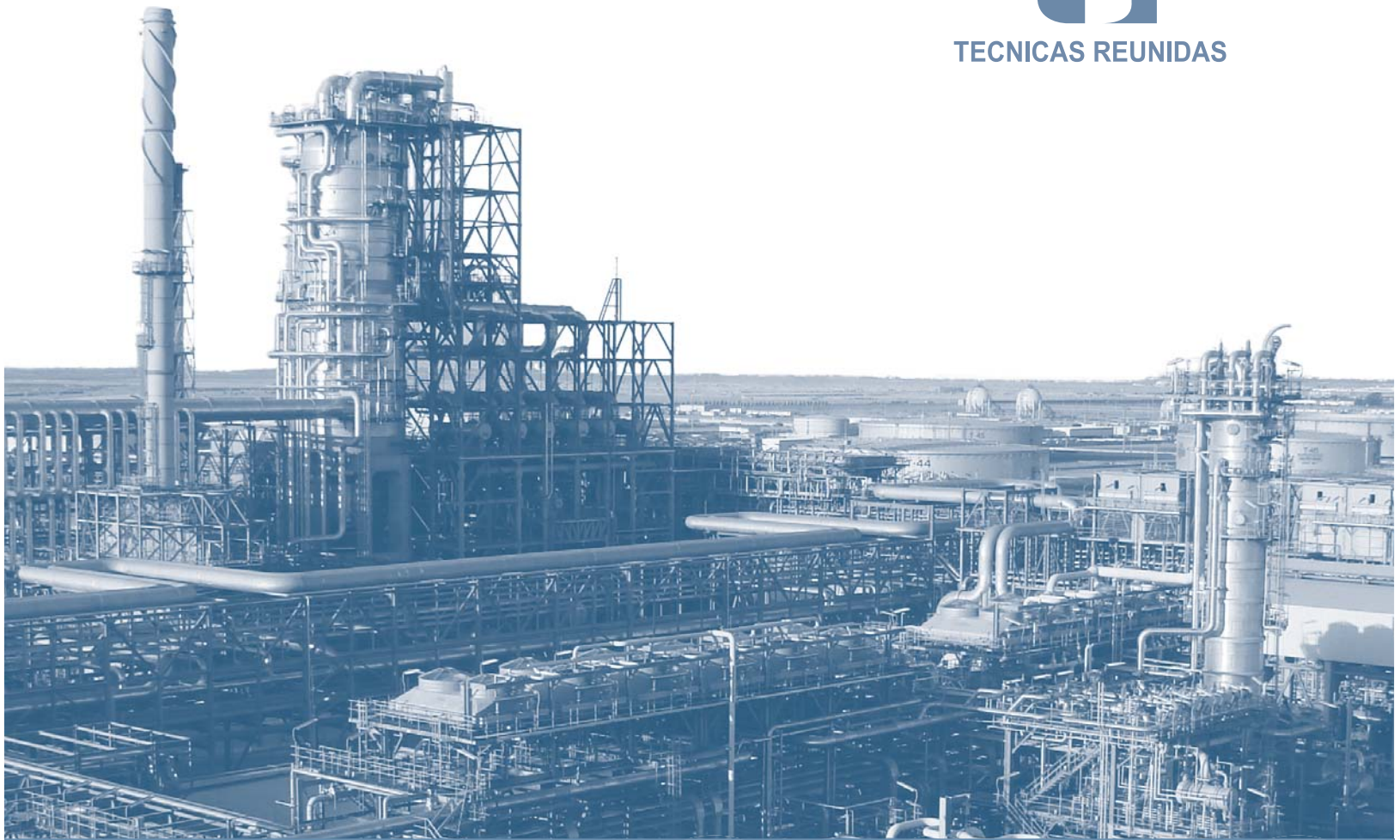




TECNICAS REUNIDAS



2012

Sustainability

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LETTER FROM THE CHAIRMAN

It is a great honour to present this first **Sustainability Report** to all our friends, employees, shareholders, clients, suppliers and other stakeholders. The aim of this Report, which is published for the first time, is simply to reflect, in a faithful, objective manner, the social achievements made by **Técnicas Reunidas** in its long history since its origins in 1960 and, in particular, over the last year, illustrating those achievements with specific data.

As you all know, 2012 was a year full of economic difficulties, which particularly affected our country. But, without fear of contradiction, we can say that, thanks to the sustainability principles which inspire the way our company acts, we have managed to successfully complete another financial year, full of challenges and new expectations.

Thanks to the good work of a highly-qualified human team, which in Spain alone totals some **6,000 people**, and over 7,200 worldwide, we have been able to carry out over **1,000 major projects** around the world, in the course of our **over 50 years** of history.

This would not have been possible if Técnicas Reunidas had not been committed **to a model of sustainable business development**, which we consider to be the only viable way of promoting the growth of the economy worldwide. The sustainable development which we practice goes beyond the aim of financial profitability, looking towards more ambitious objectives. **Our business model manages to combine the creation of value for our company and the social and economic growth of the countries in which we undertake our work.**

For this, in our contracts and bid specifications, we include ethical clauses whose fulfilment is obligatory in order to be able to collaborate with Técnicas Reunidas.

The economic difficulties have led us to increase our presence beyond our borders, expanding the already existing market and creating new ones, far from our country. The consequence of this decision is new successes for our organisation.

We are convinced that our contribution, in terms of technology and human collaboration across a wide geographical range and in countries with very different cultures, has resulted in a social and economic impact of great importance in all the countries in which we are present. This is a source of pride to us and spurs us on to continue our vocation of international expansion. It is our decision to continue taking on new challenges, not just in our country but also in the rest of the developed economies and emerging countries.

Técnicas Reunidas is steadfastly committed to undertaking its projects taking into account the basic needs of modern society.

This commitment leads us to fulfil all the standards and procedures related to the two major requirements of business management at the present time: **Quality and environmental management**. In this regard, we have obtained Certifications in the ISO 9001 and ISO 14001 Standards. Our commitment to environmental efficiency has led us to improve our policies regarding energy savings and the control of greenhouse gas emissions.

Another basic pillar of our way of understanding business is innovation, due to its **impact on society, not just the economy**, and because of its ability to transform the world around us. Técnicas Reunidas is aware of this need and it therefore pays particular attention to and uses numerous resources in the development of our own processes which can be offered to an increasingly innovative market, and also to the new trends in research.

Likewise, we place great importance on transparency in all **our actions**. We are committed to transparency and dialogue and we have made those the basis of our commitment to corporate social responsibility. Our company constantly keeps all its stakeholders informed of all its actions, realities, achievements, future projects and business policy.

In social matters, we are aware of the requirements imposed by current society and we therefore remain in the vanguard in aspects such as occupational health and safety, with specific plans related to safety and the promotion of a culture of prevention, as well as the promotion of equality of opportunities, the search for gender balance in our staff, the application of social benefits to our workers and other social actions whose application results in an improvement in the satisfaction of our personnel and an increase in their performance.

We have created a strategic action plan whose objective is to improve the skills of our employees, which will undoubtedly lead to an increase in productivity, preventing mistakes and taking advantage of new business opportunities, in order to be able to remain present and successful in a market as competitive as today's.

Another important fact, and one which I would like to highlight, is that, despite the difficult times Spanish society is currently going through, in 2012 we managed to increase the number of employees by 990 people. And it is our aim to continue with this policy of growth, if the success of our business continues along current lines.

Also in the social sphere, we can confidently say that our company is fully aware of the needs of the most vulnerable social groups. Within this policy of social commitment, Técnicas Reunidas makes contributions to and forms part of social interest organisations, in a constant search for the well-being of the people most in need. The range of social contributions made by Técnicas Reunidas encompasses cultural organisations and international cooperation, as well as the promotion of business and professional relations, with the sole aim of returning to society what it had previously given us.

But we still have a long way to go. As part of our renewed spirit of constant improvement and around our commitment to sustainability, we can guarantee that we will never falter in our search for new successes and constant growth, always maintaining our focus on the satisfaction of our employees and that of all those people and entities related, in some way or other, to our work.

In order to reaffirm our commitment to sustainable management and to ensure maximum transparency, we have taken the decision to update this **Sustainability Report 2012** in successive years, incorporating the new social actions which our company continues to embark upon.

All it remains for me is to thank all those who have helped us to improve our management day by day, starting with all our workers and without forgetting our clients, shareholders, consultancy firms, capital goods manufacturers, construction and assembly companies and other entities that have collaborated with Técnicas Reunidas in our daily work.

José Lladó Fernández-Urrutia
Chairman of Técnicas Reunidas



ABOUT US

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Técnicas Reunidas

We are a general contractor company, with international activity, dedicated to the engineering, design and construction of all kinds of industrial facilities for a broad spectrum of clients throughout the world. Our most important clients include many of the leading state and multinational oil companies.

The majority of our activities are concentrated in the execution of large "turnkey" industrial projects, though we also provide all kinds of services related to the engineering, management, commissioning and operation of industrial plants.

Técnicas Reunidas occupies a leading position in engineering and construction within the international energy sector, and is also one of the foremost companies in Europe in oil and natural gas projects and among the most important in the refining sector in the world.

We offer a complete range of services, both technical and managerial, in the field of the engineering and construction of industrial plants, from administration contracts to turnkey projects:

- Basic process engineering, both licensed and in-house.
- Viability and market studies and technical, economic and financial consultancy.

Our experience in the integration of these services enables us to construct the facilities strictly on schedule, on budget and with the required quality, which makes Técnicas Reunidas a company which is highly specialised in the execution of turnkey projects with a considerable technological component.

- Research and development of technological processes commercially applied in the industrial sphere.
- Detailed Engineering of industrial projects.

Management, planning and monitoring of projects.
- Management of purchases, inspection, activation and trade, in a department dedicated exclusively to the supply of equipment and materials.
- Quality, environmental and safety management, as an additional activity common to all the above.
- Construction, assembly and commissioning, including training of the personnel of the facilities constructed by Técnicas Reunidas.
- Active collaboration with clients for the development of financial structures for the execution of their projects.

Structure

We have around **7,200 employees**, of them over 6,000 in Spain and 1,200 workers on ongoing projects and abroad. Our professionals have a high level of training and experience, which enables them to operate with the most advanced management, calculation and design systems in the market and to use computer tools of the latest generation.

We develop our designs in 3D systems by means of "electronic models", which guarantee the greatest precision, generating a high-quality product with greater added value.

