

Madrid, a 12 de noviembre de 2015

Estimados Sres.:

Otro año más, tengo la satisfacción de dirigirme a todos ustedes para presentar el cuarto Informe de Progreso de Técnicas Reunidas, a través de su Memoria de Sostenibilidad, que recoge de forma exhaustiva y transparente el análisis de los asuntos materiales en el ámbito económico, social y ambiental de la Compañía en 2014, elaborada siguiendo las directrices de la versión 4 del Global Reporting Initiative.

Este documento es el fiel reflejo de nuestro firme compromiso por generar valor para todos nuestros grupos de interés, que se integra en nuestra Política de Responsabilidad Social Corporativa y en la estrategia global de la Compañía, apostando firmemente por el cumplimiento de los diez principios del Pacto Mundial de las Naciones Unidas, iniciativa internacional de la que somos socios y con la que venimos colaborando desde el año 2011.

Durante el pasado ejercicio, hemos seguido desarrollando nuestra actividad apostando por un modelo sostenible de desarrollo de negocio que pone en relieve los principios de integridad, profesionalidad, liderazgo y compromiso con la ética y que trasciende al propósito de rentabilidad económica para poner el foco en unos objetivos más ambiciosos, aunando la creación de valor con el progreso económico y social de los países en los cuales desarrollamos nuestros proyectos.

Este modelo es el que permite a Técnicas Reunidas disfrutar de la confianza de sus principales grupos de interés, esto es, trabajadores, inversores, colaboradores internos y externos, proveedores y clientes, tanto en el aspecto ambiental como en el social y financiero, siendo esta una de las claves de nuestro éxito.

De cara al futuro, confiamos en seguir creando valor en todos los territorios en los que desarrollamos nuestra actividad y en seguir creciendo sobre la base de los criterios éticos, transparentes y responsables que guían nuestra toma de decisiones.

Por todos estos motivos, Técnicas Reunidas desea renovar su adhesión al Pacto Mundial y transmite su firme propósito de que así suceda también en los próximos ejercicios.



Juan Lladó Arburúa



TECNICAS REUNIDAS

2014

SUSTAINABILITY REPORT 2014 TÉCNICAS REUNIDAS



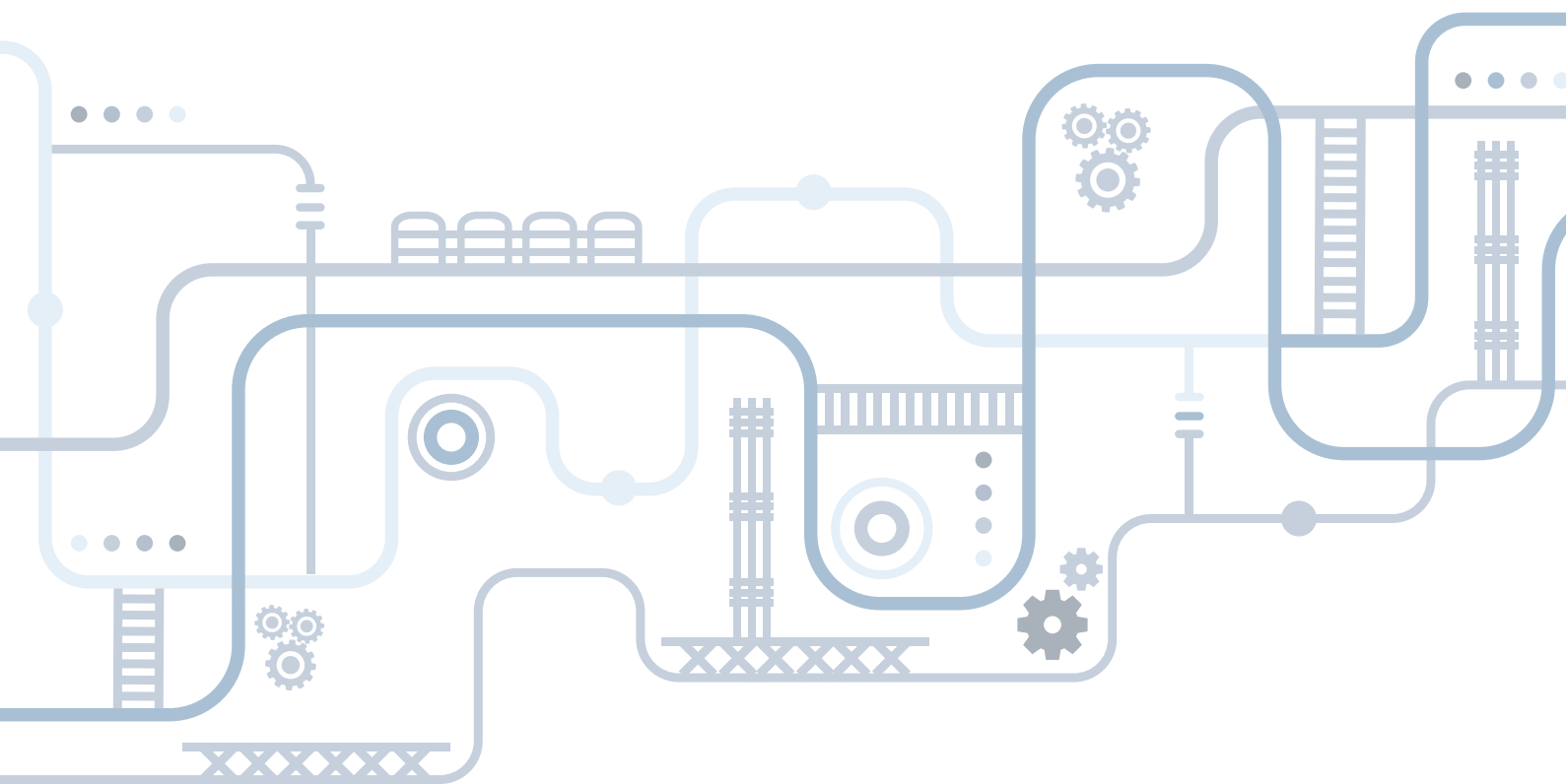


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Letter from the Chairman

G4-1, G4-3

Once again, I am pleased to present the Técnicas Reunidas Sustainability Report, drafted following the recommendations established in version 4 of the Global Reporting Initiative Guidelines, the widely recognised international Standard on sustainability reports.

This document is the reflection of our commitment to creating value for all of our interest groups, and it is comprised within our Corporate Social Responsibility Policy approved in 2013 and within the company's global strategy.

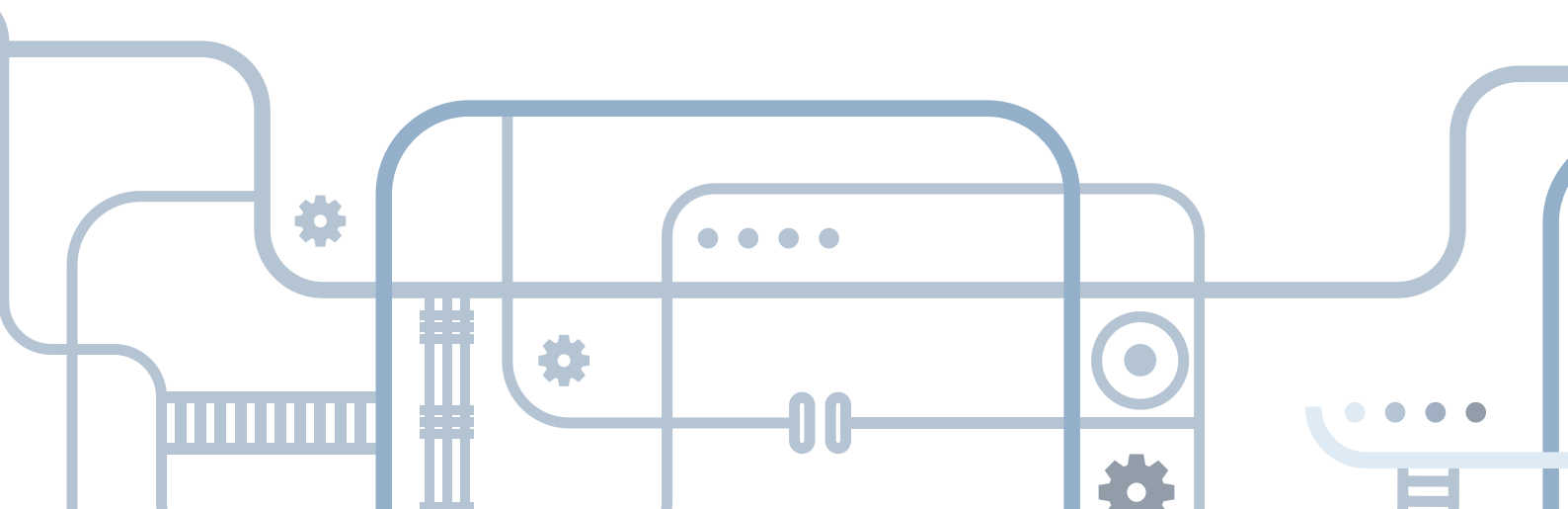
The embodiment of this commitment means that we enjoy the trust of all interested parties: investors, internal and external collaborators, suppliers and clients, in environmental, social and financial aspects, and this is one of the keys to our success. Performing our activity constantly striving for improvement is what enables us to continue growing year after year, based on ethical, transparent and responsible criteria that guide our decision-making processes.

In our efforts to improve and maintain an ongoing dialogue with all interest groups, we have analysed the material issues in the economic, social and environmental fields in order to identify the priority areas of action for the organisation. Among these

issues are health and safety, people management, environmental impact and management and relations with society and good corporate governance.

Within corporate governance, in 2014 we worked to maintain our demanding levels. In alignment with these standards, the Board's Executive Committees intensified their risks control activities.

The most important element for a company with our history is its people. This is why people management has been, and always will be, a key aspect of our corporate strategy. We have continued consolidating our inclusive and open model for talent management, with a constantly growing number of staff, 8,522 employees in 2014 (667 more than in 2013). We are still committed to training, with over 127,000 hours provided in 2014, and committed to young talent, with a recruitment rate of 83% of all those participating in our scholarship programs, over 80% of which remained with the company. We have created the position of Human Resources Director at our subsidiaries and for our site teams in order to reinforce people management and to handle the peculiarities of each local project.



At Técnicas Reunidas we consider that health and safety is an essential issue and a priority, due to the nature of our activities. Our goal is always “Zero accidents” and we put all of our effort into achieving it. This goal is applicable to all people who play a part in our activity: employees, internal and external collaborators, suppliers, contractors and visitors to our facilities. As for suppliers, we have a certification system that includes sustainability and health and safety criteria.

In 2014, we performed safety inspections at our suppliers’ facilities and we consolidated health and safety inspections in the offices, among other courses of action that we implement in order to continue achieving our goal of maximum safety for everyone that plays a part in our activity.

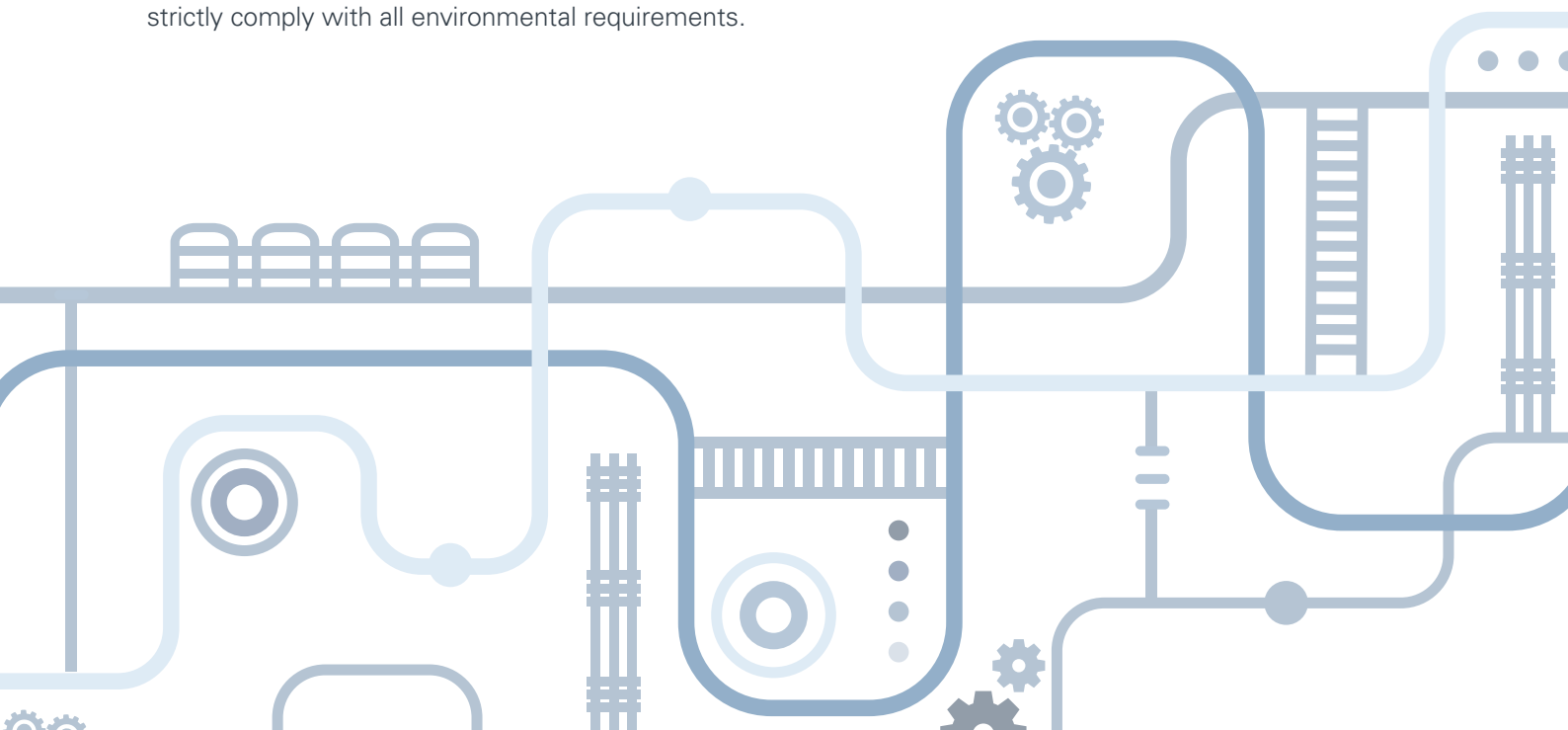
Aware of the possible impact of our work on the environment, our environmental policy focuses on a rational and sustainable use of the energy and natural resources that we require, minimising impact by using the best technology available, embodied in the strategic goal to reduce the carbon footprint, which the company has been meeting in recent years. We also ensure that all of our projects strictly comply with all environmental requirements.

I would also like to mention the full commitment of our company to society and to the communities located in the environs of the projects. We understand the success is based on building progress jointly with society and that this is the only way to create shared value for our interest groups and to be sustainable over the short, medium and long-term. This is a goal that we are working towards every single day.

I invite you to read through these pages, which were created to provide an idea of our commitment and our intention to contribute towards progress for all those who come in contact with Técnicas Reunidas.

Thank you very much for your trust in us.

José Lladó Fernández-Urrutia



Técnicas Reunidas in 2014

G4-9

- ✓ **Historical portfolio record**, reaching €8,412 million (+31.9%)
- ✓ **Income increased by 10.6%** and EBITDA by 7.9%
- ✓ **€3,149.2 million in revenue**
- ✓ **A consolidated client base**, with new clients in 2014
- ✓ **Projects in over 50 countries**

Projects awarded to Técnicas Reunidas for
€4,499 million, historical record

8,552 employees in 2014
(8% increase compared to 2013)

Over **€3 million** invested in R&D&I

47% less accidents
compared to 2013

10.13%
less emissions per employee



Técnicas Reunidas milestones in 2014

G4-DMA

In global terms, 2014 was a great year for Técnicas Reunidas, proven by having achieved our historical portfolio record, placing it at over €8,400 million, which is 31.9% higher than 2013.

This historical portfolio record was achieved thanks to the large increase in the amount of projects awarded to Técnicas Reunidas in 2014, projects which entailed a total sum of €4,499 million, 36% higher than 2013 and 125% higher than in 2011. The foundation for this new company record is in development of the commercial strategy that seeks further international diversification and an increased client base.

This growth just reinforces and consolidates the strategy followed by Técnicas Reunidas in recent years and is an important support and acknowledgement by our clients, who place their trust in Técnicas Reunidas to carry out complex projects in many diverse areas. In addition, the geographical distribution of Técnicas Reunidas' project portfolio proves the company's balance between the various markets, greatly minimising its risks.

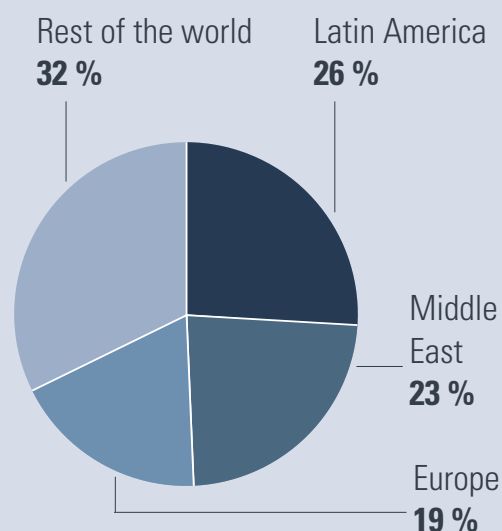
In 2014, 26% of the company's project portfolio was in Latin America, 23% in the Middle East and 19% in Europe. Projects in the rest of the world made up almost a third of the total, at 32%.

Investment forecasts for the energy industry point to important opportunities for growth in emerging markets, especially in the Middle East, Russia, India and China. We must

highlight that we have carried out and have ongoing projects in all these regions; therefore we are familiar with and have experience in these markets, which is a great competitive advantage.

At Técnicas Reunidas we consider that in order to grow we must have our clients' trust as well as market recognition. To this end, we are working to continue developing one of Técnicas Reunidas' differential values, which is providing innovative solutions that combine the most avant-garde technology with the best professionals. These two elements, along with Técnicas Reunidas' experience and capacity to implement projects in very demanding environments, are just some of the company's distinctive factors.

Técnicas Reunidas 2014 project portfolio by geographic area



Sustainability in Técnicas Reunidas, at a glance

In 2014 we continued committed to sustainability as one of our pillars for growth and development. Therefore we carried out work in several areas, aimed at improving and maintaining the company's

performance in this field. The lines of work regarding sustainability fit perfectly with the Técnicas Reunidas principles for action, as well as with our company mission, vision and values.



TECNICAS REUNIDAS

People Safety



...increase in staff reaching a total 8,552 professionals in 2014

Suppliers



...of purchases made from local companies in 2014

Environment



...of the projects have environmental management systems

Innovation at the client's service



...investment in R&D&I in 2014

Safety



...less accidents compared to 2013

Corporate governance



...attendance rate at the 2014 Board meetings

Society



...aimed at social projects in 2014

Finances



...increase in the project portfolio value €8.41 billion in 2014








Our **mission** is to make a difference within our industry and create value for society

Our **vision** is to continue growing as a company and at the same time to create value for all of our interest groups

Our **values** are the desire to continuously improve, transparency, honesty, respect and commitment to society

Main projects in 2014

The main projects awarded to Técnicas Reunidas in 2014 were:

	Project	Country	Client	Amount
	Sturgeon Refinery	Canada	North West Redwater	580 million Canadian dollars
	Talara Refinery	Peru	Petroperú	\$2.7 billion
	RAPID refining project	Malaysia	Petronas	\$1.5 billion
	Minatitlán Refinery	Mexico	Pemex	\$550 million
	Heroya nitric acid plant	Norway	Yara Norge AS	€85 million
	Ancillary units for the GICC plant	Saudi Arabia	Saudi Aramco	\$1.7 billion
	Combined cycle plant	Bangladesh	Ashuganj Power Station Company	\$300 million (as Joint Venture project, 50% TÉCNICAS REUNIDAS)
	Los Mina energy plant	Dominican Republic	AES	€140 million
	Turów plant	Poland	Polska Grupa Energetyczna	€770 million (as Joint Venture project)
	Nodo Energético del Sur energy plant	Peru	GDF Suez	\$240 million (as Joint Venture project, 50% TÉCNICAS REUNIDAS)
	Fort Hills cogeneration plant	Canada	Suncor, Total and Teck	250 million Canadian dollars

Técnicas Reunidas Business Model

Our activity

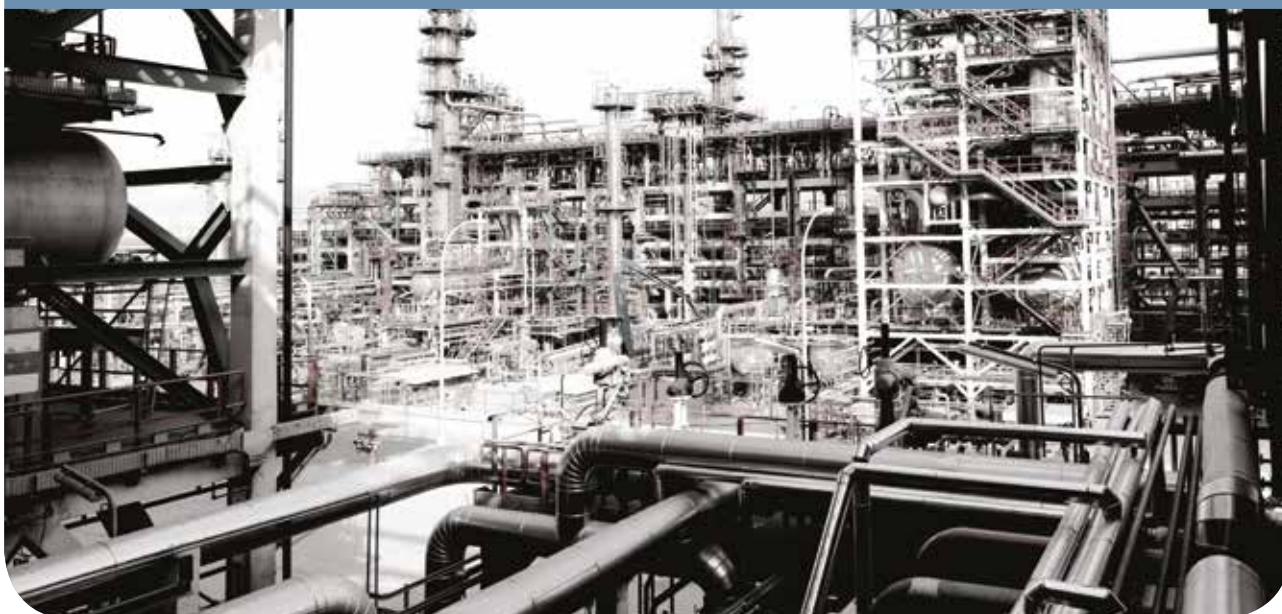
We are a company engaged in engineering, design and construction of all types of industrial installations, for a large variety of clients, such as state-owned oil and energy companies or large multinational companies.

Most of our activities are focused on the performance of large “turnkey” type industrial projects, although we also provide all types of engineering, management, commissioning and operations for industrial plants.

Our history

Throughout our more than 54 years of history, since our incorporation in 1960, we have grown to become one of the leading engineering companies in the world, having implemented projects in over 50 countries, on all six continents. In the case of industrial plants, over 1,000 projects.

“Técnicas Reunidas’s history is one of hard-work, overcoming and success, which would not have been possible without the help of its employees, who are one of the company’s differentiating elements.”



A success story...

1960

1960 Incorporation of Lummus España, S.A.

1963 First award: fertilizer plant for Abonos Sevilla. Execution of its first refinery in Spain

1965 Incorporation of Técnicas Reunidas, agreement with Lummus to create Técnicas Reunidas Lummus-España and incorporation of Espindesa

1968 Execution of a refinery in Luján de Cuyo (Argentina), its first "turnkey" project abroad

1970

1972 Lummus España is absorbed by Técnicas Reunidas

Late 70's Initial collaboration with Explosivos Riotinto

1980

1980 Incorporation of Empresarios Agrupados, A.I.E., participated by TR, for the development of the Spanish nuclear system

1981 Award of the Dumai "turnkey" hydrocracking project in Pertamina (Indonesia)

1990

1991 Procurement of the Tianjin ethylene plant for Sinopec

Late 90's: Recognition from General Electric as "selected contractor"

1988 First "turnkey" project in China, LAB Fushum for Sinopec

2000

2000 Acquisition of the state company INITEC

2006 Listing on the Stock Market

2006 Member of the selective Ibex 35

2010

2010 Técnicas Reunidas celebrates 50 years as one of the top 10 reference engineering companies in the world

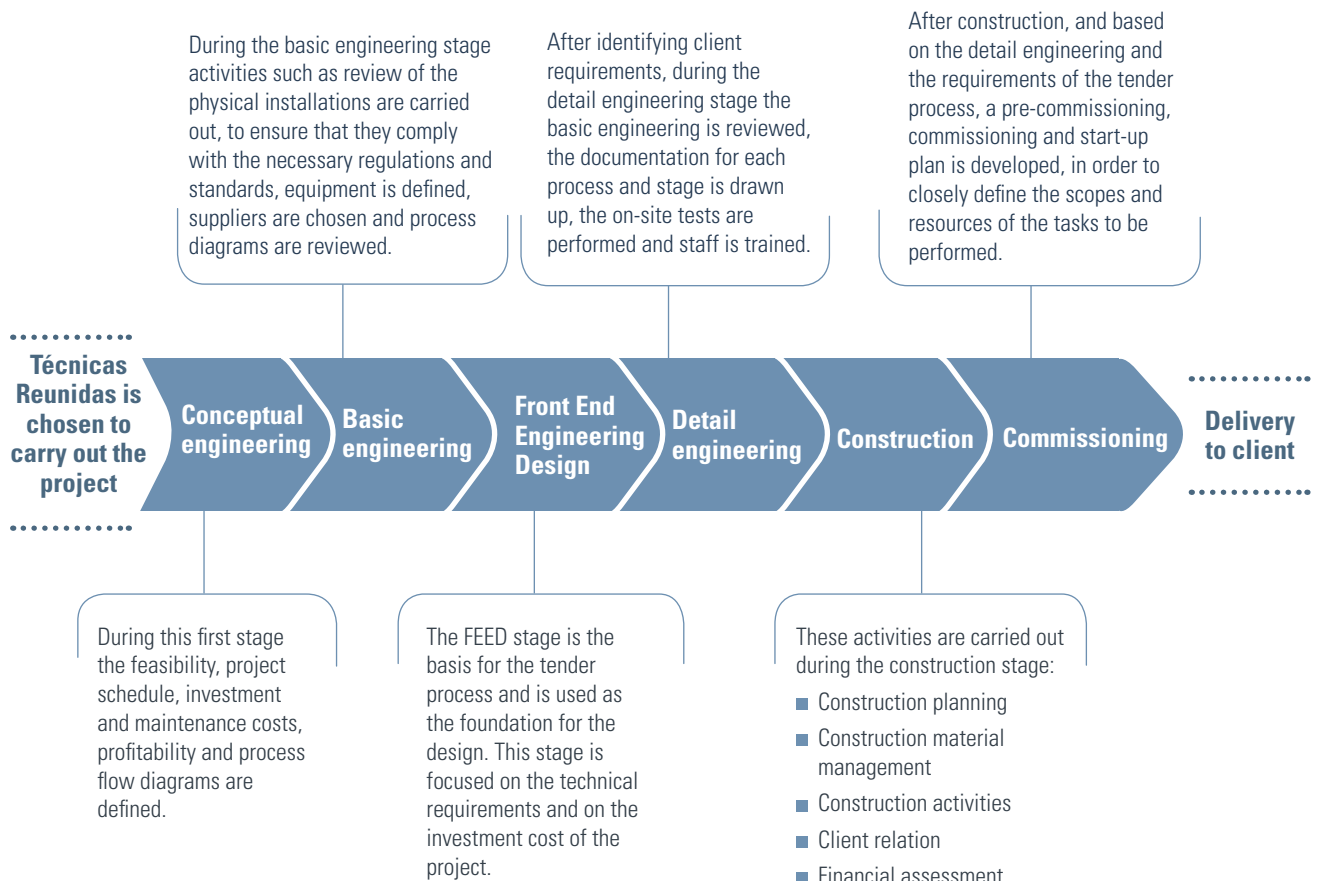
2013 Técnicas Reunidas publishes its first Sustainability Report on its 2012 performance

Técnicas Reunidas value chain

G4-12

The Técnicas Reunidas business model value chain spans from the moment we are chosen to carry out a project to the delivery to the client, including the commissioning stage.

Throughout the entire value chain we take care to perform our work with the maximum quality and punctuality, actively communicating with clients and suppliers in order to carry out our activities in accordance with the high standards required by the market, and the standards that we ourselves demand.



Business areas and international activity

G4-4, G4-8

From the first project that we were awarded, the fertilizer plant for 'Abonos Sevilla', until the last project that we were chosen for in 2014, a Nitric Acid plant in Norway, we have developed our

activity in three main business areas, namely:

Oil & Natural Gas, Energy and Infrastructures & Industry.

Oil & Natural Gas

Técnicas Reunidas was responsible for the design and construction of approximately 80% of Spain's existing refining capacity. It was also in charge of close to 300 refineries worldwide.

Refining and Petrochemical

- Refining
- Petrochemical

Own Development

- Basic Refining Engineering
- Heat transfer

Upstream and Natural Gas

- Development of Oil and Gas fields (Onshore/Offshore)
- Gas treatment and fractionating plants
- NG, liquefaction, regasification and tanks
- Oleoductos, gasoductos y estaciones de compresión

Own technology

- Fertilisers and nitric acid
- Hydrometallurgy and electrochemical



+60 infrastructure projects
performed in the last 10 years

Energy

We have performed more than 45 million hours in engineering, purchase management, construction and commissioning. We participated in projects representing total installed power of more than 45,000 MW in 25 countries.

Energy

- Fossil fuel plants
- Nuclear plants
- Solar plants
- Treatment and/or assessment of biomass and waste



Over 45 million hours
devoted to engineering, purchase management, construction and commissioning of energy projects



45,000 MW in 25 countries
Total power of the projects in which Técnicas Reunidas has participated

Infrastructures & Industry

We have developed important and various infrastructure projects: works for water treatment, desalination, airports, maritime ports, coastal projects, roads and railway lines, among others.

