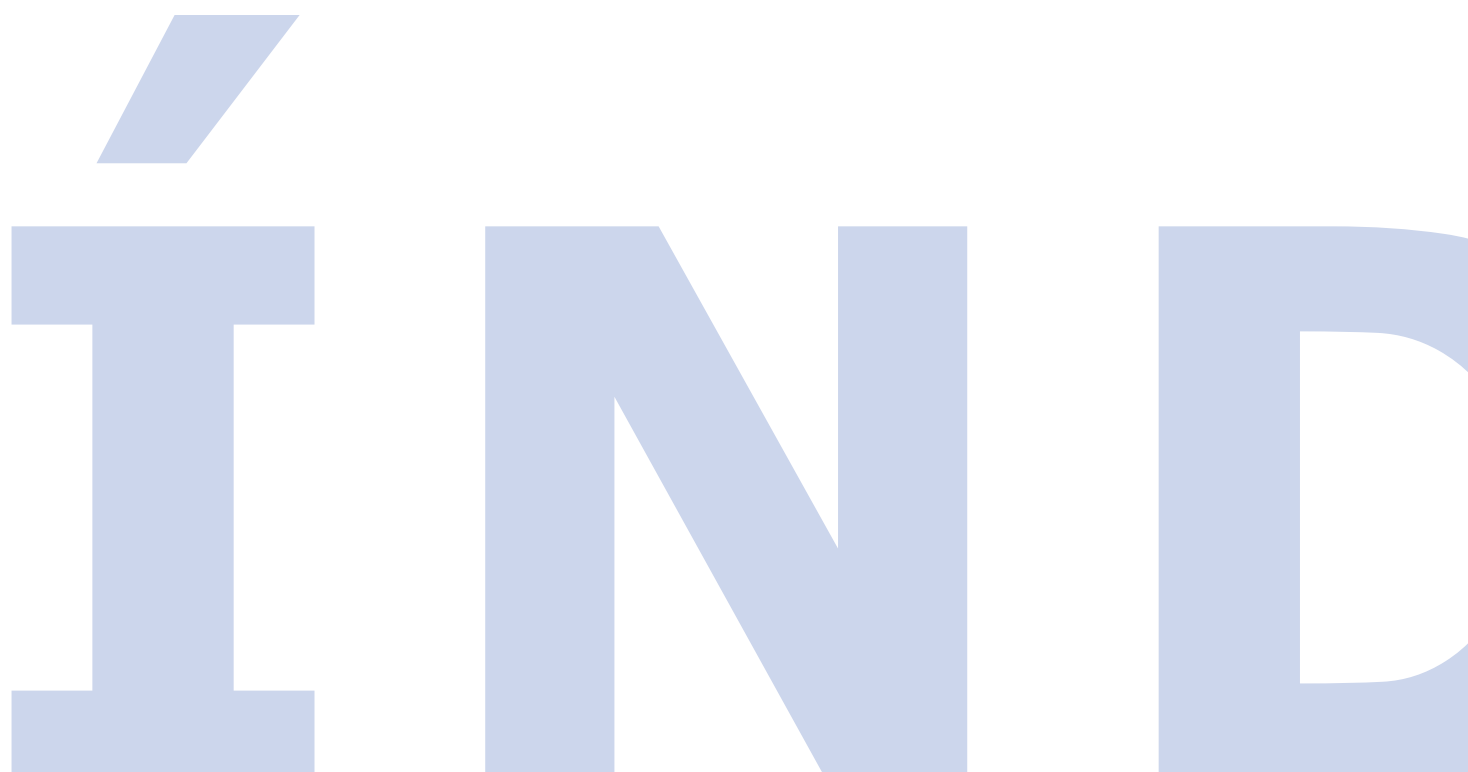




COMPLIANCE MANUAL



1. Introduction	4
2. Object of the Manual and risk analysis	6
2.1. Regulatory context: criminal liability of the legal person	6
2.2. Object of the Manual	8
3. Scope of application	11
4. Responsibility	11
4.1. Control and monitoring bodies	12
4.2. Supervision and monitoring of the Compliance Management System	16
5. Elements of the Compliance Management System	16
5.1. Navantia's general preventive policies, procedures and controls	16
5.2. Management of financial and material resources	18
5.2.1. Controls in the field of financial, budgetary and treasury management	18
5.2.2. Financial and material resources	19



6. Criminal Risk Assessment, Controls and Mitigating Measures	20
7. Good practices in the field of transnational corruption prevention	23
8. Violations of the Compliance Management System Suspicious Conduct Notifications and Disciplinary Proceedings	24
8.1. Suspicious Behaviour Notifications and Analysis	25
8.2. Sanctioning procedure	26
9. Dissemination and training	26
9.1. Dissemination	26
9.2. Training	27
10. Archive and documentation	28
11. Effectiveness of the review of the Compliance Management System	28
12. Approval of the Compliance Manual	29
13. References	30



1. INTRODUCTION

This Compliance Manual (hereinafter, the "Compliance Manual" or the "Manual", indistinctly) establishes the model of organisation, prevention, management and control against corruption and against the commission of criminal offenses of Navantia, S.A., S.M.E. (hereinafter "Navantia", or the "Company", indistinctly).

In light of the regulatory modifications produced in criminal matters and in line with its culture of ethics and compliance, Navantia has developed a system for the prevention of the commission of crimes, as well as compiled the procedures and controls currently implemented for the effective prevention and mitigation of these risks. Therefore, in order to prepare this Manual, a detailed analysis of the criminal risks that may hypothetically occur in the different areas of Navantia has been carried out, taking into account, on the one hand, the policies and controls already in place, and on the other, the sensitivity to criminal risks detected in the specific processes, depending on the sector and the activities that Navantia carries out.

This Manual details the principles of crime management and prevention within the company in accordance with, among others, the following regulation:

- Organic Law 10/1995, of 23 November, on the Spanish Penal Code;
- Foreign Corrupt Practices Act (FCPA) of the United States;
- The UK Bribery Act;
- OECD legal texts:
 - Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, of 21 November 1997
 - OECD Good Practice Guide (Recommendation for Further Combating Bribery of Foreign Public Officials)
- Good Practice Guidance on Internal Controls, Ethics and Compliance.
- United Nations Convention and the Inter-American Convention against Corruption
- United Nations Office on Drugs and Crime's anti-corruption, ethics and compliance programme for businesses;
- Main international and national standardisation standards – among others, ISO 19600:2015/ ISO 37301:2021, on Compliance Management Systems, ISO 37001:2016, on Anti-Corruption Management Systems, UNE 19601:2017, on Criminal Compliance Management Systems and BSI STANDARDS PUBLICATION: Specification for an Anti-Bribery Management System (ABMS).
- Applicable regulations and/or best practices in countries of special relevance to Navantia.

