

Integrated Report **2022**

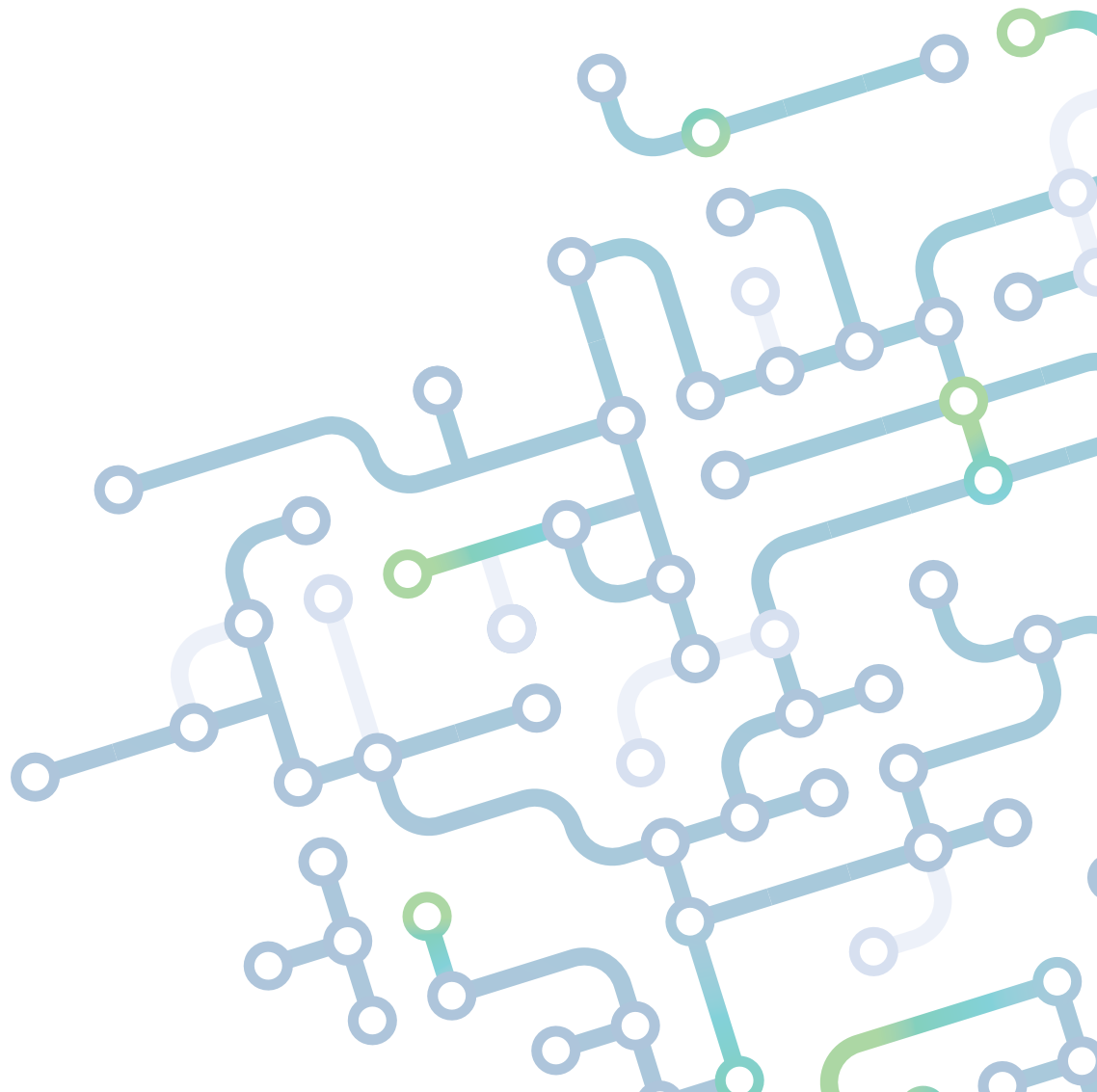
# Building a sustainable future





Integrated Report **2022**

# Building a sustainable future



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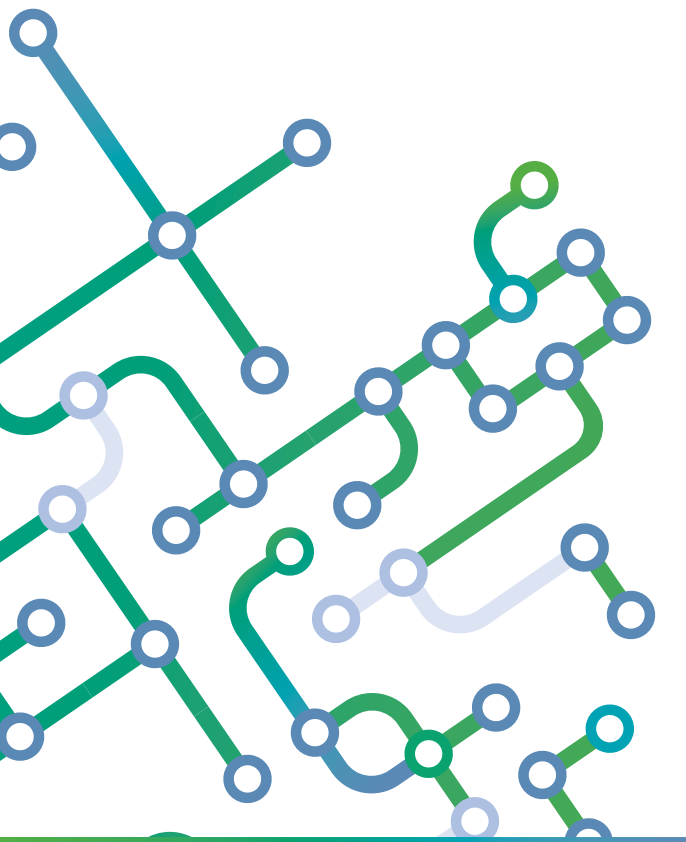
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# LETTER FROM THE EXECUTIVE CHAIRPERSON

GRI [2-22]

Dear friends:

It is a pleasure for Técnicas Reunidas to present our seventh Integrated Report which offers a global vision of our activity, with an emphasis on sustainability aspects that we consider strategic, being totally integrated into our decision-making processes.

The year 2022 has been marked by sharpening geopolitical tensions which affect market stability generating a global energy crisis that has led to the acceleration of short-term strategic investment plans to meet the objectives of the Paris Agreement, which we fully support, improve self-sufficiency and make up for energy shortages.

At Técnicas Reunidas we concluded 2022 with a portfolio of more than 9,500 million euros, defined by its solidity and diversification. The increase in business in all our lines of activity during the year, as well as a high recurrence of clients in terms of awarded projects, demonstrate our ability to offer complex technical solutions and to execute projects with high quality standards. Among the clients that placed their trust in Técnicas Reunidas in 2022 are some significant companies such as QatarEnergy, Federal Electricity Confederation (CFE) or INEOS incorporated into our client portfolio with a recurrence rate of more than 99 % in terms of awarded projects.





Our vocation as world leader in the engineering sector, with more than 63 years of international experience, has provided the capacity to contribute to the fulfillment of the Paris Agreement and the Sustainable Development Goals. We are a key ally of our clients in the short, medium and long term for the development of their sustainability, energy transition and decarbonization policies.

Técnicas Reunidas is an essential actor in the energy transition with the consolidation of our business areas and the launching of TRACK, our proposal for the energy transition and industrial decarbonization. At the forefront of clean energy technology, we offer innovative solutions for the development of natural gas, petrochemicals and low carbon technologies which allow our clients to get efficient and environmentally friendly facilities.

We are proud to offer our clients hydrogen production services in its different types and applications, we help them to scale the different technologies and applications and we work with investors on different technologies to be able to capture and store carbon, critical for the achievement of energy objectives and global climatic conditions of the intensive industrial sectors.

We are already developing circular economy projects and bioproducts on an industrial scale with our main clients.

According to McKinsey's Global Energy Perspective 2022, investment in decarbonization technologies, including green and blue hydrogen, biofuels, and carbon capture, storage and use will increase fivefold, up to approximately \$ 460 billion dollars in 2035.

Our leadership position is the result of the integration of Sustainability as an essential element in the development of our strategy decisively implemented through the Sustainability Policy and Plan, which envisages lines of action and objectives that reach all areas of activity of the Group. These objectives include our commitment to reduce our emissions by more than 40 % by 2030 and reduce them to zero by 2040, as well as the development of circular economy policies, among others.

In 2022 we have attained our objectives, highlighting the reinforcement of our governance and management systems through the certification of the Criminal Compliance Management System in accordance with UNE19601 and the renewal of the certifications of our Environmental Management Systems, Safety and Health at Work, Safety of the Information and Quality Management according to ISO 14001:2015, ISO 45001, ISO 27001:2013 and ISO 9001 standards, respectively.

At Técnicas Reunidas we convey our vision and commitment to sustainability to the value chain through the Code of Ethics for suppliers and subcontractors, sustainability requirements and audits. We also participate in alliances through active collaboration with entities such as the Global Compact, SERES or the Sustainability Excellence Club. Likewise, in an exercise of transparency, our ESG commitment and performance is appreciated by analysts and agencies of recognized prestige in terms of sustainability.

Another of our strategic pillars is investment in R&D&I and the firm commitment to digital transformation. Innovation plays a key role in maintaining our differentiation in the market, which is why we have the José Lladó Technological Center, a space for the promotion of R&D&I that acts as a driving force for the transfer and diffusion of technology, an investment of more than 6 million euros and 78 professionals dedicated to innovation. As a consequence, in 2022 we have had an excellent result as beneficiaries of the European Recovery Plan.

Digitization is also a key element of success to improve our efficiency and competitiveness, therefore we are committed to artificial intelligence, cybersecurity, data-based decision-making and the development of innovative solutions such as the digital twin or smart construction.

Finally, Técnicas Reunidas integrates the protection of human rights in all its activities and commercial relationships throughout its value chain.

All these actions would not be possible without our more than 7,053 highly qualified professionals from 64 nationalities, to whom I would like to hereby convey my deepest gratitude, since each and every one of them contributes decisively to consolidating the future of the Company.

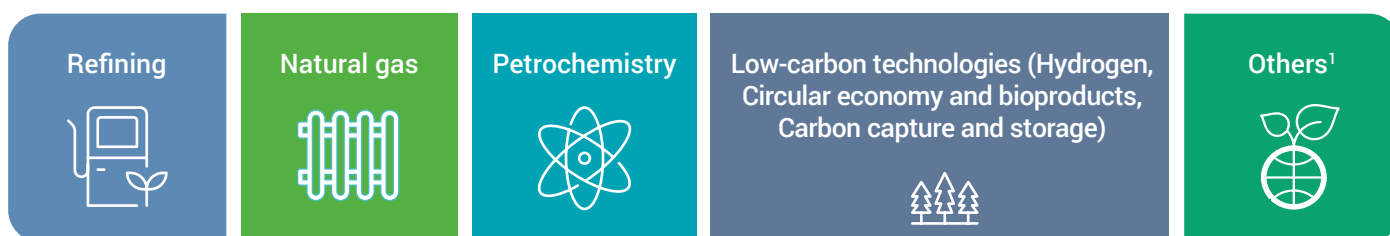
**Juan Lladó Arburúa**  
Executive Chairperson

# 2 OUR OPERATION IN 2022

GRI [2-1]; [2-6]

Técnicas Reunidas is a global company that designs, develops, and modernizes highly efficient industrial plants in the energy sector. Through its experience and technical capacity, the Company helps a wide range of international clients to implement sustainability policies and achieve their emission reduction objectives.

## Business areas



## Main figures in 2022



<sup>1</sup> The main activities included are water treatment, port infrastructures and oil production. It also covers those projects whose completion was not achieved as a result of the client's termination through the execution of guarantees.

<sup>2</sup> TRIR (Total Recordable Incident Rate): (Number of recordable accidents (according to OHSAS) / Number of hours worked) \* 200,000. This index refers to the frequency of accidents on site. As a result, the figure for 2021, which corresponded to accident rate in offices, has been updated.

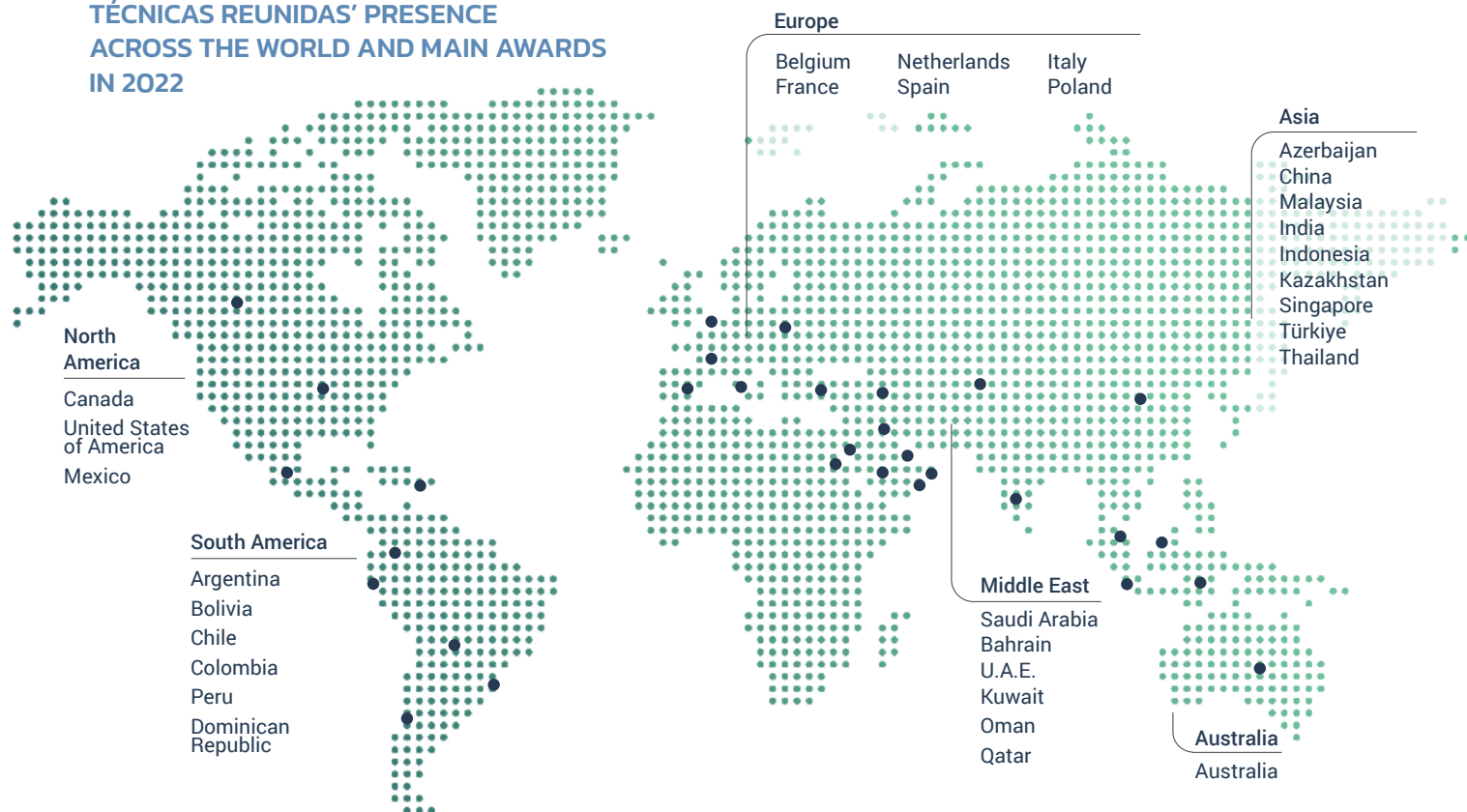
<sup>3</sup> Collaboration with organizations in the promotion of education, health, social business initiatives, as well as programs in the field of culture and civil society. In addition, contributions from corporate volunteering initiatives in the social framework of various projects are included. The 2021 figure has been restated to take into account the calculation criterion.

<sup>4</sup> Portfolio as of 31 December 2021.

<sup>5</sup> Data of 2021 modified to set the amount of the portfolio as of 31 December 2021.



## TÉCNICAS REUNIDAS' PRESENCE ACROSS THE WORLD AND MAIN AWARDS IN 2022



**In its 63-year history, Técnicas Reunidas has designed and managed the construction of more than 1,000 industrial plants in more than 50 countries, including state and multinational companies among its clients.**

**The diversified, low-risk awards won during 2022 underpin the Company's growth strategy in the coming years.**



### Main awards in 2022

- Four combined cycles in Mexico for the Federal Electricity Confederation (CFE).
- A sulfur treatment plant in Qatar for QatarEnergy.
- Project management services, engineering, procurement, supervision and construction of an ethylene plant in Belgium for INEOS.

## Técnicas Reunidas portfolio in 2022

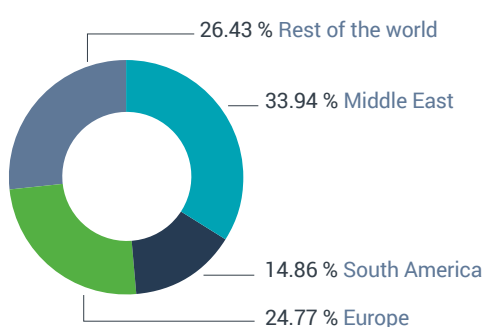
The Company has consolidated its presence in the Middle East, a geographical region of great importance in the Técnicas Reunidas market, with significant investments in planned and ongoing megaprojects.

The client portfolio in this region has achieved a remarkable level of diversification, with projects contracted in various countries such as Saudi Arabia, the United Arab Emirates, Oman, Kuwait and Bahrain, among others, and with a wide variety of clients.

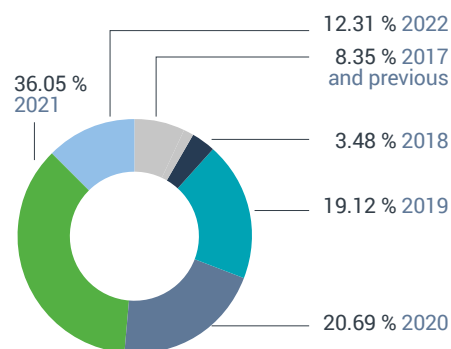
It is important to highlight that a large part of the project portfolio consists of contracts awarded by returning clients of Técnicas Reunidas, which is a clear testimony of the high quality standards that the company has achieved in the project implementation.

63 % of clients (84 % in 2021) are concentrated in large state or multinational oil companies, while 37 % belong to large multinationals in the energy sector. The increase in the percentage of clients of large multinationals in the sector is mainly due to the development of multiple projects related to the energy transition as, in general, many of these clients have accelerated their strategic investment plans in the short term to meet emission reduction target and, as a consequence of the conflict between Russia and Ukraine, exacerbate energy investments to improve self-sufficiency and fill energy shortages.

Projects backlog per region



Backlog per award year



# FLAGSHIP PROJECTS

In 2022, the Company continued to implement flagship projects such as Marjan (Saudi Arabia) and achieved the awarding of others such as the innovative INEOS (Belgium) or HyDeal (Spain). With the development of these projects, Técnicas Reunidas contributes to the development of complex technical solutions that meet the energy and industrial needs of these countries, while complying with high standards, and generating a positive socio-economic impact on the place of execution.

## HyDeal, Spain

HyDeal España is an industrial consortium formed by ArcelorMittal, Enagás, Grupo Fertiberia and DH2 Energy, created to supply renewable hydrogen at a competitive price to an important industrial complex located in Asturias. The production of this hydrogen will be carried out through solar plants located in the northern half of Spain, whose total installed capacity is expected to reach 9.5 GW of solar energy and 7.4 GW of electrolyzers.

The first industrial implementation of the HyDeal Ambition platform has selected Técnicas Reunidas, VINCI Construction (in cooperation with Cobra IS, a VINCI Group company) and PowerChina Guizhou Engineering to carry out the technical design, architecture and supply chain of its first hydrogen production plants using solar energy in Spain.

Production is expected to start at the end of 2025, with the forecast of producing around 150,000 tons of renewable hydrogen per year starting in 2026, reaching 330,000 tons in 2030.



## INEOS, Belgium

INEOS, the world's leading private chemical company, has awarded Técnicas Reunidas project management, detailed engineering, procurement management and supervision services, and comprehensive construction for one of the largest ethylene plants in the world.

The facility will be built in the port of Antwerp (Belgium) and will have a production capacity of 1.5 million tons of ethylene per year. The advanced technology used will make it the most energy efficient and environmentally sustainable facility in Europe. The start-up is scheduled for 2026.

To carry out these services, Técnicas Reunidas will be assisted by up to 450 professionals in Madrid and will mobilize another 225 people to the manufacturing module workshops and the site in Antwerp.

This is the biggest project undertaken by INEOS in its history. At the same time, it is a milestone in the European chemical sector because of its size, advanced technology, and contribution to the energy transition. This award confirms Técnicas Reunidas as a center of engineering excellence in the world.

## Marjan, Saudi Arabia

Saudi Aramco, the Saudi state-owned oil company, awarded Técnicas Reunidas part of the facilities for its new gas plant in Tanajib, whose total capacity will be 2.500 MMSCFD and 85 MBCD of condensate coming from the Marjan, Safaniyah and Zuluf fields in Eastern Saudi Arabia.

This project, which has a duration of 44 months and a combined value of approximately USD 3 billion, includes the gas reception, storage and compression packages, as well as the recovery and fractionation of the NGL produced.

The scope includes engineering, supply of equipment and materials, construction, installation and commissioning till the mechanical completion. The new facilities will be used for the supply of gas to the country's state grid, reinjection into offshore fields and production of ethane, butane, propane, pentane and associated products for multiple costumers.





# 3 OUR ACTIVITY



## 3.1 BUSINESS AREAS GRI [2-6]

The success and leadership of Técnicas Reunidas is the result of over 63 years of international experience in the design and construction of industrial plants. The ability to apply complex technical solutions and offer the latest technologies available on the market enables the Company to meet the high expectations of its clients and society as a whole.

Contribution of  
Técnicas Reunidas to  
achieving the SDG



### REFINING



Sales from the Refining area reached € 1.426 billion in 2022, 16 % more than in 2021 (€ 1.228 billion), representing 33.7 % of the Company's total revenue.

The Refining area provides management, engineering, procurement, construction, and commissioning services for facilities along the entire value chain for the production of fuels that meet the highest standards (Euro V / Euro VI). The Company has extensive experience in the design and construction of this type of facilities that use the most advanced processing technologies, allowing its clients to produce high quality clean fuels from waste and optimize natural resources.

In addition to construction, Técnicas Reunidas offers its clients the possibility of renovating existing plants in order to improve their efficiency, considerably reducing carbon emissions, and to make progress in the sustainability actions and commitments they have decided to adhere to. Similarly, this area enables clients to optimize their use of natural resources, thereby reducing the carbon footprint per unit of the products they generate.

#### Types of projects

The units designed and built by the Company include basic refining, desulfurization, deep conversion, octane upgrading units and sulfur removal units. Técnicas Reunidas is also closely monitoring future vegetable oil hydrogenation projects for the production of clean fuels.

The Company offers its clients the design of clean and high-quality biofuel production plants.

#### Key figures in 2022

- **More than 570 units** worldwide.
- **€ 1.426 billion** in sales.
- **€ 3.534 billion** in the pipeline.

#### Proyectos en cartera

Project	Country	Client
Sitra	Bahrain	BAPCO
Duqm Refinery	Oman	DRPIC
Ac Sulf BioBio	Chile	Enap
CRISP	Singapore	ExxonMobil
EPC YPF NEC	Argentina	YPF
KNPC Al-Zour	Kuwait	KNPC
Petronas	Malaysia	Petronas
Ras Tanura / SWS Ras Taura	Saudi Arabia	Saudi Aramco
Socar Haor D.	Azerbaijan	SOCAR

## NATURAL GAS



The Natural gas area obtained ordinary revenues in 2022 of € 1.632 billion, an increase of 57 % from 2021 (€ 1.037 billion), amounting to the highest sales figure with 38.6 % of the total.

The Natural gas business area of Técnicas Reunidas provides direction, management, engineering, procurement, construction, and commissioning services for gas facilities throughout the entire supply chain, from natural gas production to regasification terminals.

Natural gas is the cleanest fossil fuel and plays a key role in achieving decarbonization goals as it allows for a seamless energy transition to renewable sources until low-carbon alternatives are accessible to all.

Nowadays, renewable energies need alternative sources for intermittent periods and demand peaks to guarantee energy supply during these periods. In this regard, Técnicas Reunidas' advanced natural gas technologies are an optimal solution. In addition to significantly reducing carbon dioxide emissions, this fuel reduces the presence of other particulate pollutants such as sulfur and nitrogen oxides.

### Types of projects

Técnicas Reunidas designs and builds, from production facilities in natural gas fields to treatment and processing plants, compression and liquefaction stations, storage tanks, and final regasification facilities. The Company applies the strictest standards and technologies to reduce methane emissions throughout the value chain in all its projects.

Natural gas plays a key role in a fair and inclusive transition to a low-carbon economy.

The Company uses its capabilities and technologies to reduce the carbon footprint of natural gas.

### Key figures in 2022

- **More than 340 units** worldwide.
- **€ 1.632 billion** in sales.
- **€ 3.805 billion** in the pipeline.

### Projects in the pipeline

Project	Country	Client
CBR Suncor	Canada	Suncor
González Ortega / Mérida / San Luis Río Colorado / Valladolid	Mexico	CFE
Ostroleka	Poland	Orlen/GE
Sewa	U.A.E.	Sumitomo/GE EFS
Termocandelaria	Colombia	Termocandelaria
Adgas	U.A.E.	ADNOC LNG
Dalma EPC	U.A.E.	ADNOC
Haradh	Saudi Arabia	Saudi Aramco
Marjan	Saudi Arabia	Saudi Aramco
North Field package 3	Qatar	Qatargas
North Field package 4	Qatar	Qatargas





## PETROCHEMISTRY



The Petrochemistry area reached **€ 843 million**, an increase of **197 %** over the previous year (**€ 284 million**), accounting for close to **20 %** of sales in 2022.

The Petrochemistry area of Técnicas Reunidas provides management, engineering, procurement, construction, and start-up services for facilities dedicated to the production of chemical materials through the application of state-of-the-art technologies. The refining production plants are integrated with petrochemical operations and processes, supplying both markets in an efficient and flexible manner and optimizing the consumption of natural resources.

The petrochemical industry plays an essential role in enabling other industries to reduce their greenhouse gas emissions through its products. An increasing number of petrochemical plants are using organic raw materials for the production of their derivatives used in water distribution, the pharmaceutical and food industry, construction of energy-efficient buildings, and transportation systems, among others.

The presence of these products is very widespread. Their demand is expected to grow in the coming decades and they are expected to play a key role in social and economic progress, especially in developing countries.

Técnicas Reunidas covers a broad spectrum of petrochemical processes.

### Types of projects

The petrochemical processing units include processes for the entire value chain of ethylene, polypropylene and its derivatives, aromatics, urea, and ammonia. In addition, the Company has several advanced technologies for nitric acid, ammonium nitrate, mono- and diammonium phosphate, and NPK fertilizers.

### Key figures in 2022

- **More than 100 units** worldwide.
- **€ 843 million** in sales.
- **€ 1.614 billion** in the pipeline.

### Projects in the pipeline

Project	Country	Client
EPC Orlen	Poland	Orlen
Tuban	Indonesia	Pertamina
New Pta Complex	Türkiye	Sasa Polyester
Polyethylene plant	Canada	Nova Chemicals
Ethylene plant	Belgium	INEOS



## LOW-CARBON TECHNOLOGIES



Sales from the Low-carbon technologies area reached € 6 million in 2022, an increase of 1,088 % over ordinary revenues in 2021.

## Key figures in 2022

- **More than 30 units** of hydrogen and **44 units** of CO<sub>2</sub> capture with amines.
- **€ 6 million** in sales.
- **€ 442 million** in the pipeline, to be converted to EPC.

## Projects in the pipeline

Project	Country	Client
AMA	Netherlands	G.I. Dynamics - AMA
Catalina	Spain	CIP
CO <sub>2</sub> Capture	United Kingdom	SEE Thermal & Equinor
HyDeal	Spain	JV (ArcelorMittal, Enagás, Grupo Fertiberia, and DH2 Energy)

This segment comprises the three lines of business listed below:



**Hydrogen**



**Carbon capture and storage**



**Circular economy and bioproducts**

## Hydrogen

Through this line of business, Técnicas Reunidas actively participates by offering solutions for the different types of hydrogen, helping its clients to integrate this element into their production processes with storage solutions or by blending it with existing gas networks.

Hydrogen is one of the fundamental pillars for creating a clean, safe and affordable energy system. Depending on its production process, it is classified by color: blue (gray hydrogen with carbon capture and storage), green (water electrolysis with renewable energy), and pink (nuclear-powered water electrolysis) are classified as the low-carbon means of hydrogen production.

The Company designs and builds green and blue hydrogen units in refining processes for the hydrotreatment of clean fuels and has experience working with hydrogen at high pressure and temperature. It also collaborates with other companies in the development and upscaling of various water electrolysis technologies for hydrogen production and participates in the structuring of synthetic fuels and green ammonia projects based on green hydrogen.

The versatility of hydrogen allows its use in various industries. In the renewable sector, it can be stored and serves as a battery to generate energy during periods of scarcity or high demand. Energy-intensive industries, such as long-distance transport or heavy industry, use it as fuel, and once converted into ammonia, it is used by the shipping industry or as an input for fertilizer production.

### Types of projects

The Hydrogen line includes consulting services, design and construction of green and blue hydrogen plants and plants for the transformation of hydrogen into gas and synthetic fuels, ammonia and methanol.

**The Company offers solutions for different types and applications of hydrogen.**

## Carbon capture and storage

The Carbon capture and storage (CCS) line helps energy-intensive companies, such as the steel, chemical, cement, and paper industries, to reduce the carbon emissions from their assets. Their industrial facilities are complex, with space and operational limitations that make it difficult to implement new processes. Técnicas Reunidas assists these clients in their transformation processes by accelerating their energy transition through the implementation of integral carbon capture solutions. Once captured, carbon dioxide can be used in the production of synthetic fuels or stored.

Técnicas Reunidas has experience in this field thanks to the design and construction of amine facilities, one of the technologies used to capture and store carbon.

The International Energy Agency (IEA) reports that there are currently about 35 operational capture facilities<sup>1</sup>, so the operational CO<sub>2</sub> capture capacity in 2022 is 44 Mt CO<sub>2</sub> per year. However, it warns that in order to meet the targets of the Net Zero scenario, this capture capacity must be increased exponentially to 1,286 Mt CO<sub>2</sub> per year by 2030<sup>2</sup> and 6.2 Gt CO<sub>2</sub> per year by 2050<sup>3</sup>. Therefore, it evidences the growth prospects of these facilities in the short and medium term.

### Types of projects

Técnicas Reunidas has designed and built amine carbon capture plants for the processing of acid streams in natural gas processing plants and refineries. In addition to this type of sites, the Company plans to incorporate this type of facilities on a recurring basis in the combined cycle power generation plants it builds for its clients.

**CCS will be key to achieving global energy and climate targets for intensive industrial sectors.**

## Circular economy and bioproducts

Through the activities of its Circular economy and bioproducts line, Técnicas Reunidas provides design and construction services for plants designed for the production of biomethane from waste and biorefinery plants for the production of biofuels (HVO, SAF, advanced bioethanol, etc.) and bioproducts (methanol, ethanol, etc.). Técnicas Reunidas actively participates in the structuring of projects involving these technologies for their integration into its clients' existing value chains.

The role of bioenergy is critical to reducing carbon emissions in the global economy. Within this line, the replacement of fossil fuels by biomass for electricity generation already plays an important role as a renewable energy source in the energy mix.

On the other hand, refineries are increasingly including biomass in the production processes of fuels for road, maritime, and air transport. Regarding its use in petrochemicals, biomass can replace fossil fuels in the production of ethylene, methanol, and naphtha, among others.

Biomethane is another relevant resource since its composition is identical to natural gas and therefore it can benefit from the existing gas infrastructure and replace natural gas in any of its uses (electricity generation in combined cycles, industrial and residential heat generation, road transportation, etc.). In this way, the use of biomethane leads to a direct reduction of emissions for which no additional investments are necessary.

### Types of projects

Técnicas Reunidas has designed and built biorefineries of different types and actively participates in the structuring of projects related to this line of activity.

**Técnicas Reunidas is committed to the circular economy, including its bioenergy and bioproduct projects within this line of business.**

<sup>1</sup> The IEA states that there are 35 CO<sub>2</sub> operational capture facilities in 2022, 12 under construction, 103 in late development, and 144 in concept and feasibility stages.

<sup>2</sup> IEA (2022), Carbon Capture, Utilization and Storage, IEA, Paris. Available at the following [link](#).

<sup>3</sup> IEA (2022), World Energy Outlook 2022, IEA, Paris. Available at the following [link](#).

OTHERS



This area achieved sales of € 327 million in 2022, an increase of 27.7 % over the previous year (€ 256 million), representing 7.7 % of the Company's total ordinary revenues in 2022.

This segment provides direction, management, engineering, procurement, construction, and start-up services for facility projects related to activities other than the Company's main business areas.

Key figures in 2022

- € 327 million in sales.
- € 120 million in the pipeline.

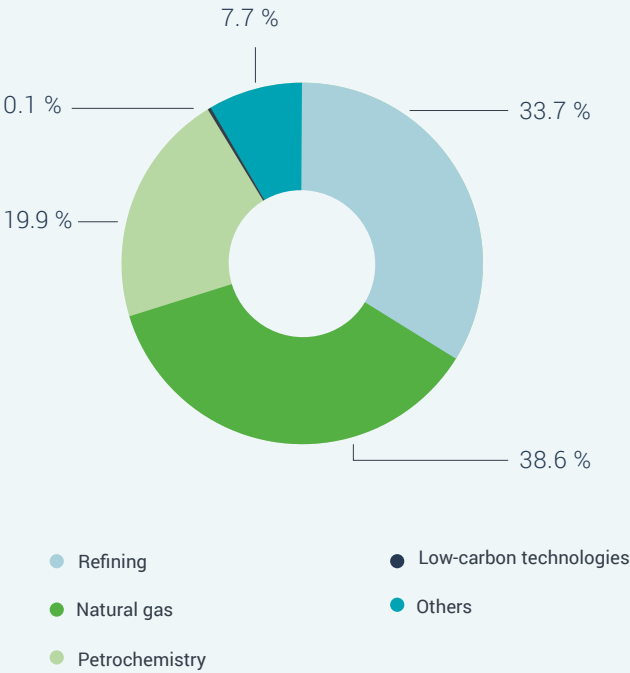
Projects in the pipeline

Project	Country	Client
BU Hasa	U.A.E.	ADNOC Onshore

Types of projects

The main activities covered by this area are: water treatment, port infrastructure construction, and oil production. This segment also includes projects whose completion was not achieved as a result of the client's termination due to the enforcement of guarantees. The purpose of this inclusion is to avoid distorting the analysis of the other business areas.

Distribution of revenues by business area in 2022



## 3.2 OPERATING ENVIRONMENT

Técnicas Reunidas operates in a complex and constantly evolving market environment. To adapt to this environment, the Company has strengthened its technology capabilities and continues developing highly complex projects, managing risks and complying with the highest quality standards.

Contribution of  
Técnicas Reunidas to  
achieving the SDG



### MARKET ENVIRONMENT

Técnicas Reunidas operates in a challenging and everchanging environment, marked by increasing energy demands from emerging countries, ongoing adaptation to new standards and regulations, and the need to transform plants towards more sustainable, complex, and profitable models.

This context is increasingly demanding, with sustainability criteria and very strict contractual conditions in terms of technical specifications, deadlines, scope of work, and execution. Moreover, the increase in competitiveness and the race for the development of new technologies must be taken into account.

In 2022, the impact of Covid-19 has been minor, except in Southeast Asia due to China's "zero-Covid" policy. In this regard, during the first half of 2022, restrictions on mobility continued, causing difficulties in the execution of projects and various impacts on the value chain. Specifically, the effects of this policy include logistical restrictions, higher prices for various pieces of equipment and raw materials, and reduced labor availability. However, in the last half of the year, the impact of the pandemic on operating results decreased significantly.

Another key event has been the outbreak of the Russia-Ukraine conflict, which has significantly affected market stability, especially in close geographic areas, and has triggered a global energy crisis. Cuts by Russia, the world's largest exporter of fossil fuels, in the supply of natural gas to Europe and European sanctions on oil and coal imports from this country have eroded one of the main products of energy trade worldwide. As a result, there has been a significant increase in energy commodity prices<sup>4</sup> and global inflationary pressures have been exacerbated. For its part, the engineering and construction industry in the energy sector has suffered major disruptions throughout its supply chain, causing an increase in equipment and material prices and significant instability in supplier offers.

The prolongation of this conflict (with the progressive shutdown of Russia's oil and gas exports) and the persistence of high inflation rates have negatively affected the world economy, which has slowed down more than expected. In response, governments have allocated more than \$ 500 million, mainly in advanced economies, to protect consumers from the immediate effects of energy shortages and high prices<sup>5</sup>. Central banks have also raised interest rates to combat inflation.



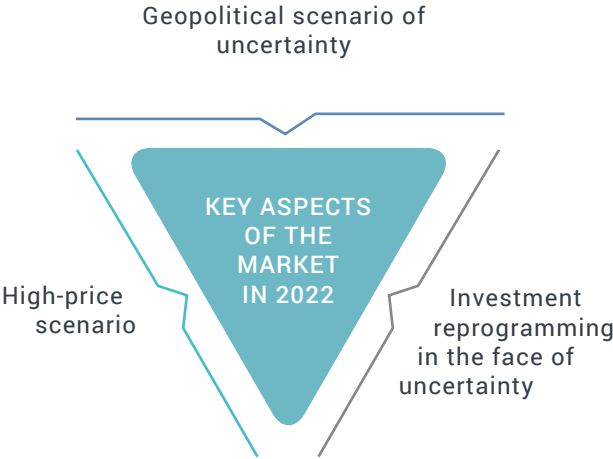
<sup>4</sup> High gas and coal prices account for 90 % of the upward pressure on electricity costs worldwide. The spot purchase price of natural gas has frequently exceeded the equivalent of \$ 250 per barrel of oil. The price of coal has also reached record levels, while oil prices were well over \$ 100 per barrel by mid-2022.

<sup>5</sup> Source: World Energy Outlook, International Energy Agency, 2022.

In the geopolitical scenario, it is also worth considering, as of June 2022, the external trade blockade between Spain and Algeria.

This international situation has meant that the growth outlook for 2023<sup>3</sup> has worsened in almost all geographies, mainly in advanced economies.

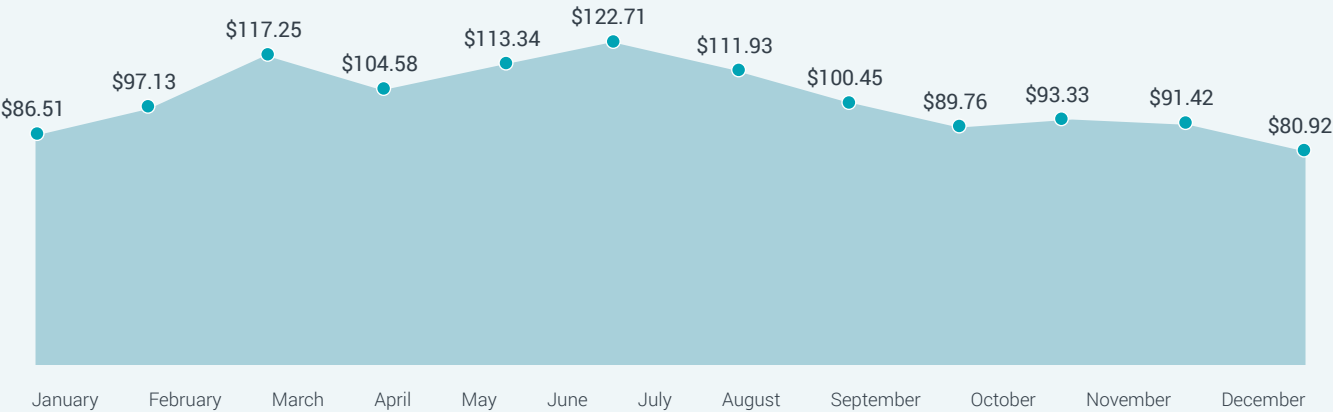
However, this scenario has prompted important decisions in Europe regarding the diversification of its energy, oil, and natural gas supply, which will result in additional investments to meet European energy demand, replacing supplies originating in Russia. Therefore, the factors described above point to significant investment activity in the energy industry in the coming years, even in a scenario of slower economic growth.



Growth in Brent crude oil price in 2022

In line with the market environment, the price of Brent crude oil has remained at higher levels than in previous years. It started year at around \$ 86.51/barrel, peaking in June (\$ 122.71/barrel) and closing the year with prices slightly lower than at the beginning of 2022 (\$ 80.92/barrel).

Growth in Brent crude oil price in 2022. (\$/barrel)



Source: Energy Information Administration (2022). Europe Brent Spot Price FOB (Dollars per Barrel).

<sup>3</sup> All this has led to a decline in global growth of up to 3.4 % in 2022. It has also impacted global growth expectations for the coming years, projected at 2.9 % in 2023 and 2.1 % in 2024. Source: World Economic Outlook Update, International Monetary Fund, January 2023.



## A strategy adapted to its environment

The political instability and volatility of the macroeconomic environment in the first half of the year caused delays in the final investment decisions of Técnicas Reunidas' clients. However, after the summer period, commercial activity was substantially higher and bidding process have visibly accelerated. It should be noted that the impact of the Russia-Ukraine conflict has also led to the adoption of alternative solutions for the clients affected, such as the expansion of suppliers and subcontractors, changes in strategy to avoid cost increases, the promotion of work in prefabrication workshops, compensatory measures, etc.

The Company currently manages a portfolio of more than € 9.5 billion diversified by geography and type of clients. The recovery of investment in the industry has resulted in a significant volume of successful bids which, from the beginning of 2021 to the end of 2022, amounts to approximately € 4.8 billion. This is a set of projects diversified by product and region, in accordance with the Company's strategy, with a very attractive risk profile due to the different execution strategies, and in which Técnicas Reunidas has significantly reduced the risk associated with construction.

Moreover, significant growth in all of the Company's business lines is expected by 2023. In this sense, the Russia-Ukraine conflict has led to the acceleration of the companies' strategic investment plans in the short term and an exacerbation of investments to improve self-sufficiency and make up for the energy shortages resulting from the impact of the conflict, as well as to accelerate the energy transition.

These growth projections are in line with those of international organizations, which conclude that global energy demand and consumption will continue to grow in the medium and long term. In order to guarantee the supply of energy and make it sustainable, investments must be made in establishing, updating, and improving the efficiency of existing facilities. Técnicas Reunidas is well positioned in these areas and has the credentials and confidence of investors, technical capacity, and extensive international experience, especially in the regions where most of the investments are expected to take place. In this regard, the Company increased its workforce in 2022 and plans to continue to grow in 2023 in other areas close to its clients.

Similarly, Técnicas Reunidas is well positioned, thanks to its leadership in the face of climate change, regarding diversification of its activities and its adaptation to new trends that go beyond regulatory requirements. All of this enables the Company to take advantage of the opportunities that will arise from increased regulatory pressure on environmental issues, as it has the technology and solutions to enable its clients to meet growing environmental requirements. This diversification of activities is focused on working with clients to improve their

facilities: refining, natural gas, petrochemicals, low-carbon technologies (hydrogen, circular economy, and bioproducts, CO<sub>2</sub> capture and storage) and thus reduce greenhouse gas emissions.



### 2022 MILESTONES

- Significant increase in opportunities in the markets with a tendency to keep a very active pace of new projects in the short and medium term.
- Increase in successful bids in the field of renewable energies and energy transition by the market, mainly services.
- Resurgence of investments and projects in Mexico, Spain and Europe.
- Significant number of service contracts (EW -Early Works-, BE -Building Engineering-, FEED -Front End Engineering Design-, FS -Feasibility Studies- and EPCm -Engineering, Procurement, Construction management).
- Consolidation of partnerships with construction companies to reduce risks.
- Award of three engineering service packages and other services for the Project ONE for INEOS in Antwerp.



### GOALS FOR 2023

- Contracting beyond services in the field of renewable energies and energy transition.
- Reactivation of the activity and new projects in the United States.
- Recruitment in Central Asia (Kazakhstan).
- Entry into the ammonia and urea-based fertilizer market.
- Strengthening and expansion of alliances with clients for the provision of services within the framework agreements.
- Pursuing partnerships with process technologists to add value to Técnicas Reunidas' proposals.
- Further strengthening of collaborations with construction contractors for greater coverage of construction risk.

PROJECT BUSINESS MANAGEMENT & CONTROLLER DIVISION

This Division continues to develop a series of actions to reinforce the project control systems in the Operations Division and to ensure that the economic KPIs of a project (margin and cash) are decisive in the decision-making process during its execution.

In 2022, the Company continued to develop a project control and monitoring system, which is divided into three levels:

- Project risk and opportunity management systems. It consists of the detection, classification, and quantification of risks and opportunities by levels.
- Key performance indicators. List of key performance parameters and main financial metrics associated with the project activity.
- Six-stage diagnosis. Assessment of the status of the projects at key moments of execution, from the bidding stage to completion, to control and mitigate the risks associated with the project (including the definition of key parameters, as well as the body in charge of monitoring and monitoring frequency).



Técnicas Reunidas has upheld its commitment to provide services to its clients in all stages of project development, from conceptual analysis to complete execution, including basic engineering services for unitary processes, such as FEED or PMC (Project Management Consultant).

These types of services help strengthen relationships with clients, allowing them to find the technological solution that best fits their business model. The Company is strengthening its strategy to carry out more FEED projects.

Through its know-how, flexibility, commitment to innovation and sustainability, and extensive experience, Técnicas Reunidas brings added value that is essential for both market confidence and credibility, and its ability to meet the needs of its clients.



## Técnicas Reunidas' innovation in engineering design

As part of its commitment to creating high added value solutions, the Company carries out numerous conceptual designs, feasibility studies, basic engineering and FEED studies that enable it to work with clients right from the initial stages of project implementation. Projects of this type awarded in 2022 include:

- FEED for an integrated methanol and blue ammonia production plant with a capacity of 1,350 and 415 tons per day, respectively. Its configuration will reduce carbon emissions by half compared to traditional technologies.
- FEED for a combined cycle power plant with carbon capture technology for SSE Thermal and Equinor in Peterhead, Scotland. The project will consist of the commercial application of the latest natural gas power generation technology integrated with carbon capture. This will eliminate up to 1.5 million tons of CO<sub>2</sub> emissions per year. The new power plant, which will generate 910 MWe (megawatts electric) of electricity, will be the first of its kind in Scotland and will be connected to the Scottish industrial cluster's CO<sub>2</sub> transport and storage infrastructure, supporting the UK's goal of achieving net-zero emissions by 2050.
- FEED for exhaust gas recovery at an ADNOC refinery on Arzanah Island. The project covers the engineering, procurement, and construction of gas conditioning facilities for dehydration, compression, and associated utilities on the island.

On the other hand, it should be noted that the Company has developed the Efficiency Plan, an ambitious plan for the 2022-2024 period and the next stage of the Efficiency Plan launched in 2019, which identifies opportunities for the Company to become more efficient. This Plan is aligned with Técnicas Reunidas' strategy<sup>7</sup> and includes three types of objectives according to the time horizon:

- In the short term, related to engineering and construction. Measures aimed at reducing costs, optimizing project execution, and mitigation measures.
- In the medium term, customized execution and digital transformation. Offering solutions related to digital transformation, advanced analytics and key performance indicators and adapting execution methodologies to new trends: modular projects, energy transition projects, etc.
- In the long term, know-how and talent. Knowledge management and its application to projects, specific programs for knowledge gathering and development of operational project leaders.

**In 2022, Técnicas Reunidas began implementing its ambitious Efficiency Plan, which will continue through 2023 and 2024.**




<sup>7</sup> For more information, see chapter 4.2 Strategic pillars.

## OTHER ASPECTS RELATED TO THE OPERATING ENVIRONMENT

Regardless of the evolution of the market, the activities of the Company may be affected by other environmental factors.

### Adaptation of Técnicas Reunidas to the trends in different fields related to its activities

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
<b>TRENDS</b> 	<ul style="list-style-type: none"> <li>Contracting and execution models that delay collections from clients (billing by milestones instead of progress, decrease in advance payments, delays in responses to claim, and increased volume of performance bonds).</li> <li>Increased fiscal pressures from governments to compensate deficits.</li> <li>Volatility of certain emerging currencies.</li> <li>Evolution of the USD, main currency of Técnicas Reunidas.</li> <li>Increased perceived risk by financial entities in the engineering industry.</li> <li>Uncertainty regarding the evolution of the economic cycle.</li> <li>OCDE regulation on taxation, BEPS (Base Erosion and Profit Shifting).</li> <li>Clients' cashflow preservation policies.</li> </ul>	<ul style="list-style-type: none"> <li>Uncertainty about the price of crude oil, which impacts investment decisions and the execution of projects.</li> <li>Decrease in the uncertainty derived from the increased price of raw materials, energy costs, and transportation costs.</li> <li>Geopolitical uncertainty: Middle East, Russia, United States, China, Latin America, and North Africa.</li> <li>Increased competition in turnkey projects.</li> <li>Increased litigiousness from clients and subcontractors.</li> <li>New client demands in project execution structures (e.g. joint ventures or revamping).</li> <li>Postponing critical negotiations with clients and providers to the later stages of a project.</li> <li>Preference of certain clients to advance the participation of contractors prior to tenders (early engagement).</li> <li>Clients' need to seek for funding for their projects.</li> <li>Commitment to process units with highly efficient designs, oriented to carbon capture, minimizing emissions, and reusing waste.</li> <li>Tendency to prioritize gas over oil.</li> <li>Commitment to petrochemicals by many markets.</li> <li>Major development in everything related to energy transition projects (hydrogen, ammonia, biofuels).</li> <li>Implementation of tax incentives for green hydrogen generation.</li> <li>Increased use of digital technologies as a more efficient alternative to conventional in-person work.</li> </ul>	<ul style="list-style-type: none"> <li>Adaptation of occupational safety requirements by countries in which construction projects are taking place.</li> <li>Greater demands from clients regarding the qualifications and requirements for on-site staff with health and safety responsibilities.</li> <li>Need for on-site practical training programs in terms of occupational safety.</li> <li>Addition of new technologies for a better performance and follow-up of health and safety conditions in projects.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing concern of clients regarding requirements of projects related to sustainability.</li> <li>Increased environmental and social requirements from entities such as clients, the World Bank, financial entities, and Export Credit Agencies (ECAs).</li> <li>Increasingly demanding assessments by financial entities of environmental requirements.</li> <li>Increased regulatory pressure.</li> <li>Commitment to process units with highly efficient designs, oriented to carbon capture, minimizing emissions, and reusing waste, supporting a circular economy model.</li> </ul>



	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
<b>HOW HAS THE COMPANY PREPARED?</b> 	<ul style="list-style-type: none"> <li>• Maintenance of financing lines.</li> <li>• Management of clients and providers (payment and collection deadlines, discounts, confirming).</li> <li>• Development of policies aimed at allocating profits to the countries in which they are generated (BEPS).</li> <li>• Exchange rate coverage policy via forward contracts.</li> <li>• Development of a highly diversified pool of banks, with a strong presence of local banks.</li> <li>• Rescheduling of project implementation timetables and creation of margins.</li> <li>• Expansion and diversification of sources of liquidity.</li> <li>• Obtaining mechanisms which strengthen the Company's capital and liquidity structure (SEPI).</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to monitor the optimization and efficiency improvement actions derived from the efficiency plans.</li> <li>• Geographic diversification of products and projects.</li> <li>• Experience in sustainable markets.</li> <li>• Selective management of potential projects.</li> <li>• Greater integration with clients from the initial phase.</li> <li>• Technical capabilities and proven experience to perform highly complex designs.</li> <li>• Know-how and consolidated working procedures.</li> <li>• Implementation of the 2022-2024 Efficiency Plan to make the Company more efficient, reducing project execution costs and adapting to digital transformation.</li> <li>• Knowledge of local markets where the Company carries out its projects, including relevant providers and suppliers.</li> <li>• Partnerships with competitors on specific projects.</li> <li>• Leverage through proprietary technologies.</li> <li>• Strengthening of the legal team and involvement in the various phases of project implementation.</li> <li>• Support for clients seeking financing for the implementation of their projects, including financing using export credit insurance policies provided by ECAs.</li> <li>• Flexibility and responsiveness in adapting to local requirements for the execution of projects, as well as changes in schedule.</li> <li>• Adaptation of commercial and operating structures to optimize the possibilities of successful bids and start implementing them immediately.</li> <li>• Reworking the Risk Control System of the Company in order to have predictive analyses for key decision-making aspects.</li> <li>• Boosting the economic approach of the operation and its projects by reinforcing the Business Control and Management Unit.</li> <li>• Simplification and adaptation of the Report and Management Control to the new reality of Técnicas Reunidas, monitoring the economic performance of projects with key profits and loss and cashflow reports.</li> <li>• Creation of specific management control mechanisms for each project, including reports with aspects of economic planning, results and cash, and general expenses, with ratios and alerts. These reports are issued 8 times a year.</li> <li>• Reduced construction risk through service projects and partnerships with other companies.</li> <li>• Growth plan in specific country offices, where the Company believes it can obtain commercial, operational, or strategic advantages.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of a Regulatory Compliance Management System that considers, among others, environmental, occupational, health and safety, and criminal risks.</li> <li>• Training for project managers on international health and safety standards.</li> <li>• Strengthening of collaboration between Human Resources and the departments involved in construction phases.</li> <li>• Acquisition of specific software and transfer of periodic reports for the internal management of occupational Health and Safety.</li> <li>• Linkage of 10 % of executive directors' variable remuneration to health and safety criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable management of the supply chain: Strengthening the system to assess the capacity of local providers for social and environmental matters.</li> <li>• Internal audits on environmental and social matters and due diligence in integrity matters.</li> <li>• Identification of ESG<sup>8</sup> risks and monitoring of environmental risks and opportunities.</li> <li>• Linkage of 10 % of executive directors' variable remuneration to environmental criteria.</li> <li>• Leading position on climate change trends in sustainability.</li> <li>• Diversification of activities aimed at decarbonization.</li> <li>• Exhaustive compliance with current local, national, and international legislation, as well as international environmental standards.</li> <li>• Purchase of materials locally, as well as contracting of labor.</li> <li>• Implementation of the circular economy strategy: Efficiency in the use of natural resources, waste reduction and reuse.</li> </ul>

<sup>8</sup> Environmental, Social and Governance.

## TRENDS



SUPPLY CHAIN AND SUBCONTRACTORS	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
<ul style="list-style-type: none"> <li>• Growing geopolitical uncertainty.</li> <li>• Volatility in raw material prices and foreign currencies.</li> <li>• Selection of competitive assembly and construction companies.</li> <li>• Companies' protectionism toward local personnel.</li> <li>• Tendency to litigation by suppliers.</li> <li>• Risk of return of difficulties in the global supply chain.</li> <li>• Reduction of the financial strength of subcontractors.</li> <li>• Worldwide tightening of mobility measures.</li> <li>• Increased energy and industrial production process costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Importance of digitalization and use of new technologies to increase efficiency, provide faster response to clients, and decrease costs, among others.</li> <li>• Focus on raw materials, particularly certain materials deemed critical or strategic for relevant industries such as telecommunications, defense, and the aeronautical and energy industries.</li> <li>• Sustainability, environmental legislation, and circular economy as new business opportunities for the development of technologies related to waste management.</li> <li>• Emission reductions in nitric acid plant regulations for greenhouse gases (NO<sub>x</sub>, N<sub>2</sub>O).</li> <li>• Improved recovery of effluents with high nitrate levels at ammonium nitrate plants to minimize the risk of soil contamination.</li> <li>• Establishment of lines of collaboration with clients, partners, suppliers and subcontractors.</li> <li>• Increasing importance of energy transition technologies (e.g. green hydrogen, green ammonia and its derivatives, and decarbonization).</li> <li>• Use of byproducts derived from energy transition technologies, such as hydrogen-derived green ammonia and ammonia byproducts, such as nitrate.</li> <li>• Increasing requirements from clients due to the emergence of the digital twin concept and the subsequent data standardization.</li> </ul>	<ul style="list-style-type: none"> <li>• Quantitative and qualitative increase in the disclosure of sustainability information due to new sustainability regulations (Due Diligence Directive, CSRD).</li> <li>• Classification of economic activities under the criteria of the European Taxonomy.</li> <li>• Development and updating of the European Taxonomy regulations.</li> <li>• Increased requirements in regulatory compliance, including the fight against corruption, fraud, money laundering, and the financing of terrorism.</li> <li>• Impact on diversity in the Company's management bodies.</li> <li>• Increased relevance of human rights aspects for stakeholders.</li> <li>• Increased activity of corporate governance bodies and the need to strengthen internal monitoring systems and risk management, including criminal risks.</li> <li>• Ensure fair treatment of shareholders and to take into consideration the concerns of other stakeholders.</li> <li>• Increased relevance of sustainability issues for significant stakeholders.</li> <li>• Special consideration of sustainability in the decision-making process.</li> <li>• Increased requirements regarding the fight against corruption and fraud, including money laundering and the financing of terrorism.</li> <li>• Supervision of the implementation of the Criminal Compliance Management System by the Audit and Control Commission.</li> </ul>	<ul style="list-style-type: none"> <li>• Demand from clients for increasingly higher qualified human resources, who are skilled not only in technical aspects but also in management, monitoring, safety and quality assurance.</li> <li>• Consolidation of the Company's internationalization.</li> <li>• Increasing demands to maintain employment flexibility and work-life balance criteria.</li> <li>• Widespread loss of talent in the labor market due to the resignation of workers who, in the current environment, decide to change companies, industries, or even stop working.</li> <li>• Demand for highly qualified human resources, who are skilled in management matters as well as client- and result-oriented.</li> </ul>



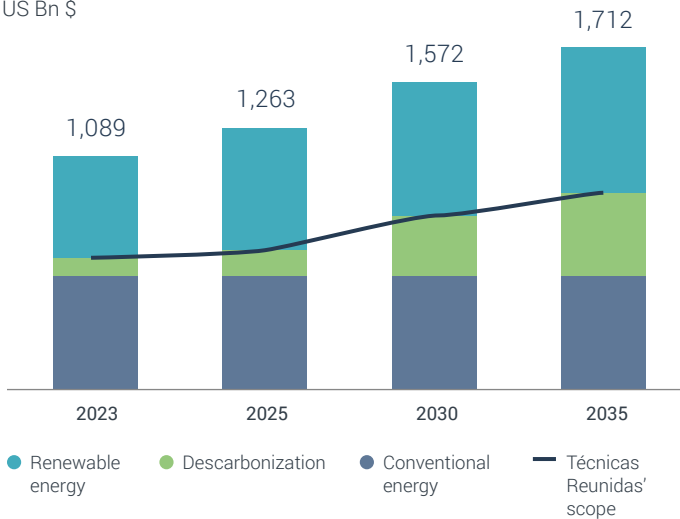
	SUPPLY CHAIN AND SUBCONTRACTORS	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
<p><b>HOW HAS THE COMPANY PREPARED?</b></p> 	<ul style="list-style-type: none"> <li>• Strengthening of the synergy report with a greater focus on the financial status of suppliers.</li> <li>• Optimized use of insurance to minimize raw material price volatility.</li> <li>• Expansion and updating of the Company's global database of subcontractors.</li> <li>• Technical and material analyses to ensure subcontractors' capacity to carry out construction work.</li> <li>• Analysis of cash flow of the subcontractor in new successful bids.</li> <li>• Models of subcontracts and contracts with lower risk derived from the increased costs of production processes.</li> </ul>	<ul style="list-style-type: none"> <li>• Proprietary developments in all areas of operations and in relation to energy transition (e.g. green hydrogen, CO<sub>2</sub> capture and recovery, Circular Economy, and Critical Raw Materials).</li> <li>• Digitalization strategy for boosting competitiveness, adapting to clients' demands and optimizing processes.</li> <li>• Specialists in the management of R&amp;D&amp;I and expertise in the areas of development.</li> <li>• Provision of optimal technical solutions for the development of efficient industrial plants that enable clients to implement their sustainability and emission control and reduction strategies.</li> <li>• Upgrading of the José Lladó Technology Center, with specialized capacities and resources in strategic areas of research.</li> <li>• Case-by-case agreements with catalyst suppliers in relation to treatments for minimizing greenhouse gases in nitric acid plants.</li> <li>• In-depth analysis of projects in order to plan their management throughout the implementation period.</li> <li>• Introduction of virtual reality in the design and implementation of projects for their management throughout their execution period.</li> <li>• Technology watch and continuous economic intelligence in the strategic areas of development with a focus on detecting new business opportunities.</li> <li>• Participation of Técnicas Reunidas in the development of projects related to green ammonia derivatives and decarbonization in Spain and worldwide. In 2022 has participated in conceptual stages, while promoting the proprietary technologies of its subsidiary ESPINDESA related to green ammonia derivatives such as nitric acid, ammonium nitrate, ammonium-calcium nitrate, and nitrosulfate.</li> <li>• Agreements with electrolyzer technology experts to complement the production chain with proprietary ammonia-derived nitric and nitrate technologies, maintaining an active presence in the business of industrial ammonia plants.</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of new regulatory compliance policies.</li> <li>• Establishment of a multidisciplinary European Taxonomy Committee, reporting to the Sustainability Area, which classifies all of the Company's activities in accordance with the regulations.</li> <li>• Implementation of the Company's Sustainability Policy and deepening of the principles of responsible action.</li> <li>• Execution of the Sustainability Plan and follow-up of the various specific and coordinated actions among the different areas.</li> <li>• Review of the Policies and procedures that comprise the Criminal Compliance Management System.</li> <li>• Development of new policies and commitments such as the Human Rights Policy, the Trade Secrets and Confidentiality Policy, and the Corporate Governance and Group Definition Policy.</li> <li>• Consolidation of the role of the Board's Committees, mainly in non-financial information and sustainability matters.</li> <li>• Development and ongoing adaptation of internal documentation in line with best practices in corporate governance.</li> <li>• Oversight by governance bodies of fiscal risks and information security.</li> <li>• Strengthening of communication with the main stakeholders.</li> <li>• Reporting and verification of information on sustainability according to the most demanding standards.</li> <li>• Ongoing adaptation of the Management System for Criminal Compliance and the prevention of criminal risks, and its supervision by the Audit and Control Commission.</li> <li>• Addition of parameters related to sustainability in the variable remuneration system of the Executive Chairman.</li> <li>• Review of third parties to ensure they have a regulatory compliance culture, particularly regarding the fight against corruption and fraud.</li> <li>• Third-party diagnosis of the suitability of the existing Criminal Compliance Management System with proposals for improvement where needed, particularly regarding the fight against corruption and fraud.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased importance of training oriented to management and leadership skills and competencies.</li> <li>• Ongoing training in technical aspects, innovation, and know how.</li> <li>• Globalization of human resource management in close collaboration with related departments and projects.</li> <li>• Multi-country management: adaptation of internal policies to local labor and tax regulations, as well as the local culture.</li> <li>• Development of tools to enable continuous analysis of the labor market and location of available high-level professionals.</li> <li>• Allocation of key personnel at the project design stage.</li> <li>• Ongoing analysis of the national and international labor markets to recruit and retain the best professionals in the industry.</li> <li>• More flexible working hours to allow for a better work-life balance, as well as personalized attention to requests to modify working hours due to family-related reasons.</li> <li>• Framework agreements with universities for the hiring of recently graduated engineering professionals.</li> </ul>

# 3.3 ENERGY TRANSITION

The global imperative to reduce greenhouse gas emissions and address their impact on climate change is clear. Since the Paris Agreement in 2015, both governments and companies have increasingly committed to reduce their emissions and even reach climate neutrality by mid-century. In this regard, an unprecedented wave of investment can be seen as these emission reduction commitments take shape, driven and accelerated by the events of 2022, explained in the previous section, the EU's commitment to reduce its emissions by 55 % by 2030 (compared to 2005 levels), the approval of the Inflation Reduction Act in the USA, the increase in regulation, and the acceleration and increased ambition of the transition plans of companies, including Técnicas Reunidas' clients. This mobilization of capital represents a significant opportunity<sup>9</sup>.

