



TECNICAS REUNIDAS

Sustainability Policy

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SUSTAINABILITY POLICY OF TÉCNICAS REUNIDAS

I. INTRODUCTION

The Board of Directors of Técnicas Reunidas (“*Técnicas Reunidas*” or the “*Company*”) as a listed company, has the non-delegable power, by virtue of Article 529 ter of the Companies Act, to determine the general policies and strategies of the Company and the Group of which it is the parent company (“*Técnicas Reunidas Group*” or the “*Group*”) and, in particular, to approve its Sustainability Policy. This power has also been included in Article 27 of the Articles of Association and Article 5 of the Regulations of the Board of Directors of the Company.

In accordance with the above, the Company’s Board of Directors agreed at its meeting on 30 September 2020 to approve the Sustainability Policy of Técnicas Reunidas (the “*Policy*”). The Policy includes the main aspects and commitments of the Company and its Group on matters of sustainability and will form part of the corporate governance system for the Company and its Group.

II. PURPOSE

This Sustainability Policy sets out the general principles and bases of the sustainable development strategy of the Técnicas Reunidas Group, with the aim of ensuring that all its corporate and operational activities are carried out in such a way as to promote the creation of value in the long term for all Técnicas Reunidas stakeholders. These stakeholders include society in general, the communities in which the Group is present, workers, clients, subcontractors, suppliers, business partners, public administrations, sectoral associations, partner organisations and shareholders. In this way, it aims to promote the values of sustainability and to encourage the achievement of the Sustainable Development Goals, particularly those where Técnicas Reunidas’ contribution can be most significant.

The Sustainability Policy, together with the Corporate Governance system of which it forms part, is intended to be a fundamental tool for the Group, as well as a key element of it, differentiating it from its competitors, and a determining feature in consolidating the position of Técnicas Reunidas as the company of choice for its stakeholders.

This Policy sets out the general principles and bases of the Sustainability strategy, which will be developed and specified in specific sustainable development policies that meet certain needs and expectations of the main stakeholders of Técnicas Reunidas. To this end, regular analyses will be carried out using indicators for environmental issues, health and safety, social responsibility and stakeholders’ expectations, and reports and proposals for action by the Company and its Group will be drawn up.

III. SCOPE

The Policy applies to all companies in the Técnicas Reunidas Group.

For investees that are not part of the Group, the Company will encourage, through actions in this respect by its representatives on the governing bodies of these companies, alignment of these entities' policies with those of Técnicas Reunidas, so that they follow principles and guidelines consistent with those set out in this Policy.

For their part, the different companies that make up the Group will be responsible for the execution, monitoring and supervision of the corporate social responsibility, sustainability and ESG (Environmental, Social and Governance) strategy approved by the Board of Directors, in accordance with the corporate and governance structure of the Group at any given time and under the general coordination of the Secretary of the Board of Directors.

IV. SOCIAL CONTRIBUTION OF THE GROUP'S ACTIVITY

Técnicas Reunidas is a leading international company in the provision of engineering design and construction services for industrial plants in the oil and gas sector, active in more than fifty countries.

Técnicas Reunidas' operations are carried out following the principles set out in this Policy, protecting the environment, contributing to the fight against climate change through the development of technical solutions that allow the construction of sustainable and efficient plants for its clients, and generating quality employment for its professionals. It contributes to the progress of communities on all continents where the Group is present, both economically and as concerns business ethics, promoting equality and encouraging innovation.

An essential requirement for the success of Técnicas Reunidas' business activities is the contribution of its operations to the communities in which the Group is present. In carrying out these activities, the Company takes as a reference the United Nations Sustainable Development Goals (the SDGs), whose principles it accepts and supports, as indicated in section V below. This approach to its operations aims to place the Group at the forefront of best practice within the scope of these Goals and to consolidate Técnicas Reunidas' position as one of the leading companies in this field.

The Company carries out activities aimed at increasing the social contribution generated by the Group's business activity, as the primary source of value creation for the communities in which it operates. It contributes to the design and construction of plants that provide cleaner and more sustainable energy and implements measures to support the development of vulnerable groups through sponsorship, collaboration and other actions and, in general, through its commitment to a global institutional strategy that engages with stakeholders and promotes the design and implementation of awareness programmes on various topics that contribute to sustainable development.