In this way, this Manual systematises the existing control elements and those that, as a result of the reviews carried out with the collaboration of external advisors, Navantia has decided to implement, update and reinforce in order to comply with the purpose of preventing and mitigating the commission of crimes within the Company. The current Compliance Manual also includes the structure and operation of the control and supervisory bodies responsible for the Management System.

On the other hand, and in order to prepare this Manual, the nature and characteristics of Navantia have been taken into account, which is a Spanish state-owned company belonging to the Sociedad Estatal de Participaciones Industriales (SEPI), which controls 100% of its capital and, in addition, is a world leader in the products it offers:

- Design and construction of military vessels and high-tech civilian vessels.
- Design and manufacture of control and combat systems.
- Technology transfer.
- Repairs and conversions of military and civilian vessels.
- Life Cycle Support for its ships and systems.
- Manufacture of diesel engines.
- Turbine manufacturing.
- Offshore wind.

In addition, Navantia is a technologically pioneering company in which R+D+i is a strategic area of the company with the ultimate aim of adapting to the present and future needs of the market. It is also the leading Spanish military naval technology company.

Navantia's main customer at the national level is the Ministry of Defence (Spanish Navy) with which it has been collaborating for more than 250 years. The high level of this Navy, with its great world-wide operational capacity with the most modern navies, means that Navantia can create products with great added value.

Navantia is based on a culture that integrates innovation, customer focus, quality of solutions and services, the talent of its professionals and commitment to society and the environment.

Furthermore, and due to the strong commitment that Navantia has assumed in relation to Sustainability, a significant effort has been made with actions aimed at satisfying all priorities in this area. Thus, its social strategy is mainly based on ensuring quality, respect for the environment, training, well-being of its employees and improvement of the industrial environment.

Any person who has doubts about the application of any of the points of this Manual, who has identified a new risk activity, or any weakness or deficiency in the anti-corruption system, should consult or inform the Compliance Committee through the following email address

comite_cumplimiento@navantia.es.

2. OBJECT OF THE MANUAL AND RISK ANALYSIS

2.1. REGULATORY CONTEXT: CRIMINAL LIABILITY OF THE LEGAL PERSON

On 23 December 2010, Organic Law 5/2010 on the reform of the Criminal Code came into force, which regulates, with respect to certain crimes, the criminal liability of legal persons as a result of numerous international legal instruments that have been demanding a clear criminal response to delimit this special responsibility, mainly in those criminal figures where their possible involvement was more evident.

Subsequently, with the entry into force on 1 July 2015 of Organic Law 1/2015, amending the Criminal Code (hereinafter, "Criminal Code"), important changes and improvements have been introduced aimed at developing the criminal liability of the legal person. Thus, Article 31 bis of the Criminal Code literally exempts from criminal liability a legal person who encourages compliance behaviour among its employees by developing an effective organisation and management system.

The aforementioned article 31.1 bis of the Criminal Code regulates the liability of legal persons for:

- Crimes committed, in the name or on behalf of the legal person, and for its direct or indirect benefit, by its legal representatives or by those who, acting individually or as members of an organ of the legal person, are authorised to make decisions on behalf of the legal person or hold powers of organisation and control within it. However, it will remain exempt from liability if the following conditions are met:
 - » the administrative body has adopted and effectively executed, before the commission of the crime, organisational and management models that include the appropriate surveillance and control measures to prevent crimes of the same nature or to significantly reduce the risk of their commission;
 - » the supervision of the operation and compliance with the prevention model implemented has been entrusted to a body of the legal person with autonomous powers of initiative and control or that is legally entrusted with the function of supervising the effectiveness of the internal controls of the legal person;
 - » the individual perpetrators have committed the crime by fraudulently circumventing the models of organisation and prevention, and
 - » there has been no omission or insufficient exercise of its supervision, surveillance and control functions by the body entrusted to it.

In cases where the above circumstances can only be partially accredited, this circumstance will be assessed for the purposes of mitigating criminal liability.

Furthermore, Article 31a, paragraph 4, states that the legal person will be exempt from liability if, before the commission of the crime, it has adopted and effectively executed a model of organisation and management that is adequate to prevent crimes of the nature of the one that was committed or to significantly reduce the risk of its commission

In this regard, the organisation and management models referred to in the previous sections must comply with the following requirements:

- The establishment by the administrative body of an organisation and management model that includes the appropriate surveillance and control measures to prevent crimes.
- The creation of a body with autonomous powers of initiative and control to supervise the operation and compliance with the prevention model implemented.
- Identification –Criminal Risk Map– of the activities of the company in the area of which the crimes that must be prevented may be committed.
- The implementation of protocols or procedures that specify the process of forming the will of the legal person, of adopting decisions and of executing them in relation to them.
- The implementation of appropriate financial resource management models to prevent the commission of crimes that must be prevented.
- The obligation to report possible risks and non-compliance to the body in charge of monitoring the operation and observance of the prevention model -ethics channels-.
- The establishment of a disciplinary system that adequately punishes non-compliance with the measures established by the model.
- The periodic verification of the model and its possible modification when relevant infringements of its provisions are revealed, or when there are changes in the organisation, in the control structure or in the activity carried out that make them necessary.

In addition to the requirements established by the Spanish legislator, Navantia's Compliance Management System complies with the highest international standards of organisation and management referred to in ISO 19600:2015, on Compliance Management Systems, ISO 37001:2016, on Anti-Corruption Management Systems, UNE 19601:2017, on Criminal Compliance Management Systems as well as, among others, with the following requirements:

- **Understanding the organisation and its context** The organisation must determine the external and internal factors that are relevant to its purposes and to achieve its criminal compliance objectives, specified and developed in the elements that make up the rest of the Compliance Management System.
- **Involvement and leadership of the Governing and Management Body** in the development of the culture of Compliance, which is reflected through a **visible, consistent, and sustained engagement** over time with a common and published standard of behaviour that is required in each and every one of the areas of the organisation, as well as its business partners.

