new amortised cost of the financial liability is determined by applying the effective interest rate, which is the rate that matches the carrying amount of such liability at the modification date with the cash flows payable under the new terms.

For these purposes, the terms of the contracts are deemed to be materially different when the lender is the same as the original lender and the present value of the cash flows of the new financial liability, including net fees, differs by at least 10% from the present value of the outstanding cash flows of the original financial liability, discounted at the effective interest rate of this original liability. In addition, in cases where the difference is less than 10%, the Group also considers that the terms of the new financial instrument are substantially different when there are other substantial qualitative changes, such as: a change from fixed to floating interest rates or vice versa, the restatement of the liability in a different currency, an ordinary loan becoming a participating loan, etc.

5.9.3. Interest and dividends

Interest income and expenses are recognised using the effective interest method. Dividends from investments in equity instruments are recognised when the Group's rights to receive them have arisen. If the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they reduce the book value of the investment.

5.10. Accounting hedges

The Group uses financial derivatives as part of its strategy to reduce its exposure to foreign exchange and interest rate risk.

The hedging transactions carried out by the Group are classified as cash flow hedges and hedge the exposure to changes in future cash flows attributable to:

- Exchange rate risks on purchases or supplies and sales made in foreign currencies through forward currency purchase/sale transactions, thereby fixing a known exchange rate at a specific date (which may also be subject to subsequent revaluation for exact matching and application to the cash flows of the hedged item).
- Interest rate risks, by contracting swaps that allow part of the Parent Company's financial costs referenced at a variable rate to be converted into a fixed rate.

In accordance with section 1 of the third transitional provision of Royal Decree 1/2021, of 12 January, amending the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, the Group has opted to continue applying the criteria established by the previous wording of the ninth recognition and measurement standard for financial instruments in the area of hedge accounting. In accordance with the aforementioned standard, the Group has applied these criteria to all its hedging relationships.

The Group uses the following types of hedges, which are accounted for as described below:

- Cash flow hedges: These are recorded in this way when they cover the exposure to changes in cash flows attributable to a specific risk associated with recognised assets or liabilities or a highly probable transaction, provided that it may affect the consolidated income statement. The portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in consolidated equity and is in the consolidated income statement in the same period in which the hedged transaction affects profit or loss. That is unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or liability, in which case the amounts recognised in consolidated equity are included in the cost of the asset or liability when acquired or assumed.

At the beginning of the hedging relationship, the Group formally designates the relationship between the hedging instrument and the hedged item and documents it. This involves formalising the Group's objective for the hedging relationship and how this objective fits into the overall risk management strategy. In addition, the Group includes in this formal documentation the identification of the hedging instrument and the hedged item, the hedged risk and how it will measure the effectiveness of the hedging relationship.

The Group records such hedging relationships as such, only when:

- There is an economic relationship between the hedged item and the hedging instrument.
- The credit risk does not have a dominant effect on the changes in the value resulting from that economic relationship.
- The coverage ratio of the hedging relationship, understood as the amount of the hedged item divided by that of the hedging instrument, is the same as the coverage ratio used for management purposes. However, such designation must not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would result in hedge ineffectiveness, whether recognised or not, that would lead to an accounting result contrary to the purpose of hedge accounting.

The Group assesses compliance with these requirements in the hedging relationship at the beginning of same and subsequently and prospectively, at least at year-end or whenever there are significant changes in that relationship that may affect its effectiveness.

The Group performs a qualitative assessment of effectiveness by conducting a critical elements test to check for possible causes of hedge ineffectiveness, if any. When the result of this test shows that there are possible causes of hedge ineffectiveness, it uses a hypothetical derivative with conditions coinciding with those of the hedged item to evaluate the ineffectiveness of the hedging relationship from a quantitative point of view.

In order to perform this quantitative test, the Group considers the time value of money.

The Group only designates highly probable forecast transactions as hedged items.

The Group only designates derivative financial instruments as hedging instruments.

If, at a date subsequent to its designation as a hedging relationship, this relationship no longer meets the requirements indicated above, or ceases to be effective, it is adjusted by increasing or decreasing the notional amount of the hedging instrument or by increasing or decreasing the nominal amount of the hedged item, so that it remains effective prospectively (rebalancing). Once the rebalancing has been performed, the Group records as ineffective the portion that remains outside the hedging relationship, once the latter has been redefined, recording the corresponding impact in the consolidated profit and loss account. The part of the hedging instrument and the hedged item that remain in the hedging relationship are recorded as such.

The Group discontinues the hedging relationship prospectively only when it ceases to meet the requirements or is ineffective even after performing the corresponding rebalancing. In this case, the Group records the ineffectiveness in the consolidated profit and loss account. In the case of cash flow hedges, the amount accumulated in recognised income and expense is not recognised in income until the forecast transaction takes place. Notwithstanding the foregoing, the cumulative amounts of recognised income and expenses are reclassified as financial income or expenses when the Group does not expect the forecast transaction to take place.

5.11. Stocks

Stocks are initially measured at acquisition or production cost.

Acquisition cost includes the amount invoiced by the seller after deducting any discounts, rebates or other similar items and interest incorporated in the nominal amount of the receivables, and adding any additional costs incurred until the goods are placed for sale and other costs directly attributable to the acquisition, as well as finance costs as set out below and indirect taxes not recoverable from the tax authorities.

The Group includes in the cost of procurement management stocks, which require more than one year to be ready for sale, the financial expenses related to specific or generic financing directly attributable to their acquisition.

Where financing has been specifically obtained, the amount of interest to be capitalised is determined on the basis of the financial charges accrued for the financing. The amount of interest to be capitalised for generic non-trade finance is determined by applying a weighted average interest rate to the investment in progress, net of the portion specifically financed and the portion financed with own funds, subject to the limit of the financial expenses accrued in the profit and loss account.

The production cost of stocks comprises the purchase price of raw materials and other consumables and the costs directly related to the units produced and a systematically calculated portion of indirect, variable or fixed costs incurred during their processing. The process of allocating fixed indirect costs is carried out on the basis of the lower of normal production capacity or actual production.

In particular, the cost of the most important headings is determined as follows:

- Raw and auxiliary materials corresponding to the procurement management stock: these include the cost of acquiring material and the financial burden associated with its financing, as set out in the uranium supply contract.
- Finished goods and work in progress: includes the cost of materials and assemblies that can be incorporated at acquisition cost, plus direct and indirect personnel expenses based on the number of hours charged, plus amortisation of production elements and other costs of the manufacturing process.

Advances to suppliers, made on account of orders, are valued at the nominal amount or, where applicable, at their equivalent value in euros, given the low financial effect.

The cost of raw materials and other supplies, the cost of goods and the cost of processing are allocated to the various units in stocks by the Parent Company using the weighted average price method (for raw material stocks) or the FIFO method (for other stocks).

Some of the stocks, mainly some of those of procurement management, have a turnover of more than 12 months. However, the Group has been maintaining all its stocks within Current Assets, according to their production cycle.

The cost value of inventories is subject to a valuation adjustment when their cost exceeds their net realisable value. For these purposes, net realisable value is understood to be:

- For raw materials and other supplies, their replacement price. The Group does not recognise an impairment loss when it is expected that the finished products in which raw materials and other supplies are incorporated will be disposed of at or above production cost.
- For goods and finished products, their estimated selling price less costs to sell.
- For work in progress, the estimated selling price of the corresponding finished products, less the estimated costs to complete production and the estimated costs associated with their sale.

A previously recognised impairment loss is reversed through profit or loss if the circumstances that caused the impairment no longer exist or when there is clear evidence of an increase in net realisable value as a result of changed economic circumstances. The reversal of the valuation adjustment is limited to the lower of the cost and the new net realisable value of the inventories.

5.12. Cash and other cash equivalents

This item includes cash on hand, bank current accounts and deposits and reverse repurchase agreements that meet all of the following requirements:

- They are convertible into cash.
- At the time of acquisition, their maturity was no more than three months.
- They are not subject to a significant risk of change in value.
- They form part of the Group's normal cash management policy.

For the purposes of the Cash Flow Statement, occasional overdrafts that form part of the Group's cash management are included as less cash and cash equivalents.

This heading does not include the so-called "Intersepi" investments (see note 23).



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

5.13. Foreign currency transactions

Foreign currency transactions carried out by the Group mainly relate to assets and liabilities defined as monetary items. These are initially valued at the exchange rate at the date of the transactions. The balance sheet balances for these items are adjusted at year-end on the basis of the exchange rate prevailing at that date.

Exchange gains and losses arising in this process, as well as those arising on settlement of these assets and liabilities, are recognised in the consolidated profit and loss account in the year in which they arise.

5.14. Income tax

The income tax expense for the year is calculated as the sum of the current tax, which is the result of applying the corresponding tax rate to the taxable profit for the year less any existing tax credits and deductions, and the changes during the year in the deferred tax assets and liabilities recognised. It is recognised in the profit and loss account, except when it relates to transactions that are recognised directly in equity, in which case the related tax is also recognised in equity.

Deferred taxes are recorded for temporary differences existing at the balance sheet date between the tax base of assets and liabilities and their book values. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included under “Deferred tax assets” and “Deferred tax liabilities” in the balance sheet.

A deferred tax liability is recognised for all taxable temporary differences, except, where applicable, for the exceptions provided for in current regulations.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and tax loss carryforwards where it is probable that the Group will have future taxable profits against which these assets can be utilised, except, where applicable, for the exceptions provided for in current regulations.

Recognised and previously unrecognised deferred tax assets are assessed at the end of each period. Based on this assessment, a previously recognised asset is derecognised if its recovery is no longer probable or is expected to take longer than 10 years, or any previously unrecognised deferred tax asset is derecognised if it is probable that future taxable profit will be available against which it can be utilised.

Deferred tax assets and liabilities are valued at the tax rates expected at the time of their reversal, in accordance with the approved regulations in force, and in accordance with the manner in which the deferred tax asset or liability is reasonably expected to be recovered or paid.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, regardless of the expected date of realisation or settlement.

5.15. Expenses

Expenses are recognised on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Expenses are valued at the fair value of the consideration received, net of discounts and taxes.

5.16. Revenue from sales of goods and services

The Group structures its activity in the following areas.

- ◆ **Nuclear area:** The Group focuses its nuclear business on the first part of the fuel cycle, which it markets both domestically and internationally. This area includes the following activities:
 - Supply of uranium: ENUSA supplies enriched uranium to the electricity companies that own the Spanish nuclear power plants. It manages the purchase of uranium, conversion and enrichment services and the logistics of uranium movements from its source to the delivery of enriched uranium to the fuel mills. The operations described above, which ENUSA carries out on its own account, involve the management and control of the uranium stock in all its phases, until the final product (enriched uranium) is made available to the customer.
 - Design and engineering: ENUSA deals with the mechanical, thermo-mechanical, nuclear and thermohydraulic design of nuclear fuel. It also carries out core design and reload safety analyses at the request of its customers.
 - Manufacturing: The manufacture and supply of fuel assemblies for pressurised water reactor (PWR) and boiling water reactor (BWR) nuclear power plants is carried out from the Juzbado facility (Salamanca).
 - Plant services: Corresponds to engineering services in all matters relating to the management and optimisation of fuel use in the reactor and fuel services in inspection, repair, fresh handling and irradiation activities, acting as support for nuclear power plants.

- ◆ **Environmental area:** This area includes the following activities:

- Environmental management projects: all types of subsoil contamination investigation studies, decontamination actions, feasibility studies, basic and detailed engineering for the treatment of waste, contaminated soil and water and sites with radiological impact.
- Municipal solid waste management: activity carried out through participation as a partner in the UTE RSU.
- The subsidiary EMGRISA carries out the treatment and management of all types of waste, the characterisation and treatment of contaminated soil and water, environmental engineering and consultancy and radiological studies.

- ◆ **Logistics area:** Includes the activities carried out by the subsidiary company ETSA, a global multimodal transport operator (land, sea and air) of hazardous goods of all kinds, specialising in radioactive, nuclear and explosive goods. It also transports chemicals and biofuels; hazardous and non-hazardous waste.

To determine whether revenue should be recognised, the Group follows a five-step process:

1. Identification of the contract with a customer.
2. Identification of performance obligations.
3. Determination of the transaction price.
4. Allocation of transaction price to performance obligations.
5. Revenue recognition when performance obligations are met.

In all cases, the total transaction price of a contract is allocated among the various performance obligations on the basis of their relative independent sales prices. The transaction price of a contract excludes any amount charged on behalf of third parties.

Revenue is recognised at a point in time or over time when the Group satisfies performance obligations by transferring promised goods or services to its customers.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

Sales income

Supply of Uranium

ENUSA manages the supply of enriched uranium to the electricity companies that own the Spanish nuclear power plants. This activity is carried out by contracting the purchase of uranium concentrates and the necessary conversion and enrichment services for subsequent sale to its customers.

Supply of fuel assemblies

ENUSA manufactures fuel for nuclear power plants by a process consisting of pressing and sintering enriched uranium to convert it into ceramic pellets, inserting them into a metal rod (with sealing), and then grouping them together in a shell, together with other structural elements, finally forming what is known as a fuel assembly.

Supply of goods associated with the provision of waste management services

The subsidiary EMGRISA, at its Waste Transfer Centres in Alcázar de San Juan and Mérida, supplies goods associated with the provision of waste management services (drums, big bags, carafes, etc.).

In all cases, revenue is recognised at the time that control of the goods supplied is transferred, with express acceptance by the customer of the transfer of ownership, whereupon the customer assumes the risks and rewards of the goods transferred.

The Group usually finances part of these activities by advance billing to the customer. There is no financial component to be deducted from the price in this type of contract.

Rendering of services

In the services provided by both ENUSA (in the nuclear and environmental areas) and the subsidiaries EMGRISA and ETSA, the revenue from these services is recognised over time, to the extent that the companies provide a tailor-made customer service and have the right to charge for the work carried out for the latter. In some contracts, these include several separate obligations, which are perfectly identifiable and the transaction price of each of them can be assigned separately. In these cases, revenue is recognised based on individual compliance with each of the performance obligations.

In the case of income from municipal solid municipal waste management services, developed through the UTE RSU, this is obtained as a consequence of the concession agreement relating to the execution works and the management of the service, corresponding to the "Solid municipal waste management project of the Zonal Waste Plan of Zone I of Castellón". According to the agreement, revenue is generated through the invoicing of a unit fee per tonne of waste treated. In addition, this unitary fee is revised at the end of each fiscal year based on the total tons actually treated and the financial cost borne according to the interest rate of the financing of the UTE RSU, being additionally revised based on the evolution of the CPI and certain national group indexes.

5.17. Provisions and contingencies

Provisions are recognised when the Group has a present obligation, whether legal, contractual, constructive or tacit, as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amounts recognised in the consolidated balance sheet are the best estimate at the reporting date of the outflows required to settle the present obligation after taking into account the risks and uncertainties related to the provision and, where material, the financial effect of discounting, provided that the outflows to be made each period can be reliably determined. The discount rate is determined on a pre-tax basis, taking into account the time value of money as well as specific risks that have not been considered in the future flows related to the provision.

The financial effect of provisions is recognised as financial expenses in the consolidated profit and loss account.

Provisions are reversed through profit or loss when it is not probable that an outflow of resources will be required to settle the obligation.

Provisions for restructuring

Provisions related to restructuring processes are recognised when a detailed formal plan exists and a valid expectation has been generated among the affected staff that employment will be terminated, either because implementation of the plan has begun or because the main features of the plan have been announced.

Provisions for restructuring only include outlays directly related to restructuring that are not associated with the Group's continuing operations.

Provisions for decommissioning, restoration and similar activities

The provisions referred to in this section are recognised in accordance with the general criteria for the recognition of provisions and are recorded as an increase in the cost of the tangible fixed assets to which they relate when they arise from the acquisition or construction of those assets, provided that the asset to which they relate has not reached the end of its useful life (see section 5.6).

Changes in the provision resulting from changes in the amount or timing of outflows, or in the discount rate used to determine its present value, increase or decrease the cost value of fixed assets up to the limit of their book value, with the excess being recognised in the consolidated profit and loss account.


Changes in the amount of the provision that have become apparent after the end of the useful life of the fixed asset are recognised in the profit and loss account as they occur.

The Company has been making the necessary provisions to cover the costs of restoring the Natural Area caused by mining activities, in accordance with the provisions of Royal Decree 975/2009, of 12 June, and to cover the costs of shutting down and decommissioning the industrial facilities in Juzbado and the mining facilities in Saelices el Chico.

The provisions for the restoration of mining facilities include the estimated income from ENRESA for its contribution to the aforementioned restoration projects, in accordance with the agreements reached between the parties.

Other provisions are also included to cover probable or certain liabilities arising from business risks and expenses, the occurrence of which is certain or probable but uncertain as to their exact amount or as to the date on which they will arise.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1
Letter from
the Chairman
- 2
Good
Governance
- 3
Main
Economics
Figures
- 4
ENUSA Group
Estructure
- 5
Report
Parameters
- 
**Economic
Performance**
GROUP ACCOUNTS
- 7
Social
Performance
- 8
Environmental
Performance
- 9
Annexes

Provisions for other liabilities

These correspond to non-financial liabilities arising from obligations, mainly arising from ongoing litigation, indemnities or other obligations under guarantees and similar collateral provided by the Group.

The event giving rise to the obligation under a claim is the event on which the claim is based, not the receipt of the claim itself. In this regard, the Group, based on the evolution of the event and the opinion of the lawyers assigned to monitor it, periodically assesses the risk of a definitive outflow of resources and, therefore, its classification as a provision or, alternatively, as a contingent liability.

5.18. Environmental assets

The Group's companies carry out operations whose main purpose is to prevent, reduce or repair the damage that may be caused to the environment as a result of their activities. These activities are currently focused mainly on the restoration and decommissioning of the Saelices mining facilities and the future dismantling costs of the Juzbado fuel assembly factory, both belonging to the Parent Company.

Expenses arising from environmental activities are recognised as other operating expenses under "environmental expenses" in the year in which they are incurred.

Those items that are likely to be incorporated into the Group's assets for long-term use in its business activities and whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution from the Group's operations, are recognised as tangible fixed assets, in accordance with the measurement criteria indicated in note 5.6 of these notes to the consolidated annual accounts.

The Group also makes provisions for environmental measures. These provisions are made on the basis of the best estimate of the expenditure required to settle the obligation, discounting the flow of future payments at the year-end date. Compensation receivable, if any, by the Group related to the source of the environmental obligation is recognised as a receivable on the assets side of the consolidated balance sheet, provided that there are no doubts that the reimbursement will be received, up to the amount of the obligation recognised.

5.19. Personnel costs

In accordance with current labour legislation, Group companies are obliged to pay severance to employees whose employment relationships are terminated under certain conditions. Severance payments that can be reasonably quantified are recognised as an expense for the year in which there is a valid expectation created vis-à-vis the affected third parties.

The Group recognises the expected cost of short-term employee benefits in the form of paid leave, the entitlement to which is accrued as employees perform the services that entitle them to the benefits. The Group also recognises the expected cost of variable employee benefits when there is a legal or constructive present obligation as a result of past events and a reliable estimate can be made of the value of the obligation.

5.20. Grants

Grants, donations and bequests are recognised as income and expenses recognised in consolidated equity when they are formally awarded, the conditions for their award have been met and there are no reasonable doubts as to whether they will be received.

Grants received to finance specific expenses are taken to income in the year in which they are granted, as they relate to expenses incurred in the same year.

5.21. Business combinations

In business combinations resulting from the acquisition of shares or equity interests in a company, the Group company concerned recognises the investment at cost, which is the fair value of the consideration given plus directly attributable transaction costs.

5.22. Transactions with Group companies excluded from the consolidable group

Transactions between group companies excluded from the consolidable group are recognised at the fair value of the consideration given or received. The difference between this value and the agreed amount is recorded in accordance with the underlying economic substance.

5.23. Non-current assets and disposal groups held for sale

The heading “Non-current assets held for sale” in the consolidated balance sheet includes assets whose book value is to be recovered primarily through a sale transaction rather than through continued use. To classify non-current assets or disposal groups as held for sale, they must be available for immediate disposal in their present condition, subject only to terms that are usual and customary for sales transactions, and derecognition of the asset must be considered highly probable.

Non-current assets or disposal groups classified as held for sale are not amortised and are measured at the lower of book value and fair value less costs to sell.

There are no liabilities associated with “Non-current assets held for sale”.

5.24. Classification of assets and liabilities into current and non-current

The Group presents the consolidated balance sheet with assets and liabilities classified as current and non-current. For these purposes, current assets or liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realised or intended for sale or consumption in the Group’s normal operating cycle, are held primarily for the purpose of trading, are expected to be realised within twelve months after the reporting date or are cash or cash equivalents, except where they cannot be exchanged or used to settle a liability for at least twelve months after the reporting date.
- Liabilities are classified as current when they are expected to be settled in the Group’s normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting date or the Group does not have an unconditional right to defer settlement of the liabilities for twelve months after the reporting date.
- Financial liabilities are classified as current when they are due to be settled within twelve months after the reporting date even if the original term is for a period longer than twelve months and there is an agreement to refinance or restructure long-term payments that was concluded after the reporting date and before the annual accounts are finalised.

5.25. Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the indirect method and uses the following expressions with the meanings set out below:

- Operating activities: activities that constitute the Group’s ordinary income, as well as other activities that cannot be classified as investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not part of operating activities.

6. MINORITY INTERESTS

The movement in minority interests during the financial years 2021 and 2020 is as follows:

FINANCIAL YEAR 2021					THOUSANDS OF EUROS
	Balance as of 31/12/2020	Results	Grants	Balance as of 31/12/2021	
EMGRISA subgroup	77	5	-	82	
TOTAL	77	5	-	82	

FINANCIAL YEAR 2020					THOUSANDS OF EUROS
	Balance as of 31/12/2019	Results	Grants	Balance as of 31/12/2020	
EMGRISA subgroup	77	-	-	77	
TOTAL	77	-	-	77	

The composition of the balance of minority interests as of 31 December 2021 and 2020 is as follows:

FINANCIAL YEAR 2021						THOUSANDS OF EUROS
	Capital	Reserves	Results	Grants	Balance as of 31/12/2021	
EMGRISA subgroup	30	28	5	19	82	
TOTAL	30	28	5	19	82	

FINANCIAL YEAR 2020						THOUSANDS OF EUROS
	Capital	Reserves	Results	Grants	Balance as of 31/12/2020	
EMGRISA subgroup	30	28	-	19	77	
TOTAL	30	28	-	19	77	



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

7. SHAREHOLDINGS IN EQUITY ACCOUNTED COMPANIES

Details of the movement in equity-accounted investees during 2021 and 2020 are as follows:

FINANCIAL YEAR 2021

THOUSANDS OF EUROS

	Balance at 31/12/2020	Adjustments to result 2020	Adjustments for changes in value and grants	Result for the financial year	Dividends distributed	Balance at 31/12/2021
GNF ENUSA NUCLEAR FUEL, S.A. (*)	354	(54)	-	378	(236)	442
ENUSA-ENSA, A.I.E. (*)	259	-	-	124	-	383
SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E. (*)	10	-	-	(2)	-	8
CETRANSA, S.A. (**)	2,425	1	-	139	(150)	2,415
REMESA, S.A. (**)	7,266	99	-	161	-	7,526
TOTAL	10,314	46	-	800	(386)	10,774

(*) Companies directly owned by ENUSA.

(**) Companies indirectly owned through EMGRISA.

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	Balance at 31/12/2019	Adjustments to result 2019	Adjustments for changes in value and grants	Result for the financial year	Dividends distributed	Balance at 31/12/2020
GNF ENUSA NUCLEAR FUEL, S.A. (*)	123	5	-	290	(64)	354
ENUSA-ENSA, A.I.E. (*)	191	-	(3)	71	-	259
SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E. (*)	12	-	-	(2)	-	10
CETRANSA, S.A. (**)	2,328	(2)	-	189	(90)	2,425
REMESA, S.A. (**)	7,824	(22)	-	(307)	(229)	7,266
TOTAL	10,478	(19)	(3)	241	(383)	10,314

(*) Companies directly owned by ENUSA.

(**) Companies indirectly owned through EMGRISA.

The above tables show the movements of jointly controlled entities and associates (see note 2).

8. JOINT VENTURES

The Parent Company carries out certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The list of joint ventures in which ENUSA has participated during the 2021 and 2020 financial years, as well as the percentage of such participation, is as follows:

- Tecnatom-Westinghouse-ENUSA, UTE: Tecnatom, S.A., Westinghouse Technology Services, S.A. and ENUSA Industrias Avanzadas, S.A., with a stake of 33.33%.
- In addition, as a result of the merger with Teconma that took place in 2013, ENUSA became a partner in the joint venture "ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.L.U. and A2A Ambiente S.p.A. Unión Temporal de Empresas", with a stake of 85.6859%.

The amounts for each joint venture of the most significant items in the consolidated balance sheet and consolidated profit and loss account as at 31 December 2021 and 2020 are as follows:

FINANCIAL YEAR 2021	THOUSANDS OF EUROS	
	UTE RSU	Tecnatom-Westinghouse-ENUSA, UTE
Assets		
Intangible fixed assets	29,369	-
Tangible fixed assets	6	-
Long-term financial investments	3,208	-
Trade and other receivables	1,028	1,175
Short-term accruals	10	1
Liquid assets	5,633	24
Liabilities		
Adjustments for changes in value	(2,024)	-
Long-term provisions	5,721	-
Long-term debts	15,580	-
Short-term debts	11,652	-
Trade creditors and other payables	1,043	1,158
Profit and Loss		
Net turnover	7,713	3,560
Procurement	(2,098)	(3,549)
Personnel expenses	(440)	-
Other operating expenses	(1,451)	-
Depreciation of fixed assets	(2,189)	-
Impairment and gains on disposal of fixed assets	(329)	-
Other results	92	(13)
Capitalisation of financial expenses	243	-
Financial costs	(1,295)	-
RESULTS FOR THE FINANCIAL YEAR	246	(2)

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	UTE RSU	Tecnatom-Westinghouse- ENUSA, UTE
Assets		
Intangible fixed assets	31,243	-
Tangible fixed assets	16	-
Long-term financial investments	2,872	-
Trade and other receivables	1,169	654
Liquid assets	5,247	202
Liabilities		
Adjustments for changes in value	(2,876)	-
Long-term provisions	5,689	-
Long-term debts	18,114	-
Short-term debts	11,983	-
Trade creditors and other payables	720	812
Profit and Loss		
Net turnover	7,546	1,745
Procurement	(1,757)	(1,734)
Personnel expenses	(455)	-
Other operating expenses	(2,176)	-
Depreciation of fixed assets	(2,188)	-
Other results	(19)	(10)
Capitalisation of financial expenses	363	-
Financial costs	(1,465)	-
RESULTS FOR THE FINANCIAL YEAR	(151)	1



9. TANGIBLE FIXED ASSETS

The analysis and composition of the balance sheet items included under this heading in 2021 and 2020 is as follows:

FINANCIAL YEAR 2021							THOUSANDS OF EUROS
Concept	Balance at 31/12/2020	Inflows	Outflows	Other	Transfers or lease-backs	Balance at 31/12/2021	
COST							
Land and natural assets	3,525	-	-	-	-	3,525	
Buildings	67,050	68	-	-	-	67,118	
Technical facilities, machinery and tools	79,509	864	(58)	-	313	80,628	
Other facilities	28,414	556	(7)	-	262	29,225	
Furniture and equipment for information processing	10,152	422	(8)	-	-	10,566	
Other tangible fixed assets	18,370	1,356	(191)	-	206	19,741	
Advances and work in progress	617	1,134	-	-	(781)	970	
TOTAL	207,637	4,400	(264)	-	-	211,773	
DEPRECIATION							
Buildings	(52,544)	(506)	-	-	-	(53,050)	
Technical facilities, machinery and tools	(67,764)	(1,905)	53	-	-	(69,616)	
Other facilities	(22,785)	(1,187)	7	-	-	(23,965)	
Furniture and equipment for information processing	(9,232)	(303)	5	-	-	(9,530)	
Other tangible fixed assets	(13,702)	(842)	114	-	-	(14,430)	
TOTAL	(166,027)	(4,743)	179	-	-	(170,591)	
VALUATION ADJUSTMENTS FOR IMPAIRMENT							
Land and buildings	(848)	-	-	-	-	(848)	
Technical facilities, machinery and tools	(2,834)	-	-	-	-	(2,834)	
Other tangible fixed assets	(25)	-	-	-	-	(25)	
TOTAL	(3,707)	-	-	-	-	(3,707)	
TANGIBLE FIXED ASSETS	37,903	(343)	(85)	-	-	37,475	

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance


9
Annexes

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

Concept	Balance at 31/12/2019	Inflows	Outflows	Other	Transfers or lease-backs	Balance at 31/12/2020
COST						
Land and natural assets	3,528	-	-	-	(3)	3,525
Buildings	66,787	20	-	-	243	67,050
Technical facilities, machinery and tools	78,369	732	(4)	-	412	79,509
Other facilities	27,719	333	(16)	-	378	28,414
Furniture and equipment for information processing	9,917	250	(19)	-	4	10,152
Other tangible fixed assets	17,959	806	-	(422)	27	18,370
Advances and work in progress	427	1,067	-	-	(877)	617
TOTAL	204,706	3,208	(39)	(422)	184	207,637
DEPRECIATION						
Buildings	(52,000)	(510)	-	-	(34)	(52,544)
Technical facilities, machinery and tools	(65,751)	(2,016)	3	-	-	(67,764)
Other facilities	(21,603)	(1,174)	16	-	(24)	(22,785)
Furniture and equipment for information processing	(8,982)	(267)	17	-	-	(9,232)
Other tangible fixed assets	(13,183)	(771)	-	252	-	(13,702)
TOTAL	(161,519)	(4,738)	36	252	(58)	(166,027)
VALUATION ADJUSTMENTS FOR IMPAIRMENT						
Land and buildings	(848)	-	-	-	-	(848)
Technical facilities, machinery and tools	(2,834)	-	-	-	-	(2,834)
Other tangible fixed assets	(25)	-	-	-	-	(25)
TOTAL	(3,707)	-	-	-	-	(3,707)
TANGIBLE FIXED ASSETS	39,480	(1,530)	(3)	(170)	126	37,903

No impairment losses were recognised in 2020 and 2021.

- 1**
Letter from the Chairman
- 2**
Good Governance
- 3**
Main Economics Figures
- 4**
ENUSA Group Estructure
- 5**
Report Parameters
- 
Economic Performance
GROUP ACCOUNTS
- 7**
Social Performance
- 8**
Environmental Performance
- 9**
Annexes

The most relevant investments made by the Group in the year 2021 corresponding to the Parent Company are as follows, 3,630 thousand, corresponded to the internal dosimetry laboratory building and its equipment, conditioning of the fencing, installation of the spike tool under the refurbishment of the fencing, the installation of a spike tool under the balcony, improvements to the fire extinguishing system, the rectifying cabin and tank, profilometers for bar inspection and the adaptation of the air-conditioning system.

The most significant investments made by the Group in 2020 corresponding to the Parent Company, amounting to 2,787 thousand euros, corresponded to the upgrade of ultrasound equipment, rectifier cabin and tank, completion of the acquisition of the new passive scanner, expansion of the treatment of cutting water, containers for transporting PWR elements, improvements to the gamma scanner for irradiated fuel, upgrade of profiling equipment and PWR channels and adaptation of the air-conditioning system.

The accounting movements of the revaluation of assets, carried out in accordance with Royal Decree Law 7/1996, dated 7 June, in financial years 2021 and 2020, were as follows:

THOUSANDS OF EUROS							
CONCEPT	BALANCE AT 31/12/2019	INFLOWS	OUTFLOWS	BALANCE AT 31/12/2020	INFLOWS	OUTFLOWS	BALANCE AT 31/12/2021
COST							
Land and buildings	6,120	-	-	6,120	-	-	6,120
Technical facilities and other tangible fixed assets	892	-	-	892	-	-	892
TOTAL	7,012	-	-	7,012	-	-	7,012
DEPRECIATION							
Land and buildings	(5,550)	(5)	-	(5,555)	(5)	-	(5,560)
Technical facilities and other tangible fixed assets	(892)	-	-	(892)	-	-	(892)
TOTAL	(6,442)	(5)	-	(6,447)	(5)	-	(6,452)
TANGIBLE FIXED ASSETS	570	(5)	-	565	(5)	-	560

The depreciation of the revaluation of the various assets carried out in 1996 is expected to amount to approximately 3 thousand euros in 2022.

Tangible fixed assets not assigned to operations at 31 December 2021 and 2020 relate to land at the Saelices site adjacent to the mining operations, the net book value of which at 31 December 2021 and 2020, after taking into account the impairment loss of 848 thousand euros, amounts to 1,932 thousand euros.

The amount of fully depreciated tangible fixed assets in use as at 31 December 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Buildings	47,841	46,660
Technical facilities, machinery and tools	61,792	58,873
Other facilities	19,239	17,551
Furniture and equipment for information processing	8,719	8,490
Other tangible fixed assets	10,153	10,427
	147,744	142,001

Firm investment commitments in the form of orders in the Parent Company amount to approximately 1,944 thousand euros at 31 December 2021 (1,215 thousand euros at 31 December 2020).

The Group has formalised property risk insurance policies with coverage that guarantee the Group's assets and goods in their entirety, as well as any possible claims that may arise in the course of its business, and the Group considers that these policies sufficiently cover the risks to which they are subject.



10. INTANGIBLE FIXED ASSETS

The composition and movement of this heading in 2021 and 2020 are shown below:

FINANCIAL YEAR 2021							THOUSANDS OF EUROS
Concept	Balance at of 31/12/2020	Inflows	Outflows	Other	Transfers or lease-backs	Balance at of 31/12/2021	
COST							
Research	334	-	-	-	-	334	
Patents, licences, trademarks and other	2,799	-	-	-	-	2,799	
Goodwill	-	-	-	-	-	-	
Software applications	6,875	157	(3)	-	25	7,054	
Advances and work in progress	-	36	-	-	(25)	11	
Other intangible assets (Concession agreements)	49,738	597	(660)	33	-	49,708	
TOTAL	59,746	790	(663)	33	-	59,906	
AMORTISATION							
Research	(334)	-	-	-	-	(334)	
Patents, licences, trademarks and other	(2,401)	(110)	-	-	-	(2,511)	
Software applications	(6,383)	(283)	3	-	-	(6,663)	
Other intangible assets (Concession agreements)	(18,495)	(2,181)	331	-	-	(20,345)	
TOTAL	(27,613)	(2,574)	334	-	-	(29,853)	
VALUATION ADJUSTMENTS FOR IMPAIRMENT							
Patents, licences, trademarks and other	(2)	-	-	-	-	(2)	
TOTAL	(2)	-	-	-	-	(2)	
INTANGIBLE FIXED ASSETS	32,131	(1,784)	(329)	33	-	30,051	

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

Concept	Balance at of 31/12/2019	Inflows	Outflows	Other	Transfers or lease-backs	Balance at of 31/12/2020
COST						
Research	334	-	-	-	-	334
Patents, licences, trademarks and other	2,800	-	(1)	-	-	2,799
Software applications	6,692	101	-	-	82	6,875
Other intangible assets (Concession agreements)	49,536	394	(3)	(189)	-	49,738
Other intangible assets	139	19	(90)	-	(68)	-
TOTAL	59,501	514	(94)	(189)	14	59,746
AMORTISATION						
Research	(334)	-	-	-	-	(334)
Patents, licences, trademarks and other	(2,291)	(111)	1	-	-	(2,401)
Software applications	(6,107)	(276)	-	-	-	(6,383)
Other intangible assets (Concession agreements)	(16,399)	(2,173)	2	75	-	(18,495)
Other intangible assets	(88)	-	88	-	-	-
TOTAL	(25,219)	(2,560)	91	75	-	(27,613)
VALUATION ADJUSTMENTS FOR IMPAIRMENT						
Patents, licences, trademarks and other	(2)	-	-	-	-	(2)
TOTAL	(2)	-	-	-	-	(2)
INTANGIBLE FIXED ASSETS	34,280	(2,046)	(3)	(114)	14	32,131

The heading "Patents, licences, trademarks and other" includes the agreement relating to the acquisition from Tecnatom, S.A. By the Parent Company of part of the technology developed by it (together with ENUSA) for passive scanning equipment. Under the agreement, both parties undertake to take all necessary steps to register the ownership of the technology and the transfer. This agreement also allows the Parent Company to participate in a significant percentage of future profits from joint sales of new equipment (with the technology incorporated) to third parties.

The most significant changes in 2021 in Intangible Assets (Other Intangible Fixed Assets - Concession Agreement) relate to the following (see note 17):

- Derecognition at a cost of 660 thousand euros, corresponding to the estimated value of fixed assets lost as a result of an incident at the facility's bulky waste plant. After the corresponding derecognition of the accumulated depreciation of this value (330 thousand euros), an accounting loss of 330 thousand euros is recognised under "Impairment and gains/losses on disposal of fixed assets".
- Additions amounting to 330 thousand euros, corresponding to the estimated value of the fixed assets incorporated into the bulky waste plant to replace the damaged assets.
- Additions amounting to 243 thousand euros, corresponding to the capitalisation of part of the financial expenses incurred in the year, after the start of the operating period.
- Additions amounting to 33 thousand euros, corresponding to those derived from the provision for the sealing and surveillance of the landfill and for the construction of cells (included under the heading "Others" in the movement table).


The most significant movements in 2020 relate to the reversal of the provision for the sealing and monitoring of the landfill and for the construction of landfill cells, amounting to 114 thousand euros.

In addition, part of the financial expenses incurred in the year have been capitalised, once the operating period has begun, under the heading "Concession agreement, financial capitalisation", amounting to 243 thousand euros (363 thousand euros in 2020) leaving an accumulated balance at the end of 2021 of 7,559 thousand euros (7,314 thousand euros at the end of 2020).

All figures relating to Intangible Fixed Assets corresponding to Concession Agreements, and indicated in previous paragraphs, are shown at the amount included in the Parent Company's accounts, in accordance with its percentage shareholding in the UTE RSU (Note 8).

The amount of fully amortised intangible fixed assets in use as at 31 December 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Development	334	334
Patents, licences, trademarks and other	2,265	2,265
Software applications	6,257	5,869
	8,856	8,468

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

11. LEASES AND OTHER TRANSACTIONS OF A SIMILAR NATURE

11.1. Finance leases

The assets under finance leases held by the Group during the year 2021 correspond entirely to the investee ETSA (the end of the lease was 24 May 2021).

The carrying amounts of assets held under finance leases are as follows:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS		
	Cost	Accumulated amortisation	Cancellations	Net book value
Buildings	259	(66)	(193)	-
	259	(66)	(193)	-

FINANCIAL YEAR 2020		THOUSANDS OF EUROS		
	Cost	Accumulated amortisation	Cancellations	Net book value
Buildings	259	(61)	-	198
	259	(61)	-	198

The amount of future minimum lease payments and their present value at year-end 2021 and 2020 is as follows:

FINANCIAL YEAR 2021				THOUSANDS OF EUROS			
	Up to 1 year	1 to 5 years	More than 5 years				
Total future minimum lease payments	-	-	-				
Less: Implicit interest	-	-	-				
PRESENT VALUE AT YEAR-END	-	-	-				

FINANCIAL YEAR 2020				THOUSANDS OF EUROS			
	Up to 1 year	1 to 5 years	More than 5 years				
Total future minimum lease payments	8	-	-				
Less: Implicit interest	-	-	-				
PRESENT VALUE AT YEAR-END	8	-	-				

11.2. Operating leases

The Group had assets under operating leases in 2021, accruing an operating lease expense of 601 thousand euros (589 thousand euros in 2020).

Details of the Group's main operating leases are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Rental of offices, garages and industrial premises	217	243
Vehicles	170	170
Machinery, office equipment and others	214	176
TOTAL	601	589

The operating lease contracts mainly relate to the offices of the investee EMGRISA and have non-cancellable minimum lease payments amounting to 293 thousand euros at 31 December 2021 (67 thousand euros in 2020), although the expected duration of the contract is longer. Details of future minimum lease payments for such non-cancellable operating leases are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Up to 1 year	75	67
1 to 5 years	218	-
TOTAL	293	67

For the remaining operating leases, there are no minimum future payments expected as all leases are cancellable on an annual basis.

12. FINANCIAL INSTRUMENTS

12.1. Information on the relevance of financial instruments to the Group's financial position and performance

12.1.1. Information related to the Consolidated Balance Sheet

a) Categories of financial assets and liabilities

The carrying amounts at 31 December 2021 and 2020 of the Group's various financial assets and liabilities, based on their classification, are as follows:

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance
GROUP ACCOUNTS

7
Social Performance

8
Environmental Performance

9
Annexes

a.1) Financial assets:

THOUSANDS OF EUROS

CLASSES	NON-CURRENT FINANCIAL ASSETS					CURRENT FINANCIAL ASSETS					TOTAL
	Credit, derivatives and others					Credit, derivatives and others					
	Asset Instruments	Loans to third parties	Derivatives	Other fin. assets	Long term total	Loans to third parties	Derivatives	Other fin. assets	Trade and other receivables	Short term total	
	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	
Financial assets at amortised cost	-	5	-	3,376	3,381	541	-	53,136	29,778	83,455	86,836
Financial assets at cost	195	-	-	-	195	-	-	-	-	-	195
Hedging derivatives	-	-	2,253	-	2,253	-	1,988	-	-	1,988	4,241
TOTAL	195	5	2,253	3,376	5,829	541	1,988	53,136	29,778	85,443	91,272

THOUSANDS OF EUROS

ASSET CATEGORIES FINANCIAL ASSETS	FINANCIAL ASSETS CLASSES					TOTAL
	NON-CURRENT FINANCIAL ASSETS			CURRENT FINANCIAL ASSETS		
	Equity instruments	Credit, derivatives and other	Long term total	Credit, derivatives and other	Short term total	
	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020	
Cash and other cash equivalents	-	-	-	9,201	9,201	9,201
Loans and receivables	-	3,253	3,253	30,013	30,013	33,266
Available-for-sale financial assets						-
-Valued at cost	195	-	195	-	-	195
Hedging derivatives	-	875	875	95	95	970
TOTAL	195	4,128	4,323	39,309	39,309	43,632

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

a.2) Financial liabilities:

THOUSANDS OF EUROS

CLASSES	NON-CURRENT FINANCIAL LIABILITIES					CURRENT FINANCIAL LIABILITIES					TOTAL	
	Debts to credit institutions	Derivatives Others			Long term total	Debts to credit institutions	Derivatives Others			Short term total		
		Derivatives	Other fin. liabilities	Other fin. liabilities from the pub sector.			Derivatives	Other fin. liabilities	Other fin. liabilities from the pub sector.			Trade payables and other accounts payable
CATEGORIES	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Fin. liab. at amortised cost or cost	13,929	-	2	2,853	16,784	136,857	-	2,215	147	59,471	198,690	215,474
Hedging derivatives	-	1,654	-	-	1,654	-	610	-	-	-	610	2,264
TOTAL	13,929	1,654	2	2,853	18,438	136,857	610	2,215	147	59,471	199,300	217,738

THOUSANDS OF EUROS

LIABILITY CATEGORIES FINANCIAL ASSETS	FINANCIAL LIABILITY CLASSES						TOTAL
	NON-CURRENT FINANCIAL LIABILITIES			CURRENT FINANCIAL LIABILITIES			
	Debts to credit institutions	Trade payables, derivatives and other	Long term total	Debts to credit institutions	Trade payables, derivatives and other	Short term total	
	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Debts and payables	105,643	3,381	109,024	46,790	64,377	111,167	220,191
Hedging derivatives	-	2,797	2,797	-	1,788	1,788	4,585
TOTAL	105,643	6,178	111,821	46,790	66,165	112,955	224,776

b) Classification by maturity

The detail, by maturity date, of financial assets and liabilities with fixed or determinable maturity at 31 December 2021 and 2020 is as follows (excluding equity instruments in Group companies, jointly controlled entities and associates):

FINANCIAL YEAR 2021

THOUSANDS OF EUROS

Financial assets	Short term		Long term				
	2022	2023	2024	2025	2026	Remaining	Total Long Term
Equity instruments (*)	-	-	-	-	-	195	195
Loans to group companies (Note 23)	3,770	-	-	-	-	-	-
Loans to third parties	541	5	-	-	-	-	5
Loans to third parties	1,988	1,414	839	-	-	-	2,253
Other financial assets	114	-	-	-	-	3,376	3,376
Trade and other receivables	26,008	-	-	-	-	-	-
Cash and cash equivalents	53,022	-	-	-	-	-	-
TOTAL	85,443	1,419	839	-	-	3,571	5,829

(*) No specific maturity.

THOUSANDS OF EUROS

Financial liabilitiesw with specific maturity	Short term		Long term				
	2022	2023	2024	2025	2026	Remaining	Total Long Term
Loans to Group and Associated Companies (Note 23)	1,113	580	564	388	387	-	1,919
Debts to credit institutions	136,857	1,883	2,142	2,361	2,610	4,933	13,929
Finance lease creditors	-	-	-	-	-	-	-
Derivatives	610	3	-	1	-	1,650	1,654
Other financial liabilities	2,362	149	147	146	97	397	936
Trade creditors and other payables	58,358	-	-	-	-	-	-
TOTAL	199,300	2,615	2,853	2,896	3,094	6,980	18,438

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

Financial assets	Short term		Long term				
	2021	2022	2023	2024	2025	Remaining	Total Long Term
Equity instruments (*)	-	-	-	-	-	195	195
Loans to group companies (Note 23)	7,060	-	-	-	-	-	-
Loans to third parties	539	219	-	-	-	-	219
Derivatives	95	234	381	260	-	-	875
Other financial assets	214	-	-	-	-	3,034	3,034
Trade and other receivables	22,200	-	-	-	-	-	-
Cash and cash equivalents	9,201	-	-	-	-	-	-
TOTAL	39,309	453	381	260	-	3,229	4,323

(*) No specific maturity.

THOUSANDS OF EUROS

Financial liabilitiesw with specific maturity	Short term		Long term				
	2021	2022	2023	2024	2025	Remaining	Total Long Term
Loans to Group and Associated Companies (Note 23)	774	737	177	175	-	1,577	2,666
Debts to credit institutions	46,782	91,714	1,885	2,142	2,361	7,541	105,643
Finance lease creditors	8	-	-	-	-	-	-
Derivatives	1,788	164	164	-	-	2,469	2,797
Other financial liabilities	2,413	87	120	120	118	270	715
Trade creditors and other payables	61,190	-	-	-	-	-	-
TOTAL	112,955	92,702	2,346	2,437	2,479	11,857	111,821

The amount of both long-term and short-term bank borrowings relates mainly to loans granted to the Parent Company by various credit institutions to finance supply management, which includes procurement stocks.

In addition, the amount corresponding to the financing related to the execution works and the management of the service, corresponding to the "Solid municipal waste management project of the Zonal Waste Plan of Zone I of Castellón", managed through the UTE RSU, has also been included. In 2010, the UTE RSU entered into a finance project with two financial institutions to finance the project through the Project-finance model. Its maximum limit is 33,000 thousand euros and the balance drawn down at 31 December 2021 (integrated in ENUSA's accounts at its percentage of shareholding in the UTE RSU) is 15,645 thousand euros (17,350 thousand euros at 31 December 2020). The terms of this financing include the need for the borrower to comply with certain financial ratios from the start of the project's operating period (year 2012). These ratios were met at the end of the current and previous year and are not expected to be breached in the next twelve months.

The current interest rates are market interest rates.

c) Financial assets at cost

These correspond to equity instruments in companies that are not considered to be group companies, jointly controlled entities or associates and which the Group does not expect to dispose of in the short term. As these equity instruments are not listed in an active market, they are carried at cost less any impairment. The carrying amounts of these financial assets at year-end 2020 and 2021 are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Cetramesa (*)	195	195
Sociedad Agraria de Transformación (participación UTE RSU) (**)	-	-
Compagnie Minière D'Akouta (COMINAK) (***)	-	-
	195	195

During the financial years 2021 and 2020, the Group has not received any dividends from these companies.

(*) Cetramesa hold shares in turn, directly and indirectly, in the following companies:

	% SHARE AS OF DECEMBER 31	
	2021	2020
Cetramesa Carburantes, S.L.U.	100%	100%
Low Cost Carburantes, S.A.	30%	30%

(**) Shareholding with a cost of 73 thousand euros (integrated at the percentage of the UTE's shareholding in ENUSA), impaired at 100%.

(***) Minority interest in a uranium mine in Niger, with a cost of 1,379 thousand euros, 100% impaired. This mine ceased its operation and the process of decommissioning and restoring it began, and once the decommissioning work had begun, the majority shareholder of COMINAK claimed amounts from the Parent Company for these actions. Once evaluated internally and with external advisors, it is considered that there will be no outflow of future cash outflows of any kind.


d) Impairment losses

The movement analysis of the allowance accounts representing impairment losses arising from credit risk (mainly from customers and other debtors), for the financial year 2021 and 2020, is as follows:

	THOUSANDS OF EUROS
Balance as of 1 January 2020	7,585
Endowments	726
Reversals and applications	(4)
Balance as of 31 December 2020	8,307
Endowments	45
Reversals and applications	(6,734)
Balance as of 31 December 2021	1,618

The reversals and applications made in 2021 correspond almost entirely to the amount reversed (292 thousand euros) and applied (6,432 thousand euros) in the UTE RSU (integrated in ENUSA at its percentage of shareholding in same). Similarly, most of the provisions made in 2020 were from the same source (698 thousand euros).

In the 2015 financial year, the fee corresponding to the financial years 2012 to 2014 was regularised, due to the financial cost borne in the same based on the financing interest rate of the UTE RSU, by issuing the corresponding invoices to the Consortium. Since that year, the corresponding invoices have been issued for this concept (or recorded as "invoices pending issue"), with these adjustments to the fee (as a consequence of the provisions of the Concession Agreement) being systematically rejected by the Consortium, due to disagreement with regard to the UTE's interpretation of the fee revision clause based on the latter's financing interest rate. In the event of non-payment by the Consortium when the receivables fell due, the corresponding provision for impairment of receivables was made for the total of the balances generated in this respect (a procedure which has been systematically carried out since then) and the appropriate claim for these amounts was made in the corresponding courts of law.

- 1
Letter from
the Chairman
- 2
Good
Governance
- 3
Main
Economics
Figures
- 4
ENUSA Group
Estructure
- 5
Report
Parameters
- 
Economic
Performance
GROUP ACCOUNTS
- 7
Social
Performance
- 8
Environmental
Performance
- 9
Annexes

On April 1, 2021, the Contentious-Administrative Chamber of the Superior Court of Justice of the Valencian Community dismissed the appeal filed by the UTE against the ruling against it in previous courts. This ruling has become final as the UTE has decided not to file an appeal against it. Consequently, the amount previously provisioned against existing accounts receivable has been reversed.

The positive amount recorded under the heading "Losses, impairment and changes in provisions for trade operations" in the consolidated income statement in 2021 in the amount of 258 thousand euros corresponds to the reversal of the provision for impairment in trade operations of the UTE (in the amount of 292 thousand euros) plus provisions and reversals in the subsidiary company EMGRISA for a net amount of 34 thousand euros. In 2020, the negative amount of 704 thousand euros arose from the net movement in provisions and reversals for the year of 722 thousand euros, less the excess of provisions for trade operations of 18 thousand euros.

12.1.2. Other information

a) Hedge accounting

At 31 December 2021 and 2020 the Group had entered into the following hedging derivative transactions:

- Interest rate swaps in the Parent Company, designated as a hedging instrument for interest rate risk on financial liabilities at amortised cost (long-term bank borrowings).
- Foreign exchange purchase/sale transactions with various entities designated as a hedging instrument for the existing exchange rate risk on highly probable forecast transactions (payments to trade creditors).

All transactions comply with the requirements of the accounting hedge recognition and measurement standard. In particular, they have been formally designated as such and coverage has been verified as effective.



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

The fair and notional values of derivatives designated as hedging instruments, separated by hedge class and in the periods in which the cash flows are expected to occur, are as follows:

FINANCIAL YEAR 2021	THOUSANDS OF CURRENCY					
	Thousands of euros	Notional Amount				
	Fair Value as of 31/12/2021	2022	2023	2024	Remaining	Total
Assets						
Exchange insurance (2)	3,681	33,677	16,000	8,000	-	57,677
Exchange insurance (3)	560	2,158	1,500	1,500	-	5,158
Liabilities						
Interest rate swaps (1)	2,258	-	-	-	12,702	12,702
Exchange insurance (4)	6	2,905	3,210	400	-	6,515

(1) Notional expressed in thousands of euros.

(2) Notional expressed in thousands of US dollars.

(3) Notional expressed in thousands of pounds sterling.

(4) Other currencies

FINANCIAL YEAR 2020	THOUSANDS OF CURRENCY					
	Thousands of euros	Notional Amount				
	Fair Value as of 31/12/2020	2021	2022	2023	Remaining	Total
Assets						
Exchange insurance (2)	735	10,738	12,000	13,000	6,000	41,738
Exchange insurance (3)	235	1,500	2,416	1,500	1,500	6,916
Liabilities						
Interest rate swaps (1)	3,131	-	-	-	14,127	14,127
Exchange insurance (2)	1,454	39,181	3,000	3,000	-	45,181

(1) Notional expressed in thousands of euros.

(2) Notional expressed in thousands of US dollars.

(3) Notional expressed in thousands of pounds sterling.



The notional amount of the contracts entered into does not represent the actual risk assumed by the Group companies in relation to these instruments. The fair value of derivatives designated as hedging instruments is the sum of the future cash flows arising from the instrument, discounted at the valuation date. In this regard, the Group uses commonly accepted methodology and the necessary market data to calculate fair value, also verifying that the fair value calculated for each transaction does not differ significantly from the market valuation provided by the entity with which it has entered into the corresponding transaction.

The fair value of these transactions, net of the tax effect, is recognised in equity under “Equity-Valuation adjustments-Cash flow hedges”, which is included in the Group’s equity.

The movement in “Equity - Valuation adjustments - Cash flow hedges” in 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Balance at December 31 of the previous year (Profits) / Losses	2,521	(573)
Amounts recognised in equity due to changes in the fair value of hedging transactions	(5,497)	3,781
Amount charged to the profit and loss account from equity	(77)	343
- Turnover	16	-
- Procurement	590	880
- Other operating expenses	(18)	15
- Financial costs	(648)	(702)
- Advances	(17)	150
Tax effect	1,394	(1,030)
Balance as of December 31, current year (Profits) / Losses charged to equity	(1,659)	2,521

The classification of cash flow hedges by the periods in which the cash flows are expected to occur and the periods in which they are expected to affect the consolidated income statement is detailed in Note 12.1.1.b.

b) Fair Value

The carrying amounts of financial assets and financial liabilities at their amortised cost for both trading and non-trading operations are an acceptable approximation of their fair value.

In the case of hedging derivative financial instruments, detailed in Note a) above, the Group uses the following hierarchy to determine the fair value of derivative financial instruments:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** other techniques in which all the variables that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3:** techniques that use variables that are not based on observable market data for the calculation of the fair value recorded.

Both interest rate swaps and forward foreign exchange contracts are valued using valuation techniques that employ the use of market observables such as exchange rates and interest rate curves. Therefore, the fair value of derivative financial instruments is performed on a level 2 basis.

c) Other information (credit agreements)

ENUSA has signed short-term credit agreements with various financial institutions for a limit of 64,000 thousand euros (94,490 thousand euros at 31 December 2020), of which 44,849 thousand had been drawn down at 31 December 2021 (44,758 thousand euros at 31 December 2020).

The current interest rates on credit agreements are market interest rates.

12.2. Information on the nature and level of risk from financial instruments

a) Credit risk

Credit risk arises from the potential loss caused by the failure of Group companies' counterparties to meet their contractual obligations, i.e. the possibility of not recovering the financial assets for the amount recognised and within the time limit set. In this respect, exposure to credit risk at 31 December is mainly concentrated in the following items, for a net amount of:

	THOUSANDS OF EUROS	
	2021	2020
Clients from sales and services	22,393	17,199
Customers of group and associated companies	1,378	1,636
Loans to group and associated companies	3,770	7,060
TOTAL	27,541	25,895

With regard to the risk relating to trade receivables, it should be noted that the Parent Company's main activities are based, on the one hand, on the supply of enriched uranium to Spanish electricity companies owning nuclear reactors and, on the other, on the manufacture and sale of fuel assemblies for the production of nuclear electricity. In this respect, the list of the Parent Company's main customers is concentrated in an important group of large electricity companies of recognised solvency. The fuel supply and fuelling contracts signed with customers are long-term contracts with perfectly planned dates and volumes that allow for proper management of sales volumes and, consequently, of the collection periods inherent to them. Both supply and manufacturing contracts provide for the receipt of advance payments for future sales, which is an element of risk minimisation. At 31 December 2021 the balance of advances on account that the Parent Company has received from customers, to be applied in 2022, is 32,367 thousand euros (41,377 thousand euros at 31 December 2020).

Loans to Group companies and associates relate to so-called "inter-SEPI deposits", amounting to 3,770 thousand euros at 31 December 2021 (7,060 thousand euros at 31 December 2020). This is an instrument created by SEPI to optimise the management of its treasury and that of its group of companies, by intermediating the supply and demand of surplus cash. In this system, SEPI carries out the corresponding intermediation operations, acting as counterparty to both parties (borrowers/depositors of funds). The placement of the cash surpluses of the Group's companies through this mechanism is a priority option included in the "Rules Governing the System for the Authorisation and Supervision of Acts and Transactions of the SEPI Group".

b) Liquidity risk

Prudent liquidity risk management implies the maintenance of sufficient cash and the availability of funding through a sufficient amount of credit facilities. In this respect, the Group's strategy is to maintain the necessary flexibility in financing by having both long-term loans and short-term credit agreements available, so that all eventualities directly affecting the Group's cash flow are fully covered.

c) Market risk

● **Interest rate risk.** In relation to all of the Parent Company's long-term debt that finances Procurement Management, which includes procurement stocks, and whose financial burden is fully reflected in the sale price of enriched uranium, the Parent Company had opted to hedge interest rate risks (on part of the aforementioned debt), by entering into interest rate swaps. These contracts expired during 2019, so there was no hedge of this type at year-end. Likewise, it was decided to hedge the interest rate risks on part of the debt relating to the financing of the loan associated with the investment in the solid municipal waste treatment plant carried out by the UTE RSU (see note 12.1.2.a).

1

Letter from the Chairman

2

Good Governance

3

Main Economics Figures

4

ENUSA Group Estructure

5

Report Parameters



Economic Performance GROUP ACCOUNTS

7

Social Performance

8

Environmental Performance

9

Annexes

● **Exchange rate risk.** The need to purchase fuel assembly supplies and components on the international market, as well as the sales to be made to foreign customers in their own currency, requires the Parent Company to implement an exchange rate risk management policy. The key aim is to reduce the negative impact of exchange rate variability on its profit and loss account, so that it is possible to hedge against adverse movements and, where appropriate, to take advantage of favourable developments. In this respect, the Parent Company uses forward currency purchase/sale contracts (currency hedges) for risk management purposes, thereby fixing a known exchange rate for future payments/receivables at a specific date, which can also be adjusted over time to match and apply to cash flows. The amount committed at year-end in this type of operations is detailed in note 12.1.2.a.

12.3. Equity

The consolidated Statement of Changes in Equity includes details of movements in consolidated shareholders' equity for 2020 and 2019.

As at 31 December 2021 and 2020, the share capital of the Parent Company is fully paid up and consists of 200,000 ordinary bearer shares of 300.51 euros par value each, with equal voting and dividend rights. Details of its shareholders are as follows:

	% OF SHAREHOLDING
Sociedad Estatal de Participaciones Industriales (SEPI)	60
Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT)	40
	100

The Parent Company's Legal Reserve has been funded by applying 10% of the results of the financial year. At 31 December 2021 and 2020, this reserve was established at 20% of share capital. This reserve is not freely distributable and can only be used to offset losses, if no other reserves are available for this purpose, and to increase the share capital by the portion of its balance exceeding 10% of the increased capital.

In 2007, the balance of the Revaluation Reserve (Royal Decree-Law 7/1996 of 7 June 1996) was transferred to Voluntary Reserves (Reserves and Retained Earnings), amounting to 6,937 thousand euros, by resolution of the General Shareholders'

Meeting of the Parent Company on 15 June. Of this figure, the amount corresponding to the unamortised amounts of the revalued assets is not available to the Parent Company (see note 9).

The remaining Voluntary Reserves (under "Reserves and Retained Earnings") are unrestricted at 31 December 2021 and 2020.

Details of "Reserves in consolidated companies and equity-accounted companies" are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Reserves in consolidated companies	13,608	12,840
Reserves in equity-accounted companies from ENUSA	164	95
Reserves in equity-accounted companies from EMGRISA	3,160	3,498
TOTAL	16,932	16,433

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

13. STOCKS

The distribution of stocks of Raw Materials and other supplies at 31 December 2021 and 2020 is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Stocks from procurement management	164,645	196,554
Other stocks from industrial activities	23,485	23,935
Other procurement	14,500	16,982
TOTAL	202,630	237,471

At 31 December 2021 and 2020, procurement management stocks include financial expenses of 7,239 thousand euros and 7,745 thousand euros, respectively.

Other stock information

The Finished goods and work in progress accounts, which are included under Stocks on the assets side of the balance sheet for 9,486 thousand euros and 4,983 thousand euros at 31 December 2021 (13,879 thousand euros and 8,687 thousand euros, respectively, at 31 December 2020) mainly include the costs of fuel assemblies pending delivery at year-end by the Parent Company, and are classified in one account or the other depending on whether or not they have been fully completed.

The Advances account under Stocks on the assets side of the balance sheet amounting to 5,224 and 4,124 thousand euros at 31 December 2021 and 2020, respectively, relates mainly to advances to suppliers of the Parent Company's industrial activities.

The most important firm purchase commitments correspond to the Parent Company's long-term contracts for the supply of Uranium, with foreign suppliers, and with variable quantities, and therefore their economic quantification is also variable.

The most important firm sales commitments relate to the Parent Company's long-term contracts with electricity utility customers for the sale of enriched uranium and refuelling.

Most of the stocks of the Uranium Procurement Activity are located outside the national territory as a result of the conversion and enrichment processes required prior to sale, which take place outside Spain.

There is no limitation on stocks due to guarantees, pledges, collateral and other similar reasons.

The Group has taken out insurance policies to cover possible damage to uranium stocks in its warehouses, as well as any damage that may occur in the transport and shipment of concentrates, natural and enriched uranium and the containers required for such transport by sea, land, air or combined means.

Details of impairment losses on work in progress and finished goods in 2021 and 2020 recognised in the consolidated profit and loss account are as follows:

	THOUSANDS OF EUROS
Balance as of 1 January 2020	-
Endowments	-
Reversals	-
Balance as of 31 December 2020	-
Endowments	36
Reversals	-
Balance as of 31 December 2021	36

14. FOREIGN CURRENCY

Details of the amount of assets and liabilities denominated in foreign currencies at 31 December 2021 and 2020 are as follows:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS			
	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros	
ASSETS DENOMINATED IN FOREIGN CURRENCY					
Derivatives	3,682	559	-	4,241	
Trade and other receivables	-	-	-	-	
Advances to suppliers	3,549	-	-	3,549	
Other assets	-	-	1	1	
Other cash equivalents	5	5	138	148	
TOTAL	7,236	564	139	7,939	
LIABILITIES DENOMINATED IN FOREIGN CURRENCY					
Derivatives	-	-	6	6	
Trade creditors and other payables	499	2	6	507	
TOTAL	499	2	12	513	

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros
ASSETS DENOMINATED IN FOREIGN CURRENCY				
Derivatives	734	236	-	970
Trade and other receivables	-	-	86	86
Advances to suppliers	3,798	-	-	3,798
Other assets	-	-	4	4
Other cash equivalents	5	4	1,312	1,321
TOTAL	4,537	240	1,402	6,179
LIABILITIES DENOMINATED IN FOREIGN CURRENCY				
Derivatives	1,454	-	-	1,454
Trade creditors and other payables	2,116	108	192	2,416
TOTAL	3,570	108	192	3,870

Transactions in foreign currency during the financial years 2021 and 2020 were as follows:

FINANCIAL YEAR 2021				THOUSANDS OF EUROS
	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros
Sales	14,006	-	-	14,006
Rendering of services	-	-	187	187
	-	-	187	14,193
Procurement	66,845	2,009	2	68,856
External services	2,157	26	1	2,184
	69,002	2,035	3	71,040

FINANCIAL YEAR 2020				THOUSANDS OF EUROS
	US Dollar counter value in euros	Pound sterling counter value in euros	Other counter value in euros	Total counter value in euros
Sales	11,957	-	-	11,957
Rendering of services	129	-	115	244
	12,086	-	115	12,201
Procurement	94,275	2,038	8	96,321
External services	1,689	62	1	1,752
	95,964	2,100	9	98,073



The amount of exchange differences recognised in profit or loss in 2021 and 2020, classified by type of financial instrument, was as follows:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS		
Asset Class	Exchange differences recognised in result for the financial year (+) Profits (-) Losses			
	Transactions settled in the year	Outstanding transactions	Total	
Derivatives	(240)	-	(240)	
Other financial assets	(6)	-	(6)	
Trade and other receivables	220	4	224	
TOTAL	(26)	4	(22)	
Liability Class				
Derivatives	11	-	11	
Trade creditors and other payables	249	(15)	234	
TOTAL	260	(15)	245	
NET	234	(11)	223	
FINANCIAL YEAR 2020		THOUSANDS OF EUROS		
Asset Class	Exchange differences recognised in result for the financial year (+) Profits (-) Losses			
	Transactions settled in the year	Outstanding transactions	Total	
Derivatives	(582)	-	(582)	
Other financial assets	2	-	2	
Trade and other receivables	(685)	(3)	(688)	
TOTAL	(1,265)	(3)	(1,268)	
Liability Class				
Derivatives	(381)	-	(381)	
Trade creditors and other payables	879	191	1,070	
TOTAL	498	191	689	
NET	(767)	188	(579)	

15. FISCAL SITUATION

The net tax liability calculated for the year 2021, amounting to -1,507 thousand euros, is reflected under the consolidated balance sheet headings “Current tax assets”, amounting to 1,853 thousand euros, and “Current tax liabilities”, amounting to 346 thousand euros.

The net tax liability calculated for the year 2020, amounting to -1,131 thousand euros, is reflected under the consolidated balance sheet headings “Current tax assets”, amounting to 1,214 thousand euros, and “Current tax liabilities”, amounting to 83 thousand euros.

In the Consolidated Profit and Loss Account for the year 2021, the amount relating to corporate income tax represents an expense of 2,760 thousand euros (1,168 thousand euros expense in 2020), leaving an after-tax result of 8,036 thousand euros (3,054 thousand euros in 2020).

The following tables show the reconciliation of the net amount of income and expenses for the year to the corporate income tax base for the years 2021 and 2020:

FINANCIAL YEAR 2021		THOUSANDS OF EUROS					
	Profit and Loss Account		Income and expenses recognised directly in equity		Reserves		Total
	Increases	Decreases	Increases	Decreases	Increases	Decreases	
Balance of income and expenses for the year	8,036	-	4,406	-	-	-	12,442
Corporate income tax	2,760	-	1,470	-	-	-	4,230
Permanent differences :	2,366	(2,789)	-	-	-	-	(423)
- Of individual companies	197	(1,989)	-	-	-	-	(1,792)
- From consolidation adjustments	2,169	(800)	-	-	-	-	1,369
Temporary differences:	1,496	(7,058)	1,115	(6,991)	-	-	(11,438)
- Originating in the financial year	1,278	(1)	118	(6,065)	-	-	(4,670)
- Originating in previous years	218	(7,057)	997	(926)	-	-	(6,768)
Offsetting of tax loss carryforwards from previous years		(1,073)					(1,073)
TAX BASE (TAX RESULT)							3,738


FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	Profit and Loss Account		Income and expenses recognised directly in equity		Reserves		Total
	Increases	Decreases	Increases	Decreases	Increases	Decreases	
Balance of income and expenses for the year	3,054	-		(3,091)	-	-	(37)
Corporate income tax		1,168		(1,034)	-	-	134
Permanent differences:	2,107	(2,120)	-	-	-	-	(13)
- Of individual companies	217	(1,879)	-	-	-	-	(1,662)
- From consolidation adjustments	1,890	(241)	-	-	-	-	1,649
Temporary differences:	3,035	(4,688)	6,021	(1,896)	-	-	2,472
- Originating in the financial year	2,705		4,521	(753)	-	-	6,473
- Originating in previous years	330	(4,688)	1,500	(1,143)	-	-	(4,001)
Offsetting of tax loss carryforwards from previous years							
TAX BASE (TAX RESULT)							2,556

The most important permanent differences correspond to:

- ◆ **Increases:** This includes, among others, the adjustment corresponding to donations and contributions under Law 49/2002, amounting to 70 thousand euros and allocations of taxable income of UTEs and EIGs, amounting to 39 thousand euros, all in the Parent Company, and taxes paid abroad, in the subsidiary company EMGRISA, amounting to 47 thousand euros (in 2020, the adjustment corresponded to donations and contributions Law 49/2002, amounting to 9 thousand euros and allocations of taxable income of UTEs and EIGs, amounting to 107 thousand euros, all in the Parent Company).
- ◆ **Decreases:** This mainly includes the exemption to avoid double taxation on dividends of 1,842 thousand euros in the Parent Company and 143 thousand euros in the subsidiary EMGRISA (in 2020, the adjustment mainly corresponded to the exemption to avoid double taxation on dividends of 1,556 thousand euros in the Parent Company and 319 thousand euros in the subsidiary company EMGRISA).

- 1
Letter from
the Chairman
- 2
Good
Governance
- 3
Main
Economics
Figures
- 4
ENUSA Group
Estructure
- 5
Report
Parameters
- 
Economic
Performance
GROUP ACCOUNTS
- 7
Social
Performance
- 8
Environmental
Performance
- 9
Annexes

The most significant temporary differences correspond to:

- ◆ **Increases:** These relate mainly to non-deductible provisions and expenses of the Parent Company of 1,177 thousand euros, of which the most significant figures correspond to provisions for restoration and decommissioning of facilities of 686 thousand euros, provisions for contingencies of the UTE RSU of 313 thousand euros, and provisions for risks of 100 thousand euros (in 2020, non-deductible provisions and expenses of the Parent Company of 2,959 thousand euros, of which the most significant figures relate to provisions for restoration and decommissioning of facilities of 226 thousand euros, provisions for contingencies of 1,398 thousand euros and provisions for impairment of receivables from public bodies of 687 thousand euros).
- ◆ **Decreases:** These correspond mainly to the application and excess of provisions whose allocations were not a tax expense in previous years, of which 1,529 thousand euros correspond to restoration and decommissioning costs of facilities, obligations with personnel and restructuring, 36 thousand euros to guarantee provisions, 1,398 thousand euros to a provision for risks and 3,571 thousand to a provision for impairment of accounts receivable from public bodies, all of the Parent Company (in 2020, application and excess of provisions whose allocations were not a tax expense in previous years, of which 1,992 thousand euros corresponded to expenses for the restoration and decommissioning of facilities, obligations with personnel and restructuring, 2,263 thousand euros to guarantee provisions and 57 thousand euros to various provisions, all of the Parent Company).

The reconciliation between the income tax that would result from applying the general tax rate in force to the consolidated profit before tax and the income tax expense recognised in the consolidated profit and loss account and the reconciliation of the latter to the net corporate income tax payable for 2021 and 2020 is presented below:

THOUSANDS OF EUROS	
31/12/2021	
Result before tax	10,796
Permanent differences	(423)
Individual tax loss carryforwards	-
Group tax loss carryforwards	(1,073)
Adjusted result	9,300
Quota at 25.00%	2,325
Cuota al 28% (for repurchase of group tax loss carryforwards)	300
Deductions	(261)
(less deductions activated in previous years)	123
Income tax	2,487
Negative adjustments in income tax	273
Positive adjustments in income tax	-
Expense / (Income) for income tax in the profit and loss account	2,760

THOUSANDS OF EUROS

	31/12/2020
Result before tax	4,222
Permanent differences	(13)
Individual tax loss carryforwards	-
Group tax loss carryforwards	(175)
Adjusted result	4,034
Quota at 25.00%	1,009
Quota at 28% (for repurchase of group tax loss carryforwards)	49
Deductions	(25)
(less deductions activated in previous years)	6
Income tax	1,039
Negative adjustments in income tax	129
Positive adjustments in income tax	-
Expense / (Income) for income tax in the profit and loss account	1,168

The tax deductions applied in 2021 and 2020 mainly correspond to deductions for research and development expenses generated in previous years and not applied by the tax group to which the Group companies belonged.

The negative adjustments in income tax recorded in 2021 and 2020 relate to the derecognition of deferred tax assets due to unused tax credits that are unlikely to be used in future years, as well as the adjustment to the recovery of deferred tax assets arising from temporary differences that are expected to be reversed in more than 10 years.