Infrastructures & Industry

- Ecology
- Water
- Airports and air transport
- Architecture, building and town planning
- Land transport
- Ports and coasts



80%

Técnicas Reunidas has designed and built close to 80% of Spain's refining capacity



300
refineries

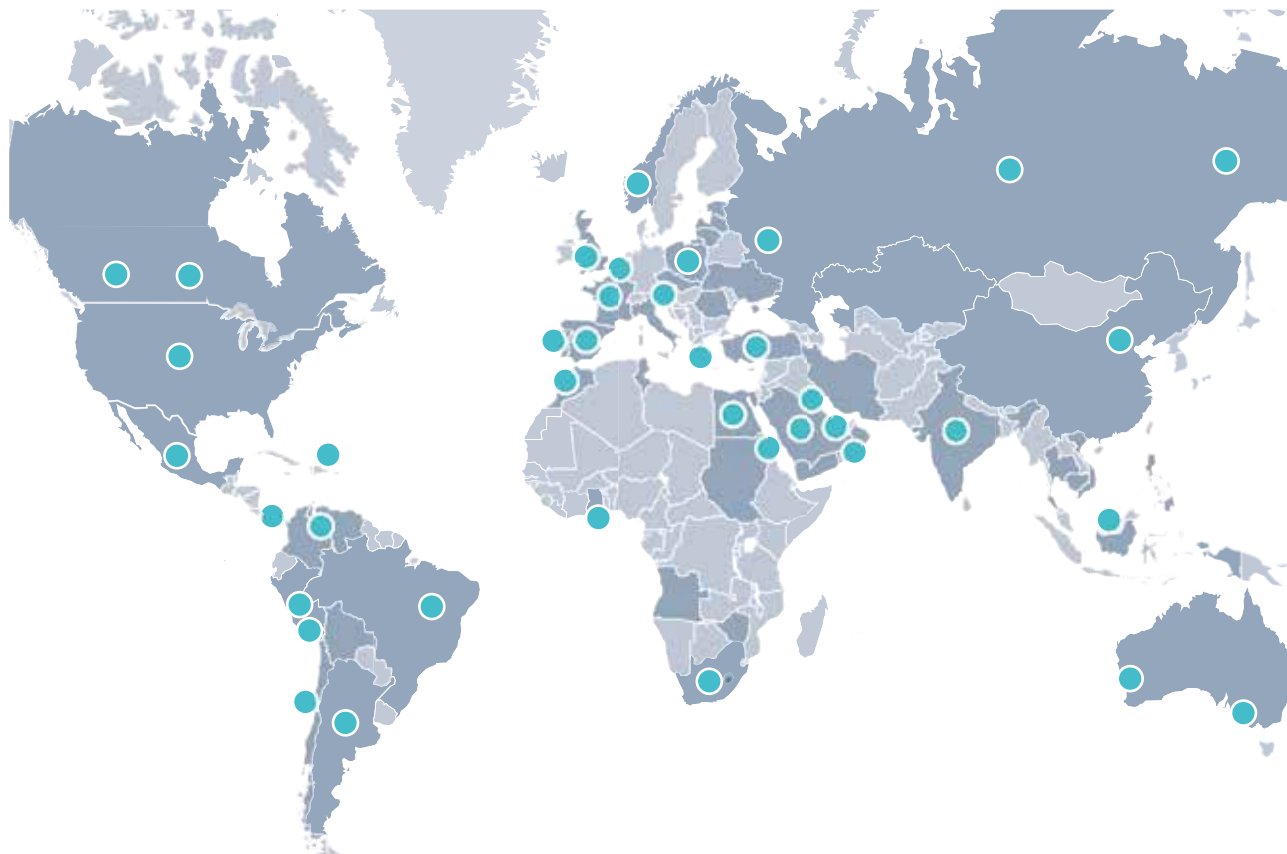
Our international activity

G4-6

From the beginning, Técnicas Reunidas is committed to developing international projects as a key pillar for company sustainability and growth. Thanks to our versatility and flexibility, achieved through better internal communication, efficiency in our processes and foresight, we are able to take advantage of an efficient commercial network that

has afforded us access to the opportunities that arise in international markets. All this with a high degree of adaptation to each client's specific needs.

The company carries out most of its activity outside Spain, mainly in the Middle East, Latin America, Asia, North America and North Africa.



Context of Técnicas Reunidas activity

One of our main challenges is **diversification** of our activities and projects, because one of our main goals is to become one of the engineering and construction companies with the largest products and services portfolio. We aim to be recognised worldwide by our downstream, upstream, natural gas, energy and infrastructure clients.

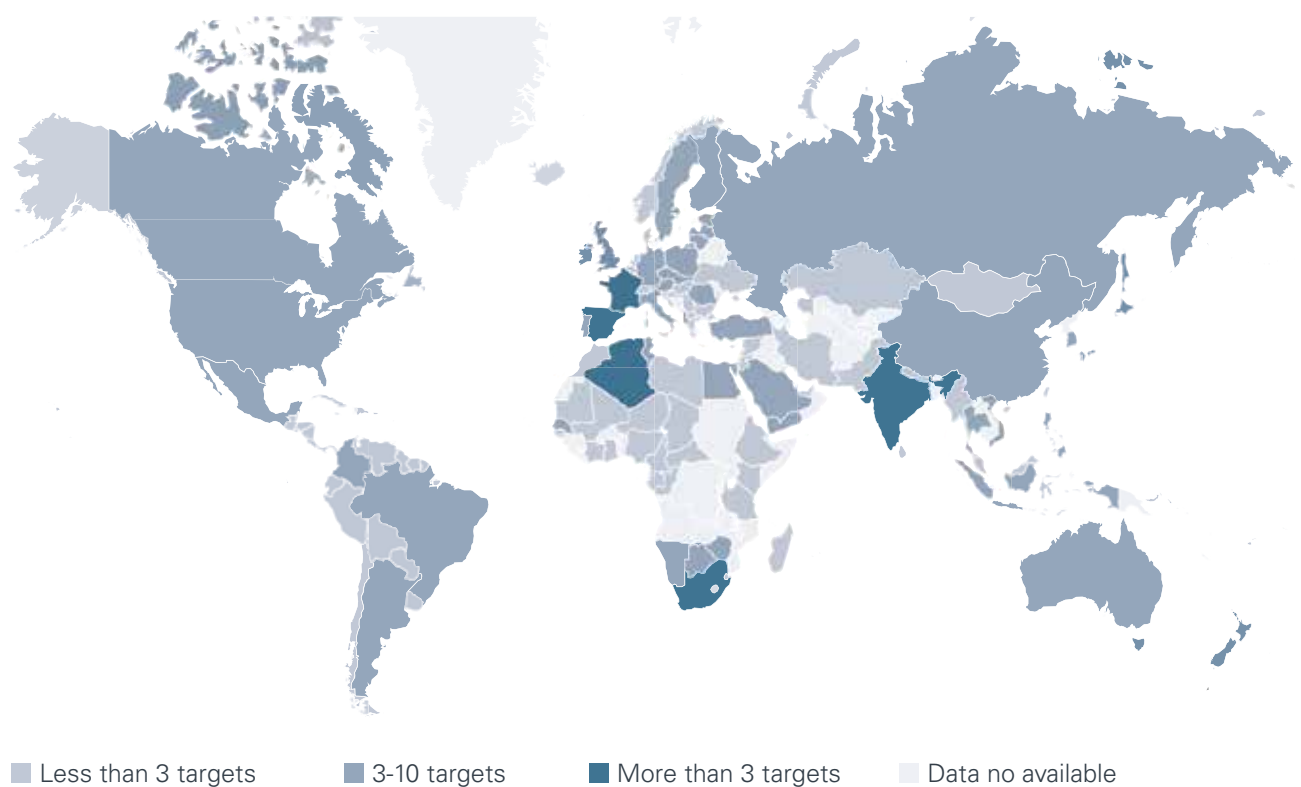
Below are the five main global trends that most influence the activities of Técnicas Reunidas.

Increased interest in energy efficiency

One of the global trends that may influence the activities of Técnicas Reunidas is increased interest in the search for better efficiency, to produce more

with a lower input (higher amount of energy with lower energy and water consumption, along with reduced emissions and waste discharge).

As shown on the graph, a large number of countries have three or more quantitative goals pertaining to energy efficiency, which means that construction companies that build industrial centres will have to increasingly raise the efficiency of their installations in order to continue being competitive and to meet the regulations in force in each country. We have a clear example of these policies in the European Union, which in 2011 established the goal to increase its energy efficiency by 20% by 2020.



Source: World Energy Council

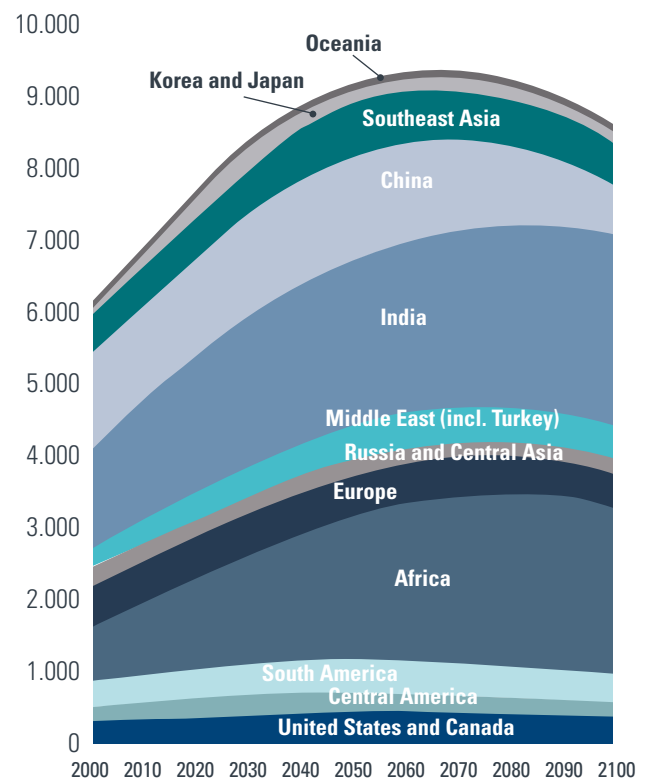
Population growth

Throughout the 21st Century the world will increase from a population of 6,115 million people in 2010 to 8,515 million in 2100, peaking at over 9,300 million people between 2060 and 2070.

This population increase, which will be particularly important in emerging countries, will entail a series of demands for infrastructures (roads, ports, sewerage networks, etc.) that will translate into a large source of growth for those companies that are best prepared to adapt to this context.

On the other hand, according to the *2015 Global Construction Report*, the construction sector will experience a 70% growth worldwide in the next 10 years, reaching a total of \$15 billion (equivalent to 11 times Spain's GDP in 2014 and higher than the Euro Zone.) The countries that will experience the largest growth in the infrastructure sector in coming years are China, India and Indonesia.

World population by regions 2000-2100



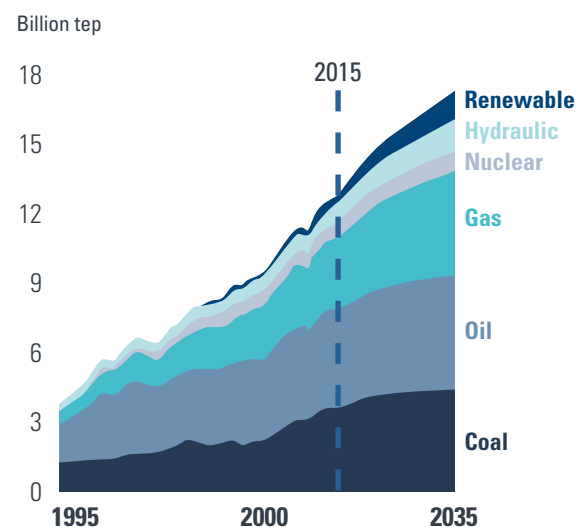
Source: HYDE and United Nations

Future energy scenarios

According to BP's Energy Outlook 2035, the deceleration in China's growth will mean a lower consumption of coal as primary energy source.

The largest-growing energy source demand is for renewables (6.4% per year - p/a), followed by: nuclear (1.9% p/a), hydroelectric (1.8% p/a), gas (1.8 p/a), coal (1.1%) and oil (0.8%).

This must be taken into account when developing technologies and projects adapted to future energy scenarios.

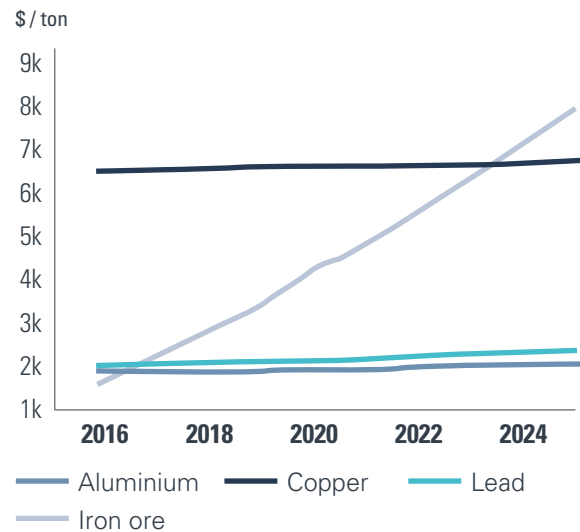


Source: BP Energy Outlook 2035

Prices for commodities

According to the World Bank, 2015 will see an uncommon circumstance: there will be 9 reference indexes for commodities that will be lower in 2015 than in 2014. The largest reduction compared to 2014 will happen for energy (-40.5%), whereas metals will decrease by 5.3%.

In spite of this descent for 2015, it is expected that prices will begin to recover in 2016, with iron increasing to a large degree, compared to other reference materials.



Source: World Bank

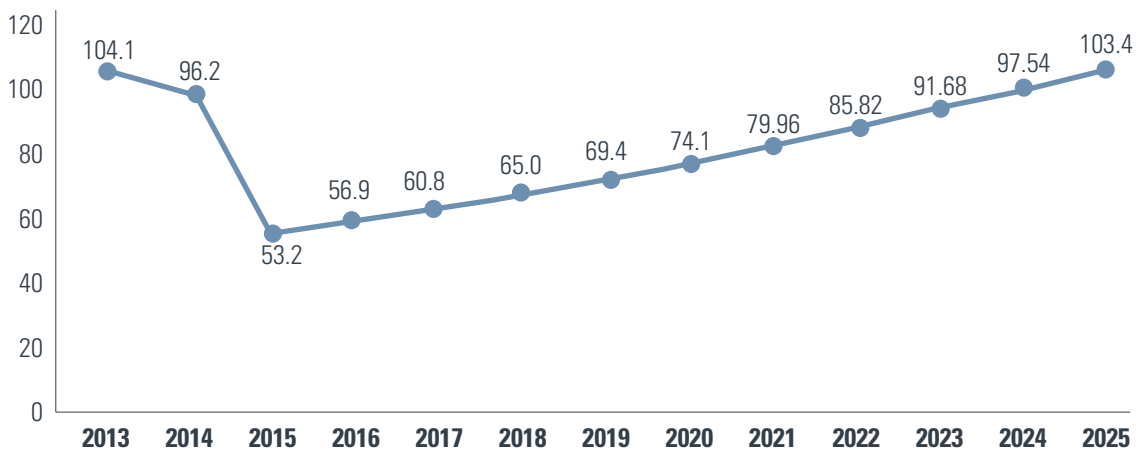
Changes in hydrocarbon prices

Given the high volatility of the barrel of crude oil in the last year, companies engaged in construction of hydrocarbon infrastructures must keep these variations in mind for the future plans, because the demand for infrastructures may change on the market.

As stated by the World Bank, after the large price drop between 2014 and 2015, it is expected for prices to gradually increase.

Price of crude oil barrel

(nominal US dollars) World Bank



Source: World Bank

Strategy and the future

G4-15, G4-16, G4-DMA

At Técnicas Reunidas we believe that we have the necessary capital (financial, industrial, intellectual, human, social, relations and natural) to face an ever-changing global socio-economic context, with a large degree of competition. We believe that committing to sustainable growth is a differentiating factor, and a competitive advantage for us. Our strategy is based on the suitable management of these capital elements to create value in the short, medium and long-term for all of our interest groups.

A key element in our strategy is sustainability and corporate social responsibility. These concepts are fully integrated in our strategy and in the operating principles with all of our interest groups. For years we have been supporting the Global Compact, a United Nations initiative implemented in 1999 with the aim for businesses to commit to aligning their operations and strategies in the areas of human rights, labour, the environment and anti-corruption.

Our operating principles are based on these four pillars:

- To encourage a culture of ongoing improvement and prevention of illegal activities.
- To establish and review objectives and publicly report on the degree of progress achieved in the various areas.
- To provide employees and collaborators with adequate and ongoing training.
- To create efficient channels of communication with the employees and with all of the interest groups.

We also clearly see the challenges that we face in the future and we feel capable of overcoming them with full guarantees for success. These challenges are: **diversification, making use of opportunities and achieving recognition by clients and by the market.**

Diversification

At Técnicas Reunidas we understand that diversification, both of projects and of the countries where we are present, are two key elements for survival and for company growth in a globalised world that is subject to intense and frequent changes.

The good balance in the Técnicas Reunidas portfolios between the various geographical areas contributes to consolidating the company's strategy, based on not depending excessively on any geographical area in its project portfolio.

Making use of opportunities

With a favourable outlook for investments in the energy sector, especially in the downstream, upstream, petrochemical, electricity and gas areas, at Técnicas Reunidas we are aware of the importance of being prepared to make use of opportunities that arise in these sectors, working to submit proposals and to offer projects with maximum quality and reliability standards.

However, we must bear in mind the large amount of competition in traditional markets; therefore we must find a suitable balance between the opportunities for the company in the various countries and industries.

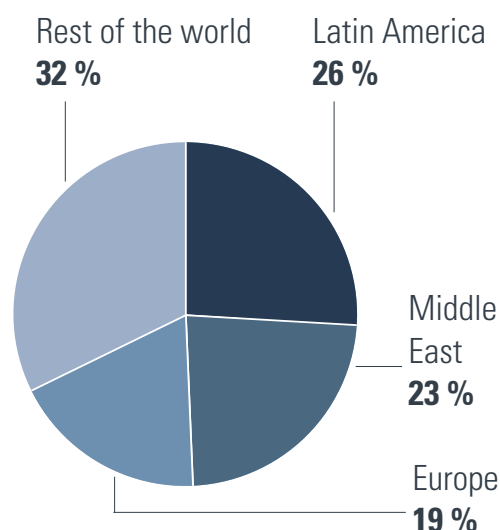
Recognition by clients and by the market

Técnicas Reunidas is a worldwide reference in its sector. The company seeks consolidation by strengthening client relations, offering them the best quality in project execution and maintaining a constant flow of communication both with clients and with our suppliers and contractors.

Performing works with high quality standards, safety, timeliness and efficiency are keys to increasing our recognition in a sector in which we work worldwide.

“Throughout our more than 50 years of history we have progressed to become the 38th construction company in the world by business volume: \$3,736.8 million in 2013 (ENR Top 250, 2014). Our goal is to continue growing sustainably, developing projects and infrastructures that positively affect society and that meet our clients’ expectations.”

Técnicas Reunidas 2014 project portfolio by geographic area



Main risks and opportunities

RISKS

- ✓ Fluctuating energy and oil markets can influence the volume of new tenders.
- ✓ Increased competitiveness in the sector.
- ✓ Regional political instability.
- ✓ Possible modification of regulations pertaining to industrial facilities due to climate change.
- ✓ Conflicts with local communities that may affect project development.

OPPORTUNITIES

- ✓ Diversification of the business units.
- ✓ Investment in development and innovation and implementation of the improvements to our projects.
- ✓ Improved quality in the services provided.
- ✓ New areas of activity such as fracking or the new rise in nuclear energy.
- ✓ Proven experience in projects with high environmental standards and sustainability requirements.
- ✓ Company attractiveness to recruit talent currently on the market.

Técnicas Reunidas' differentiating elements

Distinctive elements of Técnicas Reunidas in comparison to our competitors

- ✓ Proven flexibility to adapt to new situations (clients, geographical areas and business areas).
- ✓ Highly positive history of results compared to the competition.
- ✓ A large commitment to human resources as its main asset.
- ✓ Integration of all corporate areas with the business.
- ✓ Commitment to the environment and sustainability by senior management, along with the awareness and implication of all staff.

Economic information

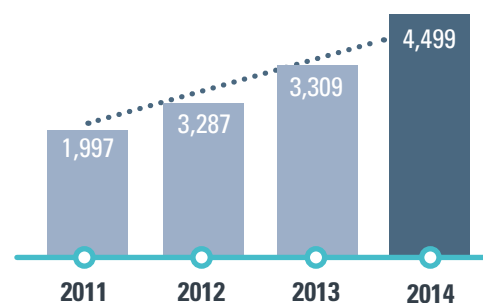
Main economic figures for the company

Técnicas Reunidas ended 2014 with a project portfolio to a total value of €8,412.4 million, a 31.9% increase regarding 2013. This figure was reached thanks to a record amount of tender awards in 2014, amounting to €4,498.6 million.

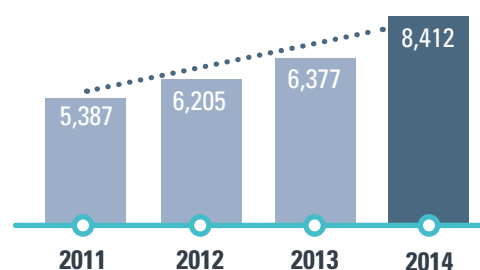
This record number emphasises the increasing amount of tender awards throughout the last 4 years, having grown by 125% between 2011 and 2014.

On the other hand Técnicas Reunidas' technical portfolio also increased in recent years, from €5.387 million in 2011 to €8,412 million in 2014.

Value of the awarded projects, in million €



Portfolio evolution, in million €



Below are the main economic figures:

Main figures January-December	2014 Million €	2013 Million €	Variation %
Portfolio	8,412.4	6,376.6	31.9%
Ordinary revenue	3,149.2	2,846.1	10.6%
EBIDTA	169.6	157.3	7.9%
Margin	5.4%	5.5%	
EBIT	157.6	148.0	6.5%
Margin	5.0%	5.2%	
Net profit	134.5	128.5	4.7%
Margin	4.3%	4.5%	
Net Treasury Position	664.2	628.6	5.7%

Consolidated profit and loss account

Within a complex global socio-economic context, in 2014 Técnicas Reunidas improved its economic indicators in the consolidated profit and loss account, as shown below.

Income from sales increased by 10.6% in 2014 regarding 2013, thanks to the performance of the large portfolio that Técnicas Reunidas attained in recent years.

In 2014, and within Técnicas Reunidas' three main business areas, 92.8% of the income came from oil and gas projects (€2.921,6 million, 11.8% more than in 2013), energy generation (4.4% more than the total income and €139.6 million, as well as a 76.5% increase compared to 2013) and infrastructures (2.8% of the total and €88 million).



Consolidated profit and loss account January-December	2014 Million €	2013 Million €	Variation %
Ordinary revenue (Sales)	3,149.2	2,846.1	10.6%
Other income	4.8	7.7	
Total revenue	3,153.9	2,853.8	10.5%
Procurement	-2,059.1	-1,945.6	
Personnel costs	-495.3	-439.1	
Other operating expenses	-429.8	-311.8	
EBITDA	169.6	157.3	7.9%
Amortisation	-12.1	-9.2	
EBIT	157.6	148.0	6.5%
Financial results	8.6	5.3	
Results by equity method	-0.5	-2.8	
Profit before taxes	165.7	150.5	10.1%
Income Tax	-31.3	-22.0	
Financial year profit	134.5	128.5	4.7%

Oil & Gas:

Refinery and Petrochemical products

Within oil & gas, the highest total sales were from refining and petrochemicals. The projects that most contributed to the sales figures were Volgograd for Lukoil (Russia), Sturgeon for North WEST Redwater (Canada), Izmit for Tüpras (Turkey), the Jazan refinery for Saudi Aramco (Saudi Arabia), Optara for Total (Belgium) and three projects in Sadara for Dow Chemical/Saudi Aramco (Saudi Arabia).

Production and Natural Gas

The projects that most contributed to revenues were the Touat project for GDF Suez/Sonatrach (Algiers), the oil sands project for CNR (Canada) and the Gran Chaco project for YPFB (Bolivia).

Power:

The main contributors to sales revenues were: the Ashuganj CCGT for Ashuganj Power Station Company (Bangladesh) and the Fort Hills cogeneration plant for Suncor, Total and Teck (Canada).

Infrastructure & Industry:

Revenues in this division fell 42.6% to € 88 million, due to the completion of a large desalination project in Australia in 2014 and because the projects awarded recently entailed a smaller contribution to sales in 2014.

Consolidated balance

Consolidated balance 31 December	2014 Million €	2013 Million €
ASSETS		
Property, plant and equipment	113.7	112.8
Investments in associations	14.6	12.4
Deferred income tax assets	81.9	37.9
Other intangible assets	18.4	11.1
NON-CURRENT ASSETS	228.6	174.1
Inventories	23.3	24.3
Receivables	1,436.9	1,461.1
Other current assets	58.3	44.8
Cash and cash equivalents	691.6	658.7
Current assets	2,210.0	2,188.8
Total assets	2,438.6	2,362.9
LIABILITIES		
Equity	455.8	438.5
Non-current liabilities	95.0	54.6
Financial debt	23.7	25.9
Other non-current liabilities	71.4	28.7
Provisions	36.8	29.6
Current liabilities		
Borrowings	3.8	4.1
Suppliers and other payables	1,653.6	1,729.8
Other current liabilities	193.6	106.3
	1,851.0	1,840.2
Total liabilities	1,982.8	1,924.4
Total equity and liabilities	2,438.6	2,362.9
Consolidated balance 31 December	2014 Million €	2013 Million €
Capital, retained earnings, profit for the year	611.4	548.1
Treasury shares	-73.4	-73.4
Hedging reserves	-49.3	-4.4
Interim dividend	-35.8	-35.8
Minority interest	-2.9	4.0
Total equity	455.8	438.5
Net cash position 31 December	2014 Million €	2013 Million €
Current assets less cash and current financial assets	1,518.5	1,530.2
Current liabilities less financial debt	-1,847.2	-1,836.1
NET WORKING CAPITAL	-328.7	-306.0
Current financial assets	-63.2	-67.9
Cash and cash equivalents	-35.8	-35.8
Financial debt	-2.9	4.0
Net cash position	664.2	628.6
Net cash + net working capital	335.4	322.7

Questions and answers on ethical, social and environmental matters

In recent years investment funds and the various financial indices are taking more into consideration company aspects that go beyond the purely financial, which can be grouped in three large areas: ethics and compliance, social and environmental. This is because those companies that maintain good performance and management in these three aspects provide additional guarantee for success and profitability of their investment.

Técnicas Reunidas concerns itself with meeting the expectations of all of its interest groups. Below are several questions posed by three reference indices on the matter (Vigeo, FTS4Good and the Dow Jones Sustainability Index) for three key aspects of the questionnaires sent by these indices (ethical and compliance aspects, social and environmental) and a summary of the answers provided by the company.



Ethical and compliance aspects

- ? What mechanisms does the company have to guarantee the effectiveness and good performance of its Governing Board?
(DJSI)
- ? Does the company have a safety certification for the information (ISO 27001 type) on its computer system?
(DJSI)
- ? What steps has the company taken to manage sustainability risks amongst its suppliers
(DJSI)



Social aspects

- ? It would be positive for the company to provide information on social investments made and the types of projects these investments were aimed at.
(FTS4Good)
- ? The company must monitor its performance in health and safety, providing information and stating its goals in this area.
(FTS4Good)
- ? It would be positive for the company to have professional career management systems and structures, as well as training made available to all employee levels, not only management.
(Vigeo)



Environmental aspects

- ? The company must have quantitative goals for reducing greenhouse gas emissions in the short-term (within 5 years).
(FTS4Good)
- ? It would be positive for the company to identify, evaluate and reduce environmental accident hazards.
(Vigeo)
- ? It is important for the company to have an Environmental Management System (EMS).
(DJSI)



Ethical and compliance aspects

G4-DMA, G4-HR9

? What mechanisms does the company have to guarantee the effectiveness and good performance of its Governing Board? (DJSI)

Reply: The Técnicas Reunidas Board, pursuant to its regulations and as established in the ACGR, regularly assesses the quality and efficiency of its operations, of the committees and their chairpersons, based on the report received by the Appointments and Remuneration Committee or by the Audit Committee. In 2014 the Board met seven times, with a 100% attendance rate, which proves the Directors' commitment to the smooth running of the company.

? Does the company have a safety certification for the information (ISO 27001 type) on its computer system? (DJSI)

Reply: Técnicas Reunidas, as a leading company in the sector, is fully conscious of information security and makes sure to apply the necessary procedures to guarantee confidentiality, availability and integrity of the information handled in all of its projects. Since 2011 the company applies the BSI Certification for the Information Security Management System (ISO 27001).

? What steps has the company taken to manage sustainability risks amongst its suppliers? (DJSI)

Reply: Técnicas Reunidas is aware of the role of suppliers in managing impacts to its supply chain, therefore it has in place a procurement, certification and supplier evaluation procedure. Pursuant to this procedure and before a contract can be signed, a supplier has to pass several levels of controls and contractually commit to the environmental, human rights and occupational health and safety criteria established by Técnicas Reunidas.

Compliance audits are performed regularly among the suppliers, to confirm that they meet these criteria. Additionally, in order to identify and prioritise monitoring of those suppliers that may entail further risk for the company, Risk Management has drafted a Risk Report for the procurement process according to environmental, financial and delivery deadline criteria.



Social aspects

? It would be positive for the company to provide information on social investments made and the types of projects these investments were aimed at. (FTS4Good)

Reply: Técnicas Reunidas maintains and is concerned with increasing its commitment to society and, especially, to the local communities close to the projects. As proof of this commitment, in 2014 the company assigned over €550,000 to social action projects, comprised in five main areas: Common development (44% of the total), Culture (39%), Energy and environment (9%), Science and education (6%) and Social wellbeing (2%).

? The company must monitor its performance in health and safety, providing information and stating its goals in this area. (FTS4Good)

Reply: With the aim to quantify our performance in issues of health and safety and to be able to inform all of our interested parties, Técnicas Reunidas establishes annual goals to reduce the various accident rates, which is available to the public in our 2014 sustainability report.

For 2014 we achieved the goals proposed for LTIR and TRIR. Within our commitment to ongoing improvement, we have increased the standard of our goals for 2015.