- **Understand the needs and expectations of the stakeholders**, first determining which are relevant for the purposes of both the Compliance and anti-corruption policy and the requirements to be considered in relation to those interested parties
- **Determining the scope of the environmental management system** The organisation must determine the objective and subjective scope of the Compliance Management System. In order to determine this scope, the organisation must consider:
 - » External factors
 - » The results of the criminal risk assessment
- **Adopt, implement, maintain and continuously improve the Compliance Management System**, which includes the necessary policies, processes, and procedures as well as their interactions. The Compliance Management System must include measures designed to assess criminal risk, prevent it, detect it and manage it early.
- **The organisation must determine and provide the necessary resources** for the adoption, implementation, maintenance and continuous improvement of the Compliance Management System. The resources include, at least, financial, technological and human resources, as well as access, where appropriate, to external advice.

To this end, both Navantia and its Board of Directors, aware of the possibility of being criminally liable individually, and with the firm objective to develop and adopt a Compliance environment valid and effective, they present a clear commitment In the face of prevent the commission of any crime within the Company, having paid special attention to those criminal risks identified in P-CU-003 "Crime Prevention".

2.2. OBJECT OF THE MANUAL

With the firm objective, on the part of Navantia's Management, to promote, establish, develop and maintain an adequate ethical-business culture, expressly subject to the legislation and regulations in force at all times, the Compliance Management System in which this Manual is framed is developed.

The purpose of this Manual is to ensure (i) the effective **ethical and compliance culture** within the Company, as well as (ii) the effectiveness of some **Control Standards and Procedures** that minimise the risk of unlawful behaviour on the part of all those who provide services in Navantia as administrators, managers and workers, as well as representatives, agents, agents and mediators acting in the interest or on behalf and representation of the company.

In this regard, in order for the aforementioned Compliance Management System to fulfil the functions of prevention, detection, reaction and monitoring of criminal risks, as well as their associated controls, the Company has relied on the following **general principles**:

- Awareness and dissemination at all levels of the principles assumed and rules of behaviour reflected in protocols, manuals and internal policies.
- Periodic review of activities that could potentially be affected by some risk.
- Establishment of adequate controls proportionate to the risk in operations, as well as measures for their supervision.
- Segregation of functions and powers of attorney.
- Supervision and control of the Company's behaviour, as well as the operation of the Compliance Management System.
- Updating of the Company's functions and rules of conduct following possible changes in current regulations.

In particular, Navantia considers that the **raising awareness of its employees** is a critical element within its Compliance Management System, especially with regard to the prevention and detection of criminal risks, and therefore carries out the following control activities (in addition to the training regulated in section 9 of this Manual):

- Effective communication of the policies and procedures to be established, involving all levels of the Company.
- The inclusion of crime prevention subjects in employee training programs.

Article 31.1 bis cited above establishes the implicit obligation of legal persons to exercise due control over the actions of their employees, in such a way that, if due diligence is demonstrated, the legal person should not be liable for crimes committed by its personnel in the exercise of their corporate activities.

In the event that the aforementioned consideration is not applicable, Article 31.1 bis paragraph 41 contemplates as a mitigating circumstance of the liability of the legal person, having established, after the commission of the criminal act, effective measures to prevent and detect crimes that could be committed with the means or under the cover of the legal person itself.

Therefore, the ultimate purpose of this Manual is to serve as a means of preventing the commission of criminal acts by Navantia personnel and to accredit, in turn, that Navantia exercises due control over their activities, thus complying with the implicit requirement contemplated in the Criminal Code and in the rest of the applicable regulations. All this through the following activities:

¹Organic Law 1/2015 on the Reform of the Criminal Code introduced important changes, including the new article 31 bis of the Criminal Code, which literally exempts the legal entity from criminal liability in cases of crimes committed by representatives and administrators when they have (i) adopted organisational and management models that include surveillance and control measures suitable for preventing crimes, (ii) when they have entrusted their supervision to a body with autonomous powers of initiative and control, (iii) when the perpetrators have committed the crime by fraudulently evading the models of organisation and prevention, and, (iv) provided that there has not been an omission or insufficient exercise of the functions of supervision, surveillance and control by the body in charge, and for cases of crimes committed by employees or dependent persons when, prior to the commission of the crime, they have organisational and management models that are suitable for preventing the crime committed, the aforementioned requirements being equally applicable.

- Optimising and facilitating the continuous improvement of Navantia's risk management system.
- Constituting a structured and organic system of prevention and control aimed at reducing the risk of committing crimes, which is specified in an effective organisation and management model.
- Informing all staff of the importance of complying with the Manual and the adoption of its principles of action in order to carry out their professional practice correctly.
- Informing all persons acting on behalf of, on behalf of, or in any way, in the interest of Navantia, that a breach of the provisions contained in this Manual will result in the imposition of disciplinary measures.
- Expressly and publicly condemning any type of illegal behaviour, stressing that, in addition to contravening legal provisions, it is contrary to the ethical principles, which are configured as key values of Navantia, and hinders its capacity to achieve its objectives.
- Adapting the existing control measures to the processes, so that they allow Navantia to intervene quickly, both in prevention and intervention in the face of the risk of committing infringements.

To this end, the Manual has been defined as:

- **General Part:** This part includes the design and structure of: (i) control and monitoring body ("Compliance Committee"), (ii) supervision and monitoring system, (iii) financial and material resources management system, (iv) control environment relating to policies, procedures, and general controls, (v) breaches of the Compliance Management System: notifications of suspicious actions and disciplinary proceedings, (vi) prevention of corruption, (vii) training.
- **Special Part** (P-CU-003 "Crime Prevention"): This part identifies criminal risks² which could hypothetically occur in Navantia due to the activities it carries out.

Consequently, the Compliance Management System assumed by Navantia has been reinforced through the adoption of the necessary surveillance, supervision and control measures to prevent criminal risks that may be committed within the Company as a result of its activity. In this regard, the **Compliance Committee**, a body with sufficient initiative and control capacity, such as **responsible for supervision and follow-up** of the Compliance Management System at Navantia.

²Types of crime that are likely to generate criminal liability for legal persons according to the current Criminal Code and applicable international regulations.

3. SCOPE OF APPLICATION

This Manual is applicable to all employees and persons linked to Navantia, as well as their legal representatives and de facto or de jure administrators (hereinafter, jointly, the “Employees”³).

Navantia will promote, within the scope applicable to it, the adoption of appropriate preventive measures with respect to the companies and professionals with whom it may subcontract.