In this respect, Técnicas Reunidas' sustainability strategy is cross-cutting and covers all its activities, both corporate and operational. It includes aspects specific to corporate governance, the environment and relations with society, all coordinated between the departments involved. This strategy aims to provide added value, strengthening positive impacts and minimising those that are potentially negative and is subsequently adapted to all the projects that Técnicas Reunidas carries out.

Finally, the Group uses indicators to analyse its contribution to sustainability. This aspect is key to understanding and evaluating the effects of its business and the effectiveness and results of the actions implemented, measuring the Group's social contribution in the communities where it carries out its activities. All this information, which the Company publishes periodically in its Integrated Report, allows the Company's Board of Directors to define the Group's strategy, which is subsequently executed by its different corporate and operational areas and departments.

V. OBJECTIVES OF THE SUSTAINABLE DEVELOPMENT STRATEGY

The Board of Directors of Técnicas Reunidas, among other functions, is responsible for approving the Group's sustainable development strategy. In this role, it has developed a strategy aimed at creating value in a sustainable way and one in which the Company can provide high value-added services that enable its clients to have efficient and sustainable industrial plants that are environmentally friendly and help fight climate change, as well as the transition to a low-carbon economy. In this way, it takes advantage of business opportunities arising from its advanced technological capability and demonstrates its commitment to the Sustainable Development Goals.

The Group contributes particularly to the fulfilment of Sustainable Development Goals 7, 9 and 13, respectively: access to affordable and clean energy; building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation; and combating climate change. The Company's contribution to achieving these goals is implemented through the development of technical solutions that provide its clients with efficient and sustainable industrial plants, promoting energy efficiency and universal access to energy services.

Técnicas Reunidas' technical capacity allows it to be a leading company in its sector, contributing to the fight against climate change and the achievement of a cleaner energy system that will help to decarbonise the economy.

Other Sustainable Development Goals to which Técnicas Reunidas is particularly committed are: SDG 1, "No Poverty", by choosing local suppliers and subcontractors that meet high standards of sustainability; SDG 8, "Decent work and economic growth", promoting sustained, inclusive and sustainable economic growth and decent work for all; SDG 12, "Responsible Consumption and Production", ensuring sustainable consumption and production patterns and focusing on the circular economy; SDG 13, "Climate Action", developing its own technologies

directly related to the reduction of CO₂, NO₂ and NOX; and SDG 17, “Partnerships for the Goals”, collaborating with our clients, suppliers and other top-level bodies such as the Global Compact, CDP and the Club of Excellence in Sustainability.

To achieve this, the Group is firmly committed to innovation and to offering efficient, sustainable and clean technical solutions, promoting growth and developing the talent and skills of its staff. It is continually working to build a successful business together with all the members of its value chain.

In this way, the sustainable development strategy promotes the achievement of the following objectives, based on the principles set out in the SDGs:

- Promote the fulfilment of Técnicas Reunidas’ objective and continue its ongoing collaboration to implement a cleaner, more sustainable and accessible energy model.
- Share Técnicas Reunidas’ social contribution with all its stakeholders, involving them in its business activities.
- Promote the achievement of the Group’s strategic objectives so that it can provide safe, reliable and environmentally friendly industrial plants.
- Commit to sustainability through innovative management practices, equal opportunities, profitability, efficiency and productivity, as instruments for improving the Group’s competitiveness.
- Maximise the positive impacts of its activity in the territories where the Group operates and minimise, as far as possible, the adverse effects. Responsibly manage the risks and opportunities arising from the changing environment, avoiding short-term approaches or approaches that do not adequately consider the interests of all stakeholders, using the most appropriate channels of communication, participation and dialogue.
- Decisively promote the occupational health and safety of its employees, as well as the partners and subcontractors working on its projects.
- Promote a culture of ethical behaviour and encourage business transparency as an instrument for generating credibility and trust among stakeholders, including society as a whole.
- Maintain a good relationship with all its stakeholders, offering a considered and inclusive response and especially focusing on involving local communities in the execution of its projects, soliciting their expectations so that these can be taken into consideration.
- Promote recognition and enhancement of the Group’s reputation.