Business Areas

Oil and Natural Gas		Energy	Infrastructure and Industry
Upstream and Natural Gas	Refining and Petrochemicals		
Development of Oil and Gas Fields (Onshore/Off shore)	Refineries	Fossil Fuel Plants	Water Treatment
Gas Treatment and Fractionation Plants	Petrochemical Plants	Nuclear Power Plants	Airports and Air Transport
LNG on storage plants		Solar Energy Plants	Architecture, Construction and Town Planning
Oil Pipelines, Gas Pipelines and Compression Stations		Treatment of Biomass and Waste	Land Transport
			Ports and Coasts
			Ecology
	In-house Developments		Own Technologies
	Basic Engineering		Fertilisers and Nitric Acid (ESPINDESA)
	Process heaters and heat exchangers		Hydrometallurgy and Electro-chemistry



Our activities began in 1960 in association with the US firm The Lummus Company by means of the creation in Spain of the company Lummus Española, S.A., which in 1972 adopted its current name, Técnicas Reunidas, S.A., with 100% private Spanish capital.

Since our creation, we have designed and constructed over 1,000 industrial plants. Our main clients and licensees include the world's leading companies, and we have undertaken projects in over 50 countries on all five continents.

Main milestones

There are many events which have marked our history.

1960

TR began its activity as a result of the association of a number of Spanish entrepreneurs and the US engineering firm The Lummus Company by means of the creation of Lummus Española, S.A.

1963

TR constructed its first complete refinery in Spain, the La Coruña refinery for PETROLIBER, thus commencing its history as a specialist in refinery units.

1968

TR executed the project of the Luján de Cuyo refinery (Argentina) for Yacimientos Petrolíferos Fiscales, SA (YPF), the first one constructed on a turnkey basis abroad.

1971

TR participated in the creation of the company Empresarios Agrupados, together with Ghessa and Eptisa.

1972

Lummus Española, S.A. absorbed Tecniresa (formerly Técnicas Reunidas, S.A.), adopting its current corporate name and becoming a one hundred per cent Spanish private capital company.

1980

TR embarked on major turnkey projects in international markets.

1981

TR was awarded the turnkey project of the Dumai hydrocracking complex (Indonesia) for Pertamina.

1988

TR established itself in China, being one of the first engineering and construction companies to do so.

1999

TR took control of (and subsequently acquired) two of the four business units of the state company Initec, S.A., in its privatisation process: "industrial plants" and "infrastructure".

2000

TR consolidated its relationship with General Electric Power by achieving recognition as a selected contractor of that company.

2001

TR was awarded the turnkey project of the Damietta liquefaction plant for Segas (a company part-owned by the Unión Fenosa group).

2003

TR was awarded the contract for the Yanbu hydro-treatment complex for Saudi Arabian Oil Co. (Saudi Aramco), the Saudi national company which has the largest reserves of crude oil in the world. First contract of the Middle East.

2003

TR secured three new contracts in the petro- chemical sector in China for the clients Shell and CNOOC in Nanhai, BASF and Sinopec in Nanjing and BASF in Shanghai.

2006

TR signed the Rabigh refinery contract for Saudi Aramco and Sumitomo in Saudi Arabia for the sum of over 1 billion euros. Técnicas Reunidas participated as the sole contractor.

2006

TR was listed on the stock exchange for the first time.

2008

TR entered the IBEX 35, positioning itself as one of the 35 companies of reference of the Spanish stock exchange



2008

TR continued to grow as it was awarded major refining projects in Portugal for Galp, in Russia for Alliance Oil Company and in Greece for Hellenic Oil Company. In the Petrochemicals sector, Técnicas Reunidas secured the Borouge U&O project in the United Arab Emirates and the Saudi Kayan phenols project in Saudi Arabia.

2009

TR was awarded another contract by its client Saudi Aramco for the project of the Jubail refinery, on which Técnicas Reunidas obtained the largest package of the mega- refinery.

2010

TR celebrated 50 years with impeccable results which place it among the ten engineering firms of reference worldwide, with major turnkey projects in Saudi Arabia, United Arab Emirates, Oman, Algeria, Kuwait, Turkey, Russia, Vietnam, Chile, Mexico, Portugal, France, the Netherlands and Spain, among others.

2012

TR successfully continued its strategy of opening up new markets, securing important contracts in Australia and Canada, and incorporated into its portfolio the strategic clients Exxon Mobil and Dow Chemical.





WHAT MAKES US SUSTAINABLE?

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OUR PRINCIPLES

Commitment

At Técnicas Reunidas, we know that the concern for sustainability is a constant in large companies. In our company, the ideas and concepts of sustainable development are part of our principles.

When we refer to the management of the three conventional pillars of sustainable development (economic, social and environmental), we are doing so with the aim of achieving optimum levels of commitment and transparency. Our management model contemplates the appreciation of the individual as part of the group: we train our people so that each person in the company can spread our values. Our commitment begins from within, making use of innovative management techniques and technology, to the benefit of people, whether they be clients, partners, shareholders or workers.

We are convinced that, by supporting the development of the experience and know-how of our teams, and taking as the basis an ethical and sustainable system, we can improve our business. Therefore, all our commercial operations are based on:

- Promoting fair competition and the spirit of collaboration, not only with our partners, subcontractors and suppliers, but also among our employees, and even with our competitors.
- Placing our employees at the strategic centre of our achievements, creating the conditions necessary for the full development of their professional potential.
- Carrying out our activities with the highest standards of integrity, applicable in any part of the world.
- Offering the greatest possible transparency in the company's internal information and the information given to investors, clients and workers.
- And, finally, seeking to promote at all times awareness of and commitment to these basic principles among our workers and executives in all the businesses we undertake.

Our **Sustainability Principles** are applied in all the companies of Técnicas Reunidas. Our objective with the publication of this Report is to compile the actions undertaken during 2012 with regard to sustainability and to establish objectives for improvement in the future.

Certified quality

We are a company that looks to the future and which has adopted a model of constant improvement.

This positioning has led us to implement different tools for the management of quality in the design and construction of our plants through systems such as that of "lessons learnt" or the management of projects based on the certification of the **Project Management Institute**. At present, we are immersed in the adoption of the EFQM (European Foundation of Quality Management) Excellence Model, aimed at achieving excellence in all our processes.

Another major pillar of action is based on safety, both in relation to the optimum design of our plants for safe operation, functioning and maintenance and in relation to the working conditions of our personnel. In this regard, we have been rewarded with different recognitions from our clients as the contractor with the greatest number of hours of construction without accidents.

Drawn up in coordination among the Quality, Occupational Health and Safety and Human Resources departments, our Quality, Environment and Safety policy was approved by the Senior Management and it contains both the company's commitment to these issues and the general principles established by international regulations.

Quality in the service, focussed on long-term relations with our clients and the ability to competitively bid in any market, are fundamental premises in our strategy.

We have a firm commitment to the highest level of quality and satisfaction of our clients, the confidentiality, integrity and availability of information, the safety of our workers in the course of their activities and comprehensive environmental management within the framework of sustainable development.

This commitment is materialised in our Quality, Occupational Safety and Security of Information policy, backed by the following international certifications.

- **IQNET and AENOR Certificate of the Quality Management System - ISO 9001**
- **IQNET and AENOR Certificate of the Environmental Management System - ISO 14001**
- **BSI Certificate of the Health and Safety Management System - OHSAS 18001**
- **BSI Certificate of the Security of Information Management System – ISO/IEC 27001**

Specifically, for the nuclear facilities in China, we have the Certificate for foreign companies in the People's Republic of China in accordance with the HAF 604 regulations, "safety regulations for imported equipment destined for nuclear energy".



Human resources

Our people are our best capital. Therefore, at Técnicas Reunidas, we carry out the recruitment and selection processes always respecting the criteria of equality of opportunities and non-discrimination.

Our selection processes are governed by respect for the person, honesty and professional ethics, as well as the search for excellence in the work carried out. We want to hire great professionals, committed to our company, facilitating an enriching, motivating work environment. We seek to align the requirements of the job and the culture of Técnicas Reunidas, opting for internal promotion whenever possible.

In 2012, we increased the number of our professionals by 990 people, despite the high levels of unemployment in Spain during that year.

INICIA internships

We believe that young people have a great deal to offer, with their talent and commitment. Our INICIA Internships programme is the main channel for the incorporation of young people into the company.

The programme is aimed at young students and recent graduates who do not have professional experience. All the internships are paid in accordance with the number of hours worked and they last from one to three years, depending on the level of qualification and the type of internship.

The programme is conceived so that the interns are actively incorporated into the daily work of a department or project, can put their theoretical knowledge into practice and acquire the skills necessary for their subsequent professional development, all of this in an environment of close collaboration with professionals with a great deal of experience.

We have established agreements with over 60 universities, foundations and organisations both in Spain and abroad. We also regularly attend Employment Forums at Universities, training centres and different professional institutions, with the aim of selecting and incorporating the young professionals with the greatest potential. Continuing along these lines, traditionally we participate in the employment forums of the Advanced Industrial Engineering School of the Polytechnic University of Madrid and the Carlos III University, as well as the training sessions organised by the Training Wing of the Industrial Engineering School of the Polytechnic University of Madrid.

Young Professionals Plan

We offer a special development plan for recent graduates in subjects related to the production areas, which include training, economic and contractual aspects.

Talent Management

Our human resources department classifies our workers by professional categories, in accordance with their skills. We have 7 generic skills, and each department has a number of specialised skills, depending on its nature.

To optimise the process for the assignment of skills and professional categories, we work with a talent management system. Each professional category within the system is defined in accordance with a series of skills necessary for each position within the company.

In addition, we periodically implement a skills evaluation programme for all employees, so that the corresponding heads of department and supervisors have the opportunity to meet with their teams and jointly evaluate and analyse their development and performance in a series of skills (generic, technical and functional) established by the company.

Training

The ongoing training of our employees is a strategic asset of the company.

The main areas are:

- **Technical training**, with the participation of external providers specialised in different technical matters, or with our own “senior” specialists, in this way ensuring the adequate transmission of knowledge.
- **Language training**. The “in company” English programmes are free and accessible to all employees, with great take-up and popularity. Spanish for foreigners is also increasingly important due to the considerable increase in non-Spanish-speaking workers.
- **Training in management and executive skills**. We have different tailor-made, residential programmes for the development of our middle and senior managers and executives.
- **Training in information technologies**, in order to know and be able to use computer tools, both generic and specific to our sector.

We try to retain and train our most talented employees so they can increase their professional growth opportunities and use their skills to the full.

In this framework, the Company University organises annual courses for a selected number of employees. At the end of each training programme, all the participants are asked to fill in a satisfaction questionnaire.