4. RESPONSIBILITY

In line with the Company’s objective, and in order to (i) supervise the operation of the Compliance Management System; (ii) to monitor the measures adopted in the field of prevention and their sufficiency; (iii) to ensure the dissemination of the principles of this Manual in Navantia; and (iv) analyse the legislative modifications that may affect the Compliance Management System, the exercise of the control required by the Criminal Code requires the establishment of a control body responsible for promoting and coordinating the activity of implementation, supervision and control of the Compliance Management System,

For the effective functioning of the Compliance Management System, it is necessary to periodically verify it and its possible modification when relevant breaches of its provisions are revealed, or when there are changes in the organisation, in the control structure or in the activity carried out that make them necessary. In particular, the supervision and operation of the system must have been entrusted to a body with autonomous powers of initiative and control.

³The term “Employees” is used in this Manual in a broad sense to refer to the group of persons who may act under the authority of Navantia in the terms set out in article 31 bis CP, whether it is an employment and/or commercial relationship. The meaning of the term “Employees” may not be compared to other scopes outside this Manual.

4.1. CONTROL AND MONITORING BODIES

The exercise of due control requires the implementation of continuous control mechanisms in the company, as well as the designation of internal control bodies to monitor the controls implemented and any possible offences. In this sense, Navantia has the following bodies, whose specific functions in the field of Compliance are developed in the Regulations of the Compliance Committee (N-CA-000.05):

BOARD OF DIRECTORS

The Board of Directors, as **governing body** of Navantia, must demonstrate its commitment in relation to the Compliance Management System. To this end, the governing body is responsible for:

- Establishing, and defending as one of the fundamental values of the organisation, that the actions of its members are always in accordance with the legal system in general, and the criminal system in particular, promoting an appropriate culture of Compliance within the organisation;
- Adopting, implementing, maintaining and continuously improving a Compliance Management System suitable for preventing and detecting crimes or for significantly reducing the risk of their commission;
- Providing the Compliance Management System, and specifically the Compliance Committee, with adequate and sufficient financial, material and human resources for its effective operation;
- Approving the company's Anti-Corruption and Compliance policy;
- Periodically reviewing the effectiveness of the Compliance Management System, modifying it, if necessary, when serious breaches are detected or changes occur in the organisation, in the control structure or in the activity carried out;
- Establishing a compliance body which is entrusted with the supervision of the operation and execution of the Compliance Management System, granting it autonomous powers of initiative and control so that it can effectively carry out its work;
- Ensuring that the procedures are established that specify the process of forming the will of the organisation, of decision-making and execution of the same, promoting a culture of Compliance that guarantees high ethical standards of behaviour.

COMPLIANCE COMMITTEE

The Compliance Committee is the body expressly appointed by Navantia's Board of Directors to exercise the due supervision and monitoring of the Company's Compliance System.

The Compliance Committee, working in conjunction with the Board Secretariat and Compliance Department, should be responsible for:

- Continuously promoting and supervising the implementation and effectiveness of the Compliance Management System in the different areas of the organisation;
- Ensuring that ongoing training support is provided to members of the organisation to ensure that all relevant members are trained regularly;
- Promoting the inclusion of Compliance responsibilities in job descriptions and performance management processes of the organisation's members;
- Implementing a criminal compliance information and documentation system;
- Adopting and implementing processes to manage information, such as complaints and/or comments received from hotlines, an Ethics Channel, or other mechanisms;
- Establishing criminal compliance performance indicators and measuring criminal compliance performance in the organisation;
- Analysing performance to identify the need for corrective actions;
- Identifying and managing criminal risks, including those related to business partners;
- Ensuring that the Compliance Management System is reviewed at planned intervals;
- Ensuring that employees are provided with access to compliance resources;
- Reporting to the governing body on the results derived from the application of the Compliance Management System.
- Supervising when appropriate and requesting information on the Compliance activities that are being carried out in the investee companies controlled by Navantia, through those of Compliance Delegates and/or its own Compliance Bodies.
- Stay informed on Compliance and best practices of the participating companies not controlled by Navantia, through its representatives in the governing bodies of these companies, regardless of the geographical location in which they are located.

CORPORATE MANAGEMENT COMMITTEE

The Corporate Management Committee must demonstrate leadership and commitment to the organisation's compliance management system. To this end, in the exercise of its executive functions, senior management must:

- Ensure that the Compliance Management System is implemented appropriately to achieve the Compliance objectives established in the Compliance and Anti-Corruption Policies and effectively address the organisation's criminal risks;

- Ensure that the requirements derived from the Compliance Management System are incorporated into the organisation's operational processes and procedures;
- Ensure the availability of adequate and sufficient resources for the effective execution of the Compliance Management System;
- Comply with and enforce, both internally and externally, the Anti-Corruption and Compliance Policy;
- Communicate internally the importance of effective criminal compliance management, consistent with the objectives and requirements of the Anti-Corruption and Compliance Policy, as well as the Compliance Management system;
- Direct and support staff in order to achieve compliance with the requirements and effectiveness of the Compliance Management System in accordance with their role in the organisation;
- Promote continuous improvement and support the various management roles to demonstrate leadership in crime prevention and criminal risk detection in their areas of responsibility;
- Encourage the use of procedures for the reporting of potentially criminal conduct that may affect the organisation and its activities;
- Ensure that no member of the organisation is subject to retaliation, discrimination, or disciplinary sanction for reporting in good faith violations, or suspected violations, of the Anti-Corruption and Compliance Policy, or for refusing to participate in criminal acts, even if this leads to a loss of business for the organisation.

THE CHAIRMAN OF THE COMPLIANCE COMMITTEE

The person in charge of the functions of the chair of the Compliance Committee will enjoy the necessary powers for the exercise of their functions in accordance with the provisions of the Regulations of the Compliance Committee approved by the Board of Directors of Navantia and those others that have been delegated to them by the Compliance Committee.

CRIMINAL COMPLIANCE DELEGATES/BODIES IN INTERNATIONAL AND NATIONAL CONTROLLED INVESTEE COMPANIES

The Criminal Compliance Delegates or Bodies appointed in the international and national investee companies controlled by Navantia will provide support and support to Navantia's Compliance Committee in the field of Compliance, when appropriate, and will report periodically on the actions and activities carried out in this area.

For more information on the main functions that these figures must carry out, see P-CU-006 essential report on Compliance for investee companies.