VI. GENERAL WORKING PRINCIPLES

The Company will apply the general working principles set out below to achieve its objectives for sustainable development:

(a) Support the principles of the SDGs, particularly those to which the Group can make the most effective contribution. These include facilitating the production of affordable and clean energy for our clients, building resilient infrastructure, promoting inclusive and sustainable industrialisation, fostering innovation and combatting climate change.

Similarly, the Group must respect international climate change commitments, as well as, in general, any other international instruments in the field of ethical labour practices, respect for human rights and environmental protection.

(b) Comply with applicable regulations in the countries and territories where the Group operates, adopting commitments, standards and guidelines where local regulation is inadequately or insufficiently developed. Similarly, the Group's relations with local public authorities must be based on loyalty, trust, professionalism, collaboration, reciprocity and good faith.

(c) Respect the guidelines contained in the Group's other regulations and corporate documents and, in particular, in the Code of Conduct, which regulates the responsible behaviour expected by the Group from its directors, staff, subcontractors and suppliers.

(d) Promote free-market behaviour, rejecting illegal or fraudulent practices, ensuring these behaviours through prevention and monitoring mechanisms, and penalising irregularities.

(e) Implement corporate governance practices in accordance with the good governance recommendations generally recognised by international markets, which promote business transparency and mutual trust with stakeholders.

(f) Develop a fluid dialogue and foster good relations between the Group and all its stakeholders including, without prejudice to any other interest groups, its employees, clients, investors, shareholders and suppliers. This should aim to strengthen the feeling of belonging and connection to an excellent company, respond to the expectations of each of these groups and also, where appropriate, adapt its policies and objectives as far as possible. To this end, it may use any available communication channels, including direct contact, social media, inquiry services or the Company's corporate website.

VII. WORKING PRINCIPLES CONCERNING ALL STAKEHOLDERS

Without prejudice to the general working principles set out in the previous section, the Group's working principles in the fields of corporate social responsibility, sustainability, ESG and good governance, which are common to all stakeholders, will be as described below. These principles represent the Group's commitment to increasing the social contribution generated by applying these principles to its business activities.

Principles Concerning Sustainable Value Creation

The fundamental principle that should guide the Group's policies, strategy and operations is the creation of sustainable value. Under this principle, all the groups that participate in the Group's activities must be rewarded fairly. Likewise, the Group must promote a social return on new investments to generate employment and wealth in the long term that contributes to a better future without compromising or diminishing present results.

This fundamental working principle can be summarised in the following actions:

- Promoting the development of environmentally sustainable, economically viable industrial plants, contributing to the fight against climate change, the transition to a low-carbon economy and the development of clean energies. Paying particular attention to excellence in the management of its processes and resources, with the aim of optimising both its own activity and the services provided to its clients. Using state-of-the-art technical solutions to provide clients with sustainable industrial plants that will enable them to successfully implement their own sustainability policies.
- Promoting excellence in the field of health and safety.
- Setting general remuneration policies for directors and executives, linked to compliance with environmental and health and safety objectives.
- Promoting the sustainable use of resources. Minimising adverse impacts deriving from the Group's activities.

Environmental Working Principles

Técnicas Reunidas is strongly committed to caring for the environment and providing leadership in combatting climate change. To achieve this, the Group must follow these principles:

- Preserving and promoting the biodiversity of ecosystems, landscapes and species in the territories where the Group operates.
- Driving the transition to a low-carbon economy and preventing pollution by gradually reducing greenhouse gas emissions, progressively introducing the most efficient and least carbon-intensive technologies both in its facilities and in the industrial plants it designs and builds for its clients.
- Ensuring the correct identification and fulfilment of all environmental requirements for each project through the implementation of the Company's environmental management system.
- Including climate change as a variable in internal decision-making processes, as well as in the analysis and management of the Group's long-term risks.
- Optimising the management of hazardous and non-hazardous waste by implementing systems to set goals and targets for aspects including waste reduction, adherence to good practices and use of recycled materials.
- Shifting toward the circular economy, reusing materials and reducing waste generation.