Técnicas Reunidas obtained the following total results for its works in 2014 (Field performance):

	2012	2013	2014
Accidents	20	15	8*
TRIR (frequency rate) ¹	0.03	0.02	0.01
TRIR (frequency rate) ²	0.21	0.26	0.19

* Death of two subcontractor employees who were working on one of our construction sites

1. No. of incidents/No of hours worked x 200,000

2. No. of accidents/No of hours worked x 200,000

? It would be positive for the company to have professional career management systems and structures, as well as training made available to all employee levels, not only management. (Vigeo)

Reply: Técnicas Reunidas has a program for evaluating competences that monitors the careers of the employees and their acquisition of skills throughout their professional path. These skills are defined in the company, and include both generic and technical-functional competences. Depending on the results of this program, those who render better performance are chosen and are offered specific training activities.

Técnicas Reunidas works from the basics all the way up, setting up scholarship programs focused on training and bringing into the company young people with no professional experience, with the INICIA program or the Saudi Trainees Development Program. There are also continuing education training programs for all employees, focused on four areas: Technical training, languages, management skills and information technologies.



Environmental aspects

? The company must have quantitative goals for reducing greenhouse gas emissions in the short-term (within five years). (FTS4Good)

Reply: Técnicas Reunidas aims to reduce its carbon footprint by 12% by 2020. In 2014, the company substantially improved its rating in the Carbon Disclosure Project, from 81C to 94B. In 2015, it will also perform a company-wide energy audit to identify areas for improvement in order to reduce its carbon footprint.

? It would be positive for the company to identify, evaluate and reduce environmental accident hazards. (Vigeo)

Reply: Técnicas Reunidas has procedures to identify, evaluate, prevent and respond to environmental risks of the ongoing projects. The company executes periodically a risk analysis on bid phase, which includes the environmental risks. This early identification allow the company to execute the measures requested to minimize the risks and to consider them in the decision making process to issue the Environmental Management Plans, for both the engineering and construction stages. Fulfillment of these plans is made by internal audit (30 and 70 per cent in engineering stage and quarterly during the construction stage)

? It is important for the company to have an Environmental Management System (EMS). (DJSI)

Reply: It is a maximum priority for Técnicas Reunidas to perform projects with the proper environmental management. In addition, the ensure that the EMS follows existing best practices, the management of Técnicas Reunidas hires yearly an external audit of the EMS, executed by a certified and independent entity. The improvement opportunities detected in such auditory are implemented in the general process of improvement of the company. The company's environmental management system has been certified by AENOR since 2000 for the provision of project administration and management services, basic and detailed engineering, procurement of equipment and materials, construction and commissioning for project execution, "turnkey" included

Sustainability at Técnicas Reunidas

Sustainability as the driving force for the company

Corporate governance



Our corporate governance practices are in line with the most advanced recommendations.

100% attendance rate at Board meetings.

Innovation at the client's service



We are committed to sustainable innovation as a competitive and cultural element

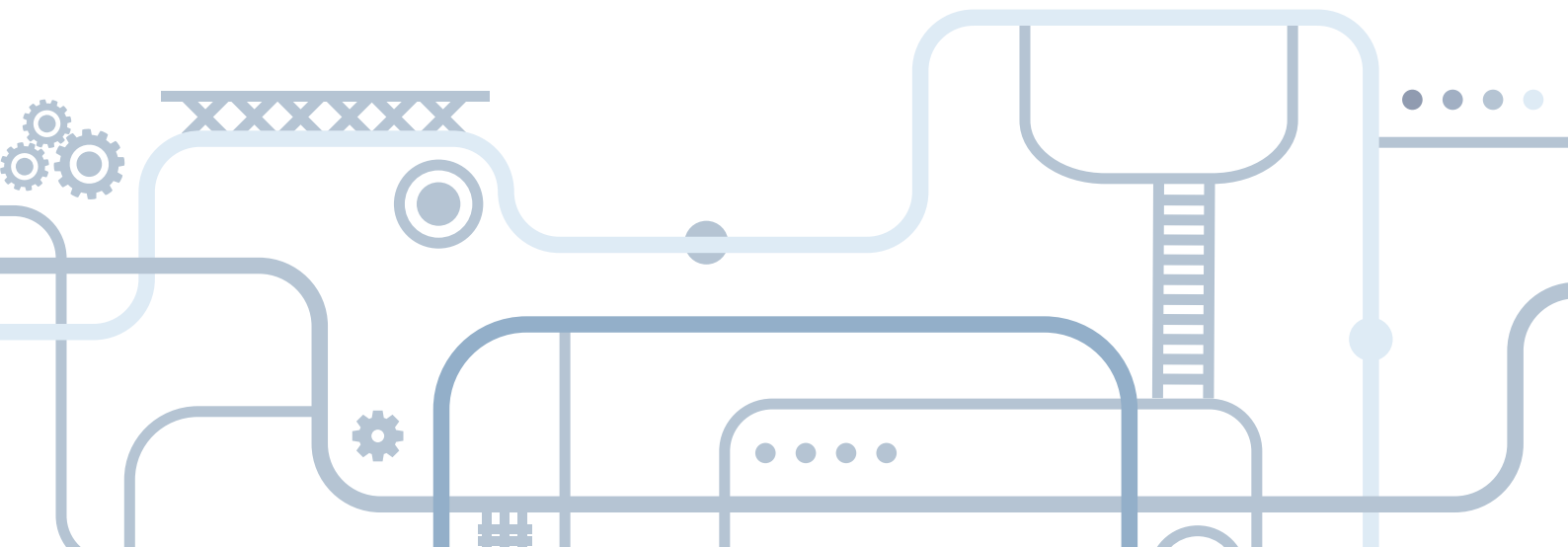
An investment in innovation in excess of €3 million in 2014

People



We believe in a corporate culture based on people's development, with specific tools to assist in talent identification and development.

A company that **supports young talent**, having hired **83%** of the people who participated in the scholarship programs in 2014.



Suppliers



We constantly strive to maintain efficient management of the supply chain.

98% of the awarded suppliers are audited or evaluated by Técnicas Reunidas.

Security



Occupational safety is a priority objective for the company.

47% fewer accidents compared to 2013.

Environment



We work to deliver projects that meet with environmental requirements, both during engineering and in the construction stage.

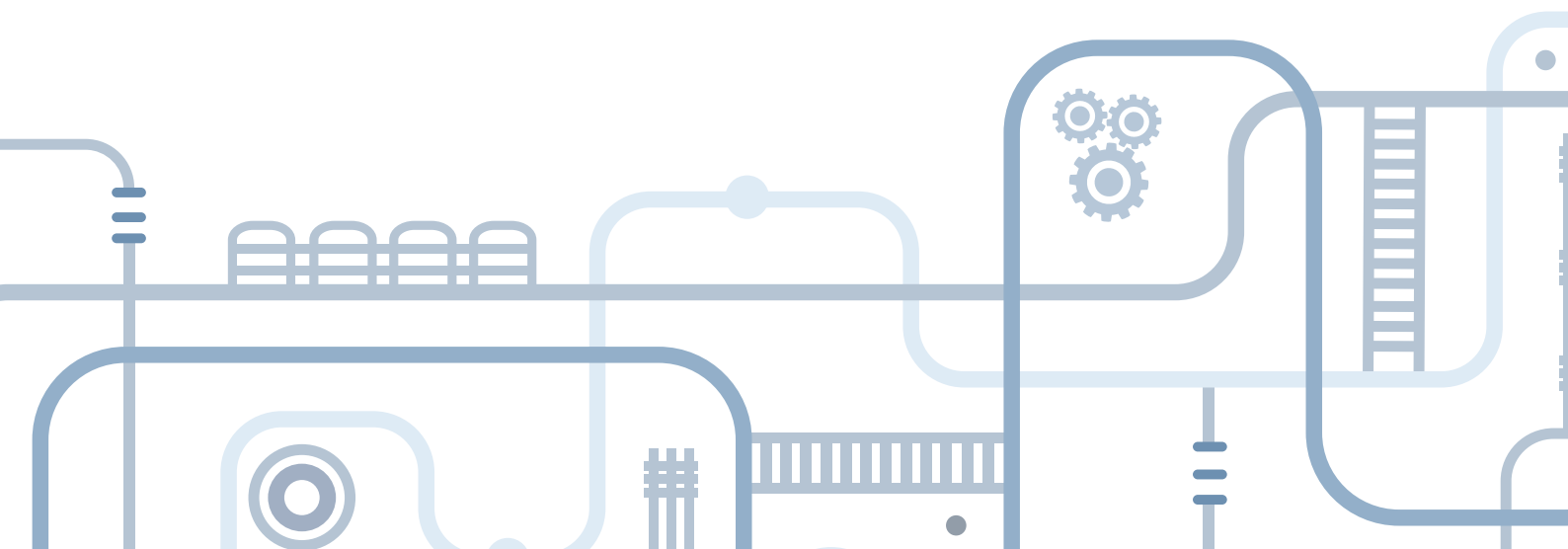
100% of our projects are managed under standardised environmental management systems.

Society



We maintain full commitment to society and, especially with the local communities that are close to our projects.

In 2014 **over €550,000** were assigned to **social projects**.



Sustainability as a development strategy

G4-56

Técnicas Reunidas has a commitment to sustainability and corporate social responsibility fully integrated with the company's strategy and operating principles, consolidated by the Corporate Responsibility Policy, approved by the Board of Directors and binding for all employees, suppliers and contractors.

This Policy proves the company's commitments in environmental, social and ethical matters. The principle applied by the company is due control; this means that policies, processes and control measures should exist to encourage a commitment-based conduct and to help prevent, detect and eradicate actions not in line with these established principles.

In **environmental** matters, the company's ultimate objective is to protect its natural surroundings, reducing any environmental impact by rational use of resources, prevention of pollution and use of the best technologies and processes available. Técnicas Reunidas has policies, processes and strict control measures to help it reach this objective.

The company firmly believes that prioritising **health and safety** in all operations and projects is key to improving its performance. Therefore, the only acceptable target for the company is zero accidents, both amongst employees and its suppliers/contractors. In order to move forward towards this objective, Técnicas Reunidas integrates strict safety criteria in all its projects and processes, continuously striving to improve in this area.

In turn, our commitment and responsibility towards our **clients** involves the delivery of products and services that meet their expectations and are completely safe and environmentally-friendly. It is important for the company to hear our clients' opinions, and in order to improve, Técnicas Reunidas periodically measures its client satisfaction and introduces any necessary improvements.

As signatory to the United Nations Global Compact, Técnicas Reunidas is committed to continue implementing and improving social responsibility within the company and to publish any advances in an annual sustainability report.

Técnicas Reunidas firmly supports the ten principles of the United Nations Global Compact on matters of human rights, labour, environment and anti-corruption, which are universal and are derived from the Universal Declaration of Human Rights, the Declaration of the International Labour Organisation regarding Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention against corruption.

“We are committed to developing our operations in a way that is consistent with the latest management standards, under the principle of continuous improvement and providing clear information to all interested parties on our performance”

COMMITMENT TO ETHICS

To encourage a culture of ongoing improvement and prevention of illegal activities

MEASUREMENT OF PERFORMANCE

To establish and review objectives and publicly report on the degree of progress achieved in the various areas



COMMITMENT TO TRAINING

To provide employees and collaborators with adequate and ongoing training

COMMUNICATION WITH INTEREST GROUPS

To create effective communication channels with all of the company's interest groups

Main milestones in 2014 and challenges for 2015 in Corporate Responsibility

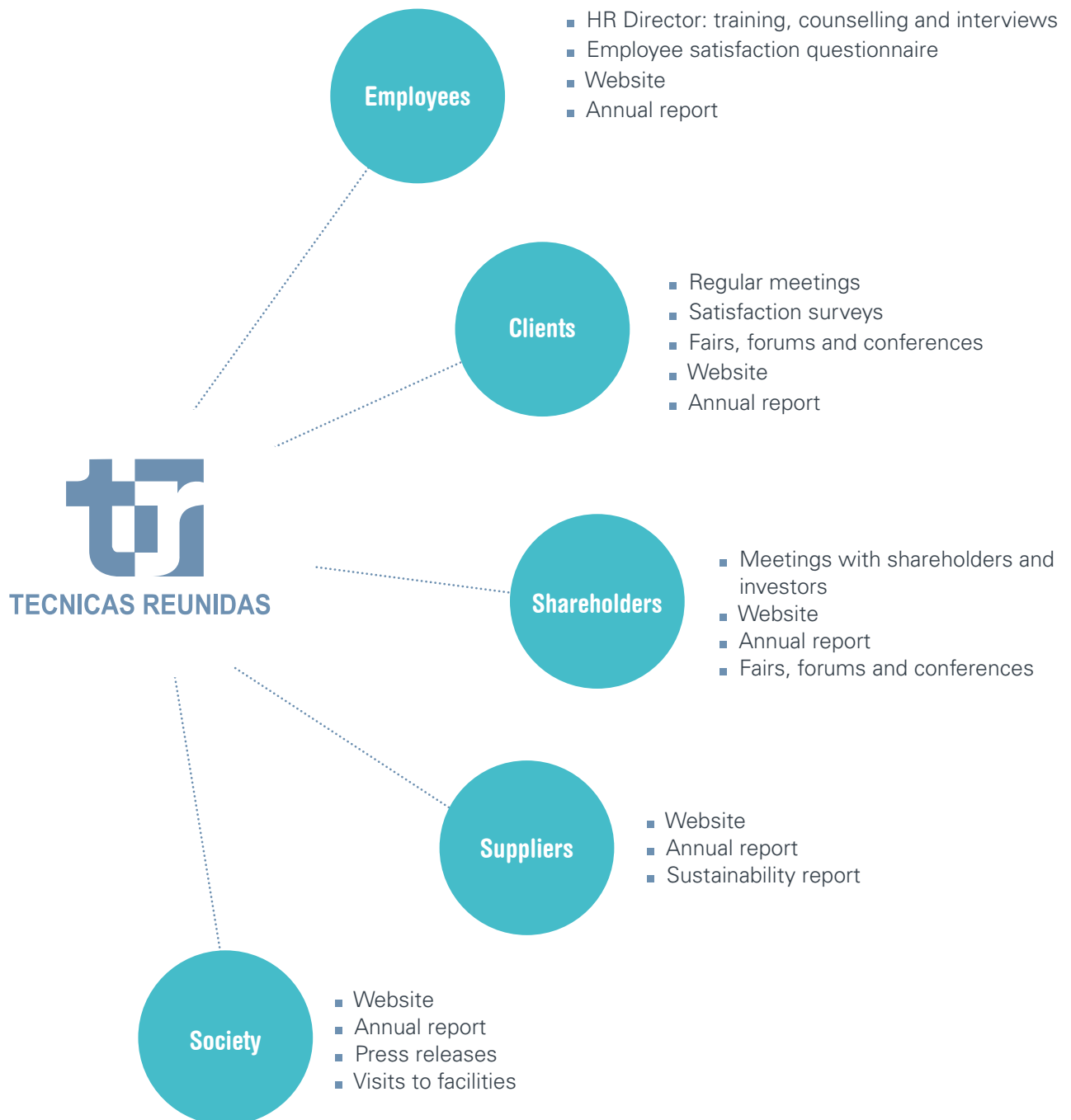
	Milestones in 2014	Challenges for 2015
Corporate governance 	Intensified risk control Internal approval of the Code of Conduct	To establish a Plan for Succession To intensify internal evaluation of the Board
Innovation at the client's service 	Consolidation of the Ecolead technology industrial plant Development of the industrial prototype to synthesise organic compounds based on biomass	Implementation and scope of the rated capacity for the Ecolead process lead recovery plant in Mooresboro (USA) for Horsehead To operate the industrial prototype to synthesise organic compounds from biomass
People 	Internationalisation of the Human Resources Systems in the company Establishment of the Human Resources Director at Branches and for Site Teams	To create a comprehensive Human Resources Balanced Scorecard More active participation by Human Resources, from the proposal to the implementation and completion of the project
Suppliers 	Consolidation of sustainability requirements for suppliers Implementation of the process to centralise critical purchases	To continue optimising supplier management To promote analysis and monitoring of commitments in matters of third-party sustainability
Safety 	Generalisation of the choice of contractor of the month on large projects Safety inspection at Técnicas Reunidas supplier facilities	To define the Corporate HSE "Golden Rules" To standardise HSE courses for Técnicas Reunidas employees through e-learning platforms
Environment 	Selection of the energy savings system for the Técnicas Reunidas offices in Madrid Calculation of the carbon footprint and improved rating in the CDP initiative	To establish goals to reduce company-wide emissions during the construction stage To complete the implementation of a computer tool to manage environmental indicators
Society 	Support for the tenth Ibero-American business forum held in Veracruz Collaboration with the Fundación Perú	To continue actively collaborating with various organisations and institutions on aspects such as art, culture, science, cooperation, international relations, solidarity and promotion of entrepreneurial and business activities

Dialogue with interest groups

G4-24, G4-25, G4-26, G4-27

We believe that it is essential to generate and maintain trust with all of our interest groups. This helps us to improve our performance and to create shared value in our environment.

By using various channels, we maintain a constant dialogue flow with employees, clients and public administrations, suppliers, the academic community and local communities. These channels enable their concerns and most important expectations to be located and satisfied.





Highlighted project

The Jubail Refinery in Saudi Arabia

In this report we explain the participation of various company areas in the Jubail refinery project. This important project represents the work that Técnicas Reunidas performs for its clients due to its size, its technical implications and the success in its development.

In July 2009, Técnicas Reunidas was awarded an important turnkey project for engineering, procurement and construction of the distilling and hydrotreatment units for the SATORP refinery (Package 1 for construction of the refinery, divided into 10 parts), a consortium between the Saudi national petroleum company, SAUDI ARAMCO, and the French company TOTAL. The project is located at Al Jubail, on the Saudi Arabian East coast.

The project comprised the design, purchase management of equipment and materials, construction and last operations to start-up the eleven header processing units for the complex, all in turnkey mode and fixed price, with a deadline of four years for its performance.

Stage one of the refinery lasted 44.5 months (a little over three and a half years, below the time established) and some of the main figures were:

- 10,180 employees working simultaneously at the maximum peak of the works.
- An average of 5,000 people employed during construction.
- 1,450,000 hours of dedicated engineering (equivalent to almost 166 years).
- 8,100 m² of building surface area.
- 62,500 m³ of concrete.
- 16,200 mT of metal structures.
- 930 pieces of equipment.
- 1,155,000 inches of welding (almost 30 kilometres).

We were able to meet the deadline thanks to various factors, among which are: in engineering, the works began two months before the contract was awarded; in purchases, the early awarding of the main equipment and materials, and, in construction, given that the units consisted of two practically identical plant units, the project was programmed and implemented in stages, which reduced inefficiencies by applying corrections based on the reviews of the first system of units.

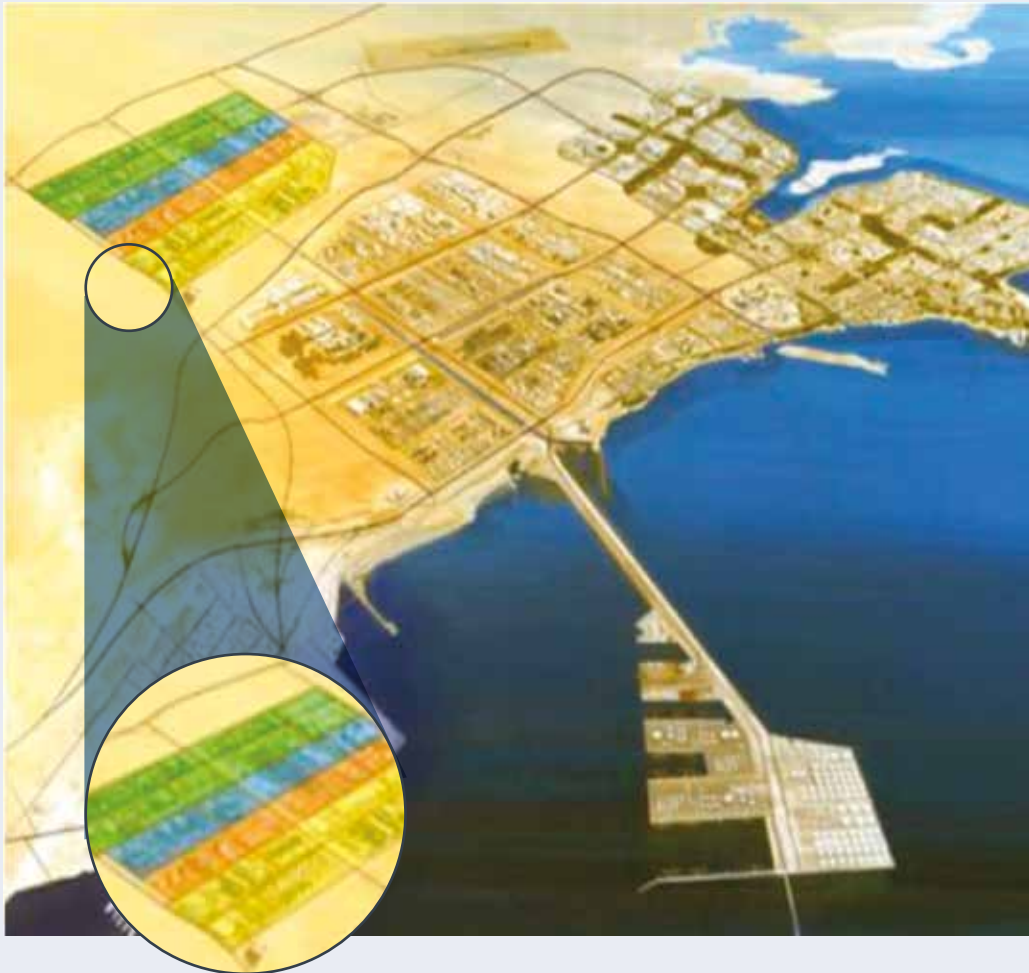
The Técnicas Reunidas team involved in the engineering and purchase activities exceeded 500 people at the Madrid offices, whereas the construction supervision team comprised over 700 people at the maximum peak of the works. Most of the key staff on the Project had experience in previous jobs for ARAMCO.

Two companies with ample experience in works in Saudi Arabia and with references of having worked with Técnicas Reunidas on previous projects were subcontracted for construction: NSH and SINOPEC, mobilising

over 6.500 workers and performing over 56 million hours without any significant accidents.

The last stage of the project, comprising the commissioning of the equipment and systems, was performed with specialised TÉCNICAS REUNIDAS personnel.

The client, SATORP, approved the provisional acceptance of the units package, and the end of the guarantee period and final acceptance will take place no later than late July 2015.



Corporate Governance

G4-14

**Commitment of the governance of the company:
Operating principles and main figures**

- ✓ **To maintain high corporate governance standards,** entrusting the Board of Directors with the task of determining and supervising conduct and compliance standards
- ✓ **Practices in line with the latest recommendations**
- ✓ **Solid corporate governance model**

100%
attendance rate at
Board meetings

**An independent
Board of Directors**

**Maintenance of the internal
control of the company**

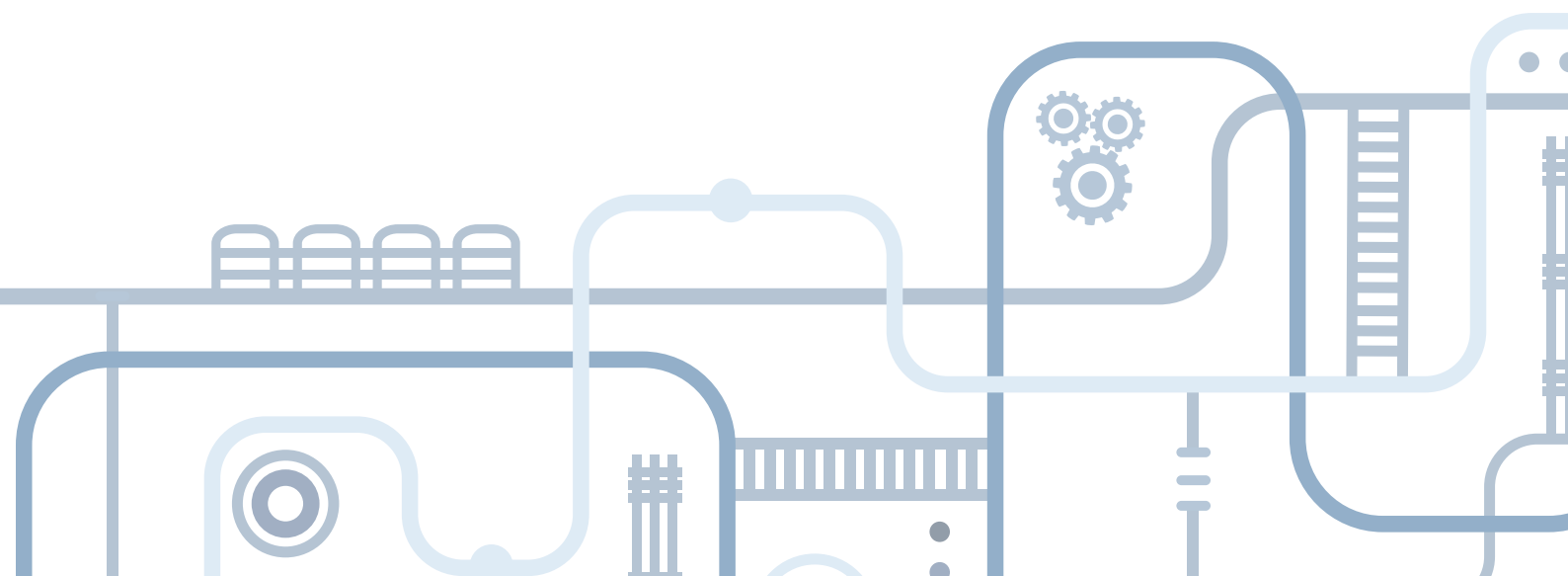


MILESTONES in 2014

- ✓ Reinforcement of the Board's Executive Committees activity
- ✓ The criminal enforcement model is in process
- ✓ Improved risk control
- ✓ Internal approval of the Técnicas Reunidas Code of Conduct, final implementation ongoing
- ✓ Internal approval of the Complaints channel, its implementation is in process globally

CHALLENGES for 2015

- Appointment of an Independent Coordinator Director
- Implementation of the Succession Plan
- Improved internal evaluation of the Board
- Active participation by committees



Corporate governance at Técnicas Reunidas

G4-34

At Técnicas Reunidas we have an efficient corporate governance model that provides credibility to our activities and trust for the company's interest groups. Our corporate government approach is based on applicable rules and recommendations issued on the matter for listed companies.

Permanent development of corporate governance is a key element in the company's strategy, considering it an optimal and essential means to sustainably achieve its long-term goals and to create value for all its interest groups.

Within its permanent process for ongoing improvement in matters pertaining to corporate governance, Técnicas Reunidas has developed a series of initiatives. One example of this is our collaboration with the United Nations Global

Compact. This has enabled the company to continue developing the 10 founding principles of this organisation within its corporate culture. As for due diligence, the company regularly monitors its activities to detect and reduce risks in all areas.

Our established policies, procedures and controls provide security for the interest groups, especially for investors, as they reinforce the company's object to maximise value creation in the short, medium and long-term.

The Board discusses, supervises and determines its action in light of the main risks affecting the company. It is also in charge of duly controlling the most relevant matters for the company: strategy, risk management, development of its management model and compliance.

Within its permanent process for ongoing improvement in matters pertaining to corporate governance, Técnicas Reunidas has developed a series of initiatives. One example of this is our collaboration with the United Nations Global Compact.



Técnicas Reunidas governing bodies



General Shareholders Meeting

The senior decision-making body of the company owners. Its responsibilities include determining the composition of the Board of Directors, participating in its remuneration policy and allocation of profit.



Committees of the Board

**Auditing
and Control
Committee**

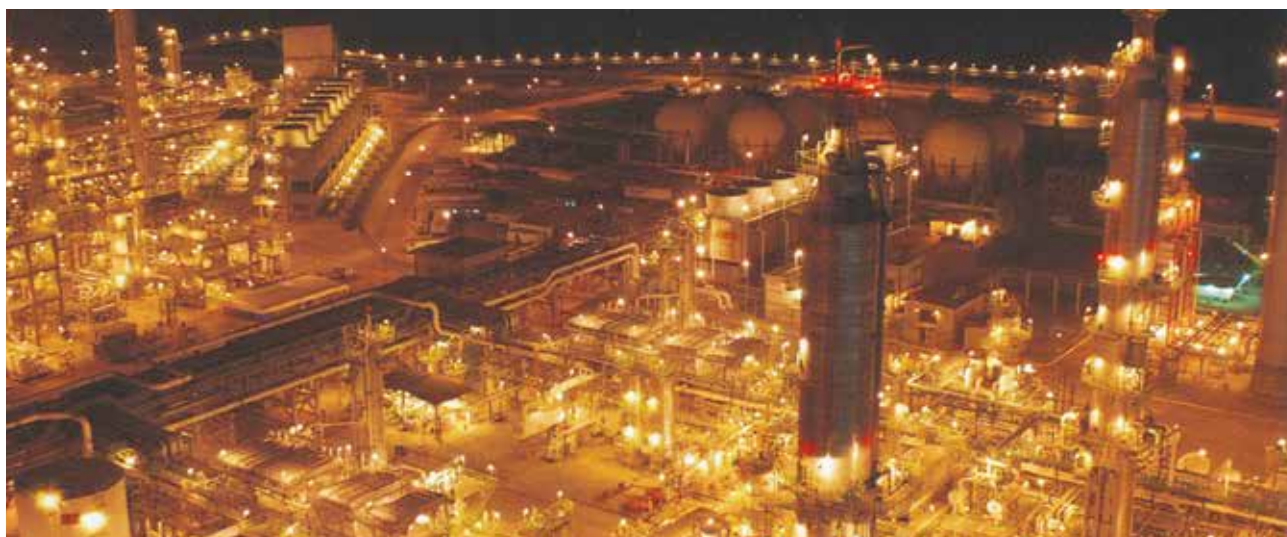
**Appointments and
Remuneration
Committee**

On behalf of the Board, they monitor certain key matters for the company and its owners. They review the effectiveness of any internal control or risk management systems. They guarantee that the Board has the necessary competences and remuneration policies to bring together the long-term interests of managers and owners.



Board of Directors

It guides, supervises and controls the company's affairs. This includes strategic guidance for the company and ensured compliance of the objectives establishes. It guarantees that all policies, processes and control measures are adequate for risk management and regulatory compliance.



Strategy development and risk management

A large amount of time is dedicated by the Board to strategic guidance and ensured compliance of business objectives. The Board is permanently informed on the status and situation of the business plans.

Another of the Board's main tasks is to ensure adequate operation of the company's management and risk control systems. The Auditing Committee thus reviews any key components of the risk management and ensures that the company has the necessary policies, processes and means of control to provide a response.

In this regard, the Board is also the body in charge of ensuring that an effective model of ethics exists, and to guarantee compliance with the rules applicable to the company and its employees.