Total hours of training in 2012 by professional category

CATEGORIES	TOTALS
Bachelor's degree	60.334
Medium level degree	13.405
Others	19,724
General total	93.463

In our offices, we have an established practice of tutorship for our employees.

These consist of periodic meetings with supervisors, during which the employees can share their complaints or concerns with their direct superiors.

These meetings take place every 3 months during the first five years of the employee's career in Técnicas Reunidas. All the matters dealt with during the meetings are confidential.

The ideas of our personnel are always valued. One habitual practice is the exchange of the best experiences and lessons learnt, simulating a real situation which could occur in the future.

This feedback is a valuable source of institutional learning for Técnicas Reunidas.

Social benefits

We have an extensive package of social benefits for our employees, which varies depending on the country or work centre. Some of the most important are:

- Food assistance.
- Life and accident insurance.
- Loans and advance payments.
- Assistance for further studies.
- Private medical insurance.
- Pension Plan.
- Subsidised parking.
- Employees' club.

Remuneration

20% of our employees receive variable remuneration in accordance with their individual performance. In the case of senior management, the variable compensation depends on three factors:

- Aggregated performance of the company (EBITDA, revenue).
- Individual performance evaluation results.
- Performance of the division headed by the manager (for example, by Corporate Social Responsibility indicators).

On each project, we organise our personnel in accordance with a matrix, i.e. the remuneration is allocated not only in accordance with the hierarchical levels but also in accordance with the functional responsibilities, and each one of the superior lines has a series of objectives to be achieved.

The classification is drawn up evaluating the performance on a scale of 1 to 5. Each skill has a certain required level of fulfillment to be achieved, and as a result each employee receives a score on a scale of 0 to 2, where 1 is considered an adequate level. Based on their scores, each category is formed and, as a result, their remuneration determined.

Staff turnover

Our level of staff turnover in 2012 was 2.6%, which demonstrates the stability of our employees and their interest in remaining in the Company.

Though the world scenario was one of economic difficulties, in 2012 we hired 990 new employees, 434 of whom were in Spain, 214 free and sub-contracted professionals and 276 people contracted by our international subsidiaries.

Collective agreement

In Spain, 100% of employees are covered by a collective agreement. In the other subsidiaries, with the exception of India and Arabia, they are covered by local collective agreements.

Health and safety

The health and safety of our employees is one of the main values of our company.

We have a prevention service at the disposal of all our personnel, which periodically carries out information campaigns on the company intranet, related to matters of safety, risk prevention, healthy habits and good practices.

The Occupational Hazard Prevention (OHP) team verifies, by means of visual inspections, the conditions of our facilities, draws up the specific Emergency Plans for each work centre, carries out emergency drills, provides training to the brigades in each building and carries out information campaigns, such as:

Information campaign: OHP Law

DELIBERACIONES DE LOS TRABAJADORES

1. Verificar su propia seguridad y salud en el trabajo, mediante el cumplimiento de las medidas de prevención adoptadas.
2. Usar adecuadamente todos los equipos y medios con los que cuentan en su actividad.
3. Utilizar correctamente los dispositivos de seguridad existentes y no ponerlos fuera de funcionamiento.
4. Informar acerca de cualquier situación que entrañe un riesgo para la seguridad.
5. Contribuir al cumplimiento de las obligaciones establecidas por la autoridad competente.
6. Cooperar con el empresario.

CÓMO ESTÁ ORGANIZADA LA PREVENCIÓN EN TR

EMPRESA S.A.

SERVICIO DE PREVENCIÓN MANCOMUNADO

SERVICIO DE PREVENCIÓN MANCOMUNADO

DEPARTAMENTO DE SEGURIDAD, SALUD Y MEDIO AMBIENTE (MSE)

La Seguridad
Un Valor de Siempre

BASE LEGAL

Orden de 20 de febrero de 1995

Ley 31/1995 de 8 de noviembre, LRI

QUE PRETENDIÓ LA LEY

Promover la seguridad y la salud de los trabajadores

POLÍTICA EN MATERIA DE PREVENCIÓN DE RIESGOS

Elaborada y asumida por la Dirección, DUSA:

- ✓ Promoción de las medidas de las condiciones de trabajo dirigidas a evitar el nivel de exposición de la seguridad y salud de los trabajadores en el trabajo
- ✓ Promover la integración eficaz de la prevención de riesgos laborales en el sistema de gestión de la empresa

DERECHOS DE LOS TRABAJADORES

Los trabajadores tienen derecho a una protección eficaz en materia de seguridad y salud en el trabajo, que implique los siguientes puntos:

1. Equipos de trabajo y medios de protección adecuados para el trabajo que se realiza.
2. Información y formación acerca de:
 - Riesgos que afectan a la empresa y a todo tipo de trabajo.
 - Medidas de prevención y prevención en la utilización de equipos de trabajo y equipos de protección individual.
 - No de ser perjudicados.
 - Independiente del tipo de duración del contrato.
3. Consulta y participación:
 - Efectuar propuestas y participar en cuestiones de seguridad y salud a través de sus representantes.

Medidas de emergencia:

1. Adopción de medidas de emergencia de acuerdo con el plan de emergencia de la empresa.
2. Interrupción de la actividad en caso de riesgo grave e inmediato.
3. Vigilancia periódica de la salud de los trabajadores, en función de los riesgos inherentes al trabajo.

• Confidencial
• Voluntaria
(salvo en alguna excepción)

El nivel de las medidas medidas a la seguridad y la salud en el trabajo no deberá ser inferior a los trabajadores.



The system for the management of occupational health and safety is based on the ISO 18001 Standard and has been certified by BSI since 2008.

We also have data which demonstrate our concern for and constant commitment to the health and safety of our employees. Our figures for absenteeism, professional diseases, accidents or sick leave are relatively low compared to the total number of workers and projects. Within the prevention policy, each year the employees are offered a medical check-up to detect any possible problem and to be able to take the appropriate measures.

2012

No of accidents requiring time off work	8
No. of in itinere accidents	15
No. of professional diseases	0
No. of days lost (days off work) due to accidents at work	624
No. of days lost (days off work) due to in itinere accidents	579

* Data obtained from the accident reports provided by the accident insurance company in Spain.



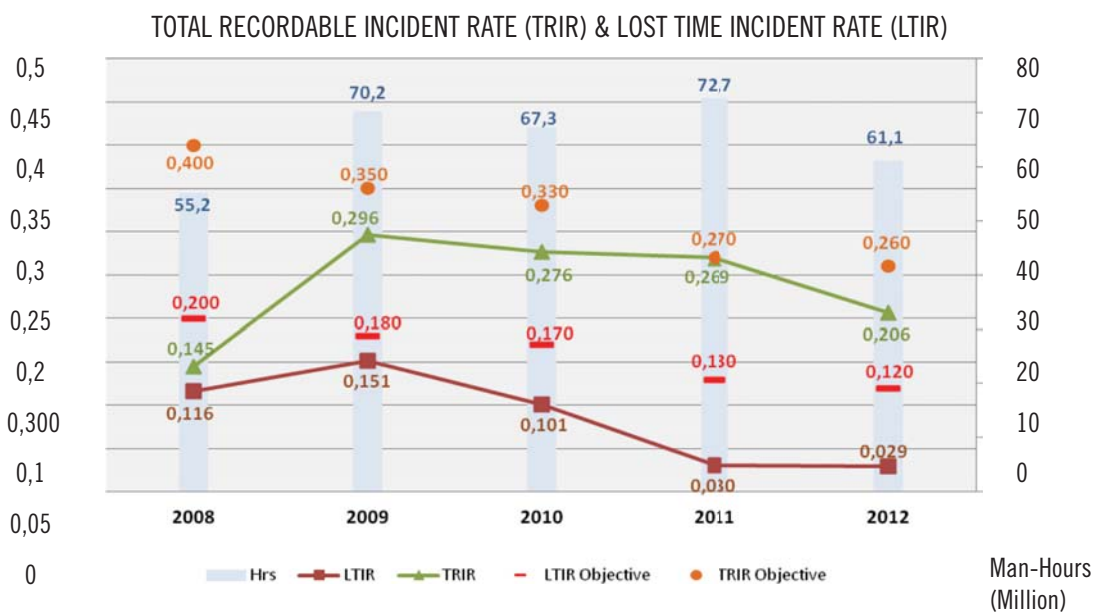
Safety in Offices Statistics (Madrid)



With regard to the Health and Safety performance on our Projects at the construction phase, the accident rate data show a positive trend and very low levels, which corroborate the company's strong commitment in this regard.

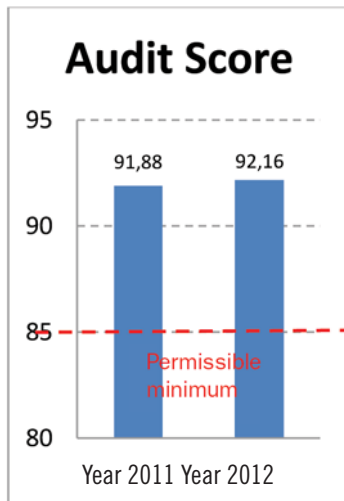
Specifically, the rate of accidents with time off was 0.029 for every 200,000 hours worked and the total rate of recordable accidents was 0.206. Both indicators are below the targets set by the company.

SAFETY IN CONSTRUCTION STATISTICS



$$\text{LTIR} = \frac{\text{LOST TIME INCIDENTS} \times 200.000}{\text{MAN-HOURS}}$$

$$\text{TRIR} = \frac{(\text{FAT} + \text{LTI} + \text{RWC} + \text{MTC}) \times 200.000}{\text{MAN-HOURS}}$$



During 2012, corporate internal HSE (Health, Safety and Environment) audits were carried out on all the projects at the construction phase, obtaining very satisfactory results, above the average set as the target at the start of the year.

Standardisation

Técnicas Reunidas continues to make great efforts in relation to the standardisation of HSE procedures to permit greater effectiveness in transmitting the company's Health and Safety policy.

During 2012, information campaigns were carried out, as well as HSE Alerts and training courses for all our employees and subcontractors.



Likewise, the Técnicas Reunidas standard has been implemented for the PPE used by the personnel on site.

In order to transmit the commitment to HSE, a corporate figure has been designed to communicate our culture with regard to health, safety and the environment, in a visual manner, to be used in all information campaigns and presentations, indicating what is correct and what is incorrect:



Prizes and awards

During 2012, the company received numerous prizes and awards in relation to Health and Safety such as:

Yanbu Aramco Sinopec Refinery Co. Ltd. recognised TR in Yanbu for having achieved 3 million hours without accidents requiring time off work.