COMPLIANCE AREA

The Compliance Area will be structured as a support area for the Compliance Committee and the chairman of the Compliance Committee – with external support or advice when circumstances so advise – in the execution of all activities related to the daily operation of Navantia's Compliance Management System.

The Compliance Area will have a person responsible for Compliance Actions, another person responsible for Compliance Processes and support and support staff.

RESPONSIBLE FOR THE CONTROLS

An adequate internal control system must be evaluated periodically to prove its implementation and effectiveness. This assessment can be carried out through a dynamic self-assessment process, by the heads of the departments affected by the risk of corruption (in the broad sense), which contains information on compliance with existing anti-corruption policies, rules, procedures and controls.

This evaluation allows us to base confidence in this system, and to analyse its evolution both in the face of deficiencies and in the face of external or internal changes in the entity. It is also a fundamental tool to help the Compliance Committee in the process of evaluating the operation of the Anti-Corruption Manual.

Such managers shall confirm whether:

- The anti-corruption policies/procedures/standards/controls for which they are responsible have been followed.
- There have been changes in control activities; only the appropriate cases of changes should be indicated.
- All incidents identified have been resolved and reported at the appropriate level, where appropriate.

In this regard, the heads of any area or Management of the Group will be obliged to provide the Compliance Committee, the chairman of the Compliance Committee and the staff of the Compliance Area, with any information requested on the activities of the area or department related to the possible commission of conduct related to corruption (in the broad sense).

4.2. SUPERVISION AND MONITORING OF THE COMPLIANCE MANAGEMENT SYSTEM

The Organisational and Management Systems require periodic verification of the same and its possible modification when relevant violations of its provisions are revealed, or when there are changes in the organisation, in the control structure or in the activity carried out that make them necessary.

Following these indications, the Compliance Management System established in Navantia is subject to periodic verifications, in order to check the effectiveness of the existing controls, as well as their evolution, both in Navantia and in the controlled investee companies, so that Navantia has at all times a general vision that allows it to take all the necessary actions for its adequacy and effectiveness.

Supervision: The Compliance Management System is periodically evaluated by those responsible for the existing controls and supervised by the Compliance Committee at least once a year, with the help of the staff of the Compliance Area or, when circumstances so require, with the help of the Delegates or Criminal Compliance Bodies appointed in the investee companies controlled by Navantia

Monitoring: The monitoring of the Compliance Management System includes in particular the necessary modifications when relevant breaches of its provisions are revealed in Navantia or in its controlled investee companies, or when there are changes in the organisation, in the control structure, in the activities carried out, or even national and/or international legislative modifications that make adaptations necessary in order to ensure its correctness operation. To this end, Navantia develops specific periodic reviews, detecting possible failures and recommending the corresponding changes and improvements.

5. ELEMENTS OF THE COMPLIANCE MANAGEMENT SYSTEM

5.1. NAVANTIA'S GENERAL PREVENTIVE POLICIES, PROCEDURES AND CONTROLS

Navantia's Compliance Management System carries out the management of your criminal risks through:

- General Controls, which constitute the basis of risk control and are effective in mitigating the generic risk of committing crimes (hereinafter, "General Controls").

- Specific Controls, consisting of specific measures whose purpose is to mitigate a specific criminal risk or a group of specific criminal risks (hereinafter, "Specific Controls").

The controls on which the Manual is articulated allow Navantia's plan for the prevention of the commission of crimes to be a structured and organic system of effective prevention and control for the reduction of the risk of committing crimes related to its activities.

Therefore, Navantia's Compliance Management System is structured around the main general standards, policies, procedures, and preventive controls⁴ which are detailed below:

- **Business Code of Conduct:** Navantia's Business Code of Conduct is part of the canons established for the development of Business Codes of Conduct for companies of the SEPI Group. Specifically, it complies with the following values: compliance with the law, integrity and objectivity in business actions, respect for people, protection of health and physical integrity, protection of the environment, efficient management, correct action in international markets, use and protection of information and quality.
- **Ethics Channel:** Whenever an employee wishes to inform the company of conduct that is contrary to the Business Code of Conduct, they must contact the Compliance Committee directly through this channel.
- **Segregation of duties:** For each of the processes that are developed in the company, a criterion of segregation of functions between the different departments is followed (proposal, supervision, awarding and decision-making is differentiated between different people/management, to guarantee adequate decision-making and business management).
- **Specific audits:** Navantia has an Internal Audit Department that defines and executes, under the supervision of SEPI, the Annual Audit Plans to periodically verify the company's internal control systems. In addition, the Company is subject to financial, quality, occupational health and environmental audits, personal data protection, and others defined by legislation or the different approvals to which the Company is subject.
- **Training and communication:** Every year, Navantia develops a training and communication programme, which includes the objectives to be covered during this period in all areas considered appropriate.
- **SEPI Regulations:** Navantia's shareholder exercises control and monitoring of the Company's activities. This control is articulated in the regulatory rules of the system of authorisation and supervision of acts and operations of the SEPI group, by virtue of the provisions of Articles 10 and 11 of Law 5/1996 (Creation of Certain Public Law Entities).
- **Occupational Health and Environmental Regulations:** These regulations specify the actions to be carried out in the field of workers' health and safety, as well as environmental protection.
- **Procedure on the management of conflicts of interest (P-CU-001):** The purpose of this Standard is to develop the provisions of Navantia's Business Code of Conduct in relation to "Conflicts of Interest". Analysing the existence of such conflicts and determining Navantia's policy when managing these situations, with respect to those operations or decisions in which the particular interest of the person carrying them out enters or could collide, directly or indirectly, with the interest of Navantia.

⁴ General policies, procedures, and controls are not closed concepts.

- **Anti-Corruption procedure (P-CU-002):** The purpose of the present Policy is to regulate Navantia S.A., S.M.E.'s (hereinafter, "Navantia" or the "Company") actions regarding the commitment undertaken by the company in the Code of Conduct and to comply with the enforceable regulations in all countries where the Company operates, and in particular, to comply with anti-corruption laws and regulations in its dealings with other companies, with the government bodies and institutions of Spain, and third countries.
- **Crime Prevention Procedure (P-CU-003):** Its purpose is to regulate Navantia's actions to prevent its legal representatives, its de facto or de jure administrators or employees, subject to the authority of the above and in the exercise of corporate activities, from carrying out activities on behalf of and for the benefit of Navantia that are classified as a crime by Organic Law 10/1995 of 23 November, of the Penal Code.
- **Ethics Channel Policy (N-CA-005):** its purpose is to establish the guarantees and reporting principles of the Ethics Channel, as well as references to the different means of communication for employees and third parties.