Working Principles Concerning Transparency

Transparency means generating trust and credibility, a fundamental aspect for the Group, given its impact on relations with staff, markets, investors and other stakeholders. Therefore, the Company undertakes to carry out the following actions:

- Disseminating relevant, reliable and truthful information on the Group's performance and activities.
- Encouraging transparency in the performance of its activities, with particular regard to governance mechanisms, strategies and management practices related to the risks that climate change poses to its activities. With this aim, the Company expressly commits to following a generally accepted methodology for preparing its non-financial information and to submit this information for independent external verification.
- Providing full and accurate information about the taxes that the Group companies pay in the countries and territories where they operate, individually or grouped by geographical area.
- Providing full and detailed information about the relationship between the remuneration of directors and executives, and the environmental, health and safety goals or any other sustainability-related goals included in the Directors' Remuneration Policy and approved at the Company's General Shareholders' Meeting.
- Publishing any additional information required by applicable legislation in each field of business or voluntarily accepted by the Company or any of its Group companies, including the non-financial information statement. This statement is prepared by the Board of Directors and submitted to the approval of the General Shareholders' Meeting. It reflects the Company's performance in social, environmental and sustainability areas, and the social contribution generated and shared with stakeholders. The following reports are drawn up on an annual basis:
 - Integrated Report
 - Financial Statement
 - Corporate Governance Report
 - Annual Report on Directors' Remuneration
 - Report on the activities of the committees of the Board of Directors.

Working Principles Concerning Innovation

Innovation is one of the Group's main tools for ensuring its sustainability, efficiency and competitiveness, and is a strategic factor for all its businesses and activities. The Group is committed to leading the industrial plant sector in innovation and, to this end, will focus on the following working principles:

- Encouraging research, development and innovation (R&D&I) to promote the efficiency of both its own activities and the technical solutions it offers to its clients. The main focus of this principle is efficiency aimed at continuous optimisation of the Group's business operations, reduction of the operating and maintenance costs of industrial plants once in operation, and reduction of environmental impacts, as well as development of new products and services to meet clients' needs.
- Achieving innovations that promote sustainable growth and efficient management of resources and contribute to the social and economic development of the environment in which the Group operates.

- Executing projects that allow universal availability of energy services based on environmentally sustainable, economically viable and socially inclusive models.
- Keeping the Group at the forefront of new technologies.

Working Principles Concerning the Development and Protection of Intellectual Capital

The Company believes that intellectual capital can be a differentiating factor and a competitive advantage for implementing its sustainability strategy and actively encourages its development and protection through the following working principles:

- Encouraging procedures, tools and initiatives that ensure real and effective use of the Group's intellectual capital.
- Encouraging the development of the Group's intellectual capital, promoting training and initiatives that enable this development.

Working Principles for Responsibility in Tax Matters

The Group pays taxes in the countries where it operates, through which it contributes to financing public expenditure and therefore society as a whole.

In this regard, the Group commits to the following principles:

- Complying with the tax legislation in force in each of the territories where it operates.
- Making tax decisions based on a reasonable interpretation of the applicable regulations.
- Avoiding incorporating or acquiring companies based in tax havens unless they are necessary for participation in a tender procedure or for implementation of a project in the tax haven.
- Avoiding the use of opaque or artificial tax or corporate structures.
- Fostering a relationship with the tax authorities based on respect for the law, trust, good faith, professionalism, collaboration, loyalty and reciprocity. This relationship should not prejudice legitimate disputes which, while respecting the above principles and in defence of the Company's interests, may arise with these authorities concerning the interpretation or application of the rules.

VIII. WORKING PRINCIPLES CONCERNING SPECIFIC STAKEHOLDERS

Shareholders and Investors

The following working principles govern the Company's relationship with its shareholders and investors:

- Facilitating and encouraging shareholders' responsible exercise of their rights and fulfilment of their duties, guided by the principle of equal treatment.

- Encouraging informed participation by shareholders at the Company's General Meeting, adopting the necessary measures in accordance with applicable legislation and the Company's corporate governance regulations. To achieve this, on the occasion of each General Shareholders' Meeting, it provides shareholders with clear and precise documentation about the provisions in the corporate governance system on the exercise of their rights.
- Using responsible communication practices that prevent information manipulation and protect integrity and reputation.
- Ensuring approval by the Company's Board of Directors of a policy for Communication and contact with institutional investors and proxy advisors, including guidelines for conducting relationships with analysts, institutional investors and proxy advisors, and asserting the Company's aim to deliver transparency in the information provided to shareholders and markets.