Valores

We are a modern, open company. A company which is at the technological cutting edge and which is internationally recognised as one of the most advanced in its sector. A company composed of talented people, who understand that team work is the only way of achieving success, who believe that all difficulties can be overcome and who are committed to excellence each and every day. We are a socially committed company, which understands that, within its possibilities, it must contribute to the achievement of social and environmental aspirations which are shared by the entire company.

Técnicas Reunidas carries out activities in 30 countries on all five continents. In the last five years, around 2,000 professionals have joined our company, of forty different nationalities. Today, around 30% of the over 7,200 employees in our company have a nationality other than Spanish.



The Global Compact: Técnicas Reunidas is a signatory to the **United Nations Global Compact**, an international initiative that promotes the implementation of 10 Universally Accepted Principles in the spheres of Human Rights, Labour Standards, the Environment and Anti-Corruption in companies' activities and business strategies.

Our Values

Commitment In just 50 years, Técnicas Reunidas has established itself among the ten largest companies in the world, and the three largest in Europe, in engineering and construction in the oil and gas sector. This has been possible thanks to the talent and efforts, day by day, of all the people who have formed part of this company.	Enthusiasm at tackling challenges Técnicas Reunidas is a story of hard work and success. Today, we can be proud of the over 1,000 plants designed and built around the world, of being the contractor of reference for the world's leading oil companies, and of having been capable of developing our own technology for the construction of units and plants. All of this would not have been possible without the drive and the desire to improve shared by all the people in our company.
Development of people We have the opportunity to work on major projects and we allow space for the ideas, the autonomy and the individual responsibility of our people as factors which enable them to develop. For Técnicas Reunidas, developing people also means offering a flexible tolerant, open company in which there is a place for different talents and profiles and which offers opportunities to develop a gratifying, stimulating professional career.	Team work The nature of our business and the projects on which we participate mean that team work is a necessary, or rather vital, ingredient. Our business model and the projects which materialise it, require not just the sum of talents of different kinds, but also the ability to put them to work together, in the correct sequence, so they complement each other.

A company committed to society

At Técnicas Reunidas, we share the conviction that social commitment forms an integral part of our business activity, to which the growing level of prosperity and well-being of the inhabitants of the planet can, to a considerable extent, be attributed. Our main responsibility is to be capable of providing our clients with a better service each day. That is what enables us to create value, generate quality employment, invest in research and development or pay taxes. Being better at what we do, every day, also enables us to generate a surplus with which we can contribute to social causes.

At Técnicas Reunidas, we believe it is also our responsibility to support organisations that work to improve society. In this regard, we support those who work in the sphere of cultural and scientific promotion, in international cooperation and solidarity, and in the promotion of business activity and entrepreneurship. Thus, the collaboration channels chosen by Técnicas Reunidas are varied, and include monetary contributions, which totalled almost €500,000 in FY 2012, and also the organisation of cultural events and conferences in the company's auditorium, as well as the altruistic collaboration of Técnicas Reunidas personnel.

We will now mention some of the associations, foundations and institutions with which Técnicas Reunidas collaborates, though this list is not exhaustive.

Support to art, culture and science

Técnicas Reunidas provides support to relevant organisations whose mission is to promote art, culture and science. We would particularly highlight the following:



Set up in 1986, the aim of the Emeritus Free College is to take advantage of the creative and educational work of emeritus professors for the benefit of Spanish society. In short, it backs the creation and dissemination of culture in Spain, through important figures in the intellectual, scientific, academic and university worlds. Técnicas Reunidas was one of its founding sponsors and it holds the position of 1st Vice-president.



The Xavier Zubiri Foundation is a cultural institution created in 1989, which safeguards the legacy of the Spanish philosopher from whom it takes its name. It is a renowned independent research and teaching institute with broad connections with the Spanish and international university world. The foundation brings together professionals, academics and researchers specialising in the fields of medicine, theology and philosophy, focussing on teaching, research and dissemination activities. Técnicas Reunidas holds the Presidency of this foundation and has been linked to this institution since its foundation.



The aim of the Príncipe de Asturias Foundation is to contribute to the consolidation of the existing links between the Principality and the Prince of Asturias and to contribute to the celebration and promotion of scientific, cultural and humanistic values which are a universal heritage. Since 1981, the foundation has granted the Prince of Asturias Awards, which are given in different categories, including the Arts, Social Sciences, Communication and Humanities, International Cooperation, Scientific and Technical Research, Sports and Concord.



The Friends of the Prado Museum Foundation is a private, non-profit cultural institution which dates back to 1980. In addition to its support to the museum, it promotes the incorporation of Friends of the Museum so that they can provide broad, committed backing over time. Since its creation, numerous individuals, institutions and companies have contributed to the fulfilment of its founding purpose. Mr. José Lladó Fernández-Urrutia, TR Chairman, is a Patron of this Foundation.



The institute was founded in 1954 to promote knowledge and understanding of the culture of the Spanish-speaking world in the United States, and it was renamed in November 2003 in recognition of the support given by Her Majesty Queen Sofía of Spain. The institute carries out cultural and educational activities, particularly notable being its commitment to Spanish art and artists. Mr. José Lladó Fernández-Urrutia is a member of the Board of Directors of this Foundation.



The Pasqual Maragall Foundation for Research into Alzheimer's was created in April 2008 with the mission of promoting and supporting scientific research in the field of the aforementioned disease and related neuro-degenerative diseases, in order to seek solutions to the cognitive problems of ageing. Its aims include promoting greater involvement by the private sector in biomedical research, thanks to the effective engagement of private patrons and investors in the funding of scientific research and innovation projects. Técnicas Reunidas forms part of the Board of Patrons of this Foundation.

The philanthropic work of Técnicas Reunidas is aimed, among others, at supporting initiatives to improve the knowledge of Spain in the world and to generate opportunities for exchange which strengthen relations between our country and the wider world. Likewise, Técnicas Reunidas supports organisations which seek to improve the living conditions of the most disadvantaged, among others:



The International Affairs and Foreign Policy Institute is a cultural foundation whose basic objective is research and debate around the problems of Spanish foreign policy and international relations. All of this in order to improve knowledge of these matters by the Spanish public and to defend Spain's national interests in the world. Mr. José Lladó Fernández-Urrutia is the President of this Institution, with which he has collaborated since its foundation in 1991.



Its mission is to improve and disseminate the image of Spain in China and to collaborate with the administration to complement foreign initiatives stemming from civil society. In this regard, the foundation promotes greater bilateral exchange through a global approach by means of its own



The Food Banks are not-for-profit organisations based on volunteering whose aim is to collect surplus food and redistribute it among people in need, avoiding any waste or bad use. Técnicas Reunidas collaborates with the Spanish Federation of Food Banks.



The Spain - US Council is a non-profit entity created in 1997 at the initiative of civil society and with the backing of the administration and academic institutions. It seeks to promote plural dialogue - economic, financial, cultural, educational, political and professional - between the Spanish and US societies. It has the participation of major companies, cultural and academic institutions and public servants to achieve better understanding between the Spanish and US societies and institutions and to generate beneficial opportunities for both countries. Mr. Juan Lladó Arburúa, vice-chairman of TR, is a Patron of this Foundation.



The Spain-Russia Council Foundation was created in September 2008 at the initiative of the President of the Spanish Government and the Prime Minister of the Russian Federation. Its objective is to develop and strengthen relations between the civil societies of Spain and Russia, in three dimensions: the participation of civil society in relations between the two countries; cultural relations; and economic and commercial relations.

At the proposal of the Ministry of Foreign Affairs and Cooperation, the INCIPE was entrusted with the Secretariat of the Foundation. The following form part of it: BBVA, Santander, FCC, Garrigues, Iberdrola, Indra, Maxam, Mondragón, Repsol, Roca, Técnicas Reunidas and Telefónica, together with representatives from the Administration and other institutions. Técnicas Reunidas forms part of the Board of Patrons of this foundation, whose President is Mr. José Pedro Sebastián de Erice, Secretary General of Técnicas Reunidas Internacional.



Estudios de Política Exterior S.A., a private, independent publisher set up in Madrid in 1985, publishes magazines, reports and books about international affairs. Since its foundation, its aim has been to analyse Spain's foreign interests and Spanish culture in the world. Today, Estudios de Política Exterior is a renowned forum, inside and outside Spain, for debate on international relations.

In January 1987, the first issue of Política Exterior (Foreign Policy) appeared. Every two months, this magazine offers information and analysis about a rapidly changing international scenario. Política Exterior brings together authors from around the world in a free exc better understanding of Spanish, European and global problems.



The Official Spanish Chamber of Commerce in China plays an important role in institutional relations and in the common defence of the collective interests of the Spanish entrepreneurs established in that country. To this end, it promotes communication between the growing Spanish business community established in China and the local authorities. Técnicas Reunidas is a member of the Beijing delegation, through its offices in that city.



The Spain-India Council Foundation is a private cultural foundation which, since 2009 and with the support of the Spanish authorities, has worked to promote relations of mutual interest between the civil societies of Spain and India. Its spheres of action are economic, commercial and business cooperation, as well as cultural, scientific, civic and educational matters and those related to the protection of the environment. Técnicas Reunidas forms part of the Board of Patrons of this Foundation.



The purpose of the Ulls del Mon Foundation is to improve the visual health of people with eye conditions, training local medical professionals and providing technical knowledge, equipment and consumables in some of the most deprived areas of the world, including Bolivia, Mozambique and Mali. Its objectives also include preventing the avoidable causes of blindness through campaigns to promote eye hygiene or check-ups for children, as well as carrying out studies about the incidence of eye conditions.



Caritas is the official confederation of charity and social action entities of the Catholic church in Spain, set up by the Episcopal Conference. In Spain, it carries out important work of social promotion and support to different groups in precarious situations or social exclusion. Técnicas Reunidas collaborates with Caritas through direct donations.

Promotion of business activity and entrepreneurship

Técnicas Reunidas also supports organisations which aim to highlight the importance for society of certain business or scientific activities, or which serve as platforms to support recently-created businesses which may require backing in order to develop.



The Spanish Nuclear Industry Forum groups together the Spanish companies related to the civil uses of nuclear energy, working for the integration and coordination of their interests within the highest levels of safety and reliability in the functioning of nuclear power stations. The aims of the Nuclear Forum are to increase knowledge and awareness of nuclear energy, through training, education and communication.



The Spanish Association of Manufacturers of Capital Goods is composed of one hundred and thirty companies and industrial groups and five sectoral associations, which represent more than four hundred companies and groupings related to the design, manufacture, maintenance and assembly of capital goods.