We must point out that the sustainability strategy is one of the corporate goals, given the increasing relevance of corporate social responsibility aspects. The company cannot achieve these objects without fulfilling and following its strategy.

The Board's duties include approval of the Corporate Social Responsibility Policy, the Corporate Governance Policy, Control and Risk Management Policy, and the regular supervision of internal information and control systems.

In 2014 we furthered these aspects and relations with investors and Proxy Advisors, enabling us to address their concerns with transparency and loyalty.

In 2014 we also prepared to adapt to changes in corporate governance legislation as well as to the recommendations of the CNMV Good Governance Code and international best practises.

An independent Board

We followed the recommendations of the Unified Code of Good Governance issued by the CNMV (Spanish Securities Market Commission) regarding the composition and structure of the Técnicas Reunidas Board of Directors, in order to guarantee the independence and diversity of the Board.

The Técnicas Reunidas Board comprises 12 members, within the scope recommended by the Code (which recommends a Board comprising between 5 and 15 Directors). On the other hand, following a further recommendation of the Code, the Técnicas Reunidas Board has a majority of external main shareholders and independent director (three external main shareholders and six independent). As for the other three directors, two are executives and one is external but they are not considered main shareholder or independent director due to their contractual links with the Company.

The selection procedures used by Técnicas Reunidas are not implicitly biased and so do not hinder the selection of female directors. On 31 December 2014, the Board of Directors consisted of the following persons:

Name	Position	Status	First appointment	Last appointment
José Lladó Fernández-Urrutia	President	Executive	10/05/2006	22/06/2011
Juan Lladó Arburúa	Vice-Chairman	Executive	10/05/2006	22/06/2011
Fernando De Asúa	Vice-Chairman	Independent	10/05/2006	22/06/2011
Juan Miguel Antoñanzas	Vice-Chairman	Independent	10/05/2006	22/06/2011
Antonio De Hoyos	Director	Independent	10/05/2006	22/06/2011
Diego Del Alcázar	Director	Independent	25/03/2010	22/06/2011
Javier Alarcó	Director	Other External	25/03/2010	26/06/2012
Javier Gómez-Navarro	Director	Independent	10/05/2006	22/06/2011
José Manuel Lladó	Director	Main Shareholder	10/05/2006	22/06/2011
Pedro Luis Uriarte	Director	Independent	22/06/2011	22/06/2011
William Blaine Richardson	Director	Other External	22/06/2011	22/06/2011
Álvaro García-Agulló	Director	Main Shareholder	10/05/2006	22/06/2011

During 2014, the Board of Directors held seven meetings, with a 100% attendance rate.

In 2014, the Board's global remuneration totalled €2.35 million.

The Board, in compliance with current rules, drew up a remuneration report for the 2014 financial year which, after receiving a favourable opinion from the Appointment and Remuneration Commission, was presented to the General Shareholders Meeting and voted upon, on a consultation basis, and was approved.

As established in its regulations, the Board periodically evaluates the quality and efficiency of its activity, committees and chairmen, based on the report received from the Appointment and Remuneration Committee.



Auditing and Control Committee

During the 2014 financial year, the Committee held a total of six meetings. We must point out that the company's financial management was present at all of the Committee meetings. Below is the composition of the Committee, and all of its members are non-executive.

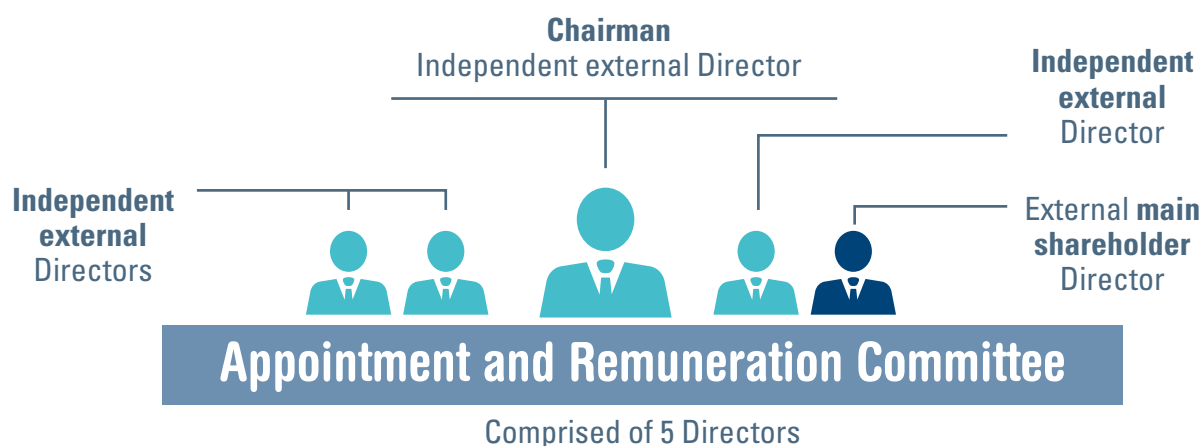
During 2014, the Committee increased its activities, following specific issues pertaining to business particulars. The procedure for implementing the Crime Prevention Model was established.



Appointment and Remuneration Committee

The Committee informed the Board of Directors, having held four meetings in 2014, on the systems and amount of the annual remuneration paid to directors and senior executives. Furthermore, its other duties include the transparency of

remuneration and information to the Board on any transactions that actually or potentially involve a conflict of interest. The Committee comprises of the following solely non-executive Directors:



The Committee has informed the Board of the need to:

- Appoint an Independent Coordinator Director
- Establish a Succession Plan
- Improve the Evaluation of the Board
- Consider issues of diversity in potential changes to the Board composition

Ethics & integrity

G4-DMA, G4-S03, G4-S04

Técnicas Reunidas fulfils all specific regulations that apply within its scope of activity, as well as any other applicable legislation. In this regard, we fulfil the obligation to provide economic and financial information on a quarterly, six-monthly and annual basis. We also communicate relevant events and any other information requested by the Spanish Securities Market Commission (CNMV).

Shareholders and investors have a website at their disposal where they may consult any corporate governance details and relevant information required by law in order to uphold their rights.

As regards specific regulation of the Company's business and activity, the procedures implemented in its various areas of business, support and enable compliance with legislation in force at any time.

Code of Conduct

The Técnicas Reunidas Code of Conduct was approved in 2014 and is currently being implemented company-wide.

At Técnicas Reunidas we understand that the Code of Conduct and its principles should inspire employee conduct vis-à-vis the interest groups related to its activity. These principles and values include integrity, professionalism, a respect for legality, human rights and civic values, quality and innovation and a client-based approach, professional development, non-discrimination, equal opportunities and environmental friendliness.

This Code constitutes an embodiment of the way we do things, as part of the company's policy. In ethics and compliance matters, during 2014 we analysed 95% of all business units from an ethical and integrity perspective, and 85% of employees were trained in anti-corruption procedures.

Complaints Channel

Técnicas Reunidas will provide a channel for the confidential notification of financial and accounting irregularities, as well as any future infringements of the Code of Conduct and irregular company activities, informing of any confidential matters. This is currently in the implementation stage company-wide, and in all of its business areas.

Innovation at the client's service

Innovation and client relations in 2014:
operating principles and main figures

- ✓ Sustainable innovation as a competitive element inherent to company culture
- ✓ Development of our own innovation processes to offer maximum quality to clients

A team comprised of
300 professionals
dedicated to innovation, with
a 10% growth in the last year

An investment in
innovation in excess of
€3 million in 2014

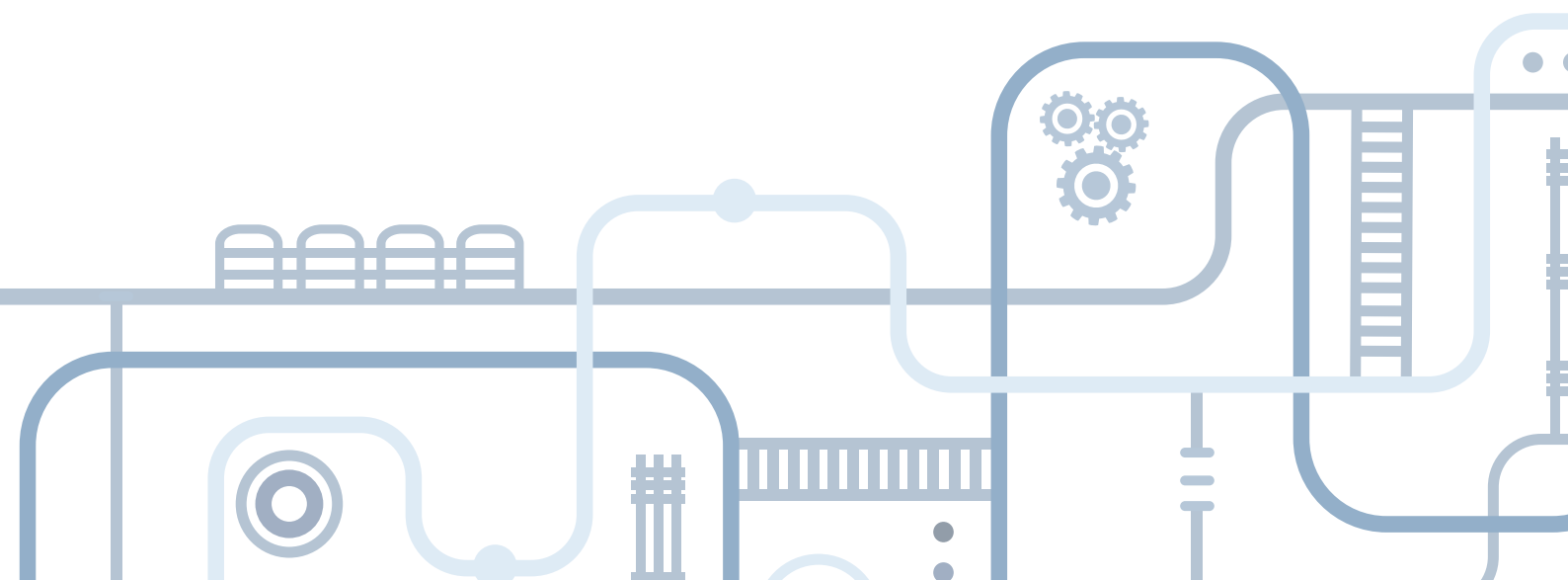


MILESTONES in 2014

- ✓ Consolidation of the Ecolead technology in industrial plants
- ✓ Development of an industrial prototype to synthesise organic compounds from biomass
- ✓ Development of an industrial demonstrator for the zinc/air battery for large-scale energy storage

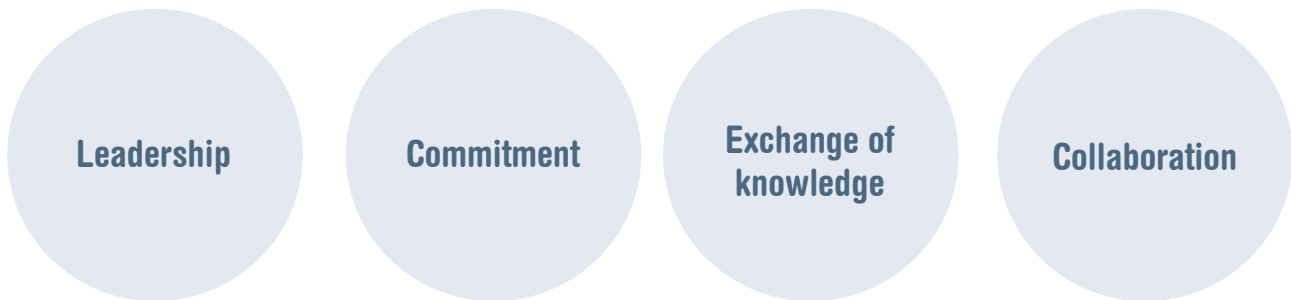
CHALLENGES for 2015

- To commission and attain rated capacity for the Ecolead process lead recovery plant in Mooresboro (North Carolina, USA) for Horsehead
- To operate an industrial prototype to synthesise organic compounds from biomass and confirm technical feasibility
- To operate an industrial demonstrator for the zinc/air battery for large-scale energy storage and confirm the basic operating parameters



Innovation for sustainable growth

Técnicas Reunidas innovation model



The company's innovation model is based on four fundamental aspects that are the starting point for integrating innovation within the company, making it a differentiating aspect and competitive advantage in the short, medium and long-term. However, this model is not only based on the people at Técnicas Reunidas, it also involves the supply chain, clients and other entities that the company works with.

“To make innovation effective, we actively work with clients, both with those who have long placed their trust in us and with potential clients, as they are the direct beneficiaries of any innovation”

Investment in innovation is aimed at increased efficiency (either by reducing costs or through greater productivity), which benefits the company, its clients and the environment, always maintaining the high quality and safety standards it requires in all projects. These improvements often entail lower consumption of energy and natural resources, and help Técnicas Reunidas contribute to sustainable development.

We are committed to innovation ever since the company was incorporated. This commitment stems from the goal to provide clients with value-added products and services that are at the cutting edge of quality and technology and adapted to their needs and requirements. We believe that innovation constitutes leverage to improve the company's competitiveness, performance and reputation in a highly demanding and globalised market, where success depends on offering quality and high valued-added services to clients throughout the entire project value chain.

We have a team of 300 professionals (27 more than in 2013, a 10% increase) who are committed to innovation and specifically involved in locating room for improvement in the company's processes and projects, thereby providing a gradually better, more efficient and more technologically advanced solution to its clients' needs.

This focus, commitment and innovation model is shown in the client level of satisfaction, as evidenced by client recurrence.

In our commitment to society and because we understand that an important part of innovation is collaboration, we actively participate in advanced European and national projects related to the environment, materials and energy.

Important projects related to the 2014 milestones, which will continue in 2015, are within the EEA Grant Program, the SAMER Project to develop a reversible oxygen electrode for batteries and all types of electrochemical reactors; within the Life Program, the ZAESS Project to design, build and operate an industrial demonstrator for the zinc/air battery for large-scale energy storage; and the WALEVA Project to design, build and operate an industrial prototype to synthesise organic compounds from biomass.



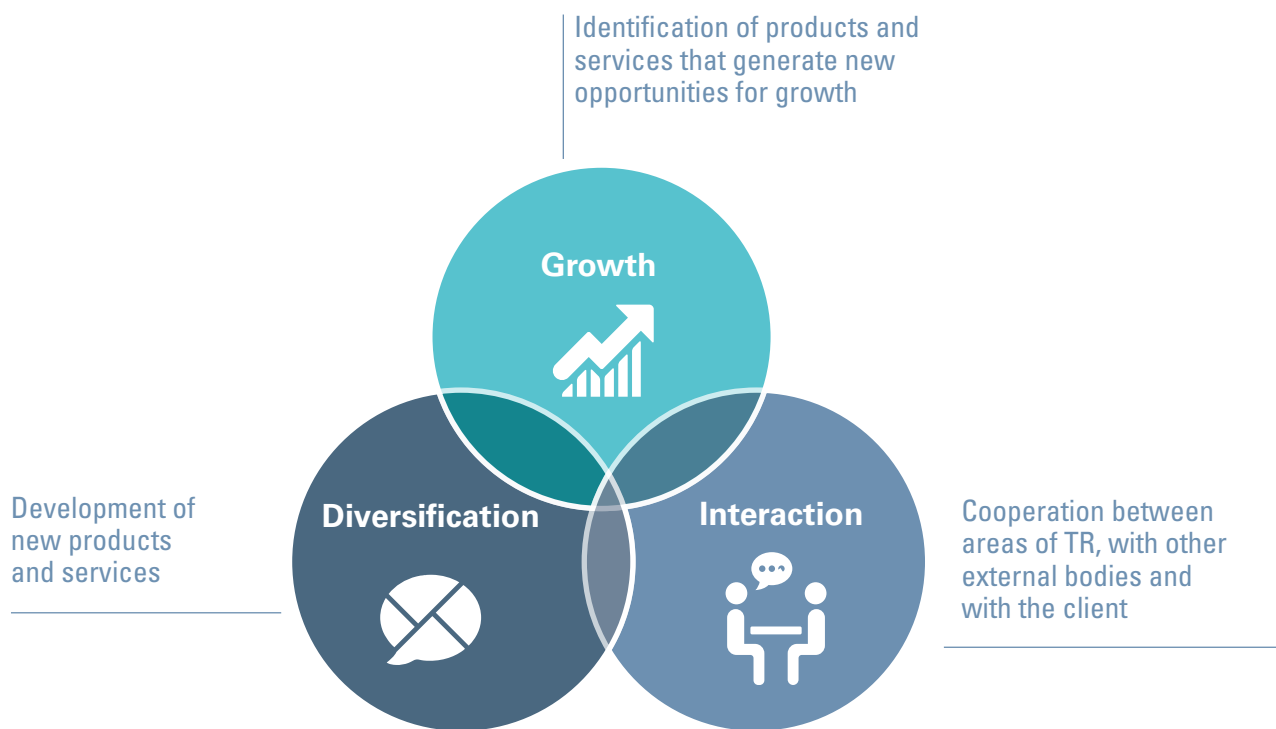
Highlighted case:

Project to synthesise organic compounds from biomass

The project to synthesise organic compounds from biomass is included within the complementarity strategy and long-term replacement of the oil refineries with refineries that use sustainable technology and with lower environmental impact, thanks to carbon footprint reduction. This could entail a technological cycle change and, given the positioning, if internal development progresses and there is significant industrial use, it would have a highly positive impact on Técnicas Reunidas business because it would lead to an important competitive advantage in the market.

This strategy is complemented by partners and allies who currently share our same focus over the medium and long-term. It is to be expected that a group of enterprises, each completing different parts of these processes, will be able to jointly achieve the entire process by associating amongst them.

The foundations of innovation at Técnicas Reunidas



We have defined three main operating pillars at Técnicas Reunidas, based on our innovation model, leading us to become a reference within our sector in matters of technological progress.

In order to encourage growth and the sale of technology, the company is emphasizing projects that combine the company's in-house knowledge, applied R&D&I and public information in order to exploit technologies in short periods of time. For example, of interest is the Modified Zincex Process (MZIP), the technologies of which have already been placed in the market in different countries such as Russia, Japan, Italy, USA and Namibia, with

production capacity up to 150,000 tpa of metal zinc. The Ecolead project is also of interest, it is currently in the implementation stage for 6,000 tpa of lead as a concentrate of >95% lead carbonate at an industrial plant for the first time in the USA.

Diversifying our R&D&I project portfolio will enable us to become a company with reference projects in areas as diverse as polymers and materials, energy or the environment.

The company's total investment in R&D&I in 2014 was €3 Million

Since our creation we have assigned a huge amount of resources to industrial research and development of processes and technologies. The company's work, through its subsidiary Espindesa, in innovation and development, together with research institutions and prestigious universities in Spain, has entailed the award of many patents and publications in specialised journals and international conferences.

At Técnicas Reunidas we understand that committing to R&D&I allows us to identify and maximise opportunities in new markets, adapting to a global context that is ever-changing and demanding. We are currently an international leader in nitric acid, designing and building plants with a daily processing capacity of 1,800 tonnes. Furthermore, we are currently developing technologies to increase this figure by almost 70%, reaching a 3,000 tonne capacity.

Part of the company's R&D&I activities is the development of clean technologies due to increased environmental legislation and development of policies and guidelines aimed at encouraging an economy low in carbon and with higher energy-efficiency. We have therefore developed technologies to remove contaminating gas that reinforce the company's commitment to the environment by minimising impact on the environment and placing us at a competitive advantage in a highly qualified and global market.

We have R&D&I projects together with more than 60 global companies and with renowned research centres and universities, both Spanish and international.

From the *Conceptual and feasibility study* to *Commissioning and training*, at Técnicas Reunidas we strive to continuously improve.

FEED and R&D&I projects in 2014

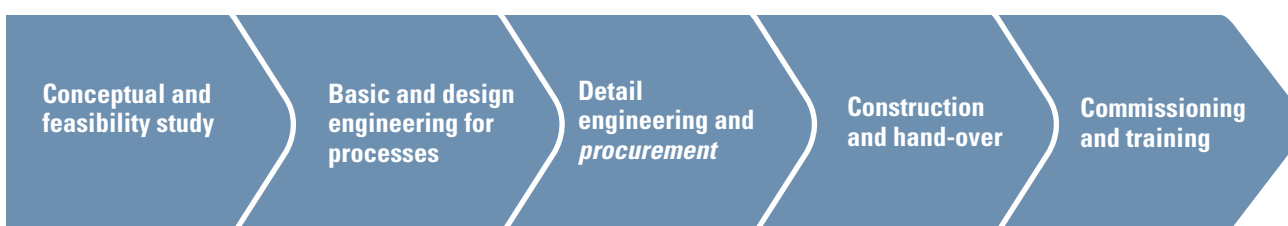
At Técnicas Reunidas we develop many conceptual studies, feasibility studies and FEED (Front End Engineering and Design) projects. These projects are essential to strengthening relations with clients and to maintain a leading position as a technical and technological reference.

We are increasingly focused on developing these types of projects and, by February 2015 we had already been chosen for six FEED projects. We also participate in several research and development projects on new technologies.

The main FEED projects, conceptual studies and R&D&I awarded in 2014 were:

- FEED for the Yara Norge AS nitric acid plant in Norway.
- FEED for the low-sulphur diesel unit at the Minatitlán refinery in Mexico, for Pemex.

From the Conceptual and *Feasibility Study* to the *Commissioning and training*, at Técnicas Reunidas we strive to continuously improve and provide added value to the solutions we offer our clients.



- Feasibility study for a polyethylene complex for BADLANDS NGL in the USA.
- The SAMER project: R&D&I project based on the development of longer-lasting components for the flow battery with zinc/air technology for large-scale energy storage.
- The WALEVA project: R&D&I project consisting of the scaling of technology to obtain Levulinic Acid from biomass, for the technical-economic feasibility study.
- The ZAESS project: R&D&I project consisting of the scaling of technology for zinc/air flow batteries developed in the lab, for the technical-economic feasibility study.
- The SDIL project for Direct Leaching of Zinc Sulphide: R&D&I project aimed at developing a new technology that will expand the Zincex technology in use in the industry.

Our clients, the focus of our activity

G4-DMA, G4-PR5

In our 50-year history, we have designed and managed the construction of over 1,000 industrial plants in over 50 countries for some of the world's largest companies.

Saudi Aramco, SABIC, Sinopec, BASF, Shell, General Electric, Repsol, ExxonMobil, Total, CEPESA, Endesa, Iberdrola, Sonatrach, Turkish Petroleum Refineries Corporation (Tüpras), Kuwait Oil Corporation (KOC), Pemex, Petrovietnam or BP.

We maintain a constant dialogue with our clients throughout a project's duration, from the conceptual feasibility study to the commissioning of the installation and beyond. The company has a small number of clients and develops projects that may last for several years. Given our business characteristics and the type of projects we develop it is essential to maintain constant client communication.

The company holds monthly meetings to review the progress made and project status, with the participation of a project manager and client representatives. Any comments made during the meetings are recorded in a monthly report for both the project and participating companies.

Técnicas Reunidas formally records client satisfaction by conducting a final audit on the project, which is completed with a reference letter or final acceptance certificate. These letters contain a global evaluation of Técnicas Reunidas' work.

The best proof of client satisfaction is when the client decides to undertake another project with us. In a highly competitive market, this means that the client was completely satisfied with Técnicas Reunidas' performance and with the outcome of the Project. A great number of Técnicas Reunidas clients are large international companies.

Highlighted project:**The Jubail Refinery in Saudi Arabia**

To optimise project management, an Integrated Task Force was set up between Técnicas Reunidas and the Client, to achieve full service and integration between the parties. Various innovating management strategies were implemented during project development to optimise the joint outcome, both from the economic viewpoint and regarding deadlines, safety and quality.

Several of the main innovation improvements in the project engineering services were:

- a) Restructuring of the plot-plan for the units, to reduce fire-proofing requirements.
- b) Impact minimisation for the classification of hazardous areas to protect critical instruments.
- c) Optimised operating pressure and hydrogen storage conditions, increasing pressure and replacing the large horizontal round tank with smaller tanks and a simplified compressor.

These innovations resulted in better client service, as performance was simplified, leading to project economic savings.

Client relations were quite fluid throughout the project, thanks to the Task Force with the client and contractor teams. A workplace environment with permanent collaboration was encouraged, with an open-door policy and regular meetings. A series of meetings were also programmed, to monitor the project, engineering, quality and construction, and to ensure ongoing follow-up on the project. Several team building activities were carried out during the project, aimed at encouraging relations between both teams.

One of the best rated aspects by the client on Técnicas Reunidas' performance was our flexibility in adapting to their needs, our ongoing commitment to them and the project, as well as the accessibility of the team managing the project. Técnicas Reunidas was the first contractor to finish and the quality of the delivered project was apparent, leading to a hand-over with no incidents at all.

People

G4-10, G4-DMA

Strong commitment of the employees with the project: Principles of action and main figures

✓ A corporate culture based on **developing people**, with specific talent identification and development tools

✓ **Ethical and transparent hiring principles**, focused on **attracting and retaining** excellent and qualified professionals, who are committed to the company

✓ A **consolidated group**, with a **3.7% turnover rate**, compared to the **10%** usually found in the industry

An international team that includes professionals from over

50 countries, over 30% of other-than-Spanish nationalities

A company that supports young talent, having hired

83% of the people who participated in the scholarship programs in 2014

A company that trains its employees, with over

127,000 hours of training in 2014

A continuously growing workforce,

with **8,552 employees** in 2014

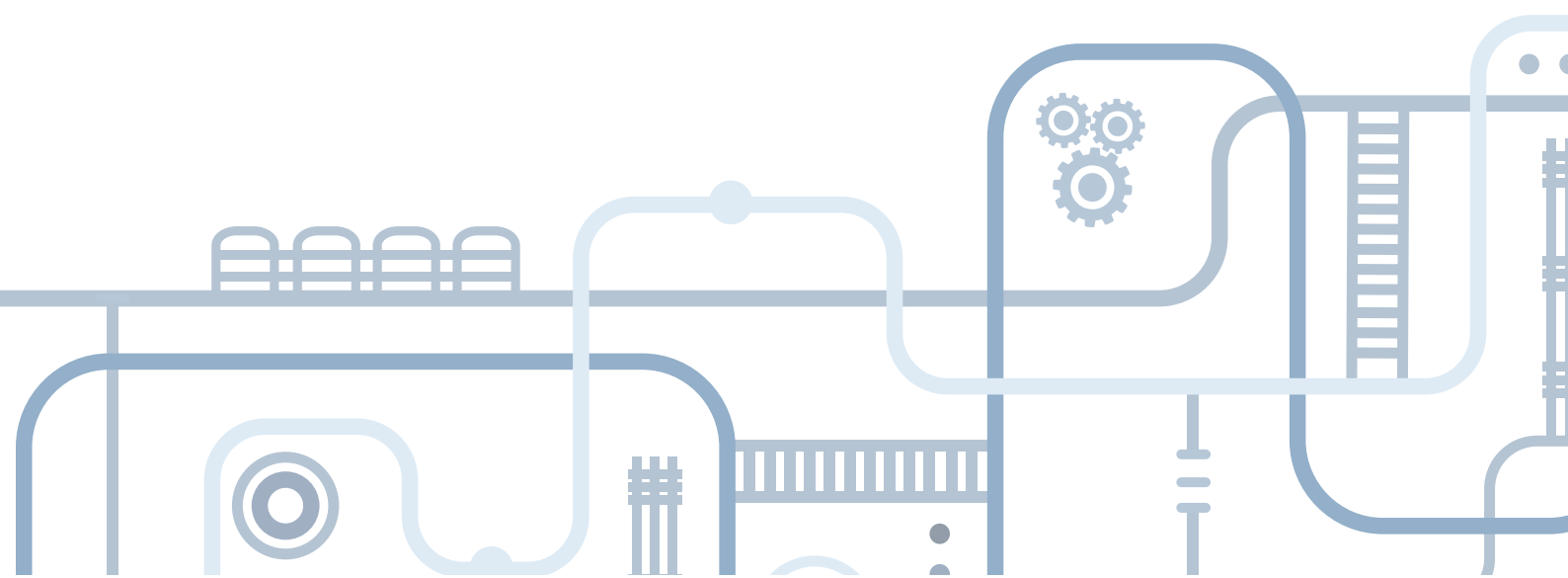


MILESTONES in 2014

- ✓ Internationalisation of the company's Human Resources Management Systems
- ✓ Establishment of the Branch and Site Teams Human Resources Manager

CHALLENGES for 2015

- Establishment of new Human Resources Management Systems for Managers (Success Factor - SAP)
- Creation of a Balanced Scorecard for Human Resources
- More active Human Resources participation, from the tender to performance and completion of the project



The pillars of a consolidated corporate culture

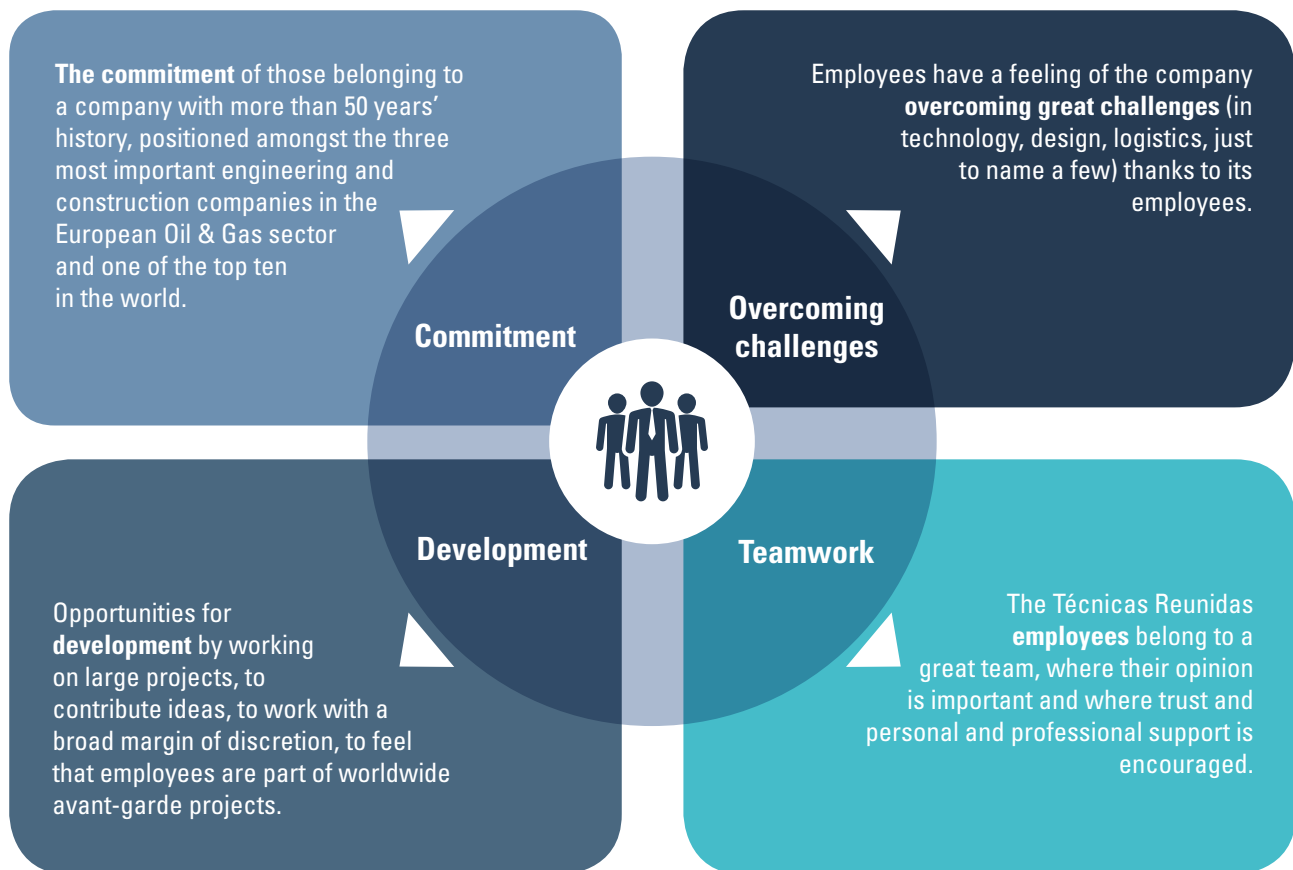
Técnicas Reunidas strives to deploy a corporate culture where workers play a key role, as we believe that the development of our human capital and employee satisfaction are two critical aspects for company growth.