These principles take into consideration shareholders' duties to exercise their rights vis-à-vis the Company and other shareholders, and to fulfil their duties with due respect for the Company's system of corporate governance, acting with loyalty, in good faith and transparently, in accordance with the Company's interests, which must be prioritised over the private interest of each shareholder.

Staff and Talent

The Group considers its human resources to be a strategic asset, ensuring their care within a good working environment, encouraging their development, training and work-life balance, and promoting equality of opportunity.

To this end, the Group will strive to attract, promote and retain talent and encourage the personal and professional growth of all its staff, making them participants in its successful business enterprise and guaranteeing them secure, worthwhile employment.

The Group's principles with respect to its team and talent are as follows:

- Respect the human and labour rights recognised by domestic and international laws, oppose child labour and forced or compulsory labour, and respect freedom of association and collective bargaining, the right to free movement within each country, and the rights of ethnic minorities in the countries where the Group does business.
- Recruit, select and retain talent within a favourable framework for labour relations, based on equality of opportunity, non-discrimination and consideration for diversity in all its forms, facilitating measures for the integration of disadvantaged groups and groups with differing abilities, and for work-life balance.
- Establish a remuneration policy that favours the hiring of professionals and strengthening of the Group's human capital.
- Promote the training and qualification of staff, favouring professional promotion and adapting human resources to a diverse and multicultural work environment.

- Ensure a safe and healthy working environment within the Group and in its spheres of influence.

Clients

The Group strives to understand the needs and expectations of its clients and offer them the best solutions, working continuously to safeguard and increase their satisfaction, and strengthen their connection to the Group. The working principles in this area are as follows:

- Offer advanced technical solutions that provide clients with sustainable and efficient industrial plants that enable them to implement the best sustainability policies.
- Pursue continuous improvement of the services it provides to its clients in the different countries in which it operates.
- Monitor the quality of the service provided to its clients.

Local Communities

The Group operates in more than 40 countries. In its business operations, it must therefore commit to the following principles regarding the different territories and communities in which it operates:

- Cultivate strong links with the communities where the Group does business to build trust and forge a sense of belonging to an excellent company.
- Adapt the Group's activities in the different countries in which it operates to the various social and cultural realities of each country.
- Strengthen relations with the different local communities by supporting public entities and leading social organisations, and by understanding the expectations of stakeholders within the local communities.
- Respect the rights of ethnic minorities in all the territories in which the Group operates.
- Carry out campaigns that promote the participation of the Group's staff in solidarity initiatives aimed at improving people's quality of life, caring for the environment and sustainable development.
- Encourage the promotion and conservation of the cultural and artistic heritage of the territories in which the Group does business.
- Support initiatives that contribute to a healthier, more egalitarian and just society, including those supporting the empowerment of women and the promotion of work-life balance.
- Collaborate on projects in emerging and developing countries, with particular focus on providing sustainable solutions for building industrial plants that allow widespread access to energy.

Suppliers and Subcontractors

The Group believes that it is essential to ensure that all participants in the value chain of the Group's companies respect and adapt to generally accepted ethical and social responsibility principles, in addition to the applicable laws and the Corporate Governance System. The main working principles in this area are as follows:

- Adopt responsible practices in the management of the supply chain.
- Ensure, as far as possible, that suppliers' behaviour aligns with all the principles contained in this Policy.
- Strive to ensure that all participants in the value chain comply with the principles and uphold the values set out in the Code of Conduct regarding business ethics and transparent management, ethical labour practices, the promotion of health and safety, respect for the environment, guaranteeing the quality and safety of the products and services sold, as well as implement responsible practices in the supply chain, promoting strict adherence to the human and labour rights recognised in domestic and international law.

IX. MONITORING AND DISSEMINATION OF THE POLICY

Within the scope of its competence to supervise the Corporate Governance rules and to approve the Company's Sustainability Policy, subject to reporting from the Audit and Control Committee, the Board of Directors will be responsible for the supervision, implementation and periodic review of the content of this Policy.

The Secretary of the Board of Directors will be responsible for the implementation and application of the Policy, including the planning, coordination and monitoring of the execution of specific actions by the Company's various business areas and departments.

The Company shall provide information annually on the implementation of this Policy in the Integrated Report, the Non-Financial Information Statement and other documents that the Company makes public periodically, in compliance with applicable regulations.

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