It also establishes the protection and support measures provided by Navantia against any harmful conduct that may affect any person related to the communication process.

- **Special procedure of the Council for action and decision in the event of non-compliance with the regulatory compliance system (P-CU-004):** This regulation establishes the guidelines to be followed in those cases in which it is found that unlawful conduct of any kind or presumably criminal is being committed or has been committed within Navantia by its employees or third parties with whom it is related.
- **Procedure for managing transparency obligations - Law 19/2013 (P-CU-005):** This standard establishes the guidelines and requirements to ensure the transparency, among others, of this Compliance Manual.
- **Essential Compliance Reporting Procedure for Investee Companies (P-CU-006):** this regulation establishes the actions and activities carried out in Compliance in the companies in which Navantia has a stake.

Along with the aforementioned General Controls, Navantia has another set of Specific Controls that are suitable for mitigating specific crimes. These Specific Controls are included in the Crime Prevention Procedure (P-CU-003), which includes the types of crime that hypothetically, due to their field of activity, could occur in Navantia, so that with respect to each criminal type, the main controls that exist to mitigate them are listed.

5.2. MANAGEMENT OF FINANCIAL AND MATERIAL RESOURCES

5.2.1. Controls in the field of financial, budgetary and treasury management

Navantia has a number of policies, procedures and controls relating to financial reporting and expenditure that make its system fully transparent and complement the general controls. In this sense, Navantia has a financial model with the following fundamental characteristics:

- The financial resource management models adopted by Navantia follow the SEPI Regulations and the established budgetary control procedures that must be submitted to this body.
- Existence of the Financial Directorate, whose purpose is to carry out the tasks of economic-financial management, as well as financial and accounting control, supervising the accounting tasks carried out by the Navantia bodies that are assigned functions related to this area.
- Navantia is legally obligated to perform book-keeping activities, oversee all records and accounts, and ensure that they reflect with reasonable detail and precision all business transactions carried out by Navantia. It is forbidden to draft false documents or invoices, and it is likewise forbidden to perform entries in the wrong books which are ambiguous or deceitful, as well as to employ any other accounting procedure, technique, or instrument in order to conceal illegal payments.

In addition, Navantia evaluates, among other information:

- Legal information: Verification is carried out as to whether there are well-founded indications that a supplier has participated in criminal conduct related to corruption and money laundering. In addition, when deemed necessary, a formal declaration, signed by the supplier's legal representative, is requested that the company has not been involved in any criminal proceedings relating to the above offences.
- Financial, tax and corporate information: For national suppliers, a certificate is required that proves that they are up to date with their tax obligations.

SEPI, shareholder of Navantia, exercises control and monitoring of the Company's activities. This control is articulated in the Regulatory Rules of SEPI's relations with its companies, by virtue of the provisions of Articles 10 and 11 of Law 5/1996 (Creation of Certain Public Law Entities).

Within the Company there is limitation through powers of the disposition of funds, contracting and representation before Public Bodies and Courts. These powers of attorney are detailed by scale of amounts and jointly or severally.

Specific audits are carried out, the purpose of which is to issue an opinion on the annual accounts of Navantia establishing whether these reflect the true image of the assets and their financial situation.

The aforementioned control and management systems are also useful to ensure proper management of financial resources in the terms required by the Criminal Code. All this, to the extent that they ensure the maintenance of books, records and accounts in an accurate manner, as well as an adequate system of internal accounting, and control in the financial field.

■ 5.2.2. Financial and material resources

Navantia has provided the Compliance Committee with the relevant financial and human resources necessary for the correct and effective functioning of the Compliance Management System, as described throughout this Manual.

Navantia establishes, in its annual budgets, a specific economic allocation for the correct and effective compliance with the Compliance Management System.

6. CRIMINAL RISK ASSESSMENT, CONTROLS, AND MITIGATING MEASURES

Navantia has identified the activities by departments with the aim of preventing the commission of possible criminal offences, in accordance with the provisions of article 31.bis.4 of the Criminal Code.

The criminal risk analysis carried out by Navantia covers all the crimes that, according to the Criminal Code, could lead to the criminal liability of the legal entity if they were carried out by a legal representative or employee, for the benefit of Navantia, and control measures had not been implemented to prevent and identify criminal risks.

For all these reasons, a detailed study of Navantia's processes, its activity and the types of crime in particular has been carried out, where it has been concluded that the risk of certain crimes being committed within the Company's business framework is unlikely.

As a result of this analysis, and taking into account Navantia's business activity and corporate purpose described in this Compliance Manual, it is concluded that there is no relevant risk that the following crimes are committed in the Company:

- Illegal organ trafficking.
- Human trafficking.
- Prostitution, sexual exploitation and corruption of minors.
- Altering the prices of raw materials or essential goods
- Fraudulent invoicing.
- Price manipulation.
- Stock market crime.
- Piracy of broadcasting or interactive services.
- Forgery of credit and debit cards and traveller's checks.
- Hate crimes and glorification and crimes committed in connection with the exercise of fundamental rights and public freedoms.

- Counterfeiting currency and stamped instruments
- Obstruction of inspection activity
- Of criminal organisations and groups.
- Terrorism and terrorist organisations and groups.
- Crimes related to genetic manipulation.

The criminal risks detected in Navantia are set out below, without it being understood that the existence of the commission of specific crimes has been detected, but simply that they are **risks intrinsic to the type of activity** business developed by Navantia.

By virtue of the above, the Crime Prevention procedure (P-CU-003) details the main control mechanisms that Navantia has in place to prevent the risk of committing the specific types of crime detailed below:

- Bribery.
- Influence peddling.
- Corruption of officials or authorities in international economic activities.
- Illegal financing of political parties.
- Corruption in business.
- Fraud.
- Misleading advertising.
- Discovery and disclosure of business secrets.
- Subsidy fraud.
- Fraud against the General Budgets of the European Union.
- Fraud against the Public Treasury.
- Social Security fraud
- Non-compliance and falsification of accounting obligations.
- Crime against natural resources and the environment
- Punishable insolvency offence.