There are four main values that identify the corporate culture, which the company encourages and develops.

Development of human resources

Técnicas Reunidas Growth

Employee satisfaction



Composition and diversity of the Técnicas Reunidas staff

G4-11, G4-LA1, G4-DMA, G4-LA12

Técnicas Reunidas is a constantly growing company. It is present in 50 countries, with an excess of 8,552 employees. The company has employees belonging to more than 50 nationalities and currently over 30% of the staff is not Spanish.

In order to perform its international projects, Técnicas Reunidas has expatriate professionals, who manage a large amount of international resources in local surroundings.

This means that diversity is a strategic element for the company. At Técnicas Reunidas we believe that underlying every person's individual identity is a common identity that defines the organisation. By recognising, acknowledging and managing differences, a flexible, tolerant and open workplace is created for all employees. Cultivating common operating values and principles creates a common ground for all internal collaborators.

Given the nature of the company's activities, it is necessary to establish common policies and procedures in staff management. Técnicas Reunidas has a human resources unit, basically entrusted with the design, development and supervision of company initiatives, mainly focusing on matters such as:

- Internationalization of management
- Identification and management of talent
- Training and development
- Compensation and profit

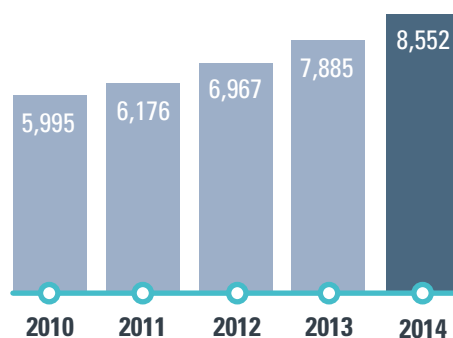
Técnicas Reunidas uses a human resources Business Partner in each main line of business in order to ensure that corporate rules and guidelines reach all business and operations.

In international projects, the company has persons specifically assigned to the management of human resources matters. They are always in direct contact

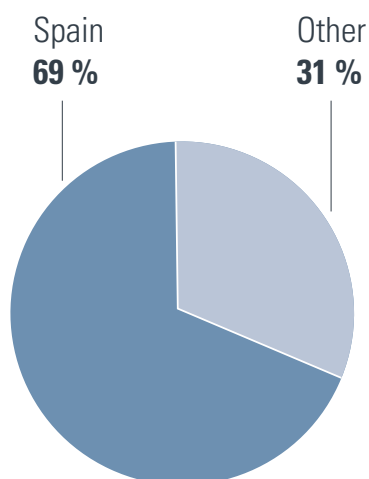
with the project employees, providing solutions to all hiring and accommodation needs and other issues.

Técnicas Reunidas considers diversity to be a strategic element contributing to the company's strength and global competitiveness. Gender diversity is considered an essential aspect. The company strives to favour equality, taking into account only employee worth and professionalism.

Staff evolution (internal collaborators)



Distribution of employees according to their origin



A typical Técnicas Reunidas employee profile is a 40 year-old person, with a total of thirteen years' experience, over half of which are within the company. Global distribution by gender is 76% men and 24% women.

Distribution by gender is:

Percentage of distribution by groups	2014	
	Men	Women
Executives	82%	18%
Technical	67%	33%
Administrative	32%	68%
Specialists and qualified operators	80%	20%

Highlighted case:

Inclusion of the HR Director throughout the life cycle of our projects

The recent incorporation of the HR Director in the life cycle of our projects guarantees that, in a company where people are an essential capital, these critical aspects will be taken into account. The issues evaluated are:

- **Proposal stage.** Establishing a monthly protocol, assigning a specific resource to monitor each proposal, HR risk analysis (labour, tax, legal...) and integrated with the proposals team.
- **Execution stage:** providing more professionalised resources for international subsidiaries and for the HR team at each site. Fully integrated with the project team.

Talent management and developing the human capital

The nature of our activities mean that one of the company's main challenges in human resources matters is geographical distribution. This means that we must focus on the feeling of belonging. In order to provide a response, the company focuses on developing corporate tools aimed at the communication of common values for all employees.

“Técnicas Reunidas registered a 3.7% turnover rate in 2014, as opposed to the sector's approximate 10%”

The company takes care of its employees by applying flexibility criteria as part of its corporate policies, offering perks that depend on the country and work centre. The company's perks include food vouchers, life and accident insurance, loans and advance payments or the employee club. Ongoing learning is essential to cultivating talent, and therefore the company implements measures to identify those employees showing the best performance during the year, in order to offer specific training.

In order to incorporate new talent, the company has various programmes aimed at young

G4-LA9

professionals. Given its high internationalization, in addition to various international scholarships with training in Spain, Técnicas Reunidas has specific programmes to attract and train talent in those countries where it has a significant presence.

“In 2014, the company hired 83% of its scholarship trainees”

The best example is the INICIA scholarship program, aimed solely for students and new graduates with no professional experience. This scholarship program is designed in such a way that the trainee is able to actively use his or her theoretical knowledge in a professional and quality environment. The scholarships last between three and twelve months depending on the level of qualifications and type of scholarship. 225 persons benefited from the program in 2014.

“We strive to actively collaborate with renowned education institutions. To do this, we have established agreements to complete professional training with more than seventy-five universities, foundations and organisations, both Spanish and foreign”

As development is strongly tied to talent management, the company focuses on two main aspects: implementation of advanced management tools for people development and knowledge management.

On the one hand, the company has a strong competence evaluation program for people development, which gives those in charge of directing people the chance to monitor the competences established by the company. Evaluations are performed jointly between the managers and the team, analysing global

performance and the development of both generic and technical-functional competences.

In order to avoid a brain-drain, we implement measures to identify those employees showing the best performance during the year, to offer specific training.

At Técnicas Reunidas we understand that offering and providing our staff with the necessary training resources is a key element contributing to keeping and increasing the company's intellectual capital. To ensure the evolution and usefulness of these training resources, the trends in evaluation of competences in each area are evaluated by a Gaussian bell curve, identifying the deficiencies in specific competences and applying specific training programs (training itineraries).

Training at Técnicas Reunidas covers the following areas, which we consider cover all of the employee training needs:

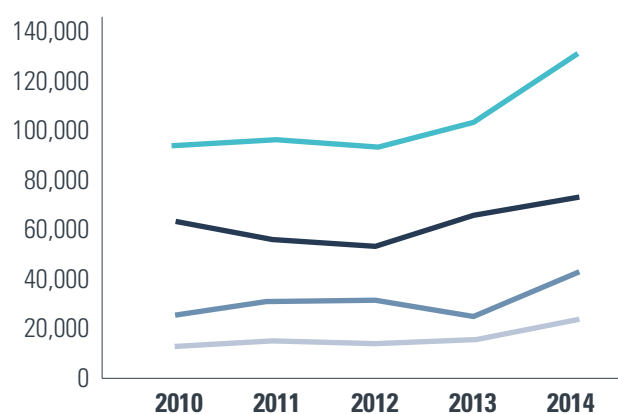
- **Technical training**, both external, with suppliers in various technical matters, and internal, with experienced company specialists who transfer their knowledge and experience to the team.
- **Language training** - English, French, Arabic and Spanish for foreigners are available free of cost and with accessibility criteria.
- **Management and executive skills**. The company has several tailor-made programmes aimed at intermediate and executive managers. In order to reinforce investment in this field, the company established the Euroforum Corporate University in San Lorenzo de El Escorial (Madrid).
- **IT training**, in order to improve the knowledge of both generic and specific computer tools used in the company's activity sector.

Performance in training hours

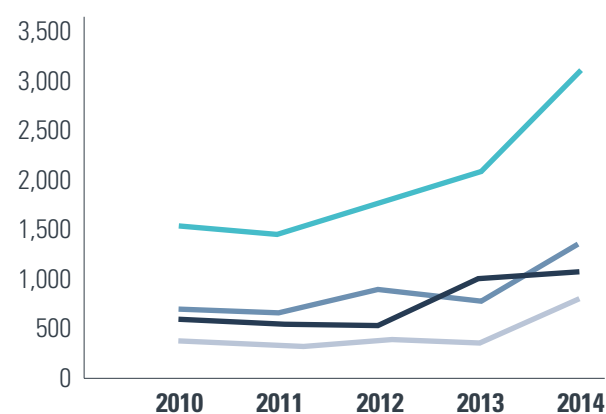
Type of training	2010	2011	2012	2013	2014
Skills	9,396	12,202	11,398	12,688	19,093
Technical	22,041	27,345	28,576	22,302	39,606
Languages	59,006	53,003	50,499	64,996	69,158
Total	90,443	92,550	90,473	99,986	127,857

People	2010	2011	2012	2013	2014
Skills	299	276	315	338	723
Technical	645	593	843	731	1,272
Languages	519	490	513	935	1,031
Total	1,463	1,359	1,671	2,004	3,026

Training Hours



People

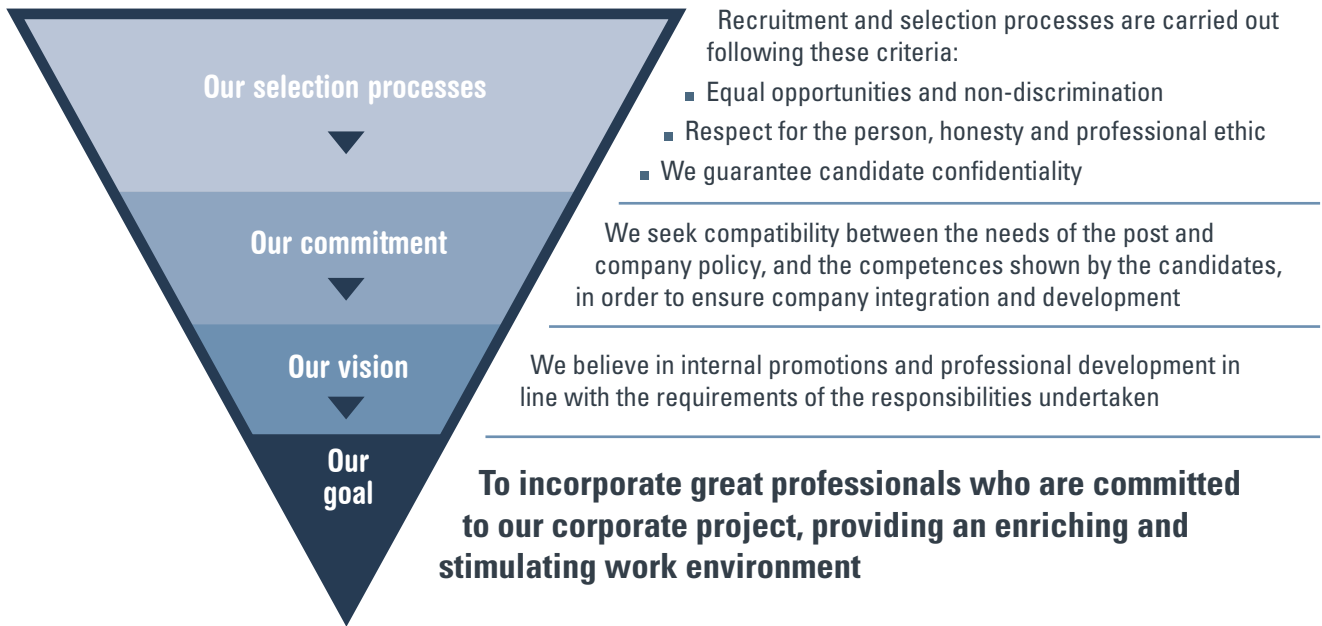


— Capabilities — Technical — Language — Total

Recruitment and selection principles

Our mission is to incorporate great professionals who are committed to our corporate project, who have the necessary skills and, as an essential requirement, will provide an enriching and stimulating work environment that will promote

professional growth. To achieve this, with complete transparency in the selection process, we seek professionals who will fit in and will provide value to the company.



Highlighted project:

The Jubail Refinery in Saudi Arabia

From the people point of view, human resources management during construction of the refinery awarded to Técnicas Reunidas was a great challenge that the company was able to successfully face with hard work and dedication, reaching standards of excellence in people management, as proven by the high safety indices during the project as well as by the quality and deadlines met.

The SATORP project has helped establish reference indices for the construction division and an innovating construction strategy that will be applicable to future projects performed by the company. An example of efficiency during the works was the construction method, performed in two staged or overlapping units (twin units) allowing us a learning curve for the second unit, which improved the deadline and hand-over of the plant and improving safety for workers.

The maximum number of workers on the project was 10,108, whereas the average number of workers was around 5,000.

In its commitment to local content and staffing, 72% of the workers were local (the other 28% were expatriate, of which 13.5% of the total were Spanish). During the project 68% of the workers were from Asia (including the Middle East), 13% from Europe (11% from Spain), 8% were from Africa, another 8% from South America, and 3% were from the USA.

There were many challenges in human resource management due to the large diversity of cultures and the location of the project. Some of these challenges for the company were processing visas, relocating expatriate workers and managing such an international and multi-cultural group of people. Procedures and manuals to welcome employees were implemented, making it easier for each person in the group to adapt, and the general services were suitably managed, leading to a very low turnover rate.

Suppliers

Engaging the supply chain: Principles of action and main figures

- ✓ To integrate our own commitments in sustainability matters in third party operations
- ✓ Extension to suppliers of own sustainability criteria
- ✓ Purchase orders for materials and services totalled **more than €1.5 billion**
- ✓ **36%** of purchases were made from **local suppliers or subcontracts**
- ✓ Técnicas Reunidas has around **800 regular and recurring suppliers**
- ✓ Efficient management of the supply chain

The average rating given to suppliers is around **2.15** points out of 3

231 self-evaluation questionnaires completed by suppliers were received, which is **27% more than last year**

98% of the awarded suppliers are audited or evaluated by Técnicas Reunidas

As of late 2014, **1,441 suppliers** have been certified

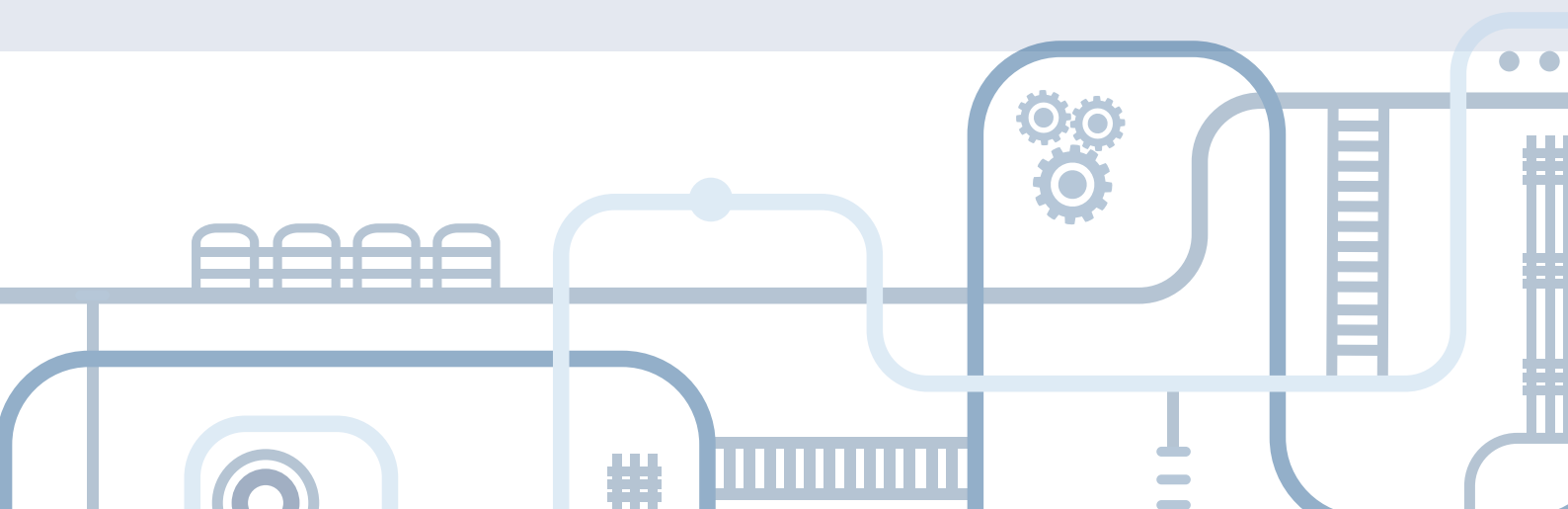


MILESTONES in 2014

- ✓ Establishment of sustainability requirements for suppliers
- ✓ Meetings with strategic suppliers to promote collaboration agreements and create improvement groups
- ✓ Implementation of the process to centralise critical purchases
- ✓ Development and implementation of HSE audits at supplier facilities to guarantee that our own sustainability criteria are extended

CHALLENGES for 2015

- To continue optimising supplier management
- To improve management of the knowledge on suppliers
- To encourage supplier synergies and obtain greater competitiveness
- To encourage analysis and monitoring of commitments to third-party sustainability



Comprehensive and efficient management of our suppliers and contractors

G4-DMA

Our focus on management

From a sustainability perspective and given the complexity of operating in international environments and on many diverse projects, it is essential for Técnicas Reunidas to develop and maintain suitable relations with suppliers and contractors. One of the main goals that should be improved year after year is to ensure that the services and materials or products that are contracted are in alignment with the company's own ethical, social and environmental standards.

Furthermore, from a technical and service quality standpoint, it is important that suppliers have qualified staff to perform special procedures (e.g. tests, thermal treatments, welding) as well as suitable facilities and technical means in accordance with their specific supply or manufacture, such as manufacturing means and equipment, or checks and controls on inspection, measurement and testing equipment.

Técnicas Reunidas is aware of its responsibility with the supply chain and it continuously strives for its management model to continue as an international point of reference. The company is committed to two key aspects: professionalisation of both Técnicas Reunidas employees and of its suppliers and contractors; and ongoing and open communication management with suppliers and clients.

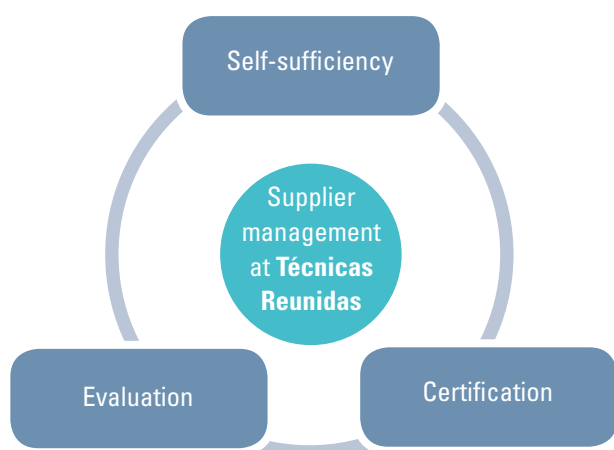
This is the result of the company's commitment to sustainability, and it constantly strives for its suppliers and contractors to adopt this commitment as well. Management of the supply chain not only entails a search and selection of reliable partners able to provide solvency and value, but also requires a shared commitment to sustainability.

One of the main tools to spread this commitment is the Técnicas Reunidas Internal Purchases Code, which establishes the standards that it expects from employees during the procurement process and in their dealings with suppliers and contractors.

Given that communication is essential to suitable and successful relations for both parties, Técnicas Reunidas organises quarterly monitoring meetings with all areas of the company and with specific suppliers. The purpose is to reduce potential risks and to ensure correct operation in the supply chain.

“The company thoroughly analyses all costs related to the purchases of materials and equipment in order to ensure strict control by country and type of supply”

For risk management and in order to minimise any possible negative effects, the company implements measures such as: distributing purchases amongst its various suppliers to increase supply security, and selecting suppliers based on the strictest requirements in terms of quality, the environment, safety and human rights. The company applies a general procedure for supply, certification and evaluation of suppliers, involving various levels of control that need to be completed in order for the supplier to be hired.



Map of risks in the procurement process

In order to better manage the procurement process, the company's Risk Management department has drafted a map of risks for the supply chain.

Suppliers are classified based on the level of risk entailed in the following categories: new suppliers (9%), known suppliers (90%) and known suppliers with technical-financial warning (1% - High risk are those suppliers with an unfavourable financial status, confirmed by a D&B report or other warnings pertaining to their technical capacity).

The main risks detected were:

- **Financial:** *Supplier financial situation that could entail a risk for delivery of the orders.* Evaluated by analysis of financial reports and ratios.
- **Delivery deadlines:** *Supplier capacity to meet the agreed delivery deadlines.* Evaluated by analysing the supplier's workload.
- **Environmental:** *Related to the negative effects of the supplier's activity on the environment.* Evaluated by verifying that they meet the environmental regulations and contract requirements.

G4-DMA, G4-EC9

Técnicas Reunidas encourages business relations and purchases with local suppliers. In 2014, purchase orders for materials and services totalled more than €1,500 million. 16% of this was contracted with local suppliers. This does not include local outsourcing, which would increase this figure to approximately 36%. An

onsite purchase procedure is established for local purchases, to ensure better treatment for this type of procurement. Based on this procedure, part of the local purchases are made directly from the site, enabling better information for local suppliers regarding the company's requirements.

Breakdown of purchasing volume by destination country (total supplies)

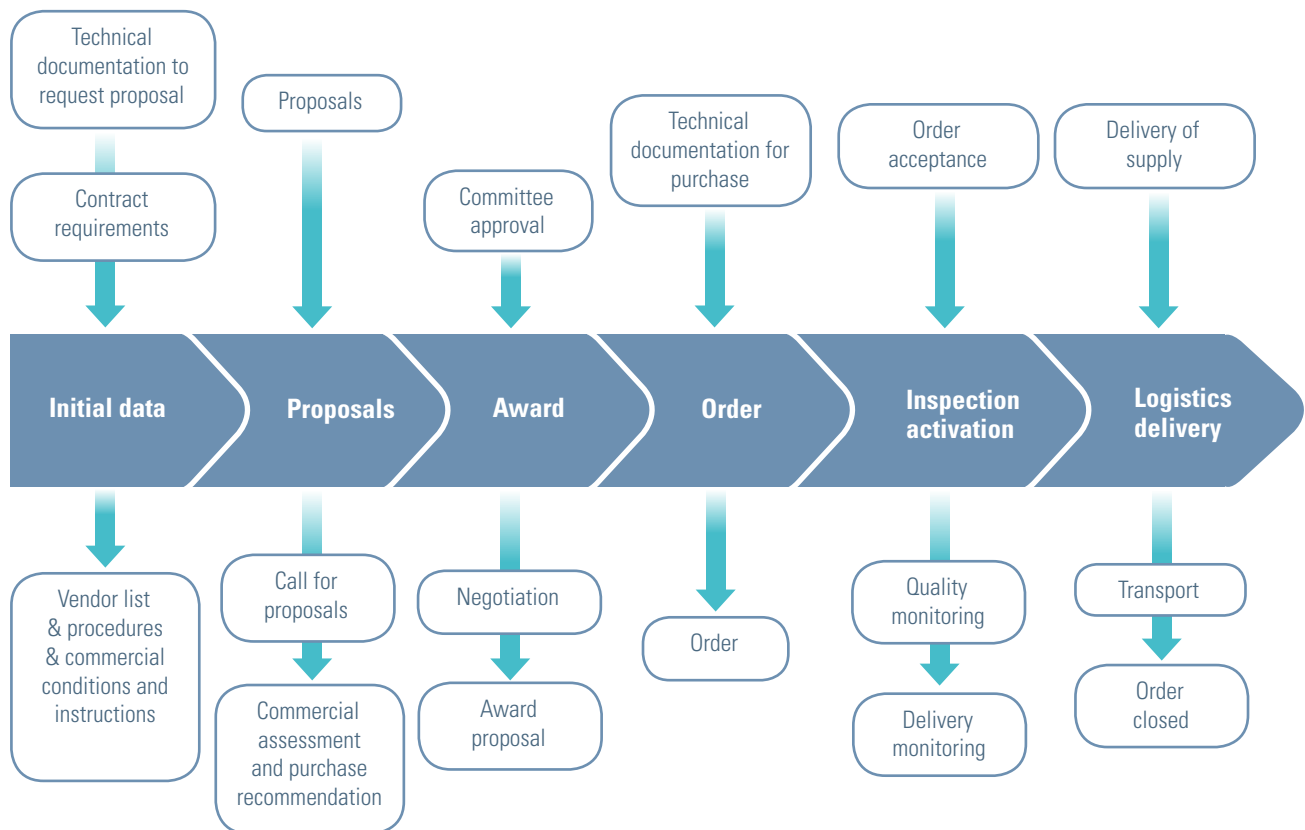
Project destination country	Total purchases by destination country EUR 2014	Total local purchases EUR 2014	% local content 2014
Turkey	420,816,077	24,038,605	6%
Saudi Arabia	347,714,710	92,919,392	27%
Peru	164,177,881	8,133,427	5%
Canada	158,040,059	79,692,085	50%
Algiers	128,708,678	33,275	0%
Bangladesh	101,123,986	-	0%
Russia	94,725,871	22,419,226	24%
Bolivia	59,130,819	2,351,481	4%
Belgium	51,236,879	13,131,561	26%
Australia	11,635,026	2,139,264	18%
Dominican R.	10,513,176	-	0%
U.A.E.	8,469,527	3,247,078	38%
France	2,740,838	1,137,236	41%
Portugal	1,459,732	647,112	44%
Spain	1,300,707	814,833	63%
Rest of the world	2,377,184	527,385	22%
Total	1,564,171,152	251,231,958	16%

The procurement process: Stages

Técnicas Reunidas has over 18,500 registered suppliers, 8% more than the total as of late 2013, of which close to 800 are regulars and recurring. Of these regular suppliers, approximately 10% are considered relevant due to the purchase volumes. Around 30 are considered critical, due to their importance for the company because of the purchase volume or because of the difficulty in finding alternatives.

The company has a specific process for procurement of equipment, materials and services. The object of the process is to ensure that they meet the company's requirements regarding quality and deadlines.

These are the stages in the supply process:



The process is decentralized, unless otherwise provided in company policy, such as the award authorisation and management of the certification process, critical purchasing criteria or the supplier database.

Sustainability criteria are included in these processes throughout the supply chain: drafting of the list of bidders, negotiation, selection and awarding of the orders, issue of the orders and lastly during quality monitoring inspections.

Supplier certification and monitoring. Principles and basis

G4-HR1, G4-DMA, G4-CRE6

Técnicas Reunidas requires that all of its suppliers and contractors follow the annual certification process, which includes specific requirements depending on the type of asset and service procured.

220 new suppliers were certified in 2014, including the required information on sustainability, therefore by late 2014 Técnicas Reunidas had a total of 1,441 certified suppliers.

Técnicas Reunidas prefers to award orders to those suppliers who have certified environmental management or who are in the process of becoming certified. These requirements must also be met:

- Will adopt the necessary measures to fulfil environmental legislation.
- Will notify any environmental incident that may arise in the course of each project's activities.
- Will resolve any incident that causes environmental damage.
- Will adopt the necessary preventive measures, particularly to prevent oil spills, polluting emissions into the air, negligence or mismanagement, and polluting waste.
- Will make suppliers report their carbon footprint at the prequalification questionnaire.

“Técnicas Reunidas includes specific clauses on human rights in the contracts with suppliers operating in hazardous countries, following existing practises and in alignment with the principles established in the United Nations Global Compact”

In addition to the company's requirements on environmental and Human Rights issues, it has established specific health and safety requirements, in line with OHSAS 18001. To ensure compliance with these requirements, company quality inspectors supervise all projects during regular visits to the projects under construction.

New audit report specifically for supplier HSE

A specific audit was defined and implemented in 2014 on matters of health and safety at the workplace and the environment for supplier facilities. Inspectors complete this report during their visits to the facilities. The visits are made at least once per month and the results are sent to the HSE department to be analysed.

62 of these audits were performed in 2014. The results of the supplier conditions analysis were published in the “HSE Summary” on 24 February 2015. Pursuant to these conclusions, support and training were provided to suppliers to improve their manufacturing processes.

In order to increase supply chain monitoring and security, Técnicas Reunidas expressly regulates the outsourcing of work or services to critical suppliers, under conditions gathered in the relevant contractual clauses in such a way that the goods used and services provided may be constantly supervised throughout the supply chain. The company also evaluates its critical supplier financial solvency each year, in order to avoid risks.