Deferred taxes are included in the consolidated balance sheet at 31 December 2021 and 2020, classified in the following accounts according to their reversal period:

DEFERRED TAX ASSETS:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Long-term deductible temporary differences	9,720	11,343
Long-term deductions pending application	107	444
Short-term deductible temporary differences	1,918	2,375
TOTAL	11,745	14,162

DEFERRED TAX LIABILITIES:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Long-term taxable temporary differences	2,656	2,277
Short-term taxable temporary differences	540	80
TOTAL	3,196	2,357

The origin of the deferred taxes recognised in the closing balance sheet for the financial years 2021 and 2020 is as follows:

DEFERRED TAX ASSETS ORIGINATING FROM:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Financial hedges of the Parent Company	508	1,083
Deductions pending application of the Parent Company	107	444
Provisions of the Parent Company	10,356	11,774
Limitation on the deductibility of depreciation of the Parent	307	410
Other provisions and expenses of investees	100	76
Limitation on the deductibility of depreciation of investees	23	31
Tax loss carryforwards	344	344
TOTAL	11,745	14,162

DEFERRED TAX LIABILITIES ORIGINATING FROM:	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Financial hedges of the Parent Company	1,061	243
Freedom of depreciation of the Parent Company	393	447
Grants of the Parent Company	103	26
Freedom of depreciation of investees	28	29
Financial leases of investees	-	1
Grants of investees	1,611	1,611
TOTAL	3,196	2,357



The movements in the deferred tax headings in the Consolidated Balance Sheet at 31 December 2021 and 2020 are as follows:

	THOUSANDS OF EUROS	
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Balance as of 31/12/2019	14,559	3,239
Generated in 2020	676	-
Recovered in 2020	(1,206)	(84)
Net variation of financial derivatives	234	(796)
Net variation in grants	-	(2)
Positive/negative adjustments (Deferred Tax Asset/Liability adjustment for deductions pending application)	(60)	-
Positive/negative adjustments (Deferred Tax Asset/Liability adjustment due to reversal to more than ten years)	(41)	-
Balance as of 31/12/2020	14,162	2,357
Generated in 2021	317	-
Recovered in 2021	(1,886)	(56)
Net variation of financial derivatives	(575)	818
Net variation in grants	-	77
Positive/negative adjustments (Deferred Tax Asset/Liability adjustment for deductions pending application)	(232)	-
Positive/negative adjustments (Deferred Tax Asset/Liability adjustment due to reversal to more than ten years)	(41)	-
Balance as of 31/12/2021	11,745	3,196

Until 2015, for corporate income tax purposes, ENUSA and its subsidiaries formed part of consolidated group no. 9/86, comprising the Sociedad Estatal de Participaciones Industriales and the companies resident in Spanish territory that formed part of its consolidated financial group under the provisions of articles 42 and subsequent articles of the Spanish Commercial Code, in accordance with the provisions of Law 5/1996, of 10 January, on Public Law Entities.

ENUSA and its subsidiaries were excluded from the aforementioned tax group with effect from the financial year 2016, due to the fact that, as from this financial year, it was no longer possible to apply the special rule for the delimitation of the SEPI Tax Group provided for in Article 14. 2 of its founding law (Law 5/1996, of 10 January, on the creation of certain public law entities), by virtue of which the tax group would be formed by SEPI itself and its companies resident in Spanish territory which, in turn, were part of its financial group under the provisions of article 42 of the Commercial Code, until the debt generated by the Instituto Nacional de Industria (later SEPI) had been fully repaid. The aforementioned debt was finally repaid at the end of 2015.

Therefore, as from the aforementioned tax period, the general delimitation rules established in Chapter VI of Title VII of Law 27/2014, of 27 November, on Corporate Income Tax (LIS) were applicable, which include the Parent Company holding a direct or indirect interest of at least 75 per cent of the share capital and holding the majority of the voting rights on the first day of the tax period in which this regime is applicable.

As a result, and given that SEPI's direct shareholding in ENUSA's capital is 60%, ENUSA and its subsidiaries were excluded from the SEPI Tax Group, and have been taxed individually since 2016.

As a result of the exclusion, and in accordance with Article 74 of the LIS, the excluded companies assumed the right to offset tax losses and apply the tax credits generated while they were part of the Tax Group that had not been applied by same, in the proportion in which they had contributed to its formation.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters



Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

Details of the taxable income and tax credits received and applied up to the current year are as follows:

THOUSANDS OF EUROS

	INCORPORATED AFTER LEAVING THE TAX GROUP	APPLIED FROM 2016 TO 2020	PRESCRIBED IN 2016 TO 2020	PENDING APPLICATION AS OF 31/12/2020	APPLIED IN 2021	PRESCRIBED IN FISCAL YEAR 2021	PENDING APPLICATION AS OF 31/12/2021
Taxable bases	2,595	1,001	-	1,594	1,073	-	521
Deductions							
For internal double taxation	868	700	-	168	41	-	127
For research and development	7,341	1,063	323	5,955	97	315	5,543
For professional training	82	25	14	43	1	19	23
For environmental protection	117	56	10	51	-	23	28
For exporting companies	143	51	29	63	-	30	33
For investment in navigation and location systems	5	5	-	-	-	-	-
For contributions to pension plans	272	86	44	142	-	47	95
For reinvestment of extraordinary profit	357	5	5	347	-	75	272
For reversal of temporary measures	7	7	-	-	-	-	-
For contribution to non-profit entities	343	343	-	-	-	-	-
TOTAL DEDUCTIONS	9,535	2,341	425	6,769	139	509	6,121

THOUSANDS OF EUROS

	INCORPORATED AFTER LEAVING THE TAX GROUP	APPLIED FROM 2016 TO 2019	PENDING APPLICATION AS OF 31/12/2019	APPLIED IN 2020	PRESCRIBED IN FISCAL YEAR 2020	PENDING APPLICATION AS OF 31/12/2020
Taxable bases	2,595	826	1,769	175	-	1,594
Deductions						
For internal double taxation	868	700	168	-	-	168
For research and development	7,341	1,057	6,284	6	323	5,955
For professional training	82	25	57	-	14	43
For environmental protection	117	56	61	-	10	51
For exporting companies	143	51	92	-	29	63
For investment in navigation and location systems	5	5	-	-	-	-
For contributions to pension plans	272	86	186	-	44	142
For reinvestment of extraordinary profit	357	5	352	-	5	347
For reversal of temporary measures	7	7	-	-	-	-
For contribution to non-profit entities	343	343	-	-	-	-
TOTAL DEDUCTIONS	9,535	2,335	7,200	6	425	6,769

At the time of incorporation of the aforementioned rights in 2016, doubts about the possibility of generating future taxable profits that would allow the application of the aforementioned deductions led to no deferred tax asset being recognised. However, at year-end 2018, the Company estimated, based on future taxable income forecasts, that it could apply part of these deductions in the following years, and recognised the corresponding deferred tax asset of 1,128 thousand euros. At year-end 2021 the estimated future application is 107 thousand euros.

Until 2015, the application of the consolidated taxation system meant that individual corporate income tax credits and debits were integrated into the Parent entity of the tax group (Sociedad Estatal de Participaciones Industriales), as well as the right to obtain compensation for the tax credits included in the consolidation. As for the individual debt, each company had to make the payment for this tax to the Sociedad Estatal de Participaciones Industriales (Spanish state-owned industrial holding company).

Since 2016, current tax balances have been generated by each company directly with the tax authorities. However, the possibility of offsetting tax losses generated in previous years within the tax group entails the obligation to repurchase this tax credit from SEPI, generating the corresponding debt with SEPI.

The detail of the balances relating to other receivables from and payables to Public Administrations in the consolidated balance sheet is as follows:

OTHER RECEIVABLES FROM PUBLIC ADMINISTRATIONS	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Value Added Tax	360	235
Grants	427	159
Others	3	493
TOTAL	790	887

OTHER DEBTS TO PUBLIC ADMINISTRATIONS	THOUSANDS OF EUROS	
	31/12/2021	31/12/2020
Value Added Tax	237	387
Withholdings	1,095	1,154
Social Security contributions	971	973
Fees and charges	580	600
TOTAL	2,883	3,114

The years open to inspection by the tax authorities for the most important taxes to which the Parent Company and its subsidiaries are subject include the last four years. No significant additional liabilities are expected to arise in the event of inspection.

16. INCOME AND EXPENSES

The consolidated profit and loss account item "Consumption of merchandise and consumption of raw materials and other consumables" is broken down as follows:


	THOUSANDS OF EUROS	
	2021	2020
Purchases	153,552	152,858
Change in stocks	34,841	(9,658)
TOTAL	188,393	143,200

Details of the Group's domestic purchases and imports in 2021 and 2020 were as follows:

	THOUSANDS OF EUROS	
	2021	2020
National purchases	4,454	4,294
Intra-community purchases	61,980	39,372
Imports	87,118	109,192
TOTAL	153,552	152,858

The net turnover of the Group in the years 2021 and 2020 by market is as follows:

	THOUSANDS OF EUROS	
	2021	2020
National market	263,519	197,146
Outside market	49,772	50,023
TOTAL	313,291	247,169

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes


The distribution of the Group's net turnover for the years 2021 and 2020, by type of activity, is as follows:

		THOUSANDS OF EUROS	
NET TURNOVER BY ACTIVITY		2021	2020
Nuclear Area	Supply of Uranium	160,170	122,247
	Fuel - Plant services	15,648	13,606
	Fuel - Manufacturing and Engineering	105,442	82,670
Environmental Area	Solid Municipal Waste Management (UTE RSU)	7,713	7,545
	Environmental Management Projects (ENUSA)	599	494
	Contaminated soils	4,981	4,131
	Circular Economy	1,229	1,112
	Water	1,066	550
	Centres in Castilla la Mancha and Extremadura	1,651	1,661
Logistics Area	Other Environmental Projects (EMGRISA)	756	1,004
	Logistics Nuclear Industry	1,955	1,891
	Logistics Nuclear Medicine	8,176	6,780
	Other Hazardous Materials	3,905	3,478
TOTAL	313,291	247,169	

The details of Social Security contributions in the financial years 2021 and 2020 are as follows:

		THOUSANDS OF EUROS	
		2021	2020
Social Security contributions		9,297	9,151
Other social expenses		1,127	1,029
TOTAL		10,424	10,180



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

The breakdown of “External services”, included in the item “Other operating expenses”, in the years 2021 and 2020, is as follows:

	THOUSANDS OF EUROS	
	2021	2020
Research and development expenses for the year	30	199
Leases and royalties	2,832	2,567
Reparations and conservation	3,597	1,789
Freelance professional services	144	57
Transportation	360	248
Insurance premiums	1,546	1,360
Banking and similar services	71	63
Advertising, publicity and public relations	345	308
Supplies	1,787	1,833
Other services	8,117	7,427
TOTAL	18,829	15,851

Details of the exceptional results arising, included in the item “Other operating results” in 2021 and 2020 are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Penalties and surcharges	143	-
Judicial claims	-	4,730
Provision for litigation	31	-
Expenses incurred as a result of claims	336	22
Other exceptional expenses	22	35
TOTAL EXPENSES	532	4,787

	THOUSANDS OF EUROS	
	2021	2020
Extraordinary claims and rebates received from insurance companies	490	91
Rebates from damages	110	-
Other exceptional income	23	52
TOTAL INCOME	623	143

17. PROVISIONS AND CONTINGENCIES

The movements in the Provisions accounts during the financial years 2021 and 2020 were as follows:

FINANCIAL YEAR 2021							THOUSANDS OF EUROS
	Balance at 31/12/2020	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2021	
Long-term provisions							
Long-term employee benefit obligations	9	-	-	-	-	9	
Environmental actions (Note 18 c)	37,040	1,947	-	(689)	(2,235)	36,063	
Restructuring provisions	435	2	-	-	-	437	
Fuel assembly guarantees and In-plant Services	6,542	40	(37)	-	-	6,545	
Provisions for other liabilities	5,009	59	(1,847)	-	-	3,221	
Various Provisions UTE RSU	5,688	183	(151)	-	-	5,720	
TOTAL LONG-TERM PROVISIONS	54,723	2,231	(2,035)	(689)	(2,235)	51,995	
Short-term provisions							
Environmental actions (Note 18 c)	4,431	-	(1,617)	-	2,235	5,049	
Provisions for other liabilities	991	130	(152)	-	-	969	
TOTAL SHORT-TERM PROVISIONS	5,422	130	(1,769)	-	2,235	6,018	

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	Balance at 31/12/2019	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2020
Long-term provisions						
Long-term employee benefit obligations	9	-	-	-	-	9
Environmental actions (Note 18 c)	40,503	208	(1,401)	(822)	(1,448)	37,040
Restructuring provisions	374	61	-	-	-	435
Fuel assembly guarantees and In-plant Services	8,805	-	(2,263)	-	-	6,542
Provisions for other liabilities	-	5,009	-	-	-	5,009
Various Provisions UTE RSU	5,665	175	(39)	(113)	-	5,688
TOTAL LONG-TERM PROVISIONS	55,356	5,453	(3,703)	(935)	(1,448)	54,723
Short-term provisions						
Environmental actions (Note 18 c)	5,093	-	(2,110)	-	1,448	4,431
Provisions for other liabilities	926	84	(19)	-	-	991
TOTAL SHORT-TERM PROVISIONS	6,019	84	(2,129)	-	1,448	5,422

The calculation of restructuring provisions in the Parent Company is based on the expected annual severance payments to personnel. The movement recorded in the year mainly corresponds to the new estimate made on the basis of the planned calendar for terminations.

Provisions for fuel assembly warranty are calculated, as in previous years, on the basis of the useful life of fuel refuelling and statistical data, based on historical information from the Parent Company and technology suppliers on fuel assembly failure rates. The provision for the year amounted to 40 thousand euros, compared with an excess provision of 2,043 thousand euros in 2020 (estimate made in that year, as a result of new information available, studies carried out by third parties and internal studies, together with the experience gained, referring to the failure rates to be applied).

Provisions for other short-term liabilities mainly include those arising from lawsuits in which the Parent Company is involved. The most significant movements in the year relate to provisions for new short-term risks amounting to 130 thousand euros (84 thousand euros in 2020) and applications and overprovisions amounting to 152 thousand euros (19 thousand euros in 2020).

On the other hand, during the 2020 financial year, various actions were taken against ENUSA, all of them referring to the interpretation by the AEAT (Spanish Tax Agency) of the tariff heading applicable to the import by ENUSA of the so-called “zirconium (zircaloy) fuel cladding”, which is essential for the manufacture of nuclear fuel assemblies. This difference in criteria stems from previous years and had apparently been resolved in favour of ENUSA by Resolutions of the Central Economic-Administrative Court (TEAC), dated 18 February 2016, 16 March 2017 and 28 March 2019, which upheld ENUSA's claims and annulled the previous settlement Agreements that the Technical Office of the AEAT's Central Delegation of Large Taxpayers had issued, referring to the imports carried out during the financial years 2010 to 2014.

The above-mentioned actions, which took place during the 2020 and 2021 financial years, were as follows:


- On 30 July 2020, the Spanish State Attorney's Office filed a contentious-administrative appeal against the aforementioned resolutions before the National High Court (Contentious-Administrative Chamber), thus reopening the contentious proceedings relating to the financial years 2010 to 2014. ENUSA filed a response to the claim on 22 October 2020. Following the subsequent formulation of their written conclusions by the parties, by Ordering Diligence notified to ENUSA on 21 September 2021, the National Court declares the proceedings closed, pending the appointment of a date for voting and judgement when it is their turn to do so. This has not yet occurred.
- On 7 September 2020, the Regional Customs and Excise Office of Madrid notified ENUSA of a customs duty adjustment for the last four-month period of 2017, with a customs duty settlement in the amount of 485 thousand euros, including late payment interest. ENUSA paid this settlement to the Public Treasury and filed an Economic-Administrative Claim with the TEAC (Central Economic-Administrative Tribunal).

- On 10 June 2020, the Tax and Customs Control Office of the Central Delegation of Large Taxpayers notified ENUSA of the commencement of the inspection activities relating to the 2018 and 2019 financial years and for the following items: import duties and import VAT, culminating in the presentation of a report, signed in disagreement by ENUSA, on 2 March 2021. This report maintains the criteria established by the AEAT (regarding the tariff heading to be declared) and includes a proposal for the adjustment of the imports carried out in both years. On 23 April 2021, the amount of the Settlement Agreement is paid into the Public Treasury. On 14 May 2021, an economic-administrative complaint was filed with the Central Economic-Administrative Tribunal. Transferred for hearing (July 2021) on 29 July 2021. ENUSA formulates and presents its allegations, and the Economic-Administrative Claim is only pending a decision by the TEAC.

Based on the situation described in the preceding paragraphs, applying the Principle of Prudence, in accordance with the opinion of the external advisors of the Company and its Legal Counsel, ENUSA made the corresponding provision for Litigation Risks, for the total estimated risk amount, regardless of the different procedural situation and possible term of resolution of each of the lawsuits filed. The amount provisioned in the financial year 2020 amounts to 5,009 thousand euros, of which 4,647 thousand have been recorded as extraordinary income and 362 thousand as financial expenses. In 2021, financial provisions and restatements were made in the amount of 59 thousand euros, with an additional application of a provision of 1,690 thousand euros and an excess provision of 157 thousand euros.

The provisions of the UTE RSU mainly correspond to provisions related to actions foreseen for operating infrastructure (replacement of fixed assets, extension of the landfill, security and surveillance of the landfill, etc.).

The amount of the allocations and financial restatements corresponding to these provisions amounted to 183 thousand euros (amount integrated at the percentage of the Parent Company's shareholding in the UTE). Within the allocations made during the year, the amount recorded against the corresponding fixed assets (sealing and surveillance of the landfill and construction of new cells at the landfill) amounts to 32 thousand euros (see note 10). The amount of the allocations and financial restatements corresponding to these provisions in 2020 amounted to 175 thousand euros (amount integrated at the percentage of the Parent Company's shareholding in the UTE). None of this amount was recorded against fixed assets.

- 1
Letter from
the Chairman
- 2
Good
Governance
- 3
Main
Economics
Figures
- 4
ENUSA Group
Estructure
- 5
Report
Parameters
- 
Economic
Performance
GROUP ACCOUNTS
- 7
Social
Performance
- 8
Environmental
Performance
- 9
Annexes

The total amount of provisions made by the Parent Company in 2021 amounted to 4,334 thousand euros (3,022 thousand euros in 2020) and these payments are reflected in the consolidated cash flow statement under the heading “Other payments” in the consolidated other cash flows from operating activities.

The total excess provisions recorded in 2021 also corresponded to the Parent Company and amounted to 158 thousand euros (3,444 thousand euros in 2020), mainly corresponding to other liabilities (reversals relating to guarantee risks of reversals relating to guarantee risks amounting to 2,043 thousand euros and to environmental actions amounting to 1,401 thousand in 2020).

18. ENVIRONMENTAL INFORMATION

a) Assets assigned to environmental activities:

In relation to the nuclear fuel manufacturing activity carried out at the Parent Company’s facilities in Juzbado (Salamanca), it is not possible to determine an individualised description and value of the equipment and installations intended to protect and improve the environment.

This is due to the fact that it is a complex specialised facility where all the processes carried out must guarantee compliance with environmental regulations.

At year-end 2002, the Parent Company ceased its uranium concentrate production activity. As a result, the value of the assets assigned to the mining operations is almost entirely amortised, the only activity carried out being restoration and decommissioning work.

The value of the most significant assets and facilities allocated to these restoration and decommissioning works, which are intended to protect and enhance the environment at 31 December 2021 and 2020, is as follows:

FINANCIAL YEAR 2021				THOUSANDS OF EUROS			
	Cost	Accumulated depreciation	Net book value				
Buildings	7,951	7,428	523				
Technical facilities and other tangible fixed assets	6,943	5,777	1,166				
TOTAL	14,894	13,205	1,689				

FINANCIAL YEAR 2020				THOUSANDS OF EUROS			
	Cost	Accumulated depreciation	Net book value				
Buildings	7,951	7,388	563				
Technical facilities and other tangible fixed assets	6,633	5,623	1,010				
TOTAL	14,584	13,011	1,573				

b) Environmental expenses:

Details of expenses accrued by the Group in 2021 and 2020 for environmental protection and improvement are as follows:

FINANCIAL YEAR 2020		THOUSANDS OF EUROS	
	2021	2020	
Waste management expenses	58	27	
Dismantling and restoration of natural space	110	59	
Environmental accreditations	15	8	
Environmental audits	1	1	
TOTAL EXPENSES	184	95	

c) Provisions set aside for environmental risks:

Details of the main provisions made by the Group for environmental actions and their movement during 2021 and 2020 are as follows (see note 17):

FINANCIAL YEAR 2021		THOUSANDS OF EUROS				
	Balance at 31/12/2020	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2021
Long-term restoration and closure of mining sites	28,826	685	-	-	(2,235)	27,276
Dismantling costs of the nuclear fuel factory	7,238	727	(87)	-	-	7,878
Expenditure on low and medium intensity solid waste management	9,150	535	-	-	-	9,685
Enresa Fund Value	(8,269)	-	87	(689)	-	(8,871)
Dismantling other equipment	95	-	-	-	-	95
Total long-term provisions	37,040	1,947	-	(689)	(2,235)	36,063
Short-term restoration and closure of mining sites	4,431	-	(1,617)	-	2,235	5,049
TOTAL LONG-TERM AND SHORT-TERM PROVISIONS	41,471	1,947	(1,617)	(689)	-	41,112

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	Balance at 31/12/2019	Endowments and Financial Updates	Applications and reversals	Others	Lease-backs	Balance at 31/12/2020
Long-term restoration and closure of mining sites	30,109	165	-	-	(1,448)	28,826
Dismantling costs of the nuclear fuel factory	8,723	-	(1,485)	-	-	7,238
Expenditure on low and medium intensity solid waste management	9,277	42	-	(169)	-	9,150
Enresa Fund Value	(7,700)	-	84	(653)	-	(8,269)
Dismantling other equipment	94	1	-	-	-	95
Total long-term provisions	40,503	208	(1,401)	(822)	(1,448)	37,040
Short-term restoration and closure of mining sites	5,093	-	(2,110)	-	1,448	4,431
TOTAL LONG-TERM AND SHORT-TERM PROVISIONS	45,596	208	(3,511)	(822)	-	41,471

Provisions for environmental actions have been calculated, as in previous years, on the basis of the amounts foreseen for dismantling and decommissioning, discounted at a risk-free asset discount rate for a period similar to that of future payments.

The provision for the restoration and decommissioning of mining sites is intended to cover the restoration of the natural area and the cost of decommissioning mining sites.

In May 2003, ENUSA's management decided to submit a definitive Restoration Project for the mining installations at the Saelices el Chico Centre (Salamanca) to the Territorial Service of Industry, Trade and Tourism of the Regional Government of Castilla y León, which was approved by the aforementioned Territorial Delegation on 13 September 2004, authorising ENUSA to carry it out. This project replaced the restoration and decommissioning project submitted in November 2002, as the Administration assessed this project as a strategic shutdown and not as a definitive closure of the mining operations. Since January 2001, ENUSA has been carrying out the corresponding work of restoring the natural area and decommissioning the facilities located in the mining operations.

Part of the costs for the restoration and decommissioning of the mining sites will be borne by the National Radioactive Waste Company (ENRESA). In 2021 and 2020, provisions of 1,617 thousand euros and 2,110 thousand euros, respectively, have been applied, corresponding to the costs incurred in this respect by the Parent Company in those years.

At the end of each financial year, the Parent Company reviews the economic study relating to the restoration project in order to re-estimate the expected expenditure of the necessary activities pending and adjust it to the different resolutions of the competent official bodies and the commitments acquired with them, as well as the expected period for decommissioning. In accordance with data from the economic study, which is based on assumptions of work and dates similar to those estimated at the end of the previous year, a provision of 672 thousand euros was recorded in 2021 (16 thousand euros in 2020).

The provision for solid waste management expenses at the Juzbado factory includes the estimated cost of managing the waste generated of this nature. In this respect, the Parent Company has signed a contract with ENRESA for the treatment of this waste. The same approach as in previous years has been maintained, adapting it to the reality of classifying solid waste as medium or low activity waste, as set out in the new regulations issued in 2010 by the Nuclear Safety Council, and as a result an excess provision of 727 thousand euros has been recorded, corresponding to waste generated in 2021 (an excess provision of 1,401 thousand in 2020 as a result of the new estimate of the provision as a result of the information available and the experience gained and developed this year in measurement and classification processes).

The provision for dismantling costs of the Nuclear Fuel Plant includes the Company's current obligation, calculated at net present value at year-end, in relation to the costs that will be incurred in the future for the proper dismantling of this facility. The Parent Company has signed a contract with ENRESA to carry out the aforementioned dismantling work.

The aforementioned contracts included the periodic payments to be made by ENUSA to ENRESA up to the year 2027 for the establishment of a Fund to cover the costs deriving from both actions: the management of operating wastes generated annually and the cost of dismantling the Juzbado factory. The value of this Fund, which is funded by ENUSA's contributions and the corresponding financial revaluations included in contracts, was shown under the heading "Long-term investments in group companies and associates - Loans to companies" on the assets side of the consolidated balance sheet.

Law 11/2009, of 26 October, which regulates Listed Investment Companies on the Property Market, introduced, with effect from 1 January 2010, and through number 1 of its Final Provision 9, an article 38 bis to Law 25/1964, on Nuclear Energy.


Likewise, Law 11/2009, of 26 October, which regulates Listed Investment Companies on the Property Market, amended, with effect from 1 January 2010, and through point 2 of its Final Provision 9, the 6th Additional Provision of Law 54/1997 on the Electricity Sector.

The "Third" section of point 9 of the 6th Additional Provision of Law 54/1997, dated 27 November, on the Electricity Sector, stated the following:

"Third. Fee for the provision of services for the management of radioactive waste derived from the manufacture of fuel assemblies, including the dismantling of facilities responsible for the manufacture of such waste.

a) *Taxable event: The taxable event of the fee is the provision of services for the management of radioactive waste derived from the manufacture of fuel assemblies, including the dismantling of facilities responsible for the manufacture of such waste. The early cessation of the operation of a fuel assembly manufacturing facility at the will of the licensee, with respect to the forecasts established in the General Radioactive Waste Plan, also constitutes a taxable event for this fee.*

b) *Taxable base: The taxable base of the fee is the quantity of nuclear fuel manufactured in each calendar year, measured in metric tonnes (MT) and expressed to two decimal places, the remaining decimals being rounded down to the lower second decimal place".*

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

The previous regulation effectively replaced the contributions that ENUSA had been making to ENRESA, under the contracts signed between the two companies, with the payment of a fee (*), with the same destination: to increase the Fund earmarked for managing operational wastes and the cost of dismantling the Juzbado factory. This fee has therefore been paid since 2010 and has continued to build the value of the Fund described above.

The value of the Fund is shown in the consolidated balance sheet as a reduction of the provisions to which it is allocated.

(*) By virtue of the eleventh final provision of Law 9/2017, of 8 November, on Public Sector Contracts, which amends the first additional provision of Law 58/2003, of 17 December, on General Taxation, the aforementioned fee, as consideration received for the services provided by ENRESA, has taken on the legal nature of a non-tax public economic benefit.

d) Contingencies and liabilities related to the protection and improvement of the environment:

The Group considers that there are no significant contingencies and liabilities related to the protection and improvement of the environment other than those mentioned in (c) above.

e) Investments made during the year for environmental reasons:

Investments in environment-related assets made by the Parent Company in 2021 and 2020, mainly carried out at the Juzbado fuel assembly factory, amounted to 385 and 395 thousand euros, respectively.

f) Compensations to be received from third parties:

No income from environmental activities has been received in 2021 and 2020. No grants have been received for this item in 2021 and 2020.

19. LONG-TERM REMUNERATION TO PERSONNEL

In 1995, the Parent Company set up a defined-contribution, contributory employment pension plan with a pension fund management company, with contributions from the promoter and the participants, in accordance with the rules governing the plan, which is currently governed by the provisions of the Revised Text of the Law on Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of 29 November, and by Royal Decree 304/2004, of 20 February, approving the Regulations of Pension Plans and Funds, and by any other applicable legislation. The commitment remains in force in the current collective bargaining agreements.

From 1995 to 2011, the Parent Company had been contributing various amounts to the Plan as its promoter.

Law 11/2020, of 30 December, on the General State Budget for the year 2021, with regard to salary increases for the financial year 2021, in Article 18(3), established that contributions could be made to employment pension plans or collective insurance contracts, provided that the overall increase set in section two above, of 0.9 per cent with respect to those in force on 31 December 2020, was not exceeded. No contribution has been made by the Parent Company in the financial year 2021 and 2020.

20. GRANTS, DONATIONS AND BEQUESTS

The amounts included under Grants, donations and bequests in the consolidated balance sheet at 31 December 2021 and 2020 relate mainly to grants received by the investee EMGRISA from various public bodies to finance the acquisition of various items of fixed assets, which were applied in the acquisition of the companies REMESA and CETRANSA. These subsidies are included under those of the Ministry of the Environment in the information below.

The movement in this heading during the financial years 2021 and 2020 was as follows:

FINANCIAL YEAR 2021

THOUSANDS OF EUROS

Concept	Balance as of 31/12/2020	Others (*)	Concession	Allocations to results	Tax effect	Balance as of 31/12/2021
Grants from Regional Government of Extremadura	9	-	-	(2)	1	8
Grants from Regional Government of Castilla-La Mancha	16	-	-	-	-	16
Grants from Ministry of the Environment	4,809	-	-	(1)	-	4,808
Grant from the European Commission	3	-	-	(2)	1	2
CDTI grant	75	-	455	(143)	(78)	309
Other grants and donations	286	1	-	-	-	287
TOTAL	5,198	1	455	(148)	(76)	5,430

(*) Incorporation of grants to companies accounted for by the equity method and allocation of minority interests.

FINANCIAL YEAR 2020

THOUSANDS OF EUROS

Concept	Balance as of 31/12/2019	Others (*)	Concession	Allocations to results	Tax effect	Balance as of 31/12/2020
Grants from Regional Government of Extremadura	11	-	-	(3)	1	9
Grants from Regional Government of Castilla-La Mancha	16	-	-	-	-	16
Grants from Ministry of the Environment	4,809	-	-	-	-	4,809
Grant from the European Commission	10	-	-	(10)	3	3
CDTI grant	75	-	-	-	-	75
Other grants and donations	287	(1)	-	-	-	286
TOTAL	5,208	(1)	-	(13)	4	5,198

(*) Incorporation of grants to companies accounted for by the equity method and allocation of minority interests.

In addition, an amount of 46 thousand euros (24 thousand euros in 2020) corresponding to contributions from entities belonging to the State Administration to compensate operating expenses in the area of staff training was charged directly to income.

21. NON-CURRENT ASSETS HELD FOR SALE

Details of assets and their net book value at 31 December 2021 and 2020 are as follows:

	THOUSANDS OF EUROS	
	2021	2020
Biogas plant assets	-	3
TOTAL	-	3

On 12 June 2020, the contract for the sale of all the assets comprising the Biogas Plant owned by the company, located on ENUSA's land in Juzbado, was notarised and the aforementioned assets were therefore removed from the corresponding heading ("Non-current assets held for sale"). The amount of 3 thousand euros that remained as a balance at the end of that year corresponded to part of the value of the property where the aforementioned plant is located and which was pending confirmation of the segregation of same. In 2021, once this segregation had taken place, it was derecognised.

22. EVENTS AFTER YEAR-END

At the date of preparation of the consolidated annual accounts, there were no events subsequent to year-end 2021 that require disclosure.

It is only worth mentioning that the current conflict between Ukraine and Russia has no impact whatsoever on these financial statements, nor is it expected to have any significant effect on the Uranium Procurement business to date.

23. TRANSACTIONS WITH RELATED PARTIES

a) Transactions with the Parent entity (SEPI) and group companies and associates of the SEPI Group

The related parties with which the Group companies have entered into transactions during the financial years 2021 and 2020, and the nature of the related party relationship, are as follows:

	NATURE OF THE RELATIONSHIP
SEPI	Direct parent company
EQUIPOS NUCLEARES	SEPI Group company
ENWESA OPERACIONES	SEPI Group company
CORREOS	SEPI Group company
CORREOS EXPRESS	SEPI Group company
GENUSA	Equity accounted ENUSA Group/associate
ENUSA-ENSA AIE	Equity accounted ENUSA Group/associate
SNGC AIE	Equity accounted ENUSA Group/associate
CETRANSA	Equity accounted ENUSA Group/associate
REMESA	Equity accounted ENUSA Group/associate
ENRESA	Equity accounted SEPI Group/associate
ADMINISTRATORS	Board Members
SENIOR MANAGEMENT	Directors

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

The transactions carried out with the Parent Company (SEPI) and group and associated companies of the SEPI Group during the financial years 2021 and 2020, as well as their effect on the financial statements, were as follows:

FINANCIAL YEAR 2021 THOUSANDS OF EUROS

	Parent Entity (SEPI)	Group Companies	Jointly Controlled and Associated Companies
Asset balances			
Short-term loan (*)	3,770	-	-
Trade and other receivables	-	134	2,877
Advances to suppliers	-	238	-
TOTAL ASSET BALANCES	3,770	372	2,877
Liability balances			
Long-term debts	1,919	-	-
Short-term debts (**)	1,414	-	-
Trade creditors and other payables	-	(8)	1,978
Advances to customers	-	-	1,138
TOTAL LIABILITY BALANCES	3,333	(8)	3,116
Transactions			
Purchases and work carried out	-	945	6,425
Services received	-	23	145
Interest expenses	9	-	-
Sales and services rendered	-	241	38,869
Interest income	-	-	225
Income from various services	-	-	2,560

(*) Corresponds to Intersepi deposits with a maturity of less than three months classified under loans and advances to Group companies on the assets side of the consolidated balance sheet.

(**) This item includes 301 thousand euros corresponding to the repurchase of tax loss carryforwards from SEPI of the subsidiary EMGRISA.



FINANCIAL YEAR 2020

THOUSANDS OF EUROS

	Parent Entity (SEPI)	Group Companies	Jointly Controlled and Associated Companies
Asset balances			
Short-term loans (*)	7,060	-	-
Trade and other receivables	-	12	4,324
Advances to suppliers	-	306	-
TOTAL ASSET BALANCES	7,060	318	4,324
Liability balances			
Long-term debts	2,666	-	-
Short-term debts (**)	774	-	-
Trade creditors and other payables	-	144	1,672
Advances to customers	-	-	617
TOTAL LIABILITY BALANCES	3,440	144	2,289
Transactions			
Purchases and work carried out	-	973	5,848
Services received	-	8	2
Interest expenses	12	-	-
Sales and services rendered	-	204	23,258
Interest income	-	-	251
Income from various services	-	-	2,365


(*) Corresponds to Intersepi deposits with a maturity of less than three months classified under loans and advances to Group companies on the assets side of the consolidated balance sheet.

(**) This item includes 49 thousand euros corresponding to the repurchase of tax loss carryforwards from SEPI of the subsidiary EMGRISA.

The most significant transactions and balances with jointly controlled entities and associates in 2021 and 2020 correspond to the Parent Company with the following companies:

- Trade and other receivables: 1,505 thousand euros with ENRESA (2,612 thousand euros with ENRESA in 2020) and 853 thousand euros with ENUSA-ENSA, EIG (1,185 thousand in 2020).
- Trade and other payables: 1,977 thousand euros with ENUSA-ENSA, EIG (1,672 thousand euros in 2020).
- Purchases and work carried out: 6,425 thousand euros with ENUSA-ENSA, EIG (5,848 thousand euros in 2020).
- Sales and services rendered: 34,908 thousand euros with GENUSA (18,933 thousand euros in 2020).

The terms and conditions of transactions with related parties are equivalent to those at arm's length.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

b) Board of Directors

At the end of the financial year 2021, the Board of Directors consisted of 12 persons (5 women and 7 men).

The remuneration of the members of the Board of Directors of the Parent Company, in their capacity as such, consists of a per diem allowance for attending Board meetings. The amount of the per diem allowances of the members of the Parent Company's Board of Directors totalled 83 thousand euros in 2021 (82 thousand euros in 2020).

The chairman of the Board of Directors of the Parent Company is also a salaried employee of same, being a member of the Executive Committee of the Parent Company (see point c)), and does not receive any per diem allowance for attending Board meetings.

The Parent Company has no advances or loans granted to all the members of the Board of Directors (except for the Chairman, whose details are reported in point c), together with those relating to the other members of the Parent Company's Executive Committee).

The members of the management bodies of the various investee companies do not receive any remuneration in their capacity as such.

During the financial year 2021, civil liability insurance premiums were paid to the directors and executives of the Parent Company for damages incurred in the course of their duties in the amount of 18 thousand euros (same amount in 2020).

During this financial year, the members of ENUSA's Board of Directors have not received any remuneration, except for that indicated in the preceding paragraphs, and have not carried out any transactions with the company, nor have they used the name of the company or invoked their status as directors to unduly influence the performance of private transactions, nor have they made use of corporate assets, including the company's confidential information, for private purposes, taken advantage of the company's business opportunities, obtained benefits or remuneration from third parties other than the company and its group in connection with the performance of their duties, or engaged in activities on their own account or on behalf of others which are in actual or potential competition with the company or which otherwise put them in permanent conflict with the interests of the company. Accordingly, in compliance with the provisions of article 229.3 of Royal Legislative Decree 1/2010, of 2 July, of the revised text of the Law on Capital Companies, the directors declare that they do not personally, or through any related person, have any direct or indirect conflict of interest with the interests of the company, except for the following directors who hold the positions detailed below in companies that carry out an activity complementary to that of ENUSA:

NAME	POSITION
Mr. Carlos Alejaldre Losilla	Vice President and Board Member of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA)
Mr. Jose Manuel Redondo García	Board Member of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA)
Ms. Elena Pastor Les	Board Member of Equipos Nucleares, S.A., S.M.E. (ENSA)

c) Executive Committee

Effective 2012, all members of the Parent Company's Executive Committee entered into senior management contracts with the Parent Company and have therefore been considered senior management personnel since 2012.

The Parent Company's Executive Committee is made up of 9 persons (3 women and 6 men).

The only remuneration accrued in favour of the aforementioned personnel was short-term remuneration of 1,118 thousand euros during the financial year 2021 (1,182 thousand euros in the financial year 2020).

The only balances held by members of the Executive Committee with the Company relate to loans amounting to 1 thousand euros (16 thousand euros in 2020), and no amounts in 2020 and 2021, corresponding to personal advances, all of which are regulated by collective bargaining agreements.

Furthermore, there is no balance of guarantees for the aforementioned personnel at 31 December 2020 and 2021.

There were no promoter contributions to pension plans in the financial years 2020 and 2021.

24. INFORMATION ON THE AVERAGE SUPPLIER PAYMENT PERIOD

By virtue of the obligation established in the Third Additional Provision of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, and in accordance with the ICAC Resolution of 29 January 2016 (applicable to the annual accounts for years beginning on or after 1 January 2015), we hereby report that the payments made during the year and the amounts pending payment at the balance sheet date, at consolidated level, are as follows:

	2021	2020
	Days	Days
Average supplier payment period	33	33
Ratio of paid operations	33	33
Ratio of operations pending payment	35	27
	Amount (thousands of euros)	Amount (thousands of euros)
TOTAL PAYMENTS MADE	185,163	219,254
TOTAL PENDING PAYMENTS	5,289	7,611

The maximum legal payment period applicable to Group companies, according to Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, is 30 days, unless otherwise agreed between the parties, up to a maximum of 60 days.

25. SECURITIES AND GUARANTEES

The guarantees granted by various financial institutions to Group companies at 31 December 2021 and 2020 are as follows:

		THOUSANDS OF EUROS		
		GUARANTEED AMOUNT		
Date granted	Beneficial owner		31/12/2021	31/12/2020
09/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	2,261	2,261
15/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	300	300
15/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	442	442
15/07/2003	Consortium of the Zonal Waste Plan of Zone I	(1)	145	145
04/07/2005	Consortium of the Zonal Waste Plan of Zone I	(1)	287	287
10/12/2009	Consortium of the Zonal Waste Plan of Zone I	(1)	152	152
02/02/2010	Consortium of the Zonal Waste Plan of Zone I	(1)	605	605
31/10/2011	Iberdrola Distribución Eléctrica, S.A.U.	(1)	15	15
25/05/2018	Consorci per l'execució de les previsions del Pla Zonal de Residus de la Zona 1	(1)	658	658
09/06/2006	Salamanca City Council	(2)	15	15
19/06/2008	Department of Tourism. General Directorate of Tourist Infrastructure. Canary Islands Government.	(2)	29	29
18/12/2009	UTE Corelsa (Corsan-Corviam Construcción, S.A. and Elsamex, S.A. UTE)	(2)	3	3
20/07/2015	Ministry of the Environment, Rural and Marine Affairs (Directorate General Water)	(2)	7	7
28/05/1993	Territorial Delegation of Economy of the Regional Government of Castilla y León	(3)	135	135
29/10/1997	Territorial Delegation of Economy of the Regional Government of Castilla y León	(3)	24	24
14/01/2016	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	-	36

		THOUSANDS OF EUROS		
		GUARANTEED AMOUNT		
Date granted	Beneficial owner		31/12/2021	31/12/2020
13/11/2018	Customs and Excise Department of the State Tax Administration Agency	(3)	450	450
26/11/2018	Customs and Excise Department of the State Tax Administration Agency	(3)	200	200
25/06/2019	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	-	39
09/09/2019	Customs and Excise Department of the State Tax Administration Agency	(3)	250	250
14/10/2020	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	36	36
16/11/2020	High Court of Justice of Castilla y León	(3)	-	40
23/11/2020	KEPCO-NF (South Korea)	(3)	-	39
23/12/2020	Customs and Excise Department of the State Tax Administration Agency	(3)	650	650
19/02/2021	Customs and Excise Department of the State Tax Administration Agency	(3)	5,000	-
12/03/2021	KEPCO-NF (South Korea)	(3)	234	-
12/03/2021	KEPCO-NF (South Korea)	(3)	78	-
12/07/2021	Empresa Nacional de Residuos Radiactivos - ENRESA	(3)	42	-
16/11/2000	Solred, S.A.	(4)	-	4
21/06/2006	Ministry of the Environment - Autonomous Community of Madrid	(4)	7	7
15/11/2006	Ministry of Agriculture and Environment - Regional Government of Castilla - La Mancha	(4)	39	39

CONTINUED ON NEXT PAGE

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters


Economic
Performance
GROUP ACCOUNTS

7
Social
Performance

8
Environmental
Performance

9
Annexes

THOUSANDS OF EUROS

GUARANTEED AMOUNT

Date granted	Beneficial owner		31/12/2021	31/12/2020
22/11/2006	Ministry of Agriculture and Environment - Regional Government of Castilla - La Mancha	(4)	3	3
25/03/2010	AENA, S.A.	(4)	10	10
23/01/2013	Ministry of Agriculture and Environment - Regional Government of Castilla - La Mancha	(4)	3	3
14/01/2016	AENA, S.A.	(4)	5	5
06/11/2013	RENFE - Operadora	(4)	100	100
17/03/2014	Ministry of Agriculture, Rural Development, Environment and Energy	(4)	35	35
09/06/2014	Ministry of Agriculture of Castilla La Mancha	(4)	10	10
24/06/2014	AENA Aeropuertos, S.A.	(4)	2	2
22/09/2017	Environmental POCH Chile (110 thousand USD)	(4)	97	91
09/10/2017	RENFE Fabricación y Mantenimiento, S.A.	(4)	100	100
11/11/2016	Ministry of Agriculture and Environment - Regional Government of Castilla - La Mancha	(4)	23	23
17/07/2017	AENA, S.A.	(4)	35	36
24/04/2018	Environmental POCH Chile (29 thousand USD)	(4)	25	24
03/04/2017	Department of Rural Development and Sustainability of the Government of Aragón	(4)	65	65

THOUSANDS OF EUROS

GUARANTEED AMOUNT

Date granted	Beneficial owner		31/12/2021	31/12/2020
20/12/2017	FNMT - RCM	(4)	5	5
10/04/2008	Ministry of the Environment of the Regional Government of Andalusia	(4)	198	198
08/07/2020	Department of Rural Development and Sustainability of the Government of Aragón	(4)	93	93
02/08/2002	Solred, S.A.	(5)	80	80
15/11/2017	Empresa Nacional de Residuos Radiactivos - ENRESA	(5)	264	264
09/09/2021	Empresa Nacional de Residuos Radiactivos - ENRESA	(5)	356	-
TOTAL			13,217	8,015

(1) Relating to the activity of the UTE RSU.

(2) Relating to the activity of TECONMA (Subsidiary of ENUSA with which it merged in 2013).

(3) Relating to the activity of ENUSA.

(4) Relating to the activity of EMGRISA.

(5) Relating to the activity of ETSA.

The comfort letters issued by Group companies as at 31 December 2021 and 2020 are as follows:

THOUSANDS OF EUROS				
GUARANTEED AMOUNT				
Grant date	Company Group	Beneficiary	31/12/2021	31/12/2020
08/11/2017	ETSA	CAIXABANK, S.A.	264	264
06/09/2021	ETSA	CAIXABANK, S.A.	356	-
TOTAL			620	264

Other guarantees provided by Group companies as at 31 December 2021 and 2020 are as follows:

THOUSANDS OF EUROS		
	31/12/2021	31/12/2020
Guarantee on employee loans for the acquisition or renovation of housing as set out in the company's Collective Bargaining Agreement (*)	323	323
TOTAL	323	323

(*) Corresponds to the amounts initially guaranteed. The maximum risk to the Company would be the risk arising from the outstanding amounts of the secured loans. This amounts to 76 and 96 thousand euros at 31 December 2021 and 2020, respectively.

The Group estimates that the guarantees and securities presented will not give rise to significant risks that have not been provisioned at year-end.


26. OTHER INFORMATION

The average number of Group employees in 2021 and 2020, broken down by professional category, is as follows:

FINANCIAL YEAR 2021	PERMANENT STAFF		TEMPORARY STAFF		TOTAL AVERAGE WORKFORCE		DISABILITY >= 33%
	Women	Men	Women	Men	Women	Men	
Senior management	4	4	-	-	4	4	-
Other managers, technicians and similar	115	260	38	49	153	309	4
Administrative and ancillary staff	30	19	13	6	43	25	3
Other staff	3	128	-	62	3	190	2
TOTAL AVERAGE WORKFORCE	152	411	51	117	203	528	9

FINANCIAL YEAR 2020	PERMANENT STAFF		TEMPORARY STAFF		TOTAL AVERAGE WORKFORCE		DISABILITY >= 33%
	Women	Men	Women	Men	Women	Men	
Senior management	3	5	-	-	3	5	-
Other managers, technicians and similar	109	259	36	54	145	313	5
Administrative and ancillary staff	30	22	11	5	41	27	3
Other staff	3	129	2	61	5	190	2
TOTAL AVERAGE WORKFORCE	145	415	49	120	194	535	10

The relative average workforce figures for the 2021 financial year include 12 (13 people in 2020) belonging to the staff of the UTE RSU (integrated into the percentage of ENUSA's shareholding in same).

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
-  Economic Performance GROUP ACCOUNTS
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

The gender distribution of the Group's staff by category and level as at 31 December 2021 and 2020 is as follows:

NO. EMPLOYEES			
FINANCIAL YEAR 2021	WOMEN	MEN	TOTAL
Board members	-	1	1
Senior management	3	5	8
Other managers, technicians and similar	165	329	494
Administrative and ancillary staff	45	29	74
Other staff	5	214	219
TOTAL	218	578	796

NO. EMPLOYEES			
FINANCIAL YEAR 2020	WOMEN	MEN	TOTAL
Board members	-	1	1
Senior management	3	2	5
Other managers, technicians and similar	154	333	487
Administrative and ancillary staff	45	32	77
Other staff	5	204	209
TOTAL	207	572	779

The figures for 31 December 2021 and 2020 include 13 people, respectively, belonging to the staff of the UTE RSU (integrated into the Parent Company's percentage shareholding in same).

In compliance with its legal obligations, the Company, in addition to having 8 employees with disabilities on its payroll (9 employees in 2020), made donations as an alternative measure, amounting to 61 thousand euros in 2019 (zero in 2020).

The fees paid to Grant Thornton, S.L.P., Sociedad Unipersonal for the audit of the annual accounts and other 2021 services of the various Group companies amount to 48 thousand euros (the same amount in 2020).

The amounts indicated above relate to expenses accrued in 2021 and 2020, irrespective of the time of invoicing.

27. SEGMENTED INFORMATION

The Group organises its activities in the following business segments:

- Nuclear Business.** Main and traditional activity carried out through the Parent Company and its two subsidiaries ENUSA-ENSA, A.I.E. and Spanish Nuclear Group for Cooperation, A.I.E.
- Environmental activities.** This activity is carried out entirely by the investee Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P., as well as certain services related to these activities carried out by the Parent Company, through its Environmental Technical Office, the Saelices-Ciudad Rodrigo Environmental Centre and the UTE RSU.
- Transport of radioactive products.** Activity developed entirely by the investee ETSA Global Logistics, S.A.U., S.M.E.
- Financial holdings.** Holdings of the Parent Company in non-consolidable companies.

As each business segment, in practice, coincides with independent companies, the allocation and recognition criteria used to determine the information for each segment is based on the individual financial statements of each company. In the particular case of ENUSA, where activities are applicable to different segments, the income and expenses corresponding to each segment are identified separately.

The criterion for setting inter-segment transfer prices is the market price criterion.

Turnover information by geographic area for 2021 and 2020 is presented below:

THOUSANDS OF EUROS

FINANCIAL YEAR 2021	SPAIN	EUROPEAN UNION	REST OF THE WORLD	TOTAL SEGMENTS
Net turnover	267,053	49,090	683	316,826
Intersegments	(3,535)	-	-	(3,535)
External customers	263,518	49,090	683	313,291

THOUSANDS OF EUROS

FINANCIAL YEAR 2020	SPAIN	EUROPEAN UNION	REST OF THE WORLD	TOTAL SEGMENTS
Net turnover	200,623	49,255	768	250,646
Intersegments	(3,477)	-	-	(3,477)
External customers	197,146	49,255	768	247,169

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance
GROUP ACCOUNTS

7
Social Performance

8
Environmental Performance

9
Annexes

The breakdown of revenue by segment in 2021 and 2020 is as follows:

THOUSANDS OF EUROS

FINANCIAL YEAR 2021	FIRST PART OF THE NUCLEAR FUEL CYCLE	ENVIRONMENTAL ACTIVITIES	TRANSPORT OF RADIOACTIVE PRODUCTS	PARENT COMPANY STRUCTURE AND FINANCIAL SURPLUSES	TOTAL SEGMENTS
Net turnover	281,259	18,119	17,448	-	316,826
Intersegments	-	(122)	(3,413)	-	(3,535)
External customers	281,259	17,997	14,035	-	313,291

THOUSANDS OF EUROS

FINANCIAL YEAR 2020	FIRST PART OF THE NUCLEAR FUEL CYCLE	ENVIRONMENTAL ACTIVITIES	TRANSPORT OF RADIOACTIVE PRODUCTS	PARENT COMPANY STRUCTURE AND FINANCIAL SURPLUSES	TOTAL SEGMENTS
Net turnover	218,525	16,676	15,445	-	250,646
Intersegments	-	(180)	(3,297)	-	(3,477)
External customers	218,525	16,496	12,148	-	247,169

The most significant items of the consolidated profit and loss accounts for the financial years 2021 and 2020, broken down by business segment, are presented below:

THOUSANDS OF EUROS

FINANCIAL YEAR 2021	FIRST PART OF THE NUCLEAR FUEL CYCLE	ENVIRONMENTAL ACTIVITIES	TRANSPORT OF RADIOACTIVE PRODUCTS	PARENT COMPANY STRUCTURE AND FINANCIAL SURPLUSES	TOTAL SEGMENTS	ADJUSTMENTS FOR INTRAGROUP TRANSACTIONS	TOTAL CONSOLIDATED
Net turnover	281,259	18,119	17,448	-	316,826	(3,535)	313,291
Procurement	(211,303)	(4,184)	(11,294)	(6)	(226,787)	105	(226,682)
Personnel expenses	(26,237)	(4,911)	(2,147)	(9,080)	(42,375)	-	(42,375)
Depreciation of fixed assets	(3,749)	(2,537)	(304)	(727)	(7,317)	-	(7,317)
Losses, impairment and changes in provisions	159	(332)	(1)	-	(174)	-	(174)
OPERATING RESULT	8,759	1,301	2,500	(1,361)	11,199	(79)	11,199
Financial income	225	-	-	6	231	-	231
Financial expenses	(549)	(1,272)	-	-	(1,821)	-	(1,821)
RESULT BEFORE TAX	9,211	566	2,494	(1,396)	10,875	(79)	10,796

FINANCIAL YEAR 2021	FIRST PART OF THE NUCLEAR FUEL CYCLE	ENVIRONMENTAL ACTIVITIES	TRANSPORT OF RADIOACTIVE PRODUCTS	STRUCTURE	TOTAL CONSOLIDATED
Segment Assets	316,663	69,018	10,202	10,774	406,657
Segment Liabilities	213,184	66,278	3,358	-	282,820
Segment Equity	12,676	4,167	2,494	104,500	123,837

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

Economic Performance GROUP ACCOUNTS

7 Social Performance

8 Environmental Performance

9 Annexes

THOUSANDS OF EUROS

FINANCIAL YEAR 2020	FIRST PART OF THE NUCLEAR FUEL CYCLE	ENVIRONMENTAL ACTIVITIES	TRANSPORT OF RADIOACTIVE PRODUCTS	PARENT COMPANY STRUCTURE AND FINANCIAL SURPLUSES	TOTAL SEGMENTS	ADJUSTMENTS FOR INTRAGROUP TRANSACTIONS	TOTAL CONSOLIDATED
Net turnover	218,525	16,676	15,445	-	250,646	(3,477)	247,169
Procurement	(162,173)	(4,589)	(9,710)	(11)	(176,483)	90	(176,393)
Personnel expenses	(25,871)	(4,653)	(1,979)	(9,053)	(41,556)	-	(41,556)
Depreciation of fixed assets	(3,778)	(2,520)	(296)	(704)	(7,298)	-	(7,298)
Losses, impairment and changes in provisions	3,444	929	-	(1)	4,372	-	4,372
OPERATING RESULT	3,952	1,328	2,270	(990)	6,560	(15)	6,545
Financial income	1,743	1	-	(1,485)	259	-	259
Financial expenses	(958)	(1,577)	-	-	(2,535)	-	(2,535)
RESULT BEFORE TAX	4,628	(187)	2,272	(2,476)	4,237	(15)	4,222

FINANCIAL YEAR 2020	FIRST PART OF THE NUCLEAR FUEL CYCLE	ENVIRONMENTAL ACTIVITIES	TRANSPORT OF RADIOACTIVE PRODUCTS	STRUCTURE	TOTAL CONSOLIDATED
Segment Assets	314,665	71,069	8,707	10,314	404,755
Segment Liabilities	220,138	68,654	2,030	-	290,822
Segment Equity	4,551	2,549	2,272	104,561	113,933



ANNEX I (1 OF 2) ENUSA GROUP AND SUBSIDIARIES

Additional information on Group companies at 31 December 2021

	THOUSANDS OF EUROS										
	% OF SHAREHOLDING		EQUITY							Results	Auditor
	Direct	Indirect	Issued Capital	Reserves	Negative Results of Prev. Financial Years	Partner Contributions	Grants	Adjustments for changes in value			
Subsidiary Companies											
ETSA GLOBAL LOGISTICS, S.A.U., S.M.E.	100.00	--	301	4,676	-	-	-	-	1,870	GT	
EMGRISA, S.A., S.M.E., M.P.	99.62	--	7,813	4,190	-	-	4,832	(23)	1,282	GT	
Jointly Controlled Entities											
ENUSA-ENSA, A.I.E.	50.00	--	421	368	-	-	-	-	247	GT	
Associated Companies											
GNF ENUSA NUCLEAR FUEL, S.A.	49.00	--	108	22	-	-	-	-	772	Deloitte	
SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E.	25.00	--	24	35	(44)	32	0	-	(8)	---	
CETRANSA	---	29.89 (1)	1,202	4,071	-	-	-	-	456	EY	
REMESA	---	49.81 (1)	12,549	1,979	(417)	-	614	-	323	KPMG	

(1) Companies indirectly owned through EMGRISA. Cetransa incorporates the results of Gestión y Protección Ambiental, S.A. in which it holds a 100% stake. Both Cetransa and Remesa data are provisional.

This Annex forms an integral part of notes 1.2 and 2 of the Notes to the 2021 consolidated annual accounts and should be read in conjunction with them.

ANNEX I (2 OF 2) ENUSA GROUP AND SUBSIDIARIES

Additional information on Group companies at 31 December 2020

	THOUSANDS OF EUROS										
	% OF SHAREHOLDING		EQUITY							Results	Auditor
	Direct	Indirect	Issued Capital	Reserves	Negative Results of Prev. Financial Years	Partner Contributions	Grants	Adjustments for changes in value			
Subsidiary Companies											
ETSA GLOBAL LOGISTICS, S.A.U., S.M.E.	100.00	--	301	4,676	-	-	-	-	1,703	GT	
EMGRISA, S.A., S.M.E., M.P.	99.62	--	7,813	3,790	-	-	4,834	(18)	400	GT	
Jointly Controlled Entities											
ENUSA-ENSA, A.I.E.	50.00	--	421	225	-	-	-	-	143	GT	
Associated Companies											
GNF ENUSA NUCLEAR FUEL, S.A.	49.00	--	108	22	-	-	-	-	591	KPMG	
SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E.	25.00	--	24	35	(36)	32	-	-	(8)	---	
CETRANSA	---	29.89 (1)	1,202	3,928	-	-	-	-	645	Deloitte	
REMESA	---	49.81 (1)	12,549	1,979	-	-	614	-	(614)	KPMG	

(1) Companies indirectly owned through EMGRISA. Cetransa incorporates the results of Gestión y Protección Ambiental, S.A. in which it holds a 100% stake. Both Cetransa and Remesa data are provisional.

This Annex forms an integral part of notes 1.2 and 2 of the Notes to the 2020 consolidated annual accounts and should be read in conjunction with them.

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS



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INFORME DE AUDITORÍA DE CUENTAS ANUALES CONSOLIDADAS EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E.:

Opinión

Hemos auditado las cuentas anuales consolidadas de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E. (Sociedad dominante) y sus sociedades dependientes (el Grupo), que comprenden el balance a 31 de diciembre de 2021, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria, todos ellos consolidados, correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales consolidadas adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera del Grupo a 31 de diciembre de 2021, así como de sus resultados y flujos de efectivo, todos ellos consolidados, correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 3 de la memoria consolidada adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas de nuestro informe.

Somos independientes del Grupo de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales consolidadas en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales consolidadas del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales consolidadas en su conjunto, y en la formación de nuestra opinión sobre estas, y no expresamos una opinión por separado sobre esos riesgos.

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AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.:

Opinion

We have audited the consolidated annual accounts of ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. (Parent Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet at 31 December 2021, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and consolidated notes to the financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present, in all material respects, a true and fair view of the Group's equity and financial position at 31 December 2021 and of its consolidated results and cash flows for the year then ended in accordance with the applicable financial reporting framework (as identified in note 3 to the accompanying consolidated financial statements) and, in particular, with the accounting principles and policies set out therein.

Basis of opinion

We conducted our audit in accordance with Spanish auditing standards. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of the Group in accordance with the ethical requirements, including independence requirements, applicable to our audit of the consolidated annual accounts in Spain as required by the regulations governing such activity. In this regard, we have not provided any services other than auditing the accounts, nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned regulations, have affected the necessary independence in such a way that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgement, we considered to be the most significant risks of material misstatement in our audit of the consolidated financial statements for the current period. These risks have been addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on those risks.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters


Economic Performance
GROUP ACCOUNTS

7
Social Performance

8
Environmental Performance

9
Annexes

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Evaluación de la existencia y valoración de las provisiones

Tal y como se indica en la nota 17 de la memoria consolidada adjunta, la Sociedad tiene registradas provisiones por actuaciones medioambientales y otras provisiones en el largo y corto plazo por importe de 58.013 miles de euros al 31 de diciembre de 2021.

De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en las notas 3 y 5.17 de la memoria consolidada adjunta, las provisiones se reconocen cuando el Grupo tiene una obligación presente, ya sea legal, contractual, implícita o tácita, como resultado de un suceso pasado, es probable que exista una salida de recursos que incorporen beneficios económicos futuros para cancelar tal obligación y se puede realizar una estimación fiable del importe de la obligación. El efecto financiero de las provisiones se reconoce como gastos financieros en la cuenta de pérdidas y ganancias consolidada.

Hemos considerado éste área como un aspecto relevante de nuestra auditoría, en relación a que el registro de las provisiones implica un alto grado de juicio y de estimación de la Dirección.

Como parte de nuestra auditoría y en respuesta al aspecto comentado, hemos realizado los siguientes procedimientos:

- Hemos llevado a cabo un entendimiento del procedimiento aplicado por el Grupo en relación a la determinación de los criterios e hipótesis aplicados por la Sociedad para la estimación de la existencia y valoración de las diferentes provisiones, así como para la aplicación del adecuado tratamiento contable.
- Hemos mantenido diferentes reuniones con la Dirección del Grupo y con el departamento técnico de la misma al objeto de entender la naturaleza e hipótesis utilizadas en las diferentes provisiones, confirmando la información que se incorpora en los diferentes informes técnicos y económicos que sustentan las principales hipótesis empleadas.
- Hemos realizado procedimientos analíticos y de detalle consistentes en el entendimiento de la evolución de las diferentes provisiones, atendiendo a su naturaleza y obteniendo diferente documentación soporte de los principales movimientos que se han producido durante el ejercicio 2021.
- Hemos realizado una revisión de la metodología utilizada en la actualización financiera realizada en las diferentes provisiones.
- Obtención de las confirmaciones de los asesores legales y fiscales, tanto internos como externos, donde se detallan las litigios y reclamaciones que se encuentran abiertos a 31 de diciembre de 2021 y que se han cerrado durante dicho ejercicio.
- Hemos comprobado que la información revelada en las cuentas anuales consolidadas es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.

Valoración a resultado de instrumentos financieros derivados

Tal y como se detalla en las notas 5.10 y 12 de la memoria consolidada adjunta, el Grupo utiliza derivados financieros como parte de su estrategia para disminuir su exposición al riesgo de tipos de interés y tipos de cambio, utilizando la cobertura de coberturas, siendo el importe registrado en el activo de 4.241 miles de euros y en el pasivo de 2.264 miles de euros.

De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en la nota 5.10 de la memoria consolidada adjunta, el Grupo realiza operaciones de Coberturas de flujo de efectivo, para cubrir la exposición a la variación de los flujos de efectivo, que se atribuye a un riesgo concreto asociado a una transacción altamente probable, siempre que pueda afectar a la cuenta de pérdidas y ganancias consolidada. La parte de la ganancia o pérdida del instrumento de cobertura que se haya determinado como cobertura eficaz se reconoce transitoriamente en el patrimonio neto consolidado, imputándose en la cuenta de pérdidas y ganancias consolidada en el mismo período en que la operación objeto de cobertura afecta al resultado.

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Hemos considerado éste área como un aspecto relevante de nuestra auditoría, en relación a que la estimación del valor razonable, así como la categorización del instrumento derivado requieren de un nivel elevado de juicio por parte de la Dirección y puede tener un impacto significativo en el balance consolidado y cuenta de pérdidas y ganancias consolidada adjuntas.

Como parte de nuestra auditoría y en respuesta al aspecto comentado, hemos realizado los siguientes procedimientos:

- Hemos llevado a cabo un entendimiento del procedimiento establecido por el Grupo para asegurar la adecuada valoración y tratamiento contable de los instrumentos financieros derivados.
- Hemos obtenido la confirmación de la valoración de los derivados relativos al tipo de interés de las entidades bancarias.
- Hemos realizado, para una muestra representativa, procedimientos de contraste del valor razonable y verificado el correcto tratamiento contable sobre la base de la adecuada clasificación del instrumento derivado. Para este procedimiento hemos involucrado a nuestros expertos en instrumentos financieros cuando lo hemos considerado necesario.
- Hemos comprobado que la información revelada en las cuentas anuales consolidadas es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.

Otra información: Informe de gestión consolidado

La otra información comprende exclusivamente el informe de gestión consolidado del ejercicio 2021, cuya formulación es responsabilidad de los administradores de la Sociedad dominante y no forma parte integrante de las cuentas anuales consolidadas.

Nuestra opinión de auditoría sobre las cuentas anuales consolidadas no cubre el informe de gestión consolidado. Nuestra responsabilidad sobre el informe de gestión consolidado, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en:

- Comprobar únicamente que el estado de información financiera consolidado, se ha facilitado en la forma prevista en la normativa aplicable y, en caso contrario, a informar sobre ello.
- Evaluar e informar sobre la concordancia del resto de la información incluida en el informe de gestión consolidado con las cuentas anuales consolidadas, a partir del conocimiento del Grupo obtenido en la realización de la auditoría de las citadas cuentas, así como en evaluar e informar de si el contenido y presentación de esta parte del informe de gestión consolidado son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito anteriormente, hemos comprobado que la información mencionada en el apartado a) anterior se facilita en la forma prevista en la normativa aplicable y que el resto de la información que contiene el informe de gestión consolidado concuerda con la de las cuentas anuales consolidadas del ejercicio 2021 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los administradores de la Sociedad dominante en relación con las cuentas anuales consolidadas

Los administradores de la Sociedad dominante son responsables de formular las cuentas anuales consolidadas adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados consolidados del Grupo, de conformidad con el marco normativo de información financiera aplicable al Grupo en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales consolidadas libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales consolidadas, los administradores de la Sociedad dominante son responsables de la valoración de la capacidad del Grupo para continuar como empresa en

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Assessment of the existence and valuation of the provisions

As stated in note 17 to the accompanying consolidated financial statements, the Company has recorded provisions for environmental and other actions in the long and short term amounting to 58,013 thousand euros at 31 December 2021.

In accordance with the applicable financial reporting framework and as indicated in notes 3 and 5.17 to the accompanying consolidated financial statements, provisions are recognised when the Group has a present legal, contractual, implicit or tactical obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of same. The financial effect of provisions is recognised as financial expenses in the consolidated profit and loss account.

We considered this area as a relevant aspect of our audit, as the recording of provisions involves a high degree of management judgement and estimation.

As part of our audit, we performed the following procedures in response to the above-mentioned aspect:

We reached an understanding of the procedure applied by the Group in relation to the determination of the criteria and assumptions applied by the Company to estimate the existence and valuation of the different provisions, and to apply the appropriate accounting treatment.

We held various meetings with the Group's management and its technical department in order to understand the nature and assumptions used in the various provisions, confirming the information included in the various technical and economic reports that support these assumptions.

We performed analytical and detailed procedures to understand the evolution of the different provisions, taking into account their nature and obtaining different supporting documentation of the main movements that have taken place during the financial year 2021.

We have carried out a review of the methodology used in the financial restatement of the various provisions.

We obtained confirmations from internal and external legal and tax advisers detailing the litigation and claims that are open at 31 December 2021 and that have been closed during that year.

We verified that the information disclosed in the consolidated annual accounts is sufficient and appropriate in accordance with the applicable financial reporting framework.

Valuation and registration of financial derivatives

As detailed in notes 5.10 and 12 to the accompanying consolidated financial statements, the Group uses financial derivatives as part of its strategy to reduce its exposure to interest rate and exchange rate risk, using hedge accounting, with assets amounting to 4,241 thousand euros and liabilities to 2,264 thousand euros.

In accordance with the applicable financial reporting framework and as indicated in note 5.10 to the accompanying consolidated financial statements, the Group enters into cash flow hedges to hedge the exposure to changes in cash flows attributable to a specific risk associated with a highly probable transaction, provided that it may affect the consolidated income statement. The portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in consolidated equity and in the consolidated income statement in the same period in which the hedged transaction affects profit or loss.

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We considered this area to be a significant aspect of our audit, as the estimation of the fair value and categorisation of the financial derivative requires a high level of management judgement and may have a material impact on the accompanying consolidated balance sheet and consolidated income statement.

As part of our audit, we performed the following procedures in response to the above-mentioned aspect:

We reached an understanding of the procedure established by the Group to ensure the proper valuation and accounting treatment of financial derivatives.

We obtained confirmation of the valuation of the banks' interest rate derivatives.

We performed fair value testing procedures for a representative sample and verified the correct accounting treatment on the basis of the appropriate classification of the financial derivative. For this procedure we have involved our financial instrument experts when deemed necessary.

We verified that the disclosures in the consolidated financial statements are sufficient and appropriate in accordance with the applicable financial reporting framework.

Other disclosures: Consolidated management report

The other information comprises only the consolidated management report for the financial year 2021, the preparation of which is the responsibility of the Parent Company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility in relation to the consolidated management report, as required by the regulations governing the audit activity, is as follows:

- To verify only that the consolidated statement of non-financial information has been provided in the form required by the applicable regulations and, if not, to report thereon.
- To assess and report on the consistency of the other information included in the consolidated management report with the consolidated annual accounts, based on the knowledge of the Group obtained in the audit of the aforementioned accounts, and on whether the content and presentation of this part of the consolidated management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

On the basis of the work performed, as described above, we have verified that the information referred to in section a) above is provided in the manner prescribed by the applicable regulations and that the other information contained in the consolidated management report is consistent with that in the consolidated annual accounts for the financial year 2021 and its content and presentation are in accordance with the applicable regulations.

Liability of the Parent Company's directors in relation to the consolidated annual accounts

The Parent Company's directors are responsible for the preparation of the accompanying consolidated annual accounts so that they present fairly the Group's consolidated equity, financial position and results, in accordance with the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as they deem necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the directors of the Parent Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as appropriate, going concern matters and using the going concern principle unless the directors intend to liquidate the Group or to cease operations, or if there is no realistic alternative.

funcionamiento, revelando, según correspondiera, las cuestiones relacionadas con empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los citados administradores tienen intención de liquidar el Grupo o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales consolidadas en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contenga nuestra opinión. Seguridad razonable es un alto grado de seguridad, pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, pueden presentarse razonablemente que influyen en las decisiones económicas que los usuarios toman basándose en las cuentas anuales consolidadas.

Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales consolidadas, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno del Grupo.
- Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por los administradores de la Sociedad dominante.
- Concluimos sobre si es adecuada la utilización, por los administradores de la Sociedad dominante, del principio contable de empresa en funcionamiento y basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad del Grupo para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales consolidadas o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que el Grupo deje de ser una empresa en funcionamiento.
- Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales consolidadas, incluida la información revelada, y si las cuentas anuales consolidadas representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.
- Obtenemos evidencia suficiente y adecuada en relación con la información financiera de las entidades o actividades empresariales dentro del grupo para expresar una opinión sobre las cuentas anuales consolidadas. Somos responsables de la dirección, supervisión y realización de la auditoría del grupo. Somos los únicos responsables de nuestra opinión de auditoría.

Nos comunicamos con los administradores de la Sociedad dominante en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificada y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos en el transcurso de la auditoría.

Entre los riesgos significativos que han sido objeto de comunicación a los administradores de la Sociedad dominante, determinamos los que han sido de la mayor significatividad en la auditoría de las cuentas anuales consolidadas del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC nº 50231



José Manuel López García
ROAC nº 22480
16 de marzo de 2022

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with Spanish auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, jointly or individually, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated annual accounts.

As part of an audit in accordance with the regulations governing the audit activity in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the process. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error because fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's management.
- Conclude on the appropriateness of the use by the Parent Company's management's of the going concern basis of accounting and, based on the audit evidence obtained, conclude on whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to be a going concern.
- We assessed the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether such statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- We obtain sufficient appropriate evidence regarding the financial information of entities or business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

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We communicate with the Parent Company's directors regarding, among other matters, the planned scope and timing of the audit and significant findings therein, as well as any significant deficiencies in internal control that we identify during the course of such audit.

We identified those significant risks communicated to the Parent Company's directors, which were of most significance in the audit of the consolidated financial statements for the current period and which are, accordingly, those considered to be the most significant.

We describe those risks in our auditor's report unless legal or regulatory provisions prohibit public disclosure.

Grant Thornton, S.L.P., Sole Proprietorship ROAC (official registry of auditors) no. S0231

José Manuel López García
ROAC nº 22480
16p March 2022

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

Economic Performance GROUP ACCOUNTS

7 Social Performance

8 Environmental Performance

9 Annexes

8 KEY SUCCESSES, SHORTCOMINGS, RISKS AND OPPORTUNITIES

1 SUCCESSES

- Extensive experience in the nuclear, environmental and radioactive materials transport business.
- Development in the application of proprietary technologies, tools and capabilities.

2 SHORTCOMINGS

- Small size compared to the industry.
- Technology licensees.

3 RISKS

- Strong fuel fabrication supply in Europe.
- Shortening the lifespan of nuclear power plants.

4 OPPORTUNITIES

- Alliances and market positioning with regard to the decommissioning of the nuclear fleet.
- Advice to new factories and internationalisation of fuel services.

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

 Economic Performance

7 Social Performance

8 Environmental Performance

9 Annexes

9 OBJECTIVES

2021

Signing of extension contracts with the owners of the Almaraz, Ascó and Vandellós reactors.

TOTAL

Award of the Cofrentes contract, the bid for which was submitted in 2020.

TOTAL

Signing of the new partnership model with Westinghouse.