Spanish Seniors for Technical Cooperation is a non-profit association declared of public utility in 1995. Its volunteers are retired, semi-retired or active qualified professionals who voluntarily wish to offer their experience and knowledge of business management to entrepreneurs or other groups which may need them.



COGEN brings together all those companies which believe in cogeneration as a system which increases the efficiency of the energy sector and promotes its evolution towards a sustainable energy market.



ANQUE's mission is to be a common voice of chemists and to defend the interests and image of the profession, raise its scientific and professional level and achieve the greatest social recognition of their work. ANQUE seeks to promote the actions of Spanish chemists in all spheres - scientific, technical, social, economic and cultural - both nationally and internationally.

Human resources

The correct functioning of our company is due to transparent governance mechanisms and the efficient use of our human resources.

The senior management of Técnicas Reunidas meets periodically with the General Assembly of Shareholders and the Board of Directors, in order to discuss the appropriate management structures and the interests of its stakeholders. Each and every decision at Técnicas Reunidas is guided by the **Regulations of the Board of Directors**.

At Técnicas Reunidas, we always take the necessary measures in order to limit the risks of the accumulation of powers in the hands of a single person.

The list of the powers which correspond to the Board of Directors, the Audit Committee and the Appointments and Remunerations Committee are measures aimed at limiting the risks of the accumulation of powers in a single person. In the same way, the executive President and 1st Vice-President exercise their responsibilities assisted by these bodies arising out of the Board of Directors.

As is established in the regulations of the Board of Directors, the Board must appoint one or more vice-presidents from among its members, at least one of whom must be independent.

The normal power of convening the Board of Directors corresponds to the president, as well as the establishment of the agenda of meetings and the moderation of debates. The president, however, must convene the Board of Directors and include in the agenda the points to be taken into account when three independent directors or the vice-president request this.

The first vice-president may convene the Board of Directors when three directors request the president to do this and their request was not attended to within one week. An equal power corresponds to the second vice-president when the first vice-president does not convene the Board of Directors in the aforementioned terms.

In addition, we establish rules which empower one of the independent directors to request that a meeting of the Board be convened and to draw up the new items on the agenda, in order to coordinate and put forward the concerns of the external directors and for subsequent evaluation by the Board of Directors.

At Técnicas Reunidas, we have an audit committee, which is the body responsible for establishing and supervising the risk control mechanisms, as well as supervising the internal audit control systems to guarantee their independence and efficacy. The audit committee supervises the management of the financial and operational risks, and it monitors the measures for prevention of the risks identified in the risks map (which covers the financial and operational risks).

All the relevant information about our corporate governance is in the public domain and is available at the website www.tecnicasreunidas.es.

Board of Técnicas Reunidas

President

D. José Lladó Fernández-Urrutia

1st Vice-president

D. Juan Lladó Arburua

Vice-presidents

D. Fernando de Asúa Álvarez

D. Juan Miguel Antoñanzas Pérez-Egea

Members

D. Álvaro García-Agulló Lladó

D. Javier Alarcó Canosa

D. Diego del Alcázar y Silvela

D. Antonio de Hoyos González

D. Javier Gómez-Navarro Navarrete

D. José Manuel Lladó Arburua

D. William B. Richardson

D. Pedro Luis Uriarte Santamarina

Code of Conduct

The sustainability principles of Técnicas Reunidas form part of our corporate culture and they are reflected in our Code of Conduct. The values, ethics and integrity of the professionals of TR are the basic pillars which govern our activities, focussed mainly on the spheres of engineering and construction.

The aim of the Code is to guide the actions of Técnicas Reunidas, through written guidelines to all the employees and people involved in the company's activities, offering guidance in the performance of their activities. It also reflects TR's conduct commitments in relation to its main stakeholders.

Likewise, the Code must be applied to and complied by any third party which maintains commercial or business relations which could affect our image and reputation.

In our Code of Conduct, we want to reflect our mission: to seek leadership and to promote sustainable growth, through a responsible exercise of the aforementioned activities, as well as contributing to the social and economic development of society.

For this, we require our employees and executives to act with integrity, professionalism and respect, which are the group's general principles of responsible behaviour.

Integrity

Any person who forms part of the TR Group must behave in a loyal, honest, upright and impartial manner, as well as promoting this behaviour. The Code demands loyalty to the company, avoiding conflicts of interest. It also requires respect for legality, human rights and values, following the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development and the UN Convention against Corruption. In addition, it requires the correct use and protection of the assets made available by the company and the justification of spending.

The information and the knowledge handled by the professionals of TR must be treated adequately, ensuring the veracity of information as a basic principle. With regard to the information which, as a listed company, Técnicas Reunidas must provide, it undertakes to act with complete transparency, adopting specific procedures to guarantee the truthfulness and accuracy of corporate communications and to prevent the commitment of corporate crimes and market abuses. Free competition in the market must also be respected, abstaining from any misleading, fraudulent or malicious practices which could lead to the obtainment of inappropriate advantages in the market.

Professionalism

Each professional must act diligently, efficiently and responsibly, procuring excellence, quality and innovation in his/her actions, which in turn will be guided by the principles of quality, innovation, customer-orientation and ethical commitment with suppliers and collaborating companies.

Other principles

Other principles reflected in the Code are:

- 1) Professional development, non-discrimination and equality of opportunities.
- 2) Training.
- 3) Protection of privacy.
- 4) Occupational Health and Safety.
- 5) Rejection of child, forced or obligatory labour, scrupulously respecting the regulations applicable in this regard at all the places where it carries out its business activity and ensuring compliance with the provisions of the International Labour Organisation (ILO) in relation to work done by minors.
- 6) Respect for the environment.
- 7) Social commitment.
- 8) Relations with shareholders.
- 9) Neutrality, carrying out its activities without interfering or participating in the political processes of those countries in which it is present.
- 10) Prevention of money laundering, complying with the national and international provisions introduced to prevent it; in this regard, business relations will not be established with people or entities that do not comply with the aforementioned regulations or that do not provide adequate information in relation to compliance with them.
- 11) Corporate image and reputation.

In order to ensure compliance with the applicable laws and the regulations set forth in the Code of Conduct, a **Code Mailbox** has been created. At least once a year, the Audit Committee is informed of the communications received and the actions undertaken in relation to them.

Any professional of the group who has reasonable indications of any act which is contrary to the Code must report it through the Code Mailbox, and those communications must always meet the criteria of veracity and proportionality.

To attend to the questions of the Code Mailbox, a Response Committee has been created, with the following functions:

- To propose to the Board of Directors the review and updating of the Code.
- To resolve any doubts which may arise in relation to the interpretation or application of the Code.
- To receive the communications sent through the Code Mailbox, processing them as appropriate in each case.
- To receive any suggestions, doubts or proposals related to the Code.
- To evaluate and produce an annual report on the level of compliance with the Code.
- To inform the Audit Committee of the suggestions, doubts, proposals and non-fulfilments related to the Code.



Risk prevention

At Técnicas Reunidas, we carry out regular evaluations of risks, including the risks related to the company's turnkey projects, which can be divided into the following categories:

- Risks inherent in the nature of the projects carried out.
- Risks related to the financial management of the project.

To guarantee the correct management of these and other risks, we work with a risk prevention policy, which includes the application of the following measures, aimed at mitigating the risks inherent in the nature of the projects carried out:

1. The strict, careful selection of projects, which begins with a detailed prior analysis of each client, market, geographical region and country in which the work is planned, and the establishment of a local presence before making offers. Each specific project includes an exhaustive analysis of the interests and the margins of the project, as well as its risks. It should be noted that Técnicas Reunidas frequently rejects projects, especially when it considers that the margin may not cover the identified risks. We work exhaustively to reduce the commercial risks associated with our operations.
2. Implementation of diversification policies: the geopolitical risks associated with the work in certain emerging markets are measured against a policy of geographical diversification, as well as diversification in the type of clients and the type of products or projects which are carried out through a policy of selective agreements with local partners or international contractors.

In addition, the volatility inherent in the business has been offset by increasing the recurrent sources of profit, such as infrastructure projects, the construction of engineering projects and industrial maintenance services.

Finally, we subcontract to different companies in order to distribute the risks inherent in a project or to combine the financial capacity (access to guarantees, funding, etc.), the technological capacity and the efficient use of human resources or other resources.



Economic transparency

We work with the concept of economic transparency, adopting a policy of spending and contracts with suppliers. The procedures related to the economic management of the projects are:

Exchange rate risk:

Because Técnicas Reunidas has geographically diversified its suppliers, the currency in which the client pays is often different from the currency in which the company pays its suppliers. In this regard, we constantly evaluate the exchange rate risks from the time a project is awarded through to its conclusion: hedges are taken out to cover the exchange rate risk and the project is only carried out if the exchange rate policies are sufficiently safe to mitigate the risks from the start of the project.

The exchange-rate hedge is contracted on a date near a possible award of a project. "Forward" type currency risk hedges are taken out for an amount equivalent to the expected costs in Euros. The current coverage is 91% of the company's total currency risks.

Management of liquidity:

At Técnicas Reunidas, the projects generate positive cash flows, but in isolated cases we make sure we have corporate or associated lines of funding available for specific projects, in order to protect ourselves in the case of unforeseen liquidity needs.

Contingencies officer:

We include a contingency figure in the budgets of our projects to cover any budgetary deviations that could occur during their execution. The procedures to supervise these contingencies in a regular manner are key in determining the surpluses or deficits in these contingencies and in systematically adjusting the final results on the basis of these analyses.