Detailed supplier certification process

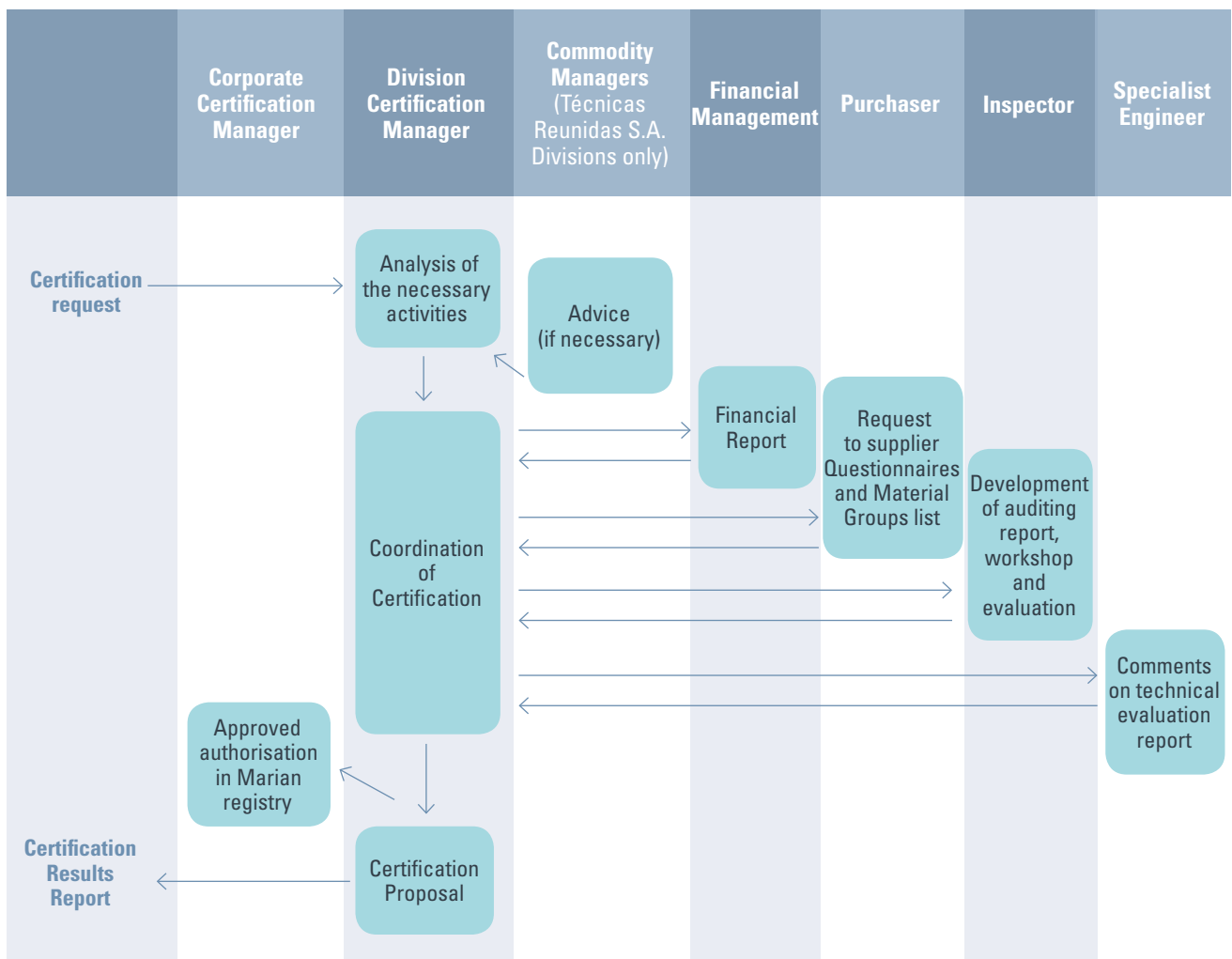
G4-EN32, G4-LA14

The division certification manager, within the Quality Department, who will coordinate these activities, leads the certification process for new suppliers. The client, according to each contract, will approve all suppliers of the main sub-orders.

In any case, whether or not the supplier is certified, the Procurement Coordinator may request additional activities for technically complex orders, entailing a high economic volume, with additional requirements indicated by the client, etc.

Additionally, the Marian system will enable an evaluation of the orders awarded and selected by the Certifications Committee. All information obtained will be consulted by the purchasers and taken into account in purchase recommendations.

“Técnicas Reunidas follows HSE and environmental criteria when certifying its suppliers”



Técnicas Reunidas' management of high-risk suppliers

Técnicas Reunidas has a supplier certification committee to identify high-risk suppliers, in order to analyse each supplier's situation and the corrective measures to be taken.

The certification procedure for suppliers that operate in high-risk countries in human rights matters will include specific clauses on the issue. Furthermore, Técnicas Reunidas quality inspectors, who regularly visit the production centres, monitor suppliers who may be critical due to their activities in health and safety matters.

Supplier evaluation at Técnicas Reunidas

With the aim that the company's requirements for suppliers and contractors are met at all times, Técnicas Reunidas periodically evaluates them. The results are provided and used as a reference when renewing certificates and identifying room for improvement.

Supplier training meetings are designed according to their specific needs, generally aimed at improving their processes in order to meet the evaluation requirements of the following year. These meetings are greatly valued by

suppliers, as they see the opportunity to improve their processes, contributing to improve their competitiveness. Técnicas Reunidas also benefits, as it is able to detect potential risks in the supply chain and take corrective measures earlier.

All evaluation reports are based on a verification of the supplies and services hired. Technical, quality, legal, financial, employment and human rights issues are checked, as well as those related to compliance with occupational safety and environmental regulations. This evaluation report identifies any room for improvement and shows whether there are any breaches. If a breach is detected, the supplier is notified and must present an improvement plan.

A series of corrective, supporting and collaboration activities were carried out in 2014 with suppliers, to help them meet their contract requirements. Through these activities, Técnicas Reunidas obtains further knowledge on the Supplier and this information can be used to assign future orders.

The average evaluation for the 2014 financial year is 2.15, on a scale defined by the company, where the maximum is 3. During 2014 the average rating of evaluated suppliers improved by 3.3%.

85% of all critical suppliers are audited with visits to their production centres, and interviews.

30% of all audited suppliers carry out corrective action plans and **20%** improve their performance in sustainability.

More than **200** audits have been conducted on suppliers over the last five years.

Below is a breakdown of the evaluations performed by Técnicas Reunidas in recent years:

	SUPPLIERS	ORDERS
2010	133	229
2011	130	184
2012	237	388
2013	93	119
2014	297	433
TOTAL	677 suppliers evaluated	1,443 orders evaluated

In 2014 the supplier evaluation criteria changed, significantly increasing the number of evaluated suppliers, from 93 in 2013 to 297 in 2014.

“In order to extend Técnicas Reunidas’ sustainability commitment to our suppliers, we send out self-evaluation questionnaires to suppliers with whom we have a valuable commercial relationship. In 2014 we received 231 questionnaires completed by suppliers. This is a 27% increase regarding last year”



Highlighted project:

The Jubail Refinery in Saudi Arabia

A specific team was assigned for this project from the purchase and supplier department, as well as an independent project closing team, which improved communication with the supplier in the last stages of the job.

Some of the activities carried out to ensure good company performance were optimisation of the awarding process and systematic use of insurance policies (financial derivatives) for coverage against price fluctuations in raw materials (mainly metals).

We found that Técnicas Reunidas was in a depressed supplier market, with a moderate risk of business closure. The perspective of an aggressive market led to reinforcement of the supplier certification process in the financial and delivery deadline fulfilment areas.

At the same time, the values of trust and ethics were reinforced in relations with suppliers, in order to prevent prices being agreed below market, which would harm the

solvency and sustainability of these suppliers. During the project awarding process, they were analysed in-depth to prevent a disproportionate concentration of awards to suppliers that would result in a procurement risk for Técnicas Reunidas.

Local supplier representation was high, 45% of the total of suppliers, who received purchase orders from Técnicas Reunidas for €97 million (17% of the total).

This project was a first step towards further interaction and training of suppliers from emerging countries, as well as local suppliers with little experience, with the aim to generate higher reliability in relations with suppliers. Several of the conclusions from this project were included in subsequent Work Instructions published in all Procurement areas.

Safety

G4-DMA

People safety as a non-negotiable priority:
operating principles and main figures

- ✓ To ensure the health and safety of our own employees as well as third parties in all operations
- ✓ To maintain occupational safety as a priority objective for the company
- ✓ To continue working to achieve the company's "Zero accident" goal

88.97% global result of all audits performed in 2014, compared to the required 85%

20 internal audits performed during the project construction stage in 2014

47% less accidents compared to 2013

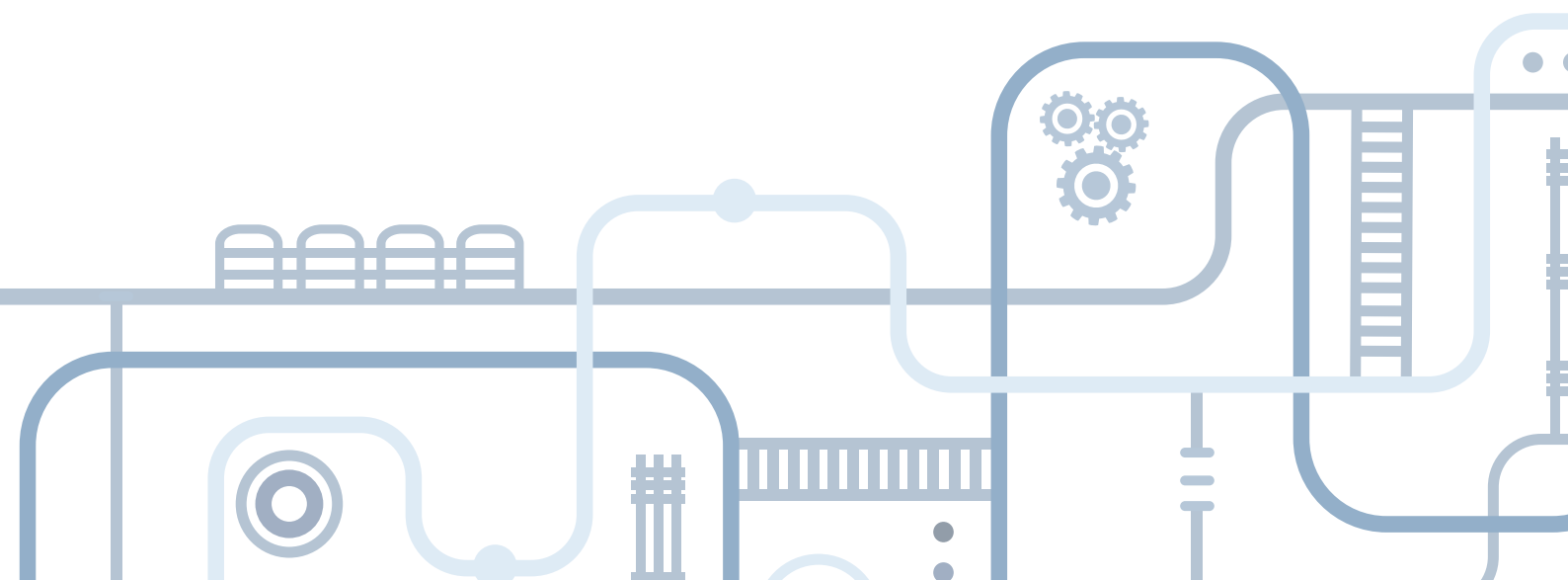


MILESTONES in 2014

- ✓ **Safety inspection at the Técnicas Reunidas' Suppliers Facilities**
- ✓ **Generalised election of contractor of the month on large projects**
- ✓ **Consolidated Health and Safety inspections in the offices**
- ✓ **Organisation of the HSE Site Management Forum**
- ✓ **Development of a centralized database to supervise and assign to projects any corrective measures arising from safety and health audits**

CHALLENGES for 2015

- **Define the Corporate HSE "Golden Rules"**
- **Standardized employee training in HSE (Health, Safety & Environmental) matters, through e-learning platforms**



Priority: safety management

Técnicas Reunidas and its clients and contractors, all over the world, share a zero-accident objective when developing their activity.

Our occupational health and safety measures are based on these three principles:

Integration of safety within the strategy

We efficiently include health and safety aspects in the business strategic plans, establishing objectives and regularly reviewing them.

Ongoing improvements on methods and processes

We promote a policy of ongoing improvement for methods and procedures and their subsequent application to all our activities, promoting accident prevention rather than correction.

Accident prevention philosophy

We promote throughout the company and for our suppliers a work philosophy based on accident prevention, so that we provide our workers with the best possible working conditions.

Employee and third-party health and safety is one of Técnicas Reunidas main commitments with its interest groups. These commitments cover from the design stage, working tirelessly and meticulously, to the construction, operation and maintenance stages with the aim to achieve suitable safety conditions for all persons involved in the project. We also develop steps to prevent accidents in the workplace, within our occupational hazard prevention management system.

Técnicas Reunidas considers that safety is the responsibility of all of its employees and contractors. To consolidate this, all of the company's Health and Safety Plans require that all employees and third parties participate in training activities and clearly defined responsibilities.

In-depth safety analysis for contractors

All of the bid requests require filling out a safety questionnaire, including provision of information and proof, to ensure that all subcontractors and suppliers comply with the occupational safety standards required by Técnicas Reunidas.

When the questionnaire and information is analysed, it is rated as: Valid, Valid with conditions or Not-valid. Valid with conditions means that additional clauses may be added to the contract, for example: more HSE checks are required at the site, implementation of a verifiable action Plan or further audits.

Occupational safety is fully integrated in the company through a solid corporate culture and a widespread Técnicas Reunidas Health and Safety Management System, which translates into safety for our employees and for third parties. The company did not receive any penalties for breach of health and safety regulations in 2014.

A corporate culture based on safety

G4-DMA

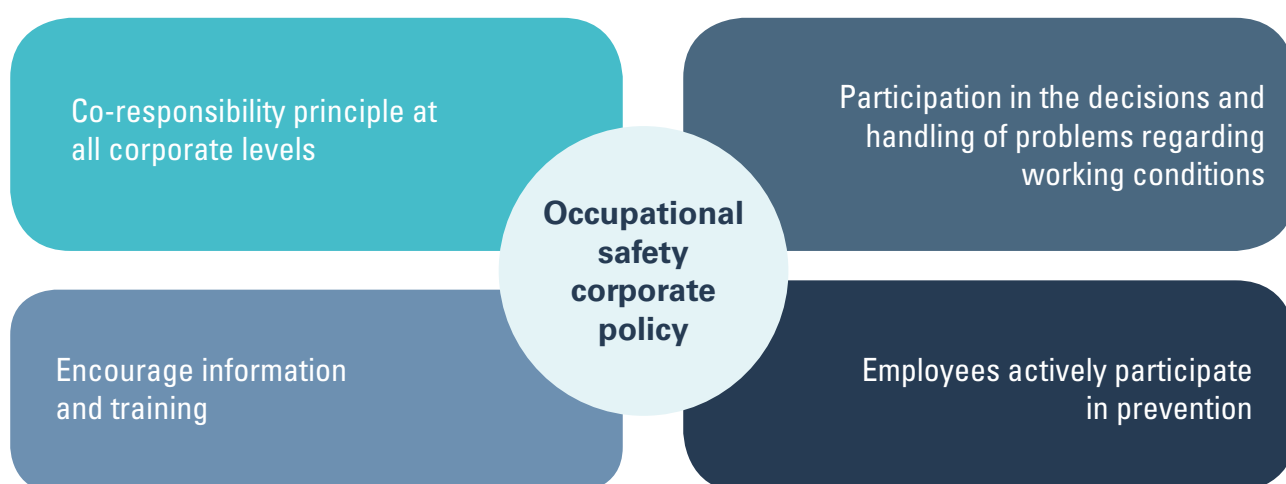
At Técnicas Reunidas we work to standardise health and safety procedures to increase efficiency in the dissemination and assimilation of corporate policies, so that all our employees fully adhere to occupational safety.

Técnicas Reunidas is fully aware of the need to train all employees to fully assume the occupational safety corporate culture. Therefore it implements mandatory and optional safety courses for employees, to increase their knowledge and to enable them to perform their activities with maximum safety. For example, a matrix of 42 courses is established for the Técnicas Reunidas

Technical staff participating in the project construction stages, which are taught pursuant to their activity or profession. This matrix establishes which courses are mandatory and which are optional or recommended.

All Técnicas Reunidas employees receive mandatory health and safety training when they join the company, and this training is ongoing. Site staff, both our own staff and third-party, attend an Induction Course with exams before they begin their activities at the site.

In 2014 activities, which previously had been performed according to their definition in the Safety Plans or to good practises, such as scaffolding assembly or on-site audits, were developed through specific procedures. Likewise, the company carried out several activities aimed at ensuring that employees were familiar with the application of the various tools, procedures and working methods.





Highlighted case:

Specific “Order and Cleanliness” campaign for office staff

Campaigns to improve order and cleanliness in workspaces were carried out in 2014 at all Técnicas Reunidas offices. The campaigns were implemented in all of the central offices Técnicas Reunidas staff (approximately 3,500 persons) and consisted of signs placed throughout the building, messages through the company intranet and monitoring inspections. Messages were focused on issues pertaining to proper use of storage areas, bumping into objects, accumulation of material, waste sorting and falls.

Técnicas Reunidas workplace safety management system

G4-LA5, G4-DMA, G4-CRE6

Based on our health and safety system we have developed an Occupational Health and Safety Management System, comprised of four stages: Planning; Implementation and operation; Verification and correct activation; and System evaluation.

The main object of the company’s management system is to ensure compliance with the prevention aspects by first identifying, analysing and evaluating risks and then recommending prevention and monitoring measures in buildings, facilities and workplaces.

In alignment with the company’s commitment to transparency, the occupational health and safety management system has been certified by BSI Group since 2008. Técnicas Reunidas has also implemented the OHSAS 18001 standard in order to fulfil the commitments contained in its health and safety policy. This standard is essential in order to comply with legal requirements and to better manage occupational risk prevention. The certification covers 100% of the management system and in 2014 the certifying entity’s report

contained three observations, two opportunities for improvement and seven minor non-conformities. An internal audit was performed in October 2014 and a monitoring audit by a certifying organisation in November 2014.



As part of its Management System, Técnicas Reunidas draws up specific health and safety plans that define the scope of the works to be performed and any preventive actions necessary for the projects. The pertinent project coordinator makes sure that these steps are taken in all projects:

- Provide the necessary information and training for workers and subcontractors, who should also identify the risks and preventive measures.
- Report incidents and accidents.
- Hold safety meetings with all interest groups (clients, suppliers and contractors, local community, employees and other organisations).
- Documentation, approval and certification of equipment, tools and machinery.

The prevention team periodically launches informative campaigns within the company on safety, risk prevention, healthy habits and good practice in health and safety matters. Furthermore, it has undertaken the following responsibilities:

- To check the suitability of premises with a visual inspection.
- To draft emergency plans.
- Drills.
- To train building brigades for each building.
- To launch informative campaigns.



Highlighted case:

The Talara Refinery in Peru - Implementation of HSE Management System

One of the most important construction projects for Técnicas Reunidas in 2015 is the Talara Refinery, where we will apply the lessons learned during implementation of the HSE Management System that is already in force and has proven highly effective in areas such as the Middle East.

As this is a new geographical and social area, we will have to perform an ongoing analysis process to ensure the proper operation and performance of the HSE Management System.



Mechanisms to supervise the Occupational Health and Safety Management System

To ensure that our occupational safety is fully assimilated by all of our employees, at Técnicas Reunidas we work to standardise health and safety procedures to increase efficiency in the dissemination and assimilation of corporate policies.

Técnicas Reunidas is fully aware of the need for training so that employees can fully assume the corporate occupational safety culture. To this end, it establishes mandatory and optional courses for its employees.

The company audit procedures are based on professional and suitably qualified safety personnel, an efficient system to monitor unsafe site conditions and a system to recognise contractors.

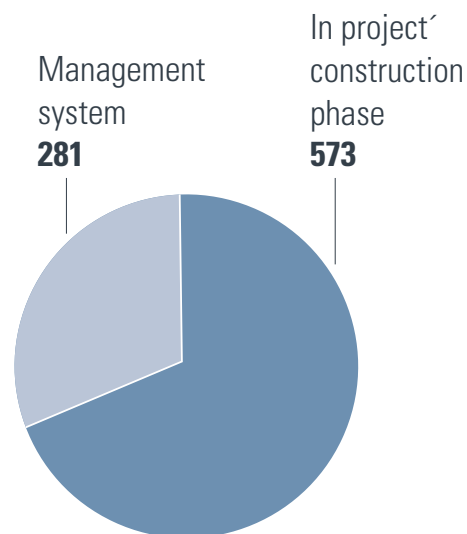
During 2014 internal audits continued in health and safety matters, obtaining above-average results, based on the target established at the beginning of the year. Twenty internal audits were performed during the project construction stage, an internal audit of the management system and an audit external to this system. A total of 854 findings were detected during the internal audits, of which 67% were related to field performance and the remaining 33% to the management systems. As for the external audit, the result was zero non-conformities.

During 2015, follow-up audits will continue according to the planned schedule.

Health and Safety Committee

This is the equal-member and associate body in charge of regularly and periodically checking the company's activity in risk prevention matters. It meets each quarter and consists of prevention delegates, who are workers' representatives with specific risk prevention responsibilities.

Category of the variances (identified on internal audits)



20

internal audits
during project
construction stage

1

internal audit
of the management
system

1

external audit
of the management
system

854

HSE
findings

Evaluation of our performance based on results

In order to measure our performance in health and safety issues, objectives are set and the results are then compared. This is for projects where we are the main contractor or we belong to a joint venture and hold responsibilities in the matter.

During 2014 Técnicas Reunidas had excellent statistical results for safety at its sites, even improving regarding the previous years, both on lost time injury rate (LTIR) and total recordable injury rate (TRIR), on a total of over 97 million hours worked. The lost time injury rate in offices has also improved regarding last year. As for "near misses", a total of 375 were reported and investigated between all of the company's sites.

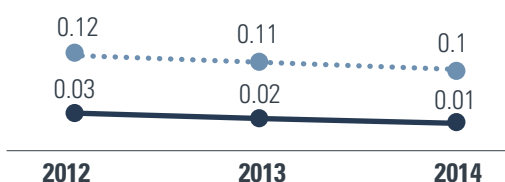
However, we regret the deaths of two subcontractor employees who were performing their jobs at one of our construction sites, which were investigated and have led to a series of measures aimed at eliminating the reasons that led to these fatalities.

Técnicas Reunidas obtained the following total results for its works in 2014 (Field performance):

	2014	Objectives 2014	Objectives 2015
Hours worked	97,583,031		
Fatalities	2*	0	0
LTIR (lost time injury rate)	0.01	0.10	0.09
TRIR (total recordable injury rate)	0.19	0.25	0.24

* Death of two employees of subcontractors who were working on one of our construction sites

LTIR



●●●● LTRI goal

—●— Lost Time Incident Rate (LTIR)=
No. accidents with leave /
No. of hours worked *200,000

TRIR



●●●● TRIR goal

—●— Total Recordable Incident Rate (TRIR)=
No. recordable incidents (acc. to OSHA) /
No. of hours worked *200,000

In order to continuously improve on safety, the near misses are recorded and reported at all sites. 375 near misses were reported worldwide in 2014. Compliance and scope of the safety measures are managed at each site in order to prevent this type of insecurities. The results of the investigations are notified to all companies involved, as well as to those who may become involved in the future. The most important incidents are also discussed in the "Toolbox meetings" (brief safety talks given to workers by their supervisors).

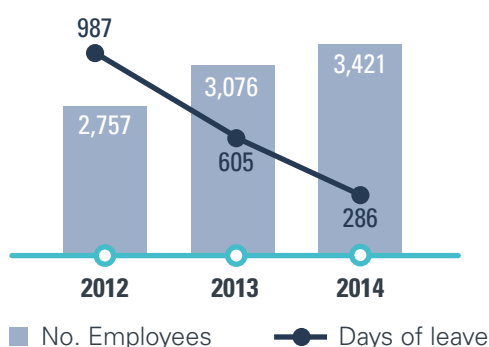
Other important data regarding safety is the absenteeism rate at company offices, which in 2014 was 2.92¹.

Below is the progression of accident rates in recent years:

	2012	2013	2014
Fatalities	0	0	2
Number of accidents	20	15	8
Days of leave	987	605	286
Number of employees	2,757	3,076	3,421

In the last three years the days of employee sick leave were reduced to almost a third, whereas the staff increased by 664 people, which proves the company's good performance in matters of occupational health and safety.

No. of employees compared to days of leave



Awards and recognitions

Our clients acknowledge our commitment and performance in health and safety issues. The main awards in 2014 were:

- The **Petrokemya Acrylonitrile Butadiene Styrene (ABS) Project** was recognised by the client, as we achieved 11 million hours without lost time injuries and we were the best Project on our HSE performance.
- The **Kemya Saudi Elastomers Project** received the "White Flag" from the Mobile Equipment Movement Safety Awareness Campaign as well as the "Green Flag". It also received the Award for best Project for its HSE performance, reaching 13 million hours without lost time injuries.

1. Hours of definitive absence (leaves * illness + maternity/paternity)* 100/theoretical hours

Highlighted project:

The Jubail Refinery in Saudi Arabia

From an industrial safety standpoint, sustainable development of a project this size is based on the design and implementation of a series of strategies aimed at maximising the safety of all people and companies taking part in the works. At Técnicas Reunidas we strive to establish safety as a main value within the organisation, to observe contract commitments and to have a design based on the best techniques available.

On the SATORP project the HSE (Health, Safety & Environment) team developed two HSE plans: one to cover the engineering and procurement stage and another to be implemented during construction. These plans were drawn up specifically for this project and were based on various standards and regulations.

Throughout the project all the necessary reduction measures were taken to protect both the project facilities and adjoining facilities, as well as all workers and the general public, in a sustainable manner, and the implementation of these steps in both the design and at the site was closely and continuously monitored.

As for safety during construction, on the SATORP project we achieved 54,000,000 hours of safe work with ZERO ACCIDENTS WITH LEAVE, which is an outstanding record in safety performance.

These satisfactory results were achieved thanks to the hard work by the site team, combined with the commitment by management and the implementation of the HSE programs, engaging contractors.

During the project Técnicas Reunidas received several awards for reaching safety milestones as those mentioned above.

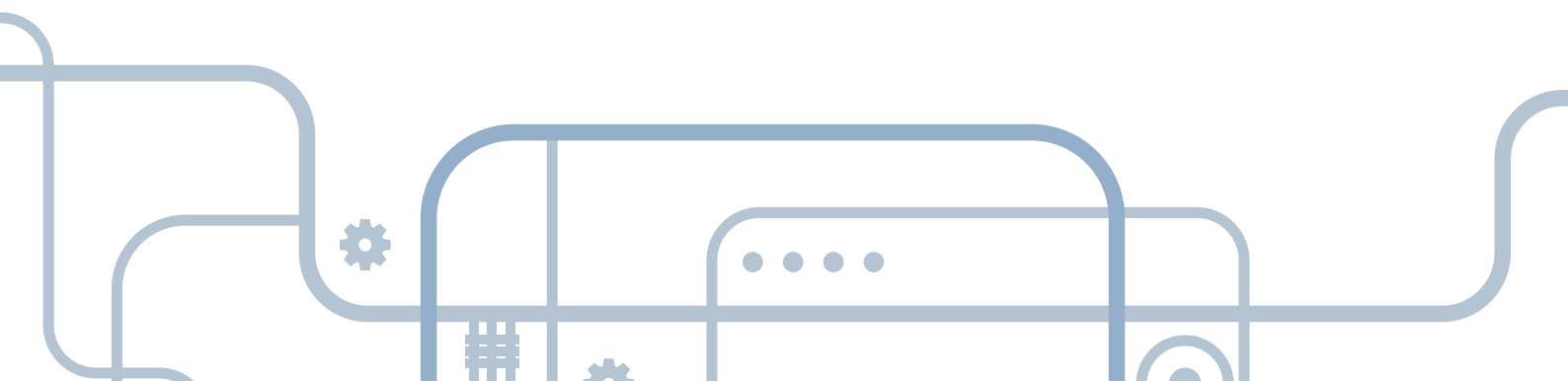


Environment

Responsible with our environment: operating principles and main figures

- ✓ **Contribute to sustainable development** through a rational use of natural and energy resources, minimising environmental impact by encouraging innovation and using the best technology and procedures available
- ✓ **Draw up projects that meet with environmental requirements**, both during engineering and in the construction stage
- ✓ **Try to reduce our carbon footprint by 12%** between 2013 and 2020
- ✓ **Protect the environment by responsible environmental conduct in all of Técnicas Reunidas activities** and encourage contamination prevention and ongoing improvement by optimising environmental management and minimising environmental risks
- ✓ **Publish relevant and truthful information on the activities carried out**, subjecting it to internal and external verification procedures that will guarantee its reliability and promote ongoing improvement
- ✓ **Work to reduce electricity consumption by 2% within 3 years**

100%
of our projects are managed
under standardised
environmental management
systems



MILESTONES in 2014

- ✓ **Selection of the energy savings System for the Técnicas Reunidas offices in Madrid** as an example in the Catalogue of Good Energy Efficiency Practices of the Club de Excelencia en Sostenibilidad (Excellency Club for Sustainability)
- ✓ **Calculate the carbon footprint and improve the rating on the CDP (Carbon Disclosure Project)** from 81C to 94B
- ✓ **Renew the European Covenant of Mayors on Sustainability** in environmental issues (Agreements 7 and 8)
- ✓ **Meet the objectives set for 2014** and progress on the medium and long-term objectives
- ✓ **Transparency in the communication of environmental and sustainability information**

CHALLENGES for 2015

- **To reduce electricity consumption of the computing equipment** continuing to replace the computers with "Green IT" equipment
- **To establish company-wide emission reduction objectives** during construction stages
- **To complete the implementation of a computer tool to manage environmental indicators**
- **To organise campaigns and courses** to raise environmental awareness
- **To perform a sustainable mobility analysis at the sites** by studying a pilot project
- **To continue with the corporate "Zero Spills" Policy**
- **To prevent environmental penalties** by planning, monitoring and verifying compliance with legality
- **To perform an energy audit** to identify actions aimed at achieving the objective of reducing the carbon footprint (12% between 2013 and 2020)



Our environmental focus, aimed at continuous improvements

G4-DMA

As a leading company in engineering, design and supervision in the construction of industrial installations internationally, Técnicas Reunidas faces the challenge to promote sustainability and environmental protection not only in its own activities but also in its business sector.

Therefore a key objective for the company is to propose and implement initiatives for progress in environmental management and sustainability across the board, and this requires involvement by all employees, at each and every one of the locations in the world where it operates.

Once these initiatives are defined, along with other requirements relevant to the company, the material aspects are evaluated and monitored, allowing quantitative objectives to be established to determine performance improvement. As it has implemented a large number of environmental actions, Técnicas Reunidas achieves ongoing improvement in this field, which is especially valued by its interest groups (Investors, clients and employees, among others).