- Frustration in execution
- Crimes against intellectual property
- Crimes against industrial property
- Computer damage
- Crime against territorial planning.
- Crime against personal and family privacy
- Crimes relating to nuclear energy and ionising radiation
- Risk caused by explosives and other agents
- Crime against the rights of foreign citizens.
- Crimes against public health.
- Smuggling.
- Money laundering and the financing of terrorism.
- Embezzlement.
- Price alteration in public tenders and auctions.
- Crimes against workers.
- Crimes against moral integrity
- Crimes against sexual freedom
- Crimes against animals

In addition, within the framework of the Compliance Management System implemented in Navantia, a specific criminal risk has been identified that, without prejudice to not entailing criminal liability for the legal entity for the purposes of the Spanish Criminal Code, is understood to be of special relevance in accordance with the Company's corporate purpose:

- Offence of disclosure of secrets relating to National Defence.

7. GOOD PRACTICES IN THE FIELD OF TRANSNATIONAL CORRUPTION PREVENTION

In this area, Navantia adheres to the provisions of the Convention on the Fight against Corruption of Foreign Public Officials in International Commercial Transactions, of 21 November 1997, which establishes the responsibility that all signatory states share with respect to the objective of combating, in an effective and coordinated manner, bribery of foreign public officials in international economic transactions.

In accordance with the provisions of the above-mentioned Convention, in the field of transnational corruption, the following are considered to be **prohibited practices** in Navantia, any act to promote an offer, a payment, a promise to pay, or authorization to pay any sum, offer, gift, promise to give, or authorization to give anything of value to:

- any Foreign official in order to:
 - » influence any act or decision of such foreign official acting in an official capacity, (ii) induce such foreign official to perform or omit to perform any act in breach of his or her legitimate duty to, or (iii) obtain any undue advantage; or
 - » inducing such foreign official to influence or influence a foreign government or instrument thereof to affect or influence an act or decision of such government or instrument, in order to assist such person in obtaining or retaining any business for or with any person, or to direct any business to any person;
- any foreign political party or official of a political party or any candidate for foreign political office for the purpose of:
 - » influence any act or decision of such party, official or candidate acting in an official capacity; (ii) inducing such party, officer or candidate to perform or omit an act in breach of the legitimate duty of such party, officer or candidate; (iii) to obtain any undue advantage; or
 - » inducing such foreign official, foreign political party, official of that party, or candidate to influence a foreign government or instrument thereof to affect an act or decision of such government or instrument, for the purpose of assisting such person in obtaining or retaining business for or with a person, or directing business to that person.

- any person, knowing that all money or part thereof or item of value shall be offered, delivered, or promised, directly or indirectly, to any foreign official, to any foreign political party or officer of that party, or to any candidate for foreign political office, for the purpose of:
 - » influence any act or decision of such foreign official, foreign political party, official of that party, or candidate acting in an official capacity; (ii) inducing such foreign official, foreign political party, official of that party or candidate to perform or omit to do any act in breach of the lawful duties of such foreign official, foreign political party, official of that party or candidate; or (iii) to obtain any undue advantage; or
 - » induce such foreign official, foreign political party, official of that party, or candidate to use his or her influence with a foreign government or instrument thereof to affect an act or decision of such government or instrument, for the purpose of assisting such issuer in obtaining or retaining business for or with a person, or direct business towards it.

8. VIOLATIONS OF THE COMPLIANCE MANAGEMENT SYSTEM SUSPICIOUS CONDUCT NOTIFICATIONS AND DISCIPLINARY PROCEEDINGS

In addition to regular monitoring, organisational and management systems require:

- Obligation to report possible risks and non-compliance to the body in charge of monitoring the operation and observance of the Compliance system.
- A disciplinary system that appropriately sanctions breaches of the control and organisational measures established in the Compliance system.

To this end, Navantia has developed a channel through which it can report on possible risks and breaches of the prevention model, and refers to current labour regulations to adequately sanction infringements of the control and organisation measures established in its Compliance Management System.

8.1. SUSPICIOUS BEHAVIOUR NOTIFICATIONS AND ANALYSIS

Navantia has established an Ethics Channel whose operation is regulated in the standard "Special procedure of the Council for action and decision in the event of non-compliance with the regulatory compliance system" (P-CU-004). It specifies that the conduct that can be reported is that related to the Business Code of Conduct and establishes measures to ensure confidentiality.

Any employee who has indications or suspicions of the commission of a crime, or of the violation of any of the principles and values recognised in the Business Code of Conduct and the Company's policies, must report it to the Compliance Committee, as the body designated by Navantia as responsible for the Ethics Channel. The channels enabled for receiving incidents are email (canaletico@navantia.es), through Navantia's intranet or website, a face-to-face meeting with the Compliance Committee or by ordinary mail to the address: Navantia, S.A., S.M.E. or by ordinary mail to the address: Navantia, S.A., S.M.E. (Complaints channel) Velázquez, 132 28006 Madrid SPAIN.

For its part, the Compliance Committee, as responsible for the Ethics Channel, will be in charge of receiving complaints and assigning the verification of the facts to a Navantia body, or will directly entrust the initiation of an investigation file to internal or external personnel, trained and experienced in the matter in question.

Once the corresponding complaint file has been processed and resolved, a report will be issued that will be treated under the provisions of P-SE-005 Procedure for the Protection of Information Classified by Navantia.

It is strictly forbidden to take any action against an employee that constitutes retaliation or any type of negative consequence for having made a complaint. Complaints must be based on criteria of truthfulness and proportionality.

The members of the Compliance Committee, those responsible for Compliance Actions and Compliance Processes and any other person who, due to their functions, must have access to the complaint, will ensure maximum confidentiality regarding the identity of the complainants or collaborators, without prejudice to the legal obligations and the protection of the rights corresponding to companies and persons unjustly accused or in bad faith.

8.2. SANCTIONING PROCEDURE

For breaches that take place related to the Business Code of Conduct and the Compliance Manual, Navantia refers to the current labour regulations/ Workers' Statute/Collective Agreement of the Company. Furthermore, in the event of known breaches through the Ethics Channel, Navantia also refers to the Special Procedure of the Council for action and decision in the event of breaches of the Regulatory Compliance System (P-CU-004).

Failure to comply with the principles and values recognised in the Business Code of Conduct and the Compliance Manual may lead to labour sanctions, without prejudice to the administrative or criminal sanctions that may result from it.