ON HOLD

DEGREE OF COMPLIANCE

2022

Signing of a fuel manufacturing qualification contract with an alternative technologist to Westinghouse and GNF.

Award of the Vattenfall contract for the supply of fuel to at least one reactor in Sweden.

Signing of a supply and/or cooperation agreement in one of the emerging markets (Emirates, Brazil or China).

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

SOCIAL PERFORMANCE

TABLE OF CONTENTS

- 1. STAFF**
 - Composition of the workforce
 - Job
 - Job placement of persons with disabilities
 - Equality
 - Collective bargaining and union representation
 - Remuneration and productivity policy
 - Reconciliation of personal, family and work life
 - Social benefits
- 2. TRAINING**
 - Annual training action plan
 - Development plans
 - Internship programme
- 3. HEALTH AND SAFETY AT WORK**
 - Health and safety management model
 - Training in health and occupational risk prevention
 - Safety and radiation protection
 - Occupational health
 - Occupational accident rate
 - Comprehensive prevention and action plan against COVID-19
- 4. CUSTOMERS**
 - Nuclear area customers
 - Environmental area customers
- 5. SUPPLIERS**
 - Value chain
 - Main suppliers
 - Supplier quality
 - Extension of Corporate Social Responsibility to the value chain
- 6. QUALITY**
 - Continuous improvement
 - Performance management
 - Quality in our products and services
 - Certifications
- 7. ADDING VALUE TO OUR COMMUNITIES**
- 8. SOCIAL ACTION**
 - Sponsorship and patronage
 - Outstanding collaborations
 - Corporate volunteering
- 9. COMMUNICATION WITH OUR STAKEHOLDERS**
 - Internal communication
 - External communication
- 10. KEY SUCCESSES, SHORTCOMINGS, RISKS AND OPPORTUNITIES**
- 11. OBJETIVES**

1 STAFF

COMPOSITION OF THE WORKFORCE

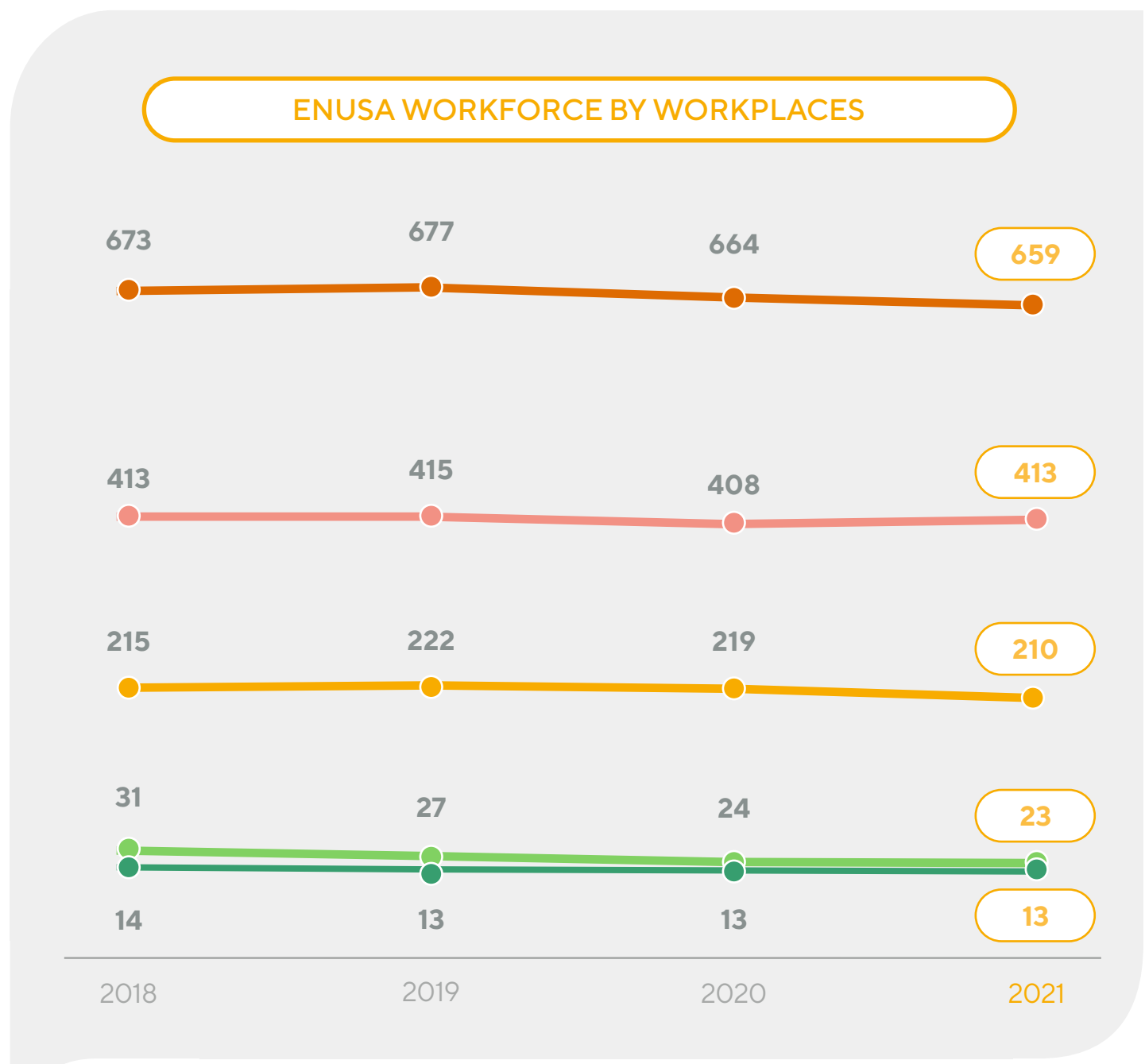
At the close of the 2021 financial year, the ENUSA workforce comprised 602 active workers at the company's three workplaces, distributed as follows: 207 employees in Madrid, where the head office is located, 372 employees in the fuel assembly factory in Juzbado and 23 in Saelices El Chico.

In addition to these 602 active employees, there are 44 in partial active retirement (3 in Madrid and 41 in Juzbado). This brings the total workforce of ENUSA to 646 employees.

The information referring to the UTE RSU Castellón is only reflected for the purposes of accounting consolidation, as its personnel is contracted directly by the UTE (joint venture) and not by ENUSA. In order to correctly interpret the graphs below, it should be borne in mind that ENUSA has an 85.69% shareholding in the UTE RSU Castellón (which represents 13 workers).

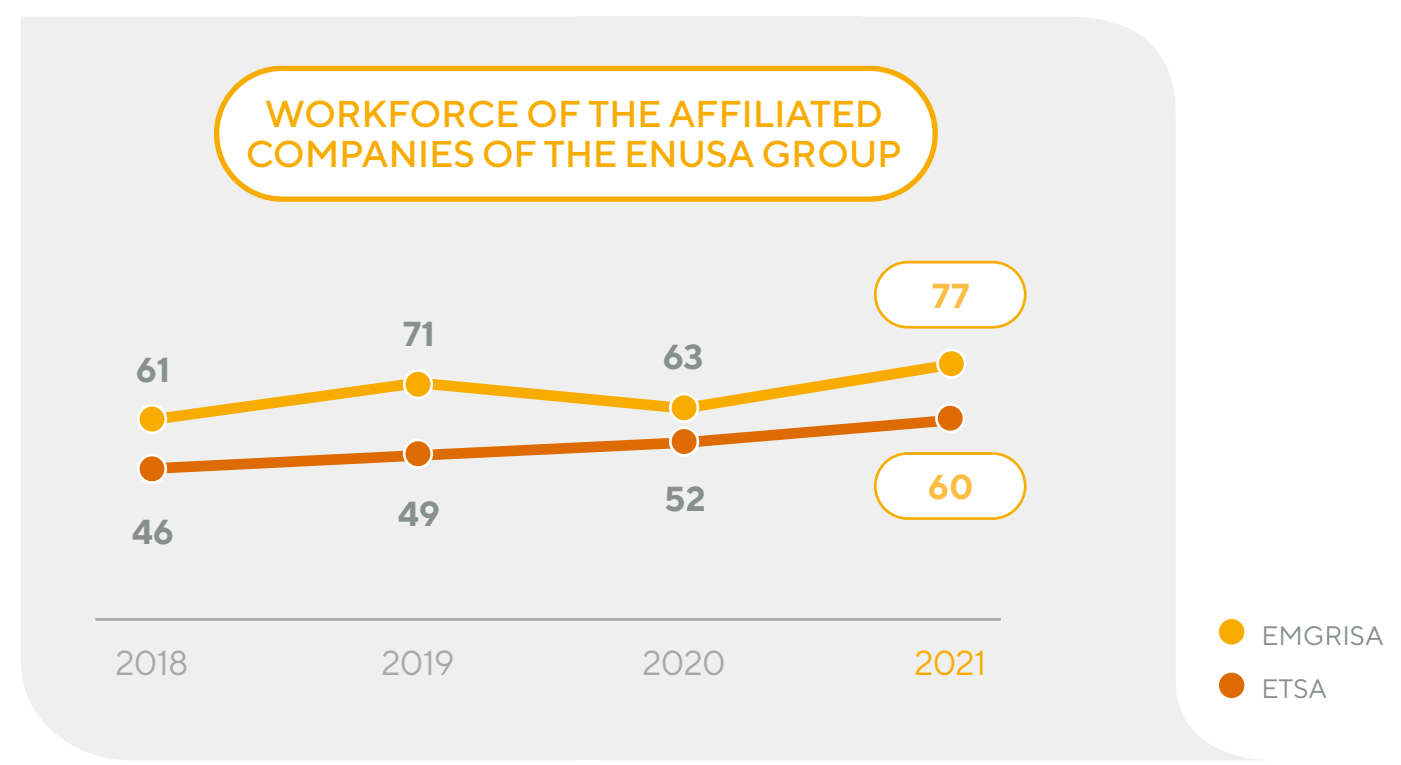


- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes



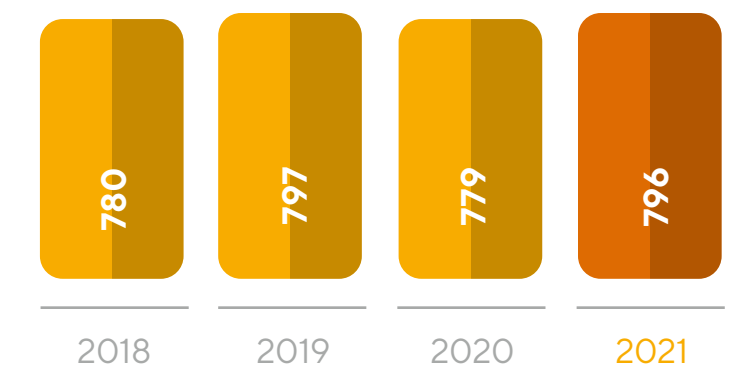
- Madrid
- Juzbado
- Saelices
- UTE RSU Castellón
- TOTAL

The subsidiary companies, for their part, had a total of 137 workers at 31 December 2021 (77 EMGRISA and 60 ETSA), the evolution of which can be seen in the following graph.



As of 31 December 2021, the ENUSA Group therefore has 796 employees, of which almost 83% are in the parent company.

EVOLUTION OF THE OVERALL WORKFORCE OF THE ENUSA GROUP

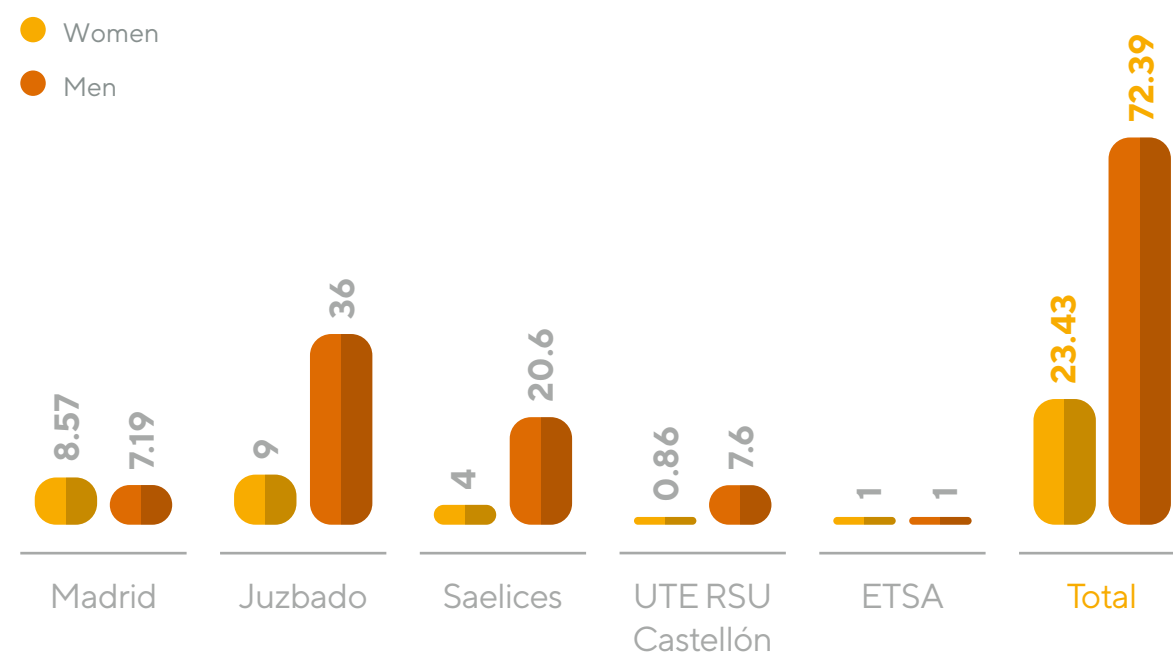


- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

In the ENUSA Group workplaces there are also external workers from contractor companies that provide maintenance, cleaning and surveillance work (all ENUSA workplaces), gardening (Juzbado and Saelices), laundry (Juzbado), driving and removal services (Madrid), cleaning and computer services (ETSA) and internal and landfill transport of waste, preparation of biostabilised material and compost and recovery of materials in triage (UTE RSU Castellón).

The average number of contract employees working at the ENUSA Group facilities in 2021 was as follows:

AVERAGE NUMBER OF ENUSA GROUP CONTRACT EMPLOYEES BY GENDER



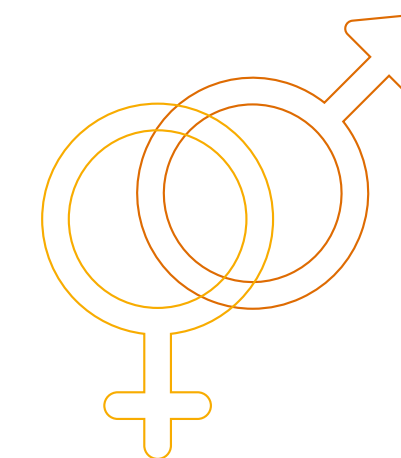
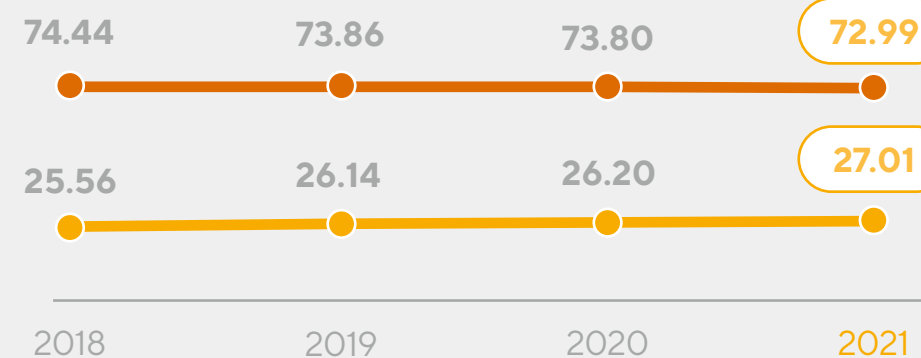
The subsidiary EMGRISA does not have contract employees in 2021.

Below is a series of tables and graphs with different breakdowns of the workforce of ENUSA and its subsidiaries in relation to various aspects such as: gender, age, workplaces, autonomous communities, professional categories, types of employment contract, etc. The data for the last four years are presented so that the evolution of the workforce can be observed. All data is presented as of 31 December 2021.

ENUSA GROUP WORKFORCE BY GENDER

	2018			2019			2020			2021		
	M	W	Total	M	W	Total	M	W	Total	M	W	Total
Madrid	118	97	215	120	102	222	119	100	219	114	96	210
Juzbado	347	66	413	349	66	415	343	65	408	341	72	413
Saelices	27	4	31	23	4	27	20	4	24	19	4	23
UTE RSU Castellón	9	5	14	8	5	13	8	5	13	7	6	13
Total ENUSA	501	172	673	500	177	677	490	174	664	481	178	659
EMGRISA	38	23	61	42	29	71	37	26	63	47	30	77
ETSA	38	8	46	43	6	49	45	7	52	50	10	60
Total subsidiaries	76	31	107	85	35	120	82	33	115	97	40	137
TOTAL GROUP	577	203	780	585	212	797	572	207	779	578	218	796

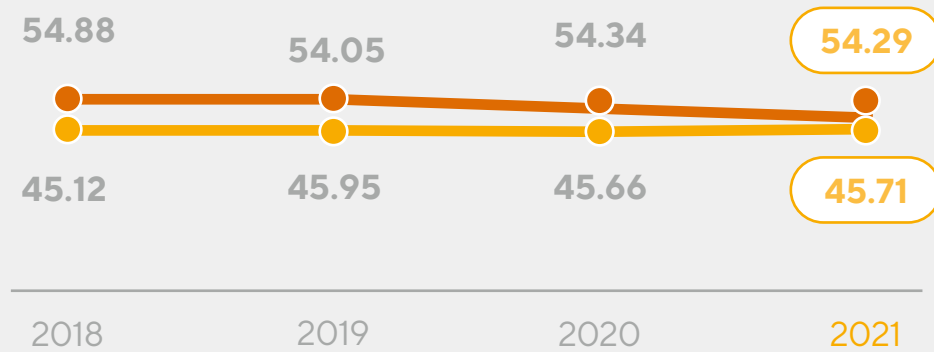
PERCENTAGE OF WORKFORCE BY GENDER- ENUSA



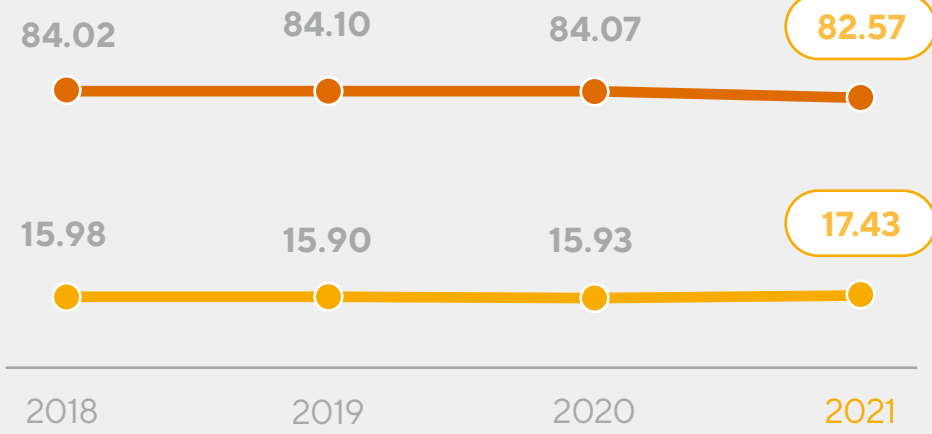
Men
Women

● Men
● Women

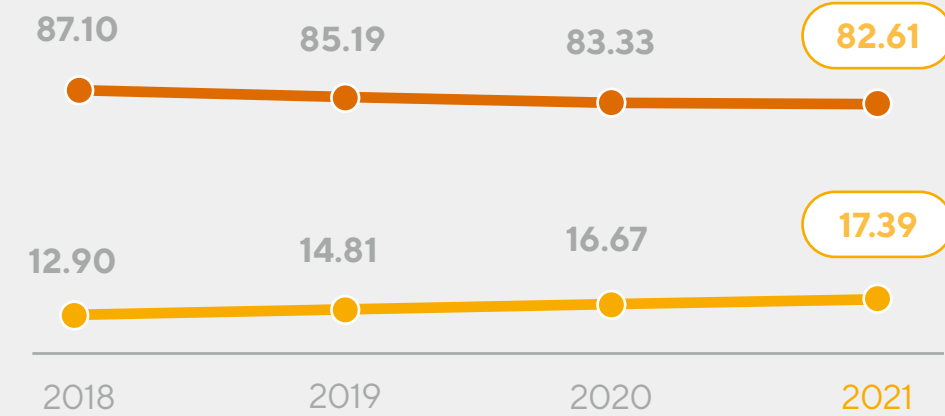
PERCENTAGE OF WORKFORCE BY GENDER - MADRID



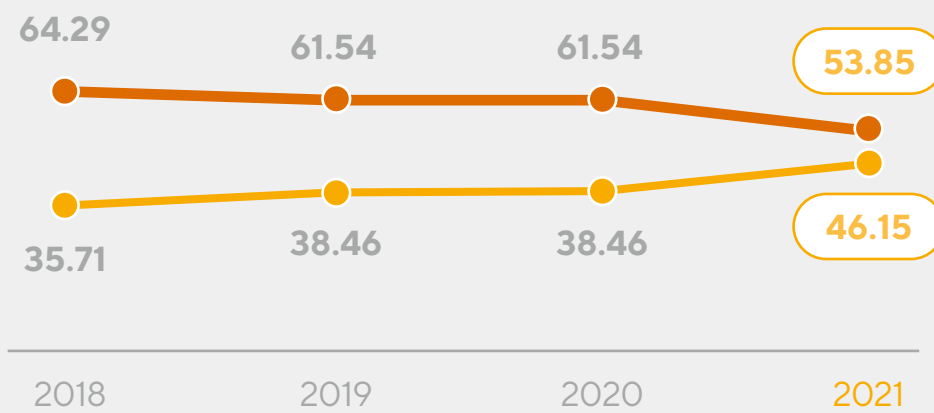
PERCENTAGE OF WORKFORCE BY GENDER - JUZBADO



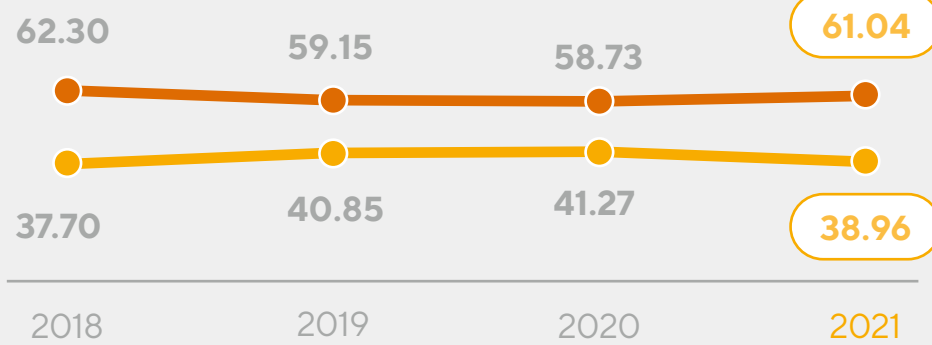
PERCENTAGE OF WORKFORCE BY GENDER - SAELICES



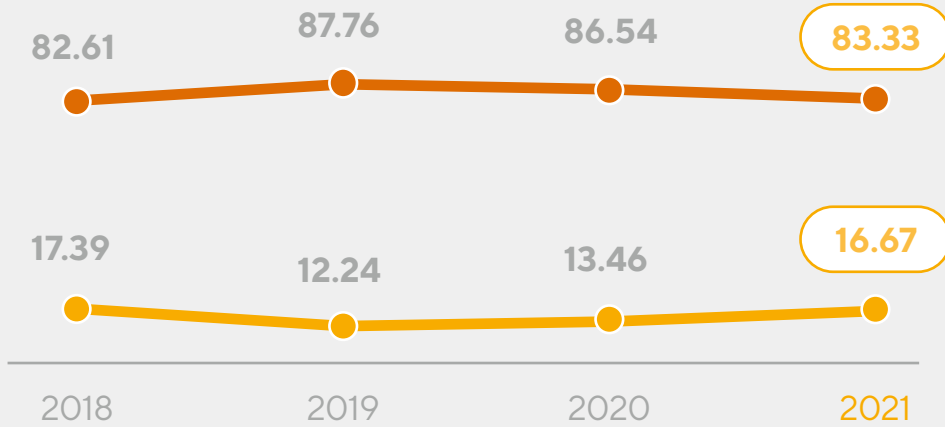
PERCENTAGE OF WORKFORCE BY GENDER - UTE RSU CASTELLÓN



PERCENTAGE OF WORKFORCE BY GENDER - EMGRISA



PERCENTAGE OF WORKFORCE BY GENDER - ETSA



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

ENUSA GROUP STRUCTURE BROKEN DOWN BY GENDER, AGE GROUPS AND AUTONOMOUS COMMUNITY

Age	COMUNIDAD DE MADRID				CASTILLA Y LEÓN				COMUNIDAD VALENCIANA				TOTAL		
	Madrid		EMGRISA ⁽¹⁾		Juzbado		Saelices		ETSA		UTE RSU Castellón		M	W	
	M	W	M	W	M	W	M	W	M	W	M	W			
> 60	30	11	3	1	64	8		2	3			1		101	22
56 - 60	15	9	4	1	35	9	2		9			1		66	19
51 - 55	12	16	7	3	11	5	2		9	1			1	41	26
41 - 50	18	20	18	12	39	13	2	1	14	2			5	91	53
31 - 40	26	28	7	5	111	18	7	1	8	2	4			163	54
<31	13	12	8	8	81	19	6		7	5	1			116	44
TOTAL	114	96	47	30	341	72	19	4	50	10	7	6	578	218	

⁽¹⁾ For the purposes of this table, EMGRISA is included in the Comunidad de Madrid, although the geographical distribution of the workforce is as follows: Comunidad de Madrid 82%, Castilla-La Mancha 6%, Extremadura 4%, Andalucía 4% and Aragón 4%.

EVOLUTION OF THE ENUSA GROUP STRUCTURE BY AGE GROUPS AND GENDER

Age	2018			2019			2020			2021		
	M	W	Total	M	W	Total	M	W	Total	H	M	Total
> 60	97	17	114	99	22	121	106	25	131	101	22	123
56 - 60	91	27	118	78	24	102	67	18	85	66	19	85
51 - 55	58	17	75	55	19	74	45	26	71	41	26	67
41 - 50	80	58	138	82	57	139	82	52	134	91	53	144
31 - 40	138	50	188	146	53	199	153	57	210	163	54	217
<31	113	34	147	125	37	162	119	29	148	116	44	160
TOTAL	577	203	780	585	212	797	572	207	779	578	218	796



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

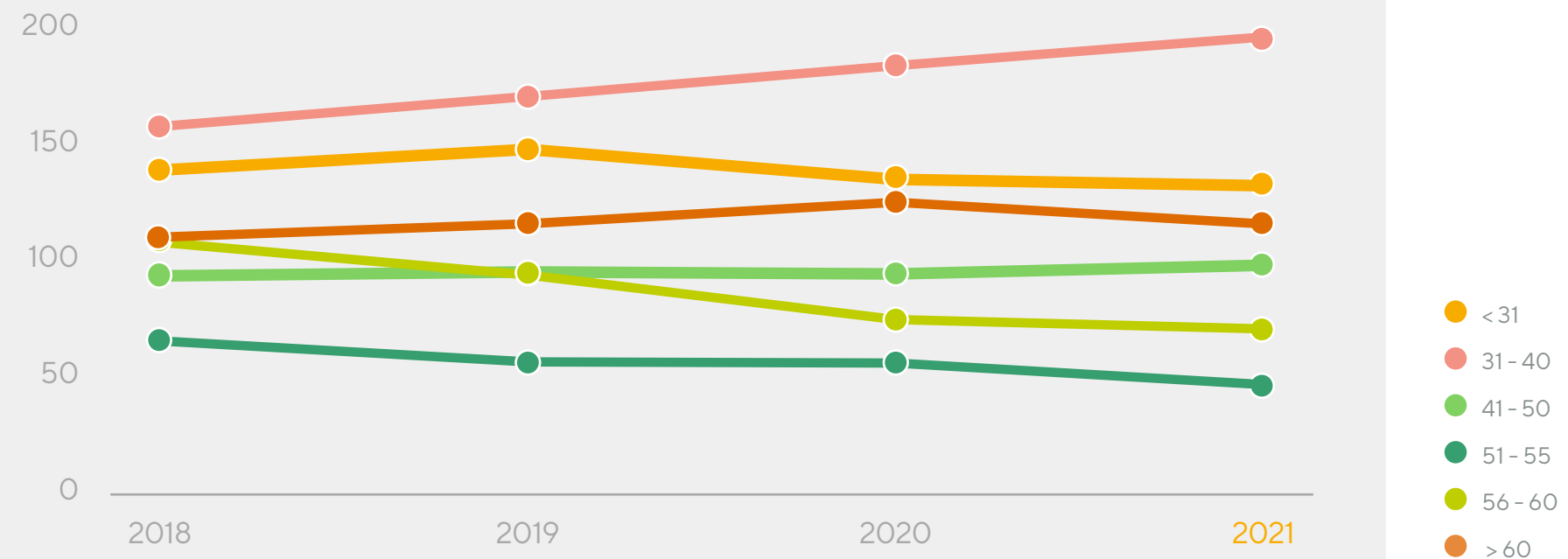
6
Economic Performance


Social Performance

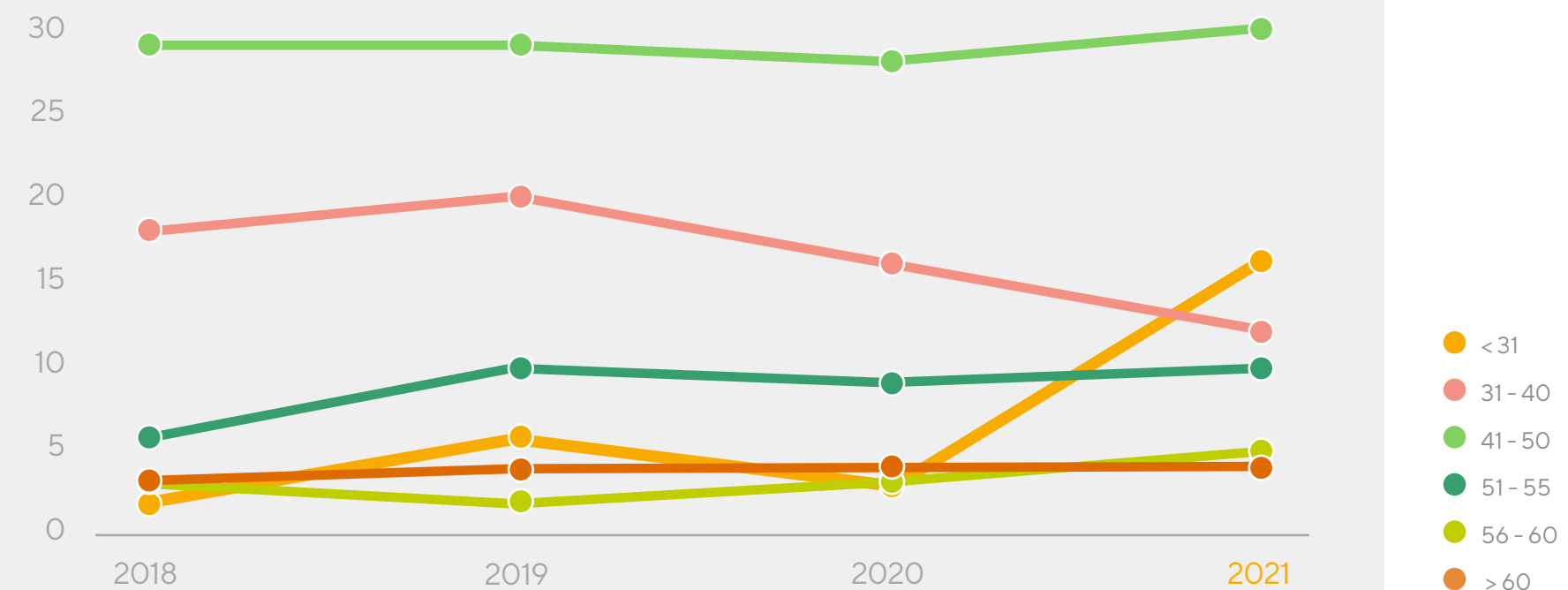
8
Environmental Performance


9
Annexes

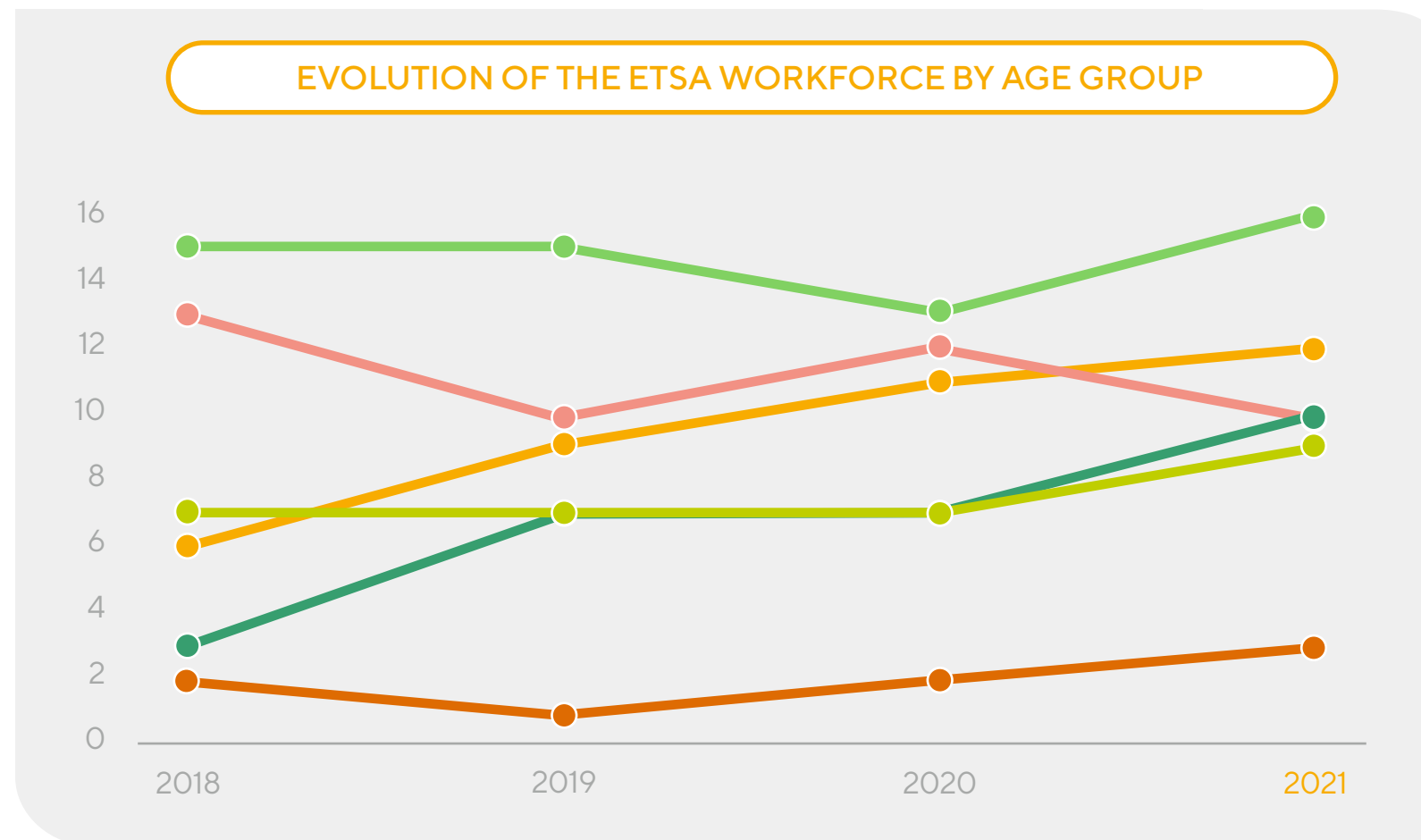
EVOLUTION OF THE ENUSA WORKFORCE BY AGE GROUP



EVOLUTION OF THE EMGRISA WORKFORCE BY AGE GROUP



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes



PERCENTAGE OF THE ENUSA GROUP WORKFORCE ACCORDING TO PROFESSIONAL CATEGORY AND GENDER (%)

Professional Category	ENUSA								EMGRISA		ETSA	
	Madrid		Juzbado		Saelices		UTE RSU Castellón		W	M	W	M
	W	M	W	M	W	M	W	M	W	M	W	M
Degree holders	42.5	57.5	30.2	69.8	28.6	71.4	33.3	66.7	41.8	58.2	53.8	46.2
Administrative personnel ⁽¹⁾	61.8	38.2	50	50	66.7	33.3	100	0	71.4	28.6	27.3	72.7
Production management	50	50	2.2	97.9	0	100	44.4	55.6	13.3	86.7	0	100
Laboratory and control	-	-	21.4	78.6	-	-	-	-	-	-	-	-
TOTAL	45.7	54.3	17.4	82.6	17.4	82.6	46.2	53.9	41.3	58.7	16.7	83.3

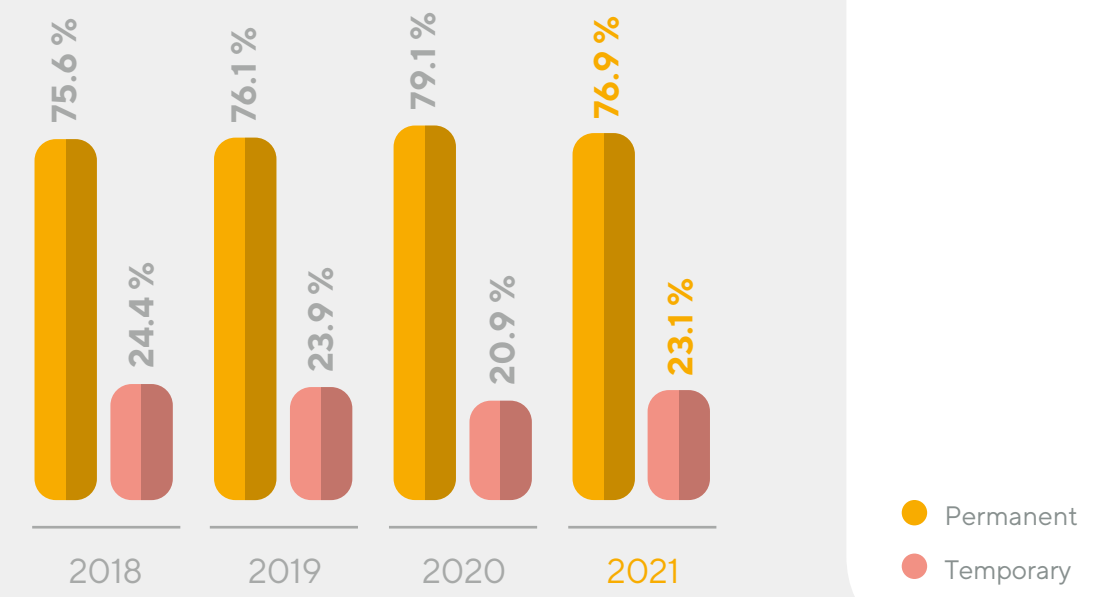
⁽¹⁾ In the case of ETSA: administration, traffic and workshop supervisors.

PRESENCE OF WOMEN IN THE ENUSA GROUP (%)

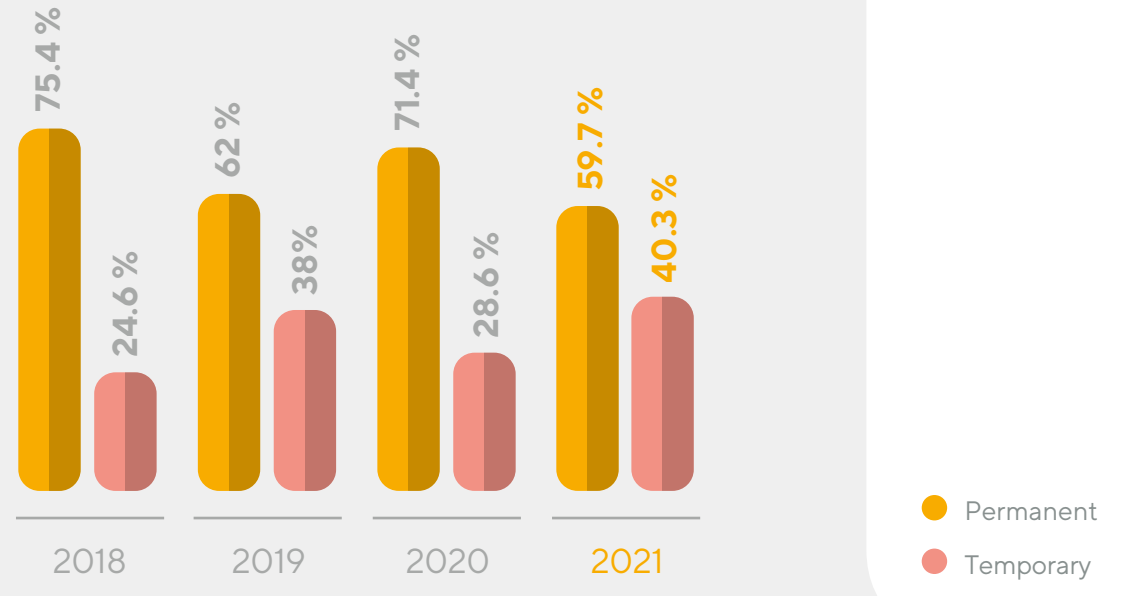
	2018	2019	2020	2021	Δ %
% of women in the workforce	26.03	26.6	26.6	27.4	0.8
Madrid	45.1	46	45.7	45.7	0
Juzbado	16	15.9	15.9	17.4	1.5
Saelices el Chico	12.9	14.8	16.7	17.4	0.7
UTE RSU Castellón	35.7	38.5	38.5	46.2	7.7
EMGRISA	37.7	40.9	41.3	39	-2.3
ETSA	17.4	12.2	13.5	16.7	3.2
% of women in management positions ⁽¹⁾					
Madrid	18.6	17.7	23	24	1
Juzbado	16.7	16.7	15.4	13.9	-1.5
Saelices el Chico	25	50	50	50	0
UTE RSU Castellón	20	20	20	14.6	-5.4
EMGRISA	30	37.5	37.5	42.9	5.4
ETSA	50	50	50	50	0
% of women on the Executive Committee					
ENUSA	25	25	50 ⁽²⁾	33.3	-16.7
EMGRISA	33.3	33.3	33.3	33.3	0
ETSA	0	0	0	0	0
% of women on the Board of Directors					
ENUSA	45.4	45.4	36.4	41.7	5.3
EMGRISA	0	0	66.7	66.7	0
ETSA	0	0	25	25	0

⁽¹⁾ % of total senior and middle management positions.
⁽²⁾ Change with respect to the 2020 consolidated non-financial information statement.

PERCENTAGE OF WORKFORCE BY EMPLOYMENT CONTRACT ENUSA

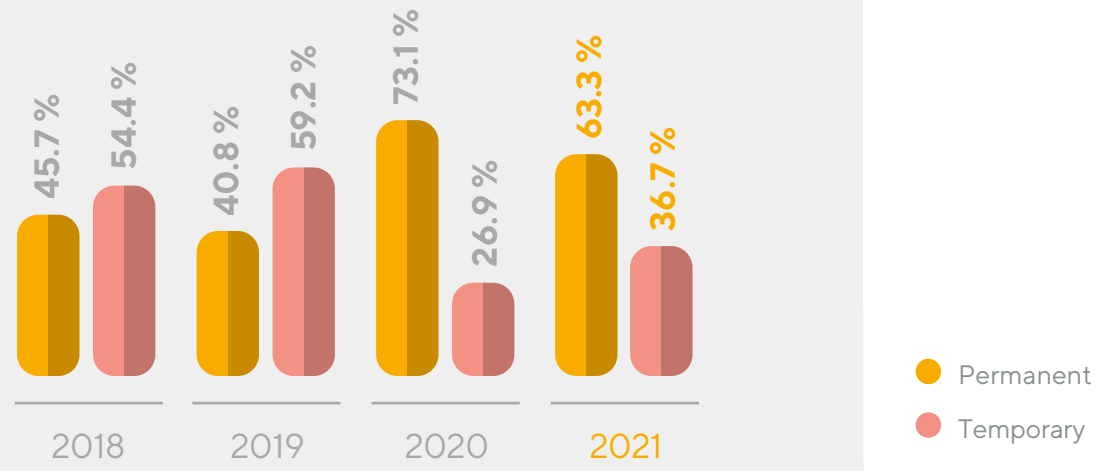


PERCENTAGE OF WORKFORCE BY EMPLOYMENT CONTRACT EMGRISA

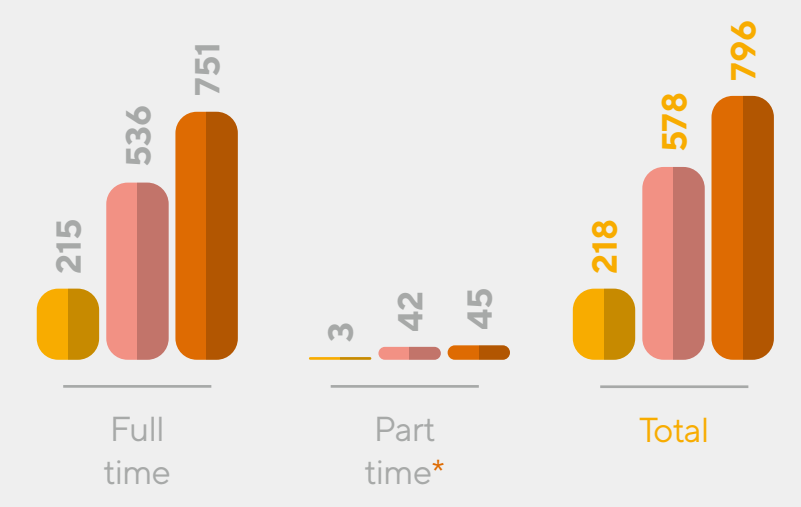


- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

PERCENTAGE OF WORKFORCE BY EMPLOYMENT CONTRACT ETSA



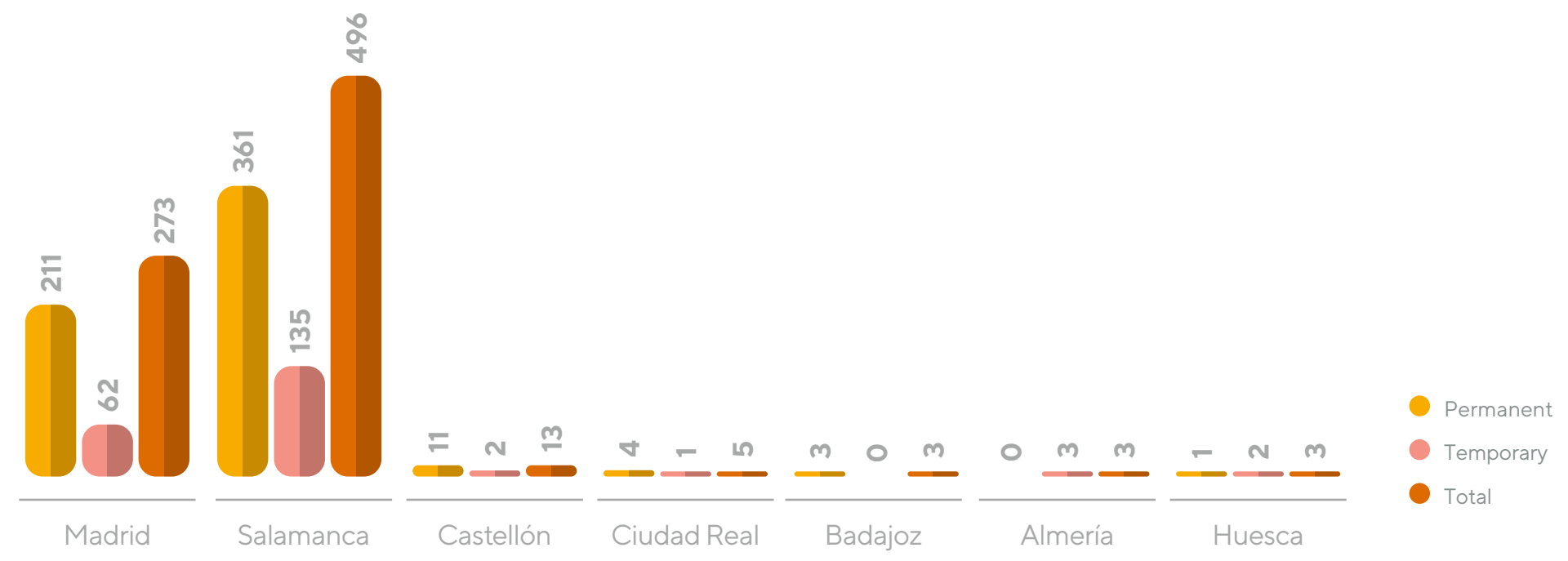
ENUSA GROUP WORKFORCE BY CONTRACT TYPE AND GENDER 2021



* Part-time contracts include those staff who are incorporated into the partial retirement scheme by a hand-over contract. According to the foregoing, 94.35% of the ENUSA Group workforce works full time.

● Women
● Men
● Total

ENUSA GROUP WORKFORCE BY CONTRACT TYPE AND REGION 2021



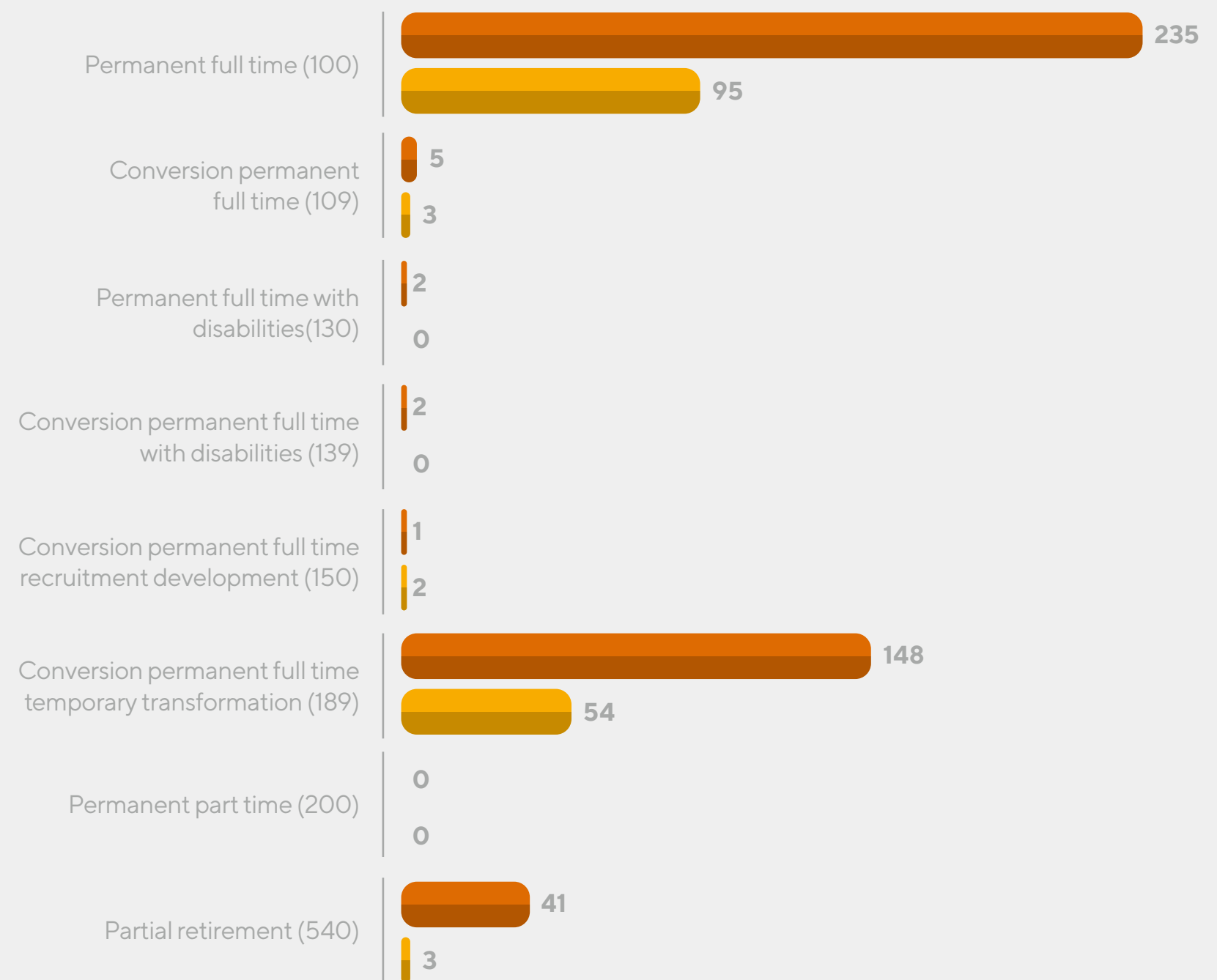
● Permanent
● Temporary
● Total



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

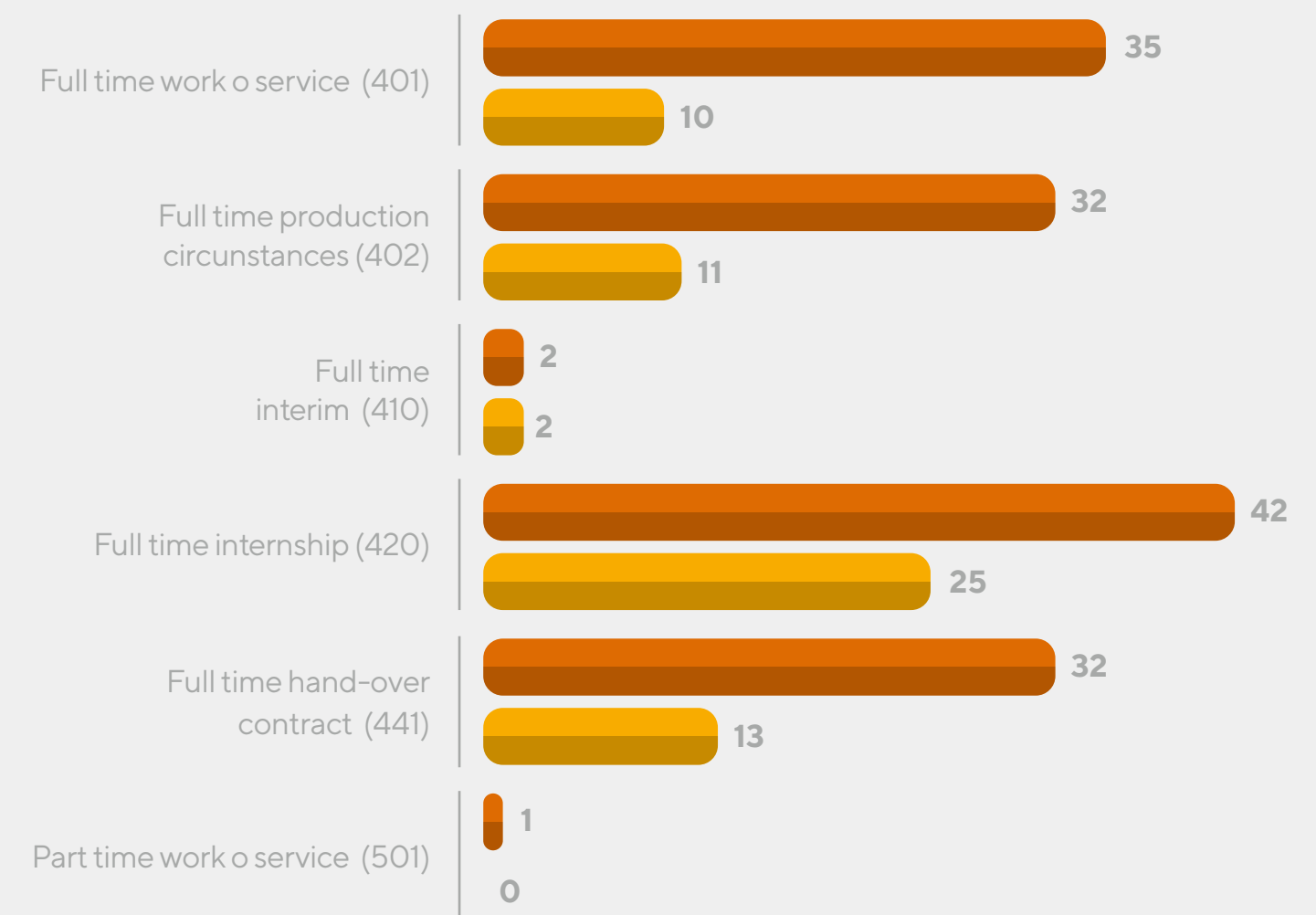
Total number and distribution of employment contract types in the ENUSA Group:

PERMANENT CONTRACTS AT THE ENUSA GROUP



● Men
● Women

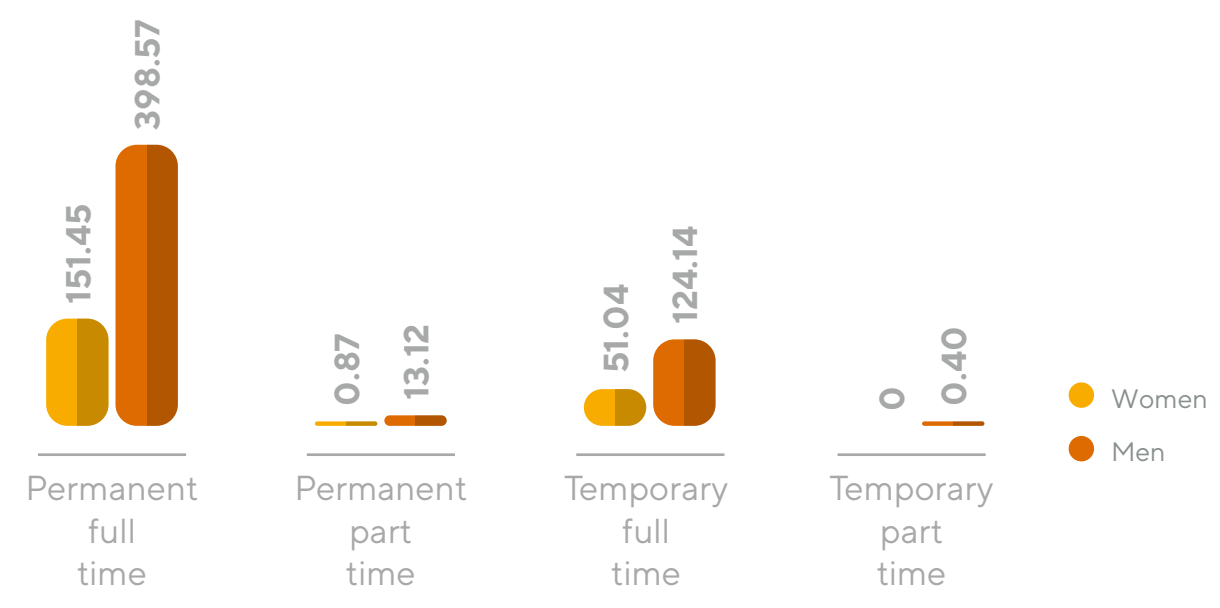
TEMPORARY CONTRACTS AT THE ENUSA GROUP



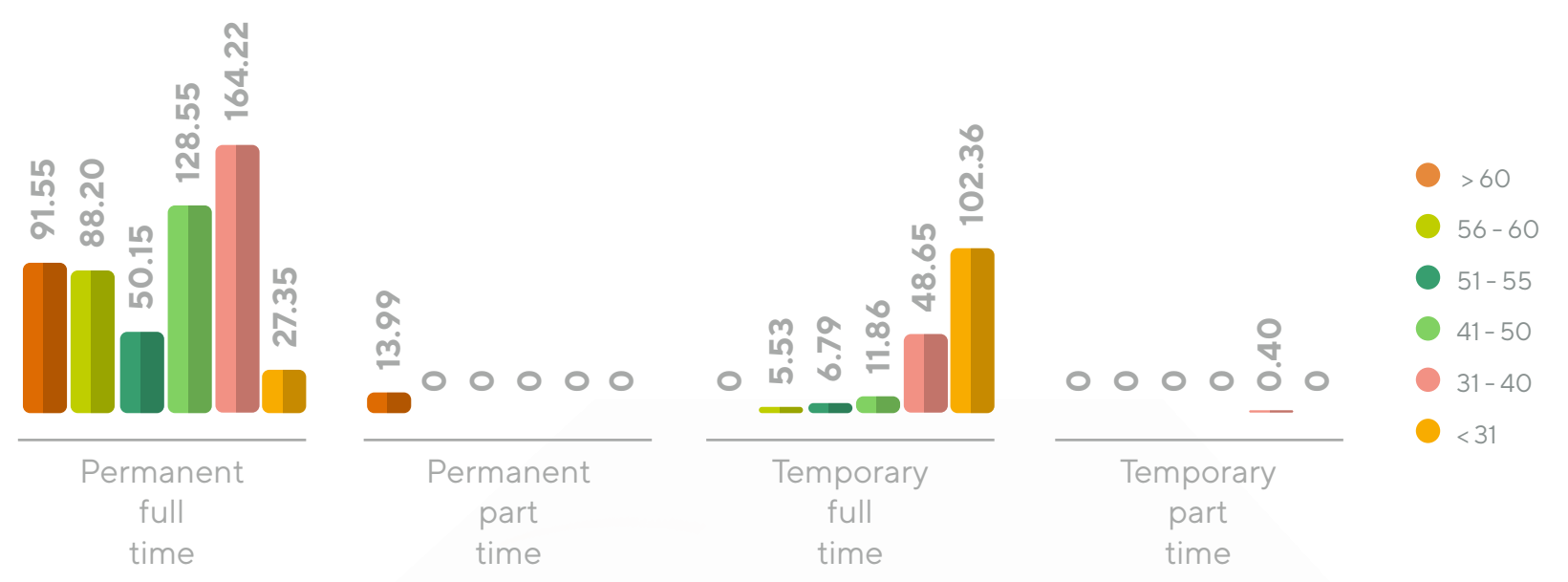
● Men
● Women

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

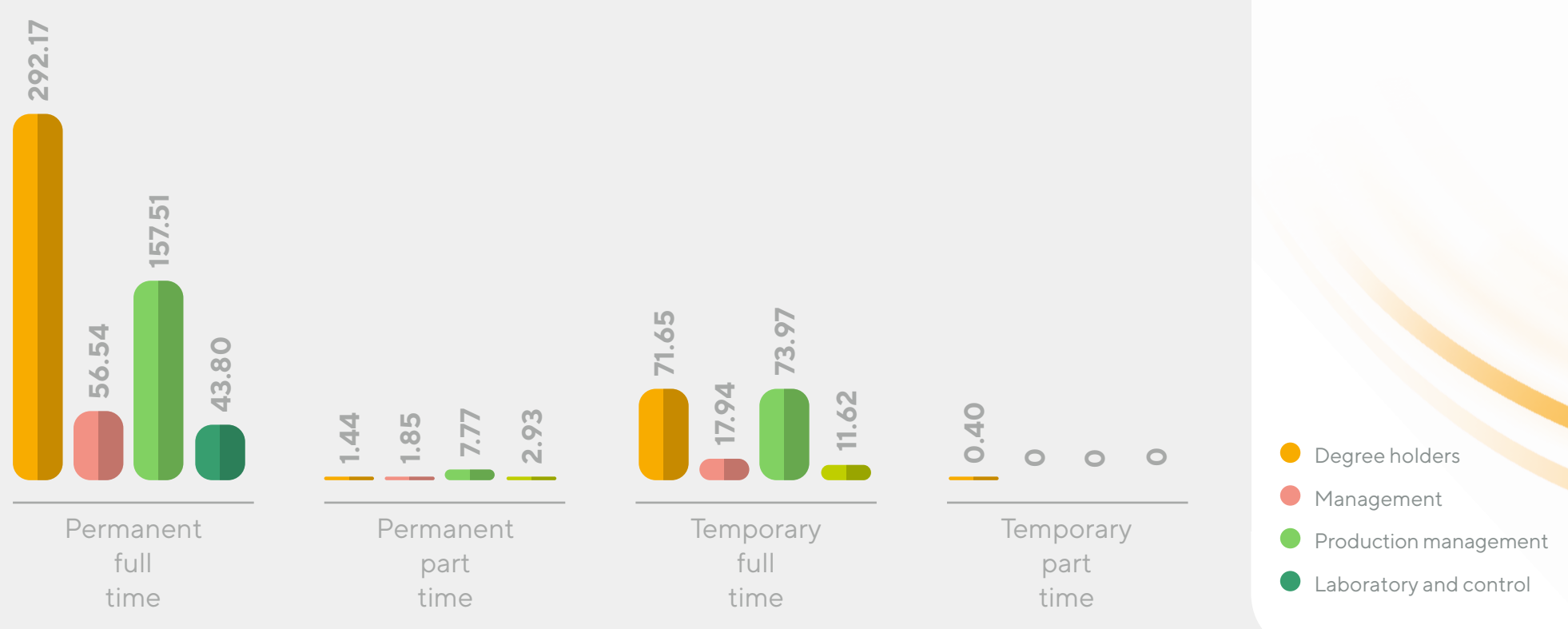
ANNUAL AVERAGE OF PERMANENT, TEMPORARY AND PART TIME CONTRACTS BY GENDER AT THE ENUSA GROUP



ANNUAL AVERAGE OF PERMANENT, TEMPORARY AND PART-TIME CONTRACTS BY AGE OF THE ENUSA GROUP



ANNUAL AVERAGE OF PERMANENT, TEMPORARY AND PART-TIME CONTRACTS BY PROFESSIONAL CLASSIFICATION AT THE ENUSA GROUP



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes



JOB

Since 2012, the ENUSA Group's employment policies have been set within the framework of action provided for annually in the General State Budget Law. Hiring is mainly in the form of temporary contracts, mainly internships and temporary contracts. Permanent contracts for each financial year are authorised against the replacement rate, as it is a company that has made profits in the last two years.

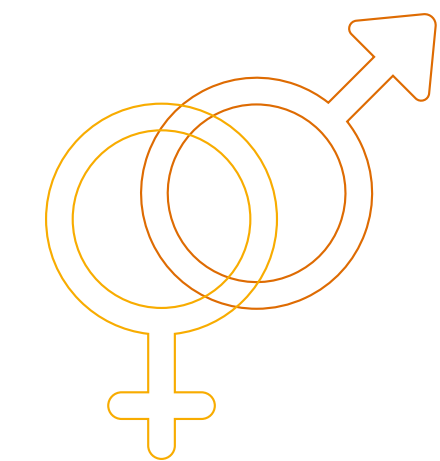
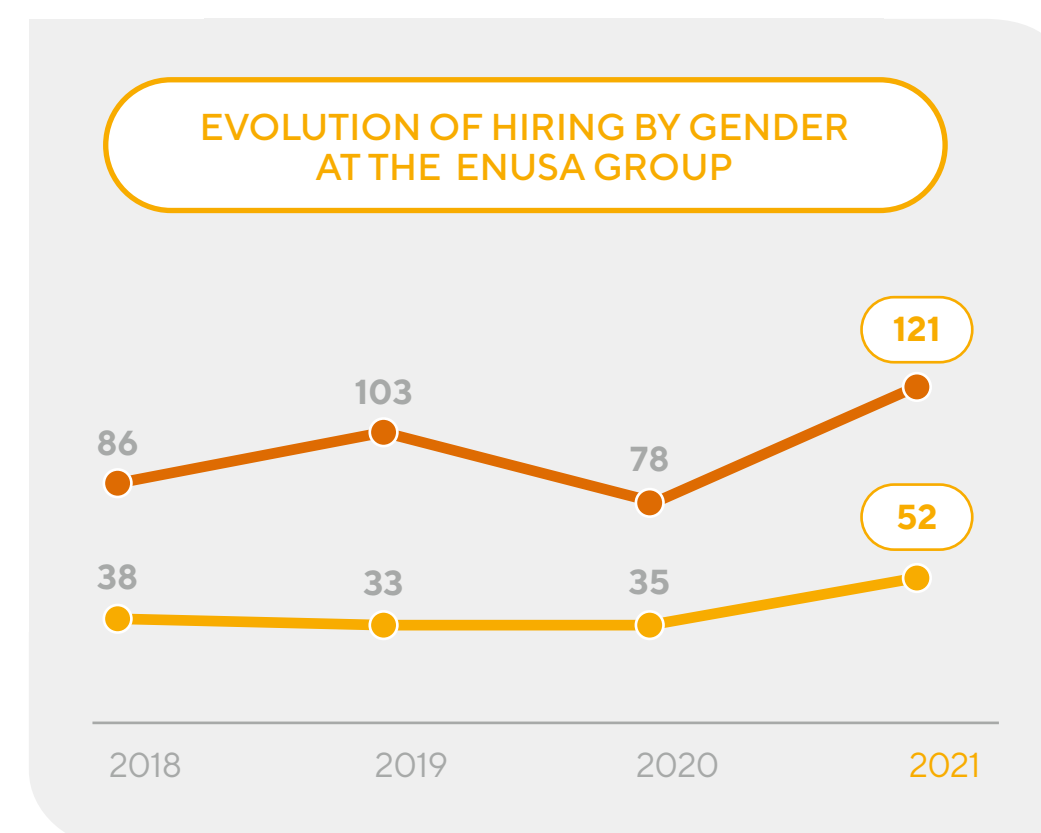
In the 2021 financial year, 173 new hires were made in the ENUSA Group, with the following breakdown by company, gender and age:



ENUSA GROUP HIRING BY AGE AND GENDER

AGE RANGE	ENUSA								EMGRISA		ETSA		TOTAL ENUSA GROUP			
	Madrid		Juzbado		Saelices		UTE RSU Castellón		M	W	M	W	M	W		
	M	W	M	W	M	W	M	W								
16 to 19									0	0			0	0		
20 to 24		1	18	3			1		19	4			2		21	4
25 to 30	12	11	32	11					44	22	8	7	3	4	55	33
31 to 39	2	2	13	3					15	5	4	3			19	8
40 to 44		3							0	3	4				4	3
45 to 49	1							1	1	1	3		2		6	1
50 to 59	4		1						5	0	4	1	5		14	1
60 to 64	1	2	1						2	2					2	2
>65									0	0					0	0
TOTAL	20	19	65	17	0	0	1	1	86	37	23	11	12	4	121	52
SUM	39		82		0		2		123		34		16		173	

The evolution of ENUSA Group hiring by gender is set out below:



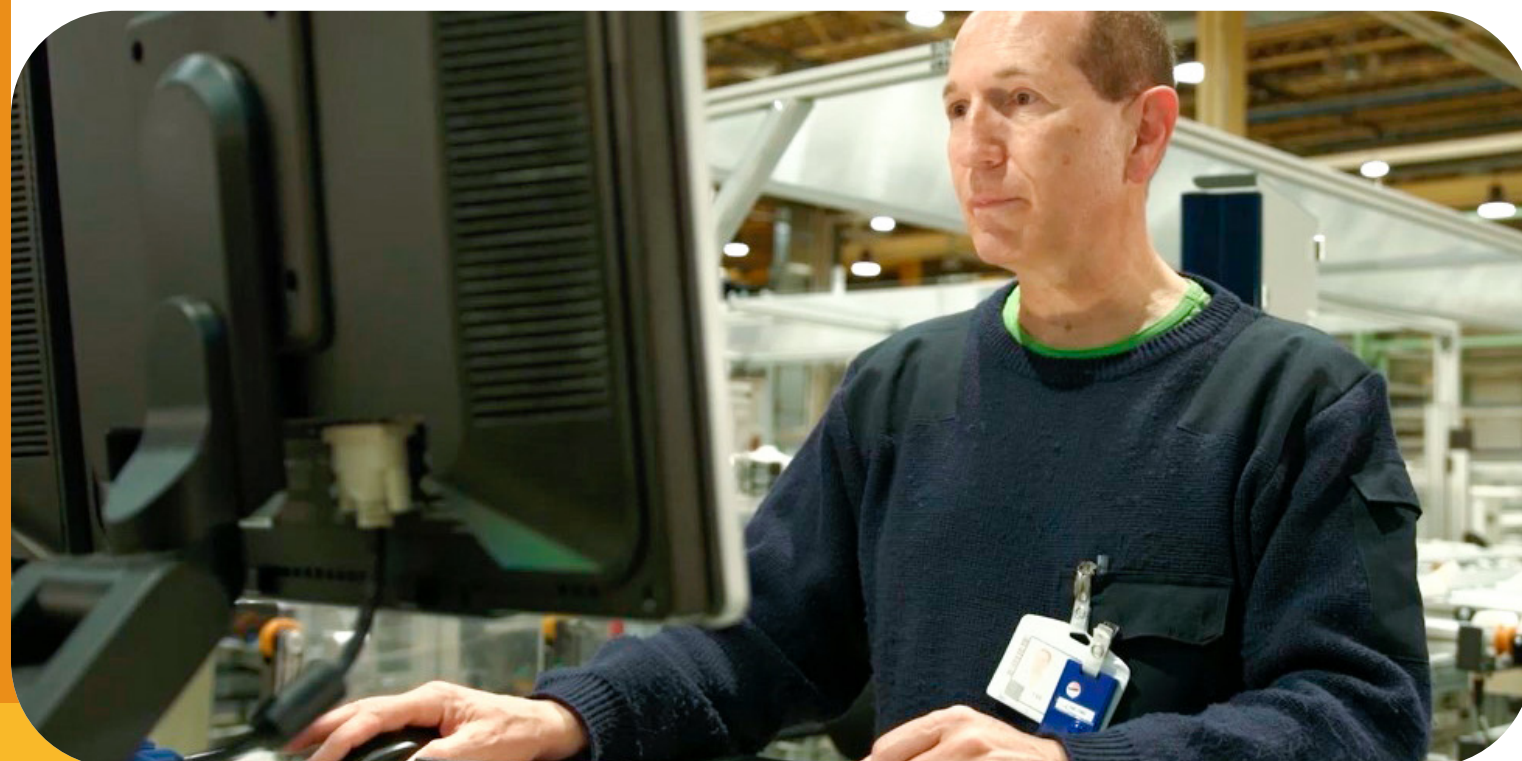
- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

The following is the 2021 staff turnover rate for ENUSA, broken down by gender and age:

ENUSA TURNOVER RATE (%)										
AGE RANGE	MADRID		JUZBADO		SAELICES		UTE RSU CASTELLÓN		SUM OF CENTRES	
	M	W	M	W	M	W	M	W	M	W
16 to 19									0	0
20 to 24	0.48	0.95	1.69						1.21	0.30
25 to 30	4.29	3.33	7.26	1.69	8.70%		7.69		6.37	2.12
31 to 39	2.38	2.86	4.60	0.97		4.35	7.69		3.79	1.67
40 to 44		1.90	0.24						0.15	0.61
45 to 49		1.43	0.24						0.15	0.46
50 to 59	2.38	0.48	0.24		4.35				1.06	0.15
60 to 64	3.33	2.38	2.91						2.88	0.76
>65	0.95	0.95	0.73						0.76	0.30
TOTAL	13.81	14.29	17.92	2.66	13.04	4.35	15.38	0	16.39	6.37
SUM	28.10		20.58		17.39		15.38		22.76	

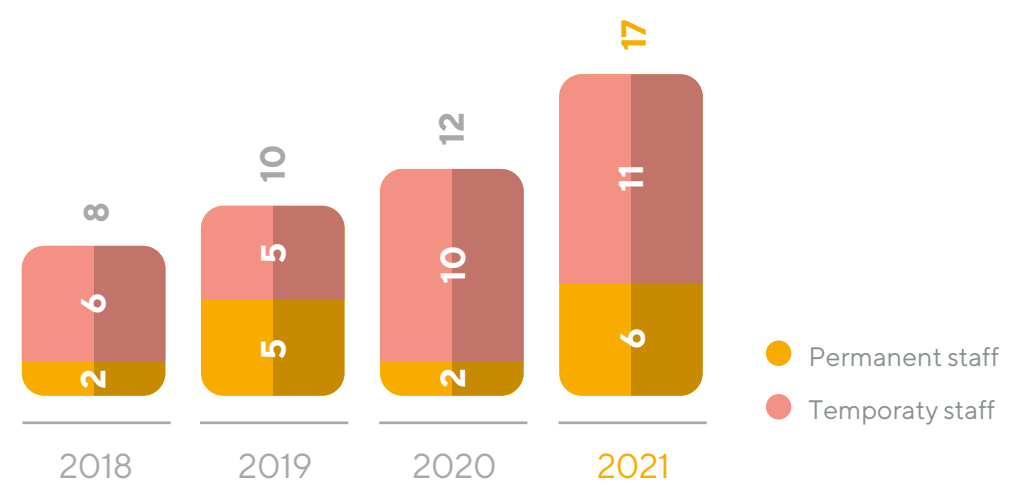
The following is the 2021 staff turnover rate for the ENUSA Group, broken down by gender and age:

ENUSA GROUP TURNOVER RATE (%)										
AGE RANGE	ENUSA		EMGRISA		ETSA		TOTAL ENUSA GROUP			
	M	W	M	W	M	W	M	W		
16 to 19							0	0	0	0
20 to 24	1.21	0.30					1.01	0.25	1.01	0.25
25 to 30	6.37	2.12	2.60		11.67	1.67	6.41	1.88	6.41	1.88
31 to 39	3.79	1.67	5.19	6.49	3.33		3.89	2.01	3.89	2.01
40 to 44	0.15	0.61	1.30	1.30	1.67		0.38	0.63	0.38	0.63
45 to 49	0.15	0.46	2.60		1.67		0.50	0.38	0.50	0.38
50 to 59	1.06	0.15	3.90	1.30	3.33		1.51	0.25	1.51	0.25
60 to 64	2.88	0.76					2.39	0.63	2.39	0.63
>65	0.76	0.30	1.30				0.75	0.25	0.75	0.25
TOTAL	16.39	6.37	16.88	9.09	21.67	1.67	16.83	6.28	16.83	6.28
SUM	22.76		25.97		23.33		23.12			



In the last four years, 47 voluntary resignations have been recorded at the ENUSA Group.