In the energy industry, certain segments are expected to evolve differently. On the one hand, it is estimated that investment in conventional energy will remain relatively stable during this period. On the other hand, investment in the renewable energy segment is expected to grow by over 60 %. In turn, investment in decarbonization technologies, which include green and blue hydrogen, biofuels, and e-fuels, and carbon capture, storage and use, is expected to grow by almost five times, to approximately \$ 460 billion by 2035. In other words, this segment accounts for 60 % of the growth in total energy investments and is a key factor in the decarbonization of the world economy.

Expected investment in the energy sector  
US Bn \$



Source: Global Energy Perspective 2022, McKinsey, April 2022.

In addition, other industries will also mobilize significant volumes of capital for decarbonization, such as the steel production industry (expected to invest more than \$ 160 billion between 2030 and 2040 in replacing electric arc furnaces with clean hydrogen as a reducing agent, among other measures) and the cement production industry (with an expected annual investment of \$ 70 billion, with carbon capture being the technology expected to reduce up to two-thirds of the industry's emissions by 2050).



Some pictures of the Integrated Report have been taken by Técnicas Reunidas employees within the framework of the Environmental Photography Contest.

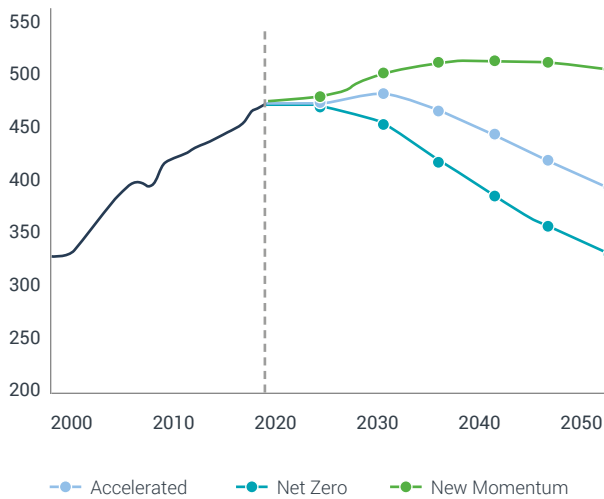
<sup>9</sup> Global Energy Perspectives 2022, McKinsey, April 2022.

Global energy consumption

Forecasts point to increased energy consumption in all of the scenarios projected, with the most important turning point being the total final consumption (TFC, Total Final Consumption), which varies drastically depending on the possible scenarios, reaching its peak in the mid-2020s (NetZero scenario) and, in less favorable scenarios, in the 2040s (New Momentum scenario). The factor that determines this difference is the rate of improvement in energy efficiency.

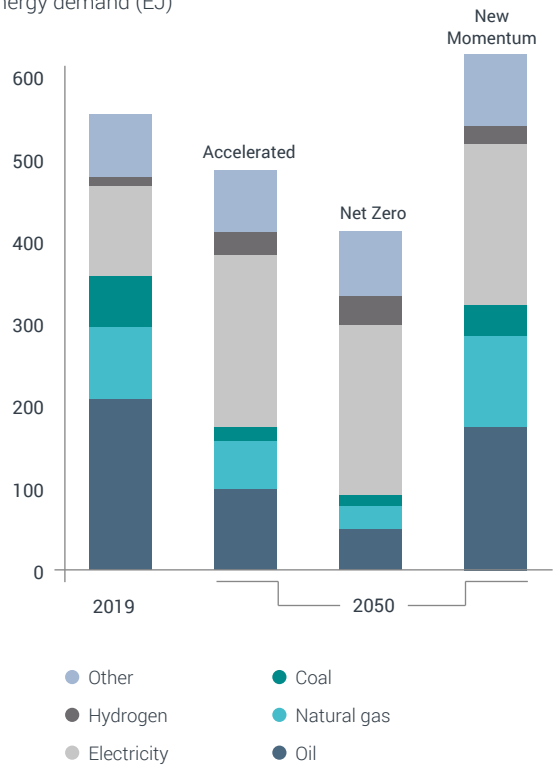
For its part, the structure of energy demand is changing in the different scenarios, with a decrease in fossil fuels, replaced by renewable energies and increasing electrification. The transition to a low-carbon world requires other energy sources and technologies, such as low-carbon hydrogen and biofuels (e.g. biomethane), to help decarbonize intensive industries and complex processes. To achieve rapid decarbonization, technologies such as carbon capture, use, and storage must be applied.

Total Final Consumption (TFC)  
(EJ)



Source: BP Energy Outlook 2023. BP. 2023

Total Final Consumption (TFC) by fuel  
Energy demand (EJ)



Energy infrastructures

The requirements associated with energy transition entail a significant increase in demand for critical minerals such as copper, lithium, and nickel for activities such as the construction of wind and solar facilities, batteries, hydrogen, and CO<sub>2</sub> pipelines and new storage facilities.

In this regard, two particularly important sources of demand are the growth of low-carbon energy, which requires substantial expansion of the grid and distribution systems, as well as the electrification of road transport.

## THE COMPANY'S STRATEGY FOR ENERGY TRANSITION

Técnicas Reunidas consolidates its position as an example in energy transition by 2022.

Between 2021 and 2022, the Company's commitment to a low-carbon energy supply has accelerated, guiding further investment deployment with the ultimate goal of achieving zero-emissions global energy supply by 2050.

Leading global institutions, multilateral agencies, industrial companies, and financial institutions have shown their commitment to contributing to this zero-emission scenario. Técnicas Reunidas' clients have taken a proactive approach to be part of the energy transition, initiating or accelerating important investment lines. Moreover, Técnicas Reunidas wants to play a central role in the energy transition within the industry.

Likewise, Técnicas Reunidas is actively involved in the fight against climate change through its commitment to net zero carbon emissions by 2040.

In line with its approach, during 2022 Técnicas Reunidas has continued to strengthen its R&D&I in new technologies and its energy transition business line: hydrogen, circular economy, and bioproducts, CO<sub>2</sub> capture and storage. Técnicas Reunidas' offer covers 52 % of the demand foreseen in 2050 to meet the decrease in emissions required to achieve the International Energy Agency's zero-emissions scenario.

During the first months of 2022, the Company structured the Energy Transition Unit, reporting to the CEO, which coordinates the actions of the entire Company in this area. This Unit currently employs more than 30 people and is expected to continue to grow in the coming years.



### MAIN INDICATORS

INDICATOR	2022 DATA	2021-2022 <sup>10</sup> PROGRESS
Professionals dedicated to energy transition (equivalent figure).	32	-
No. of bids/proposals in the field of energy transition.	63	+ 174 %
No. of energy transition projects.	21	+ 133 %
Projects Presented for financing of Next Generation, Horizon, Misiones, PERTE funds, etc.	17	- 32 %
Projects selected for financing of Next Generation, Horizon, Misiones, PERTE funds, etc.	8	+ 60 %
Percentage of bids accepted out of bids submitted to clients.	40	N/A <sup>11</sup>



### GOALS FOR 2023

- Develop Técnicas Reunidas' proposal for energy transition, taking advantage of the opportunities offered by decarbonization and the growth of investment in low-emission technologies.
- Utilize Técnicas Reunidas' industrial presence to structure projects in decarbonization technologies: hydrogen value chain, bioproducts, carbon and methane capture.
- Diversify Técnicas Reunidas' services towards other industries (cement, steel, etc.) and strengthen its implementation in energy transition in certain regions (United States and Europe).
- Lay out new services and business models for the decarbonization of production chains, such as carbon management and methane management.
- Highlight Técnicas Reunidas' development and scaling capabilities at the industrial level for low-emission or circular economy technologies.
- Advance and increase the number of research projects in the field of energy transition and submit projects for funding in PERTE, Horizon, Innovation Funds, etc.
- Position Técnicas Reunidas as a benchmark company in the field of energy transition and increase the external and internal visibility of its capabilities in this area.

<sup>10</sup> The increase in the number of proposals in the field of energy transition and the percentage of bids accepted by clients and energy transition projects is the result of Técnicas Reunidas' strategy in this area. Likewise, the Company's technical capacity in this field is evidenced by the increase in the number of projects selected for financing from Next Generation, Horizon, Misiones, and PERTE funds, among others. In this regard, it should be noted that the decrease in the number of projects submitted for such funding is due to an adequate selection of projects, which has allowed for a 60 % increase in the number of projects awarded.

<sup>11</sup> New indicator reported in 2022. Therefore, there is not traceability with respect to previous periods.

Técnicas Reunidas has designed its energy transition strategy along four lines of action:

- Offer technologies and services to large, energy-intensive companies and infrastructure funds.

Técnicas Reunidas' clients have announced ambitious plans for the decarbonization of their activities and the Company will help them achieve their decarbonization goals.

- Identify and structure investment opportunities in key energy transition technologies.

Técnicas Reunidas has set up the project structuring activity in such a way that it fits in with the objective of promoting projects associated with energy transition that attract investment from third parties and that are executed in the FEED and EPC phase by the Company.

- Identify and structure recurring services associated with energy transition.

Técnicas Reunidas is currently working on two lines of business:

- Outsourcing the management of carbon captured in processes of large industrial plants.
- Identification, measurement, and management of methane emissions. Técnicas Reunidas is providing the first services for the definition of methane emissions management frameworks.
- To build a differential hub of knowledge in technologies and processes for the execution of energy transition projects.



TRACK is Técnicas Reunidas' proposal for the energy transition and decarbonization of the industry.

Its main features are:

- TRACK is identifying new opportunities in energy transition and decarbonization and transforming its resources to develop new services in emerging markets and new industries. To this end, it has the capacity of its technological hub in Madrid, with more than 4,500 professionals specialized in energy technologies, which, together with its global presence, is an ideal platform for tackling new challenges in energy transition and decarbonization.
- TRACK is already working on four lines:
  - Provision of engineering services for the design of projects with energy transition technologies. The more than 30 projects implemented avoid the potential emission of 8 million tons of carbon in hydrogen technologies, 1 million tons in circular economy technologies, and 16 million tons in carbon capture projects.
  - Promotion and structuring of projects in low-emission technologies. TRACK is currently developing two second-generation bioethanol and green ammonia projects in Spain with a combined investment of approximately € 400 million and more than 350 jobs created.
  - New services for carbon and methane management, where TRACK already provides services for the management of methane in energy assets of operators in the Middle East.
  - Enhancement of its capabilities for the development and industrial scale-up of low-emission or circular economy technologies. Técnicas Reunidas has a long track record in research projects related to low-emission technologies and circular economy and has its own research and technology development center with over 70 professionals.
- TRACK is present in the most relevant markets for decarbonization, with a special focus on Spain, Europe, and the United States.
- TRACK positions Técnicas Reunidas in the financing markets as a dynamic and relevant Company in energy transition.



In recent years, Técnicas Reunidas has developed its energy transition activities through three main lines of work: Research, consulting, and the development of more conventional projects. For this purpose, several objectives related to current and future Técnicas Reunidas' projects are maintained:

- Development of business activities aimed at the decarbonization of current Técnicas Reunidas' clients and other non-traditional industrial activities (steelworks, cements, etc.) in order to achieve their decarbonization goals.
- Execution of consortiums and alliances in strategic projects for the development of technologies or the integration of different technologies.
- Defining the service and strategy for recurrent services related to energy transition.

Along these lines, Técnicas Reunidas upholds its strong commitment to research, development, and upscaling of new technologies focused on energy transition. To this end, it has set up an Observatory that identifies internal and external initiatives related to the energy transition, an Energy Transition Committee, and a Technology Watch Observatory, created in 2022.

In 2022 the Company has continued its intense commercial activity in this area and, as a result, the number of bids and projects related to energy transition has grown significantly. The Company was awarded 21 Energy Transition projects (feasibility studies, basic engineering, and FEED), including important strategic projects related to circular economy, decarbonization, biomethanol, green ammonia, and green hydrogen production and compression, both in Spain and abroad. Along these lines, Técnicas Reunidas has managed to position itself strategically for the execution phase of these projects, some of which are planned for 2023, and as a reference company in the industry.

The Company contemplates a portfolio of opportunities of more than € 9.5 billion in low-emission technology projects. In addition, the projects already completed or ongoing involve potential savings of 25 million tons of CO<sub>2</sub> per year, equivalent to 10 % of Spanish emissions in 2021.





## Técnicas Reunidas' involvement in energy transition projects

Técnicas Reunidas is already a reference in energy transition and decarbonization, with more than thirty projects completed or underway. The most relevant ones are described below:

- HyDeal, the company behind Europe's largest investment in green hydrogen, which awarded Técnicas Reunidas a basic engineering study for a green hydrogen production plant.
- A partnership of the Norwegian company Equinor and the English company SSE awarded the consortium formed by Mitsubishi Power Systems, Worley, and Técnicas Reunidas a basic and detailed engineering project for a 900 MW combined cycle plant with a carbon capture unit.
- Técnicas Reunidas has completed the detailed engineering for a biomethanol production plant from wood, domestic and commercial waste, located in Amsterdam, with a generation capacity of 90,000 tons per year.
- The Company is executing the engineering of the Catalina project, promoted by Copenhagen Infrastructure Partners (CIP), for a 500 MW green hydrogen generation plant in Andorra (Teruel), an area included in the Fair Transition Strategy. The project will generate more than 50,000 tons of green hydrogen per year. In its second phase, the project is planned to be expanded to 2,000 MW.
- In the United Kingdom, Técnicas Reunidas is developing the detailed engineering of a carbon capture unit for an 800 MW combined cycle plant. The objective of this plant is to support the integration of renewable energy generation into the electrical system. The plant will capture more than two million tons per year.
- Under the MISIONES Program, the Center for Technological Development and Innovation (CDTI) under the Spanish Ministry of Science and Innovation, has awarded the Company 4 projects submitted to this Program, all of them in the field of energy transition. Técnicas Reunidas is the Spanish company with the most projects awarded in the tender and is also the company with the highest total subsidy amount awarded.
- Other projects being developed by Técnicas Reunidas include engineering services for a biomethanol plant in Spain, the feasibility study and technology selection for a blue hydrogen plant, and the feasibility study of a carbon capture unit for a biomass electricity generation plant.

In relation to the Técnicas Reunidas projects in the structuring phase, items must be highlighted:

- A green ammonia production project in Almería.
- A project to produce second-generation bioethanol from agricultural and forestry waste in Aragón.

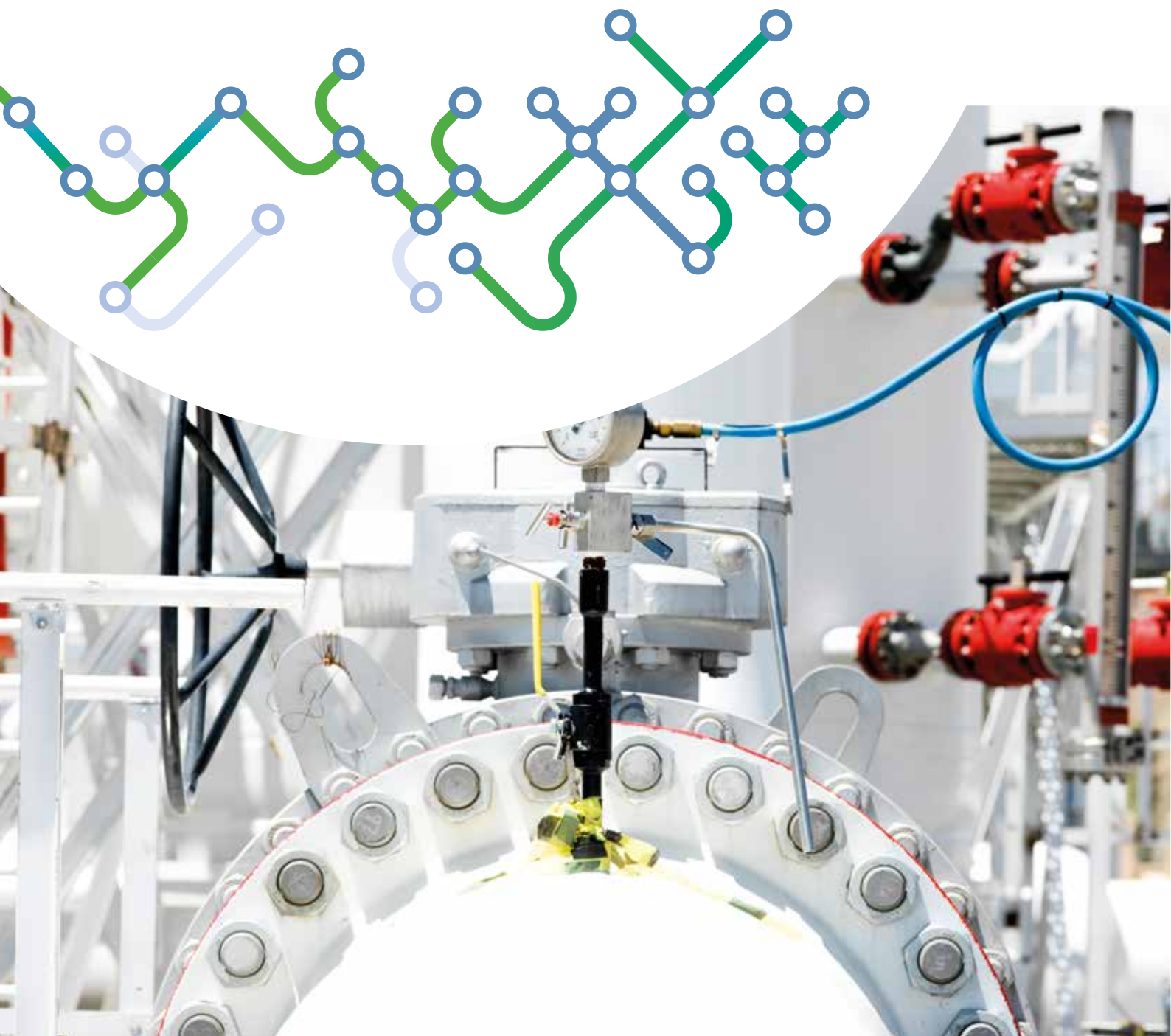
Técnicas Reunidas is leading the structuring of all these projects and is in talks with important companies interested in participating as investors, operators, or purchasers of the plants' products.



<sup>12</sup> For more information on the projects, see chapter 6.3 Innovation and digital transformation.

# 4

## BUSINESS MODEL AND STRATEGIC PILLARS



## 4.1 BUSINESS MODEL AND VALUE CHAIN GRI [2-6]

Técnicas Reunidas is an international company that provides high added value services for the direction, management, engineering, design, procurement, construction and start-up of complex installations in the energy sector.

The Company's experience and reputation in the value chain of the refining, petrochemical, natural gas and low-carbon technology (hydrogen, circular economy and bio-products, carbon capture and storage) sectors attest to its competitiveness and the trust placed by its clients in the performance of highly complex technical projects.

Técnicas Reunidas is a key player in energy transition, offering its clients innovative and sustainable solutions and technologies.

Técnicas Reunidas considers an essential factor of this business model to be the role played by those subcontractors and suppliers that are primarily involved in the procurement and construction phases of the industrial plants. Due to their large size, the performance of these phases requires a large number of workers, suppliers and subcontractors.

In addition, the Company cooperates with other engineering and construction companies through joint ventures to allocate areas

of responsibility within projects, these depend on each partner's area of specialization, the ability to combine financial capacities (access to guarantees, financing, etc.), technological capacity and efficient use of human and other resources to successfully bid on other projects. These joint ventures are set to undertake a specific project of large dimensions when, given the size or position of the client or country, it is convenient to diversify the risk or, for example, work with subcontractors. Técnicas Reunidas normally occupies a leading role in the management of its projects. In the rare occasions when this does not occur, the Company controls risks by ensuring that its personnel are included in the management teams responsible for the work to be carried out.

This business model allows the Company to provide its clients with high technical and technological capabilities for the implementation of their transition plans, customized according to each client's circumstances and the countries where they are present.






Técnicas Reunidas has the following resources...

which are used and transformed throughout its chain activities...


## PEOPLE

- A diverse and international team.
- Flexibility, safety and a client-focused approach.
- Continuous training during all project phases.
- Channels for continuous communication and dialog.

 For more information, please refer to chapters 6.2, 6.3 and 6.5


## KNOWLEDGE AND TECHNOLOGY

- Experience in the management of complex projects.
- Designing know-how included in standards, procedures and internal methodologies.
- Thorough knowledge of the worldwide market of suppliers and subcontractors.
- Golden Rules<sup>1</sup> for complex units.

 For more information, please refer to chapters 6.3 and 6.6


## FINANCIAL CAPITAL

- A resilient balance sheet.
- Stable liquidity policies.

 For more information, please refer to chapters 5.2 and 6.1


## MATERIALS AND ENERGY

- Integration of sustainability and environmental management throughout project life cycles.
- Circular economy initiatives to prevent waste generation.
- Use of materials that enhance industrial plant durability.

 For more information, please refer to chapter 6.4

## RELATIONS

- A history of relationships with suppliers and subcontractors and a strict approval and monitoring process.
- Fluid and periodic dialog with all stakeholders.
- Establishing stronger bonds with the main suppliers and subcontractors to optimize the value chain.

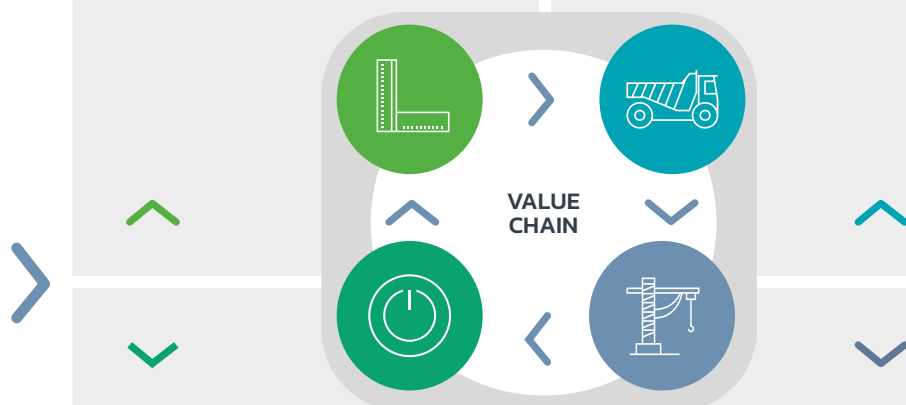
 For more information, please refer to chapters 6.6 and 6.7

## DESIGN

- Conceptual engineering.
- Basic engineering.
- Front End Engineering Design.
- Detailed engineering.

## PROCUREMENT AND SUBCONTRACTORS

- Procurement and subcontractor management throughout the project cycle.
- Improvement processes alongside critical construction suppliers and subcontractors.



## START-UP

- Delivery of turnkey projects.
- Drawing up pre-commissioning, commissioning and start-up plans.
- Client training and preparation for plant operation.
- Start-up study from engineering phases.
- Integration of the engineering and design teams.

## CONSTRUCTION

- Planning construction and the corresponding critical path.
- Strategy and planning of critical construction activities.
- Management of construction materials and activities.
- Engagement with the client and economic assessment.
- Management of subcontractors.

## Distinctive values of Técnicas Reunidas


- Sustainability commitment.
- Providing clients with the Company's technical and technological capacities for the development of their own decarbonization plans.
- Customization according to each client's circumstances and those of the countries where the Company operates.

<sup>1</sup> The Golden Rules used by Técnicas Reunidas are internal documents that contain the best practices and lessons learned that the Company has drawn up for certain units involved in the process, specifically those where it has the most experience, thereby ensuring maximum efficacy and quality of the work performed from the moment the project is launched.

... with the aim of generating value for its primary stakeholders.


#### SHAREHOLDERS

- Activity focused on value creation.

 For more information, please refer to chapters 5.1 and 6.1


#### CLIENTS

- Adapting to their needs and fulfilling commitments.
- Guaranteed satisfaction and future business.

 For more information, please refer to chapters 6.1 and 6.3


#### LOCAL COMMUNITY

- Wealth generation in local communities.
- Organization of corporate volunteer initiatives.
- Specific initiatives geared towards each project's characteristics.

 For more information, please refer to chapters 6.1, 6.6 and 6.7


#### SUPPLIERS AND SUBCONTRACTORS

- Generating business and fostering their innovation.
- Enhancing their international exposure.

 For more information, please refer to chapter 6.6

#### EMPLOYEES

- Assisting in their personal and professional growth.
- An inclusive and diverse working environment.

 For more information, please refer to chapter 6.2



#### INTEGRATED REPORT CHAPTERS REFERRED TO:

5.1 Governance model  
5.2 Risk management  
6.1 Control and management of financial capital  
6.2 Employees, the Company's main asset

6.3 Innovation and digital transformation  
6.4 Excellence in environmental performance  
6.5 Occupational health and safety  
6.6 Efficient supply chain management  
6.7 Relationship with the society and stakeholders



## 4.2 STRATEGIC PILLARS

Técnicas Reunidas' strategy is founded on four fundamental pillars: methodology, diversification, quality and safety.

### THE 4 STRATEGIC PILLARS OF TÉCNICAS REUNIDAS



#### Methodology and know-how

**The methodology is based on the development, systematic implementation and correct use of all the know-how that Técnicas Reunidas has acquired from the execution of all its projects since 1960.**

This approach allows the Company to rely on efficient work procedures and processes, factors which it has underscored in recent years.

Essential to bolstering this pillar is the Company's excellent human capital, consisting of highly qualified professionals, as well as the innovation and digitalization of its work methodologies. Both aspects form part of Técnicas Reunidas' DNA and allow it to provide its clients with high-value services that include the reduction of emissions in their production sites.



#### Diversification

**The Company diversifies its clients, products, services and markets, thereby contributing to sustainable growth and an effective energy transition.**

Técnicas Reunidas has prestigious clients that have not only contributed to its consolidation in the market but also frequently return for further business needs.



#### Quality

**Técnicas Reunidas is a synonym of quality.**

The Company's Working Smart motto reflects the quality assurance of the procedures implemented in all Company projects, compliance with the requirements set forth by its clients and guarantees of maximum satisfaction. Proper selection of suppliers and subcontractors, specifically as refers to sustainability, are key for correct execution of the processes involved.



#### Safety

**Técnicas Reunidas maximizes safety throughout the entire life cycle of its projects, beginning with prevention tasks and extending its Health and Safety Management System to its suppliers and subcontractors.**

The Company's corporate culture focuses on occupational health and safety by promoting training and awareness raising programs for all employees and fostering shared responsibility at the various levels of the Company.

## STRATEGIC GOALS

The four strategic pillars intend to achieve the following goals:



## SPECIAL CONSIDERATION OF SUSTAINABILITY IN TÉCNICAS REUNIDAS

The year 2022 has allowed Técnicas Reunidas to focus further on sustainability and consolidate it as one of the Company's strategic pillars, prioritizing initiatives that contribute to achieving the Sustainable Development Goals, particularly those in which the Company has a greatest impact.

Técnicas Reunidas' technical and technological capacities make it an essential player in the promotion of sustainable development and decarbonization, as regards not only its activity as such, but also as regards its relationships with both stakeholders and clients.

The Company's clients need to implement its sustainability policies and transition strategies by having efficient installations available. Técnicas Reunidas plays a key role in meeting these needs thanks to its high technical and technological

qualifications. It offers sustainable and efficient solutions across the entire scope of energy generation, including hydrogen production or the capture of carbon dioxide, which will undergo significant development in the coming years.

Another essential factor of Técnicas Reunidas' activity is its contribution to the local communities where the Company carries out its activities. In this area, the Sustainable Development Goals (SDG) are the most significant point of reference for decision-making processes.

### Sustainability strategy [2-12]

In 2020, the Board of Directors approved Técnicas Reunidas' Sustainability Policy, which sets forth the general operational principles and is the basis of the sustainability strategy. Its purpose is to guarantee that all the Company's corporate and operational activities are carried out to boost long-term value creation for all the stakeholders<sup>2</sup>.

The supervision, development and periodic review of this Policy is performed by the Board of Directors. The Board of Directors' Secretary is the body responsible for implementing and applying the Policy, including planning, coordination and control of the execution of the specific actions of the Company's various areas and departments. This body reports the progress made in sustainability and the efficacy of non-financial information review processes to the Board of Directors when necessary and at least every three months<sup>3</sup>.

The Board of Directors is also responsible for approving and supervising the Company's sustainability strategy. To this end, it has developed a strategy focused on sustainable value creation. The Company provides high added value services that allow its clients to operate industrial plants that are efficient

and environmentally friendly, that contribute to fighting against climate change and to the development of new technologies associated with economic transition, taking advantage of the business opportunities derived from their high qualification and demonstrating their commitment to Sustainable Development Goals.

On the other hand, the Company's senior managers propose and coordinate the strategies, policies and objectives within their corresponding areas, along with the Board of Directors' Secretariat - Sustainability Area. This collaboration ensures coordination among all the Company's areas and their participation in the development of the Company's sustainability strategy.

The sustainability strategy is realized in the Company's Sustainability Plan 2021-2023, which sets forth the specific initiatives associated with matters that are important for Técnicas Reunidas and allows development of initiatives and definition of goals to fulfill the explicit commitment in its Sustainability Policy.

<sup>2</sup> For more information, please refer to the [Sustainability Policy](#). Within the framework of these principles, the Company's Board of Directors is involved in promoting the participation of stakeholders through the Board of Directors' Secretariat - Sustainability Area. This Area is in charge of ensuring the participation of stakeholders in the process, whether directly or through third parties with authority in certain matters.

<sup>3</sup> The Company's Board of Directors receives information from the Board of Directors' Secretariat - Sustainability Area regularly about the result of these processes. It also monitors and ensures that they have enabled detection and dealing with the effects on the economy, the environment and people and reserves the option, if necessary, of introducing changes in these diligence processes to ensure that the final goal is achieved.

The lines of action and goals of the Sustainability Plan 2021-2023 are as follows:



The Plan includes and coordinates the goals of the various areas and responsible individuals, such as the CEO, Financial, Commercial, Human Resources and Operations Divisions (Procurement, Business Management & Control and Construction), among others. For each line of action, the opportunities are analyzed, the necessary actions are implemented and the performance indicators are defined and established for follow-up.

Highlighted among Plan initiatives is the creation of a specific unit in charge of heading the sustainability strategy, integrated into the Board of Directors' Secretariat - Sustainability Area.

During 2022, the Company has continued to carry out initiatives contemplated in its Sustainability Plan and has made progress and fulfilled its commitments. It is important to mention the continuous review by the Company of its Sustainability Plan to adapt it to the changes in the environment and in the Company itself to meet the expectations of its main stakeholders.

Thanks to its Sustainability Policy, the Company contemplates several initiatives associated with ESG risks, such as a methodology to quantify and manage them, a map to classify them according to their impact and likelihood, the definition of specific management and mitigation plans for these risks and an assessment procedure for counterparties. Specifically, in 2022 the Company carried out an analysis of ESG risks to identify the main risks and challenges as regards likelihood and impact. The results provided the Company with accurate picture for informed decision-making and to establish mitigation strategies and plans. This, in turn, placed Técnicas Reunidas at the vanguard of risk management and fulfilled the expectations of their stakeholders.

**During 2022, Técnicas Reunidas made progress in the implementation of its Sustainability Plan by carrying out specific initiatives in all areas.**

## Association of Técnicas Reunidas with the SDG

Among the goals of the Company's Sustainability Policy is the promotion of sustainability values and boosting and contributing to the fulfillment of the Sustainable Development Goals; specifically those for which Técnicas Reunidas' activities can be the most significant.

With the focus placed on Técnicas Reunidas' technical and technological capacity, the most important Sustainable Development Goals are as follows:

- SDG 7: Affordable and non-contaminating energy: associated with the implementation of diversification and the search for new business opportunities associated with energy transition, clean energy and new technologies.

- SDG 9: Industry, innovation and infrastructure: associated with the goal above, developing industrial plants with innovative and sustainable technologies.
- SDG 13: Climate action: calculation and an action plan for Técnicas Reunidas' emissions to contribute to decarbonization, and development of solutions that enable clients to implement its sustainability policies, have more efficient plants and thereby promoting proper use of natural resources.









The Company also underscores other goals, as shown in the table below.

### Main SDG and goals in which Técnicas Reunidas has the most impact

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Key messages in the contribution of Técnicas Reunidas in 2022
<b>1 NO POVERTY</b>  <b>"END POVERTY IN ALL ITS FORMS EVERYWHERE"</b>	<ul style="list-style-type: none"> <li>• Promoting contracting of local suppliers and subcontractors to generate a positive social and economic impact in the geographical areas where the Company operates.</li> <li>• Motivating and training suppliers and subcontractors in order to improve their performance and strengthen their competitiveness, which will enable better business opportunities in the future.</li> </ul> <p> For more information, please refer to chapter 6.6 Efficient supply chain management.</p>	<ul style="list-style-type: none"> <li>▶ Drawing up a Human Rights Policy.</li> <li>▶ € 2,411.42 million in purchases to local suppliers and subcontractors.</li> </ul>
<b>3 GOOD HEALTH AND WELL-BEING</b>  <b>"ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES"</b>	<ul style="list-style-type: none"> <li>• Making a firm commitment to occupational health and safety as a strategic pillar.</li> <li>• Relying on a solid Occupational Health and Safety Management System that is certified according to ISO 45001 and helps to minimize occupational accidents and diseases, and that includes subcontractors.</li> <li>• Setting more demanding and ambitious occupational safety goals each year that strengthen Técnicas Reunidas' commitment in this area.</li> <li>• Training employees and subcontractors in occupational health and safety and strengthening the Company's culture of safety through awareness raising campaigns.</li> </ul> <p> For more information, please refer to chapter 6.5 Occupational health and safety.</p>	<ul style="list-style-type: none"> <li>▶ Accident rates under Company targets.</li> <li>▶ ISO 45001 Certification of Health and Safety Management System.</li> </ul>









## Main SDG and goals in which Técnicas Reunidas has the most impact

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Key messages in the contribution of Técnicas Reunidas in 2022
<b>4 QUALITY EDUCATION</b>  <b>"ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL"</b>	<ul style="list-style-type: none"> <li>Offering training adapted to the needs of employees that helps them make the most of their skills and boosts their professional growth.</li> <li>Establishing agreements with universities and learning centers to offer practical learning opportunities to students, making the most of their employment opportunities and helping them to become a part of the job market.</li> <li>Assisting institutions and initiatives that foster education in sustainable growth and the efficient use of energy.</li> </ul> <p> For more information, please refer to chapters 6.2 Employees, the Company's main asset and 6.7 Relationship with the society and stakeholders.</p>	<ul style="list-style-type: none"> <li>▶ 18.31 average annual hours of training per employee<sup>4</sup>.</li> <li>▶ Collaboration with institutions representing the fields of culture, science, research and education.</li> </ul>
<b>5 GENDER EQUALITY</b>  <b>"ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS"</b>	<ul style="list-style-type: none"> <li>Guaranteeing equal opportunities and recognition of people for their worth and professionalism.</li> <li>Conducting STEM training for women.</li> <li>Generating a work climate that respects diversity in all its forms.</li> <li>Conducting awareness raising and training campaigns about inclusive language and unconscious bias.</li> </ul> <p> For more information, please refer to chapter 6.2 Employees, the Company's main asset.</p>	<ul style="list-style-type: none"> <li>▶ Board of Directors Diversity and Director Selection Policy of Técnicas Reunidas.</li> <li>▶ Equality Plan for Initec Plantas Industriales.</li> <li>▶ Sexual Harassment Action Protocol.</li> </ul>
<b>7 AFFORDABLE AND CLEAN ENERGY</b>  <b>"ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY"</b>	<ul style="list-style-type: none"> <li>Developing efficient energy infrastructures for clients that enable them to offer affordable, non-contaminating energy.</li> <li>Collaborating in R&amp;D&amp;I projects that contribute to achieving more efficient use of energy resources or enhancing the development of ecological and low-cost batteries for electric vehicles.</li> <li>Offering energy transition solutions to decarbonize the economy and develop hydrogen production installations.</li> <li>Increasing the renewable energy used in offices.</li> </ul> <p> For more information, please refer to chapter 6.3 Innovation and digital transformation.</p>	<ul style="list-style-type: none"> <li>▶ Industrial plant modernization projects that optimize their operation and make them sustainable.</li> <li>▶ R&amp;D&amp;I projects focused on sustainable action (ZINCEX™ and PHOS4LIFE™).</li> <li>▶ MISSIONS projects.</li> </ul>
<b>8 DECENT WORK AND ECONOMIC GROWTH</b>  <b>"PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL"</b>	<ul style="list-style-type: none"> <li>Offering employment opportunities for engineers and other STEM profiles.</li> <li>Adopting a globalized approach to Human Resources management in order to align the policies applied by the Company.</li> <li>Establishing a plan to increase the workforce, including a strategy for growth in geographical regions that are relevant due to their proximity to the client.</li> <li>Boosting the development of local business fabric by encouraging local purchases and subcontracting within the framework of each project and training local community professionals to increase their employment opportunities. Promoting inclusive and sustainable economic growth and decent work for all.</li> </ul> <p> For more information, please refer to chapters 6.2 Employees, the Company's main asset and 6.7 Relationship with society and stakeholders.</p>	<ul style="list-style-type: none"> <li>▶ More than 41,000 people, mostly subcontractor employees, work in the Company's projects.</li> <li>▶ 81 % of permanent contracts within the Company.</li> <li>▶ Approximately 265 students doing internships.</li> </ul>

<sup>4</sup> This indicator includes the real training hours conducted for office workers.

## Main SDG and goals in which Técnicas Reunidas has the most impact

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Key messages in the contribution of Técnicas Reunidas in 2022
<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>  <b>"BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION"</b>	<ul style="list-style-type: none"> <li>Developing technologies and processes that optimize sustainable performance of industrial plants and generate less environmental impact through the reduction of emissions, efficient use of resources and by minimizing and optimizing the waste that is generated.</li> <li>Using a company-owned technological center and collaborating with third parties in R&amp;D&amp;I projects associated with massive storage of energy, recovery of metals from waste or petrochemicals from biomass.</li> <li>Fostering decarbonization of the economy.</li> </ul> <p> For more information, please refer to chapter 6.3 Innovation and digital transformation.</p>	<ul style="list-style-type: none"> <li>More than € 6 million dedicated to R&amp;D&amp;I.</li> <li>78 professionals dedicated to R&amp;D&amp;I.</li> </ul>
<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b>  <b>"MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE"</b>	<ul style="list-style-type: none"> <li>Boosting circular economy activities.</li> <li>Reducing the environmental impact of generated waste and air quality.</li> <li>Enhancing the preservation of the cultural and natural heritage.</li> <li>Developing technologies that improve the resilience of cities such as innovative energy storage projects.</li> <li>Promoting efficient waste management.</li> </ul> <p> For more information, please refer to chapters 6.3 Innovation and digital transformation and 6.4 Excellence in environmental performance.</p>	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions by 46.2 % between 2019 and 2030<sup>5</sup>.</li> <li>To be net zero in 2040.</li> <li>Exclusive consumption of renewable energy supplies in all offices in Spain.</li> </ul>
<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>  <b>"ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS"</b>	<ul style="list-style-type: none"> <li>Guaranteeing sustainable production patterns.</li> <li>Committing to the circular economy.</li> <li>Promoting responsible use of natural resources among employees, suppliers and subcontractors.</li> <li>Implementing an Environmental Management System in accordance with the ISO 14001 Certification.</li> <li>Ensuring environmental management from the engineering phase. Extension of this assurance to suppliers and subcontractors through audits and training.</li> </ul> <p> For more information, please refer to chapter 6.4 Excellence in environmental performance.</p>	<ul style="list-style-type: none"> <li>ISO 14001:2015 Certification of the Environmental Management System for 100 % of business processes.</li> </ul>

<sup>5</sup> The calculation of emissions takes into account scopes 1, 2 and 3 of the Company's carbon footprint.

## Main SDG and goals in which Técnicas Reunidas has the most impact

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Key messages in the contribution of Técnicas Reunidas in 2022
<p><b>13 CLIMATE ACTION</b></p>  <p>"TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS"</p>	<ul style="list-style-type: none"> <li>• Developing in-house technologies to reduce NO<sub>2</sub> and NO<sub>x</sub> generated during the production of nitric acid.</li> <li>• Optimizing the use of energy resources in the Company's activities through measures such as: energy audits, preventive machine maintenance, efficient lighting and computer equipment.</li> <li>• Placing the Company's excellent technical engineering capacities at the disposal of its clients to enable solutions for the development of their sustainability activities and emission reduction initiatives by, for example, modernizing their existing industrial installations.</li> <li>• Maintaining the most advanced technical processes that enable project execution in extreme environmental conditions, such as those demonstrated in Saudi Arabia and Canada.</li> <li>• Transparent reporting about the Company's performance as regards climate change by participating in initiatives such as CDP and S&amp;P.</li> <li>• Supporting the struggle against climate change in all corporate areas.</li> </ul> <p> For more information, please refer to chapters 6.3 Innovation and digital transformation and 6.4 Excellence in environmental performance.</p>	<ul style="list-style-type: none"> <li>▶ Participation of Técnicas Reunidas in the Shine-Fleet project, which aims to develop technologies used to supply hydrogen generators for the heavy transportation industry.</li> <li>▶ A score of A- in CDP (climate change) which places the Company among leading companies worldwide.</li> <li>▶ Presentation of TRACK energy transition and decarbonization strategy.</li> </ul>
<p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p>  <p>"PROMOTE JUST, PEACEFUL AND INCLUSIVE SOCIETIES"</p>	<ul style="list-style-type: none"> <li>• Having a Code of Conduct that reflects the Company's commitment to act in accordance with legislation, human rights and internationally accepted ethical practices in all its operations.</li> <li>• Developing and applying the Criminal Compliance Management System in all its activities. UNE 19601 Certification.</li> <li>• Having a Whistleblowing Channel through which anyone can inform of activities contrary to the Company's ethical and regulatory framework and other legal provisions that may apply.</li> <li>• Establishing internal regulations and training to ensure the integrity of the professionals.</li> <li>• Requiring suppliers and subcontractors to comply with environmental, human rights, health and safety and anticorruption and fraud prevention requirements. All of the above included in the Supply Chain Ethics Code.</li> </ul> <p> For more information, please refer to chapter 5.1 Governance model.</p>	<ul style="list-style-type: none"> <li>▶ Training in onboarding to all employees on the Code of Conduct and its content.</li> <li>▶ Existence of a Supply Chain Ethics Code.</li> <li>▶ UNE 19601 Certification for Criminal Compliance Management System.</li> <li>▶ Development of a Human Rights Policy, a Policy on Trade Secrets and Confidentiality and a Corporate Governance and Group Definition Policy.</li> </ul>
<p><b>17 PARTNERSHIPS FOR THE GOALS</b></p>  <p>"REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT"</p>	<ul style="list-style-type: none"> <li>• Collaborating with leading worldwide sustainability institutions.</li> <li>• Aligning the Sustainability Policy with the SDG.</li> <li>• Committing to continue improving the measurements of its contribution to the SDG in order to define more ambitious goals.</li> </ul> <p> For more information, please refer to chapter 6.7 Relationship with society and stakeholders.</p>	<ul style="list-style-type: none"> <li>▶ Active collaboration with entities such as the Global Compact, SERES or the Excellence in Sustainability Club.</li> </ul>

## Analysis of ESG performance

Técnicas Reunidas participates in a variety of initiatives that demonstrate its serious commitment to sustainability such as UN Global Compact, SERES and Club of Excellence in Sustainability. In 2022 the Company was evaluated by several prestigious analysts and agencies that reported a notable improvement in ESG and sustainability and in the information submitted to shareholders and other stakeholders.






During 2022, Técnicas Reunidas identified which third parties give opinions or issue company ESG performance scores for investors and which are the primary ESG indexes that the Company is eligible for, prioritizing those that are most relevant for its investor base and developing internal initiatives to improve performance.

### ESG entities that Técnicas Reunidas collaborates with

Notable among the aforementioned evaluating agencies are the Carbon Disclosure Project, a non-profit organization that manages a system that analyzes climate change performance and other environmental aspects of leading listed worldwide companies; S&P which uses the CSA evaluation to analyze corporate sustainability practices in over 10,000 companies all over the world; MSCI, which evaluates company sustainability performance to help investors understand ESG risks and opportunities; and Moody's ESG (previously Vigeo Eiris) which has evaluated over 29 billion entities during the 35 years since its foundation.



## Técnicas Reunidas' main ESG ratings

ESG analyst	Results 2021	Results 2022	Progress 2021-2022
	55/100	N/A*	N/A
	22	24.2	+ 2.2 points
	A	AA	+ 1 category
	A-*/B***	A-*/A-***	+ 1 category
	N/A	59/100	N/A

\* Not evaluated at the date of publication of this report.

\*\* Value chain.

\*\*\* Climate change.

### Técnicas Reunidas, among the international industry leaders as regards sustainability and the fight against climate change

In the 2022 edition of the CDP questionnaire, Técnicas Reunidas obtained the highest score of its sector, obtaining a score of A- in the Climate Change category. The Company is among the leading companies as regards the struggle against climate change with a maximum score (A) in five of the eleven factors analyzed (initiatives to reduce emissions, governance model, risk management processes, scopes 1 and 2 in the reduction and verification of emissions and disclosure of risks) and the second highest (A-) in another two factors.

The Company also obtained a score of 59/100 and placed within the 97<sup>th</sup> percentile<sup>6</sup> in its first participation in the S&P Global Corporate Sustainability Assessment (CSA), as one of the companies with the best ESG performance in the sector. CSA is a yearly evaluation of corporate sustainability practices that includes environmental practices and based on a methodology focused on sustainability criteria, both industry-specific and financially significant.

<sup>6</sup> Técnicas Reunidas places in the 97<sup>th</sup> percentile globally, 96<sup>th</sup> percentile in Governance, 95<sup>th</sup> percentile in Environmental and 97<sup>th</sup> percentile in Social.



# 5

## RESPONSIBLE MANAGEMENT



## 5.1 GOVERNANCE MODEL

Técnicas Reunidas has a solid Corporate Governance System thanks to its internal policies which are in aligned with its stakeholders' expectations, as a key part of fostering a long-term sustainable growth.

In 2022, the Company generalized a mixed format for the meetings of its governing bodies as well as permanent and protected access to Board of Directors and Commission information.

Contribution of Técnicas Reunidas to achieving the SDG



### MAIN INDICATORS

INDICATOR	2022 DATA	2021-2022 PROGRESS
Independent Directors (%)	66.7	+ 33.32 %
Good Governance Code recommendations adopted (%) <sup>1</sup>	94.3	- 0.22 %
Business divisions analyzed for ethics and integrity (%) [205-1]	100	+ 42.86 %
Votes against the items on the Annual General Meeting (%)	1.9	+ 23.68 %
Matters received through the Whistleblowing Channel that have been resolved (%)	100	+ 28.57 %



### 2022 MILESTONES

- Consolidation of the mixed in-person and remote model for the Annual General Meeting.
- Increase in the percentage of independent non-executive Directors.
- Increase in the percentage of female directors of up to 25 %, compared to 14.28 % during the previous fiscal year.
- Creation and development of new development policies for the Company's Corporate Governance System such as the Human Rights Policy, the Trade Secrets and Confidentiality Policy, and the Corporate Governance and Group Definition Policy.
- Approval of a new Board of Directors Remuneration Policy for fiscal years 2023-2025.
- Fulfillment of the goals set out in the Sustainability Plan and early fulfillment of some of the goals set for 2023.
- Approval of specific regulations for Board of Directors Delegated Commissions.
- A high percentage of votes in favor of items on the Annual General Meeting.
- Attainment of UNE 19601 certification for Criminal Compliance Management Systems (AENOR-ENAC).
- Implementation of compliance duties and criminal prevention model in geographic areas where such is required due to the volume and activity.



### GOALS FOR 2023

- Approving the Human Rights Policy, the Trade Secrets and Confidentiality Policy, and the Corporate Governance and Group Definition Policy.
- Maintaining a high percentage of votes in favor of items on the Annual General Meeting.
- Developing and approving a new Sustainability Plan for 2024-2026.
- Carrying out specific actions to comply with European Taxonomy regulations<sup>2</sup>.
- Developing the Sustainability Area under the Board of Directors' Secretariat.
- Maintaining UNE 19601 Certification for Criminal Compliance Management Systems.
- Aligning policies, procedures and elements of the system with standard ISO 37001 Anti-Bribery Management Systems.
- Implementing a global Anti-Fraud Policy.
- Updating the Corporate Code of Conduct based on best practices, particularly as concerns human rights and sustainability.
- Continuing to deploy compliance in geographic areas where it is required due to volume, business continuity or opening as well as regulatory obligations.
- Implementing the Internal Information System and measures necessary to comply with the Informant Protection Law.

<sup>1</sup> Percentage of recommendations from the Listed Companies Good Governance Code, revised by the CNMV (Spanish National Securities Market Commission) in June 2020, the Company fully or partially complies with. Excluded from this calculation are any recommendations that do not apply to Técnicas Reunidas. For more information, please see the [2022 Annual Corporate Governance Report](#).

<sup>2</sup> For more information on European Taxonomy, see chapter 6.1 Control and management of financial capital.

## OWNERSHIP STRUCTURE

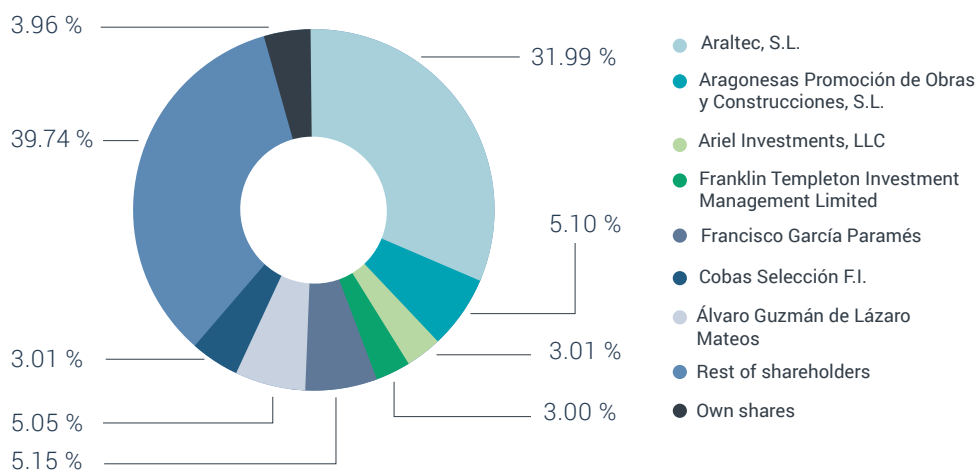
GRI [2-1]

The Técnicas Reunidas capital is comprised of 55,896,000 shares<sup>3</sup>.

39.74 % are held by minority shareholders. On the other hand, the Board of Directors holds 0.06 %, thus maintaining stability in the capital structure over the last several years.

Técnicas Reunidas shares are traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

Técnicas Reunidas capital structure (as of December 31, 2022)\*



\* Prior to the capital increase.

### Técnicas Reunidas successfully closed its 150 million euros capital increase

Between April and May 2023, Técnicas Reunidas completed a capital increase of 24,405,265 new ordinary shares (equivalent to 43.7 % of the share capital as of December 31, 2022) for an effective total of 150,092,379.75 euros<sup>4</sup>.

This operation was completed under the authorization granted to the Board of Directors at the 2021 General Meeting of Shareholders enabling a capital increase of up to 50 % of the share capital with preferential subscription rights.

All of the Company's registered shareholders enjoyed preferential subscription rights meaning the exercise of 11 preferential subscription rights gave the holder thereof the right to subscribe 5 new shares. The preferential subscription period lasted fourteen calendar days between April 14 and 26, 2023, ending with the subscription of 23,854,420 new shares, representing 97.74 % of the new shares.

Once the preferential subscription period ended, the additional allocation period was opened on May 3, 2023 with the Company distributing the remaining 550,845 new shares. The new shares were first listed on May 8, 2023 on the Spanish Stock Exchanges listing Técnicas Reunidas.

The capital increase was supported by the Lladó family and Cobas Asset Management, which together hold 43 % of the Company's capital. Both irrevocably committed to joining the capital increase and subscribed their proportional part as proof of their commitment to the project.

Moreover, it is worth noting that an oversubscription was recorded during the preferential subscription period and additional award period which exceeded the new shares offered by 51 times, meaning no discretionary award period needed to be opened.

The new shares are all of the same class and series as the ordinary shares previously in circulation.

Therefore, they have the same range pari passu as the Company's previously existing ordinary shares and allocate the same political and economic rights to the holders as the remaining shares in Técnicas Reunidas, as set forth by the Spanish Corporate Enterprises Act and Company's bylaws. There are no limitations regarding the free transmission of the Company's ordinary shares in its bylaws.

Continued

<sup>3</sup> Data as of December 31, 2022. Following the capital increase that took place in 2023, the share capital is comprised of 80,301,265 shares and the major shareholders with more than five percent of the share capital are Araltec, S.L. (32.19 %) and Aragonesas Promoción de Obras y Construcciones (5.16 %).

<sup>4</sup> The shares were issued at a subscription price of € 6.15 per new share (par value of € 0.10 plus an issue premium of € 6.05).

This operation reinforces Técnicas Reunidas' asset situation with the aim of handling the growth deriving from the new investment wave in the energy industry and energy consumption intensive industry. To this end, the energy industry will be making unprecedented investment to ensure the supply of conventional energies and make progress on decarbonization. The investment by this industry is expected to total 10.7 trillion dollars between 2023 and 2030, an average of 1.3 trillion dollars a year. Of this investment, an average of 181 billion dollars a year will be dedicated to decarbonizing the sector.

Therefore, the potential global investment in markets covered by Técnicas Reunidas will grow 36 % during this period, with an increase from 700 billion dollars in 2023 to more than 950 billion dollars in 2030. Moreover, the Company will be extending its activities to other sectors such as steel and cement, which are expected to invest 178 billion dollars a year globally in decarbonization initiatives over the next several years.

Técnicas Reunidas is in an excellent situation to take advantage of the opportunities offered by this context of growth. On the one hand, the Company has proven engineering resources which are competitive in an international environment affected by a major shortage of proven engineering resources. At the same time, there are significant entry barriers to complex energy plant engineering. Moreover, the lower number of companies in the corporate business in recent years and decrease in investment have led to a significant drop in the available engineering resources.

Therefore, in this context, the Company is in the conditions to impose its solid and competitive presence in the sector with more than 4,500 specialist engineers who make its headquarters in Madrid a real center for engineering excellence. In addition to all of this, Técnicas Reunidas has implemented several strategic initiatives in recent years to successfully manage the new investment cycle, including:

- A reduction in the risk profile for awards: in 2021 and 2022, 75 % of them were in line with this strategy.
- The implementation of a culture of efficiency which has already generated significant results in the first wave with 140 million euros in savings between 2019 and 2022.

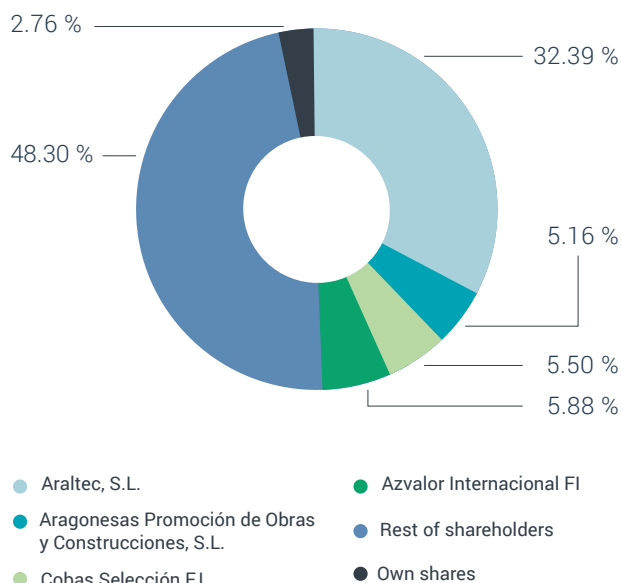
- The launch of TRACK, its proposal for adapting its capabilities to the demands of decarbonizing the economy and taking maximum advantage of the new opportunities this offers.

In line with the foregoing, Técnicas Reunidas is working on offers for specific projects totaling 70 billion dollars in investment.

Therefore, with a more solid balance sheet, the capital increase will improve Técnicas Reunidas' competitive positioning for new contract awards which will help it more successfully capture the industry's expected growth. To this end, the net revenue will be used for the following purposes:

- To finance the operational expenses required by the Low-carbon technologies area in the context of the energy transition, meeting the estimated annual cash needs for this segment throughout the 2023 to 2025 period, as outlined below:
  - The necessary investment to establish business development and project structuring platforms in Spain, Europe and the United States, with teams dedicated to project structuring in said regions.
  - The requirements of the initial development stage of self-sufficient projects through project structuring.
  - The investment of engineering services in the development and expansion of low-carbon technologies.
  - Support during the first phases of third-party project development.
- To optimize the Company's net cash position, thus reinforcing the cash levels in line with the Company's size and expected future evolution.
- To continue reducing the level of indebtedness, which will help maintain a solid balance sheet to secure the new compliance guarantees necessary for the ordinary development of its activities.

**Técnicas Reunidas share capital structure**  
(as of May 16, 2023)\*



\* Following the capital increase.

Oversubscription was recorded in the capital increase which exceeded the new shares offered by 51 times, proving the shareholders' commitment to the project and the Company's strategy.

## 2022 General Meeting of Shareholders. Main Resolutions Passed

Técnicas Reunidas held its General Meeting of Shareholders on June 28, 2022, through a mixed model; in other words, in-person at its corporate headquarters in Madrid while also making the necessary mechanisms available to shareholders to participate remotely.

The main resolutions passed included:

- The reelection of PwC and Deloitte as co-statutory auditors of the Company and its consolidated Group for fiscal year 2022.
- The appointment of Ms. Silvia Iranzo Gutiérrez as independent Director. This appointment increased the percentage of female Directors to 25 %.
- Approval of the Técnicas Reunidas, S.A. Directors' Remuneration Policy for fiscal years 2023 to 2025.
- Ratification of the contracts signed with the Sociedad Estatal de Participaciones Industriales (SEPI).

## COMPOSITION AND FUNCTIONING OF GOVERNING BODIES

GRI [2-9]; [2-11]; [2-12]; [2-13]; [2-16]; [405-1]

### Governance structure

The General Meeting of Shareholders, the Board of Directors and its three Delegated Commissions: the Audit and Control Commission, the Appointments and Remunerations Commission and the Risk and Management Commission are the main bodies comprising the Company's governing structure. They all did significant work in fiscal year 2022.

The Board Commissions are responsible for information on decision-making, supervision and managing impacts in different fields: economics and finance (Audit and Control Commission and Risk and Management Commission), Criminal Compliance Management System (Audit and Control Commission), environmental matters (Audit and Control Commission), variable remuneration parameters (Appointments and Remunerations Commission) and employees (the Appointments and Remunerations Commission).

Nonetheless, pursuant to the organizational and senior management structure, the management of business impacts is delegated in those areas. Senior management informs the Board directly or through some of its Commissions of the management of impacts on a quarterly basis. At the same time, meetings of the Board and its Delegated Commissions review the fulfillment of the objectives in the Company's different management areas.

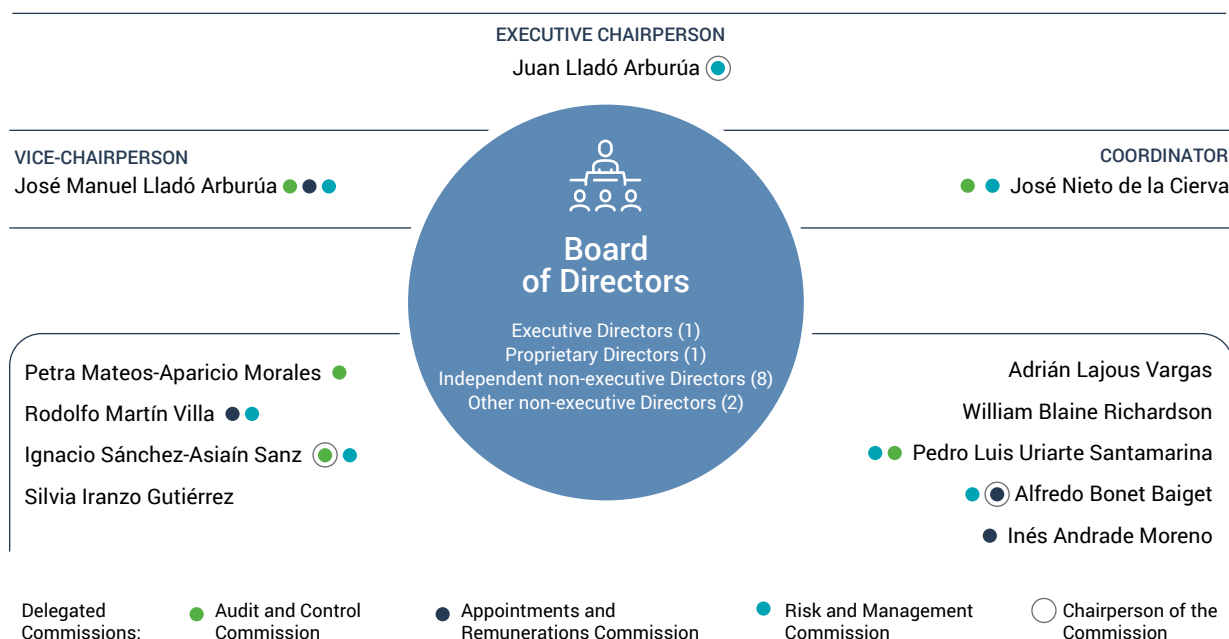
This functioning has been favored with the approval of changes in the Company's internal policies allowing these bodies to meet remotely. Thanks to this measure and others, the Company's General Meeting of Shareholders held in a mixed format recorded a high quorum of 65.78 %.



For additional information on the functioning and responsibilities of the governing bodies consult the 2022 [Annual Corporate Governance Report](#).



## Composition of the Técnicas Reunidas Board of Directors



Técnicas Reunidas Board of Directors has significantly elevated its independence up to a 66.7 %.

MEMBERS OF THE BOARD <sup>5</sup>	POSITION	STATUS	FIRST APPOINTMENT	LAST APPOINTMENT
Juan Lladó Arburúa <sup>5</sup>	Chairperson	Executive	10/05/2006	25/06/2020
José Manuel Lladó Arburúa	1 <sup>st</sup> Vice-Chairperson	Proprietary	10/05/2006	25/06/2020
William Blaine Richardson	Director	Other non-executive	22/06/2011	25/06/2020
Pedro Luis Uriarte Santamarina	Director	Independent	22/06/2016	25/06/2020
Petra Mateos-Aparicio Morales	Director	Independent	29/06/2016	25/06/2020
Adrián Lajous Vargas	Director	Independent	29/06/2016	25/06/2020
Alfredo Bonet Baiget	Director	Independent	27/06/2018	28/06/2022
José Nieto de la Cierva <sup>7</sup>	Independent Director Coordinator	Independent	27/06/2018	28/06/2022
Rodolfo Martín Villa	Director	Other non-executive	26/06/2019	26/06/2019
Inés Andrade Moreno	Director	Independent	25/06/2020	25/06/2020
Ignacio Sánchez-Asiaín Sanz	Director	Independent	25/06/2020	25/06/2020
Silvia Iranzo Gutiérrez	Director	Independent	28/06/2022	28/06/2022

Técnicas Reunidas is 93.4 % fully or partially compliant with the applicable Good Governance Code recommendations.

<sup>5</sup> For more information on each Board member's profile, please see the [website](#), the [2022 Annual Corporate Governance Report](#) and the [Prospectus](#) issued for the capital increase (pages 158 and following).

<sup>6</sup> The Chairperson of the Board of Directors is the Company's lead executive and has been delegated all delegable powers by the Board of Directors.

<sup>7</sup> Técnicas Reunidas has an Independent Director Coordinator who has special powers to call Board of Directors meetings and include items on the agenda for meetings already announced, as well as to coordinate and gather designated non-executive directors and manage, where appropriate, the periodic evaluation of the Chairperson of the Board of Directors. Thus, in accordance with the law, the Independent Director Coordinator has been granted sufficient powers to prevent and mitigate any conflict of interest given that the Chairperson of the Board of Directors is also the Company's lead executive.