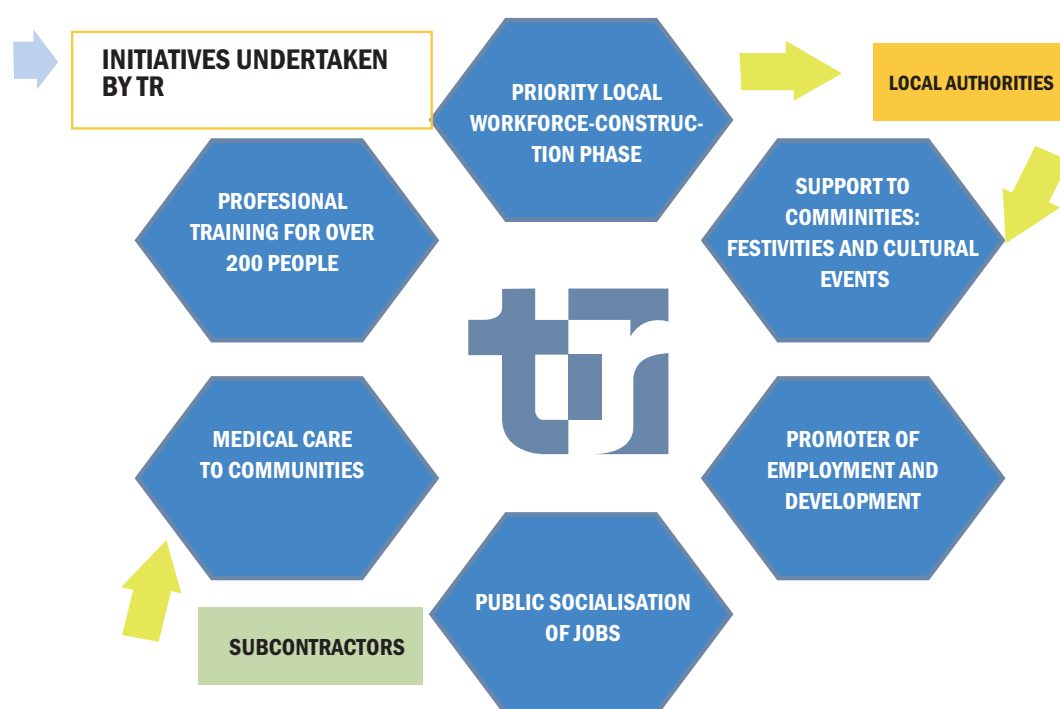
Tax risks:

Given the geographical scope of our operations and the fact that a significant part of our activity is carried out in association with other companies or joint businesses, we make use of consultancy from tax experts, who collaborate on the establishment of criteria which must be strictly followed in Spain and abroad.

Due to the nature of our operations and their extensive geographical range, the financial/operational and political/geo-political risks are identified individually on each project, in accordance with the specific characteristics of the project and its location.

At Técnicas Reunidas, we systematically apply and review these measures within the framework of internal risk control and management procedures. In this way, we guarantee an economic system which is sustainable over time.

Total Técnicas Reunidas	2011	2012
Revenue	2.612,6	2652,4
Operating costs	2.471,4	2.514,7
Remunerations to employees	351,7	381,5
Payments to suppliers	2.180,7	2.212,4
Payments to public administrations	172,0	139,9



Clients

We have a limited number of clients and we carry out projects with extensive time horizons (in general, the duration of the projects is several years). This enables us to maintain a constant dialogue with clients over the course of the duration of the project. We hold monthly progress review meetings with the participation of a project manager and representatives from the clients in order to permit constant dialogue. The observations made during the meetings are reflected in a monthly report at two levels: at project level and at the level of the participating companies.

Though we do not carry out satisfaction surveys with our clients, we register their comments through a final review of the project, which is completed by means of a letter of reference or a certificate of final acceptance from the client. These certificates contain a global evaluation of the work carried out by Técnicas Reunidas and 100% of our clients declare that they are satisfied with our performance.

The loyalty of the majority of Técnicas Reunidas' client portfolio is the greatest proof of our clients' satisfaction: we have been working for decades with our most important clients.

Suppliers

We undertake to carry out a thorough analysis of expenses for 100% of our purchases of materials and equipment, which represent almost 60% of the total volume of the products and services invoiced by the company. The products acquired are generally classified by organisation unit / country / type of merchandise.

With regard to critical suppliers, we have a formal process to identify them. They are classified as critical suppliers if they have the following characteristics:

- High volume of purchases
- High number of dispatches
- Low availability of alternatives to the product offered (unique product)

In 2012, 27 strategic suppliers were detected from a total of 2,500 identified suppliers. Periodic evaluations are then carried out of these strategic suppliers and, if their scores are low, their suitability is reviewed.

To guarantee the sustainability of the company, we distribute our purchases among different suppliers, seeking to avoid dependency in the execution of a project. Therefore, a supplier must always invoice less than 30% of its total annual billing.

In order to avoid risks in the supply chain, all our suppliers are obliged to undergo a certification process each year. One of the necessary aspects for the successful certification of the supplier, whichever family it belongs to, is the certification of the products in accordance with the ISO 14000 standard. Their financial performance is also evaluated on an annual basis.

We work with our own document management system called Documentum. Through this, we ensure control of all the versions of the documents we produce. The same happens with the management of materials: through the Mariam system, we cover everything from the definition of material needs in engineering, through the entire supply cycle and the management of the warehouse on site.

In the contracts with suppliers that operate in countries with a high risk of violation of human rights, we include specific clauses about this matter. In addition, the actions of our suppliers with regard to health and safety matters are monitored by quality inspectors, who regularly visit their production centres.

Environmental policy

Our commitment to the environment is intrinsic in all our activities, and is reflected in the management of the environmental aspects which could be generated through those activities: engineering and design, provisioning and construction, whether they are undertaken at the offices or at the construction site.

We are aware of the importance of including Environmental Management among the priorities of the organisation, and therefore specific policies, programmes and practices have been developed, which are fully integrated into the Global Management of the company.

We have an Environmental Management System (EMS), based on the Corporate Quality, Safety, Health and the Environment Policy, approved by the senior management in 2009. This system is in place in all our work centres and projects. For this, we have a Manual which defines the characteristics of the Environmental Management System implemented, and which enables us to observe respectful behaviour with regard to the environment.

In this way, we aim to reduce, eliminate and/or control the environmental aspects and risks identified in the different activities of Técnicas Reunidas and to make efficient use of resources. It also enables us to adopt a series of guidelines about those aspects related to our surroundings: selection/constant evaluation of suppliers/service providers and contractors, development of products and logistics, maintenance, new development projects, other manufacturers and mergers and acquisitions.

Environmental Management System (EMS)

At Técnicas Reunidas, we follow the environmental management guidelines set out in the Environmental Management System, which, in accordance with the UNE-ES-ISO 14.001

- Provision of project management and supervision services
- Basic and detailed engineering
- Supplies of equipment and materials
- Construction and commissioning for the execution of projects, including "turnkey" projects, in the following spheres of activity: oil and gas; petrochemicals; fertilisers; chemical industry; nuclear facilities; civil and construction engineering; environmental engineering and the engineering of waters, waste, atmospheric emissions and noise; synthetic fibres; pharmaceutical products; paints and resins; paste and paper; production and transformation of steel; cryogenic and special storage; mining and the handling of materials; non-ferrous metallurgy, electro-chemistry; food industry; heat transfer (technical) and generation and co-generation of energy.

All the documents of the Environmental Management System are easily accessible by any employee of Técnicas Reunidas and are available on the company's intranet.

As a result of the correct implementation of the Environmental Management System in Técnicas Reunidas, we have not received any communications from an interested external party or any formal complaints from clients with regard to environmental matters in recent years. Nor have there been any situations of environmental emergency requiring communication to the competent authority, neither in our offices nor at the execution works.

With regard to complaints or denouncements of an environmental nature, there were none in 2012 at the offices or at the works, and all the internal suggestions and consultations were responded to via email by the department responsible. In construction, systematic monitoring is carried out, in accordance with that specified in the environmental management plans, jointly with the clients. The suggestions contained in those reports are analysed by Técnicas Reunidas, and an immediate response is given. No external suggestion has been received in the current period (client and/or public information).

Técnicas Reunidas has Emergency Plans for each work centre (offices and works), which include a chapter on environmental emergencies with the action guidelines for each one of the potential emergencies. Periodically, drills are carried out in order to guarantee correct action in the case of environmental emergency. It should be noted that, in the last 3 years, no emergency has been recorded with environmental implications.

Environmental commitment on each project

All the projects designed by Técnicas Reunidas comply with the ISO 14001 standard and with the environmental legislation in the country in which the project is located. In addition, the audits carried out by third parties are validated by AENOR for all the countries in which the company operates.

All the projects have two specific procedures (Environmental Management Plan in the Design and Procurements Phase and Environmental Management Plan in the Construction Phase), which respond to the specific environmental requirements of each Project, based on the general procedures of our EMP, legal requirements and contractual requirements of our clients.

However, it should be noted that, due to the specific nature of our activities, which often include the design, construction and management of oil extraction facilities, we do not have direct responsibility for the climate change impact of our oil facilities, which, in general, are carried out in accordance with the technical requirements of the client companies.

Our projects have all the environmental permits required by Law, whose requirements are reflected in the project documents, which contributes to the fulfillment of the milestones of these. The fulfillment of the environmental requirements on each project is assured by means of a table for the monitoring of environmental requirements, which is updated with the collaboration of all the disciplines and the project management.

The legislation on projects is identified in the environmental impact study and the environmental requirements deriving from it are identified in the table for the monitoring of environmental requirements.

This table identifies the environmental requirement, the project discipline which must consider it, the project documents that must take it into account and the monitoring of that compliance. If legislative changes occur which affect the projects in progress, they are recorded in this table, as are recently awarded projects.



All the European projects of Técnicas Reunidas are subject to integrated environmental authorisation (IEA) and environmental impact declaration (EID) and are therefore subject to public information. The majority of our projects in Arabia are located in the area of Jubail and Yanbú and they are therefore governed, during both design and construction, by The Royal Commission Environmental Regulation, which guarantees the compatibility of the project with its surroundings.

Verification of the implementation of the EMS in all our activities is assured by means of external audits (AENOR) and internal audits: annually in offices, at 30% and 70% of progress in engineering for the design phase, and every four months during the construction phase.

We also design programmes aimed at minimising the environmental impact of the projects of our client companies, by means of investments in R&D&I projects. Some of these projects have been recognised for their efficacy, such as the LIQUION project.



Regulations

Técnicas Reunidas has not received any significant fine or non-monetary sanction due to non-compliance with environmental regulations.

We comply with all applicable legal requirements both on projects and in our offices, and we disseminate those requirements among our employees so they are aware of them and comply with them, in offices, design, purchases and construction.

Periodically, the legislation applicable to the company's work centres is updated.

Environmental performance indicators

The indicators that enable us to monitor our environmental performance are the following:

Fuel consumption	Hazardous Waste
Electricity consumption	Recyclable waste
Travel: CO2 Emissions	Urban and similar waste
Water consumption	Sanitary Waters
Toner consumption	Inert waste
Paper consumption	

These indicators are calculated based on the total revenue generated, the number of employees and the number of hours worked.

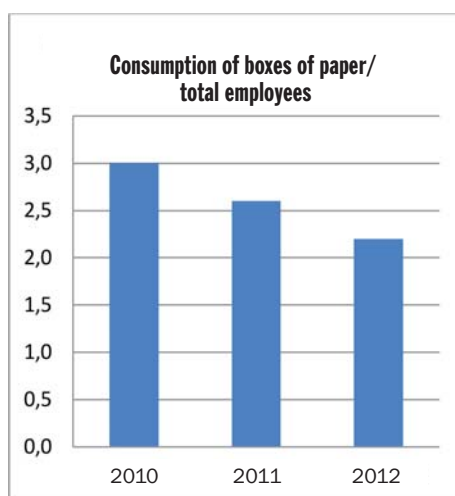
Based on this evaluation of aspects, we set targets, including at least one target based on the significant aspects.

