



# COMPLIANCE AND **CRIMINAL RISK** PREVENTION POLICY

INSTITUTO TECNOLÓGICO DE LA ENERGÍA

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Instituto Tecnológico de la Energía  
Compliance and Criminal Risk Prevention Policy

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## 1. INTRODUCTION

Through its unwavering commitment to safeguarding compliance with ethical principles and good corporate governance, the Instituto Tecnológico de la Energía, (hereinafter referred to as, "ITE" or "the Organisation", interchangeably) holds amongst its priorities, grounded on the very highest standards already implanted within the Organisation, developing a sturdy corporate culture of regulatory compliance in which its ethical values frame the central elements of its professional activity, alongside decision-making processes.

In this regard, unsuitable behaviour on the part of a single member of the ITE set up may potentially tarnish its image over a very short space of time.

Thus, the Governing Council at ITE is entrusted with the general function of overseeing and setting forth strategies and general policies for the Organisation. Within the framework of this function, the Governing Council has approved the Model on Compliance and Prevention of Criminal Risks (hereinafter referred to as the "Model"), thus giving rise to this Compliance and Prevention of Criminal Risks Policy (hereinafter referred to as the "Policy") a central feature of mandatory compliance for all board members, executives and employees forming the Organisation.

Grounded on the aforesaid Policy, the Organisation acts upon its obligations set forth in matters of criminal prevention with a view to assuaging, detecting and reacting in the face of potential crimes being committed within the ITE's ranks. In this manner, ITE bolsters and boosts its ethical culture, while strengthening its control mechanism and reducing the possibility of crimes being committed within its ranks, either directly or indirectly.

In accordance with the foregoing, we all hold the duty to be aware of and fulfil both the spirit as well as the content of this Policy which forms the fundamental basis for compliance with crime prevention regulations at ITE, whose stewardship falls upon the Governing Council along with the Management Bodies forming the Organisation.

## 2. SCOPE OF APPLICATION

This Policy is binding and of mandatory compliance for all members of the Governing Council, management staff and employees of ITE (hereinafter referred to as "Adherent Personnel"), alongside all those who must adhere to the Organisation's authority, under the terms defined in Article 31 bis of the Criminal Code, and insofar as this is duly applicable.

In turn, the persons who act as representatives for ITE whilst not forming part of its organisation shall adhere to this Policy's provisions and make strident efforts to foster its compliance.

## 3. PURPOSE OF THE POLICY

This Policy's purpose is to ratify formally the commitment undertaken by ITE inherent to the development of its activity, to instil a culture of regulatory compliance that enables the

implementation of a trustworthy, comprehensive and transparent working culture, while similarly displaying its endeavours towards “zero tolerance” and to punish firmly any unlawful act committed of a criminal nature, without being able to justify said commission as grounded on benefiting the Organisation under any circumstances.

Likewise, this Compliance and Prevention of Criminal Risks Policy has as its main aim the items listed below:

- Projecting to all components forming the Organisation, as well as third parties linked to the latter, the message that ITE safeguards its professional activity being grounded on the principle of upholding the law, along with the fostering and defence of ethical values and principles of social responsibility, amongst which we find the fight against delinquency in all its forms.
- Raising awareness for all members of the Governing Council plus employees of the Organisation regarding the significance of compliance with the applicable legislation in force during the undertaking of their professional activities and the principles upon which their conduct must be based to accomplish the latter, in such a way that the possibility of attributing any unlawful behaviour to them or to the actual Organisation can be mitigated.
- Putting in place the general framework of the Model for Compliance and Prevention of Criminal Risks for crime prevention at ITE, which entails the set of measures geared towards the prevention, detection of and reaction to these, as per the provisions of Organic Law 10/1995, passed on 23 November enacting the Criminal Code, duly modified through Organic Law 1/2015, passed on 30 March.

In light of the above, this Policy endeavours to ensure, before associates, the Public Sector Administration and other stakeholders, that the Organisation exerts due control over its activities, more specifically:

- Control on potential situations entailing the risk of committing unlawful criminal acts that might arise in the sphere of the Organisation’s scope, including those sensitive scenarios in which it is not possible to apportion culpability to a specific person.
- Rebuffing corruption and fraud however this manifests itself, including hereto extortion, bribery, sweeteners or money laundering, against the backdrop of sturdy principles of corporate governance grounded on entrepreneurial transparency.
- Avoiding conflicts of interests, thereby revealing scenarios in which this is likely to occur while foreseeing the same through the use of the tools at our disposal.