## Diversity of the Board of Directors GRI [2-10]

The Company has a Board of Directors' Director Selection and Diversity Policy aimed at determining the criteria that the Board of Directors must take into account when selecting, appointing and re-electing Directors, as well as the criteria and requirements for the adequate and diverse composition of this body, always pursuant to the applicable regulations, internal Company policies, and corporate governance practices and recommendations<sup>8</sup>.

The general principles of this Policy include promoting the appropriate composition of the Board for the best performance of its duties, promoting diversity in the composition of the Board and its Commissions (among other aspects, in terms of knowledge, experience, geographical origin, age and gender), non-discrimination and equal treatment (whereby the selection procedures shall not suffer from implicit biases that may imply any discrimination of any kind, be it race, gender, age, disability, or any other reason), transparency in the selection of candidates and compliance with the principles of corporate governance.

The Appointments and Remunerations Commission participate in the processes to select members of the Board of Directors and its Commissions. Likewise, shareholders are consulted since the appointment of Directors must be approved by shareholders at a General Meeting and they have the authority to dismiss them from office. Directors are elected for a period of four years, yet they may be re-elected one or more times for equal periods.

The Company increased the percentage of independent Directors after approval of this Policy. With the appointment of a female independent Director and the non-reelection of three male Directors considered other non-executive directors, the percentage of independent Directors increased from 50 % in 2021 to 66.67 % in 2022. At the same time, Técnicas Reunidas has increased gender diversity on its Board of Directors by increasing the number of directors (from 14.29 % in 2021 to 25 % in 2022) and reducing the average Director age<sup>9</sup>.

Técnicas Reunidas believes that its Board is representative of the most relevant social groups in its business, as per the Company's main characteristics. As concerns stakeholder representation and pursuant to applicable regulations, majority shareholders are also represented on the Company's Board of Directors with the presence of an Executive Chairperson and another proprietary Director.

Communication with all other stakeholder groups is articulated through the Audit and Control Commission, the body responsible for communication with shareholders and investors, vote advisors and other stakeholders.

To this end, Técnicas Reunidas has an Information, Communication, Contact and Implication with Shareholders, Institutional Investors, Vote Advisors and Other Stakeholders Policy<sup>10</sup>, which sets forth the general framework for the Company's relations with these stakeholders and the markets so as to foster fluid and trustworthy communication, all in compliance with the Law and best practices in corporate governance. Moreover, the Commission monitors how the Company communicates and relates with minority shareholders, and periodically evaluates and reviews the Company's corporate governance system in order for it to fulfill its mission of promoting corporate interests and take into account, as appropriate, the legitimate interests of the remaining stakeholders.



<sup>8</sup> For more information, see the Técnicas Reunidas, S.A. [Board of Directors Director Selection and Diversity Policy](#).

<sup>9</sup> All members of the Company's Board of Directors are over 50 due to the fact that the experience and knowledge required for proper performance of the office make it difficult for younger people to access such role. Nonetheless, the selection procedures are not implicitly biased, preventing the appointment of directors under the age of 50.

<sup>10</sup> For more information, see the [Information, Communication, Contact and Implication with Shareholders, Institutional Investors, Vote Advisors and Other Stakeholders Policy](#).

## Board of Directors and its Commissions knowledge and self-assessment

GRI [2-17]; [2-18]

As concerns the Board's knowledge, skills and experience, the Company has established a training plan so Directors can receive training in relevant areas during Board meetings or at any other time deemed appropriate, further fostering the implementation of update programs for Company Directors when advisable, that will be established by the Appointments and Remunerations Commission in collaboration with the Chairperson of the Board of Directors.

Técnicas Reunidas conducts annual performance self-assessments for the Board of Directors and its Delegated Commissions to determine their activity and functioning, consolidate any positive actions and design plans for improvement in specific areas<sup>11</sup>.

The aspects of the Board of Directors assessed in 2022 were as follows:

- Functioning, structure and composition.
- Responsibilities.
- Information, debates and agendas.

The assessment of the functioning of the Board of Directors and its Commissions in 2022 coincides in general terms with the evaluations from prior years. In particular, the following were very highly assessed, among other matters: the general functioning of the Board, the Company's management team and the performance of the new CEO, the evaluation of the work done by the Delegated Commissions, the consensus on the Company's strategy and priorities as well as the improvements in the Board's skills and capabilities.

As a result of the self-assessments of the Board and Commissions, the decision was made to launch an Action Plan including actions in the main areas for improvement identified such as: reviewing the internal procedure for preparing and distributing information to Directors; approving an annual calendar with the matters to be discussed at each Board meeting, specifying whether they are for approval or information; reviewing the Commissions' responsibilities having formally assigned sustainability responsibilities to the Audit and Control Commission; developing a competencies matrix for the Board; periodically monitoring the strategic plan; and conducting monographic sessions on sector peers.

## The main issues handled by the Board of Directors and its Commissions

The Board of Directors and its Delegated Commissions held a total of 38 meetings in 2022. These were 100 % attended.

### The main issues covered by the Board and its Commissions in 2022

- Preparation of the yearly Financial Statements, Annual Corporate Governance Report and Annual Report on the Remuneration of Directors.
- Aspects inherent to sustainability and energy transition, including an analysis of the strategy.
- Analysis of the risks that may affect Técnicas Reunidas and the financial and tax matters.
- Prepare a Directors' Remuneration Policy for fiscal years 2023-2025.
- Board of Directors self-assessment.
- Follow-up on the evolution and management of various projects and development of Company operations, including the analysis of all the projects, the most relevant of which are analyzed in more detail.
- Analysis of the market and the opportunities it offers. The status of contract awards and economic outlooks.
- Study and analysis of the Company's energy transition strategy.
- The impact of the Company's operations and planning.
- Analysis of the Company's assets, the management of the human resources and general services structure.
- Review and supervision of the Company's Criminal Compliance Management System.

<sup>11</sup> For more information on the process followed for annual assessments and the participating bodies, see the [Board of Directors Regulations](#). In addition to these evaluations, the Company conducts an annual assessment every three years in collaboration with an external consultant of renowned prestige pursuant to best practices in corporate governance. Thus, the Company had an external assessment done of the functioning of the Board of Directors in 2022, with assistance from an external consultant.

## Delegated Commissions

Delegated Commissions perform a fundamental role for the Company and its shareholders as part of the Técnicas Reunidas Corporate Governance System.

### CHAIRPERSON OF THE COMMISSION

Ignacio Sánchez-Asiaín Sanz ●

Petra Mateos-Aparicio  
Morales ●

Pedro Luis Uriarte  
Santamarina ●

José Nieto de la Cierva ●

José Manuel Lladó  
Arburúa ●



### Audit and Control Commission

- Independent non-executive Directors (4)
- Proprietary Directors (1)



For more information on the main activities undertaken by the Audit and Control Commission in 2022, see the [Report](#) on its functioning.



### Main activities in 2022

- Reporting favorably on the individual and consolidated yearly Financial Statements, including the Non-Financial Information Statement.
- Periodically supervising the progress of the audit work, with the external auditors appearing, where appropriate, to report on issues such as: (i) identified adjustments and reclassifications; (ii) project estimates; (iii) review of the Internal Control over Financial Reporting System (ICFR); (iv) main effects of the period contemplated by the audit and their breakdown; (v) analysis and progress of the main projects; (vi) situation of litigations and arbitrations, as well as the fiscal situation; (vii) planning of the audit work and (viii) periodic public information related to the first six months of 2022.
- Supervising various issues related to financial and non-financial information, including: (i) submission of the information at the close of the fiscal year; (ii) the situation of the Company's treasury; (iii) submission of financial reports to analysts; (iv) presentations from the Tax Area; (v) submissions from the Compliance Area; and (vi) information about the Company's subsidiaries.
- Analyzing and supervising the efficacy of internal oversight systems.
- Supervising the Corporate Governance System, internal codes of conduct and the Company's sustainability strategy.
- Supervising the monitoring, study and analysis of the process opened to strengthen the Company's financial capacity, with support from the SEPI.
- Unanimously approving the Report on Related-Party Transactions.
- Receiving periodic information on the supervision of risk control and management.
- Periodically receiving information on the status of implementation of the Regulatory Compliance objectives, as well as communications received through the Whistleblowing Channel.
- Revise, supervise and periodically receive information on the Company's Criminal Compliance Management System.

**CHAIRPERSON OF THE COMMISSION****Alfredo Bonet Baiget** ●

Rodolfo Martín Villa ●  
 José Manuel Lladó Arburúa ●  
 Inés Andrade Moreno ●

**Appointments and Remunerations Commission**

- Independent Directors (2)
- Proprietary Directors (1)
- Other non-executive Directors (1)

**+** For more information on the main activities of the Appointments and Remunerations Commission in 2022, see the [Report on its functioning](#).

**Main activities in 2022**

- Evaluating the skills, knowledge and experience required of the Board of Directors and the composition of Delegated Commissions.
- Analyzing different candidates for the Board of Directors, submitting to the Board of Directors the proposal for the appointment of a new independent female Director in order to promote gender diversity.
- Ensuring corporate policies are oriented towards a target of representation for the gender least represented on the Board of Directors.
- Analyzing the convenience of submitting the various corporate policies on human rights and corporate governance to the Board of Directors for approval.
- Submitting a favorable report to the Board on the proposal for the appointment of the new Chairperson of the Audit and Control Commission.
- Analyzing and approving remuneration for directors, including a remuneration plan linked to the evolution of the Company's shares on the stock market for the years 2023, 2024 and 2025.
- Proposing the members that should be part of each of the Commissions and other Board offices.
- Proposing to the Board of Directors the Remuneration Policy for Directors and general managers or those who perform senior management duties.
- Unanimously approving the Annual Report on Directors' Remuneration corresponding to the year 2022.
- Analyzing Company plans with regard to Human Resources.
- Issuing a supporting report on the Directors' Remuneration Policy for fiscal years 2023-2025.

Formalized in fiscal year 2020, the Técnicas Reunidas Risk and Management Commission is considered executive due to its competencies and composition as it is presided over by the Executive Chairperson of the Board of Directors and its members include the chairpersons of the other Board of Directors Delegated Commissions as well as the independent Director coordinator (José Nieto de la Cierva).

**CHAIRPERSON OF THE COMMISSION****Juan Lladó Arburúa** ●**VICE-CHAIRPERSON OF THE COMMISSION****Pedro Luis Uriarte Santamarina** ●**Risk and Management Commission**

Alfredo Bonet Baiget ●  
 José Nieto de la Cierva ●  
 Rodolfo Martín-Villa ●  
 José Manuel Lladó Arburúa ●  
 Ignacio Sánchez-Asián Sanz ●

- Executive Chairperson (1)
- Independent Directors (4)
- Proprietary Directors (1)
- Other non-executive Directors (1)

**+** For more information on the main activities undertaken by the Risk and Management Commission in 2022, see the [Report on its functioning](#).

**Main activities in 2022**

- Follow-up on the evolution and management of various projects of the Company, including the analysis of all the projects, the most relevant of which are analyzed in more detail.
- Analysis of the market and the opportunities it offers, potential competitors of the Company, the status of awards and prospects, having examined the balance of awards in fiscal year 2022 in this regard.
- Studying and analyzing the Company's energy transition strategy, specifically as regards the assessment of projects and agreements that are relevant for the Company to position itself appropriately and strategically.
- Analysis of the impact of the conflict in Ukraine and the crisis of Algeria on the Company's activity and their indirect effect on costs.
- Monitoring of ongoing litigation and arbitration to which the Company is party, both in Spain and in other jurisdictions, with reports submitted to the Commission.
- Monitoring the Group's economic, financial and treasury planning, including the forecast of results, procedures in progress, studying the various financing alternatives/mechanisms and monitoring the working group comprised of Board Members, Directors and an External Advisor, with the corresponding reports submitted.
- Monitoring, study and analysis of the process opened to strengthen the Company's financial capacity, with support from the SEPI.
- Monitoring the strategic lines for the 2021-2024 period.
- Analysis of the Company's assets and management of the human resources and general services structure. Specifically, the Commission analyzed the organizational changes made in the Company's management.
- Monitoring and management of exchange orders and deposits on account and of ongoing procedures.



## REMUNERATION AND PERFORMANCE MODEL GRI [2-19]; [2-20]

Técnicas Reunidas has a remuneration model for the Board of Directors consisting of a fixed component and attendance allowances. Similarly, the model includes a variable component both in the short term, which considers aspects linked to sustainability since 10 % is connected to environmental parameters and another 10 % to health and safety parameters, in addition to another long-term variable component. Pursuant to the provisions of the Remuneration Policy, the Company's Board of Directors determines the elements of each Director's individual remuneration following a report by the Appointments and Remunerations Commission.

Following the expiration of the 2020-2022 Directors' Remuneration Policy, the Ordinary General Meeting of Shareholders approved the new Directors' Remuneration Policy in 2022 for fiscal years 2023, 2024 and 2025 with 89.28 % of votes in favor.

This Policy, which maintains continuity with respect to the 2020-2022 period, includes various updates. The Policy aims for Directors' remuneration to encourage contributions to the Company's long-term strategy, interests and sustainability<sup>12</sup>.

In 2022 Técnicas Reunidas also submitted the 2021 Annual Report on Directors' Remuneration for consideration by the Company's General Meeting of Shareholders as an advisory item. It was approved by the shareholders<sup>13</sup> with 97.76 % votes in favor.

**The shareholders supported the Annual Report on Directors' Remuneration for 2021, with a percentage of votes in favor of 97.76 %.**



<sup>12</sup> For more information, see the Técnicas Reunidas [Directors' Remuneration Policy](#). When preparing it, the Company relied on the participation of an external advisor and did benchmarking of comparable companies. You may also refer to the [Prospectus](#) issued for the capital increase (pages 174 and following).

<sup>13</sup> The Appointments and Remunerations Commission also takes into account any assessments of this remuneration by other stakeholders, such as institutional investors, proxy advisors, the shareholder service channel on the corporate website, etc.

Remuneration for the highest governance body<sup>14</sup>

## GENERAL PRINCIPLES OF THE REMUNERATION MODEL

Remuneration for qualifications and responsibilities required of the office of Director, offering incentives for dedication yet without compromising their independence.

Remuneration for Director dedication.

Adjusted remuneration based on market demands.

## VARIABLE COMPONENTS OF REMUNERATION

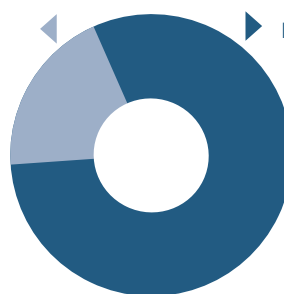


## SHORT-TERM VARIABLE REMUNERATION

The Directors' Remuneration Policy incorporates sustainability criteria into the variable short-term component of the remuneration applicable to Executive Chairperson, with the following parameters:

## Sustainability targets (20 %):

- Safety (10 %)
- Environment (10 %)



## Financial targets (80 %):

- Portfolio (30 %)
- Margin/EBITDA (30 %)
- Consolidated revenues (20 %)

The inclusion of sustainability targets reinforces the Técnicas Reunidas commitment to integrating environmental, social and corporate governance criteria in its business model.

The Company assesses minimum weighted compliance of between 50 % and 70 % of the total targets. The setting of targets, adjustments for performance evaluations and the amount to be received is the responsibility of the Board of Directors.



## LONG-TERM VARIABLE REMUNERATION

The Directors' Remuneration Policy provides for a long-term variable remuneration scheme for the Executive Chairperson aligning said director's performance with the long-term interests of Técnicas Reunidas, in line with the best corporate governance practices and market practices of comparable entities<sup>15</sup>.

AVERAGE DIRECTOR PAY IN 2022 (€)<sup>16</sup>

## MEN

## WOMEN

## Executive Directors

897,928.04

N/A

## Non-executive Directors

176,657.00

130,214.66

Técnicas Reunidas is planning to use environmental, social and corporate governance criteria to evaluate the performance and variable remuneration of the members of the Steering Committee with a weight between 5 % and 20 %, adjusted to each area of responsibility.

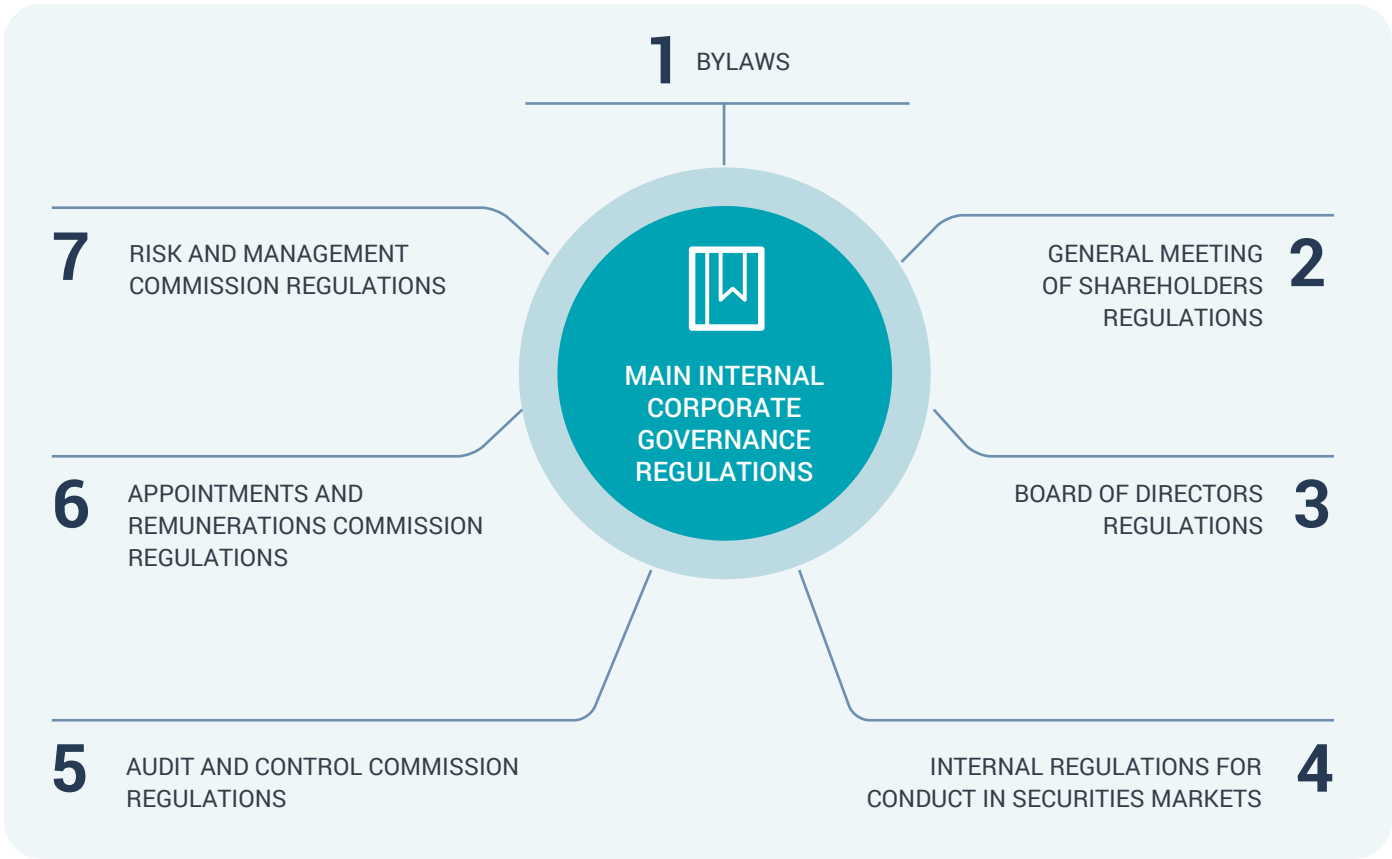
<sup>14</sup> Directors' variable remuneration is currently suspended after the Company signed agreements with SEPI.

<sup>15</sup> The remuneration model does not include hiring bonuses, contract incentive payments or reimbursements.

<sup>16</sup> For more information on the remuneration received by each of the Directors, see the [Company's Annual Report on Directors' Remuneration](#).

## THE COMPANY’S GOVERNANCE MANAGEMENT MODEL

The Company’s corporate regulations define the Técnicas Reunidas governance model. These regulations include the Bylaws, the General Meeting of Shareholders Regulations, the Board of Directors Regulations, the Internal Regulations for Conduct in Securities Markets and specific regulations for each of the Board of Directors Delegated Commissions.



In 2022, the Company made significant efforts to develop internal policies, approving specific regulations for the three Delegated Commissions: the Audit and Control Commission, the Appointments and Remunerations Commission, and the Risk and Management Commission. These regulations strengthen the Company's corporate governance model by equipping the Commissions with their own procedural rules, acknowledging their internal importance and facilitating the performance of their duties.

In addition to complying with applicable regulations, the Técnicas Reunidas governance model is based on existing best practices, particularly the Spanish National Securities Markets Commission Good Governance Code for Listed Companies. The internal policies and the profile of its Directors contribute to the Company paying special attention to strategic aspects such as sustainability, the energy transition and digitalization, to which the Board of Directors as well as the Delegated Commissions have dedicated most meetings held in 2022.

The Company plans to approve a Corporate Governance and Group Definition Policy in 2023 setting forth the principles, criteria and guidelines for the organization and functioning of the Técnicas Reunidas governing bodies, as well as the Group's structure. In order to determine these principles, the Company has taken into account international recommendations on corporate governance adapted to the particular characteristics of Técnicas Reunidas and the Group.

In particular, the general principles of corporate governance established by this Policy include the following:

- Fostering shareholder participation considering the principle of equal treatment and protection of their legitimate rights.
- Efficient, organized and participatory functioning of the Board of Directors and its Commissions, including adequate distribution of powers within.
- An appropriate and diverse composition of the Board of Directors and its Commissions, establishing an adequate and proportionate remuneration policy to attract and retain Directors with the desired profile and compensate them for their dedication, qualifications and responsibilities.
- The Company's commitment to ethical and sustainable action which, in accordance with ESG criteria, meets the needs of all Técnicas Reunidas stakeholders and generally contributes to the improvement of society at large.

- Encouraging information transparency, communicating all information of interest in relation to the Company and the Group to shareholders and the market in general under principles of impartiality, veracity, immediacy, symmetry, integrity, accessibility and equal treatment.
- Compliance with current laws and internal policies on corporate governance and continuous updating pursuant to corporate governance recommendations, principles and best practices.

Likewise, for 2023, the Company aims to increase the gender diversity of its corporate bodies and approve new corporate policies that strengthen its governance model.

**Meeting the needs of its main stakeholders is the essential objective of the Company's Corporate Governance System and the actions taken throughout 2022 by its governing bodies.**





## INTEGRITY AND COMPLIANCE

GRI [2-15]; [2-23]; [2-24]; [2-26]; [2-27]; [205-1]; [205-2]; [3-3]

Técnicas Reunidas has implemented a series of internal policies and management tools to reinforce the commitment of responsibility undertaken by the Company and all its employees, suppliers and subcontractors.

Técnicas Reunidas has a set of internal policies and procedures comprising its regulatory framework. These policies, which were approved by the Board of Directors, establish the principles, directives and guidelines to be followed in order to guarantee the Company's activities are in line with the highest standards of ethical conduct, even beyond mere legal requirements. These standards are an integral part of the Técnicas Reunidas compliance culture.

To this end, the Code of Conduct sets forth the Company's commitment, establishing the principles and values the Company and all of its professionals must observe at all times while performing their duties in order to act with integrity, professionalism and respect for the law, human rights and internationally accepted practices.

The Criminal Compliance Management System (CCMS) is a set of measures aimed at preventing and detecting the commission of irregularities, especially of a criminal nature, that may be committed in the Company as a result of daily work in any of the countries where it operates. Likewise, it includes measures to mitigate the consequences that may derive from any such actions. This system makes it possible to minimize the risks and improve the Company's position to prevent, detect and respond to critical regulatory compliance and integrity matters.

The measures taken by the Company include preparing and adequately disseminating a set of policies including the Integrity Policies which are used to guide conduct: Gifts and Hospitalities Policy, Relations with Public Officials Policy, Anticorruption Policy, Conflicts of Interest Policy, Workplace Bullying and Sexual Harassment Policy and Antitrust Compliance Policy.

The integrity policies, including the Anticorruption Policy, and the Code of Conduct are essential tools for Técnicas Reunidas when it comes to preventing corruption, bribery and money laundering.

In addition, Técnicas Reunidas has a Regulatory Compliance Area that performs various key duties. They include disseminating the Code of Conduct, the Crime Prevention Policy and other related policies, promoting awareness and knowledge of regulatory compliance issues, as well as supervising and continuously improving the Criminal Compliance Management System.

Throughout 2022, Técnicas Reunidas continued to implement the CCMS in new geographic areas and updated the policies and training and awareness plan to adapt to international standards and best practices.

**The Company earned UNE 19601 Criminal Compliance Management Systems Certification, thereby fulfilling the goal set in the Annual CCMS Monitoring Plan.**

In 2022 the Company adapted its CCMS to achieve UNE 19601 Certification for Criminal Compliance Management Systems accredited by AENOR (Spanish Association for Standardization and Certification) in early 2023. This standard sets forth requirements that are even more demanding than the laws for criminal compliance management systems in order to help companies and organizations prevent the commission of crimes, foster a culture of ethics and compliance and reduce criminal risk, leading to greater guarantees of security and trust before governing bodies and stakeholders. To obtain this certification, the Company conducted a preliminary analysis identifying areas for improvement with respect to the standard and carried out a series of actions such as adapting various CCMS policies, evaluating and revising criminal risk controls and matrices, etc. In addition, it implemented a risk management tool.

During the criminal risk evaluation and review process, the Company identified activities with a medium-low residual risk associated with corruption among different areas of activity (sales, procurement and subcontracts). The conclusion to the analysis is that the active and passive risks for Técnicas Reunidas associated with corruption and bribery lie in commercial relations with third parties, particularly in new markets and during critical phases such as the initial contact phase, the sales phase, the negotiation phase, and the project execution phase all the way to completion and delivery.



In this context and in order to reinforce the integrity of the supply chain, Técnicas Reunidas has a Supply Chain Ethics Code<sup>17</sup>, which was updated in 2021, detailing the minimum requirements as concerns ethics, social and environmental issues for third parties in addition to the Company's commitment to the fight against corruption.

### Regarding the integrity risks, Técnicas Reunidas has continued to apply due diligence procedures with third parties and internally.

In 2022, the corruption risk was considered in 100 % of the integrity evaluations of third parties. Specifically, the Compliance Area conducted more than 120 analyses of third parties posing a higher corruption risk (clients, shareholders, collaborators and nominated subcontractors).

In order to prevent possible irregularities, Técnicas Reunidas has also reinforced its due diligence procedures in the supply and subcontracting chain, applying its Policy and Procedure for Third-Party Integrity Evaluation to obtain a report prior to establishing a commercial relationship in an effort to prevent and/or detect potential integrity risks at an early stage, as well as their subsequent and continuous monitoring.

Likewise, the Company has included commitments and obligations with regard to corruption and bribery prevention and respect for human rights in documents establishing commercial relations with third parties through clauses that,

if breached, may lead to the termination of the commercial relationship.

At the same time, a new Internal Due Diligence Procedure was implemented in the final quarter of 2022 in its selection and contracting processes for Particularly Exposed Personnel (PEP) as concerns integrity risks based on the position, associated responsibilities and activities to be performed for the Company.

These policies and procedures have been disseminated within the Company as part of the 2022 Annual Training and Communication Plan through in-person and online training sessions and internal publication on the Técnicas Reunidas intranet. Therefore, the objective of informing the Company and all of its members of the rules of conduct expected at the Company is fulfilled as concerns risks of corruption and bribery, the basis of which is the principle of "Zero tolerance for corruption and bribery". In line with the foregoing, 90 % of PEP received training on these Criminal Compliance Management System procedures and policies in 2022, including aspects related to the fight against corruption. Likewise, specific training was provided on anti-corruption to PEP and the Board of Directors in 2021.

As a result of these actions, the Company has not recorded any significant breach in the general legislation and applicable law<sup>18</sup>.

### There is a specific section on the corporate website with codes of conduct and the basic elements of the Criminal Compliance Management System.



<sup>17</sup> For more information, see the Supply Chain [Code of Ethics](#).

<sup>18</sup> Considered as any individually worth a sum that is equal or higher than € 1,000,000.

## Management of conflicts of interest

The Company's Board of Directors Regulations and Internal Regulations for Conduct in Securities Markets regulate the mechanisms established to detect any possible conflicts of interest involving directors. To this end, each member of the Board is required to report to the Board of Directors any circumstance that may give rise to a direct or indirect conflict of interest with the Company. They shall then refrain from participating in any debates and voting on resolutions or decisions related to any conflict of interest they are affected by. Directors must also refrain from engaging in commercial or professional operations that may give rise to a conflict of interest without having been informed and previously obtained approval from the General Meeting of Shareholders or the Board of Directors, as applicable, who must request a report from the Audit and Control Commission without any intervention by the Directors under conflict proving that the operation is fair and reasonable from the Company's and minority shareholders' perspectives<sup>19</sup>.

In addition to the foregoing internal policy, Técnicas Reunidas has had a Conflicts of Interest Policy since 2018, which was approved by the Board of Directors, establishing the procedures of action with regard to preventing or, as applicable, handling conflicts of interest that may involve members of the Company, business partners and third parties. This Policy is mandatory and applicable globally and directly for all entities comprising the Company and for all natural persons and/or legal entities that relate with Técnicas Reunidas as applicable.

In general terms, the Policy outlines the events that may be considered conflicts of interest as well as the obligation for members of the Company to report any

potential conflict of interest to their superior or the Regulatory Compliance officer. To this end, besides the Whistleblowing Channel, there is also a consultation channel managed by the Compliance Area where situations that may create a conflict of interest can be submitted for interpretation and reporting ([compliance@tecnicasreunidas.es](mailto:compliance@tecnicasreunidas.es)).

As concerns related-party transactions, Técnicas Reunidas has included the legal regulation into its internal policies granting a relevant role to the Audit and Control Commission by allocating authority to report on related-party transactions that must be approved by the General Meeting of Shareholders or Board of Directors and supervise the internal procedure established by the Company for those for which approval is delegated.

Moreover, the Compliance Area regularly collects conflict of interest statements, especially from Particularly Exposed Personnel and any employees who, based on their duties, enter into direct contact with third parties during award processes (i.e., procurement, subcontracts and General Services). Approximately 257 statements were collected in 2022.

The integrity questionnaires given to third parties also include a section on conflicts of interest and establish contractual clauses to prevent and regulate the rise thereof.

Finally, the Compliance Area reports to the Audit and Control Commission and Management Committee quarterly on the various conflict of interest statement campaigns.

Preventing possible conflicts of interest within the Company is an outstanding aspect in internal processes. Conflict of interest statements are requested each year from employees and management in key positions to comply with policies, regulations and laws applicable to the Company.

<sup>19</sup> For more information on the provisions relating to the management of conflicts of interest involving directors, see the [Board of Directors Regulations](#). More information on conflicts of interest may also be found in the [Annual Corporate Governance Report](#) and in the Company's [Consolidated Yearly Financial Statements](#); these documents report conflict of interest situations, if any, in which the Directors of the Company may have been involved.

## Human rights [2-23]; [2-24]; [2-25]; [3-3]; [407-1]; [408-1]; [409-1]; [410-1]

Técnicas Reunidas believes respect for human rights is a priority, that is a part of its culture. This commitment is particularly significant considering Técnicas Reunidas' international presence and that performs its activity in locations with a high risk with regard to this issue. Thus, the Company has a framework for managing sustainability based on a specific corporate policy that describes the Company's main commitments with regard to corporate governance, environment and social affairs, including respect for human rights.

For this purpose, Técnicas Reunidas has developed various internal policies and procedures ensuring its commitment in all territories where it engages in business, for example, the Company's Code of Conduct. Specifically, in the area of human rights, the Code of Conduct sets forth a commitment to act at all times in accordance with the laws in effect, obtaining statements of compliance with human rights as concerns internationally accepted ethical practices. Moreover, it states the Company's commitment to respecting freedom of association and collective bargaining in addition to recognizing the rights of ethnic minorities in the countries where it operates as well as the absolute rejection of the Company to child and forced or mandatory labor, rejecting any form of discrimination or exploitation and, in particular, child labor as part of its compliance with International Labor Organization (ILO) conventions<sup>20</sup>.

Additionally, the Company recognizes the need for all activities to be developed in accordance with the values and principles outlined in the United Nations Global Compact which Técnicas Reunidas endorsed in 2011. Likewise, the Company believes the Universal Declaration of Human Rights and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises are references for its activities.

The Company's internal mechanisms and documents for mitigating risks in this area and its commitment to respect for human rights will be formalized with the approval of the Human Rights Policy in 2023<sup>21</sup>.

This Policy defines the principles to be applied for due diligence in this area<sup>22</sup>, imposing additional actions and requirements on the Company and, likewise, for particularly relevant third parties such as suppliers and subcontractors. In particular and among others, the Policy provides for aspects such as (i) a ban on any form of slavery, including modern slavery, any form of forced or child labor; (ii) respect for diversity and non-discrimination based on birth, gender, orientation or sexual identity, age, disability, nationality, racial or ethnic origin, religion, convictions, political opinions or any other form of individual diversity; or (iii) fair and favorable working conditions, thus ensuring compliance with ILO provisions. Pursuant to the Policy, the Company shall engage in dissemination, awareness and training actions that guarantee adequate knowledge thereof<sup>23</sup>.

Besides passing the initial approval procedure, suppliers and subcontractors must guarantee compliance within minimum standards in the areas indicated so as to ensure the Company's supply chain always operates within current legal frameworks and meets the specific human rights requirements that correspond to their business and level of risk. When the Company detects a significant risk that a supplier or the order does not comply with the Company's minimum required standards in this respect, the supplier is not awarded the contract.

On the other hand, the Company includes human rights due diligence procedures in its global risk management procedure. Through this system, Técnicas Reunidas evaluates, prevents and mitigates the risks and significant impacts present worldwide for the Company<sup>24</sup>. The procedures applied can be classified into those completed in the project bidding phase and those carried out during project execution.

<sup>20</sup> Técnicas Reunidas carries out its activities, in the countries in which it operates, in compliance with local legislation requirements in this regard and complies with the Company's other undersigned commitments, such as the principles of the Global Compact. Moreover, the Company provides everything its employees and suppliers need in the countries where it operates so they may exercise their rights to freedom of association and affiliation.

<sup>21</sup> The Técnicas Reunidas Human Rights Policy was prepared taking into account the provisions of (i) the United Nations International Charter (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights); (ii) the Fundamental Conventions of the International Labor Organization (ILO); (iii) the ILO Declaration on Fundamental Principles and Rights at Work; (iv) the United Nations Convention on the Rights of the Child; (v) ILO Convention no. 169 concerning Indigenous and Tribal Peoples; (vi) the European Convention on Human Rights; (vii) the principles of the United Nations Global Compact; (viii) the OECD Guidelines for Multinational Enterprises; and (ix) the United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework; (x) the United Nations Declaration on the Rights of Indigenous Peoples; (xi) the UK Modern Slavery Act 2015; (xii) the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; (xiii) United Nations Resolution A/76/L.75 recognizing the right to a clean, healthy and sustainable environment; (xiv) the International Covenant on Civil and Political Rights; (xv) the United Nations Convention on the Rights of Persons with Disabilities; (xvi) the United Nations Convention on the Elimination of All Forms of Discrimination against Women; (xvii) the United Nations International Convention on the Elimination of All Forms of Racial Discrimination; as well as all other treaties, conventions and regulations in force relating to this matter, which the Company knows, assumes and applies. These minimum guarantees are understood without prejudice to the application of regulations in the European Union or any other country where the Group operates when they are stricter in the fields of the environment, health and safety and social sustainability.

<sup>22</sup> The commitments under this Policy are aimed mainly at respect for the human rights of employees, the value chain, society, local communities and indigenous peoples as well as respect for the environment.

<sup>23</sup> Técnicas Reunidas ensures that all security personnel has the training and knowledge appropriate to the environment in which the Company carries out its activities.

<sup>24</sup> The design of these complaint and claims mechanisms has been coordinated with the affected stakeholders, their users who also have the right to communication of any request for a modification or revision thereof. The Company aims to design these mechanisms so they are effective and serve the intended purpose, and confirms that to date it has not received any request to modify or revise such mechanisms.

Without prejudice to the foregoing, the Company automatically and periodically evaluates the functional features and functioning of these mechanisms in order to develop them and include any appropriate advances. It also consults periodically with its primary stakeholders with regard to the effectiveness of these mechanisms. The results of such consultations are adequately reported through the information it periodically makes public for the purpose of providing its stakeholders with feedback on all such actions, among other reasons.

Notwithstanding, if any violations or actions with a negative impact on human rights are detected despite all the measures implemented by the Company, Técnicas Reunidas will act immediately by applying the appropriate measures applicable in each case as part of its zero tolerance for such actions<sup>25</sup>.

Finally, it is worth mentioning that Covid-19, the Russia-Ukraine conflict and the situation in Algeria have not had any effects on the Company's management of human rights nor have there been any impacts to this end.

## WHISTLEBLOWING CHANNEL GRI [2-16]; [2-25]; [2-26]; [205-3]; [206-1]

The Company has a secure and confidential channel that is accessible through the Company's website (<https://canaletico.tecnicasreunidas.es/tecnicasreunidas>), so that employees, third parties and any other stakeholders may report potential breaches or irregularities committed within the Company or its area of action, or even acts that may constitute breaches of the laws and other internal policies, i.e., the Code of Conduct, or any applicable external policy. These reports can be submitted anonymously in English or Spanish, and are processed under strict standards of confidentiality and according to the European Directive on whistleblower protection. Moreover, there is a Guide on the Use of the Whistleblowing Channel and Investigation Procedure approved by the Board of Directors.

The receipt and management of reports received through this Whistleblowing Channel is the responsibility of the Company's Compliance Area, which regularly communicates the reports received and their status to the Audit and Control Commission which then informs the Board of Directors.

In 2022, the Company received a total of 5 complaints which were resolved and it also resolved the 2 complaints pending from the previous fiscal year. The nature of these complaints is related in general to labor relations and rights. None of them are related to respect for freedom of association or the right to collective bargaining, discrimination in employment and occupation, forced or compulsory labor, child labor, corruption or bribery.

Under no circumstance have these complaints had an impact on the Company as they were all managed appropriately.

In line with the foregoing, it is worth mentioning that in 2022, no complaints were recorded for corruption or bribery, nor any claims, fines, penalties or complaints about issues related to unfair competition and monopolistic and anti-competitive practices.

In fiscal year 2023, the Company will adapt its Whistleblowing Channel to the European Directive and its transposition to Spanish law as concerns Informant Protection, thus creating an Internal Information System (IIS) and designating a manager for its management.



For more information on the Técnicas Reunidas Whistleblowing Channel, see the [website](#).



<sup>25</sup> The aim is to ensure that those affected by any such violation have an effective remedy whereby the persons or groups affected are able to return to the situation in which they would have been if the violation had not occurred or, if not possible, to assess the most appropriate alternative remedy mechanism based on the circumstances. Likewise, the Company will take the specific measures to prevent repeat violations.

## 5.2 RISK MANAGEMENT

The Company has procedures and tools designed to identify, prevent, minimize and manage the risks related to its activity.

Técnicas Reunidas has a comprehensive methodological framework for risk management that covers all areas and projects of the Company, in order to develop the monitoring and control of these risks.

As a part of this comprehensive framework, the Company prepares a catalogue of key risks identified according to the renowned COSO 2013 methodology.

For each of the key risks, Técnicas Reunidas has adopted a number of mitigation mechanisms, such as:

- Procedures aimed at mitigating risks related to the nature of the projects: careful selection of projects, policies for diversifying geopolitical risks, development of new procurement formulas, policies to preserve the technical capacity necessary to execute them, policies for sharing project risks with third parties, distribution of the execution of the work among several subcontractors from an early stage of the project, insurance contracting, use of modular execution schemes, etc.

- Procedures related to the economic management of projects: managing risks of foreign exchange, liquidity and tax.
- Procedures related to Health and Safety Management Systems: approval of policies and specific procedures in this area and regular system reviews.
- Procedures related to environmental, social, and governance risks: global analysis of ESG risks of the Company, with double materiality.
- Procedures related to the Criminal Compliance Management System.

The Company's main financial, operational and non-financial risks are detailed below and for each of the risks, the management mechanisms that Técnicas Reunidas has are summarized.





## Main operational risk and management mechanisms in Técnicas Reunidas

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<b>PROJECT COST VARIATIONS</b>	<p>Multiple stakeholders can impact on a variation of cost estimates in turnkey projects (a total price is closed at the beginning while execution costs may suffer deviations), such as the volatility of raw material prices, changes in the scope of projects, the performance on time and quality of construction and assembly subcontractors, the litigation of customers and suppliers, geopolitical decisions with immediate impact or weather conditions, among others. The post-Covid environment as well as the Russia-Ukraine conflict have increased the incidence of all these factors. In fact, the cost of energy has made constructive solutions such as heating and hoarding and the like not viable.</p> <p>The assessment of all these factors involves a high level of judgment and estimation.</p> <p>Failure to meet delivery deadlines may result in compensation to the customer.</p>	<ul style="list-style-type: none"> <li>▶ Development of new contracting formulas to mitigate risks.</li> <li>▶ Inclusion of liability exclusion clauses in contracts with suppliers and subcontractors.</li> <li>▶ Intensive procurement in the first months of execution of critical equipment with a high level of sensitivity to the price of raw materials.</li> <li>▶ Derivative contracts that allow the forward purchase of certain raw materials and essential equipment.</li> <li>▶ Distribution of execution of the work among several subcontractors from an early stage of the project.</li> <li>▶ Inclusion in the budgets of contingencies for deviations.</li> <li>▶ Use of the opinion of external advisors in the preparation of estimates and judgments.</li> <li>▶ Close monitoring of project execution deadlines to detect delays, allowing the implementation of acceleration and penalty risk mitigation mechanisms.</li> <li>▶ Design of cost control strategy with the Procurement area and negotiation of commodities by price and availability to avoid impact on the project.</li> </ul>
<b>OIL AND GAS PRICE FLUCTUATIONS</b>	<p>The price of crude oil and gas, in addition to other factors, influences the investment, awarding and execution decisions of the Company customers, as well as those of suppliers, competitors and partners.</p> <p>In 2022, the oil price variations have contributed to the reactivation of part of Técnicas Reunidas' activities.</p>	<ul style="list-style-type: none"> <li>▶ Predominance of NOCs (national oil companies) over IOCs (private oil companies) in the portfolio, which include other factors beyond purely economic ones in their decision-making criteria, such as geopolitical and social criteria.</li> <li>▶ Product and geographic diversification.</li> <li>▶ Risk mitigation with customers and suppliers through early detection of issues that could lead to a change in contract price.</li> <li>▶ Work schemes in consortium and others, in order to minimize construction risk.</li> </ul>

## Main operational risk and management mechanisms in Técnicas Reunidas

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<b>EXECUTION OF PROJECTS IN MULTIPLE GEOGRAPHICAL AREAS</b>	<p>Técnicas Reunidas' projects are developed in multiple geographical areas, each of which presents a different risk profile to mitigate: political and social tensions, locations with limited access, limited legal certainty, requirements in relation to local content, possible double taxation due to execution from several jurisdictions simultaneously, growth in the tax burden in all the geographical areas where the Group develops its activity or complexity of the margin allocation process in projects developed simultaneously in multiple geographic locations, etc.</p> <p>The development of projects for the first time in a given geographic location increases the risk of deviation in margins.</p>	<ul style="list-style-type: none"> <li>▶ Project selection based on a detailed analysis of the client and the country (establishing a local presence before making offers), and other aspects such as project-specific margins and risks.</li> <li>▶ Analysis of the tax implications of the projects, always counting on the consulting of reputable top level firms, and monitoring of the regulations and VAT position of the projects.</li> <li>▶ Use of modular construction schemes in geographic locations where labor shortages or site conditions allow for savings over other options.</li> <li>▶ Inclusion in contracts, whenever possible, of referral of disputes to courts or arbitrators in countries where Técnicas Reunidas has experience.</li> <li>▶ Inclusion in contracts, whenever possible, of clauses that allow for price revisions in the event of changes in the law.</li> <li>▶ Flexibility to adapt to local content requirements.</li> <li>▶ Development of BEPS policies.</li> <li>▶ The Group's Internal Fiscal Risk Guidelines establish the Group's tax strategy and internal fiscal risk management procedures, including training actions and internal investigation plans.</li> <li>▶ In the bidding phase, risk-minimizing tax strategies are defined with local advisors including the usual markets.</li> <li>▶ In the execution phase, the tax assessments submitted are monitored with the support of local advisors and events or deviations from the initial strategies are identified in order to correct them with the support of Operations.</li> <li>▶ Framework of expatriation policies, which regulate the expatriation conditions that will apply to those people who move to the new projects that are developed in the future outside Spain.</li> </ul>
<b>CONCENTRATION ON A SMALL NUMBER OF CLIENTS<sup>26</sup></b>	<p>The portfolio, at certain times, may be highly concentrated in a small number of clients and, in certain countries, a small number of suppliers.</p>	<ul style="list-style-type: none"> <li>▶ Concentration only in markets in which the Company has sufficient prior experience.</li> <li>▶ Diversification policy that allows the Company to access very different markets.</li> <li>▶ Deployment of a relevant commercial action in markets and clients in which Técnicas Reunidas does not yet have a presence.</li> <li>▶ Construction atomization and diversification strategies in several local and international suppliers.</li> </ul>

<sup>26</sup> The revenue generated by the Group's top five customers represented 61.92 % of total revenue for the year ended December 31, 2022 (67 % for the year ended December 31, 2021), while revenue generation from customers who individually accounted for more than 10 % of total consolidated revenue for the year ended December 31, 2022 amounted to € 1,742 million (€ 2,047 million euros for the year ended December 31, 2021). Likewise, revenues generated by projects located in countries in the Middle East region accounted for 55.6 % of total revenues in 2022 (75.5 % as of December 31, 2021). Within this region, the countries that contributed the most to revenue as of December 31, 2022 were Saudi Arabia with 41.62 % (34.67 % as of December 31, 2021), United Arab Emirates with 22.74 % (23.05 % as of December 31, 2021), Oman with 12.04 % (13.84 % as of December 31, 2021) and Bahrain with 10.24 % (9.86 % as of December 31, 2021). Likewise, as of December 31, 2022, 63.22 % of the total Trade Receivables account (included in Trade Receivables and other accounts receivable) is concentrated in 10 customers (83.62 % as of December 31, 2021), and correspond to operations with top-level state, oil and multinational companies.

## Main operational risk and management mechanisms in Técnicas Reunidas

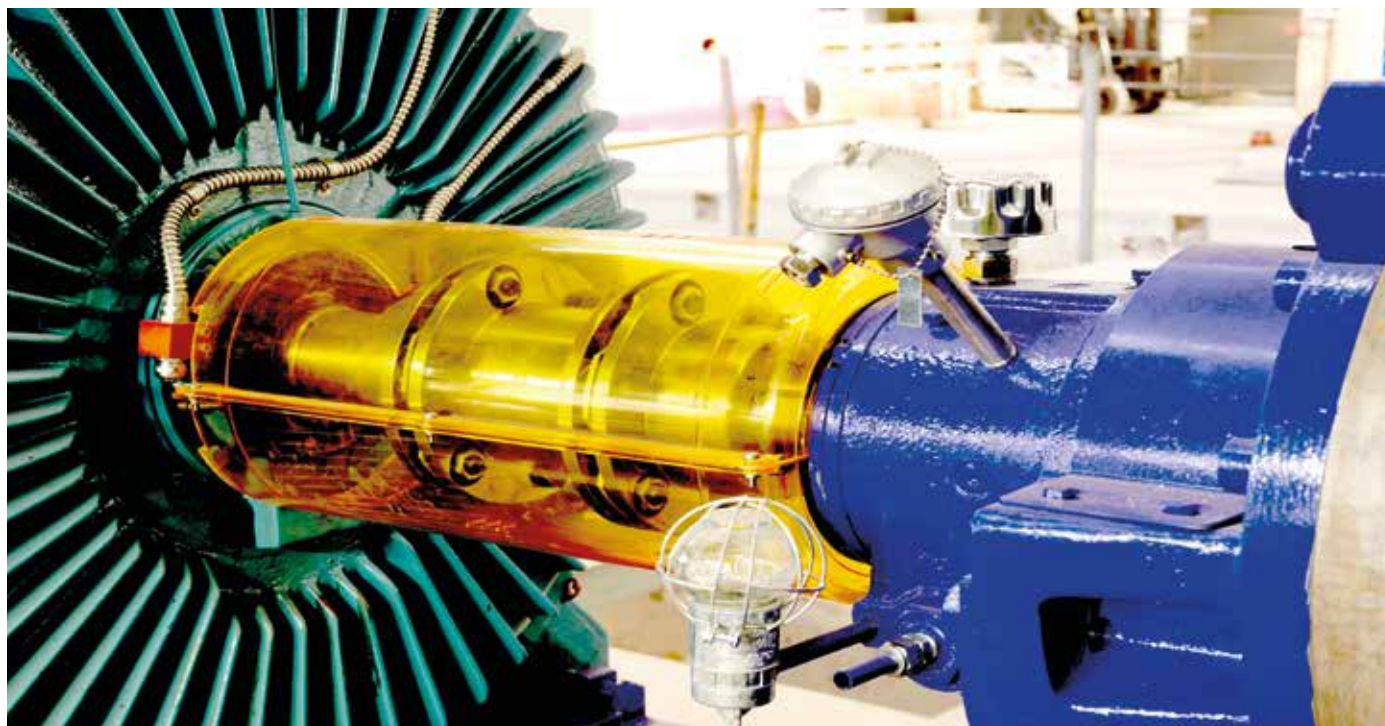
RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<b>ENVIRONMENTAL AND SAFETY REQUIREMENTS</b>	<p>The Company carries out projects in which an flawed execution could generate risks with a high impact on the environment or sensitive health and safety risks.</p> <p>Técnicas Reunidas works to control and minimize these risks by collaborating with its clients, subcontractors and suppliers in this area.</p>	<ul style="list-style-type: none"> <li>▶ Existence of a Sustainability Policy and Plan and implementation of measures consistent with it.</li> <li>▶ Existence of an Environmental and Safety Management System in accordance with ISO 14001 and 45001 certification in Técnicas Reunidas.</li> <li>▶ Environmental management assurance from the engineering phase. Extension of this assurance to suppliers and subcontractors through audits and training.</li> <li>▶ Strengthening process safety from the design phase.</li> <li>▶ Promotion of occupational safety at suppliers and subcontractors.</li> <li>▶ Quality, safety, health and environment policy that introduces concepts of sustainability, consultation and participation, as well as well-being and health.</li> </ul>
<b>ECONOMIC VARIABLES</b>	<p>Certain economic circumstances (changes in exchange rates, interest rates, willingness to finance, taxation, etc.) may have an impact on Técnicas Reunidas' business and results.</p> <p>Period of geopolitical tensions with high impact on economic variables (high levels of inflation).</p> <p>Worsening prospects for growth in 2023 in almost all areas, mainly in advanced economies and persistence of inflationary tensions.</p> <p>High weight of the entities or organizations that finance their investments in client's decisions.</p> <p>In recent years financial institutions have increased their perception of risk in the sector, being more conservative in their support for the field. In addition, in general, the application of stricter global monetary policies has led to the tightening of financial conditions in emerging economies.</p> <p>Potential changes to Corporate Income Tax in the countries where the Company executes projects could lead to delays in the DTA recovery plan.</p>	<ul style="list-style-type: none"> <li>▶ Continuous monitoring of the risks associated with the currency and contracting of exchange rate insurance.</li> <li>▶ Management of a solid balance sheet and availability of appropriate financing lines, including those for supporting strategic companies managed by SEPI.</li> <li>▶ Mitigation of the risk of clients' lack of liquidity by means of active, participation in the processes of obtaining financing, through banks that support the operations in which Técnicas Reunidas participates, as well as through the use of export insurance through banks that support the operations in which the Company participates and direct contact with the clients' financing entities, as well as through the use of export insurance.</li> <li>▶ Growth plan in offices in different specific geographic areas, which allows controlling the impact of inflation and not losing competitive capacity.</li> <li>▶ Continuous monitoring by Técnicas Reunidas' tax advisors of changes in Corporate Income Tax in the different jurisdictions where it operates.</li> <li>▶ Diversification of banking entities and insurance companies with which the Company works.</li> </ul>

## Main operational risk and management mechanisms in Técnicas Reunidas

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<b>INFORMATION TECHNOLOGY</b>	With the Group's increased digitalization, the risk of cybercriminal intrusion into its systems has increased (increase in the perimeter of attacks, cyberthreats and cyberattacks).	<ul style="list-style-type: none"> <li>▶ Information Security Management System certified in accordance with ISO 27001:2013.</li> <li>▶ Information Security Policy and Privacy Policy, oriented to the Zero Trust model and its alignment with international standards such as NIST, CIS, National Security Scheme and ISO 27001: 2013.</li> <li>▶ Cybersecurity training for employees.</li> <li>▶ Supervision by the Information Security Commission of the implementation of the strategic cybersecurity plan, the results of audits and the main risks and measures implemented.</li> <li>▶ Incorporation of second layer of email filtering for the prevention of CEO fraud, malicious mail and phishing.</li> </ul>
<b>KEY PERSONNEL RETENTION AND ADAPTATION OF RESOURCES TO WORKLOAD</b>	<p>The loss of key personnel, as well as gaps in their training, can increase the risk of not properly executing projects. In addition, excessive project concentration or project delays can lead to inefficiencies in personnel management.</p> <p>On the other hand, the Company faces the lower availability of qualified personnel given the greater demand worldwide in areas such as renewable energies or infrastructures.</p>	<ul style="list-style-type: none"> <li>▶ Procedures for identifying key employees to be retained and applying policies to help them stay.</li> <li>▶ Implementation of a flexible human resources structure to quickly adapt to market variations.</li> <li>▶ Globalized human resources management to unify the criteria applied in the different subsidiaries.</li> <li>▶ Staff growth plan, including a growth strategy in relevant geographic areas due to their proximity to the client.</li> </ul>
<b>INTEGRITY AND REPUTATION</b>	Non-ethical or irresponsible behavior on the part of employees or other third parties with whom the Company collaborates (suppliers and subcontractors) may negatively affect the reputation and results of Técnicas Reunidas.	<ul style="list-style-type: none"> <li>▶ Internal regulations and training to guarantee the integrity of professionals and availability of a Code of Conduct, Criminal Compliance Policies and Procedures and a Whistleblowing Channel.</li> <li>▶ Accreditation of the UNE19601 Certification of Criminal Compliance Management Systems.</li> <li>▶ Requiring suppliers and subcontractors to comply with environmental, human rights, health and safety, anti-corruption and anti-fraud requisites. All this is included in the Supply Chain Ethics Code.</li> </ul>
<b>SUPPLIERS AND SUBCONTRACTORS</b>	<p>Tensions between countries limit access to suppliers and subcontractors.</p> <p>Due to the pandemic and the Russia-Ukraine conflict, a framework of instability and uncertainty has been generated that makes it difficult to plan and manage projects efficiently.</p> <p>Increased risk of non-compliance and abandonment of projects due to the implications of the pandemic and the Russia-Ukraine conflict on the construction sector.</p>	<ul style="list-style-type: none"> <li>▶ Expansion of the lists of suppliers and subcontractors that meet customer requirements.</li> <li>▶ Subcontractor evaluation processes including compliance and sustainability criteria, and improvement of financial and safety, health and environment assessment criteria.</li> <li>▶ Implementation of payment plans with suppliers and subcontractors to minimize the impacts on projects due to non-payment and reinforcement of collaboration with suppliers and subcontractors in order to establish plans according to the payment possibilities of the projects.</li> </ul>

## Main operational risk and management mechanisms in Técnicas Reunidas

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
QUALITY OF EXECUTION	Quality of execution ensures not only closing the project without incident, but also obtaining projects of a similar nature or from the same client in the future.	<ul style="list-style-type: none"> <li>▶ Quality supervision mechanisms in all project phases.</li> <li>▶ Creation of databases that collect the Company's knowhow and best practices.</li> <li>▶ Elaboration of quality procedures by all affected departments, minimizing the possibility of ignorance, and review by the Knowledge Management Division.</li> <li>▶ Técnicas Reunidas has renewed for 25 years uninterruptedly (since 1997) the certification of the Quality Management System by AENOR in accordance with the ISO 9001 standard.</li> </ul>
CLIMATE CHANGE	<p>Climate change requirements may affect the needs of customers and the way in which Técnicas Reunidas executes its projects.</p> <p>In addition, one of the most relevant risks in relation to the environment is compliance with the European Union's plan for complete decarbonization by 2050.</p>	<ul style="list-style-type: none"> <li>▶ The Company has high technical engineering capabilities that allow it to offer customers solutions that allow them to develop their sustainability activities and their emission reduction initiatives through, for example, the modernization of pre-existing industrial facilities.</li> <li>▶ The Company has advanced technical procedures that allow it to execute projects in extreme environmental conditions, as it has demonstrated in locations such as Saudi Arabia or Canada.</li> </ul>



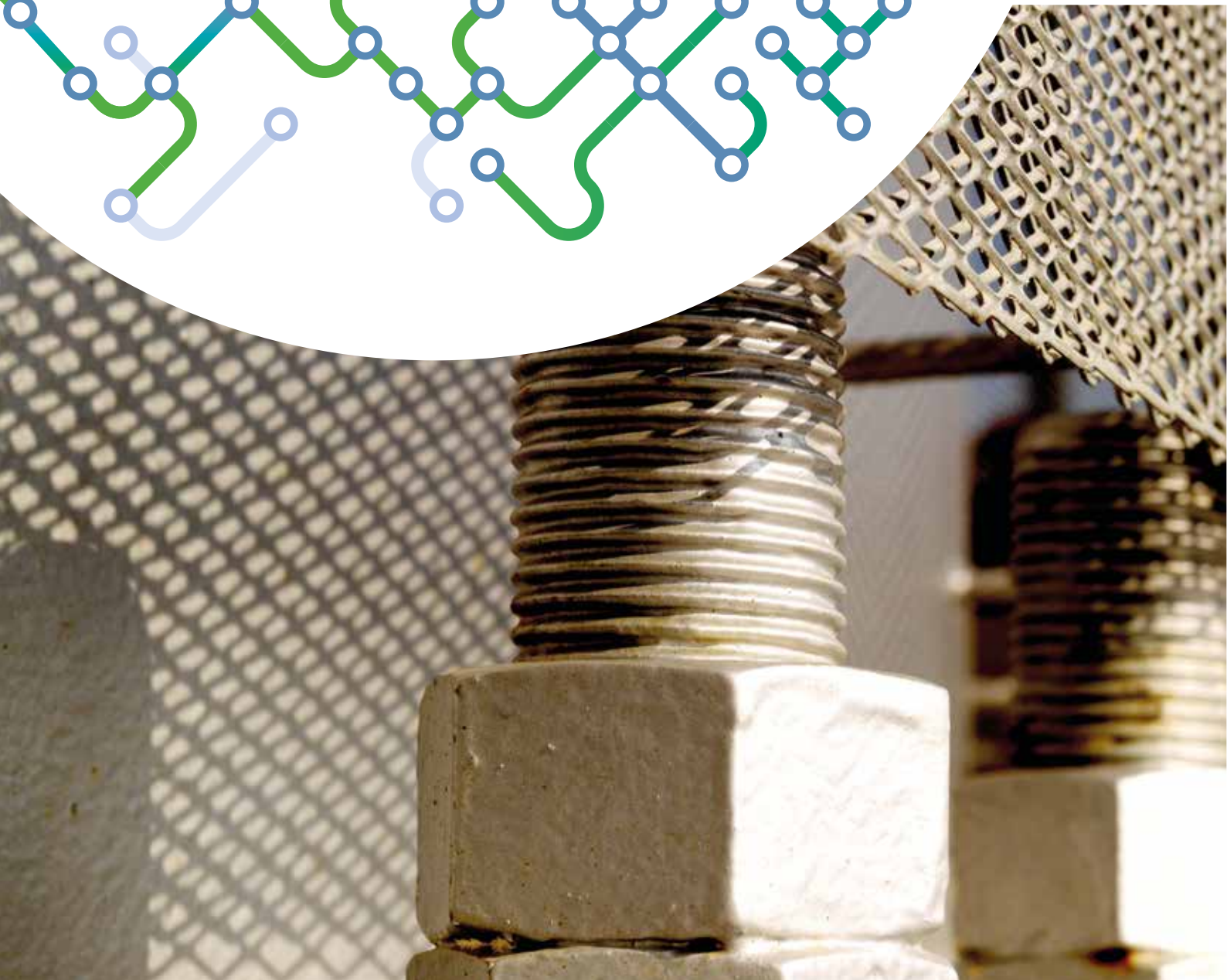


## Main operational risk and management mechanisms in Técnicas Reunidas

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<b>CORPORATE GOVERNANCE AND SUSTAINABILITY</b>	The growing requirements in these matters require Técnicas Reunidas to have the structure and precise means to respond to them.	<ul style="list-style-type: none"> <li>▶ The Company has set up a Sustainability Area that, depending on the Secretariat of the Board of Directors, responds specifically to these growing requirements.</li> <li>▶ For its part, the Secretariat of the Board of Directors itself has reinforced its composition to respond to the new requirements in terms of corporate governance.</li> <li>▶ During 2022, the Company approved specific regulations for each of its three Committees of the Board of Directors, that is, the Audit and Control Committee, the Appointments and Remuneration Committee and the Risk and Management Committee, which set out the basic principles and rules regarding their composition, operation and competences. The approval of these regulations allows the Company's corporate governance model to be deepened, providing these Committees with their own internal regulations to recognize their internal relevance and facilitate the exercise of their functions.</li> <li>▶ The Company is in process of development of the following corporate policies: (i) Trade Secrets and Confidentiality Policy that establishes the general framework for action at the level of the Company and its Group to guarantee the confidentiality and consequent protection of its information and knowledge with business value, particularly those that may constitute trade secrets;</li> <li>(ii) Corporate Governance and Group Definition Policy, in order to establish the principles, criteria and guidelines that should rule the organization and operation of the governing bodies of Técnicas Reunidas, as well as those that should serve as a basis for the definition of the structure of its Group, all based on the application of compliance with the recommendations of corporate governance policies of general recognition in international markets, adapted to the particularities of Técnicas Reunidas and its Group; and (iii) Human Rights Policy that sets out the commitment of the Company to uphold human rights and the due diligence principles in the development of its activity and that includes all the Company's value chain.</li> </ul>
<b>NEW ENERGY SCENARIO</b>	The energy transition is a new reality to which both Técnicas Reunidas customers and the Company itself must adapt in order to meet the budgets and decarbonization deadlines to which the countries have committed.	<ul style="list-style-type: none"> <li>▶ The Company dedicates more and more resources to the execution of projects in the field of energy transition, helping its clients to adapt to regulatory changes and new market trends.</li> <li>▶ Técnicas Reunidas has launched a financing framework, called Harvest, with the aim of financing its commitment to decarbonization and the energy transition.</li> </ul>

# 6

## RESOURCES AND RELATIONSHIPS



## 6.1 CONTROL AND MANAGEMENT OF FINANCIAL CAPITAL

Técnicas Reunidas deals with sector challenges by using valuable assets such as the prestige of its engineering and the trust of its clients.

Contribution of Técnicas Reunidas to achieving the SDG



### MAIN INDICATORS<sup>1</sup>

INDICATOR	2022 DATA	2021-2022 PROGRESS
Portfolio (million €)	9,515	+ 9.13 % <sup>2</sup>
Contracts awarded (million €)	1,868	- 55.15 %
Ordinary income (sales) (million €)	4,233	+ 50.87 %
EBIT (million €)	8.7	+ 105.58 %
EBIT/sales (%)	0.21	+ 103.70 % <sup>3</sup>
Reported profit after tax (million €)	-34.5	+ 82.05 %
Net cash position (debt/treasury) (million €)	158	+ 307.28 %
Work in progress (million €)	2,590	+ 24.44 %
Guarantees (million €)	4,415	- 1.91 %



### 2022 MILESTONES

- Renewal of bond and promissory notes issue programs in the Alternative Fixed-Income Market (MARF), focused on energy transition.
- Monitoring of the implementation of the Efficiency Plan, an internal plan to optimize Company expenses in its various activities in search of efficiency.
- Preservation and reactivation of the portfolio affected by Covid-19, without any cancellations.
- Disbursement and monitoring of 340 million euros financed by the Strategic Company Solvency Support Fund (FASEE), managed by SEPI.
- Extension and renewal of bilateral and syndicated lines of guarantees that matured in 2022.
- Closing a Prior Agreement with the Tax Administration.