Técnicas Reunidas' commitment is proven in its environmental corporate policy, based on these principles:

- Effectively incorporate environmental issues in its strategic and business plans and in all activities.
- Promote a policy of continuous improvement in working methods and procedures, encouraging a philosophy of prevention.
- To establish and periodically review environmental objectives.
- To fulfil current legislation and applicable codes and rules, as well as any other requirements binding the company.
- To provide employees and collaborators with adequate and ongoing training.
- To encourage awareness in environmental matters amongst its employees and collaborators.
- To encourage communication with interest groups and the distribution of relevant and truthful environmental information.
- To encourage effective energy use, preservation of the environment and pollution prevention in all our activities.

.....
**Identification, evaluation
and monitoring of
significant aspects**

**TR'
Environmental
Management
Focus**

.....
**Establish quantitative objectives
to improve performance**

Senior Management support for environmental management

The Senior Management at Técnicas Reunidas is very conscious of the implications that climate change may entail for the future. Therefore it deems it essential to calculate its carbon footprint and its energy efficiency, to thus determine the areas of its activity that have the most impact and develop plans to reduce emissions and to improve energy efficiency.

In 2014, and based on the ISO 31001:2010 Standard on Risk Management - Principles and guidelines, Técnicas Reunidas created a department for Risks and Opportunities, where climate change is one

of the main factors taken into consideration in planning company development. This led to the company factoring climate risks in its decisions.

The company management annually reviews the environmental management system, to guarantee its optimum operation and, if necessary, to initiate the relevant steps for improvement, including any resources, training and improved efficiency in systems and processes.

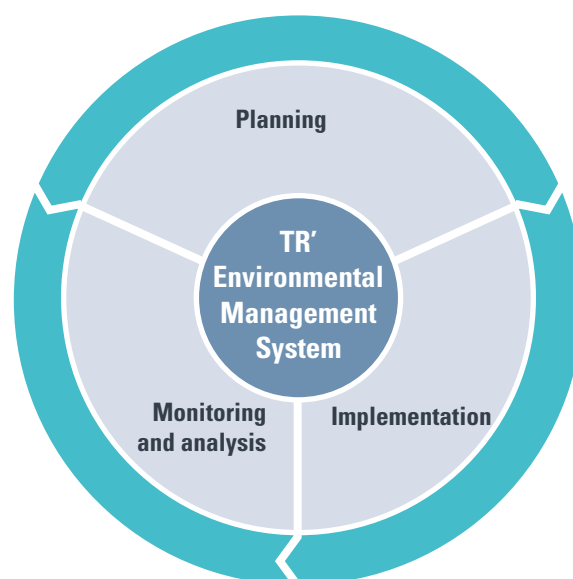
On the other hand, the Head of the Environment department holds quarterly meetings with the Secretary of the Board of Directors to report and receive guidelines from Senior Management on environmental issues.

Técnicas Reunidas Environmental Management System

Técnicas Reunidas considers the Environmental Management System (EMS) as a live and constantly evolving element, as it is based on continuous improvement.

In 2014 we identified the company strong points regarding maturity in the implementation of the EMS, among which are:

- Health, Safety and Environment (HSE) culture in the Organisation, with "Safety Topics" discussed at the beginning of the various meetings held.
- Calculation and monitoring of the Company's carbon footprint pursuant to the ISAE 3410 Standard.



- Internal environmental communication, highlighting:
 - Environmental campaigns through the corporate Intranet on energy saving focused on raising awareness among all staff.
 - The HSE Regional Newsletter for Arabia.
- Implementation of the electronic signature in project procedures, considered as a pilot project, among other reasons because it saves paper.
- Focus on efficiency in energy consumption in the new CDP.
- Analysis of the energy consumption of computers and servers, proposing energy saving strategies based on Green IT.
- Inclusion of PUE (Power Usage Effectiveness) as an environmental indicator.
- Regular internal audits to monitor the implementation of the system worldwide, highlighting the Audit Reports due to the practical focus and the improvement measures prescribed.
- Monitoring of supplier and outsourcer environmental compliance.
- Traceability of applicable environmental legal requirements, both in offices and in projects.

The company management annually reviews the environmental management system, to guarantee its optimum operation and, if necessary, to initiate the relevant steps for improvement, including any resources, training and improved efficiency in systems and processes.

The implemented EMS is based on:

1. Planning

Further to its environmental policy, the company has developed corporate procedures to define environmental aspects, legal requirements and others, as well as its objectives, goals and programs.

At present, the company is progressively incorporating sustainability objectives based on the principles and guidelines of institutions such as the Global Reporting Initiative (GRI) and the United Nations Global Compact.

2. Implementation

In order to respond to these procedures, in accordance with corporate standards and client requirements, two specific environmental plans are drawn up: one related to engineering and procurement and the other related to the construction stage. The first includes the environmental and sustainability requirements to be included in the engineering and purchasing stage. The second describes environmental follow-up needs on sites adapted to project development.

During this stage responsibilities are established to supervise and ensure compliance with both environmental management plans. In addition, the necessary actions to implement, monitor and improve the environmental management system were scheduled, as well as to ensure compliance with environmental objectives and goals.

Furthermore, these objectives were distributed amongst the acting or interested agents involved.

3. Follow-up and analysis

Our environmental management system defines the necessary instructions to minimize any environmental impact caused by the company's activities. Furthermore, using inspections and audits, all non-conformities are checked and documented in order to establish corrective and/or preventive actions. As for near misses, in 2014 there were 375 HSE incidents and although most were related to safety, a small percentage related to environmental issues.

Adapting the HSE plan to every company activity and project

Técnicas Reunidas' projects fulfil ISO 14001 and environmental legislation, both in the country where the project is located and pursuant to contract requirements.

The company draws up the plans that enable monitoring compliance with obligatory environmental requirements in each project: the environmental management plan in the engineering and procurement stage and the environmental management plan in the construction stage.

Each project identifies the environmental requirements applicable according to project type, country of execution, contracting company, etc., based on environmental impact evaluation procedures, permits and specific client procedures, amongst others.

In order to ensure compliance with the established procedures, the company regularly conducts internal audits:

- Every year in its offices.
- Upon completion of 30% and 70% of any projects at an engineering stage.
- Quarterly at the construction stage.

External audits are conducted every year by an internationally certified company (AENOR), which ratifies our environmental management system with a three-year certificate, based on ISO 14001.

The company's environmental management system has been certified by AENOR since 2000 for the provision of project administration and management services, basic and detailed engineering, procurement of equipment and materials, construction and commissioning for project execution, "turnkey" included, in the following fields of activity:

- Oil & Gas.
- Petrochemical.
- Fertilizers.
- Chemical industry.
- Nuclear facilities.
- Civil and construction engineering.
- Environmental, water, waste, atmospheric and noise engineering.
- Synthetic fibres.
- Pharmaceutical products, paint and resin, pulp and paper.
- Steel production and transformation, cryogenic and special storage.
- Mining and handling of materials, non-iron industry and electrochemical.
- Food industry.
- Technical heat transfers.
- Energy generation and co-generation.



In 2014 Técnicas Reunidas signed an Environmental Responsibility Policy, to cover the Organisation's environmental risks in the development of its activities worldwide. The activities insured under this policy include all those inherent to the company, such as:

- Drafting of projects, studies and reports.
- Purchase management, supervision, management, technical assistance and site and engineering project management, whether our own or third-party projects, including, but not limited to, design engineering, inspection, supply activation, assistance during assembly and commissioning.
- Construction management and supervision.
- Site and project management.
- Signing of basic design and implementation project.
- Safety coordination.

Coverages are adapted to Técnicas Reunidas' profile, including performance of the large "turnkey" projects".

Consumption of materials

Técnicas Reunidas is committed to optimising the use of material resources. Planning and supervising what each one will be used for and increasing their efficiency related to consumption, helps preserve the resources as their intensity of use is reduced.

During 2014 the company consumed 497,807.28 tons of raw material, between its offices and work sites. The main consumption was concrete, 414,905.43 tons (83% of the total) and structural steel 43,637.36 tons.

Técnicas Reunidas is committed to recovering materials, encouraging R&D&I aimed at recovering non-iron metals such as zinc, lead and mercury, amongst others.



Energy and climate change

G4-EN3

Climate change is an aspect that greatly concerns the Company. Energy consumption plays a major role in generating emissions affecting climate change; however, it is also deeply linked to countries' economic development.

In its search for sustainable growth, Técnicas Reunidas is committed to reducing climate change by improving energy efficiency and reducing emissions, in harmony with competitiveness, security of supply and environmental protection.

Since 2013, the company is working along two main lines:

- A commitment to energy efficiency as one of its strategic lines.
- Savings in energy use and optimization in order to reduce consumption and the consequent emission of fixed and diffused focuses.

Energy efficiency is considered as one of the means with the most potential for reducing GHG emissions. Therefore, Técnicas Reunidas has established the aim to reach a 2% reduction in energy consumption in its offices in the 2015-2018 period. It has implemented the following measures to this purpose:

- Drafting of preventive maintenance plans for electromechanical equipment and construction machinery, amongst others.
- Defining records for control and environmental monitoring, specific for energy use, and defining objectives for process optimisation.
- Awareness campaigns through the corporate Intranet and in person, including employee training.
- Comparative analysis of electricity consumption in buildings in order to define an energy efficiency plan.

Técnicas Reunidas has established the goal to reduce computer equipment electricity consumption in 2015, continuing with the gradual replacement with "Green IT" equipment.

Técnicas Reunidas has made a huge effort to measure CO₂ emissions, including not only those associated to direct and indirect energy consumed but also those activities not controlled by the company, namely suppliers and subcontractor, thus widening its scope throughout the value chain.

This first calculation of emissions is used as a starting point to draft and implement new measures to encourage the company's commitment to fight against climate change.

In line with the new and more ambitious European framework on climate and energy proposed for 2030, Técnicas Reunidas contributes toward these global objectives by moving towards a 12% reduction of CO₂ emissions to the atmosphere by 2020.

In 2014, Técnicas Reunidas consumed 38,437.62 GJ in gasoline and 77,065.88 GJ in diesel. In turn, electricity consumption increased to 10,460.21 MWh.

Through its emission reduction initiatives, Técnicas Reunidas in 2014 issued 10.13% less into the air than in 2013 by FTE (full-time employee), this trend is part of its strategic proposal to reduce emissions within Scopes 1 and 2.

G4-EN15, G4-EN16, G4-EN17

Energy Source	Direct energy consumed (GJ)	Indirect energy consumed (MWh)
Diesel	77,065.88	-
Oil	38,436.62	-
Electricity	-	10,460.21
Total	115,502.50	10,460.21

GHG emissions 2014 (t)

Scope 1	8,135.93
Scope 2	3,515.87
Scope 3	1,502,993.01
Total	1,514,644.93

2014 was the first year that Técnicas Reunidas reported the Supplier Carbon Footprint within Scope 3. This entailed a substantial modification in total emissions within this scope, based on ongoing improvement and transparency in emission reporting.

Water management

G4-EN8

Técnicas Reunidas pursues an improvement in the management processes of water resources, identifying innovative ways in which to limit the impact of water use and to benefit local communities and the environment.

In 2014 Técnicas Reunidas consumed 299,072.18 m³ of water, with a high rate of exploitation, because only 49,025.27 m³ were directed to purification plants in order to be treated for reuse or incorporation into the environment. Water consumption is summarised in this table:

Water consumed by source 2014 (m³)

Water for concrete	26,974.44
Drinking water network	47,741.64
Tanks	192,273.99
Well	29,855.26
Treatment installations	10.85
Rivers and lakes	0.00
Rainwater	2,216.00
Total	299,072.18



Waste

G4-EN23

Preventing, reducing and controlling waste management by implementing state-of-the-art technology in the environmental design of processes for the plants, as well as more efficient consumption by staff, by raising awareness, all lead to a large reduction in its environmental impact.

The main waste products generated by Técnicas Reunidas' activities are:

Hazardous waste generated by type (t)		Hazardous waste generated by type (t)	
Aerosols	2.15	Domestic waste	1,496.29
Alkaline batteries	0.05	Other waste	5.94
Biosanitary waste	0.82	Inert waste	1,040.08
Button batteries	0.00	Metal	1,914.18
Electric and electronic equipment	2.11	Paper / cardboard	140.38
Filtering and absorption materials	1.60	Toner cartridges	0.01
Fluorescent tubes	0.46	Wood	376.49
Lead batteries	0.02	Total	4,973.37
Energy-efficient light bulbs	0.01		
Oils	6.54		
Packaging of hazardous products	66.40		
Toner classified as hazardous	1.64		
Total	81.79		

Spillage

G4-EN24

Spills are accidental discharges that can affect the surrounding environment.

Técnicas Reunidas has a “Zero Spill” goal, using procedures to minimise environmental incidents. In addition, to prevent their recurrence and achieve ongoing environmental improvement, these incidents are investigated and responded to if they happen.

Thanks to this prevention and immediate resolution policy there were no substantial spills to report to the competent authorities in 2014.

In addition, the low volume of non-significant spills proves Técnicas Reunidas’ commitment to environmental incident prevention during 2014, having recorded only 0.31 m³ in all of the Company activities, including construction sites.

Environmental sanctions

G4-EN29

We must point out the complete absence of environmental sanctions on Técnicas Reunidas, both at their facilities and at the sites that they have developed for the last five years.



Relevant project:

LIFE WALEVA Project, an innovative way to turn waste into resource

Técnicas Reunidas collaborates with the Life Waleva European project, the aim of which is to develop an innovative way to use rice straw as a raw material to produce levulinic acid, used in numerous applications for the chemical, pharmaceutical and food industries.

In Extremadura, rice crops generate around 160,000 tons of rice straw every year, after harvesting the grain. Until now, this residue was burned in the fields, consequently emitting CO₂ into the atmosphere. The WALEVA project now intends to give it a commercial value.

The object is to use the rice straw as a raw material to produce levulinic acid, a substance that is widely used in the chemical industry to manufacture plastics, additives for fuels or herbicides, as well as by the pharmaceutical industry or to manufacture food and animal feed, among other uses.



Highlighted project:

The Jubail Refinery in Saudi Arabia

As for the environment, sustainable development for a project as complex as the Jubail refinery begins by implementing strategies fully aimed at maximising environmental protection, in addition to increasing security and taking care of the social aspects. The company is fully involved in environmental protection by integrating safety during operations as a priority value for the company, applying environmental requirements from the Royal Commission Environmental Regulations specifically for this project, strictly complying with contract commitments and basing designs on the best techniques available.

Two HSE plans were designed and implemented for this project. One for the engineering and procurement stage and another for the construction stage. These plans were drawn up specifically for this project and were based on the strategic principles outlined above.

The joint work between the Técnicas Reunidas team, both in management and execution, and the contractors, provided highly positive results regarding the environment, as proven by the fact that during project implementation Técnicas Reunidas received several awards for outstanding Environmental and Social Development.

The successful execution of complex projects and maintaining safe and environmentally correct conditions at the site are essential and a maximum priority for TR.



Society

**Active participation by Técnicas Reunidas in society:
operating principles and main figures**

- ✓ Full commitment with society and, especially with local communities close to the projects
- ✓ Active participation in society and in the local community should be a priority for any company aspiring to sustainability and wishing to generate value in the short, medium and long-term

In 2014 over
€550,000
were assigned to social projects

31% of Técnicas Reunidas employees are not Spanish, and part of them are hired at the locations where the projects are being implemented. Committed to diversity and implication with the local community

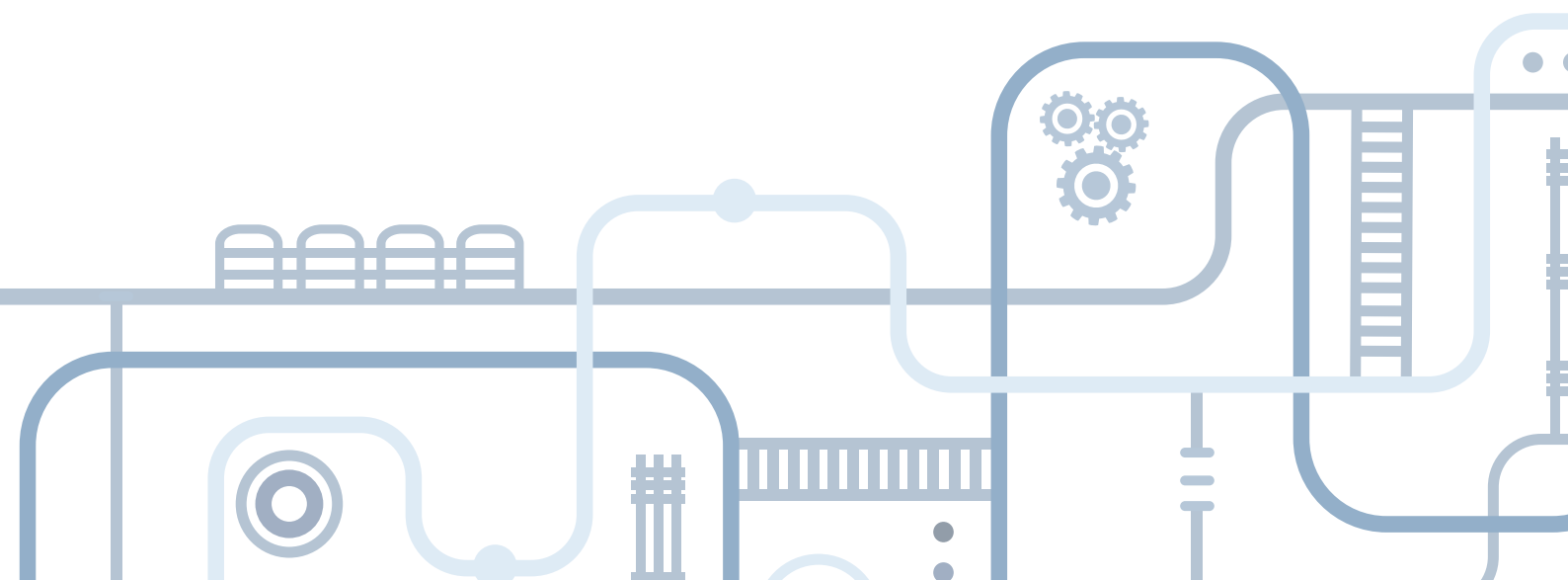


MILESTONES in 2014

- ✓ **Backing for the X Encuentro Empresarial Iberoamericano (X Ibero-American Business Forum) in Veracruz, Mexico, on 6 and 7 December 2014.** Técnicas Reunidas is an active sponsor of the Fundación Iberoamericana Empresarial, representing Spanish entrepreneurship
- ✓ **Collaboration with the Fundación Perú España,** a private foundation fostered by the Embassy of Peru in Spain, comprising the main Spanish investors in Peru

CHALLENGES for 2015

- **Continue working actively with various organisations and institutions** on aspects such as art, culture, science, cooperation, international relations, solidarity and the promotion of entrepreneurship and business activities



Committed to society

The social commitment that goes hand-in-hand with the business model

Ever since we began at Técnicas Reunidas we have expressed a strong desire to contribute to society's progress, and to work towards protecting the most vulnerable social groups.

After over a half-century of activity, we still firmly believe that social commitment must be an essential part of the company's business activities, so that it attempts to improve society's quality of life not only through its own activities (developing better sustainable products and services), but also through other projects and activities that will maximise its positive impact on society.

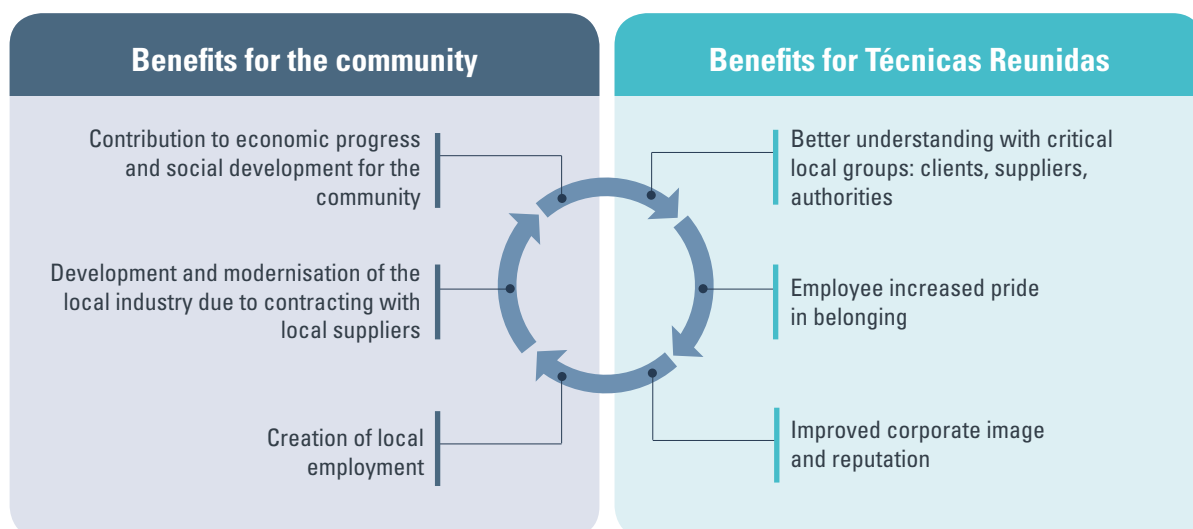
To materialise this commitment, beyond financial contributions, which exceeded €550,000 in 2014, Técnicas Reunidas has implemented a solid Corporate Responsibility Policy. This Company Policy is a reflection of the commitment that we have made towards society and is in line with the company's business model, maximising the generation of value for the whole of society and especially concerning ourselves with the communities closest to our operation locations.

Técnicas Reunidas works towards becoming an essential agent in contributing to sustainable development of the areas where it operates, generating shared value and boosting the benefits generated by the activities it performs.

Técnicas Reunidas' commitments to communities and society

- We will make investment in the community an integrated part of our projects and activities, in order to establish mutually beneficial relations with the communities that are near to our projects and operations.
- We will support innovating programs within education, health and the promotion of social entrepreneurial initiatives, as well as cultural and civil society initiatives.
- We will establish clear lines of action within the social environment and evaluate the results achieved by direct dialogue with the communities and beneficiaries.

“Implication with society and the community creates benefits both for the local environment and society and for the company”



Dialogue

Dialogue is essential for the company in its relation with society and with the communities around its operations. The strategy for relations with the communities, institutions and society in general is promoted at all levels of the company. The object is to detect the main needs and concerns of these groups and manage potential risks to reputation or to relations with the company.

The company considers it a priority to participate in initiatives that allow better visibility and knowledge on the various activities it carries out and on its contribution in terms of value, richness and knowledge.

Técnicas Reunidas has several communication channels that promote dialogue between society and the company, on the one hand listening to concerns or comments and on the other providing information and replies that may be of interest. The main channel is currently the corporate website. However, the Corporate Responsibility Report is set to become one of the main channels for Técnicas Reunidas to communicate with its

groups of interest, providing them with relevant and personalised information on its activities in the scopes of interest and influence.

Likewise, the various company areas publish information and knowledge through other channels such as questions via email, participation in national and international forums and conferences, collaboration in technical training programs or industry publications, among others.

Relations with communities

Throughout the last decades the international scope of its activities has led Técnicas Reunidas to face social and market circumstances that are quite different to those in Spain. The nature of the company's projects make it essential to establish roots locally in order to successfully perform its various engineering activities around the world.

One of the company's goals is to be considered as an example to be followed in those areas where it works, contributing to economic and social development, building long-lasting trust and fruitful relations with all interest groups.

Técnicas Reunidas has included relations with communities in its Corporate Responsibility Policy, with the aim to inform its interest groups of its commitments and main lines of work in matters of sustainability and corporate responsibility. It is therefore important to highlight its work not only in social aspects but also regarding the company's positive results in terms of employment, technology transfer or knowledge development in the locations where it carries out its activities.

Training in industrial specialisations in Saudi Arabia

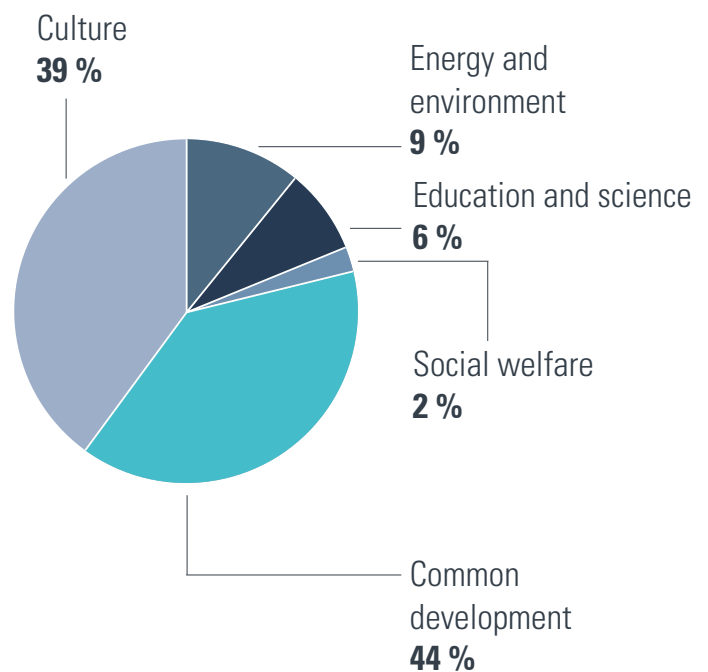
Técnicas Reunidas signed an agreement with Saudi Aramco and the Technical and Vocational Training Corporation, among other institutions, to promote training for local people in the Jazan area in Saudi Arabia. This aims to cover the requirements of training Saudi staff in industrial specialisations.

Técnicas Reunidas' role is to provide training and technical support. Pursuant to this agreement, the company will provide training programs that emphasize promoting industrial safety and ethical behaviour, in accordance with its needs and those of the local communities, supplemented with trainee internships. The company also offers financial aid for those students showing the highest potential. Students participating in these programs receive a certificate for having successfully completed the studies.

Social contribution

Técnicas Reunidas invests in the economic development of communities, in promoting culture, care for the environment and promotion of new sources of energy, as well as in science, education and social wellbeing.

Therefore, it supports relevant organisations whose mission is to promote and develop social activities and initiatives. Investment in 2014 for this purpose was €551,281, distributed as follows:



Our commitments to society

Commitment to science and research

One of Técnicas Reunidas' objects since its creation is to achieve excellence in all of its activities, including those relating to social commitment. The company is committed to contributing to research and to generating knowledge in those areas where it possesses advanced "know-how".

The company collaborates with various organisations and institutions in order to open new lines of research and knowledge that will enable companies in the engineering field to develop standards of excellence in the performance of their activities.

Commitment to education

Técnicas Reunidas participates in the main knowledge forums, both nationally and internationally. As well as this participation, another purpose of the Corporate Responsibility Policy is to support educational programs.

The company actively participates in promoting teaching, research and publishing activities, to promote educational and cultural improvement. The main beneficiaries of these activities are young people and adults interested in sustainable development and efficient energy usage.

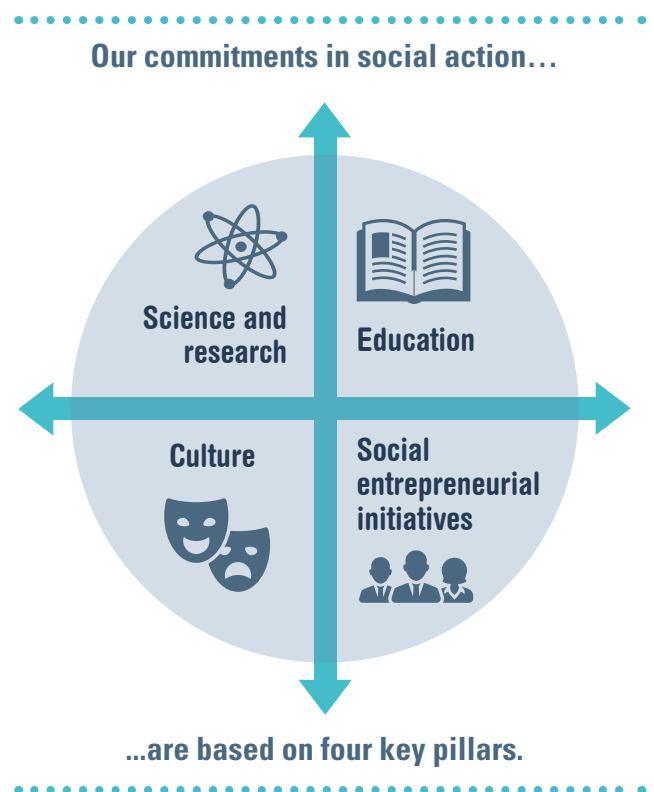
Commitment to culture

One of Técnicas Reunidas' main social commitments is the development and spreading of culture. This is proven by its participation in many activities, based on promoting culture.

Commitment to corporate initiatives of a social nature

Within its aim to promote shared value in those geographical areas where it implements its activities, Técnicas Reunidas participates in the development of initiatives towards social integration of the most vulnerable groups, financially collaborating with associations and foundations in those countries where it implements its projects.

On the other hand, the company also works to build cultural bridges that support a better knowledge of Spain throughout the world, and to create opportunities for cultural exchange abroad.



Creating value with the help of important organisations

G4-16

Below are the main organisations that Técnicas Reunidas collaborates with:

Art, culture and science:



Incorporated in 1986, the “Free Emeritus Association” aims to use the potential of creativity and teaching of emeritus professors to the benefit of Spanish society. Basically, it supports the creation and dissemination of culture in Spain, with the help of relevant personalities in the intellectual, scientific, academic and university world.

Técnicas Reunidas belongs to its founding and protective entities and acts as First Vice- Chairperson through Mr. José Lladó Fernández-Urrutia.

In 2014, valuable on-site and Internet courses were held, on historical, scientific and legal matters.

Mr. Juan Torres (Chairman of the Board), Mr. Juan Velarde, Mr. Rodolfo Martín Villa, Mr. Salustiano del Campo, Mr. Miguel Artola, Mr. Antonio Bonet, Mr. José Luis García Delgado, Mr. Francisco Rubio Llorente, Mr. Santiago Guisolia, Mr. Víctor Pérez Díaz, Mrs. Margarita Salas, and Mr. Gabriel Tortellá are only a few of the prestigious members of the Board of the Free Emeritus Association Foundation.