NO. OF VOLUNTARY RESIGNATIONS ENUSA GROUP



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

JOB PLACEMENT OF PERSONS WITH DISABILITIES

Article 42.1 of Royal Legislative Decree 1/2013, of 29 November, approving the Revised Text of the General Law on the Rights of Persons with Disabilities and their Social Inclusion, establishes that public and private companies employing 50 or more workers must ensure that at least 2 per cent of them are workers with disabilities. However, on an exceptional basis, they may be exempted from this obligation provided that they apply the alternative measures determined in Royal Decree 364/2005, of 8 April, which regulates the exceptional alternative fulfilment of the reserve quota in favour of workers with disabilities.

In compliance with this legal obligation, in the 2021 financial year ENUSA has renewed its request for an exception, as it did not comply with the reserve quota of workers with disabilities (9 workers currently on the workforce and according to the average workforce there should be 12). This new authorisation is valid for three years.

In 2021, for the fulfilment of the obligations derived from the exceptional authorisation, the entities designated as beneficiaries have been paid the amount of 30,505.10 euros.





UNIVERSAL ACCESSIBILITY

Depending on their characteristics, the facilities of the ENUSA Group workplaces present a different situation in terms of the basic conditions of accessibility and non-discrimination.

The current offices of the headquarters of ENUSA and its subsidiary EMGRISA, in Madrid, underwent extensive refurbishment and renovation work during 2016 and 2017, which involved a complete overhaul and renovation of the use and accessibility of same. Accordingly, current and reference regulations governing universal accessibility for people with disabilities were scrupulously applied in the conception and execution of the project.

In this regard, access to the building is on ground level and the various slopes are bridged by suitable ramps. For access to the different floors, one of the lifts is adapted for people with reduced mobility, as are the entrance turnstiles, which have an alternative passageway of sufficient width and space. For Floor -1, where there is no elevator access, there is a stair lift.

All floors have a level accessible route that connects the entire floor with the vertical communication cores, which are accessible and have sufficient free area for a wheelchair user to move around. These routes, like the rest of the office, are laid with anti-slip flooring and have appropriate signage. On each floor, one of the different evacuation routes established in case of fire always coincides with the existing accessible route and the emergency exits of these accessible routes are always at the same level on all floors of the office.

The work spaces are made up of open-plan areas that comply with the dimensions established for people with reduced mobility and the office is equipped with three adapted toilets, which are located on the accessible routes and are fully accessible from the rest of the floors.

For all these reasons, and in compliance with all accessibility requirements for people with disabilities, the offices have had an operating permit from the Madrid City Council since July 2018.

The Juzbado factory is a facility designed to ensure universal accessibility, bearing in mind that such accessibility must be designed to ensure the protection of people as a priority objective and must be compatible with the requirements stemming from its status as a manufacturing facility, classified as a nuclear facility in accordance with the Regulation on Nuclear and Radioactive Facilities.

The Saelices el Chico centre has built-up public facilities and buildings dating from the early 1980s, and therefore meets the construction and accessibility requirements of the time, taking into account the functionality required in the context of a mining and uranium concentrate production facility in an eminently natural environment.

It is therefore reasonable to assume that universal accessibility can only be assessed in the built-up environment of the facility, excluding the possibility of making mining and industrial facilities and their annexes accessible.

All the buildings that make up the built-up space (offices, medical centre, canteen, social complex and laboratory) have accessible routes that connect the main entrance with the public road and with the accessible parking spaces.

The main access to the built-up area is via a turnstile system, but in parallel there is barrier-regulated access at the same level, which could be used by people with reduced mobility, both for individuals and adapted vehicles.

All existing buildings are ground floor and there are no access stairs at any point. There is a step at the entrance to the social and dining area, as well as low water control kerbs on the roadway that do not exceed 10 cm in any case. In the event of fire, the evacuation routes and emergency exits are always level. In the main office building there is a toilet specially equipped for people with reduced mobility.

In 2018, and in accordance with the provisions of the General Law on the Rights of Persons with Disabilities and their Social Inclusion, a list of basic accessibility conditions included in the Basic Document on Safety of Use and Accessibility (DB-SUA), belonging to the Technical Building Code (CTE), was drawn up to assess their possible implications on the built-up facilities of Saelices, and to identify those needs that can reasonably be met.

During 2021, the floor of the reserved parking space in the interior car park of the urbanised area, in the position closest to the office, for the exclusive use of people with reduced mobility, has been painted with the standard symbols.

The ETSA subsidiary's workplace is located in a two-storey multi-company office building. The employee entrance is located at the front of the building, allowing direct access from the outside car park. ETSA's office is located on the ground floor, at street level, and its main entrance is easily and safely accessible for all persons. The difference in height between the public road and the entrance to the building is bridged by steps and an accessible alternative (ramp). Once inside the office, the flow and work spaces are adequate, eliminating the need for changes in level throughout the floor. The adapted toilets are located on the same floor, in the building's common space.

1

Letter from the Chairman

2

Good Governance

3

Main Economics Figures

4

ENUSA Group Estructure

5

Report Parameters

6

Economic Performance



Social Performance

8

Environmental Performance

9

Annexes

EQUALITY

Gender equality and diversity are central aspects of the social commitment and corporate responsibility of the ENUSA Group.

The ENUSA Equality Plan is the framework document that formally includes this commitment to equal opportunities between women and men and diverse people, which, in turn, is reflected in other documents that serve to certify our action in this area, such as membership to the United Nations Global Compact or our Code of Conduct, which rejects any discriminatory conduct in relation to gender or any other aspect.

ENUSA EQUALITY PLAN

The ENUSA Equality Plan was approved for the first time in 2011 in compliance with Organic Law 3/2007, of 22 March, for the effective equality of women and men and has been the subject of successive updates in 2015 and 2019.

Through this plan the following objectives are pursued:

- Ensure that equal opportunities for incorporation and professional development are guaranteed to women and men.
- Promote and improve the possibilities of access of women to positions of responsibility in order to achieve a balanced representation.
- Ensure equal opportunities for all ENUSA employees in diverse situations, regardless of their functional diversity, sexual orientation, culture and nationality, ideology, religion, family and social situation, etc.
- Promote an organisational culture that promotes gender equality and respect for diversity.
- Establish a protocol for the prevention and eradication of gender, sexual or psychological harassment (mobbing).

To achieve these objectives, the Equality Plan contains a series of measures that affect the company's policies in the area of human resources, the co-responsible exercise of the rights of personal, family and work life, the protection of pregnancy, maternity and paternity and the protection of victims of gender violence. Likewise, the Equality Plan contains the action protocol for the prevention and eradication of gender, sexual or psychological harassment.



ACTIONS ARISING FROM THE NEW EQUALITY LEGISLATION

Following the entry into force of the new legislation on equality at the end of 2020, specifically Royal Decree 901/2020, of 13 October, which regulates equality plans and their registration, and Royal Decree 902/2020, of 13 October, on equal pay for women and men, the ENUSA Group is working with the firm intention of complying with the requirements of this legislation.

To this end, during the year 2021, a new Equality Committee has been set up in ENUSA, made up of representatives of management and staff representatives, with the aim of working together on the different actions to be undertaken to adapt the current Equality Plan to the new legal developments, promoting an organisational culture geared towards equality and making the principle of equal treatment and opportunities effective.

For their part, the subsidiary companies, ETSA and EMGRISA, which, although they did not have an Equality Plan, had already been working in this area for years, have been obliged by this new legislation to have an Equality Plan with the requirements established therein. In this way, as in the case of the parent company, the subsidiaries are working on different actions to comply with the objective of seeing the values of the ENUSA Group in terms of equality reflected in their respective Equality Plans.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance


Social
Performance

8
Environmental
Performance

9
Annexes

COLLECTIVE BARGAINING AND UNION REPRESENTATION

The ENUSA Group's Code of Conduct includes a special interest in the control and monitoring of Human Rights linked to business activity, including the right of association (freedom of association and the right to collective bargaining).

At ENUSA, 85.8% of the workers have their working conditions and productivity regulated through the specific collective bargaining agreements of each workplace. The remaining 14.2% are Personnel with Individual Contracts and have an individual employment relationship with the company.

Likewise, the three workplaces have union representation. In 2021, once the mandatory electoral processes have been concluded, the positions of the new works council of the Madrid workplace and of the personnel delegate of the Saelices workplace have been renewed.

ENUSA UNION REPRESENTATION 2021

TRADE UNION CENTRE	COMUNIDAD DE MADRID		CASTILLA Y LEÓN				COMUNIDAD VALENCIANA		TOTAL			
	Madrid		Juzbado		Saelices		Sum Castilla y León		UTE RSU Castellón ⁽¹⁾			
	No.	%	No.	%	No.	%	No.	%	No.	%		
USO	0	0	4	30.8	0	0	4	28.6	0	0	4	17.4
CC.OO.	0	0	4	30.8	1	100	5	35.7	0	0	5	21.7
UGT.	2	22	5	38.5	0	0	5	35.7	0	0	7	30.4
CSIF	7	78	0	0	0	0	0	0	0	0	7	30.4
TOTAL	9	100	13	100	1	100	14	100	0	0	23	100

⁽¹⁾ The information referring to the UTE RSU Castellón is only reflected for the purposes of accounting consolidation, as its personnel is contracted directly by the UTE and not by ENUSA.

To facilitate communication between employees and their representatives, the trade unions and works councils at each workplace have specific forums on the intranet, as well as physical bulletin boards at the workplaces and their own e-mail accounts.

At EMGRISA, the organisation of social dialogue, including the procedures for informing, consulting and negotiating with staff, is carried out through the staff delegates (two for CC.OO and one independent), with 100% of the workforce covered by the collective agreement for the sector of engineering companies and technical consultancy offices.

At ETSA, company agreements, existing agreements and the applicable sectoral collective bargaining agreement (Road Freight Transport Agreement for the province of Salamanca) comply with the provisions of the legislation in force and/ or the Workers' Statute. The personnel representation body is made up of three staff delegates (two for CC.OO. and one independent).



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

REMUNERATION AND PRODUCTIVITY POLICY

The right to equal and satisfactory employment conditions is another of the human rights to which the Code of Conduct of the ENUSA Group pays special interest, in view of its labour-related nature.

At ENUSA, managers carry out quarterly performance appraisals of their personnel in order to properly monitor staff activity and performance. These evaluations consider the following points:

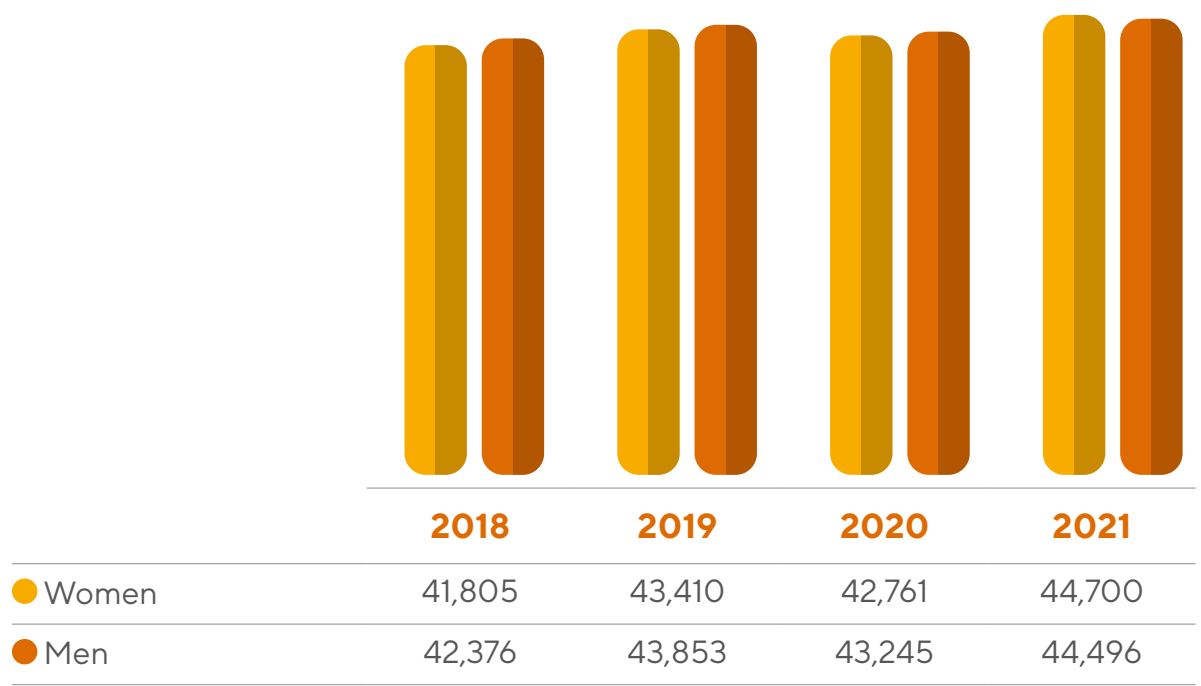
- ◆ **Strengths:** positive behaviours, exceptional performances, meeting targets, etc.
- ◆ **Aspects to improve:** shortcomings found in performance, proposed solutions, etc.

In order to increase productivity and to check that the company's strategy has been communicated and understood, annual personnel appraisal interviews are also carried out. There is also a variable collective productivity incentive to motivate the direct participation of the workforce in the company's results. This is an annual financial incentive subject to the achievement of targets set between management and the works councils of the various workplaces.

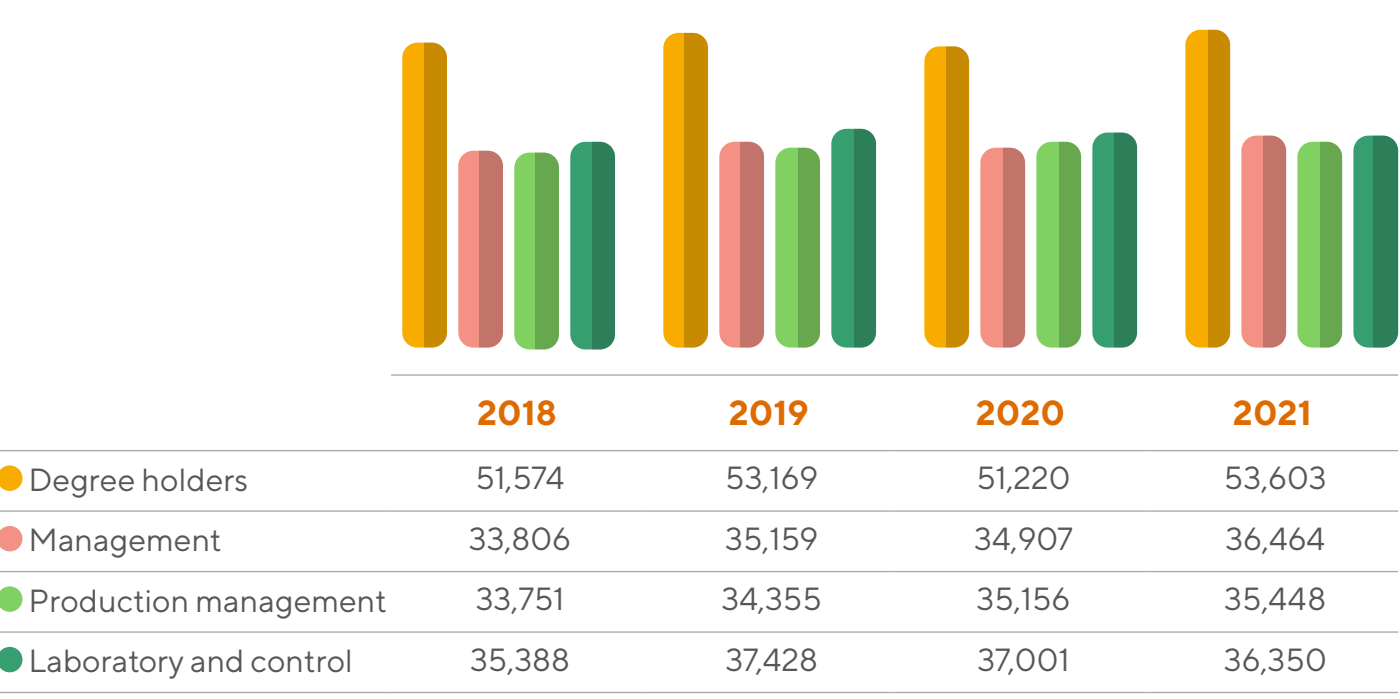
The members of the Executive Committee are evaluated annually, in this case by SEPI, ENUSA's main shareholder.

The average remuneration data for ENUSA Group employees, broken down by gender, age and professional classification, are shown below.

AVERAGE ENUSA GROUP REMUNERATION BY GENDER (€)

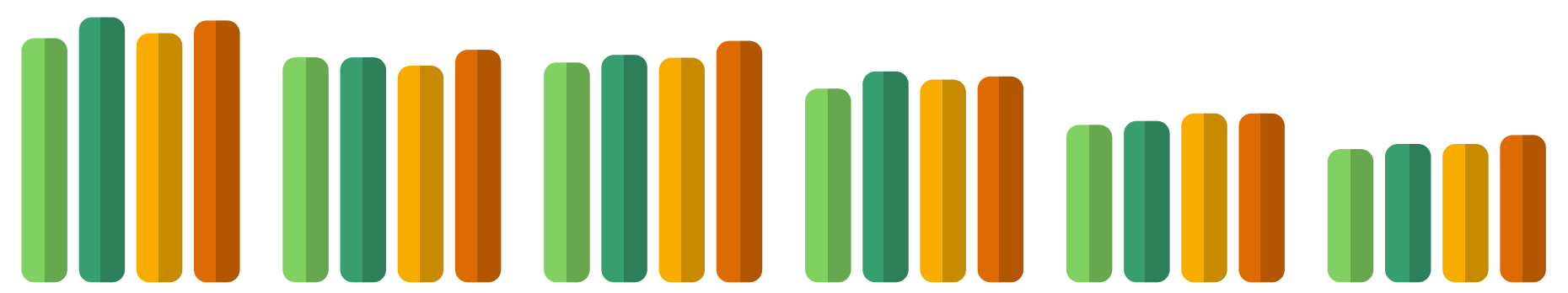


AVERAGE ENUSA GROUP REMUNERATION BY CATEGORIES (€)



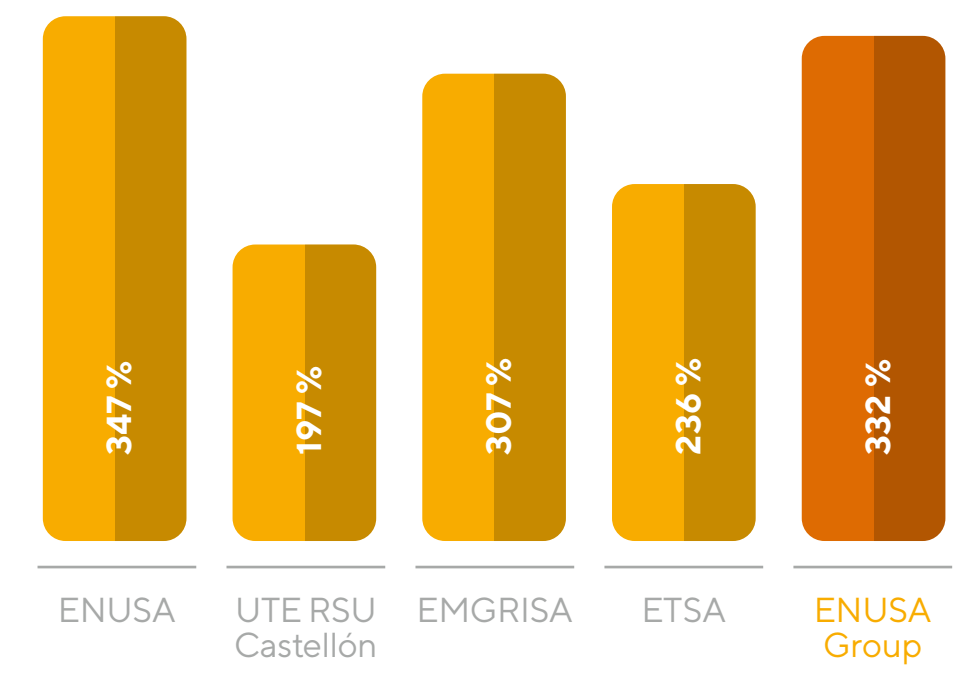
- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

AVERAGE ENUSA GROUP REMUNERATION BY AGE (€)



For information purposes, a comparison of the average remuneration of the Group with respect to the Interprofessional Minimum Wage (IMW) is included:

AVERAGE ENUSA GROUP REMUNERATION BY IMW



Royal Decree 817/2021, of 28 September, sets the IMW at 965 euros gross per month distributed in 14 payments (€13,510 per year).



GENDER PAY GAP IN THE ENUSA GROUP

Below is the data on the calculation of the gender paygap in the ENUSA Group companies. The method of calculation of this indicator has been modified from previous reports to reflect a figure based on differences in average remuneration by professional group and age without including managers.

When analysing the data, it should be borne in mind that information is only included for those categories that have data for men and women and can therefore be compared.

GENDER PAY GAP IN THE ENUSA GROUP BY PROFESSIONAL GROUP

	MEN'S REMUNERATION/ WOMEN'S REMUNERATION			(MEN'S REMUNERATION - WOMEN'S REMUNERATION) / MEN'S REMUNERATION		
	ENUSA	EMGRISA	ETSA	ENUSA	EMGRISA	ETSA
Degree holders	1.12	1.10	1.23	11%	9%	19%
Administrative personnel	1.10	(*)	(*)	9%	(*)	(*)
Production management	1.06	(*)		6%	(*)	
Laboratory and control	1.13			12%		

(*) Data are not included because they are considered non-representative as there are less than three professionals for any of the genders. For this same reason, the UTE RSU Castellón is not included.

GENDER PAY GAP IN THE ENUSA GROUP BY AGE RANGES

	MEN'S REMUNERATION/ WOMEN'S REMUNERATION			(MEN'S REMUNERATION - WOMEN'S REMUNERATION) / MEN'S REMUNERATION		
	ENUSA	EMGRISA	ETSA	ENUSA	EMGRISA	ETSA
> 60	1.08	(*)		7%	(*)	
56 - 60	0.97	(*)		-3%	(*)	
51 - 55	1.07	(*)	(*)	6%	(*)	(*)
41 - 50	1.06	0.90	(*)	6%	-11%	(*)
31 - 40	0.99	0.82	(*)	-1%	-22%	(*)
< 31	1.02	0.91	1.16	2%	-10%	14%

(*) Data are not included because they are considered non-representative as there are less than three professionals for any of the genders. For this same reason, the UTE RSU Castellón is not included.

RECONCILIATION OF PERSONAL, FAMILY AND WORK LIFE

The ENUSA Group has designed a flexible working hours policy that favours the reconciliation of personal, family and work life. In addition to the possibility of requesting a reduction in working hours, the ENUSA Equality Plan contains specific measures to promote work-life balance.

PERSONNEL OF THE ENUSA GROUP WITH REDUCED WORKING HOURS

	2018		2019		2020		2021	
	Men	Women	Men	Women	Men	Women	Men	Women
Madrid	2	5	2	7	2	4	2	5
Juzbado	2	6	2	5	4	6	4	6
Saelices	0	0	0	0	0	0	0	0
UTE RSU Castellón	0	0	0	0	0	0	0	0
Total ENUSA	4	11	4	12	6	10	6	11
ETSA	0	2	0	1	0	1	0	1
EMGRISA	1	4	3	4	1	4	0	1
Total subsidiaries	1	6	3	5	1	5	0	2
TOTAL ENUSA GROUP	5	17	7	17	7	15	6	13

MATERNITY AND PATERNITY

During 2021, 39 workers (5 women and 34 men) took maternity or paternity leave in the ENUSA Group. During the same year, 36 workers (4 women and 32 men) were reinstated from maternity or paternity leave.

In addition, as of 31 December 2021, 3 women and 21 men continued to work in the ENUSA Group after returning to work in 2020 from maternity or paternity leave, respectively.

ENUSA GROUP 2021 RETURN TO WORK AND JOB RETENTION RATES

	RETURN TO WORK RATE ⁽¹⁾			JOB RETENTION RATE ⁽²⁾		
	Women	Men	Total	Women	Men	Total
ENUSA	100%	100%	100%	100%	100%	100%
EMGRISA	-	100%	100%	100%	-	100%
ETSA	100%	-	100%	-	-	-

⁽¹⁾ Return to work rate: % of people who, having to return to work in 2021 from maternity or paternity leave, have actually returned to work.

⁽²⁾ Job retention rate: % of people who returned from maternity or paternity leave in 2020 and continue to work as of 31.12.2021.

SOCIAL BENEFITS

ENUSA

The social benefits described in this section are limited each year to the expenditure authorised by the Ministry of Finance for each wage bill of the Group, as they are included in the General State Budget Law of the year of application in all matters relating to personnel expenses.

Access to the social benefits enjoyed by the ENUSA workforce varies according to the length of service in the company and, in some cases, the type of contract of the worker. However, access is always regulated by the applicable collective bargaining agreement or the standard issued each year for certain concepts (school aid, etc.) and only in exceptional situations does the general rule not apply (e.g. registration for health insurance for workers with a contract of uncertain duration and so on).

Aid for children's studies

ENUSA offers study aid to the children of its personnel:

AID FUND FOR EMPLOYEES' CHILDREN 2021

	MADRID	JUZBADO	SAELICES	TOTAL
Amount (€)	70,913.09	102,236.46	5,508.82	178,658.37
No. children who have benefited	132	150	8	290

Other social benefits

- Extra-salary help for food and transportation.
- Aid for worker training.
- Bonus for birth or legal adoption.
- Loyalty awards, upon reaching 20 and 25 years of service in the company.
- Accident and/or other permanent or total disability and death insurance.
- 50% of the amount of a voluntary family health insurance that workers have arranged.
- Orphan aid for the education of children under 18 years of age.
- Pension plan that can be voluntarily joined by all company employees with a recognised length of service of one year in the case of permanent employees and two years in the case of temporary employees. The company's contributions to the pension plan have been suspended since 2012 due to the application of the measures to contain personnel costs in the state public sector in successive General State Budget Laws.
- Leave due to illness or accident is not penalised, as long as it is recognised by the Medical Service, and 100% of the real wage is paid in full.
- Permanent employees are entitled to receive a loan of four months' net salary.
- The company guarantees its permanent employees before financial and credit institutions for the purchase or renovation of their homes, (as long as the conditions for its concession are met) certain economic amounts established in the collective agreement.

EMGRISA

The subsidiary EMGRISA offers its employees various social benefits such as accident insurance, 50% of the cost of medical insurance, meal vouchers and the possibility of replacing them with childcare vouchers, transport bonuses and training aid.

ETSA

At ETSA, employees can benefit from meal allowance, transport allowance and health insurance.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

2 TRAINING

The year 2021 has seen a recovery in training performance levels after the decline in 2020 records due to the situation that arose in that year as a result of the COVID-19 pandemic.

However, the situation of the past year has led to some opportunities that have been consolidated in 2021, such as the strengthening of the online training modality. Contrary to what happened before the pandemic, when practically all training was carried out in a face-to-face format, this year, a large number of mandatory training actions have been designed on the interactive online platform, which has increased the possibilities for implementation.

Thus, although the pandemic situation has continued in 2021, which has meant that a large number of staff have spent a large part of the working day teleworking, the new virtual training modality has enabled the training needs to be covered practically in their entirety.



ANNUAL TRAINING ACTION PLAN

The need for continuous training of our staff is mainly supported by ENUSA's Annual Training Action Plan, which includes dissemination and awareness-raising actions, in addition to training in accordance with instructions and legislative and regulatory procedures applicable (occupational risk prevention, crime prevention, information security, data protection, etc.). Of particular relevance is safety training, both for people and for the environment and facilities, an essential requirement in any industrial environment, but especially important in the nuclear industry, whose strict monitoring and control is exercised by the regulatory bodies.

Our industry, one of the most technologically advanced, cannot neglect the adaptation and improvement of the knowledge of its human resources. This is why the Training Plan entails a high investment in the acquisition of technological competences and specialisation skills.

Qualification in digital matters has become increasingly important and, as a result, a greater number of courses are being incorporated each year to help our staff meet the objectives of the Industry 4.0 Plan.

OBJECTIVES:

- Ensure that the people on the ENUSA staff have the information, knowledge and aptitude in matters whose compliance is inexcusable: occupational risk prevention, crime prevention and data protection.
- Guarantee training in conventional, nuclear and cybersecurity, in the same way as that derived from environmental protection and sustainability.
- Persevere in the qualification of human resources to ensure success that safeguards and supports personal and organisational progress.
- Adapt the workforce to the context and changes that the new scenarios that are opening up in ENUSA's Strategic Plan entail.

BLOCKS OF TRAINING ACTIONS THAT MAKE UP THE PLAN:

- Compulsory training actions: required by the legislation and regulations applicable to industrial activity in general, to the state public sector and to the nuclear field in particular: safety, occupational risk prevention, crime prevention, data protection, quality and the environment.
- Other training actions:
 - Technical: to adapt and update the knowledge and skills required by the main activity.
 - Management: for the performance of cross-cutting functions.
 - Multidisciplinary: complementary to role-specific training.
 - Competence-based: to address future strategies and cultural and organisational changes.

Training needs are determined in several ways:

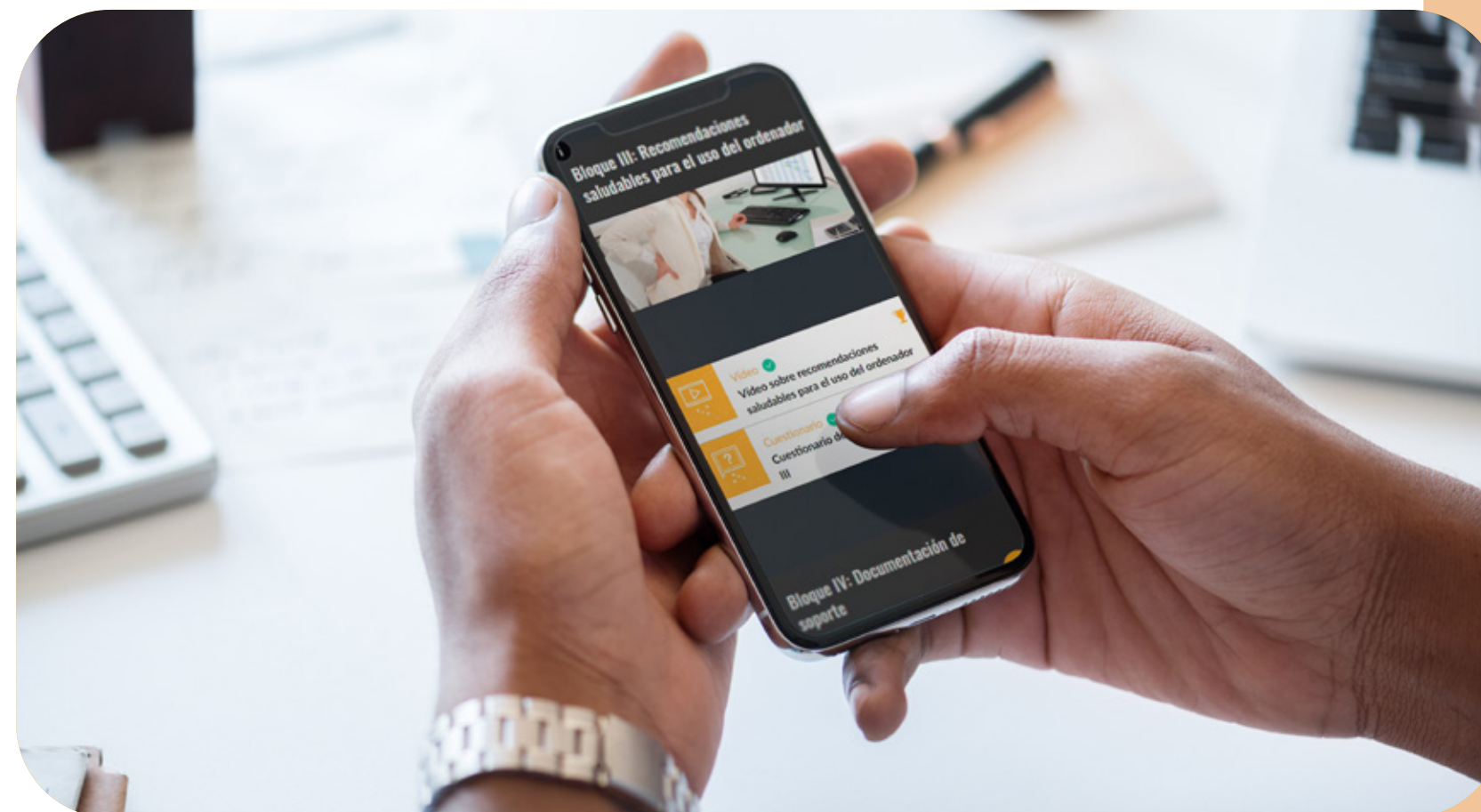
- The needs detected in the performance of the competences required in the current or projected position are detected by the people with direct responsibility, who propose for the people in their team the actions that facilitate their adaptation to the position, their special qualification and their development.
- The knowledge, aptitudes and skills required by our sector, the industry and legislation in general are the responsibility of the organisations that hold these competences, which are the ones that determine the annual plans for the entire workforce in these areas.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

EMGRISA's training policy is focused on increasing professional qualifications, both technical and managerial, in order to achieve a higher level of competitiveness, productivity, profitability and quality, as well as to acquire and maintain staff proficiency in safety and prevention means, with the aim of preventing or minimising risks for staff and continuously improving the company's prevention systems.

Training at ETSA is classified into regulation-based mandatory training and proactive training, and is focused on the following groups: driving staff, technical staff, traffic and administrative staff, and senior management and middle management. The training programme is based on continuous assessment, improvement of organisational efficacy and the pursuit of technical efficiency. It is evaluated annually according to the following criteria: intended results, unintended results, participant satisfaction and carry-over to work.

The training actions carried out in 2021 are shown in the following tables, which show the main indicators relating to the ENUSA Group.



ENUSA GROUP TRAINING INDICATORS

	2018	2019	2020	2021
Total investment (€) (courses, travel, accommodation, financial value of working hours invested in training)	1,114,218	1,107,710	813,056	761,886
Training cost (€) (Cash)	297,119	265,003	152,759	242,718
Subsidies from the State Foundation for Employment Training (€)	45,450	57,055	25,852	49,663
Training hours	28,336	28,329	21,868	24,143
Number of attendees	5,543	6,071	4,397	5,448
Number of courses	815	882	1,115	718

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

6 Economic Performance

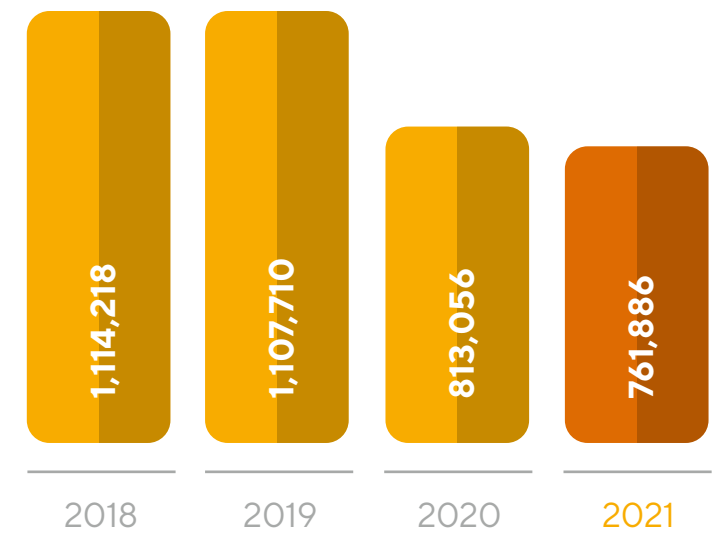
 Social Performance

8 Environmental Performance

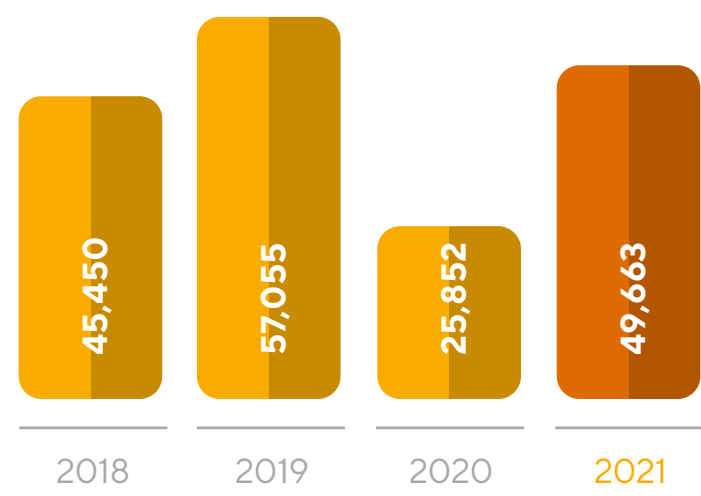
9 Annexes



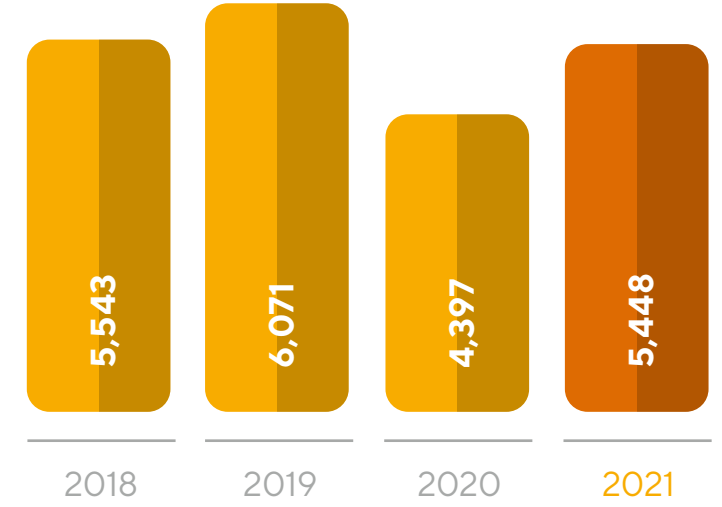
EVOLUTION OF THE TOTAL INVESTMENT (€) OF THE ENUSA GROUP



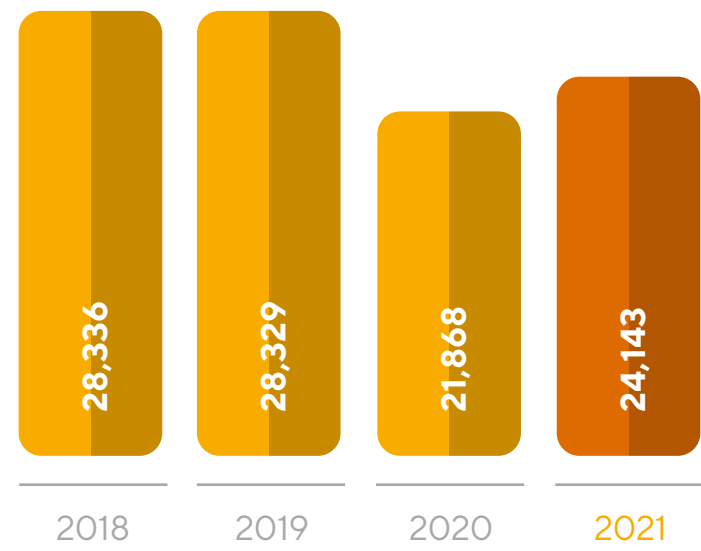
EVOLUTION OF BONUSES (€) OF THE ENUSA GROUP



EVOLUTION OF THE NUMBER OF ATTENDEES OF THE ENUSA GROUP



EVOLUTION OF TRAINING HOURS OF THE ENUSA GROUP



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

TRAINING BROKEN DOWN BY COURSES, ATTENDEES, HOURS AND COST (ENUSA GROUP)

	NO. OF COURSES	NO. ATTENDEES	NO. HOURS	COST (CASH) (€)
ENUSA	674	5,084	18,264	200,984
EMGRISA	22	160	1,339	18,008
ETSA	22	204	4,540	23,726
TOTAL ENUSA GROUP	718	5,448	24,143	242,718

NUMBER OF COURSES TAUGHT IN THE ENUSA GROUP (BREAKDOWN BY TRAINING PLANS)

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
Mandatory	551	11	12	574
Others (management, technical, multidisciplinary and competence)	123	11	10	144
TOTAL	674	22	22	718

NUMBER OF ATTENDEES OF THE ENUSA GROUP BY PROFESSIONAL CATEGORY

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
Management, senior engineers and degree holders	1,895	117	72	2,084
Technical engineers, mid-level graduates and qualified assistants	311	7	0	318
Technical and administrative personnel	1,125	21	42	1,188
Operators	1,753	15	90	1,858
TOTAL	5,084	160	204	5,448

DISTRIBUTION BY GENDER OF THE EMPLOYEES TRAINED IN THE ENUSA GROUP

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
Women	172	25	11	208
Men	474	42	47	563
TOTAL	646	67	58	771

HOURS OF TRAINING ACCORDING TO WORKING HOURS AT THE ENUSA GROUP

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
Within the work day	18,256	1,009	1,948	21,213
Outside working hours	8	330	2,592	2,930
TOTAL	18,264	1,339	4,540	24,143

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

6 Economic Performance

7 Social Performance

8 Environmental Performance

9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

ANNUAL TRAINING HOURS BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY AT THE ENUSA GROUP

PROFESSIONAL GROUPS	NO. PEOPLE		TOTAL HOURS		% OF HOURS OUT OF TOTAL CARRIED OUT		AVERAGE HOURS CARRIED OUT/ PROFESSIONAL GROUP	
	W	M	W	M	W	M	W	M
Management, senior engineers and degree holders	138	197	4,059	6,857	16.8%	28.4%	29	35
Technical engineers, mid-level graduates and qualified assistants	8	34	119	785	0.5%	3.3%	15	23
Technical and administrative personnel	56	125	1,352	3,785	5.6%	15.7%	24	30
Operators	6	207	77	7,109	0.3%	29.4%	13	34
TOTAL	208	563	5,607	18,536	23.2%	76.8%		

DEVELOPMENT PLANS

Like last year, in 2021, remote working did not allow for the completion of ongoing individual development plans or the initiation of new ones. Due to its structure, the knowledge acquired in competence training must be reflected in observable behaviours and outcomes that allow progress to be assessed. The non-presence has made this observation and, consequently, its assessment by those responsible impossible.

However, within the framework of the new ENUSA Human Resources organisational structure project, work has been carried out in 2021 on professional progression systems and career plans based on a proprietary talent assessment methodology that will enable the development of personalised training plans that contribute to the development of competencies and the consequent retention of talent.



INTERNSHIP PROGRAMME

The ENUSA Group, aware of the need for students to acquire professional experience in their final year of formal training, has continued the line it has been following since its foundation to support young people with this objective.

As usual, our Juzbado nuclear fuel manufacturing facility in Salamanca has welcomed vocational training students who have carried out their educational system internships at its facilities. It is also worth noting the increase in these profiles in EMGRISA. In the case of university students, their stage of practical, curricular and extracurricular activity has mostly taken place in the Madrid workplace.

During 2021 ENUSA continued its collaboration with the Asperger's Association Madrid by incorporating trainees with this diagnosis in order to facilitate and promote their inclusion in the labour market.

SCHOLARSHIPS ENUSA GROUP 2021

	UNIVERSITY	OTHERS	TOTAL
Total ENUSA	9	16	25
Madrid	9	2	11
Juzbado	0	13	13
Saelices	0	1	1
UTE RSU Castellón	0	0	0
Total Subsidiaries	2	8	10
EMGRISA	1	8	9
ETSA	1	0	1
TOTAL ENUSA GROUP	11	24	35

ENUSA GROUP INTERNS ACCORDING TO ORIGIN

	2018	2019	2020	2021
SEPI Foundation	0	0	0	0
University	17	16	6	11
Others	20	17	23	24
TOTAL	37	33	29	35

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

3 HEALTH AND SAFETY AT WORK

The characteristics of ENUSA's industrial and nuclear sector mean that the prevention and care of people's health and safety are of the highest priority.

HEALTH AND SAFETY MANAGEMENT MODEL

Following the enactment of the Law on Occupational Risk Prevention (LPRL), ENUSA created the Joint Occupational Risk Prevention Service of the ENUSA Group, which has the four legally established preventive specialities (industrial safety, industrial hygiene, occupational medicine, ergonomics and psycho-sociology) and covers all its workplaces and the subsidiary ETSA. Although the latter has an external health service. The EMGRISA subsidiary has an external prevention service.



The ENUSA Group's Occupational Risk Prevention Manual includes the main actions relating to the occupational health and safety management system, based on the PDCA cycle (plan, do, check and act).

- ◆ **Plan:** The Preventive Activity Planning (a document issued annually) plans actions to improve the health and safety of employees, identifies new risks and proposes the appropriate corrective measures.
- ◆ **Do:** The different tasks are assigned to the organisations responsible for implementing the improvements.
- ◆ **Check:** The status of the actions is periodically reviewed, with monthly reporting on their status and progress.
- ◆ **Act:** Improvement actions should be undertaken to obtain the greatest benefits for the safety and health of employees.

This system is subject both to regular internal audits within the framework of the Quality Management System and to external audits, in particular statutory audits in accordance with the provisions of article 30.6 of the Law on Occupational Risk Prevention.


Workers' participation in health and safety issues at the Madrid and Juzbado workplaces is organised through the Health and Safety Committees, made up of three company representatives and three personnel representatives. At its meetings, all preventive and health activities are monitored, processes are reviewed, and occupational health and safety results and programmes are analysed and monitored. Throughout 2021 the Health and Safety Committees have held eight ordinary and seven extraordinary meetings. In the rest of the workplaces, there are Prevention Delegates.

Furthermore, in order to comply with Article 24 of the Law on Occupational Risk Prevention, implemented in Royal Decree 171/2004, the ENUSA Group has drawn up and issued a procedure to guarantee the coordination of business activities between ENUSA and those companies and self-employed workers who provide services at its workplaces.

To this end, an exchange of information is carried out in which ENUSA informs of the risks existing in its workplaces as well as the actions to be taken in the event of an emergency, receiving accreditation of compliance with the Law on Occupational Risk Prevention as well as the risks associated with the activities to be carried out by the contracted company or self-employed worker, so that, together with effective supervision, the necessary measures can be taken to guarantee safe work. The final objective is, therefore, to eliminate or minimise the occupational risks that may exist in the services provided by contracted companies and self-employed workers in the workplaces belonging to ENUSA, so that both the company's own personnel and those of third parties receive effective health and safety protection.

In addition to the aforementioned documentation and depending on the risk or scope of the work to be carried out, the Joint Prevention Service may request the appointment of Prevention Officers, specific training certificates for risky work, specific prevention plans and any other information it considers relevant to ensure the coordination of business activities, including scheduling meetings or requesting the presence of prevention technicians from the prevention services of the contracted companies.

Likewise, ENUSA, through its Joint Prevention Service, establishes the necessary and sufficient coordination mechanisms with the different companies (mainly Spanish and foreign nuclear power plants and nuclear cycle facilities) in which ENUSA undertakes most of its commercial activity. In this regard, specific prevention plans are drawn up for each commercial activity contracted to ENUSA in facilities other than our workplaces, thus mitigating the impact on health and safety that these tasks may have on ENUSA workers and on those of the companies where the services are provided.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

TRAINING IN HEALTH AND OCCUPATIONAL RISK PREVENTION

In order to comply with the provisions of article 19 of the Law on Occupational Risk Prevention, the Prevention Service, in conjunction with accredited external bodies, provides training in preventing occupational risks in accordance with the risk assessment carried out. This regulation establishes the obligation to guarantee that personnel receive specific preventive training for the jobs they perform, both when they are hired and when the nature or equipment of their job is changed. This may also happen when the Prevention Service deems it appropriate due to having observed malpractice or as a result of the investigation of accidents and incidents that have occurred.

During 2021, the ENUSA Group has given its employees a total of 5,074 hours of training related to safety, hygiene, ergonomics and occupational health, with a total of 1,468 attendees.

TRAINING IN HEALTH AND ORP - ENUSA GROUP

	2018		2019		2020		2021	
	Attendees	Hours	Attendees	Hours	Attendees	Hours	Attendees	Hours
Juzbado	1,115	3,565	1,551	3,477	1,043	2,608	1,129	2,905
Madrid	424	804	63	216	19	36	85	277
Saelices	26	616	114	505	48	72	54	146
UTE RSU Castellón ⁽¹⁾	5	29	26	74	13	13	19	57
Total ENUSA	1,570	5,014	1,754	4,272	1,123	2,729	1,287	3,385
EMGRISA	25	248	8	17	134	445	139	580
ETSA	8	16	15	318	14	54	42	1,109
Total subsidiaries	33	264	23	335	148	499	181	1,689
TOTAL ENUSA GROUP	1,603	5,278	1,777	4,607	1,271	3,228	1,468	5,074

⁽¹⁾ Data referring to ENUSA's 85.69% stake in the UTE (joint venture).



Below is a breakdown of the type of training carried out in 2021 in each workplace:

NO. HOURS ACCORDING TO TYPE OF TRAINING IN HEALTH AND ORP						
	JUZBADO	MADRID	SAELICES	UTE RSU CASTELLÓN	EMGRISA	ETSA
Fire Brigade First Response	104			45	15	
Fire Brigade Second Response	963					
Safety, Hygiene, Ergonomics	1,646	205	54	12	530	1,109
Occupational health	192	72	92		35	
TOTAL	2,905	277	146	57	580	1,109

There is currently no incidence or high risk of developing an occupational disease in the ENUSA Group. In accordance with the provisions of Royal Decree 1299/2006 of 10 November on the list of occupational diseases, Group 2A (exposure to ionising radiation) and 2I (exposure to noise) activities are carried out.

In order to prevent the occurrence of diseases due to this exposure, and as primary prevention, in 2021, ENUSA implemented:

- Specific training on ionising radiation:
 - ENUSA staff: 122 sessions, 907 attendees and 4,017 hours.
 - Contract staff: 77 sessions, 243 attendees and 1,534 hours.
- Specific health surveillance targeted at these risks by applying the Health Surveillance Protocols of the Ministry of Health periodically and with the content stipulated therein:
 - Ionising radiation: 472 medical examinations.
 - Noise: 49 medical examinations.



SAFETY AND RADIATION PROTECTION

Safety is another of the commitments of the company, the management and all personnel, and is considered an ever present factor in the company's activities. Special attention is paid to training, the development of new processes, innovation in equipment and facilities, information for society and interest groups, and participation in technical societies and conferences.

The competent bodies have carried out permanent control of both the facility and its operation: the CSN, the European Atomic Energy Community (EURATOM) and the International Atomic Energy Agency (IAEA). During 2021 the inspection programme has not been affected by the health situation resulting from COVID-19, complying with the CSN's basic inspection programme, which included the inspections that were delayed in 2020.

RADIATION PROTECTION

The basic aim of radiation protection is to protect the environment and people who may be exposed to ionising radiation, in this case due to the factory's activities, taking into account the existing impact and its long-term effects.

By applying the fundamental principles of radiation protection (justification, limitation and optimisation) since the factory was just a project, the quality standards achieved have been considered an international benchmark.

The support that the management has always given to radiation protection criteria has led all organisations and all personnel to become involved in achieving rates of improvement that would be difficult to achieve by applying technical innovations alone.


The new criteria implemented in the development of international and national regulations have been surpassed, thanks to:

- The use of new technologies.
- The continuous renewal of measuring and control equipment and instruments.
- The incorporation of state-of-the-art surveillance systems.
- The development of new computer applications and the application of new mathematical models.
- The adaptation of operating procedures, taking into account own and other facilities' experience.

The radiation protection programme develops the following aspects:

- Control of doses received by personnel.
- Control of radiation rates and surface and environmental contamination in the areas.
- Control of radioactive sources.
- Surveillance and control of liquid and gaseous effluents.
- Control of solid waste generated.
- Development of the dose optimisation programme (ALARA).
- Continuous assessment of risks associated with equipment, systems and processes.
- Continuous and periodic training of all exposed personnel.
- Development of the Environmental Radiological Monitoring Programme

Its results are measured objectively through the values of external and internal doses received by personnel, and through the activity borne by liquid and gaseous effluents that are being discharged and the doses potentially received by the public from these emissions.

- 1
Letter from
the Chairman
- 2
Good
Governance
- 3
Main
Economics
Figures
- 4
ENUSA Group
Estructure
- 5
Report
Parameters
- 6
Economic
Performance
- 
Social
Performance
- 8
Environmental
Performance
- 9
Annexes

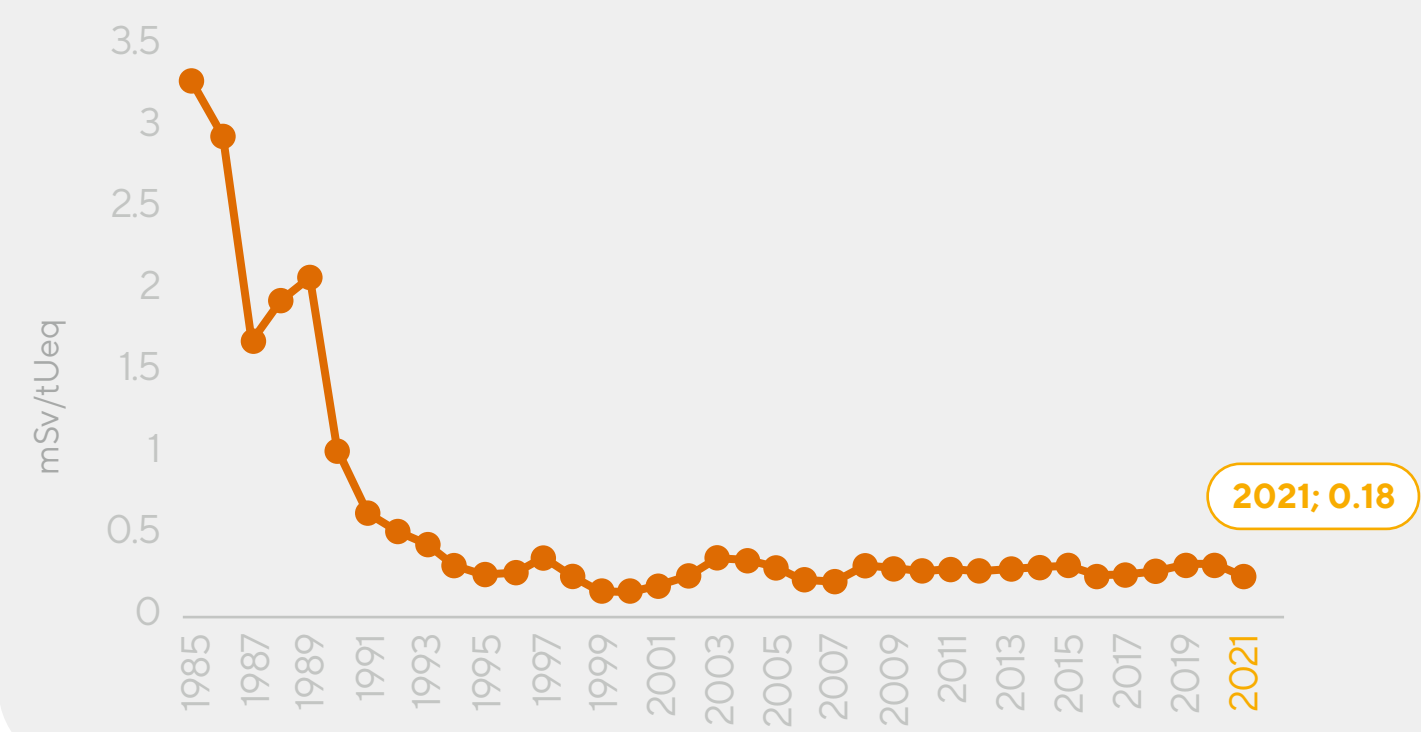
- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

EXTERNAL DOSIMETRY

External irradiation occurs at workstations where there is an accumulation of radioactive material and depends on the geometrical arrangement of the source term in relation to the working positions of the personnel. An individual thermoluminescence dosimeter (TLD) is assigned to monitor these workers.

Workforce external doses have been on a downward trend over the years. Although production has been increasing, from an average of 150 tonnes of uranium in the early years to 320 tonnes last year, collective doses per tonne are unchanged from the previous year, with average personnel doses remaining below the public dose limit of 1 mSv. Maximum annual doses have been below 5% of the limit for exposed personnel.

EVOLUTION OF DEEP COLLECTIVE DOSE



INTERNAL DOSIMETRY

Areas where potentially dispersible uranium oxide powder is used present a risk of radioactive isotopes entering the body, which could result in internal doses to personnel.

Monitoring of environmental contamination in the areas is carried out by the Radiation Protection System, consisting of particle sampling equipment and a network of more than 150 continuous sampling points. In 2021, work was completed on the installation of the geolocation system for staff at each sampling point, which will become operational in the first quarter of 2022 to replace the current administrative system. Official internal dosimetry is performed by two CSN approved internal dosimetry services based on the measurement of alpha isotopes in 24-hour urine samples taken periodically. A new laboratory for internal dosimetry has been built during the second half of 2021, and is expected to be completed in early 2022, such that during that year the analysis methods and dose assessment programmes will be put into operation in order to submit to the CSN in 2023 the application for authorisation as an internal dosimetry service and eliminate external dependence.

OCCUPATIONAL HEALTH

The Occupational Health area, which serves the three ENUSA workplaces, is made up of a Basic Health Unit located in the Juzbado factory, made up of an occupational physician and three Occupational Nursing Graduates, and is governed by the provisions of Royal Decree 843/2011, which establishes the basic criteria for the organisation of resources to carry out the healthcare activities of the prevention services. The functions of the Occupational Health area include, among others:

- Health surveillance of workers in relation to the risks of the workplace.
- To study all illnesses occurring among workers, for the sole purpose of being able to identify any relationship between the causes of illness and the health hazards that may occur in the workplace.
- Promote health promotion programmes in the workplace, in coordination with the National Health System.
- Providing first aid and emergency care to workers who need it due to accident or illness in cases where health professionals are physically present at the workplace.

The data handled by the Occupational Health area are specially protected data and are therefore subject to special processing. For this purpose, archiving equipment and material is available with custody systems that guarantee confidentiality and security on the basis of Royal Decree 843/2011, of 17 June.

In addition to the activities derived from the COVID-19 pandemic, which due to their importance in 2021 are dealt with in a specific section, the Occupational Health area has continued with its usual activities such as attending to health events and medical emergencies (a total of 4,312 and 28, respectively) or the performance of medical check-ups, having carried out a total of 627 in 2021 for ENUSA, including those of the ordinary type (559), those carried out for new staff (55) and those for staff returning to or changing jobs (13).

Other occupational health activities during 2021 included:

- Despite the difficulties arising from the existence of the pandemic, refresher and induction courses in the training and use of cardiopulmonary resuscitation techniques and the use of automated external defibrillators have been restarted.
- The specific health surveillance protocols applicable to the ENUSA Group were reviewed.
- The "Cardiovascular disease prevention" programme for ENUSA Group staff, which began in 1995, continues.
- An epidemiological study was carried out on the entire ENUSA workforce to identify the most relevant and prevalent health problems in the ENUSA Group's working population.
- In the context of health surveillance, a screening campaign has been developed for the prevention of ophthalmological diseases and the prevention of blindness due to glaucoma.
- We took part in discussion forums in the field of occupational medicine in nuclear facilities as members of the nuclear medical group of the Nuclear Forum and with the collaboration of the Hospital General Universitario Gregorio Marañón hospital in Madrid.
- A voluntary influenza vaccination campaign has been carried out.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance


Social
Performance

8
Environmental
Performance

9
Annexes

Below are the absenteeism rates due to illness for the ENUSA Group in 2021:

ABSENTEEISM RATE DUE TO ILLNESS ENUSA GROUP 2021

	JUZBADO	MADRID	SAELICES	UTE RSU CASTELLÓN ⁽¹⁾	EMGRISA	ETSA
Members of the workforce ⁽²⁾	371.06	204.04	23.07	12.85	68.79	60
Hours worked	589,764.03	316,718.34	34,959.72	20,773	111,931	91,632
Total number of sick leave days	209	139	7	4.27	23	15
Days lost	2,817.37	2,398.85	128.31	281.06	473	683
Frequency index	56.33	68.12	30.34	33.23	33.44	25
Severity index	13.48	17.26	18.33	65.82	20.57	45.53
Disability index	7.59	11.76	5.56	21.87	6.88	11.38

⁽¹⁾ Data referring to ENUSA's 85.69% stake in the UTE (joint venture).

⁽²⁾ Average workforce.

$$I. \text{ FREQUENCY} = \frac{\text{No. days sick leave}}{\text{No. people on workforce}} \times 100$$

$$I. \text{ SEVERITY} = \frac{\text{No. days lost due to illness}}{\text{No. days sick leave}}$$

$$I. \text{ DISABILITY} = \frac{\text{No. days lost due to illness}}{\text{No. people on workforce}}$$

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

OCCUPATIONAL ACCIDENT RATE

As a result of the commitment made to effectively integrate prevention into the natural development of the different activities of the ENUSA Group companies, preventive inspections are carried out periodically to detect possible risks of accidents and incidents that may occur in the facilities, equipment or tools, caused by unsafe design conditions or inappropriate personnel practices, with the aim of correcting them before they can cause harm.

In the event of an accident or incident, the investigation is carried out by the personnel of the Occupational Risk Prevention Service, with the necessary collaboration of the injured person and the person directly responsible for the latter. In addition, the participation of designated staff and/or prevention delegates will be encouraged. In accidents with serious consequences, the Prevention Service will decide whether external technicians need to intervene.

The investigation of accidents/incidents and/or occupational diseases includes the following aspects:

- Description of the accident and/or occupational disease: history, circumstances and conditions present at the time of the accident or occupational disease.
- Identification and analysis of the triggering causes of the accident/incident/illness.
- Proposal of preventive and/or corrective measures.
- Monitoring of the implementation of preventive and/or corrective measures.



As in previous years, the low rates of occupational accidents and the absence of occupational disease among ENUSA Group personnel continue to be the same as in previous years.

ACCIDENT RATES ENUSA GROUP 2021

	JUZBADO	MADRID	SAELICES	UTE RSU CASTELLÓN ⁽¹⁾	EMGRISA	ETSA
Members of the workforce ⁽²⁾	371.06	204.04	23.07	12.85	68.79	60
Hours worked	589,764.03	316,718.34	34,959.72	20,773	111,931	91,632
Deaths	0	0	0	0	0	0
Accidents with sick leave	3	1	0	0	0	2
Accidents without sick leave	8	0	0	0	1	2
Days lost	16.68	7.58	0	0	0	20
Accident to/from work	3 ⁽³⁾	0	0	0	0	0
Days lost to accidents to/from work	35.09	0	0	0	0	0
Incidence rate	29.64	4.90	0	0	14.54	66.67
General frequency index	18.65	3.16	0	0	8.93	43.65
Frequency rate with sick leave	5.09	3.16	0	0	0	21.83
Severity index	0.03	0.02	0	0	0	0.22
Average duration of disability	5.56	7.58	-	-	-	10
Absenteeism rate	0.04	0.04	0	0	0	0.33

⁽¹⁾ Data referring to ENUSA's 85.69% stake in the UTE (joint venture).

⁽²⁾ Average workforce.

⁽³⁾ Of the three commuting accidents, two correspond to men and one to a woman.

$$\text{I. INCIDENCE} = \frac{\text{No. accidents}}{\text{People on the workforce}} \times 10^3$$

$$\text{I. GEN. FREQUENCY INDEX} = \frac{\text{No. accidents with sick leave} + \text{No. without sick leave}}{\text{No. hours worked}} \times 10^6$$

$$\text{SEVERITY INDEX} = \frac{\text{Days lost due to accident}}{\text{No. accidents with sick leave}} \times 10^3$$

$$\text{INDEX OF ABSENTEEISM DUE TO ACCIDENT} = \frac{\text{Days lost due to accident}}{\text{People on workforce}}$$

$$\text{AVERAGE LENGTH OF DISABILITY} = \frac{\text{Days lost due to accident}}{\text{No. accidents with sick leave}}$$

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

Below are the occupational accidents (with and without sick leave) and the frequency and severity rates broken down by gender:

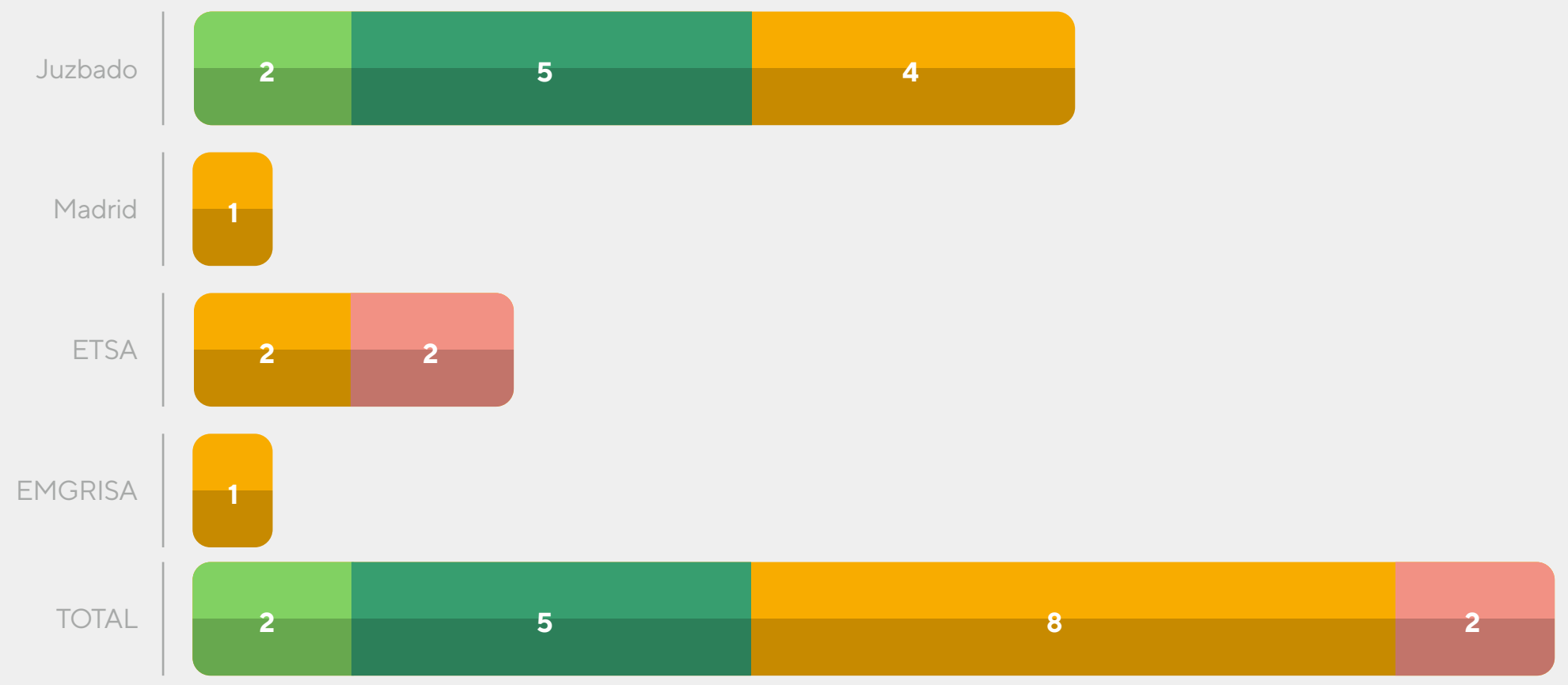
OCCUPATIONAL ACCIDENTS, FREQUENCY AND SEVERITY ENUSA GROUP 2021

	ACCIDENTS WITH SICK LEAVE		ACCIDENTS WITHOUT SICK LEAVE		GENERAL FREQUENCY INDEX		FREQUENCY INDEX WITH SICK LEAVE		SEVERITY INDEX	
	M	W	M	W	M	W	M	W	M	W
Juzbado	3	0	8	0	22.27	0	6.07	0	0.03	0
Madrid	1	0	0	0	5.81	0	5.81	0	0.04	0
Saelices	0	0	0	0	0	0	0	0	0	0
UTE RSU Castellón ⁽¹⁾	0	0	0	0	0	0	0	0	0	0
EMGRISA	0	0	0	1	0	22.88	0	0	0	0
ETSA	2	0	2	0	52.62	0	26.31	0	0.26	0

⁽¹⁾ Data referring to ENUSA's 85.69% stake in the UTE (joint venture).