### GOALS FOR 2023

- To follow up the implemented Prior Agreement with the Tax Administration.
- To continue active participation in the Large Contributors Forum.
- To secure the mechanisms of liquidity associated with European Union plans, the settings of the Russia-Ukraine conflict and energy transition.
- To negotiate the bilateral and syndicated lines of guarantees whose execution deadlines are affected by the pandemic or the current conflict in Europe and in new business carried out by the Company.
- To strengthen proactive communication with the market.
- To follow up on the process for the implementation of the Company's Efficiency Plan.
- To continue looking for investors and financial products associated with energy transition and sustainability.
- To look for mechanisms to bolster the Company's financial lines.
- Adapting taxation to BEPS 2.0.
- 2023 capital increase.

<sup>1</sup> The definitions of the Alternative Performance Measures (EBITDA, EBIT, Net Cash and Portfolio) are available in the [Consolidated Annual Accounts](#).

<sup>2</sup> An amendment is made to 2021 data. The portfolio amount at 31 December 2021 is 8,719 million euros.

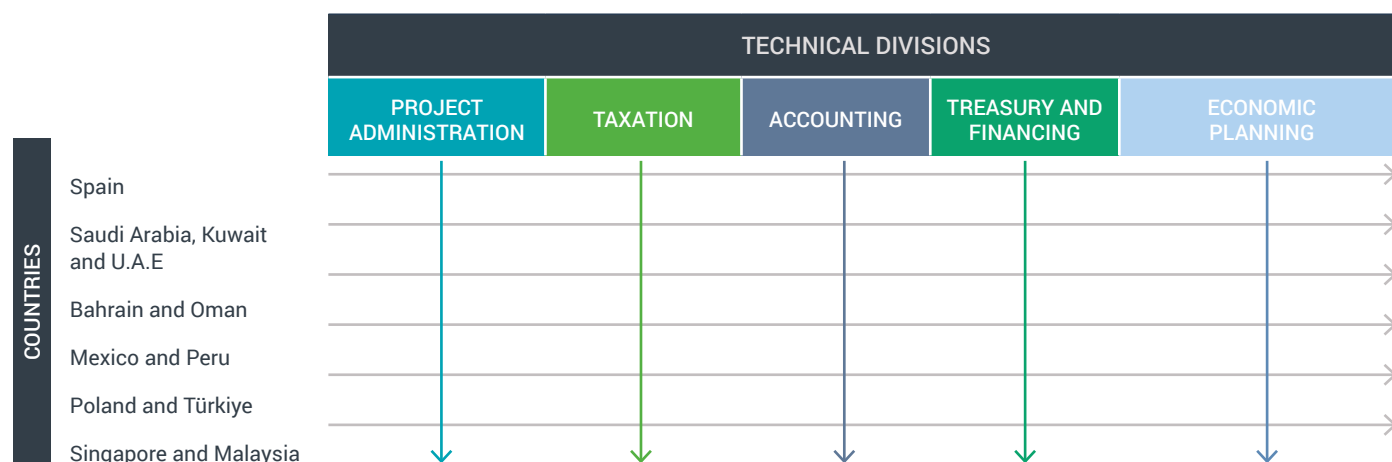
<sup>3</sup> The data from 2021 is corrected. In said financial year, the EBIT/sales indicator was - 5.58 %.

## MANAGEMENT APPROACH

Técnicas Reunidas has a specialized division for financial management, structured as a matrix with two intersecting axes: one for technical areas and the other for the main countries it operates in.

Alongside its internal functions, the Finance Division provides support to the Company's clients in obtaining financing for their projects.

### Matrix-based organisation of Técnicas Reunidas' financial management



## SIGNIFICANT FINANCIAL ASPECTS

The macroeconomic setting and that of the energy industry, including the setting derived from the conflict in Ukraine, as well as the geopolitical situation between Spain and Algeria, have had a significant impact on Técnicas Reunidas' activity. As a result of the restrictions imposed by the European Union and other international bodies, the remodeling project of the Moscow refinery alongside Gazprom, which amounted to 234 million euros, was canceled. Also, in June 2022 the consortium formed by Neptune Energy and Sonatrach call on the execution for the total amount of its performance guarantees, amounting to 80 million euros. Whereupon the Company initiated an arbitration process, before the International Chamber of Commerce, for the recovery of the executed guarantees and recover the excess costs incurred and not covered by the client. To face this situation of uncertainty the Company has allocated a provision for potential risks and expenses of around 45 million euros.

In operations, Covid-19 continues to have an impact on project execution speeds, although increasingly to a lesser degree. Thus, quarterly turnover was in excess of 1,200 million euros before the pandemic, whereas it remained at an average of 700 million euros quarterly for more than six quarters.

A positive effect is that the recovery of investment in the sector has resulted in a large volume of project awards amounting to approximately 4,800 million euros from the start of 2021 to the end of 2022. These are a series of projects that differ as regards of both products and geographical regions where Técnicas Reunidas has significantly reduced the risk associated with construction.

On the other hand, in February 2022 the State Industrial Ownership Corporation granted Técnicas Reunidas a financing package worth 340 million euros in the form of a participatory loan for 175 million euros and an ordinary loan of 165 million euros. Access to this financing instrument was possible because the Company is considered as a strategic asset in Spain's engineering sector.

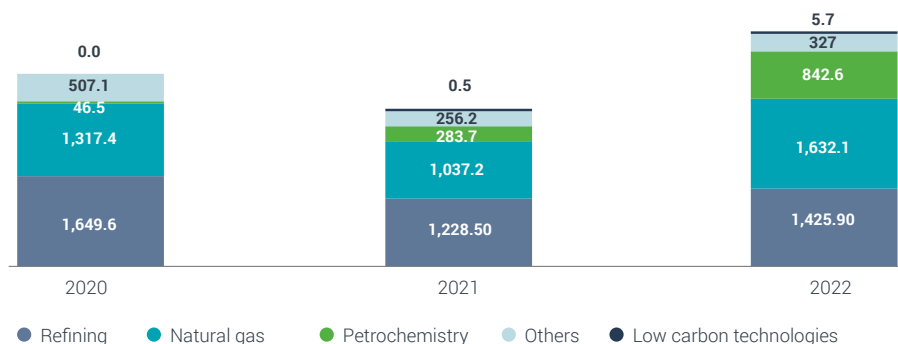
With respect to the Company's results, sales in 2022 increased to 4,233 million euros (an average of 827 million per quarter), an increase of 51 % over 2021. Operating income was 8.7 million euros and net income recorded a loss of (34.4) million euros. Also, financial year 2022 ended with a net cash position of 158 million euros<sup>4</sup>.

<sup>4</sup> Cash generated by operations amounts to 139 million euros, which shows a gradual return to normal payment practices, combined with the continuous effort of Company management to improve working capital.

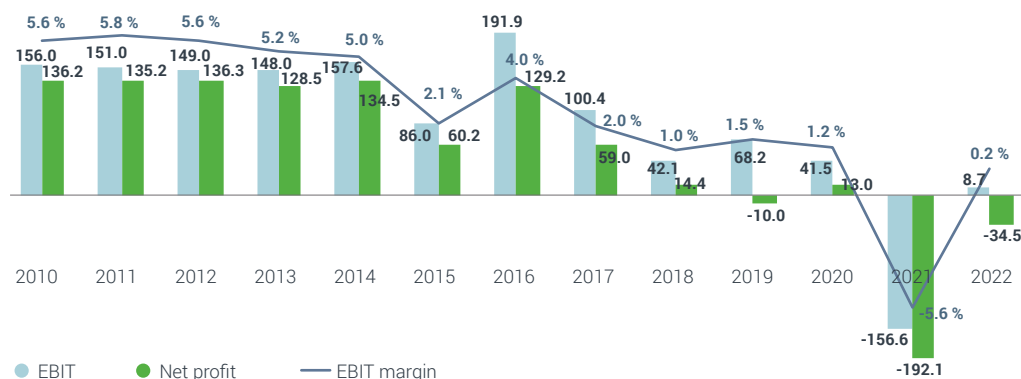
The increase in income can be explained by the commissioning of projects that were reprogrammed, as well as initiating the execution of projects awarded from the start of 2021 and the measures taken (allocations to cover possible risks and expenses) because of the situation in Algeria and the Ukraine-Russia conflict. Net income has also been affected by an allocation of 81 million euros for litigation, arbitration and

claims involving clients and subcontractors concerning claims for amounts or the execution of guarantees associated with performance of certain projects<sup>5</sup>. In 2022, approximately 72.3 % of the Company's income was from the Refining and Natural gas. Petrochemical, Low carbon technologies and Others represented 19.9 %, 0.1 % and 7.7 % of Técnicas Reunidas' income, respectively.

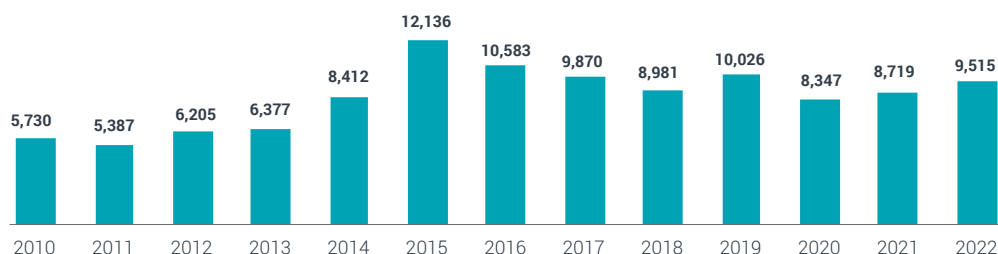
#### Sales evolution. Breakdown by business area<sup>6</sup> (million €)



#### Evolution of EBIT, net profit (million €) and margin (%)



#### Evolution of portfolio (million €)



<sup>5</sup> Técnicas Reunidas is involved in various legal and arbitration disputes with clients and suppliers associated with the process of closing certain projects. According to the legal consultants' board and based on the available information, the Company believes that the result of these disputes will not have a material impact on the Group's financial position, except in the cases associated with the following projects: Kilpilahti Power Plant, MGT Teesside, Sumimoto SHI FW, GTG Consortium and Arabian Bemco Contracting CO LTD (BEMCO). As regards the processes stated above, the Group has registered provisions in its consolidated balance sheet to deal with contingencies and expenses. These processes are in different stages and they are not expected to be resolved before 2024 or the beginning of 2025.

<sup>6</sup> In 2022, along with traditional segmentation, Técnicas Reunidas implemented a newly designed segmentation intended to (a) reveal knowledge of commercial activities more appropriately and more similar to peer companies in the sector; and (b) adapt the reporting format to the improvement in the Company's position as regards energy transition technologies. Given these changes, the historical data of sales broken down by division is only available for the last two financial years. The new design for segmentation was decided by the Company's management to reflect the Group's commercial and operational activities more appropriately and in a way comparable to those of similar companies in the sector.



## MARKET ENVIRONMENT

The market environment in which Técnicas Reunidas operates has been affected by various external factors during 2022, which has forced the Company to adapt its financial management, as shown below.

### External factors that have impacted on Técnicas Reunidas



#### Oil, oil derivatives and gas prices

- The prices of energy raw materials are returning to normal after the volatile situation caused by the conflict in Ukraine. Oil increased from 50 dollars a barrel at the end of 2020 to 123 dollars in July 2022, and then dropped again to 81 dollars at the end of 2022. As regards natural gas, the price in the Henry Hub in December 2022 closed at 3.5 dollars per MBtu, versus 3.8 dollars per MBtu at the end of 2021. Prices have been very volatile, reaching a maximum of 9.9 dollars per MBtu in August. Leading analysts and institutions expect a sustained scenario of high prices for energy and its derivatives.
- In this context, Técnicas Reunidas has adapted to the new scenario by establishing an agile organizational structure that is closely aligned with project implementation, and is committed to digitalizing project implementation processes and activities, which allows better control over the risks and cost overruns.



#### Volatile nature of the financial markets and increased financing costs

- The worsening of the macroeconomic situation has maintained risk perception by financial institutions with respect to the engineering sector, uncertainty regarding the evolution of the economic cycle and cash preservation policies on the part of some clients.
- In order to adapt, Técnicas Reunidas is developing a highly geographically diversified pool of banks, in which local banks occupy a central role, while maintaining current lines of financing.
- Técnicas Reunidas has replaced its syndicated lines of financing with a single line whose maturity is aligned with its needs.
- Técnicas Reunidas has developed new lines of financing through the MARF in order to diversify its sources of financing outside the banking sector, seeking long-term and competitive terms. While financing by means of syndicated lines of credit has enabled the Company to achieve better financing terms at competitive prices, it requires compliance with determined balance sheet ratios and results.
- The Company has also diversified its sources of financing by accessing european funds for strategic companies.



#### Political instability and deterioration of the macroeconomic setting

- The conflict in Ukraine and the associated sanctions have significantly affected market stability, especially in geographical close areas. There have been serious disruptions in the supply chain of the engineering and construction industry of the energy sector, a situation which has also been affected by the external trade blockade between Spain and Algeria. The extension of the conflict has led the World Bank to foresee a downturn in global economic growth and an inflationary spike in 2022 and subsequent financial years.
- Faced with this situation, Técnicas Reunidas is managing the potential impact on project execution by implementing alternative solutions for affected clients, such as increasing suppliers, changes in strategy to avoid cost increases, bolstering work in prefabrication workshops, compensation measures, etc.



### Exchange rate €/€ and interest rates

- The depreciation of emerging countries' currencies and the volatility of the dollar against the euro impacts heavily on the results of international companies such as Técnicas Reunidas.
- Likewise, the increase in interest rates by central banks to fight against inflation has a negative impact on income statements.
- In order to mitigate this risk posed by exchange rates, the Company has a policy in place for continuous monitoring of currency-related risks and contracting of exchange rate insurance.
- The Company manages interest rate risk with debt in euros, referenced at fixed interest rates in approximately half of its debt-servicing financial contracts, whereas the other half is referenced at variable interest rates to the Euribor at 3, 6 and 12 months. Moreover, the Company has developed a growth plan in remote offices to mitigate the cost of inflation in Spain and preserve its competitive edge.



### Increase in sustainability demands

- In recent years there has been an increase in sustainability demands due to new regulatory disclosure requirements, such as the European Union Taxonomy, in addition to a growing concern by investors and other stakeholders on ESG performance of companies.
- Accordingly, the Company has a Sustainability Policy and Plan as well as an Environmental and Safety Management System in accordance with the ISO 14001 and 45001 certification and a 19601 Criminal Compliance Certificate. In addition, it forms part of several sustainability alliances and collaborates with ESG analysts that evaluate its performance.



### New contracting models

- Projects are increasingly billed by milestones rather than progress payments. This leads to extended collection periods, complicating the financial position of the Company, which must continue to meet its obligations to its suppliers or employees.
- To mitigate this effect, Técnicas Reunidas has maintained its policy of managing a solid balance sheet and adequate lines of financing to ensure the solvency necessary for implementing its projects. It has also designed specific actions to align collection periods with payment periods to suppliers.



### Energy transition acceleration

- The Russia-Ukraine conflict has led to an acceleration of short-term investment strategy plans and a reduction of investments to improve self-sufficiency and cover the energy deficiencies derived from the conflict, as well as to speeding up energy transition.
- In this scenario, Técnicas Reunidas is well-positioned and has the required credentials, technical capacity and experience. The Company has launched its energy transition strategy, TRACK, to make the most of the opportunities in the sector.



### Direct negotiation of disputes with third parties

- There is an increasing tendency by certain clients and suppliers to give less weight to direct negotiation with Técnicas Reunidas when resolving disputes, leading to an increase in litigation.
- This circumstance means that the Company has to estimate the expected outcome of these disputes with third parties, based mainly on the criteria of its legal advisors in the preparation of estimates and judgements.

## VALUE GENERATION BY TÉCNICAS REUNIDAS IN SPAIN

GRI [201-1]; [3-3]

Técnicas Reunidas not only contributes to generating wealth for its shareholders, but also creates value for other stakeholders, including society in general by distributing and sharing part of the income generated by the Company.

In terms of national accounting, the majority of the Company's revenue in Spain corresponds to total exports, while a significant percentage corresponds to net exports. This revenue allows the Company to acquire goods and services from suppliers to perform its activity. This investment, along with other items, contributes directly to the Spanish GDP, generating value in the form of taxes, social contributions, employee salaries and reinvestment in the Company.

Técnicas Reunidas' activities also have a positive impact on other important areas such as employment and R&D&I.

As regards employment, the Company's activities have given rise to numerous jobs in Spain, in terms of both direct employment and in other sectors, through payments to suppliers.

Técnicas Reunidas also contributes to boosting R&D&I in Spain. By offering innovative technical solutions, the Company provides its clients with the opportunity to develop efficient and sustainable plants, which requires cutting-edge technology. This is why the Company invests heavily in R&D&I.

Técnicas Reunidas is mainly focused on overseas activity and has had a decisive role in the upturn in the Spanish economy's external sector over recent years.

The implementation of high-quality projects and the satisfaction of its clients in different parts of the world have also contributed significantly to improving the image of Spain, particularly in a cutting-edge technological sector.



## Economic value generated by Técnicas Reunidas in Spain (2012-2022)

### Direct Economic Value Generated (DEVG)

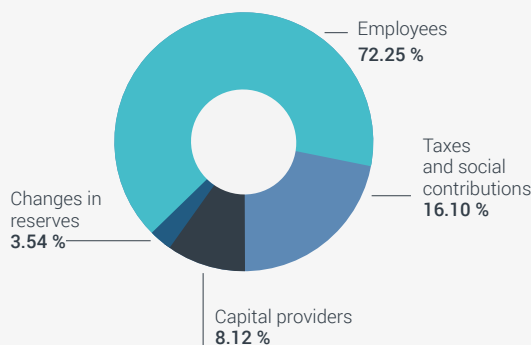
- Company's revenues in Spain: € 27,810.8 million.

In terms of national accounting, the following revenues:

- 97.2 % corresponded to exports (€ 27,219.5 million).
- Net exports amounted to € 12,112.2 million.

### Economic Value Distributed (EVD) through revenues

Direct contribution to Spanish GDP  
€ 5,223.3 million



**Payments to Spanish based suppliers of Técnicas Reunidas (€ 7,390.6 million) generated a series of indirect effects resulting in:**

- Contribution of € 4,162.7 million in GDP generation (indirect).
- Employment of 2,713 professionals indirectly in Spain in 2022.

**Estimated consumption of Técnicas Reunidas' Spanish employees (€ 2,851 million) generated induced impacts:**

- Economic contribution to GDP of € 2,246.1 million (induced).
- Employment of 3,073 induced professionals in Spain in 2022.

### Methodological note

Data for the period 2012-2022 have been obtained from a Company report containing data referring to Spain. The economic effect has been calculated from operational revenue, excluding the financial result of the same.

Direct contribution to Spanish GDP was calculated as follows:

- 'Taxes and social contributions' includes income tax withholdings, Social Security contributions and Corporate Income Tax.

- 'Employees' includes payment of salaries to employees minus income tax withholdings and Social Security contributions.

- 'Capital providers' includes dividends paid to shareholders and payment of interest on debt and loans.

In addition, tax payments for the period 2012-2022 amount to € 45.9 million.

## Zoom 2022: Value generation by Técnicas Reunidas in Spain

### Direct Economic Value Generated (DEVG)

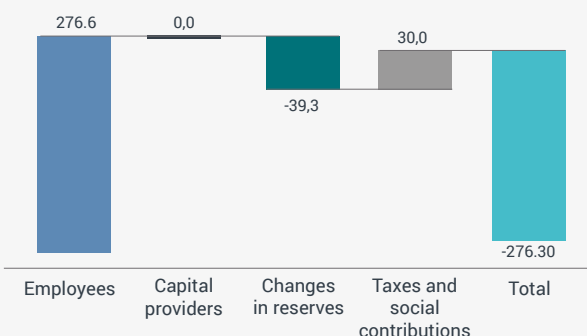
- Company's revenues in Spain: € 2,275.2 million.

In terms of national accounting, the following revenues:

- Corresponded in 96.8 % to exports (€ 2,202.7 million).
- Net exports amounted to € 570.3 million.

### Economic Value Distributed (EVD) through revenues

Direct contribution to Spanish GDP:  
€ 267.3 million



**Payments to Spanish based suppliers of Técnicas Reunidas (€ 321.3 million) generated a series of indirect effects resulting in:**

- Contribution of € 180.9 million in GDP generation (indirect).
- Employment of 2,713 professionals indirectly in Spain in 2022.

**Estimated consumption of Técnicas Reunidas' Spanish employees (€ 218.6 million) generated induced impacts:**

- Economic contribution to GDP of € 172.2 million (induced).
- Employment of 3,073 induced professionals in Spain in 2022.

### Methodological note

Data for the 2022 zoom have been obtained from a Company report containing data referring to Spain. The economic effect has been calculated from operational revenue, excluding the financial result of the same.

Direct contribution to Spanish GDP was calculated as follows:

- 'Taxes and social contributions' includes income tax withholdings, Social Security contributions and Corporate Income Tax.

- 'Employees' includes payment of salaries to employees minus income tax withholdings and Social Security contributions.

- 'Capital providers' includes dividends paid to shareholders and payment of interest on debt and loans.

In addition, tax payments corresponding to financial year 2022 amount to € 5.1 million.

## TAX INFORMATION

GRI [3-3]; [207-1]; [207-2]; [207-3]; [207-4]

The body responsible for the tax strategy is the Audit and Control Commission, which approved a corporate Internal Tax Risk Manual that sets out the tax strategy and corresponding internal management procedures for the Company's tax risk. This Manual also includes training actions and internal investigation plans in this area. Both the tax strategy and the Manual are reviewed once a year<sup>7</sup>.

In addition, the Group draws up tax strategies during the project bidding phase to minimize any risks that might arise. These tax strategies are drawn up with the help of local consultants in all markets, including Técnicas Reunidas' regular markets, in accordance with the applicable legal frameworks, taking into account Técnicas Reunidas' business strategy<sup>8</sup> and the principles governing responsible taxation contemplated in its Sustainability Policy<sup>9</sup>. The Company also has a Whistleblowing Channel from where it can receive information regarding non-compliances with legislation<sup>10</sup>.

Técnicas Reunidas takes its international presence into account when it defines its tax strategy; in fact, in 2022 most of the Company's income came from outside Spain. In recognition of its tax responsibility and the complexity of its operations, the Company applies a tax model based on BEPS criteria for the value chain, which seeks the correct application of taxation in jurisdictions where value is created. In 2022, the Company has also adhered to the Code of Best Tax Practices, drawn up and approved by the Large Enterprises Forum to promote a mutually cooperative relationship between the Tax Agency and the undersigning companies.

Nonetheless, on certain occasions the Company operates in countries where it may implement a single project or set of projects for a single client, meaning that a breakdown of tax information by country might jeopardize the commercial or operational interests of these projects. The data are aggregated by geographical area, following the same criteria used for the various financial indicators presented in the annual consolidated financial statements<sup>11</sup>.

### Income tax paid in thousand euros

Área geográfica	2021	2022
America	13,187	3,391
Asia	4,726	4,421
Spain	28,047 <sup>12</sup>	-
Europe	22	824
Mediterranean	989	1,671
Middle East	10,631	5,780
<b>Total</b>	<b>57,604</b>	<b>16,088</b>

### Earnings before taxes in thousands of euros

Geographical area	2021 <sup>13</sup>	2022
America	(6,528)	103,054
Asia	18,958	16,166
Spain <sup>14</sup>	(100,598)	(120,832)
Europe	(54,875)	5,049
Mediterranean	20,184	1,034
Middle East	(55,870)	(22,895)
<b>Total</b>	<b>(178,729)</b>	<b>(18,424)</b>

The improvement in earnings before taxes for 2022 compared to the previous year shows a return to normal conditions after the effects of Covid-19 that took place in previous years.

Técnicas Reunidas received 2,811 thousand euros in public grants in 2022 (versus 1,779 thousand euros in 2021).

<sup>7</sup> For more information on tax risk management, refer to the Group's [Annual Corporate Governance Report 2022](#) and [Consolidated Annual Accounts](#), which are audited externally.

<sup>8</sup> Where necessary, the Company holds meetings with the tax authorities to clarify any issues arising and agree on the necessary solutions in a dispute. The Audit and Control Commission is informed of these processes on a regular basis.

<sup>9</sup> For more information, please refer to the [Sustainability Policy](#).

<sup>10</sup> For more information, please refer to chapter 5.1 Governance model.

<sup>11</sup> Técnicas Reunidas does not publish 207-4 Country-by-country reporting information, which presents a problem of confidentiality for the Company.

<sup>12</sup> The amount of corporate income tax paid in Spain in 2021 includes payment in respect of the 2013 and 2014 tax audit reports, equivalent to 28,047 thousand euros.

<sup>13</sup> The results by geographical area show the contribution of the same to consolidated income before taxes drawn up according to IFRS-EU and that include, among other consolidation adjustments, the elimination of all the operations between Group companies. Therefore, these results do not represent the taxable income in each geographical area. In consistency with this criterion, the grouping of the data for financial year 2021 has been recalculated.

<sup>14</sup> This does not include the results for the Spanish companies which make up the Company but which are consolidated through the equity method of accounting. The amounts not taken into consideration correspond to 110 thousand euros (1,072 thousand euros in 2021) in losses.





## Countries with income during the financial year by geographical area

**America:** Argentina, Canada, Chile, Colombia, Mexico and Peru.

**Asia:** India, Indonesia, Kazakhstan, Malaysia, Singapore and Thailand.

**Europe:** Holland, Italy and Poland.

**Spain:** Spain.

**Mediterranean:** Algeria and Türkiye.

**Middle East:** Saudi Arabia, Azerbaijan, Bahrain, United Arab Emirates, Kuwait, Oman and Qatar.

## Contribution to the external sector and the development of Marca España

Técnicas Reunidas is focused on overseas activity, making a decisive contribution to the upturn in the Spanish economy's external sector over recent years.

The quality of the Company's project implementation and the satisfaction of the clients in different parts of the world have also made an important contribution to the strengthening of Marca España.

This is particularly significant in a sector requiring high-level technological skills, such as engineering, which contributes still further to the enhancement of Marca España.

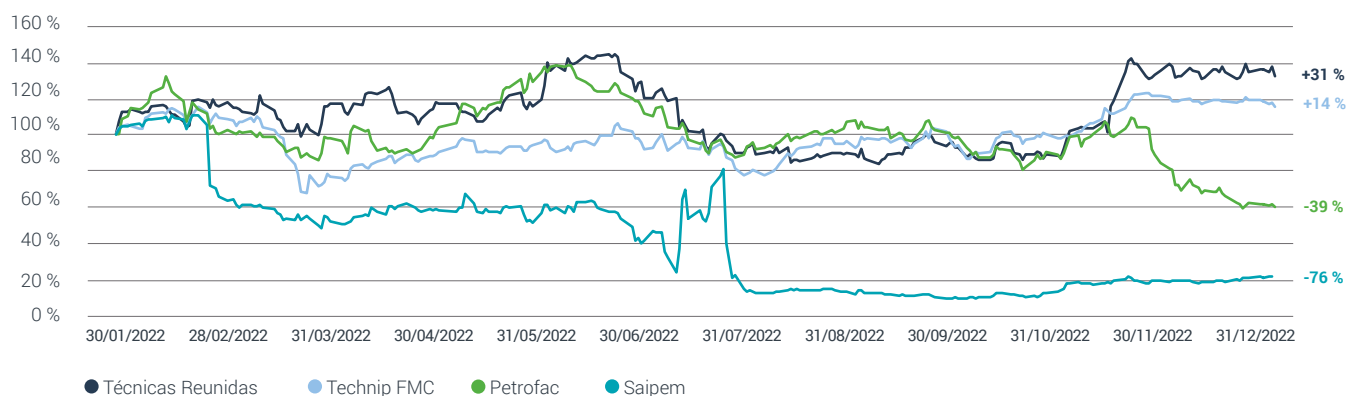
## Stock performance

Shares in the Company appreciated by 31.22 % during financial year 2022, with share price at December 31, 2022 at 9.12 euros/share and the average price for the year at 7.67 euros/share. This increase was driven by the good positioning of the Company as regards energy transition, more investment in the sector and the gradual normalization of the Covid-19 situation during the year, among other factors.

### Share price movement for Técnicas Reunidas over 2022



### Share price movement for Técnicas Reunidas and major competitors over 2022<sup>15</sup>



<sup>15</sup> The evolution of the price of comparable companies has been calculated as the daily closing price of the company's price during 2022 divided by its price at the end of 2021.

## INVESTOR RELATIONS

Management of relations with shareholders and potential investors is carried out by the Relations with Investors Area, which directs its main effort through its participation in energy sector conferences and roadshows targeted at locations with a high volume of investors, such as London, New York, Paris, Frankfurt and Milan.

The Company's management team also participates in multi-sector conferences, meetings at Técnicas Reunidas' offices in Madrid and other actions and visits to projects under construction and other initiatives, such as Investor's Day.

After the pandemic, the Company adapted its roadshows and sector conferences to hybrid models that were held with participation both virtual and in person, thereby maintaining a high number of contacts with investors.

In 2022, Técnicas Reunidas participated in 8 sector conferences, organized 5 specific events with investors and held multiple meetings and initiatives with investors. The total number of initiatives and contacts with investors over the year was 171.

### An active communication policy with investors

Técnicas Reunidas reports on its results and its vision for the future through the quarterly webcasts held by the Executive Chairman and the CEO. These initiatives are supported by intermittent roadshows organized in cities with a high concentration of investors (London, Paris and Madrid), which involve the participation of Company directors.

The main topics and subjects of interest covered during these meetings were as follows:

- Medium and long-term energy market trends; client investment perspectives and dynamics in coming years.
- The Company's plan of action for the recovery of sales and margins after normalization of operations post-pandemic.
- The role of Técnicas Reunidas and its position in energy transition.
- Future opportunities in new projects offered by the market and their classification by region and product type.
- Reinforcing the Company's long-term strategy to reduce risks in project implementation.
- Possible effects of the conflict in Ukraine and the strong volatility of raw material prices on the business.
- Conditions and factors affecting the request for funds to SEPI.
- Competitive environment context, focusing on the differences and similarities between the Company and its competitors.

Through the quarterly webcasts from the Executive Chairman, Técnicas Reunidas reports on its results and its vision for the future.



## EUROPEAN TAXONOMY

### A. Introduction

Regulation 2020/852 on Taxonomy is a key component of the European Commission's Action Plan for Sustainable Finances. The intention is to redirect capital flows to a more sustainable economy, which would be an essential step toward achieving the goal set by the European Union (EU) of reaching zero greenhouse gas emissions by 2050.

This regulation sets forth a classification system for economic activities that are environmentally sustainable and common throughout the EU. This creates a common language that can be used by companies, investors and governments and other third parties to identify projects and economic activities with a positive and substantial effect on the environment, based on the recommendations of experts and scientists. The Taxonomy also introduces qualitative and quantitative information reporting obligations for companies and participants in financial markets.

The European Union has set up this system of activities based on six goals: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, protection and restoration of biodiversity and ecosystems, prevention and control of contamination and transition to a circular economy. The first step has been to enact the economic activities that are eligible for the climate change mitigation and adaptation goals, as well as the criteria that determine if these activities are aligned with the Taxonomy, including the requirements for gas and nuclear energy activities to be eligible and become aligned with these goals.

#### Eligibility and alignment concepts

According to the Taxonomy, the eligible economic activities of a company are those described in the delegated acts that supplement the Taxonomy Regulation and can contribute potentially to one or more of the European Union's environmental goals, regardless of whether the activity meets the technical criteria set forth in the regulation.

On the other hand, aligned economic activities are those that are eligible and meet the following requirements in the regulation:

- Contribute substantially to one or more environmental goals.
- Do no significantly harm any of the other environmental goals (DNSH).
- Respect the minimum safeguards (MS).

### B. Técnicas Reunidas' activity<sup>16</sup>

Técnicas Reunidas provides all types of industrial plant engineering and construction added value services for the production of oil refining, natural gas, petrochemicals, low carbon technologies (hydrogen, circular economy and bioproducts, capture and storage of CO<sub>2</sub>), among others. The Company's technical capabilities enable it to develop projects that can contribute significantly to climate change mitigation and are eligible, as set forth in the Taxonomy.

The Company is currently developing a series of energy transition projects that will have a gradual effect in coming years on taxonomic indicators, such as business volume, OpEx and CapEx, as the percentage of their participation in the Company's portfolio becomes more significant.



<sup>16</sup> For more information, please refer to [Consolidated Annual Accounts 2022](#).

## Técnicas Reunidas' procedure to evaluate eligibility and alignment

### Eligibility

The Company carries out an initial evaluation of project types to analyze their relationship with the Taxonomy. Subsequently, a comprehensive analysis of each project is carried out<sup>17</sup> to evaluate which activities can be eligible according to the Taxonomy. Following analysis, each activity considered presumably eligible is crossed against the definitions set forth in the regulation<sup>18</sup>.

The result is the identification of activities eligible for the climate change mitigation goal<sup>19</sup>.

### Alignment

Beginning with identified eligible activities, Técnicas Reunidas performs an in-depth analysis to evaluate compliance of the technical screening criteria with the climate change mitigation goal<sup>20</sup>:

#### 1. Substantial contribution to one or more environmental goals.

An analysis is carried out on each eligible activity as regards compliance with the requirements of substantial contribution to climate change. After this analysis, necessary and pertinent supporting information is gathered for documenting purposes and to carry out the necessary calculations<sup>21</sup>.

#### 2. Do no significantly harm any of the other environmental goals.

To ensure compliance with the principle of no significantly harming any of the other environmental goals, Técnicas Reunidas carries out the following initiatives:

- Demonstrating compliance in all of its operations with the DNSH criteria regarding adaptation to climate change. Compliance at the corporate level also implies compliance of all potentially aligned activities with the Taxonomy.
- In all the economic activities where the Company can document its substantial contribution to climate change mitigation, an analysis is carried out on compliance with the DNSH criteria of the other four environmental goals.

In conclusion, Técnicas Reunidas meets the DNSH requirements for activities with substantial contribution to climate change mitigation.

#### 3. As regards minimum safeguards.

To deal with this criterion, Técnicas Reunidas has analyzed the four features of the minimum safeguard requirement: human rights (including workers and consumer rights), fight against corruption and bribery, responsible taxation and fair competition. Técnicas Reunidas has in place control and management policies, procedures and mechanisms that guarantee compliance with these safeguards.

<sup>17</sup> The first step is a vertical review of the projects to decide whether the main goal of the project is eligible, followed by a horizontal analysis of the units to decide which process units or activities are eligible in each project.

<sup>18</sup> Description of the activities contemplated in Delegated Regulation 2021/2139 and Delegated Regulation (EU) 2022/1214.

<sup>19</sup> Activities that can be eligible for the climate change adaptation goal have not been identified.

<sup>20</sup> Technical criteria contemplated in Delegated Regulation 2021/2139 and Delegated Regulation 2022/1214.

<sup>21</sup> If the information needed to prove contribution criteria is not available, even though the activity can contribute substantially to climate change mitigation, the decision has been made not to evaluate the substantial contribution of that activity. Técnicas Reunidas will continue working in coming years to collect the necessary information and effectively evaluate compliance with the substantial contribution criteria in this group of eligible activities. This has been the case in activities 3.2., 5.11., 6.10., 7.1., 7.2. and 9.1.



In 2022, Técnicas Reunidas carried out a comprehensive analysis of its activity focused on the procedure described above. As a result, the Company established the following classification for activity eligibility and alignment.

## Eligible and aligned economic activities

Economic activity in accordance with the Taxonomy	Description of the activity	Eligibility	Alignment
<b>3.2 Manufacture of equipment for the production and use of hydrogen</b>	Design projects for green H <sub>2</sub> production facilities, developed by the Energy Transition Division <sup>22</sup>	●	●
<b>4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids</b>	Construction projects for biofuel (biomethanol) production plants, developed by the Energy Transition Division	●	●
<b>4.25 Production of heat/cool using waste heat</b>	Construction and assembly projects of shell and tube heat exchangers, recovery boilers, air coolers and cooling towers	●	●
<b>4.29 Electricity generation from fossil gaseous fuels</b>	Construction projects or operation of facilities for the generation of electricity from gaseous fossil fuels (natural gas)	●	●
<b>5.3 Construction, extension and operation of waste water collection and treatment</b>	Construction projects of oily water effluent sewer networks and associated treatment plants	●	●
<b>5.11 Transport of CO<sub>2</sub></b>	Projects of tubes designed to transport CO <sub>2</sub> for subsequent underground injection	●	●
<b>6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities</b>	Activities associated with maritime transportation of modules	●	●
<b>7.1. Construction of new buildings</b>	Projects for the construction of buildings	●	●
<b>7.2 Renovation of existing buildings</b>	Projects for the renovation of buildings	●	●
<b>9.1 Close to market research, development and innovation</b>	Launching applied research projects within the Energy Transition Division	●	●

● Eligible or aligned (depending on the column)    ● Partially aligned    ● Not aligned

## Key taxonomic performance indicators for the climate change mitigation goal<sup>23</sup>

Indicator	Description	Eligibility <sup>24</sup>			Alignment <sup>25</sup>
		2021	2022	2021-2022 Progress	2022
<b>Turnover</b>	Proportion of revenue from aligned activities or those that comply with the Taxonomy, and the proportion derived from eligible activities that do not meet the technical screening criteria (numerators) over the entire amount of the Company's revenue (denominator).	7.93 %	10.51 %	+ 2.58 pp <sup>26</sup>	4.76 %

<sup>22</sup> Técnicas Reunidas designs and assembles green H<sub>2</sub> production facilities. Although it does not manufacture the equipment used in the facilities, the Company designs and assembles the equipment, so its activity is essential for the implementation of activity 3.2. Therefore, and considering the FAQ documents published by the European Commission as regards the Taxonomy, this activity is considered eligible.

<sup>23</sup> In the case of Técnicas Reunidas and in response to Article 8 of Regulation 2020/852, the Company reports in the [NEIR](#) the proportion of activities that are eligible, aligned and not eligible according to the Taxonomy in terms of business volume (turnover), its investment in fixed assets (CapEx) and its operating expenses (OpEx). These indicators have been obtained in consolidated form; that is, for the Técnicas Reunidas Group as a whole.

As regards the CapEx indicator, the entirety of investments (CapEx) made by the Company are either cross-sectional (corporate) in nature or specific for a sector not contemplated in the Taxonomy. Taking into account the business model, the CapEx of eligible activities is not considered to be significant for the Company. Therefore, 100 % of the CapEx is not eligible in 2021 and 2022.

As regards the OpEx indicator, in accordance with the instructions in Delegated Regulation (EU) 2021/2178, it is not considered important for TR because the non-capitalized direct costs included in the European Taxonomy, that is, those included in the OpEx denominator, represent less than 5 % of all Company operational expenses in 2021 and in 2022 (2.2 % and 1.97 % respectively).

<sup>24</sup> Business volume (turnover) of non-eligible activities was 92.07 % (2021) and 89.49 % (2022).

<sup>25</sup> In accordance with the disclosed regulation, 2022 is the first year to report alignment, so no data are available for comparison with 2021.

<sup>26</sup> The increase in eligible turnover is mainly due to the inclusion of activities associated with electricity generation from non-fossil renewable sources (natural gas) not included as eligible in 2021, but included in 2022 as the result of the publication of the Delegated Regulation (EU) 2022/1214.



C. Next steps

As regards Environmental Taxonomy, the European Commission is working on two Delegated Regulations (DR) that were available in draft form at the time this report was drawn up<sup>28</sup>. One DR that includes the technical screening criteria for the rest of the environmental goals and another DR that adds new activities in the two goals for which information has already been published: climate change mitigation and adaptation. These regulations are expected to be applicable from January 1, 2024; reporting eligibility of the new activities defined in both documents applicable in the same year and alignment and eligibility in 2025.

Work is also being carried out on the development of a Social Taxonomy. The Platform's Sustainable Finances Group presented a final draft in February 2022. The goals of this Social Taxonomy include enhancing decent employment throughout the entire value chain and guaranteeing an adequate quality of life and well-being, transforming communities and societies to make them inclusive and

sustainable and improving access to infrastructure, products and basic services.

To adapt to these advances, Técnicas Reunidas has a multidisciplinary work group that provides internal support and visibility for activities that are eligible and aligned as regards the Taxonomy. It supervises and monitors the regulation and any changes made to it, offers training and raises awareness of Company employees and manages the relationship with third parties to include best practices. It also offers ad hoc information and support to the various business areas and submits alternatives and improvement plans to increase the number of eligible and aligned activities.

In 2022, the Company has established a plan to obtain taxonomic data and automate calculations and processes by using specific tools.

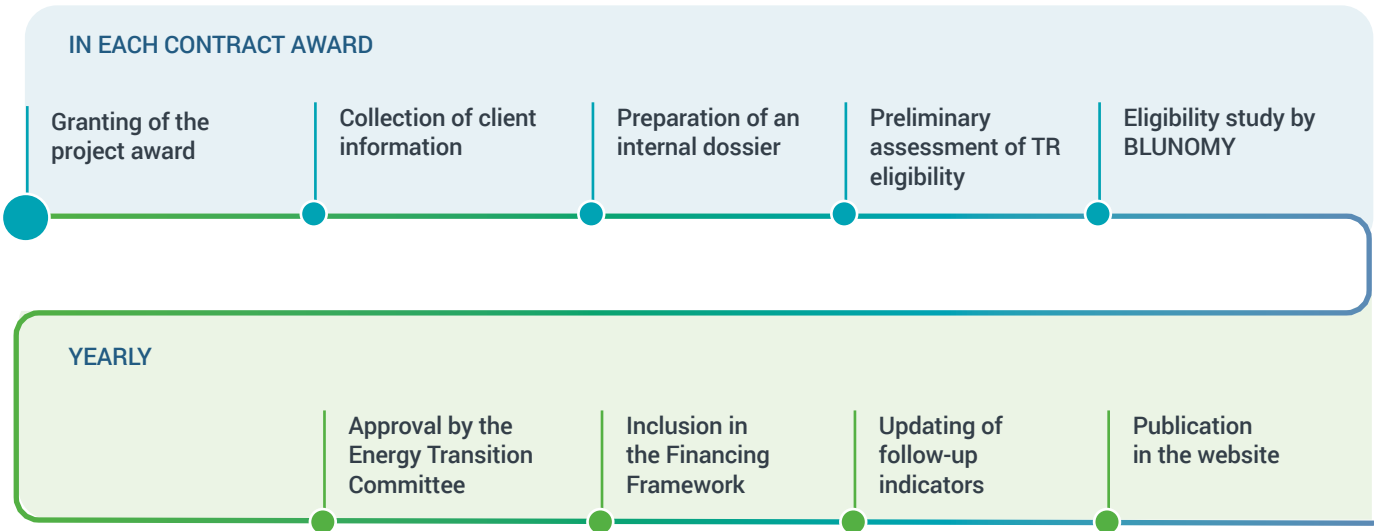
SUSTAINABLE FINANCING AND GREEN FUNDS

Técnicas Reunidas has set up a Financing Framework associated with Energy Transition, used to analyze each project for which the Company places a bid from the tender stage to deem its eligibility to access sustainable financing and green funds. In addition and on a yearly basis, the Company assesses the Financing Framework to update the key performance indicators of projects linked to these sustainable financing activities.

This Financing Framework associated with Energy Transition has been validated by a prestigious third party, ISS Governance, which has issued an external opinion on the same that is available on Técnicas Reunidas' website<sup>29</sup>.

Sustainable financing is also a pillar of Técnicas Reunidas' Sustainability Policy and integrated in the specific actions described in the Sustainability Plan. Specifically, the Company established goals such as linking new financing to sustainable instruments or vehicles, setting up a sustainable financing framework and identifying projects that could be financed through sustainable bonds and loans. The projects that are currently eligible under this framework represent 29 % of the Company's portfolio.

Management of a project to be eligible according to the Técnicas Reunidas' Financing Framework associated with Energy Transition



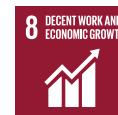
<sup>28</sup> Queries regarding these DRs ended on May 3, 2023. The final documents are expected to be published formally in the Official Journal of the European Union in 2023.

<sup>29</sup> For more information, please refer to the [section](#) in the website on the Financing Framework associated with Energy Transition.

## 6.2 EMPLOYEES, THE COMPANY'S MAIN ASSET

Técnicas Reunidas has a highly specialized global Human Resources structure in place, tailored to the needs of the business, allowing the Company to operate in multiple regions.

Contribution of Técnicas Reunidas to achieving the SDG



### MAIN INDICATORS<sup>1</sup>

INDICADOR	2022 DATA	2021-2022 PROGRESS
Company's Workforce (number) <sup>2</sup>	7,053	+ 8.24 %
Women in staff (%)	25.51	- 3.26 %
Permanent employees (%)	81.48	+ 9.47 %
Wage gap (%) <sup>3</sup>	20	+ 17.65 %
Voluntary employee turnover (%) <sup>4</sup>	10.94	+ 21.42 % <sup>5</sup>
Expatriate staff (%) <sup>6</sup>	13.35	+ 58.93 %
Training (total hours delivered) <sup>7</sup>	195,259	+ 28.12 %
People trained (number) <sup>8</sup>	3,831	+ 20.97 %
Training (hours per employee) <sup>9</sup>	18.31	+ 37.78 %



### 2022 MILESTONES

- Compliance with the strategic recruitment plan at a global level, aligned with the needs of the business.
- Human Resources and General Services support to provide operational coverage in the start-up and follow-up of new international projects.
- Implementation of new work-life balance measures for the entire workforce in Spain.
- Implementation of the vacancy management program through the internal mobility tool "MuéveTRE".
- Establishment of a new Expatriation Policy for the entire company that mainly affects new projects.
- Completion of the agreement with the Legal Representatives of the Employees of the Initec Plantas Industriales Equality Plan.
- Completion and closure of the process of organization and review of organizational units, professional categories, and assignment of positions.



### GOALS FOR 2023

- Cover the needs of Operations in the different projects and countries, with special attention to new regions and strategic projects (India, Abu Dhabi, Türkiye, and Chile).
- Attract and retain talent in all areas of the Company and responding to the significant workload in financial year 2023.
- Adapt corporate policies and the different management, training, and development tools to the needs of operational growth and local realities.
- Develop work-life balance policies and initiatives to improve the well-being of the workforce.
- Strengthen internal communication with the launch of a new intranet and several applications.
- Implement management tools to monitor productivity.
- Launch of the new Start ICEX-Vives international internship program to attract and train talent in international subsidiaries.
- Implement Equality Plans negotiated and agreed upon with the Legal Representatives of the Employees in all of the Company's subsidiaries.
- Launch a space optimization plan through face-to-face space management tools and a better use of available space.

<sup>1</sup> More information on workforce management and indicators is available in the [Consolidated Financial Statements](#).

<sup>2</sup> Subcontracted personnel and freelancers are excluded from the scope. In general, the numerical data included in this chapter refer only to the internal workforce in Spain and subsidiaries, excluding external professionals.

<sup>3</sup> The wage gap is calculated using the formula:  $1 - (\text{average remuneration of women} / \text{average remuneration of men})$ . The overall % wage gap between men and women is a piece of data that doesn't provide too much information for analyzing possible inequalities, since this is an industry with a higher percentage of men with engineering degrees than women, which causes many positions to be almost exclusively occupied by men. In addition, these data are also significantly affected by the fact that the majority of expatriates go to countries where there are greater difficulties and limitations to be able to work on the basis of gender. A detailed analysis of all these data shows favorable ratios with respect to the competition and other companies in the industry. The differences in the wage gap by professional category and with respect to the previous year are mainly due to the increase in the number of employees in subsidiaries, where the presence of men is higher, as well as the nature of the industry and the labor market situation in most of the countries in which the Company operates.

<sup>4</sup> Includes only the staff in Spain.

<sup>5</sup> For information comparability, the voluntary employee turnover in 2021 has been re-calculated according to the 2022 parameters.

<sup>6</sup> Expatriate staff includes employees who move to another country but maintain an employment contract in Spain.

<sup>7</sup> In 2022, the methodologies for calculating the hours of training provided have been revised to improve the reliability of the data. To ensure the comparability of the data, the training data from the previous year have been recalculated using the new methodologies. In 2022 the total number of actual hours of training given to employees in offices was 70,148 hours, with the remaining amount corresponding to training hours given to Técnicas Reunidas staff at worksites (125,111 hours).

<sup>8</sup> Includes office staff only.

<sup>9</sup> Includes office staff only.

## MANAGEMENT APPROACH GRI [3-3]

The Company provides inclusive and work-life balanced working environment, encouraging training, development and equal opportunities.

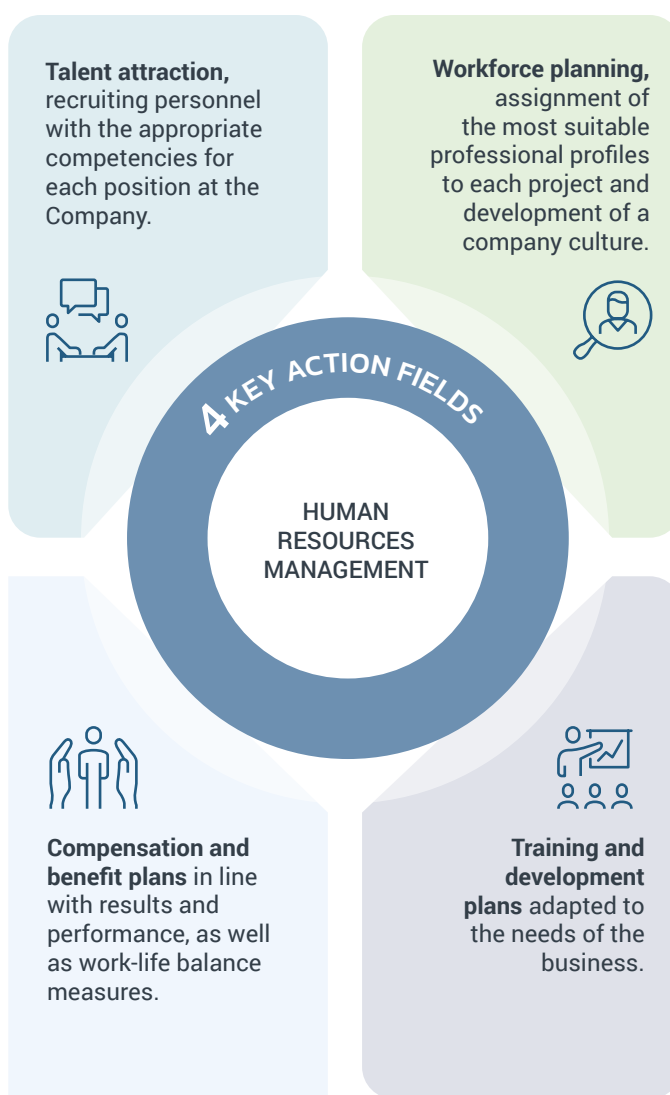
Técnicas Reunidas identifies and manages the risks to which it is exposed in the area of Human Resources, many of them associated with the industry and markets in which it operates. During 2022 the most relevant risks were as follows:

- (i) High outsourcing of professional services to support the business. There is a risk involved in the assignment of workers, as well as the subsidiary liability of Técnicas Reunidas derived from possible non-compliance by the main employer of these professionals.
- (ii) Management of expatriate staff contracts. The Company, with an international presence, is subject to the risk of having employees regulated under two different contracts to which different legislation applies.
- (iii) Hiring of local personnel, with the risk of complying with local legislation and requirements.
- (iv) Taxation of international workforce. There might be difficulties in applying tax benefits or exemptions to workers in accordance with the tax legislation of each country, as well as obtaining certain documents at destination that allow them to benefit from these benefits or exemptions.
- (v) A generalized talent drain associated with the industry's current difficulties in retaining talent and finding staff.
- (vi) Risks associated with the health and safety of workers in the different regions in which the Company operates, especially in the area close to the Russia-Ukraine conflict.

Nonetheless, Técnicas Reunidas is prepared to face all these challenges through a highly specialized, flexible, and global Human Resources structure, which allows it to adopt measures and actions to prevent and mitigate the risks associated with its activity. Among these measures, stands out: the creation of a specific team in the Human Resources Area dedicated to the management of the entire recruitment process, both for workforce and external services, the introduction of new flexibility measures for its employees, a prior analysis of the legal requirements for the hiring of local personnel in each destination and the implementation of plans in order to retain essential employees.

Thanks to different tools and strategies, Técnicas Reunidas manages its relationship with its employees efficiently promoting their personal and professional development.

### HR Management Framework at Técnicas Reunidas



The tools available to the Company include different policies, procedures, and bodies to implement its Human Resources strategy, principles, and guidelines. This framework of action enables an optimal administration of Human Resources, thus providing workers with a safe and quality environment that reinforces their commitment to the Company.

The globalized management of Human Resources responds to the diversification strategy, both in terms of services and regions, which the Company is developing. This holistic approach allows for a more comprehensive control of all the Company's employee issues and lifecycle, increasing the reliability of the information available, optimizing management, and ensuring a satisfactory experience.

For this purpose, Técnicas Reunidas uses the IT tool SAP Success Factors that reduces the administrative workload and efficiently manages aspects such as training, compensation plans, performance evaluation, and absenteeism, among others. This tool streamlines processes, enabling active global decision-making and fostering collaboration and synergies between subsidiaries and business divisions.

To combat absenteeism, Técnicas Reunidas has a formalized access control system that applies the Company's clocking-in regulations, which reflect work schedules and the different reasons for clocking in. Through this system, the People Management team can follow up on any irregularities that may occur in the clocking-in process. In addition, each employee uploads weekly work reports that are approved by the heads of each area. If the person reports any absenteeism, they must justify it to the Human Resources Area. Depending on the irregularity, the Company may take appropriate action.

On the other hand, as part of the Company's transformation process, Técnicas Reunidas has carried out a review and implementation of the integrated organizational structure. In 2022, the process of integrating Técnicas Reunidas's different divisions or companies into a cross-cutting unification of internal categories was completed.

Complementing the global management approach, the Company maintains flexible operations, allowing it to adapt its policies and procedures to the specific needs of the business and its clients, depending on the project.

Técnicas Reunidas also has Human Resources Business Partners in each business area, who act as representatives of the corporate area.

In addition, in international projects there are professionals specifically dedicated to Human Resources management, ensuring the standardization of processes throughout the Company in this area.

## Growth strategy in 2022

Técnicas Reunidas has designed and implemented a strategy to develop its workforce in line with business needs in 2022, which represents a major management challenge, in addition to the current challenges at the international level.

As a result, Técnicas Reunidas' workforce increased to 7,053 employees by the end of 2022 (an increase of 8.24 % compared to 2021). This increase meets the strategic objectives set, in line with the latest awards and staffing needs identified in the technology centers in Spain (Madrid and Cartagena), India, Türkiye, Abu Dhabi, and Chile. This strategy, coordinated with Operations, will continue in 2023.

With respect to Covid-19, throughout 2022 the Company has continued to monitor the evolution of new outbreaks that could make it necessary to limit physical work at the facilities and has adopted specific health measures in the different projects/countries, protecting the most vulnerable groups and guaranteeing the continuity of operations, which has prevented the occurrence of significant impacts in this regard. These measures include a weekly monitoring, informed to the Health and Safety Committees of the Company's subsidiaries of the number of contagions in the workforce, establishing an exhaustive control by the Company's own Prevention Service and the Company's Medical Services to determine their source in order to detect and prevent outbreaks in the Company or to take measures when needed. In 2022, it has not been necessary to implement exceptional measures beyond the recommendations for home isolation by the health authorities. In addition, during the year the Company has maintained extraordinary hygiene measures in its facilities, as well as reminders and awareness campaigns with recommendations for the employee's personal life.

The Russia-Ukraine conflict affected the management of displaced personnel in Russia who had to be repatriated for security reasons. To minimize any possible risk, the Company has established an Evacuation Plan for all personnel at the Orlen (Poland) project. At the same time, the appropriate procedure has been implemented and the necessary resources have been organized to ensure an immediate response from all the teams involved and external agents if necessary.

## Remote work and cybersecurity

After the pandemic, remote work has become an essential and key factor for the proper performance of the Company's activity. As a result, cybersecurity has also become a critical priority for Técnicas Reunidas. Therefore, in addition to all existing measures, since the beginning of the pandemic, the Company has approved new measures to strengthen IT systems and prevent any type of breach. Among many different measures, stands out the browsing protection, information leakage protection for non-corporate services and equipment, the implementation of two-factor authentication, the development of training and awareness campaigns aimed at employees, the segmentation of IT assets into layers, the improvement of equipment monitoring and the establishment of on-site IT teams.

## CORPORATE CULTURE

Técnicas Reunidas’ Human Resources strategy is based on a solid corporate culture, which is defined by four fundamental values: commitment, team, improvement and development.

### Values in the corporate culture of Técnicas Reunidas

COMMITMENT

Commitment to a Company with more than 63 years of history and leader in the engineering and construction industry in Europe, ranked among the top ten worldwide.

TEAM

Técnicas Reunidas’ employees belong to a great team where they feel heard and where the creation of bonds of trust is encouraged by offering support at both a personal and professional level.

SELF-IMPROVEMENT

Técnicas Reunidas employees are characterized by their desire for self-improvement, always ready to overcome the great challenges faced by the Company.

DEVELOPMENT

Técnicas Reunidas offers development opportunities to its employees by allowing them to work on large-scale projects, where they can contribute ideas, work autonomously and take part in major global initiatives.





## A DIVERSE AND INTERNATIONAL TEAM

GRI [2-7]; [2-8]; [3-3]; [401-1]; [405-1]

### Técnicas Reunidas employee profile<sup>10</sup>

- ✓ Is **43 years old**.
- ✓ Has been **in the Company for 10 years** on average.
- ✓ **81 %** of them have an **indefinite contract**.
- ✓ **100 %** of them are **covered by a collective bargaining agreement**.
- ✓ **74 %** of them **are men** and **26 % are women**.

### Workforce distribution by gender, professional category, age and country<sup>11</sup>

Women: **1,799** employees (25.51 %) 

**7,053 PEOPLE**

Men: **5,254** employees (74.49 %) 

Técnicas Reunidas ended 2022 with more than 7,053 professionals of 64 nationalities, an increase of 8.24 % of the workforce compared to 2021. The growth experienced by the Company is linked to its expansion plans and the future projects which it has been awarded. The gender distribution shows that 74 % of the employees are men and 26 % are women. By professional category, the majority of Técnicas Reunidas personnel 90 % are graduates, technicians, and administrative staff. In turn, by age, 70 % is 30 to 49 years old; however, in 2022 there has been a slight increase in the number of employees under 30 years of age, with a clear development of young talent, and over 50 years of age.

In terms of geographic distribution, Spain, Saudi Arabia, India, and the U.A.E. account for 81 % of professionals, although 42 % work outside Spain. In this regard, an important group within the workforce is made up of expatriate professionals on projects, who account for 13 % of the Company's total number of employees.

As part of its commitment to occupational inclusion, development, and effective integration, in 2022 Técnicas Reunidas had 25 employees with disabilities as part of its workforce. This commitment has been reinforced in 2022 by including in the renewal of the catering service at its corporate headquarters in Adequa a clause requiring a percentage of the service provider's employees to be disabled.

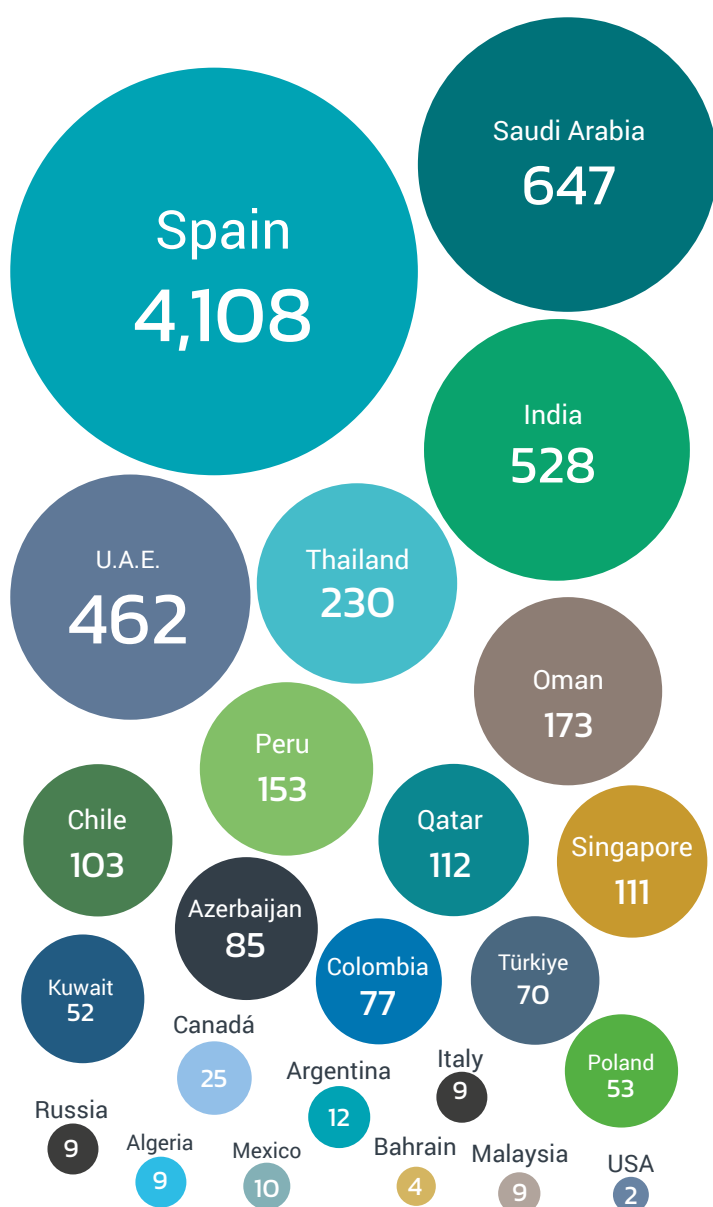
As well as the Company's employees as of December 31, 2022 the Group had 795 subcontracted workers and freelancers, who have a contract with the Company. In addition, Técnicas Reunidas has an average of more than 33,830 subcontracted workers in its construction projects. However, the Company does not have a direct professional link with these professionals as they are hired directly by Técnicas Reunidas.

Distribution of the workforce by category and gender	2022	
	Men	Women
Executive Directors	0.01 %	0.00 %
Senior Management	0.11 %	0.01 %
First Management Level	0.99 %	0.24 %
Second Management Level	4.54 %	1.12 %
Graduates, Technicians, Administrative	66.54 %	23.81 %
Officers	2.10 %	0.20 %
Salespeople	0.20 %	0.13 %
<b>Total</b>	<b>74.49 %</b>	<b>25.51 %</b>

Distribution of the workforce by category and age	2022		
	<30 years	>=30 years, <50 years	>=50 years
Executive Directors	0.00 %	0.00 %	0.01 %
Senior Management	0.00 %	0.03 %	0.10 %
First Management Level	0.00 %	0.44 %	0.79 %
Second Management Level	0.03 %	3.20 %	2.42 %
Graduates, Technicians, Administrative	6.04 %	64.92 %	19.38 %
Officers	0.20 %	1.39 %	0.71 %
Salespeople	0.00 %	0.26 %	0.07 %
<b>Total</b>	<b>6.27 %</b>	<b>70.24 %</b>	<b>23.49 %</b>

<sup>10</sup> Data as of December 31, 2022 corresponding to the workforce in Spain and subsidiaries, except for the average seniority, which corresponds exclusively to internal personnel in Spain.

<sup>11</sup> Data as of December 31, 2022 corresponding to the workforce in Spain and subsidiaries.