Given the complexity and scope of our projects, by way of example, we will present only the data of the indicators related to our central offices and of the emissions generated by travel:

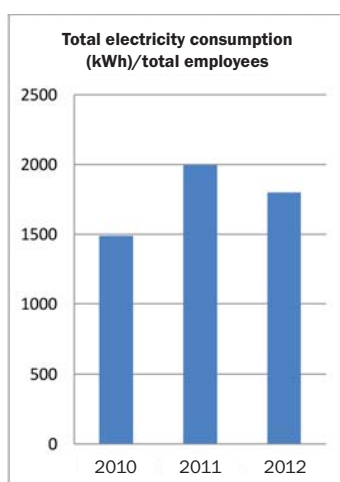
CO2 EMISSIONS

The total CO2 emissions generated by journeys in the company in 2012 were 9,842.21 Tn CO2/year.





Energy



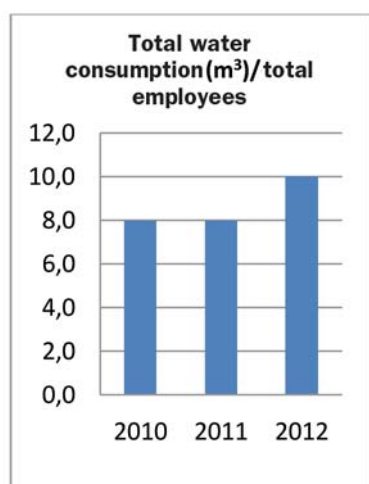
In our offices, we have an energy efficiency plan to limit our environmental impact.

During 2012, we implemented the energy efficiency plan, achieving a reduction of 59% in the building in which the plan was implemented, which meant a 10% reduction in the overall electricity consumption per employee.

By 2014, we aim to reduce energy consumption by 2%, which will be translated into a reduction in the carbon footprint of all the operations.

ENERGY	2011	2012	variation
kWh/employee total	1,995	1,800	-10%
kWh/A-13 employee	1,365	558	-59%

Water



At Técnicas Reunidas, we do not measure the water footprint, as no major use of water is required on our projects, except the water used in our offices.

(*) The increase in water consumption is explained by the improvements made at Arapiles, 13 (Madrid). We will monitor this during 2013 in order to check that water consumption falls in that building.

Técnicas Reunidas rents the buildings in which it carries out its activities.

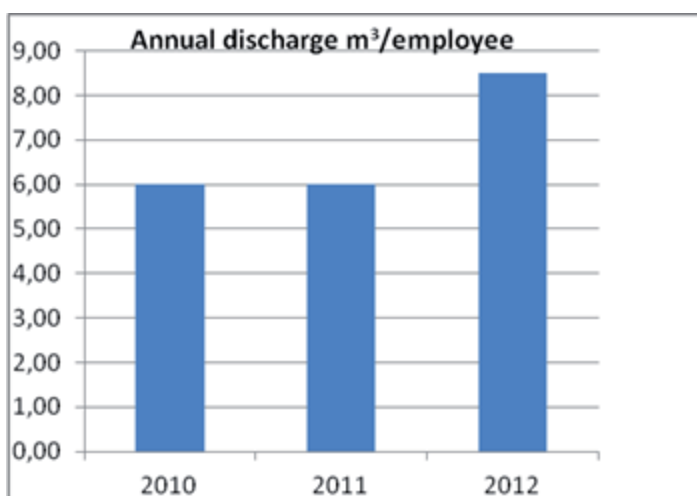
■ Emissions:

At the offices of Técnicas Reunidas in Madrid, there are no direct or indirect emissions of greenhouse gases, substances which destroy the ozone layer, NO_x and/or SO_x or other significant emissions.

In accordance with our environmental responsibility, we require the owners of the facilities where we undertake our activities to comply with the regulations regarding the use of gases in air conditioning equipment.

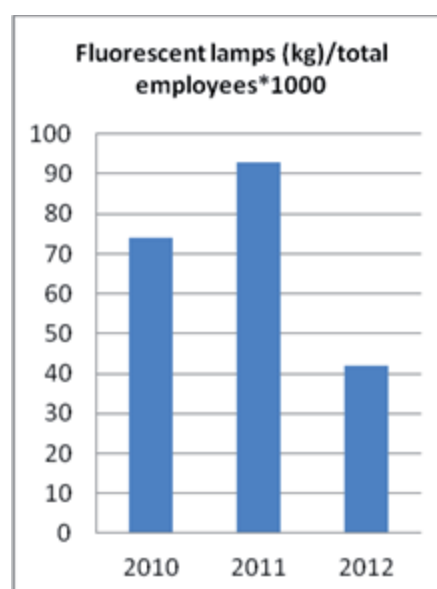
■ Discharges:

The only discharge that is made is that corresponding to sanitary waters, which are discharged into the sanitation network, in accordance with current legislation.

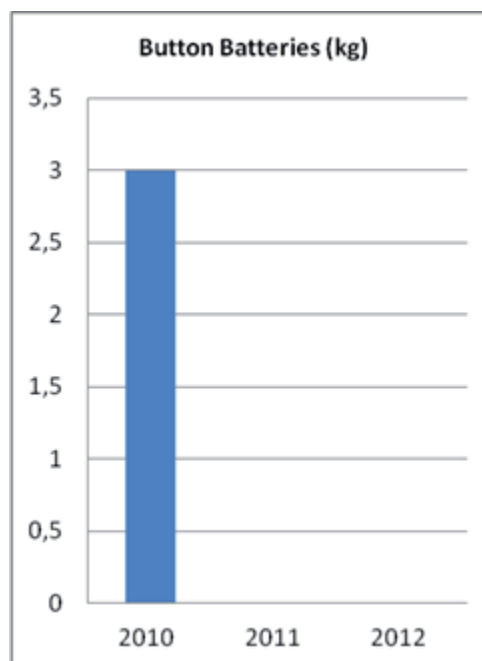
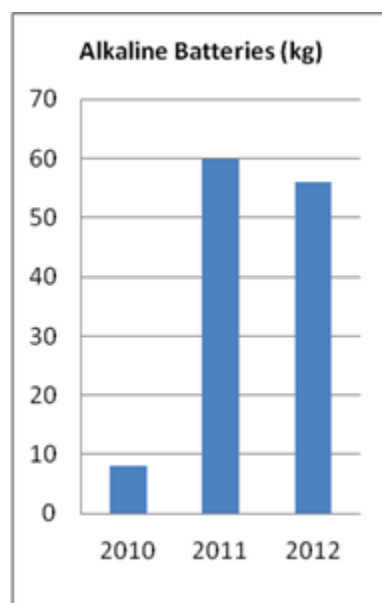


■ Waste:

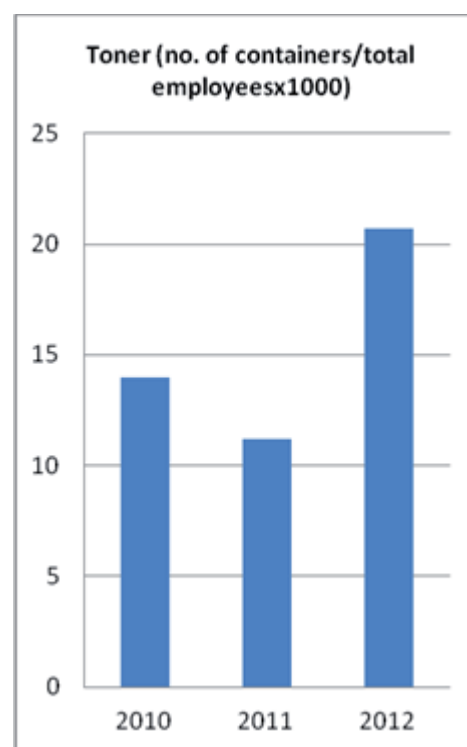
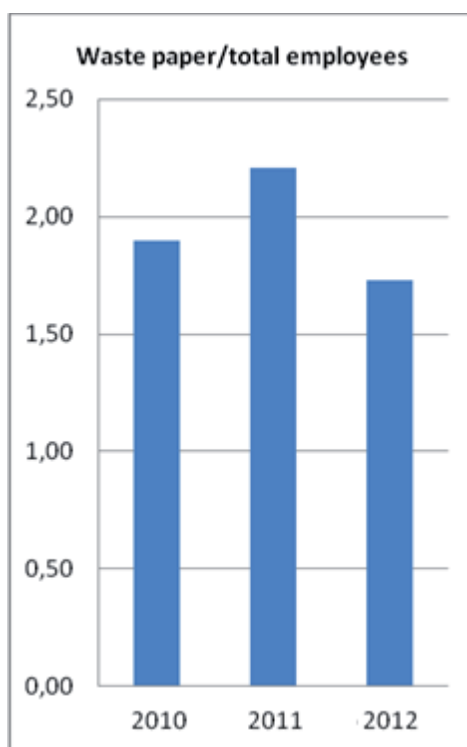
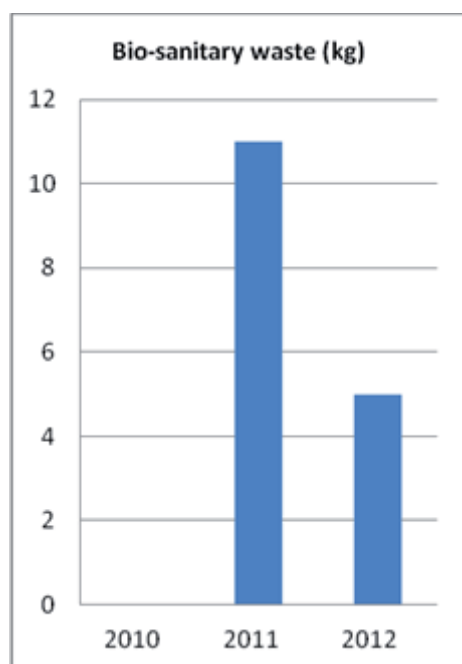
We are registered as a small producer of hazardous waste in all the centres in Madrid where we carry out our activities and we have a management company, duly accredited for its transportation and management.