The following chart shows the types of injuries resulting from these accidents:

MOST FREQUENT TYPES OF OCCUPATIONAL ACCIDENT INJURIES ENUSA GROUP 2021

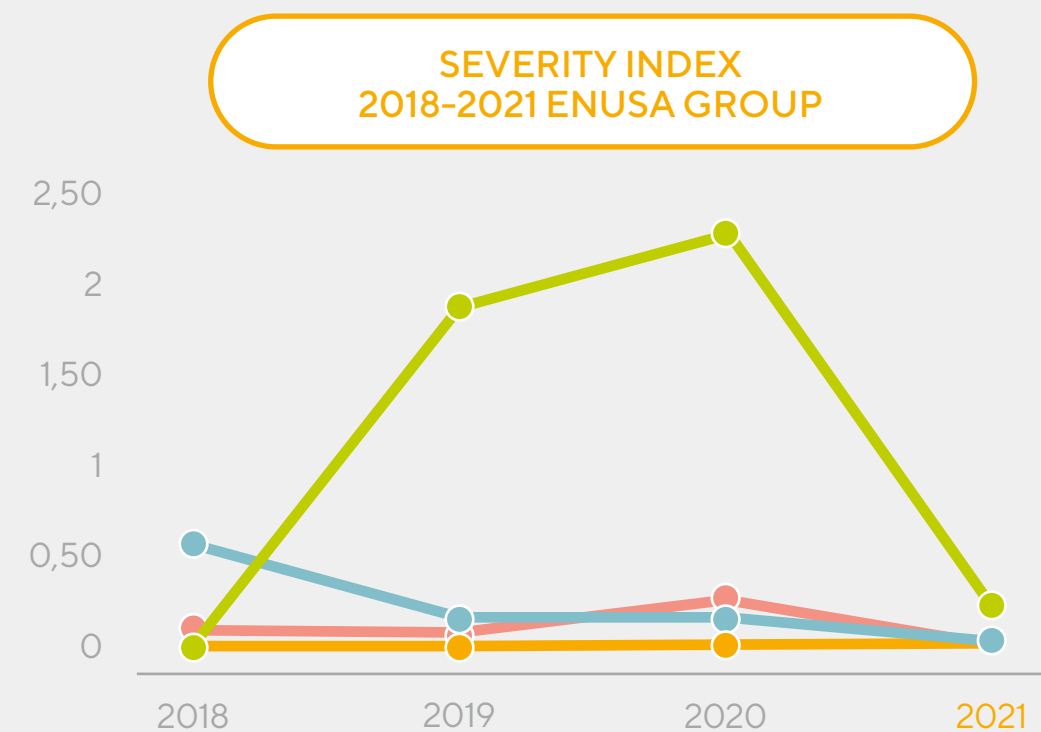
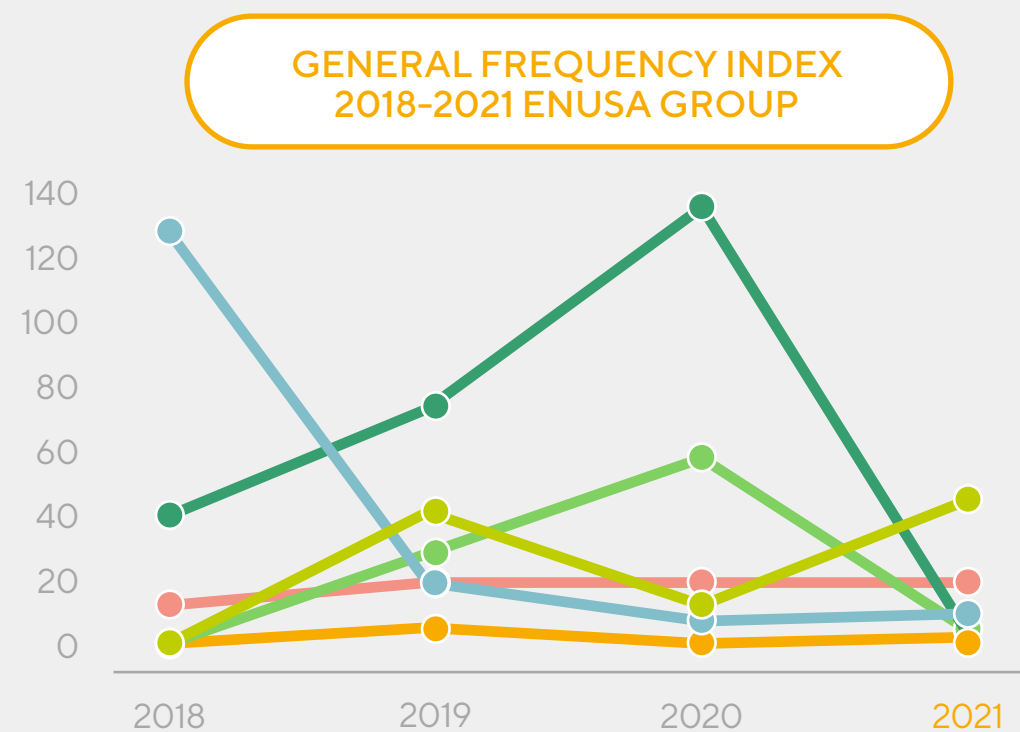


- Superficial injuries and open wounds
- Dislocations sprains and strains
- Concussions and internal injuries
- Various unspecified injuries

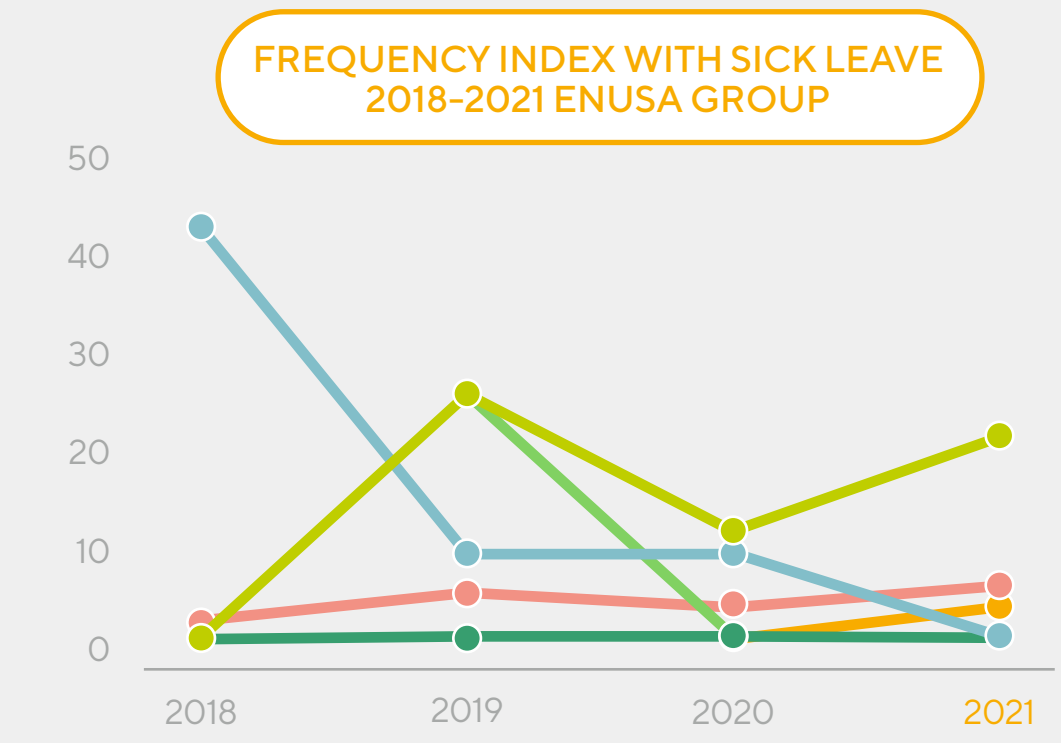
In 2021, there were no accidents in the Saelices workplace or in the UTE.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

The evolution of the frequency and severity indices in the last four years can be seen in the following graphs:



- Madrid
- Juzbado
- Saelices
- UTE RSU Castellón
- EMGRISA
- ETSA



As far as the contractors are concerned, the accident rate is zero at all sites except at the Juzbado site, where there were five accidents without sick leave, three of which are classified in the "other specific types of injury" category, one in the "concussions and internal injuries" category and the remaining one in the "burns, corrosions, scalds and frostbite" category. The factory Medical Service gives the first care, referring the accident to the company, external Prevention Service and/or Mutual Insurance Company.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

COMPREHENSIVE PREVENTION AND ACTION PLAN AGAINST COVID-19

To deal with the coronavirus crisis, ENUSA designed an action plan against COVID-19, the aim of which was to prevent the disease among our workforce in the workplace. This plan has a comprehensive approach involving different areas of intervention to cover all the health, organisational and occupational aspects affected in a holistic manner.

The specific areas covered by this plan are described below:

1. HEALTH SURVEILLANCE

ENUSA's COVID-19 Exposure Action Protocol establishes guidelines for the prevention, detection, early diagnosis, reporting and referral of suspected cases of COVID-19 coronavirus in the workplace. The purpose of this protocol is to determine the action flow diagrams and communication routes in the event of suspected cases of infection. Specifically, the following action was taken:

- Identification of suspected cases of COVID-19 coronavirus in workers.
- Management of particularly vulnerable workers in ENUSA's workplaces.
- Biohazard exposure assessment.
- Follow-up of symptomatic workers.
- Specific diagnostic tests for COVID-19. A total of 4,461 tests have been carried out, including PCR, antigen and antibody serology tests.

It should be pointed out that ENUSA's actions in response to this situation have followed the provisions issued by the Ministry of Health and the instructions of the Health Departments of the Comunidad de Madrid and Castilla y León, have been carried out under strict control and monitoring of the hygiene standards for the care of healthcare personnel and have complied with all the regulations on the management of information in accordance with the Organic Law on Personal Data Protection.

2. HYGIENE IN THE WORKPLACE

In parallel, a set of measures was defined to prevent the spread of COVID-19 in our facilities. Among others, the most significant ones are summarised below:

- Increase in daily cleaning of work areas.
- Waste management by installing specific containers.
- Installation of protection screens in common areas and workstations.
- Distribution of sanitising hand gel dispensers.
- Capacity control and management of common areas.
- Installation of thermal cameras and antibacterial mats at the entrances to workplaces.

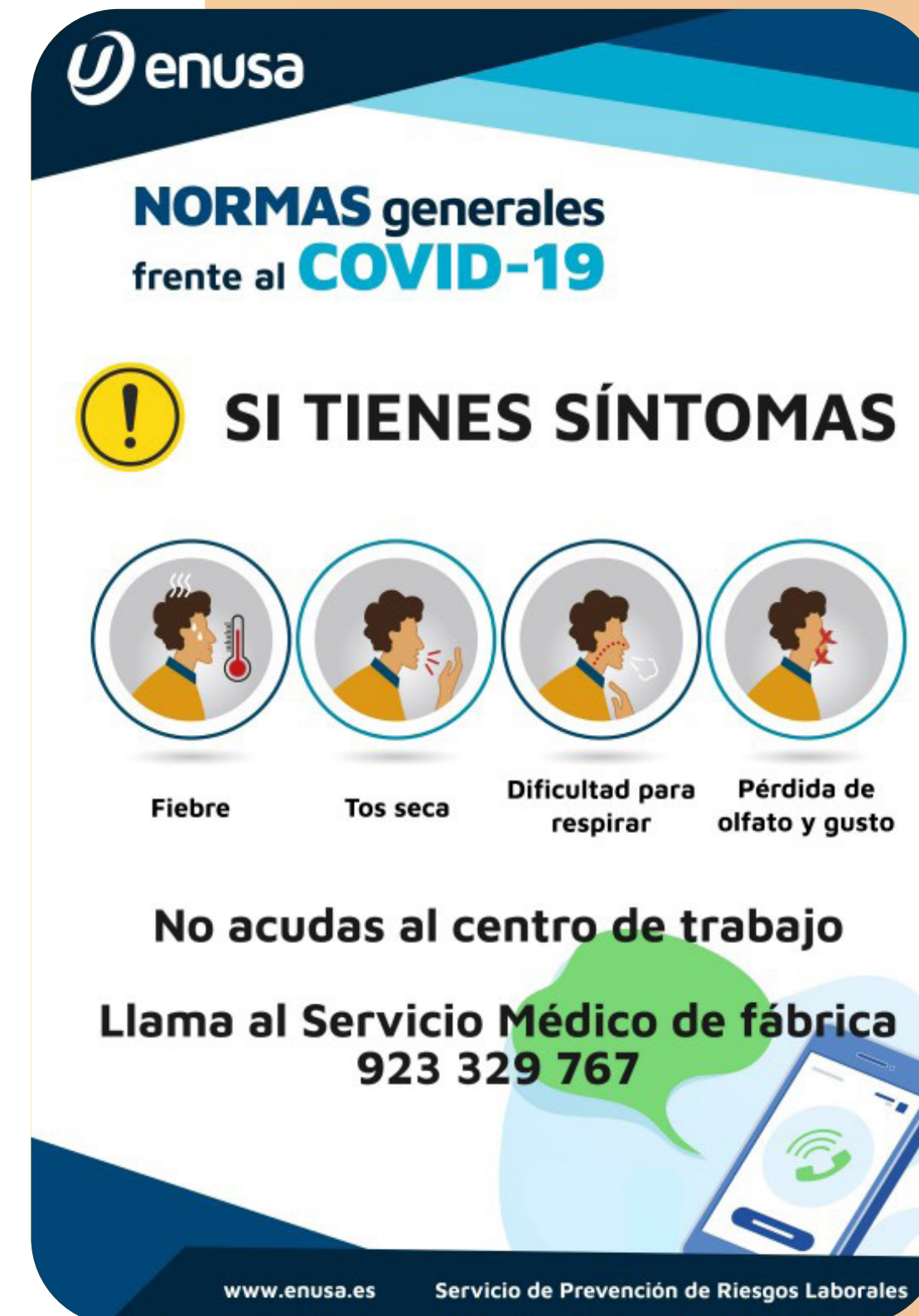
3. WORK MEASURES

Work-related measures on teleworking and flexible working hours were put in place to ensure that the core business of the company was maintained without undermining the health and safety of our workforce.

- The teleworking system has continued to be used depending on the epidemiological situation, the workplace and the position.
- The plan includes measures for flexible working hours and working days for those who have to work on site.

4. STAFF COMMUNICATION AND AWARENESS




Communication actions served to inform the workforce and raise awareness of the coronavirus. During 2021, informative notes and notices were sent to company staff both to communicate the different measures that had been implemented and to inform them about preventive aspects of COVID-19 and the importance of complying with all the established protocols.



enusa

NORMAS generales
frente al **COVID-19**

! SI TIENES SÍNTOMAS

Fiebre **Tos seca** **Dificultad para respirar** **Pérdida de olfato y gusto**

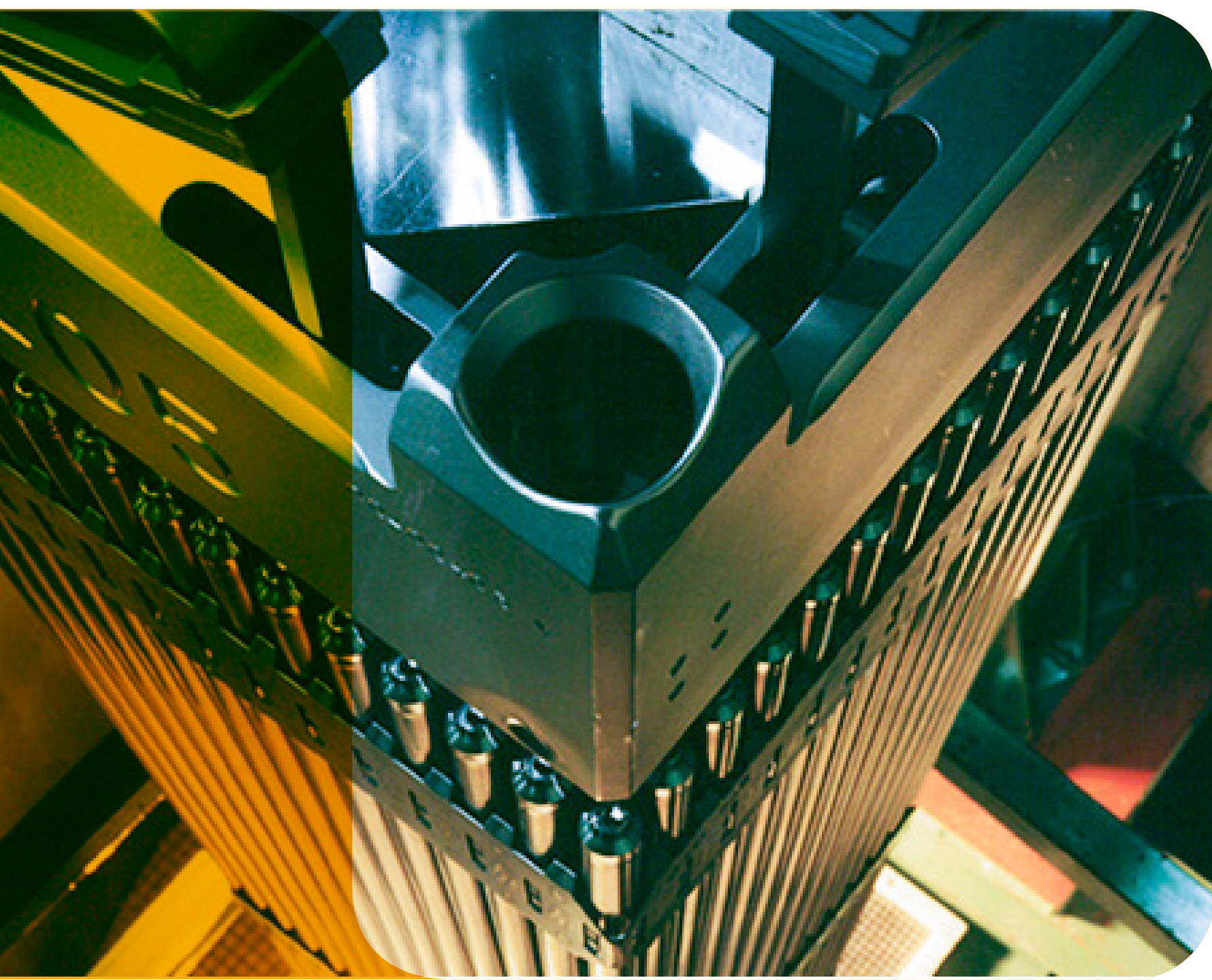
No acudas al centro de trabajo

Llama al Servicio Médico de fábrica
923 329 767

www.enusa.es Servicio de Prevención de Riesgos Laborales

4 CUSTOMERS

The global environment during 2021 has continued to be marked by the COVID-19 pandemic. In this context, we are pleased to have fulfilled all our contractual commitments for another year, ensuring the supply of all services and products to our customers.



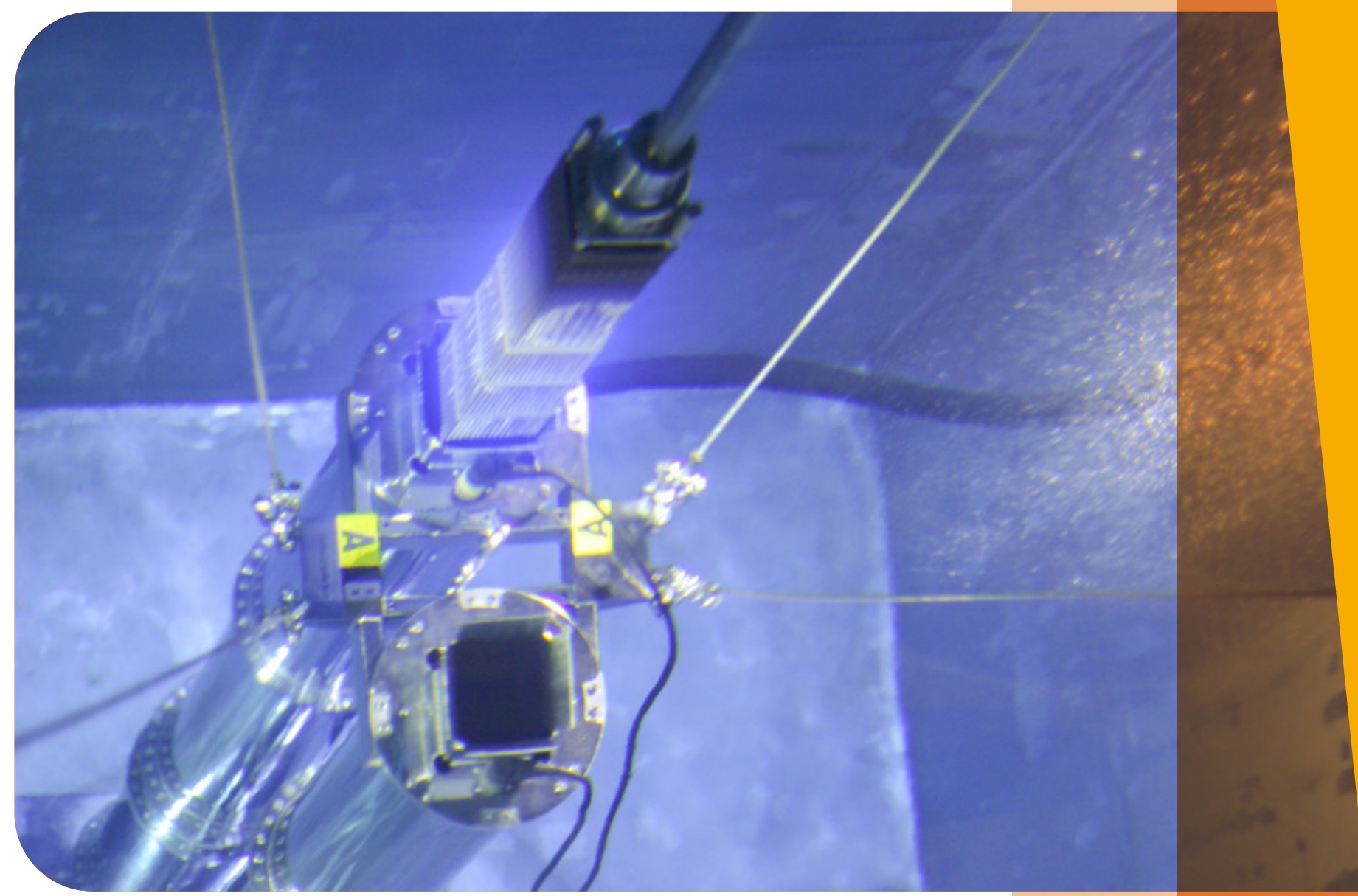
NUCLEAR AREA CUSTOMERS

ENUSA's activity in the nuclear business focuses on the following areas:

- Uranium supply.
- Design and manufacture of fuel, both PWR and BWR.
- Engineering services.
- In-plant fuel services, related to the delivery of fresh fuel and support to the management of irradiated fuel.
- Supply of fuel inspection equipment, both fresh and irradiated.
- R&D and innovation projects.

In 2021, the closure of some reactors in Europe has been confirmed, reducing the volume available for production. In this context, ENUSA continues to seek to reach new markets and, in this way, has continued to develop different actions related to the diversification of fuel supply, including the new modular reactors (SMRs).

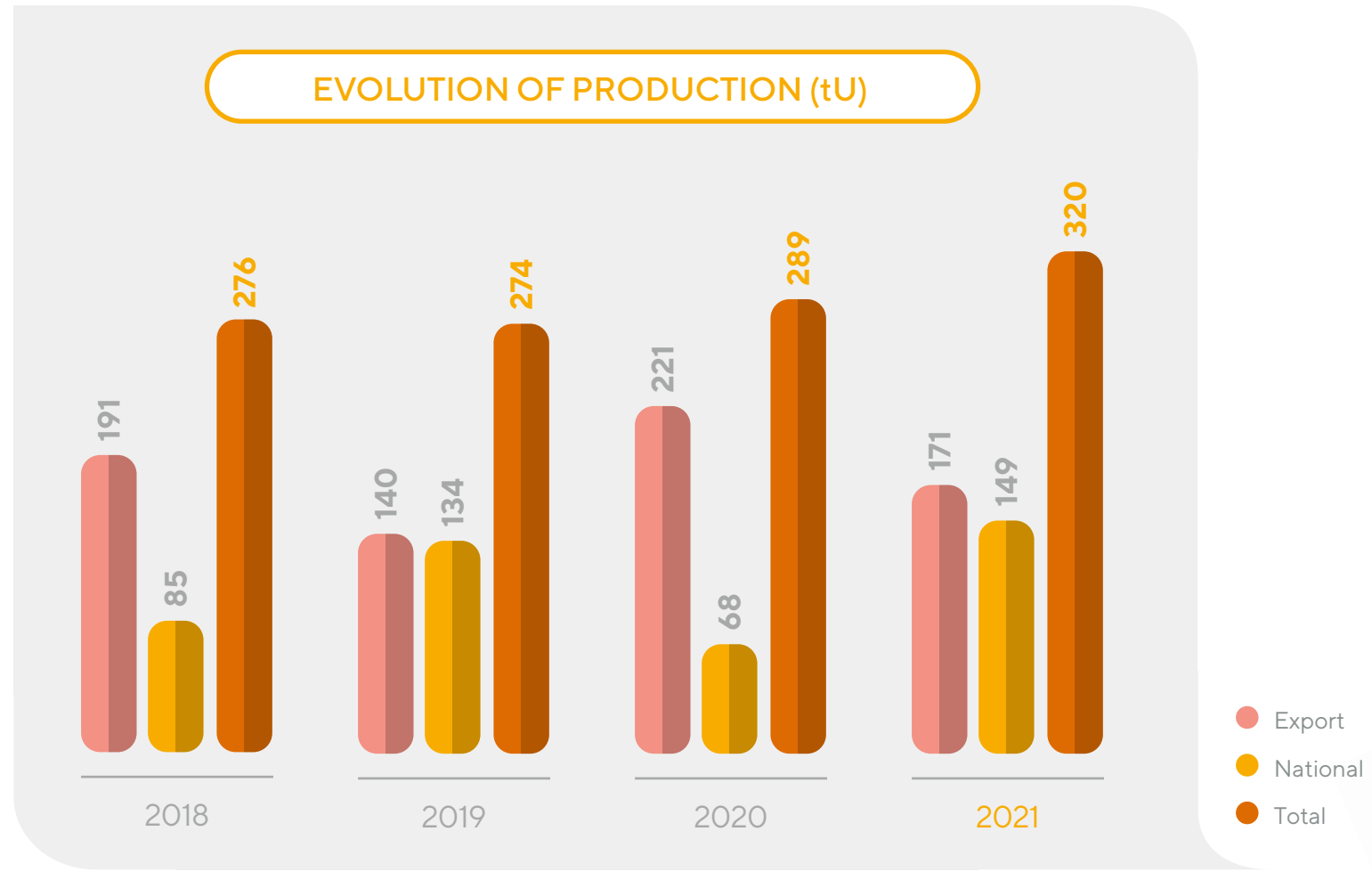
On the other hand, ENUSA is working to complement these activities with responses to any possible needs that may arise in relation to the decommissioning of nuclear facilities and the management of operational waste, both nationally and in other international markets.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

FUEL SALES

To meet the contractual commitments signed in previous years, 320 tonnes of uranium equivalent (tU) of fuel were manufactured during 2021, 11% more than in 2020. Of this amount, 53% was destined for export, a lower figure than the previous year, although it should be borne in mind that the proportion between production abroad and national production is conditioned by the operating cycles and that in 2021 fuel was produced for 4 of the 5 national PWR reactors of Westinghouse design and all the refuelling destined for Cofrentes. In total, 1,028 fuel assemblies have been manufactured at the Juzbado facilities, 448 assemblies for PWR design reactors and 580 for BWR design reactors.



PWR MARKET

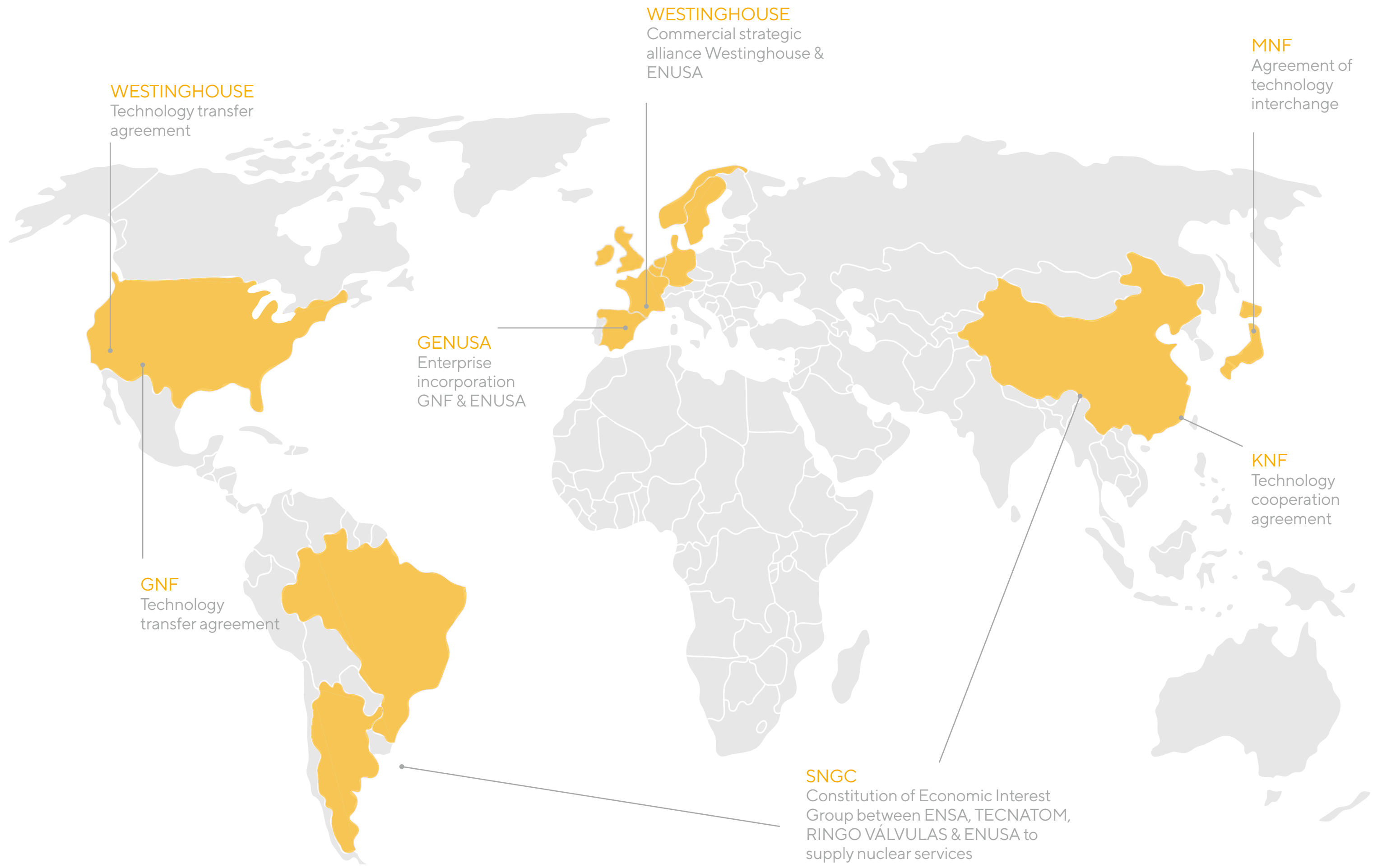
During 2021, 256 enriched tU were manufactured for pressurised water reactors (PWRs) in Spain, France and Belgium.

In Spain, the electricity companies that own the five PWR technology reactors, Westinghouse and ENUSA, have extended the supply contract signed in 2018 by signing amendment 1 to the framework agreement in April 2021. This covers all planned refuelling until the currently agreed cessation of operation of these reactors. ENUSA and Westinghouse have also updated the contracts for the supply of the necessary components and conversion services.

In accordance with the terms of this contract, fuel has continued to be supplied on a regular basis to the Spanish PWR nuclear power plants of Westinghouse design. In 2021, 106 enriched fuel assemblies were manufactured, corresponding to 252 fuel assemblies, for the Almaraz 1, Ascó I and Ascó II and Vandellós II plants.

With respect to the French market, almost 75 tU have been manufactured for the French power plants of the electricity utility EDF, in accordance with the commitments set out in the fuel supply and services contract.

Similarly, in Belgium, within the framework of the contract in force with Engie Electrabel and Tractebel Engineering, 75 tU of enriched fuel were manufactured. In relation to this market, it is important to note that by the end of 2021, the Belgian government has taken the decision to end nuclear power generation in the country by 2025.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

BWR MARKET

For the commercialisation in the boiling water reactor (BWR) fuel market, ENUSA participates since 1996 in the company GENUSA with General Electric, through Global Nuclear Fuel-Americas, having the corresponding technological cooperation agreement with General Electric Hitachi (GEH) which is the basis for all activities in the European BWR fuel market.

The GENUSA agreement is valid until 31 December 2024 and regulates the division of labour in relation to the supply of refuelling for the Nordic customers of Vattenfall and TVO and, in Spain, for the Cofrentes nuclear power plant (Iberdrola), and is scheduled to be updated to include supply to the Swiss Leibstadt plant and the Cofrentes plant until the planned end of its operation in 2030.

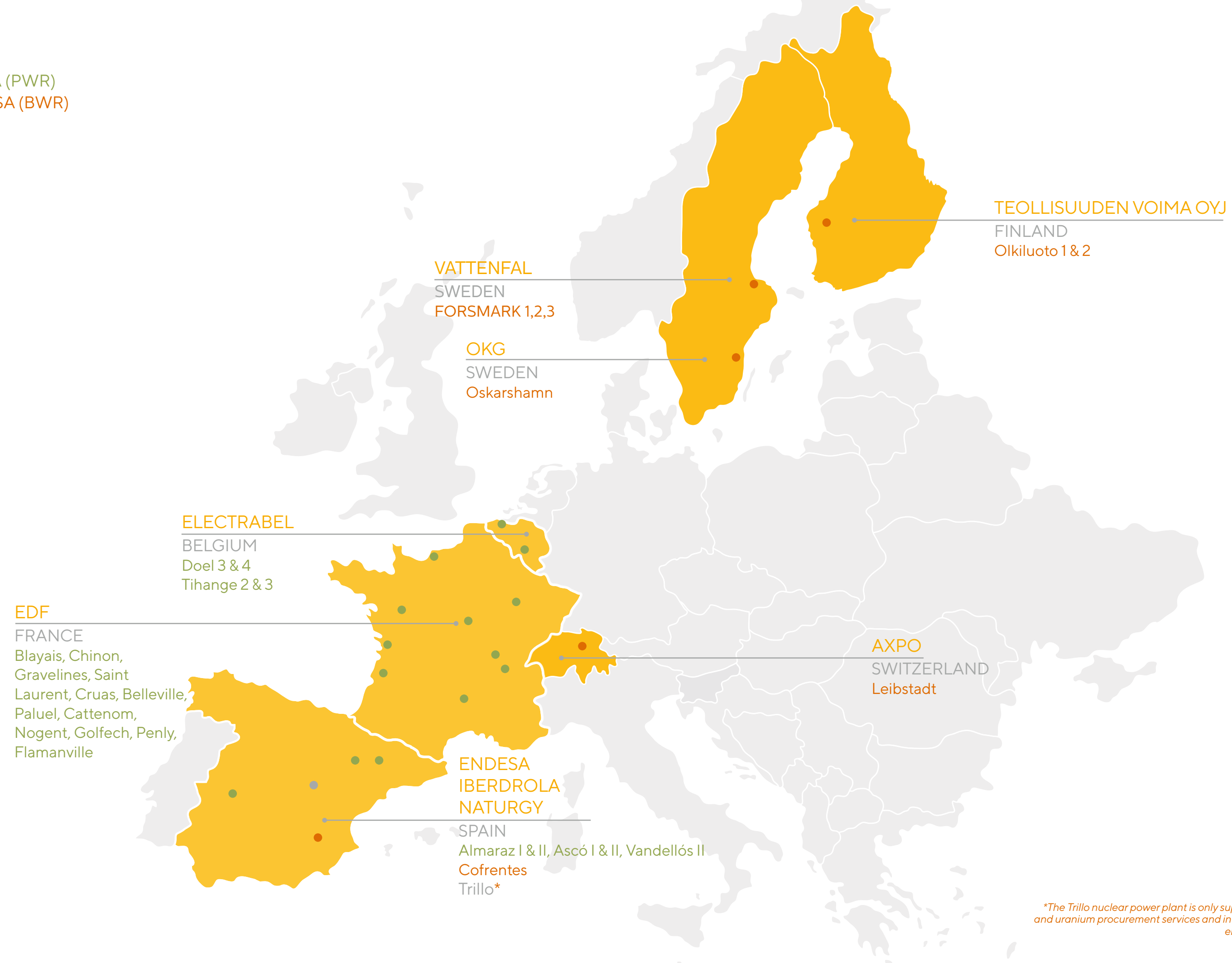
Through these agreements, General Electric Hitachi (GEH) and Global Nuclear Fuel (GNF) provide technology, components and services for conversion of UF_6 to UO_2 powder while ENUSA provides fuel manufacturing and transportation services to customers.

In 2021, 64 enriched tU have been manufactured. With this manufacture, the volumes required for the delivery of 252 fuel assemblies to units 1 and 2 of the Swedish Forsmark nuclear power plant, 100 fuel assemblies to the Finnish Olkiluoto plant and 228 assemblies to the Spanish Cofrentes plant have been completed.

In addition, engineering work continued during the year to prepare the fuel licensing documents for the Leibstadt nuclear power plant (KKL).

In terms of commercial activities, Iberdrola was awarded this year the contract for the supply of fuel and associated services for the Cofrentes power plant. On the other hand, a tender for such a scope has been submitted for the three units of the Swedish Forsmark power plant and a request for tender has been received for the delivery of demonstration fuel assemblies for the Swedish Oskarshamn power plant. The awards for the latter two tenders will take place in the course of 2022.

- ENUSA (PWR)
- GENUSA (BWR)



*The Trillo nuclear power plant is only supplied with fuel and uranium procurement services and in 2016 eight test elements (LTAs).

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

ENGINEERING AND FUEL SERVICES

Contracts with customers are often complemented with engineering services, including refuelling design activities for the Spanish PWR nuclear reactors and licensing and operation support, as well as methodology development activities. In addition, engineering activities are carried out to support ENRESA and ENSA and other market related activities.

On the other hand, fuel services performed at nuclear power plants continue to be active. This is mainly due to renewed agreements with national PWR customers, leading to a progressive consolidation in the scope of the services rendered by ENUSA in relation to refuelling services, the inspection of irradiated fuel stored in the fuel pools and its characterisation and classification.

ENUSA has maintained partners and alliances to carry out fuel services for several years. The ENUSA-ENSA EIG (Economic Interest Grouping), the organisation that provides the fuel services contracted by ENUSA in relation to the operation of the plants with the support of its partners ENSA and ENWESA, carries out all the services required by its customers, both refuelling and spent fuel management services, including the loading of containers, optimisation of the fuel pool frames and nuclear engineering services related to the design and licensing of containers and racks for the storage of spent fuel.

It also benefits from the necessary collaboration with Westinghouse Technology Services (WTS) for fuel services at nuclear power plants, guaranteed by the collaboration agreement between ENUSA and WTS, which was also signed in 2017.

Another of ENUSA's strategic agreements in the area of plant services is with the North American company Dominion Engineering, for the development of fuel cleaning equipment using ultrasound techniques and equipment for the detection of leaking elements. Through this agreement, ENUSA is offering plant services in other European countries.



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

IRRADIATED FUEL MANAGEMENT

The in-depth technological knowledge of nuclear fuel and the extensive experience acquired in recent years have made ENUSA a benchmark for nuclear power plants in multiple areas of spent fuel management.

The spent fuel management support offered by ENUSA to its customers has two components. One relates to engineering work to identify inspection needs, analyse the results of these inspections, classify fuel and minimise the number of items to be classified as damaged. The other relates to fuel services to be carried out at the plant for inspection, reconditioning of damaged items and loading of containers. During 2021, intensive work has been done to provide support in both components to Spanish PWR nuclear power plant managers.

In order to minimise the number of assemblies to be classified as damaged, ENUSA has developed different methodologies and a conditioning device. The methodology for classifying fuel with exfoliation is noteworthy. In 2018, this methodology obtained the CSN's favourable endorsement for Holtec's containerised AEF fuel. In 2019, ENRESA, together with the PWR plant managers, asked ENUSA to adapt this methodology to the different fuel designs and storage systems currently existing in Spain. In 2020, this work was completed, obtaining a favourable assessment for the rest of the fuel designs that have operated at the Ascó nuclear power plant in Holtec cask. The CSN is expected to approve the same in 2021 for the fuel assemblies of the Almaraz nuclear power plant in ENUN- 32P cask. Thus, during the year 2021 the irradiated fuel classification methodologies have been updated in accordance with the changes in the technical specifications of the Holtec and ENSA casks. Furthermore, ENRESA and the PWR plants are developing the ATI-100 projects, the aim of which is to increase the capacity of the Individual Temporary Storage Facilities to house all the irradiated fuel at the plants until the end of their programmed operation. As part of this process, ENRESA has issued a call for tenders in 2021, to be awarded in the first months of 2022, to select the cask to be used at all the plants from 2025 onwards.

In relation to minimising the number of fuel assemblies to be classified as damaged, it is also important to highlight the development of the Espiga device. In the last four years, ENUSA has installed 400 devices of this type allowing corrosion-affected fuel assemblies in the upper head hoses to be handled without restrictions. In 2021, ENUSA has been working intensively on a project aimed at adapting the installation tools for this device so that they can be used in locations in the pools that cannot be accessed with the usual tools. During 2022, tests will be carried out at the plant and the first applications of this solution.

These activities are expected to continue in the coming years until the Spanish plant operators' objective of having all the fuel in the pools classified and ready to be placed in storage and transport casks is achieved. ENUSA, as a fuel technologist, has equipped itself with all the necessary resources, both in engineering and fuel services, to meet the demands of its customers.

Now that the activities of the second part of the fuel cycle have been consolidated in Spain, ENUSA has begun to provide support in this area to foreign customers.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance


Social
Performance

8
Environmental
Performance

9
Annexes

R&D AND INNOVATION

Technological excellence is an essential differential factor for ENUSA's development and growth and forms the basis on which customer confidence is based. This excellence is achieved through two basic elements: on the one hand, agreements with benchmark technology partners in the nuclear industry and, on the other, by carrying out its own R&D and innovation activities in key business fields and highly oriented towards its customers' most specific needs. While the former ensures the soundness of the technology's foundations, it is the latter that ensures consolidation and growth.

In turn, R&D and innovation help to foster an entrepreneurial dynamic in the company and to provide knowledge and technological training to provide competitive products and services in traditional markets and to take advantage of opportunities for growth in new activities.

For this reason, ENUSA invests considerable financial and human resources in R&D and innovation projects. In 2021, more than 2% of industrial sales were allocated to approximately 40 projects, involving the equivalent of 16 fully dedicated experts, and involving the promotion of and participation in distinguished programmes in collaboration with licensors, technology partners, regulators or customers.

ENUSA continues to take part in the main national and international forums with the aim of incorporating the latest technologies that serve to improve products and services, as well as technological capabilities.

INTERNATIONALIZATION

Throughout the year 2021, ENUSA has maintained intense activity to expand its business in international markets, despite the difficulties caused by the impossibility of travelling as a result of the COVID-19 pandemic.

During the year, intensive work was carried out on the project to supply SICOM-NG-FA equipment to the Korean company KEPCO-NF, which is due to be completed in 2022.

The project started in 2020 with the Emirates Nuclear Energy Corporation (ENEC) for a time and cost study for a potential fuel fabrication plant in the country was also completed. The successful completion of this project should lead to an increase in ENUSA's presence in this growing market in the coming years.

Finally, contacts with Brazilian companies in the nuclear sector have been intensified and the foundations have been laid for the renewal of collaboration agreements with some of them. The first of these agreements should crystallise in the first quarter of 2022.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

CUSTOMER SATISFACTION SURVEYS

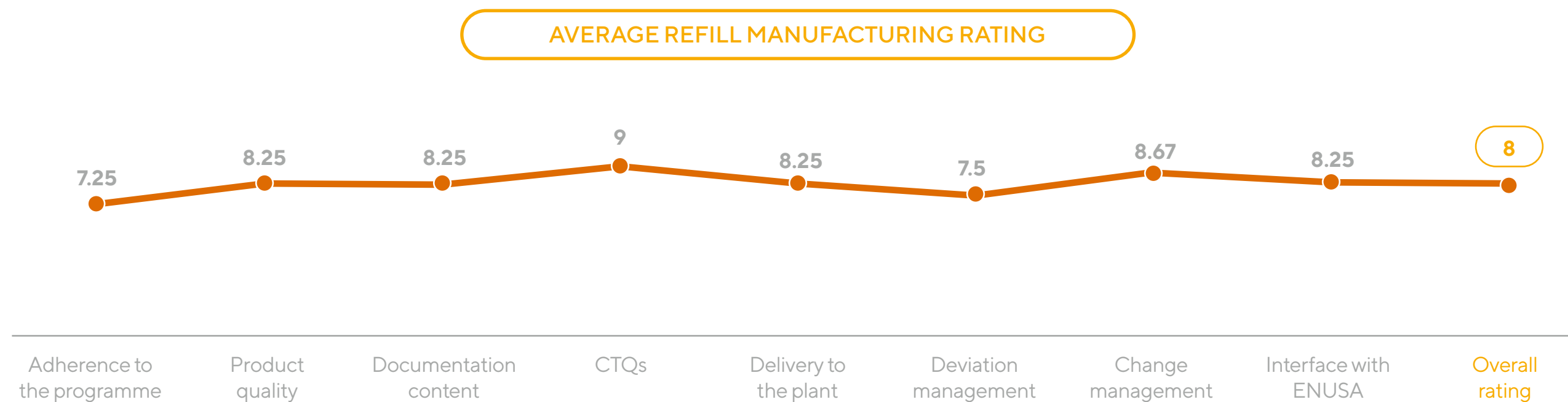
ENUSA measures the quality of the services it provides to its customers by means of two different indicators:

- Firstly, their degree of satisfaction is assessed by analysing certain indicators which can be evaluated and the results obtained either through face-to-face customer satisfaction surveys or through self-assessment of the critical quality parameters (CTQs), based on the aspects that customers have mentioned on previous occasions and on the experience resulting from the many meetings that are held with them on a regular basis. In 2021, a new method of telematic satisfaction surveys associated with specific milestones in the supply of products and services has been launched.
- On the other hand, possible dissatisfaction is analysed, accepting any complaints and/or claims that may be made concerning specific events related to the services provided by ENUSA.

In relation to the latter, it should be noted that no complaints and/or claims were received in 2021.

The satisfaction analysis carried out in 2021 comes from the self-assessments and telematic surveys, as the COVID-19 pandemic has prevented face-to-face surveys from being carried out.

- The results of the telematic evaluations carried out on the design, manufacturing and documentation of the refuelling of Ascó I and II, Vandellós II, Almaraz 1 and 2, Forsmark 1 and 2, Olkiluoto 1, as well as for the supplies to the French EDF and Belgian Tractebel plants show an average quality score of 8.37 out of 10.
- The result of the overall assessment made by customers using telematic surveys on the management of refuelling manufacturing projects is 8 out of 10, with the breakdown shown in the following graph:

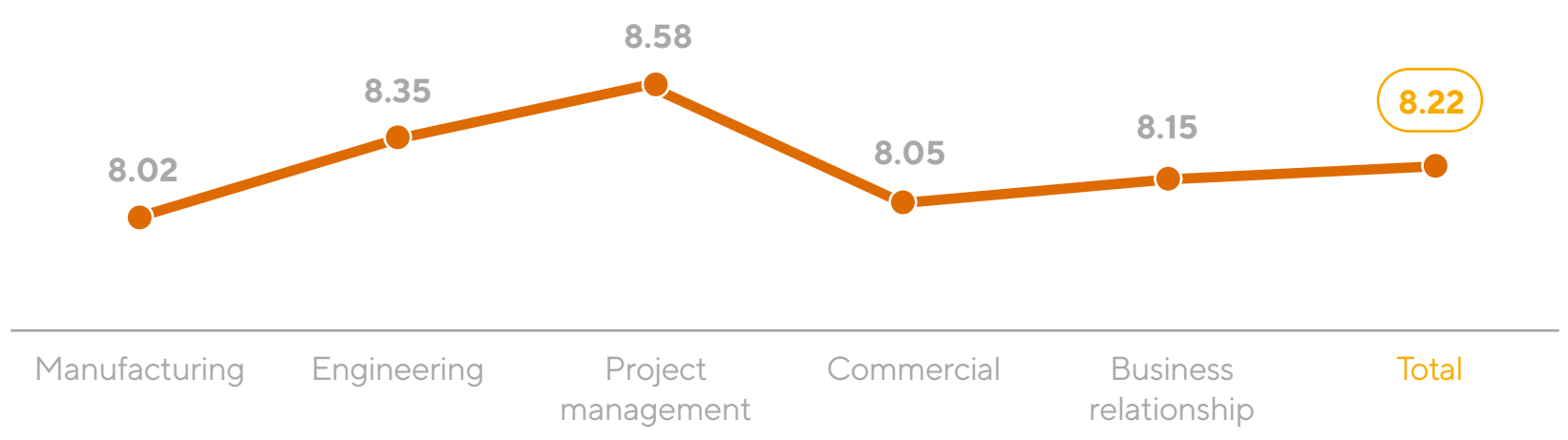


- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

- The results obtained through the self-assessment on the supply of refills show an average of 8.22 out of 10, with the following breakdown by area:

AVERAGE RATING OF THE DIFFERENT AREAS - REFUELLING (INDIRECT METHOD)



- Regarding fuel services, self-assessments have been carried out for the recharge 24 of Vandellós II, recharge 26 of Almaraz 2 and recharge 28 of Almaraz 1 and Ascó I with an average result of 8.59 out of 10. In addition, this year an internal evaluation was received from CNAT for the services at the Almaraz 2 recharge plant 26, with a result of 4.5 out of 5.



ENVIRONMENTAL AREA CUSTOMERS

During 2021, the Department of Environmental Projects and Renewable Energies (PMAER) has continued to work on the provision of environmental services.

Specifically, as in previous years, PMAER has continued to provide support engineering services to other ENUSA activities and to carry out environmental radiological monitoring programmes.

- Water monitoring programme in the area surrounding the former Andújar uranium factory in Jaén. Sampling carried out by EMGRISA. In accordance with the ENRESA - ENUSA contract, dated 9 February 2021, these works will be carried out for a period of four years, with the possibility of being extended for one more year.
- Long-term institutional monitoring programme of the restored LOBO-G Plant site in La Haba (Badajoz). Sampling carried out by EMGRISA.
- Monitoring and maintenance programme for the restoration works at the former uranium mines of Valdemascaño and Casillas de Flores, both in Salamanca.
- Economic and administrative coordination in the environmental dosimetry service for Berkeley in Villavieja de Yeltes and Retortillo (Salamanca).
- Environmental dosimetry work contracted by Geocisa for the José Cabrera, El Cabril, Vandellós and Ascó facilities.



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

GNERA
Juzbado (Salamanca)

ENRESA
Valdemascaño y Casillas de Flores (Salamanca)

BERKELEY
Villavieja de Yeltes y Retortillo (Salamanca)

ENRESA
La Haba (Badajoz)

ENRESA
Andújar (Jaén)



5 SUPPLIERS

VALUE CHAIN

The nuclear fuel cycle is the set of operations necessary for the fabrication of fuel for nuclear power plants, as well as the treatment of spent fuel produced by the operation of nuclear power plants. The so-called open cycle includes mining, production of uranium concentrates, conversion to UF₆ and enrichment (if applicable), manufacture of fuel assemblies, their use in the reactor and storage of the irradiated fuel assemblies.

ENUSA is actively involved in all phases of this value chain, purchasing all the enriched uranium components (uranium concentrates and conversion and enrichment services) destined for the Spanish power plants on behalf of the owner utilities, manufacturing the fuel assemblies not only for most of them, but also for many other European companies, and collaborating with its customers and ENRESA in the safe storage of spent fuels.

The subsidiary EMGRISA provides a wide range of services related to environmental preservation and restoration in the fields of soil, water, waste management and environmental engineering and consultancy. Therefore, its supply chain involves suppliers and subcontractors for design activities, operational activities, material supply and other key support activities.

ETSA, as a global and intermodal transport operator of hazardous, complex and high-liability goods, operates in three sectors with very different needs that require different and specialised operational structures, material and human resources: logistics of nuclear medicine and radioactive products in general, nuclear industry and hazardous chemical products in tanks.

The scope of ETSA's service includes: specific flow and routing studies, provision of packaging and validation of packages and stowage instructions, development of procedures and preparation of shipment documentation, ship and aircraft chartering, physical and radiological protection and other related services.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

MAIN SUPPLIERS

Procurement: At ENUSA, uranium procurement consists mainly of managing the purchase of uranium concentrates and conversion and enrichment services in order to provide customers with the enriched uranium necessary for the operation of Spanish nuclear reactors. This management is carried out under the parameters of security of supply and according to the applicable rules and standards under the authority EURATOM and IAEA.

The suppliers contracted are leading companies in the uranium market. A total of seven companies were contracted this year, some of which not only supply the uranium product but also conversion and enrichment services.

Most providers are geographically located in Europe and America. However, the companies have mining interests in different countries and continents.

Uranium procurement operates in a highly regulated sector controlled by international organisations in which all supply stages are carried out under the strictest quality and safety standards.

Manufacturing: In 2021, the volume of purchases and investments of the Juzbado factory amounted to 105.17 million euros, with the following breakdown of orders during this year:

- National: 11.48 → Castilla y León: 4.83 and, specifically, Salamanca: 1.93.
- Foreign: 93.69.

EMGRISA: EMGRISA's suppliers are diverse as a result of the wide range of activities carried out by the subsidiary. They provide specialised consultancy services for design and innovation activities, as well as excavation, transport, drilling, dismantling, construction, installation, maintenance and supply of materials.

On the other hand, as an accredited entity and as an additional quality guarantee, it has the permanent collaboration of accredited laboratories that provide support services in the key phases of its value chain.

ETSA: ETSA's service providers are classified into three main groups according to the characteristics of the supplies:

- Suppliers transporting hazardous and non-hazardous materials by road.
- Suppliers transporting hazardous and non-hazardous materials by sea and air.
- Suppliers performing ancillary and complementary services to transport or related to the environment.

Most of the suppliers are geographically located in Spain, but ETSA has a European distribution network and permits in all countries of origin, transit and destination.

SUPPLIER QUALITY

Only ENUSA suppliers included in the List of Approved Suppliers are authorised to supply goods and services that affect the quality of the product and/or the safety of the facility.

These have been assessed and approved according to a documented procedure that requires periodic (minimum three-yearly) reassessment to ensure that the conditions that initially granted approval are maintained.

The type of assessment is defined according to the quality assurance requirements demanded by the applicable regulations that ENUSA and/or its customers establish through their contracts, and takes into account the importance, complexity and degree of control over the element or service to be acquired that ENUSA exercises through its quality management system.

ENUSA suppliers are classified into four large groups according to the characteristics of the supplies:

- Related to nuclear fuel manufacturing processes.
- Related to the operating processes of the Juzbado Factory.
- Related to engineering service processes.
- Related to the supply of equipment and in-plant services related to fuel operation and the provision of decommissioning and radioactive waste management services to customers in the nuclear sector.

Their selection, evaluation and subsequent approval is based on one of the following criteria:

- Assessment of the supplier's ability to deliver the goods or services to be procured and of the supplier's quality system by means of an audit in accordance with the requirements of nuclear standards: UNE 73 401, 10CFR50 Appendix B or ASME NQA-1.
- Assessment of the supplier's Quality System according to the requirements of the nuclear standard UNE 73 401, 10CFR50 Appendix B, or ASME NQA-1, to determine the ability to comply with the technical and quality requirements of the supply, in addition to the monitoring of the same (inspection of the product or supervision of the service).
- Third-party assessment of the supplier's Quality System, with valid certification according to the ISO 9001 standard issued by an accredited entity, accreditation by ENAC or equivalent (ILAC) according to the ISO/IEC 17025 standard, homologation or authorisation by a competent official body or any other applicable related body, depending on the supply or service.

EMGRISA has a list of suppliers that it evaluates periodically. The criteria assessed include the service provided, the quality of the service, deadlines, environmental management and occupational risk prevention.

ETSA demands the highest level of quality from all its suppliers in the products and services they provide, and this requirement is explicitly stated in the tender documents and requests for tenders.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance


Social
Performance

8
Environmental
Performance

9
Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

EXTENSION OF CORPORATE SOCIAL RESPONSIBILITY TO THE VALUE CHAIN

Supplier assessments take into account the evaluation of their environmental performance in relation to the goods and services supplied. Furthermore, suppliers must be familiar with and commit themselves to complying with ETSA's established quality and environmental policy and must have the appropriate means to comply with it.

In those cases where it is deemed necessary, due to their criticality and impact on ETSA's activity, the supplier must also commit to a series of specific quality and environmental requirements, mainly related to legal compliance, waste management and minimisation of consumption. For this purpose, external certifications, the signing of the company's environmental commitment, as well as the establishment of specific contractual or ordering conditions can be used to verify compliance.

The successful tenderer (before, during or after the service) must provide documentary evidence of the quality management and environmental management features required of them, as well as evidence of compliance with the legislation in force for the service provided. ETSA reserves the right to request additional information, carry out audits or monitoring following the opening of a "Non Conformity" or detection of a drop in the level of service in order to verify the validity of the requirements demanded.

One of ENUSA's long-term objectives is to ensure that its responsible practices are passed on to its suppliers. Therefore, supplier assessment and qualification also takes into account environmental management systems relating to the goods and services supplied, as well as their commitment to Social Responsibility in order to operate in an ethical, integrated and transparent manner.

In the field of uranium procurement, ENUSA goes a step further and expresses its interest in learning about the policies and practices of the suppliers with which it works. To this end, the Corporate Social Responsibility area studies the CSR policies and practices implemented by the uranium suppliers with which it collaborates.

This research, which began in 2013 and continues today, is conducted through a questionnaire that collects information of interest within the framework of Corporate Social Responsibility. In addition, updates are regularly requested from the different suppliers to monitor progress and the current situation in this area. At the end of 2021, ENUSA had questionnaires from twenty-nine suppliers, both for uranium concentrates and for conversion and enrichment services.

In addition, a Supplier and Subcontractor Code is in place to ensure that suppliers adhere to and commit themselves to basic principles of ethics and professional conduct. Implementation of this document began in 2015, including its principles in the contracts signed with uranium suppliers and, as of 2017, it began to be delivered as a separate document to the suppliers of the Juzbado facility. In 2021, work has been done to integrate this Code into the Contracting and Procurement operations, with the objective of making it available to all suppliers. To this end, it is being attached as an annex to contracts for amounts equal to or exceeding 15,000 euros and, in addition, a clause has been included in the general purchasing conditions for orders. This document was introduced in 2015 and its principles were included in the contracts signed with uranium suppliers.

6 QUALITY

For ENUSA, quality is a strategic factor and a basic pillar in all its activities, as a result of a set of company factors and elements which, when added together, generate the best products and services to meet the needs of its customers, in a safe way for its workers and the environment, and in a profitable way for its shareholders.

During 2021, the following audits were carried out:

AUDITS CARRIED OUT DURING 2021 ⁽¹⁾	
External audits received	8 on quality management 1 on environmental management
Supplier audits	14

⁽¹⁾ The internal audits carried out are included in the section "Internal audit and control" (p. 24).



CONTINUOUS IMPROVEMENT

ENUSA, on its path towards excellence, continues to work on Continuous Improvement, a basic tool that includes a whole series of techniques aimed at the analysis, streamlining and optimisation of production processes. This continuous improvement policy is essential to maintain the strategic lines in the fuel business, and to ensure growth and competitiveness.

At the organisational level, the Continuous Improvement Programme is directed and coordinated worldwide through the Quality Committee, which is made up of the heads of ENUSA's operational organisations. During 2021, the Quality Improvement and Digital Transformation Groups (QITGs) were: manufacturing, business processes, engineering and services, systems and customers, and markets.

Reporting directly to this Committee, the DTIGs pursue the quality objectives by creating Quality Operations Groups (QOG), monitoring their work and approving proposals for improvement. The Quality Committee monitors actions and projects that apply only to Continuous Improvement.

With this structure and associated working method, the different organisations work towards Continuous Improvement in a synchronised way and pursue common goals.

At the end of 2021, ENUSA has seven *Black Belt* certificates, two of them dedicated exclusively to improvement and digitisation activities and forty-six *Green Belt* ones.

Throughout 2021, and considering both the Juzbado and Madrid workplaces, a total of three QOGs were started and three others were completed.

Of the various improvement projects worked on during 2021, the following QOGs are worth mentioning: "Measurement of customer satisfaction" and "Materials in contact with ceramic area".

Likewise, and in relation to the Improvement Plans, a total of 35 improvement actions were initiated (some of them QOGs), distributed as follows:

- Manufacturing → 10 actions
- Plant services → 9 actions
- Design → 4 actions
- Supplies → 2 actions
- Information systems → 10 actions



PERFORMANCE MANAGEMENT

The Performance Management Organisation (PMO) has the mission to foster the improvement of leadership capabilities in the field of safety. This is done by systematising work practices focused on preventing human error through leadership, improving human reliability, learning from experience and operational communication.

The biennial Organisation and Human Factors Programme promotes the set of critical actions necessary to achieve continuous improvement in the performance of all workers and at all organisational levels, prioritising those activities that have an impact on the safety of the facility and the quality of the manufactured product.

Other more operational actions are also undertaken which, although not included in this programme, are carried out by the PMO with the same objective. Of particular note is the assessment of safety culture, the integration of human-factors engineering in design modifications associated with manufacturing equipment and safety systems, training in safety culture and human factors and performing root cause analyses of events of undesirable events from the point of view of organisation and human factors, with the aim of identifying corrective and improvement actions to reduce the probability of occurrence.

Among the milestones achieved in 2021, and as part of the actions defined in the Organisation and Human Factors Programme, the promotion of the safety culture improvement area, with the external safety culture assessment and the first steps to implement the Just Culture Programme, and the integration of the INCIFAB computer application in the Corrective Actions Programme (PAC).

Another of the activities associated with the operational plan for improving the safety culture, which reflects the commitment of the Juzbado factory management in this area, has been the reinforcement by the Head of Product Quality, in the annual safety training sessions, in the use of and adherence to procedures, the preparatory and work assessment meetings, the questioning attitude, self-verification and behavioural expectations of leaders and staff, as well as the need to communicate all aspects related to safety, quality and manufacturing that the personnel identify so that they can be evaluated by the organisation.

QUALITY IN OUR PRODUCTS AND SERVICES

FUEL AREA

Taking into account the characteristics of the product manufactured at ENUSA, 100% is subject to the procedures in force and regulations that require exhaustive information:

- ENUSA's quality system is basically structured according to the criteria of the UNE-EN-ISO-9001 standard "Quality management systems. Requirements", also including the requirements of the standards UNE-73 401 "Quality Assurance in Nuclear Facilities" and UNE-EN ISO/IEC 17025 "General requirements for the competence of testing and calibration laboratories". ENUSA's quality system also meets the requirements of the standards 10CFR50 App. B, "Quality assurance criteria for nuclear power plants and fuel reprocessing plants" (Nuclear Regulatory Commission - NRC - USA), ASME NQA1, "Quality assurance requirements for nuclear facility applications" and KTA 1401 (Nuclear Safety Standards Commission) "General requirements regarding quality assurance".
- A detailed description of the quality assurance criteria has been developed taking into account the instructions of the CSN in Spain and the other regulatory bodies to which ENUSA supplies fuel. These instructions set out the requirements relating to the safe operation of nuclear and radioactive facilities without undue risk to people or the environment.

Fuel assemblies, at the different stages of their life cycle, must also comply with specific requirements such as:

- Instruction IS-02 and Safety Guide 1.5 specify the documentation required by the CSN to assess the safety and correct performance of nuclear fuel renewal processes, identifying the processes for which it is necessary to submit information to the Council, the contents thereof and the recommended deadlines for its submission.
- CSN Instruction IS-12 defines the qualification requirements for personnel whose duties are related to the safe operation of the nuclear power plant.

Therefore, for each stage of the fuel assembly cycle, it is assessed that there is no risk to the health and safety of personnel, customers and the general public.

ENVIRONMENTAL SERVICES

In order to guarantee the environmental services provided by ENUSA, and as part of its own quality management activities, throughout 2021 the measuring equipment calibration programme was kept up to date at all times and work procedures were drawn up for the activities that required it.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

CERTIFICATIONS

Since its inception, the ENUSA Group has paid special attention not only to the quality of its products and services, but also to the quality of its management in general. This is reflected in the quality and environmental certifications it holds from independent accreditation bodies.

ENUSA 2021 ACCREDITATIONS AND CERTIFICATIONS:

- The audit for the renewal of the certification of the Quality Management System according to ISO 9001: 2015 was carried out by AENOR.
- The second follow-up audit of the certification of the Environmental Management System according to the new ISO 14001:2015 standard was carried out by AENOR.
- The Environmental Management System was verified by AENOR in accordance with EC Regulation 1221/2009 (EMAS) as amended by Regulation (EU) 2017/1505 and Regulation (EU) 2018/2026.
- The certification of the Quality Management System according to KTA 1401 by RWE Nuclear GmbH is maintained.
- The certification of the Quality Management System according to CEFRI/SPE-E-0400 specification by CEFRI is maintained.
- The accreditation of the laboratory's radiochemical testing techniques, according to the ISO 17025:2017 standard by ENAC.

ACCREDITATIONS AND CERTIFICATIONS OF INVESTEE COMPANIES:

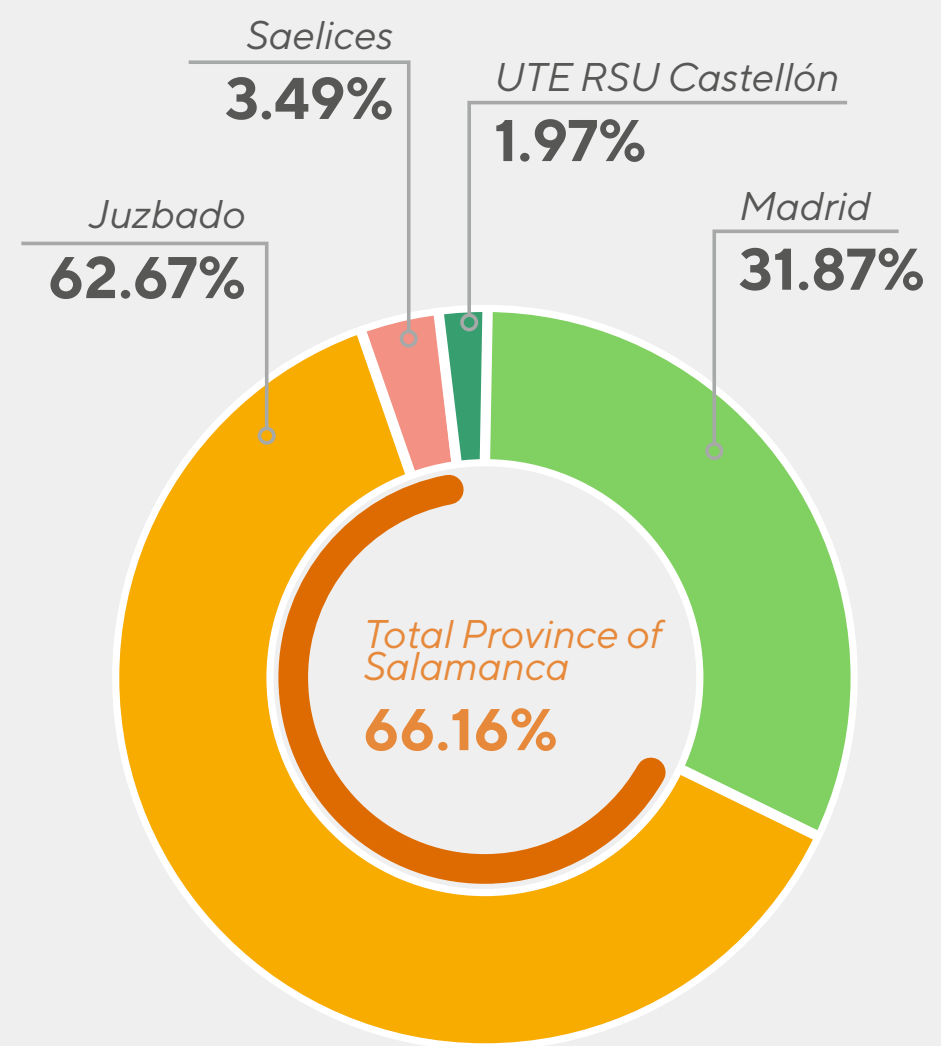
- ◆ **EMGRISA:**
 - Quality management system, according to ISO 9001:2015.
 - Environmental management system, according to ISO 14001:2015.
 - Health and safety management system, according to ISO 45001:2018.
 - Company accredited by ENAC (National Accreditation Entity) as an Inspection Entity, according to ISO 17020:2012, for inspection activities in the environmental area in the field of potentially contaminated soils and associated groundwater.
- ◆ **ETSA:**
 - Quality management system, according to ISO 9001:2015.
 - Environmental management system, according to ISO 14001:2015.
 - EITA (European Isotopes Transport Association).

7 ADDING VALUE TO OUR COMMUNITIES

ENUSA has a close relationship with the province of Salamanca, as two of its three workplaces are located there: the Juzbado fuel assembly factory and the Saelices el Chico centre. Between them, they account for 66% of the total workforce, with the majority of the staff originating from Castilla y León.



GEOGRAPHICAL DISTRIBUTION OF THE ENUSA WORKFORCE



The vast majority of the young people who benefit from the scholarship and internship programme that ENUSA has arranged with different educational institutions to facilitate experience in the job market are also from this same Autonomous Community (see par. "Training", p. 311).

The following table shows the most significant data on the added economic value of ENUSA's presence in Salamanca:

ENUSA'S ADDED VALUE IN SALAMANCA (€)				
	2018	2019	2020	2021
Suppliers ⁽¹⁾	5,172,789	4,692,723	5,538,447	6,169,548
Customs	842,037	1,118,521	1,880,458	1,784,889
Taxes and other expenses	289,749	256,613	295,644	402,679
Visit expenses	49,345	51,740	19,720	43,410
Payroll + SS	20,751,556	20,612,752	22,498,252	21,853,708
TOTAL	27,105,476	26,732,349	30,232,521	30,254,234

⁽¹⁾ Data corresponding to supplier balances.

In the case of the UTE (joint venture), the impact of operations on employment, development and local welfare is very relevant, as a public service is provided to all the municipalities in the north of the province of Castellón, which implies very close contact with all the players in the local communities, both political and social. Employment, except for the management team, is entirely local.

A significant part of communication is aimed at promoting good environmental practices among the population of Zone 1, by organising visits to the facilities, both for schools and other associations in the area. School drawing competitions, sculpture competitions using recycled elements and waste, photography competitions, competitions for cleaning up beaches or monuments (littering), etc. have also been organised.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

Collaboration programmes have also been set up with universities in the area of influence, both for conferences and for students to carry out their final degree project.

EMGRISA's actions imply, by their very purpose, a commitment to sustainability and a positive impact on the environment in which it operates. In addition, due to the characteristics and requirements of the environment, the operations decided upon and the logistics to be carried out, dialogue and cooperation with the different local actors is necessary in many cases. This materialises in the direct contribution of value to the local community, at least in the following areas: in the environmental sphere through the restoration of environments, in the employment sphere through the creation of temporary employment, and in the socio-economic sphere through the necessary investment in the local community.

ETSA has a close relationship with the province of Salamanca as its work centre is located there and it is the place of origin of most of the people who form part of its staff as well as those who are hired as trainees to facilitate a first contact with the labour market. In addition to the above, the scope of ETSA's service extends to the entire national territory, which means that its actions have a positive impact on the areas where it operates.



8 SOCIAL ACTION

Conscious of the demands of its stakeholders, ENUSA has, from the outset, pursued initiatives aimed at generating a positive influence within the communities in which it operates.

A business philosophy that has led it to strive for maximum integration between its work, both inside and outside the organisation, and its concern for the needs of the society in which its workplaces are located.