Distribution of workforce by country<sup>12</sup>Distribution of workforce by type of contract, gender and region<sup>13</sup>

In 2022, the Company increased indefinite contracts by 7 %, compared to 2021, to cover 81 % of employees with this type of contract. This led to a decrease in the number of temporary contracts, representing 19 % of the workforce. The increase in the number of permanent employees is due to talent retention measures and the implementation of a key employee loyalty policy. On the other hand, it should be noted that practically 100 % of the workforce is hired on a full-time basis; part-time hiring is exceptional and always motivated by the family needs, so that Técnicas Reunidas does not have part-time contracts; although 9 % of workers in Spain have reduced working hours (627 people).

Gender	Type of contract	
	Permanent (No.)	Temporary (No.)
Men	4,116	1,138
Women	1,631	168
<b>TOTAL</b>	<b>5,747</b>	<b>1,306</b>

Country	Type of contract	
	Permanent (No.)	Temporary (No.)
TR SPAIN	3,872	236
TR OMAN	173	0
TR CHILE	100	3
TR INDIA	528	0
TR SAUDI ARABIA	43	604
TR KUWAIT	52	0
TR PERU	153	0
TR MALAYSIA	9	0
TR U.A.E	462	0
TR TÜRKİYE	0	70
TR ALGERIA	0	9
TR AZERBAIJAN	0	85
TR MEXICO	0	10
TR CANADA	25	0
TR SINGAPORE	0	111
TR POLAND	3	50
TR ITALY	9	0
TR BAHRAIN	0	4
TR RUSSIA	5	4
TR USA	2	0
TR COLOMBIA	0	77
TR THAILAND	230	0
TR ARGENTINA	12	0
TR QATAR	112	0
<b>Total</b>	<b>5,747</b>	<b>1,306</b>

<sup>12</sup> Data as of December 31, 2022 corresponding to the workforce in subsidiaries.

<sup>13</sup> Data as of December 31, 2022 corresponding to the workforce in Spain and subsidiaries.

## New hires and employees' turnover rate<sup>14</sup>

The data show an increase of 9.36 % in new hires in Spain, being 50 % of these new employees between 30 and 49 years of age, which responds to the Company's growth plan. The hiring of professionals under 30 years of age (35.23 %) is particularly noteworthy, due to the reactivation of the Young Professionals Plan (PJP, as it is known by the Spanish acronym), new agreements with universities, the hiring of interns and the commitment to young talent with new specific skills.

Voluntary turnover is 10.94 %, an increase of 21.42 % compared to the previous year, due to, on one hand in general, a global growth in turnover which is occurring in all industries since the pandemic, and on the other hand in specific terms, due to the increased demand for qualified profiles in the Company's industry. To retain talent, the Company has implemented new reconciliation measures and remuneration policies in 2022.

New hires by gender, age and region	2022	
	No.	Rate <sup>15</sup>
<b>Gender</b>		
Men	245	5.94 %
Women	141	3.42 %
<b>Age</b>		
<30	136	3.30 %
>=30 <50	194	4.70 %
>=50	56	1.36 %
<b>Region</b>		
Spain	386	9.36 %

Employees' turnover by gender, age and region	2022	
	No.	Rate <sup>16</sup>
<b>Gender</b>		
Men	336	7.04 %
Women	180	3.89 %
<b>Age</b>		
<30	33	2.05 %
>=30 <50	388	7.06 %
>=50	95	1.83 %
<b>Region</b>		
Spain	516	10.94 %

## Promoting diversity equality and employees legal representation

**GRI** [2-30]

Técnicas Reunidas is firmly committed to diversity and equal opportunities, valuing people for their worth and professionalism, fostering a workspace in which the sum of unique identities generates a common identity.

The Company's commitment in this area is expressly set out in its Code of Conduct<sup>17</sup>, which establishes that Técnicas Reunidas "does not accept discrimination in corporate or professional contexts on the grounds of age, race, colour, sex, religion, political opinion, nationality, social origin, sexual orientation, disability, or any other circumstance likely to lead to discrimination". The Company has an Equality Committee to supervise compliance and analyze possible conflicts in this area and the appropriate measures to be adopted.

During 2022, the Company agreed upon the Equality Plan with the Legal Representatives of the Employees at the Company

Initec Plantas Industriales; the plan was drafted and negotiated in 2021. This Plan includes more intense awareness and training actions on equality and non-discrimination. The Company, which is currently negotiating the Técnicas Reunidas S.A. Equality Plan, has extended its most beneficial application to all employees in Spain.

Since 2021, the Company has also had a global Sexual Harassment Action Protocol, negotiated and agreed with the Legal Representatives of the Employees. Since its approval, this Protocol has been developed and improved by consensus with the Legal Representatives of the Employees. Moreover, labor contract clauses have been established in certain countries to prevent these situations and training campaigns are conducted on its content through an open course in the corporate tool TR Aula.

<sup>14</sup> All the data published in these indicators (new hiring and employees' turnover) refer to the workforce hired in Spain.

<sup>15</sup> The rate of new hires has been calculated as the result of the total number of new hires in each category (male, female, <30, >=30 y <50, >=50) divided by the average number of employees in Spain in 2022 (4,124 employees).

<sup>16</sup> Employees' turnover rate: [(hires + resignations)/2]/average number of employees. The turnover comprises all causes for which an employee can end his contractual relationship with the Company. (i.e. dismissal, voluntary leave, retirement, etc.).

<sup>17</sup> For more information, see [Code of Conduct](#).

During 2022 the Company has maintained and developed various policies and initiatives in the areas of diversity, inclusion, and equality. The new actions have focused mainly on training through awareness campaigns aimed at the entire workforce on communication and inclusive language, gender awareness, communication of workplace harassment protocols, and courses for employees in positions of responsibility on specific topics.

In addition, in order to prevent racism and discriminatory behavior, the Company has conducted training courses on local culture and geographic diversity for staff in charge of teams located in the countries in which the Company operates. In this area, Técnicas Reunidas periodically develops training courses for project managers.

Thanks to the internal procedures and preventive measures implemented by the Company, there was no situation of discrimination or significant impact in 2022.

On the other hand, Técnicas Reunidas is aware of the role played by trade unions as legal representatives of workers' interests. Therefore, the Company always guarantees equal, non-discriminatory, and respectful treatment with the freedom of association of its employees, respecting the agreement or legislative framework of all the countries in which it operates.

The Company has employee representation systems and collective bargaining agreements in place and complies with applicable legal regulations, with structures similar to Spanish union representation in 20 % of its international projects. For all countries where there is a collective bargaining agreement, 100 % of employees are covered by the collective bargaining agreement associated with the activity license granted to the Company (engineering, construction, etc.).

The topics agreed upon in the collective bargaining agreements include all relevant aspects that regulate the labor relations of the workforce, as well as equality policies and compliance with labor rights and benefits for the entire workforce. In addition, occupational health and safety clauses are included.

Técnicas Reunidas values continuous dialogue with its employees and their opinions. To this end, the Company has consultation mechanisms and procedures that favor and promote the participation of employees in the management of the Company. In particular, the Company conducts working climate surveys every two years to determine the satisfaction of its professionals with their jobs, their relationship with the Company and their superiors or their workload, from which action plans are developed. Due to the pandemic, Técnicas Reunidas suspended these surveys, focusing these questions on the management of Covid-19. However, in 2022 the Company resumed the surveys and, in response, measures were taken to improve well-being and working conditions by offering the option of voluntary remote work, extending flexible working hours and establishing new channels of communication with the workforce through the social agents, videos from General Management and the HH.RR. Area, and changes to the intranet.

## Roundtables and agreements reached

In terms of responsible management, the Company maintains a fluid and active dialogue with the various Legal Representatives of the Employees (LREs). In addition to the legal roundtables, roundtables around a certain topic are frequently constituted and maintained to create active dialogue with the LREs.

In 2022, the main advances and agreements with labor unions include the following:

- A homogeneous expatriation policy framework. A global framework of rules has been agreed with the Legal Representatives of the Employees of the different subsidiaries of the Company to regulate the conditions of expatriation of people who travel to projects outside Spain.
- The Initec Plantas Industriales Equality Plan.
- Working Groups and Joint Commissions with the LREs. The purpose of these roundtables is to improve working conditions and the well-being of the employees. In this regard, the Company has set up committees on remote working, intensive working hours, professional development, communication, etc., in addition to legal committees.



## TALENT MANAGEMENT AND RETENTION

GRI [404-3]

Técnicas Reunidas focuses on two fundamental areas to ensure the commitment of its employees to the Company and its growth: the development and well-being of people and knowledge management.

### Professional Development and Personal Well-being

Técnicas Reunidas has a competency evaluation program that allows professionals with team management responsibilities to monitor the competencies established by the Company and aimed at achieving business results. The Company provides these professionals with specific training and skills that enable the professional development of the employees under their supervision.

These evaluations are carried out jointly by the managers and the team, analyzing the overall performance and the development of competencies, both generic and technical-functional.

The Company is strengthening its talent retention management by providing a work environment that meets the expectations of its professionals. Técnicas Reunidas provides training for the professional growth of its employees and makes an effort to keep them informed about Company news through various actions, including the distribution of an internal newsletter and recurring publications on the intranet.

In addition, in 2022 the Company implemented its internal mobility program "MuéveTRE", which allows employees to learn about and apply for different open positions through the corporate intranet, thus facilitating the personal and professional enrichment of the workforce, as well as interdisciplinary integration and the retention of talent, knowledge and in-house experience.

In terms of compensation, Técnicas Reunidas offers its professionals competitive compensation and a wide range of corporate benefits, such as meal allowances, life and accident insurance, and the employee club. These benefits add value and help create a work environment that promotes employee well-being and satisfaction. In addition, the Company's corporate policies incorporate work flexibility and work-life balance criteria, adapting to the specific needs of each job and country. In 2022, the Company has expanded its work-life balance policies with options and benefits for employees.

Técnicas Reunidas offers incentives to employees who show excellent performance in their activities. These include personalized development and training plans, as well as specific compensation actions with short- and long-term plans. In 2022, the Company has developed and expanded its remuneration policy based on management by objectives, which applies mainly to the management team.

Ensuring the commitment of its professionals and maintaining their sense of belonging is a key aspect, with initiatives such as networking, events, and the promotion of corporate volunteering. For this reason, Técnicas Reunidas prioritizes that all its employees, regardless of their location, can benefit from the same conditions and levels of well-being at work. An example is the case of India: efforts have been made in 2022 to align the conditions of employees establishing specific procedures regarding mobility, remote work, and sexual harassment protocols, among other aspects.

### Flexible scheduling system and other work-life balance measures

The Company has adopted the following measures during 2022:

- Possibility of working remotely two days a week. This measure is voluntary and applies to personnel at the Madrid and Cartagena offices, promoting work-life balance, as well as environmental protection, as it reduces the Company's emissions associated with employee commuting to the offices.
- Flexible scheduling. The Madrid and Cartagena offices offer the possibility of leaving 15 minutes earlier from Monday to Friday, respecting the established working day.
- Possibility to work non-split shifts from June 15 to September 15. The objective for 2023 is to have a 7-hour intensive workday during this period.
- Compensatory Rest Policy for Frequent Travelers. This Policy covers compensation for days used for weekend travel.



## Knowledge Management GRI [3-3]; [404-1]

The development and transmission of knowledge is a key aspect in generating value and improving the quality of projects, the foundation of Técnicas Reunidas' competitiveness.

Técnicas Reunidas actively manages knowledge, identifying the necessary skills and making knowledge available to its employees, mainly through training resources, that allow them to grow professionally and improve their performance. To this end, the Company has two main procedures aimed at different objectives:

- Competence, training, and awareness: To ensure and provide professionals with the necessary skills to perform the tasks assigned to them.
- Training Plan and course management: The process of creating the Company's training plan, as well as the way in which specific training actions are requested for this plan.

The Company analyzes trends in the evaluation of competencies required in each area. This process has been reviewed during 2022 in order to identify specific needs and develop specific training programs, establishing training itineraries for each job position. After each training action, a questionnaire is sent to the participants' supervisors to assess the effectiveness of the training given and to identify areas for improvement.

During the pandemic, Técnicas Reunidas identified the need to incorporate digital solutions into its training. Since then, the Company has three projects:

- Virtual Classroom: Numerous training actions within the Training Plan, related to both technical competencies and skills, have been implemented using a corporate tool and in-house trainers with TR Aula.

- PHAROS: E-learning platform with more than 350 courses, mainly of a technical nature in the fields of construction, engineering, and new technologies. Available 365 days a year to the Company employees.
- Own contents: Production of proprietary multimedia material to provide training through the corporate tool TR Aula, including collaborations with specific areas, as well as all kinds of small training sessions and workshops.

In addition, in 2022, the Company worked on the development of a common online training portal for all employees with a wide range of courses organized by topic. In this sense, the training offer has been adapted to the new needs of the business: energy transition, regulatory compliance and corruption, sustainability, internal regulations, social awareness, etc. The portal is complemented with training itineraries adjusted to the professional category, including mandatory, convenient, and useful training in skills to reach positions of greater responsibility and management positions. This new approach allows employees to manage their own training and enhances their sense of belonging to the Company.

In 2022 Técnicas Reunidas has increased the number of training hours<sup>18</sup> for employees in offices and on construction sites to 195,529 hours, 28.12 % higher than the 2021 figure (152,402). Of these, 70,148 hours (42,079 in 2021) were delivered to more than 3,800 office-based employees. This increase is due to the increase in on-site training hours with the launch of new projects and the resumption of training plans halted during the pandemic.

Técnicas Reunidas is aware of the importance of attracting and retaining talent through the dissemination of knowledge. As a result, the Company offers its employees, throughout their careers, a wide range of courses and a complete and adapted training plan to help them maximize their skills and enhance their development.

The Company structures all its training in four areas for follow-up: management skills, languages, technical training, and IT.



<sup>18</sup> In 2022, the methods for calculating the hours of training given to Técnicas Reunidas employees at worksites (included in the Graduate/Technical/Administrative and technical training categories) and offices have been revised to improve the reliability of the data. To ensure the comparability of the 2022 figure with that of 2021, the training data for the previous year has been recalculated using the new estimation methodologies.

### Technical training

Offered both by external suppliers in certain areas and by the Company's specialists who pass on their knowledge and experience.

### Management skills training

Tailor-made programs for managers and directors. In addition, at the end of the last decade, TR created the Euroforum Corporate University.

## MAIN TRAINING PROGRAMS

### Training in information technology

The objective is to improve knowledge of the Company's generic and industry-specific IT tools.

### Language training

Training in English, Arabic, Spanish, and French through free programs with accessibility criteria.

### Online training on Covid-19 prevention

Regarding Covid-19, Técnicas Reunidas made three specific courses available to all its employees during the 2022 financial year in order to resume its activities safely and help employees deal with the effects of the pandemic:

- Prevention measures when returning to the offices.
- General prevention measures.
- Effective psychological coping with Covid-19-related lockdown.

### Training on the Sustainable Development Goals

## SUSTAINABLE DEVELOPMENT GOALS

In its efforts to contribute to the achievement of the Sustainable Development Goals and their internal communication among employees, Técnicas Reunidas has a specific course on the 2030 Agenda in its global platform TR Aula.

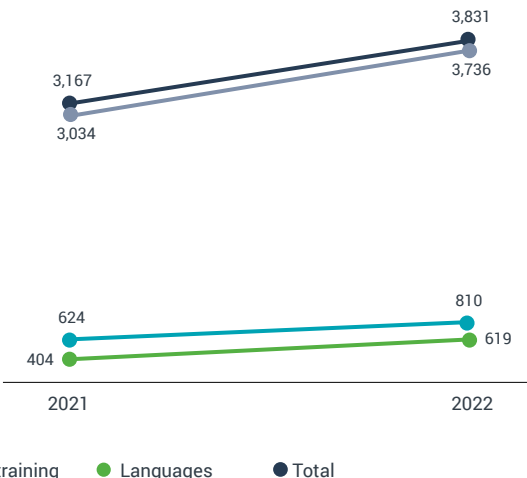
Through this course, professionals are introduced to the 2030 Agenda and the main global challenges, learn about the SDG, how the Company contributes to their fulfillment and how each employee can collaborate individually.

Training at Técnicas Reunidas. Main Indicators<sup>19</sup>

Office employees training hours 2021-2022



No. of office employees trained 2021-2022



In 2022, Técnicas Reunidas employees in offices and worksites received more than 195,259 hours of training.

Women:  
**16.72 h/employee**



TRAINING RATIOS  
IN 2022  
TOTAL: **18.31 H/PERSON**



Men:  
**19.19 h/employee**

Training hours by work category	2022	
	No. of training hours	Average hours of training per employee <sup>20</sup>
Senior Management	15.50	7.75
First Management Level	575.25	7.88
Second Management Level	3,400.47	12.88
Graduates, Technicians, Administrative	65,818.73	19.16
Officers	199.50	5.39
Salespeople	138.79	7.30
<b>Total</b>	<b>70,148.25</b>	<b>18.31</b>

<sup>19</sup> The training data correspond only to Técnicas Reunidas office employees.

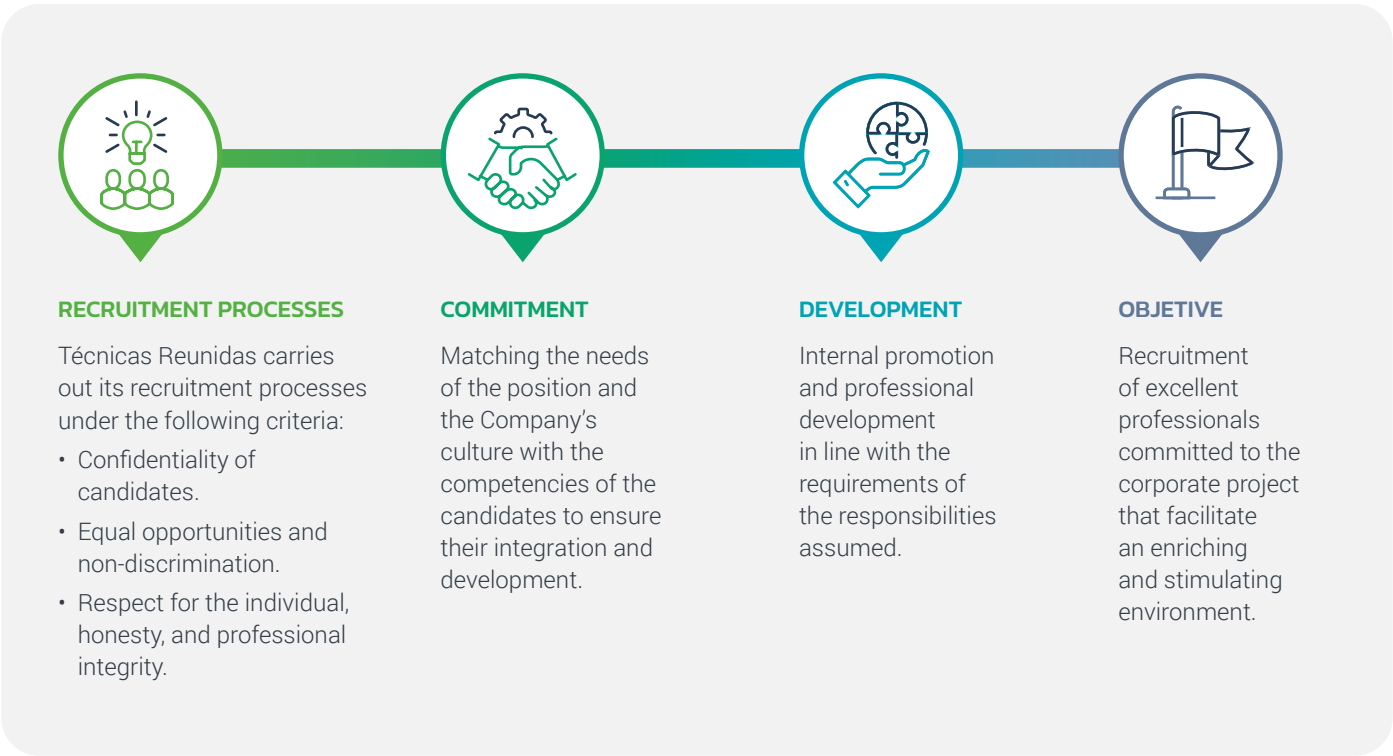
<sup>20</sup> The average number of training hours per employee was calculated as the total number of training hours per professional category divided by the number of office employees in that category who received training.

## ATTRACTING AND RECRUITING THE BEST TALENT

Técnicas Reunidas aims to identify and recruit the best talent, including both experienced professionals with the necessary skills and young talent with high development potential.

The Company is aware of the risk of a shortage of professionals with certain profiles. For this reason, in recent years, it has worked steadily to retain and attract talent along two lines of action. On the one hand, it offers its current employees training to acquire the necessary knowledge and skills, and on the other, it carries out external communication actions among professionals in the industry and high profile students with the aim of attracting talent and set out the Company as an attractive alternative for those who wish to develop their professional career in the industry.

### Técnicas Reunidas personel selection and recruitment principles



Técnicas Reunidas is committed to young talent, creating professional opportunities for workers taking the first step in their professional careers through individual development programs, as well as programs aimed at incorporating young talent in the countries where it has a significant presence. Additionally, it offers and manages international scholarships for internships both in Spain and abroad.

Técnicas Reunidas also has agreements for internships with around 70 Spanish and international universities, foundations, and organizations. Among the most important are those signed with prestigious schools such as the Imperial College of London (UK), University of Drexel (USA), Texas A&M University (USA), KTH Royal Institute of Technology (Sweden), and the Spain-US Council Foundation (USA), which receives students from universities such as Cornell Institute, the Massachusetts Institute of Technology, and the Georgia Institute of Technology.



### Calling on talent recruitment through social media

The Company has an active presence in social media platforms, such as LinkedIn and Twitter, which allow it to be closer to its stakeholders and, especially, to any professionals and students interested in joining Técnicas Reunidas.

This presence helps the Company to be more effective in attracting new talent through the regular publication of job offers and the many projects it carries out around the world.

#### Presence of Técnicas Reunidas in social media



over **239,000**  
FOLLOWERS

@Técnicas Reunidas



over **6,200**  
FOLLOWER

@TRSA\_rrhh

### Internships for Saudi students within the framework of the Company's Saudization programs

Following the pandemic, students rejoined the Madrid office in April 2021, continuing their training and involvement in the project after agreeing with the client on a new project scope and extension of the engineering phase. In May 2022, most of this team ended their stay in Madrid, continuing their activity as employees participating in the subsequent phases of the Marjan project developed in Saudi Arabia.

### Promoting talent and employability

During 2022 Técnicas Reunidas has continued its collaboration with various Spanish universities and engineering schools, participating in technical and skills training sessions and seminars, job fairs, sponsorship of final projects for undergraduates and master's degrees, teaching collaborations in master's degrees, and research projects, among others.

The main universities with which Técnicas Reunidas has worked most closely during 2022 are the Technical University of Madrid, King Juan Carlos University, the Autonomous University of Madrid, and the University of Castilla-La Mancha.

- **Young Professionals Plan**, a development program for young graduates linked to technical and production areas, offering a special 4-year professional development plan that includes training and financial aid. This group receives support at the beginning of their stage in the Company to facilitate their adaptation and enhance their development, listening to their concerns and expectations.
- **International internships Start**, within the framework of the ICEX-Vives Project, is an internship program aimed at recent graduates without work experience. Its purpose is to offer a way for young people to access the Company. This program offers practical training in the Company's projects, financial support in the form of study grants, and tutoring by professionals with extensive experience.

In 2022 Técnicas Reunidas offered internships through university agreements and vocational training to more than 265 students in Spain, of which 135 were subsequently hired.



## 6.3 INNOVATION AND DIGITAL TRANSFORMATION

Innovation is a crucial element of the strategy implemented by Técnicas Reunidas for maintaining its position of leadership and market differentiation. The efforts to equip the Company with robust information and communications systems are fundamental to guaranteeing operational continuity.

Contribution from  
Técnicas Reunidas to  
achieving the SDG



### MAIN INDICATORS<sup>1</sup>

INDICATOR	2022 DATA	2021-2022 PROGRESS <sup>2</sup>
Investment in R&D&I (million €)	6.48	+ 49.65 %
Staff working on Innovation and R&D&I (equivalent number)	78	+ 20.00 %
Staff working exclusively on research (number)	47	-
Impact on turnover from technologies developed in exclusively R&D&I projects (million €)	1.2	- 20.00 % <sup>3</sup>
Percentage of R&D&I investment devoted to energy transition and circular economy (%)	100	+ 17.65 %



### 2022 MILESTONES

- Launch of concept engineering for an e-methanol production plant.
- Launch of a pilot project for H<sub>2</sub> production from bioethanol and use in SOFC fuel cells.
- Preliminary engineering for the company SwissZinc on a solid urban waste ash processing plant based on ZINCEX™ and ECOLEAD™ technologies.
- Preliminary engineering for Vienna City Council on a 40,000 t/year plant to process sludge ash from sewage treatment plants based on PHOS4LIFE™ technology for the recovery of phosphorous via technical grade phosphoric acid production.
- Launch of the ECLIPSE\* collaborative project led by Técnicas Reunidas and corresponding to the CDTI 2021 MISSIONS program.
- Allocation and launch of the European ECOTRON\*\* and POWER2HYPE\*\* projects, in which Técnicas Reunidas is involved as a partner.
- Allocation in the PERTE VEC of the FUTURE: FAST FORWARD project led by SEAT and including the primary collaborative R&D&I project called RELOAD\*\*\* in which Técnicas Reunidas is involved.
- Allocation of the collaborative projects corresponding to the CDTI 2022 MISSIONS\* program: MINETHIC project, HY2DEC project, EFISOEC project and SUNRISE PV.
- Licensing of two new patents on technologies owned by Técnicas Reunidas and related to the ZINCEX™ and WALEVA™ technologies.
- Participation in development projects on green ammonia and its derivatives.
- Regarding the Cloud First strategy, some 120 servers were migrated in 2022 from On-premise to the Cloud.



<sup>1</sup> ESPINDESA is not included for reasons of information comparability. The impact from the rest of the innovation activities (other than R&D&I) with a direct or indirect impact that would amount to millions of € in sales are not included either.

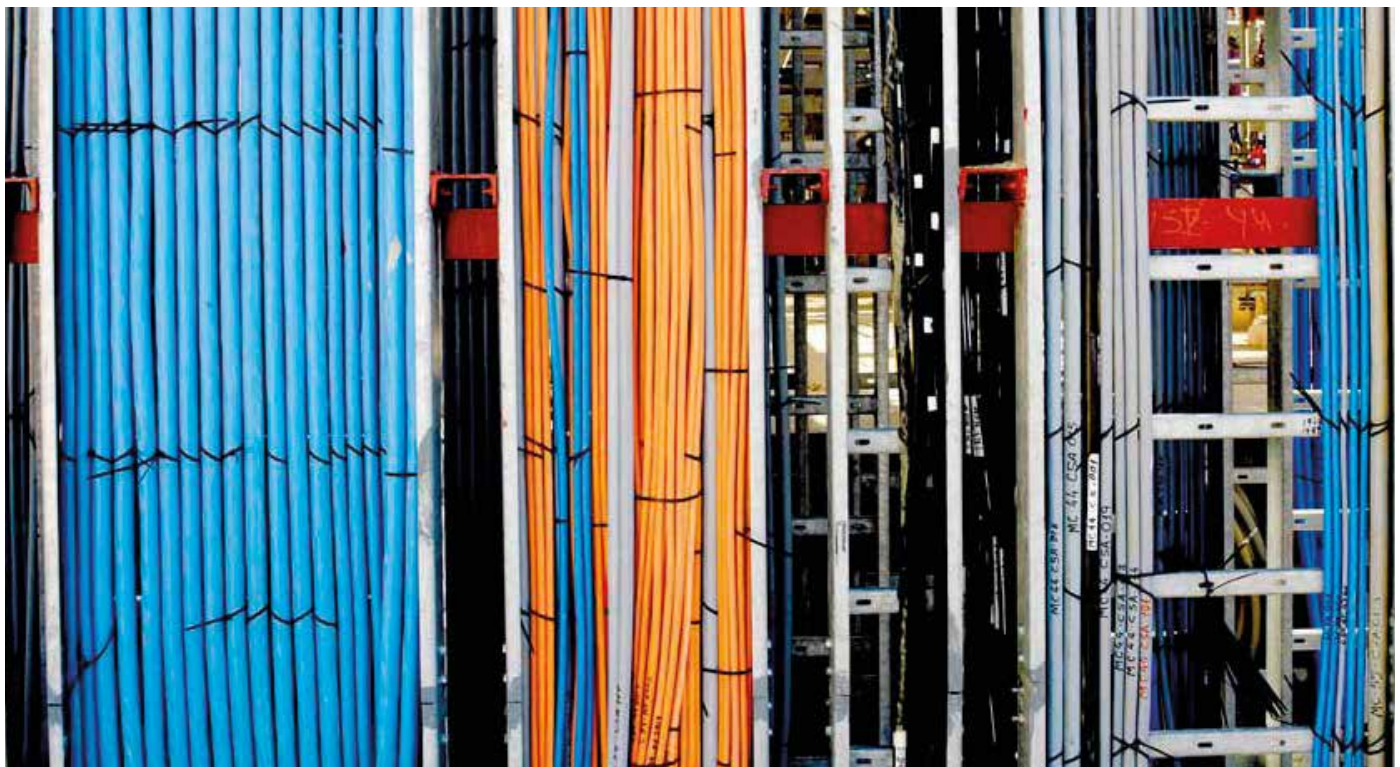
<sup>2</sup> The fluctuations are due to increased investment in R&D&I and the allocation of more resources to innovation focused on energy transition projects.

<sup>3</sup> The reduced impact on turnover from technologies developed in exclusively R&D&I projects is due to the delay in scheduled contracts, which have been shifted to 2023.



## GOALS FOR 2023

- To continue developing the SwissZinc company project for the future urban waste recycling complex in Switzerland that will include the ZINCEX™ and ECOLEAD™ technologies for the recovery of Zinc and Lead, with contracting of the technology package that includes the Basic Engineering, the technologies license and the supply of exclusive equipment.
- To continue developing technologies for the circular economy strategic priority (solid urban waste, electronic components, plastics, industrial effluents, etc.).
- To continue developing green hydrogen production technologies based on AEM electrolyzers (Anionic Exchange Membrane), SOEC (Solid Oxide Electrolyzer Cell), PCEC (Protonic Ceramic Electrolysis Cell), and alkaline electrolyzers and CO<sub>2</sub> capture and recovery technologies.
- To consolidate the development of projects related to green ammonia and its derivatives with a project at a more advanced stage than a conceptual project and understanding ammonia plants, referred to as "green" based on the electrolysis of water using green energies instead of those based on the reformation of natural gas.
- To continue developing technologies to obtain and/or recover critical raw materials essential for energy transition, such as lithium, cobalt, rare earths, etc.
- Projects tied to the decarbonization of combustion equipment.
- To boost digital innovation lines, promoting workshops for the identification of challenges and solutions, as well as working on an ecosystem for co-innovation and finding synergies.
- Creation of a data and Artificial Intelligence (AI) Division for working with the business departments and implementing the operations model.
- Develop the methane monitoring platform under a strategic agreement with Google.
- Develop the PC MAKER procurement conditions management tool.
- Develop and implement the uRisk unique risk management tool.
- Complete the development and implementation on projects using the CostApp cost control tool.
- Develop version 2 of the Smart Construction 360 on-site progress capture tool.
- Implement the Taski construction tasks control system in project war rooms.
- Develop and implement the economic scope variant of the PCS application.



# INNOVATION

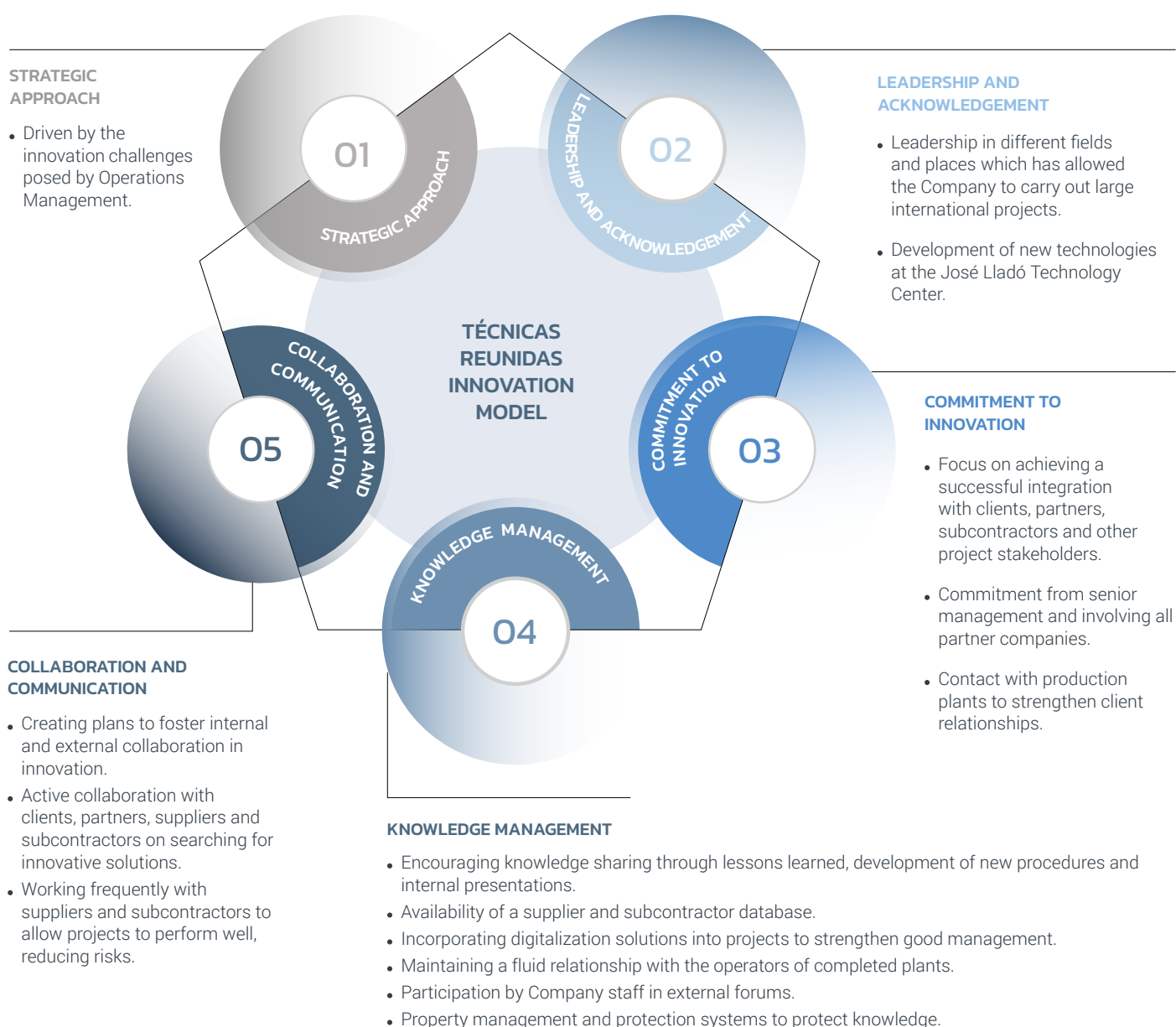
## MANAGEMENT APPROACH

### Innovation model

Técnicas Reunidas is aware of the scenario shift affecting the sector due to the emergence of new technologies. It is therefore constantly working to improve its productivity and efficiency, building plants that are more and more intelligent and meet the needs of the market and its clients. Since its beginnings, Técnicas Reunidas has devoted a large amount of resources to R&D&I for industrial processes and technologies. And as a result, it has an innovation model in place intended to implement its projects efficiently and to ensure client satisfaction, while developing new technologies that can be

introduced in the market. Among these, Técnicas Reunidas places special emphasis on the development of technologies associated with digitalization and energy transition.

Some of the pilot projects that had been postponed during the previous financial year were reactivated during 2022. Técnicas Reunidas has noted a recovery in the commercial activity with clients being able to continue developing the initial stages of various projects focused on promoting new technologies in its industry.

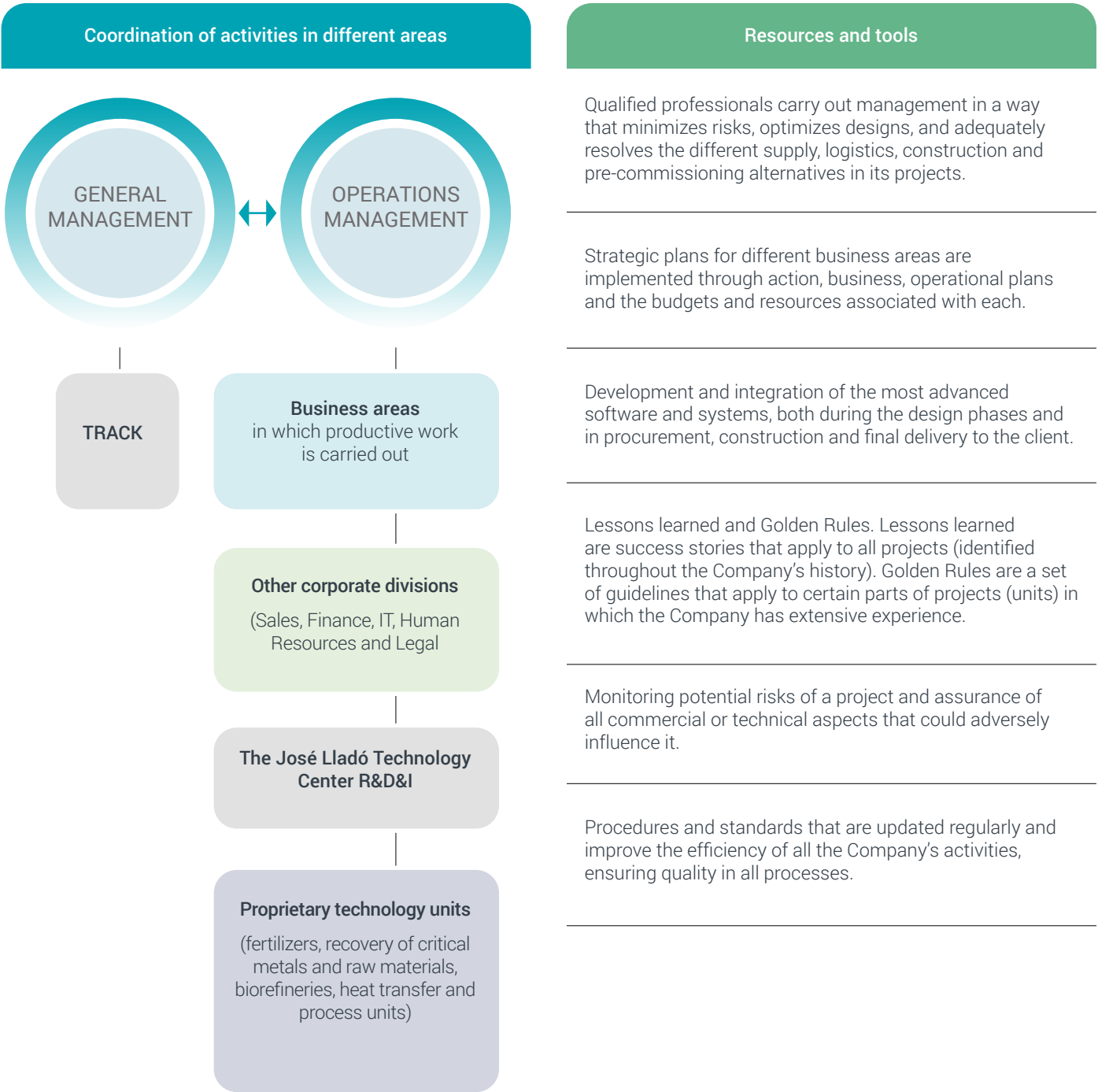


## MANAGEMENT STRUCTURE AND TOOLS

R&D&I management at Técnicas Reunidas is carried out in an integrated way through the Company's board, which coordinates the work carried out in different areas.

There is a close relationship between innovation, leadership and client trust. By integrating these aspects, Técnicas Reunidas can offer clients a wide range of solutions to respond to their needs.

### Management at Técnicas Reunidas



## TÉCNICAS REUNIDAS' INNOVATION STRATEGY

Técnicas Reunidas' innovation strategy is split into four areas:

### 1. Growth by identifying business opportunities

- The Company's participation in modular plant design and basic design projects has helped to consolidate Técnicas Reunidas' presence in the global market, positioning it as a benchmark in the sector.

### 2. Diversification by developing products and services that can respond to the needs of current and potential clients

- In recent years, Técnicas Reunidas has made a significant effort for searching new clients and markets. As a result, the Company has executed large oil and gas sector projects in Saudi Arabia, Oman, Bahrein, Kuwait, Türkiye, USA, Canada, Peru, Bolivia, Belgium, China, Mexico and Egypt, among others. In addition, Técnicas Reunidas executed large projects involving plastics and nitrate production and electricity generation in Australia, Mexico, France, Dominican Republic, United Kingdom and Norway. Moreover, a great effort has been made to enter markets involved in the chain of phosphate fertilizers, sulfuric acid, ammonia, urea and mining (phosphates, potash and lithium, in particular).
- Concerning R&D&I, Técnicas Reunidas has focused on six business areas: metal recovery, critical raw materials, environment and circular economy, hydrogen production, energy storage and biorefineries. The Company's strategy involves consolidating the technologies already designed and developing new ones in different fields based on the existing knowledge in the organization. In this regard, the technical capabilities that allow Técnicas Reunidas to adapt to new sustainability requirements and policies are increasingly important.

### 3. A close relationship with clients, suppliers, subcontractors and other organizations

- The Company operates in an increasingly globalized business and social context where technological advances drive the development of communications. The innovation strategy aims to make the Company a leader in the fields in which it operates by entering into the management of emerging areas such as big data, virtual reality applications and artificial intelligence. Management and know-how in these areas allow Técnicas Reunidas to expand cooperation with relevant partners. In addition, it has a positive influence on creating opportunities for making work processes more efficient and developing new technologies that can help the Company grow.

- On the other hand, the progress improving integration and collaboration and communications with supplying partners and subcontractors has enabled the Company to distribute workload to each according to its capacity, monitor objectives, and share opinions with their managers.
- Técnicas Reunidas is committed to optimizing the quality of its resources, consolidating its know-how and transforming its working methods into a continuous process of searching for excellence.

### 4. Application of an open innovation model

- This model is currently applicable to both publicly financed consortium projects (Development of technologies) and the various digital transformation initiatives.

**Greater interaction with innovative companies, research bodies, suppliers, technology experts, subcontractors and the community generates synergies that enable Técnicas Reunidas to develop new services, processes and technologies and carry out more ambitious projects.**

### Open innovation: generating new opportunities for growth, diversification and interaction

Técnicas Reunidas also focuses on open innovation as a way to grow and generate synergies in this area.

Interaction with innovative companies, research bodies and other external actors is a clear advantage for the development of the services, processes and technologies from Técnicas Reunidas. This collaboration with the other agents in the innovation system allows the Company to make more efficient use of allocated resources, minimizes risks and speeds up the market launch of new services, processes and technologies.

The José Lladó Center plays an important role in strengthening open innovation. Its facilities are used for collaborations with other companies, as well as other bodies including government-run research centers, technology centers and universities.



## SHARING THE COMPANY'S KNOWLEDGE WITH CLIENTS

Técnicas Reunidas has led the construction of more than a 1,000 industrial plants for some of the leading companies in the energy and chemical sectors. This experience has been gained in conventional and modular projects in widely varying geographical environments and climatic conditions.

The Company also places its knowledge and the opportunity to use the most advanced tools at the clients' disposal in all phases of its projects. This shows the undeniable value of Técnicas Reunidas' capacity to provide clients with three types of projects of growing interest in the market: process revamping, plant standardization and the licensing of proprietary technologies with associated engineering services.

Técnicas Reunidas is increasingly focused on collaborating with its clients to develop some of its basic tools before project execution, such as conceptual, feasibility and design engineering studies, allowing it to lead consortium projects and offer more competitive solutions.

In developing these solutions, Técnicas Reunidas is not limited to participating in project execution. It also becomes involved in their operation by providing assistance to clients after delivery. This relationship allows Técnicas Reunidas to access information and identify problems from which to develop new business opportunities in the future.

### Collaboration with Repsol to develop technologies for decarbonization of the industry

Under a strategic agreement with Repsol, Técnicas Reunidas developed proprietary technology in 2022 and developed processes aimed at transforming the industry, thereby promoting its decarbonization and promoting the circular economy. This partnership covers the following projects:

- The co-creation and development of proprietary technology to produce sustainable biofuels and polymers of biological origin (high added value products with low or zero carbon footprint) from agricultural waste and agrifoods. This initiative will also promote job creation and generate wealth in rural areas and areas at risk of depopulation.
- Development of a new circular plastics production process based on used plastics.
- Optimization of energy efficiency at industrial complexes via residual heat recovery.

Under this agreement, Técnicas Reunidas and Repsol have offered their knowledge and experience to the industry through technology consultancy services to reduce emissions that are especially aimed at SMEs in order to support the energy transition throughout the industrial fabric.



## COMMUNICATION WITH CLIENTS AND SATISFACTION EVALUATION

It is essential to know the opinion of clients and suppliers to improve the quality of the projects and strengthen the Company's Quality Management System.

The characteristics of the business and the nature of the projects executed by Técnicas Reunidas require an ongoing dialogue with clients throughout the life cycle of all projects.

To maximize client satisfaction, Técnicas Reunidas has implemented a Quality Management System, externally certified under the ISO 9001:2015, based on global project execution indicators. This system quickly provides the Company with performance progress and the ability to identify possible areas for improvement.

Along with the above and as regards project monitoring, the Company also holds EOMs (Executive Operation Meetings) to review a project's situation from the point of view of status, progress, difficulties and opportunities, both internally with all the teams involved (weekly) and externally with clients and partners (monthly). Finally, the Company formally monitors client satisfaction through a review exercise at the end of each project.

The strongest sign of client satisfaction is the high percentage of repeat contracts with Técnicas Reunidas. This fact is particularly noteworthy given the intense competition in the market, especially in particularly competitive markets, as acknowledged by ENR (Engineering New Record).



## R&D&I AND PROPRIETARY TECHNOLOGY

Since its beginnings, Técnicas Reunidas has dedicated a large part of its resources to R&D&I in industrial processes and technologies. As well as developing technologies in different business areas, the Company has built up considerable experience and know-how in managing and executing complex projects, as well as verifying and developing basic engineering data, enabling it to consolidate its international leadership position.

As a result of its R&D&I investment, Técnicas Reunidas has a portfolio of proprietary technologies in various areas of activity, as well as the associated patents and trademarks. The Company is thus in a position to license the use and marketing of these technologies and all their associated R&D&I and engineering services for industrial implementation.

In this area, the Company has a Proprietary Technologies Development Division that produces profitable know-how

(technologies), enabling it to develop a tangible product. It also has a subsidiary for developing and marketing some of these technologies.

As regards proprietary technologies, Técnicas Reunidas is an international leader in the field of nitric acid, prilled ammonium nitrate for mining, and in the recovery of the base metal zinc using its ZINCEX™ solvent extraction technology.

### Marketing of proprietary technologies by ESPINDESA



ESPINDESA, Española de Investigación y Desarrollo, develops and markets proprietary technologies in the fields of fertilizers, nitric acid, nitrates (organic and plastic) and mining. It provides technology to more than 70 industrial facilities. Some of the most noteworthy are:

- Granular ammonium phosphates for producing granular di-ammonium and mono-ammonium phosphate (DAP and MAP) from phosphoric acid and ammonia in a tubular reactor.
- NPK and nitrosulphate complex fertilizers with several nutrients (nitrogen, phosphorus, potassium and sulfur) based on nitrate, phosphate or nitrosulphate solutions (chemical granulation) as well as on a mixture of nutrients with steam (steam granulation).
- Concentrated nitric acid for production of nitric acid up to 98 % - 99 % concentration from ammonia and air.
- Extractive nitric acid distillation to produce nitric acid at a concentration of 98 % - 99 % from diluted nitric acid with extractive agent.
- Porous ammonium nitrate for obtaining low density pelletized ammonium nitrate from nitric acid and ammonia for use in mining.

It is worth noting the increased strength of proprietary technologies and the demand for those technologies from so-called green fertilizers (those based on production with no CO<sub>2</sub> emissions stemming from the synthesis of hydrogen related to the so-called green energies), such as nitrates rather than urea and in which Técnicas Reunidas is a global and technological leader through its subsidiary ESPINDESA.











For more information about the technologies developed by the Proprietary Technologies Development Division, visit <https://ddtp.tecnicasreunidas.es/> and <https://ddtp.tecnicasreunidas.es/tecnologias/>.



Another area of innovation in which the Company is engaged is the development of clean technologies. In this regard, apart from establishing a close collaboration with catalyst suppliers

to reduce nitric acid emissions from projects, a joint effort has been made with clients to promote the development of "dual" plants, capable of optimizing energy consumption.

#### Technologies and Trademarks owned by Técnicas Reunidas

NAME	FIELD	SCOPE
<b>ZINCEX™</b> 	<b>Metals recovery</b>	Technology for processing leached ores and zinc concentrates that are difficult to process by conventional methods to produce zinc by hydrometallurgical techniques using solvent extraction.
<b>LIP4CAT™</b> 		Technology for treating calcines from roasting zinc concentrates to cause zinc leaching.
<b>DATMOS™</b> 		Technology for treating mineral concentrates unusable in conventional RLE (Roasting, Leaching and Electrowinning) process to cause zinc leaching.
<b>ECOLEAD™</b> 		Technology for recovering lead and silver from secondary raw materials based on brine leaching and subsequent precipitation of the valuable metals.
<b>WALEVA™</b> 	<b>Biorefinery</b>	Technology for recovery of agri-food waste (which is currently otherwise incinerated) using a chemical process to produce levulinic acid.
<b>PHOS4LIFE™</b> 	<b>Critical raw materials</b>	Family of technologies: <ul style="list-style-type: none"> <li>• Technology for producing technical grade phosphoric acid from sludge ash from sewage treatment plants.</li> <li>• Technology for producing phosphoric acid from phosphoric rock.</li> </ul>
<b>RARE TECH™</b> 		Technology for producing rare earth concentrates from monazite ores.
<b>HALOMET™</b> 	<b>Environment</b>	Technology for treating urban waste by incineration to recover zinc and other metals.









Besides these already developed technologies, Técnicas Reunidas is making a significant effort to develop technologies focused on the energy transition. The production of green hydrogen via the development of electrolyzers based on various technologies, the capture and recovery of CO<sub>2</sub> and the circular economy are just some of the lines of business in which Técnicas Reunidas wants to have proprietary technologies that will enable the Company to stand out from competitors.

## R&D&I projects for new technologies in which Técnicas Reunidas participates

The R&D&I strategy that Técnicas Reunidas has been developing in recent years is based on:

- Considering a more rational use of raw materials.
- Prioritizing the recycling, reuse and recovery of all waste.
- Giving priority to those production processes that use zero-emissions technologies.
- Developing innovative processes as key competitiveness factors.
- Developing innovative technologies capable of supporting the energy transition.

In terms of this strategy, Técnicas Reunidas took part in the following national and European projects in 2022:

PROJECT NAME	TARGET
<b>BIORECOVER<sup>2</sup></b> 	Research and development of new, mainly biotechnology-based technologies for the recovery of rare earths and platinum from currently untapped primary and secondary sources.
<b>SEA4VALUE<sup>2</sup></b> 	European project (HORIZON 2020) to develop valuable metal recovery technologies based on brines produced by desalination plants into a complementary source of critical raw materials.
<b>REMSELAN<sup>1</sup></b> 	Obtaining rare earths (cerium, neodymium, praseodymium, lanthanum and europium) by separation and purification of lanthanides.
<b>DUST<sup>1</sup></b> 	Development of flexible and compact technology for the treatment and direct recovery of steel mill dust, waste considered as hazardous because of its high content of heavy metals, the main goal being to recover the zinc present in this material.
<b>RECUMAN<sup>1</sup></b> 	Development of technology to recover manganese in industrial plants that use zinc materials as a chemical species that maximizes its sales value.
<b>EVER</b> 	Developing low-cost electrolyzers for the production of green hydrogen based on anionic membrane technologies.
<b>RECYCLION</b> 	Developing technology to recycle batteries that have reached the end of electric vehicles' useful life, with special emphasis on their sustainability, economic feasibility and integration in the circular economy of the value chain of lithium-ion battery manufacturers.
<b>LEVAPLUS</b> 	Developing efficient and sustainable technology to recover raw materials rich in C6 sugars for the production of carboxylic acids that serve as a chemical base to obtain chemical products, polymers or drugs, among others.



PROJECT NAME	TARGET
<b>SHINEFLEET<sup>3</sup></b> 	<p>This project covers the whole hydrogen value chain, from production to end-use, including the development of specific equipment for the haulage industry. In particular, it is developing compact renewable and blue hydrogen generators for the haulage industry.</p> <p>Besides coordinating this project, Técnicas Reunidas participates as a technological partner in the generation of renewable and blue hydrogen, with the aim of developing a modular, compact system that is the best on-site alternative to generate this resource.</p>
<b>FUSION FUTURE<sup>3</sup></b> 	<p>Research on new materials, processes and advanced technologies capable of helping to offer a response to the main issues standing on the path towards nuclear fusion energy.</p>
<b>UNDERGY<sup>3</sup></b> 	<p>This project tackles the technologies needed for seasonal renewable energy storage using green hydrogen as part of a smart grid. The main priorities are: studying the underground storage of renewable energy using green hydrogen and creating an efficient energy management system.</p>
<b>ZEPELIN<sup>3</sup></b> 	<p>Study and development of innovative and efficient green hydrogen production and storage technologies based on the circular economy. Técnicas Reunidas is tackling the production of hydrogen from waste using catalytic and thermochemical techniques.</p>
<b>HYMET<sup>3</sup></b> 	<p>Development of new technologies applicable to the decarbonization of the metal industry, more specifically the steel industry, and the reuse of by-products from the process itself. Técnicas Reunidas is studying the reuse of waste using a reduction reactor, the generation of green hydrogen and reuse of the carbon dioxide captured.</p>
<b>ECLIPSE<sup>3</sup></b> 	<p>Development of recycling and reuse technologies for complex polymeric waste capable of producing new recycled polymers.</p>
<b>ECOTRON<sup>4</sup></b> 	<p>Development of new materials, manufacturing processes and recycling technologies for electronic devices, organic substrates and the valuable metals present in them, seeking environmental sustainability.</p>
<b>POWER2HYPE<sup>4</sup></b> 	<p>Development and demonstration of a new process for the production of hydrogen peroxide, switching the established chemical route that requires energy to sustainable electrochemistry.</p>
<b>RELOAD<sup>5</sup></b> 	<p>Development of technologies for the recovery of critical metals and raw materials from batteries, super magnets and other electrical components from electric cars.</p>
<b>PLASTICS2OLEFINS<sup>4</sup></b> 	<p>Involvement in a consortium to design a Demo Plastics Recycling plant for obtaining high-value products. Técnicas Reunidas is involved in the engineering development, process optimization and technology integration.</p>

1   Centro para el Desarrollo Tecnológico Industrial

2 

3     Centro para el Desarrollo Tecnológico Industrial

4 

5   

The main result of these R&D&i projects is the generation of knowledge and protecting that knowledge is a critical issue. The knowledge and technological innovation the Company has built up give it a competitive advantage in the markets in which it competes, creating shareholder value.

Técnicas Reunidas has a specific procedure that details how to manage industrial property to protect this knowledge. For each innovation or item of knowledge, the Company evaluates the most appropriate way to ensure its protection. This evaluation takes into account the ultimate objective pursued, the advantages and disadvantages associated with each protection model, as well as the risks deriving from each.

### The José Lladó Technology Center, the core of R&D&i at Técnicas Reunidas

Since 1974, Técnicas Reunidas has had a Technology Center within the Proprietary Technologies Development Division. This center - the José Lladó Technological Center - is located in San Fernando de Henares and has more than 5,000 m<sup>2</sup> of space, where more than 70 members of staff work on their projects.

This center is a space for R&D&i work and acts as a driver for technology transfer and sharing. The center's work is client-focused and innovation its tool for competitiveness. This Technology Center facilitates and enables the Company's participation in innovation processes and R&D&i activities.

The Technology Center carries out research and technology development projects. It especially focuses on the Company's technology needs, provides technology services and technical assistance and collaborates on the transfer of research results between different publicly-run research centers, technology centers and Técnicas Reunidas. It also promotes and participates in cooperative research between companies.

### Through its Proprietary Technologies Development Division, Técnicas Reunidas achieved excellent results in 2022 through harnessing funds from the European Recovery Plan (Next Generation EU)



The CDTI, managed by the Ministry for Science and Innovation of the Government of Spain, has awarded four projects to Técnicas Reunidas that were presented under the MISSIONS Program call for proposals forming part of the State Program for Catalyzing Innovation and Business Leadership of the State Scientific, Technical and Innovation Research Plan 2021-2023 under the framework of the Recovery, Transformation and Resilience Plan (PRTR), in accordance with the Final Ruling issued by the CDTI.

The following MISSIONS 2022 projects were awarded to Técnicas Reunidas, all of them within the field of energy transition:

- Project MISSIONS MINETHIC, a project led by Técnicas Reunidas and based on the development of technologies to obtain critical raw materials that are essential for a successful energy transition.
- Project MISSIONS EFISOEC, led by Repsol and with Técnicas Reunidas involved as technology and engineering expert, for the development of technologies to produce green hydrogen from SOEC (Solid Oxide Electrolyzer Cell) technology.
- Project MISSIONS HY2DEC, led by Acerías de Álava and with Técnicas Reunidas involved as technology and engineering expert, for the development and validation of new emerging green hydrogen and oxygen production and use technologies, as well as CO<sub>2</sub> capture and its integration into Spanish intensive industry processes, for the purpose of advancing its decarbonization.
- Project MISSIONS SUNRISE, led by Magtel and with Técnicas Reunidas involved as technology and engineering expert, for the development of new critical material and component recovery and reuse processes in the solar photovoltaic value chain to boost its value and improve the environmental impact of this technology.

In this call for proposals, for which more than 140 projects were presented and 32 were awarded to large businesses, project MISSIONS MINETHIC finished top of the list in the call for proposals with a score of 90 out of 100, project MISSIONS EFISOEC was second with a score of 87 and project MISSIONS HY2DEC third, also with a score of 87. This reflects the quality of the proposals in which Técnicas Reunidas was involved.

Técnicas Reunidas is the Spanish company with the most projects awarded under this call for proposals and is also the company with the largest total grant volume awarded.



The Ministry for Industry and Trade has awarded the PERTE VEC (Electric and Connected Vehicle) FUTURE: FAST FOWARD in which Técnicas Reunidas is involved as partner on the RELOAD project, part of the former.

The PERTE VEC FUTURE: FAST FOWARD is an initiative led by the Volkswagen group and SEAT that involves 62 companies and 11 regional government authorities. With a budget of 10 billion euros, making it the largest industrial investment in the country, aimed at electrifying Spain and making Spain the European hub for electric vehicles.

The RELOAD project forms part of the Circular Economy block of the R&D&I line and is an Industrial Research project.

The goal sought by the RELOAD is to contribute to the supply of high-value metals in the ECV industrial value chain, reducing dependency on imports and promoting a sustainable and circular industrial model with a smaller environmental footprint.

Research will take place on the recovery of metals from vehicle components, such as ion-lithium batteries and electric motors, at the end of their service life in order to reuse those metals and thereby reduce the waste that electric vehicles will create.

In short, it seeks to find new circular economy models that will improve competitiveness for Spanish industry and foster new production and consumption models.





## R&D&I AND THE CIRCULAR ECONOMY

The production of plastic has grown exponentially in recent decades (from 2 to 370 Mt/year), accompanied by an increase in waste. Of the 61.8 Mt of plastic produced in Europe in 2018, 29.1 Mt were collected. Only 32 % of that waste is recycled (mostly using conventional mechanical methods), 43 % is incinerated for energy recovery and 25 % is sent to landfill. These low recycling rates lead to losses of between 80 and 120 trillion dollars per year, mostly due to the presence of complex polymeric material waste (multi-materials and mixtures, reinforced materials, materials with heavy metals, etc.).

Although mechanical, energy and chemical recovery technologies are currently used, the problem is not being solved because optimal recovery percentages are not being achieved.

Led by Técnicas Reunidas, Project ECLIPSE is focused on researching new complex polymeric waste recycling and reuse technology routes capable of making disruptive progress on the necessary changes in terms of separation, recycling, purification and chemical synthesis of building blocks that will allow new high-quality recycled polymers to be obtained, providing an alternative to current recycling routes.

The technological transversality that Project ECLIPSE will bring to the various recycling processes being tackled will enable a significant improvement in sustainable development and in the circular economy for the plastics sector by minimizing the waste created, reducing energy costs and reducing CO<sub>2</sub> emissions.

Furthermore, the Solid Urban Waste (SUW) created in Europe is a growing problem for which easy solutions have yet to be found. European regulations attempt to prevent this waste from ending up in landfills and to use incineration as one of the technical solutions for its reduction. The ash generated by the incineration of SUW has a high metal content that has to be recovered according to the environmental legislation that is going to be implemented in Europe. SUW incineration is commonplace in some European countries, such as Estonia (59 %), Denmark (53 %), Norway (53 %), Sweden (51 %), Finland (48 %), Switzerland (47 %), Netherlands (47 %) and Belgium (44 %).

Incineration is also significant (per volume) in other countries, like France (14.7 million tpy of incinerated SUW), United Kingdom (8.5 tpy SUW), Italy (6.1 tpy SUW), Spain (2.9 tpy SUW) and Austria (2.5 tpy SUW), which opens the way for significant opportunities for new technologies.

The ZINCEX™ and ECOLEAD™ technologies have been selected by the Swiss company SwissZinc as the solution for the recovery of zinc and lead by treating the ash of incinerated solid urban waste. The preliminary engineering for Project SwissZinc was successfully completed in 2022, confirming its technical and economic feasibility. It is expected that, at least, the technology package from the project will be contracted in 2023, which includes the Basic Engineering, the Technology License and the supply of essential equipment.

### Circular demolition of the silo at the Los Barrios port terminal

Técnicas Reunidas has participated in a project at the Los Barrios port terminal (Cádiz) in collaboration with the Endesa Group. The project was recognized as a best practice by the Ministry for Ecological Transition and Demographic Challenge.

The initiative consisted in the demolition of the silo located at the port terminal near the site reserved for the installation of pressure tanks for Liquefied Natural Gas (LNG). After studying the installations and reaching agreements with the organizations involved in the blasting, demolition and waste disposal operations, the demolition was carried out within the framework of a circular economy project. A plan was prepared to minimize the waste destined to landfills and to reuse the demolition waste in part of the worksite near the LNG bunkering installation.

The machinery needed to segregate demolition waste was installed in the terminal area. The waste consisted mainly of rebar (recovered by external agents) and concrete (crushed on-site for reuse in the work carried out to adapt the port terminal by replacing aggregates and graded aggregate).

As a result, by starting with a circular approach, practically 100 % of the demolition waste has been recovered.

# DIGITAL TRANSFORMATION

## THE IMPORTANCE OF INNOVATION AND THE DIGITAL TRANSFORMATION

Técnicas Reunidas is fully aware of how important it is to implement the digital transformation plan and maintain a position of leadership in the sector. To that end, the Company is engaged in ongoing efforts to promote the development of digital projects. These efforts are being undertaken collaboratively between all areas of business within the Company.

For this purpose, the Company has defined its corporate governance bodies through different committees, whose main objectives are, among others: to define the digital transformation strategy; to establish the corporate action plan; prioritization and follow-up of use cases; to provide resources; to control budgets; and to ensure that targets are met. Implementation bodies have also been defined - the ITCS and Operations areas - to lead all initiatives related to digitalization and new technologies, adding a corporate and cross-departmental nature to this action.

Thus, Técnicas Reunidas proposes a collaborative model to accelerate the digital transformation process structure around several transformation axes:

- A. Digital innovation
- B. Data driven
- C. Digital twin
- D. Cloud
- E. Cybersecurity
- F. Process digitalization
- G. Smart Construction
- H. Digital plant
- I. New opportunities

In 2022, the Company made solid progress on its digital transformation targets and the actions developed under each one of the strategic priorities are detailed below.