#### 4. THE GROUNDING FOR THE MODEL OF COMPLIANCE AND PREVENTION OF CRIMINAL RISKS AT ITE

The Model of Compliance and Prevention of Criminal Risks is set forth in a comprehensive and detailed manner in the Manual on Compliance and Prevention of Criminal Risks, duly grounded on the analysis, assessment and prioritisation of potential risks that might affect the Organisation, followed by the compilation of procedures and control measures already in place at ITE geared towards preventing, detecting and sanctioning the committing of such unlawful acts, particularly those of a criminal nature, as these are the most serious.

Similarly, within the framework of the Model set forth at the Organisation, a series of organisational and regulatory measures have been embarked upon, while offering formal instruction on the latter and drafting an Action Plan that includes scheduled improvement actions. All of the foregoing has been undertaken with the ultimate aim of fostering and boosting a genuine culture of compliance able to reflect our corporate ethical stance, thereby creating control mechanisms while reducing the chances of a criminal act being committed in the name of the Organisation.

In this regard, the ITE Model boasts the following elements:

- Management body and overseeing the Model: ITE has devised an in-house body granted autonomous and independent control powers: the Ethical Committee, whose main purpose is that of undertaking the Model's monitoring and oversight. Any member of the Company who has doubts regarding the undertaking of their duties may consult this Body, comprised of professionals from the Company itself who perform their duties independently from any corporate decisions affecting ITE. Likewise, it is backed with the necessary resources to perform the tasks commissioned of it.
- Code of Ethics: embodying the principles, values and standards in terms of conduct on which the Organisation's commitment and culture is grounded insomuch as this affects:
  - Compliance with legality.
  - Austerity, trustworthiness and commitment.
  - Placing the onus on the market and cooperation.
  - Dialogue, excellence and honesty.
  - Responsibility and transparency.
- The Manual on Compliance and Prevention of Criminal Risks, which sets forth, with regard to the regime of criminal liability on the part of the legal person, the model for the management, prevention, coordination and handling of criminal risks implanted by ITE.



- A methodology geared towards identifying and assessing criminal risks, that comprises the basis for the detection of criminal risks depending on the activity embarked upon by the Organisation, alongside its effective appraisal and prioritisation.
- Professional training and disclosure of the Code of Ethics and the Model on the Prevention of Criminal Risks: The Organisation, through the Management Body, has put in place an Annual Professional Training Plan on the prevention of criminal risks and the contents of the Model addressed to the workforce as a whole. Instruction is provided through face-to-face sessions as well as remotely, with staff performing, upon completion of the syllabus, a knowledge test on criminal risks, their handling and the bodies entrusted with compliance on these matters.
- Ethical Channel, as a means of notification on queries or possible breaches of the Model or ITE's internal standards and regulations, as well as indications or suspicions regarding untoward behaviour in matters of legality and/or which may entail the embodiment of risks of a criminal nature. The management of this Channel is wholly confidential.
- Disciplinary regime: all professionals at ITE are duty bound to comply with the Code of Ethics, the Manuals, Policies, Procedures and Protocols in place at the Organisation. Therefore, any non-compliant conduct with regard to this obligation shall entail the application of measures in accordance with the provisions of the relevant collective agreements and other supplementary employment legislation in force.
- Model of economic – financial management: ITE is backed by a series of checkpoints and procedures in the financial and economic sphere thereby endowing the Company with full transparency and good faith in its bookkeeping, its transactions and broadly speaking, financial management, through a Financial Model grounded on the segregation of duties and functions that limits, via empowerment, drawing on funds, recruitment and representation vis-à-vis Public Bodies and Tribunals. Furthermore, in the ITE's Financial Model, a budgetary allocation is provided for to meet the Management Body's needs in the exercising of its maintenance and monitoring functions for the Model.
- System for supervision and monitoring, that enables us to validate on an ongoing manner the Model of Compliance and Prevention of Criminal Risks at ITE, thus verifying on a periodic basis the effectiveness of the existing policies, procedures and checkpoints, while also appraising the same in order for the Organisation to attain a general overview of the activity performed in these matters, allowing it to embark upon the necessary actions to guarantee their suitability and effectiveness in undertaking the duties of preventing, managing and controlling criminal risks.

This Compliance and Prevention of Criminal Risks Policy is now incorporated into the aforesaid regulatory, operational and training instruments for these to form the Model on Compliance and Prevention of Criminal Risks at ITE.