Therefore, rather than simply providing certain products and services to its customers, ENUSA has always set in motion management actions and policies where values such as environmental protection, promoting education and research, fostering training, culture and contributing to social causes play a fundamental role.



SPONSORSHIP AND PATRONAGE

Throughout this year, ENUSA has maintained its collaboration with administrations, institutions, organisations and entities in its surroundings to implement sponsorship and patronage initiatives through which to contribute to projects of general interest.

Since 2013, ENUSA has had a Sponsorship and Patronage plan which defines the priority areas of action each year, especially the collaboration with the city councils in the area of influence in order to launch initiatives that promote their development and contribute to improving the quality of life of the people who live in the municipalities. Specifically, the Sponsorship and Patronage Plan sets as a constant the annual sponsorship of environmental investments, cultural activities, local development or infrastructures requested by the local city councils in the area of influence, subject to the availability of funds.



The following organisations and general projects were supported in the past year:

CULTURAL COLLABORATIONS:

- Amigos del Museo del Prado Foundation
- Amigos del Museo Nacional Centro de Arte Reina Sofía Foundation
- Ciudad Rodrigo 2006 Foundation

ACADEMIC COLLABORATIONS:

- ASTI Talent & Technology Foundation

COLLABORATIONS WITH OTHER NON-PROFIT ENTITIES:

- Energía Sin Fronteras Foundation
- Empresa y Clima Foundation (FEC)

COLLABORATIONS WITH LOCAL ENTITIES IN THE AREA OF INFLUENCE:

- Juzbado Town Council
- Ledesma Town Council
- Saelices el Chico Town Council
- San Pedro del Valle Town Council
- Valverdón Town Council
- Vega de Tirados Town Council

INVOLVEMENT IN PROFESSIONAL ASSOCIATIONS AND ORGANISATIONS (NATIONAL AND INTERNATIONAL):

- Spanish Association of Non-Destructive Testing (AEND)
- Spanish Association of Accounting and Business Administration (AECA)
- Spanish Association for Quality (AEC)
- Energy Cluster of the Valencian Community (CECV)
- European Nuclear Society
- Forética
- Nuclear Industry Forum
- Institute of Internal Auditors of Spain (IAI)
- Spanish Global Compact Network
- Spanish Society for Radiation Protection (SEPR)
- Spanish Nuclear Society (SNE)
- World Nuclear Association (WNA)
- World Nuclear Fuel Market (WNFM)

On the other hand, the UTE RSU Castellón has continued to make collaboration agreements with the two nearest town councils and with non-profit sports associations for the development of grassroots sport. In 2021, collaborations were carried out with:

- Cervera del Maestre Town Council
- Càlig Town Council
- Cadete de Cervera del Maestre Cyclists' Club
- Peñíscola Basketball Club

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes



OUTSTANDING COLLABORATIONS

BOTANICAL CENTRE OF JUZBADO "KRAUSE-GONZÁLEZ GARZO"

Rehabilitation of the building to house the library of the bibliographic collection of the "Krause-González Garzo" Botanical Centre of Juzbado, which will mean the conservation and dissemination of a heritage legacy of incalculable value. A documentary and bibliographic collection that will serve as scientific support not only for research and study at all levels, but also for the training and dissemination of botany within society.

II OPEN WALL CONTEST

The celebration of a second edition of the mural painting competition under the name of #MURALABIERTO is a commitment to underpin Juzbado's trajectory in this field. A trajectory that is sensitive to art in all its manifestations and that perpetuates the enormous legacy of the previous open-air painting and mural painting competitions that have been held thanks to the collaboration of ENUSA.



CORPORATE VOLUNTEERING

ENUSA's Corporate Volunteering Programme was created in 2015 in the area of Corporate Social Responsibility (CSR) and has the support and commitment of Management when it comes to promoting it and committing resources.

It aims to get employees involved in causes, projects and non-profit organisations by dedicating their time, skills and talent.

In order to achieve this, employee participation is essential, as they themselves promote the different initiatives through the volunteer groups that exist in the company.

In this sense, ENUSA's corporate volunteering areas have been defined by taking into account employees' values, culture and interests:

- Environmental volunteering
- Social volunteering
- Professional volunteering
- Solidarity-based management

During 2021, ENUSA's Corporate Volunteering Programme has continued to be marked by the COVID-19 pandemic, which has meant that all the projects in which it has participated have been virtual.

Below is a brief summary of the projects organised during the year and their results::

1. Presentation of a workshop on professional skills and employability to members of the Asperger Madrid Association.

In March 2021, two colleagues from the Human Resources Department gave a workshop on professional skills and employability through the Microsoft Teams platform, focusing on the defence of skills and attitudes in a job interview for a job, to ten young people from the socio-occupational insertion programme of the Asperger's Association Madrid.

During the first hour, the volunteers explained the theoretical concepts, emphasising the guidelines to follow in a job interview, both face-to-face and virtual, the skills and qualities that companies look for and what human resources professionals look for in the selection process, among other issues. In the following hour, the participants were divided into two groups to simulate the defence of these skills in a job interview, so that each participant received a small training and personalised feedback.



2. Implementation of a quality management system in the Madrid Asperger Association.

After three years of intensive work, In September 2021, the Madrid Asperger Association received the ISO 9001: 2015 Quality certification "for the provision of services to relatives and people with Asperger Syndrome through the processes: Associative Movement, Therapeutic Area, Social Area and Training Area". This is an important step forward for this organisation, in which the help provided by two volunteers from ENUSA's Quality and Environmental Management area, who have put their knowledge and work experience at the service of this project, has played a fundamental role.

At the end of 2017, ENUSA and the Asperger Madrid Association signed a collaboration agreement that included several activities, including support for the implementation of a quality management system for this organisation. This action began to be developed in June 2018 and, since then, the two ENUSA volunteers have helped this entity to develop a model that guarantees the correct functioning of its programmes and, subsequently, to continue collaborating until reaching the final objective of achieving ISO 9001 certification.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes



3. Participation in the STEM Talent Girl "Mentor Woman" Programme.

In 2020, ENUSA called on its female employees to take part in one of the three mentoring programmes of the STEM Talent Girl project that the ASTI Foundation has developed, Mentor Woman, which consists of accompanying high school and university students through virtual sessions in the development of research projects of interest to them.

As a result, a female employee from the Technical Engineering Department joined this programme and in 2021 she has continued to contribute her knowledge and experience to guide the students in their academic and professional development.

4. Participation in the campaign "A letter to a grandfather" of the association Adopta Un Abuelo.

In the month of December, coinciding with the beginning of the Christmas season, the ENUSA Group joined the initiative "A letter to a grandfather. Happiness comes in an envelope" with which, for the second year running, the Adopta Un Abuelo association set itself the challenge of sending letters to all elderly people living in residential homes with the aim of minimising their feeling of loneliness.

Ten people from the ENUSA Group, nine from ENUSA and one from EMGRISA, participated in this solidarity initiative by sending their congratulations and messages of affection that Adopta Un Abuelo sent to the recipients.



CORPORATE VOLUNTEERING PORTAL

All these activities, along with other content considered of interest in the area of CSR, can be consulted on the [Corporate Volunteering Portal](#).

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance


Social Performance

8
Environmental Performance

9
Annexes

9 COMMUNICATION WITH OUR STAKEHOLDERS



Communication in the ENUSA Group has undergone a significant evolution in the last financial year, both internally and externally, which positions it more and more strongly every day as a fundamental tool in the daily work linked to the achievement of the objectives of transparency and closeness with stakeholders.

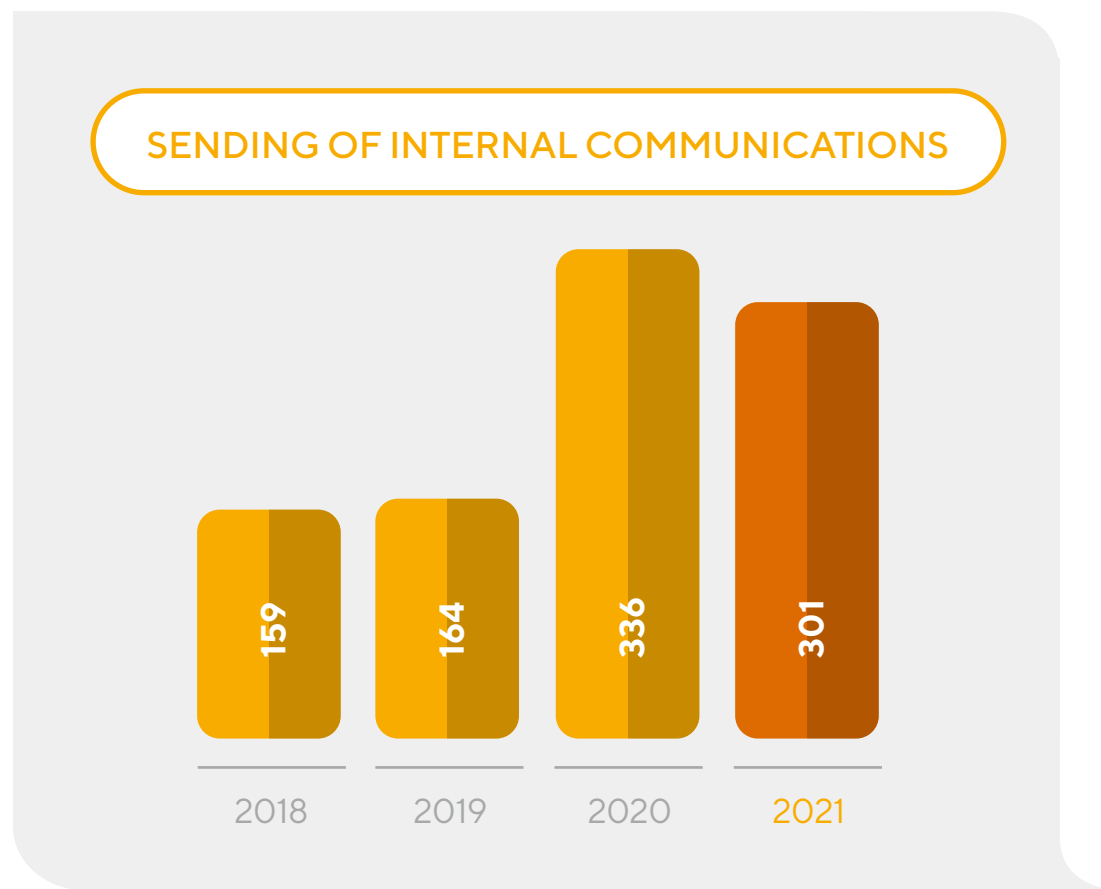
Internally, communication with the workforce has taken on a clear role since the start of the pandemic in 2020, which has been consolidated throughout the 2021 financial year.

Externally, one of the main objectives to be achieved has been to improve the brand image of the company and its subsidiaries abroad, and to this end, intensive work has been done on various levels: relations with the media, events, networks social and web pages.

INTERNAL COMMUNICATION

INTERNAL MEMOS

Given the need to communicate the different measures adopted against COVID-19 and to keep the workforce informed about the epidemiological situation, throughout 2021 work has continued on building solid relations with the workforce, both on COVID issues and on all activities related to the different areas of the company, making use of the various channels that exist in the ENUSA Group. In total, 301 communications, 187 notices and 114 informative notes have been sent.



COMMUNICATION PLAN ON THE STRATEGIC PLAN

One of the most important projects of the 2021 financial year in terms of internal communication has been the development of the Communication Plan on the Strategic Plan (PCPE). This is a document that outlines the communication strategy to transmit the 21-30 Strategic Plan to the workforce through different actions and events.

To prepare it, the Communications area has worked with the Corporate and Strategic Coordination area and a specialised consultant. The structure of the PCPE and its content were defined in the different meetings with the external consultant. During the 2021 financial year, the first part of the PCPE was also executed: the launch and “take-off”.

CORPORATE INTRANET

Also during the year, work continued on the corporate Intranet redesign project, which will be definitively implemented in 2022 in collaboration with the Systems, Digital Transformation and Quality department. A new modern design has been created, visually attractive and with a readjustment of the menus to make the page and the navigability more agile and simple for users.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

EXTERNAL COMMUNICATION

ENUSA AND ETSA WEBSITES

The ENUSA website renovation project had been stalled in 2020 due to the pandemic. However, in 2021 it was resumed and, in the first part of the year, the redesign project was successfully completed. With it, we have sought to make the website more agile and intuitive and thus be able to improve the user experience and the brand image of the company abroad.

This was a comprehensive renovation project, since the organization of the contents and their layout have been modified to make ENUSA's web page more attractive and agile. In addition, its visibility has been adapted to any support, thus making it *responsive*.

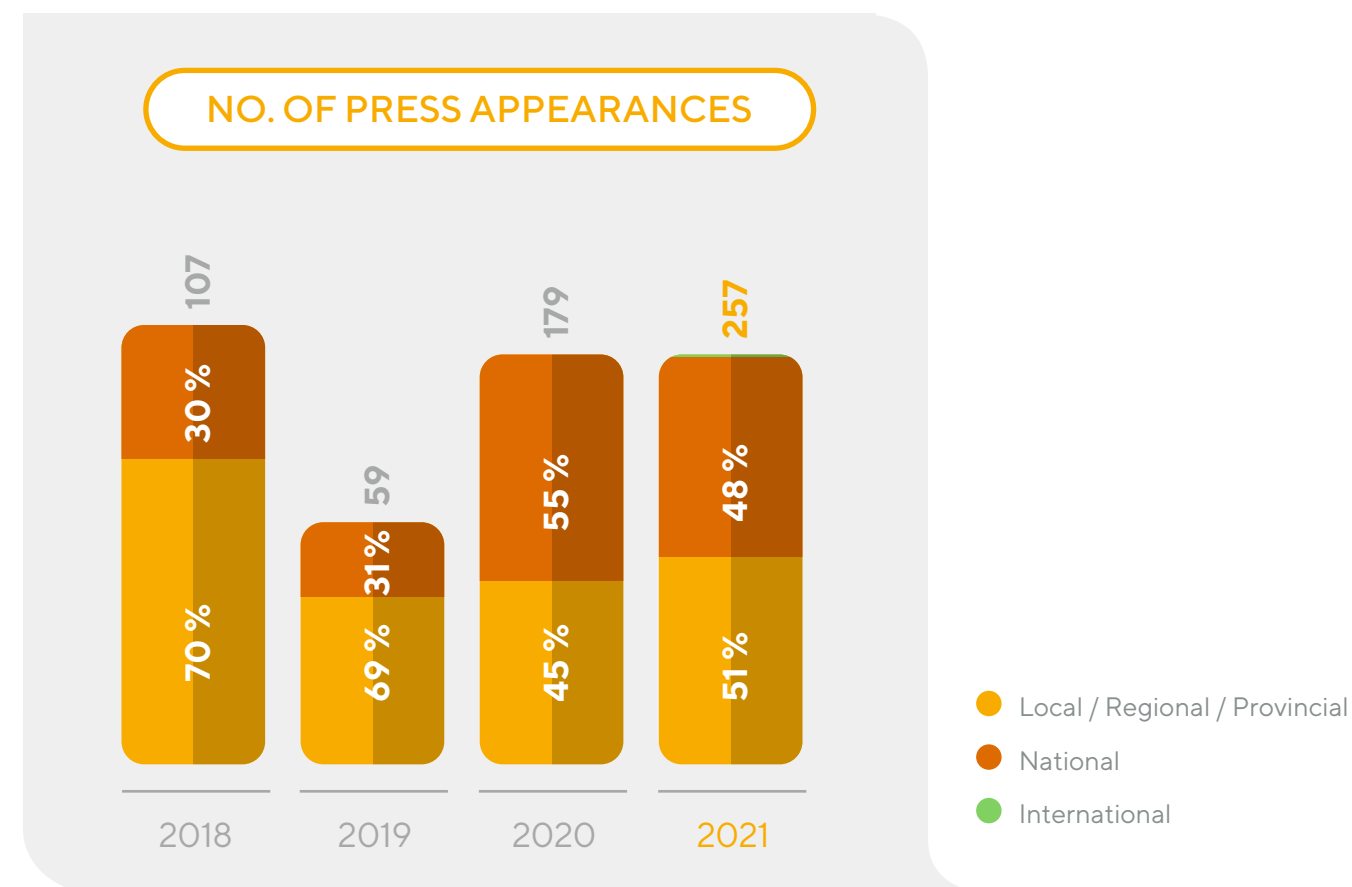
Likewise, the change in ETSA's corporate image has also resulted in the aesthetic renovation of its entire website, which has been completely redesigned and updated to reflect the global character of the company in a much more attractive and intuitive way in terms of navigability, with the aim of also improving the user experience.

The completion and updating of these websites, both in their Spanish and English versions, has contributed to the projection of a modern and dynamic image of the ENUSA Group.

ENUSA IN THE MEDIA

The media continue to be a key element in the external relations of the ENUSA Group, as they act as a channel for our activity towards society in general. For this reason, throughout 2021, special attention has been paid to strengthening our network of relations with the media in both informative and advertising collaborations, establishing a fluid and close relationship in different areas: local, in the area of influence of our Juzbado factory; regional, in Castilla y León; national; international and in specialized publications in our sector.

This work has resulted in a significant increase in our media presence with a total of 257 press appearances, compared to 179 in 2020.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

The sending of press releases, the production of reports and interviews in the press and on radio and television, and participation in economic and business forums as a channel that brings ENUSA closer to spaces where key players in the economic, social, institutional and academic life of our areas of influence meet have been the main channels we have used to bring society closer to who we are.

Among these business forums, organised by the local media La Gaceta de Salamanca, two of them stand out in which, in addition to being sponsors, we have participated as speakers:

- "The future of Salamanca is here: the challenge of development based on new technologies, innovation and export".
- II Congress "White Paper for the development of Salamanca".



SOCIAL MEDIA

Social networks have contributed substantially to the projection of a more modern and dynamic image of the ENUSA Group through different platforms. During this financial year, the Group's presence on social networks has grown and, now, all companies have at least one social network. The networks that best match the purpose of each company have been selected and have thus managed to contribute to the dissemination of the Group's values and principles. The Group currently has profiles on Twitter, LinkedIn, YouTube and Flickr.

CONVERSATIONAL INTELLIGENCE AND ACTIVE LISTENING

During 2021, Talkwalker, the leading platform in conversational intelligence, active listening, collection and analysis of market metrics, was implemented. The project arose as a need for improvement in the face of COVID-19 and also out of the desire to contribute to the digital transformation project in which the company is immersed.

Talkwalker is capable of active brand and theme listening, identifying channels, issuers and measuring the sentiment of each message launched in more than 180 languages. Other functionalities are: analysis of social networks; campaign monitoring; alert creation; crisis management; design of deliverables and competitive intelligence.

Currently, the platform is 85% implemented in ENUSA and the following uses are underway: press summary; social media analysis; performance of public channels; ENUSA brand report; alerts of mentions of ENUSA and management; monitoring of campaigns and service to other areas.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

GENERATION OF AUDIOVISUAL CONTENT

Throughout 2021, special efforts have been made to create audiovisual content, increasing its production and distribution both internally and externally.

Among the main works are videos (such as the one explaining the operation of the Juzbado fuel assembly factory or the commercial on radiological inspection with drones, as well as others for social campaigns, event coverage, the Strategic Plan, the launch of the Group's new web pages or training) and other publications (such as the internal brochure of the Strategic Plan, the equipment catalogue or the triptychs for decommissioning).

CONGRESSES AND FAIRS

With the gradual improvement of the pandemic situation, the regular activity related to events and professional meetings began to resume. This year, ENUSA has participated in the 46th Annual Meeting of the SNE, in the World Nuclear Exhibition in Paris and in Top Fuel 2021.



COMMUNICATION CHANNELS

As usual, in 2021 we continued to use our own channels of communication with our stakeholders:

- Press release
- Welcome manual
- Corporate intranet
- ENU-Agenda
- Email
- Corporate communications
- Digital signage
- Corporate website
- B2B customer portal
- Twitter, Youtube, LinkedIn and Fickr

10 KEY SUCCESSES, SHORTCOMINGS, RISKS AND OPPORTUNITIES

1 SUCCESSES

- Experience and qualification of personnel.
- Management systems implemented and certifications in all ENUSA Group companies.

2 SHORTCOMINGS

- Impact of the measures imposed to reduce the public deficit, which directly affect the regulation of staff recruitment in public corporations.
- Sector with little female presence.

3 RISKS

- Knowledge transfer and talent retention.
- Cybersecurity.

4 OPPORTUNITIES

- Integration into the strategy of the Sustainable Development Goals (SDGs) identified as having the highest level of impact for the company.
- Obtaining binding reasoned reports for qualification of R&D and innovation projects for the first time.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance


Social
Performance

8
Environmental
Performance

9
Annexes

11 OBJECTIVES

2021

PERFORMANCE MANAGEMENT

External assessment of the safety culture of the Juzbado factory.

TOTAL

RADIATION PROTECTION

Implementation of the geolocation operational dosimetry project.

PARTIAL

OCCUPATIONAL RISK PREVENTION

Actions arising from monitoring and action in relation to the SARS-COV2 pandemic in the work environment.

TOTAL

CORPORATE SOCIAL RESPONSIBILITY

Update on the materiality analysis and setting of future SDG commitments.

TOTAL

DEGREE OF COMPLIANCE

2022

COMMUNICATION

Continuation of the implementation of the communication plan on the Strategic Plan 21-30 through internal and external actions.

HUMAN RESOURCES

Draft remuneration analysis and new salary structure, in line with the draft organisational structure, incorporated in the Strategic Plan 21-30.

OCCUPATIONAL RISK PREVENTION

Retraining of all personnel assigned to office positions in the Occupational Risk Prevention training specific to their job position in all ENUSA and ETSA workplaces.

PERFORMANCE MANAGEMENT

Define a specific action plan based on the results of the external security culture assessment and the analysis of internal operational experience.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
-  Social Performance
- 8 Environmental Performance
- 9 Annexes

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance


Environmental Performance

9
Annexes

ENVIRONMENTAL PERFORMANCE



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance


Environmental
Performance

9
Annexes

1. JUZBADO FUEL ASSEMBLY FACTORY

Environmental management
Operational control of the factory's environmental aspects
Other Juzbado factory environmental performance indicators
Continuous improvement actions within the environmental management system

2. SAELICES EL CHICO CENTRE

Environmental management
Other Saelices environmental performance indicators

3. INFORMATION ON ENVIRONMENTAL ISSUES OF THE ENUSA GROUP'S SUBSIDIARIES

EMGRISA
ETSA
UTE RSU CASTELLÓN

4. MAIN ENVIRONMENTAL PERFORMANCE FIGURES OF THE ENUSA GROUP

Paper
Electricity
Water
Waste
Co₂ emissions
Environmental expenditure and investments

5. KEY SUCCESSES, SHORTCOMINGS, RISKS AND OPPORTUNITIES

6. OBJETIVES

**TABLE OF
CONTENTS**





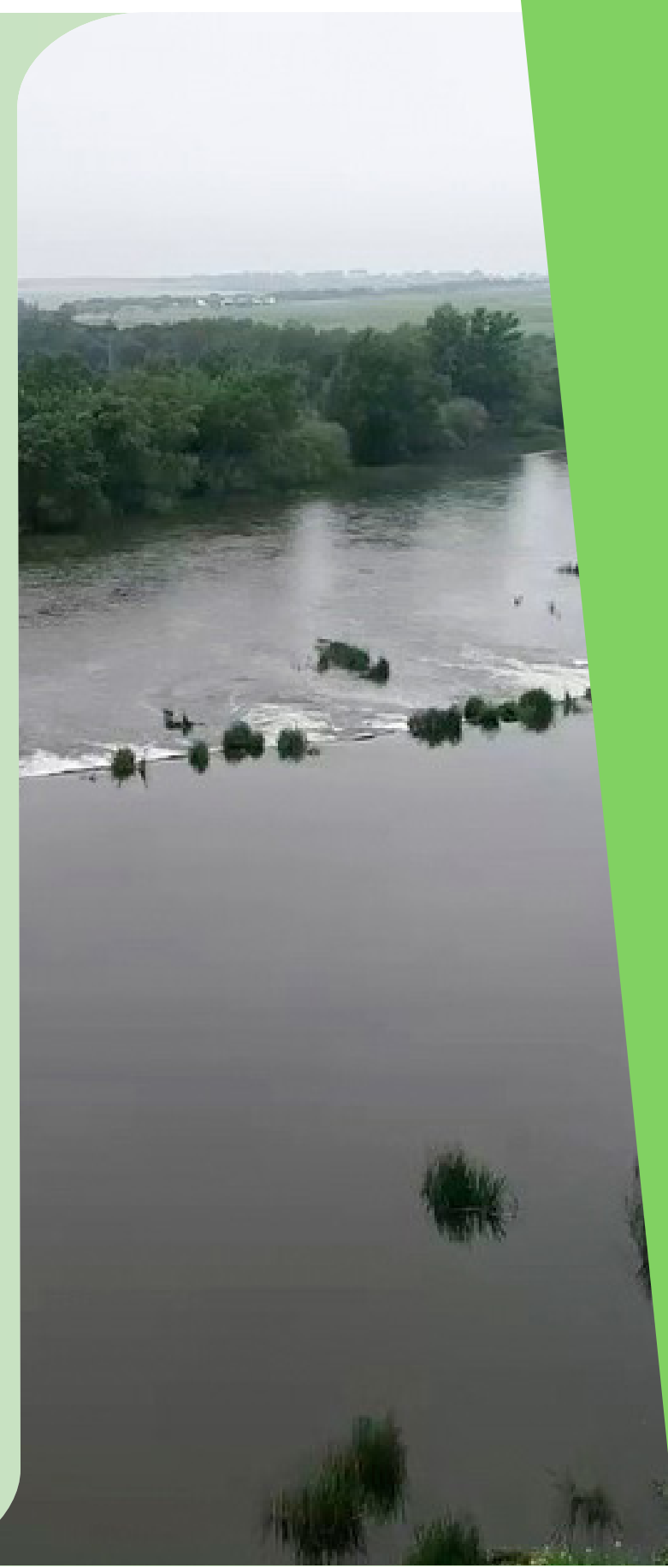
1 JUZBADO FUEL ASSEMBLY FACTORY

Operating in the Salamanca town of Juzbado since 1985, ENUSA's fuel assembly factory is one of the most innovative in Europe, incorporating state-of-the-art technology that optimises resources and protects the environment.

The centre has a specialised and highly qualified team covering the entire fuel production cycle: supply, uranium storage and logistics of the components required for fabrication, fuel production, product quality control, development of equipment for the fabrication of PWR, BWR and VVER products, and management of logistics and distribution to power plants throughout Europe.

The facility currently has a production capacity of 500 tonnes of uranium (tU). In 2021, 320 tU were produced by processing 396.42 tonnes of uranium oxide in powder form. Approximately 10% of the spent uranium oxide re-enters the process.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes



ENVIRONMENTAL MANAGEMENT

Due to the industrial nature of its activity, the Salamanca facility is governed by strict monitoring of the working conditions of its workers and the environment. Monitoring that complies at all times with the recommendations and surveillance of the competent bodies, the International Commission on Radiological Protection and the CSN, which, in turn, reports to the Congress of Deputies on the operations of nuclear and radioactive facilities.

ENUSA has a Quality and Environmental Management department that implements the Environmental Management System, as well as the Radiological Protection Service, where the Environmental Management division carries out the facility's environmental operations.

The radiological impact of the facility is monitored through the Environmental Monitoring Programme (EMP), which consists of an Environmental Radiological Monitoring Programme (ERMP) and the Environmental Chemical Monitoring Programme (ECMP), which will be discussed in more detail below.

The facility has six specialised laboratories that follow strict criteria of quality, independence, experience, professionalism, safety and respect for the environment, endorsed by the ENAC technical certifications according to the UNE-EN ISO 17025 standard and by AENOR according to the UNE- EN ISO 9001 standard. They analyse samples from the manufacturing process, from the facility's monitoring programmes, as well as personnel dosimetry processes or the determination of drinking water quality and the determination of discharge parameters.

Since its creation, the Juzbado factory has been committed to conducting its industrial activities in a way that respects the environment, always ensuring the protection and conservation of the surroundings.

Since April 1999 it has had an Environmental Management System implemented and certified by AENOR, in accordance with the requirements of the UNE-EN ISO 14001:1996 standard. In addition, in July 2003 it adhered to European Regulation 761/2001 EMAS, through AENOR's verification of its Environmental Management System and the Environmental Statement in accordance with the requirements of this Regulation. This is the first industrial facility in Salamanca to obtain this accreditation and the second oldest certified facility in Castilla y León, demonstrating its high level of excellence in environmental management and its great commitment to protecting the environment, which was recognised in December 2016 by the Regional Government of Castilla y León with a silver category award.

In 2005, ENUSA adapted its Environmental Management System to the UNE-EN ISO 14001:2004 standard, a process backed by the system's certification in accordance with the requirements of the new standard in the external audit carried out by AENOR in May 2005. Since 2010 the System has been adapted to the requirements of the new European Regulation 1221/2009 EMAS III.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

In 2018 ENUSA certified the Environmental Management System in accordance with the new UNE-EN ISO 14001:2015 standard and had it verified against the European Regulation 1221/2009 EMAS III and its amendments, evidencing the system's great maturity, level of maintenance and reliability, as well as a high level of involvement of all the company's personnel in its performance and in the application of associated good practices.



ENUSA's Environmental Management System comprises the following elements:

- ◆ **Organisational context:** his includes the internal and external context, including stakeholders (person or organization that can affect or be affected, or perceived to be affected, by a decision or activity).
- ◆ **Leadership:** top management must show leadership and commitment to the Environmental Management System.
 - Environmental Policy. Public document reflecting the commitment of ENUSA's management to the environment.
 - Organisational structure. ENUSA's Systems, Digital Transformation and Quality and Industrial Operations divisions are responsible for maintaining the Environmental Management System.
 - Registration of legal and other applicable requirements.
 - Risks and opportunities: potential adverse effects (threats) and potential beneficial effects (opportunities).
 - Assessment of direct and indirect environmental aspects generated by the factory's activities.
 - Action planning: once environmental aspects, legal and other applicable requirements, risks and opportunities have been identified, actions to address them have to be planned.
- Establishment of annual environmental objectives and targets.
- Environmental Management Programme. Allocation of responsibilities and resources, planning the time required for the different activities needed.
- Worker training plan. This is defined each year and covers three levels: awareness, upskilling and specific to the work to be done.
- Operational control. Monitoring of the factory's environmental aspects, divided into two blocks: radiological control and non-radiological control.
- Communication. Mainly through the Environmental Statement (validated in accordance with the requirements of the EMAS regulation), which is available to the public on the ENUSA website (www.enusa.es).
- Periodic evaluation of compliance with legal requirements.
- Annual audits of the Environmental Management System, which is subject to two types of audit: internal and external (both from the certification/verification body and customers).
- Annual review of the system by management. Formal assessment of the status and conformity of the Environmental Management System in relation to the declared Environmental Policy.

OPERATIONAL CONTROL OF THE FACTORY'S ENVIRONMENTAL ASPECTS

The factory takes into account the factors that are assessed in a conventional industrial business, but also, due to the specific nature of the industrial activity it performs, it takes into account a number of particularly significant radiological parameters. For this reason, its Environmental Management System is developed on the basis of radiological and non-radiological operational control.

RADIOLOGICAL CONTROL

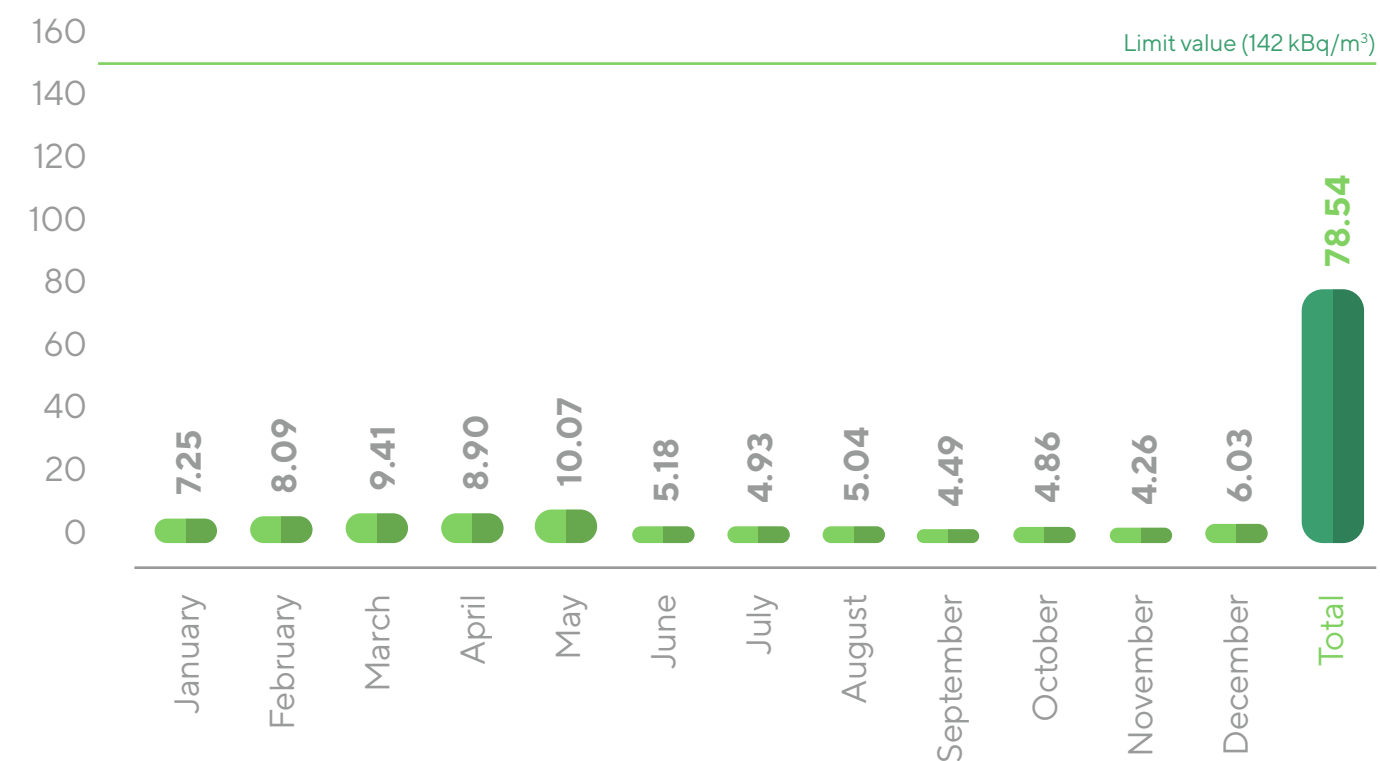
Radioactive liquid effluents

The factory discharges liquid effluents into the Tormes river. To control these, it has a strict treatment system in place to ensure that its average overall alpha activity concentration is within the limits set by current regulations. The discharged activity is below the set limit and the following measures are taken to enforce the limit:

- Limitation of water use in the factory's ceramics zone.
- Application of treatment systems, using sedimentation basins, centrifugal separation, filter presses and motorised filters.
- Provision of a regulation pool.
- Control of discharges to the river by means of a mixing basin, complying with the established instantaneous limit (142 kBq/m³).

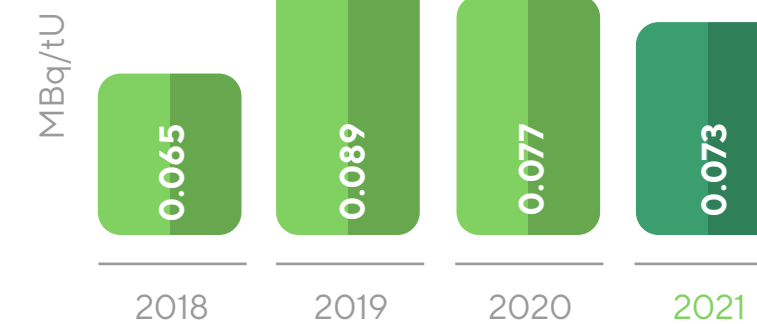
The monthly average activity concentration data (measured in kBq/m³) discharged into the Tormes river by liquid effluents during the year 2021, together with the authorised limit, are shown in the following graph. As can be seen, values well below this limit have been recorded:

RADIOACTIVE LIQUID EFFLUENTS 2021



The following graph below shows the evolution of total alpha activity in relation to tonnes of uranium produced.

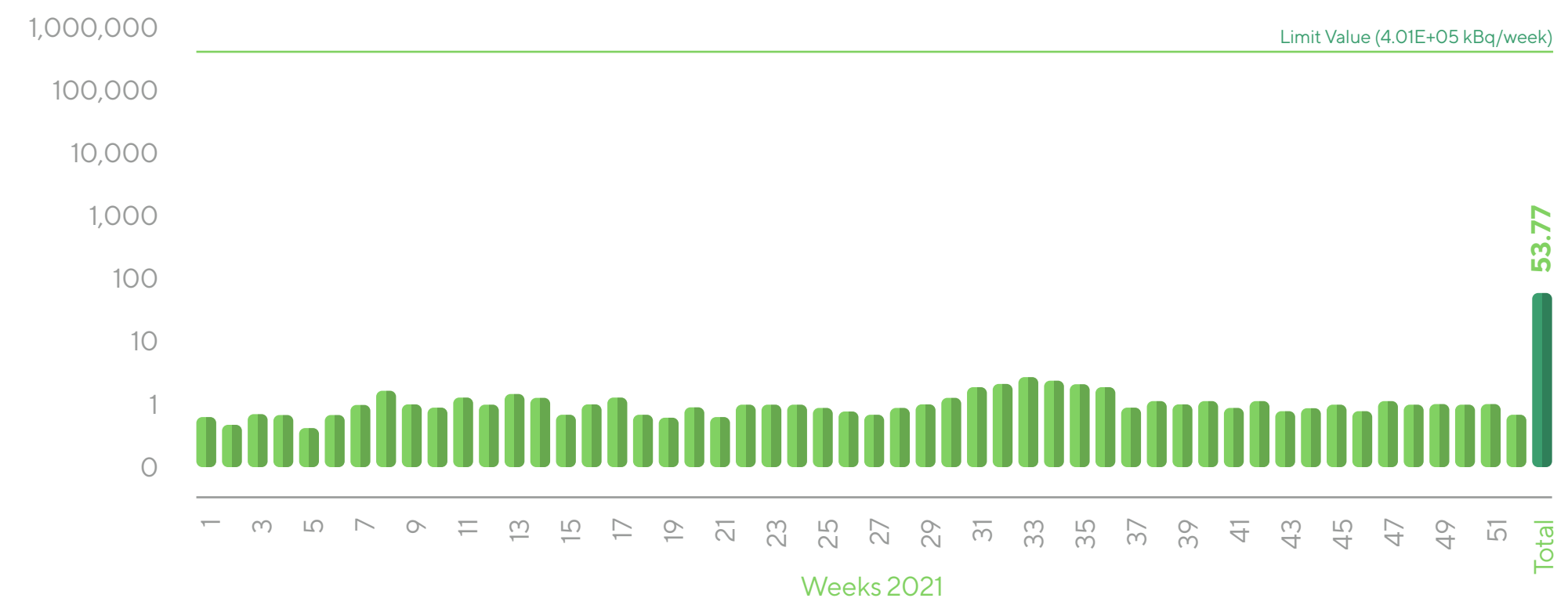
EVOLUTION OF RADIOACTIVE LIQUID EFFLUENTS



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

RADIOACTIVE GASEOUS EFFLUENTS 2021



Radioactive gaseous effluents

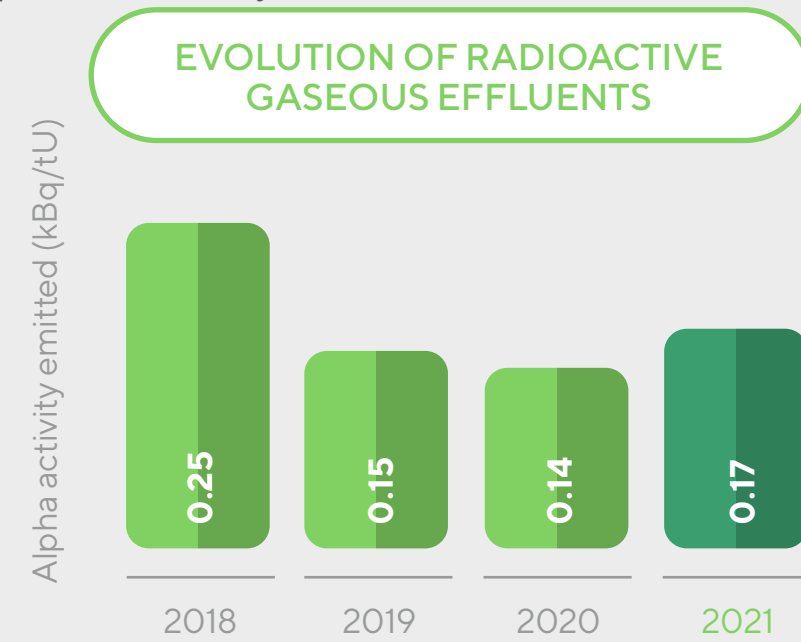
Against the risk of gaseous pollutants being emitted into the atmosphere, the very design of the Juzbado factory manufacturing plant acts as effective protection. The facility has an extraction system that controls the emission of gaseous effluents and ensures the flow towards the interior of the work areas, maintaining a depression inside the production hall, which has a double filtering system with high-efficiency filters in the final stage. In addition, a radiation protection system automatically monitors environmental activity in the various work areas, providing regular information on activity and gaseous effluent emissions. A warning is generated in the event that the pre-set alert values are exceeded, allowing immediate action to be taken.

The graph shows the total alpha activity data emitted to the atmosphere during 2021 by week and the authorised activity limit for radioactive gaseous effluents (4.01E+05 kBq/week). The recorded values were well below this limit:



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

The graph below shows the alpha activity emitted to the atmosphere due to gaseous effluents, per tonne of uranium produced, compared to that emitted in the previous three years.



Dose to the population

At the time of writing, population dose results for the most exposed group are in the process of being obtained from the 2021 radioactive liquid and gaseous effluent data. However, the results obtained in 2020 were much lower than the authorised limits. For the most exposed group, the results obtained were much lower than the authorised limits, in the order of 1.06E-02% of the effective dose limit and 5.18E-05% of that corresponding to the equivalent skin dose (considering that the limits established in the Factory Operating Permit are 0.1 mSv for the effective dose and 5 mSv for the equivalent skin dose).

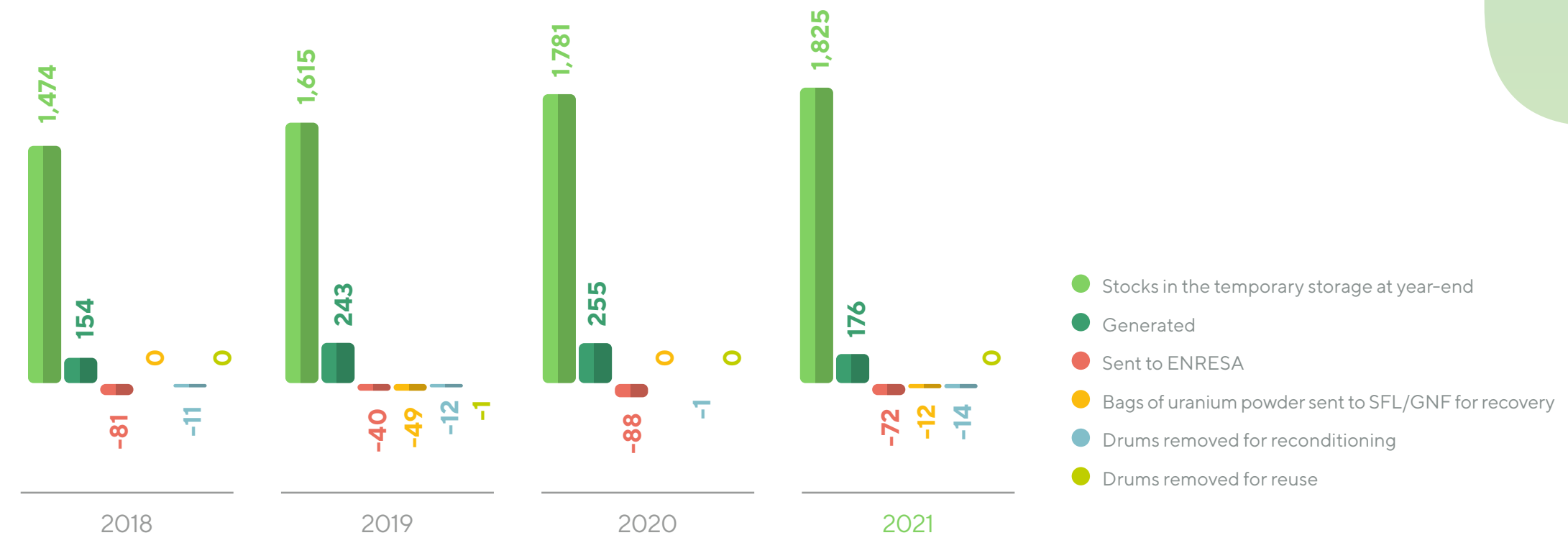
Solid radioactive waste

This is non-conventional waste, i.e. all materials from the ceramics zone of the factory (cleaning utensils, tools, rags, paper, plastics, etc.) that cannot be reused in the manufacturing process or decontaminated. It must be prepared for safe off-site transfer and subsequent acceptance by the entity responsible for their final destination.

In 2021, 176 drums with a capacity of 220 litres containing new generation radioactive waste have been generated. A total of 72 drums of radioactive waste were sent to the only authorised handler in Spain, ENRESA. In addition, 3,755 kg of radioactive waste have been transformed into potentially declassifiable radioactive waste and 2,485 kg into conventional waste.

During 2021, 12 drums with plastic bags were sent to Global Nuclear Fuel (GNF) for recycling and recovery, and 14 drums were transferred from the temporary radioactive waste warehouse to controlled zone waste conditioning areas for its reconditioning with optimisation volume (compaction and filling of holes) and activity per drum.

VARIATIONS IN THE NUMBER OF 220-LITRE RADIOACTIVE WASTE DRUMS





Environmental Radiological Monitoring Programme (ERMP)

The purpose of this programme is to assess the possible environmental impact of the facility on the outside environment, due to discharges via liquid and gaseous effluents. It is defined annually and is approved by the CSN. It analyses various radiological parameters, for which different types of samples are collected (air, surface water, groundwater, public supplies, aquatic fauna and flora, vegetables, meat and milk, soil and sediments, etc.) at 76 sampling points located within a radius of 10 km around the factory, encompassing the most representative population centres in the area.

Although no conclusions can be drawn until the samples from the last quarter have been processed, the quarterly values indicate that there will be no impact from the facility and that the results of the 2021 campaign will be very similar to those obtained since the start of the facility's activity in 1985, detecting no effect on the radiological background of the site, due to the low activity values of the factory's liquid and gaseous effluent emissions.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance

Environmental
Performance

9
Annexes



NON-RADIOLOGICAL CONTROL

Liquid effluents

For the analysis of liquid effluents, the criteria and rules set out in the discharge permit, granted by the competent regulatory body, the Douro River Basin Authority, are followed. The factory has a non-radioactive liquid effluent treatment system to purify sanitary water, taking into account the limits imposed in the discharge permit. The treatment system to treat sanitary wastewater consists of three stages: sanitary wastewater treatment plant, storage tanks and regulating (or discharge) catch basin.

A sample is taken in the catch basin and the parameters regulated in the discharge permit (pH, detergents, chemical oxygen demand, suspended solids, total phosphorus, total nitrogen and ammonia) are analysed prior to their discharge into the river Tormes in order to ensure compliance with the limitations set out in the permit. The downstream quality parameters are also periodically determined once the mixing zone has been reached, comparing the values obtained with the characteristics of the river upstream of the facility.

Discharges into the River Tormes in 2021 complied with the limits established for the parameters set in the current Discharge Permit.

FACTORY WASTEWATER DISCHARGE (m³)

	2018	2019	2020	2021
Sanitary and industrial wastewater	10,231	9,466	11,069	10,792
Process wastewater	2,903	3,167	3,730	3,568

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

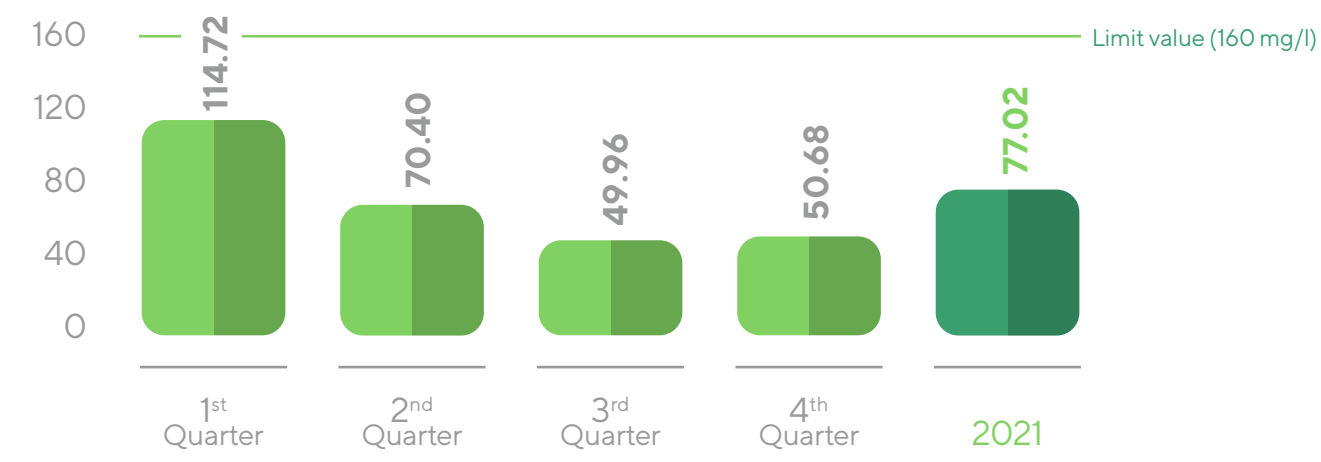
6
Economic
Performance

7
Social
Performance

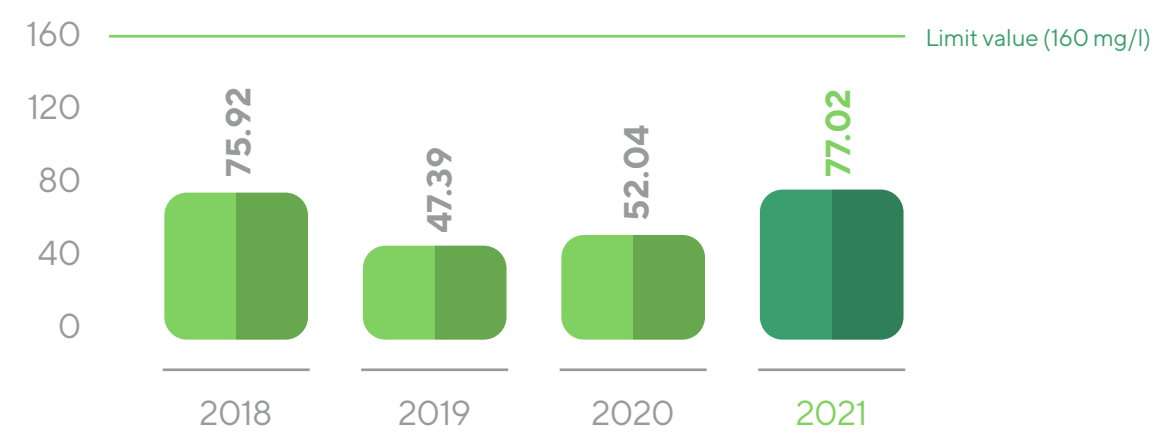

Environmental
Performance

9
Annexes

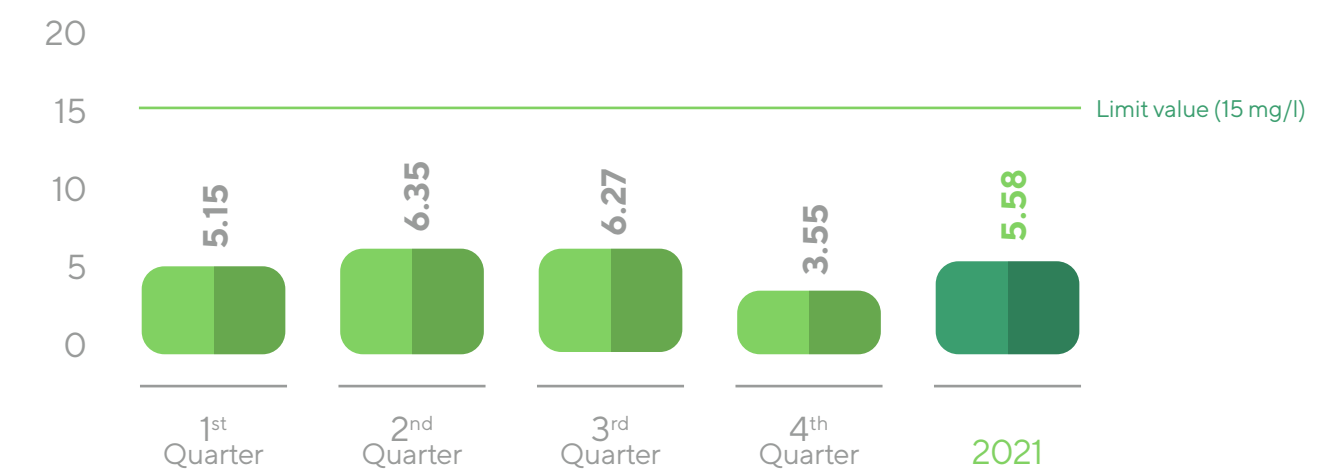
INCORPORATION OF COD (mg/l) INTO THE RIVER



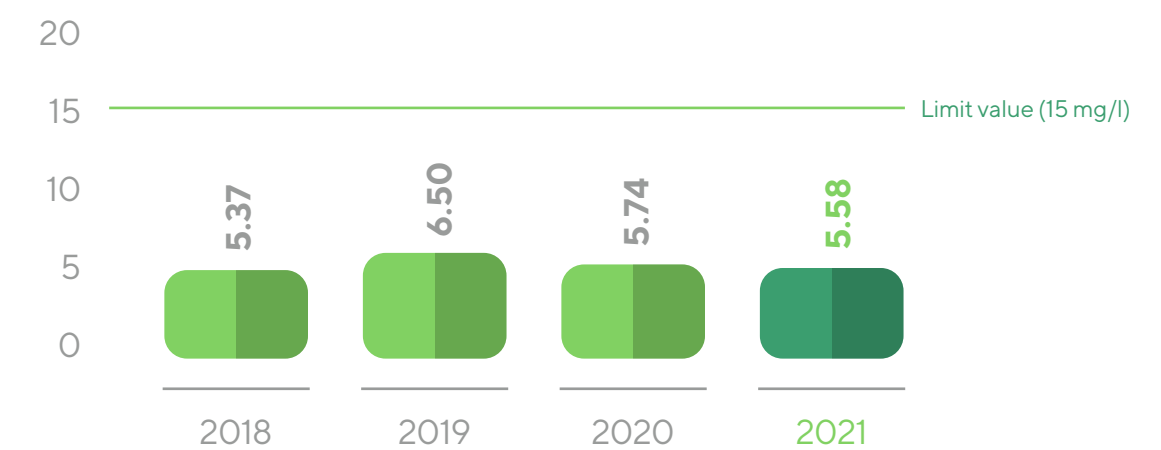
EVOLUTION OF THE INCORPORATION OF COD (mg/l) INTO THE RIVER



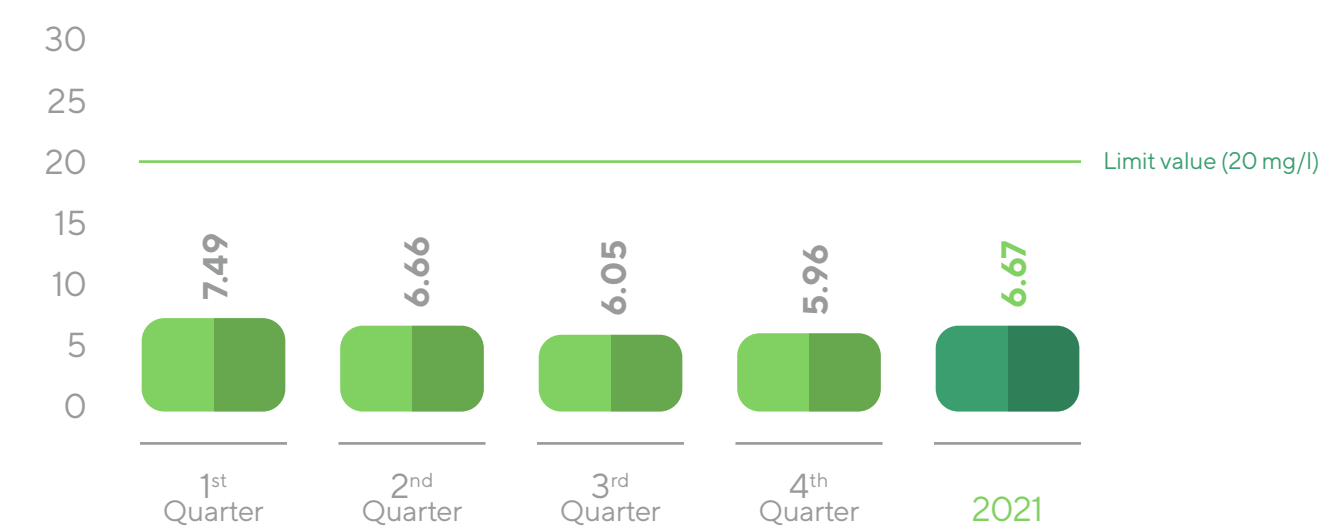
INCORPORATION OF AMMONIA (mg/l) INTO THE RIVER



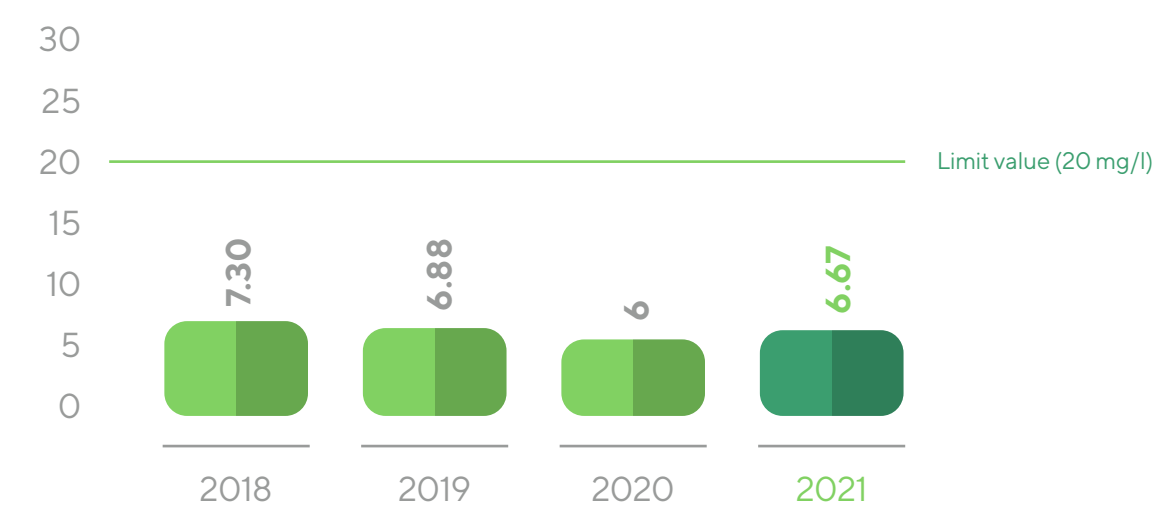
EVOLUTION OF THE INCORPORATION OF AMMONIA (mg/l) INTO THE RIVER



INCORPORATION OF NITROGEN (mg/l) INTO THE RIVER

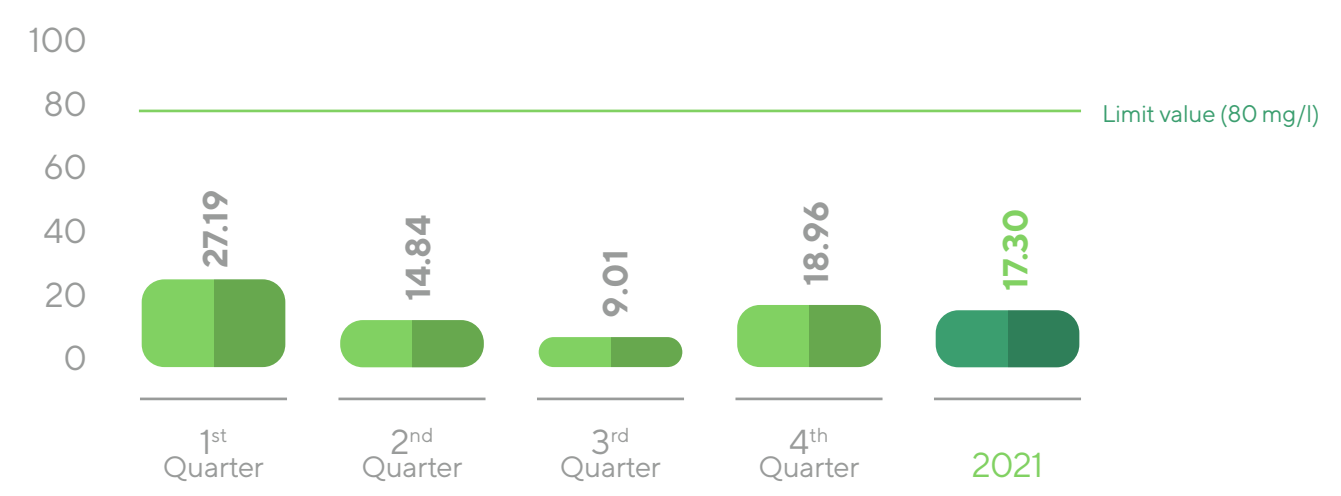


EVOLUTION OF THE NITROGEN (mg/l) INTO THE RIVER

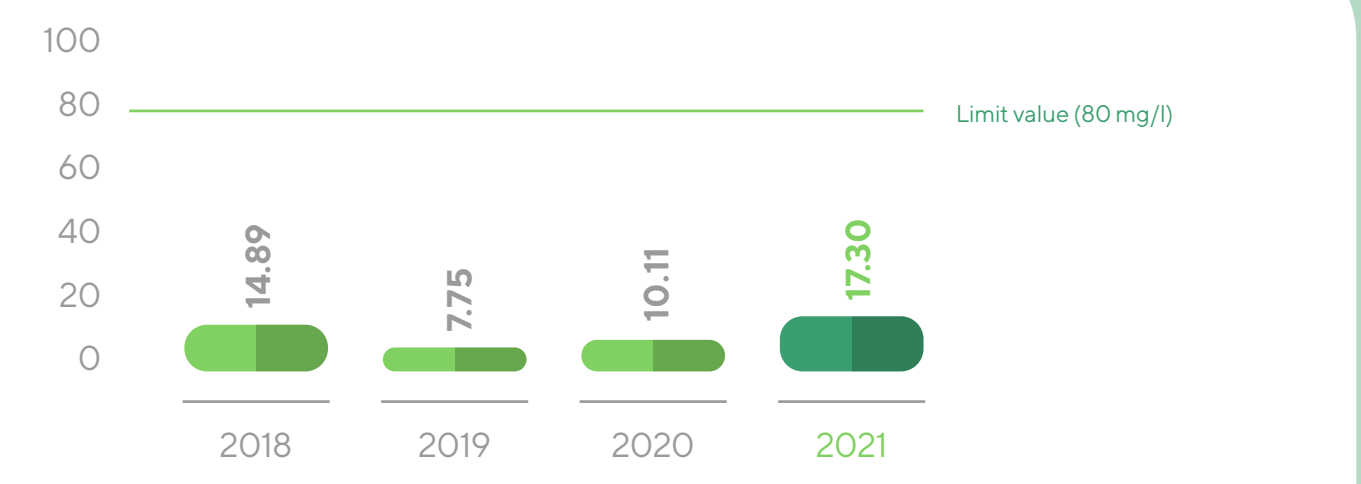


- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

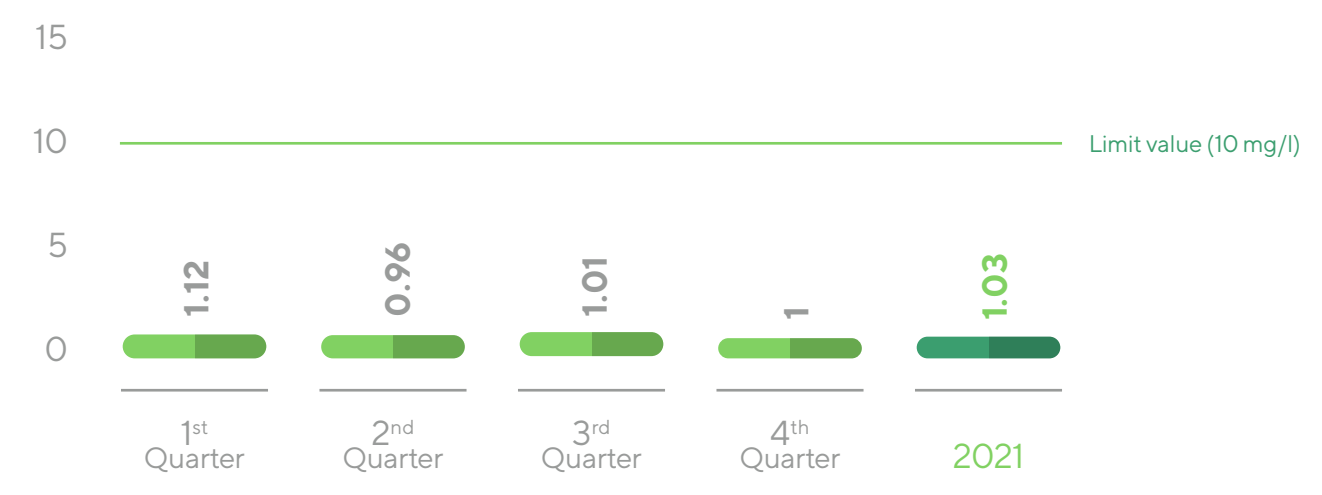
INCORPORATION OF SUSPENDED SOLIDS INTO THE RIVER (mg/l)



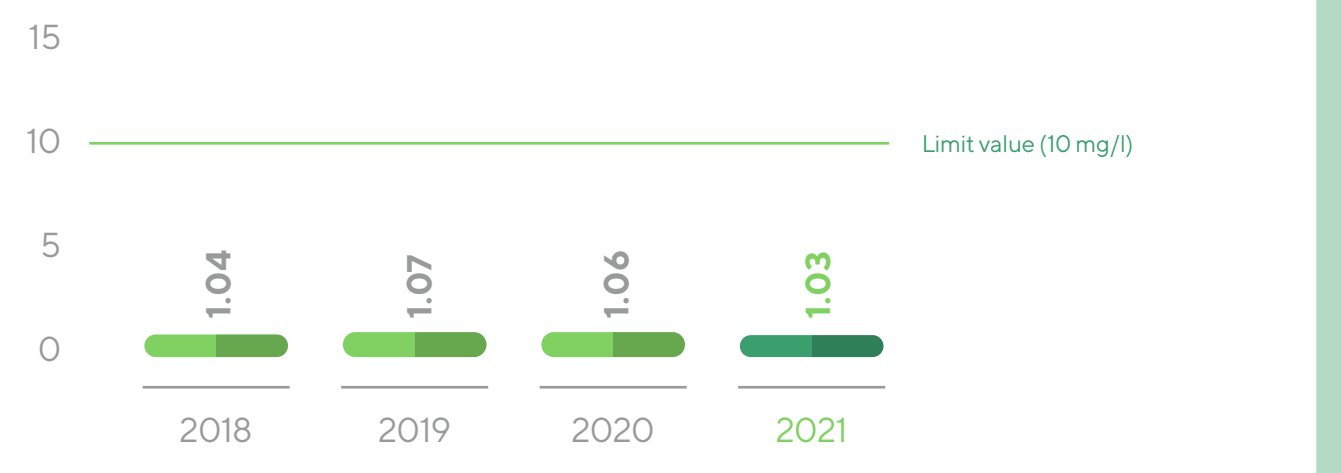
EVOLUTION OF THE INCORPORATION OF SUSPENDED SOLIDS INTO THE RIVER (mg/l)



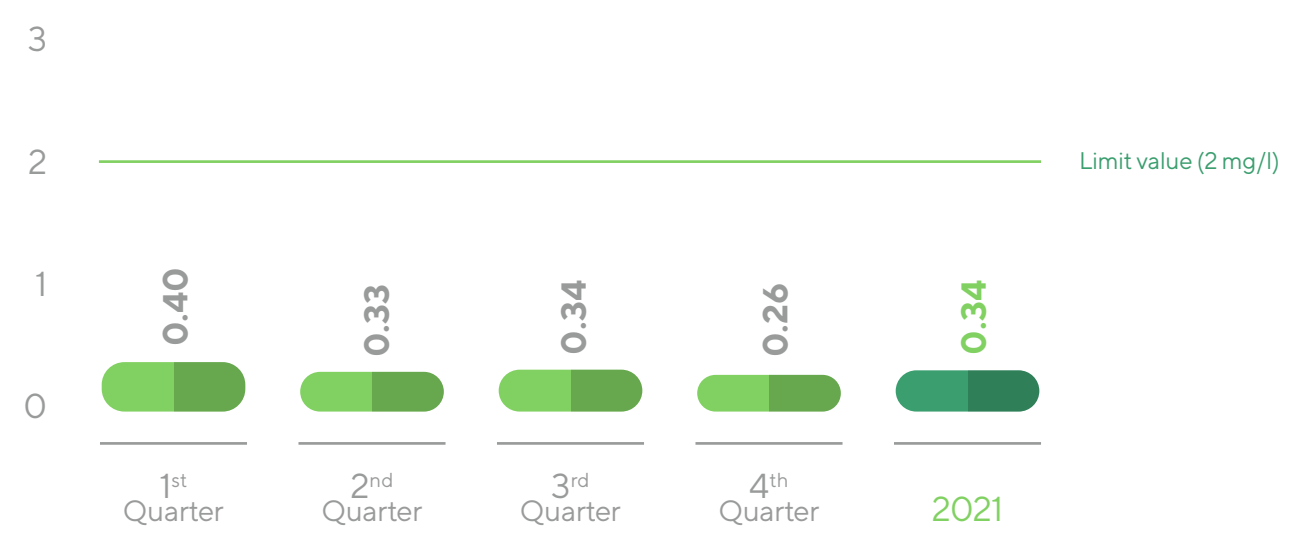
INCORPORATION OF PHOSPHOR (mg/l) INTO THE RIVER



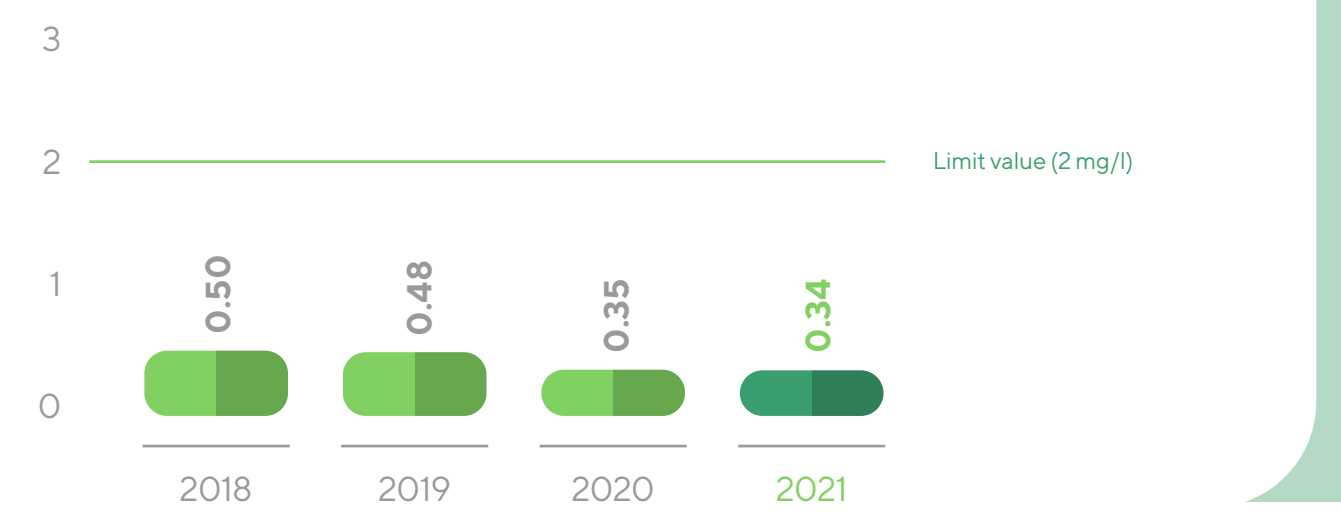
EVOLUTION OF THE INCORPORATION OF PHOSPHOR (mg/l) INTO THE RIVER



INCORPORATION OF DETERGENTS (mg/l) INTO THE RIVER



EVOLUTION OF THE INCORPORATION OF DETERGENTS (mg/l) INTO THE RIVER



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

Conventional waste

In the 2021 financial year, the factory continued with the minimisation measures established in recent years, such as the introduction of specific content on waste management in basic initial training, specific training for personnel related to the Environmental Management System, as well as specific awareness-raising campaigns, among others.