## IMPORTANCE OF INNOVATION AND DIGITAL TRANSFORMATION

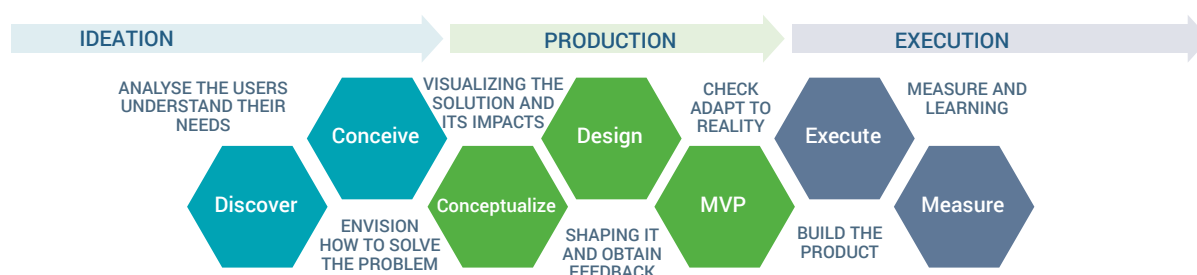
### A. Digital innovation

Innovation is a strategic lever for the digital transformation of Técnicas Reunidas. It is the key to effectively improve efficiency and productivity and to be more competitive, as well as to create new digital products and services that contribute to energy transition.

#### INNOVATION CULTURE

The Company continued to uphold its digital innovation strategy in 2022 to make it more comprehensive and inclusive, aimed at improving the efficiency and productivity, as well as responding to its clients' needs with new products and services. The Company's innovation ecosystem has been strengthened, implementing a collaborative model for internal innovation, intrapreneurship, and open innovation. This ecosystem generates a constant flow of ideas and solutions to the Company's challenges. The most remarkable activities in this field are:

- **Innovation methodology.** LeaDIn (Lean Development Innovation) is the name of the digital innovation methodology developed by Técnicas Reunidas that covers the life cycle of the initiative from the moment where the idea is created to its incubation, implementation and scaling. Técnicas Reunidas' innovation methodology is inspired in the Design Thinking, Lean Start-up and Agile approach.



- **Innovation workshops.** Development of innovation workshops based on design thinking methods to identify challenges and come up with solutions within the business areas.
- **Initiatives portfolio.** Identification of initiatives throughout the value chain and development of the portfolio with over 65 identified and evaluated use cases.
- **IndesIA.** Técnicas Reunidas is a sponsoring partner of the IndesIA association, the national industrial association for the promotion of data economy and artificial intelligence. The Company actively participates in the round tables of the platform to promote the use of data and artificial intelligence throughout Spanish industry.
- **Open innovation challenges with students.** Técnicas Reunidas has participated in Innovation competitions with university students from all around Spain. First-year students of different universities and fields have been presented a technology challenge for them to come up with possible solutions to the challenge in the field of energy transition.
- **Open innovation challenges with companies.** Técnicas Reunidas assumed the role of promoter company for the first IndesIA datathon alongside a company from its industrial value chain and a technology partner, with which a business problem was resolved.
- **Development of use cases with universities and business schools.** Técnicas Reunidas is promoting and mentoring the development of use cases on data and artificial intelligence with the Polytechnic University of Madrid and the IE Business School.
- **Digital co-innovation.** Supported on its ecosystem, the Company has continued to explore and experiment with technologies undergoing concept trials in order to respond to business challenges.

### Co-innovation with clients and subcontractors through the implementation of new technologies

- Exploration with different clients (INEOS and Qatargas) for the creation of digital twins aimed at implementing different types and obtaining a standard digital twin for Técnicas Reunidas that can be adapted to different clients. This would generate a custom-made methodology for Técnicas Reunidas to face new projects and provide a more reliable and trusted digital twin.
- Collaboration with ExxonMobil for the analysis of the implementation of augmented reality technologies in different stages of the CRISP project, such as construction studies, construction phases and delivery.

## B. Data driven

To be data driven means making decisions based on quality data and in real time. Accessing the data and using them to make more effective decisions. Hence, for Técnicas Reunidas, data is the main axis of its processes, strategies and decision-making. This efficient use of data provides information about the business areas and enables the needs of its clients to be met more effectively.

Técnicas Reunidas understands the importance of data as a strategic asset for decision-making and corporate success. It therefore works on maximizing their value within the Company, ensuring their quality and promoting the creation of use cases in all areas.

To achieve this, the components of the corporate data platform have been created and put into production, enabling more efficient and secure data management. Furthermore, a pilot project was developed with Microsoft Azure to produce executive operation reports. As a milestone in this regard, it is worth noting the development of the first use cases.

An operating model was also launched with the various business areas of the Company, which has led to greater collaboration and coordination in the use of data. A data culture has also been encouraged, which has enabled employees of the Company to understand the importance of data and their correct management.

Finally, a new corporate data and artificial intelligence area was created to produce the new service model and improve the organizational model, which will lead to more efficient and strategic management of data at the organization. In short, Técnicas Reunidas has worked on improving the management of data to maximize its value and improve decision-making at the Company.

## C. Cloud

The Company continues to implement its Cloud strategy based on various pillars or strategic lines of action:

- Trusting the infrastructure to the leading hyperscalers in the market (Microsoft, Google, AWS, Oracle).
  - In 2022, approximately 120 servers were migrated to the Azure cloud.
  - Definition of a roadmap for migrating Oracle DB (database) architectures to OCI (Oracle Cloud Infrastructure).
- Committing to SaaS (Service as a Software) model solutions that include the complete infrastructure and application service. For example:
  - RISE – contract signed to migrate the SAP platform (Systems, Applications, Products in Data Processing) to Google in 2023.
  - UiPath – deployment of RPA software (Robotic Process Automation) in an SaaS format from the software manufacturer itself.
- Partnership agreements with cloud technology leaders to develop the various lines of the strategic digital plan (Artificial Intelligence, Data Driven, etc.).

## D. Cybersecurity

Cybersecurity risks continue to grow, so the Company has focused on improving the security of its systems and its capacity to react in the potential event of a cyberattack.

Management has expressed its commitment to combating all these risks in a corporate information security policy and privacy policy aimed at the Zero Trust model and its alignment with such international standards as NIST (National Institute of Standards and Technology), CIS (Critical Security Controls), the National Security Framework and ISO 27001:2013. Furthermore, the Information Security Management System has been certified every year since 2011 in accordance with ISO 27001:2013.

Following the latest trends in the cybersecurity sector and making use of available resources, Técnicas Reunidas is gradually incorporating improvements and making changes to its policies in order to boost management system maturity and, in short, improve its approach to security. It is using cutting-edge services and technologies to do so, incorporating measures to reduce the attack surface and limiting the impact of a potential incident and its repercussions on the business. Protection measures are also being implemented within the e-mail system to defend against the huge volume of spam, phishing attempts and identity theft, such as the famous CEO fraud. None of this would be worth anything if staff members were not trained to ultimately identify fraud attempts. Hence why campaigns are launched to simulate this type of attack in order to train and raise awareness in users about identifying fraudulent e-mails. A campaign was also carried out to support this training and awareness-raising activity on cybersecurity in the supply chain.

Ransomware is a real threat against which the company must protect itself. These attacks seek to hijack data and request a ransom to release them. Every level of protection counts, which is why investments are being made in incident management processes, advanced monitoring systems, anti-intruder prevention technologies and security management policies and best practices. Some of these technologies prevent the success of such attack techniques as lateral movement, which is commonly used in IT networks to obtain privileges that are later used to carry out an attack of greater impact.

Information leaks are another great threat because a large part of the organization's value lies in its information. With that in mind, measures are put in place to prevent the voluntary or involuntary ex-filtration of data beyond the corporate environment. Other measures make use of machine learning or even artificial intelligence to assess the risk of a user based on their behavior, data about which is obtained from telemetry on their activity. When combined with an information classification policy, these mechanisms enable this risk to be offset and the Company to enjoy additional confidence.

All of this is being developed in an environment that considers compliance with international security and personal data protection regulations, laws and the specific regulations in each country where Técnicas Reunidas operates, as well as a series of strict confidentiality agreements with clients and suppliers.

In its IT area, Técnicas Reunidas has an Information Security team with more than 10 years of experience in defending information assets from the daily threats of phishing, data hijacking and information leaks.



## E. Digital twin

**In line with the new digital paradigm, clients increasingly require the implementation of digital twins at their plants.**

Digital twins are gradually fed data while a project is being carried out. Eventually, the plant's digital twin is transferred to the client for them to use during operation and maintenance of the asset.

Over this period, the Company has continued to explore this constantly evolving technology through commercial digital twin platforms. It has also continued its assessment of the impact on management models and processes associated with EPC projects with a focus on Capital Asset Lifecycle Management (CALM).

### Development of a pilot digital twin project

Two tools have been identified for the development of digital twins that match with those most requested by the clients and working groups have been created with Engineering, Digital Transformation and IT that have conducted various tests and a pilot project.

At present, this analysis is being applied to a real project for one of the Company's clients, INEOS. The Company is feeding the digital twin with data on this project using HEXAGON technology.



## F. Digitalization and smart construction

**The Company has improved productivity significantly through the digitalization of processes and smart construction by creating solutions, as well as improving communications and global project coordination. Digitalization has become a key work area for keeping Técnicas Reunidas in a leading position in its industry.**

From a global perspective, implementing digital processes improves overall project coordination. On the one hand, communication between Técnicas Reunidas and its clients, employees and subcontractors is more efficient, and they can work faster and more productively. On the other hand, it enables real-time, secure access to project information while providing greater analytical ability and strengthening efficient project management.

In the operations area, mobile technologies, cloud applications and artificial intelligence technologies are providing the Company with a range of opportunities and solutions that allow it to improve project execution and establish key performance indicators for better performance monitoring.

Furthermore, the foundations of the construction industry have not changed significantly in recent decades and Técnicas Reunidas is aware of the importance of engaging in smarter construction. Smart construction refers to the modernization of this sector through technology. Connecting the project with sensors in real time, harnessing the information from 3D models with extended reality or applying new management models leveraged on digital technology are the basis for improving efficiency, productivity and construction quality.

Técnicas Reunidas continues to promote a culture change in the organization to make the most of the advantages that digitalization can bring to its business. In 2022, it has maintained its efforts on the development, implementation and improvement of digital solutions, as well as the launch of new developments leveraged on data and artificial intelligence.

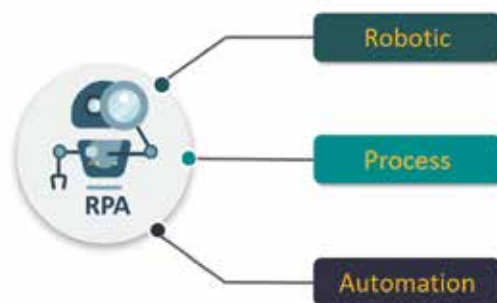


## Featured case

**RPA, robotic process automation**

RPA services were identified in 2019 as key elements to improve efficiency in many processes of the Company. Therefore, an agile service model has been implemented to automate processes with UiPath. The main characteristics of this service are:

- Automatization of desktop applications. The purpose of this tool is to automatize repetitive tasks and thus minimize user intervention.
- Removes the need for manual work with no added value by the employee and thus increases productivity.
- Interprets data, triggers responses, and communicates with other systems to perform repetitive tasks.



During 2022, the Company has continued increasing the number of automated processes; currently, over 5,000 robot hours have been carried out on 27 active processes in production. It is worth highlighting the PID marking by subsystem process, currently in the roll-out stage and that used to require 6-8 weeks of work from a dedicated user.

Furthermore, a number of robotic processes have been implemented that combine with the use of AI in the flow for smart processing of documents with NLP (Natural Language Processing) that make the decision within the robotic flow. This incorporation of AI in automated processes with IPR will be a fast-growing line of action in coming years.



## Featured case

**RXana, analysis of X-ray images with artificial intelligence**

In industrial projects, the analysis of welding X-ray images is a critical and necessary process carried out by highly qualified personnel. Any delays or errors in the detection of defects may entail major consequences in the projects. Because of this, Técnicas Reunidas is developing an artificial intelligence model to help experts detect faults.

RXana is an application that can be used to upload X-ray images. The application then predicts possible defects it may have and shows the results graphically so the expert can approve this prediction. It also provides certain tools to improve process productivity.



The first model has entered production now and it will be re-trained to improve the accuracy of the predictions, which currently stands at 70 % success.





## Featured case

### Automatic detection of symbols in process diagrams

Técnicas Reunidas receives a lot of documentation from third parties. Particularly, the process and instrument diagrams require a lot of effort before being used by the engineering systems of the Company. It has been identified that automating the recognition of symbols in process diagrams improves the efficiency of the process significantly.

To approach this challenge, the Company has developed an artificial intelligence model capable of recognizing symbols in the same way a technician would, and add them to an inventory for future processing.

The proofs of concept have already been completed and the conclusion is that scaling up this model would be feasible.

It has been trained with the most commonly used symbols and to recognize the lines. To incorporate automation with IPR technology for final upload to SPPID.

The development has already been proven on a real project with a 30 % effort optimization in the overall PIP upload tasks

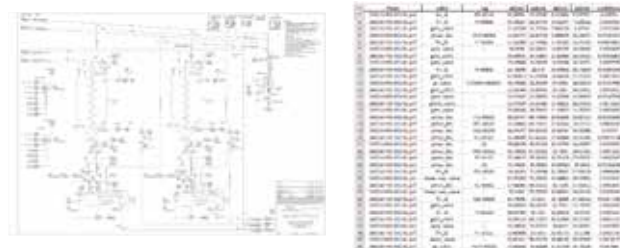
#### Identification and counting of instruments and signals in P&ID

Focusing on the use case for instrumentation and signals in control systems, using artificial intelligence has successfully undertaken instrument index, instrument lists, instrument and signal MTO automatically, automating the following processes:

- Review of P&IDs.
- Creation of Instrument Index.
- Creation of Instrument List.
- Creation of IO list.
- Creation of instrument/signal MTO.
- Comparison of different P&ID reviews (detection of added/deleted tags).
- Analysis of congruence between DB and P&IDs for HW and SW freeze, FAT, iFAT, SAT.

The advantages provided by this tool to the Company are:

- Increased speed from the instrumentation department in the various stages (offer, FEED, EPC, etc.) and activities (RFI, signal counting, etc.).
- Reduced change orders to direct suppliers (instruments, control systems) and indirect suppliers (cables, trays, etc.).



- Reduced delays, reworks and rebuys.
- More time spent on tasks of value.

The three use cases identified are:

- Offers and FEED without Instrument Index or MTO (instruments and signals):
  - It will help to:
    - Create the first Instrument Index, Instrument List, IO list, MTOs.
    - Quickly know the order of magnitude of the Offer/FEED.
- Offers and FEED with Instrument Index and MTO (instruments and signals):
  - It will help to validate the Instrument Index, Instrument List, IO list, MTOs received.
- EPC:
  - It will help to identify:
    - Changes to tags and signals in various versions of P&ID.
    - Inconsistencies between DB and P&ID.
  - It will help to validate in dates from HW and SW freeze, FAT, iFAT, SAT that at least the tags and signals included in P&ID are uploaded to SPI.





Featured case

Connected Work Site

Técnicas Reunidas has partnered with expert companies in the GPS tracking of objects to develop connected works applications. This technology allows optimization of various processes on the site, and provides the following advantages, among others:

- Equipment monitoring: tracks the exact location of objects at all times, to prevent loss and improve real-time analysis of their status.
- People monitoring: improves access control, for improved health and safety efficiency, work group supervision, and monitoring of working hours.
- Virtual access control to restricted areas: allows access control by selecting an area delimited by GPS coordinates. It activates control alarms in the event of unauthorized access to an area.
- Site sensors: implemented using IoT (Internet of Things) sensors to allow communication between objects (such as machinery, scaffolding, and access points) on a site and the site personnel.

This system is already implemented in projects such as Marjan and CRISP, where they are currently contributing to improve the control and security of the project.

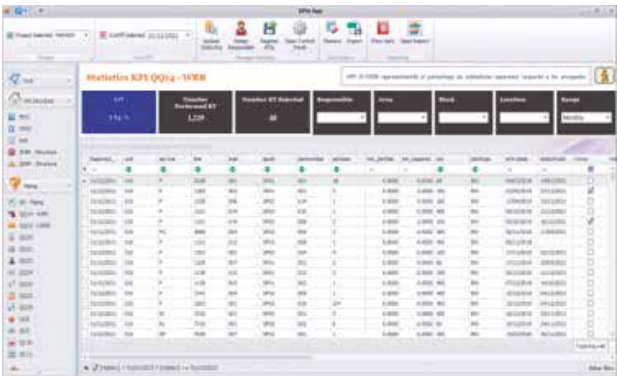


Featured case

KPI App

KPI App is a tool that can be used to gather information from different data sources and consolidate it in order to generate a history which can then undergo a performance, trend, and forecast analysis, as well as create reports:

- Data collection and storage: one of its features is automated data collection, calculation, storage, and traceability, and BI analysis of the data.
- Cross-departmental work methodology: establishes a unique and cross-departmental methodology to measure performance indicators for all the areas and phases of an EPC project.
- Analysis and reporting: the tool can be used to calculate, issue reports, and store KPIs by project.





## Featured case

### TRIA, Técnicas Reunidas Artificial Intelligence

Técnicas Reunidas is working on the creation of TRIA, a digital human that is the core of an artificial intelligence that helps control projects based on Industry 5.0 concepts. TRIA is therefore a virtual assistant (AI with a human appearance expressly developed using knowledge from the Company) and a central hub (a nerve center used to access all the apps developed by the Company).

TRIA provides access to Company information instantly, boosting efficiency, offering help 24/7/365 to all employees regardless of their position or location and supporting decision-making processes.

The main duties of TRIA are accelerating repetitive tasks and decreasing the cost of projects, conducting mass-analysis of projects using natural language. TRIA has evolved to an almost human-like appearance to make its interactions with people smoother.

Processes, such as voice recognition, text-to-voice conversion, forecasts, classification, anomaly detection, translation and the analysis of text (including contracts, correspondence, lessons learned and Golden Rules), are centralized in a hub that manages a project intuitively and with an instant search feature. TRIA learns from the Company's information and evolves as it uses it.

If a user issues a verbal or written question, TRIA understands it, analyzes the context and provides results.

Its main duty is being cooperative. Maintaining good interdisciplinary communication is key for a successful project.

List of TRIA functionalities:

#### 1. Neural searches using NLP:

- Procedures, charts or project schedules, simplifying access to key information, enabling specific documents to be found quickly and accurately, and helping to manage schedules and provide information on project status.
- TRpedia, TR Employees or any other type of documents, making the search and learning of Técnicas Reunidas-related concepts and terms easier, recovering profiles, skills and experiences from professionals and processing a wide range of documents, from legal and quality to contracts and projects.

#### 2. Generative AI:

- This enables text to be created, rewritten, suggested and explained in a variety of contexts, such as letters, e-mails, presentations, etc.
- Programming languages. This enables code to be generated in various programming languages, including Python, SQL, HTML and others.
- Images, audio, video and voice. TRIA is able to create and describe images, generate high-quality audio, personalized videos based on synthetic text and voice with different tones and styles.

#### 3. Additional functionalities:

- Transcribe audio or video files to text, summarize documents or extract key words.
- Generate questions based on a text or specific topic, translate texts and convert text to synthetic voice and voice to text.
- Rewrite, suggest, explain, describe and clarify content, search using advanced NLP (Natural Language Processing) techniques and correct grammar.

#### 4. Forms of communication:

- Keyboard, voice instructions or attached text, audio, image and video files.

#### 5. Connections to corporate applications:

- TRIA integrates with various corporate applications, which enables data transfer and synchronization with existing systems and improved efficiency and consistency in corporate management.





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**PCMT, Purchasing Cycle Management Tool**

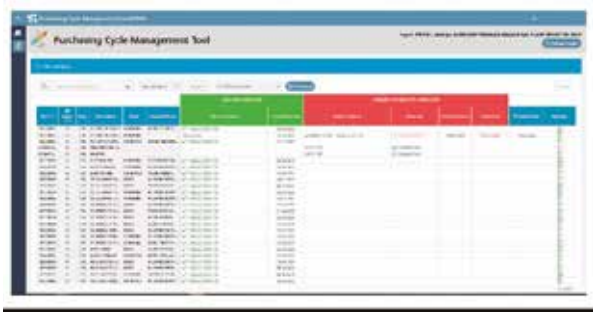
Overall View Summary provides an overview of the situation of a project's requisitions, both globally and field-specific. Analyze the entire purchasing cycle, with a focus on:

- Information about milestones reached the previous week.
- Milestones expected the following week.
- Information on activities where project slippage is an issue (and their situation).
- KPI of the purchasing cycle, to retrieve information about the deviation between the estimated duration of each part of the cycle and the actual time it took, which serves to identify bottlenecks.

Overall View shows information on each of the planned requisition supplements and can be used to:

- Create specific comments for a requisition supplement. These comments can be personal or shared with the rest of the staff involved in the project.
- Generate status reports in Excel, which is a fast and comfortable way of knowing whether there were any issues in any part of the purchasing cycle of each requisition.

The tool has been expanded to incorporate a multi-project comparative overview. This enables global analysis of workload.



Featured case

**eSAM**

Técnicas Reunidas has developed the collaborative portal with subcontractors within the eSAM application, which can be used to optimize all interactions with subcontractors in the implementation stage of a project, through the use of collaborative environments that optimize work flows along with the exchange of data and documentation.

The Company is currently developing the FEWOs management module (SFR), which is now in the pilot stage with one of the projects ongoing in Mexico.

This portal is expected to include additional modules to manage digital communication and correspondence with the subcontractor, along with certificates, work reports, subcontracting scope reviews, etc. It will also include digital signatures to legitimize this digital relationship.





### Featured case

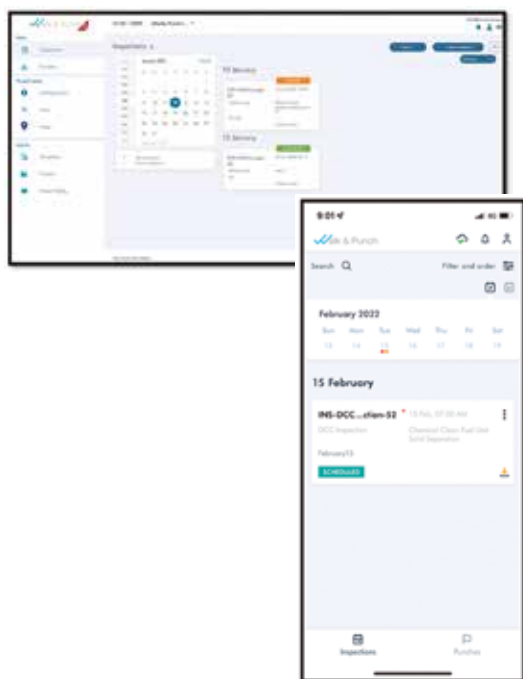
## Walk and Punch

Walk and Punch is used by Técnicas Reunidas' users, as well as subcontracted staff and clients, to manage faults in the project during an inspection.

It allows for planning and generation of system delivery itineraries for the client by digitalizing the elements to be checked and fault reporting using multimedia content (such as photographs with text or audio notes).

Inspections and itineraries are planned on the web application and any faults are managed from the mobile application during the inspection process itself.

Separate and configurable templates can be used to manage any faults during the entire execution of the EPC project, configuring fault transfers between phases in order to optimize traceability among different areas.



### Featured case

## SQMS, Site Quality Management System

SQMS is an application in the Quality area to manage quality activities on a site.

It manages the definition and implementation of the Quality Activities Plan (ITP) to carry out with the various subcontractors selected for the project and with the client. The execution of these activities is recorded on the assigned QC forms, which can be filled in with a mobile device.

The main features are:

- Scheduling of testing and inspection (tasks).
- Management of test packages.
- Planning Inspection requests (RFI).
- Execution of inspection and RFI closing process.
- Automation of tasks based on closed RFI.
- Reports.







## Featured case

## ALEP, Project Equipment List Application

ALEP is divided into three modules:

Equipment List. It has the following functionalities:

- Connection with SPmat, which reports the status of the pieces of equipment in the list on Marian, whether they are in the materials list, requisitioned or purchased. Generates the file to import the equipment list into SPmat, after conducting the verifications required to minimize loading issues.
- Comparison report of the equipment list based on cut-off points generated by the project engineer. This report provides information about the trends of the values in different fields throughout the life cycle of the project.
- Mass-updating of data via Excel dumping.

Substances, allows the substances management in the equipment. This module can also be used to generate comparison reports based on the cut-off points defined by the project engineers.

Hazardous, which manages the danger level information of the equipment and has the following features:

- Enter danger level data for the equipment, both for a piece of equipment or for a substance/equipment combination (leak sources).
- Report: list of leak sources, list of noisy equipment, list of fire and gas, etc.
- Comparison reports of the values throughout the life cycle of the project.

A new module has been developed in the ALEP application, eDatasheet, for managing the technical datasheets for equipment. So far, it has been configured for Pumps and Chemical Injection Packages. Filters will be next.

The application manages:

- Technical datasheets, grouping together blocks of parameters by discipline.
  - Bulk upload via Excel.
  - Revision management.
  - Management system for project-based configurable templates for exporting the datasheets (DDSS).
  - Management system for permits by discipline so each department can change the data assigned to it.
  - Management of the technical TBE tabulation:
    - Bulk upload using Excel files is possible, enabling all the data to be uploaded at once. It includes revision management.
    - Management system for project-based configurable templates for exporting the DDSS.
    - Management system for permits by discipline so each department can change the data assigned to it.
- Management of the TBE, until now developed within the PRE environment.



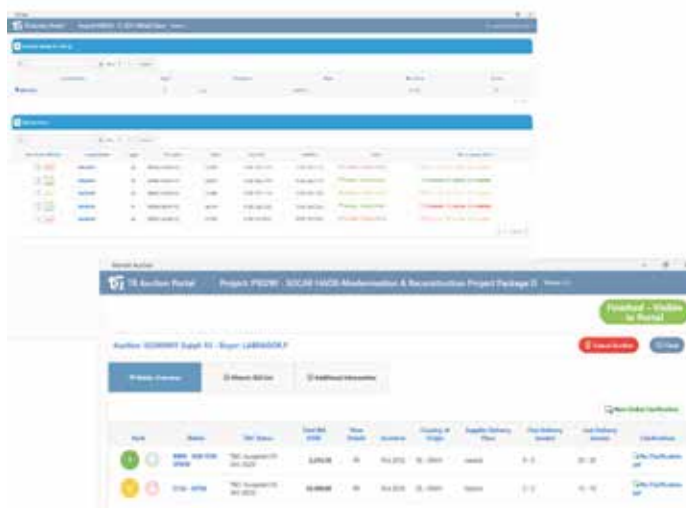
## Main digitalization projects in 2022

Besides the above, Técnicas Reunidas has continued to develop several digitalization projects and explore technologies in 2022. The following were the most important:

### Bidding portal

As part of the Company's strategy to improve the entire corporate material management process and the relationship with its chain of suppliers, a material bidding portal function has been added to e-Suppliers' portal.

A new module is currently being developed to manage bids with batches that can be multi-RFQ and multi-project.

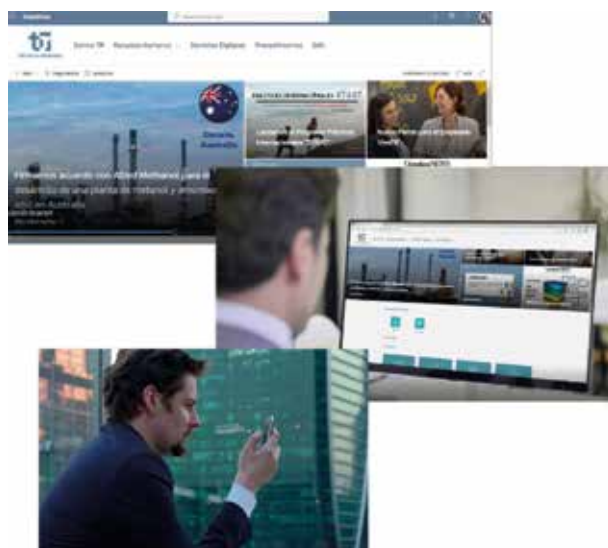


### New corporate intranet

Development of a new corporate intranet using SharePoint Online technology in the Microsoft Cloud.

In order to boost collaborative work and improve communication with employees, a new more dynamic and accessible intranet has been developed with more personalization options for each user and accessible from any device and from any connection point.

This intranet architecture will enable functionality to be scaled up, adding Microsoft Office365 capabilities to the platform.



SC360 (Smart Construction 360)

Main functions:

- Captures project progress and production using last-gen smartphones on site with geolocation information.
- Connected to the construction progress control applications, it allows progress to be updated from mobile devices working offline during site visits.

Main advantages:

- Immediate reporting of project progress thanks to its direct connection to the production control tools.
- Avoids over-reporting and uses the oversight staff as the main validators of progress made, accountable.

Currently in the on-project pilot testing stage.



Vendor Apps

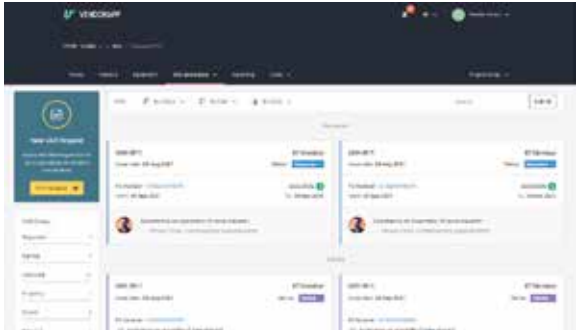
Tool aimed at digitalizing coordination with Técnicas Reunidas' suppliers and bidders.

Main functions:

- Optimization and centralized management of actions required by vendors and licensors in projects.
- Real-time control of Budget vs. Actual.
- Electronic and centralized request for on-site assistance with approval flow.
- Electronic hours reports for vendors and licensors.

Main advantages:

- Information centralization, facilitating coordination between departments and accountability for the person in charge.
- Early decision-making to avoid budget deviations.
- Coordinating areas and departments to streamline assistance and thereby save costs and avoid extras.



WPA Application (AdvanceWorkPackage)

Monitoring of engineering documents grouped at work package level, filtering documents and reporting their issuance status. This tool can be used to adapt project execution to a work methodology widely followed by international clients.

## BI Access Point (BIAP)

Tool for organization and publication of PowerBI reports with permission control and distribution groups.

Optimization of report organization by departments, groups and labels, through a single access point for reports.

It will provide a central access point for all corporate reporting from any device (PowerBI, QlikSense, Oracle Publisher, ...).



## Cognitive search

Técnicas Reunidas handles enormous volumes of documentation when developing proposals and projects. Efficiently managing and evaluating all that documentation is a daily challenge for the Company.

The goal is to boost efficiency with support from artificial intelligence, in particular NLP, Natural Language Processing, and NLU, Natural Language Understanding, to find the information needed in the shortest time possible.

Over the last year, Técnicas Reunidas has focused on developing a smart information search system for the evaluation of documentation during the proposal stage capable of improving the response from the Company's Commercial Area. A pilot project is currently ongoing to assess the smart search solution based on the cognitive services from one of the providers.

Técnicas Reunidas is also developing cognitive searches in other areas, such as Operations and Engineering, using the TRIA and applications such as QR codes. These advancements are at the beta stage and seek to provide everyone at the Company with the information they need in a matter of seconds while reducing technology use barriers thanks to voice communication and data entry via keyboard. The ultimate goal is to facilitate quick and easy access to relevant information, thereby boosting efficiency and productivity in all areas of the Company.



## Site Vision

Site Vision is a high precision augmented reality system.

- Display and interaction with a 3D twin model in the context of its own physical environment.
- Checking for hidden flaws, prevention of safety problems, design review and logistics planning.
- Point and area measurement tools, length measurement tools, display of equipment characteristics and underground pipe inspection.



## QR Codes

Identification QR codes for every piece of equipment on site.

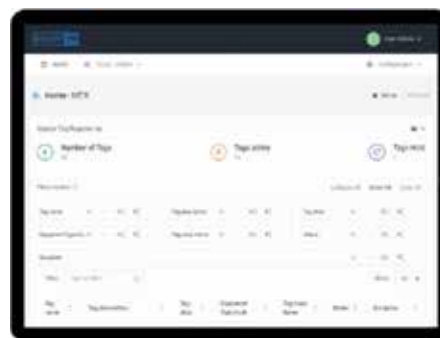
- Display of related documents using augmented reality.
- Mobile application for tablets and smartphones for rapid interaction.
- Real-time display of P&IDs, Datasheets, Details.
- Find any information in the related documentation in seconds.
- Neural search using AI and Natural Language Processing.



## MTR App

MTR App at the core of every project and with the ability to manage:

- Naming Convention specifications.
- Design application seeds (lists of permitted fluids, units of measurement, equipment classes, content of drop-down lists, etc.).
- Official Project Breakdown Structure.
- Master Tag Register.
- Master Tag Attributes.
- Master Document Register.
- Tag-Tag and Tag-Doc lists.



Their main mission is to validate data quality and make it officially available to users without errors.

## Digital solutions with AI

The Company has a large number of digital solutions that improve its efficiency. However, Técnicas reunidas wanted to take these to the next level. The first artificial intelligence models were conceptualized and developed in 2022, which are being added to the various digital solutions that bring added value to the Company in order to improve productivity and efficiency in all its processes, including neural networks for document classification and entity detection.

AI models are also being implemented in RPA for smart process automation. The first automated processes with artificial intelligence are currently being put into production.



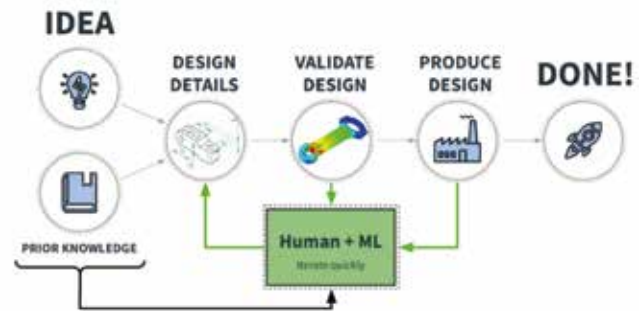


## AI Expert Engineering Systems

AI Expert Engineering Systems aim to resolve a specific problem and use Artificial Intelligence to simulate the reasoning of an engineer and emulate the decision-making of a professional with expertise on the topic:

- Resolves the problem posed in a similar way in a project.
- Works with incomplete data or inaccurate information.
- Uses the knowledge and learning available to it based on new data.

At present, the Company is conceptualizing an expert engineering system applied to the thermal design of heat exchangers.

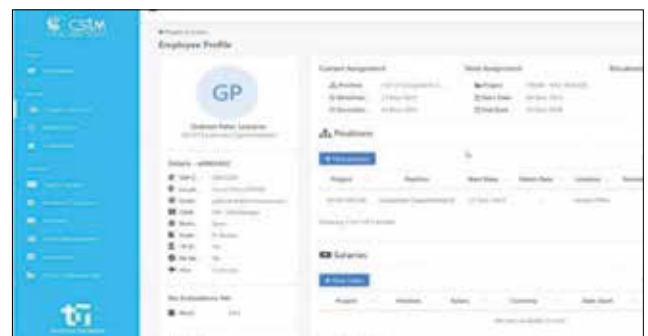


## CStM - Management Staffing System Tool

An application that enables Construction Management to manage the staff working on active projects or who have worked with Técnicas Reunidas in the past to optimize human resources management and their allocation to the various staffing plans for active projects.

The application manages:

- Resource dashboards with a focus on allocation and availability.
- Active and past staff master file.
- Management of staffing plans and resource requirements on projects.
- Performance review and skills required for profiles on site.



eQuality - Quality Audits

A new application for managing Quality processes in Home Office, identified with the integration in the Operations Division replaces the eQMS and QAP applications used in Initec and Industrial, respectively.

It covers the following functional modules:

- Audit management:
  - Checklist configuration.
  - Auditors Master List.
  - Audit Schedule.
  - Audit Notification.
  - Audit Execution and report.
  - Findings.



A pilot deployment for use on six projects currently ongoing and stage 2 of development is activated for incorporation of the following functional modules:

- Client satisfaction.
- Procedures.
- Procurement.
- Training.



HERMES, new improved version of TRRMS

This application enables the official distribution of reports from each issuing department to be managed by project. This application streamlines the report distribution and publication process, resolving the problems identified with TRRMS following integration of the Operations business Divisions.

The application manages:

- Issue calendar.
- Roles and responsibilities (issue, approval and distribution).
- Approval flow and distribution lists.
- Notifications by e-mail and activation.
- Web repository for consulting previously issued official reports.
- Integrated with SAP to automate the update of responsible departments, structural changes, etc.

Project	Detail	Report
IGD EXPANSION PHASE II PROJECT (IGD-E2)	412 - PLANIFICACION	INFORME PROYECTO
IGD EXPANSION PHASE II PROJECT (IGD-E2)	210 - APLICACIONES CORPORATIVAS	INFORME PROYECTO
IGD EXPANSION PHASE II PROJECT (IGD-E2)	412 - PLANIFICACION	INFORME PROYECTO
PROJECT ONE	410 - EPC PLANNING & PRODUCTION CONTROL	EXAMS
IGD EXPANSION PHASE II PROJECT (IGD-E2)	410 - EPC PLANNING & PRODUCTION CONTROL	EXAMS
PROJECT ONE	410 - EPC PLANNING & PRODUCTION CONTROL	INFORME SDI
IGD EXPANSION PHASE II PROJECT (IGD-E2)	210 - APLICACIONES CORPORATIVAS	INFORME PROYECTO
IGD EXPANSION PHASE II PROJECT (IGD-E2)	412 - PLANIFICACION	INFORME PROYECTO
IGD EXPANSION PHASE II PROJECT (IGD-E2)	210 - APLICACIONES CORPORATIVAS	INFORME PROYECTO
IGD EXPANSION PHASE II PROJECT (IGD-E2)	412 - PLANIFICACION	INFORME PROYECTO

## The Citizen Developer concept comes to Técnicas Reunidas with Project App4All

In 2022, Técnicas Reunidas has assessed Low Code technologies in the market to launch its citizen developer initiative under the App4All project.

Power Platform from Microsoft was selected for this initiative and work is now being done to define the governance model in order to launch the growth and education stage in 2023 (communication, training, support, incentives model, etc.).

The main goals for this initiative are:

- To boost productivity.
- To foster digital innovation.
- To reduce time to market and maintenance loads.
- Technological upgrade.

Within this framework, the area has already begun to roll out a number of developments aimed at responding to business requests, using these first developments as trials to finalize the governance model. The following developments can be highlighted from Power Platform:

- Management of Home Office General Services CAUs.
- Temporary Facilities Inventory.
- App Register of Gifts and Hospitalities.
- Construction Events Log.
- HSE - Site (inspections, audits, observations, etc.).
- CC1 - Project opening request.
- Project correspondence management.



### Strategy and vision

Define roles, responsibility and expected results.



### Management and Governance

Enforce digital holders for developers to build trust.



### Growth and Education

Accelerate its establishment with a thriving internal community.



### Support

Establish a strategy for the continuous production solution and support of the developer education.

## G. Digital plant

Most of the Técnicas Reunidas' clients are developing their own digital transformation at their industrial plants. The constant emergence of new technologies and the integration thereof into all areas of the productive process at a plant help give the business a competitive advantage.

Clients are increasingly asking for the knowledge of Técnicas Reunidas to implement these technologies from an early stage of the project to ensure optimal integration into their systems and processes. The number of requests rose significantly in 2022, with more than 10 new proposals, for which the Company has played an active role in preparing the digital proposal.

## H. New opportunities

The digital transformation not only seeks increased efficiency and, by extension, reduced costs but also offers an opportunity to find new ways to bring added value to clients.

In this period, the Company has explored the creation of new recurring products and services for its clients based on new technologies. These include:

- A partnership agreement with Google to develop a methane monitoring platform as part of the new energy transition line of business.
- Collaboration with other companies on developing digital assets and work methods for the decarbonization of industrial plants.





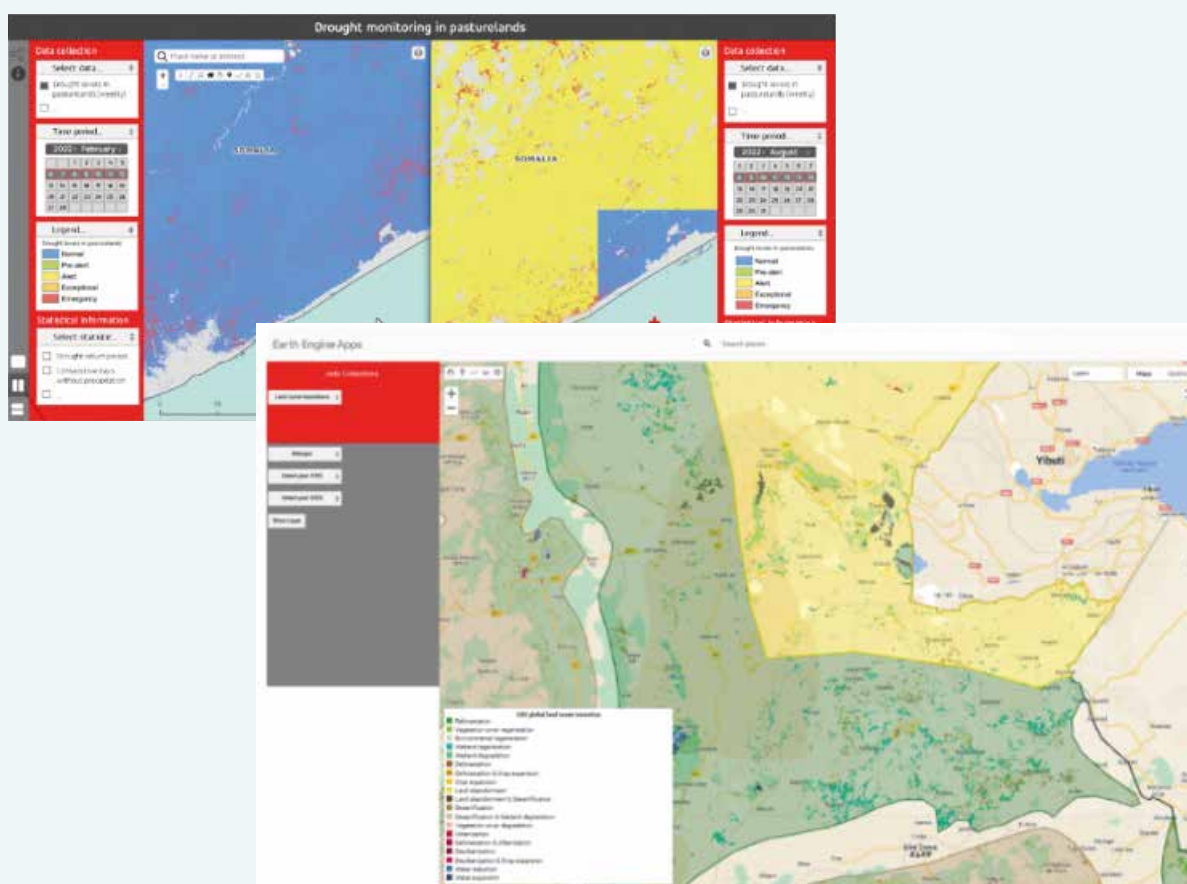
## TRACK, methane emission monitoring

Técnicas Reunidas and Google are co-innovating to develop a digital platform solution aimed at providing clients with an advanced service for monitoring and controlling gaseous pollutant emissions, such as methane.

The goal is to provide clients with an innovative cloud-based digital platform that uses Google Earth Engine technology and significantly improves the value of existing solutions for controlling emissions and making decisions.

The platform's focus enables the geo-referenced information obtained from methane detection campaigns undertaken by Técnicas Reunidas at the various sites by satellite, drone, ongoing local monitoring, etc. to be gathered, processed and displayed precisely, quickly and automatically.

Cloud capabilities enable large volumes of data to be compiled and processed in real time from the satellites, the geo-referenced information to be displayed and trend graphs to be produced for the emissions detected at the various installations, thereby allowing data to be analyzed, quantified and prioritized for the implementation of mitigation and management measures.





## 6.4 EXCELLENCE IN ENVIRONMENTAL PERFORMANCE

All Técnicas Reunidas projects are environmentally responsible, complying with best practices and international standards in the field.

Contribution of Técnicas Reunidas to achieving the SDG



### MAIN INDICATORS

INDICATOR	2022 DATA <sup>1</sup>		2021-2022 PROGRESS
Energy consumption (GJ)	438,443		- 10.72 %
Greenhouse gas emissions - Scopes 1 and 2 (tCO <sub>2</sub> eq) <sup>2</sup>	31,559		- 8.82 %
Greenhouse gas emissions - Scope 3 (tCO <sub>2</sub> eq) <sup>2</sup>	26,172		+ 1.19 %
Steel consumption (t) <sup>3</sup>	42,462		+ 54.18 % <sup>4</sup>
Copper consumption (t)	259		+ 60.71 %
Hazardous and non-hazardous waste generated (t)	19,136		- 14.14 %
TEIF (Total Environmental Incident Frequency) <sup>5</sup>	Target 0.19	Actual 0.02	- 35.48 %
SSIF (Serious Spill Incident Frequency) <sup>6</sup>	Target 0.05	Actual 0.004	N/A <sup>7</sup>



### 2022 MILESTONES

- The completion of a detailed analysis of the projects to report on best environmental practices and the commitment to the Sustainable Development Goals.
- The achievement of the targets set out in the Sustainability Plan associated with environmental issues, such as the development of a circular economy strategy.
- Fostering the use of collaborative, digital platforms that contribute to the reduction of the carbon footprint.
- The implementation of measures to promote energy efficiency, such as the use of intelligent systems and the development of employee awareness campaigns.
- The development of a circular economy strategy within the framework of the Company's Sustainability Plan.
- Approval of an decarbonization plan for 2030 and 2040.



### GOALS FOR 2023

- Improving the energy efficiency of the office buildings in Spain.
- Implementing new measures following the diagnosis of ESG risks within the Company.
- Executing the decarbonization plan.
- Implementing an Integrated Management System for ISO 45001 and ISO 14001 certifications.
- Boosting the Company's circular economy strategy.

<sup>1</sup> The figures for energy consumption, scopes 1, 2 and 3 and waste generated are the actual amounts generated from January to September and an estimate of production over the last three months of the year. This estimate has been made by projecting the monthly average from January to September.

<sup>2</sup> The main sources of greenhouse gases associated with Técnicas Reunidas activities are the consumption of fossil fuels by the Company's vehicle fleet and facilities (scope 1), electricity consumption at these facilities and offices (scope 2) and emissions caused by business travels (scope 3).

<sup>3</sup> Includes consumption of structural steel, carbon steel, alloy steel and stainless steel in pipes and sheets.

<sup>4</sup> The increase in steel (+ 54.18 %) and copper (+ 60.71 %) consumption is due to the level of project progress as there may be significant variations based on the phase and procurement. Raw materials are entered on the books when the material enters the warehouse (delivery note accounting). Steel and copper are purchased in large quantities at specific times, so sometimes there is no need to purchase more for at least a year. This is therefore a cyclical variation.

<sup>5</sup> The index is calculated as TEIF= (number of environmental incidents × 200,000) / Hours worked. The trend in the Company's targets for this index is not indicated as they are updated each year with more demanding values.

<sup>6</sup> Spillage equal to or greater than 20 liters with the potential to contaminate soil or water. The index is calculated as SSIF= (Number of serious spill incidents × 200,000) / Hours worked.

<sup>7</sup> The trend in the Company's targets for this index is not indicated as they are updated each year with more demanding values.

## ENVIRONMENTAL MANAGEMENT APPROACH

For Técnicas Reunidas, environmental management is a priority that is part of the Company's strategy and covers internal operations as well as the activities carried out in its value chain with environmental requirements established for all of its facilities and projects based on the corporate policy in this area.

The Company is mainly exposed to risks associated with the transition to a low-emissions economy; particularly, those deriving from regulatory developments that may have an impact on various clients. An ever more demanding regulatory environment that may cause a reputational risk linked to changing perceptions among clients or society. Along these lines, the ESG risk assessment the Company completed in 2022 revealed that, as concerns the environment, the most relevant risk is compliance with the European Union plan for absolute decarbonization by 2050. Another risk to be considered is the introduction of new taxes that may cause an increase in energy prices.

In addition, the Company is also exposed to physical risks where its projects are developed. To this end, the geographic location of some of its clients in areas with extreme temperatures (i.e., the Middle East and Canada) is worth mentioning as it sometimes requires changes to the working conditions during the execution phase. Together with the foregoing, the increase in extreme weather phenomena such as the rising sea level or water stress situation in some regions where the Company conducts its activities may also have an impact on its projects.

There are a number of opportunities linked to the environment. Técnicas Reunidas is well-positioned thanks to its leadership as concerns climate change, the diversification of its activities, and its adaptation to new trends. The Company develops systems and services to obtain safe, sustainable and efficient energy which also complies with the most modern of environmental technical specifications.

All Técnicas Reunidas projects must comply with climate change initiatives focusing on the reduction of CO<sub>2</sub> emissions and improvements to the waste management system, with a commitment to the circular economy.

The diversification of the Company's activities is client-centered as the idea is to enhance their facilities environmentally to reduce greenhouse gas emissions. To carry it out, Técnicas Reunidas has methods that have already been implemented ensuring monitoring and verification of the environmental information for its projects and the technologies so its clients can manage the increasing environmental demands. All of this allows the Company to benefit from the opportunities deriving from an increase in environment-related regulatory pressure, as it has the proper technology and solutions. To this end, through its In-House Technology Development Division, Técnicas Reunidas has achieved excellent results in 2022 in the use of European Recovery Plan (Next Generation EU) funds<sup>8</sup>.

Técnicas Reunidas has an Environmental Management System (EMS) that is implemented and externally certified pursuant to standard ISO 14001:2015 for all Group companies, including TR Sagemis, in Italy, and TR Engineering, in India.

The Company's commitment to the fight against climate change is set forth in its Sustainability Policy and Sustainability Plan. To this end, Técnicas Reunidas made progress in 2022 on its Sustainability Plan and the development of actions to meet its targets and goals established in this area. Particularly standing out among its main milestones for 2022 is its application for approval by the SBTi (Science Based Target Initiative). The aim of this initiative is to help establish strategies against climate change based on science to reduce greenhouse gas emissions. The Company has submitted its targets and decarbonization plan to SBTi for approval, which is expected for 2023, as part of its commitment to science-based emissions reduction goals.



<sup>8</sup> For more information, see chapter 6.3 Innovation and digital transformation.







On the other hand, and also as part of its Sustainability Policy, the Company worked in 2022 on the development of a circular economy strategy. To do so, it created a multidisciplinary work group to lead and supervise the implementation thereof in its projects. At the same time, various energy efficiency measures have already been implemented at its offices, such as the use of intelligent systems and the development of employee awareness campaigns.

Técnicas Reunidas is highly aware of the potential impacts climate change may have on its activities, having developed a climate risk and opportunities matrix with the corresponding adaptation plan and transparently reporting on its climate change performance through initiatives such as the Carbon Disclosure Project (CDP) in which it has been participating for several years now.

In 2022, Técnicas Reunidas prepared an emissions reduction plan and submitted its goals to the SBTi initiative for approval.

In this context, the Company is subject to Law 7/2021, of 20 May, on climate change and the energy transition through which Spain aims to reach greenhouse gas emissions neutrality by 2050. Moreover, the entry into force (transposition) of the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 is expected, which will strengthen the processes implemented within companies. This regulation requires that companies establish identification, prevention and remediation processes for adverse impacts on human rights and the environment which may be caused by the company itself, subsidiaries and by entities that are a part of their supply chain.

In line with the Company's sustainability strategy, Técnicas Reunidas joined the Spanish Group for Green Growth (GECV, as it is known by its Spanish acronym) in 2021. The aim of this business association is to promote public-private collaboration to overcome environmental challenges and foster a sustainable, circular and efficient economy. Through its participation, Técnicas Reunidas helps generate and disseminate the knowledge needed for sustainable development and the creation of favorable conditions for the achievement of a low-carbon economy. Throughout 2022, it has cooperated with various campaigns related to climate change and the energy transition and has participated in several work groups.

TÉCNICAS REUNIDAS APPROACH TO ENVIRONMENTAL MANAGEMENT		
Effectively including environmental aspects into the Strategic Plan for Operations & Business management and in all activities. 	Establishing environmental targets and periodically revising them. 	Meeting client requirements and complying with current laws and applicable codes and standards. 
Creating appropriate and effective communication channels with employees and stakeholders. 	Providing appropriate continuous training in environmental issues for employees and collaborators. 	Establishing monitoring channels that facilitate continuous improvement in efficient energy use, environmental protection and the prevention of pollution. 

## ENVIRONMENTAL MANAGEMENT ALONG THE VALUE CHAIN

The Environmental Management System (EMS) is described in the environmental management manuals and supporting procedures available to all employees on the Company's corporate intranet system. To this end, Técnicas Reunidas has a Quality, Safety, Health and Environment Policy<sup>9</sup> which sets forth the Company's priority interests and commitments in these fields. The EMS is also aligned with the United Nations Global Compact Principles and the SDG.

In addition, for projects requiring such, specific environmental management procedures and plans are developed in accordance with contractual and financing commitments, as well as corporate manuals and procedures.

Técnicas Reunidas has also implemented methodologies to ensure, starting from the bid phase, that it identifies, monitors and verifies different environmental aspects to ensure compliance with the requirements and identifies environmental risks and opportunities. This identification is part of the environmental management system. It is carried out for each action the Company undertakes, in both projects and offices, where regular updating and monitoring workshops are held.

The Técnicas Reunidas' EMS applies not only to its own facilities but extends to cover the scope of all projects to ensure compliance with applicable environmental laws, contractually established requirements and other sustainability criteria in the design of the plants when requested by the client.

This methodology is implemented in 100 % of the Company's projects and is based on an Environmental log<sup>10</sup> compiled to enable monitoring and verification of compliance in these matters. Throughout the engineering and procurement phase, and on an ongoing basis, compliance with environmental aspects is monitored by the HSE engineer for each project. Subsequently, this monitoring becomes the responsibility of the HSE team on site.

Internal environmental audits are carried out at the corporate level at 30 % and 70 % progress of engineering and procurement. In addition, periodic follow-up audits are carried out during the construction phase. These audits are carried out in conjunction with the verification of health and safety regulations compliance.

In addition, an internal audit of projects is carried out annually. An external company does this audit to ensure the system's independence. An external certification audit is conducted by AENOR (Spanish Association for Standardization and Certification) to complete this process and verify environmental performance indicators, including carbon footprint. As a result of the set of tools and policies applied, Técnicas Reunidas has not had any "non-conformity" recorded on external evaluations conducted by AENOR in recent years. These excellent results make clear the maturity of the Company's management system and commitment to applying the best practices available in environmental matters.

### ENVIRONMENTAL MANAGEMENT SYSTEM ALONG THE VALUE CHAIN



#### Projects carried out by the Company

- Environmental requirements for project implementation.
- Environmental criteria in plant design and new technologies.



#### Company's offices

- Environmental management at the Company's facilities, focusing on key environmental aspects (energy, emissions, materials and waste).



#### Suppliers and subcontractors

- Inclusion of environmental criteria when selecting suppliers and subcontractors.

<sup>9</sup> This Policy is available at the [website](#).

<sup>10</sup> Database comprising all environmental requirements of the projects.

## ENVIRONMENTAL MANAGEMENT AT THE COMPANY'S OFFICES

GRI [3-3]

Técnicas Reunidas identifies and manages environmental issues arising directly from activities at the Company's own sites through its EMS. Once an issue is identified, a series of mitigation actions are initiated in addition to setting targets and monitoring the situation using an indicator scorecard.

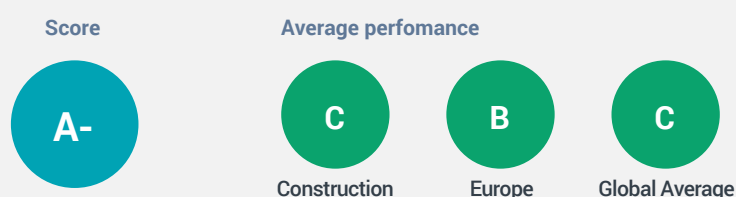
Throughout 2022, the Company has continued developing the initiatives previously implemented for the Company's own sites and activities, in addition to making improvements:

- As concerns energy efficiency, the Company has changed all light fixtures and installed LED lamps for energy savings. Moreover, it has begun installing solar panels on its office buildings in Madrid, with the first complete installation at the Gorbea building.
- As part of its sustainable mobility plan and in collaboration with the management entity Adequa, Técnicas Reunidas maintained its employee shuttle service between its offices and the city of Madrid. It also began a carsharing system in order to reduce traffic, pollution and CO<sub>2</sub> emissions. With this same objective, bike parking areas have been set up in all corporate buildings as well as smart lockers to store and charge batteries for electric personal mobility vehicles.
- Of the measures adopted by the Company to facilitate work/family balance, the number of possible teleworking days has been increased to two. This action reduces fuel consumption and the Company's carbon footprint.
- The use of collaborative and digital platforms, like data collection for sites or the project's observations record, has been encouraged in various processes.
- The following circular economy actions have been taken:
  - Awareness campaigns at the Madrid offices on separating and recycling waste. As far as the use of paper, a paperless culture is being promoted among employees, clients, suppliers and subcontractors.
  - The installation of a plastic cap recycling container in collaboration with the SEUR Foundation. Thus, employees are not only helping to protect the environment but also collaborating with the social cause "Caps for a New Life" with this organization. 945 kilos of plastic caps were collected in 2022, which accounts for the prevention of 1.42 t of CO<sub>2</sub> eq.
  - Collaboration with the bottled water supplier AUARA, which supplies 100 % recycled plastic bottles for a social purpose, facilitating access to drinking water around the world, and providing containers for later re-use. 11,880 bottles were recycled in 2022, thus preventing 360 kilos of waste.
  - A bin managed by Caritas has been placed outside the Madrid offices for clothing and footwear donations.
  - Re-use of the water not used during meetings. This water is poured into jugs and is used to water the plants at the offices. 1,235 liters of water were re-used in 2022.
- Growing and caring for the inclusive urban garden as part of an initiative carried out by Técnicas Reunidas in collaboration with Merlin and the Juan XXIII Foundation. The Foundation staff are responsible for maintenance and operation. Company employees participate in the gardening and harvesting work in addition to receiving theory and practical training on how it works and the biodiversity included.

## Técnicas Reunidas Participation in the Carbon Disclosure Project

The Company improved its rating for the 2022 edition, earning an A- in the Climate Change category. This is the highest score within the sector received in 2022, and it positions the Company among the leading companies in the world as concerns climate change. To this end, Técnicas Reunidas positively stands out in 5 out of the 11 factors analyzed: scope 1, 2 and 3 emissions, as well as emissions reduction, scenario planning and analysis strategies, governance, risk management and dissemination.

## Técnicas Reunidas CDP score and sector comparison





## ENVIRONMENTAL MANAGEMENT IN PROJECTS GRI [3-3]

Técnicas Reunidas carries out many actions to ensure that all projects and construction work are executed according to environmental criteria. To achieve this, in addition to ensuring compliance with applicable laws and contractual requirements, the Company makes a significant effort to improve environmental awareness among employees and subcontractors.

### Implementation of EMS in projects

Técnicas Reunidas EMS is adapted to each activity and project to ensure proper identification and compliance with environmental requirements.

1   IDENTIFICATION OF PROJECT REQUIREMENTS	2   MONITORING PLANS	3   COMPLIANCE AUDITS
<b>Identification of environmental requirements applicable to each project based on:</b> <ul style="list-style-type: none"> <li>• Type of project (conceptual, FEED, EPC).</li> <li>• Country of execution.</li> <li>• Client.</li> <li>• Contract.</li> <li>• Environmental impact assessment studies.</li> <li>• Applicable environmental laws and permits.</li> <li>• Client specifications.</li> <li>• Other aspects.</li> </ul>	<b>Development of specific plans to ensure the inclusion and monitoring of environmental requirements:</b> <ul style="list-style-type: none"> <li>• Environmental management plan for the engineering and procurement phase.</li> <li>• The compilation of an Environmental log for each project, including all mandatory environmental requirements to be taken into account in the plant design.</li> <li>• An environmental management plan for the construction phase.</li> </ul>	<b>Periodic audits to ensure compliance with established procedures:</b> <ul style="list-style-type: none"> <li>• An annual internal audit at offices.</li> <li>• Internal audits at 30 % and 70 % project progress in the engineering phase.</li> <li>• Periodic internal audits during the construction phase<sup>11</sup>.</li> <li>• External audit of the EMS by AENOR.</li> </ul>

Técnicas Reunidas appoints, at least, one environmental specialist in all its projects dedicated to ensuring that it is executed according to the standards included in the Environmental Management Plans. These plans are designed specifically for each project and set out all the environmental actions and measures required to be carried out by Técnicas Reunidas and its subcontractors, such as:

- Environmental inspections to monitor the implementation of required actions by subcontractors.
- Monitoring of dust, noise, water and other environmental aspects.
- Specific environmental meetings which monitor and plan the actions required to control environmental impacts.
- Reporting, investigation and follow-up of environmental incidents.
- Specific monitoring reports for recording and distribution to stakeholders.
- Preparation and response to environmental emergencies, carrying out drills to contain spills, leaks, fires and setting up a specialized team to act in case of environmental emergency.
- Environmental training and awareness: sessions on waste management, spill prevention, on-site materials reuse and others.

#### Duties of the on-site environmental specialist

- Implementing the Environmental Management Plan with the support of the project manager and head of health and safety.
- Reporting the degree of compliance with environmental standards and plans.
- Ensuring that subcontractors carry out the measures set out in the Plan.
- Preparing environmental awareness training and campaigns and ensuring that they are carried out.
- Evaluating new environmental risks that may arise during the execution of the work, which are not covered in the Environmental Management Plan in addition to implementing prevention and follow-up measures.
- Investigating and reporting on any environmental incidents that occur.

<sup>11</sup> In 2022, 23 audits were carried out on projects in the construction phase.

## ENVIRONMENTAL CRITERIA IN PLANT DESIGN AND NEW TECHNOLOGIES

The Company has developed an ambitious action plan to reduce emissions at the plants it designs and which helps its clients with the transition to a low-carbon economy.

Técnicas Reunidas makes this strategy compatible with other measures it adopts in its projects to help clients improve their environmental performance:

- Preliminary assessments of the environmental impact of each project in the bidding phase to identify the necessary measures during pre-execution phases to avoid, prevent or mitigate potential environmental impacts.
- Sustainable plant design that allows clients to comply with their decarbonization plans and goals.
- Designating an HSE professional in charge of environmental aspects as part of the project team.
- Real-time monitoring of the environmental indicators of each project to avoid deviations.
- Making the Company's capabilities and experience available to clients, including performance criteria and environmental consultancy in project design.

## ENVIRONMENTAL REQUIREMENTS FOR SUPPLIERS AND SUBCONTRACTORS

GRI [308-2]

Técnicas Reunidas extends its commitment to the environment to its value chain, as it requires its suppliers and subcontractors to comply with environmental requirements<sup>12</sup>.

During the approval and pre-qualification process, suppliers and subcontractors are asked to provide information about sustainability, including their carbon footprint, initiatives, certifications, policies, reporting indices and scores associated with environmental issues. This information affects the supplier's final rating and is subsequently used to make decisions regarding the awarding of contracts or orders.

During 2022, Técnicas Reunidas updated its e-Supplier platform, which it uses to collect the answers to certification questionnaires with information about quality and environmental management, which can be analyzed with automated processes.

## ENVIRONMENTAL PERFORMANCE

Técnicas Reunidas monitors its environmental performance in detail using specific indicators aligned with material aspects such as the reduction of carbon emissions, waste management and energy efficiency.

It is important to note that, depending on the degree of progress of each project, these ratios may vary significantly from one year to the next. The scope and complexity of the projects executed by the Company must be taken into account, as they all have different phases where the intensity of the work, level of procurement and different personnel requirements.