## 5. GENERAL PRINCIPLES ON ACTING WITH REGARD TO THE MODEL ON COMPLIANCE AND PREVENTION OF CRIMINAL RISKS

With regard to the Model on Compliance and Prevention of Criminal Risks, ITE, particularly through its Governing Council and Senior Management, will undertake the following actions:

- ✓ Developing all measures necessary for the prevention of criminal risks, thereby identifying activities as part of which unlawful activities may be committed and fostering responsible actions on the part of all members forming the Organisation. All of the foregoing in accordance with the standards, principles and values set forth in matters of regulatory compliance.
- ✓ Acting, and demanding that others act, at all times in accordance with the provisions of the applicable legislation in force and the Model on Compliance and Prevention of Criminal Risks.
- ✓ Disclosing between Personnel bound to the Model on Compliance and Prevention of Criminal Risks and making available the principles and rules that this contains, particularly making known the duty that everyone must notify and report in good faith, via the Ethical Channel set forth for this purpose, any irregular conduct of which they are made aware or have grounds to suspect. The Organisation guarantees, in any event, that there will be no reprisals for those who report in good faith.
- ✓ Disclosing amongst Personnel adherent to the disciplinary regime applicable in the event of breach of the Model on Compliance and Prevention of Criminal Risks or any other relevant internal legislation.
- ✓ Allocate adequate financial, material and human resources to the Model for its development, within a suitable framework for the definition, oversight, monitoring and accomplishment of the aims set forth in the Model on Compliance and Prevention of Criminal Risks.
- ✓ Facilitating the Ethical Committee in the exercising of its functions as the body entrusted with ensuring the proper functioning of the Model on Compliance and Prevention of Criminal Risks.
- ✓ Undertaking periodic reviews and performing ongoing improvements to the Model, entrusted to the Ethics Committee which will inform the Governing Council, on an ongoing basis, of any structural and regulatory changes that may have been implemented in this regard, alongside performance measurement indicators on compliance with criminal regulations, plus the findings on any assessments performed thereto.
- ✓ Ensuring the principle of separation between the management function and that of auditing the model of supervision and monitoring, including when deemed necessary the



establishment of suitable mechanisms to perform these audits.

- ✓ Setting up outreach and professional training programmes for all employees as a means of creating a culture of ethical entrepreneurship and compliance with the Law.

## **6. DISCLOSURE OF IRREGULARITIES**

Personnel bound by this Policy are obliged to notify of, through the Ethical Channel, whichever breaches, either related to the Policy or other applicable internal regulations, of which they are made aware or have grounds to suspect have taken place.

In any event, assurances will be made on the maximum confidentiality with regard to the identity of the persons involved, notwithstanding any legal obligations or those derived from the protection of rights corresponding to bodies and persons wrongly accused of misdemeanours.

Should the aforesaid irregular conducts be verified, ITE must apply, in a proportional and fair manner, the corresponding disciplinary sanctions, without the latter excusing any reprisals against those who have reported in good faith, under any circumstances.

Notwithstanding the provisions stated in this section, the settings, operational readiness and obligations associated with the Ethical Channel are regulated in a detailed manner in its applicable Procedure, available for all personnel and third party collaborators of the Organisation on ITE's corporate webpage.

## **7. COMMITMENT ON THE PART OF THE GOVERNING COUNCIL, SENIOR MANAGEMENT AND DISCLOSURE MECHANISMS**

ITE's Governing Council has adopted the commitment to make strident efforts so its Adherent Personnel are compliant with the legislation applicable to them and observe the ethical principles therein, in this way fostering the monitoring on the part of ITE of the principles and good practices involved in regulatory compliance, encouraging thus a preventative culture based on the ethos of zero tolerance in dealing with unlawful and fraudulent acts.

This Policy bolsters the commitment of the Governing Council and executive staff at ITE in defence of compliance with legal matters, alongside the notification and disclosure of the principles contained in the Model.

## **8. COMPLIANCE WITH THE POLICY**

Compliance with the provisions set forth in this Policy is the responsibility of Personnel bound to it. Both the Governing Council as well as those forming corporate Management will be entrusted with announcing the Policy's content, while also overseeing its compliance, in each one of their respective spheres of action.

Breach of the provisions of this Policy may entail the application of timely disciplinary measures,



in accordance with the terms set forth in ITE's disciplinary protocol and corporate legislation, as applicable.

## 9. POLICY REVIEW, APPROVAL AND DISCLOSURE

This Policy, alongside the Model on Compliance and Prevention of Criminal Risks at ITE, will be submitted for review and ongoing improvement, particularly when the regulatory, corporate, entrepreneurial circumstances or those of any other nature deem this timely. In any event, these will be reviewed on an annual basis.

This Compliance and Prevention of Criminal Risks Policy was approved by the Governing Council at ITE on 26/05/2022, in accordance with the proposal agreed upon by the Ethical Committee, in its role as internal body with self-reliant powers in terms of initiatives and control in matters of Criminal Compliance, in liaison with a specialist outsourced consultant, namely Deloitte Asesores Tributarios SL, and made available to all Personnel bound by the same through the corresponding means, as applicable.

# COMPLIANCE AND CRIMINAL RISK PREVENTION POLICY INSTITUTO TECNOLÓGICO DE LA ENERGÍA