For all waste that is generated in the factory and that has the possibility of being reused by the supplier itself, this option is always a priority for ENUSA. For the rest of the waste that is managed, the aim is always to ensure that the management has a recovery process. In this sense, the chosen suppliers are approved through their inclusion in the List of Approved Suppliers of the Environmental Management System and, whenever any of the activities carried out in the factory may generate waste, environmental requirements are imposed on their management to ensure compliance with current legislation and all prevention measures that are technically and economically viable are applied in order to minimise the amount of waste generated.

Conventional waste can be:

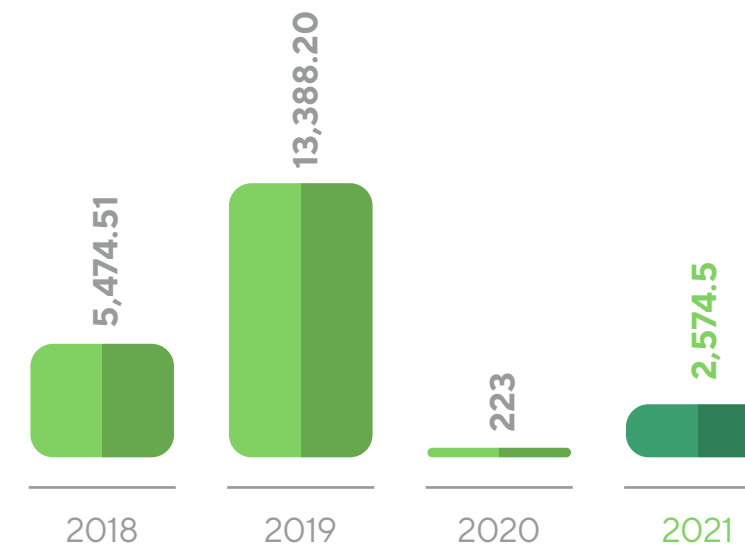
Hazardous

In accordance with current legislation, all non-radioactive waste generated in the factory that is considered hazardous waste in accordance with Law 22/2011, of 28 July, on waste and contaminated soils and Order MAM/304/2002, of 8 February, which publishes waste recovery and disposal operations and the European waste list, are delivered to an authorised manager for final treatment and disposal in a controlled manner, informing the Regional Government of Castilla y León of the characteristics of each shipment in accordance with Royal Decree 553/2020 of 2 June, which regulates the shipment of waste within the territory of the State. This waste is delivered to an authorised handler (generally CETRANSA, except in specific cases such as fluorescent bulbs, which are delivered to AMBILAMP, toner to the companies TRAGATONER and TRAGATINTA, batteries to the company ECOPILAS or electronic waste to ECOTIC, as well as waste from one-off generation or waste from specific works that can be sent to other authorised waste handlers) for final treatment and disposal in a controlled manner.

HAZARDOUS WASTE

DESCRIPTION	QUANTITY (kg)	TREATMENT
Absorbents with hydrocarbons	143	Elimination
Empty metal containers	124	Preparation for reuse
Empty plastic containers	164	Preparation for reuse
Containers containing traces of hazardous substances (aerosols)	19	Preparation for reuse
Computer equipment	1,373.5	Preparation for reuse
Fibreglass	274	Elimination
Contaminated materials	77	Elimination
Laboratory reagents	124.5	Elimination
Polyester resins	35	Preparation for reuse
Cutting fluids	209.5	Other recovery operations
Sanitary waste	31	Elimination
TOTAL	2,574.5	

HAZARDOUS WASTE (kg)



In 2019, 9,020 kg of asbestos are included from the demolition of old buildings on the estate.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

Inert waste

The inert waste that has been generated in 2021 corresponds to the sum of the wood, scrap and rubble waste that has been managed for subsequent recovery by an authorised waste manager.

INERT WASTE (kg)				
	WOOD	SCRAP	RUBBLE	TOTAL
2018	47,380	21,640	294,500	363,520
2019	41,860	23,200	1,450,120	1,515,180
2020	33,040	0	2,220	35,260
2021	13,780	29,100	835,900	878,780

The increase in 2019 is mainly due to the rubble generated from the demolition work on the old buildings on the estate (1,449 t) and, to a lesser extent, from the PWR dock (1.12 t), while the increase in 2021 is due to the work on the new dosimetry laboratory.

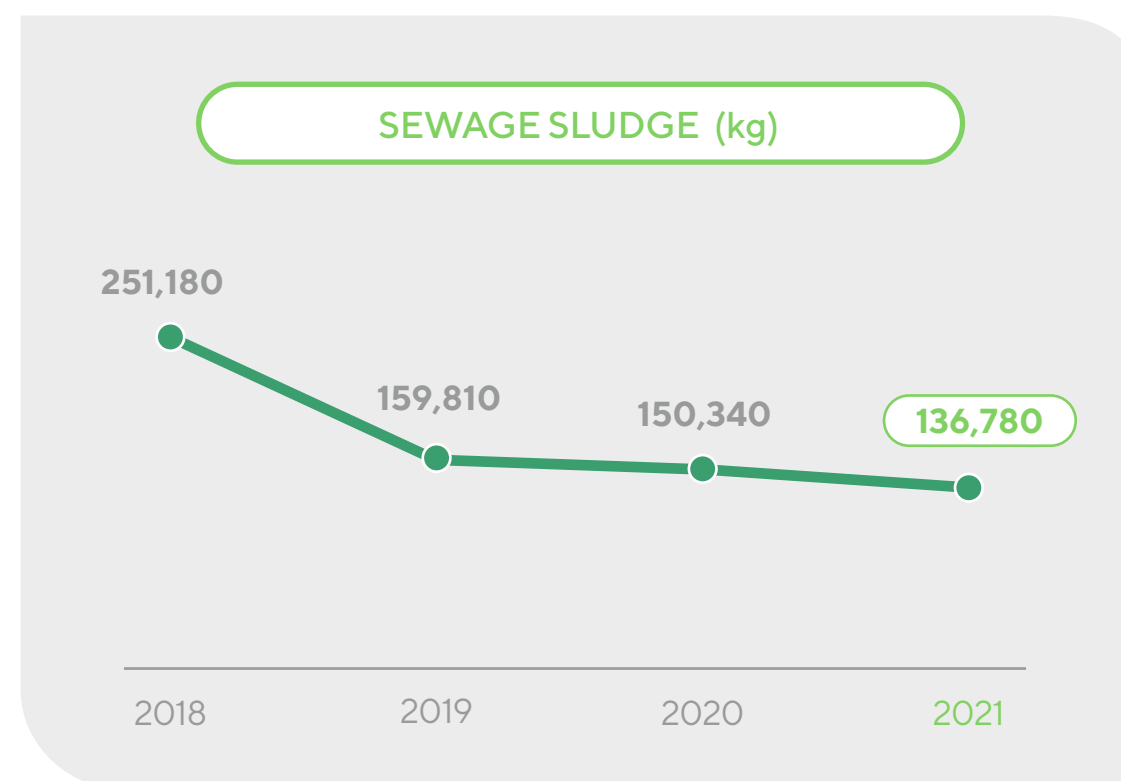
Waste assimilable to municipal waste

The fraction of municipal solid waste currently represents 43% compared to 57% for waste assimilable to municipal waste.

WASTE ASSIMILABLE TO MUNICIPAL WASTE (kg)				
	PAPER AND CARDBOARD	PLASTIC AND ALUMINIUM	GLASS	TOTAL
2018	20,079	5,640	0	25,719
2019	20,420	9,700	1,080	31,200
2020	12,860	6,320	0	19,180
2021	10,645	9,717	0	20,362

Municipal solid waste

The non-recyclable fraction (municipal solid waste) was collected by the Mancomunidad de Ledesma service for subsequent management at the Gomecello waste treatment centre (deposit in a controlled landfill).



Sludge

In 2021, 136,780 kg of sewage sludge and 1,280 kg of grease and oil sludge were managed.

Other non-hazardous waste

During 2021, 778 kg of textiles considered as waste were handed over to a waste manager for recycling. In addition, 90 kg of used vegetable oil were managed.

In total, 1,056,005.5 kg of conventional waste was generated in 2021, of which 16,010.5 kg was destined for off-site disposal. Of this, 649.5 kg corresponds to hazardous waste that has been subject to other disposal operations and 15,361 kg to non-hazardous waste that has been deposited in a controlled landfill, corresponding in its entirety to the Municipal Solid Waste fraction:

WASTE DESTINED FOR DISPOSAL (kg)			
HAZARDOUS WASTE		NON-HAZARDOUS WASTE	
Dump		Dump	
	-	Municipal solid waste	15,361
	0		15,361
Incineration		Incineration	
	-		-
	0		0
Other disposal operations		Other disposal operations	
Absorbents with hydrocarbons	143		-
Fibreglass	274		-
Contaminated materials	77		-
Laboratory reagents	124.5		-
Sanitary waste	31		-
	649.5		0
TOTAL HAZARDOUS WASTE	649.5	TOTAL NON-HAZARDOUS WASTE	15,361

The rest of conventional waste (1,039,995 kg) was destined for recycling, preparation for reuse or other recovery operations outside the facilities with the following breakdown:

WASTE NOT DESTINED FOR DISPOSAL (kg)			
HAZARDOUS WASTE		NON-HAZARDOUS WASTE	
Recycling		Recycling	
	-	Sewage sludge	126,420
	0		126,420
Preparation for reuse		Preparation for reuse	
Empty metal containers	124	Textiles	778
Empty plastic containers	164	Grease and oil sludge	1,280
Containers containing traces of hazardous substances (aerosols)	19	Used vegetable oil	90
Computer equipment	1,373.5		-
Polyester resins	35		-
	1,715.5		2,148
Other recovery operations		Other recovery operations	
Cutting fluids	209.5	Wood	13,780
	-	Scrap	29,100
	-	Rubble	835,900
	-	Paper and cardboard	10,645
	-	Plastic and aluminium	9,717
	-	Sewage sludge	10,360
	209.5		909,502
TOTAL HAZARDOUS WASTE	1,925	TOTAL NON-HAZARDOUS WASTE	1,038,070

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

Noise pollution

During 2021, sound level measurements were taken in the factory's surroundings to check whether the permitted limits for noise emissions to the outside environment were complied with, in accordance with the applicable legislation in force. The results obtained show that the maximum permitted levels were not exceeded despite the reduction in these values reflected in the new noise pollution regulations in force, so it was not necessary to adopt any corrective measures.

Environmental Chemical Monitoring Programme (ECMP)

The purpose of this programme is to detect the environmental impact that may be caused by the factory's activity from a non-radiological point of view. It is defined on an annual basis and is based on the analysis of 35 parameters in samples taken from water (surface and groundwater) collected near the facility, as established in the discharge permit granted by the Douro River Basin Authority.

Although no conclusions can be drawn until the samples from the last quarter are processed, the quarterly values indicate that there will be no impact from the facility and that values below the authorised limits were recorded during 2021.



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

OTHER JUZBADO FACTORY ENVIRONMENTAL PERFORMANCE INDICATORS

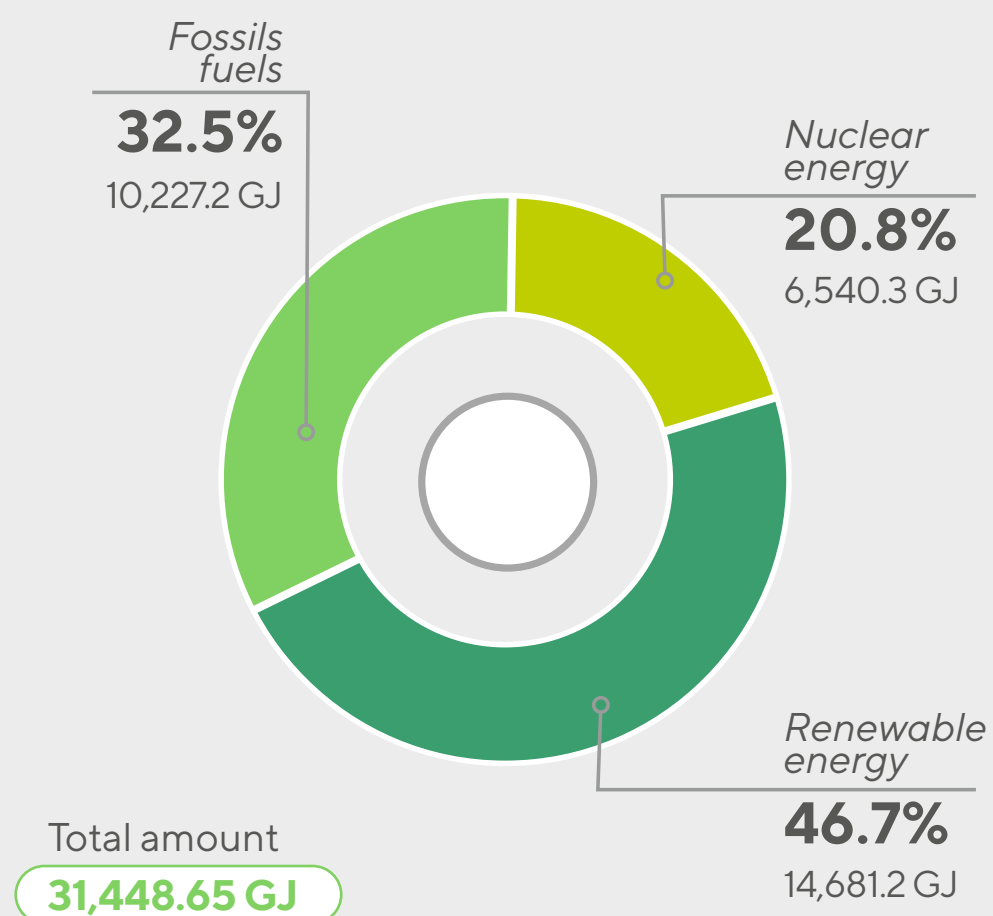
ENERGY CONSUMPTION

Energy consumption within the organisation

DIRECT ENERGY CONSUMPTION (BROKEN DOWN BY PRIMARY SOURCE)

YEAR	PROPANE (kg)	DIESEL FUEL (l)	ELECTRICITY (kWh)
2018	19,974	9,991	8,921,924
2019	19,974	7,996	8,917,302
2020	16,227	11,990	9,011,720
2021	17,751	8,000	8,735,737

Percentage of electricity supplied that comes from renewable, nuclear and other sources:



Data extracted from the consultation of the national electricity system balance for 2021 (Red Eléctrica de España).

Energy consumption outside the organisation

In addition to the fuel consumption due to the transport of goods and services as well as personnel, this category also includes the energy consumption produced by the biogas plant, which is the current form of heat production.

BIOGAS PLANT	kWh
Natural gas	2,754,220
Biogas	295,269

TRANSPORT	KILOMETRES TRAVELLED	ESTIMATED AVERAGE CONSUMPTION (l diesel/100 km)	TOTAL DIESEL CONSUMPTION (litres)
Transport of personnel to the factory and company trips	912,596	8	73,007.68
Transport of employees to the factory	157,680	25	39,420
Package reception	308,935	25	77,233.75
Refuelling in the gas plant	303,897.33	30	91,169.20
Subcontractors: Management of assimilable, inert and hazardous waste (with van)	1,884	8	150.72
Subcontractors: Management of assimilable, inert and hazardous waste (with trucks)	8,858.80	30	2,657.64
Subcontractors: MSW collection company	10,150.40	30	3,045.12
Reception of components	65,336	30	19,600.80
Uranium powder reception	26,674	30	8,002.20
Product transport: fuel assemblies	127,170	30	38,151
Shipment of components or skeletons (with trucks)	4,527	30	1,358.10
Shipment of components or skeletons (with vans)	4,318	8	345.44
Empty container shipping	62,982	30	18,894.60
Bag shipment	1,544	30	463.20
TOTAL	1,996,552.53		373,499.45

It is considered that all trips are made in vehicles that consume diesel thus eliminating sea and air transport.

Energy intensity

The consumption of electricity and fuels (propane and diesel) are taken into account. The unit of activity chosen is the tonne of uranium equivalent (tU).

ELECTRICITY (MWh)	PROPANE (MWh)	DIESEL (MWh)	tU	ENERGY INTENSITY (MWh/tU)
8,735.74	233.23	81.22	320	28.28



1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

6 Economic Performance

7 Social Performance

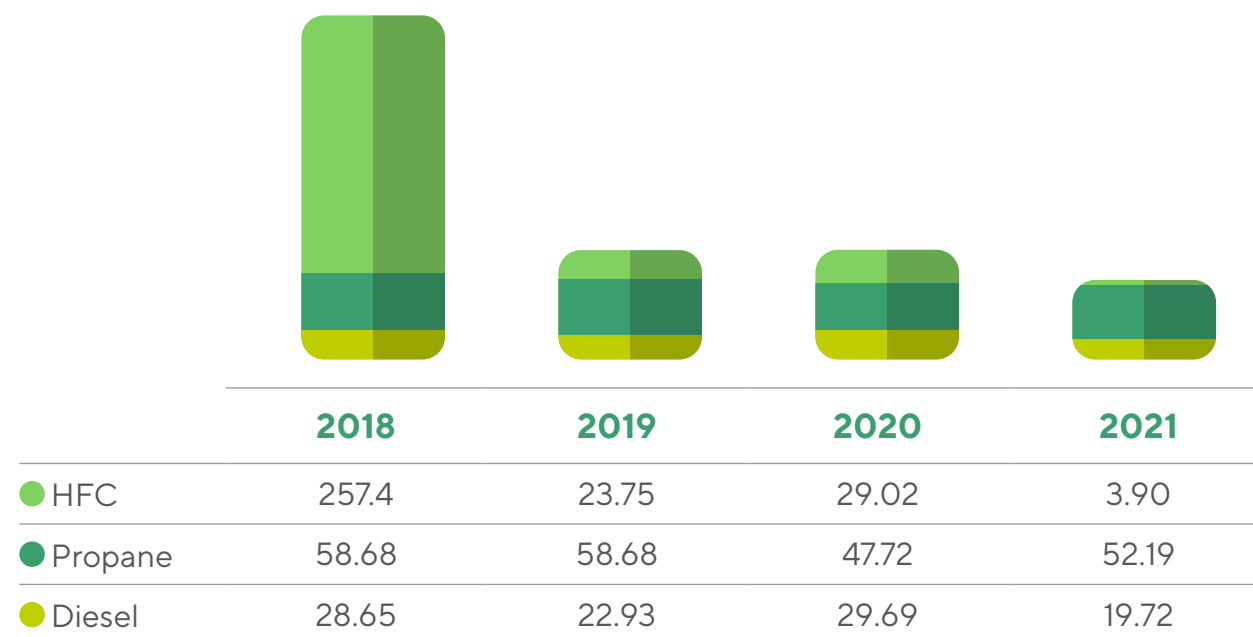
Environmental Performance

9 Annexes

GREENHOUSE GAS EMISSIONS

Direct emissions (scope 1)

CO₂ EMISSIONS RESULTING FROM FUEL COMBUSTION (t)

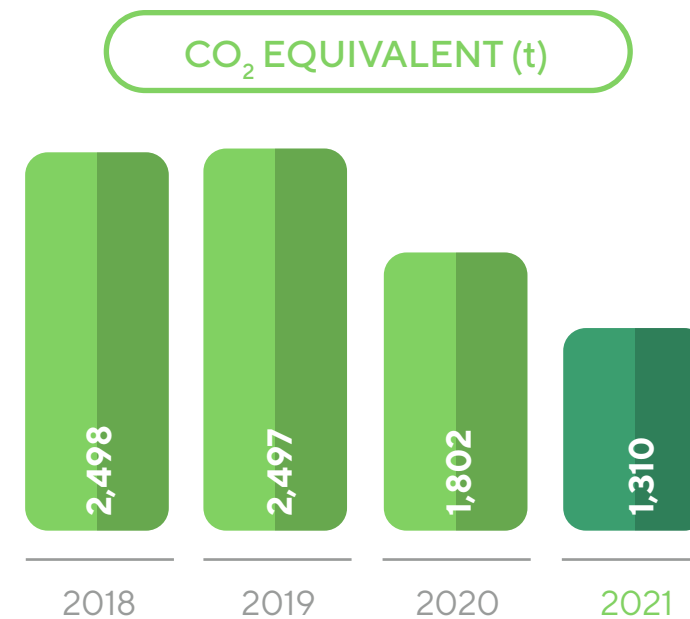
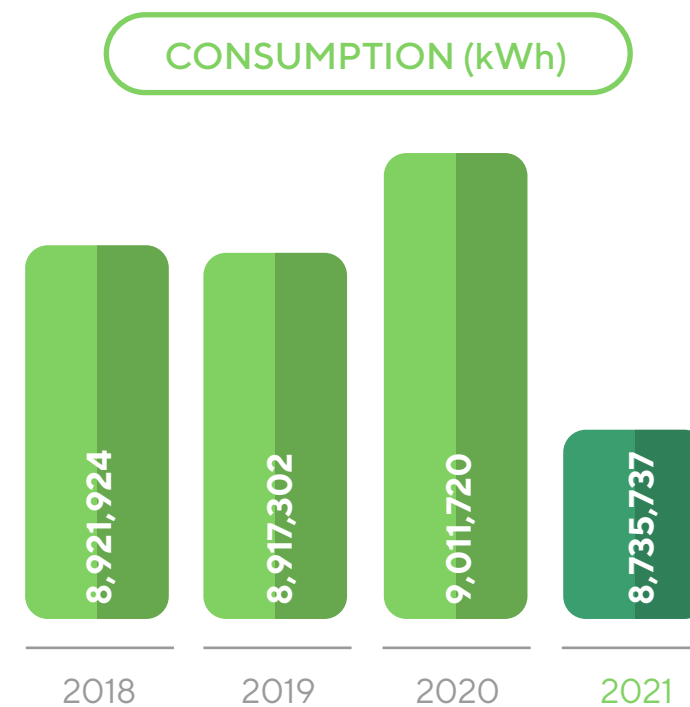


Indirect emissions (scope 2)

Indirect emissions are those derived from energy consumption that comes from outside the factory. Until now, only CO₂ from the production of the electricity consumed was considered, but since the shutdown of the heating and hot water boilers, the emissions produced by the biogas plant, which is the current form of heat production, are included.

SOURCE	CONSUMPTION (kWh)	AMOUNT OF CO ₂ IN WEIGHT (t)
Electricity	8,735,737	1,310.36
Biogas plant (natural gas) kWh	2,754,220	502.678

CO₂ emissions from electricity consumption:



Calculation according to the mix factor of the marketer without guarantee of origin (2021: 0.15 kg CO₂/kWh).

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

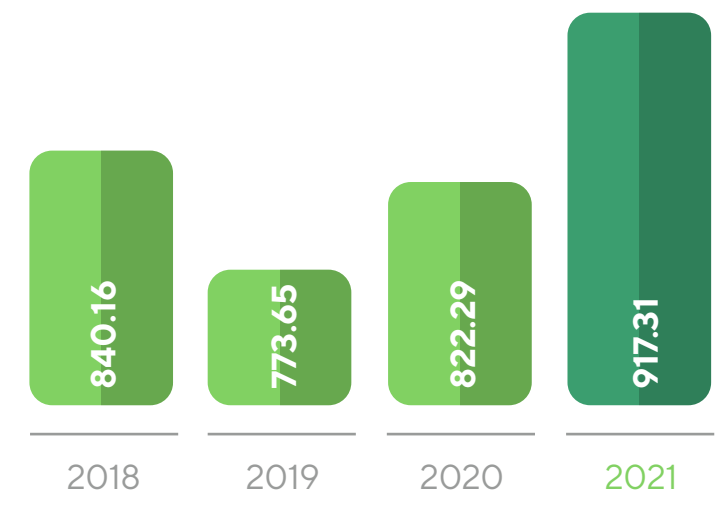
- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

Other indirect greenhouse gas emissions (scope 3)

Indirect greenhouse gas emissions correspond mainly to the emission of carbon dioxide due to the transport of goods and services as well as personnel resulting from the normal operation of the facility.

The most significant transport emissions related to the factory are shown below.

EVOLUTION OF OTHER INDIRECT EMISSIONS



Intensity of greenhouse gas (GHG) emissions:

DIRECT EMISSIONS (t)	INDIRECT EMISSIONS - ENERGY (t)	OTHER INDIRECT EMISSIONS - TRANSPORT (t)	OTHER INDIRECT EMISSIONS - FUELS (t)	tU	INTENSITY OF GHG EMISSIONS (t/tU)
75.81	1,310.36	917.31	502.68	320	8.77



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

BIODIVERSITY

Special Area of Conservation (SAC)

A protected area is located in the surroundings of the Juzbado factory. It is specifically the ZEC ES4150085 (Riverbanks of the Tormes River and tributaries) that is part of the Natura 2000 Network. The surface area of the SAC is defined by the riverbed plus a width of 25 metres on each bank in each of the sections. Its specific characteristics are:

ZEC CODE	ES4150085
Name	Banks of the river Tormes and tributaries
Administrative region	Salamanca 67% and Ávila 33%
Rivers	Tormes River, Arroyo de la Corneja, Arroyo de Becedillas, Arroyo Moralejas and Arroyo Aravalle.
River sub-basin	Tormes River
River basin	Douro River
Centre latitude	40° 26' 06" N
Centre length	5° 30' 35" W
Medium altitude	1,271 m
Area	1,834.49 hectares
Biogeographic region	Mediterranean

On the basis of the national topographical map of the Geographical and Cadastral Institute (1984), it has been estimated that the surface area of the Juzbado factory included within the SAC is 7.5 hectares, with a described habitat of barely existing gallery forest and pasture land.

Habitats protected or restored within the SAC

CODE	HABITATS OF ANNEX I (DIRECTIVE 92/43/EEC)
3250	Constantly flowing Mediterranean rivers with <i>Glaucium flavum</i>
3260	Water courses of plain to montane levels with the <i>Ranunculion fluitantis</i> and <i>Callitriche-Batrachion</i>
3270	Rivers with muddy banks with <i>Chenopodion rubri p.p.</i> and <i>Bidention p.p.</i>
3280	Constantly flowing Mediterranean rivers with <i>Paspalo-Agrostidion</i> with riparian curtains of <i>Salix</i> y <i>Populus alba</i>
5120	Mountain <i>Cytisus purgans</i> formations
6160	Oro-Iberian <i>Festuca indigesta</i> grasslands
6230	Species-rich <i>Nardus grasslands</i> , on silicious substrates in mountain areas (and submountain areas in Continental Europe)
6420	Mediterranean tall humid grasslands of the <i>Molinion-Holoschoenion</i>
6510	Lowland hay meadows (<i>Alopecurus pratensis</i> , <i>Sanguisorba officinalis</i>)
7140	Transition mires and quaking bogs
8220	Siliceous rocky slopes with chasmophytic vegetation
8230	Siliceous rocks with pioneer vegetation of the <i>Sedo-Scleranthion</i> or <i>Sedo albi-Veronicion dillenii</i>
91B0	Thermophilous <i>Fraxinus angustifolia</i> woods
91E0	Alluvial forests with <i>Alnus glutinosa</i> and <i>Fraxinus excelsior</i>
9230	Galicio-Portuguese oak woods with <i>Quercus robur</i> and <i>Quercus pirenaica</i>
92A0	<i>Salix alba</i> and <i>Populus alba</i> galleries
9340	<i>Quercus ilex</i> and <i>Quercus rotundifolia</i> forests

Species potentially found in the SAC

It should be noted that the area covered by the facility corresponds to approximately 0.41% of the total area proposed. The species are as follows:



FAUNA	PUBLICATION	EXTENT OF THREAT
Mammals		
<i>Lutra lutra*</i> (Eurasian Otter)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Near threatened LERPE
<i>Galemys pyrenaicus*</i> (Pyrenean Desman)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Vulnerable Vulnerable
<i>Rhinolophus euryale*</i> (Mediterranean horseshoe bat)	Spanish Catalogue of Threatened Species RD 139/2011 IUCN Red List	Vulnerable Vulnerable
<i>Myotis myotis*</i> (Greater mouse-eared bat)	Spanish Catalogue of Threatened Species RD 139/2011 IUCN Red List	Vulnerable Near threatened
Amphibians		
<i>Discoglossus galganoi*</i> (Iberian painted frog)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Least concern LERPE
<i>Salamandra salamandra</i> (Common fire salamander)	IUCN Red List	Least concern
<i>Rana ibérica</i> (Iberian frog)		Vulnerable
Reptiles		
<i>Mauremys leprosa*</i> (Mediterranean turtle)	Spanish Catalogue of Threatened Species RD 139/2011	LERPE. Vulnerable
<i>Emys orbicularis*</i> (European pond turtle)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Near threatened LERPE. Vulnerable
<i>Chalcides bedriagai</i> (Bedriaga's skink)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Near threatened LERPE
<i>Lacerta schreiberi*</i> (Iberian emerald lizard)	IUCN Red List List of Specially Protected Wild Species	Near threatened

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance


Environmental Performance

9
Annexes

FAUNA	PUBLICATION	EXTENT OF THREAT
Birds		
<i>Circus aeruginosus</i> (Western marsh harrier)	IUCN Red List National Catalogue of Threatened Species 2011	Least concern LERPE
<i>Gyps fulvus</i> (Griffon vulture)	IUCN Red List National Catalogue of Threatened Species 2011	Least concern LERPE
<i>Milvus milvus</i> (Red kite)	IUCN Red List National Catalogue of Threatened Species 2011	Near threatened In danger of extinction
<i>Milvus migrans</i> (Black kite)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Least concern LERPE
<i>Falco peregrinus</i> (Peregrine falcon)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Least concern LERPE
<i>Elanus caeruleus</i> (Black-winged kite)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Least concern LERPE
<i>Hieraetus pennatus</i> (Booted Eagle)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Least concern Special protection
<i>Falco tinnunculus</i> (Common Kestrel)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Least concern LERPE
<i>Circaetus gallicus</i> (Short-toed snake eagle)	IUCN Red List Spanish Catalogue of Threatened Species RD 139/2011	Least concern LERPE

FAUNA	PUBLICATION	EXTENT OF THREAT
Fish		
<i>Squalius alburnoides*</i> (Calandino)	Proposed for IUCN. Annex II Habitat Directive	Vulnerable
<i>Cobitis palúdica*</i> (Iberian loach)	IUCN Red List	Vulnerable
<i>Chondrostoma Polylepis</i> (Iberian nase)	IUCN Red List	Least concern
<i>Achondrostoma arcasii*</i> (Bermejuela)	IUCN Red List	Vulnerable
<i>Pseudochondrostoma duriense*</i> (Northern straight-mouth nase)		Vulnerable
Invertebrates		
<i>Macromia splendens</i>	IUCN Red List Red Book of Invertebrates of Spain	Vulnerable Critically endangered
<i>Oxygastra curtisii</i>	IUCN Red List Red Book of Invertebrates of Spain	Near threatened Endangered
<i>Euphydryas aurinia</i>	Catalogue of Threatened Species of Aragon	Special interest
FLORA		
Vascular plants		
<i>Veronica micrantha</i>	Red List of Spanish Vascular Flora 2008 Spanish Catalogue of Threatened Species RD 139/2011	Vulnerable LERPE
<i>Festuca elegans*</i>	Spanish Catalogue of Threatened Species RD 139/2011	LERPE

*Species included in Annex II or IV of the Habitat Directive.
** LERPE: List of specially protected species.

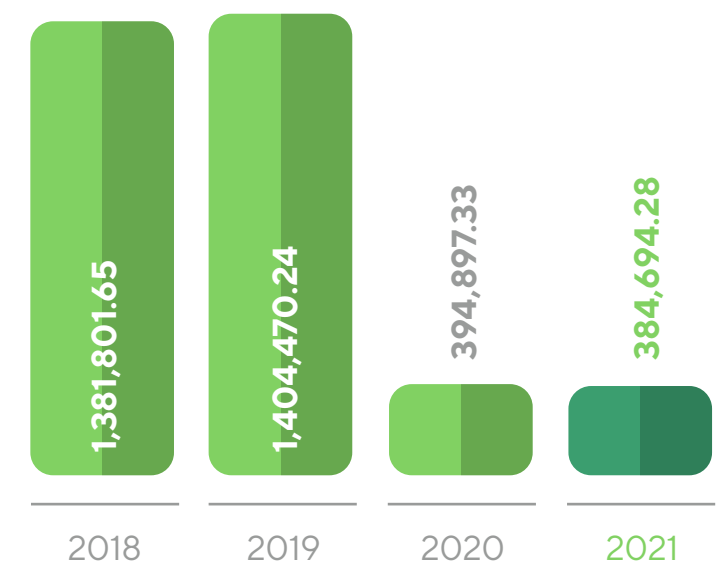
- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

ENVIRONMENTAL INVESTMENTS IN 2021

ENVIRONMENTAL INVESTMENTS OF THE YEAR 2021

EQUIPMENT	ENVIRONMENTAL IMPROVEMENT	TOTAL INVOICE (€)
Development of new passive scanner	Development of new passive scanner	41,750
Switch to LED lamps	Switch to LED lamps	9,176.08
Portable manual lifting table	Portable manual lifting table	1,200
Automatic sampler for cation chromatography equipment	Automatic sampler for cation chromatography equipment	13,312
Primasonic ultrasonic cleaning system	Primasonic ultrasonic cleaning system	3,344.24
Waste treatment equipment	Waste treatment equipment	29,937.52
HVAC adaptation to CSN requirements	HVAC adaptation to CSN requirements	285,974.44
TOTAL		384,694.28

EVOLUTION OF ENVIRONMENTAL INVESTMENTS (€)



NOTABLE ENVIRONMENTAL INCIDENTS IN 2021

No environmental emergencies have been recorded during this year.



CONTINUOUS IMPROVEMENT ACTIONS WITHIN THE ENVIRONMENTAL MANAGEMENT SYSTEM



1

REDUCED CONSUMPTION OF NATURAL RESOURCES

Within the framework of the Environmental Policy, and in line with our company's commitment to reducing the consumption of resources, a series of actions identified in the energy audit carried out at the facility in accordance with Royal Decree 56/2016 were carried out, aimed at guaranteeing the reduction of energy consumption and promoting energy savings.

- Replacement of 200 fluorescent tubes in different areas of the factory (compressor room, generator sets, container reception dock, full container warehouse, mechanical laundry, etc.).
- Carrying out the design of the reform of the air conditioning cold water circuit, in which the ecological refrigerant gas R-1234ze will be used, which has zero carbon emissions.

2

MINIMISATION OF THE GENERATION OF HAZARDOUS WASTE

The alternative route for the management of hazardous waste Electrical and Electronic Equipment Waste has been obtained from a life cycle perspective with the company ECOTIC, an Integrated Management System for electronic equipment.

Changes have been made to internal laboratory procedures to reduce the amount of halogenated organic solvent waste (chloroform) in certain techniques by half.

3

MINIMISATION OF THE GENERATION OF RADIOACTIVE WASTE AND REDUCTION OF EXISTING WASTE IN THE TEMPORARY STORAGE FACILITY

ENUSA's production activities entail the generation of low and very low level radioactive waste associated with the fuel assembly manufacturing process. This is one of the aspects considered significant from an environmental point of view and, therefore, its minimisation is one of the objectives included in the 2021 Environmental Management Programme.

In addition to the efficiency improvements in the investments associated with the production process, which minimise rejects and therefore waste, 6,240 kg of contaminated material were decontaminated in 2021, of which 2,485 kg were considered conventional waste and 3,755 kg are pending future classification. Additionally, 72 scheduled drums have been sent to El Cabril in accordance with the conditions agreed with ENRESA, fulfilling the set objective.

One of last year's shortcomings has also been remedied, with the gamma spectrometer made ready for declassification and the Test Plan for declassification being issued, in accordance with the CSN's comments.

4

ACTION IN FOREST AREAS IN THE W-NW SECTOR BETWEEN THE DOUBLE AND SIMPLE FENCE

Work on 7.98 hectares of woodland between the NE and E-NE sectors of the ENUSA estate.

1

Letter from the Chairman

2

Good Governance

3

Main Economics Figures

4

ENUSA Group Estructure

5

Report Parameters

6

Economic Performance

7

Social Performance



Environmental Performance

9

Annexes

2 SAELICES EL CHICO CENTRE



The Saelices el Chico Centre encompasses the old mining and industrial facilities for the manufacture of uranium concentrates, located in its municipal area and in Carpio de Azaba, very close to the town of Ciudad Rodrigo. On completion of production activities in December 2000, work began immediately on the design, execution and control of the decommissioning of the metal processing plants (classified as first category radioactive facilities of the nuclear fuel cycle) and on the environmental restoration of the mining operations, in accordance with the legal standards in force and the permits granted by the different official organisations competent in each case.

The work carried out in 2021 continued to focus on the monitoring and control of the facilities, with specific monitoring of the Elefante plant, which was dismantled between 2001 and 2004, and the mining operations, which were restored between 2004 and 2008.



The Elefante plant continues to implement its Decommissioning Monitoring and Control Programme, initiated in 2006, in order to verify the stability of the dismantled structures and that their radiological impact is similar to the defined radiological background, which is common to the entire site. The scope of the programme has evolved over time, in line with the results obtained, which in 2021 continued to demonstrate compliance with the objectives set, both radiological and environmental.

With regard to the former mining operations, the Monitoring and Control Programme for the restored site also continued, which was implemented with the current scope in 2014, following its approval by the Nuclear Safety Council, although various inspections had been carried out there since 2009. The results of inspections and measurements over the years confirm that the dismantling and restoration objectives have been met, with the exception of those set for water quality, due to the natural acidification of the water when it comes into contact with the slate in the ground, with a high presence of metallic sulphides. The generation of acid mine drainage is a major problem, which is difficult to solve, due to the natural composition of the slate, the extent of the affected surface and the location of the site itself. This issue has determined the need to study different alternatives for its solution, leading to the closure of the Centre.

On this basis, in 2021 the water collected at the site and affected by acid mine drainage continued to be managed, including not only its collection, storage and treatment for disposal through controlled discharge into public watercourses, but also the passive remediation actions being developed to reduce or, in any case, minimise it as much as possible, including the application of artificial soils (known as *technosols*), made from inert waste that try to achieve what natural soils do, seeking overall chemical and biological balance.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance


Environmental Performance

9
Annexes

Following the positive results of previous tests carried out at the different locations at the site, both in soil and water, in 2017 it was decided to undertake a larger scale R&D and innovation project, called the TEKURA project, with the aim of testing the results of the *technosols* over a large area of the restored mining area, some 52 hectares in size. This project was sponsored and co-financed by the Centre for the Development of Industrial Technology (CDTI), with the participation of ENUSA, as owner and manager, EMGRISA and CIEMAT, as collaborators in the development, and the University of Santiago de Compostela, as technologist. The project was developed between 2017 and 2020, having spread a total of 45,270 tonnes of *technosols* manufactured in the facility itself.

The first conclusions of the project infer a generalised chemical improvement of the runoff water flowing through the study area, increasing the pH to neutral values, decreasing the conductivity to a quarter of its original value and also reducing the redox potential. These modifications are associated with a reduction of most of the dissolved heavy metals to values below those required in the discharge permit for most of them.

On the other hand, a vegetation cover has been created on the applied *technosol* that greatly reduces erosion, provides nutrients and favours water evapotranspiration. This fact, together with the absorption capacity of certain *technosols*, generates a significant decrease in the volume of runoff water collected in the study area, as well as seepage water.



The TEKURA project will be continued in a second R&D project, "Project for the recovery of land from mine tailings dumps through the application of passive self-regenerating biogeochemical solutions", which will be developed from 2022 to 2024, after being authorised and co-financed by CDTI (like the TEKURA project) and after obtaining the corresponding authorisations from the autonomous community bodies. The new project, generically called MINETRA, will be developed on the remaining land on which a former mine tailings dump was located, which was removed to prevent the production of acidic water. The project area will cover approximately 50 hectares of land.



In parallel to the progress of *technosol*-based projects, other possible solutions for the remediation of deeper waters, where the improvement brought about by surface-applied *technosols* is much more limited, continue to be applied and studied: drainage works, canal waterproofing, organic amendments such as carbonation foams from sugar factories, reactive marshes, etc.

The characterisation and monitoring of water quality at the established sampling points is also continuing in order to check the results of all of them on the reduction of acidic water.

The aim of all these actions is to restore the natural space affected by the mining activities in the shortest possible time, although it should be borne in mind that a period of variable duration will be needed to advance and perfect the different processes involved, also taking into account the special characteristics of the site and the corresponding technical- economic, legal and environmental conditions.

With regard to the project to decommission and close the Quercus plant, which has now been definitively shut down, the application for the necessary permit for the first phase of decommissioning and closure is still being processed. At the beginning of 2021, the revised mandatory documentation was submitted in response to the requirements of the radiological regulatory body, and the corresponding information was updated in accordance with the evolution of the facility. As a result of the partial evaluation of this documentation, the organisation has submitted certain conclusions that are in the process of being analysed for their insertion or adaptation. All this suggests that the granting of the corresponding decommissioning and closure permit will be delayed until at least the second semester of 2022. Until then, together with the other radiological and environmental monitoring programmes established for the entire site, the Monitoring and Maintenance Plan required by the Nuclear Safety Council will continue to be implemented to ensure that the facilities associated with the Quercus plant are maintained in adequate conditions of safety and integrity, avoiding the possibility of a negative radiological impact on the workers, the public and the environment.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

ENVIRONMENTAL MANAGEMENT

The purpose of the Saelices centre is to restore the area affected by the mining and industrial activities for the production of uranium concentrates and, through proper environmental management, to ensure that its activities are carried out in the most environmentally sustainable manner possible. The facility focuses its management on radiological control activities and non-radiological control activities.


With both approaches, the most relevant aspects in 2021 were the following:

MONITORING OF RADIOLOGICAL CONDITIONS IN THE FACILITIES

Periodic inspections and measurements are performed on the different sections of the facilities to ensure that the exposure conditions of the workers comply with the principles of radiological protection, minimising radiological risk. At the same time, the aim is to identify, as early as possible, unexpected situations or progressive deterioration that could lead to a deterioration of the state of the facilities, potentially affecting not only the workers, but also the public or the environment.

The results of this monitoring show that the levels of ambient radiation, surface contamination and ambient concentrations remain unchanged and within the limits or reference values that apply in each case. They also suggest that the facilities, infrastructure and equipment are in good condition, ensuring their integrity and reliability.

Therefore, the doses received in 2021 by the personnel, both staff and external companies, for the tasks performed under the radiological conditions of the facilities were well below the established limits, in line with those of previous years.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

MONITORING OF RADIOLOGICAL CONDITIONS IN THE FACILITIES

DOSE INTERVAL (mSv)	NUMBER OF USERS	TOTAL %	COLLECTIVE DOSE (mSv-p)
Background	28	96.6	0
Background - 1.00	1	3.4	0.1
1.00 - 2.00	0	0	0
Greater than 2.00	0	0	0
TOTAL	29	100	0.1

In order to assess these data, the exposure levels of other professional groups that are dosimetrically controlled because, due to their work, they are also exposed to ionising radiation fields are also considered.

COMPARATIVE TABLE OF AVERAGE INDIVIDUAL DOSE IN DIFFERENT TYPES OF FACILITIES

FACILITIES	AVERAGE INDIVIDUAL DOSE (mSv/year)			
	2017	2018	2019	2020
Nuclear power plants	1.35	1.03	1.15	0.67
Nuclear fuel cycle facilities, waste storage and CIEMAT	0.45	0.45	0.47	0.58
Medical radioactive facilities	0.63	0.59	0.60	0.48
Industrial radioactive facilities	0.83	0.90	0.93	0.76
Research radioactive facilities	0.38	0.35	0.36	0.33
Facilities being decommissioned and closed down	1.68	1.36	0.49	0.28
Transport	1.95	1.80	1.82	1.71
Exposed workers	0.74	0.65	0.69	0.52

These data, which are included for reference, are included in the CSN's annual reports to the Congress of Deputies and the Senate. When the ENUSA Group publishes its 2021 Report, the CSN has not yet edited the previous year's report, so the 2021 data is not included, but rather, with respect to the last information sent, the year 2020 is updated.

LIQUID EFFLUENTS

As indicated above, the management of the site's water occupies a large part of the centre's activity, including the treatment and conditioning of water affected by acid mine drainage so that the liquid effluents generated meet the chemical and radiological quality standards required for their controlled discharge into the Águeda river, in accordance with existing permits. Effluents come mainly from runoff water collected in the different hydraulic infrastructures (dams, ponds, etc.). In the treatment process, based on chemical neutralisation, the effluents and the receiving watercourse are routinely monitored to check the proper functioning of the facilities and compliance with the limits imposed, either through continuous measurement of characteristic parameters or through the collection of samples (daily, weekly, monthly, etc.) and subsequent laboratory analysis. In 2021, an effluent volume of 405,281 m³ was discharged, very similar to the previous year.

As regards the radiological quality of the discharged water, the characteristic parameters of the effluents (radioactive elements of the natural uranium-238 series) remained below the limits required by the CSN, as the radiological regulatory body, as did the impact on the receiving watercourse.

As regards the physico-chemical quality of the discharge and the river, it is the Douro River Basin Authority, as the basin organisation, which establishes the limits for non-radiological parameters (acidity, anions and cations, metals, etc.), both in the liquid effluent and in the receiving watercourse. Due to the origin and composition of these discharges, special attention is paid to a series of parameters considered characteristic: pH, sulphates, ammonia and metals such as uranium and manganese. For them, too, the effluent limits have been complied with at all times and the quality levels of the river Águeda have been maintained, with hardly any variations between the control points upstream and downstream of the discharge point.

Finally, it should be noted that, in accordance with the planned schedule and operational issues, no discharge took place in the months of January and December.

LIQUID EFFLUENTS

DISCHARGED RADIUM-226 ACTIVITY	LIMIT (Bq)	MAXIMUM VALUE REACHED	
		Bq	% of limit
12 consecutive months	1.65 E+09	0.604 E+07	0.36
90 consecutive days	0.825 E+09	0.280 E+07	0.35
24 hours	16.5 E+06	0.115 E+06	0.56

RECEIVING WATERCOURSE

PARAMETER	LIMIT (Bq/m ³)	MAXIMUM VALUE REACHED	
		Bq/m ³	% of limit
Increase in Radium-226 activity	3.75	0.03	0.8
Radium-226 concentration	185	25	13
Total alpha activity concentration	555	356	64

RECEIVING WATERCOURSE

PERIOD	pH		SULPHATES (mg/l)		AMMONIA (mg/l)	
	Upstream	Downstream	Upstream	Downstream	Upstream	Downstream
	First quarter	6.8	6.9	7	8	0.59
Second quarter	7.1	6.8	3	20	0.57	0.4
Third quarter	7	6.9	6	32	0.77	0.59
Fourth quarter	7.3	7.2	3	78	0.32	0.46

Required limits in the receiving watercourse: pH: 6-9; Sulphates: 250 mg/l; Ammonium: 1 mg/l

LIQUID EFFLUENTS

PERIOD	pH	SULPHATES (mg/l)	AMMONIA (mg/l)	URANIUM (mg/l)	MANGANESE (mg/l)
January	(*)	(*)	(*)	(*)	(*)
February	6.8	2,250	0.59	0.001	0.055
March	7.0	2,118	1	0.011	0.082
April	6.9	2,183	1.1	0.015	0.234
May	7.1	1,940	1.5	0.01	0.103
June	6.9	2,183	1.3	0.013	0.160
July	7.0	2,271	2.2	0.011	0.122
August	7.1	2,156	1.4	0.016	0.144
September	6.9	2,200	0.071	0.0024	0.03
October	7.3	2,277	0.028	0.0013	0.013
November	7.1	2,164	0.032	0.0012	0.009
December	(*)	(*)	(*)	(*)	(*)

(*) No discharge.
Required effluent limits: pH: 6.5 - 8.5; Sulphates: 2,500 mg/l; Ammonium: 10 mg/l; Uranium: 0.1 mg/l; Manganese: 0.4 mg/l

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

6 Economic Performance

7 Social Performance

Environmental Performance

9 Annexes

GASEOUS EFFLUENTS

From a radiological point of view, in the current phase of stoppage of production activities or the execution of decommissioning and restoration works, there are no emissions from channelled sources. On the other hand, emissions due to the dispersion of dust particles or the exhalation of radon gas from diffuse sources (such as mine tailings, static leaching beds, material deposits, etc.) are greatly minimized, since there are no jobs that involve earthworks in the piles of sterile materials, and the construction of cover layers over a large part of the diffuse sources, carried out during the mining dismantling and restoration actions, prevents erosion phenomena that give rise to the generation of dust, while attenuating the release of radon gas into the atmosphere. Likewise, no other work that may mobilise other types of radioactive dust is carried out.

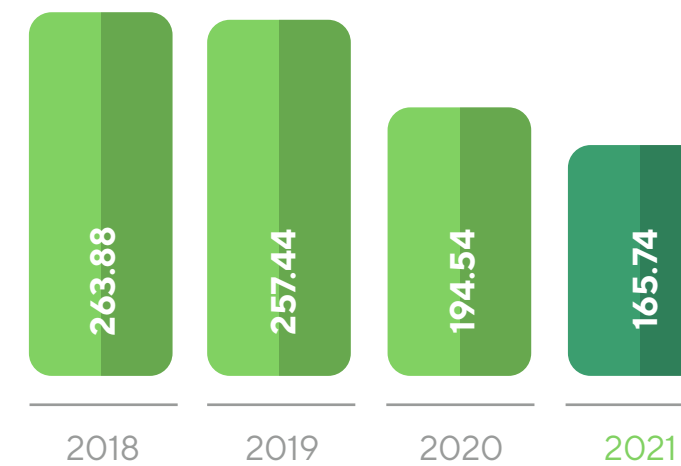
As regards non-radiological gaseous effluents, they are not generated either by point or non-point sources, with the exception of direct or indirect emissions of gases derived from fuel combustion, electricity consumption or the transport of goods, equipment and people.



Total direct and indirect greenhouse gas emissions by weight.

Direct emissions (scope 1)

CO₂ EMISSIONS RESULTING FROM FUEL COMBUSTION (t)



Burning of diesel and petrol, but no burning of propane or fuel oil has taken place.

Indirect emissions (scope 2)

	CONSUMPTION (kWh)	CO ₂ EQUIVALENT (t)
2018	1,726,961	241.77
2019	1,683,725	235.72
2020	1,490,649	208.69
2021	1,407,419	197.04

Calculation according to emission factor of 0.14 kg CO₂/kWh.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

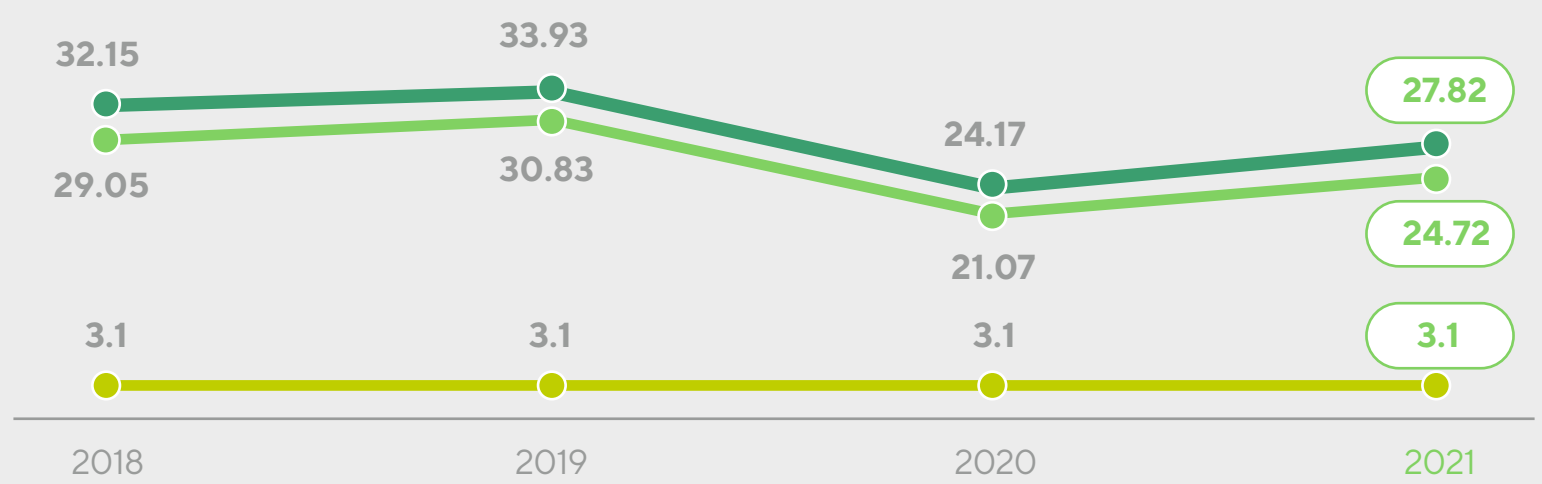

Environmental Performance

9
Annexes

Other indirect greenhouse gas emissions (scope 3)

Indirect greenhouse gas emissions correspond mainly to the emission of carbon dioxide due to the transport of goods and services as well as personnel resulting from the normal operation of the facility (supplies, hauliers, couriers, transport to and from the work centre...).

EVOLUTION OF OTHER INDIRECT GREENHOUSE GAS EMISSIONS (t)



- Total
- Transport of personnel
- Package reception

Data calculated by applying the factor of 8 l diesel/100 km and 2.61 kg CO₂/l diesel.

DOSE TO THE POPULATION

As of the date of issuance of this report, 2021 data is not available so 2020 data is included. These data are still far from the authorised limits and the small variations observed at this stage from one year to another correspond to differences in the weather (predominant wind speed and directions, rainfall, periods of temperature inversion...), for the impact via air, or in the flow regime of the river Águeda, together with the conditions of the discharge of liquid effluents (volume, concentrations...), for the impact via water.

TYPE OF DISCHARGE	CRITICAL INDIVIDUAL	EFFECTIVE DOSE (microSv/a)
Gaseous effluents	One-year-olds	3.55
Liquid effluents	One-year-olds	0.36
Specific facility limit	300 microSv/a	
Overall limit	1,000 microSv/a	



SOLID WASTE

Mining and industrial activity generated different types of solid waste. The most important, due to its volume or radioactive nature, are mine tailings and process waste materials, such as mineralurgic sludge and effluent conditioning sludge or depleted ores from static leaching. The former are initially stored in mine dumps; for the latter there are different alternatives: the sludges are stored in purpose-built dams and the static leach ores, once the uranium they contain has been recovered, are considered exhausted and are kept piled up in the leaching beds themselves as waste materials.

In accordance with international practices and the standards applicable to them, in the activities for the restoration and dismantling of this type of facilities in the first part of the nuclear fuel cycle, all these materials, along with those arising from the dismantling of the processing plants, are confined and decommissioned on the site itself, favouring spatial concentration over dispersion. Long-term stable and self-maintaining structures are created to ensure the containment of materials, to avoid undue risks to nearby population groups, as well as the deterioration of the environment in the surroundings of the farms, in a sustainable manner taking into account their characteristics and their persistence over time. Under these criteria, mine tailings are either remodelled and conditioned in situ (remaining tailings dumps) or used as backfill material for the restoration of mining voids, improving geomorphological and landscape integration. Process tailings are also conditioned in situ, in the very piles where they have been deposited throughout the operational stage, although in this case the techniques and requirements are much stricter due to their nature and higher radioactive content.

The final conditioning of the waste materials from the Quercus plant is currently pending, since, as indicated above, its decommissioning has not yet been authorised.

In addition, ongoing liquid effluent treatment continues to generate sludge from the chemical neutralisation with lime slurry that is applied; this sludge accumulates in the tailings dam of the Quercus plant itself or, as has been the case between May 2005 and June 2019, in the static leaching bed of the Quercus plant, together with the depleted ores stored there.

With a significantly lower volume and a very different set of problems, waste is also generated that is considered conventional, as it does not have radioactive content, but which must also be managed appropriately, in accordance with the corresponding legislation, in order to avoid a negative environmental impact and improve sustainability. These wastes are grouped into three types: hazardous, sanitary and urban.

- ◆ **Hazardous waste:** Waste of this type (mineral oils, batteries, fluorescent tubes, etc.) is temporarily stored in the facility until it is removed by authorised waste handlers. Given the characteristics of the centre and the ongoing activities, the volume of waste generated each year for some items is very small, except in very exceptional circumstances, and therefore there is no annual removal of all types of waste. In 2021, the inventory of materials stored in the facilities' warehouse was reviewed and adapted to current needs, and some premises were refurbished, identifying, among other things, quantities of chemical products no longer in use and various materials containing asbestos. All of them, together with the rest of the small quantities of waste generated (such as oil filters), will be removed by an authorised waste manager. A total of 0.741 tons of toxic and hazardous waste have been generated.
- ◆ **Sanitary:** The quantities generated are negligible and are therefore always managed together with those of the Juzbado fuel assembly factory, after sorting at source.
- ◆ **Urban:** This waste, also of a small amount, is managed through the "Puente La Unión" association (to which the municipalities of Saelices el Chico and Carpio de Azaba, among others, belong), with which this service is arranged.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance


Environmental
Performance

9
Annexes

ENVIRONMENTAL MONITORING PROGRAMMES:

Monitoring of the facilities and the site itself is essential to ensure that activities are carried out in a responsible manner and in accordance with legal and environmental sustainability commitments. This should be complemented by specific monitoring programmes aimed at examining and quantifying the impact of activities on the environment. At the Saelices centre, several programmes are being developed for this purpose, such as the Groundwater Monitoring and Control Programme, although, due to their scope, the most important two are mainly: the Environmental Radiological Monitoring Programme and the Environmental Monitoring Programme.

- The aim of the **Environmental Radiological Monitoring Programme (ERMP)** is to establish the variations in the radiological background of the site and its evolution as a result of the activity during the different phases of the facilities' life cycle (production, decommissioning and restoration, post- monitoring, etc.). The results obtained since their start-up are used to assess the radiological impact they may have on the environment. Its scope is defined taking into account the characteristics of the site and its area of influence, as well as the mining and industrial activities carried out, which determines the most important indicators and exposure routes to be monitored. The Programme involves the collection of different types of samples at the control points, located within a radius of 10 kilometres around the facility, as well as the analysis of a series of characteristic radiological parameters associated with the radioactive materials present. Each year the programme's implementation and sample collection schedule is planned. The programme involves about 1,000 samples in different matrices, mainly water and air, at about 77 monitoring stations. Approximately 2,500 determinations are carried out: natural radionuclides, radon gas, environmental gamma radiation, etc. In 2021, the same scope has been maintained as in recent years. Historical results indicate that, to date, the impact is of little or no significance, even in the productive stages, with no significant changes observed.
- The **Environmental Monitoring Programme (EMP)**, required in the Quercus plant's Environmental Impact Statement for the operation stage, covers the monitoring and control of the chemical quality of the surface water of the river Águeda and the monitoring of the metal content of the aquatic biota and sediments of the river as it passes through the installations, examining the variations that may occur between the control points, located upstream and downstream of the discharge point of the liquid effluents. It also contemplates the characterisation of groundwater in the populations near the facility, which are associated with public supplies from springs or deep water wells, since, although they have no connection with the site, they provide information on the hydrogeology of the area. In addition, it analyses air quality for non-radioactive pollutants by measuring immission levels of settleable particulate matter at points on the site. The results obtained in this programme are similar to those of previous years, with the usual seasonal fluctuations depending on weather conditions or the river flow rate, and no anomalous impact has been detected.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance


Environmental Performance

9
Annexes

OTHER SAE LICES ENVIRONMENTAL PERFORMANCE INDICATORS

MATERIALS USED, BY WEIGHT OR VOLUME

Restoration activities in natural areas affected by mining activities use natural materials from the site itself and its surroundings (tailings from the mining operation, slate, clay, topsoil, etc.) to improve the establishment of vegetation, repair eroded areas, maintain paths, carry out or extend hydraulic works and infrastructures, etc. During 2021, some actions requiring the use of these materials were carried out in small quantities, as they were specific actions on very specific areas of small extension. On the one hand, for *technosol* projects, in 2021, no collection of this type of material has been allocated, since the TEKURA project ended the previous year and the MINETRA project has not yet started.

ENERGY CONSUMPTION BROKEN DOWN BY PRIMARY SOURCES

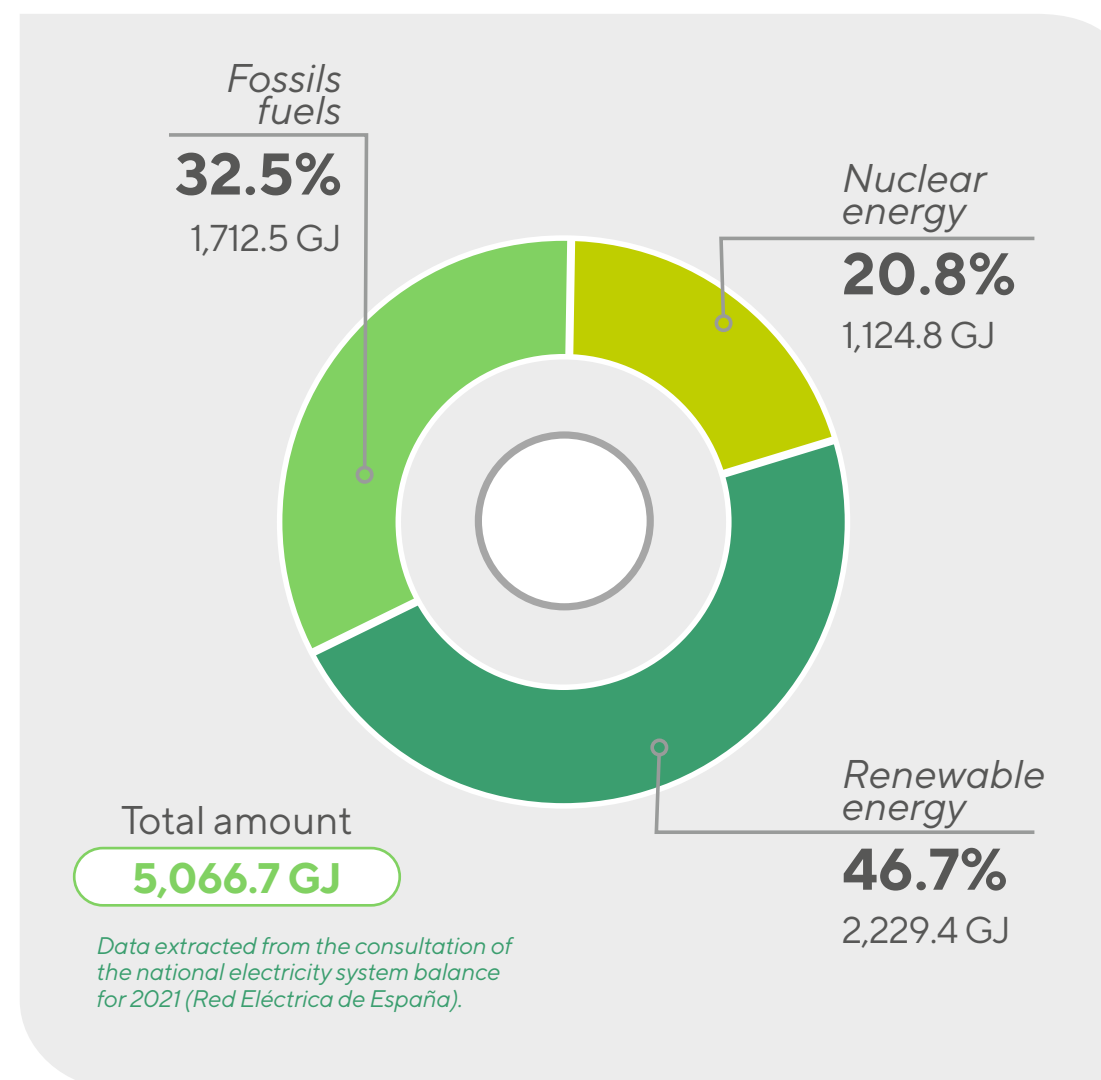
Energy consumption within the organisation

	DIESEL (kg)	PETROL (kg)	ELECTRICITY (kWh)
2018	80,953	233.99	1,726,961
2019	79,308	346.29	1,683,725
2020	59,085	113.57	1,490,649
2021	49,688	179.90	1,407,419

No propane or fuel oil was burned.

Percentage of electricity supplied that comes from renewable, nuclear and

other sources.




WATER

DISCHARGE OF WASTEWATER, ACCORDING TO ITS NATURE AND DESTINATION (m³)

	DESTINATION	2018	2019	2020	2021
Sanitary and industrial wastewater ⁽¹⁾	Águeda River	1,764	1,493	773	865
Process wastewater	Águeda River	442,127	466,999	386,406	405,281
		443,891	468,492	387,179	406,146

⁽¹⁾ Estimated as a fraction (60%) of the drinking water intake.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

BIODIVERSITY

The entire site of the mining and industrial facilities occupies part of an estate owned by ENUSA, covering 1,670 hectares, and is located within the Special Protection Area for Birds (ZEPA) "Campo de Argañán", ES0000218, constituting a protection area for the black stork (Ciconia nigra).

The area of the ENUSA estate where the deposits were mined by open-cast mining and the associated industrial facilities were located during the period 1974-2000 was subject to deforestation and significant geomorphological alteration, as befits this type of activity. Most of the surface of this area has been progressively recovered over the period 2001-2008, with the implementation of the project to dismantle the facilities of the Elefante plant and, above all, the project to restore the area affected by the mining operations, both approved by the competent administrations, in which the appropriate preventive, corrective and compensatory measures have been applied. Likewise, during the construction and operation of the Quercus plant, actions were carried out to minimise the impacts of the alteration of the affected areas, which will be offset almost entirely as the different phases of its dismantling and closure are carried out.

In any case, the plant communities and animal species existing in the areas of action and neighbouring areas, as bio-indicators of pollution, show that the influence of the former mining operation has been generally scarce. Although during these production and restoration stages there was a reduction of the flora in the work areas and some fauna was displaced, once these stages were completed, they have gradually returned, given the subsequent low activity and the environmental recovery of the areas, with no other uses to date that interfere with the life of these species, which has favoured their proliferation and settlement. In particular, vegetation has been recovering more quickly thanks to planting and revegetation campaigns, mainly scrubland plants (shrub species such as broom, rockrose, etc.), in order to favour the landscape integration of the works with the surrounding areas and the settlement of the radiological and environmental protection layers applied. Similarly, remediation actions to reduce the generation of acid drainage (notably, soil amendments and the application of *technosols*) contribute to the development of vegetation.



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance


Environmental
Performance

9
Annexes



INITIATIVES TO MITIGATE THE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES, AND THE EXTENT TO WHICH THESE IMPACTS HAVE BEEN REDUCED

As has been noted, the project for the dismantling of the Elefante plant was completed in 2004 and the project for the definitive restoration of ENUSA's mining operations in Saelices el Chico, in order to return the land affected by the activity to its previous use in full or at least partially, minimising the environmental impact, adapting the orography to the immediate surroundings and integrating it into the landscape of the area was completed in 2008. Restoration of the original uses, mostly grassland and forest, may in any case be achieved with the approval of the competent bodies, once all reclamation work on the site shared by the mining operations and the treatment plants has been completed, and in the light of the information provided by the respective monitoring and control programmes, which ensure its good environmental status and compliance with the objectives set. According to the results obtained from the on-going programmes, with the exception of water quality due to the aforementioned phenomenon of acid drainage, the radiological and environmental recovery objectives in the areas in which decommissioning or remediation activities have been undertaken have been satisfactorily achieved. Pending decommissioning and closure of the Quercus plant, together with actions aimed at water management and remediation of areas affected by acid drainage, the aim is to achieve full recovery of the site and thus preserve and protect the environment indefinitely.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance


Environmental
Performance

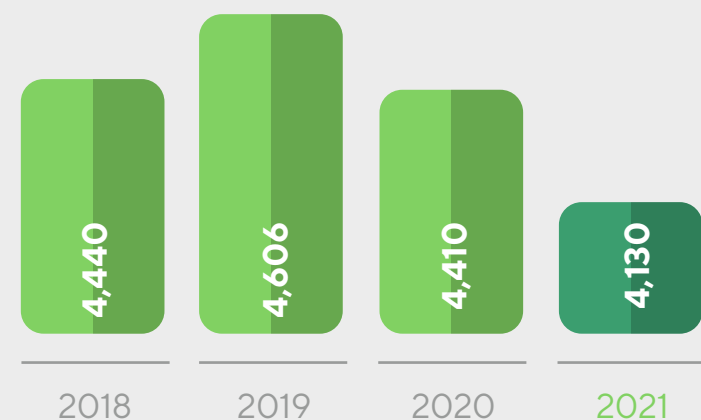
9
Annexes

ENVIRONMENTAL EXPENDITURE AND INVESTMENTS

As in previous years, all the expenditure generated during 2021 (4.130 million euros) can be considered environmental investment, as it was essentially devoted to the treatment of contaminated water, the maintenance and monitoring of restored areas and the performance of laboratory and field tests. It also went towards the development of ongoing projects to contribute to optimising water management (soil behaviour studies, soil amendments, characterisation of the water generated, development of projects for the application of *technosols*, etc.), as well as the continued execution of the monitoring and control programmes established and approved by the different bodies with jurisdiction over the activities in progress. These are largely aimed at monitoring and assessing their impact on the environment and verifying compliance with the limits imposed in each case in the mandatory permits. The activities carried out and the results obtained are regularly reported to these bodies through periodic reports, inspections, institutional meetings, etc.

It is important to highlight the main specific actions for the year 2021, which have entailed a cost of 1.465 million euros for water treatment and 473,000 euros for land remediation actions and the development of pilot projects and the TEKURA and MINETRA projects for the application of *technosols* carried out in the different areas and structures of the site, the first figure being similar to that of previous years and the second considerably lower, due to the reduction of the activity linked to the TEKURA project and the fact that the operational activities for the execution of the MINETRA project have not been started.

ENVIRONMENTAL INVESTMENTS
(thousands of euros)



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance

9
Annexes

3 INFORMATION ON ENVIRONMENTAL ISSUES OF THE ENUSA GROUP'S SUBSIDIARIES



EMGRISA

EMGRISA's business is the environment, so its activities are focused on its improvement such as, for example, the business lines associated with waste management, environmental research or the comprehensive recovery and remediation of spaces.

In the pursuit of greater respect for the environment, EMGRISA has processes in place through which it identifies, evaluates and determines the controls to be adopted with respect to the significant environmental aspects generated by its activities.

To this end, the organisation has a team specialised in environmental risk prevention, in addition to the entire operations staff, which has experience and training in environmental risk prevention. It also has specific means of prevention, control and mitigation of the potential materialisation of environmental risks, such as specific management plans for large projects and fixed operating centres and the corresponding means for their implementation and maintenance.

The precautionary principle is implemented in the design phase of the organization's operations, being one of the specific principles included in its policy.

The organisation has environmental liability insurance to cover the potential adverse effects of its activities.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure


5
Report
Parameters

6
Economic
Performance

7
Social
Performance


Environmental
Performance

9
Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

The following are some of the company’s environmental management parameters, except for the consumption of paper, electricity, water and waste, which are included in the section “Main Environmental Performance Figures of the ENUSA Group” (page 419):

POLLUTION

EMGRISA has defined environmental codes of conduct which include measures to be adopted with regard to fuel consumption or gas emissions by support and operational process, i.e. from the design process, through purchasing to the execution and control processes.

Specifically, all of the organisation’s projects and fixed operation centres have specific management plans that include the environmental guidelines and/or actions to be carried out in order to mitigate gas or noise emissions.

CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT

EMGRISA’s activities related to waste management prioritise, as stated in the applicable requirements, the responsible management of the waste for which it is responsible, for example: recycling as opposed to landfill. Furthermore, effective waste disposal, replacement and management measures are established for each action and fixed centre.

SUSTAINABLE USE OF RESOURCES

The effluents and waste generated by EMGRISA at its fixed centres are managed in accordance with the applicable regulations and are subject to analytical control as indicated in its permits. With regard to waste, the organisation has the capacity for self-management due to the nature of its activity.

CLIMATE CHANGE

EMGRISA has no data on its GHG emissions, given that they are not significant in the evaluation of its environmental aspects. However, it does identify fuel consumption, from which GHG emissions are derived, as relevant, and has implemented reduction measures for this environmental aspect.

EMGRISA, through its commitment to continuous improvement, is working to implement tools that allow it to improve the measurement of the environmental balance of its activity, i.e. the difference between what its environmental aspects generate and the environmental benefits that its activity provides. In this regard, and in relation to climate change, EMGRISA has identified and controlled all related environmental aspects, including fuel and electricity consumption. Such management allows it to set permanent improvement targets, which result not only in contributions of global impact, but also in increases in the effectiveness and efficiency of its value chain.