The Company uses a data collection tool for this monitoring that ensures traceability from the source. This tool is used across construction areas to collect safety data.

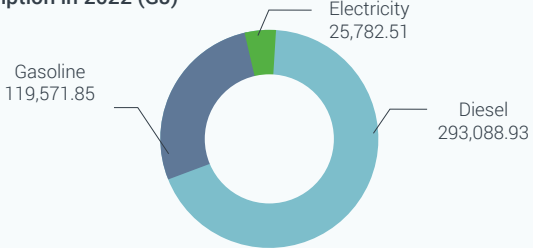
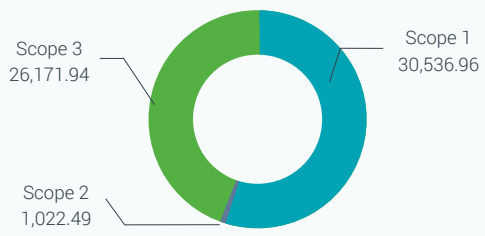
In recent years, the Company has made a significant effort to broaden the scope of activities it monitors.

Monitoring and analyzing all this information allows Técnicas Reunidas to design improvement and action plans to improve its environmental performance.



<sup>12</sup> For more information on supply chain environment requirements, see chapter 6.6 Efficient supply chain management.

The main targets and indicators in the environmental area are as follows:

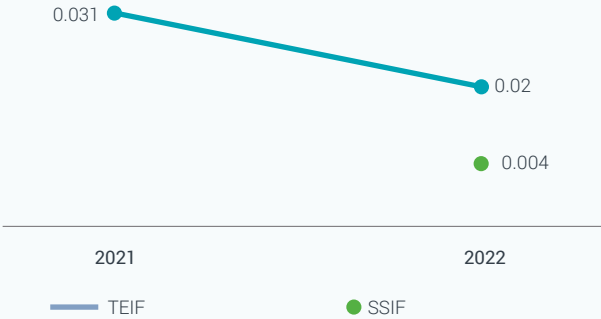
ASPECT	2022 TARGETS AND INDICATORS <sup>13</sup>	LINES OF ACTION AND MILESTONES
<b>ENERGY CONSUMPTION</b>  <b>GRI</b> [302-1]; [302-3]	<p><b>Trends:</b> The Company reduced its energy consumption by 10.72 % in 2022 with respect to 2021. This is due to the degree of progress or completion of some projects where the consumption of fuel varies based on the needs, and the reduction of electricity consumption at offices in Spain where most of the electricity consumption is concentrated due to the closing of office spaces and the energy efficiency measures implemented.</p> <p><b>Energy consumption in 2022 (GJ)</b></p>  <p><b>Energy consumption:</b> 438,443.30 GJ.  <b>Energy consumption intensity:</b> 103.57 GJ/million euros in revenue.</p> <p><small>*The fuel consumption figure for the last 3 months is an estimate. For fuel, the estimate consisted of a projection of the months from October to December based on the average fuel consumed in the first 9 months. For electricity, however, since consumption is mainly in offices and depends primarily on the time of year, the last 3 months are an estimate based on consumption recorded from October to December 2021.</small></p> <p><small>** Renewable energy supply is implemented in all offices in Spain: Adequa (Buildings 3, 5 and 6), Gorbea Building, Research and Development Technology Center, and the office in Cartagena. In 2022, renewable energy consumption was 19,856.33 GJ.</small></p>	<ul style="list-style-type: none"> <li>• Development of energy efficiency plans.</li> <li>• In-person and virtual awareness campaigns.</li> </ul>
<b>EMISSIONS</b>  <b>GRI</b> [305-1]; [305-2]; [305-3]; [305-4]	<p><b>Target:</b> Reduction of emissions by 46.2 % for the period 2019-2030 as concerns scopes 1, 2 and 3 (4.2 % for each year with respect to the base year of 2019) and carbon neutrality by 2040.</p> <p><b>Trends:</b> Técnicas Reunidas' greenhouse gas emissions (scopes 1, 2 and 3) have dropped by 4.54 % in comparison with 2021.</p> <p>In 2022, scope 1 emissions fell approximately 10 % compared to 2021, as a result of lower consumption of fuel due to slowdowns or completion of certain projects, among other reasons. Scope 2 emissions increased by 53 % with respect to the prior year as a result of the opening of new subsidiaries abroad where the consumption of electricity is not linked to any guarantee of origin certificate. Scope 3 emissions increased by 1 % compared to 2021, due to the return to normal of the Company's vigorous sales efforts during the year and the corresponding corporate travel.</p> <p><b>Greenhouse gas emissions (tCO<sub>2</sub> equivalent) in 2022*</b></p>  <p><b>Greenhouse gas emissions**:</b> 57,731.39 tCO<sub>2</sub>eq.  <b>Emissions intensity***:</b> 13.64 tCO<sub>2</sub>eq/million euros in revenue.</p> <p><small>* The emissions figure for the last 3 months of the year is an estimate. For scopes 1 and 3, the estimate consisted of a projection of the months from October to December based on the average emissions in the first 9 months. For scope 2, however, since electricity consumption is concentrated mainly in offices and depends primarily on the time of year, the last 3 months are an estimate based on consumption recorded from October to December 2021. On the other hand, the sources used for the calculation of emissions are indicated: Scope 1 (IPCC 2006), Scope 2 (CO<sub>2</sub> Emissions from fuel combustion-International Energy Agency, 2019), and Scope 3 (UK Government GHG Conversion Factors for Company Reporting, 2022).</small></p> <p><small>** The calculations of scope 1 and 2 emissions took into account the tons of CO<sub>2</sub> and tons of CO<sub>2</sub> eq. of CH<sub>4</sub> and N<sub>2</sub>O.</small></p> <p><small>*** Scope 1 emissions intensity: 7.21 tCO<sub>2</sub>eq/million euros in revenue.  Scope 2 emissions intensity: 0.24 tCO<sub>2</sub>eq/million euros in revenue.  Scope 3 emissions intensity: 6.18 tCO<sub>2</sub>eq/million euros in revenue.</small></p>	<ul style="list-style-type: none"> <li>• The promotion of climate change transparency through initiatives such as the CDP.</li> <li>• A commitment to the circular economy.</li> <li>• The implementation of electronic meeting channels.</li> <li>• Maintaining the certification of the use of energy from renewable sources in all offices in Spain.</li> </ul>

<sup>13</sup> In some cases, the result of partial sums may differ slightly from the total due to rounding errors.

ASPECT	2022 TARGETS AND INDICATORS <sup>13</sup>	LINES OF ACTION AND MILESTONES																																
<div>MATERIALS</div> <div>GRI [301-1]</div>	<p><b>Trends:</b> Steel and copper consumption increased in 2022 by 54.18 % and 60.71 %, respectively, compared to 2021. Variations from year to year in these indicators are caused by a strong dependence on the degree of progress in projects, which can cause significant variations depending on stages and procurement needs.</p> <p>On the other hand, the consumption of paper increased by 21.47 % in comparison to 2021, as a result of the resumption of activity at offices following the end of the pandemic restrictions.</p> <p><b>Material consumption (t)</b></p> <div><table><thead><tr><th>Material</th><th>Consumption (t)</th></tr></thead><tbody><tr><td>Steel</td><td>42,641.83</td></tr><tr><td>Copper</td><td>258.92</td></tr><tr><td>Paper</td><td>35.75</td></tr></tbody></table></div> <p><small>* When calculating the data to be reported, the consumption of materials over the last 3 months was estimated. The estimate consisted of a projection of the months from October to December based on the average materials consumed in the first 9 months.</small></p> <p><small>Note: Of the materials reported, only paper is considered recyclable.</small></p>	Material	Consumption (t)	Steel	42,641.83	Copper	258.92	Paper	35.75	<ul style="list-style-type: none"><li>• The optimization of the use of material resources in all phases of the value chain.</li><li>• The recovery of materials through R&amp;D&amp;I activities. For example, the development of technologies for recovering non-ferrous metals.</li><li>• Participation in European consortia to develop technology in projects for recovery of metals and rare earths.</li><li>• The use of environment-friendly paper in offices.</li><li>• Awareness campaigns related to responsible paper use.</li></ul>																								
Material	Consumption (t)																																	
Steel	42,641.83																																	
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Paper	35.75																																	
<div>WASTE</div> <div>GRI [306-3]</div>	<p><b>Trends:</b> The generation of non-hazardous waste dropped by 25.23 % in 2022, mainly due to the degree of progress of many projects with respect to the prior year.</p> <p><b>Generation of non-hazardous waste (t)</b></p> <div><table><thead><tr><th>Waste Type</th><th>Generation (t)</th></tr></thead><tbody><tr><td>Urban waste</td><td>15,993.05</td></tr><tr><td>Wood</td><td>641.88</td></tr><tr><td>Inert waste</td><td>6.02</td></tr><tr><td>Paper and cardboard</td><td>3.54</td></tr><tr><td>Metals</td><td>0.03</td></tr><tr><td>Others</td><td>0.65</td></tr></tbody></table></div> <p><b>Total non-hazardous waste:</b> 16,645.17 t.</p> <p><small>* The waste figure for the last 3 months of the year is an estimate. The estimate consisted of a projection of the months from October to December based on the average waste generated in the first 9 months.</small></p> <p><small>Note: Municipal waste includes wastewater that has not been discharged into the sewage system and that has been collected in projects for appropriate treatment.</small></p> <p><b>Trends.</b> The generation of hazardous waste increased by 10,300.77 % in the last year due to an operation conducted for one Técnicas Reunidas project using chemical water (2,472 t). Given that this figure corresponds to isolated consumption, it is kept separate from the forecasted data.</p> <p><b>Generation of hazardous waste (t)</b></p> <div><table><thead><tr><th>Hazardous Waste Type</th><th>Generation (t)</th></tr></thead><tbody><tr><td>Other</td><td>2,479.42</td></tr><tr><td>Oils</td><td>6.41</td></tr><tr><td>Filtering and absorbent materials</td><td>3.62</td></tr><tr><td>Biomedical waste</td><td>0.09</td></tr><tr><td>Hazardous product packaging</td><td>1.37</td></tr><tr><td>Fluorescent tubes</td><td>0.06</td></tr><tr><td>Alkaline batteries</td><td>0.01</td></tr><tr><td>Electrical and electronic devices</td><td>0.0013</td></tr></tbody></table></div> <p><b>Total hazardous waste:</b> 2,490.98 t.</p> <p><small>* The waste figure for the last three months of the year is an estimate. The estimate consisted of a projection of the months from October to December based on the average waste generated in the first nine months.</small></p> <p><small>Note: The "Other" category includes button batteries, fluorescent tubes and other items. Hazardous waste does not include data about sludge generated by projects, which is managed by authorized waste management companies.</small></p>	Waste Type	Generation (t)	Urban waste	15,993.05	Wood	641.88	Inert waste	6.02	Paper and cardboard	3.54	Metals	0.03	Others	0.65	Hazardous Waste Type	Generation (t)	Other	2,479.42	Oils	6.41	Filtering and absorbent materials	3.62	Biomedical waste	0.09	Hazardous product packaging	1.37	Fluorescent tubes	0.06	Alkaline batteries	0.01	Electrical and electronic devices	0.0013	<ul style="list-style-type: none"><li>• Circular economy commitment: preventing surplus materials from becoming waste.</li><li>• The promotion of prevention, reuse and recycling as opposed to incineration and dumping.</li><li>• Waste prevention, mitigation and management control by integrating the most advanced techniques in the environmental design of processes in the plants.</li><li>• Awareness and sensitivity campaigns in offices and on construction sites.</li><li>• The start of data accounting for residual materials reused onsite or sold as raw materials. Some construction projects have started accounting for these amounts to be able to track the evolution thereof over time.</li><li>• The elimination of almost all plastic bags used in offices.</li></ul>
Waste Type	Generation (t)																																	
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ASPECT	2022 TARGETS AND INDICATORS <sup>13</sup>	LINES OF ACTION AND MILESTONES									
<b>ENVIRONMENTAL INCIDENTS AND SPILLS</b>	<p><b>TEIF and SSIF</b></p> <p>In 2022, the TEIF decreased by 35 % in comparison to the year before due to the proper operation of safety measures implemented by the Company. On the other hand, only the 2022 SSIF is indicated as it is not comparable to the prior year due to a change in the measurement criteria.</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>TEIF</th> <th>SSIF</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>0.031</td> <td>-</td> </tr> <tr> <td>2022</td> <td>0.02</td> <td>0.004</td> </tr> </tbody> </table> <p><b>TEIF</b> (Total environmental incident frequency) is the total number of environmental incidents that have taken place on construction sites. The index is calculated as <math>TEIF = (\text{Number of environmental incidents} \times 200,000) / (\text{Hours worked})</math>.</p> <p><b>SSIF</b> (Significant spill incident frequency) helps show trends in serious spills (those equal to or greater than 20 liters with the potential to contaminate soil or water). The index is calculated as <math>SSIF = (\text{Number of serious spill incidents} \times 200,000) / (\text{Hours worked})</math>.</p>	Year	TEIF	SSIF	2021	0.031	-	2022	0.02	0.004	<ul style="list-style-type: none"> <li>• The definition of specific indicators for monitoring (TEIF and SSIF).</li> <li>• Specific measures to prevent these situations (the use of anti-drip trays, periodic inspections and other measures) or, otherwise, reducing the environmental impact to a minimum (installation of kits for action in the event of spills, emergency drills, cleaning and adequate treatment of the waste generated).</li> <li>• The implementation of an action protocol in the event of any significant spill that occurs on-site.</li> </ul>
Year	TEIF	SSIF									
2021	0.031	-									
2022	0.02	0.004									



<sup>13</sup> In some cases, the result of partial sums may differ slightly from the total due to rounding errors.



## CORPORATE CIRCULAR ECONOMY STRATEGY

The circular economy is one of the keys to the European Green Deal, the European agenda for sustainable growth. A circular economy reduces the pressure on natural resources, fosters sustainable growth and employment, helps reach the European Union goal of climate neutrality for 2050, and halt the loss of biodiversity.

As part of the Sustainability Policy and, pursuant to the SDG, Técnicas Reunidas developed a circular economy strategy in 2022 for implementation at both their offices and all the projects executed.

There are three cornerstones to this strategy:



The Company's activity with regard to circular economy projects includes three lines of action: optimizing resources, using recycled materials and managing waste correctly to encourage its conversion into raw materials. This management is carried out both onsite and off-site.

The main waste reuse actions are as follows:

### Onsite:

- The use of excavated soils and land for backfilling foundations and trenches, ground leveling or similar.
- The use of concrete demolition debris for improving roads used during construction in a project.
- The use of wastewater after on-site treatment for irrigation required in construction, dust control of roads and paths and irrigation of landscaped areas.
- The reuse of leftover wood, metal and other materials to make information panels, handrails, pedestals, road barriers and other support elements.

### Off-site:

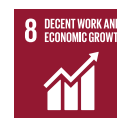
- The sale of reusable waste materials to material management companies, such as cable drums, scrap metal, pallets, cable scrap and drums that can be fed back into the supply chain.
- The selection or replacement of waste managers according to the final destination of the waste. Encouraging research to identify managers that can ensure the reuse and revaluation of waste.



## 6.5 OCCUPATIONAL HEALTH AND SAFETY

Técnicas Reunidas ensures the health and safety of all employees and subcontractors, putting in place all the necessary measures deemed necessary to create a healthy workspace and proactively prevent occupational hazards.

Contribution of Técnicas Reunidas to achieving the SDG



### MAIN INDICATORS

INDICATOR	2022 DATA		2021-2022 PROGRESS
Hours worked (number) <sup>1</sup>	119,096,761		- 7.09 %
Number of employees on site (Técnicas Reunidas and subcontracted) <sup>2</sup>	36,843		- 8.82 %
LTIR <sup>3</sup>	Objetivo 0.050	Real 0.018	The value of these indices has remained below the targets
TRIR <sup>4</sup>	Objetivo 0.190	Real 0.059	
SR <sup>5</sup>	Objetivo 0.018	Real 0.001	



### 2022 MILESTONES

- Recertification pursuant to ISO 45001, renewing such certification for the next three years.
- The development of a new platform to record health and safety observations during projects.
- Compliance with the targets established for accident rate indices.
- Monitoring a new indicator known as Plan the Work/ Work the Plan with regard to work permits.
- Training on legal liability linked to health and safety.
- Management of the prevention policy and procedures at Company offices in view of the continuing pandemic.
- Completion of ordinary medical check-ups and 2022 Flu vaccination campaigns among employees.



### GOALS FOR 2023

- Compliance with the targets set forth in the Sustainability Plan concerning worksite safety.
- Continuing to promote the plan for a health and safety culture that includes employee awareness campaigns.
- Making best health and safety practices at worksites internally visible and boost the Técnicas Reunidas brand abroad, including the optimization of the HSE auditing process at worksites.
- Offering specific training to project managers in the construction phase concerning legal liability linked to health and safety.
- Launching a pilot project on the new health and safety observation recording tool during construction phases.
- Implementing an Integrated Management System for ISO 45001 and ISO 14001 certification.
- Contracting an Employee Assistance Program to help with psychosocial risks.
- Developing a space dedicated to wellness and health on the Company's intranet.
- Integrating the Heymo Prevention Service in the Group Joint Prevention Service.

<sup>1</sup> Hours worked by Técnicas Reunidas employees and subcontractors on sites and in offices. In 2022, the number of work hours totaled 112,065,699 in construction (versus 120,993,882 hours in 2021), including hours worked by subcontractors.

<sup>2</sup> Average employees on site (Técnicas Reunidas and subcontracted).

<sup>3</sup> LTIR (Lost Time Incident Rate): (No. of accidents leading to a medical leave/No. of hours worked) \*200,000. This index refers to the accident frequency. The health and safety indices presented consolidate the accident rate data for sites and offices involving employees and subcontractors.

<sup>4</sup> TRIR (Total Recordable Incident Rate): (No. of recordable accidents (as per OHSAS)/No. of hours worked) \*200,000. This index refers to the accident frequency involving employees and subcontractors on site and in offices.

<sup>5</sup> Severity Rate (SR): (No. of days not-worked due to a workplace accident leading to a medical leave/Total no. of hours worked) \*1,000. This index refers to the severity of accidents involving employees and subcontractors on site and in offices.

## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT APPROACH

GRI [3-3]; [403-1]; [403-2]; [403-7]; [416-1]

Since 2008, Técnicas Reunidas has had an Occupational Health and Safety Management System (OHSMS) that covers the various stages of the life cycle of its projects. The implementation of this system is supported by the Corporate Quality, Health, Safety and Environment Policy (QHSE) and is based on three principles: a philosophy of preventing accidents and incidents, integrating health and safety in the strategy, and ongoing improvement of the methods and processes. This Policy complies with the requirements of standards ISO 45001 and 14001.

### Fundamental principles of health and safety management at Técnicas Reunidas



#### Integration of health and safety in the strategy

Health and safety aspects are integrated in the strategic business plans, establishing objectives throughout the Company, both at worksites and in the offices, evaluating their compliance in both cases.

#### Accident and incident prevention philosophy

Disseminating a work philosophy based on incident prevention to guarantee the best possible working conditions throughout the Company and among suppliers and subcontractors.

#### Ongoing improvement of methods and processes

Promoting an ongoing culture of improvement in work methods and procedures and their subsequent application to all activities, as a means of enhancing incident prevention.

In 2022, the Company renewed its OHSMS certification under standard ISO 45001 for its OHSMS for a period of three years. This process has been successfully completed and it has concluded that the System design is effective, without having detected any significant shortcomings. In addition, the Company has continued carrying out several awareness campaigns for its employees on the implications of ISO 45001 certification for their jobs.





## Técnicas Reunidas renewed its OHSMS pursuant to standard ISO 45001 in 2022.

To identify and manage OHSMS risks and opportunities, the Company has had an E-risk tool since 2020 that is used on all organizational levels.

Moreover, the Company has updated the occupational risk assessment in 2022 considering the context of remote working.

At the same time, Técnicas Reunidas has HSE diligence procedures in place covering all its activities. The Company evaluates each project, ensuring that up to the moment of delivery, they comply with internal health and safety standards, client requirements, and applicable laws.

Based on an exhaustive analysis of risks and opportunities, as well as the needs and expectations of the interested parties, the Company has identified the following risks associated with health and safety:

- Hiring personnel with little experience in health and safety matters deriving from the demands to increase hiring of local labor by clients in a short period of time.
- An increase in high-risk activities in view of the increase in scopes in the project commissioning and start-up phases.
- Adaptations to the health and safety characteristics and requirements in new markets, with new clients and subcontractors.
- A high rate of potentially serious incidents that may lead to serious accidents if immediate action is not taken.

- A high volume of labor, which makes their management more complicated from an HSE perspective.

To mitigate these risks, guarantee proper implementation of OHSMS and its adequacy for the targets established, the Company conducts health and safety assessments to pre-qualify subcontractors as well as internal audits to monitor projects included in corporate health and safety plans. The results of these audits are shared with clients and subcontractors at the project execution site, thus increasing the efficacy of the actions taken to correct potential shortcomings. Moreover, audits are conducted by external agencies on projects during the construction phase.

In this context, the internal audits carried out on projects in 2022 were completed using the methodology implemented in 2021, and as a result, scores are not listed but rather color codes to maintain the standard AENOR structure. 23 internal corporate audits were completed in 2022 for Técnicas Reunidas (versus the 9 that were completed in 2021, considering the restrictions in place due to the pandemic) in the construction phase of different projects.

Among other mechanisms, the Company also has health and safety plans for its projects laying down the rights and obligations of workers in this area, including a specific section in the Stop the Job Policy to encourage workers to report and stop work if they notice a serious and imminent safety risk.

The impact of Covid decreased considerably in 2022; however, Técnicas Reunidas continued to efficiently manage health and safety at work at offices and on construction sites. The Company monitored and controlled the evolution and incident rates, as a result, the number of incidents remained at minimal levels in 2022.



## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT IN THE VALUE CHAIN GRI [403-2]; [403-3]; [403-7]

Técnicas Reunidas extends its commitment to health and safety to the workers of the subcontractors participating in its projects.

Técnicas Reunidas seeks to maintain high standards of occupational safety throughout its supply chain by establishing high demands and promoting best practices.

As part of the Técnicas Reunidas OHSMS, the heads of health and safety on site in each of the projects ensure the application of specific plans in this area by subcontractors, as well as the implementation of prevention actions deemed necessary. All those responsible for the management of the health and safety aspects on site report directly to the project management, which reinforces its advisory nature.

For this purpose, both the on-site health and safety team and the prevention team in offices are responsible for periodically conducting information campaigns on safety, risk prevention, healthy habits, and best practices in this area in addition to prevention programs and periodic medical check-ups. To this end, the following milestones stood out in 2022:

- The development of a new platform to record health and safety observations during projects.
- The creation of a Health and Safety Inspection Committee, which is responsible for evaluating health and safety inspections conducted at supplier workshops visited by Company employees belonging to the Procurement Area. This Committee is multidisciplinary and comprised of: Procurement, Quality, and Health and Safety (HSE).
- The implementation of a new KPI, Plan the Work/Work the Plan, for all projects in the construction phase to measure the efficiency of the Work Permit system and correct any shortcomings detected.

The Company evaluates its suppliers and subcontractors with specific criteria in terms of health and safety, boosting the plans aimed at ensuring their integrity and respect for human rights, thus guaranteeing adequate working conditions and dignified wages, among other aspects.

These criteria are first applied during the approval phase through the e-Supplier<sup>6</sup> portal. Depending on the results obtained, suppliers and subcontractors can be rejected, or greater demands may be placed on them such as improved supervision on site, the implementation of an action plan or an increased number of audits. Health and safety aspects are subsequently considered, evaluating their performance both on site and in the workshops through different tools developed specifically for such purpose.

**Responsibilities of the team in charge of implementing the health and safety plans.**

### HEAD OF OCCUPATIONAL HEALTH AND SAFETY ON SITE

- a. Implement the HSE Plan with the support of the Project Manager.
- b. Advise on compliance with regulations and HSE plans.
- c. Direct the training plan on site.
- d. Evaluate the risks of activities not covered by the HSE Plan.
- e. Supervise incident notification and investigations.
- f. Identify high-risk activities not included in the HSE Plan and apply a safe work system.

### OCCUPATIONAL RISK PREVENTION TEAMS IN OFFICES

- a. Advise and guide on health and safety regulations.
- b. Promote a positive occupational safety culture.
- c. Conduct drills.
- d. Develop and implement the QHSE Policy.
- e. Supervise risk assessments.
- f. Identify training needs.
- g. Monitor health and safety performance.
- h. Supervise incident notification and investigations.

<sup>6</sup> For more information, see chapter 6.6. Efficient supply chain management.



## Safe Commissioning Plan

The aim of the Safe Commissioning Plan is the optimal development of project work guaranteeing the best safety conditions for all professionals.

As part of this Plan, Técnicas Reunidas performed the following actions in 2022:

- The creation of a group to implement actions under different projects, such as expanding the pre-qualification process for vendors involved in pre-commissioning tasks and establishing a transition coordinator for these phases.
- Mass dissemination campaigns to enhance perceived risk among site and office personnel.
- The completion of risk assessments to identify possible improvement areas, all disciplines affected were involved and this was done for projects such as Fadhili, Hamriyah and Ras Tanura.



## A CORPORATE CULTURE BASED ON SAFETY

GRI [403-2]; [403-3]; [403-4]; [403-5]; [403-6]

The Company management leads the protection of employee health and well-being, and promotes their active collaboration through various consultation and participation processes.



Técnicas Reunidas promotes its corporate occupational health and safety culture with training programs for employees, encouraging their participation through different mechanisms in prevention tasks as well as dialogue regarding working conditions, besides promoting co-responsibility within the Company's various organizational levels.

### Mechanisms for employee participation in occupational health and safety management

- Técnicas Reunidas' Prevention Service Mailbox.
- Health and Safety Committee<sup>7</sup>.
- Direct communication with members of the Prevention Service.
- Notifications to Systems or General Services when hazards or observations are reported that must be resolved by maintenance personnel.
- Participation in the Organizational Health Index (OHI) survey<sup>8</sup>.

<sup>7</sup> The Company has a Health and Safety Committee (CSS, as it is known by the Spanish acronym) for regular and periodic consultations and actions related to H&S. As a joint body, the CSS consists of equal representation by Health and Safety Officers and Company representatives, who meet quarterly and whenever requested.

<sup>8</sup> OHI measures health management practices and compares them with a database of more than 2,000 companies, in a view to comparing practices with industry peers around the world. Técnicas Reunidas sent the survey out in February 2022 to 6,045 employees, receiving a 47 % response rate on average and more than 7,100 individual comments and recommendations.

## Caring for employees' health and well-being

Técnicas Reunidas provides access for workers (own employees and subcontractors) to medical and healthcare services not related to the job through various actions:

- Awareness-raising campaigns, courses and the publication of information on the intranet promoting health.
- Monitoring workers' health through a third-party prevention service.
- Medical services with qualified staff, health support and promotion.
- A Joint Prevention Service with specific awareness-raising campaigns to encourage health and safety. To this end, ordinary medical check-ups and flu vaccination campaigns were carried out in 2022 among employees. These campaigns were coordinated by the TR Joint Prevention Service and participation was considerably successful.
- The definition of strategies to be followed to ensure worker well-being at camps, dorms, and cafeterias.
- The creation of an urban garden at the main offices where employees learn gardening techniques and can harvest seasonal products.
- The "Active Break" Program. Free weekly sports activities (Pilates, yoga, stretching, etc.) so workers can find out the benefits of physical activity.
- Promoting physical health among employees through initiatives such as football and padel tournaments, as well as their participation in the Companies Race held in Madrid at the end of 2022.
- The launch of the TRBienestar program with material to help and consult on good physical and mental health habits at work.

## Occupational health and safety training for employees

The Company works to ensure standardized health and safety procedures throughout the Organization, thus guaranteeing the utmost efficiency in the dissemination and assimilation of corporate policies. This goal is supported by intensive training efforts. An exercise was carried out in 2022 to identify occupational health and safety training needs for each job position. In particular, 1.37 hours of training on site were provided to Company personnel and subcontractors for every 100 hours worked (19.27 % more than in 2021<sup>9</sup>). Standing out among the subjects taught in 2022 was specific training for project managers concerning legal liability linked to health and safety during the project construction phase.

### OFFICE STAFF

- Training on the prevention of risks associated with their jobs for all new hires.
- Specific training, individualized for each department or group.
- Annual training for emergencies teams on their duties.
- Health and safety awareness campaigns at the offices.
- Training for designated employees on how to use the defibrillators in all buildings.
- A large variety of health and safety courses through the e-learning platform for all employees.

### SITE STAFF

- Mandatory new-hire courses on safety, both for internal personnel and subcontracted personnel, before beginning their activities at a project site.
- Specific safety training according to the activity to be performed in a period of one to five years, depending on the type of training.
- Specific course program for personnel participating in the construction stages of the projects, with mandatory and recommended courses.
- Health and safety talks at the worksites (toolbox meetings) at the start of all jobs between employees and their direct supervisors.

<sup>9</sup> The 2021 data were recalculated following a revision of the methods used to calculate the hours of training given to Técnicas Reunidas employees on site, and it equals 1.14 training hours for every 100 hours worked.

## OCCUPATIONAL SAFETY PERFORMANCE

GRI [403-9]

Técnicas Reunidas monitors the safety results and indicators at offices, on project sites where it is the main contractor, and on project sites where it participates as part of a consortium and is responsible for health and safety management.

With this monitoring, the Company assesses compliance with the established goals and analyzes, where applicable, the reasons for any deviations in order to implement specific action plans as necessary to reverse the results.

The Company records and reports not only accidents and incidents, but also other parameters that help evaluate performance and engage in proactive management. As part of this data analysis, the near misses and observations made during site inspections are studied, as they reveal areas of improvement for accident prevention.

The safety results are communicated to the project management and to the Company's management in order to keep them updated on performance in this area. Likewise, the results of each project and the incidents occurred are shared with all of the agents involved, thus promoting improvement throughout the value chain and the application of best practices. The most relevant incidents are addressed during the safety talks (toolbox meetings) given to workers by their supervisors. In addition, each of these incidents gives rise to a specific investigation in order to apply corrective measures to prevent their repetition.

### Evolution of safety indicators in 2022<sup>10</sup>

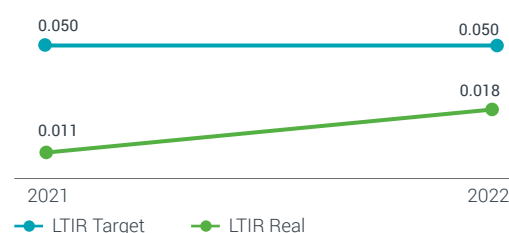
In 2022, nearly 119,096,761 hours of work were done at construction sites and offices, including the hours worked by subcontractors.

This has meant extraordinary efforts by the Company, which has had to manage a volume of more than 41,512 workers at peak times (internal employees and subcontracted employees), a figure that is 2 % less than the prior year.

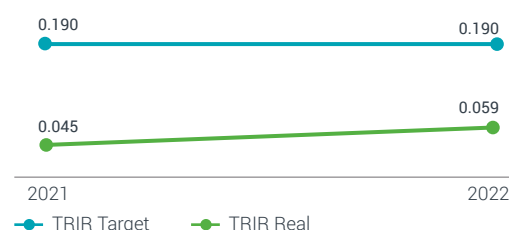
As concerns the main safety indicators evaluated by Técnicas Reunidas (Accident rate leading to a medical leave – LTIR, Total recordable incident rate – TRIR and Severity rate – SR), there has been an increase in them. The increase in the accident rate is related to an increase in recordable accidents and a drop in hours worked. In any case, the number of accidents requiring medical treatment have decreased. Nonetheless, it is worth mentioning that these rates have remained another year again below the targets set by the Company.

Técnicas Reunidas carries out various activities to determine occupational hazards that pose a risk of injury for employees, such as risk assessments, safe work analyses and the definition of working methods. The hazards identified include: same-level or different-level falls; falling materials and tools; bruises, cuts or burns resulting from handling tools, equipment or materials; injuries due to sharp objects; particle projection and liquid splashes; leaks from equipment, pipes or valves; the inhalation of gases/vapors; explosions; high temperatures; others. The most common accidents among Company personnel are due to travel by employees going to work and coming home from work (*in itinere* accidents).

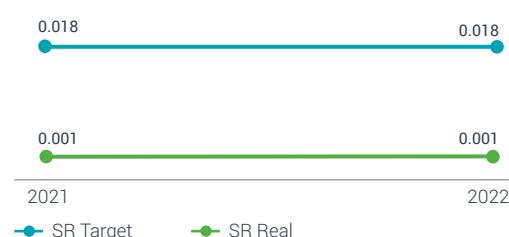
#### (LTIR) Lost Time Incident Rate



#### (TRIR) Total Recordable Incident Rate



#### (SR) Severity Rate



<sup>10</sup> LTIR (Lost Time Incident Rate): (No. of accidents leading to a medical leave/No. of hours worked) \*200,000. This index refers to the accident frequency. The health and safety indices presented consolidate the accident rate data for sites and offices involving employees and subcontractors.

TRIR (Total Recordable Incident Rate): (No. of recordable accidents (as per OHSAS)/No. of hours worked) \*200,000. This index refers to the accident frequency. Employees and subcontractors on site and in offices.

Severity Rate (SR): (No. of days not-worked due to a workplace accident leading to a medical leave/Total no. of hours worked) \*1,000. This index refers to the severity of accidents. Employees and subcontractors on site and in offices.

Safety results for Técnicas Reunidas employees<sup>11</sup>

	2021	2022
No. of deaths resulting from an occupational accident injury	0	1 <sup>12</sup>
Rate of deaths resulting from an occupational accident injury <sup>13</sup>	-	0.06
No. of injuries due to occupational accidents with major consequences	0	0
No. of recordable work-related injuries <sup>14</sup>	14	14
(Of which in itinere accidents)	10	13
Frequency rate <sup>15</sup>	0.55	0.14
Main types of work-related injuries	Internal injuries: 21.43 %	Sprains and strains: 21.43 %
No. of hours worked	17,421,543 <sup>16</sup>	16,702,340

## Safety results for employees subcontracted by Técnicas Reunidas

	2021	2022
No. of deaths resulting from an occupational accident injury	0	1 <sup>17</sup>
Rate of deaths resulting from an occupational accident injury <sup>18</sup>	-	0.01
No. of injuries due to occupational accidents with major consequences	3	10
LTIR: accident rate leading to a medical leave	0.01	0.019
No. of recordable work-related injuries	28	26
TRIR: recordable accident rate	0.07	0.051
Main types of work-related injuries	Wounds/blows to limbs and head	Wounds/blows to limbs and head
No. of hours worked	110,757,839 <sup>19</sup>	102,394,421



<sup>11</sup> Data on Técnicas Reunidas internal employees, both assigned to the office and to construction sites, are included.

<sup>12</sup> The incident investigation revealed no link between the worker's death and the job. However, it is considered an occupational accident since it occurred during the workday.

<sup>13</sup> The rate of deaths resulting from an occupational accident injury is calculated as the number of deaths resulting from an occupational accident injury for every million hours worked by workers exposed to such risk.

<sup>14</sup> All accidents are considered minor.

<sup>15</sup> The frequency rate refers to the number of professional contingency processes leading to a medical leave, excluding in itinere accidents and relapses, occurring during the workday for every million hours worked by workers exposed to such risk.

<sup>16</sup> Modification of the 2021 data due to a change in method.

<sup>17</sup> Unfortunately, there was an accident in 2022 at one of project sites which resulted in the death of an employee of a subcontracted company while doing work to position pipes. He received an impact during the maneuver due to an overload.

<sup>18</sup> The rate of deaths is calculated as the number of deaths resulting from an occupational accident injury for every million hours worked by workers exposed to such risk.

<sup>19</sup> Modification of the 2021 data due to a change in method.



## PARTICIPATION IN FORUMS AND EXTERNAL RECOGNITION FOR OCCUPATIONAL HEALTH AND SAFETY

The commitment and performance of Técnicas Reunidas in health and safety is recognized by its clients.

Throughout 2022, Técnicas Reunidas has attended and collaborated with several health and safety forums.

- In November, the Contractor HSE Exchange Seminar: Wellness, Technology and Compliance in HSE, organized by Saudi Aramco.
- In November, the Safety Collaboration Forum 2022 – Projects and Wells and Leading, Learning and Delivering Together, organized by ExxonMobil in Houston.

Throughout 2022, the Company has been recognized for its work on health and safety by several clients:

- In February, the Crisp project (Singapore) earned the Exxon's Global President's SSHE Award.
- In February, the Omani Woman Association recognized Técnicas Reunidas and its DUQM project in Oman for its Social Support work.
- In March, the Talara project (Peru) earned Recognition for Excellent Health, Safety and Environmental Performance from Petroperú.
- In November, Saudi Aramco gave Técnicas Reunidas an award for Best Performing HSE Contractor in Al Khobar (Saudi Arabia).

### Recognition for Técnicas Reunidas in Project Management by Saudi Aramco

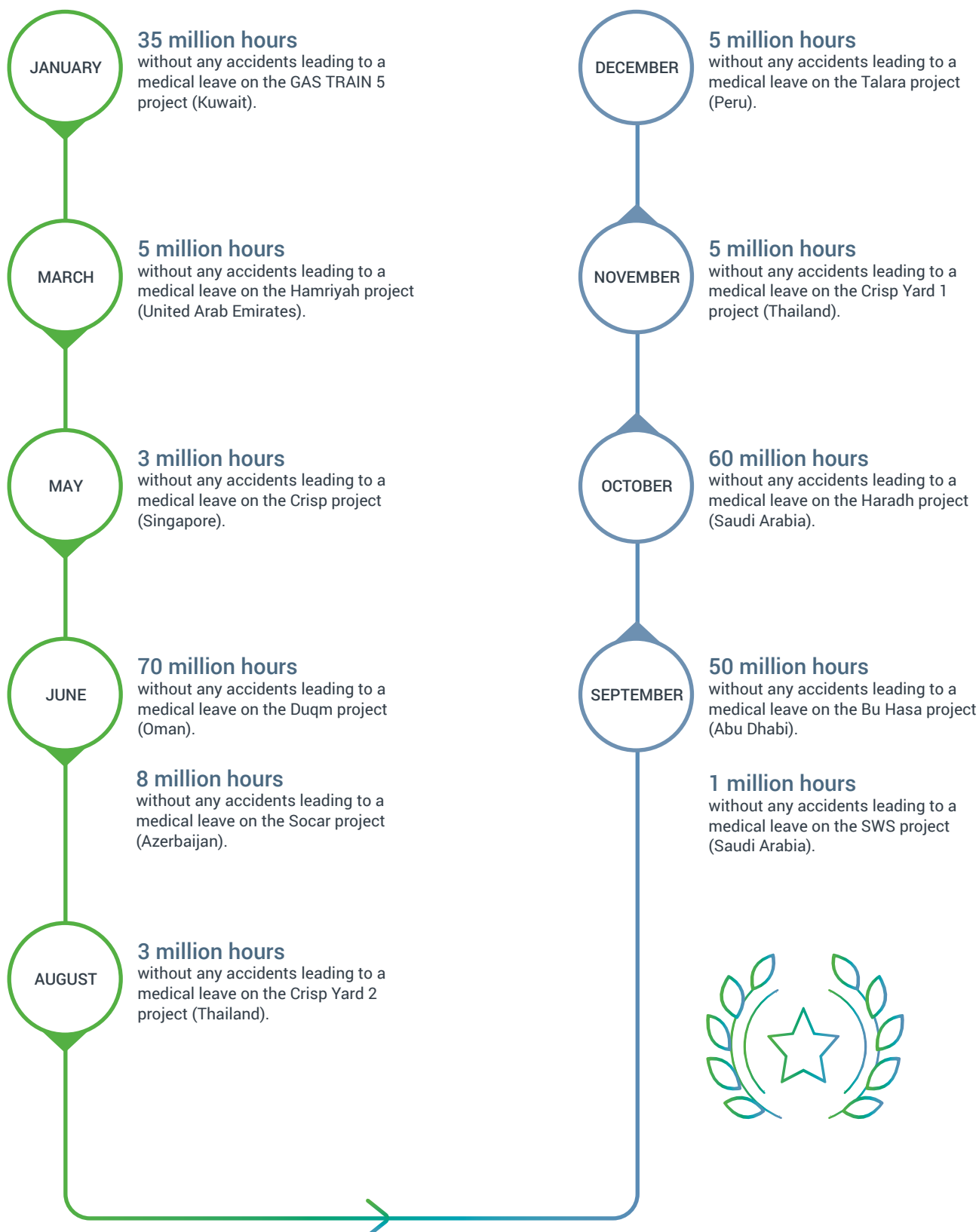
Saudi Aramco awarded Técnicas Reunidas the Best Performance Contractor prize at its latest edition of Aramco Project Management Excellence Awards 2022 which was attended by all the companies that habitually work on its projects. These awards spread awareness for best practices and recognize companies' performance in health and safety during construction phases.

The award won is the most important of the four categories awarded by Saudi Aramco. It recognizes the excellent health and safety performance level under which Técnicas Reunidas develops its projects as a result of hard work and the efforts of all workers involved with their execution.



Técnicas Reunidas has achieved a number of milestones related to the number of safe hours working on its projects:

## Safe hours on projects in 2022



## 6.6 EFFICIENT SUPPLY CHAIN MANAGEMENT

Técnicas Reunidas works to automate and simplify its processes to identify efficiencies all while strengthening its relationships with suppliers and subcontractors.

Contribution of Técnicas Reunidas to achieving the SDG



### MAIN INDICATORS

INDICATOR	2022 DATA	2021-2022 PROGRESS
The purchase of materials from suppliers and construction subcontractors (millions of euros)	3,351.70	+ 57.79 % <sup>1</sup>
Number of construction workers during peak times <sup>2</sup>	41,512 <sup>3</sup>	- 2.08 %
Local procurement and subcontracting (%)	72	- 18.23 %
No. approved suppliers and subcontractors	3,134	- 3.54 %
Suppliers subject to audits or evaluations (%)	58	-
Average supplier performance evaluation score (evaluation from 0 to 3)	2.32	- 1.69 %
Efficiency in procurement tasks (hours spent per order)	351	- 3.15 %
Supplier training hours	48	- 4.00 %
No. of days to close non-conformities <sup>4</sup>	27.8	+ 3 %



### 2022 MILESTONES

- Implementation of Efficiency Plan actions with savings on costs, the management of surplus material, management of insurance logistics, among others.
- Strengthening of local entities with measures such as the assignment of new management in India, U.A.E. and Saudi Arabia, the detection of critical needs and activities, workload analyses and resource assignment, the definition of profiles and candidate evaluation, etc.
- Continuation of the digitalization and robotization line in area processes to optimize the work done.
- New collaboration agreements with strategic suppliers to optimize processes.
- Implementation of a new version of the e-Supplier portal and the development of a new application integrated into the e-Supplier portal for the execution of Reverse Auctions.
- Digitalization of the Third-Party Integrity Assessment Procedure as regards Compliance.
- Progress with the implementation of the Sustainability Policy in the Procurement and Construction Areas.
- Reinforcement of cybersecurity through specific training for users on cybersecurity.
- Consolidation of operational integration through training and the implementation of procedural methods and enhanced vertical and horizontal communication in the Areas.
- Optimization of procurement management in modular projects.
- Consolidation of the Customs Group, the creation of new multi-project teams and the consolidation of the Prefabrication Workshop Group and Close-Out Department.
- Implementation of remote supplier inspections.

<sup>1</sup> The increase in the sum of materials purchased from suppliers and construction subcontractors in comparison to the prior year is due to the start-up of relevant projects.

<sup>2</sup> Data for direct subcontractors and internal employees on construction tasks during the peak month of the year.

<sup>3</sup> The figure of 41,512 workers at peak times includes 38,199 subcontractor workers and 3,313 internal employees.

<sup>4</sup> This figure has been calculated as the number of days from the opening of the non-conformity up until the corrective action is agreed upon between all parties involved.



## GOALS FOR 2023

- Implementing actions linked to the Procurement Area as part of the Sustainability Plan.
- Continuing to implement the Efficiency Plan, expanding the scope thereof.
- Consolidating growth and optimizing local entities in U.A.E., Saudi Arabia and India.
- Consolidating multi-project teams (expansion and adjustments in sizing) and the Prefabrication Workshop Group.
- Optimizing and updating the electronic project Procurement information records, integrating the accessibility, cybersecurity and confidentiality required.
- Continuing to reinforce cybersecurity through specific updated training for users on cybersecurity.
- Implementing the methodology for close-out in metal structure provisions.
- Reinforcing the implementation of new PCO (Close-Out Application) functionalities in projects from the Close-Out Department through exhaustive training programs in 2023.
- Consolidating the Inverse Auction application.
- Working on improving loyalty and motivation of resources to reduce rotation by conducting personal interviews and establishing career plans.
- Boosting the use of the internal application Vendor App to manage and optimize supplier technical assistance.
- Studying the standardization of virtual shop tours, as well as active participation by personnel in remote inspections as a training activity.
- Continuing to digitalize processes and procedures including exploring new developments in robotic process automation (RPA) and implementing digitalized systems for onsite personnel assessment.
- Exploring new framework agreements and associations with suppliers and subcontractors.
- Initiating the supplier and subcontractor assessment process as regards cybersecurity and privacy through e-Supplier.



## TÉCNICAS REUNIDAS SUPPLY CHAIN IN FIGURES

GRI [2-6]; [204-1]

Due to the nature of its activities, the Company manages high procurement and subcontracting volumes each year. In 2022, the total purchases from suppliers of materials and construction subcontractors were 3,351.7 million euros. As concerns construction subcontractor employees, on average there were more than 33,830 workers on Técnicas Reunidas projects (38,199 workers at peak times).

Técnicas Reunidas has a database of 28,145<sup>5</sup> material suppliers and construction subcontractors worldwide. The Company has already approved 1,983 of these suppliers and 1,151 subcontractors.

Through the development of its projects, Técnicas Reunidas encourages collaboration with local suppliers and subcontractors, and applies a specific procedure to ensure the best treatment of this type of requirement. The Company carries out an exhaustive analysis of the local market to identify potential awardees, including visits to these companies and a pre-qualification and approval process. It also carries out training and coaching activities with them to strengthen their skills and promote their integration in Técnicas Reunidas projects.

Collaborating with local suppliers and subcontractors provides the Company with a series of advantages, mainly in terms of delivery and completion terms of assembly work and speeding up integration processes in the country.

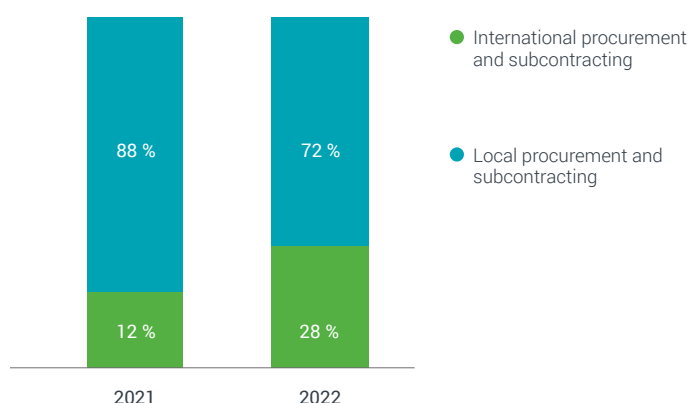
On the other hand, Técnicas Reunidas' collaboration with local suppliers and subcontractors not only brings them economic benefits, it also offers them the possibility of working with an international company with extensive experience, which can be a lever for their growth and means for strengthening their capabilities.

The volume of awards to local suppliers and subcontractors<sup>6</sup> reached 72 % of all awards in 2022.

### Técnicas Reunidas supply chain in 2022

	Materials suppliers including mechanical and static equipment, piping materials, electricity, instrumentation)	Construction subcontractors (including civil engineering work, mechanical assembly, electrical assembly and instrumentation)
Number of approved suppliers and subcontractors	1,983	1,151
Number of regular and recurring suppliers and subcontractors	509	111
Number of strategic suppliers and subcontractors	100	28

### Distribution of procurement from material suppliers and subcontracting by Técnicas Reunidas between 2021 and 2022



Total procurement from suppliers of materials and engineering subcontractors in 2022 was  
**3,351.7 million euros<sup>7</sup>**

<sup>5</sup> The total number of suppliers includes all suppliers, subcontractors, inspection agencies and forwarders that perform activities with the Company.

<sup>6</sup> Técnicas Reunidas considers any transactions with companies whose registered address is outside Spain as procurement with local suppliers and subcontractors. Likewise, the analysis of the procurement volume includes all transactions completed by various Group companies irrespective of the volume of each operation.

<sup>7</sup> Information as of December 31<sup>st</sup>, 2022. Local procurement and subcontracts include those made by foreign subsidiaries, branches and joint ventures. International procurement and subcontracts include those managed from Spain even if they are awarded internationally.



MANAGEMENT APPROACH GRI [3-3]

The main objective of Técnicas Reunidas supply chain management is to achieve competitive contract awards for materials, equipment and assembly services (subcontracting) in accordance with the excellence and quality standards required by the sector. Also key for the Company is having a supply chain aligned with its values and requirements regarding health and safety, the environment, workers' rights, respect for human rights, equality, ethics and integrity.

Management of this supply chain is becoming more and more complex due to the growing need to adapt to the clients' requirements, the globalization of operations and the complexity of suppliers and business operations.

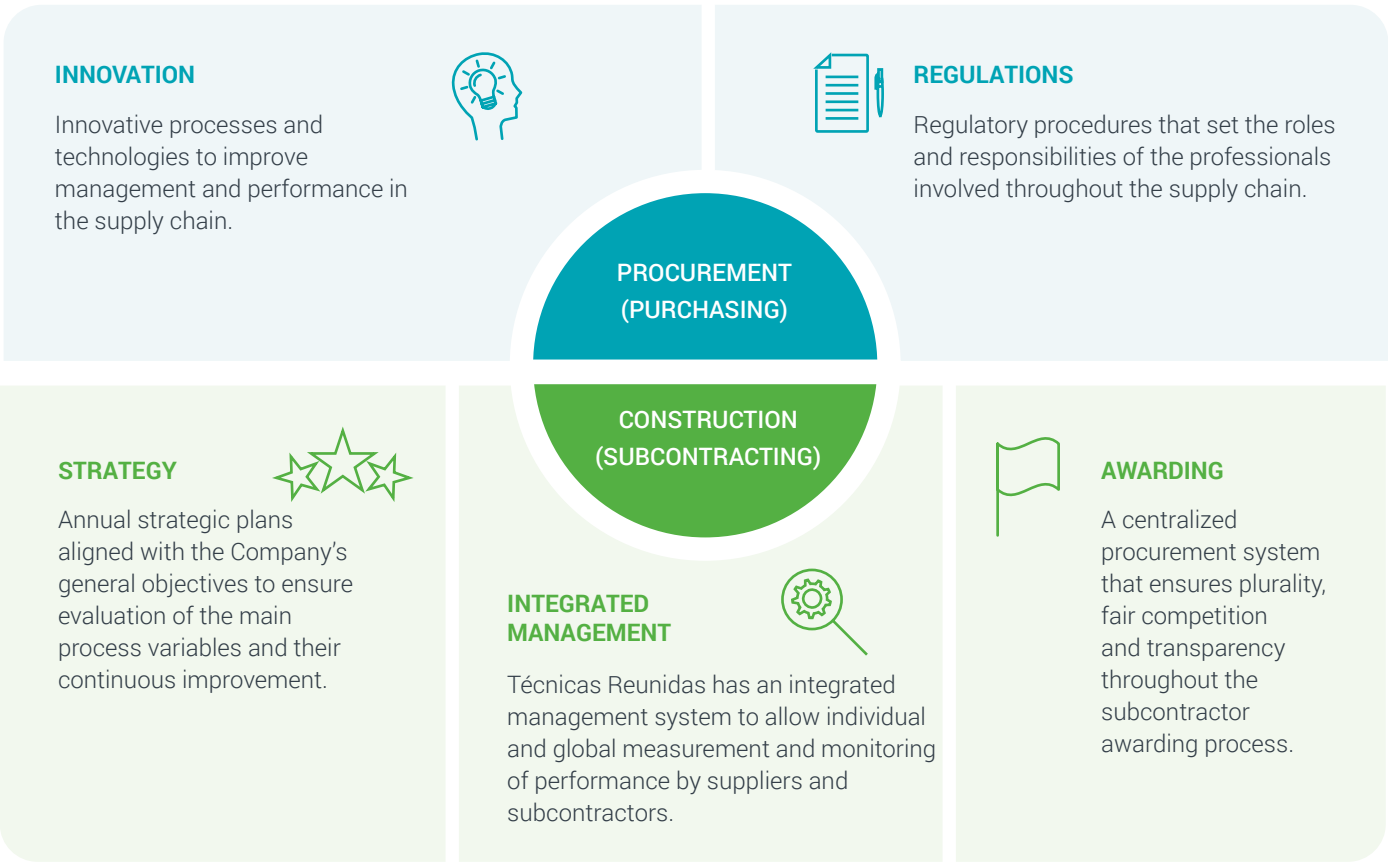
To overcome this challenge, the Company has equipped itself with innovative tools that enable it to analyze and monitor the performance of its suppliers and subcontractors, maximizing efficiency, creating new opportunities and adequately managing

risk. To achieve this, it has a network of global suppliers with updated information that allows it to mitigate risk when selecting suppliers and subcontractors based on financial, performance, quality and other aspects.

Moreover, in order to manage this complex supply chain, Técnicas Reunidas has a management framework that governs the action of the two main areas responsible for the supply chain: Procurement Area (responsible for purchases from materials and equipment suppliers) and the Construction Area (responsible for subcontracting construction and assembly work).

These two Areas manage the Técnicas Reunidas supply chain in accordance with five levers:

Supply chain management approach at Técnicas Reunidas



In 2022 there was an average of 33,830 subcontraction workers on Técnicas Reunidas projects. To meet the challenges of managing its supply chain, the Company had more than 3,412 professionals dedicated to financial monitoring and control of subcontractors' work.

## SUBCONTRACTING MANAGEMENT IN CONSTRUCTION

The Construction Area responds to the needs that arise in the different phases of EPC (Engineering, Procurement and Construction) projects:

BID PHASE (HEAD OFFICE)	TASK FORCE PHASE (HOME OFFICE)	CONSTRUCTION WORK PHASE (SITE)
The complete valuation of the construction cost and the technical description of the proposal are carried out.	Other activities carried out include subcontracting, defining the work organization chart and selecting and mobilizing the Company's personnel. In selecting subcontractors, Técnicas Reunidas follows a transparent and detailed award process that allows it to select the companies that best meet its requirements.	Site management is carried out, including management of subcontracts and supervision and monitoring of all activities, until the facilities are delivered to the client.

All the activities that make up these three phases are regulated by corporate procedures audited throughout the project lifetime to ensure continuous compliance with requirements.

Moreover, to reinforce subcontractor management, Técnicas Reunidas has implemented various applications and procedures in recent years to digitalize, enhance budget oversight and certifications, standardize onsite construction processes and optimize the management of subcontractor personnel on site. To this end, Técnicas Reunidas has developed a set of tools that are constantly upgraded to facilitate such oversight. Standing out among these tools is the ESAM digital tool, which aims to improve the time and cost-efficiency of subcontractor management processes, strengthen communication, increase process control and to make forecasts for the future.

### Effective management of subcontractors

Técnicas Reunidas has continued implementing and improving the ESAM platform in 2022 to generate synergies among the different Company projects and ensure traceability and control of all the contracts with its subcontractors. Added to this, subcontractor certification procedures as well as the expansion of supporting documentation for subcontract awards are improved, particularly those concerning the documentation to be generated by the subcontractor, the establishment of standardized assembly procedures and the establishment of agreements with construction partners on projects.



## SUPPLY CHAIN RISK MANAGEMENT

GRI [3-3]

Técnicas Reunidas has identified potential risks that may occur in the supply chain and has designed specific mitigation mechanisms. These supply chain risks include production risks (minimized by exhaustive work progress monitoring), financial risks (managed by evaluating suppliers and subcontractors prior to contract awards) and those associated with a lack of quality (controlled by monitoring performance).

As concerns non-financial risks the Company analyzes the risks that due to their characteristics are more relevant, such as collaboration with suppliers and subcontractors who are not committed to human rights (as per the United Nations and International Labor Organization framework of action), that are included on international corruption lists, that have no money laundering and terrorism financing prevention policies or that do not have confidentiality policies.

Also worth mentioning is the fact that in recent years, due to the Covid-19 pandemic, the Company has identified an increase in risks related to project delays or cancellations and the delivery of materials, as well as the impact on execution costs and commercial conditions for construction work. Although Covid-19 continues to affect the mobilization of personnel worldwide, especially in southeast Asia due to China's zero Covid policy, the impact on most projects was lower in 2022. Nonetheless, the Company's management of its supply chain has been exposed, especially as concerns inspection activities, visits to shops and logistics. Specifically, the main impacts have been the increase in the price of ground transport from China to the ports, mobility restrictions, less personnel availability, quarantines and delays.

On the other hand, the Russia-Ukraine conflict has led to a significant increase in the costs of producing industrial materials with the resulting variability in the costs of supplies and construction and thus, an increase in risks deriving from the execution of turnkey contracts. Connected with these lines, the high volatility in the prices of raw materials and energy has had a great impact on the economic and operational feasibility of projects, as well as new investments. For example, has meant that construction solutions like heating and hoarding and other similar ones are not feasible. What's more, it has also had a localized effect on some projects in areas near the conflict due to labor shortages.

Nonetheless, this complex situation has only emphasized the creativity, response capacity and commitment of the different teams involved in managing procurement and subcontracting within the Company, as well as clients, subcontractors and suppliers. As a result, Técnicas Reunidas has seen its operations strengthened and achieved better efficiency in its processes thanks to the way in which this exceptional situation has been handled.

Hereafter are some of the main actions carried out to adapt the supply chain and execution of projects to the effects of Covid-19 and the management of impacts deriving from the Russia-Ukraine conflict.

- Issuance of work instructions for all project teams to facilitate filing and transfers of documentation, media and evidence between departments that detect an impact and the departments that manage them.
- Improving the tool for detecting risks and impacts in early phases.
- Hedging through the purchase of futures and financial entities to guarantee nickel, copper, silver and palladium.
- Implementation of price revision formulas to purchase metal structures.
- Early identification of all costs incurred due to Covid-19.
- Technical/commercial agreements with suppliers.
- Formulation of alternative strategies as per the impact deriving from the Russia-Ukraine conflict. Among others, the expansion of the list of suppliers to those not located in a conflict area or maximizing work at prefabrication shops with subsequent transfers to projects.
- Strengthening internal communication and coordination.
- Continuous communication with suppliers and subcontractors to adapt the contracting conditions (previously authorized by the clients) to solve the problems caused by the pandemic wherever it affected the work site quickly and efficiently.
- Negotiation of new conditions and agreements with subcontractors.
- Acceleration of the Company's digital transformation process (mainly the following as regards the supply chain: continuous improvement and development of advanced digital platforms for project management, digitalization of processes and boosting remote inspections, among others).
- Search for logistics containers within the same country of origin to ensure supply to the site.
- Slowdown in the award of logistics services in the projects about to start the execution phase to avoid contractual commitments that would oblige the project to operate with freight costs affected by market volatility.
- Coordination of the real need for materials on site between Procurement and Construction Areas to assess potential delays avoiding extra freight costs.

In addition, to increase safety and reduce supply chain risk, Técnicas Reunidas expressly regulates the subcontracting of work or services to critical suppliers and subcontractors through specific clauses included in the corresponding contracts.



## SUPPLY CHAIN SUSTAINABILITY

GRI [3-3]

To ensure project success, suppliers and subcontractors must be aligned with the Company's required standards and values.

Técnicas Reunidas is committed to ensuring its supply chain is aligned with its values and requirements regarding health and safety, the environment, workers' rights, respect for human rights, equality, ethics and integrity. As a result of this commitment and in an effort to strengthen the integrity of its supply chain, the Company has a specific Supply Chain Ethics Code, for suppliers and subcontractors, detailing the minimum requirements in the areas of ethics, social and environmental, and a Integrity Declaration Form aligned with the Company's Code of Conduct. These are the most significant aspects:

- Behavioral integrity among Técnicas Reunidas professionals and stakeholders.
- The importance of suppliers and subcontractors acting responsibly, efficiently and with quality.
- Promoting equal opportunities and non-discrimination.
- A commitment to human rights.
- Protection of labor rights and the environment.
- Fighting corruption and fraud.

Técnicas Reunidas requires all companies in its supply chain

to adhere to the Supply Chain Ethics Code for suppliers and subcontractors by registering with the e-Supplier website. Since the site was launched in 2017, a total of 2,169 suppliers and subcontractors out of 28,145 have accessed it and submitted the pre-qualification questionnaires and accepted the Ethics Code. In 2022 86 adhered. As part of the effort to disseminate the content the new Supply Chain Ethics Code and the compliance questionnaires and requirements that accompany it were added to e-Supplier in 2022, the Company created educational content on these issues and shared it with its suppliers and subcontractors through its [website](#).

In addition, Técnicas Reunidas has a series of specific requirements regarding environmental, labor and human rights protection matters, particularly including specific requirements aligned with standard ISO 14001, compliance with environmental laws and reporting other sustainability-related information.

All this information is collected and made available in SMat and ESAM, always in compliance with privacy requirements. This enables more efficient, transparent and agile management of the supply chain to improve the Company's competitiveness, the quality of its work, the optimization of costs and the minimization of risks in projects. Técnicas Reunidas is working on a system that will classify the suppliers and subcontractors that it has a commercial relationship with as regards sustainability to improve the inclusion of sustainability criteria in the supply chain.

Técnicas Reunidas believes that social and environmental










responsibility are essential parts of its relationships with suppliers and subcontractors. These aspects are not only considered in the approval process, but also taken into consideration throughout its relationship with them as compliance is monitored. Following the delivery of supplies or finalization of assembly services, supplier and subcontractor performance is evaluated in accordance with various aspects. Environmental safety and performance are two of the criteria Técnicas Reunidas includes in its evaluations. Since 2014, the Company has implemented the use of a specific verification list for the safety, health and environment conditions at workshops, which is completed by inspectors during visits.

As part of the implementation of the Sustainability Policy, the Procurement Area has taken the following actions in 2022:

- The reinforcement of pre-qualification questionnaires (e-Supplier) in of ESG items.
- The inclusion of ESG scopes in Quality Audits.
- The updating of vendor requirements covering ESG scopes including procurement terms.

The actions described reinforce the consideration of ESG criteria for supply chain-related processes and reaffirm the Company's commitment to enhancing its social and environmental performance.

The main sustainability requirements for the supply chain

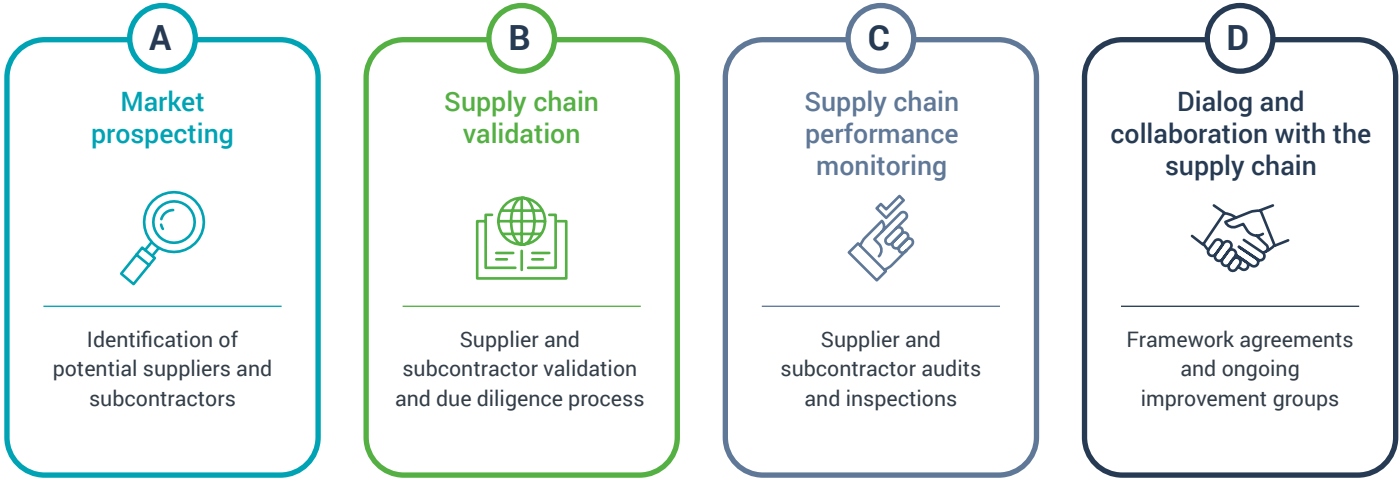
	Environmental management requirements in accordance with ISO 14001.
	Ability to comply with applicable environmental laws.
	Reporting environmental incidents and accidents occurring in the previous five years.
	Reporting environmental fines and sanctions occurring in the previous five years.
	Annual carbon footprint reporting.
	Health and safety requirements in accordance with ISO 45001.
	Human rights requirements.