The Xavier Zubiri Foundation is a private cultural institution created in 1989, which protects the legacy of this Spanish philosopher as well as the part of the rights of Américo Castro that were donated to the Foundation by Carmen Castro, daughter of this historian and wife of Xavier Zubiri. This independent research and teaching institute is renowned and enjoys a broad network of contacts and promotion throughout Spain and the world's university world. The Foundation gathers professionals, academics and researchers, specialising in medicine, theology and philosophy.

Its annual seminars on the History of Practical Philosophy, Civic Ethics, History and Philosophy of Religion, are quite renowned. Since 2013, and until 2015, it is arranging seminars and conferences as, for example, of History of Contemporary Philosophy or an Advanced Seminar of Ethics.

Amongst the famous intellectuals who belong to its Board are Mr. Olegario González de Cardedal, Mr. Antonio González and Mr. Diego Gracia (Director). Former members, already deceased, include Mr. Pedro Laín Entralgo, Mr. Gonzalo Anes, Mr. Rodrigo de Uría, Mr. Manuel Gómez de Pablos and Mr. Domingo García Sabell. Técnicas Reunidas is the Chairperson of this Foundation, through Mr. José Lladó Fernández-Urrutia, and also acts as General Secretary, through the Doctor Ms. Marta Lladó Arburúa, and It has been linked to this institution since the very start of its activity.



The Pasqual Maragall Foundation for Research on Alzheimer's was founded in April 2008 to promote and support scientific research in relation to this disease and related neurodegenerative illnesses, with an aim to finding solutions for the cognitive difficulties of ageing. Its objectives include promoting a leading role of the private sector in biomedical research, encouraging the effective involvement of patrons and private investors to finance its scientific research and innovation projects.

Técnicas Reunidas belongs to the Patronage Council of the Foundation.



The Princesa de Asturias Foundation aims to help consolidate the ties between the Principality of Asturias and the Princesa de Asturias, helping to emphasize and promote scientific, cultural and humanistic values that are part of our world's heritage. Since 1981, the Foundation grants the Princesa de Asturias Awards, in various categories, to include the Arts, Social Science, Communication and Humanities, International Cooperation, Scientific and Technical Research, Literary Arts, Sports and Harmony.

Técnicas Reunidas is a founding member of its Board and Mr. José Lladó Fernández-Urrutia presides the Jury that grants the annual Princesa de Asturias Award for Arts.



The aim of the Ulls del Mon Foundation is to improve the visual health of persons suffering from eye disease, training local doctors and providing technical knowledge, equipment and consumables in some of the world's poorest countries, to include Bolivia, Mozambique and Mali. It also strives to prevent avoidable causes of preventable blindness through campaigns to promote visual hygiene or eye check-ups for children.

Técnicas Reunidas actively participates in this Foundation.



Fundación Amigos
Museo del Prado

The "Friends of the Prado Museum" Foundation is a non-profit private cultural organization that dates back to 1980. In addition to supporting the Museum, it encourages the incorporation of relevant personalities into the Foundation, in order to constitute broad and committed support over time. Since it was created many individuals, institutions and enterprises have contributed to the achievement of its foundational purpose. Mr. José Lladó Fernández-Urrutia is a Sponsor for the Foundation.



The Spanish Institute was founded in 1954 to encourage awareness and understanding of Spanish-speaking culture in the United States, and was renamed in November 2003 to recognise the support given by Her Majesty the Queen Sofía of Spain. The Institute carries out cultural and educational activities and is committed to the arts and Spanish artists. Mr. José Lladó Fernández-Urrutia is a spokesperson on the Foundation's Board of Directors.

International cooperation and relations

G4-16



The Institute for International Matters and Foreign Policy (INCIPE) is a cultural foundation, the basic aim of which is to research and discuss Spanish foreign policy and international relations. It intends to improve awareness of these issues by Spain's public opinion and to uphold Spain's national interests worldwide. Mr. José Lladó Fernández-Urrutia is the Chairperson of the Institution, to which he belongs since it was founded in 1991. Amongst its patrons are renowned personalities in the political and academic world, such as Mr. Darío Valcárcel, Mr. Luis Solana Madariaga, Mr. Pedro Schwartz and Mr. Pedro Solbes. INCIPE has been chaired by the late Mr. José María Areilza y Martínez de Rodas and by Mr. Eduardo Serra.

During 2014, INCIPE arranged many different seminars, conferences and working breakfasts to discuss international current affairs, focusing on safety and defence and on foreign relations between Europe, the U.S. and Asia.



Estudios de Política Exterior S.A., private and independent publishing group incorporated in Madrid in 1985, publishes magazines, reports and books on international affairs. Since its creation, it seeks to analyse Spain's foreign interests and Spanish culture in the world. Today, Estudios de Política Exterior is a recognised forum, both inside and outside Spain, for the discussion of relevant matters in international policy.

The first issue of "Política Exterior" was published in January 1987. Since then, this two-monthly magazine provides information and analyses of the constantly changing international scenario. "Política Exterior" brings together enterprises from all over the world in a free exchange of ideas in order to improve an understanding of Spanish, European and global issues.

Técnicas Reunidas partly finances this important publication.



The aim of this Foundation is to improve and promote Spain's image in China and to collaborate with the Administration in order to complement foreign policy from the point of view of civil society. As a result, the Foundation encourages greater bilateral exchange from a global perspective and involves its own programmes and activities to strengthen an interest in China.

Mr. Juan Lladó Arburúa, CEO of Técnicas Reunidas, is the Executive Chairperson of the Foundation's Board.



The Spain-U.S.A. Council is a non-profit organization, created in 1997 by civil society and backed by the Administration and academic institutions. It aims to promote a plural dialogue in economic, financial, cultural, education, political and professional matters, between Spanish and U.S. society. Its members include large companies, cultural and academic institutions and public servants, to achieve a better understanding between Spanish and U.S. society and institutions and to generate beneficial opportunities for both countries.

Mr. Juan Lladó Arburúa is a sponsor of the Foundation.

Fundación Consejo España-Rusia



The Spain-Russia Council Foundation was incorporated in September 2008 based on 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 Spanish and Russian civil society, in three aspects: the participation of civil society in relations between countries, cultural relations and economic/commercial relations.

At the request of the Ministry of Foreign Affairs and Cooperation, INCIPE was named Secretary of the Foundation. Its members include: BBVA, Santander, FCC, Garrigues, Iberdrola, Indra, Maxam, Mondragón, Repsol, Roca, Técnicas Reunidas and Telefónica, along with representatives of the government and other institutions.

Over the last few months, the Foundation has held a series of meetings between Russian authorities and enterprises and their Spanish counterparts in order to expand on the knowledge held by civil society.

Técnicas Reunidas belongs to the Foundation's Board. Its Chairperson is Mr. José Pedro Sebastián de Erice, General Secretary of Técnicas Reunidas International.



The Spain-India Council Foundation is a private cultural foundation, which since 2009, and backed by the Spanish authorities, strives to encourage mutually rewarding relations between Spain and India's civil societies. It focuses on economic, commercial and entrepreneurial cooperation, as well as cultural, scientific, civic, education and environmental protection matters.

Técnicas Reunidas belongs to the Foundation's Board.



The Chile-Spain Foundation was established in May 2011. Its aim is to increase all types of exchange between both countries, strengthening ties between our people and governments.

Técnicas Reunidas is a sponsor and founder of this Foundation and it actively participates in its activities.



The Official Chamber of Commerce of Spain in China plays a valuable role in institutional relations and for the common defence of the collective interests of Spanish entrepreneurs in China. To this effect, it encourages communication between the growing community of Spanish entrepreneurs in China and local authorities.

Técnicas Reunidas, through its Beijing office, actively participates in the Chamber's activities.



Caritas is an official confederation of charitable and social action organizations, created by the Episcopal Conference. It carries out highly valuable work in Spain to support and promote various social groups in a precarious situation and/or at a risk of social exclusion.

Técnicas Reunidas collaborates with Caritas through direct donations.



Food Banks are non-profit organizations that use volunteer work in order to recover any surplus food in society for distribution amongst the needy, avoiding any waste or misuse.

Técnicas Reunidas collaborates with the Spanish Federation of Food Banks.



It was created with the aim to create closer relations between Spanish and Latin-American enterprises, multinational and those operating in various Latin American countries, as well as for large and small companies, helping them to overcome any obstacles that arise in bilateral commerce and in investments. Its role as spokesperson for our companies on both sides of the Atlantic is increasing, and thus its contributions to the Ibero-American Conferences (Summits) of Heads of State and Government.

Their activities throughout the year are frequent, organising seminars, conferences and meetings with the participation of the main Ibero-American business personalities.

Técnicas Reunidas is a sponsor of this Foundation since it began its activities.



This is a Private Foundation fostered by the Embassy of Peru in Spain, comprising the main Spanish investors in Peru. Its aim is to improve and define our respective ideas of Peru and Spain, promoting not only economic relations but also cultural, especially involving civil society.

Técnicas Reunidas is a sponsor of this Foundation and it actively participates in its activities.

Promoting business and enterprising activity

G4-16



The Spanish Association of Capital Goods Manufacturers groups 130 companies and industrial groups and five sector associations, representing more than 400 companies and groups related to the design, manufacturing, maintenance and assembly of capital goods.



Spanish Seniors for Technical Cooperation is a non-profit organization declared to be of public use in 1995. Its volunteers are qualified professionals, retirees, early retirees or currently employed, who voluntarily wish to offer their experience and knowledge in business management to entrepreneurs or other groups that may need their assistance.



COGEN includes all those companies that believe in co-generation as a system that contributes efficiency to the energy sector and promotes its evolution towards a sustainable energy market.



ANQUE's mission is to become one voice for all chemists and to uphold their professional interests and image, increasing their scientific and professional standards and achieving a better social acknowledgement of their work. ANQUE intends to boost the activity of Spanish chemists in all fields- science, technical, society, economic and culture- both nationally and internationally.



The Forum of the Spanish Nuclear Industry groups all those Spanish companies related to the peaceful use of nuclear energy, ensuring the integration and coordination of their interests with the highest standards of security and reliability in terms of nuclear plant operation. The objectives of the Nuclear Forum are aimed at informing society about nuclear energy and, consequently, involve training, education and communication.



Técnicas Reunidas is a very active member of this Association, more than 50 years old, which groups engineering, consultancy and technological service companies in Spain in order to promote our common interests and the "Spain Brand" inside and outside Spain.



The Spanish Chamber of Commerce was founded on 19 November 2014, replacing the former Higher Council of Chambers, comprising representatives of the Spanish government, of the Autonomous Communities' Chambers of Commerce and of its group of large companies. Técnicas Reunidas is a member of the Chamber's Plenary Board and of its Executive Committee.

About this Report:

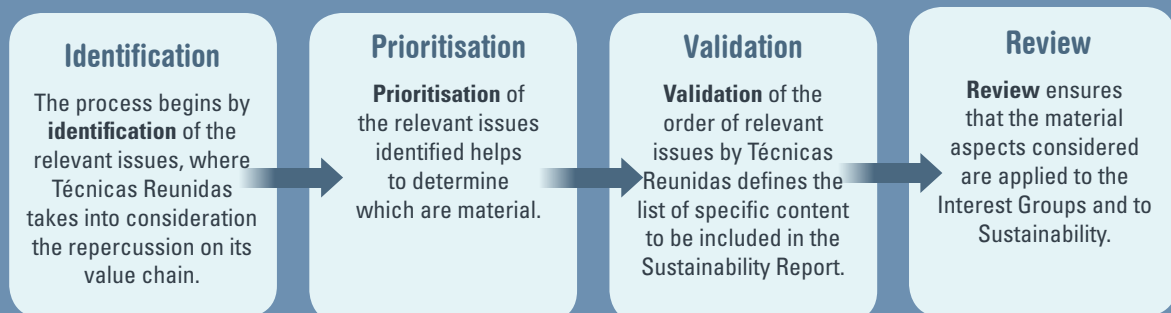
drafting process of the sustainability report

Process to determine the materiality issues for the company

G4-18

This Técnicas Reunidas Sustainability Report was drawn up according to the guidelines established in version 4 of the Global Reporting Initiative. This version of the GRI guidelines requires the company to perform a materiality analysis, that will identify the issues relevant to the company's interest groups in social, environmental and ethical aspects which must be taken into account given the potential impact they may have on the company and its activities.

Técnicas Reunidas has determined the materiality of these issues by selecting relevant matters (both the specific ones contained in G4 and non-G4 matters), the result of an external analysis thanks to public information sources from reference bodies and interest groups; and an internal analysis based on interviews with the managers of the main areas of business. The result of the following process produced a definition of relevant matters:



Identification of material issues

G4-18

The material issues contained in the GRI Guide to Drafting Sustainability Reports (version G4) are the starting point to identify any relevant matters for Técnicas Reunidas, along with an analysis of the expectations and concerns of prescribers considered relevant for the company, to include both key agents in the sector and the interests and expectations of interest groups.

Técnicas Reunidas considered the following sources as global references when identifying material matters:

- International bodies and sector institutions: Organization for Economic Cooperation and Development (OECD) and the United Nations Global Compact (UNGC), International Energy Agency and the World Business Council for Sustainable Development.
- Investors: Dow Jones Sustainability Index and FTSE4Good.
- Interest groups: Global Reporting Initiative Report on “Sustainable topics”, gathering the various matters identified as relevant for sector interest groups.
- In addition, Técnicas Reunidas has taken into account any relevant matters for the interest groups identified by analysing press releases during 2014.

Prioritization of material issues

The prioritization of issues depends largely on their presence in the sources analysed and the indications provided by each prescriber.

Internal validation

G4-27

The material issues identified were contrasted with various company areas:

- Financial management.
- Operations management.
- Occupational safety and risk prevention.
- Procurement management.
- Environment.
- Human Resources.
- Innovation.

In-depth study and reviews

Técnicas Reunidas’ analysis has produced 19 material issues, divided into two categories:

- Matters identified by Global Reporting Initiative according to the GRI Guide to Drafting Sustainability Reports (version G4).
- Other matters of interest to the company, sector and interest groups that are excluded from the GRI Guide (G4).

Observation: After identifying and prioritizing these material issues, a list of matters was drawn up based on those contained in the GRI Guide (version G4) and others identified by the company’s interest groups.

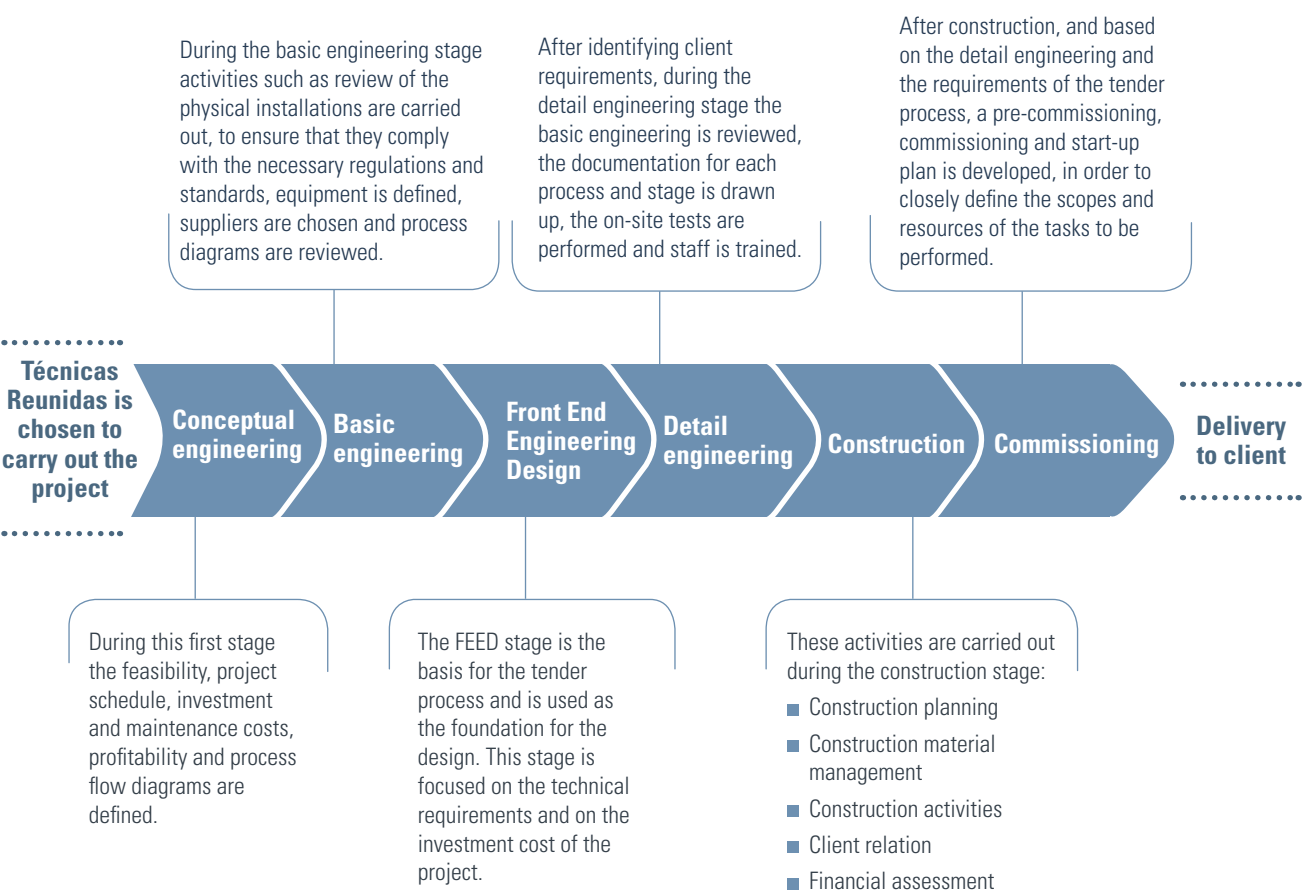
The final materiality matrix arranges these matters with GRI issues and other relevant sector issues for the company, for which a response is necessary in order to satisfy the expectations of its interest groups and ensure success of the business. Each indicator will be shown in the Table of Contents attached as appendix to this 2014 Sustainability Report.

Value Chain

G4-13

According to the provisions of the GRI Guide (G4), and in order to determine what is material and where it is relevant, various stages of the value chain have been determined where each matter is relevant.

During the 2014 financial year, no relevant changes have taken place in the company’s value chain.



Map of material issues

G4-19,G4-20,G4-21,G4-22

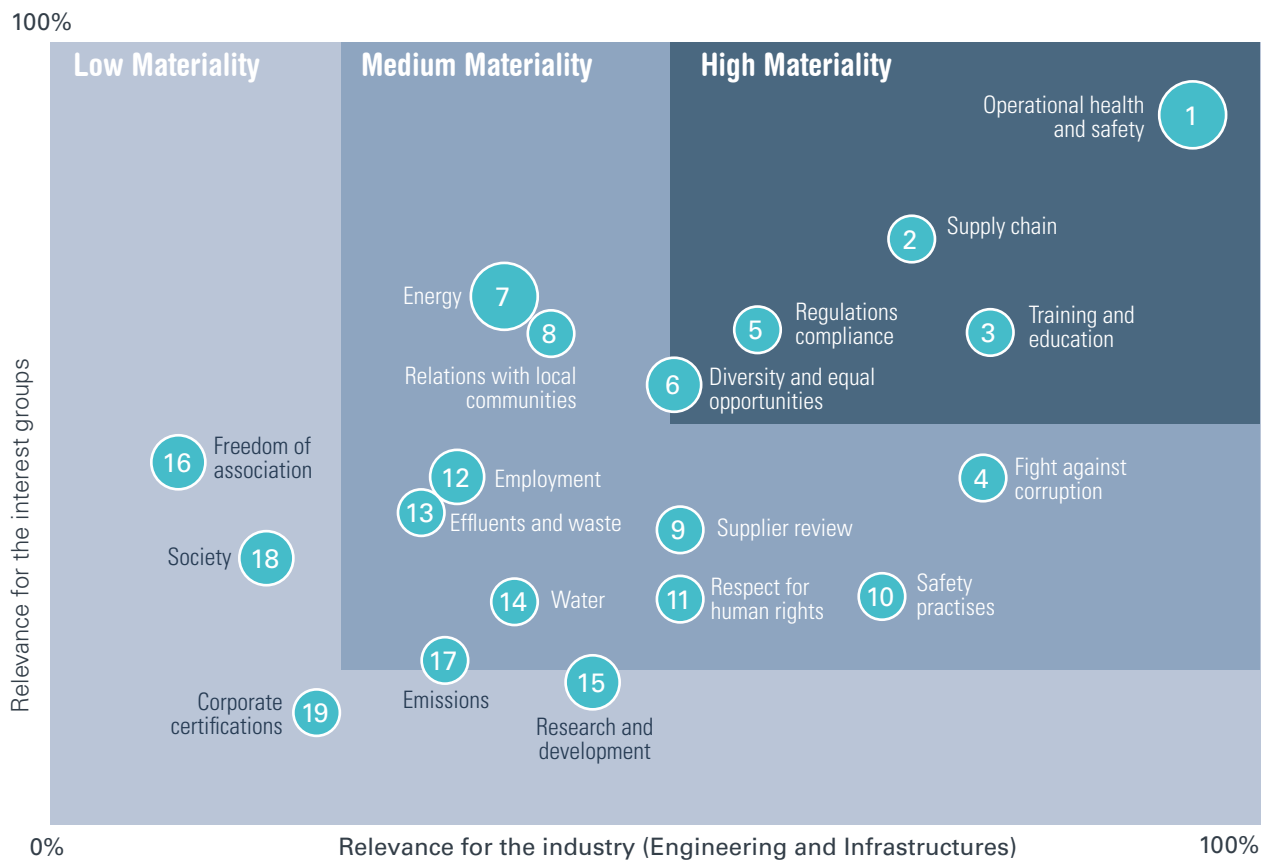
In order to locate material issues, firstly their relevance for the Técnicas Reunidas interest groups and for the sector is considered (graph 1) and then single-dimension prioritisation is performed, that indicates the issue's materiality under two points of reference (graph 2):

- Point in the value chain where the matter becomes material.
- Coverage of the impact, i.e. where the matter has an impact, inside or outside the company, and, consequently, the interest group affected.

Below is the two-dimensional materiality matrix, which considers the importance for the Técnicas Reunidas interest groups and for the sector.

Based on this matrix, the order of materiality is established for the issues pursuant to the values obtained for both dimensions (relevance for the sector and relevance for the interest groups). The analysis performed was taken into consideration for the evaluation, as well as the contributions made by the specific areas of the company.

Graph 1: Two-dimensional materiality matrix.



Methodology:

Relevance for the industry: Benchmark of the issues relevant to companies representing the industry

Relevance for the interest groups: Analysis of investor and DJSI questionnaire requirements

Scope: Importance of the issue in the media in 2014

Graph 2: Single-dimensional prioritisation of materiality prioritisation.

G4-19, G4-20, G4-21

Ranking by materiality	GRI aspects		Supply chain of Técnicas Reunidas						Impact within and/or outside the organization by stakeholder(s) affected	Chapter of this report in which the aspect is addressed
			Conceptual engineering	Basic engineering	FEED	Detailed engineering	Construction	Start-up		
100%	Operational health and safety	LA				●	●	●	Employees Suppliers	People Suppliers Safety
76%	Fight against corruption	SO	●	●	●				Society Employees	Corporate Governance People
73%	Supply chain	EN LA HR				○	○	○	Clients Suppliers Society	Innovation at the client's service Suppliers Society Safety Environment
70%	Training and education	LA	●	●	●	●	●	●	Employees	People
64%	Relations with local communities	HR SO				○	○	○	Society Employees	Society
61%	Emissions	EN			●	●	●	●	Society	Environment
57%	Water	EN			●	●	●	●	Society	Environment
52%	Diversity and equal opportunities	LA	●	●	●	●	●	●	Employees	People
48%	Supplier review	EN LA HR				○	○	○	Clients Suppliers Society	Innovation at the client's service Suppliers Society Safety Environment
48%	Safety practises	LA				●	●	●	Employees Society	People Society
47%	Regulations compliance	EN LA HR PR			○	○	○	○	Society Suppliers	Environment Suppliers
46%	Energy	EN			●	●	●	●	Society	Environment
44%	Respect for human rights	HR				●	●	●	Employees Suppliers Society	People
42%	Employment	LA	●	●	●	●	●	●	Employees	People
38%	Effluents and waste	EN			●	●	●	●	Society	Environment
35%	Research and development	EC EN PR	○	○	○	○			Clients Society	Innovation at the client's service
33%	Freedom of association	LA	●	●	●	●	●	●	Employees	People
33%	Society	SO				●	●	●	Society	Society
12%	Labelling of products and services	PR			●	●	●	●	Clients	Innovation at the client's service

Scope of information

G4-17, G4-23, G4-28, G4-30

The information included in this Sustainability Report refers to all the activities carried out by Técnicas Reunidas during 2014. Técnicas Reunidas presents its Sustainability Report annually.

For comparison purposes and to provide the reader with a performance over time of the data included in the report, data are provided for 2012, 2013 and 2014, to the extent possible. The list of companies belonging to the Técnicas Reunidas Group on 31 December 2014 is included throughout this Report and in the Group's annual accounts.

Compliance with the standards of reference

G4-32

Técnicas Reunidas considers that this 2014 Sustainability Report was drafted following the guidelines established in the G4 Guide on Global Reporting Initiative (GRI) at its Core level. Pursuant to the GRI recommendations, the balanced and reasonable presentation of the company performance requires applying certain principles for drafting the content of the public information, and to guarantee its quality.

Global Reporting Initiative principles used to draw up this Sustainability Report

Materiality. For this sustainability report we have considered as material the issues identified in the relevant materiality study.

Participation of interest groups. Técnicas Reunidas has identified its interest groups and takes steps to dialogue with them.

Sustainability context. This Sustainability Report analyses the company's performance in the context of economic, environmental and social requirements imposed by its social and market surroundings.

Exhaustiveness. The content outline contained in this Sustainability Report has been defined together with the managers of the company's main areas of management, ensuring that the reality of each activity area is taken into account.

Balance. The report aims to describe the challenges and areas of improvement in Técnicas Reunidas' performance.

Comparability. To the extent possible, this information will enable an analysis of the company's performance over time.

Accuracy. The information is provided in sufficient detail to enable the company's interest groups to adequately assess the company's performance.

Frequency. Técnicas Reunidas publishes its report each year.

Clarity. The information presented in this Sustainability Report is described in a comprehensible, accessible and useful manner.

Reliability. The data gathered in this Sustainability Report are obtained from the various corporate policies and procedures followed by Técnicas Reunidas.

For consultations and additional information:

All readers may address their doubts, consultations or requests for information through the company website: www.tecnicasreunidas.es

G4-5, G4-7, G4-31

Arapiles,14
C.P: 28015 Madrid. España
tr@tecnicasreunidas.es
www.tecnicasreunidas.es

Appendix.

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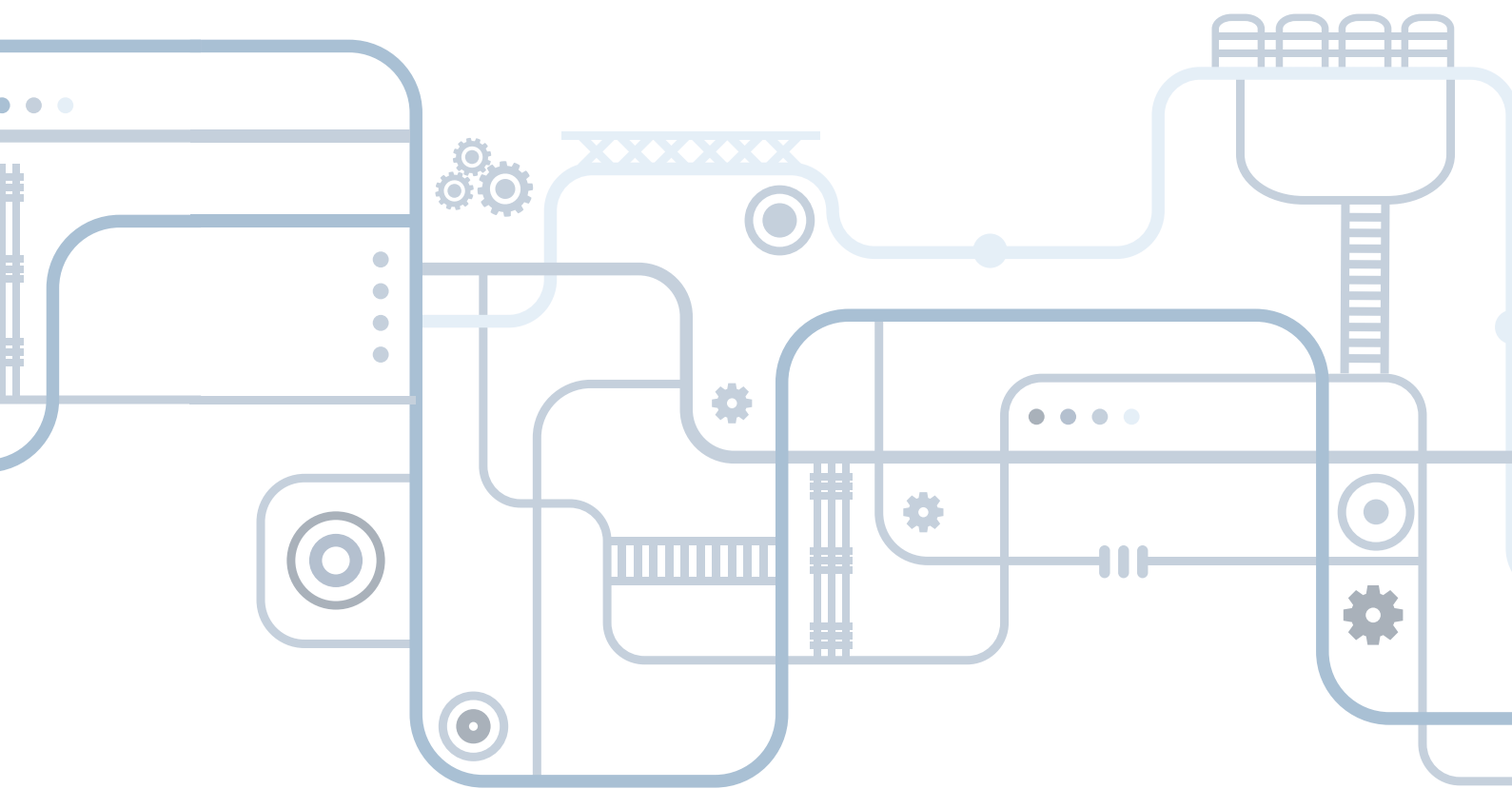
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G4-CRE6	Pages 64, 72		No





Arapiles,14
E28015 Madrid. Spain
tr@tecnicasreunidas.es

www.tecnicasreunidas.es