ETSA

The subsidiary ETSA, like all the companies of the ENUSA Group, is fully aware of its responsibilities to the environment and to society. Minimising the environmental impact of all its activities, both current and foreseeable effects, is a fundamental objective of the entire organisation. Due to its activity and characteristics, it may give rise to the following effects on the environment:

- Consumption of limited raw materials.
- Air pollution from gas emissions
- Waste generation.
- Nuisance activities (noises and smells).
- Possibility of accident involving hazardous goods (includes nuclear and radioactive goods).

ETSA has a procedure for evaluating significant environmental aspects which details how these aspects, both direct and indirect, are identified in accordance with its activity and the life cycle of the products, as well as the associated impact. They are re-evaluated every year according to normal or extraordinary operating conditions and, depending on the estimated level of risk, actions leading to risk reduction are proposed. They will also be reviewed in the event of operational changes (new activities, services or changes thereto) as well as if an abnormal or emergency situation has occurred that was not previously identified.

ETSA has a quality and environment department in order to organise and manage the work related to preventing environmental risks in all areas of activity. In addition, there is a quality and environment committee made up of the management, the head of the quality department, the head of each of the operational areas, the safety advisor and the radiation protection officer. This committee meets at least every four months. It decides on the measures, the persons responsible and the technical, human and financial resources needed to minimise environmental risks, both to reduce the possibility of the risk materialising and its consequences in the event of its occurrence.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

The organisation undertakes to make available all necessary resources that are technically and economically feasible to minimise the environmental impact of its activity.

It also has a quality and environmental policy which establishes the premise of reducing environmental impacts regardless of their origin and possible adverse effects, applying the best available technologies when technically and/or economically feasible, and adopting the principle of pollution prevention.

The following are some of the company's environmental management parameters, except for the consumption of paper, electricity, water and waste, which are included in the section "Main Environmental Performance Figures of the ENUSA Group" (page 419):

POLLUTION

To prevent and reduce greenhouse gas emissions generated by its main activity (transport), ETSA carries out:

- Periodic replacement (with a maximum of 4 years) of the tractor fleet, acquiring new vehicles with the most environmentally friendly engines on the market, within economic constraints.
- The driving times and speeds of heavy vehicles are strictly controlled in accordance with tachograph regulations, contributing to efficient driving values that minimise consumption and emissions.
- The vans are also replaced every two years by a leasing service. They also include a system for managing and monitoring fuel supply and consumption, as well as a system for alerting to energy-inefficient driving behaviour.

Every year, ETSA establishes the reduction of fuel consumption (in relation to transport by own vehicles) and emissions in line with the previous year's values as part of its environmental targets. In each quality committee, the results are analysed in accordance with the objectives set and, where necessary, additional measures for their reduction are established.

CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT

ETSA has authorised suppliers for the appropriate management of the whole cycle of the products it uses in its activity: toners, paper, fluorescent bulbs, batteries, computer equipment, etc., using environmental criteria when tendering and selecting suppliers of products or services:

- It must have an environmental management system.
- It must have a quality plan or ISO 9001 and ISO 14001 certificates or any other document issued by an external certifier.
- Verification that the company manages its waste properly (it has a certificate of authorisation as a small producer of Toxic and Hazardous Waste -THW- issued by its Autonomous Community or a certificate issued by the authorised company that performs this function on its behalf).

Environmental criteria are also used for the selection of office supplies:

- Mono-material resources, mixture-free (preferably recycled).
- Reusable or recoverable materials.
- Long-lasting, rechargeable, repairable material.
- It must use non-polluting liquids (water-based).

In addition, it must have a manual of good environmental practices that it provides to employees and subcontractors.

It must follow the three basic principles of proper waste management:

- **Reuse:**
 - Take advantage of resources already used for other uses.
- **Reduce:**
 - Turn off devices to extend their battery life.
 - Use the available means in an appropriate and responsible way.
 - Use the means until the end of their useful life.
- **Recycle:**
 - Dispose of them in the appropriate containers.

SUSTAINABLE USE OF RESOURCES

In 2021, with regard to fuel consumption in heavy goods vehicles, a control has been carried out, resulting in a total of 235,067 litres of diesel consumed for transport with its own resources in heavy goods vehicles.

Likewise, the fuel consumption of the vans that ETSA has leased for the transport of radiopharmaceuticals and other radioactive products for medical use amounted to 78,665 litres.

Below is the energy intensity ratio based on kilometres travelled with own resources:

ENERGY INTENSITY RATIO - VANS		
TOTAL LITRES	NO. OF KILOMETRES	RATIO (LITRES OF REFUELLED DIESEL / NO. OF KILOMETRES)
78,665	1,268,070	0.0620

ENERGY INTENSITY RATIO - HEAVY GOODS VEHICLES		
TOTAL LITRES	NO. OF KILOMETRES	RATIO (LITRES OF REFUELLED DIESEL / NO. OF KILOMETRES)
235,067	841,829	0.2792

CLIMATE CHANGE

ETSA has no current greenhouse gas emissions beyond fuel consumption data. Despite this, it has specific measures in place to minimise transport emissions.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance


Environmental Performance

9
Annexes

UTE RSU CASTELLÓN

The UTE (temporary joint venture) is one of the infrastructures in the province of Castellón dedicated to correcting negative environmental effects caused by municipal waste, especially municipal solid waste (MSW - RSU in Spanish). It has a recovery plant for MSW, green waste, bulky waste and hazardous waste of domestic origin, as well as a refuse depot and two transfer plants for the aforementioned waste.

The treatment plant is located 15-20 km in a straight line from the Sierra de Irta natural park, with no impact whatsoever on it.

The guarantees to cover environmental risks are those set by the Integrated Environmental Permits (AAI) available, especially the one for the landfill.

In May 2021, the UTE obtained ISO 14001 certification for the environmental management of its two main facilities, the treatment plant and the rejects deposit.

The following are some of the facility's environmental management parameters, except for the consumption of paper, electricity, water and waste, which are included in the section "Main Environmental Performance Figures of the ENUSA Group" (page 419):

POLLUTION

Most carbon emissions are indirect, from electricity consumption and transport. Direct emissions result from the aerobic fermentation process (bio-drying) of organic matter in the plant, for which biofilters are available for mitigation. The biogas produced in the landfill as a result of the anaerobic fermentation of organic matter may also have an impact as a greenhouse gas. To mitigate this, there is a flare that reduces its impact on the atmosphere, with 65,371 m³ of biogas burned in this facility during 2021, as well as compensation from the biomass present in the waste.

CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT

The UTE's facilities are key elements in the circular economy plans of the area in which it operates as a concessionaire of the waste management service.



SUSTAINABLE USE OF RESOURCES

The raw material used is municipal waste produced in Zone 1 (also called C1, according to the new Integrated Waste Plan of the Valencian Community) and one of its main objectives is the recovery of materials for recycling. In 2021, 12,634.14 tonnes of materials were recovered (PET, PEAD, P/C, Fe, Al, etc.), plus another 1,320 tonnes of biostabilised material for agricultural use.

Diesel consumption during 2021 was 30,314 litres.

The Benlloch transfer plant has an electricity generation system with solar panels.

No wastewater is discharged at the UTE facilities, and wastewater from the plant is recycled and reused. Leachate is produced at the landfill due to rainfall and the leachate that does not evaporate is taken to external management, which in 2021 was 2,768.55 m³. Leachate is also generated at the plant as a result of the moisture content of the waste received, as well as in the biofilters, part of which is reused in the composting process and the rest, which in 2021 amounted to 871.14 m³ is sent to an external manager. The sanitary water from the toilets, as it is not connected to any sewage system (the facilities are far from the villages), is delivered to an external wastewater treatment plant. The Benlloch transfer plant collects the leachate produced by the waste received, which in 2021 amounted to 46.55 m³, and sends it to an external waste handler.

CLIMATE CHANGE

Greenhouse gas emissions during 2021 have been estimated at:

- Direct emissions 76.14 t of CO₂ (for compensation from biomass).
- Indirect emissions: 818.99 t of CO₂.



1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance


Environmental
Performance

9
Annexes



OTHER SIGNIFICANT INFORMATION: ENVIRONMENTAL CONTROLS

As it has been doing since operations began in early 2012, the UTE RSU de Castellón undergoes a series of environmental checks every year, thus complying with the conditions established in the Integrated Environmental Permits (AAI), both for the urban waste treatment plant and the Cervera del Maestre refuse depot.

Thus, during 2021, the following environmental checks were carried out:

- ◆ **Air:** Through an accredited Environmental Quality Collaborating Entity (ECMCA), the emissions and immissions into the atmosphere from the different sources, both in the plant and in the depot, were monitored and the values collected were below the established limits.
- ◆ **Water:** At the refuse depot, the groundwater from the various piezometers and the leachate pond at the refuse depot were subjected to various checks, both in-house and through an accredited ECMCA entity. All the values collected were below the established limits.
- ◆ **Leachate:** A complete physico-chemical analysis of the leachate collected in the tank leachate pond on a quarterly basis, and a complete physico-chemical analysis has been carried out in the plant's leachate collection tanks by an accredited ECMCA entity. As with groundwater, the values obtained were below the established limits.
- ◆ **Refuse depot topography:** As a control and supervision measure, at the end of the year a topographical survey was carried out of the vessel currently in operation, in order to ascertain the volume occupied and the remaining volume available, as well as the settlements produced in cell no. 1 due to the biogas extracted.

In addition, as in previous years, the biogas produced at the landfill has been measured quarterly during 2021 to check its quality, composition and characteristics.

An olfactometric evaluation was also carried out at the treatment plant in order to obtain information on the functioning of the biofilters, calculating their performance on the basis of odour concentrations at the inlet and outlet. The conclusion of the report was that the biofilters function properly without any impact on the environment.

As usual and as part of the agreements established between the UTE, the Cervera del Maestre Town Council and the Waste Consortium of Zone I of Castellón, the UTE's facilities have been subjected to an exhaustive environmental audit by a company accredited for this purpose, analysing in detail all the possible effects of the facilities on the environment, achieving a satisfactory result.

Characterisations are also carried out periodically, both of incoming waste and outgoing refuse and at various intermediate stages.

4 MAIN ENVIRONMENTAL PERFORMANCE FIGURES OF THE ENUSA GROUP



The environmental performance indicators common to the different centres of the ENUSA Group are set out in detail below. ENUSA's Juzbado and Saelices el Chico centres, both of which have both radiological and non-radiological environmental monitoring systems, are dealt with extensively and in detail in their respective sections, as a result of which this section only covers them in their entirety. In the specific case of the ENUSA Madrid work centre, where the head office is located, in addition to the data on paper, electricity, water and CO₂ emissions from electricity consumption and work trips made by employees, an estimate of the waste generated is included.

In 2015, this centre launched a document destruction and paper recycling initiative with the aim of responsibly and sustainably managing all paper documentation, whether confidential or not, that is generated in the ENUSA Madrid offices and which must be destroyed, in compliance with the provisions of the Organic Law on the Protection of Personal Data and the guarantee of digital rights. This ensures that all paper generated is properly destroyed and reclaimed. In 2021, the confidential destruction and recycling of 8,851 kg of paper resulted in the avoidance of 7,965.9 kg of CO₂ emissions, equivalent to 59 car journeys of 800 km.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

Furthermore, as part of this initiative, the waste management system was modified, with the aim of achieving adequate sorting at source. In particular, the plastic bags were removed from workers' individual waste bins. Instead, the waste that is generated, both organic and plastic, must be disposed of in the containers provided for this purpose at the designated points, allowing it to be recycled and recovered.

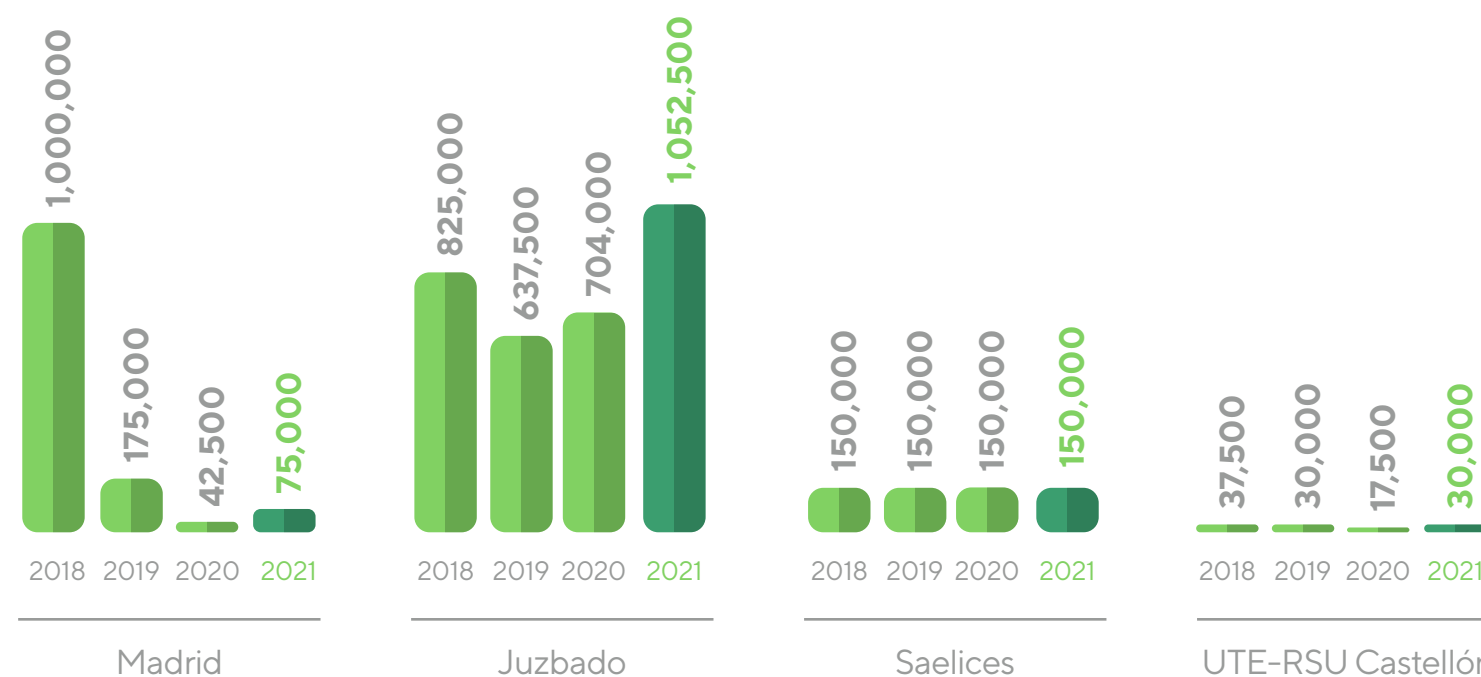
This section also includes the consumption of electricity, water and paper, as well as the waste generated by the subsidiaries of the ENUSA Group, thus providing a total sum of the consumption of these resources throughout the Group.

PAPER

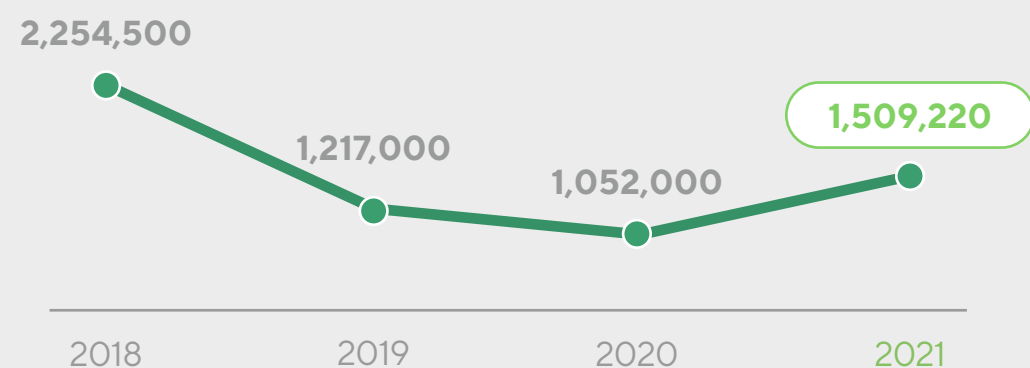
ENUSA GROUP PAPER CONSUMPTION (n° of sheets)

	2018	2019	2020	2021
EMGRISA	157,000	134,500	98,000	80,500
ETSA	85,000	90,000	40,000	121,220
Total subsidiaries	242,000	224,500	138,000	201,720
ENUSA	2,012,500	992,500	914,000	1,307,500
TOTAL ENUSA GROUP	2,254,500	1,217,000	1,052,000	1,509,220

ENUSA GROUP PAPER CONSUMPTION (n° of sheets)



ENUSA GROUP PAPER CONSUMPTION (n° of sheets)



- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- Environmental Performance
- 9 Annexes

ELECTRICITY

ENUSA ELECTRICITY CONSUMPTION BY WORKPLACES (kWh)

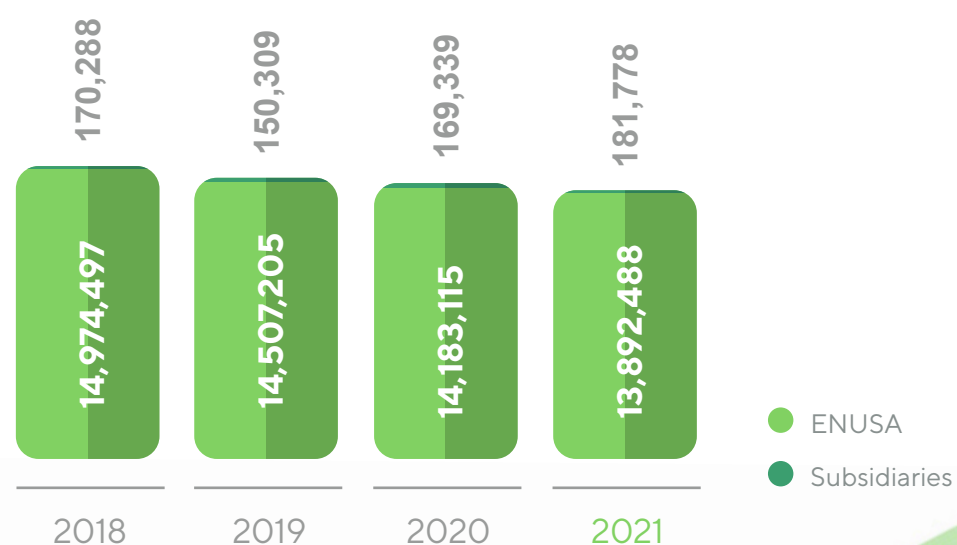
	2018	2019	2020	2021
Madrid	455,326	471,931	435,826 ⁽¹⁾	480,330
Juzbado	8,921,924	8,917,302	9,011,720	8,735,737
Saelices	1,726,961	1,683,725	1,490,649	1,407,419
UTE RSU Castellón	3,870,286	3,434,247	3,244,920	3,269,002
TOTAL	14,974,497	14,507,205	14,183,115	13,892,488

⁽¹⁾ Updated data with respect to the report for the 2020 financial year, since at the date of preparation of the EINF for that year, the definitive data was not available.

ELECTRICITY CONSUMPTION BY ENUSA GROUP SUBSIDIARIES (kWh)

	2018	2019	2020	2021
EMGRISA	116,005	108,854	118,968	133,031
ETSA	54,283	41,455	50,371	48,747
TOTAL	170,288	150,309	169,339	181,778

ELECTRICITY CONSUMPTION ENUSA AND SUBSIDIARIES

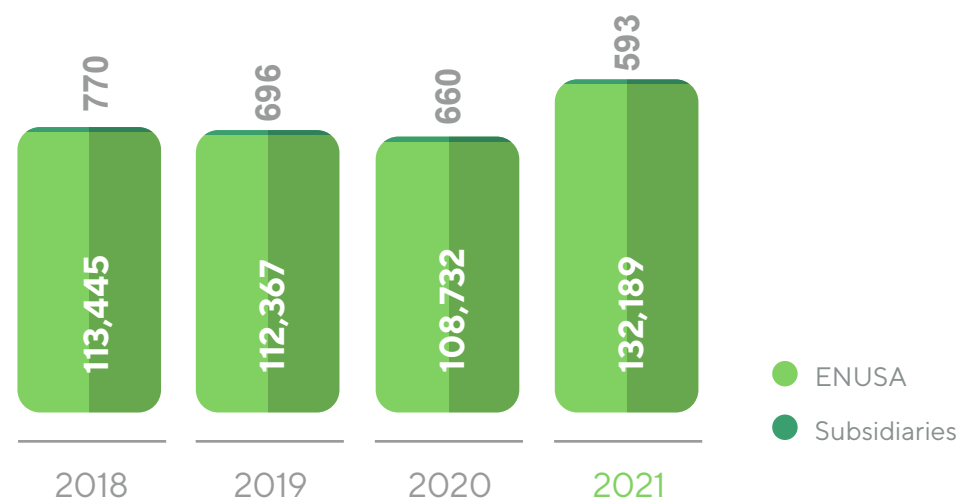


WATER

ENUSA GROUP WATER CONSUMPTION (m³)

	2018	2019	2020	2021
EMGRISA	741	674	634	569
ETSA	29	22	26	24
Total subsidiaries	770	696	660	593
ENUSA	113,445	112,367	108,732	132,189
TOTAL ENUSA GROUP	114,215	113,063	109,392	132,782

ENUSA GROUP WATER CONSUMPTION (m³)



WATER CONSUMPTION BY DESTINATION AND ENUSA WORK CENTRE (m³)

	DRINKING WATER	IRRIGATION WATER	PROCESSED WATER	TOTAL 2021
Madrid	506	0	0	506
Juzbado	22,768	14,700	0	37,468
Saelices	1,442	29,827	55,394	86,663
UTE RSU Castellón	214.30	3,781.46	3,556.24	7,552 ⁽¹⁾
TOTAL	24,930	48,308	58,950	132,189

⁽¹⁾ Recycled and reused water: 665 m³, from the rainwater basins.



1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance


Environmental Performance

9
Annexes

WASTE

WASTE MANAGED BY THE ENUSA GROUP 2021 (kg)

	MADRID	JUZBADO	SAELICES	UTE	TOTAL ENUSA	EMGRISA	ETSA	TOTAL GROUP
Hazardous	206	2,575	741	1,105	4,627	168,781		173,408
Inert		878,780			878,780			878,780
Assimilable to municipal waste	9,023	20,362			29,385		145	29,530
Municipal solid waste	1,148	15,361			16,509			16,509
Leachate				3,686,240	3,686,240			3,686,240
TOTAL	10,377	917,078	741	3,687,345	4,615,541	168,781	145	4,784,467

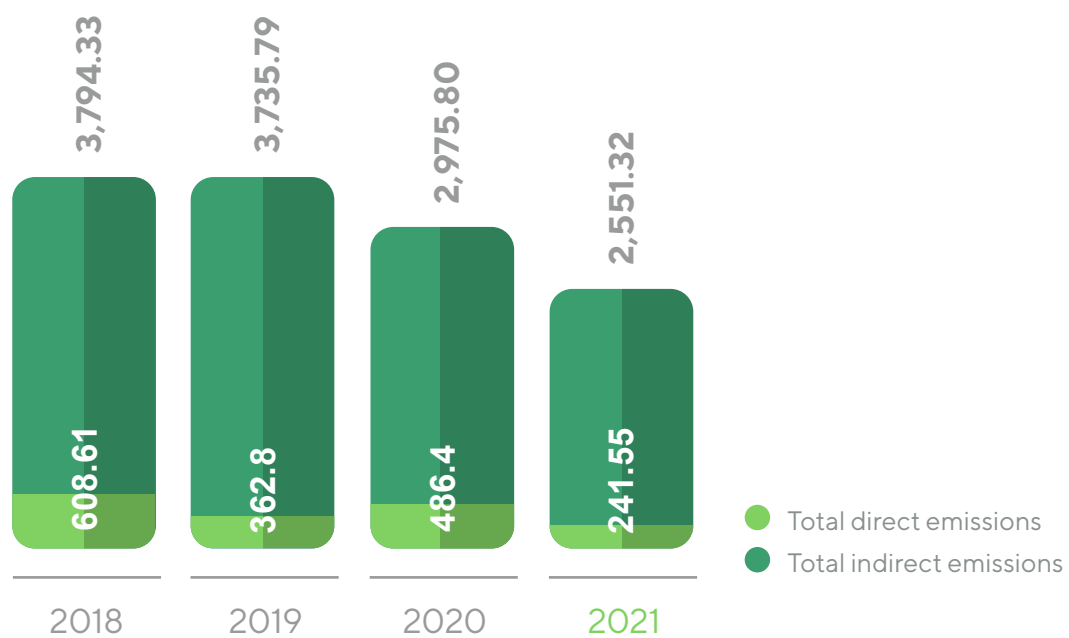
EVOLUTION OF WASTE MANAGED BY ENUSA (kg)

	2018	2019	2020	2021
Hazardous ⁽¹⁾	20,453	22,626	5,820	4,627
Inert	363,520	1,515,180	35,260	878,780
Assimilable to municipal waste	32,678	36,641	26,748	29,385
Municipal solid waste	21,567	26,177	15,532	16,509
Leachate ⁽¹⁾	1,170,890	3,135,200	7,596,180	3,686,240
TOTAL	1,609,107	4,735,824	7,679,540	4,615,541

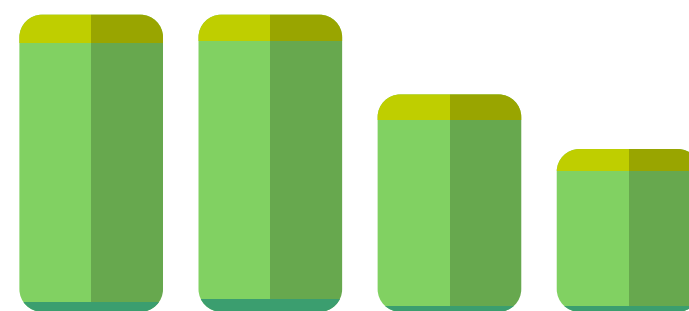
⁽¹⁾ Includes hazardous waste and leachate from the UTE RSU Castellón.

CO₂ EMISSIONS

ENUSA CO₂ EMISSIONS (t)



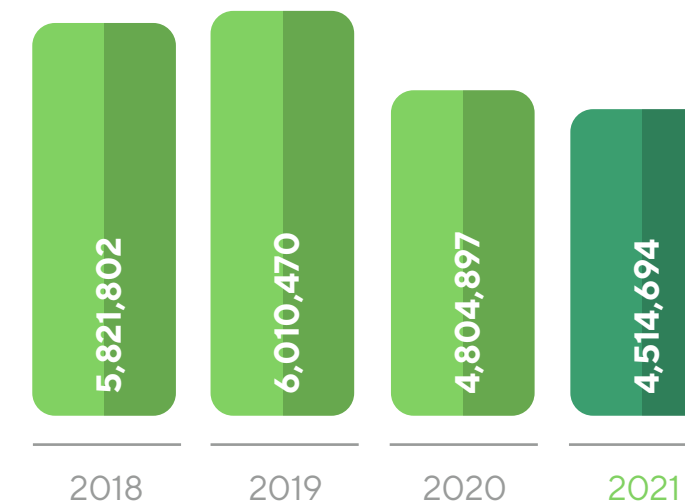
ENUSA INDIRECT EMISSIONS ELECTRICITY CONSUMPTION (t de CO₂)



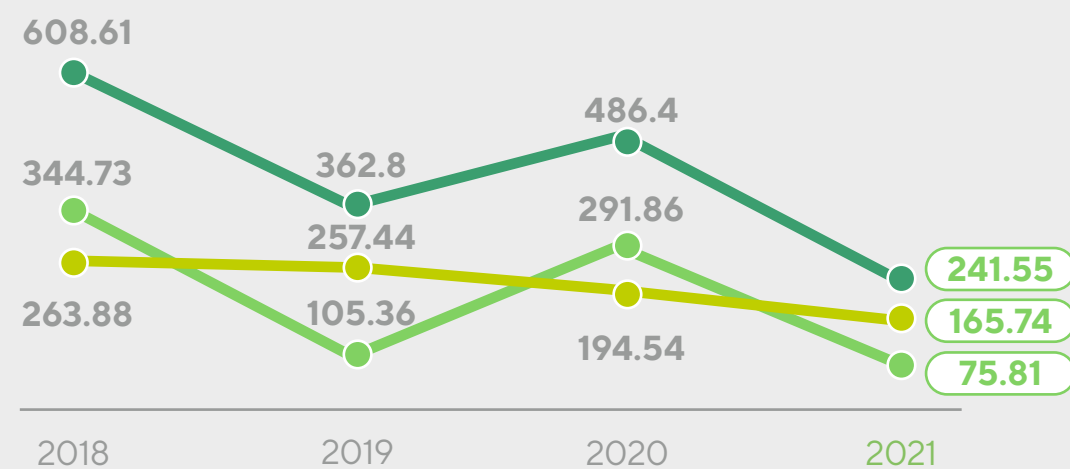
	2018	2019	2020	2021
Saelices	241.77	235.72	208.69	197.04
Juzbado	2,498	2,497	1,802.34	1,310.36
Madrid	127.49	132.14	87.17	72.05

ENVIRONMENTAL EXPENDITURE AND INVESTMENTS

ENVIRONMENTAL EXPENDITURE AND INVESTMENTS (€)



ENUSA DIRECT EMISSIONS (t de CO₂)



ENUSA INDIRECT EMISSIONS - TRANSPORT OF PERSONNEL, GOODS AND SERVICES (t de CO₂)

	2018	2019	2020	2021
Madrid	54.76	63.35	31.14	26.74
Juzbado	840.16	773.65	822.29	917.31
Saelices	32.15	33.93	24.17	27.82
TOTAL	927.07	870.93	877.60	971.87

● Total
● Juzbado
● Saelices

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
- 8 Environmental Performance
- 9 Annexes

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

5 KEY SUCCESSES, SHORTCOMINGS, RISKS AND OPPORTUNITIES

1 SUCCESSES

Improvements related to the Environmental Management Programme:

- Reduced consumption of natural resources.
- Minimisation of the generation of radioactive waste and reduction of existing waste in the Temporary Storage Facility.
- Improvements in hazardous waste management.
- Improvements in the reduction of hazardous waste.

Improved management.

Improved communication.

2 SHORTCOMINGS

Delays in achieving some targets:

- Systems for the reconditioning and gravel filling of 220 litre waste drums.
- Qualification of cation chromatography for determination of ammonium for consumer matrix.
- Renovation of the UC03 and UC18 units of the HVAC.
- Work on 7.98 ha of woodland between the NE and E-NE sectors outside the single fence.
- Implementation of actions to improve the phytosanitary status of the estate.

3 RISKS

Existence of an internal operational procedure for the identification and implementation of actions to address the risks, which are considered necessary to ensure compliance by the ENUSA quality management system and the environmental management system of the Juzbado factory, as well as a catalogue of environmental risks, in which all the risks and the actions to address them are identified.

4 OPPORTUNITIES

Inclusion in the environmental management manual of the actions carried out in relation to the protection of biodiversity in the area surrounding the Juzbado factory to promote greater visibility of those actions.

Propose environmental volunteer activities to promote environmental culture.

Continue with the specific actions defined to minimise consumption and waste generation.

- 1 Letter from the Chairman
- 2 Good Governance
- 3 Main Economics Figures
- 4 ENUSA Group Estructure
- 5 Report Parameters
- 6 Economic Performance
- 7 Social Performance
-  Environmental Performance
- 9 Annexes

6 OBJECTIVES

2021

JUZBADO

Find an alternative route for the management of waste electrical and electronic equipment from a life-cycle perspective.

TOTAL

SAELICES

Switch from fossil fuels to renewable energies in the heating system.

PARTIAL

UTE RSU CASTELLÓN

Certification of the ISO 14001 Environmental Management System implemented in 2020 at the Plant and Depot.

TOTAL

ETSA

Gradually replace the heavy vehicle fleet with more efficient and environmentally friendly engines.

TOTAL

DEGREE OF COMPLIANCE

2022

JUZBADO AND SAELICES

Design and development of photovoltaic solar self-consumption facilities.

UTE RSU CASTELLÓN

Conduct a noise study to assess noise levels at the plant and landfill.

EMGRISA

Self-consumption of energy.

ETSA

Replace eight tractor units with EURO VI or higher engines with the objective of progressively replacing the heavy vehicle fleet with more efficient and less environmentally damaging engines.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance



ANNEXES



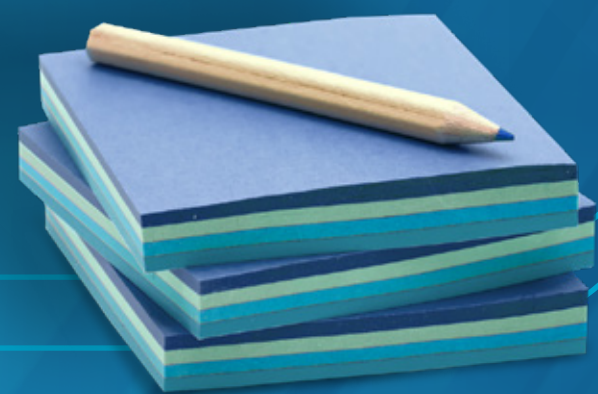




TABLE OF CONTENTS

1. GRI CONTENT INDEX
2. CLARIFICATIONS TO THE GRI INDICATORS TABLE
3. CONTENT INDEX FOR LAW 11/2018, OF 28 DECEMBER, ON NON-FINANCIAL INFORMATION AND DIVERSITY
4. CLARIFICATIONS TO THE INDICATORS TABLE FOR LAW 11/2018
5. EUROPEAN UNION (EU) TAXONOMY, REGULATION 2020/852
6. EXTERNAL ASSURANCE REPORTS

1 GRI CONTENT INDEX

GENERAL CONTENT

GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
Organizational profile				
	102-1 Name of the organisation			34-35
	102-2 Activities, brands, products and services			34-35, 187-189
	102-3 Location of headquarters			34
	102-4 Location of operations			63-65, 336, 338, 345
	102-5 Ownership and legal form			34
	102-6 Markets served			63-65, 333-341, 345
	102-7 Scale of the organisation			31-32, 287-288, 179-180, 333-341, 334-335
GRI 102: General disclosures 2016	102-8 Information on employees and other workers	1, 2, 3, 4, 5, 6, 10	 	287-297
	102-9 Supply chain			346-349
	102-10 Significant changes to the organisation and its supply chain			439
	102-11 Precautionary Principle or approach			16-20, 25-26, 75-76, 318-330, 373-375, 396-399, 411-418
	102-12 External initiatives			21-22, 258-363
	102-13 Membership of associations			21-22, 358-363, 439

CONTINUED ON NEXT PAGE

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure









5
Report Parameters

6
Economic Performance




7
Social Performance

8
Environmental Performance




GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
Strategy				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker			4-5
	102-15 Key impacts, risks and opportunities			4-5, 14, 25-29, 66-76, 283-284, 347, 369-370, 425-426
Ethics and integrity				
GRI 102: General disclosures 2016	102-16 Values, principles, standards and norms of behaviour	1, 2, 3, 4, 5, 6, 10		15-20
	102-17 Mechanisms for advice and concerns about ethics	1, 2, 3, 4, 5, 6, 10		16-20, 439
Governance				
GRI 102: General disclosures 2016 GRI	102-18 Governance structure			7-13
	102-19 Delegating authority			439
	102-20 Executive-level responsibility for economic, environmental and social topics			439
	102-21 Consulting stakeholders on economic, environmental, and social topics	1, 2, 3, 4, 5, 6, 10		439
	102-22 Composition of the highest governance body and its committees	1, 2, 3, 4, 5, 6, 10	 	7-13
	102-23 Chair of the highest governance body	1, 2, 3, 4, 5, 6, 10		7
	102-24 Nominating and selecting the highest governance body	1, 2, 3, 4, 5, 6, 10	 	8

CONTINUED ON NEXT PAGE









GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
GRI 102: General disclosures 2016 GRI	102-25 Conflicts of interest	1, 2, 3, 4, 5, 6, 10		266-267
	102-26 Role of highest governance body in setting purpose, values, and strategy			15
	102-27 Collective knowledge of highest governance body			440
	102-28 Evaluating the highest governance body's performance			440
	102-29 Identifying and managing economic, environmental, and social impacts	1, 2, 3, 4, 5, 6, 10		440
	102-30 Effectiveness of risk management processes			440
	102-31 Review of economic, environmental, and social topics			440
	102-32 Highest governance body's role in sustainability reporting			Board of Directors
	102-33 Communicating critical concerns			440
	102-34 Nature and total number of critical concerns			440
	102-35 Remuneration policies			9, 266-267
	102-36 Process for determining remuneration			9, 266-267
	102-37 Stakeholders' involvement in remuneration	1, 2, 3, 4, 5, 6, 10		9, 266-267, 440
	102-38 Annual total compensation ratio			Result: 5 (ENUSA), 2.85 (EMGRISA) and 4.01 (ETSA)
	102-39 Percentage increase in annual total compensation ratio			Result: 0.5 (ENUSA), 1 (EMGRISA) and 1 (ETSA)

CONTINUED ON NEXT PAGE

GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
Stakeholder engagement				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups			40, 42-47
	102-41 Collective bargaining agreements	1, 2, 3, 4, 5, 6		305
	102-42 Identifying and selecting stakeholders			39-40, 42-43
	102-43 Approach to stakeholder engagement			39-43, 305, 342-343, 364-368
	102-44 Key topics and concerns raised			39, 42-43
Reporting practice				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements			34-35, 38, 187-190
	102-46 Defining report content and topic Boundaries			37-43
	102-47 List of material topics			39
	102-48 Restatements of information			38-39
	102-49 Changes in reporting			39
	102-50 Reporting period			Year 2021
	102-51 Date of most recent report			Year 2020
	102-52 Reporting cycle			38
	102-53 Contact point for questions regarding the report			comunicacion@enusa.es
	102-54 Claims of reporting in accordance with the GRI Standards			38
	102-55 GRI content index			421-430
	102-56 External assurance			38

CONTINUED ON NEXT PAGE

TOPIC SPECIFIC STANDARDS

GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
ECONOMY				
Material topic: Economic performance				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			50-76, 441
	201-1 Direct economic value generated and distributed	1, 2, 3, 4, 5, 6, 7, 8, 9	 	31-32, 175-185, 356
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	7, 8, 9		No financial implications due to climate change have been identified to date.
	201-3 Defined benefit plan obligations and other retirement plans			252-254, 262, 310
	201-4 Financial assistance received from government			34, 262-263, 313
Material topic: Normative compliance				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			16-20
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1, 2, 3, 4, 5, 6, 10		In 2021, no pending or completed legal actions were identified regarding anti-competitive behavior and violations of anti-trust and monopoly legislation.
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	1, 2, 3, 4, 5, 6, 10		441
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	1, 2, 3, 4, 5, 6, 10		In 2021, no non-compliance was identified concerning the health and safety impacts of products and services.
GRI 417: Marketing and labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	1, 2, 3, 4, 5, 6, 10		In 2021, no non-compliance was identified concerning the regulations or voluntary codes related to product and service information and labeling.
	417-3 Incidents of non-compliance concerning marketing communications	1, 2, 3, 4, 5, 6, 10		In 2021, no non-compliance was identified concerning regulations or voluntary codes related to marketing communications, such as advertising, promotion or sponsorship.

CONTINUED ON NEXT PAGE

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure













5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance



GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1, 2, 3, 4, 5, 6, 10		In 2021, no substantiated complaints were identified concerning breaches of customer privacy and losses of customer data
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	1, 2, 3, 4, 5, 6, 10		441
Material topic: Ethics and integrity				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			16-20
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	1, 2, 3, 4, 5, 6, 10		16-20, 441
	205-2 Communication and training about anti-corruption policies and procedures	1, 2, 3, 4, 5, 6, 10		16-20
	205-3 Confirmed incidents of corruption and actions taken	1, 2, 3, 4, 5, 6, 10		In 2021, no incidents of corruption were identified in the ENUSA Group.
GRI 415: Public policy 2016	415-1 Political contributions	1, 2, 3, 4, 5, 6, 10		In 2021, no political contributions were made. The Anti-Corruption Protocols of ENUSA, EMGRISA and ETSA prohibit donations to political parties and political organisations, as well as the signing of sponsorship agreements with entities of this nature.
ENVIRONMENTAL PERFORMANCE				
Material topic: Circular economy				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			373, 374-375, 383, 395, 407, 412, 415, 417, 445
GRI 301: Materials 2016	301-1 Materials used by weight or volume	1, 2, 3, 4, 5, 6, 7, 8, 9	 	373, 407, 417
	301-2 Recycled input materials	1, 2, 3, 4, 5, 6, 7, 8, 9	 	373, 417
	301-3 Reclaimed products and their packaging materials	1, 2, 3, 4, 5, 6, 7, 8, 9	 	445

CONTINUED ON NEXT PAGE










GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL SDGs COMPACT	PAGES/ REFERENCE/ DIRECT RESPONSE
Material topic: Waste and spills			
GRI 103: Management approach 2016	103-1, 103-2, 103-3		374-375, 378, 383-385, 394, 395, 405, 412, 415, 416-417, 419-420, 423, 445
	306-1 Waste generation and significant waste-related impacts		378
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts		378, 383-385, 394, 405, 412, 415, 416-417, 419-420, 445
	306-3 Waste generated		378, 383-385, 405, 416-417, 419-420, 423
	306-4 Waste diverted from disposal		378, 385, 405, 417, 419-420
	306-5 Waste directed to disposal		385
Material topic: Energy efficiency			
GRI 103: Management approach 2016	103-1, 103-2, 103-3		374-375, 387-388, 394, 395, 407, 415, 417, 421, 441
	302-1 Energy consumption within the organisation	1, 2, 3, 4, 5, 6, 7, 8, 9	387, 407, 415, 417, 421, 441
	302-2 Energy consumption outside of the organisation	1, 2, 3, 4, 5, 6, 7, 8, 9	388, 441
GRI 302: Energy 2016	302-3 Energy intensity	1, 2, 3, 4, 5, 6, 7, 8, 9	388, 415, 441
	302-4 Reduction of energy consumption	1, 2, 3, 4, 5, 6, 7, 8, 9	394, 395

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

















GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	1, 2, 3, 4, 5, 6, 7, 8, 9	 	In 2021, no changes were made to the energy requirements of the products and services sold.
Material topic: Climate change				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			374-375, 389-390, 395, 403-404, 412, 414, 416, 417, 424
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	 	389, 403, 417, 424
	305-2 Energy indirect (Scope 2) GHG emissions	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	 	389, 403, 417, 424
	305-3 Other indirect (Scope 3) GHG emissions	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	 	390, 404, 417, 424
	305-4 GHG emissions intensity	7, 8, 9	 	390
	305-5 Reduction of GHG emissions	7, 8, 9	 	395
	305-6 Emissions of ozone-depleting substances (ODS)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	 	No emissions of ozone-depleting substances (ODS) have been identified.
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	 	No nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions have been identified.

CONTINUED ON NEXT PAGE

GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
SOCIAL PERFORMANCE				
Material topic: Employment and professional development				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			298-299, 311-313, 316-317
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	1, 2, 3, 4, 5, 6, 10		298-299
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	1, 2, 3, 4, 5, 6, 10		310
	401-3 Parental leave	1, 2, 3, 4, 5, 6		309
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	1, 2, 3, 4, 5, 6, 10		316
	404-2 Programs for upgrading employee skills and transition assistance programs	1, 2, 3, 4, 5, 6		312-317, 441
	404-3 Percentage of employees receiving regular performance and career development reviews	1, 2, 3, 4, 5, 6, 10		The percentage of employees who receive regular performance reviews is 100%.
Material topic: Health and safety				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			318-330, 441
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	1, 2, 3, 4, 5, 6		318-319
	403-2 Hazard identification, risk assessment, and incident investigation	1, 2, 3, 4, 5, 6		326
	403-3 Occupational health services	1, 2, 3, 4, 5, 6		324-325

CONTINUED ON NEXT PAGE

GRI STANDARD	DISCLOSURE	PRINCIPLES OF THE GLOBAL COMPACT	SDGs	PAGES/ REFERENCE/ DIRECT RESPONSE
GRI 403: Occupational health and safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	1, 2, 3, 4, 5, 6, 10	 	318-319
	403-5 Worker training on occupational health and safety	1, 2, 3, 4, 5, 6		320-321
	403-6 Promotion of worker health	1, 2, 3, 4, 5, 6, 10		324-325
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	1, 2, 3, 4, 5, 6		319
	403-8 Workers covered by an occupational health and safety management system	1, 2, 3, 4, 5, 6		318-319
	403-9 Work-related injuries	1, 2, 3, 4, 5, 6, 10	  	326-330
	403-10 Work-related ill health			326
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			356
Material topic: Equality and diversity				
GRI 103: Management approach 2016	103-1, 103-2, 103-3			300-304, 306-308
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	1, 2, 3, 4, 5, 6	 	7-13, 294, 300
	405-2 Ratio of basic salary and remuneration of women to men	1, 2, 3, 4, 5, 6, 10	  	306-309
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	1, 2, 3, 4, 5, 6	 	In 2021, no incidents of discrimination were identified.

2 CLARIFICATIONS TO THE GRI INDICATORS TABLE

GENERAL CONTENT

ORGANIZATIONAL PROFILE

102-10 No significant changes in the Group's size, structure, ownership or supply chain have been identified during the reporting period.

102-13 EMGRISA is a member of ASEGRE (Association of Waste and Special Resources Management Companies). ETSA is a member of EITA (European Isotopes Transport Association) and AESTRADIS (Association of Salamanca Entrepreneurs for Discretionary Transport).

ETHICS AND INTEGRITY

102-17 ENUSA employees have a channel on the intranet for requesting advice in relation to the Code of Conduct, the Crime Prevention Model and the implementing Protocols.

GOVERNANCE

102-19 The process of delegating authority from the highest governance body for economic, environmental and social matters takes place through the formally approved proxy structure of the highest governance body, with the scope, limitations and reach that it decides in each case.

102-20 There are executive positions in the Group with responsibility for economic, environmental and social issues. The chairman of the highest governance body has executive powers in such matters and, under his/her direct responsibility, appoints officers with responsibility for such matters, who report directly to him/her and indirectly, through him/her, to the highest governance body.

Sometimes the chairman's own appointees with responsibility for economic, environmental and social issues report directly to the highest governance body, at the invitation of the chairman himself.

102-21 The highest governance body delegates stakeholder consultation processes on economic, environmental and social issues to the Executive Committee, which, in turn, appoints positions with responsibility for these issues.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance

8
Environmental
Performance



Annexes



102-27 In order to develop and enhance the collective knowledge of the highest governance body on economic, environmental and social issues, comprehensive reports on the most relevant facts concerning these matters are prepared on a regular basis. These comprehensive reports are submitted to the highest governance body to which more detailed individual presentations are also made on specific economic, environmental and social issues.

102-28 The performance of the highest governance body is assessed indirectly by the shareholders when the organisation's accounts are approved each year. At the same event, this report is also approved and sustainability performance is assessed. The evaluation is independent of the body being evaluated. There have been no changes in the organisational practices of the highest governance body. No actions have been taken as a result of the highest governance body's performance on the above issues. There have been changes in the members of the highest governance body, but for reasons other than performance review.

102-29, 102-30 The audit committee, appointed by the highest governance body from among its members, is tasked with identifying and monitoring the impacts, risks and opportunities in the above matters, as well as reporting on the implementation of due diligence processes, and evaluating these processes by monitoring their effectiveness. The highest governance body is subsequently instructed by the audit committee on the outcome of the performance of these functions.

102-31 The audit committee analyses the economic, environmental and social impacts, risks and opportunities at least every six months, and subsequently reports to the highest governance body on the results achieved. On a monthly basis, the organisation's chief executive reports to the highest governance body on such impacts, risks and opportunities. Annually, the highest governance body analyses these very impacts, risks and opportunities when approving the organisation's Annual Report, which includes economic, environmental and social issues.

102-33 The organisation's chief executive reports directly to the highest governance body on matters of concern to the organisation on a monthly basis. On the occasion of this monthly reporting, it informs the aforementioned body of important concerns, if any.

102-34 All concerns that were considered important were conveyed to the highest governance body through direct reporting to it by the organisation's chief executive on a monthly basis.

102-37 In 2021, the remuneration of ENUSA Group personnel was determined by the regulations governing the remuneration system in the public business sector, and therefore stakeholder engagement is not applicable.



TOPIC SPECIFIC STANDARDS

103-3 As a general rule, material topics are included in the performance appraisals of those responsible for their management. At ENUSA, there is a variable collective productivity incentive linked to the following material topics: economic performance and occupational health and safety.

ECONOMY

205-1 In the process of developing the Crime Prevention Organisation, Management and Control Models, risks related to corruption in all workplaces have been taken into account.

The significant risks identified related to corruption include the following crimes: specific to the public sector (bribery, corruption of foreign officials, influence peddling and embezzlement), corruption in business or corruption between individuals and illegal financing of political parties.

ENVIRONMENT

302-1, 302-2 277.7 kWh equivalent to 1 GJ.

302-3 EMGRISA's energy intensity ratios are not included as they are not representative of its activities and business.

307-1 In 2021, a breach of environmental regulations has been identified in the UTE RSU Castellón which, although it has not caused damage or deterioration to the environment, has led to the imposition of a fine of €42,000.

SOCIAL

404-2 In 2021, the hours of training attributable to programmes to improve the skills of ENUSA Group employees amounted to 19,840.

405-2 Salary levels of the different collective agreements applicable to the ENUSA Group do not differentiate between men and women.

419-1 In 2021, a ruling on labour relations and dismissal became final in which ENUSA was sentenced to pay compensation of €40,281.34.

3 CONTENT INDEX FOR LAW 11/2018, OF 28 DECEMBER, ON NON-FINANCIAL INFORMATION AND DIVERSITY

CONTENT LAW 11/2018 OF 28 DECEMBER ON NON-FINANCIAL INFORMATION AND DIVERSITY	PAGES/ REFERENCE/ DIRECT RESPONSE
I. Information on environmental issues:	
Detailed information on current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety; environmental assessment or certification procedures; resources devoted to environmental risk prevention; application of the precautionary principle; amount of provisions and guarantees for environmental risks.	371-426; 354, 373-375, 416; 373-375, 411, 413-414; 373-375, 396-399, 411, 413-414; 258-262
• Pollution: measures to prevent, reduce or remedy carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution.	386, 389-390, 395, 403-404, 412, 414, 416, 417, 424, 445
• Circular economy and waste prevention and management: waste prevention measures, recycling, reuse, other forms of recovery and disposal; actions to combat food waste.	378, 383-385, 394, 395, 405, 412, 415, 416, 419-420, 423, 445; 445
• Sustainable use of resources: water consumption and water supply in accordance with local constraints; consumption of raw materials and measures taken to improve the efficiency of their use; direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies.	422; 373, 407, 417; 387-388, 394, 407, 415, 417, 421, 441
• Climate change: the significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces; the measures taken to adapt to the consequences of climate change; the reduction targets voluntarily set in the medium and long term to reduce greenhouse gas emissions and the means implemented to this end.	389-390, 403-404, 412, 414, 416, 417, 424; 433; 495, 414, 416
• Biodiversity protection: measures taken to preserve or restore biodiversity; impacts caused by activities or operations in protected areas.	391-393, 408; 374-375, 396-399

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CONTENT LAW 11/2018 OF 28 DECEMBER ON NON-FINANCIAL INFORMATION AND DIVERSITY

PAGES/ REFERENCE/ DIRECT RESPONSE

II. Information on social and personnel issues:

<ul style="list-style-type: none"> • Employment: total number and distribution of employees by gender, age, country and occupational classification; total number and distribution of types of employment contracts; average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category; number of dismissals by gender, age and professional category; average remuneration and its evolution broken down by gender, age and professional category or equal value; pay gap; remuneration for equal or average positions in the company; average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments broken down by gender; implementation of policies of disconnection from work; employees with disabilities. 	289-294; 294-296; 297; 446; 306-307; 308; 307; 446; 446; 300
<ul style="list-style-type: none"> • Work organisation: organisation of working time; number of hours of absenteeism; measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents. 	309; 446; 309, 310
<ul style="list-style-type: none"> • Health and safety: health and safety conditions at work; accidents at work, in particular their frequency and severity, as well as occupational diseases, broken down by gender. 	318-325, 331-332; 326-330
<ul style="list-style-type: none"> • Social relations: organisation of social dialogue, including procedures for informing, consulting and negotiating with staff; percentage of employees covered by collective agreements per country; the balance of collective agreements, particularly in the field of health and safety at work. 	305; 305; 446
<ul style="list-style-type: none"> • Training: training policies implemented; the total number of training hours per professional category. 	311-313, 316-317; 316
<ul style="list-style-type: none"> • Universal accessibility for people with disabilities. 	301-302
<ul style="list-style-type: none"> • Equality: measures adopted to promote equal treatment and opportunities between women and men; equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men); measures adopted to promote employment; protocols against sexual and gender-based harassment; the integration and universal accessibility of people with disabilities; the policy against all types of discrimination and, where appropriate, diversity management. 	303-304; 303-304; 309-310; 303; 300-302; 303-304, 306-308, 348, 441

CONTINUED ON NEXT PAGE

CONTENT LAW 11/2018 OF 28 DECEMBER ON NON-FINANCIAL INFORMATION AND DIVERSITY	PAGES/ REFERENCE/ DIRECT RESPONSE
III. Information on respect for human rights:	
Implementation of human rights due diligence procedures; prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and remedy possible abuses; reporting of human rights abuses; promotion and enforcement of the provisions of the International Labour Organisation's core conventions related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in respect of employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.	349; 16-20, 21-22, 349; 446; 305; 300-304, 305-310; 446; 446
IV. Information on the fight against corruption and bribery:	
Measures taken to prevent corruption and bribery; measures to combat money laundering; contributions to foundations and non-profit organisations.	16-20; 16-20, 447; 300, 359-360, 447
V. Information about the company	
• The company's commitment to sustainable development: the impact of the company's activity on employment and local development; the impact of the company's activity on local populations and the territory; relations maintained with local community stakeholders and dialogue channels; partnership or sponsorship actions.	355-357; 355-363; 41, 358-363, 366-367; 358-363
• Subcontracting and suppliers: inclusion of social, gender equality and environmental issues in the procurement policy; consideration in relations with suppliers and subcontractors of their social and environmental responsibility; monitoring and auditing systems and results of audits.	348-349, 349, 447; 348-349, 349; 24, 348-349, 350
• Consumers: consumer health and safety measures; complaint systems, complaints received and resolution of complaints.	353; 342-343, 447
• Tax information: profits earned country by country; profit taxes paid and public grants received.	447; 447; 362-263

4 CLARIFICATIONS TO THE INDICATORS TABLE FOR LAW 11/2018

INFORMATION ON ENVIRONMENTAL ISSUES

- Light pollution: since 2018, the Juzbado facilities have had exterior lighting on both roads and pavements and on the double fence, with a type of lamp whose projector is asymmetrical in order to eliminate wasted and polluting flux. In this way, light pollution is minimised and energy efficiency is improved.
- Circular economy: during 2021, the adherence agreements signed with waste managers that include the life-cycle or circular economy approach continued:
 - Integrated Waste Management System (SIG): Ambilamp for lights, Ecopilas for cells and batteries and Ecotic for electronic devices.
 - Establishment of the factory as a collection point for waste toner and ink by the company Tragatóner and Tragatinta.
 - Delivery of textile waste to the company Porsiete (belonging to the Spanish Association of Social and Solidarity Economy Waste Collectors).

In addition, the Juzbado factory continued to collect the pipe separators for their subsequent return to the supplier and reuse, with a shipment of 22 boxes in 2021, which corresponds to 1.79 tons.

On the other hand, as a good practice implemented in the factory, for the shipment of different types of waste, wooden containers are reused, thus avoiding the purchase of specific containers and the categorisation of these reused wooden containers as waste. Thanks to this practice, during 2021, 4.48 tons of wooden packaging have been reused.

- Actions to combat food waste: at the time of writing this report, the ENUSA Group has no actions to combat food waste.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance



Annexes

INFORMATION ON SOCIAL AND PERSONNEL ISSUES

- In 2021, no employees were dismissed the ENUSA Group.
- The amount of the per diems for attending the meetings of the Board of Directors of ENUSA is set, with effect from 1 January 2021, at a gross monthly amount of 825 euros, for a maximum of eleven meetings per year, which will total a gross amount of 9,075 euros. No difference was established as to the amount to be received by male and female Directors.
- In 2021, the average remuneration of the ENUSA Executive Committee, including short-term remuneration, loans, advances and guarantees, amounted to €139,692.10 for women and €165,744.31 for men, including the chairman. The average salaries of the management personnel of the subsidiary companies are not reported in this report for reasons of confidentiality.
- At the time of writing this report, there are no work disconnection policies in place at the ENUSA Group.
- Absenteeism: In 2021, the number of absenteeism hours at the ENUSA Group was 62,877.83. This figure includes hours corresponding to sickness, those derived from work-related accidents, non-work-related accidents, commuting accidents, leave, absences and sanctions. The accumulated absenteeism rate was 5.19% at ENUSA, 4.13% at EMGRISA and 5.76% at ETSA.
- The balance of collective agreements, particularly in the field of occupational health and safety: That general regulation has been updated in different areas in accordance with what is legally established. On the other hand, in 2021, the holiday periods were made more flexible.

INFORMATION ON RESPECT FOR HUMAN RIGHTS

- In 2021, no complaints have been recorded for cases of human rights violations.
- The ENUSA Group Code of Conduct contains a general commitment to respect the Human Rights of all natural persons. Likewise, it includes the special interest of the Group in the control and monitoring of compliance, among others, with the rights of children and young people (elimination of child exploitation and forced labour).

INFORMATION ON THE FIGHT AGAINST CORRUPTION AND BRIBERY

- Measures to combat money laundering: although the companies that make up the ENUSA Group are not obliged to comply with Law 10/2010, of 28 April, on the prevention of money laundering and the financing of terrorism, the Code of Conduct establishes that the recipients of the Code shall refrain from promoting, facilitating, participating in or concealing any type of money laundering operation, and shall in any case report to their immediate superior or to the Secretariat of the Supervisory Body any money laundering operation of which they are aware. In addition, each Crime Prevention Model includes specific controls aimed at preventing economic crime in general.
- The amount paid by ENUSA in 2021 for contributions to foundations and non-profit organisations amounted to €144,149.46.

INFORMATION ABOUT THE COMPANY

- The inclusion of social, gender equality and environmental issues in procurement policy: As described in the section "Supplier quality", the assessment of suppliers covers environmental management issues, but does not cover social or gender equality issues.

- Complaint systems, complaints received and their resolution:

- EMGRISA has documented processes for managing claims or complaints, having received no complaints or claims in 2021 in relation to the exercise of its activity.
- ETSA has internal procedures to measure or determine the degree of satisfaction of its customers with regard to the degree to which the requirements of the service provided have been met. Communication with customers is constant in person, by telephone or email, and ETSA makes every effort to resolve any complaint received.

During 2021, no customer complaints were filed in relation to our overall business performance. However, eleven "Non-conformities" were opened relating to specific operational events (mainly delays and administrative errors), which do not affect overall quality, and which, after being resolved, did not require additional measures to minimise the possibility of repetition and have maintained a high level of satisfaction with the services.

In addition, a web-based service quality satisfaction evaluation form was sent to key customers, confirming their overall high level of satisfaction with the service provided.

- Profits obtained country by country: in 2021, the ENUSA Group's Profit Before Tax amounted to €10,796,251.82, with the following breakdown by country:
 - Spain: €10,889,195.47
 - Peru: (€- 81,381.59)
 - Chile: (€- 11,562.06)
- Income taxes paid: in 2021, corporate income tax payments in the ENUSA Group amounted to €2,478,160.95.

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance



Annexes

5 EUROPEAN UNION (EU) TAXONOMY, REGULATION 2020/852

The European Green Deal is Europe's growth strategy that aims to improve the well-being and health of citizens, make Europe climate neutral by 2050, and protect, conserve and enhance the EU's natural capital and biodiversity.

One of the measures adopted to achieve this objective is the Taxonomy Regulation, Regulation (EU) 2020/852, whose purpose is to improve the flow of capital towards sustainable activities throughout the European Union. The EU taxonomy is a classification system that establishes a list of environmentally sustainable economic activities and creates a common language to help investors invest in projects and economic activities with a positive impact on the climate and the environment. Specifically, the taxonomic Regulation establishes six environmental objectives:

- a) Climate change mitigation
- b) Adaptation to climate change
- c) Sustainable use and protection of water and marine resources
- d) Transition to a circular economy
- e) Pollution prevention and control
- f) Protection and recovery of biodiversity and ecosystems

Under the Taxonomy Regulation, the European Commission is drawing up the list of environmentally sustainable activities by defining technical selection criteria for each environmental objective through delegated acts. So far, the European Union has published the delegated acts for mitigation and adaptation to climate change, with the rest of the objectives expected to be published throughout 2022.

In this context, the taxonomy regulation introduces information obligations for companies and participants in financial markets. Specifically, the Delegated Regulation (EU) 2021/2178 of the Commission of 6 July 2021, states in article 10.2 therein that:

"From 1 January 2022 until 31 December 2022, non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure and the qualitative information referred to in Section 1.2 of Annex I relevant for this disclosure."

1
Letter from the Chairman

2
Good Governance

3
Main Economics Figures

4
ENUSA Group Estructure

5
Report Parameters

6
Economic Performance

7
Social Performance

8
Environmental Performance



Annexes

In order to respond to this reporting obligation, it is key to differentiate between eligible activities and activities that comply with the taxonomy:

- Eligible economic activity: an economic activity described in the delegated acts, irrespective of whether that economic activity fulfils any or all of the technical selection criteria set out in those delegated acts.
- Economic activity that complies with the taxonomy: an economic activity that meets the requirements of substantial contribution to one or more of the environmental objectives, does not cause any significant detriment to the other objectives, is carried out in accordance with the minimum safeguards and complies with the technical selection criteria.

In view of the entry into force and implementation of the delegated climate act (Delegated Regulation (EU) 2021/2139 of 4 June 2021) at the end of 2021, for this exercise it has been established that mandatory reporting will be limited to the scope of eligibility.

In this regard, the ENUSA Group has carried out a preliminary analysis of the eligibility of the economic activities of the different companies that make up the Group, first of all taking into account their CNAE (National Economic Activities Classification Code) code. Following this criterion, the economic activities of ETSA (4941 - road freight transport), UTE RSU Castellón (3821 - treatment and disposal of non-hazardous waste) and EMGRISA (7112 - technical engineering services and other activities related to technical consultancy) are considered eligible at the time of writing this report.

After examining the CNAE, the description of activities made in the first delegated act on climate change mitigation and adaptation was analysed, and it turned out that in the case of EMGRISA, its activity would not be in line with those included in the section on professional, scientific and technical activities. In the case of ETSA, although it would fit the activity description of road freight transport services, its activity would not meet the technical selection criteria for substantial contribution to climate change mitigation or adaptation. Finally, neither has the UTE RSU been considered because its bio-waste composting activity does not meet all the technical criteria. Consequently, it is considered that none of the companies' business operations would at this stage fit into the EU taxonomy.

Likewise, no project implemented during 2021 has been identified so far that is included in the list of eligible activities and that has contributed significantly to the two environmental objectives considered (mitigation and adaptation to climate change).

However, given that the environmental business of the ENUSA Group is developed especially in the area of waste, soil and contaminated water management and taking into account that the delegated acts corresponding to the rest of the environmental objectives are expected to be published during 2022 and that the key performance indicators of the non-financial companies will be disclosed as of 1 January 2023, the ENUSA Group will review, during 2022, the eligibility of the activities of the different companies that comprise it and their adjustment to the taxonomy.

6 EXTERNAL ASSURANCE REPORTS

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

6 Economic Performance

7 Social Performance

8 Environmental Performance



AENOR
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Non-Financial Information
Verification Disclosure

AENOR verification Disclosure for

ENUSA Industrias Avanzadas. S.A., S.M.E.
& subsidiaries

concerning the consolidated disclosure of non-financial information
ESTADO DE INFORMACIÓN NO FINANCIERA CONSOLIDADO Ejercicio 2021
according to law 11/2018
for the period ending on December 31, 2021

In Madrid March, 10, 2022

Rafael García Meiro
Chief Executive Officer

1994/0272/VNOF-2022 AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
Page 1 of 5

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ENUSA Industrias Avanzadas. S.A., S.M.E. (hereinafter the organization) with registered office at: C/ Santiago Rusiñol, 12 – 28040 Madrid and on its behalf, Rosario Arévalo Sánchez, in charge of Corporate Manager, has commissioned AENOR to carry out a verification under a limited level of assurance of its Disclosure of Non-Financial Information (hereinafter NFIS) in accordance with Law 11/2018 amending the Commercial Code, the revised text of the Law on Corporations approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, with regard to non-financial information and diversity (hereinafter Law 11/2018).

As a result of the verification carried out, AENOR issues this Disclosure, of which the verified NFIS forms part. The Declaration is only valid for the purpose entrusted and reflects only the situation at the time it is issued.

The purpose of the verification is to provide the interested parties with a professional and independent opinion about the information and data contained in the organization's NFIS, prepared in accordance with Law 11/2018.

Responsibility of the organization. The organization was responsible for reporting its non-financial information status in accordance with Law 11/2018. The formulation and approval of the NFIS, as well as its content, is the responsibility of its Governing Body. This responsibility also includes designing, implementing and maintaining such internal control as is deemed necessary to ensure that the NFIS is free from material misDisclosure due to fraud or error, as well as the management systems from which the information required for the preparation of the NFIS is obtained. The organisation, in accordance with the commitment formally undertaken, has informed AENOR that no events have occurred, from the date of the close of the financial year reported in the non-financial report until the date of verification, that might require corrections to be made to the report.

Verification program in accordance with ISO/IEC 17029:2019 AENOR, in accordance with the aforementioned Act, has carried out this verification as an independent provider of verification services. The verification has been developed under the principles of "evidence-based approach, fair presentation, impartiality, technical competence, confidentiality, and accountability" required by the international standard ISO/IEC 17029:2019 "Conformity assessment - General principles and requirements for validation and verification bodies".

1994/0272/VNOF-2022

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
Page 2 of 5

AENOR

Confía

Likewise, in the verification program, AENOR has considered the international requirements of accreditation, verification or certification corresponding to the information matters contemplated in the Law:

- European Regulation EMAS (Environmental Verification)
- SA 8000 (international labour principles and rights in accordance with the ILO (International Labour Organization), the Universal Declaration of Human Rights and the Convention on the Rights of the Child. SAAS Procedure 200)
- Environmental Management System (ISO 14001).
- Social Responsibility Management System, IQNet SR 10 and SA8000 schemes
- Quality Management System (ISO 9001).
- Energy Management System (ISO 50001).
- Occupational Health and Safety Management System (ISO 45001).

Additionally, the criteria and information that have been taken into account as a reference to carry out the Verification Program have been:

- 1) Law 11/2018 of 28 December, which amends the Commercial Code, the revised text of the Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July on the Auditing of Accounts, with regard to non-financial information and diversity.
- 2) Directive 2014/95/EU of the European Parliament and Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial information and diversity reporting by certain large companies and certain groups.
- 3) Communication of the European Commission 2017/C 215/01, Guidelines on non-financial reporting (methodology for non-financial reporting)
- 4) the international standard ISO/IEC 17029.2019 Conformity assessment - General principles and requirements for validation and verification bodies
- 5) The criteria established by the global sustainability reporting initiative in the GRI standards where the organisation has opted for this recognised international framework for disclosure of information relating to its corporate social responsibility performance

1994/0272/VNOF-2022

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
Page 3 of 5

1 Letter from the Chairman

2 Good Governance

3 Main Economics Figures

4 ENUSA Group Estructure

5 Report Parameters

6 Economic Performance

7 Social Performance

8 Environmental Performance



Annexes

AENOR

Confía

CONCLUSION

Based on the foregoing, in our opinion, there is no evidence to suggest that the Statement of Non-Financial Information formulated as a separate document as described at *consolidated directors' report* on the consolidated annual financial report 2021 titled ESTADO DE INFORMACIÓN NO FINANCIERA CONSOLIDADO Ejercicio 2021 and for information concerning the reporting period, year ended December 31, 2021, does not provide accurate information on the performance of ENUSA Industrias Avanzadas S.A., S.M.E. and subsidiaries consolidated in the non-financial report, in terms of social responsibility content required by Law 11/2018 regarding environmental, social and personnel issues, including the management of equality, non-discrimination and universal accessibility, human rights, the fight against corruption and bribery, and diversity.

1994/0272/VNOF-2022

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
Page 5 of 5

AENOR

Confía

CONCLUSION

AENOR expressly disclaims any liability for decisions, investment or otherwise, based on this Declaration.

During the verification process carried out, under a limited level of assurance, AENOR conducted interviews with the personnel in charge of compiling and preparing the Report and reviewed evidence relating to:

- Activities, products and services provided by the organization.
- Consistency and traceability of the information provided, including the process followed to collect it, sampling information about the reported.
- Completion and content of the disclosure of non-financial information in order to ensure the completeness, accuracy and veracity of its content.
- Letter of Disclosures from the Administrative Body.

The conclusions are therefore based on the results of this sample process, and do not absolve the Organization of its responsibility for compliance with applicable legislation.

Information related to the Taxonomy of environmentally sustainable activities prepared in accordance with the EU Regulation 2020/852 of the European Parliament and of the Council of June 18, on the establishment of a framework to facilitate sustainable investments, regarding the obligation to disclose information on the manner and extent to which the activities of the obligated company are associated with economic activities that are considered environmentally sustainable according to the environmental principles and objectives established in said Regulation, is among the evidence reviewed. In line with this new requirement, the organization has included in the Non-Financial Information Report the information which, in their opinion, best enables compliance with this new obligation, and which is included in Annex 5 of the attached Disclosure of Non-Financial Information.

The personnel involved in the verification process, the review of findings and the decision to issue this Disclosure have the knowledge, skills, experience, training, supporting infrastructure and capacity to effectively carry out these activities.

1994/0272/VNOF-2022

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
Page 4 of 5

AENOR

Confía

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VERIFICATION OF SUSTAINABILITY REPORT

VMS-2022/0004

AENOR has verified the Sustainability Report by the organization

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

Title: ESTADO DE INFORMACIÓN NO FINANCIERA CONSOLIDADO
GRUPO ENUSA

Reporting period: 2021

In accordance with GRI Standards option: Comprehensive

Issue date: 2022-03-02



AENOR INTERNACIONAL S.A.U.
Génova, 6. 28004 Madrid. España
Tel. 91 432 6000.- www.aenor.com

Rafael GARCÍA MEIRO
Chief Executive Officer



The organization for which this certificate is being issued has commissioned AENOR to carry out a verification under a limited level of assurance of its Sustainability Report in accordance with Sustainability Reporting Standards (GRI SRS) in the options stated in this certificate.

As a result of the verification carried out, AENOR issues this Certificate, of which the verified Sustainability Report forms part. The Certificate is only valid for the purpose entrusted and reflects only the situation at the time it is issued.

The purpose of the verification is to provide the interested parties with a professional and independent opinion about the information and data contained in the organization's Sustainability Report, prepared in accordance with GRI Standards.

Responsibility of the organization. The organization had the will for reporting its Sustainability Report in accordance with GRI SRS. The approval of the Sustainability Report, as well as its content, is the responsibility of its Governing Body. This responsibility also includes designing, implementing and maintaining such internal control as is deemed necessary to ensure that the Sustainability Report is free from material misstatement due to fraud or error, as well as the management systems from which the information required for the preparation of the Sustainability Report is obtained. The organisation has informed AENOR that no events have occurred, from the date of the close of the reporting period in Sustainability Report until the date of verification, that might require corrections to be made to the report.

Verification program in accordance with ISO/IEC 17029:2019 AENOR, has carried out this verification as an independent provider of verification services. The verification has been developed under the principles of "evidence-based approach, fair presentation, impartiality, technical competence, confidentiality, and accountability" required by the international standard ISO/IEC 17029:2019 "Conformity assessment - General principles and requirements for validation and verification bodies".

Additionally, the criteria and information that have been taken into account as a reference to carry out the Verification Program have been the criteria established by the global sustainability reporting initiative in the GRI standards where the organisation has opted for this recognised international framework for disclosure of information relating to its corporate social responsibility performance

AENOR expressly disclaims any liability for decisions, investment or otherwise, based on this Declaration.

During the verification process carried out, under a limited level of assurance, AENOR conducted interviews with the personnel in charge of compiling and preparing the Report and reviewed evidence relating to:

- Activities, products and services provided by the organization.
- Consistency and traceability of the information provided, including the process followed to collect it, sampling information about the reported.
- Completion and content of the Sustainability Report in order to ensure the completeness, accuracy and veracity of its content.

The conclusions are therefore based on the results of this sample process, and do not absolve the Organization of its responsibility for compliance with applicable legislation.

The personnel involved in the verification process, the review of findings and the decision to issue this Statement have the knowledge, skills, experience, training, supporting infrastructure and capacity to effectively carry out these activities.

1
Letter from
the Chairman

2
Good
Governance

3
Main
Economics
Figures

4
ENUSA Group
Estructure

5
Report
Parameters

6
Economic
Performance

7
Social
Performance

8
Environmental
Performance



Annexes