## PHASES IN THE SUPPLY CHAIN RELATIONSHIP

The main phases to be highlighted in the Company's relations with its supply chain are as follows:



### **Market prospecting**

Técnicas Reunidas collaborates with a wide variety of clients and suppliers in different geographical areas. Some of these areas have a long manufacturing tradition, while others are emerging industrial powers.

The Inspection Department is responsible for prospecting and researching different local markets to evaluate and provide the Company with a network of collaborators capable of meeting the needs of Técnicas Reunidas and understanding its business model. In 2022, the Company continued working on searching for new suppliers and subcontractors to establish a solid commercial relationship with them. These activities have been adapted to the new working methods using electronic means.

As concerns subcontractor prospecting, Técnicas Reunidas has a specific team during the bidding phase that does market research to evaluate subcontractor capability and availability on a local level, including in markets where the Company is more heavily implemented and experienced. Thus, this prospecting, analysis and approval of new subcontractors is done with each new bid. This activity is later extended during the subcontract awarding and management processes throughout the life of a project.





## Supply chain validation

Técnicas Reunidas sets forth a series of requirements for its suppliers and subcontractors in the validation process. This includes requirements for specific types of goods and services contracted to ensure that they comply with all criteria, including environmental, social and corporate governance requirements. As part of the ongoing improvement process, the sustainability requirements for suppliers and subcontractors were updated in 2022 to include the results of the interdisciplinary work group comprised of professionals in the Quality, HSE, Energy Transition, Inspection and Compliance departments.

The pre-qualification questionnaire is completed through the e-Supplier portal, which serves as a platform for the exchange of information between suppliers and subcontractors and Técnicas Reunidas, as the first step to being able to provide the Company with any service. Then, whether the supplier is approved or not, the procurement coordinator may request additional information for orders that are more technically complex, costly or have specific client requirements.

Ultimately, the Company has a management system SMat for evaluating awarded orders. The information obtained in this process is made available to the procurement team and is considered in the supplier's purchase recommendation.

Subcontractors go through a similar validation process, and those that do not meet the established requirements are rejected during the request for offer phase.

Moreover, it is important to mention that if significant risks are detected in an award, Técnicas Reunidas rejects the award to that supplier or subcontractor and searches for alternatives. If they do not exist or the risk can be kept under control, a series of actions are established in the order requirements or subcontract to minimize the risk, including more thorough monitoring during manufacture and construction.

The Company has a list of disqualified suppliers and subcontractors in order to reduce project execution risks. The main reasons for putting a supplier or subcontractor on this list are defects or serious non-compliance in work execution, being subject to claims with arbitration proceedings, or being in a negative financial situation, leading to a risk for project execution.

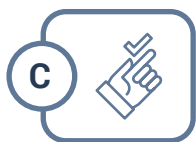
## Third-party due diligence

In order to ensure the integrity of the supply chain, the Compliance Area reviews the Third-Party Integrity Assessment Procedure and Policy to adapt it to best practices. The most recent update was in 2022. This involves analyses prior to establishing commercial relations with suppliers and subcontractors to ensure their integrity, especially in human rights protection and combating corruption. The Policy sets forth different levels of analysis (standard, reinforced or highly reinforced) which conclude with an integrity report determining the degree of satisfaction in each area.

In this context, Técnicas Reunidas has continued to make progress in procedure digitalization and efficiency, updating a large part of the supplier and subcontractor documentation and creating a single advanced repository to centralize and manage Compliance documentation in a single point between the various areas of the Company. This progress makes it possible to optimize the visualization of the workload assigned to each party, documentation statuses and document searches. The development of a dashboard has also begun for oversight, monitoring and reporting.

In 2022, requirements were included for third parties in cybersecurity and privacy on the pre-qualification questionnaires collected through e-Supplier. The assessment of this area is expected to begin in 2023.





## Supply chain performance monitoring

GRI [308-2]; [414-2]

Técnicas Reunidas maintains optimum control over compliance with requirements, especially as concerns contractual deadlines and the quality of projects, suppliers and subcontractors through ongoing performance and skills evaluation.

Among the tools that have facilitated this process is the use of the IMA App (Inspection Management Application) which enables better data collection and analysis to evaluate collaborator performance. The Inspection Department uses this application for more thorough monitoring of the stock of materials and the different manufacturing phases by creating a system of alerts to minimize deviations that could impact a project's delivery targets. IMA can also automate cost control processes linked to inspection activities. This allows greater control and management, helping keep to a project's targets.

Subcontractors are also supervised during work execution to ensure compliance with all contract requirements as well as periodic audits done by HSE and Quality teams. During these audits, all work done by the subcontractor is inspected and is only accepted when the Company's inspectors have verified that it has been carried out in accordance with the project designs and specifications. If Técnicas Reunidas detects any deviation in health, safety, environmental or other social matters, the deviation is studied in detail. Depending on the type of deviation and its seriousness, the supplier or subcontractor may be required to take corrective and preventive actions. If the deviation is serious, the possibility of banning the supplier from future bids or awards is considered. Verification of the corrective actions established is a habitual activity during these inspections, which is documented in detail in the quality files delivered to the client.

The progress made in 2022 in relation to the implementation of remote inspections is quite noteworthy. To this end Técnicas Reunidas pilot tested virtual shop tours in 2022. Moreover, the inclusion of new ESG requirements in the list of verifications made at supplier and subcontractor shops was consolidated in 2022. These new requirements were included in 2022 on Quality Audits' questionnaires as well. In both cases, results are compiled and recorded through the IMA platform.

A total of 1,520 HSE audits were conducted in 2022 (920 in 2021), of which 1,430 (94 %) concluded with a satisfactory pass (versus 861 in 2021) and 90 did not pass (73 in 2021). The increase in 2022 of HSE audits, 65 % more than the year before, is due to the loosening of restrictions associated with the pandemic in prior years which had significantly impacted the number of audits done particularly in-person, as well as the recovery of activity following the pandemic.

In addition, the Company evaluated the supply chain as it does every year in accordance with social and environmental criteria. A total of 1,529 suppliers were analyzed in 2022, based on social and environmental criteria (427 in 2021). This increase is due to the implementation of two new supplier integrity due diligence processes which include social and environmental criteria prior to the procurement award process: IDDR (Integrity Due Diligence Report) and World-Check One. Under no circumstance were significant impacts on the supply chain identified in relation to these matters.

Finally, the Company also monitors health and safety conditions during contract performance by these suppliers and subcontractors, covering three main aspects:

- Evaluating the health and safety conditions in the workshops with which it collaborates.
- Advising and assisting suppliers on health and safety issues where necessary.
- Ensuring the health and safety of inspectors working for Técnicas Reunidas and those subcontracted in the workshops where the material is inspected.



## Implementation of remote inspections

Remote inspection systems have been implemented to adapt these activities to the new circumstances derived from the pandemic. Técnicas Reunidas has selected this inspection method for its clients and suppliers, consolidating its implementation throughout 2021 and 2022 in the Haradh and GT5 projects.

Inspections are carried out increasingly by using remote software and cameras to monitor the tests precisely and interact with the Técnicas Reunidas inspector, factory personnel and the client's representative.

Pilot testing of virtual shop tours was done in 2022 for the inspection and workshop activation.

Remote inspections guarantee inspection and quality control safety as regards three essential factors: the type of activity inspected, the type of materials inspected and the type of supplier selected.

These inspections have been carried out on simple systems, such as piping materials and have also been used for more complex equipment, such as pumps, compressors, column interiors and chemical injection packages.

This process has allowed the Company to identify a series of benefits and operational improvements, such as cost and time savings, as well as a reduction in the carbon footprint resulting from less business travels.

## Creation of a specialized working group to strengthen relationships with suppliers

Técnicas Reunidas consolidated the Close-Out Department in 2022, which is a group of professionals in various fields who specialize in Company activities to ensure that project closure is more efficient.

Some of the most important duties they perform are as follows:

- Coordination with contracting and legal departments to minimize risks.
- Negotiation to ensure the best possible closing of contracts with suppliers.
- Managing synergies with other projects and clients to avoid adverse impacts.
- Coordination between site teams and other disciplines to ensure the success of the final stages of the program.

In 2022, the Company standardized and disseminated the department's work method and improvements in PCO (the Close-Out Application) to enable better control during the final supply chain phase, and thus minimize the risks. This leads to periodic monitoring by region of projects in the close-out phase to ensure the targets to be fulfilled in the close-out strategy in addition to detecting any deviations and analyzing potential improvements.





## Dialog and collaboration with the supply chain

For Técnicas Reunidas, dialog and collaboration with suppliers and subcontractors have a direct positive impact on the Company's performance. Not only does it create synergies and enhance communications, but it also helps optimize execution times, allowing Técnicas Reunidas to anticipate and manage changes and improve delivery times.

These collaborations have led to a reduction in quality non-conformities and a performance improvement, not only with Técnicas Reunidas but also with other clients. An interesting example of this type of collaboration is the participation by companies with extensive technical knowledge in very specific areas, such as heavy lifting. These companies integrate with Técnicas Reunidas starting at the bidding phase, providing technical solutions for lifting large equipment, transporting modules and, in general, handling large loads. This collaboration enables the Company to optimize costs and increase safety in its projects.

In this context, Técnicas Reunidas has a series of mechanisms to strengthen relationships with its suppliers, especially with strategic suppliers. These mechanisms include framework agreements with overall commercial conditions covering different projects and joint improvement groups dealing with the main areas for improvement according to the performance shown in project execution. Likewise, collaboration and association agreements have been signed with construction companies to act as a joint venture on different projects, taking advantage of synergies in the construction phase and

reducing the risks and exposure for Técnicas Reunidas in the construction phase.

Another essential tool for success is to hoard the Company's knowledge base allowing it to guide a supplier in case of problems. The Procurement Area has specialist areas to respond to this need. Having expert staff in the main supply fields allows Técnicas Reunidas to evaluate bids better, advise the client more thoroughly, anticipate problems, and respond more quickly and uniformly to problems in the fabrication process. One of the significant challenges lies in organizing all the problem-solving knowledge accrued experiences in different projects.

Training sessions are also held with suppliers to enhance understanding and strengthen the mutual relationship.

An internal instruction has been issued to ensure Procurement personnel know the protocol to provide any supplier that communicates a situation of phishing. This protocol sets forth cybersecurity recommendations any such company should follow to mitigate any risks deriving from such an attack.

**Técnicas Reunidas participates in national and international exhibitions and trade fairs to contribute to the development and strengthen of its suppliers and subcontractors.**

### Importance of communication with subcontractors

A very important part of Técnicas Reunidas' management is promoting continuous communication and strengthening the relationship with its subcontractors by offering flexible and effective solutions to any health or safety problems and obstacles associated with delivery deadlines, costs or sales conditions. The Company holds recurrent meetings with subcontractors to agree to any necessary measures required, set goals and coordinate progress in projects. This, along with framework agreements with subcontractors and the horizontal management thereof among all projects, makes it possible to establish synergies and reuse know-how acquired by these subcontractors on various projects.

Additionally, new contracts are signed with construction partners to get them involved in the entire life of a project, thereby improving communication with them, increasing their visibility of project progress in all phases and enabling their collaboration from the early stages of a project.

### Sustainability collaboration with strategic suppliers

Técnicas Reunidas has been working since 2021 on strengthening sustainability collaboration with strategic suppliers to have the option for new contracts that require complex technologies associated with sustainability and eco-efficiency. In this context, in 2021 the Company created a multidisciplinary working group with members of the Procurement, Project Management, Estimates and Energy Transition departments which drew up specific lists in 2022 of suppliers for Energy Transition projects.



## CONTINUOUS IMPROVEMENT OF EFFICIENCY IN THE SUPPLY CHAIN

Técnicas Reunidas made significant progress in 2022 on a series of initiatives to optimize the supply chain and reduce some costs without compromising the quality of its services, helping it increase margins and boost its long-term strategy for leadership in the sector.

A large portion of management has been focused on process digitalization and simplification, which has increased the efficacy and efficiency of monitoring, reporting, coordination and transmission of communication between departments, as well as the analysis of work execution. This has also increased the amount of information available, thereby contributing to greater control and traceability of the same. This has enabled the inclusion of new metrics and key performance indicators within existing score cards and the development and implementation of new ones.

Likewise, the Construction Area has implemented several measures to improve subcontractor management processes:

- Enhancing the organization of administration teams on site and certification processes via ESAM.
- Developing procedures for better productivity on site.
- Implementing constructability procedures to improve the sequence of work on site and reduce direct labor needs at the sites.
- Self-certification of subcontractor personnel on new Técnicas Reunidas' procedures to enhance standardization between sites.
- Establishing a construction and commissioning work method database to streamline specific generation thereof among projects and foster the dissemination of knowledge.
- Simplifying permit processes on site to decrease disruptions at the sites.

Operational integration was also strengthened throughout the year with training, the implementation of procedural methods as well as tools linked to more effective and standardized management. At the same time, vertical and horizontal communication have been improved with greater communication between periodic meetings and the frequent release of informational pills.

In order to find a more efficient work method, Técnicas Reunidas continued improving its e-Supplier platform in 2022 with the following actions:

- Implementing a new version of the e-Supplier site with the most advanced technology, particularly enhanced performance, speed and interface to make it more clear and simple for use by suppliers. This reinforces and streamlines interaction with the supply chain.

- Developing a new application in the e-Supplier portal for Reverse Auctions as a complementary award method for teams and materials, ensuring integrity, equity and transparency throughout each process.

In line with the foregoing, Técnicas Reunidas also continues digitalizing Area processes to optimize the work done, including the robotization of new processes, improvements to existing tools and reports, and the development of new tools. Moreover, as part of the Efficiency Plan, the Company has implemented several actions aimed at cost savings in 2022 and improving efficiency, such as the management of logistics insurance and surplus material as well as technical/commercial agreements with suppliers that enhance execution and oversight in all phases of a project cycle with respect to suppliers.

On the other hand, a training campaign was begun in 2022 for all personnel in Cybersecurity Area with updated content so as to reinforce security in this area. Additionally, initiating the third-party assessment process as regards cybersecurity and privacy through e-Supplier will start in 2023.

A new order format was introduced, adjusting the clauses of supplier contracts to the New General Terms of Purchase and annexes implemented for new projects in 2021. The traceability has been improved and the management of bulk material has been optimized throughout the supply chain for modular projects in a view to reducing costs.

In line with the above, 2022 saw the creation of a new customs team in the Logistics Department to centralize and optimize customs management. Their main duties are to provide assistance in projects, shorten customs times, award customs contracts and reduce customs fees.

Moreover, new multi-project teams were created to adapt to the last trends in new project awards.

Likewise, the Prefabrication Workshop Group and the Close-Out Department were strengthened by standardizing and disseminating their work methods.

## Digital transformation of procurement and construction processes

As part of its continuous commitment to digitalization, one of the lines of action implemented by the Procurement and Construction Areas has been the robotic process automation (RPA), by analyzing repetitive processes that have the necessary value and characteristics to be automated. Automation of these new processes has increased work flexibility and productivity, saved man-hours and reduced errors and incidents.

On the other hand, the existing tools and reports were improved for greater process traceability, oversight and recording.

- Digitalization of new processes to expand and unify oversight through the tool or dashboard.
- Automation of the close-out process.
- Improved management and automation in documentation release, filing and approval flows.
- Internal and external automatic activations/alerts.
- A new digital material certificate management system which facilitates:
  - The exchange thereof between suppliers and Técnicas Reunidas.
  - Immediate and organized filing and internal access to them.
- The creation of robots to automatically generate testing packages, connecting folder and process diagram marking.

Likewise, new tools have been developed specifically aimed at temporary control of materials onsite as well as applications to enhance personnel management onsite which adds great value to the supply chain.

## Consolidation of actions seeking efficiency

Técnicas Reunidas has worked to promote an increase in the percentage of pipe prefabrication among its subcontractors, to increase productivity.

In line with this initiative, Técnicas Reunidas has promoted the introduction of the commercial software tool SpoolGen, which will enable improved monitoring and traceability of prefabricated pipe materials and drums.

At the same time, this will enable it to optimize and manufacture larger drums that can be transported and installed on site. This increase aims to carry out as many welds as possible in the workshop, where performance is higher and costs significantly lower. Thus, Técnicas Reunidas is able to increase project profitability, making it more competitive.

As concerns the application developed in 2021, the PCMT (Purchasing Cycle Management Tool) allows the entire team involved to monitor and control the various lifecycle phases of procurement in a user friendly and agile way, improvements were implemented in 2022 and a new module was developed to track piping material.

On the other hand, Técnicas Reunidas has consolidated the Prefabrication Workshops Group through the following actions:

- Implementing the methodology in projects for metal structure provisions.
- Defining the methodology for the prefabricated supply of pipe racks.

## 6.7 RELATIONSHIP WITH THE SOCIETY AND STAKEHOLDERS

Técnicas Reunidas considers the needs of its stakeholders, through continuous dialogue, to generate positive impacts on the environments in which it operates.

Contribution of  
Técnicas Reunidas to  
achieving the SDG



### MAIN INDICATORS

INDICATOR	2022 DATA	2021-2022 PROGRESS
Amount allocated to social action projects (€)	198,215	- 30.88 % <sup>1</sup>
No. organizations with which the Company collaborates in social matters	12	- 4
Amount of local purchases and subcontracting (million €)	2,411.42	+ 29.08 % <sup>2</sup>



### 2022 MILESTONES

- Promotion of local purchases and subcontracting to 72 % of the total.
- Development of specific training actions for each project involving local talent.
- Corporate volunteering activities with local communities.
- Collaboration in solidarity campaigns (food and clothing collection, blood donations with Red Cross, etc.).
- Participation in programs organized by the United Nations Global Compact.



### GOALS FOR 2023

- Maintain a high percentage of local purchases and subcontracting.
- Continue to contribute to the economic and social development of local communities.
- Strengthen dialogue with stakeholders.
- Increase training and hiring of local personnel in regions where the Company is executing projects.
- Analyze Técnicas Reunidas' adherence to national and international sustainability initiatives.
- Promote human rights training.



<sup>1</sup> Técnicas Reunidas has adjusted the overall amount to adapt it to the circumstances of the year 2022, both for the Company itself and for the third parties to whom these shares are destined.

<sup>2</sup> The increase in the amount of local purchases and subcontracting compared to the previous year is due to a significant increase in the overall amount of purchases and subcontracts during 2022 due to the implementation of relevant projects.

PRINCIPLES OF ACTION GRI [3-3]

Técnicas Reunidas works to create value for people, companies, and their environment. It favors innovation, generates wealth, and creates jobs. All within an ethical, transparent, and egalitarian framework.

The Company contributes to environmental protection and the fight against climate change by developing technical solutions that enable it to design and build sustainable and efficient plants for its clients, helping them to achieve their sustainability and decarbonization objectives. Likewise, as part of its responsible corporate behavior, Técnicas Reunidas offers quality jobs for its professionals, promotes equality, fosters research and innovation, and carries out actions to ensure that its projects make a significant contribution to the sustainable development of the local communities in the countries in which it operates.

The Company's Sustainability Policy contains Técnicas Reunidas' principles of action in sustainability and corporate governance, common to all its stakeholders<sup>3</sup>. These principles represent the Company's social commitment:



A determining strategic element for the success of Técnicas Reunidas' social action is the integration of these action principles and the United Nations SDG in the Company and its activity. The purpose of this approach is to position the Company at the forefront of best practices in sustainability in order to achieve the goals proposed by the United Nations and consolidate it as a benchmark company. Aware of its role in promoting and achieving the SDG, the Company carries out activities aimed at creating shared value in the environment in which it operates, increasing its social contribution to local communities, offering solutions linked to the energy transition, and collaborating through sponsorships or other forms of participation in projects that help the development of vulnerable groups or aim to raise awareness on matters that contribute to sustainable development.

In line with the above, the Company has identified the SDG for which its performance is most significant, prioritizing initiatives in these goals. The Company has an impact on and contributes to the fulfillment of the following goals:



**Goal 7.**  
Provision of affordable and clean energy



**Goal 9.**  
Building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation.



**Goal 13.**  
Combating climate change.

In particular, the technical solutions developed by the Company and its actions aimed at creating value in the environment and communities where it operates allow it to:

- Design and build quality, safe, and sustainable industrial plants, promoting energy efficiency and universal access to energy services.
- Contribute to the decarbonization of the economy and preserve the environment through the projects that the Company promotes and collaborates in.
- Promote the hiring of local suppliers and subcontractors with the aim of generating a positive socioeconomic impact in the environments in which it operates.
- Betting on local talent and investing in its training.
- Preserve the cultural and natural heritage, promoting the efficient management of resources and their reuse where possible.
- Collaborate with institutions in the fields of culture, science, research, and education.
- Responsibly manage the risks and opportunities derived from the evolution of the environment, avoiding short-term approaches or approaches that do not adequately consider the interests of all stakeholders.
- Use the most appropriate channels of communication, participation, and dialogue with local communities.

<sup>3</sup> For more information on the principles of action in relation to certain stakeholders, please see the [Sustainability Policy](#).

## PARTICIPATION AND DIALOGUE WITH STAKEHOLDERS

GRI [2-29]

Técnicas Reunidas involves all its stakeholders in its sustainability strategy.

The Company has defined its stakeholders through an analysis and identification of the individuals and groups, internal and external, with whom the Company has a direct or indirect relationship and whose interests may be affected by its activities and operations. As a result, Técnicas Reunidas' stakeholders are:



To maintain and strengthen its relationship with stakeholders, Técnicas Reunidas has several channels through which it is able to identify the issues that are most relevant to them in relation to the Company's activity.

### Relationship channels and relevant issues for Técnicas Reunidas' stakeholders

Stakeholder	Main channels	Frequency of relationship	Relevant issues identified in 2022
Employees	<ul style="list-style-type: none"> <li>• Training, mentoring and interviews.</li> <li>• Website.</li> <li>• New intranet.</li> <li>• Integrated Report.</li> <li>• Evaluation of competencies.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Workload.</li> <li>• Relationship with the Company, superiors, and other colleagues.</li> <li>• Low turnover.</li> <li>• Job stability.</li> <li>• Remote work.</li> </ul>
Clients	<ul style="list-style-type: none"> <li>• Regular meetings.</li> <li>• Satisfaction surveys.</li> <li>• Forums and conferences.</li> <li>• Website.</li> <li>• Financial statements.</li> <li>• Integrated Report.</li> <li>• Project manager.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Negotiation of proposals.</li> <li>• Execution of awarded projects.</li> </ul>



Stakeholder	Main channels	Frequency of relationship	Relevant issues identified in 2022
Shareholders	<ul style="list-style-type: none"> <li>• Relations with investors.</li> <li>• Forums and conferences.</li> <li>• General Meeting of Shareholders.</li> <li>• Investors' Day.</li> <li>• Website.</li> <li>• Visits to facilities.</li> <li>• Integrated Report.</li> <li>• Proxy advisors.</li> <li>• Social media (Twitter and LinkedIn).</li> </ul>	Periodical	<ul style="list-style-type: none"> <li>• Hosting of webcasts and roadshows with investors.</li> <li>• Live broadcasting of the General Meeting of Shareholders.</li> <li>• Hybrid model of the meeting, face-to-face and remote, to encourage participation.</li> </ul>
Subcontractors and Suppliers	<ul style="list-style-type: none"> <li>• Regular meetings and calls.</li> <li>• Website - special reference to the suppliers section.</li> <li>• Integrated Report.</li> <li>• Assist with the financing of suppliers and subcontractors.</li> <li>• Recruitment procedure.</li> <li>• Monitoring their performance in the execution of their tasks, including aspects of sustainability and human rights.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Company's performance in projects.</li> <li>• Increase in the features of the Técnicas Reunidas e-Supplier management portal for suppliers and subcontractors.</li> <li>• Establish and integrate quantitative ESG criteria into the value chain management strategy both at the approval stage and in contractual clauses.</li> <li>• Significant volume of purchases from local suppliers and subcontractors.</li> </ul>
Society	<ul style="list-style-type: none"> <li>• Visits to facilities.</li> <li>• Website.</li> <li>• Integrated Report.</li> <li>• Regular meetings.</li> </ul>	Periodical	<ul style="list-style-type: none"> <li>• Communication of collaboration opportunities.</li> <li>• Information on the Company's economic performance and its impact on the environment.</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>• Visits to facilities.</li> <li>• Meetings with local representatives.</li> <li>• Website.</li> <li>• Integrated Report.</li> <li>• Identification of relevant stakeholders in each project, with special consideration to local and indigenous communities, and ongoing dialogue with them during project execution.</li> </ul>	Project-based	<ul style="list-style-type: none"> <li>• Monitoring of the impacts of project implementation.</li> <li>• Participation in social action projects in the project environment.</li> <li>• Hiring of local labor for the projects.</li> <li>• Volunteer actions adapted to the circumstances of each project.</li> <li>• Promotion of local economy.</li> </ul>
Public Administration	<ul style="list-style-type: none"> <li>• Meetings with local government representatives.</li> <li>• Participation in work groups.</li> <li>• Website.</li> <li>• Integrated Report.</li> </ul>	Project-based  Ongoing in the case of administrations in the countries where projects are implemented. Many clients are Public Administrations	<ul style="list-style-type: none"> <li>• Dialogue with local representatives of the Public Administrations of the countries where projects are implemented.</li> </ul>
Industry associations	<ul style="list-style-type: none"> <li>• Participation in work groups.</li> <li>• Website.</li> <li>• Fairs, forums, and conferences.</li> </ul>	On a permanent basis, usually expressed through participation in administrative or management bodies	<ul style="list-style-type: none"> <li>• Participation and exchange of knowledge in business forums such as the Sustainability Excellence Club, SERES, Global Compact, or CDP.</li> <li>• Collaboration with leading organizations in sustainability, SDG, energy transition, human rights, and occupational health and safety.</li> <li>• Participation in Tecniberia, SERES and Emisores Españoles.</li> </ul>

## SOCIAL PROJECT MANAGEMENT GRI [3-3]; [203-2]; [413-1]; [413-2]

The Company considers that one of the most relevant stages during the execution of its projects is the identification and adequate management of the risks and opportunities that its activity may cause in the environment and society, especially in the surrounding local communities. To this end, Técnicas Reunidas establishes the appropriate mechanisms to optimize the positive impacts in the execution of its activities and to detect negative impacts at an early stage so that they can be properly managed.

In particular, the Company has a Social Management Framework developed through internal policies and protocols. This Framework allows Técnicas Reunidas to plan what actions are required, prioritizing coordination and constant collaboration with communities and other local stakeholders (public administrations, partners, suppliers, or subcontractors).

### Social Management Framework for Técnicas Reunidas's Projects



Técnicas Reunidas identifies as significant issues for local communities the hiring and training of local personnel, infrastructure development in the surrounding area, and potential environmental effects and cultural needs.

Consequently, the Company carries out activities aimed at increasing the social contribution generated by its business activity, as the main source of value creation for the local

communities in which it operates. The Company contributes with its activity to the development of its clients' sustainability strategies, providing engineering solutions linked to energy transition, circular economy, and decarbonization, and implements actions that contribute to the development of the most vulnerable groups through a global institutional sustainability strategy.

In this context, Técnicas Reunidas has continued its process of analysis and evaluation of the social dimension of the projects, with the aim of influencing the positive impacts and reducing and/or mitigating the negative ones. In particular, the procedure for analyzing these impacts has been strengthened during the bidding stage, through the Proposal Division, as well as during the project execution phase through the Operations Division. This is an in-depth analysis of the circumstances of each client and geographic area and results in high level of local procurement and subcontracting along with the hiring of specially qualified local personnel who are included in the project team.

Given the key role played by Técnicas Reunidas staff in projects, the Company exhaustively analyzes the suitability of its professionals. Specifically, the Company pays special attention to this matter from the employee recruitment stage to the moment they travel to the project execution site. In this regard, the recruitment process and the Social Management Framework allow Técnicas Reunidas to meet both local recruitment and expatriation needs within the timeframe required for the successful and timely implementation of the Company's projects.

The Company also applies Due Diligence procedures to all third parties with which it has dealings and for which it applies its Supply Chain Code of Ethics.



#### Featured case

### Development of communities through the training of local talent

Técnicas Reunidas contributes to the development of society, and specifically to the development of the local communities where it carries out its projects, through the essential training of local talent. The Company provides specific training in order to strengthen the skills of all its employees and thus promote the integration of local employees participating in its projects. Thanks to the training and experience they gain, the local population benefits economically and expands their range of professional possibilities in the future.

In this context, one of the major contributions of Técnicas Reunidas in 2022 has been a social investment of € 1.68 million for the training of local workers in the field of project implementation.



#### Featured case

### The projects in which Técnicas Reunidas participates generate a number of positive impacts on society<sup>4</sup>

- Employability of staff and strengthening of the local business. In 2022, the number of Técnicas Reunidas professionals was 7,053, 42 % of whom work outside Spain.
- Hiring of local suppliers and subcontractors, reinforcing the positive economic contribution that the Company makes to the environment. In 2022, total procurement and subcontracting expenditure amounted to € 3.351 billion, of which 72 % (€ 2.411 billion) was spent on local procurement and subcontracting (compared to € 1.869 billion in 2021, 88 %).
- STEM training (Science, Technology, Engineering and Mathematics) in the projects aimed at companies, local and subcontracted staff who request it, provided in courses and workshops organized by the Company. Social investment in training in 2022 was € 1.68 million.
- Facilitate access to energy and the creation of new infrastructures in the projects currently being executed by the Company.
- Corporate volunteering initiatives with local communities, with special attention to vulnerable groups. In 2022, social contributions within the framework of projects amounted to € 10,834. Some of these volunteer programs and solidarity campaigns were:
  - Delivery of food or drinking water in areas where these resources are limited;
  - Renovation work on buildings or surfaces;
  - Delivery of school supplies, sports equipment, and toys for children; and
  - Cleaning of public spaces.

The Company develops an important training program for local personnel in fields of high technical qualification such as environmental matters, technology, sustainability, and health and safety.

<sup>4</sup> For more information on how these positive impacts relate to the SDG, see chapter 4.2 Strategic pillars.



### Featured case

#### AGUA-R<sup>3</sup>

Técnicas Reunidas is firmly committed to innovation, offering technological solutions that have a positive impact on both its clients and the communities in which it operates.

The AGUA-R<sup>3</sup> initiative takes place in the United Arab Emirates, within the framework of the Dalma project. It consists of the reduction and optimization of water consumption in industrial plants through advanced technical design solutions and the inclusion of additional water treatments.

This initiative contributes substantially to sustainable water management, drastically reducing water consumption and enabling its use by the local communities surrounding the plant in activities such as agriculture or livestock farming. It also boosts the growth of the local economy and generates greater social cohesion.

It should be noted that several areas of the Company are collaborating in this initiative. Dialogue with local communities is continuous throughout the life cycle of the project executed by the Company. In fact, the relationship with local farmers is direct, in addition to the interaction with local institutions and representatives of the collective to identify needs and agree on the periodicity and logistics of water donations.

As a result, AGUA-R<sup>3</sup> provides more than 480,000 m<sup>3</sup> of water annually to the surrounding local communities. These water consumption benefits for the local communities will remain throughout the life of the Dalma project plant, estimated at 30 years.



Técnicas Reunidas carries out social actions in the surrounding local communities, within the framework of its projects, to promote their social and economic development.





## Featured case

**Social Management Plans in Mexico**

**Técnicas Reunidas develops social management plans for its projects in Mexico that include a set of mechanisms and tools that promote social inclusion and effective community involvement.**

Técnicas Reunidas conducts an analysis and characterization of social management, which consists in identifying the Mexican population, its structure, composition and dynamics, quality of life, along with an evaluation to determine coverage and quality in the provision of public and social services in Mexico; the types of social and political organization; the social and cultural practices that form an attachment between the inhabitants and their land; the conditions of the territory in relation to the pressure that the inhabitants exert on the resources, their level of development and the comparative and competitive advantages offered by the territory, etc.

Based on this characterization, the impacts are identified, along with the space in which they will occur, as a result of the interaction of the environment with the project. To manage these impacts, a set of general, local, and specific measures are developed to ensure that actions to manage them are focused on the population that is actually affected. These actions, which are described below, shape the Social Management Plan:

- Implementation Plan to prevent and mitigate negative social impacts and strategies for scaling up positive social impacts identified in the social impact assessment.
- Communication and Community Engagement Plan, whose objective is to socialize with stakeholders and sectors of interest, establishing a fluid communication and dialogue process, through which the Company can transmit information related to the project, focused on highlighting the economic and social benefits of its construction. In this regard, the Company establishes local and formal complaint mechanisms to receive, examine, and monitor the doubts, concerns, expectations and suggestions of the populations in the area of influence and stakeholders. The Plan covers the actions and human and financial resources required for its implementation.
- Social Investment Plan, which includes the strategy and/or social investment plan and other actions proposed for the benefit of the communities located

in the project's area of influence, including the forecast of human, financial, and material resources. It also includes monitoring indicators and elements related to corporate social responsibility principles and policies, corporate social responsibility and/or sustainability policies, community engagement or human rights.

- Continuous Social Impact Assessment Plan, which includes interviews with inhabitants of urban and rural areas within the area of influence of the project, as well as with key stakeholders and sectors interested and involved, in order to identify their perception of the effects of the project and the capacity to respond to the impacts.

In addition, a quarterly technical report is prepared that provides detailed information on compliance with the Social Management Plan. Upon completion of the project, the actions included in the Social Management Plan are reduced, as well as the reporting periodicity.





### **Social Management Plan at the project CCC Riviera Maya -Valladolid and its associated Interconnection Network.**

#### **Components of the Social Management Plan after characterization:**

- The project's Social Impact Study identified a total of 13 social impacts, 7 of which were assessed as positive (such as the generation of direct and indirect jobs with a gender focus, growth of the local economy, and strengthening of the electricity supply in the region) and 6 negative (e.g., discord in gas emission, particle, and waste emissions, impact on vegetation, and workplace accidents).
- The Implementation Plan for prevention measures, mitigation of negative social impacts, and expansion of the positive social impacts identified included measures such as (for the gender-focused direct and indirect generation of jobs) hiring at least 60 % of the workforce locally, which would favor the local economy and the social impact of the project. To this end, dissemination actions and monthly personnel recruitment meetings are held.
- In accordance with the Communication and Community Engagement Plan, on the one hand, information was submitted to stakeholders and sectors of interest through meetings and printed media, for which 6 meetings were held, 252 leaflets in Spanish and Mayan were distributed in nearby areas, and two billboards were placed.
- Five mailboxes were placed in municipal or state public buildings located in the area of influence for complaints, claims, proposals, and comments. These mailboxes will remain operational for the duration of the project and are reviewed on a monthly basis.
- The Social Investment Plan determined a budget of \$ 20 million for the execution of social works to be agreed upon between three parties: the population located in the area of influence, the local authorities and the Felipe Carrillo Puerto Thermal Power Station.
- In relation to the Plan to assess social impacts, 133 interviews were conducted to identify how they were being perceived and the expectations of the population interested in the project were explored in relation to the positive and negative impacts identified. In addition, continuous monitoring of the indicators associated with these impacts was carried out.

### **Social Management Plan at the project CCC Mérida.**

#### **Components of the Social Management Plan after characterization:**

- The project's Social Impact Study identified a total of 11 social impacts, of which 4 were classified as positive (such as job creation, increased demand for goods and services, strengthening the conditions for regional growth and development in terms of electricity) and 5 as negative (for example, interference with communication routes, inconvenience due to improper waste management, or potential workplace accidents).
- The Implementation Plan for prevention measures, mitigation of negative social impacts and expansion of the positive social impacts identified included measures such as (regarding the negative impact of potential workplace accidents) a HSE management system that was implemented from the beginning of the work.
- In accordance with the Communication and Community Engagement Plan, 15 socialization and engagement meetings were held with stakeholders and informational material (380 leaflets and 24 posters) was distributed among social stakeholders, in addition to the placement of two billboards. Moreover, four mailboxes were placed in municipal or state public buildings located in the area of influence for complaints, claims, proposals, and comments.
- As part of the Social Investment Plan, activities were carried out for the formation of the three-party working groups.
- In relation to the Plan to assess social impacts, 155 interviews were conducted to identify how they were being perceived and the expectations of the population interested in the project were explored in relation to the positive and negative impacts identified. In addition, continuous monitoring of the indicators associated with these impacts was carried out.

## COMMITMENT TO SOCIAL ACTION GRI [2-28]

For several years, Técnicas Reunidas has been committed to four areas of work: education, social and sustainability business initiatives, science and research, and culture (see graphic on the following page). The initiatives that the Company carries out in each of these areas are proof of its commitment and are deployed through numerous activities and projects.

In the area of association and sponsorship, the main risks are those derived from the possibility that the improper action of a third party could generate reputational problems for the Company. In order to avoid any type of contingency in this regard, Técnicas Reunidas carries out due diligence procedures over these activities, assessing in each specific case whether the organizations with which it collaborates could be detrimental to the Company.

To manage these potential risks, before initiating an action, the Company locates and selects other organizations that share its objectives and explores the possibility of collaborating with them, either through financial support or through other instruments such as participation in working groups, presentations at forums, or volunteer actions. Técnicas Reunidas always rules out any association, sponsorship, or economic contribution to political parties.

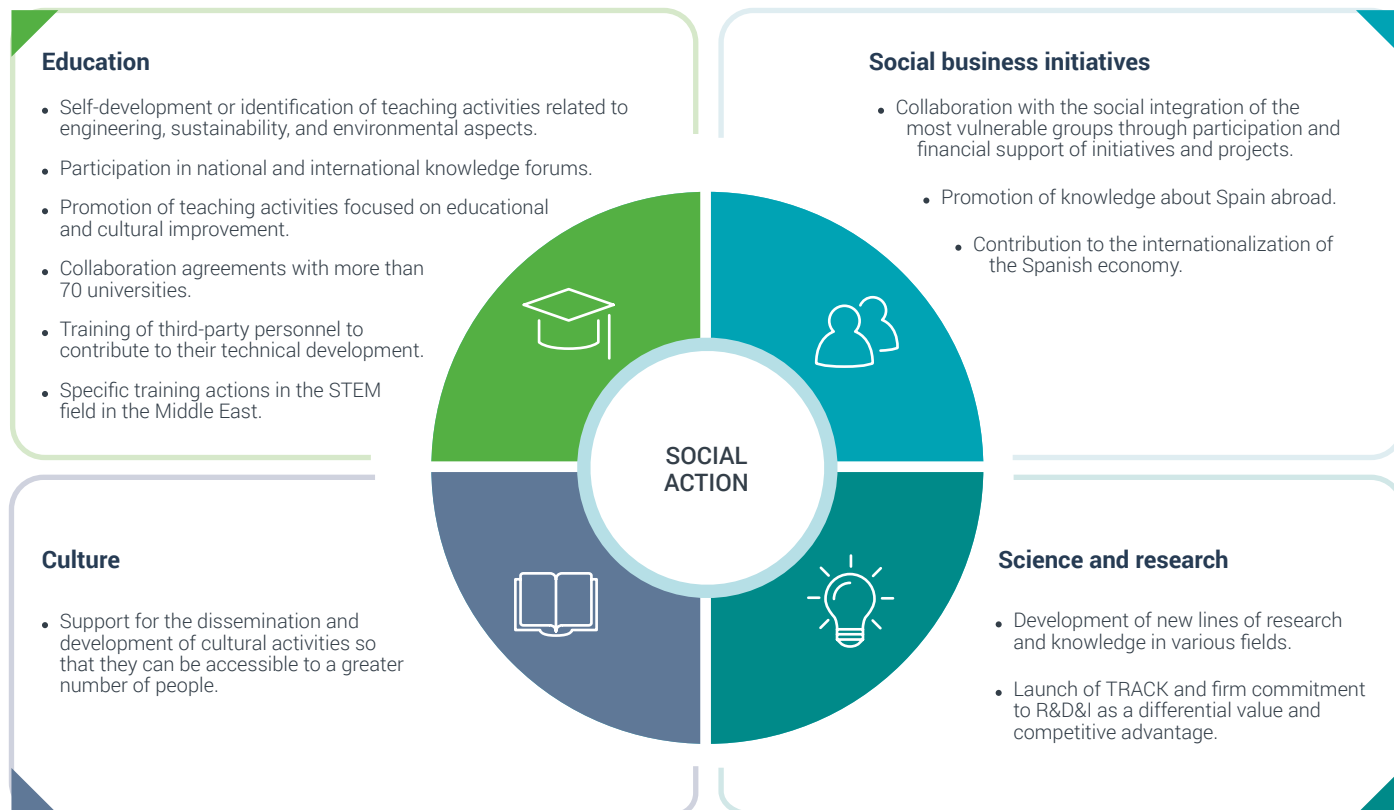
In line with the Company's commitment to the Sustainable Development Goals, Técnicas Reunidas has reinforced the selection criteria for its social action initiatives. To this end, the Company conducts a recurring analysis of social action initiatives under development and links each of them to the SDG to which it is contributing, in accordance with its global philanthropic strategy. All these actions enable it, in short, to channel its social action towards a direct contribution to the SDG, within the framework of its Sustainability Plan.

**In 2022, the Company allocated a total of € 198,215<sup>5</sup> to projects and organizations in the field of social action in addition to € 1.68 million allocated to the training of local talent in its international projects.**



<sup>5</sup> Of these € 198,215, € 10,834 went to social contributions within the framework of initiatives with the local communities of Técnicas Reunidas projects, while the rest were contributions to non-profit foundations.

## Técnicas Reunidas' commitment to social action







### Featured case

## Social action and staff awareness

In 2022 Técnicas Reunidas has increased its social action and staff awareness in the areas of volunteering, humanitarian aid, and human rights, among others. During the course of the year, taking into account the circumstances of the context, communications have been issued periodically supporting social actions such as the collection of food and clothing, campaigns in the facilities to donate blood, informative pills to raise awareness of the need to report abusive practices, workplace or sexual harassment, etc.

In this regard, these are some of the highlighted initiatives and social contributions that the Company has promoted from its corporate headquarters in Madrid during 2022:

- Técnicas Reunidas donated € 187,380.51 to foundations and non-profit organizations.
- The Company has collaborated in the food collection organized by Caritas by carrying out an internal awareness campaign and making the organization's facilities available so that professionals could participate.
- The Company received recognition from Afanias for its commitment to the inclusion of people with intellectual disabilities.
- The Company has carried out a major external communication campaign, participating in numerous employment forums, working on the search for present and future talent, paying special attention to and highlighting the important role of women in the industry.
- Técnicas Reunidas has led, within IndeslA, the design and development of a Mentoring Program with the School of Industrial Engineers of the Polytechnic University of Madrid.
- In its commitment to innovation and young talent, Técnicas Reunidas has participated as Innovation Partner in Hunger4innovation, an innovation competition in which university students in Spain work on a challenge of the Company's business to offer disruptive solutions and be agents of change.
- The Company promoted the participation of its employees in the Carrera de las Empresas (Companies Race) to be held in Madrid at the end of 2022, among its various initiatives for the health care and well-being of its employees.



## Main organizations with which Técnicas Reunidas collaborates

Técnicas Reunidas is a member of various associations related to business activities and collaborates in initiatives that seek to promote business and entrepreneurial activity, commitment to culture and social action, as well as other organizations that promote transparency and corporate responsibility.

### Técnicas Reunidas' commitment to social action



### Culture



Fundación Amigos  
Museo del Prado

**PATIO HERRERIANO**  
Museo de Arte Contemporáneo Español

### Science, research, and education



### Referential organizations in the field of sustainability



United Nations  
Global Compact



Técnicas Reunidas also collaborates with various major organizations in the field of sustainability, such as the Global Compact, Carbon Disclosure Project, Sustainability Excellence Club, SERES, and ESG prestigious performance analysts.



# 7

# REPORTING PRACTICE FOR THE INTEGRATED REPORT



Técnicas Reunidas presents its seventh Integrated Report, prepared in accordance with the recommendations set out in the International Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC).

This Integrated Report presents the consolidation of Técnicas Reunidas' corporate report and continues the Company's communication and sustainability, following the strictest criteria of transparency and clarity, covering the most relevant issues for its stakeholders. The Company introduces novelties and strives to improve the quality of the information transmitted annually.

For the preparation of this report, Técnicas Reunidas has followed the International Framework <IR> and the latest GRI Standards for the preparation of sustainability reports, presenting an overview of its most significant impacts and how it manages them. Throughout this Integrated Report, the GRI content associated with the information published is identified and Chapter 8 includes a GRI Content Index indicating the pages where information on each content can be found.

## MATERIAL ISSUES CONSIDERED IN THE PREPARATION OF THIS REPORT GRI [3-1]; [3-2]; [3-3]

The International Framework <IR> and the GRI Standards require the Company to design the contents of its report taking into account "issues that materially affect the organization's ability to create value in the short, medium and long term".

These matters, considered material issues, reflect "the most significant economic, environmental and social effects of

the organization" and, therefore, refer to issues that may have a relevant impact on the organization when carrying out its strategy, as well as on the assessments and decisions of its stakeholders.

In order to determine its material issues, Técnicas Reunidas has carried out a materiality analysis, the process of which has been as follows:



The materiality matrix for Técnicas Reunidas is shown below. It reflects the issues that have a medium or higher degree of relevance for both the Company and its stakeholders.



The following table reflects correspondence between the material issues identified and the name under which they are considered within the GRI Standards. However, although several material topics are not directly linked to GRI content, information on them is included in the Integrated Report.



In addition, the scope of the impact to which they give rise (inside or outside the organization) is indicated, as well as the GRI contents through which Técnicas Reunidas transmits information on its performance and management in each one of them.

### Strategic issues for Técnicas Reunidas

SCOPE	MATERIAL ISSUE FOR TÉCNICAS REUNIDAS	ISSUES CONSIDERED	IMPACT OUTSIDE THE ORGANIZATION BY STAKEHOLDER GROUP*	GRI ISSUES INCLUDED	GRI ASSOCIATED CONTENTS REPORTED
<b>Economic</b> 	Economic performance	Economic performance.	Shareholders	Economic performance	201-1
	Shareholder and investor relations	Transparency and dialogue with shareholders and investors.	Shareholders	-	-
		Participation in sustainability initiatives and ESG analysts.		-	-
	Taxation	Transparency and fiscal responsibility.	Public administrations Society	Economic performance Tax	201-1; 207-1; 207-2; 207-3; 207-4
<b>Operational/ Business</b> 	Client orientation and reputation	Client relations.	Clients	-	-
		Compliance with requirements and clients satisfaction (plant quality, operation, efficiency and safety).	Clients	Customer's health and safety	416-1
		Development of new business models (Ex: Lump Sum Turn Key).	Clients	-	-
	Business diversification	Product and geography diversification.	Shareholders Clients	General Contents	2-6; 2-22
		Execution of high value-added projects.	Shareholders Clients	General Contents	2-6; 2-22
	Satisfactory execution of projects	Pursuit of quality, efficiency and excellence throughout the Company's value chain, from design to commissioning, including all phases of procurement and construction.	Clients Society Suppliers and subcontractors	-	-
		Project-related risk management.	Clients Society	-	-
	Information security and digitalization	Use of new technologies in the management of the Company's different areas.	Employees	-	-
		Cybersecurity.	Clients	-	-
	Innovation	R&D&I, proprietary technologies, etc.	Clients Society	-	-

Continued



\* All the issues indicated are material for Técnicas Reunidas. The column marked with an asterisk also indicates which other stakeholders consider each issue to be material.

SCOPE	MATERIAL ISSUE FOR TÉCNICAS REUNIDAS	ISSUES CONSIDERED	IMPACT OUTSIDE THE ORGANIZATION BY STAKEHOLDER GROUP*	GRI ISSUES INCLUDED	GRI ASSOCIATED CONTENTS REPORTED
<b>Integrity</b> 	Integrity and corporate governance	Corporate governance.	Shareholders  Public Administrations  Clients  Suppliers and subcontractors  Employees	General Contents	Most contents from 2-9 to 2-26
		Ethical behavior and integrity.			
		Anti-corruption.		General Contents Anti-corruption	2-15; 205-1; 205-2; 205-3
		Prevention of unfair competition.		Anti-competitive behaviour	206-1
		Risk management at the corporate level.		-	-
	Regulatory compliance	Regulatory compliance at the environmental, social and corporate governance levels.		General Contents	2-27
<b>Social</b> 	Relationship with the local communities	Company dialogue with the local community, evaluation of social impacts and contribution to the community.	Society	Local communities	413-1; 413-2
		Assessment of the Human rights impacts of the Company's activities.		General Contents	2-23 to 2-26
	Local dynamization	Socioeconomic impact on the environment in which the Company operates.	Society  Suppliers and subcontractors	Indirect economic impacts	203-2
		Purchases from local suppliers and subcontractors.		Procurement practices	204-1
	Supply chain responsibility	Consideration of environmental and social issues in the approval and monitoring of suppliers and subcontractors.	Suppliers and subcontractors	Social assessment of suppliers and subcontractors	414-2
				Environmental assessment of suppliers and subcontractors	308-2
				Child labor	408-1
				Forced or compulsory labor	409-1
				Security practices	410-1
				Freedom of association and collective bargaining	407-1
	Quality employment	Generation of employment.	Employees	General Contents Employment	2-7; 2-8; 2-30 401-1
		Equal opportunities.		Diversity and equal opportunities	405-1

Continued

\* All the issues indicated are material for Técnicas Reunidas. The column marked with an asterisk also indicates which other stakeholders consider each issue to be material.



SCOPE	MATERIAL ISSUE FOR TÉCNICAS REUNIDAS	ISSUES CONSIDERED	IMPACT OUTSIDE THE ORGANIZATION BY STAKEHOLDER GROUP*	GRI ISSUES INCLUDED	GRI ASSOCIATED CONTENTS REPORTED
<b>Social</b> 	Talent retention and development	Employees' training and professional development.	Employees	Training and education	404-1; 404-3
		Measures that favor the retention of the Company's existing talent.		-	-
		Talent attraction.		-	-
	Health and safety	Employees' health and safety.	Employees	Occupational health and safety	403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-9
		Security and business continuity.		-	-
<b>Environment</b> 	Material consumption	Company's material consumption.	Society	Materials	301-1
	Energy use	Energy use in the Company's activities.		Energy	302-1; 302-3
	Climate change	Mitigation of greenhouse gas emissions.		Emissions	305-1; 305-2; 305-3; 305-4
		Adaptation to climate change.		General Contents	2-22
	Waste management	Management of waste generated by the Company.	Society Clients Suppliers and subcontractors	Waste	306-3
	Environmental monitoring of projects	Environmental impact management in the execution of projects.		General Contents Environmental assessment of suppliers and subcontractors	2-25; 308-2

\* All the issues indicated are material for Técnicas Reunidas. The column marked with an asterisk also indicates which other stakeholders consider each issue to be material.

## EXTERNAL VERIFICATION [2-5]

The contents of non-financial nature included in this report that come from the Company's Statement of Non-Financial Information<sup>1</sup> have undergone an external review process performed by PricewaterhouseCoopers Auditores, S.L. in accordance with the "International Standard on Assurance Engagement 3000" standard (revised ISAE 3000, in accordance with the requirements of Law 11/2018).

<sup>1</sup> The selection of the auditors was approved at the 2022 Annual General Meeting of Shareholders. For further information, please refer to the independent assurance report in the [Consolidated Financial Statements for fiscal year 2022](#).

## CONTACT INFORMATION [2-3]

Readers of this report may direct their doubts, queries, requests or suggestions through the following channels:

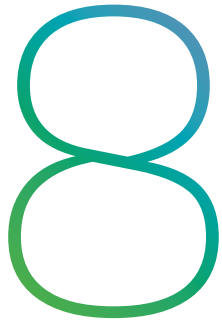


**Web:** [www.tecnicasreunidas.es](http://www.tecnicasreunidas.es)  
**e-Mail:** [tr@tecnicasreunidas.es](mailto:tr@tecnicasreunidas.es)

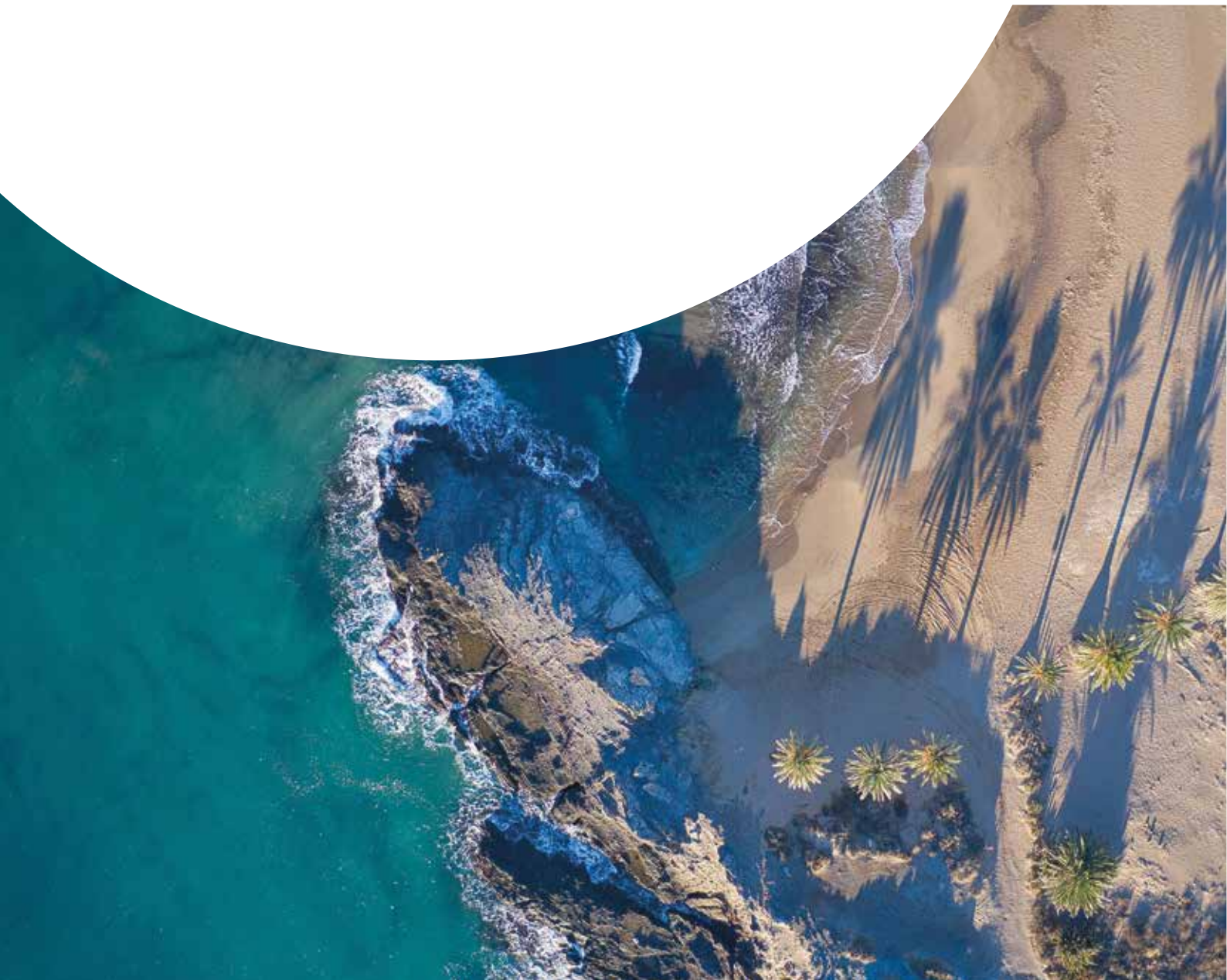


### Ordinary mail:

Att.- Secretariat of the Board of Directors - Sustainability  
 Av. de Burgos 89 – Adequa, Edificio 6 Planta 3ª  
 C. P. 28050 Madrid, España



# GRI CONTENT INDEX



# GRI CONTENT INDEX



2023

GRI Services has confirmed that the GRI Content Index in this Integrated Report is clear and that the references for each content included correspond to the indicated sections of the report. For the Content Index With Reference Pilot Service, GRI Services reviewed that the GRI index content is clearly presented, in a manner consistent with the Standards, and that the references for disclosures are aligned with the appropriate sections in the body of the report<sup>1</sup>.

GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
GRI 1: FOUNDATION 2021			
Summary of reporting requirements using GRI Standards as a reference			
Declaration of use	Técnicas Reunidas has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.		
GRI 1: Foundation 2021	GRI 1: Foundation 2021		
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	6; 48  Técnicas Reunidas, S.A. is a Company listed in Madrid, Barcelona, Bilbao and Valencia stock exchange. Chapter 5.1 shows the ownership structure of the Company.  Its registered office is located at Av. De Burgos 89 -Adequa, Edificio 6, C.P. 28050 Madrid, Spain.	Group
	2-2 Entities included in the organization’s sustainability reporting	The financial information refers to Técnicas Reunidas Group. For further information, please see the <a href="#">Consolidated Financial Statements</a> .	Group
	2-3 Reporting period, frequency and contact point	191 The reporting period covered by the report is 2022. The latest edition of the Report was published in 2022 with information for 2021. Técnicas Reunidas prepares its reports on an annual basis.	Group
	2-4 Restatements of information	New quantification criteria and measurement and estimation methods have been used to restate the information concerning the average annual training hours per employee (404-1) and in the sections of the report where they appear.	Group
	2-5 External assurance	191	Group
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain, and other business relationships	6;11-18; 33; 160  You can see the Company’s capitalization at the Técnicas Reunidas <a href="#">website</a> .  For significant changes in the size, structure, shareholder ownership, or supply chain of the organization, please see the <a href="#">Annual Report on Consolidated Financial Statements</a> .	Group

Continued

<sup>1</sup> The Content Index With Reference Pilot Service has been carried out in the Spanish version of the 2022 Integrated Report.

GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
GRI 2: General Disclosures 2021	2-7 Employees	91 For additional information on employees and other workers, please see chapter 15.4.1 of the <a href="#">Consolidated Management Report</a> .	Group
	2-8 Workers who are not employees	91	Group
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	50	Group
	2-10 Nomination and selection of the highest governance body	52	Group
	2-11 Chair of the highest governance body	50	Group
	2-12 Role of the highest governance body in overseeing the management of impacts	38; 50	Group
	2-13 Delegation of responsibility for managing impacts	50	Group
	2-14 Role of the highest governance body in sustainability reporting	The governing body that reviews and approves this Integrated Report in Técnicas Reunidas is the Board of Directors.	Group
	2-15 Conflicts of interest	60	Group
	2-16 Communication of critical concerns	50; 64 The Audit and Control Commission is responsible for reporting the main economic, environmental, and social concerns to the Board. The issues communicated to the highest governance body of Técnicas Reunidas in the scope of compliance and risks in the Sustainability Area have mainly consisted of specialized or individualized treatment of certain areas or activities within the Company.	Group
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	53	Group
	2-18 Evaluation of the performance of the highest governance body	53	Group
	2-19 Remuneration policies	56	Group
	2-20 Process to determine remuneration	56	Group

Continued

GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
Strategy, policies, and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	4	Group
	2-23 Policy commitments	60; 63 Técnicas Reunidas has a risk and opportunity management program that includes analyzing potential environmental impacts on projects, from the bidding phase to project completion. This analysis includes the identification of measures addressing the precautionary principle and reducing undesired effects.	Group
	2-24 Embedding policy commitments	60; 63	Group
	2-25 Processes to remediate negative impacts	63-64	Group
	2-26 Mechanisms for seeking advice and raising concerns	60; 64	Group
	2-27 Compliance with laws and regulations	60	Group
	2-28 Membership associations	182	Group
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	175 The Company has selected stakeholders based on a criterion of relevance to the Company and its business. Técnicas Reunidas guides the frequency of its relations with its main stakeholders on the basis of business needs. In some cases, it has established periodic processes, as stated in Chapter 6.7 Company's relationship with the society and the stakeholders, in this Integrated Report 2022, specifically on pages 175 and 176. To prepare the report, Técnicas Reunidas has taken into account the main expectations mentioned by these stakeholders. To this end, information and opinions have been requested from the Company's managers, with whom the Company has worked to define its content.	Group
	2-30 Collective bargaining agreements	93	Group
Disclosures on material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	187	Group
	3-2 List of material topics	188-191 In this Integrated Report 2022, there have been no significant changes regarding the scope and coverage of the material aspects identified concerning previous years' reports.	Group

Continued



GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
TOPIC-SPECIFIC DISCLOSURES			
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	78; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	78	Group
Indirect Economic Impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	177; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	177	Group
Procurement Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	161; 163; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	160	Group
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	60; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	47; 60	Group
	205-2 Communication and training about anti-corruption policies and procedures	60	Group
	205-3 Confirmed incidents of corruption and actions taken	64	Group
Anti-competitive Behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	60; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	64	Group

Continued

GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
<b>Tax</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	80; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	80	Group
	207-2 Tax governance, control, and risk management	80	Group
	207-3 Stakeholder engagement and management of concerns related to tax	80	Group
	207-4 Country-by-country reporting	80	Group
<b>Materials</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	140; 141; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	144	Group
<b>Energy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	140; 141; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	143	Group
	302-3 Energy intensity	143	Group
<b>Emissions</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	140; 141; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	143	Group
	305-2 Energy indirect (Scope 2) GHG emissions	143	Group
	305-3 Other indirect (Scope 3) GHG emissions	143	Group
	305-4 GHG emissions intensity	143	Group

Continued

GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
<b>Waste</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	140; 141; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 306: Waste 2020	306-3 Waste generated	144	Group
<b>Supplier Environmental Assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	163; 164; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	142; 168	Group
<b>Employment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	88; 91; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	91 For further information on employment, please see Chapter 15.4.1 of the <a href="#">Consolidated Management Report</a> .	Group
<b>Occupational Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	148; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	148	Group
	403-2 Hazard identification, risk assessment, and incident investigation	148; 150; 152	Group
	403-3 Occupational health services	150; 152	Group
	403-4 Worker participation, consultation, and communication on occupational health and safety	152	Group
	403-5 Worker training on occupational health and safety	152	Group

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GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
GRI 403: Salud y Seguridad en el trabajo 2018	403-6 Promotion of worker health	152	Group
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	148; 150	Group
	403-9 Work-related injuries	154	Group
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	96; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	96 For further information on training, please see Chapter 15.4.4 of the <a href="#">Consolidated Management Report</a> .	Group
	404-3 Percentage of employees receiving regular performance and career development reviews	95 In 2021, 4,972 employees received performance evaluations both in Spain and subsidiaries.	Group
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	91; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	50; 91	Group
Freedom of Association and Collective Bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	63; 164; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	63	Group
Child Labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	63; 164; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	63	Group

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GRI CONTENT INDEX			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
<b>Forced or Compulsory Labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	63; 164; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	63	Group
<b>Security Practices</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	63; 164; 187 The supplier approval procedure ensures that suppliers operate in compliance within current legal frameworks and meet the specific human rights requirements corresponding to their business and level of risk. For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	63	Group
<b>Local Communities</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	177; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	177 Additionally, all Técnicas Reunidas operations centers are subject to the Environmental Impact Assessment (EIA) process, which considers different social aspects.	Group
	413-2 Operations with significant actual and potential negative impacts on local communities	177 During 2022, no centers have been identified in which the execution of Técnicas Reunidas projects or operations has significant actual or potential negative impacts on local communities.	Group
<b>Supplier Social Assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	163; 164; 187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	168	Group
<b>Customer Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	187 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	148 Técnicas Reunidas evaluates the health and safety aspects of 100 % of its projects.	Group







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