* Note: the amounts are multiplied by one thousand in order to facilitate the viewing of the graph



(*) TR does not consume batteries, but it does provide its employees with the means for the collection of batteries (pencil and button) at its Arapiles offices - During 2011 and 2012 no employee brought in button batteries.



* Note: the amounts are multiplied by one thousand in order to facilitate the viewing of the graph

Waste similar to urban waste is managed through municipal collection services for which the corresponding charges are paid.

None of the buildings in which we carry out our activities is located inside natural spaces or protected areas.

There are no impacts on biodiversity.

Environmental training

We offer our personnel courses in accordance with the needs detected in relation to the environmental management system.

Talks and forums given in relation to the EMS (2012):

- Basic environmental management concepts in maintenance tasks
 - 10 participants 10 – (internal-SSGG).
- CONAMA - "The Environment in Crisis. Reinventing Ourselves in the Madrid Region".
 - 240 participants (external).

Courses received:

HSE HO

- Two people took the managerial skills course.
- Two people attended the Repsol instrumentation course.
- One person took the master's in environmental management.

A total of 5 environmental technical symposia and conferences were attended.

At each work site, environmental training sessions are carried out, which are obligatory for all the personnel, including subcontractors, and this training is mandatory for entrance into the facilities.

Evaluation of the fulfillment of environmental requirements

We have monitored this point through the environmental audits carried out in the course of 2012, whose results were satisfactory.

For the evaluation of the environmental performance, we have analysed the achievement of the objectives, the results of internal audits, the visual inspections of buildings and the monthly environmental reports of works. The final result was satisfactory with opportunities for improvement, reflected in the environmental objectives for 2013.

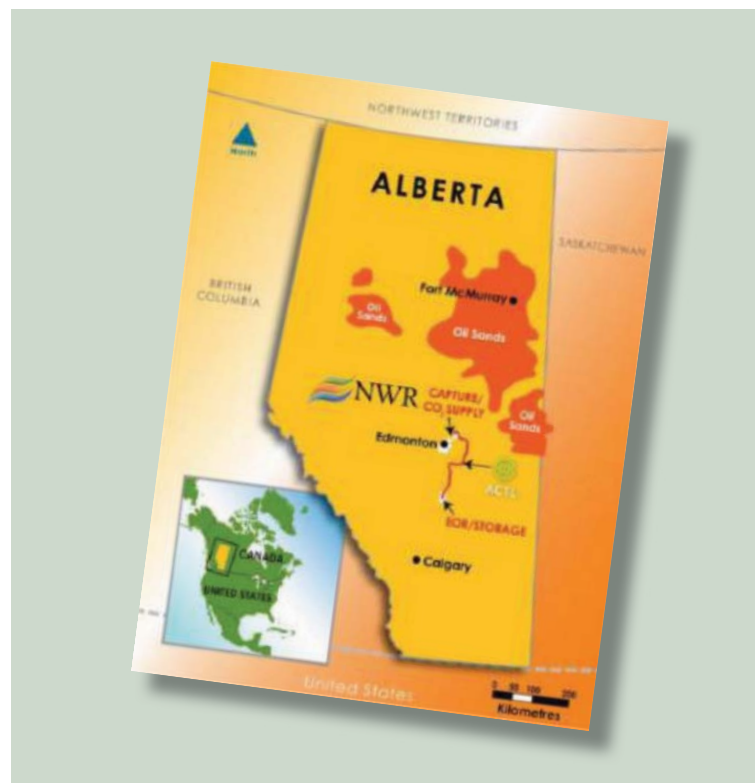
These objectives will be reviewed every six months in 2013.



Practical application to projects: example.

As a practical example of optimum environmental management, we would highlight the project entitled “**Carbon capture through innovative commercial structuring in the Canadian oil sands**”, developed at the North West Sturgeon refinery in Canada.

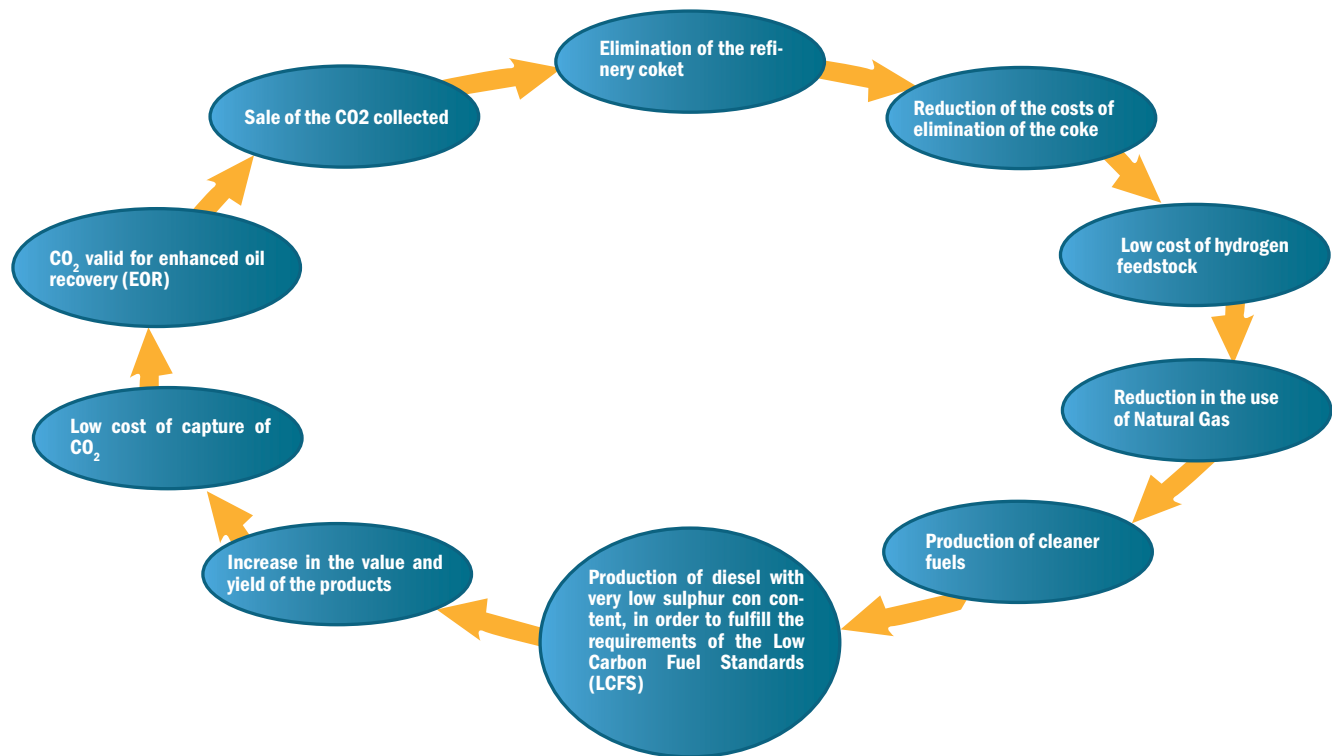
It is an innovative project in the sense that it resolves a common problem at large refineries: the capture and economic use of CO₂ is the main challenge limiting the reduction of significant industrial emissions. The capital investment in carbon capture facilities is usually high, as the use of an advanced capture technology and the need for ample integration of plants is normally a major operation which requires a considerable investment for the large industrial facilities.



The *North West Sturgeon Refinery* (NWSR) project was developed to make use of the growing volume of asphalt generated in the bituminous sands of northern Alberta. This project arose from the need to improve the capacity for conversion of the raw material (asphalt) into fuels with low carbon content, at the same time reducing greenhouse gas emissions.

The comprehensive project could collect over 1.2 million tonnes per year of 99% CO₂, the equivalent to removing around 225,000 vehicles from the roads.

Summary of the advantages of the Refining of Asphalt in One Stage



*LCFS = Low Carbon Fuel Standard

** EOR= Enhanced Oil Recovery

Phase 1 of the project is at the execution phase, and its completion and entry into operation is planned for 2016. To reach that milestone, the company North West Redwater (NWR) has developed a commercial structure with the suppliers of asphalt raw materials in Alberta in order to support the funding, design, construction and operation of the project.

Looking to the future

During financial year 2012, we began to analyse how to improve the company's production system by means of the implementation of sustainability in all its processes: offices, projects and works. During 2013, the recommendation for improvement consists of the implementation of the concept of sustainability in all the activities with environmental impact.

In environmental management, the goals set in 2012 were virtually all achieved. Our challenge for 2013 is to develop the company's environmental sustainability to position it as a leader in this regard.



WHERE OUR SUSTAINABILITY IS PRESENT

International presence
Projects

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International presence

Técnicas Reunidas carries out most of its activity outside Spain, fundamentally in the countries of the Middle East, Latin America, Asia, the Pacific and the Mediterranean (mainly Southern Europe and Turkey).

Though the company's first major international turnkey project was at the end of the 1960s, the great international expansion of Técnicas Reunidas took place in the 1980s, having acquired a great deal of know-how, an extensive list of references and recognised technological excellence, together with great capacity to undertake turnkey projects.

Since the 1980s, the international turnover of Técnicas Reunidas has been in excess of 50% of the total.

We have great flexibility, thanks to our efficient commercial network, both to access the opportunities that have arisen in international markets and to adapt to the specific requirements of each client.



The ability to be able to offer our clients comprehensive services, including the funding, the design, the construction and the assembly, as well as the reception, the commissioning and even the operation and maintenance of the facilities, together with a firm commitment to the research and development of its own technologies, have contributed to Técnicas Reunidas' great differential value as an engineering and construction company in the international market.

Projects

We apply our sustainable management concepts on each and every one of our projects. We will now outline the main projects carried out by Técnicas Reunidas over recent years.



KAYAN PROJECT FOR SABIC, SAUDI ARABIA



PETROCHEMICAL COMPLEX FOR SHELL IN NANHAI, CHINA



REFINERY FOR TÜPRAS. TURKEY



MANIFA COMBINED CYCLE FOR SAUDI ARAMCO, SAUDI ARABIA



REFINERIA DE SATORP EN AL JUBALL PARA SAUDI ARAMCO, ARABIA SAUDITA



RABIGH REFINERY FOR SAUDI ARAMCO, SUMITOMO, ARABIA SAUDITA



OIL PRODUCTION FIELD FOR CEPESA, SONATRACH, ALGERIA



MOERDIJK COMBINED CYCLE FOR ESSENT, NETHERLANDS



AUSTRALIA DESALINATION PLANT FOR WATER CORPORATION





INFORMING IS OUR DUTY

Information

Please do not hesitate to contact Técnicas Reunidas for further information or greater detail regarding the information given in this Sustainability Report, also available in digital format at www.tecnicasreunidas.es

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