The Compliance Committee will propose, where appropriate, the adoption of disciplinary measures in the event of potential breaches. The Human Resources Directorate will be responsible for determining and executing them, in accordance with the sanctioning procedure and applicable labour regulations.

In any case, the Human Resources Department will act in coordination with the Compliance Committee to ensure that the disciplinary measures finally imposed are in accordance with Navantia's Regulatory Compliance System and/or Compliance Management System.

9. DISSEMINATION AND TRAINING

Finally, in order to guarantee mechanisms that ensure the effectiveness of the measures established to prevent the commission of criminal offences by Navantia's employees and managers, the company ensures the dissemination of the Compliance Manual among all its Employees, as well as adequate training in the prevention of such risks.

9.1. DISSEMINATION

It is essential for the correct development of Navantia's Compliance Manual to have a rigorous dissemination of it among its employees.

In this sense, the Manual, as well as the related protocols, must be communicated to Navantia Employees who carry out activities that could be exposed to a greater risk of corruption (affected Management teams). The rest of the company's employees will be given the Anti-Corruption Policy.

The dissemination of this Manual and its Annexes is the responsibility of the Compliance Committee, which will ensure that it is disseminated to all recipients.

Employees must know and accept this Manual, as well as the obligation to comply with it.

The Anti-Corruption and Compliance Policy will be published on the Company's intranet and on the website.

9.2. TRAINING

An effective development of the Compliance Manual requires employees who are properly trained and trained on the Manual and its related protocols. To this end, the appropriate training actions that are the subject of this manual must be given, with special emphasis on those departments and employees who, due to their functions, are more sensitive to the possible commission of crimes. This training plan will be annual, as well as managed by the Compliance Committee, in coordination with the Human Resources Department.

Navantia is aware that, through adequate training of the staff of the members of the company, it will be possible to raise awareness of the risks to which they may be exposed and to change towards a new and better business culture. That is why the company aims to ensure that all employees are aware of and disclose the appropriate rules of conduct.

Training in this area will be annual, with periodic reminders of this document, as well as of its possible changes. Attendance at said training will be recorded by signature control. The possibility of establishing alliances with an academic institution or external company specialised in this area should be studied so that the training is more specific and appropriate.

Such training must contain, at least, the following aspects:

- Definition of the risks associated with corruption.
- Company policies related to this Manual.
- Brief presentation of the contents of this Manual.
- Explanation of alert situations.
- Examples of risk situations.
- Procedure for reporting unusual or suspicious transactions.
- Disciplinary consequences and accountability of each employee.



Furthermore, it will be necessary to leave a formal record of the training activities received by the employees. In this sense, the signature of each of the attendees to the courses established by the Training Plan will be mandatory.

This Training Plan will be evaluated annually, in order to corroborate that it is updated to any legal modification that may be established.

10. ARCHIVE AND DOCUMENTATION

The Compliance Management System generates evidence that allows its development, monitoring and supervision, as well as accrediting that it is in operation and in a process of continuous improvement.

Consequently, Navantia identifies, standardises and guarantees the custody of key evidence that shows the effective application of the designed controls. All the documentation generated is kept for a maximum period of 10 years.

11. EFFECTIVENESS OF THE REVIEW OF THE COMPLIANCE MANAGEMENT SYSTEM

In accordance with the requirements derived from article 31.5.6 bis of the Criminal Code, the Compliance Management System is subject to verification, the results of which are recorded in a report consisting of (i) a description of the existing internal control measures; (ii) an assessment of its operational effectiveness; and (iii) a proposal for rectifications or improvements to be adopted, if applicable.

Navantia estimates that the periodicity for the above verification is annual.

The report is submitted within a maximum period of three months from its date of issuance to the Board of Directors of Navantia so that it can adopt without delay the necessary measures to solve the deficiencies identified.

In the event of deficiencies that are not susceptible to immediate resolution, the Compliance Committee will adopt and submit to Navantia's Board of Directors, expressly, a corrective action plan that will be integrated into the Annual Work Plan, and will establish a precise timetable for their implementation. This calendar may not exceed, in any case, one calendar year.

However, by decision of the Compliance Committee, in the two years following the issuance of the aforementioned report, the latter may be replaced by a follow-up report. In such a case, the report shall be limited to examining the adequacy of the measures adopted to remedy the deficiencies which, where appropriate, are highlighted in the previous report.

12. APPROVAL OF THE COMPLIANCE MANUAL

This manual will enter into force on the day following its publication within the Navantia Management System, once approved by the Board of Directors.

Navantia's Board of Directors expressly delegates to the Compliance Committee the power to make any minor and/or inconsequential changes⁵ relating to the General Part of this manual, as well as any modifications that may be appropriate with respect to the Special Part.

The Chair of the Compliance Committee shall inform the Board of Directors of the changes at the meeting immediately following the date of the decision to amend the Compliance Manual by the Compliance Committee.

The changes will not enter into force until they have complied with the mandatory procedure of informing the Board of Directors.

⁵ For the purposes of this Manual, "minor and/or inconsequential changes" shall be understood as those that do not imply modification of the essential elements of the Compliance Management System, in the terms provided for in Article 31 bis of the Criminal Code.



13. REFERENCES

EXTERNAL STANDARDS

	Organic Law 10/1995, of 23 November, on the Criminal Code
	Law 2/2023, of 20 February, regulating the protection of persons who report regulatory breaches and the fight against corruption.

NAVANTIA MANAGEMENT SYSTEM DOCUMENTS

	Anti-Corruption and Compliance Policy
N-CA-000	Corporate Governance Code
N-CA-000.01	Navantia Code of Business Conduct
N-CA-000.05	Compliance Committee Regulations
N-CA-006	Ethics Channel Policy
N-001	Navantia Management System Standard
P-CU-001	Conflict of Interest Management
P-CU-002	Anti-Corruption
P-CU-003	Crime Prevention
P-CU-004	Action and decision on infringement of the Compliance Management System (Board of Directors Procedure)
P-CU-006	Essential Compliance Reporting Procedure for Investee Entities

OTHER REFERENCE DOCUMENTS

	Foreign Corrupt Practices Act (FCPA)
	The UK Bribery Act
	ISO 37002:2021 Whistleblowing Management Systems
	ISO 37001:2016 Anti-Bribery Management System
	ISO 37301:2016 Compliance Management System
	ISO 19600:2015 Compliance Management System
	UNE 19601:2017 Compliance Management System



Navantia